

Leadership.
Influence.
Impact.



REALPAC Prospective Survey Results 2021

What Will Canadian Commercial Real Estate Look Like in 10 Years?

December 1, 2021

2021



REALPAC Prospective Survey 2021

The survey was conducted between September and October 2021 to determine what senior commercial real estate (CRE) leaders expect our sector to look like 10 years from now.

Key questions:

- What will employees, investors, tenants, governments, and society expect of CRE?
- What changes do we have to start making now to get there?
- Which sectors are the most potentially impacted?
- Which sectors will have the greatest challenges?
- How do we all contribute to a better Canada while maintaining successful businesses?

Survey sections:

- A. Society
- B. People & Culture
- C. Leadership & Strategy
- D. Technology & Innovation

Respondent Representation

33

Senior Leaders

16,500

Represented Staff

\$220B

Canadian AUM

Survey respondents included:

ACM Advisors Ltd.
Adgar Canada Inc
Avison Young
Canderel
CBRE
Concert Properties Ltd.
Crestpoint Real Estate Investments Ltd.
Crown Realty Partners
First Capital REIT

Granite Real Estate Investment Trust
Infrastructure Ontario
Ivanhoé Cambridge
Measurabl
Oxford Properties
Raymond James Bank
Strathallen
Triovert

Society





Our Greatest Challenges

Most Significant Business Challenges

1. Climate Change & Emissions (55%)
2. Regulation & Taxation (52%)
3. Talent Attraction & Retention (30%)
4. Affordable Housing (21%)
5. Immigration (18%)

Where CRE Can Contribute

1. Climate Change & Emissions (94%)
2. Affordable Housing (73%)
3. Equity, Diversity & Inclusion (55%)
4. Health & Wellness (30%)
5. Accessibility (18%)

Government Policy

Policy Constraints

1. Taxation (71%)
2. Affordable Housing (43%)
3. ESG Policy (32%)
4. Deficit Spending (29%)
5. Immigration Policy (18%)

Note: Percentages shown represent the percent of survey respondents who provided that answer

Responding to the Climate Crisis

Reducing Emissions

1. Capital Improvements & Retrofits (37%)
2. New Technologies (26%)
3. Investment & Financing (26%)
4. Energy Efficiency (19%)
5. Target Setting (19%)

Adapting to Natural Hazards

1. Investment Criteria (73%)
2. Building Resilience Measures (38%)
3. Underwriting & Insurance (27%)
4. New Technology (8%)
5. Staff Training & Awareness (4%)



Health & Well-being

Adapting to Future Health Crises

1. Work From Home Flexibility (45%)
2. Health & Wellness Programs (28%)
3. Technology (21%)
4. Office Layout (17%)
5. Air Quality (10%)



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People & Culture

B.



Workplace

Future of the Workplace

1. Flexibility (79%)
2. AI & Technology (52%)
3. Downtowns Will Remain as Business Centres (21%)
4. Reduced Office Space Leased (17%)
5. No Change in Amount of Office Space Leased (14%)

Required New Skills

1. Technology & Analytics (68%)
2. Flexibility & Adaptation (32%)
3. ESG (32%)
4. Global Thinking (21%)
5. Equity, Diversity & Inclusion (18%)



Employee Attraction & Retention

Employee Expectations

1. Equity, Diversity & Inclusion (71%)
2. Flexibility (61%)
3. ESG (29%)
4. Alignment with Corporate Values (25%)
5. Positive Corporate Culture (14%)

Keys to Talent Acquisition and Retention

1. Competitive Compensation & Benefits (52%)
2. Positive Corporate Culture (41%)
3. Equity, Diversity & Inclusion (38%)
4. Flexible Work Environment (34%)
5. Growth & Promotion Opportunities (31%)



Equity, Diversity & Inclusion

97%

of respondents believe that CRE will be more equitable, diverse, and inclusive, because of:

1. Talent Attraction & Retention (35%)
2. Investor & Stakeholder Pressure (19%)
3. It's a Necessity (19%)
4. To Remain Competitive (15%)
5. There will be More Diverse Candidates (4%)



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Strategy & Leadership





Performance

Attributes of Successful Companies

1. Strong Performance (56%)
2. Equity, Diversity & Inclusion (40%)
3. Strong Talent & Teams (40%)
4. Positive Culture (40%)
5. ESG (40%)

Required Leadership Skills

1. Technology (25%)
2. ESG (25%)
3. Equity, Diversity & Inclusion (17%)
4. Open-mindedness (13%)
5. Team Player (13%)

Investors & Boards

Investor Requirements

1. Strong Performance (86%)
2. ESG (82%)
3. Equity, Diversity & Inclusion (36%)
4. Strong People & Culture (14%)
5. Future Looking (9%)

Anticipated Changes in Strategy & Purpose Statements of Companies and Their Boards

1. ESG (70%)
2. Equity, Diversity & Inclusion (30%)
3. Continued Returns Despite Heightened Corporate Responsibility (13%)
4. Enhanced Risk Management (13%)
5. Longer-term View (9%)



Tenant Expectations



Office

1. Flexible Space (48%)
2. Amenities & Services (43%)
3. Flexible Lease Terms (35%)
4. Health & Well-being (30%)
5. ESG (26%)



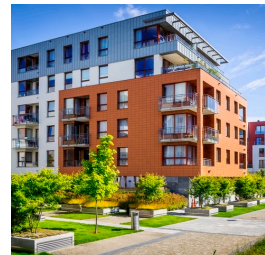
Retail

1. Strategic Location (38%)
2. E-commerce Support (33%)
3. Amenities & Services (33%)
4. Technology (24%)
5. Flexible Lease Terms (19%)



Industrial

1. Strategic Location (70%)
2. Technology (30%)
3. Height of Building (30%)
4. Lower Rent Costs (15%)
5. Flexibility (15%)



Multi-family

1. Amenities & Services (68%)
2. Strategic Location (27%)
3. Affordability (23%)
4. Technology (18%)
5. ESG (14%)

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Innovation & Technology

P.



Asset Class Innovation Trends



Office

1. Work from Anywhere (50%)
2. ESG (32%)
3. Data Analytics & AI (32%)
4. Health & Well-being (18%)
5. Space Utilization (9%)



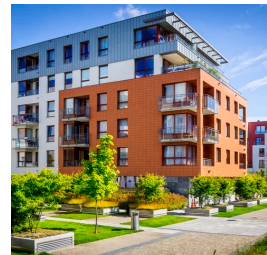
Retail

1. E-commerce (65%)
2. Data Analytics & AI (25%)
3. ESG (15%)
4. Inventory Management Technology (10%)
5. Mixed-use Development (5%)



Industrial

1. ESG (35%)
2. Height of Building (29%)
3. Automation (29%)
4. Data Analytics & AI (24%)
5. Delivery Efficiency (24%)



Multi-family

1. Virtual Tenant Services Platform (30%)
2. Data Analytics & AI (20%)
3. ESG (20%)
4. Delivery Efficiency (15%)
5. Health & Wellness (15%)

Sharing Economy & Blockchain

Impacts of Sharing Economy on CRE

1. Positive Impact on CRE (17%)
2. Shorter and More Flexible Leases (13%)
3. Reduced Parking Needs (13%)
4. CRE Will Have to Adapt to Keep Up (13%)
5. Sharing Economy Will be Integrated into CRE (9%)

96%

of respondents believe that new technologies like blockchain will change CRE investment. These changes include:

1. How Transactions are Done (31%)
2. Greater Transparency (19%)
3. Regulatory Impact (19%)
4. Greater Security (6%)
5. Will Require Skills Change (6%)





Adapting to Future Trends

Adapting to Emerging Technology & Innovation

1. Talent (42%)
2. Foster Culture of Learning (32%)
3. Investment in Innovation and R&D (26%)
4. Keep an Open & Flexible Mind (16%)
5. Reward Innovation (11%)

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