



YEAR IN REVIEW

2023



Founded in 1970, REALPAC is the national leadership association dedicated to advancing the long-term vitality of Canada's real property sector. We champion our industry's contribution to a flourishing Canada, and help strengthen the economy through providing employment, facilitating investment in and development of real estate, protecting the environment and growing strong urban centres nationwide.

130+

of the
largest CRE
companies in
Canada

\$148B

in annual GDP
contribution to
the Canadian
economy

1M

jobs created
by CRE
in Canada

FROM OUR CHAIR



Nathalie Palladitcheff
President & CEO,
Ivanhoé Cambridge

Over the past 12 months, Canadian commercial real estate has navigated a complex landscape, with challenges such as increased vacancy numbers, escalating interest rates, rising costs, and regulatory complexities. The fluctuating market conditions have certainly tested our mettle.

Yet, we have also seen an exciting surge of innovation and technological advancements, significant strides in sustainability initiatives, increasing adoption of amenitization, and more. As I reflect on 2023 in my role of REALPAC Board Chair, I continue to be reassured that our industry is inherently resilient and adaptable, led by strategic thinkers who will steer us through our current challenges and build on our industry's long-term success.

REALPAC's agenda this year has been dominated by the Affordable Housing portfolio. This is the perfect illustration to underscore how intricately linked our industry is with the broader Canadian economy, and the importance of dialogue and collaboration between public and private sector, not just to find solutions for our sector, but for wider communities. We understand that we have an integral role to play in enabling Canada's success and prosperity.

REALPAC members remain the cornerstone of our industry's resilience. Their commitment to excellence and adaptability in these times is demonstrated by increasing membership and consistent member retention we have seen over the last few years – a testament to the collective belief in working together towards our long-term vision.

We measure success in our industry not just by the short-term fluctuations of annual returns, but through a broader, longer-term lens. I remain confident that the future is bright. We have seen how strategic investments across technology and sustainability have helped set new standards for a more efficient and more responsible industry. We are embracing the exploration of concepts such as revitalization of urban centres or adaptive reuse of vacant office spaces, which present exciting possibilities for expansion and innovation. Our industry represents more than just the built spaces we live and work in – we create communities. We will continue to lead the charge in shaping a sustainable, dynamic future for Canadian commercial real estate.

FROM OUR CEO



Michael Brooks
CEO, REALPAC

2023 was a challenging year for most REALPAC members, with significant downturns across key real estate financial indices. We felt the impact of higher interest rates everywhere. The S&P/TSX Capped REIT Index closed at negative 4.4% and the MSCI/REALPAC Q3 results showed capital growth of negative 5.1%. I can't recall the last time these two indices were similar. Devaluation.

Against this backdrop, REALPAC worked hard to support members' stability and growth, maintaining a strong membership count, Net Promoter Score, and financial strength. Advocacy efforts continued to dominate our 2023 agenda, starting with our work on the problematic Prohibition on the Purchase of Residential Property by Non-Residents Act, where our efforts successfully resulted in amended regulations. Our work on the financialization of housing file continued, including deputations to the federal HUMA Committee and to the National Housing Council subcommittee. It is clear the narrative on Parliament Hill has shifted from demonizing landlords to focusing more on housing supply.

Collaboration was key in 2023. We partnered with the Canadian Alliance to End Homelessness and the Smart Prosperity Institute to develop the National Housing Accord, a blueprint for fixing housing supply barriers in Canada. It marked a pivotal change in our interaction with federal government officials, with the Accord seeing widespread support, and facilitating key discussions with the PMO, the Ministers of Housing, Finance, and Immigration, and the NDP and the Conservatives.

Our advocacy work extended across numerous other files including federal tax changes, development charges, parking levies, planning reform, accounting and ESG/capital market disclosure rules, new tax credit and grant programs to help defray building decarbonization costs, and more. We continued to be a trusted industry voice, participating in many ad hoc consultative sessions with all levels of government.

In the ESG space, we made significant strides, delivering new courses, webinars, and publications, including the first of its kind Canadian ESG Industry Report. Our ESG Committee – the largest of its kind in Canada – engaged a vast audience. My reappointment to the national Sustainable Development Advisory Council further provides a ringside seat to evolving federal policy direction. My service on the World Green Building Council, and REALPAC being the country GRESB partner gave us global insight. Overall, through our member engagement and activities, we reinforced REALPAC's reputation as a leading voice in ESG for commercial building owners and investors.

As we move into 2024, our focus remains on embodying high values, integrity, and professionalism in all we do, and we believe that links directly to our success. As always, we appreciate your support and we look forward to continuing to serve you for the betterment of your business, your people, your investors and stakeholders, our industry, and our country.

FOCUS IN 2023

Housing Affordability



REALPAC and our members believe that everyone in Canada deserves a safe, dignified, and secure place to live. We are committed to building a healthy rental housing system, with housing of all types, for the benefit of existing and future residents.

We recognize the multitude of factors at play contributing to Canada's rental housing crisis, and we understand the importance of our role in solving this issue.

In 2023, REALPAC launched two major campaigns to address housing affordability in Canada.

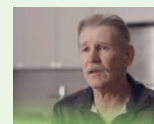
better. more. your.

HOUSING

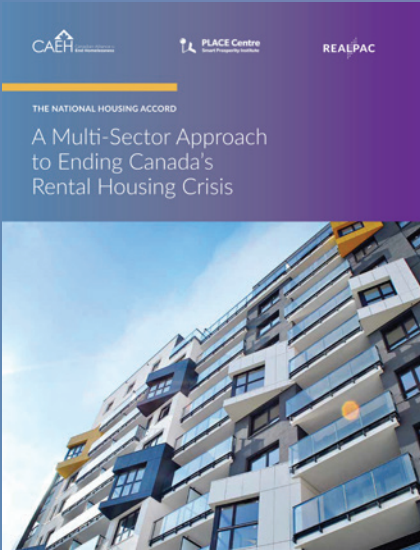


Working Together for Housing Solutions

The Better Housing, More Housing, Your Housing campaign focused on the essential role that Canada's rental market play in bringing housing to everyone in Canada. It serves as a platform for our members seeking engagement with key stakeholders interested in solutions that strengthen the Canadian rental housing market.



Learn more about the campaign:
realpac.ca/morehousing



The National Housing Accord

In 2023, REALPAC, the PLACE Centre at the Smart Prosperity Institute and the Canadian Alliance to End Homelessness brought together industry leaders from the non-profit, private, academic and public sectors for a roundtable to brainstorm solutions to restore rental housing affordability and to create an industrial plan for housing in Canada.

Together, we developed the National Housing Accord – a blueprint for the federal government to take immediate action to address the housing crisis, with 10 recommendations that are endorsed by stakeholders on all sides of the industry. The National Housing Accord was submitted to federal government as recommendations for the 2023 Fall Economic Statement and Budget 2024.

National Housing Accord Progress

GST removal for purpose-built rental construction

The federal government introduced legislation to remove the GST on the construction of new rental apartment buildings, senior living residences, and student housing, as part of a new suite of measures aimed at addressing the rising cost of living and making housing across Canada more affordable.

\$20B federal boost to low-cost rental housing financing

The federal government also announced it would unlock an additional \$20 billion in low-cost financing for rental housing construction, estimated to add an additional 30,000 new rental units a year.

Fall Economic Statement

The federal government's Fall Economic Statement included multiple initiatives to support housing supply and affordability, with indications that additional housing announcements would be forthcoming, and they are working towards a more comprehensive plan in the spring budget.

Promoting the National Housing Accord

The National Housing Accord received widespread coverage across social and mainstream media, including print, broadcast and online media. The Accord was also presented and discussed at the federal cabinet retreat in Charlottetown.

BNN Bloomberg

“Trudeau urged to change taxes, adopt ‘industrial strategy’ for rental housing”



“Housing experts, advocates, industry have unified message for government: Get more rentals built”



“No single force can fix Canada’s housing crisis – but Ottawa needs to lead the way”



“Feds need to turbocharge construction innovation to get homes built faster: experts”



“Freeland stresses economic focus, while cabinet hears from housing experts on Day 2 of retreat”



Michael Brooks, CEO, REALPAC,
Honourable Chrystia Freeland,
Deputy Prime Minister and Minister
of Finance, Tim Richter, CEO, CAEH
at Housing Days on the Hill

REALPAC and the National Housing Accord partners also hosted ‘Housing Days on the Hill’, supported by MP Mona Fortier. During this event, they met with approximately 20 government representatives including influential MPs and Ministers in one-to-one meetings, representing diverse political affiliations and constituencies from across Canada. They also attended a roundtable hosted by MP Mona Fortier in her riding of Ottawa – Vanier, for a discussion with local housing stakeholders. Housing Days on the Hill also included a reception on the Hill sponsored by MP Fortier.

GOVERNMENT RELATIONS

Highlights in 2023

REALPAC's government relations continues to focus on Balanced Taxation & Financial Policy, Energy & Environmental Sustainable Policy, Progressive Land Planning Policy and Effective Capital Markets, in addition to the Efficient Housing Markets file. In 2023, REALPAC worked with governments, industry partners and other stakeholders across the country on a variety of issues.



Prohibition on the Purchase of Residential Property by Non-Canadians

In February 2023, REALPAC heard from its members about the negative impact of the Prohibition on the Purchase of Residential Property by non-Canadians (the Act) and associated Regulations on normal commercial transactions. REALPAC worked diligently with many of Canada's major law firms and other industry partners, as well as with a few members in tackling the cataloguing of issues and the changes needed to fix the Act and the Regulation, and perceived problems with them. REALPAC also directly engaged with Minister Hussen's office and CMHC in line-by-line discussions of the fixes needed. On the afternoon of March 27, 2023, amendments to the Regulations were released.



Challenging the Parking Levy in the City of Toronto

The City of Toronto has been reviewing revenue tool options available to it under the City of Toronto Act and the Municipal Act provincially. These permitted tools include a parking levy. While REALPAC recognizes the City's financial pressures, REALPAC and a coalition of business associations and groups in the City submitted letters and documentations to the City, respectfully requesting the city avoid enacting the parking levy, as the levy could have significant, negative, long-term consequences on Toronto's businesses and economy. REALPAC CEO Michael Brooks appeared at the City of Toronto's Executive Committee to speak on this issue.



Working with the Federal Government on Several Tax Issues

REALPAC has been in contact with the Federal Department of Finance and, when relevant, the CRA, on the Underused Housing Tax, the Share Buyback Tax and the Green Technology Tax Credits through 2023. REALPAC will continue to engage with the government and our stakeholders on these proposed tax measures.



Advocating for Improved ESG Measurements & Performance

REALPAC has been active on engaging governments and industry organizations around ESG, including submitting comment letters on behalf of our members to the Government of Canada on clean technology investment tax credits, to GRESB on the inclusion of CRREM v2 pathways, and to the Science Based Targets Initiative on their draft building sector guidance. We solicited feedback and comment from our members in these responses.

Underused Housing Tax File

In response to feedback received, including REALPAC's submissions, the government is now proposing to make several changes to the UHT, including:

- (a) Elimination of Filing Requirement for Certain Owners,
- (b) Reduction to Minimum Failure to File Penalties,
- (c) Exemption for Certain Employee Accommodations,
- (d) Additional Technical Changes, and
- (e) Additional Time to File 2022 UHT returns.





CELEBRATING
30
 YEARS OF
REITS

On March 29, 2023, REALPAC, its Board of Directors, and representatives from the Real Estate Equity Securitization Alliance (REESA) opened the Toronto Stock Exchange in celebration of the 30th Anniversary of REITs in Canada. REALPAC remains committed to represent REITs in Canada, and to constructively educate and work with policy makers at all levels of governments, to demonstrate the benefits of the REIT model, to advocate for the growth of REITs, and to provide everyday Canadian investors the access to professionally managed real estate.

COMMITTEES

Fostering Connections Between Members



1100+

Attendees

In 2023, REALPAC's hosted multiple committees, events and webinars, helping facilitate valuable exchanges of ideas between members. The record number of attendees reflects our commitment to member engagement, and we are focused on building on the momentum through 2024 and beyond.

16 Standing Committees

- Apartment Owner
- Cyber Security
- ESG (plus 2 new working groups)
 - GHG Accounting
 - Zero Carbon
- Executive Member
- Financial Best Practices
- Fund Management
- Industrial Owner
- Lender
- Marketing
- MSCI/REALPAC Canada Property Index
- MSCI/REALPAC Canada Property Fund Index
- Office Owner
- People & Culture
- Research
- Retail Owner
- Senior Living Owner

EVENTS

Forging Industry Connections Through REALPAC Events

REALPAC Chair's Reception in Toronto



Executive Member Regional Dinners

REALPAC hosted Regional Dinners in Toronto, Montreal, Vancouver and Calgary, to bring together its Executive Members to build new relationships and work collectively to find solutions to pressing CRE issues.



Executive Member Summit Chicago

REALPAC also hosted the 25th annual Executive Member Summit to connect members with other industry leaders and explore the unique real estate market of Chicago, Illinois.



Executive Member Summit in Chicago, Illinois



**Conferences:
RealCAPITAL & RealREIT**

REALPAC and Informa Connect together hosted two annual conferences – RealCAPITAL 2023 and RealREIT 2023. These conferences brought together Canadian CRE industry leaders for insightful discussions on market performance and future key issues.

REALPAC also supported Informa Connect with the Toronto Real Estate Forum, where it presented the Prospective Survey 2023 Results.



The Prospective Survey 2023 Results Presentation at Toronto Real Estate Forum



2023 Canada Real Estate Investment Forum

Canada Real Estate Investment Forum

REALPAC and MSCI hosted the 2023 Canada Real Estate Investment Forum in Toronto, with presentation of the MSCI/REALPAC Canadian Property Indexes from MSCI’s Executive Director, and discussion of the results with a panel of experts moderated by REALPAC’s CEO Michael Brooks.

GRESB Regional Insights



REALPAC, GRESB and event sponsor Longevity Partners hosted the Canadian GRESB Regional Insight Event in Toronto, where GRESB presented the 2023 benchmark results for the Americas and Canada, followed by a REALPAC member company panel on market forces that are shaping the industry and strategies for decarbonization.



2023 GRESB
Regional Insights

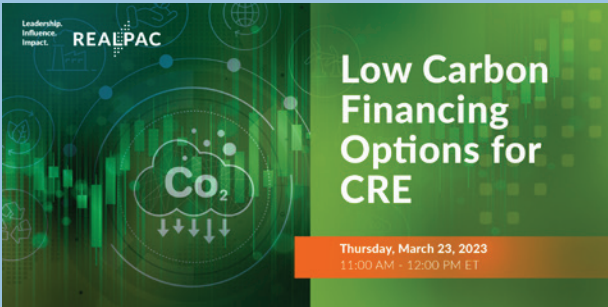
Connecting Through Virtual Events



REALPAC, in partnership with ANREV in Asia, INREV in Europe, NAREIM, NCREIF, PREA, Urban Land Institute, and Ferguson Partners, hosted the Global Real Estate DEI Survey Results Webinar 2022, showcasing the results of the only corporate study of diversity, equity and inclusion (DEI) management practices and data benchmarking in the commercial real estate industry.



REALPAC continued its quarterly webinars with MSCI, exploring the results of various MSCI indices, and implications for the industry.



REALPAC held a webinar on Low Carbon Financing Options for the commercial real estate industry, bringing together industry experts to present on green bonds, sustainability linked loans and government backed financing solutions to real estate owners, asset managers and investors.



REALPAC hosted the 6th annual REALPAC / Toronto Metropolitan University Research Symposium virtually in 2023, bringing together CRE practitioners, academic researchers, and policy makers to share and discuss their research.

RESEARCH

Elevating Member Insights Through Impactful Research

In 2023, REALPAC continued delivering research insights that added value to our members. In addition to numerous dynamic “pulse” surveys through the year, we also published a suite of research and publications to support our member activities.



Canadian Real Estate Compensation Survey

Sponsored by REALPAC and conducted by Ferguson Partners, the 2023 Canadian Real Estate Compensation Survey is designed to provide real estate companies with competitive compensation levels and current information regarding the design, features, and administration of compensation and benefits programs.

Learn more: realpac.ca/compsurvey2023



Prospective Survey

REALPAC’s 3rd annual Prospective Survey represents the vision of many of the leaders of the largest real estate companies in Canada as to what the industry will look like up to six years from now.

Learn more: realpac.ca/prospective2023



Canadian Property Tax Rate Benchmark Report 2023

REALPAC and Altus Group released the 2023 Canadian Property Tax Rate Benchmark Report – providing an in-depth annual review of the tax rate of commercial properties, as compared to residential properties, in 11 major cities across Canada in 2023.

Learn more: realpac.ca/propertytaxreport2023



The Global Real Estate DEI Survey 2022

REALPAC, in partnership with Ferguson Partners and 6 other commercial real estate organizations globally, published the Global Real Estate DEI Survey 2022, the only corporate study of DEI management practices and data benchmarking in the commercial real estate industry.

Learn more: realpac.ca/globaldeisurvey2022

PUBLICATIONS

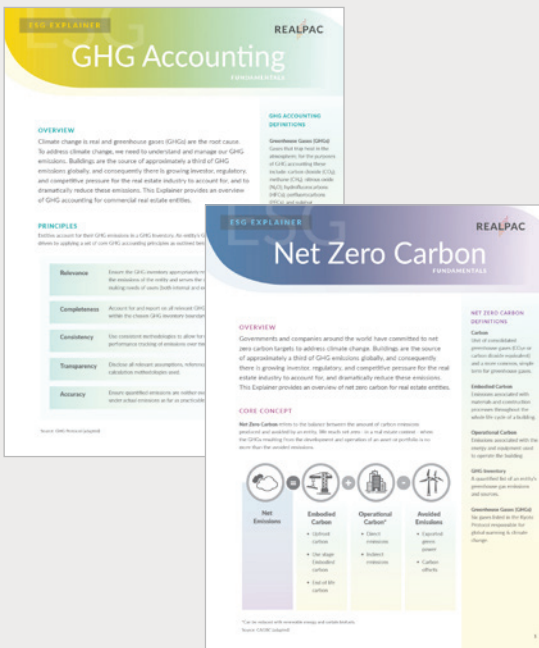
Providing Industry Guidance Through Publications



ESG Industry Report

In 2023, REALPAC launched its first ESG Industry Report on the Canadian CRE industry's ESG performance. The Industry Report recognizes progress, provides useful benchmarks, and identifies opportunities and challenges for the industry on the topics of Climate Risk, Social Impact, and ESG Reporting.

Learn more: realpac.ca/esgindustryreport2023



ESG Explainers - GHG Accounting & Zero Carbon

REALPAC also launched its first two ESG Explainers – GHG Accounting and Zero Carbon. These Explainers provide an overview of ESG topics for commercial real estate senior professionals highlighting core concepts, key definitions, and a performance spectrum to move the industry forward.

Learn more: realpac.ca/ghgexplainer & realpac.ca/netzeroexplainer

In 2023, REALPAC rolled out an in-house platform for purchasing and accessing our three Handbooks.



The REALPAC IFRS Handbook

Recommended Accounting Practices for Real Estate Investment and Development Entities Reporting in Accordance with IFRS is a comprehensive guide for real estate investment and development entities in applying IFRS.

The REALPAC ASPE Handbook

Recommended Accounting Practices for Real Estate Investment and Development Entities Reporting in Accordance with ASPE is a comprehensive guide for real estate investment and development entities in applying ASPE.



The Canadian REIT Handbook

In today's fast evolving legal and business environments it is imperative that existing REITs and their trustees and staff, income trusts and entities considering conversion be as fully informed as possible. The Canadian REIT Handbook provides broad coverage of the key aspects of REITs in a timely, accurate, and relevant fashion.



EDUCATION

REALPAC's education program continues to shape the future of the sector, through the delivery of our Real Property Education Certificate program, and the additional courses offered.

700+
Attendees

21
Instructors

Real Property Investment Certificate

REALPAC

Toronto
Metropolitan
University

Ted Rogers
School of
Management

EXECUTIVE EDUCATION PARTNERS

Offered in partnership with the Ted Rogers School of Management at Toronto Metropolitan University, the Real Property Investment Certificate encompasses all disciplines and offers a unique perspective into the different facets of the commercial real estate industry.



Asset
Management



Capital
Markets



Development



Finance
& Investment



Law



Leasing



Lending



Valuations

Learn more about the Real Property Investment Certificate:
realpac.ca/rpic

Other Education Courses



Accounting for IFRS



ESG (New)



Fundamentals



Pro Forma

600
Registrants

REALPAC Low Carbon Fundamentals COURSE

The Low Carbon Training Program is funded
in part by the Government of Canada.



In 2023, REALPAC provided a free low carbon training program, in partnership with CAGBC and ESDC, to upskill real estate professionals on low carbon concepts in commercial real estate.

We saw strong demand for this program with over 600 registrants across all professional areas – including asset management, finance, and development.

BOARD OF DIRECTORS



Nathalie Palladitcheff
President & CEO,
Ivanhoé Cambridge
Chair, REALPAC (2023 & 2024)



Jeff Tripp
Managing Director &
Head of Alternative Investments,
TD Asset Management
Vice Chair, REALPAC (2023 & 2024)

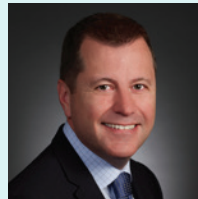
Lesley Gibson
CFO, CT REIT



Jonathan Gitlin
President & CEO, RioCan REIT



Kevan Gorrie
President & CEO, Granite REIT



Mark Kenney
President & CEO, CAPREIT



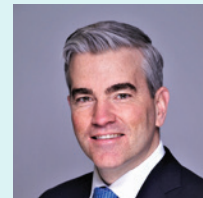
Jaime McKenna
Managing Director &
Group Head, Real Estate,
Fengate



Brett Miller
CEO, Canderel



Paul Mouchakkaa
Executive Managing Director,
Head of Real Estate, AIMCo



Andrew Wallace
Managing Director &
Head of Real Estate
Investment Banking,
National Bank Financial

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MBA, Ph.D, LEED AP, ICD.D
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VP Financial Reporting
& CFO



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& COO

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& Policy

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Education & Events



Carla Hemans
Office Manager



Maha Mir BComm
Accounting Manager



Minakshi Pai BComm
Director, Marketing
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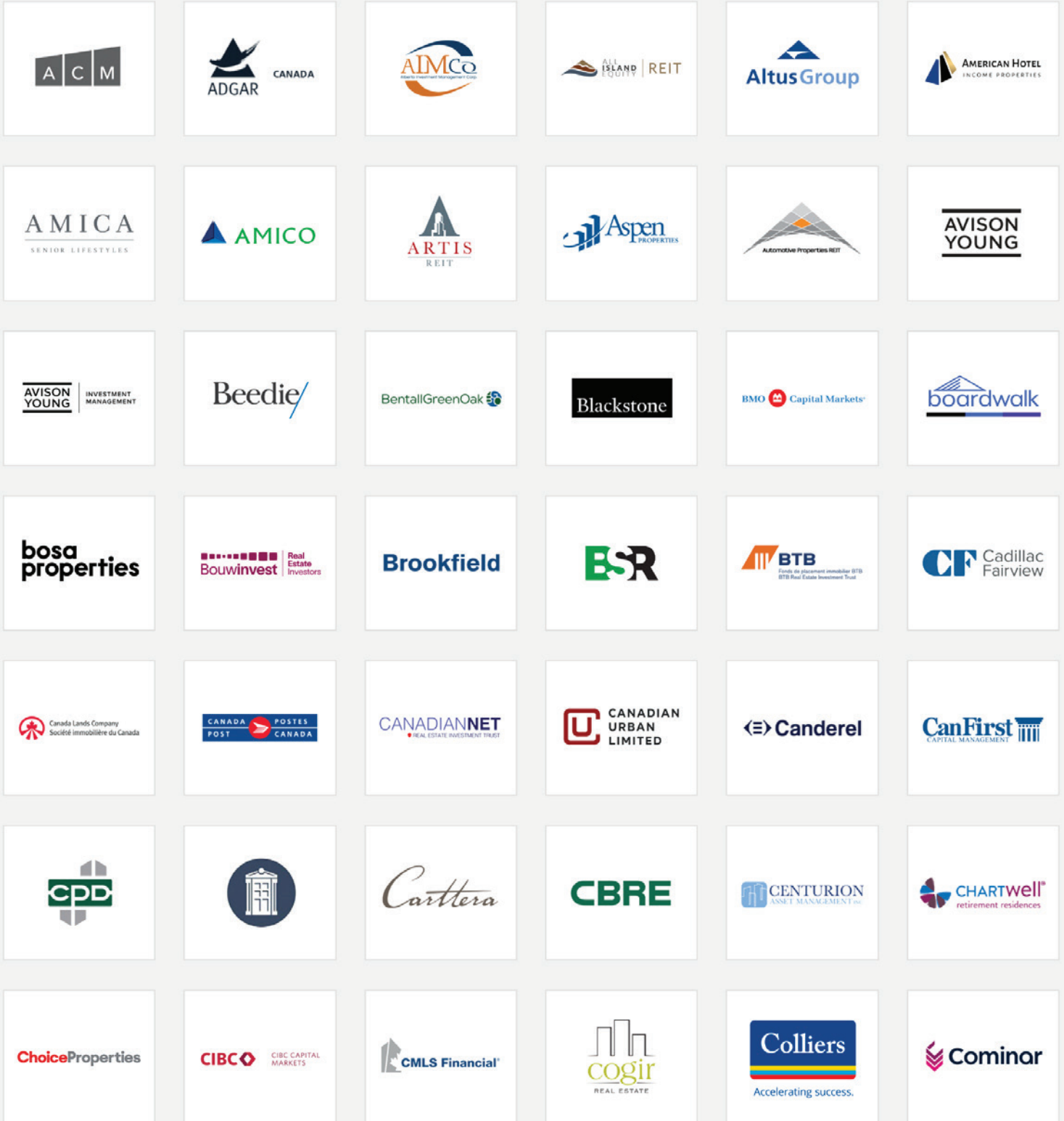
Scott Stewart
Senior Art Director

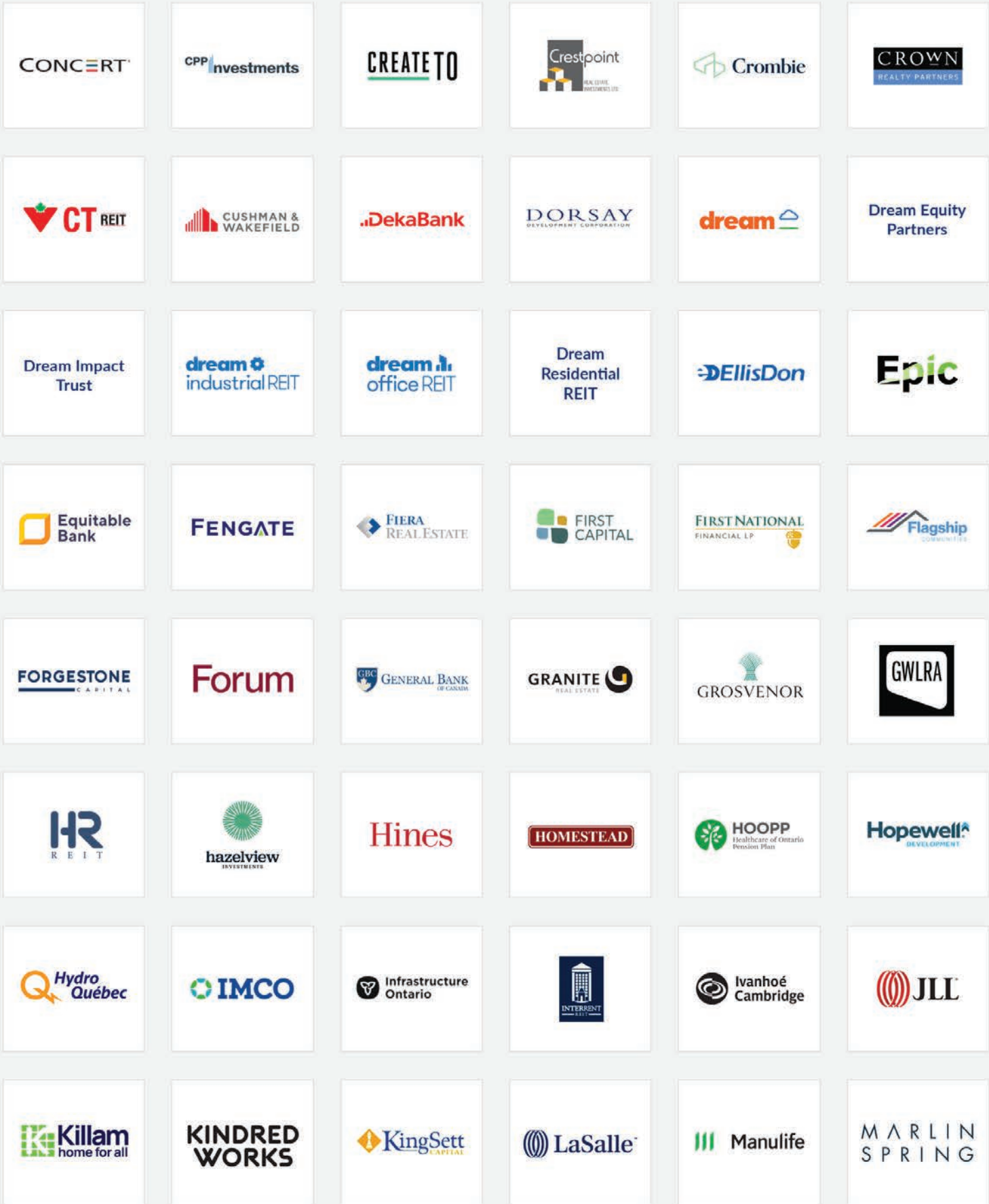


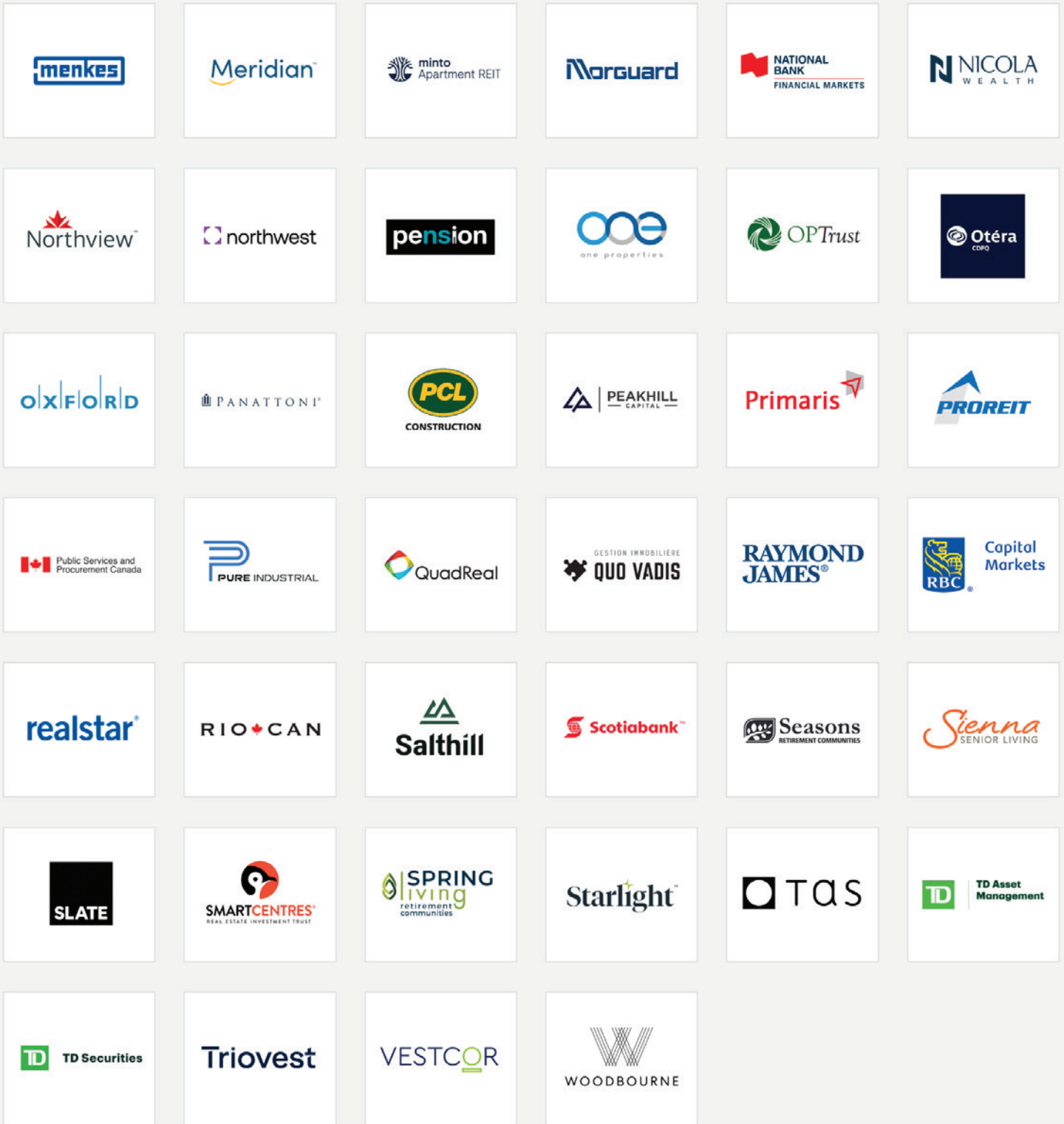
Celeste Wright MPA
Interim Manager,
Education & Events

OUR MEMBERS

Our members include 130+ of the largest real estate companies in Canada.







OUR PARTNERS & SPONSORS

INDUSTRY PARTNERS



PROFESSIONAL ADVISORY PARTNERS



CORPORATE SPONSORS



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