

CHAPTER 1

MESSAGES FROM OUR PRESIDENT
AND OUR CHIEF OPERATING OFFICER



RALF DOST - PRESIDENT



GLENN WAY - EXECUTIVE VICE PRESIDENT
AND CHIEF OPERATING OFFICER

MESSAGE FROM THE PRESIDENT

As I reflect on our many achievements over the past year, one thing that stands out is our ability to adapt to a rapidly changing marketplace. While the hybrid work model has left many of our commercial office tenants adopting a wait and see approach to their real estate needs, the demand for purpose-built rental has never been greater. At the same time, technological advances promise significant operational and energy saving benefits as our buildings become “smarter” at predicting occupant behaviour.

Regardless of the pace of change, however, what remains certain is that we continue to operate with integrity, through which we build trust. Operating with integrity also means that we employ a thoughtful and measured approach to growth opportunities — an approach that has served us well. We are confident that we have the people and strategies to continue to deliver consistent long-term returns for our stakeholders.

Looking across the various asset classes within our business, the advantages of managing a diverse portfolio are clear. In 2022, we delivered strong performance with an overall portfolio rate-of-return of 5.1%, which outperformed the MSCI Canada Property Index by 380 basis points.

Leading the charge once again was our industrial portfolio as both leasing and investment demand for high-quality warehouse space and last-mile distribution facilities remains strong.

On the development front, we opened the doors to three state-of-the-art, amenity-rich residential buildings in Vancouver and Montreal. Combined, these buildings add close to 700 new units of much-needed housing stock and will become homes to a growing number of people choosing the benefits of renting over home ownership.

Of course, managing a national real estate company involves more than developing and operating buildings. We have a responsibility to the communities we serve to support local charitable initiatives and, where possible, support arts and culture programs. We also have a responsibility to ensure that we are making progress on our commitment to reduce our greenhouse gas (GHG) emissions to net-zero by 2050. While we made significant strides in accelerating our ESG efforts in 2022, we are cognizant that considerable work remains if we are to help achieve the collective climate goal of limiting global warming.

With the right team and strategy in place and the backing of one of Canada’s oldest and most trusted financial institutions, we are confident in our ability to continue to deliver above average market performance.



Ralf Dost, President



RALF DOST, PRESIDENT



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MESSAGE FROM THE CHIEF OPERATING OFFICER

Welcoming our regional teams back into the office was a triumph on many levels, serving as a reminder of the comradery that comes from in-person interactions — and how vital those experiences are in shaping our culture and sense of belonging. The office is also a place where we can roll up our sleeves to tackle business challenges, whiteboard new ideas, and brainstorm growth opportunities. In short, reconnecting in the office reminds us that we are part of something bigger, that our individual contributions matter and that our hard work is paying off.

In 2022, our hard work did indeed pay off and was on full display. From a performance perspective, our ability to manage turbulent market conditions is testament to how well our portfolio is constructed. This diversified approach, along with the confidence we have in our growth strategy, attracts investment and helps drive acquisition and development activity.

Of course, much of our success in 2022 can be attributed to the incredible teams we have in place. Our performance is driven by our people, who have demonstrated their willingness to go above and beyond to achieve the success of key initiatives. From launching new, residential buildings such as Le Livmore in Montreal or the Chronicle and Bowline in Vancouver to the completion of Vancouver Centre II, our new state-of-the-art, 33-storey AAA office tower in downtown Vancouver, these major achievements would not have been possible without the hard work and dedication of our many cross-functional teams.

In addition to adding new assets, we did an exceptional job of elevating the customer experience of our tenants and residences across our portfolio. Introducing new services, improving our buildings, and ensuring regular and responsive communication are just some of the ways we delivered operational excellence.

We also got creative and found ways to integrate art and culture into our buildings — much to the delight of our tenants and residents. At our North York Centre office building in Toronto, for example, we partnered with local art organizations to transform lobby entrances and hallway corridors into interactive art displays. In other urban centres, we continued our partnership with MicroHabitat, leveraging more than 17 of our rooftop buildings to grow produce for local food banks while also reducing our environmental footprint.

Moving forward, we are confident that we have the right teams in place, that our organization is well positioned to capitalize on growth opportunities and that we will continue to deliver strong, long-term returns for our clients and investors alike.



Glenn Way, Executive Vice President and Chief Operating Officer



**GLENN WAY, EXECUTIVE VICE PRESIDENT
AND CHIEF OPERATING OFFICER**



“Our performance is driven by our people, who continue to demonstrate their willingness to go above and beyond.”