



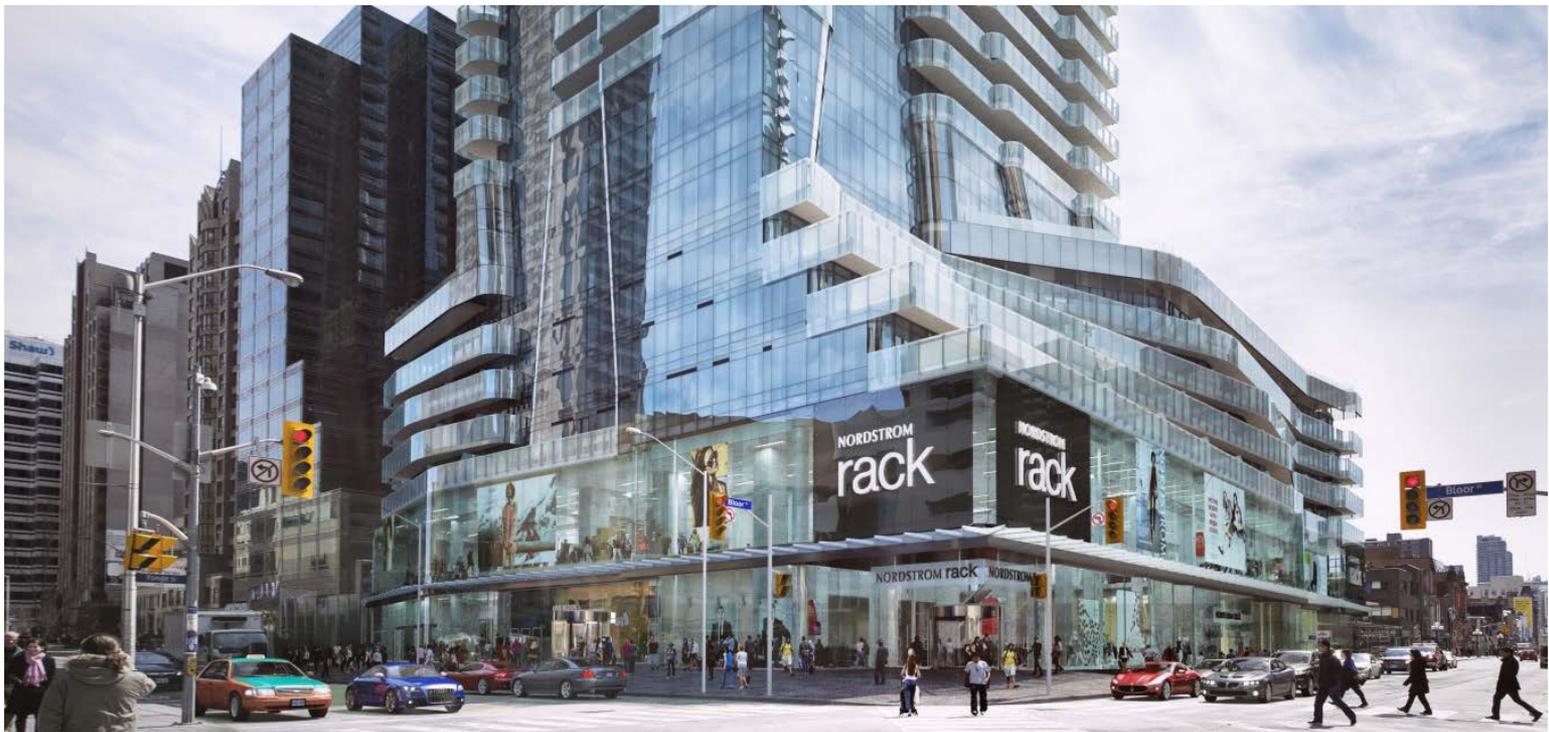
ONE
BLOOR
RETAIL



One Bloor Retail – Street Level Photographs



Yonge & Bloor Intersection- Current



Yonge & Bloor Intersection- Finished Product Rendering

One Bloor Retail is a brokerage transaction completed in the Summer of 2016. Located at one of the busiest intersections in the country, at the southeast corner of Yonge Street and Bloor Street, the Property features exceptional exposure to the 24/7 population that lives, works and plays in the Bloor-Yorkville node. One Bloor Retail comprises approximately 85,000 sf of flagship retail, spanning two levels above grade and one level below grade at the base of the luxury, 76-storey, One Bloor East condominiums (the "Property"). The Property is currently under construction and the finished product is set to be delivered between end of 2016 and 2018. 52 parking spaces are allocated to the retail.

The Property's irreplaceable location and high-quality construction has attracted one of the world's foremost retailers as its anchor tenant – Nordstrom Rack. Nordstrom Rack's approximate 38,000 sf location at One Bloor Retail will be its Canadian flagship, and its first Canadian location.

The balance of the Property's retail premises was not leased at the time of sale but all future leases (including Nordstrom) are expected to be net to the Landlord.

| | | |
|---------------------|--|-----|
| Occupancy | Nordstrom | 45% |
| | Available | 55% |
| Pro Forma Yr. 1 NOI | \$9,000,000* | |
| | Assume Nordstrom accounts for 33% of NOI | |

Anchor Tenant **NORDSTROM rack**

Case Questions for Discussion:

- What creates value? What opportunity do you see here?
- What makes prime retail space and what risks do you see associated with this particular transaction?
- How would you value this asset? Think of the differences between a DCF versus Cap Rate approach
- How would you finance this asset if you were a REIT?

*NOI provided reflects a fictional value for the purposes of this exercise.

Comparable transactions include:

| Date | Property | Type | Area (sf) | Price (\$mil) | Price/ Sq Ft | Cap Rate | Tenants | Vendor | Purchaser |
|---------|---|------------------------------|-----------|---------------|--------------|----------|--|-------------------------------|------------------------------|
| Mar-16 | 1200 Bay Street | Retail & Office | 96,284 | \$86.75 | \$901 | 3.25% | David's Shoes, Flight Centre, Visual Antidote, Advanced Health | Private | ProWinko & Kroonenberg Groep |
| Jan-16 | 85 Bloor Street West | Multi-level retail | 13,810 | \$37.00 | \$2,679 | 3.80% | COS | Burnac Corporation | RioCan REIT |
| Nov-15 | Four Seasons Retail & Parking | Retail & Parking | 4,602 | \$11.85 | \$2,575 | 5.50% | Buca, Archives Jewelry | Menkes | Maori European Holdings S.L. |
| Nov-15 | 2 Bloor Street W. & Cumberland Terrace | Retail, Office & Res Density | 3,950 | \$362.00 | \$672 | 4.70%* | Swarovski, BBDO, Social Services, CIBC. | Oxford Properties | KingSett Capital & Greystone |
| Oct-15 | 16 Cumberland Street | Multi-level retail | 3,950 | \$6.40 | \$1,620 | - | AK Aesthetica, Roman Empire Hairstylists | Roman Empire Hairstylists Ltd | KingSett Capital |
| Jun-15 | 81 Yorkville Avenue & 26 Bellair Street | Multi-level retail | 4,920 | \$8.10 | \$1,646 | 4.50% | Koko ShareBar, Ebillion, Vi Let Blonde Salon | Sigrep Corporation | KingSett Capital |
| Aug-14 | 150 Bloor Street West | Retail Only | 41,926 | \$172.97 | \$4,126 | 3.50% | Louis Vuitton, Tiffany & Co | Kevric | Ponte Gadea |
| June-13 | 78, 82, 92 & 98 Yorkville Avenue | Retail Condo | 28,481 | \$53.25 | \$1,870 | 4.20% | Teatro Verde, Anthropologie, Diesel | Giraffe Capital | First Capital Realty |

*Cap rate for 34-storey office tower