

This aggregated news report details recent and relevant news related to REITs and commercial real estate. There has been considerable turbulence in this segment over the past year and it is likely to continue.

REAL ESTATE & extended commercial real estate coverage

'50% CORRECTION': WHY CANADA'S OFFICE REAL ESTATE SECTOR IS HEADING FOR A RECKONING

(Yahoo Finance - Barbara Shecter) - Risk Management Issues

Publicly traded office real estate trusts have seen their values drop precipitously in recent months as a combination of high interest rates and rising vacancies in the wake of the pandemic have sent tremors through the sector. Now Carl Gomez is waiting for the other shoe to drop.

DEC 2022: BLACKSTONE'S \$69 BLN REIT CURBS REDEMPTIONS IN BLOW TO PROPERTY EMPIRE

(Reuters - Chibuike Oguh) - Risk Management Issues

Blackstone Inc (BX.N) limited withdrawals from its \$69 billion unlisted real estate income trust (REIT) on Thursday after a surge in redemption requests, an unprecedented blow to a franchise that helped it turn into an asset management behemoth.

WHAT ARE THE RISKS OF REAL ESTATE INVESTMENT TRUSTS (REITS)?

(Investopedia - Dan Moskowitz) - Risk Management Issues

Non-traded REITs are also **illiquid**, which means there may not be buyers or sellers in the market available when an investor wants to transact. In many cases, non-traded REITs can't be sold for a minimum of seven years. However, some allow investors to retrieve a portion of the investment after one year, but there's typically a fee.¹

AUG 2022 REAL ESTATE INVESTMENT TRUST (REIT) IN CANADA

(WOWA) - Financial Services Industry Structural Issues

A portfolio for a Residential REIT might include high-rise, mid-rise, and low-rise apartment buildings, multi-unit **rental properties**, and single-family rental homes. Canadian Apartment Properties REIT (CAR.UN) is Canada's largest REIT and owns more than 57,743 units in Canada, with an average monthly rent per unit of \$1,282 in 2020.

1 IN 5 PROPERTIES ACROSS MUCH OF CANADA ARE OWNED BY INVESTORS. THAT MAKES IT HARDER FOR 1ST-TIME BUYERS

(CBC - Akshay Kulkarni) - Financial Services Industry Structural Issues

It's the first time the Canadian Housing Statistics Program (CHSP) is publishing **data** related to housing investors, defined as homeowners that own at least one property that is not their primary residence.

REITS OVERVIEW

(Grant Thornton) - Financial Services Industry Structural Issues

Canada has 48 REITs, supported by public policies. "Canadian REITs have been around for over 25 years now, ... The commercial sectors have benefitted the most with warehousing, .

VACANCIES ARE UP AND OFFICE REITS ARE DOWN. THE CASE FOR BOLD INVESTORS

(*G&M - David Berman*) - Financial Services Industry Structural Issues

After suffering through a dismal 2022, office real estate investment trusts remain threatened by hybrid working schedules, rising vacancies and a gloomy economic outlook.

BROOKFIELD: SHOULD YOU WORRY ABOUT BROOKFIELD REIT?

(*Motley Fool - Andrew Button*) - Financial Services Industry Structural Issues

In December, [the Brookfield Real Estate Income Trust](#) posted its second consecutive monthly decline, falling 1.6% in December following a 1.9% November dip. These numbers might not look very big, but they are related to structural issues in the real estate industry.

STATEVIEW HOMES LENDERS DEMAND TO BE REPAYED CLOSE TO \$200-MILLION IN LOANS

(*G&M - Shane Dingman*) - Evolving Legislative/Regulatory Issues

More lenders of Ontario builder StateView Homes are demanding it repay close to \$200-million in loans, casting doubt on its ability to cover its debts, according to new court documents.

LOOKING FOR BLOOD: CONDOS NEARING COMPLETION WITH MORTGAGE APPRAISALS LESS THAN INVESTORS PAID

(*G&M*) - Financial Services Industry Structural Issues

For many real estate buyers who lined up to sip a cocktail and purchase a condo unit at a high-profile launch party, the euphoria is a distant memory.

NOV, 2022: 5 MAJOR CANADIAN HOUSING REITS LAUNCH FORAFFORDABLE.CA

(*Renx.ca*) - Financial Services Industry Structural Issues

REITs own and operate a combined portfolio of about 120,000 rental housing units across Canada. This represents about three per cent of the country's rental market.

SHORT-TERM RENTALS IN CANADA: THE FIRST COMPREHENSIVE OVERVIEW

(*CBRE - David Wachsmuth*) - Financial Services Industry Structural Issues

128,000 Airbnb listings were active on average each day in 2018. Airbnb activity is highly concentrated geographically—nearly half of all active listings are located in the Toronto, Montréal and Vancouver metropolitan areas—and highly concentrated among hosts, the top 10% of whom earn a majority of all revenue. Demand and 5% of total room/unit revenues.

DEC 2022 PROPERTY INVESTORS FLEE AS RATES RISE, 'ZOMBIE' OFFICE BUILDINGS LOSE TENANTS

(*Investopedia - Sam Heller*) - Risk Management Issues

Bob Knakal, chair of investment sales at JLL, sees a growing horde of “zombie” office buildings in Manhattan that are still alive but have no obvious future, the Financial Times reported⁴. The typical zombie may have been purchased generations ago and supplied monthly checks to an ever-expanding roster of beneficiaries.

AUG 2022 HOW REITS ARE ABSTRACTING THE HOUSING MARKET

(*Forbes - Michael J. Polk*) - Financial Services Industry Structural Issues

Over time, as the supply of houses tapers and those priced out seek housing, renting will surely be among the best options. The rent increases will supply the REIT investors with an ever-increasing cash flow and at some point property appreciation to make up for most overspending.

CFTC FRAUD CASE RESULTS IN RECORD PENALTY

(*Investment Executive - James Langton*) - Evolving Legislative/Regulatory Issues

A U.S. federal court judge ordered Cornelius Johannes Steynberg, the founder and CEO of Mirror Trading International Proprietary Ltd., to pay US\$3.4 billion in a fraud case — including US\$1.7 billion in restitution to defrauded investors and a US\$1.7 billion penalty. Steynberg was also permanently banned.

ECB WARNS OF RISKS POSED BY €1 TRILLION REAL ESTATE FUNDS

(*BNN*) - Risk Management Issues

It warned of a mismatch as investors have frequent opportunities to withdraw money, while the assets themselves are quite illiquid. That can make the vehicles vulnerable to runs like those that reverberated through the financial system recently.