A steady climb

2016 KPMG Real Estate Outlook Survey

A Canadian/US Comparison

May 2016

kpmg.ca

Contents

05 Foreword

06 Survey highlights

08 Detailed findings

- 08 Cautious optimism
- 13 US investors are beginning to de-risk
- 17 More capital than opportunities
- 21 Hunt for yield
- 24 Cyber security

27 Conclusion

29 Methodology

Foreword

Investors have been optimistic about the US real estate market, and that looks to continue into 2016 and possibly beyond. Capital is flowing into the United States and the economy is growing, bringing knock-on effects that make real estate a good investment. And that was before the recent interest rate rise and tax changes that will only accelerate these trends. At the same time, however, investors are becoming more cautious about future prospects. They are becoming less aggressive in their risk-taking and more uncertain as to how the market will look when they exit these investments several years down the line.

In Canada, the overall trend for real estate is quite similar with a few significant differences. First, the dramatic drop in oil prices is having a significant, albeit uneven, impact on the economy. Some geographic areas are benefiting, or at least weathering the storm, while others are very much being adversely impacted. Second, the weakening of the Canadian dollar has created a scenario where Canada is "on sale." Foreign capital is flowing into Canada to take advantage of both opportunities to acquire real estate with a currency play should the Canadian dollar recover some of its lost strength. Lastly, while Canada is also considered a "safe haven" similar to the US, it continues to lag the US in terms of economic recovery due to several factors including the relative significance of commodities on the Canadian economy.

An uneven recovery, instability in the Eurozone and other critical markets, and growing geopolitical risk has created a market increasingly characterized by the military acronym "V.U.C.A.," or volatility, uncertainty, complexity and ambiguity. Investors aren't waiting to see what happens. They are beginning to move down the risk curve in thinking about future investment and looking for safer investment options.

Institutional investors have put a lot of money into high-risk, high-reward "opportunistic" real estate, but are starting to pull back as interest rates and cap rates rise. Funds are still looking for good deals, but they are accepting lower returns in exchange for lower risk. Waiting for market movements to make transactions profitable is no longer the smart play. Instead, many investors and owners are even more focused on real estate fundamentals and leveraging cost efficiencies.

Adding to the pressure on returns, capital from Canada (despite the weakening Canadian dollar), Norway, the Middle East, and Asia continues to pour into the United States, a traditional safe haven, and it is not expected to let up any time soon. Recently passed reform to the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA) will only extend this trend. These changes allow complete exemptions from FIRPTA for Qualifying Foreign Pension Funds and increase the FIRPTA exemption for all foreign investors from 5 percent to 10 percent of publicly-traded REITs. Competition from this increased capital could make the hunt for investment opportunities all the more difficult, and investors are looking increasingly toward M&A and organic growth through product expansion. Additionally, investors are looking to secondary and tertiary markets, where they consider pricing to be more rational.

Adding to the changing marketplace, demographic forces are having a significant impact on investment. Millennials remain skeptical about investing in home ownership, and "empty-nesters" are looking to downsize to smaller homes. This has made multi-family housing a continued strong performer, especially in urban centers. Healthcare-related real estate is also a notable performer in response to increased healthcare demand from an aging population.

Overall, the market has seen shifts from both demographic pressures as well as financial conditions. While the outlook for 2016 is mostly positive, how these changes play out in the next year or two will likely signal the near-term future of the real estate market.

Survey highlights

Cautious optimism	There is continued but cautious optimism in the real estate market, as GDP and job growth lend themselves to the positive view. But there is also growing uncertainty which will likely have significant effects across commercial real estate asset classes. Additionally, rising geopolitical and economic risk worldwide contribute to uncertainty and increased investor interest in US markets.
Investors are beginning to de-risk	Investors' growing caution can be seen in efforts to de-risk portfolios, as investors are concerned about the longevity of the current expansion cycle. They are becoming less aggressive in taking risks and are taking measures to adjust their portfolios in preparation for the flattening or downturn ahead.
More capital than opportunities	Executives see a market in which the available capital far exceeds the opportunities to put it to use. This has driven up prices in primary markets and forced investors to look elsewhere. A substantial inflow of foreign capital into the United States, a primary cause of this capital surplus, is not expected to slow, and the recently passed reform to the Foreign Investment in Real Property Tax Act (FIRPTA) will only increase this imbalance.
Hunt for yield	With little room for cap-rate compression left, many investors are focusing on real estate fundamentals and are looking for incremental returns in the form of yields instead of depending on market movements to profit on transactions. Investors are using easy access to equity and debt in the hunt for yield in a variety of assets and markets.
Cyber security	The threat and risks that cyber security poses real estate owners, managers, investors and service providers is complex and ever changing. Canada is lagging behind the US in taking a proactive approach to addressing the risks in order to strive to be in a defensible position.

"KPMG LLP would like to thank the senior commercial real estate executives from the United States, and for the first time in Canada who participated in this years survey to better understand the sentiments in the industry as well as to help identify emerging opportunities."

Greg Williams
National Sector Leader, United States
Building, Construction &
Real Estate/Asset Management
KPMG (US) LLP

Lorne Burns
National Industry Leader, Canada
Building, Construction & Real Estate
KPMG LLP

Real Estate in economic shifting sands

Like many commodity exporters, Canada suffered a mild recession in the first half of 2015 in the wake of falling commodity prices. Real GDP contracted in the first two quarters of last year. Canadian firms cut capital investment by a steep 6.9 percent in 2015. Businesses' investment in structures alone plunged by 16.9 percent last year.[1] Much of this decline was due to the fall in energy prices, but a global manufacturing slump also contributed to the negative results.

The fall in commodity prices has impacted Canada's economy with the most pronounced effect in the Prairie region. Calgary, Canada's oil and gas capital, has not seen an office property trade since the beginning of 2015.[2] Meanwhile other regions such as Toronto and Vancouver have actually seen cap rates fall for some office segments as investors flock to these regions.

Canada's economy would be in worse shape except for the resilience of its consumer sector. Consumers continued to spend at a steady pace in 2015, despite the unemployment rate rising above 7.0 percent.[3] Demand for housing was also positive; residential investment grew 2.9 percent last year.

Recent data suggest this solid pace of consumer spending is set to improve in 2016. The Bank of Canada cut its target rate by 50 basis points to 0.50 percent which has improved financing costs for households and businesses. At the same time, the new Liberal Party Prime Minister Justin Trudeau is reversing five years of fiscal austerity with a broad stimulus plan that will help boost economic activity and lay the groundwork for future growth thanks to investment in improved transportation systems and other infrastructure upgrades essential to a modern economy.

In the years since the financial crisis, slow growth, fiscal austerity and extraordinary monetary policy in the form of quantitative easing and now negative interest rates is giving rise to a growing chorus of economists expressing concern that governments have left central banks to do all of the heavy lifting. Canada's pivot to fiscal stimulus in the face of slow growth and exceptionally low financing costs could well become the poster child for fiscally responsible infrastructure investment if it proves to be a success.

Canada's economy looks poised to remain in the green for the next several years barring a significant fall in energy commodity prices. Nevertheless, the real estate market will be impacted by the past two years' energy price activity as the energy producing regions saw an unhappy mix of exuberant building when times were good and a severe pull back that mirrored the near 70 percent fall in the price of oil. Investors looking to bottom fish will have plenty of choice in the Prairie regions. Demographics and the government's infrastructure investment plans will boost properties targeted at the growing elderly population. In short, Canada might not be the brightest country in the Americas region but it appears to be on a slow and positive trajectory on many fronts.

Constance Hunter
Chief Economist
KPMG (US) LLP

1 KPMG Economics, Statistics Canada, Haver Analytics
2 Q1 2016 Canadian Cap Rates and Investment Insights, CBRE
3 KPMG Economics, Statistics Canada, Haver Analytics

Detailed findings

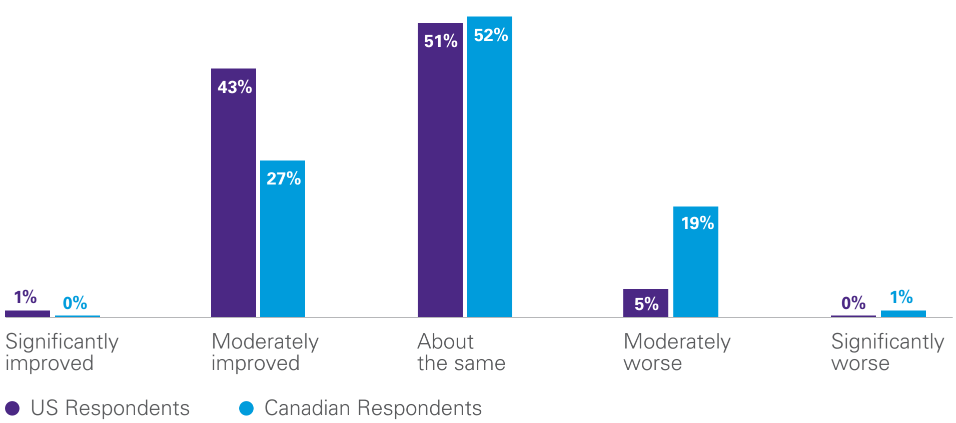
Cautious optimism

Real estate investors continue to be optimistic about the real estate market given sustained job growth and gains in GDP. Nonetheless, they are more cautious than they were previously, as uncertainties around interest rates and geopolitical risks are weighing on respondents. Investors have been locking in debt ahead of the likely gradual rise in rates. While higher interest rates could have a detrimental effect on demand, real estate should continue to be a strong and relatively low-risk opportunity in a market with lower returns.

Positive expectations for the US and Canadian economies

The vast majority of respondents predict the US economy will either stay the same or moderately improve over the next 12 months. Compared to the more bullish assessment in our previous survey, this suggests that they believe the US economy will begin to slow over this period. While almost the same percentage of Canadian respondents felt the Canadian economy would stay the same, a much larger percentage felt that the economy would fare worse. Given the general perception that the US economy is outperforming the Canadian economy, staying the same would imply a less optimistic view of the Canadian economy than for the US

What are your expectations for the economy in the next 12 months?

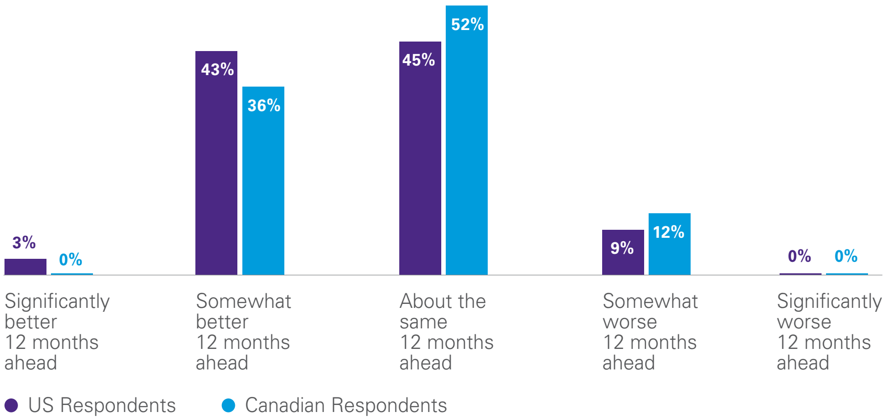


Totals may not add to 100 due to rounding.

Real estate fundamentals expected to be about the same a year from now

The vast majority (US – 91 percent, Canada – 88 percent) expect real estate fundamentals to be about the same or better in their primary markets a year from now. For the US this result is slightly lower than last year, when 93 percent expected real estate fundamentals to be about the same or better a year out. However, respondents have moved down the optimism scale, signaling that we may have reached, or are nearing, a market plateau.

How would you compare today's key real estate fundamentals (vacancy/occupancy, rental rate, deal velocity, etc.) in your primary markets with those you expect in mid-2016/mid-2015?



Totals may not equal 100 due to rounding.

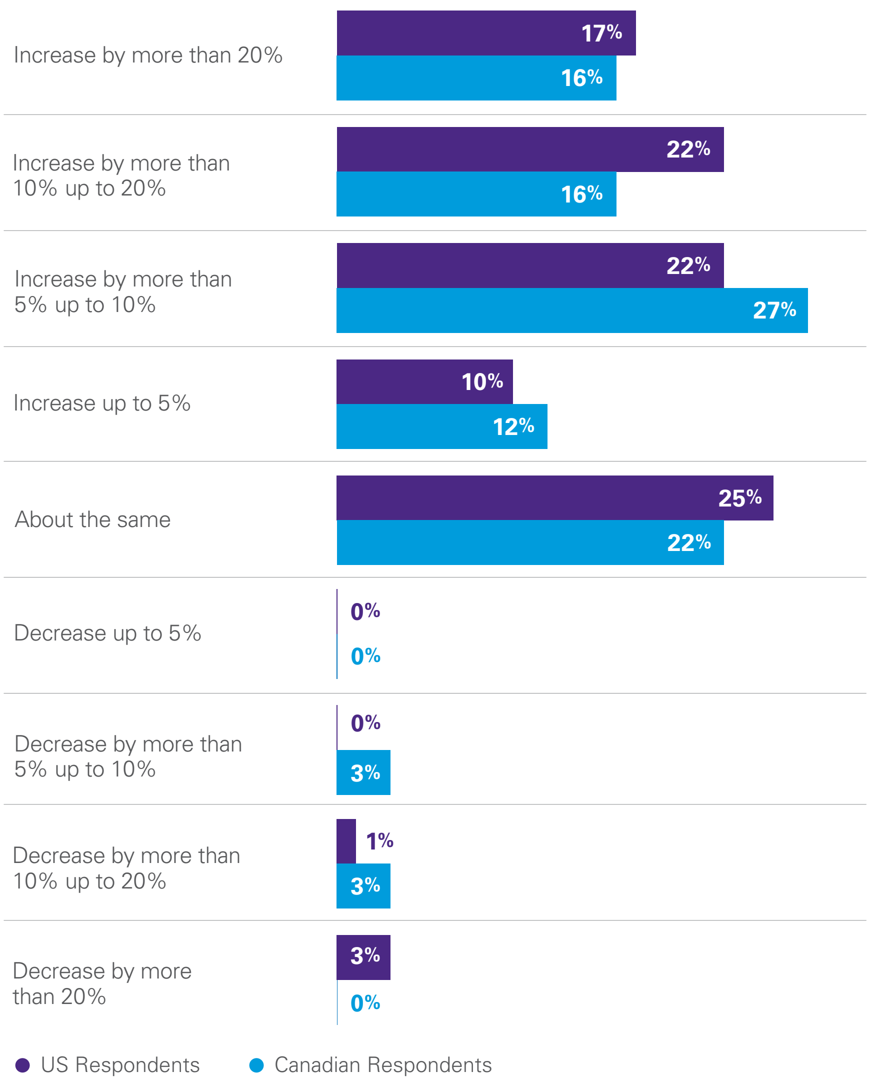
> **"The Canadian economy is being pulled in different directions; positively by a strengthening US but negatively by weak oil and commodity prices; with very different impacts across the country"**

Lorne Burns
National Industry Leader, Canada
Building, Construction & Real Estate
KPMG LLP

Positive investment outlook over the next 12 months

The willingness to invest is strong in both countries, as nearly all respondents said they would either increase investment or keep it the same over the next year. Nonetheless, an increasing amount of capital in the market could make it more difficult to find attractive investment opportunities.

What is the outlook for investment by your company over the next 12 months?



Totals may not equal 100 due to rounding.

Development expected across all sectors

Significantly, 80 percent to 90 percent of respondents said that there would be at least some development in every asset class in 2016. Multi-family continues to be a high performer, as Millennials, who witnessed the impact of the financial crisis on housing, are either currently unable or unwilling to purchase a home or have at least decided to delay the purchase. Many Millennials see home ownership as an anchor that limits their mobility rather than as an aspiration. Additionally, many do not have the credit to qualify for a home loan, as the average credit score for college grads with a Bachelor's degree is just four points above the minimum required to obtain home loan.[4]

Aging baby boomers are also looking to downsize as their children reach adulthood. Both of these demographic trends converge in a move toward multi-family properties in walkable urban centers or suburban centers close to public transit.

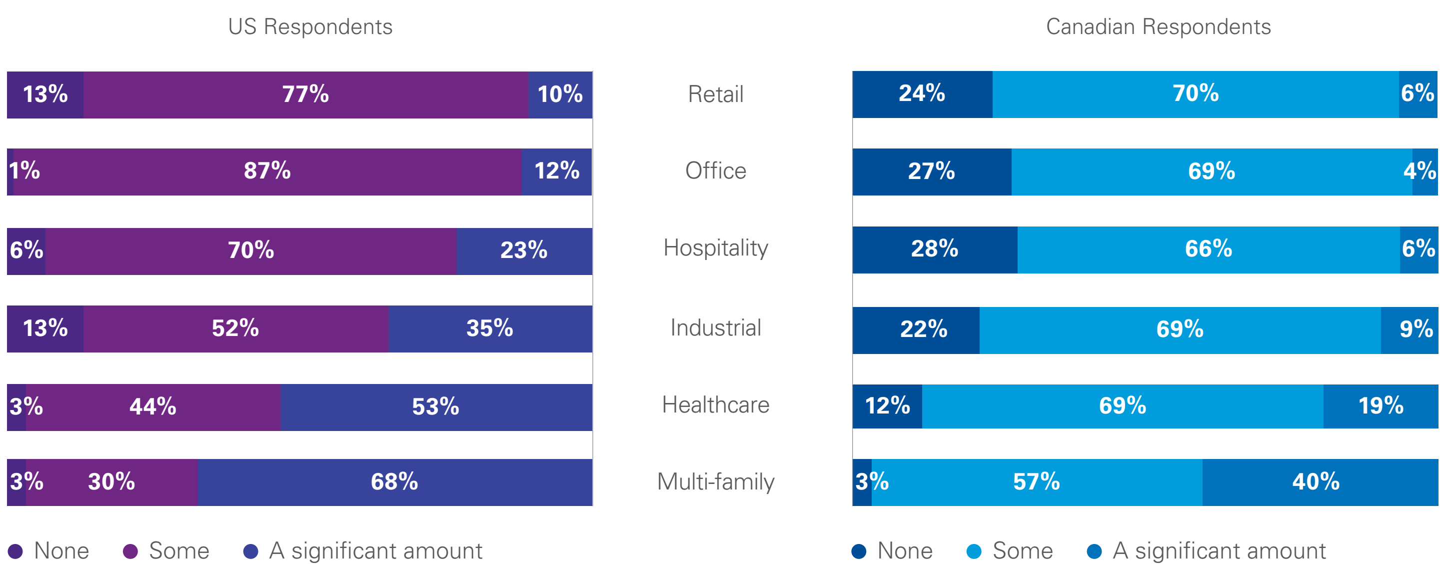
Healthcare, the newest asset class in this survey, is expected to see major investment in development in 2016 likely due to increased healthcare demand from aging baby boomers.

Canadian development also expected to be strong

While slightly less optimistic than US respondents, more than 70 percent of respondents said that there would be at least some development in every asset class in 2016. Similar to the US, Multi-family and Healthcare are the two sectors where there is the most optimism. Given the similarities in the demographics of the two populations, that is not surprising. Canadian real estate markets were largely spared from the impact of the financial crisis and Millennials in several markets see home ownership as unattainable due to the high cost of housing. There is also much debate in Canada currently over the impact of foreign purchasers on the housing prices given the relatively small size of the Canadian market.

Canadian respondents were less optimistic about the development prospects for Office, Hospitality and Retail sectors which is reflective of the significant amount of office development completed or underway and general uncertainty over the economy as a whole.

How much development will commence in the year ahead in each of the following sectors?



May not equal 100% due to rounding

[4] Source: Credit Karma

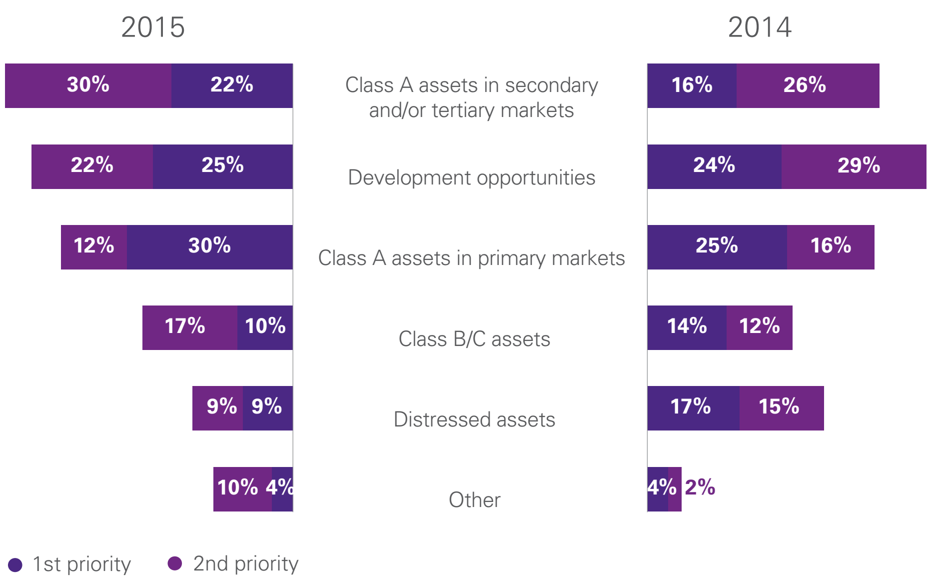
US investors are beginning to de-risk

The growing caution in investor optimism can be seen in efforts to de-risk their portfolios. Many investors see the end of the growth cycle approaching and are becoming less aggressive in taking risks. These investors are looking for opportunities in the real estate market that might not have as significant a downturn as some riskier opportunities. For example, investors with significant investment in ground-up condo development may shift their focus to multi-family properties to take advantage of the trend toward urbanization.

Types of assets in the market to acquire/invest in 2016 is mixed

Investors are still very interested in Class A assets in primary markets, but they are also demonstrating high interest in secondary and tertiary markets when demand for the top assets gets too "frothy." Class A assets in primary markets still represent more certainty versus riskier secondary and tertiary markets, even if this means sacrificing some returns. However, investors are willing to take some risk in development in secondary and tertiary markets.

Which of the following types of assets will you be in the market to acquire/invest in the next 12 months? (Select up to two asset types)

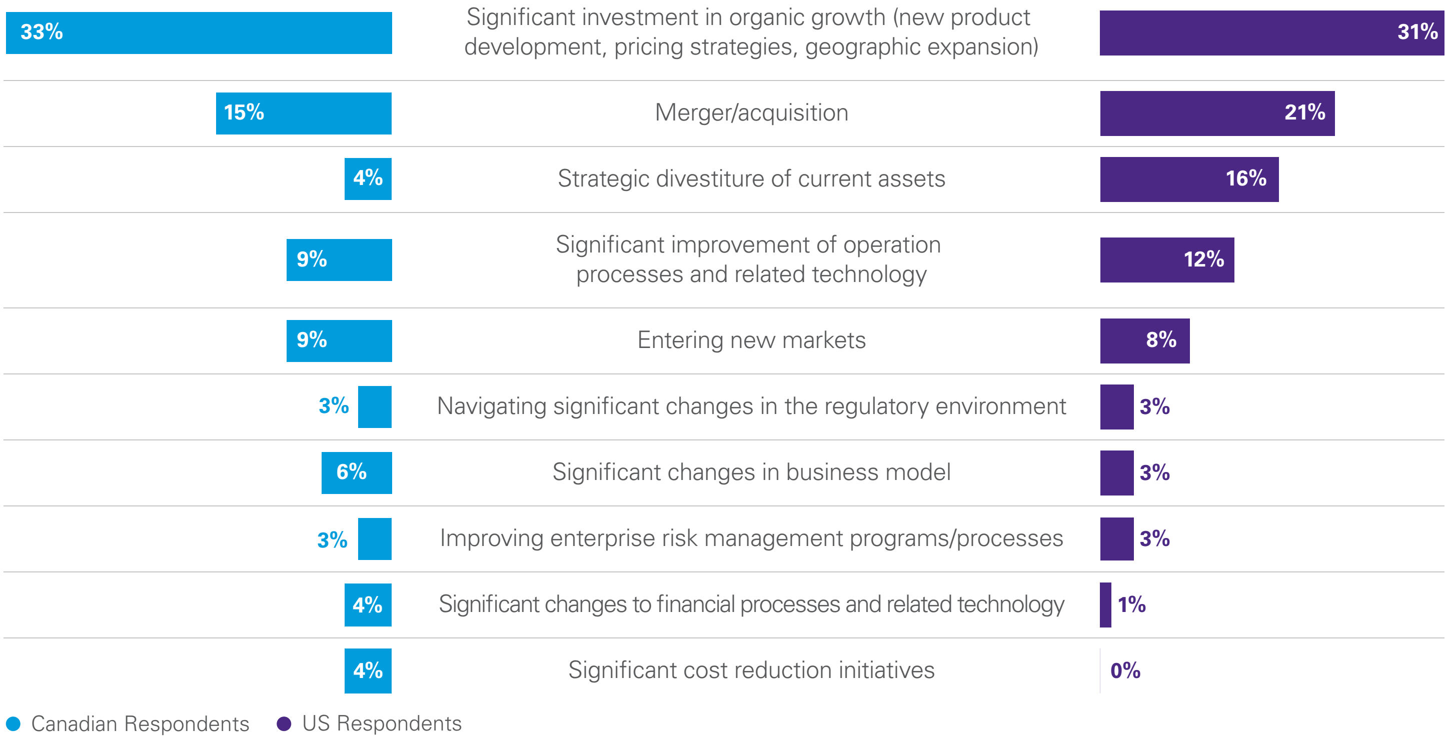


Note: Only US respondents; question was not posed in the Canadian survey.

Organic growth and M&A are the top management initiatives

Not surprisingly, senior management in both the US and Canada are focused on growth. Their interest in entering new markets has waned, as they are looking at M&A and organic growth through product expansion that includes debt and core-plus funds. With the exception of a small percentage of US investors being focused on strategic divestitures, the responses for both countries were much the same.

Over the next 12 months, what initiative will consume most of senior management's time and energy?



Might not equal 100% due to rounding

The Canadian side sums to 90.

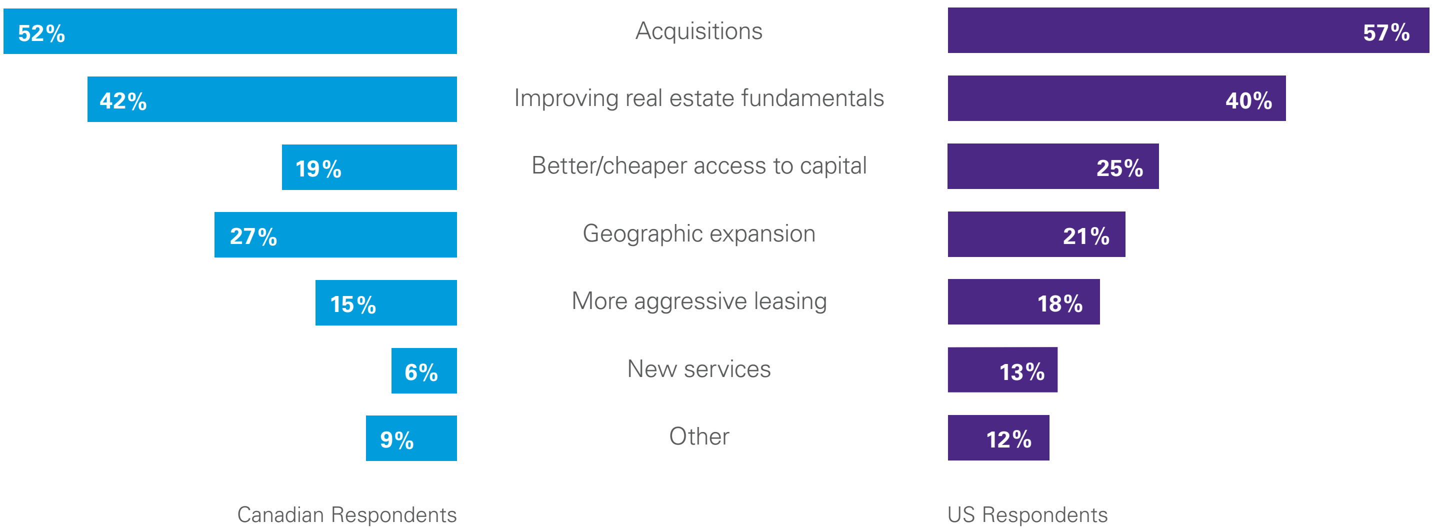
> **"The difference in public markets versus private returns has recently fueled the privatization of several public REITs. This M&A trend is positive but could indicate that we are nearing the end of the real estate investment cycle. Private equity funds have the dry powder and will invest it when the opportunity is right"**

Phil Marra
National Leader, Real Estate Funds, United States
KPMG (US) LLP

Acquisitions are expected to be biggest driver of revenue growth

According to our data, a higher percentage of larger firms are seeking acquisitions than are smaller ones. In the US, 71 percent of firms with assets greater than $10 billion listed acquisitions as their top revenue driver. By contrast, smaller firms focused on general economic conditions to help them drive revenue. Improving real estate fundamentals was the top choice of firms with assets of less than $500 million. Overall, the prospects for growth over the next three years are seen as being very positive.

Which of the following areas do you believe will be the biggest drivers of your company's revenue growth in the next three years?



Multiple responses allowed

“Canadian investors, particularly Pension Funds, have historically been one of the largest sources of foreign investment into US Real Estate. The new tax changes to FIRPTA will open the door even wider by allowing complete exemptions to Qualifying Foreign Pension Funds, and increasing exemption thresholds for all foreign investors in publicly-traded US REITs, from 5% to 10%”

Walter Pela
Tax Leader, KPMG LLP

More capital than opportunities

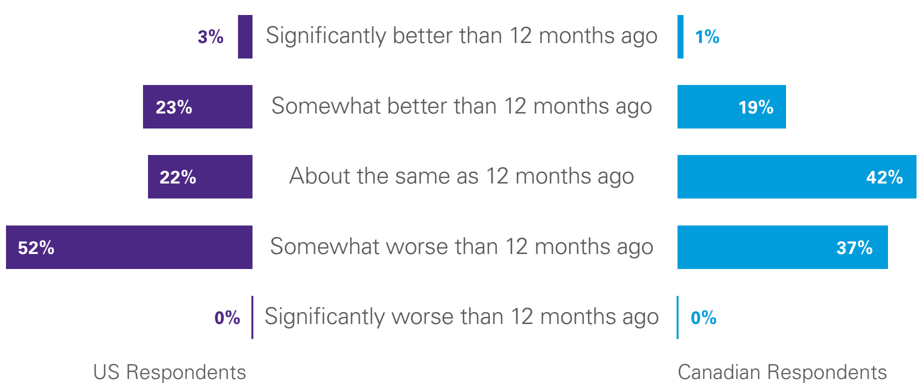
Investors also face a market in which an excess of capital is chasing the available investment opportunities, driving prices up and altering the risk-reward calculus. In response, many are looking to secondary and tertiary markets, where pricing is more rational. The inflow of foreign capital into the United States is expected to continue and will likely gain some momentum from the recently passed reform to the Foreign Investment in Real Property Tax Act (FIRPTA).

Executives have mixed outlook on marketplace for investment opportunities

Executives in both the US and Canada view the current market as having investment opportunities but with intense competition, as there has been an increase in the amount of capital pursuing those opportunities. Previously, the inflow of capital into the market created value through a cap-rate decline. More than half of US respondents (52 percent) now say the market is somewhat worse than it was 12 months ago, while 22 percent say it's about the same. Canadian respondents reflected similar sentiments with 79 percent saying that the opportunities for investment were about the same or worse than 12 months ago.

Interestingly, the smallest firms had the most positive outlook, as half of firms with less than $500 million in assets said the marketplace was somewhat better than it was 12 months ago. By contrast, more than half (57 percent) of respondents from larger firms said the market was somewhat worse now than it was 12 months ago. Institutional-grade assets still are the focus of many larger investors—including those from abroad.

How would you rate the marketplace for investment opportunities?



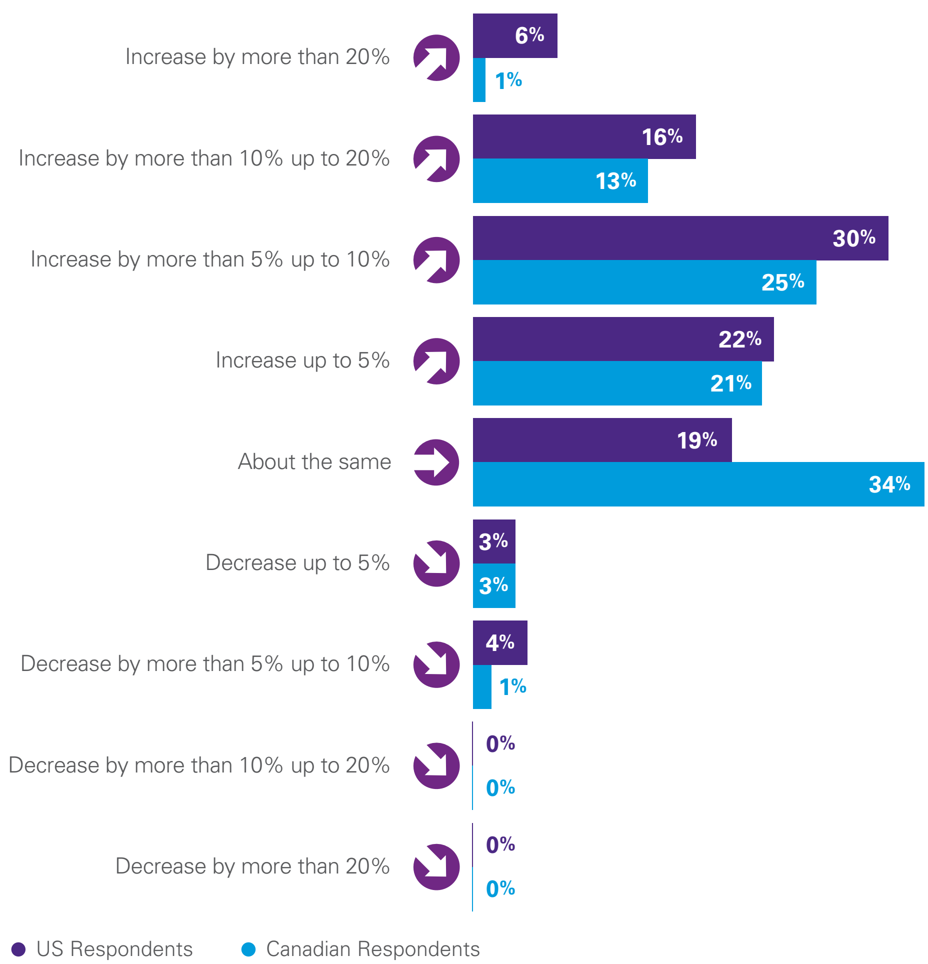
> **Real Estate executives on both sides of the border have a very favorable outlook on the industry's fundamentals. Demand for real estate, from domestic and foreign sources, should remain stable to strong over the near term**

Tom Rothfischer
Partner, Building, Construction & Real Estate
KPMG LLP

Foreign investment real estate expected to increase over next 12 months

Nearly three quarters of US executives (74 percent) and 60 percent of Canadian executives expect foreign investment in their country's real estate to increase over the next 12 months, continuing a major industry trend. The stable US market continues to be a safe haven from the ongoing economic, financial, and security issues in the Eurozone and the weakness in emerging markets. In addition to strong economic fundamentals, its broad and diverse real estate markets offer foreign investors more opportunities than they can find abroad, as well as a reliable legal system and other structural advantages. While not providing the same level of liquidity, Canada is similarly attractive to global investors seeking safe and stable returns. With the weakening of the Canadian dollar versus the US dollar and the Euro, the Canadian real estate market is seen as relatively affordable. In addition, a few trophy assets have been placed on the market and are expected to generate significant interest as investment-grade assets are rarely put up for sale.

How do you expect the amount of foreign investment in Canada's real estate to change in 2016, versus 2015?

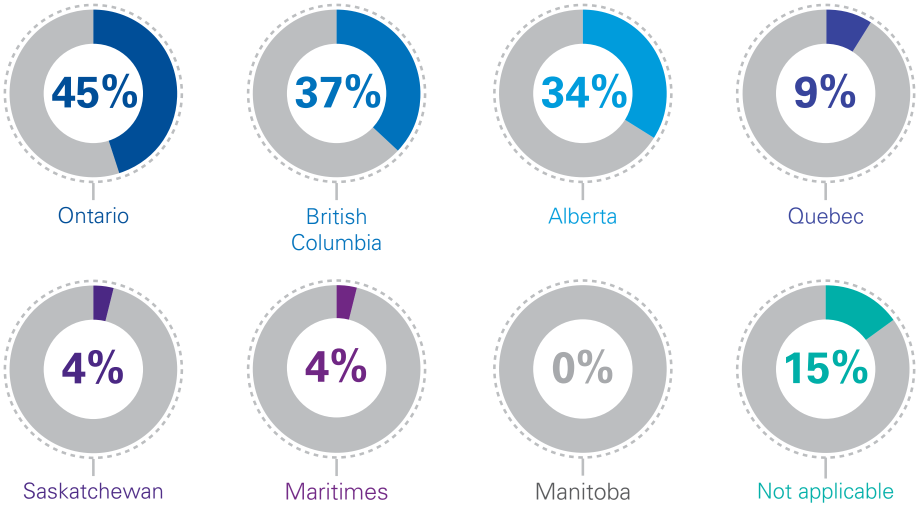


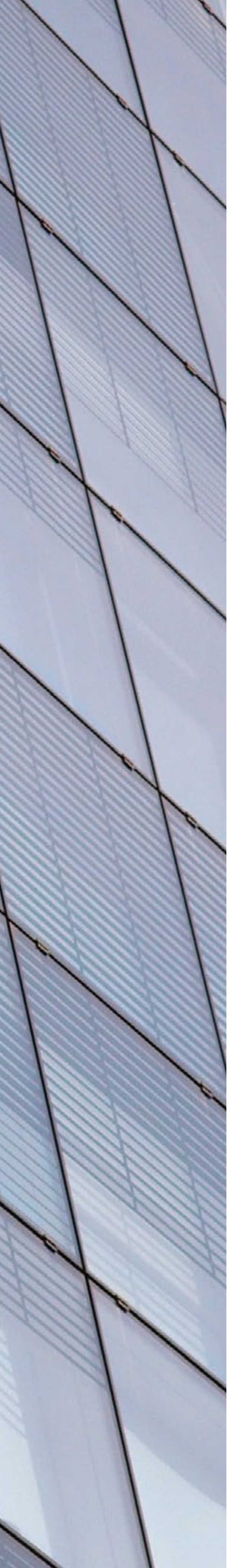
Note: The US results predate year-end FIRPTA changes, so KPMG believes that the figures would be higher today. Totals may not equal 100 due to rounding.

Canadian investors remain focused on traditional markets

Ontario, BC and Alberta are expected to remain as the key markets for real estate investment in Canada. Ontario is the preferred destination given its relative market size, resulting liquidity and its positive expected economic performance. Despite the weakening of the Alberta economy, it was only marginally less attractive than British Columbia which is forecast to lead the country in terms of economic growth. Investors may see Alberta as offering more attractive buying opportunities as compared to British Columbia where prices for real estate are relatively higher. However, the impact of low oil prices is beginning to be felt more prominently in Alberta so we would not be surprised to see percentages diverge in the future.

Real estate investment opportunities in Canada





Hunt for yield

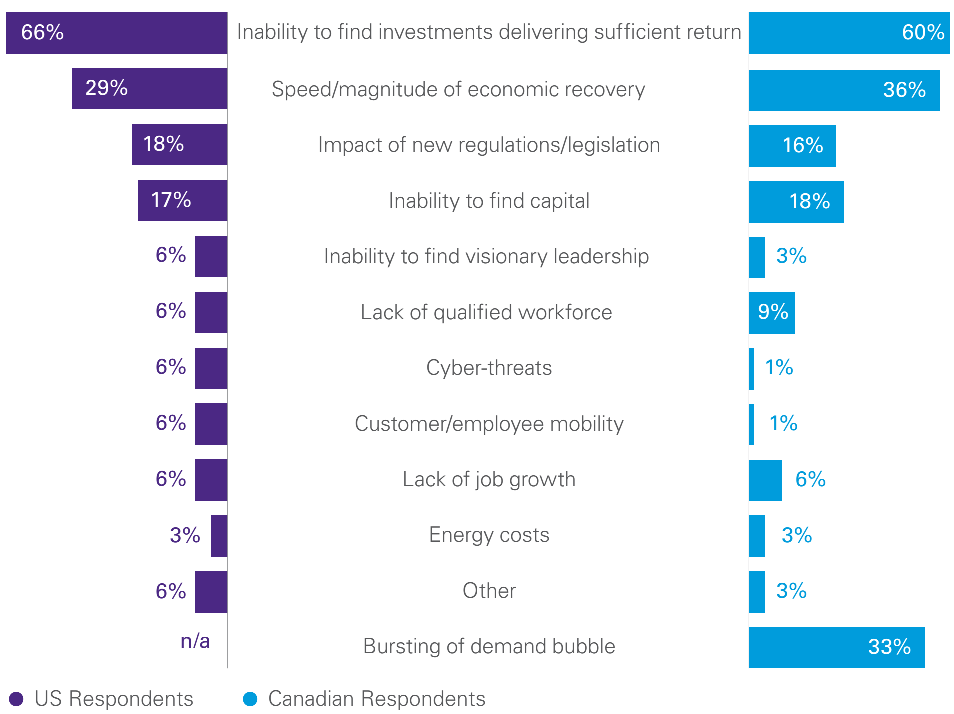
Despite an overall positive outlook for the economy, yields are trending downward, which is making individual and institutional investors more willing to accept lower returns in exchange for greater certainty in their investments. Respondents are focused on increasing returns from existing assets instead of looking to market movements, which entails even greater focus on real estate fundamentals and asset management strategies.

Larger institutional investors have invested heavily on more opportunistic investment, but they are now more focused on yield, while smaller firms tend to focus on total return and not necessarily on cash return. Larger investors are moving toward lower-end risk while smaller investors may have a larger risk appetite.

Inability to find investments is the biggest threat to business models

A significant number of executives see the inability to find investments as the top threat to their business model in 2016. Gateway cities are seeing extremely high prices and strong competition, which are driving yields down. In the US, many investors are turning to second- or third-tier cities, including in the Sun Belt, for higher returns as well as development deals. In Canada, demand is still centered primarily on core markets. In addition, one-third of respondents expressed concern about whether the current level of demand is sustainable, most notably in the residential markets.

What issues pose the biggest threat to your business model?



Multiple responses allowed

Perspectives on equity and debt

Executives on both sides of the border see access to financing as being largely unchanged. Where the respondents differ is in response to the cost of debt financing: US respondents foresaw increased costs, whereas Canadian respondents did not. The US Fed has been providing guidance for the gradual increase in rates while the Bank of Canada has cooled any talk about immediate increases in the lending rates and the prospect of a rate decrease has recently been tossed around.

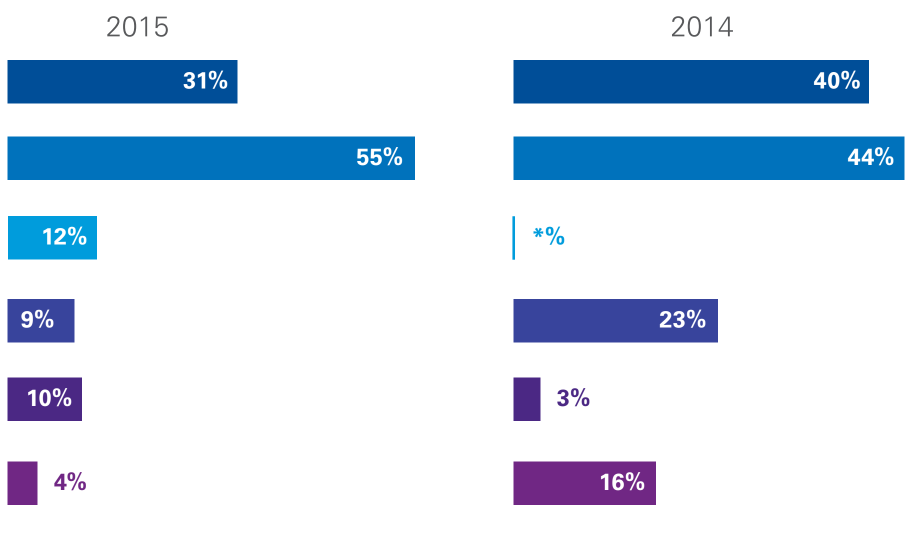
More than two thirds of US executives expect access to both debt and equity markets to be about the same in 2016. However, more than three quarters (76 percent) of US executives think debt financing is going to be more expensive in 2016, while the majority (61 percent) sees the cost of equity capital to be about the same in 2016.This means that many companies considering debt are likely looking to leverage up now before the interest rate increase takes effect.

In Canada, 78 percent of executives feel that access to debt financing will be about the same in 2016, with 19 percent feeling access will somewhat better. And with the prospects of an interest rate increase less likely in Canada, only 30 percent of respondents feel that debt financing will be more expensive while 58 percent felt it would be about the same. In terms of equity capital, 73 percent of respondents feel access will be the same while 69 percent feel that the cost of that equity will be about the same.

Investment properties are available, but sufficient returns are difficult

While quality properties are available, US investors are now finding it more difficult to find quality properties delivering sufficient returns.

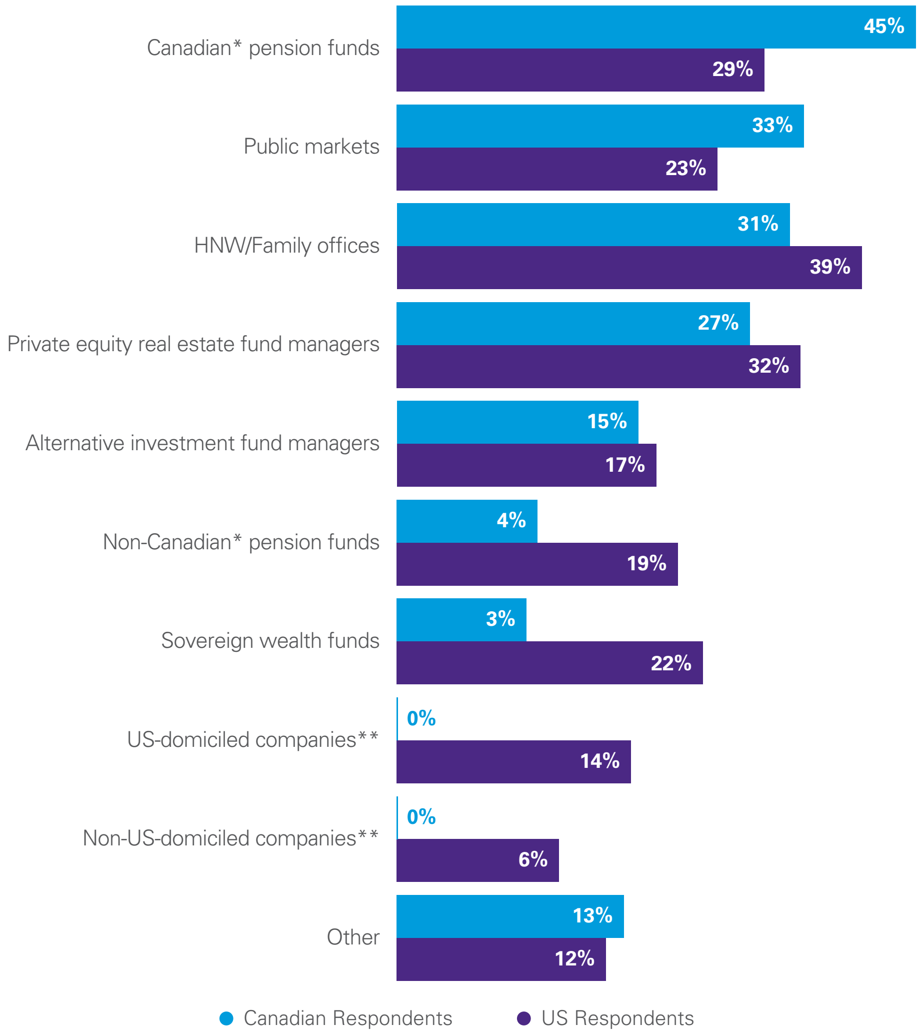
What types of investment properties is your company finding in today's marketplace? (Select up to two)



- My organization is finding quality properties at prices that deliver sufficient returns
- My organization is finding quality properties, but not at prices that deliver sufficient returns
- My organization is finding lesser-quality properties at prices that deliver sufficient returns
- My organization is finding lesser-quality properties at prices that don't meet our return requirements
- My organization is not finding anything suitable in which to invest
- My organization is not actively seeking investment at this time

Note: Only US Respondents; question was not posed in the Canadian survey.
Multiple responses allowed
**Didn't offer this option in 2014.*

Sources of capital expected to tap in 2016



> "Canadian pension funds, a prominent source of capital at home and globally, continue to look in all markets for high quality real estate assets as part of their longer term diversified investment strategies"

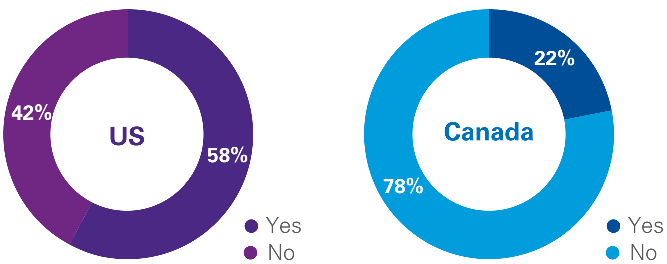
Salma Salman
Partner, Building, Construction & Real Estate
KPMG LLP

Cyber security

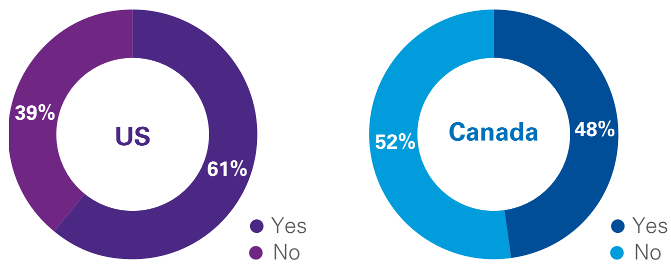
Cyber security is a growing concern and Canada is lagging behind the US on placing their organization in a defensible position. To be cyber resilient, companies need to get a clear view of their cyber risks and probable impacts, assess and prioritize improvement activities.

Cyber-attack mitigation

Do you feel you are adequately prepared to prevent or mitigate a cyber-attack?

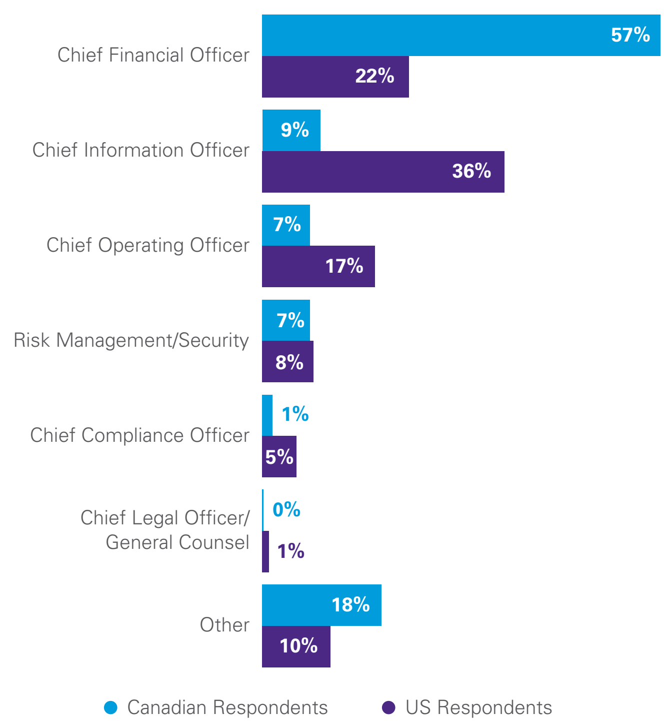


Does your organization maintain a written cybersecurity incident response plan?



> **"Being able to reasonably prevent, better detect, and properly respond to a cybersecurity incident is no longer optional, but a requirement of real estate industry firms of every size."**
>
> **Kevin Goldstein**
> Advisory Director,
> KPMG (US) LLP

Personnel responsible for cybersecurity



Multiple responses allowed.

> **"Canadian respondents are much less prepared to respond to a cyber security breakdown than their US counterparts. Yet, cyber risks for Real Estate can extend beyond data security to threats to human security and, even, life."**
>
> **Kevvie Fowler**
> National Cyber Response Leader, Canada
> KPMG LLP

KPMG has identified 5 top cyber risks and threats for real estate owners, managers, investors and service providers:

1. Technology to engage with tenants and guests is creating challenges in protecting sensitive tenant information, including bank accounts.

2. Solutions for building management, such as automation in utilities, fire alarms and security, bring new exposures and risks.

3. Third-party applications through mobile hardware and software are increasing exposure to theft of sensitive information, including potential employee-related incidents.

4. Vendors and third parties are creating vulnerabilities and exposure of sensitive intellectual property, employee data, and tenant data.

5. Regulatory and compliance requirements, particularly those related to state privacy laws and notification requirements, are a growing concern.

Growing cyber concerns

While cyber security is a growing concern across all business sectors, many in the real estate industry indicate that their firm is less than fully prepared. In the US, smaller firms tend to be less prepared than larger ones. A significant number of US respondents say that they did not have a written cyber incident response plan and that they are not prepared for such an event. The vast majority (79%) of the largest firms, those with more than $10 billion in assets, had a response plan, while 81% from firms with less than $500 million in assets said they did not yet have one. Similarly, 79% of the largest firms said they were adequately prepared for a cyber-attack, while 63% of the smallest firms said they were not prepared.

In Canada, given the relatively smaller size of entities, the responses were consistent with those of the smaller US firms. Only 22% had a written cybersecurity response plan and more than half said they were not adequately prepared to prevent or mitigate an attack. In addition, the responsibility for cybersecurity rested with the Chief Financial Officer in over half of the firms (57%) in Canada as opposed to 22% of US firms. This is likely also reflective of the smaller size of Canadian firms but underscores the need for better preparation.

Conclusion

Concerns about the longevity of the ongoing economic expansion as well as the implications of rising interest rates make for a market characterized by growing uncertainty.

Investors are becoming more risk-averse and are beginning to de-risk by decamping to traditional safe havens, like the United States and Canada, and by opting for lower-risk opportunities. However, the massive inflow of foreign capital has led to a significant increase in competition for the best investments.

This has left many investors with a major challenge in their hunt for yield across a variety of assets and markets. The pursuit of incremental returns through asset management and cash flow improvements have replaced market movements and cap-rate compression as the way to profits in this market.

We see 2016 as another positive year for the US and Canadian real estate markets, but it remains to be seen whether there is "room to run" beyond.

Methodology

KPMG's 2016 Real Estate Industry Outlook Survey reflects the viewpoints of senior executives in the United States and Canada. The web survey was conducted August – November 2015.

Company type	US	Canada
Real estate fund managers	27%	6%
Publicly traded REIT's	25%	28%
Real estate services firms	10%	1%
Real estate investors	6%	6%
Non-traded REIT's	3%	7%
Other private real estate owners	23%	49%
Other	5%	1%

Market value	Total	
	US	Canada
Less than $500 million	21%	30%
$500 million to $2 billion	31%	49%
$2.01 billion to $5 billion	22%	10%
$5.01 billion to $10 billion	8%	3%
More than $10 billion	18%	7%

Does not equal 100% due to rounding

Titles	Total	
	US	Canada
C-Class	43%	60%
Executive Vice President/ Managing Director	10%	10%
Senior Vice President/ Director	13%	9%
CEO/President	22%	16%
Other	12%	4%

Authors

Greg Williams is the National Sector Leader for Asset Management in the US, and is responsible for the strategic direction over the firm's Building, Construction & Real Estate (BC&RE) practice along with its Alternative Investment and Public Investment Management practices. He has more than 28 years of tax experience in the private equity real estate and hospitality industries.

Lorne Burns is a partner and the National Industry Leader of KPMG's Building, Construction & Real Estate Practice in Canada, specializing in REITs, real estate developers, hotels & hospitality and home builders. During his more than 33 years at KPMG he also served and the Partner-in-charge Audit, GTA and Chief Human Resources Office, Canada. He has worked on Industrial Markets, Biotechnology & Pharmaceuticals, Public Sector, Energy and Publicly Traded Utilities.

Phil Marra is the National Audit Leader for KPMG's US BC&RE practice, as well as the leader of the firm's US Real Estate Funds practice. With more than 28 years of sector experience. Phil has a wide range of experience in providing audit, accounting, due diligence, and advisory services to real estate, finance, parking, construction and hospitality clients.

Chris Turner is the National Tax Leader for KPMG's US BC&RE practice, with significant experience with real estate funds, real estate investment trusts, developers and engineering and construction clients.

About KPMG's Real Estate practice

KPMG LLP advises owners, managers, developers, lenders, intermediaries, construction and engineering firms, and investors in effectively executing complex transactions ranging from acquisitions and dispositions to securitization of real estate assets for individual properties and portfolios to entity-level mergers and acquisitions. We believe that our experience and knowledge can help you successfully address today's challenges while preparing for tomorrow's opportunities.

KPMG LLP's Building, Construction & Real Estate professionals provide strategic insights and relevant guidance wherever our clients operate. We provide services on a local and national level—with a network of 1,300+ and 400+ dedicated professionals in the United States and Canada, respectively — and through the global network of KPMG International member firms, comprising more than 9,000 professionals in 110 countries.

Contact us

National Industry Leader

Lorne Burns
Partner
T: 604-691-3144
E: lburns@kpmg.ca

Regional Leaders

Audit

Toronto
Tom Rothfischer
Partner
T: 416-777-8569
E: trothfischer@kpmg.ca

Montreal
Yvon Couturier
Partner
T: 514-840-2223
E: ycouturier@kpmg.ca

Winnipeg
Shauna Lounsbury
Partner
T: 204-957-2208
E: slounsbury@kpmg.ca

Ottawa
Andrew Watson
Partner
T: 613-212-3653
E: apwatson@kpmg.ca

Calgary
Randy Kraft
Partner
T: 403-691-8039
E: rkraft@kpmg.ca

Tax

Toronto
Lorne Shillinger
Partner
T: 416-777-8692
E: lshillinger@kpmg.ca

Toronto
Antony Schiefer
Partner
T: 416-777-8361
E: aschiefer@kpmg.ca

Vancouver
Walter Pela
Partner
T: 604-691-3193
E: wpela@kpmg.ca

kpmg.ca