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[Caisse de dépôt invests \\$250M in Avison Young](#)

[Don Wilcox](#) | [Property Biz Canada](#) | 2018-07-17

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[Avison Young](#) CEO Mark E. Rose says a \$250-million preferred equity investment from the [Caisse de dépôt et placement du Québec](#) (CDPQ) provides his growing firm funds to accelerate its expansion plans, leaves decision-making entirely with its senior management group and allows it to remain a “disruptive force” in the industry.



Mark E. Rose, CEO, Avison Young (Image courtesy Avison Young)

The investment, announced Monday, creates a new class of non-voting Avison Young shares for the CDPQ. A portion of the proceeds will be used by the commercial real estate services firm to purchase outstanding common (voting) stock from its current private equity partner, [Parallel49 Equity](#) (formerly Tricor Pacific Capital) as well as other “non-management founders and principals,” the company said.

“The common shares, the (voting shares) of this company 100 per cent are back in the hands of only people who work at Avison Young,” Rose told RENX during an interview Monday following the announcement.

CDPQ will be entitled to designate three members of Avison Young’s nine-member board of directors.

Rose said to have a partner such as CDPQ, “to allow us to keep the culture and the structure we have built as a privately held, principal-led organization is exactly what we were looking for. To have a company with the brand elevation, and the gravitas, and the case to be that partner, and with the belief to the tune of \$250 million, we are just beyond excited.”

Acquisitions and talent recruitment

In addition to the share purchases, proceeds will also be used for acquisitions and to help Toronto-based Avison Young recruit additional talent as it continues to execute its strategic plan.

Rose, who has been CEO of Avison Young for almost 10 years, has already managed its growth from \$40M in annual revenues to about \$650M in revenues. When he joined Avison Young after leaving [JLL](#), the company had 11 offices in Canada. It now has 84 offices across North America and Europe and has expanded into investment management.

In fact, Avison Young bills itself as the world’s fastest growing private and principal-led, global CRE services firm.

Rose said the key to Avison Young’s rapid growth has been its status as a privately held firm.

“It is so important to the company that we have built, especially against a competitive set that’s all public and structured,” he said, speaking of Avison Young’s major competitors. “We set out nine-and-a-half years ago to build something very different and very special. We wanted it to be very disruptive and we wanted it to differentiate itself.

“(As a private company) we believe you can move quicker, you can outsource more, you don’t need to worry about what you are saying to anybody on a quarterly basis. You can spend your time solving the needs of clients because if a client pays us in Years One, Three, Five, Seven and Nine, that’s fine.”

CDPQ large-scale investor

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Rose said bringing the CDPQ on board was necessary for another reason. A large-scale investor, the CDPQ can better accommodate Avison Young's expanding needs. He lauded Parallel49 as "the greatest partner anybody could ask for" as the company expanded both its service lines and geographical reach.

Financial terms of the transaction have not been disclosed.

"Avison Young's track record and experienced team speak for themselves: through a well-defined and executed business strategy, the company has grown considerably in recent years, particularly by entering international markets with strong potential," said Stéphane Etroy, executive vice-president and head of private equity at CDPQ, in a prepared statement.

"With its unique corporate culture and its long-term vision, Avison Young is an ideal partner for CDPQ, and we look forward to supporting the company as it continues to grow over the coming years."

As for where Avison Young intends to grow, Rose didn't get into specifics but did offer a broad outline.

"More of the same . . ."

"What you are gonna see is more of the same. More North America, because we can. More Europe, because we can. And, you'll see us in Asia," he said. "And, by the way, more in investment management. We have an investment management group which we started from scratch and we have every intention of growing that business."

Armed with the new funding, Rose said Avison Young plans to move quickly on the acquisition front.

"That's why we're doing this, and I think you will see many announcements over the next year or year-and-a-half."

Rose said having Avison Young's business backed by a major investor like the CDPQ is both gratifying and energizing.

"(For) this next very large leg up in growth, to have confirmation from an entity like the Caisse that this disruptive, differentiated approach is right and they believe in it with us, it just feels very good to all of our partners here at Avison Young.

"We're going to go have some fun."

About Caisse de dépôt et placement du Québec

CDPQ is a long-term institutional investor which manages funds primarily for public and parapublic pension and insurance plans. As of Dec. 31, 2017, it held \$298.5 billion in net assets. As one of Canada's leading institutional fund managers, CDPQ invests globally in major financial markets, private equity, infrastructure, real estate and private debt.

About Avison Young

Headquartered in Toronto, Avison Young is a collaborative, global firm owned and operated by its principals. Founded in 1978, the company comprises 2,600 real estate professionals in 84 offices, providing value-added, client-centric investment sales, leasing, advisory, management, financing and mortgage placement services to owners and occupiers of office, retail, industrial, multi-family and hospitality properties.

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