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commercial real estate newsletter  
New York, NY  
July 16, 2018

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News National Capital Markets

# Avison Young CEO Mark Rose Discusses Firm's Latest \$190M Capital Injection And Future Growth Strategies

July 16, 2018 | Dees Stribling, Bisnow National

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A major Canadian institutional fund manager has made a \$190M (C\$250M) equity investment in Toronto-based real estate services firm Avison Young.

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*Danier Morneau (Pexels)*

Avison Young will use the proceeds from investor Caisse de dépôt et placement du Québec to invest in acquisitions and in the recruitment of professionals. The company has already grown prodigiously in the last decade. Ten years ago, AY had 11 offices in Canada; now it has 84 offices altogether, including a wide presence in North America and a growing footprint in Europe.

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"We still have a few offices to open up in the U.S.," Avison Young Chairman and CEO **Mark Rose** told *Bisnow*. "We opened the five in Germany and in the U.K., and we want to expand further in Europe and then make our way into Asia."

Rose also said that the CDPQ investment will help grow the company's investment management business.

"Strangely enough, the growth ahead will be more of the same for us," Rose said. "There are a lot of people, and a lot of companies, who want to be part of Avison Young. There's a dynamic pipeline of folks who want to join us. [We've] long recruited talented individuals and acquired top companies, and that isn't going to change."

Some of Avison Young's expansion has been organic growth, but it has also been busy acquiring existing companies to establish a local presence in many markets.

In April, for instance, the company **bought Alcor Commercial Realty**, a Vancouver-based commercial real estate management firm. The addition of the Alcor portfolio brings Avison Young's total square footage under management in British Columbia to more than 3.9M SF.

The fact that the Avison Young is private will make it more nimble even as it grows larger, Rose said.

"In a privately held company, the owners have the ability to be decision-makers and the luxury to take a longer view of markets," Rose said. "Our structure will allow us to be a disruptive force in the industry."



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*Bisnow Archives*

*Avison Young CEO Mark Rose*



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Rose said he is optimistic that worldwide real estate fundamentals will sustain the company's growth in the future. "The world is expanding. The fundamental fact is that we will go from a population of 7 billion to 10 billion in a few decades. At the same time, the real estate industry is still consolidating."

Rose said that geopolitical concerns — notably, the continuing saga of Brexit — won't put a damper on Avison Young's growth in the U.K. or Europe.

"I was in London the day the Brexit vote took place, and I thought then that it would be a non-issue for us," Rose said. "It's turned out that way. It was sensational for a moment, but the U.K. is the fifth-largest economy in the world. No one is going to stop trading with it."

Avison Young will also repurchase shares held by the firm's current private equity partner, Parallel49 Equity (formerly Tricor Pacific Capital), as well as shares held by other non-management founders and former principals of the company.

As a result of the deal, ownership of the company will be entirely in the hands of its principals. CDPQ will be entitled to designate three members of Avison Young's nine-member board of directors.

CDPQ is no stranger to real estate and construction, which is one of its main class of holdings, along with infrastructure and private equity. Last month the investor **became a minority shareholder** in the Canadian construction firm Pomerleau with an investment of \$36M (C\$50M). Altogether, CDPQ has about \$227B (C\$298.5B) in net assets.

Credit Suisse was Avison Young's financial adviser in the deal, while DLA Piper LLP and Stikeman Elliott LLP were the company's legal advisers.