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AVENUE LIVING THRIVES DESPITE CHALLENGING ECONOMIC CONDITIONS

The COVID-19 crisis has had a devastating impact on many businesses across Canada, but Calgary-based Avenue Living has continued to focus on strategy fundamentals and directly confront the challenging environment with determination.

Avenue Living Asset Management is a vertically integrated asset manager, home to a platform of diversified classes of real estate assets and robust professional services, a combination that presents opportunities for stimulation and growth. With \$1.7 billion in assets under management across 5 investment funds, the Avenue Living platform consists of real estate assets across Alberta, Saskatchewan and Manitoba. This asset base includes approximately 10,000 multi-family residential doors, over 1,800 storage units, over 400,000 square feet of commercial and retail space, and over 37,000 acres of agricultural land. Avenue Living has identified a pipeline of over 6,000 residential units with a value of \$1 billion to strategically add to the platform.

“Avenue Living Asset Management has identified a number of assets with opportunity for acquisition. Multi-family ownership in Canada is still very fragmented, which makes it an interesting market. The top 30 landlords only own 25 percent of the market. The remaining multi-family units are owned by small mom and pop businesses, with the percentage exacerbated in the smaller markets,” said Jason Jogia, Chief Investment Officer, Avenue Living Asset Management.

“Avenue Living is fortunate to be in a competitive position to be able and willing to purchase assets from these smaller operators. We’re continuing to consolidate our portfolio, and our ability to identify those assets on an off-market basis has recognized over 6,000 assets in our jurisdictions – right in our backyard – that we could buy.”

“For years, Avenue Living has prided itself on looking where others don’t. The business was built by looking for assets with potential that others simply overlooked.”

At the end of June, Avenue Living Core Trust acquired 231 units in Edmonton, Red Deer and Lloydminster for a total purchase price of \$24.8 million, at an average price per door of \$107,000.

“This is the third recession for this organization. We thrived during the global financial crisis. We’ve been thriving through the most recent oil and commodity crisis, and here we are after one quarter of COVID, moving forward in the same direction,” said Jogia.

To ensure command and control of its business, Avenue Living deferred all non-discretionary spending. Capital expenditures were reduced, acquisitions were deferred, and the company made sure it had ample liquidity to survive this period.

“Because we continue to focus on the every day — on workforce housing — and on that non-preferential investment during the recessionary times, this is when our asset types flourish. There’s a flight to affordability. There’s a flight to continuity, particularly around consistency of institutional quality management. And as a result, we’ve been able to thrive during this time,” said Jogia.

“Avenue Living’s operations continued to hum during COVID-19. Ultimately, our KPIs remained strong. We were able to service our residents, keep our work orders down, continue delivering suites, continue to retain our residents, and continue to lease our suites during this time while collecting rents,” added Jogia.

“By sticking to the fundamentals of our business, harnessing the strength of our vertically integrated platform, Avenue Living is confident heading into 2020 and beyond. We have identified a substantial number of units that we can look to acquire and consolidate, along with a significant amount of investment that can continue to be made within the platform for accretive results.”