

CHILLIWACK  
BRITISH COLUMBIA



Investment Summary

KAMLOOPS  
BRITISH COLUMBIA



## Scotiabank Western Canada 4-Branch Portfolio | Long Term Sale Leaseback

CALGARY  
ALBERTA



EDMONTON  
ALBERTA





## The Offering

The Bank of Nova Scotia (“Scotiabank” or the “Vendor”) has retained Colliers International (the “Advisor”) on an exclusive basis to offer for sale a four (4) asset retail Portfolio (the “Properties” or “Portfolio”) located within British Columbia and Alberta.

The Portfolio of core bank branches consists of 62,554 square feet of total net rentable area (including 3,736 SF leased to a third party and 9,500 SF of vacant space) for which Scotiabank (49,318 SF total) has committed to a minimum of a 10-year sale-leaseback. The Portfolio is well located within major commercial and retail nodes in Chilliwack, Kamloops, Calgary and Edmonton. Year 1 Net Operating Income for the Portfolio is approximately \$1.1 million, with a 10% rental escalation in year 6. The British Columbia portion of the Portfolio consists of two (2) assets, or 29,630 square feet, and represents 34% of the year 1 NOI, while the Alberta Portfolio offers two (2) assets, or 32,924 square feet, and represents 66% of the year 1 NOI.

The sale of the properties will be considered on an individual, clustered and Portfolio basis. It is the Vendor’s preference that offers be received with no or limited conditions, and will be evaluated on that basis. Prospective financing terms through Scotiabank will be provided.

## Portfolio Summary

#	Address	City	Ground Floor (SF)	Other <sup>1</sup> (SF)	Total GLA (SF)	Year Built	Scotiabank Term (yrs)
1	46059 Yale Road	Chilliwack	4,200	1,829	6,029	1983	10
2	276 Victoria Street	Kamloops	9,214	14,387	23,601 <sup>2</sup>	1980	10
<b>British Columbia Total</b>			<b>13,414</b>	<b>16,216</b>	<b>29,630</b>		<b>10</b>
3	1401 - 17th Avenue SW	Calgary	8,230	11,384	19,614	1974	10
4	10537 - 82nd Avenue	Edmonton	6,621	6,689	13,310 <sup>3</sup>	1971	10
<b>Alberta Total</b>			<b>14,851</b>	<b>18,073</b>	<b>32,924</b>		<b>10</b>
<b>Total Portfolio</b>			<b>28,265</b>	<b>34,289</b>	<b>62,554</b>		<b>10</b>

1. Includes rentable basement, mezzanine and above grade storeys

2. Includes 9,500 SF of third storey vacant office space

3. Includes 1,912 SF on the ground floor and 1,824 SF in the basement leased to a third party tenant



## Investment Highlights

### Highest Grade Tenant Covenant

Scotiabank is Canada's most international bank and a leading financial services provider in North America, Latin America, the Caribbean and Central America, and Asia-Pacific. With over 88,000 employees and assets of \$896 billion, Scotiabank is one of the largest companies in Canada with a Moody's rating of Aa3. Scotiabank is publicly traded on the Toronto (TSX: BNS) and New York Exchanges (NYSE: BNS).

### Long Term Net Leases with Escalations

The Properties are being offered with Scotiabank premises on a 10-year fully net sale-leaseback term, generating a stable and predictable cash flow for investors. Contractual rent escalations (10%) in year 6 will provide income growth over the lease term.

### Core Locations

The assets are well located in medium-sized and major western Canadian cities including Chilliwack, Kamloops, Calgary and Edmonton. Within these markets, the properties are centrally located in prime commercial nodes.

### Carefree Lease

The 4 buildings are structured on 10-year fully net leases for Scotiabank premise, in which the tenant is responsible for all operating and non-structural repairs and maintenance costs. Scotiabank shall also bear all responsibility for any environmental claims relating to any contamination, and any costs to manage, remove or remediate contamination existing before the Commencement Date if environmental laws mandate such removal or remediation.

### Institutionally Owned and Maintained

Scotiabank has maintained and upgraded the assets in order to align the appearance of the retail branches with their long-term modern corporate image. Significant interior and exterior capital expenditures have improved the visual appeal and operational efficiency of the branches.

### Available Financing

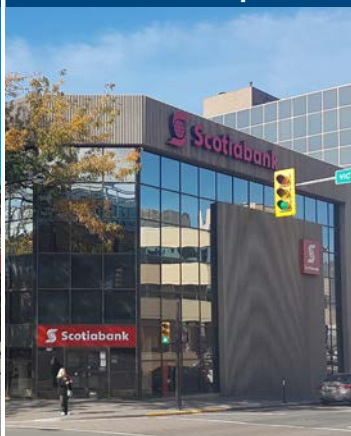
The Portfolio is free and clear of financing, allowing investors to take advantage of the low interest rate environment. The tenant credit and length of term allows lenders to aggressively underwrite the opportunity, and provide favourable leverage that maximizes returns for investors. The Bank of Nova Scotia plans to provide prospective lending terms, upon request.

#### 1 | Chilliwack



46059 Yale Road

#### 2 | Kamloops



276 Victoria Street

#### 3 | Calgary



1401 17th Avenue SW

#### 4 | Edmonton



10537 82nd Avenue

## Offering Timeline

Stage	Description of Process	Date
1	Initial Portfolio Summary and Confidentiality Agreement	Tuesday, October 31, 2017
2	Distribution of Confidential Information Memorandum	Thursday, November 2, 2017
3	Offer Submission Date	Tuesday, December 5, 2017 at 2:00 PM PST / 5:00 PM EST
4	Closing	January 2018 or earlier

## Confidentiality Agreement

To receive a detailed information package about the offering, please execute and return the Confidentiality Agreement to Karen Lam by email [karen.lam@colliers.com](mailto:karen.lam@colliers.com).

## For more information please contact:

Colliers Capital Markets | Canada  
181 Bay Street, Suite 1400 Toronto, Ontario, Canada | T: +1 416 777 2200 | F: +1 416 777 2277

<b>Scott Chandler**</b> Senior Vice President +1 416 643 3796 <a href="mailto:scott.chandler@colliers.com">scott.chandler@colliers.com</a>	<b>Bill Pitt**</b> Senior Vice President +1 416 643 3400 <a href="mailto:bill.pitt@colliers.com">bill.pitt@colliers.com</a>	<b>Andrew Barnicke**</b> Vice Chairman, Managing Partner +1 416 643 3766 <a href="mailto:andrew.barnicke@colliers.com">andrew.barnicke@colliers.com</a>	<b>John Stewart**</b> Senior Vice President +1 416 643 3401 <a href="mailto:john.stewart@colliers.com">john.stewart@colliers.com</a>	<b>Janina Francescutti**</b> Senior Vice President +1 514 768 2848 <a href="mailto:janina.francescutti@colliers.com">janina.francescutti@colliers.com</a>
---	--	--	---	--

Colliers International   Vancouver (Chilliwack)	Colliers International   Kelowna (Kamloops)	Colliers International   Calgary	Colliers International   Edmonton
<b>Simon Lim***</b> Executive Vice President +1 604 661 0882 <a href="mailto:simon.lim@colliers.com">simon.lim@colliers.com</a>	<b>Murray Wills</b> Vice President & Managing Broker +1 250 861 8133 <a href="mailto:murray.wills@colliers.com">murray.wills@colliers.com</a>	<b>Michael Golightly</b> Vice President +1 403 298 0400 <a href="mailto:michael.golightly@colliers.com">michael.golightly@colliers.com</a>	<b>Rick Argue</b> Senior Vice President +1 780 969 2997 <a href="mailto:rick.argue@colliers.com">rick.argue@colliers.com</a>



**COLLIERS  
CAPITAL  
MARKETS  
CANADA**

*\*Sales Representative \*\*Broker \*\*\*Personal Real Estate Corporation*

This document has been prepared by Colliers International for advertising and general information only. Colliers International makes no guarantees, representations or warranties of any kind, expressed or implied, regarding the information including, but not limited to, warranties of content, accuracy and reliability. Any interested party should undertake their own inquiries as to the accuracy of the information. Colliers International excludes unequivocally all inferred or implied terms, conditions and warranties arising out of this document and excludes all liability for loss and damages arising there from. Colliers International is a worldwide affiliation of independently owned and operated companies. This publication is the copyrighted property of Colliers International and /or its licensor(s). © 2017. All rights reserved. Colliers Macaulay Nicolls Inc.