

Oxford, CPPIB sell Dynamic Funds Tower complex

Transactions



[RENX Staff](#)

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The Dynamic Funds Tower in Toronto. (Courtesy Oxford Properties)

A joint venture between the [Great-West Life Real Estate Fund](#), [London Life Real Estate Fund](#), [OPTrust](#), and [I.G. Investment Management](#) has purchased the 650,000-square-foot Dynamic Funds Tower complex in downtown Toronto.

The property, previously owned by [Oxford Properties Group](#) and the [Canada Pension Plan Investment Board \(CPPIB\)](#), includes: Dynamic Funds Tower at 1 Adelaide St. East, a 30-storey LEED Gold-certified office tower; 20 Victoria St., a nine-storey boutique office building; and 85 Yonge St., a three-storey retail building.

[GWL Realty Advisors](#), the fund manager for both GWL and London Life, facilitated the partnership for the transaction.

“In today’s competitive market where there are limited opportunities to acquire class-A office buildings in core markets, we are pleased to have completed this transaction,” said Ralf Dost, the president of GWLRA, in a release Thursday afternoon. “This acquisition adds another high-quality asset to our clients’ real estate investment portfolio and fits within our downtown strategy.”

Among the major tenants in the Dynamic Funds Tower is the corporate headquarters of OPTrust. [Scotia Capital Inc.](#), is also an anchor tenant.

Dynamic Funds Tower 99 per cent leased

In total, the tower contains 35 tenants and was 99 per cent leased at the time the sale closed, according to [JLL Capital Markets](#).

Designed by Page + Steele architects, Dynamic Funds Tower was completed in 1991.

“As a pension management organization, it is critical that we find income-generating assets that align with our members’ requirements of providing Plan sustainability and security,” said Rob Douglas, managing director of real estate investments for OPTrust, in the release.

“With strong demand and historic low vacancy rates for Toronto office space, and the shared interest of trusted strategic partners, this property presented a unique and valuable opportunity to invest in a high-profile property in the heart of Toronto’s downtown core.”

Downtown Toronto office assets are increasingly coveted by large investors, as vacancy rates remain below two per cent and continue to compress. A steady influx of tech and other companies into the core means rents have been steadily rising and even with up to 10 million square feet of new space under development, vacancy rates are not expected to increase any time soon.

Rumours of the pending sale were first reported by [BNN Bloomberg](#) in November, at which time it said the sale price would be approximately \$475 million. No financial details have been released by the purchasers.

GWLRA will provide property management service for the complex.

About the partners

The Investors Real Property Fund (IRPF) is a mutual fund offering direct ownership of commercial real estate. IRPF is a subsidiary of IG Wealth Management. As a portfolio manager, it provides investment, asset and property management services for IRPF and manages approximately \$5 billion in assets.

With net assets of over \$20 billion, OPTrust invests and manages one of Canada's largest pension funds and administers the OPSEU Pension Plan, a defined benefit plan with over 92,000 members and retirees.

Established in 1981, the Great-West Life Real Estate Fund is one of Canada's largest real estate segregated funds. As of Dec. 31, the real estate assets of the Fund were \$5.3 billion and its total assets were \$5.8 billion. The fund is invested in 123 properties, diversified by type and region.

The London Life Real Estate Fund was launched in 1998 to create a vehicle for direct real estate investment. As of Dec. 31, the real estate assets of the fund were \$3.1 billion and its total assets were \$2.8 billion. The fund, which provides investors with a stable income return and a potential for capital appreciation, is invested in 91 Canadian properties, diversified by type and region.

GWL Realty Advisors is a leading North American real estate investment advisor providing comprehensive asset management, property management, development and specialized real estate advisory services to pension funds and institutional clients.

It manages a diverse portfolio of office, industrial, retail and multi-residential assets as well as an active pipeline of new development projects.