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SKYLINE GROUP

HINES

Access To Employment Centers
And Area Attractions Sets 36
River Apart In Boston Suburb



Roy Jason Ashdown, Co-founder and Chief Operating Officer, Guelph Mayor Karen Farbridge, and Bluewater Energy President Wil Beardmore stand atop a residential property on which Skyline has installed a custom rooftop solar system as a component of its Portfolio Efficiency Plan.

On-the-Ground Service

Vertically Integrated
Real Estate Company
Continues Quest To Be
The True Industry Leader

Comprised of four primary entities, the Skyline Group of Companies is a real estate investment, development, asset management and property management organization that strives to stand out in the world of Canadian real estate. In fact, the company's multifamily and commercial portfolios have flourished in recent years.

"Much of our success is attributed to us having a very loyal and strong investor base built around our business, which has enabled us to go out and make good fundamental property acquisitions," says Jason Castellan, CEO and Co-Founder. "I think we have one of the best management teams in the business to reposition properties under the Skyline brand, and then offer best in-class real estate homes and business places for our tenants, whether they are commercial or residential."

Skyline covers all aspects of the real estate industry in-house. The group is made up of Skyline Wealth Management, Skyline Commercial Management, Skyline Asset Management and Skyline Management. These entities exclusively serve Skyline Apartment Real Estate Investment Trust (REIT) and Skyline Commercial REIT.

Skyline Group

CEO AND CO-FOUNDER
Jason Castellan

LOCATION
Guelph, Ontario

"We are fully integrated from top to bottom, from the way we operate to the way we raise our capital through our investor base," Castellan says. "It's important that all of the elements fit together efficiently to run a successful and effective business."



210 Lesmill Road, North York, ON



THE MANAGEMENT TEAM WE HAVE CULTIVATED

has made us very scalable in terms of our ability to build and grow in the future. It's a kind of ready-made portfolio that will allow us to expand when the opportunities present themselves."

-Jason Castellan



850 Industrial Avenue in Ottawa, ON

AN ESTABLISHED MULTIFAMILY PORTFOLIO

Skyline's multifamily portfolio, organized within Skyline Apartment REIT, is valued at over C\$925 million, and its multifamily properties total 122 throughout four Canadian provinces. Skyline has identified successful markets and understands the improvements necessary to transform the future of a property. The properties not only operate more efficiently but also appeal to communities and individuals by actively pursuing initiatives aligned with the company's values.

"We have had some great success with acquiring properties in the secondary and tertiary markets in Ontario," Castellan says. "We have had some good value plays by first creating efficiencies through basic expenses like water, hydro and gas, in order to attack the overall cost of utilities and get those savings to the most efficient level possible. We then go after upgrades to these properties that are typically 30 or 40 years old and give them a new and fresh look, so that the property attracts a higher quality of tenant going forward." With an eye on changes in the real estate market

and overall economy, Skyline acquires a range of properties in order to withstand fluctuations to a particular property type. This diversification helps to keep the company sound, so that if one of the industries in which it has invested experiences a downturn its impact on the overall portfolio will be minimal.

"Part of our strategy is being highly diversified," Castellan says. "We are currently in 42 communities. Those communities ebb and flow over time, and as they do, we respond to the markets and to the demand in those markets. We are able to upgrade our buildings and surface value for our tenants and investors alike. We then strategically position the properties so that when some of the local communities suffer through struggling economies, we still have the right tenant mix to go through those periods without impacting the other properties we own."

SUCCESS ON THE COMMERCIAL SIDE

Skyline Commercial REIT is made up of 52 properties and valued at over \$272 million. Launched in January 2012, the REIT's foundation was es-



The Gummer building after completion

established through a significant portfolio transaction, according to Castellan.

"We started out with a fundamental base of real estate," he says. "One of our first and largest transactions was a C\$240 million portfolio purchase that brought many tangible assets beyond the real estate, such as the management team that came with the property. The team has a thorough understanding of the properties and the dynamics of the tenants, and we use its knowledge to provide continuity for our tenants and to further build a platform on which to grow."

Since being launched, Skyline's commercial portfolio has experienced a great deal of success, and the REIT's management team continues to make advancements.

"The management team we have cultivated has made us very scalable in terms of our ability to build and grow in the future," Castellan says. "It's a kind of ready-made portfolio that will allow us to expand when the opportunities present themselves."

ENHANCING ENERGY EFFICIENCY

Skyline also has a commitment to energy efficiency as a way to be cost-conscious and eco-

friendly. The company has developed a portfolio efficiency plan (or "PEP" as they call it), which has enabled Skyline to reduce its energy, water and natural gas usage by significant margins, in addition to boosting its recycling rates.

"When we talk about green for the environment, it usually goes hand-in-hand with green for the investors' wallets," Castellan says. "A lot of the new technologies are definitely good for the environment in that we are reducing our utility footprint, which means reducing our exposure to those fluctuations in utility costs. The green initiatives help us stabilize the portfolio by providing the capabilities to produce fewer emissions and more efficient operations. However, they also help the bottom line because there is usually an economic benefit and considerable returns when we engage in a lot of these initiatives."

Some of the measures in the portfolio efficiency plan include replacing all incandescent light bulbs with compact fluorescent lamp lighting. The company has installed photovoltaic panels on many of its multifamily buildings that generate revenue through the government's microfit program. They also prevent radiant heat from being absorbed by the roof, keeping the buildings cooler in the summer.

Skyline also installs low-flow showerheads, high-efficiency laundry equipment and water-saving toilets and sink plugs to cut down on water usage. Additionally, the firm has replaced 53 percent of the boilers in its portfolio with high-efficiency units. Skyline has seen some noticeable results from these initiatives, and Castellán says that tenants appreciate the efforts as well.

"I don't think enough emphasis is put on the tenants, who are the ones really driven by green initiatives," he says. "Often they choose to live in a Skyline building because they know we make those investments for the benefit of the environment, and they can play a role in that along with us."

AWARDS AND RECOGNITIONS

Over the years, the Skyline Group of Companies has received numerous awards and recognition in its industry and business community, such as the Community Award for Excellence, Corporate Partner of the Year and Community Building Award. According to Castellán, the awards provide incentive for future innovations, and Skyline is proud to be an industry leader when it comes to its focus on community and philanthropy.

"It is highly motivating for all of our staff to know that we are getting recognized," he says. "It's a testament to everybody pitching in and contributing to our stance as leaders in technological and community advancement. We encourage everyone to voice their ideas if they come up with an idea for savings or other things that can be done to help, so that we can maximize the benefits of those efficiencies."

The company is also sure to recognize individuals within the company who go above and beyond to move Skyline forward.

"By putting us at the leading edge in our management approach, our team members get recognition," Castellán says. "It provides additional motivation to continue to do more and make a difference. Not everybody is motivated by the dollars and cents. It's also nice to be recognized in the industry."

Although Skyline has earned a strong reputation for success in the industry, Castellán says the work to add to that reputation is continuous.

The company's leadership pushes its team so that it does not rest on its laurels.

"We've worked very hard to build a reputation and name for ourselves," he says. "We know that it is a lot easier to damage your reputation than it is to build one up. We are very careful about the relationships we have with our tenants, stakeholders and investors. Our foundation is solid, but we know that if we are not always careful or working hard, we can easily get knocked off that pedestal."

Castellán says he is always impressed with the hard work and commitment of the Skyline team, and is proud of the fact that the company is able to attract top talent.

"They want to be a part of Skyline and contribute to our successes, and that is the value that will keep us moving forward," he says.

Skyline anticipates much growth in the future, although these advances will be steady and focused on only those that are sustainable for the long term.

"As we continue to grow and pursue new prospects, we are going to continue to expand our efforts," Castellán says. "Our growth is going to be paced, and it's going to happen only when the opportunities present themselves. The goals along the way are to continually get better and to attract people who are experts in our target fields."

As the company continues to diversify, its intent is to bring in highly specialized professionals to support Skyline's growth in the various industries the company enters.

"As we get bigger and broader, everyone has a place to bring a unique skill to the company and gain recognition for it," Castellán says. "When fit together with everyone else in the company, we can collectively make a huge difference. I promote that and believe that this company is and will continue to be the best property management company in the business. We are operationally motivated first—we are not about structures and the top-down approach. This is about on-the-ground service to our tenants, being the best that we can be on all fronts. The rest will take care of itself." 