

Company Hepsor AS
Type Company Release
Category Other corporate action
Disclosure time 16 Jun 2023 07:00:00 +0300

Currency

Title Hepsor's Canadian subsidiary made its first investment in the Canadian real estate market

Hepsor SPV I Ltd, a subsidiary of Hepsor in the Canadian province of Ontario, made its first investment in the Canadian real estate market. A property suitable for residential development was purchased in Toronto at 3406-3434 Weston Road together with Canadian partners. Weston Limited Partnership was founded in order to develop the property in which, in addition to Hepsor and its Canadian partners, various Canadian and European investors also participate. Fasken (www.fasken.com), one of Canada's largest law firms, advised Hepsor on structuring the deal.

The goal of the first phase of the acquired development project is to increase the construction volumes of the property from 27,000 m² to ca 53,000 m² and to obtain construction rights for the creation of two apartment buildings. The land valuation phase is expected to take 2-2.5 years, after which the Weston Limited Partnership will be able to decide whether the additional value created by that point will be realized through the resale of the property or whether the project will move on to the construction phase.

The total volume of investments in the first phase of the project is ca 17.5 million euros, of which Weston Limited Partnership will invest ca 8 million euros as own funds.

Andres Pärloja, Chairman of the Supervisory Board of Hepsor AS, said: "Hepsor started developing its Canadian business line in the spring of 2022 after the start of the war in Ukraine with the aim of finding new growth opportunities and mitigating the geopolitical risks associated with the current home markets. Within a year, a network of cooperation has been built in Canada, from legal and financial advisors to banks, market analysis and brokerage companies. In addition to the Weston Road project, three other similar development projects in Toronto and Toronto suburbs are currently under preparation in Canada."

Henri Laks
Member of the Management Board
Phone: +372 5693 9114



e-mail: henri@hepsor.ee

Hepsor AS (www.hepsor.ee) is one of the fastest growing residential and commercial real estate developers in Estonia and Latvia. Over the last twelve years Hepsor has developed more than 1,500 homes and 32,000 m(2) of commercial space. Hepsor has been the first real estate developer in the Baltic States to implement a number of innovative engineering solutions that make the buildings we construct more energy-efficient and thus more environmentally friendly. The company's portfolio is comprised of 24 development projects with a total sellable space of 161,000 m(2).

