

CPPIB and Cyrela Form Joint Venture in São Paulo's Multifamily Property Sector

Transaction creates a portfolio of scale in Brazil's most liquid real estate market.

São Paulo, Brazil / Toronto, Canada (November 8, 2019) – Canada Pension Plan Investment Board ([CPPIB](#)) and Cyrela Brazil Realty ([Cyrela](#)) have formed a joint venture to develop a portfolio of residential real estate across select neighbourhoods in the city of São Paulo.

The joint venture will target an investment of up to R\$1 billion (C\$358 million) in combined equity. CPPIB will own an 80% interest in the joint venture and Cyrela will own the remaining 20% interest. The partnership will target the middle-to-high-income segments of the multifamily market.

This partnership creates one of the first institutionally owned and operated multifamily real estate investment platforms in Brazil. The combination of structurally lower interest rates, favorable demographics, new customer behaviors, people wishing to live closer to work, and the secular trend of increasing housing prices in major cities, will foster the development of this business in Brazil in the coming years.

Four development projects located on premium sites in São Paulo have so far been identified as an initial selection of assets to seed the joint venture, with three already secured by the platform. This will give CPPIB and Cyrela's partnership immediate scale in the market and account for 56% of the joint venture's target equity allocation.

"CPPIB expects the multifamily sector to particularly benefit from an improvement in São Paulo's local business activity and consumer confidence levels, supporting long-term demand for modern, high quality residential space," says Hilary Spann, Managing Director, Head of Americas, Real Estate Investments.

CPPIB is a significant and growing investor in Latin America, with C\$16.4 billion invested in real estate, public equities, private equity funds and direct investments, as at June 30, 2019. CPPIB's office in São Paulo, which opened in 2014, serves as the hub office for Latin America.

"This joint venture with Cyrela gives CPPIB the ability to access a developing asset class in Brazil alongside a strong, aligned partner. We look forward to the opportunities to build our real estate portfolio and diversify our holdings in the region that this partnership will bring," says Rodolfo Spielmann, Managing Director, Head of Latin America.

"Cyrela believes Brazil's current macroeconomic conditions, aligned with changes in consumer preferences and the lack of multifamily projects owned entirely by institutions, presents a unique moment for this kind of investment in Brazil," says Efraim Horn, Co-CEO, Cyrela.

Cyrela will manage the properties acquired and developed by the joint venture.

About Canada Pension Plan Investment Board

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits in the best interests of 20 million contributors and beneficiaries. In order to build diversified portfolios of assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in Hong Kong, London, Luxembourg, Mumbai, New York City, San Francisco, São Paulo and Sydney. CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At June 30, 2019, the CPP Fund totalled \$400.6 billion. For more information about CPPIB, please visit www.cppib.com or follow us on [LinkedIn](#), [Facebook](#) or [Twitter](#).

About Cyrela

Cyrela Brazil Realty is among the largest residential property developers in the Brazilian real estate market. Thousands of families have trusted their safety and comfort to Cyrela over the last 50 years and the company has grown to more than 15,000 employees. Cyrela constantly invests in its valued workforce through its Corporate University. Cyrela is also committed to social responsibility and improving the neighbourhoods it builds through many types of urban enhancements, as well as caring for the environment through advanced waste-management processes during construction. Cyrela's brand has become a synonym for high quality through its achievements and innovations. It currently has 200 construction sites spread across 67 cities in 16 Brazilian states in the Federal District and has proudly built more than 56,000 homes.

For More Information:**CPPIB**

Darryl Konynenbelt
Director, Global Media Relations
T: +1 416 972 8389
dkonynenbelt@cppib.com

CYRELA

Edelman
Felipe Perrella
felipe.perrella@edelman.com
(11) 3066-7773

Gabriella Pires
gabriella.pires@edelman.com
(11) 3066-7716

Ana Herrera
ana.herrera@edelman.com
(11) 3060-3108