Final Transcript

Crombie Real Estate Investment Trust

Third Quarter 2024 Earnings Call

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Forward-Looking Information

This transcript contains forward-looking statements about expected future events and the financial and operating performance of Crombie. These statements include, but are not limited to, statements concerning management's beliefs, plans, estimates, intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical fact. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "estimate", "anticipate", "believe", "expect", "intend" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. Forward-looking information in this transcript includes statements regarding:

(I) The disposition of properties, including properties under contract, and the anticipated reinvestment of net proceeds, which could be impacted by the availability of purchasers, the availability of accretive property acquisitions, requirements and timing for Empire investments, the timing of property development activities or other uses for net proceeds and real estate market conditions;

(II) Our development pipeline and diversification to mixed-use residential developments, including statements regarding the locations identified, timing, cost, development size and nature, anticipated yield on cost, and impact on net asset value and net asset value per unit, cash flow growth, Unitholder value or other financial measures, all of which may be impacted by real estate market cycles, the availability of financing opportunities and labour, actual development costs, continuance of current market and capitalization rate conditions and general economic conditions and factors described under the "development" section of our most recent Management's Discussion and Analysis, and which assumes obtaining required municipal zoning and development approvals and successful agreements with existing tenants, and where applicable, successful execution of development activities undertaken by related parties not under the direct control of Crombie;

(III) Set growth and reinvesting to develop or otherwise make improvements to existing properties, which could be impacted by the availability of labour, capital resource availability and allocation decisions as well as actual development costs;

(IV) The accretive acquisition of properties, including the cost and timing of new properties under right of first offer agreements, and the anticipated extent of the accretion of any acquisitions, which could be impacted by demand for properties and the effect that demand has on acquisition capitalization rates and changes in interest rates;

(V) Overall indebtedness levels and terms and expectations relating to refinancing, which could be impacted by the level of acquisition and disposition activity that Crombie is able to achieve, levels of indebtedness, Crombie's ability to maintain and strengthen its investment grade credit rating, future financing opportunities, future interest rates, creditworthiness of major tenants, and market conditions;

(VI) Generating improved rental income and occupancy levels, which could be impacted by changes in demand for Crombie’s properties, tenant bankruptcies, the effects of general economic conditions and supply of competitive locations in proximity to Crombie locations;

(VII) Expected increase in revenue in 2024 and 2025, which could be impacted by timing of completion of development projects underway, ability to secure tenants and the effects of general economic conditions;

(VIII) Anticipated replacement of expiring tenancies, which could be impacted by the effects of general economic conditions and the supply of competitive locations;

(IX) The anticipated rate of general and administrative expenses as a percentage of property revenue, which could be impacted by changes in property revenue and/or changes in general and administrative expenses; and

(X) Anticipated distributions, distribution growth and payout ratios, which could be impacted by results of operations and capital resource allocation decisions.

These forward-looking statements are presented for the purpose of assisting Crombie’s Unitholders and financial analysts in understanding Crombie’s operating environment and may or may not be appropriate for other purposes. These forward-looking statements are not guarantees of future events or performance and, by their nature, are based on Crombie’s current estimates and assumptions. Crombie can give no assurance that actual results will be consistent with these forward-looking statements. A number of factors, including those discussed under "risk management" in Crombie’s Management’s Discussion and Analysis for the quarter ended September 30, 2024 and those discussed under "risk factors" in Crombie’s most recent Annual Information Form (available at www.sedarplus.ca) could cause actual results, performance, achievements, prospects or opportunities to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully, and a reader should not place undue reliance on the forward-looking statements.

CORPORATE PARTICIPANTS

Mark Holly
Crombie REIT – President and Chief Executive Officer

Kara Cameron
Crombie REIT — Chief Financial Officer

Arie Bitton
Crombie REIT — Executive Vice President, Leasing & Operations

Ruth Martin
Crombie REIT — Senior Director, Investor Relations & Financial Analysis

CONFERENCE CALL PARTICIPANTS

Lorne Kalmar
Desjardins Capital Markets — Analyst

Nicholas Telega
National Bank Financial — Analyst

Gurav Mathur
Green Street — Analyst

Operator

Good afternoon, everyone, and welcome to Crombie REIT's Q3 Conference Call. At this time, all lines are in listen-only mode. Following the presentation, we will conduct a question-and-answer session. If at any time during this call you require immediate assistance, please press star zero for the operator. This call is being recorded on November 7, 2024.

I would now like to turn the conference over to Ruth Martin. Please go ahead.

Ruth Martin — Senior Director, Investor Relations & Financial Analysis, Crombie REIT

Thank you. Good day, everyone, and welcome to Crombie REIT's third quarter 2024 conference call and webcast. Thank you for joining us. This call is being recorded in live audio and is available on our website at www.crombie.ca. Slides to accompany today's call are available on the investor section of our website under Presentations and Events.

On the call today are Mark Holly, President and Chief Executive Officer; Kara Cameron, Chief Financial Officer; and Arie Bitton, Executive Vice President, Leasing and Operations.

Today's discussion includes forward-looking statements. As always, we want to caution you that such statements are based on management's assumptions and beliefs. These forward-looking statements are subject to uncertainties and other factors that could cause actual results to differ materially from such statements. Please see our public filings, including our management's discussion and analysis and annual information form, for a discussion of these risk factors. Our discussion will also include expected yield on cost for capital expenditures. Please refer to the development section of our management's discussion and analysis for additional information on assumptions and risks.

I will now turn the call over to Mark, who will begin the discussion with comments on Crombie's strategy and outlook. Kara will review Crombie's operating fundamentals, discuss our financial results, capital allocation, and approach to funding, and Mark will conclude with a few final remarks.

Over to you, Mark.

Mark Holly — President & Chief Executive Officer, Crombie REIT

Thank you, Ruth. Good day, everyone, and thanks for joining us for our third quarter conference call.

Crombie's third quarter performance builds on a solid first half, showcasing the strength of our coast-to-coast, necessity-based portfolio and the exceptional efforts of our team in driving key performance metrics while continuing to enhance the stability and flexibility of our balance sheet.

The third quarter was another consistent and solid quarter for us. We maintained high occupancy, generated same-asset property cash NOI growth of 2.6%, and grew our FFO per unit by 3.3% when normalized for the sale of the lands at our Opal Ridge joint venture in the third quarter of 2023. Year to date we have grown FFO per unit by 6.9%, a metric our team is very proud of. This increase in FFO per unit is a reflection of our steadfast commitment to operational excellence and portfolio optimization leading to higher property revenue from strong leasing activities and revenue from management and development services. We delivered these results while maintaining a robust and flexible balance sheet, ending the quarter with ample liquidity, debt to EBITDA of 7.72x, and leverage ratios well within our target ranges. Our balance sheet is an essential component of our foundation that enables us to seize opportunities and progress strategic initiatives that create long-term unitholder value.

Aligned with our value creation strategy, our team delivered on several key priorities that further strengthened our grocery-anchored, necessity-based platform. In the quarter and subsequent to the quarter, we acquired a freestanding grocery site as well as a land parcel at one of our existing freestanding grocery assets. We repurposed existing space within our portfolio through our non-major development program to add a grocery store; purchased the remaining 50% of the residential portion of a premium grocery-anchored, mixed-use rental residential property in Vancouver from our joint venture partner; and finally, we sold two underperforming assets in Atlantic Canada to a local developer.

Today I will focus my prepared remarks on two of our value creation drivers, starting with own and operate. The thoughtful and intentional curation of our necessity-based portfolio strategically positions us for both stability and sustained growth. Our focus remains on grocery-anchored retail assets, complementary grocery-related industrial and mixed-use residential through the optimization of our existing properties. Our leasing and operations team are focused on operational excellence through optimizing tenant mix and maintaining high standards in safety, security, and upkeep. Our commitment to excellence in these core areas is consistently reflected in our high occupancy metrics and continued growth in our in-place annual minimum rent. At the end of the third quarter, annual minimum rent per square foot was $18.02, which is 3% or $0.53 higher per square foot than last year. The increase was driven by over 200,000 square feet of new leases, including grocery, pet, and QSR tenants, entering economic occupancy over the last four quarters; renewal growth almost double our historic average; investments in modernizations; as well as embedded contractual rent step-ups.

As previously mentioned, the team was very active in acquiring and disposing of properties during the quarter and subsequent to the quarter. First, in the quarter, we acquired a freestanding 14,000-square-foot IGA grocery store from Empire for a purchase price of $3.8 million. The property is well located on a 1.1-acre site along the main commercial corridor in downtown Golden, British Columbia. This property aligns very well with our focus on owning and operating grocery-anchored assets that are at the heart of vibrant communities across the country.

Subsequent to the third quarter we closed on two acquisitions and two dispositions. First, we closed the acquisition of the remaining 50% of Zephyr from our partner for an aggregate purchase price of $133 million. Zephyr is a marquee property in downtown Vancouver's West End neighbourhood. The site is anchored by a Safeway grocery store and 10,000 square feet of essential retailers, providing one of the many exceptional amenities to the residents of the building. Zephyr offers panoramic views of English Bay and Stanley Park and is focused on living locally. This was an opportunistic acquisition for Crombie and provides future optionality. Our partners expressed the desire to divest of their ownership and our partnership agreement had liquidity provisions that gave Crombie control and optionality. The purchase price was determined competitively based on recent transactions in the market, third-party appraisal, and general third-party inbound interest in this marquee asset. The acquisition of the remaining 50% is well aligned with our strategy of owning and operating grocery-anchored, necessity-based retail and supplementary mixed-use residential assets. Our goal is always to maximize the value of our assets and the residential component provides quality cash flow and enhances the value of our in-place retail. In addition, we have owned all or a portion of this asset since 2013, so it is a very familiar asset and market for us. Our leasing and operations team have a deep understanding of the local market, the building, our retail tenants and residents. The property is only three years removed from its redevelopment and stabilization of occupancy and has provided annualized property revenue growth of approximately 10%, positively contributing to FFO. Finally, we financed this purchase with low-cost debt at a blend rate interest of 3.5% through the existing CMHC-insured mortgage and a new unsecured bank facility, which Kara will speak to later. The second acquisition was through our third-party sale of the Champlain Mall in

Moncton whereby we exercised our right to acquire the underlying land parcel of our existing land lease, which has a freestanding Sobeys store for $2 million.

Finally, we sold two underperforming assets located in Amherst, Nova Scotia and Riverview, New Brunswick to a local developer. Together, these properties comprised 338,000 square feet and were sold for total proceeds before closing and transaction costs of $6 million, half of which will be in the form of vendor take-back financing. Both underperforming assets exhibit structural vacancy and higher than average maintenance CapEx and, as a result, the disposition will positively impact key metrics, including economic occupancy by approximately 30 basis points, all else being equal. It is worth noting that only the site in Amherst included a food store at that center and in that transaction we retained ownership of the 39,000 square foot Sobeys store on site.

Moving to portfolio optimization, an important driver of AFFO and NAV growth, our portfolio holds significant embedded value and our team is dedicated to strategically allocating capital across major and non-major developments to unlock the most effective use of our assets and maximize returns to our unitholders. It is our balanced approach to major and non-major development that showcases Crombie's commitment to creating value and growing responsibly. Today we have one active major development under construction, The Marlstone in Halifax. The project remains on track and on budget with the ninth level of the residential structure recently completed. While we only have this one major development project under construction, we are very active in advancing other sites in our development pipeline through the entitlement process. Advancing these projects will continue to provide Crombie with flexibility and optionality.

With respect to our non-major development program, substantial completion and the grand opening of Empire's Farm Boy store and Crombie's fourth Farm Boy location occurred in the third quarter at our Burlington Plaza site in Ontario, a great example of how we are able to repurpose existing space to expand our grocery network and to enhance the tenant mix. We also completed a land use intensification for a quick-serve restaurant in Edmonton and invested $4.7 million in our modernization program in the quarter.

I will now hand the call over to Kara, who will discuss our operational and financial results as well as highlight the cornerstone of our solid foundation, our balance sheet.

Kara Cameron — Chief Financial Officer, Crombie REIT

Thank you, Mark, and hello, everyone.

Once again, we are pleased with our operating and financial performance in the quarter. Key contributors to these results include actively leveraging our various momentum drivers, such as maintaining strong tenant retention and achieving sizable growth rates upon renewal, attracting new tenants and facilitating tenant expansions, as well as successful delivery of our development program while prioritizing our top-quality balance sheet and prudent approach to capital allocation.

Demand for well-located and well-anchored properties remains strong, allowing our team to capitalize on the opportunity to enhance tenant mix and, in turn, propel important performance metrics. In the third quarter, we completed 359,000 square feet of renewals at a year one increase of 9.7% over expiring rental rates. The team puts an emphasis on achieving rental growth throughout the duration of the lease, securing an 11.8% increase when comparing the expiring rental rate to the weighted average rental rate for the renewal term.

Another important growth driver is new leases, including expansions, as well as lease-up of our completed non-major development projects, which increased occupancy by 187,000 square feet on a year-to-date basis. These leases had an attractive average first year rate of $24, further boosting our in-place rent per square foot. It is this strong leasing activity, in addition to contractual rent step-ups, that grew our same-asset property cash NOI by 2.6% compared to the third quarter of 2023. Our retail assets experienced growth of 3.1% while office partially offset our overall portfolio growth.

Normalized for the sale of land at our Opal Ridge joint venture in the third quarter of 2023, AFFO and FFO per unit increased 3.8% and 3.3%, respectively. The improvement in normalized AFFO and FFO per unit was primarily a result of higher property revenue from leasing activity as well as retail and retail-related industrial non-major development projects completed over the last 12 months. This was partially offset by higher unit-based compensation costs driven by an increase in Crombie's unit price and higher interest expense.

Our AFFO payout ratio was 83.6% while our FFO payout ratio was 72.5%, an improvement from normalized AFFO and FFO payout ratios in Q3 2023, primarily due to the growth in property revenue I spoke two moments ago.

Adjusting for unit-based compensation costs in the third quarter of 2024 and 2023, general and administrative expenses as a percent of property revenue were 3.2%, well below the 4.2% in the third quarter of 2023. We actively monitor costs while simultaneously expanding revenue through development and management services.

Now turning to our balance sheet. We take a proactive approach to balance sheet management, which is necessary to ensure financial flexibility and to maintain well-laddered debt maturities as well as access to multiple sources of capital. This strategy minimizes the impact of macroeconomic volatility, allowing us to navigate economic fluctuations while optimizing our capital structure and supporting long-term growth.

We ended the quarter with available liquidity of $677 million compared to the third quarter of 2023 at $565 million. Our unencumbered asset pool continues to increase, now at $2.7 billion, providing Crombie with enhanced liquidity. Debt to gross fair value was 42.9%, down 10 basis points compared to Q4 of 2023, and our debt to trailing 12-month adjusted EBITDA was 7.72x, an improvement from 8.03x at December 31, 2023. Crombie advanced multiple balance sheet activities in support of key strategic priorities in the third quarter and after the quarter, reducing overall risk and upholding our resilient financial condition.

As mentioned on our second quarter call, we secured CMHC financing at The Marlstone for $105 million through the MLI Select program and completed our first draw within the third quarter. During the construction phase, the loan will be at a floating rate, which is approximately 160 basis points above the lender’s cost of funds, and upon completion of the project will convert to term financing.

Subsequent to the third quarter, Crombie became the sole owner of Zephyr and assumed the additional 50% of existing mortgages, equivalent to approximately $89 million with a remaining term to maturity of over three years. The balance of the purchase price was funded by drawing on a new unsecured bank credit facility. Together, the debt has an attractive blended interest rate of 3.5%. In the fourth quarter of 2024, Crombie will recognize a gain of approximately $52 million following the remeasurement of its previously held interest in the joint venture.

In Q3, our overall cap rate was 5.95%, a two basis point increase from last quarter. With respect to our joint ventures, we did see cap rate expansion of 17 basis points compared to the second quarter of 2024. This expansion is due to the cap rate we achieved on the Zephyr acquisition and, in accordance with our internal valuation policy, we adjusted the fair value of our existing 50% ownership to reflect the acquisition price, a rate we are very pleased with. We anticipate a strong long-term growth profile and outlook on this asset.

Also, subsequent to the quarter, we had our largest debt offering to date, issuing $300 million of senior unsecured notes with a term of 7.25 years at an interest rate of 4.73%. Funds from the issuance were used to repay and redeem existing indebtedness, including the $175 million of our Series E senior unsecured notes that were set to mature in January of 2025. The Series C notes were paid out on October 31, 2024. These activities, along with our intent to repay the bulk of mortgages maturing in the fourth quarter, keeps us on our path to BBB (mid), moving us closer to reaching our desired 60-40 unsecured to secured debt mix, and we stood at 58% unsecured to 42% secured at the end of the third quarter.

With that, I will now turn the call over to Mark for a few closing comments.

Mark Holly — President & Chief Executive Officer, Crombie REIT

Thank you, Kara.

To conclude, our strong third quarter performance underscores the success of our value creation strategy, owning high-demand, necessity-based assets, operating them with excellence, optimizing our national portfolio, and leveraging strategic partnerships to drive long-term value and cash flow growth for our unitholders. Our commitment to a strong balance sheet and robust liquidity ensures we’re ready to act on opportunities as they arise. I want to thank our entire team across the country. Their dedication and hard work is the backbone of our continued success.

With that, we are pleased to answer any questions you may have.

Operator

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Should you have a question, please press the star followed by the number one on your touchtone phone. You will hear a prompt that your hand has been raised. Should you wish to decline from the polling process, please press the star followed by the number two. If you are using a speakerphone, please lift the handset before pressing any keys. One moment please for your first question.

The first question comes from Lorne Kalmar from Desjardins. Please go ahead.

Lorne Kalmar — Analyst, Desjardins Capital Markets

Thank you. Good day, everyone. I'm not sure if it's morning or afternoon, depending on where you are. Just quickly on The Marlstone, are there any concerns that the changes to immigration will impact rents and then, obviously, yields?

Mark Holly — President & Chief Executive Officer, Crombie REIT

Hi, Lorne. It is good morning. We're in Toronto today.

No, we're not concerned about Marlstone. Immigration policy changes are fairly new, but when you kind of look at where it's shifting and what Halifax has been and how much new inventory is coming in Halifax, it is a premium market. We've talked about that over the quarters. It's why we green lit it. We're very bullish on the two sides of the country, Vancouver and Halifax. And no changes to our projections that we have in the MD&A in terms of yield on cost, our analysis that we underwrote it on, and how long it takes to lease up. So, our view is there's no changes at this point.

Lorne Kalmar — Analyst, Desjardins Capital Markets

Okay. And then you guys obviously did the Zephyr deal, which was with Westbank. Wondering if there's any plans or any changes to plans for Broadway and Commercial, which I believe is also a JV with Westbank.

Mark Holly — President & Chief Executive Officer, Crombie REIT

It is a JV with Westbank. Collectively, we've been working on that entitlement for many years. We're optimistic that sometime in the first half of 2025 we'll have that fully entitled for the three towers and about 1,000 rental residential units. Once we get to that point, we're going to review our options, which will include a monetization of that asset.

Lorne Kalmar — Analyst, Desjardins Capital Markets

Okay. And then just last quick one for me. With a little bit more clarity on rates, starting to see the transaction environment pick up a little bit. Do you expect to see or expect to do, sorry, more acquisitions with Empire going forward or are you still planning on focusing on that non-major development pipeline?

Mark Holly — President & Chief Executive Officer, Crombie REIT

Non-major development pipeline is definitely a focus. It's been our focus for the last couple of years. When you look at our spend profile, we are investing more into it than into our major development category. But we are looking at the balanced approach of how we look at major and non-majors. On the acquisition side, we bought one in the quarter, one subsequent to the quarter. We'd like to do some more acquisitions. There is a list of locations that we would like to acquire from Empire, but at this point there are no plans imminently to buy more, but there is a lot of dialogue between the two organizations on how to move them from their balance sheet over onto ours.

Lorne Kalmar — Analyst, Desjardins Capital Markets

Can you give us a rough idea of maybe how many locations there would be on this list?

Mark Holly — President & Chief Executive Officer, Crombie REIT

It is in the range of 50 to 75.

Lorne Kalmar — Analyst, Desjardins Capital Markets

Okay. Perfect. Thank you very much, Mark.

Operator

Your next question is from Nicholas Telega from National Bank. Please go ahead.

Nicholas Telega — Analyst, National Bank Financial

Hi, everyone. Just firstly on renewal spreads, to which Mark's point has been strong this year, approaching 10%. What's your expectation for spreads for the rest of the year given the 2024 remaining lease maturities are mostly on non-Empire space?

Mark Holly — President & Chief Executive Officer, Crombie REIT

Arie will give some colour on [inaudible] renewals and what we're seeing, but just at the high level, we have historically been mid-single-digit renewal. We've been really strong over the last five, six quarters on basically doubling that. It has been positively contributing to same-asset NOI.

In terms of where we put the marker, we moved the marker, I think, last quarter or two from calling it out to be mid-single digits to high-mid-single, between mid and high, and that's being reflected of what you saw this quarter. We'll end the year likely on the high side of single digits, but Arie can give some colour around what he's seeing in the retail environment coast to coast.

Arie Bitton — Executive Vice President, Leasing & Operations, Crombie REIT

We'll continue to see that trend play out for the remainder of the year and likely well into next year, so the retail demand on the renewal side has been really strong. We did over 40 renewals this past quarter, the highest amount of renewals in some time, and we're continuing to see that strength, not just in year one renewal growth but throughout.

So, when we take a look at the balance of our renewals for the rest of the year, particularly on the retail side, these are with some of the same tenants, the same covenants, and we hope that we'll continue to see the same at least mid to high single digits play out for the short little while here.

Nicholas Telega — Analyst, National Bank Financial

Great. Thanks for the colour. And next, and maybe this is more of a broad question and kind of the other side of that, but are there any tenants or categories that are underperforming in your view and on a watch list, so to speak?

Arie Bitton — Executive Vice President, Leasing & Operations, Crombie REIT

Not many on the watch list. We did have one tenant this year that was undergoing a CCAA proceeding. We were able to keep them and actually retain the majority of their bad debt provision as a recovery. Beyond that, there's nobody that we're really currently monitoring within our portfolio. Office continues to be an asset class that has been a little bit bumpy, but those are one-offs within our portfolio.

Mark Holly — President & Chief Executive Officer, Crombie REIT

Yeah. And to add a bit more maybe context on that office side, it's five properties. The lion's share of it is Scotia Square, which is right downtown Halifax. Its occupancy rate is over 90%, which is well in excess of sort of what that general market is. It is a premium product at center ice.

The one asset that we are seeing a bit of ups and downs that Arie's talking to is the Moncton office that we have. It's about 300,000… How many square feet is it? 140,000 square feet. So, it is a very small portion of our overall asset, but it is the one that's giving us a little bumpiness up and down over the last quarter or two.

Nicholas Telega — Analyst, National Bank Financial

Appreciate the colour. I'll turn it back.

Operator

The next question is from Gaurav Mathur from Green Street. Please go ahead.

Gaurav Mathur — Analyst, Green Street

Thank you and good morning, everyone. Just in line with the recent immigration curtailment targets from federal government and looking at the development pipeline, does that affect what, sorry, does that affect the number of units that you're trying to or hoping to build in the future and does that also affect any of the markets that you've identified?

Mark Holly — President & Chief Executive Officer, Crombie REIT

Generally, at the highest level, no. We have three near-term projects that you can see in our pipeline. They're in the pockets of the country that we're very bullish on and so we don't see this change. Look, there's a massive supply-demand imbalance in this country and we need to build more units to even lean into that pent-up demand that's already there. So this change, while it is interesting that we'll have for the first time, I think, since Canada has been recording these stats, a negative outflow, the demand has been incredibly high. If you look at a year, in 2024, the population grew by 1.9%, somewhere in the neighbourhood of probably about another 800,000 people coming into the country. So we don't see that having any implications on that profile of our development pipeline at this point.

Gaurav Mathur — Analyst, Green Street

Okay. Great. And then just last question, on the near-term development pipeline, can we expect more activity in terms of major developments versus non-major developments at this time heading into 2025 or would the focus still remain mostly on the non-major development portion?

Mark Holly — President & Chief Executive Officer, Crombie REIT

Definitely want to take a balanced approach on how we allocate our capital, but as you could see, the focus has been on non-major. They are 12 months or less of project duration. Their yields are quite high and strong. We have a good pipeline of things in our view for 2025. So that will still have the lion's share of the capital. We'll be going into our second year of construction at The Marlstone, so we'll be allocating capital to it. Are we going to greenlight any of the ones within our major pipeline in 2025? Still to be kind of reviewed and proved out. We've done some underwriting against them, but at this point we're still working through that non-major. We just see more value in it at this point.

Gaurav Mathur — Analyst, Green Street

Thanks for the colour, Mark. I'll turn it back to the operator.

Operator

Ladies and gentlemen, as a reminder, should you have a question, please press star one.

There are no further questions at this time. Please proceed with closing remarks.

Ruth Martin — Senior Director, Investor Relations & Financial Analysis, Crombie REIT

Thank you for your time today and we look forward to updating you on our fourth quarter call in February.

Operator

Ladies and gentlemen, this concludes your conference call for today. We thank you for participating and ask that you please disconnect your lines.