Maple Data Centers: Expect Rising Canadian Exposure

Earlier-stage Canadian Data Center Sector Contrasts with US Headwinds

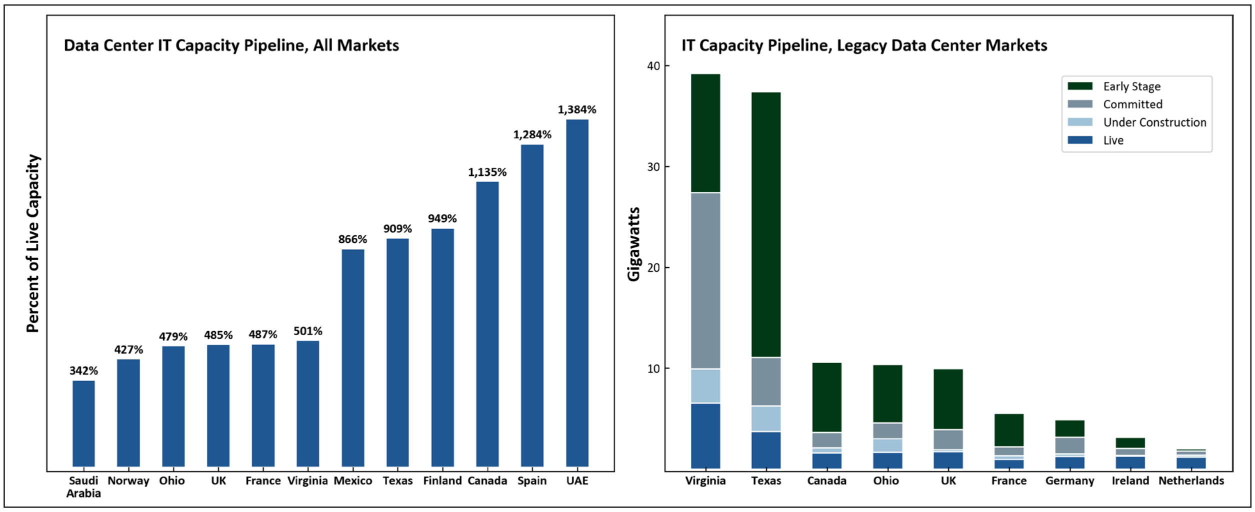
Stav Gaon
+1 (646) 768-9173
sgaon@academysecurities.com

Headquarters Address:
Academy Securities, Inc.
622 Third Avenue, 12th Fl
New York, NY 10017

Investors will see growing exposure to Canadian properties in data center transactions. Beyond pure-play Canadian deals such as the recently issued C$1.42 billion CLGIX 2026-2 (Cologix Data Centers, colocation properties) or the C$320 million UDCS 2025-1 (Urbacon Hyperscale Data Center), we expect to see more cases of mixed US/Canada exposures, such as in the $413 million CMDC 2026-2 (Compass Datacenters). The Canadian government is making a concentrated push to grow the country's AI data center capacity. Anecdotally, Prime Minister Mark Carney has said he wants to make Canda "the best place in the world to build data centers." Canada's government is emphasizing the country's goal for so-called "sovereign compute."

Canadian properties offer an interesting exposure to an earlier-stage data center market, compared to the more matured US one. Canada has one of the largest data center pipelines as a share of live capacity across the world, at 1135% (not a typo), based on BloombergNEF data (Figure 1). For context, key US markets, such as Virginia and Ohio, recorded much lower (yet still notable) levels of 501% and 479%, respectively. The supportive Canadian government approach to the sector also contrasts with significant regulatory/legislative pushback in the US against data centers.[1] All told, Canadian data center exposures likely are to be less sensitive to some of the headwinds now afflicting US exposures.

Figure 1. Canada Has a Sizable Data Center Pipeline



Source: BloombergNEF and Academy Securities

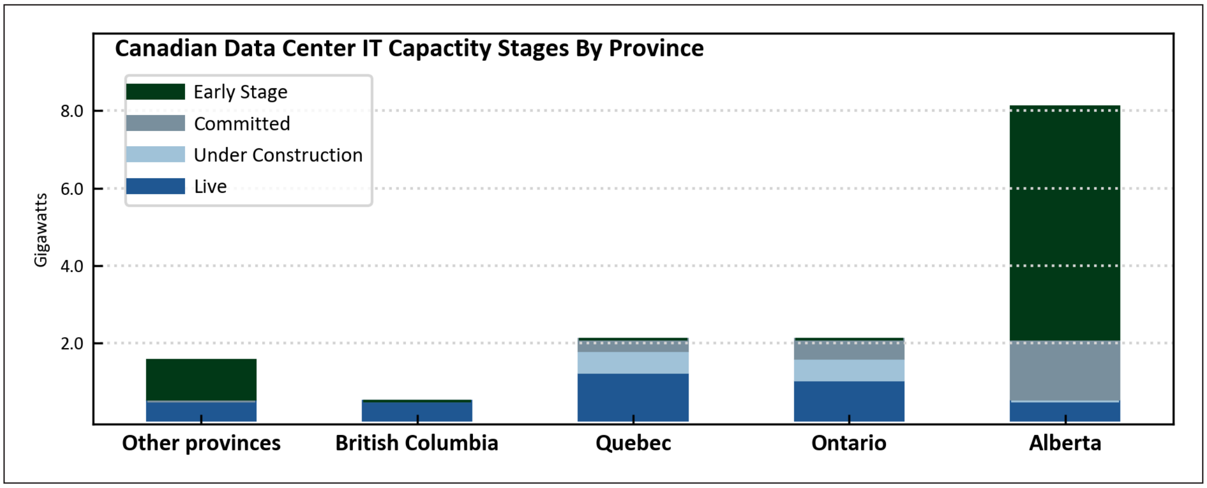
1 "Stranded Assets: Intertwining Power Plants and Data Centers Performance," Securitized Products Special Topics, Academy Securities, February 5, 2025

Compare & Contrast Canada and US Data Centers

Market trends and Canadian data center properties in outstanding deals suggest a few unique underwriting aspects investors should track ahead of more collateral down the road:

- **Shift to rural, new geographies.** Much of the Canadian data center development is concentrated in the province of Alberta, away from the traditional Canadian data center hubs of Toronto (Ontario) and Montreal (Quebec) (Figure 2). Notably, Meta is reportedly investing ~$10 billion to build its first data center in Canada in Alberta's Sturgeon County. So far deals have included Canadian collateral mostly from the Toronto market, which is characterized by relatively high power rates and very tight land supply. Rural, remote areas have almost the opposite characterization, with lower power cost structures, and potentially ample development land. The current focus in Canada on such geographies echoes a major trend in the US, where data center development is also shifting into remote, rural areas in Texas, Louisiana, Mississippi and other places, and away from the established large markets such as Northern Virginia.[2]

Figure 2. Canadian Data Center IT Capacity



Source: BloombergNEF and Academy Securities

- **Lease renewals and termination options.** The relatively early stage of the Canadian data center sector should put attention on so-called tenant stickiness – how likely tenants are to renew leases or exercise any early termination options the tenants may have. As a large number of new properties comes online, tenants may be inclined to shift to newer properties or explore new, cheaper geographies in Canada. There is limited disclosure on specific termination options across some deal documents and presales we scanned. But notably, the lease on the 313MW Toronto hyperscale data center backing UDCS 2025-1 does have a relatively flexible early termination option. To be sure, the option requires not only 24 months' notice, but also very stiff termination penalty. Other leases may feature different nuances, and will require the same kind of attention investors now routinely pay to tenant-friendly termination options in US leases.[3]

2 "Military Data Centers: Gear Up for a Wave of Properties on Government Land," Securitized Products Special Topics, Academy Securities, May 13, 2026

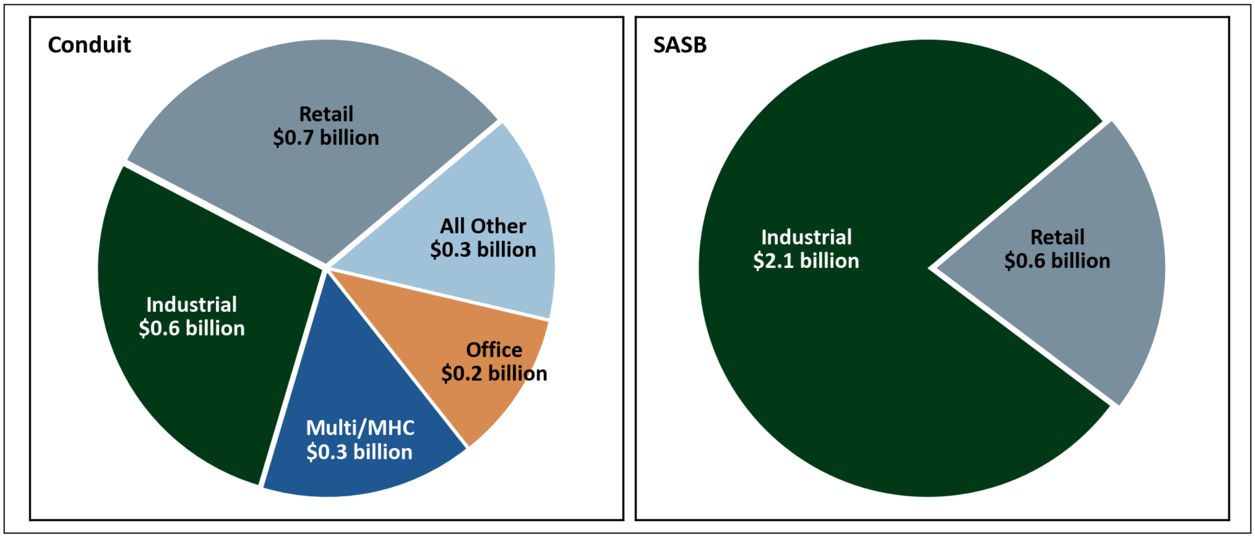
3 "Early Terminations: Tenant-friendly Provisions to Move up Data Center Rollovers," Securitized Products Special Topics, Academy Securities, April 30, 2025

- **Power and cooling cost structures.** Canada's cool climate can facilitate a different cost structure for Canadian data centers, compared to that of many properties in the US. Data centers in Canada can benefit from efficient cooling for up to 90% of the year, according to presales. Canada also has vast reserves of relatively cheap natural gas and hydrorpower. Most of the country's oil and gas production is concentrated in Alberta. The massive data center pipeline in the province clearly is tied to that. The growing focus on data center development close to oil and gas production areas echoes a similar trend in the US. Developers are deliberately targeting sites for large data centers close to oil and gas basins.[4] For example, the Permian Basin in West Texas is emerging as a key new data center hub. Another example is the energy campus in Homer City, PA, squarely in the Marcellus Shale natural gas basin.

Canadian Industrial to Data Center Conversions

Canadian properties from various sectors, especially industrial and retail, already back a range of outstanding SASB and conduit deals (Figure 3). For example, Blackstone's PURE deals, such as BX 2025-PURE2 and PURE3, are backed by large portfolios of industrial properties. The scarcity of suitable land and high real estate prices, especially in Toronto, is leading many operators to repurpose existing industrial sites into data centers. As such, some of the outstanding industrial collateral in Canadian transactions may transition into data centers, keeping in mind the challenges in repurposing CMBS properties within trusts.[5]

Figure 3. Outstanding Canadian Collateral by Property Type



Source: Bloomberg and Academy Securities

We have not seen much Canadian collateral included in pure US CMBS deals so far, like in the CMDC 2026-2 ABS deal, which includes both Toronto and Phoenix, AZ, properties. We will be on the lookout to see if CMBS issuers choose to increasingly mix US and Canadian properties in the same deals, or opt to keep separate geographies in separate deals.

4 "Oil & Gas ABS: Midstream Deals Tap Into Infra and Data Center Buildout," Securitized Products Special Topics, Academy Securities, June 25, 2026

5 "Redevelopments: Joining San Francisco's Renaissance," CMBS Credit Focus, Academy Securities, August 12, 2026

Academy Securitized Products Research Reports

Securitized Products Special Topics - Esoteric ABS:

Bitcoin-Backed Bonds: Concrete Structural Parameters on First Deals

RV ABS: Niche Segment Finds a Place Between Prime and Subprime Auto

Crypto Collateral: Expect Robust Par Value Tests

Utility Rates: Rising Bills Can Bolster RRB Deals

Energy Transition: Expect Broader Definitions in Securitization Laws

Power Costs: Data Centers and Recovery Bonds Poised for More Predicatability

Sports Securitization: Vet League Revenues and Stadium Cashflows

Timeshare ABS: Program-specific Attributes to Drive Performance

Music ABS: Pool Variations Emerge Amid Constructive Sector View

Tower ABS: Tenant Preferences Bode Well for Leasing Demand

Aircraft ABS: Momentum Builds for Insurance Booster

Data Centers: Tenant Rosters Poised to Change

Container ABS: Geopolitical Tailwinds as Issuance Picks Up

Gas Securitization: Shorter WAL Alternative to Electric Charge Deals

Net Leases: Scarcity Value as Issuance Poised to Pick Up

Recovery Bonds: Deal Reporting Shows True-Up Adjustments Potency

Data Centers: Performance Wrinkles to Test Operators' Role

Recovery Bonds: Diversifying Exposure Moves Beyond Disasters

Device Payment ABS: Expect Stable Performance as Collateral Evolves

Aircraft ABS: Waterfalls Playing Catch-Up as Fundamentals Recover

Data Centers: Teakeaways from 2023-Vintage Deals

Litigation ABS: Tailwinds in Place for an Uncorrelated Segment

Equipment ABS: Pick Your Spots Amid Diverging Collateral Trends

Commercial Solar ABS: Emergent Segment to Alleviate Headline Risks

Cell Towers: Lender-Friendly Features Dovetail with Secular Tailwinds

Timeshare ABS: Exposure to Favorable Hospitality Segments

Recovery Bonds: No Need to Closely Watch the Fed or the Economy Here

Data Centers: A Strong Segment Juggles ABS and CMBS

Securitized Products Special Topics:

Critical Minerals: Government Expands Land Leases Beyond Data Centers

Demand Flexibility: Data Centers Are Not Standalone Properties

Oil & Gas ABS: Midstream Deals Tap Infra and Data Center Buildouts

Military Data Centers: A Wave of Properties on Government Land

Data Center Campuses: Phase Buildouts to Scatter Investor Exposures

PJM Auctions: Weeding Out Spec Data Center Construction

Payment Priorities: Mobile & Electric Bills Upend Consumer Waterfall

Stranded Assets: Power Plants and Data Centers Performance Intertwine

Infrastructure CLO: Concentrated Exposures in Favored Segments

Fiber ABS: Distinct Sub-segments and Diverse Performance Drivers

Power Failures: Amazon/PacifiCorp Dispute Highlights Power Agreements

Backup Servicing: Tricolor Spotlights Backup Servicer Temperature

Euro Stadiums: Check Blueprints for Upcoming US Transactions

Data Centers Capex: Mixed Estimates on a Key Cashflow Driver

ARDs: Missing Anticipated Repayment Not Unusual, May Warrant Workout

BBnB: Check Your Booked-But-not-Billed Data Center Exposure

Stadium Finance: Shift to Private Funding Sets Stage for Securitization

Early Terminations: Tenant-friendly Provisions to Move Up Data Center Rollovers

Life Sciences: Surveil Your Exposure as Distress Percolates

CRE CLO Liquidations: Losses Accumulate, but No Immediate Writedowns

Office Contractions: New Term Rollover Risk, and Swelling Reserves

Multifamily Expenses: Broad Increases Mask the Fluctuations

Small Balance Commercial: Periphery Locations and "Weak" Sponsors May Prove Supportive

Investor Non-QM: Pockets of Value as Underwriting Tightens

Multifamily Prepays: Becoming Less Common, as Property Sales Drop

CRE CLO Mods: Rising Volume Not Immediately Telegraphing Distress

Agency Floaters: Adjusting Interest Rate Cap Escrows

Multifamily CRT: Limited Credit Risk on Synthetic Exposures

OC Triggers: Subtle Thresholds Come to the Fore As Collateral Stress Builds Up

Self Storage: Aspects to Watch as Performance Decelerates

Transitional Multifamily: Collateral Migration Away from CRE CLO Offers Different Deal Profile

Affordable Mortgages: Fee Elimination Spotlights Convexity Profile

Investor Non-QM: Rental Exposure with Some Structural Twists

Small Balance Multifamily: Value Ahead of Slow Prepays

Future Funding: Potential Key Performance Driver as CRE CLO Pipeline Builds Up

Multifamily Prepays: Property Sales Trigger Paydowns

Manufactured Housing: Resilient Segment Amid Potential Multifamily Softness

Tender Offers: Expect More to Come, Though Not on a Predictable Schedule

NYC Multifamily: Rent Increases to Support Cashflows Amid Regulatory Restrictions

Housing at a Crossroads: Single-family and Multifamily Exposures

Senior Housing: Focus on Segment Selection Amid Pandemic Impact

Disaster Performance: Pandemic Forbearance Resolutions Bode Well for Future Stresses

Russian Sanctions Impact: Lease Terminations and Forced Property Sales

CMBS Credit Focus:

Redevelopments: Joining San Fancisco's Renaissance

American Dream: Surprise PILOT Relief as Valuation Drops

Mod Substantiations: Tracking a Shift in Distressed Workouts

Mod Waterfalls: Split A/B Should Not Override Deal Allocation Priorities

Parking Garages: Seattle Distress Spotlights Niche Property Sector

Pari Passu Liquidations: Different Waterfalls on Same Property Sale

Office Mods: "Left Behind" Properties in a Recovering NYC Market

Control Rights: The Interplay of Co-Lender and Intercreditor Agreements

Negative ASER: Unexpected Upside for Subordinate Bonds

Interest-to-Principal Diversions: Track a Long List of Shortfall Drivers

Distressed Office: 522 Fifth Avenue Trade Illustrates Office Upside

BOLT: Liquidation Confirms Priority of Shortfalls Recovery

Office Receiverships: Gauge the Value of Changing Management

Litigation Holdbacks: Long Gone Loans Keep Haunting Trusts

Privileged Appraisals: Surprise ARA Jumps Baffle Investors

Office Re-defaults: Foreclosures to the Fore as Modified Maturities Near

Interest Adjustments: Track Shortfalls Repayment and Priority

New Leases: Track Post-Issuance Replacement Tenants

Property Protection Advances: Track Opaque Expenses in Long Workouts

Parkmerced: Abundance of Structural Angles to Determine Bond Cashflows

Pro-rata Prepays: Surprise Booster for Subordinate Bonds

PILOT: Check Another Wrinkle of Ground Leases

Non-Trust Debt: Check the Seniority of Your CMBS Collateral

Recovering Shortfalls: Credit IO Value in Distressed Office

Releasing Holdbacks: RENT is Writing Up Bonds

Reserves vs Advances: Servicers Tap Reserves to Lower Advances

Forward Forbearances: One Market Plaza Introduces a Twist to Mods

Loan Assumptions: Watch Waterfalls as New Borrowers Redevelop

Holdbacks: RENT in the Limelight, as Other Cases Brewing

Blanket NRAs: Shutting Down Advances Upends Credit IO Trades

Credit 2024: Workout Nuances Come to the Fore

Recovering the Non-Recoverable: Liquidation Nuance Bolsters Paydowns

Special Servicer Replacements: 1740 Broadway Crystalizes Implications

Crossgates Liquidation: Holdbacks Complicate Severity Projections

WODRA: Bond Cashflows Under Stress in Post-Mod Advance Recovery

Securitized Mezz: Workout Dynamics in Public Display

Dark Triggers: Nuances in Focus as Tenant Departures and Subleasing Pick Up

Upping Appraisals: Recovering Valuations Reverse Shortfalls

Non-Recoverable Advances: Unveiling a Rationale for a Key Decision

Excess Cash Allocations: Probing Advances on Positive Cashflowing Loans

Release Prices: Cherry Picking Across Office Portfolios, Sometimes at a Discount

Mezz Loan Sales: A Potential Headache for CMBS Workouts

Equity Pledges: Hotel Bossert Spotlights Dual Collateralized Loans

The Road to Conversion: Consider Office Ground Leases and ARD Loans

Credit 2023: Advancing and Workout Approaches to Play a Central Role

Hotel Receiverships: Palmer House Hilton Spotlights Stabilization Efforts

Office Modifications: 285 Madison May Offer a Blueprint for More to Come

Triple-A Shortfalls: Destiny Spotlights Delayed ASERs Impact

Inflation-Resistant Leases: Rent Steps Offer Some Revenue Protection, though Not Much

Industrial Delinquencies: Don’t Happen Often, but Watch Closely When They Do

Hotel Reserves: Key Performance Driver after Pandemic-Driven Depletion

Government Tenants: Short Termination Notices and Specialized Properties

Mall Foreclosures: What to Track as Servicers May Shift Away from Modifications

Disclaimer

Although certain information has been obtained from sources believed to be reliable, we do not guarantee its accuracy, completeness or fairness. We have relied upon and assumed without independent verification, the accuracy and completeness of all information available from public sources.

Views and opinions expressed are for informational purposes only and do not constitute a recommendation by Academy Securities for any purpose including buying, selling, or holding any security. Views and opinions are current as of the date of this presentation and may be subject to change, they should not be construed as investment advice.

This information discusses general market activity, industry or sector trends, or other broad-based business, economic, market or political conditions and should not be construed as operational, research or investment advice. This material has been prepared by Academy Securities and is not financial research nor a product of Academy Securities. It was not prepared in compliance with applicable provisions of law designed to promote the independence of financial analysis and is not subject to a prohibition on trading following the distribution of financial research. The views and opinions expressed may differ from those of Academy Securities. Investors are urged to consult with their financial advisors before buying or selling any securities. This information may not be current and Academy Securities has no obligation to provide any updates or changes.

Economic and market forecasts presented herein reflect a series of assumptions and judgments as of the date of this presentation and are subject to change without notice. These forecasts do not take into account the specific investment objectives, restrictions, tax and financial situation or other needs of any specific client. Actual data will vary and may not be reflected here. These forecasts are subject to high levels of uncertainty that may affect actual performance. Accordingly, these forecasts should be viewed as merely representative of a broad range of possible outcomes. These forecasts are estimated, based on assumptions, and are subject to significant revision and may change materially as economic and market conditions change. Academy Securities has no obligation to provide updates or changes to these forecasts. Case studies and examples are for illustrative purposes only.

Index Benchmarks

Indices are unmanaged. The figures for the index reflect the reinvestment of all income or dividends, as applicable, but do not reflect the deduction of any fees or expenses which would reduce returns. Investors cannot invest directly in indices.

The indices referenced herein have been selected because they are well known, easily recognized by investors, and reflect those indices that the Investment Manager believes, in part based on industry practice, provide a suitable benchmark against which to evaluate the investment or broader market described herein. The exclusion of “failed” or closed hedge funds may mean that each index overstates the performance of hedge funds generally.

THIS MATERIAL DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION WHERE OR TO ANY PERSON TO WHOM IT WOULD BE UNAUTHORIZED OR UNLAWFUL TO DO SO.