



LEE & ASSOCIATES

COMMERCIAL REAL ESTATE SERVICES





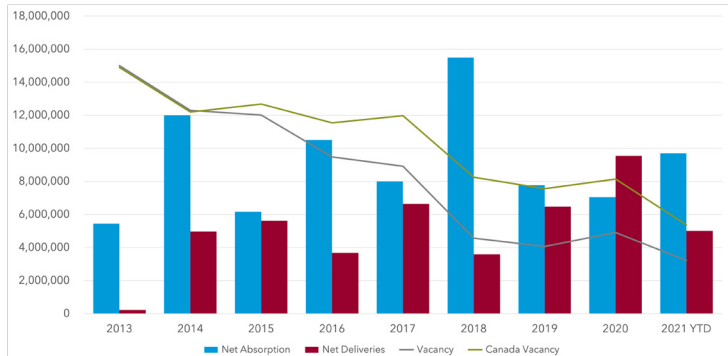
INDUSTRIAL MARKET OVERVIEW

DANIEL SMITH, *Senior Vice President, Partner*

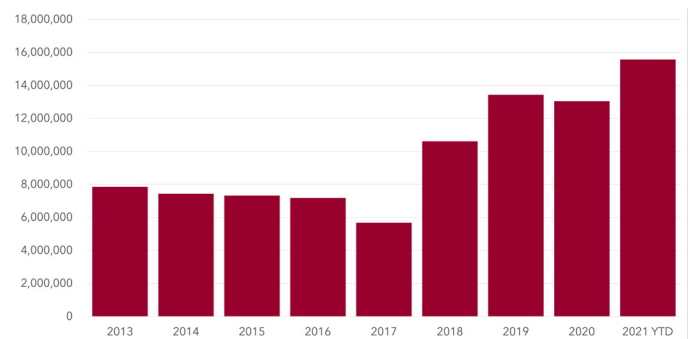
As demand for industrial continues to intensify, several new warehousing uses are emerging - including dark store distribution centers, designed to replace traditional retail distribution facilities with last-mile delivery, and grocery conversion systems that are micro-fulfillment arrangements installed in current grocery stores. Toronto industrial has also seen demand from retailers who continue to modernize their distribution networks and build out e-commerce fulfillment platforms. And since e-commerce adoption is only expected to increase as a result of new buying trends, expect demand for e-commerce fulfillment space to ramp up even further.

MARKET INDICATORS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
▲ 12 Mo. Net Absorption SF	10,231,523	6,956,245	7,359,798	7,050,559	9,588,601
▼ Vacancy Rate	1.1%	1.4%	1.6%	1.6%	1.3%
▲ Avg NNN Asking Rate PSF	\$13.18	\$12.82	\$12.40	\$12.09	\$11.83
▲ SF Under Construction	15,564,607	15,016,187	12,488,293	13,042,536	12,321,947
▲ Inventory SF	849,142,526	847,059,829	845,866,162	844,133,291	841,567,883

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2150 Lake Shore Boulevard W Toronto, ON	535,983 SF	\$156,000,000 \$291.05 PSF	Pemberton First Capital REIT	Class B
8495 Goreway Drive Brampton, ON	357,620 SF	\$50,000,000 \$139.81 PSF	TD Asset Management Rice Group	Class B
2751 Peddie Road Milton, ON	318,805 SF	\$91,700,000 \$287.64 PSF	Pure Industrial Artis REIT	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
8465 Mount Pleasant Way Milton, ON	328,873 SF	BentallGreenOak	NFI Industries	Logistics
6 Cleve Court Halton Hills, ON	323,838 SF	Triovest	CEVA Logistics	Logistics
6350 Cantay Road Mississauga, ON	291,909 SF	Orlando Corporation	Amazon	Ecommerce



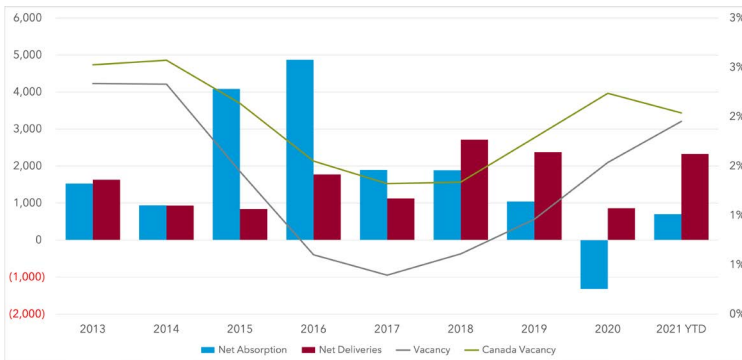
MULTIFAMILY MARKET OVERVIEW

LUIS ALMEIDA, SIOR, *Executive Vice President, Partner*

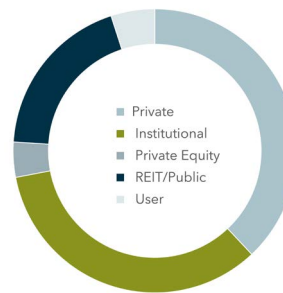
Toronto's multi-family market has long been defined by tight vacancy rates. The rental pool consists of young professionals starting their careers, new immigrants and students, both domestic and international, as well as those that are unable to purchase due to booming housing prices. For the most part, many of the economic and demographic trends that have occurred as a result of the pandemic are having an outsized impact on the multi-family rental market. Ultimately, a larger than normal portion of the young professional renter pool transitioned to ownership in the last year, leaving a dent in multifamily rental demand.

MARKET INDICATORS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
▲ 12 Mo. Absorption Units	293	(532)	(1,500)	(1,319)	(600)
▲ Vacancy Rate	2.0%	1.8%	1.7%	1.5%	1.3%
▲ Asking Rent/Unit (\$)	\$1,761	\$1,749	\$1,745	\$1,744	\$1,744
▲ Under Construction Units	380,744	379,631	379,012	378,414	377,894
▼ Inventory Units	19,049	20,172	17,930	16,775	16,956

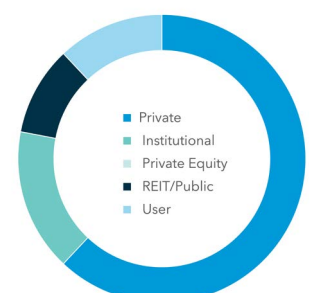
NET ABSORPTION, NET DELIVERIES, & VACANCY



SALE BY BUYER TYPE



SALE BY SELLER TYPE



**'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.

TOP SALE TRANSACTIONS BY SF	SALE PRICE	NUMBER OF UNITS	BUYER / SELLER
31-35 King Street Toronto, ON	\$338,000,000	420	Dream Unlimited Rockport Group
35 Greenfield Avenue Toronto, ON	\$90,540,991	361	BentallGreenOak RioCan REIT
135 Tyndall Avenue Toronto, ON	\$19,209,821	540	Alberta Investment Management Corporation MetCap Living

TOP SELLERS (PAST 12 MONTHS)	SALES VOLUME
RioCan Real Estate Investment Trust	\$234,113,736
Starlight Investments Ltd.	\$218,619,864
MetCap Living	\$174,544,748
CST Corporation	\$159,000,000
Tridel Group of Companies	\$135,000,000

TOP BUYERS (PAST 12 MONTHS)	SALES VOLUME
Canadian Apartment Properties REIT	\$392,060,510
Woodbourne Capital Mgmt Int'l, LP	\$234,472,745
Connor, Clark & Lunn Financial Group	\$197,800,000
Timbercreek Asset Management Inc.	\$139,390,000
Park Property Management Inc.	\$135,000,000



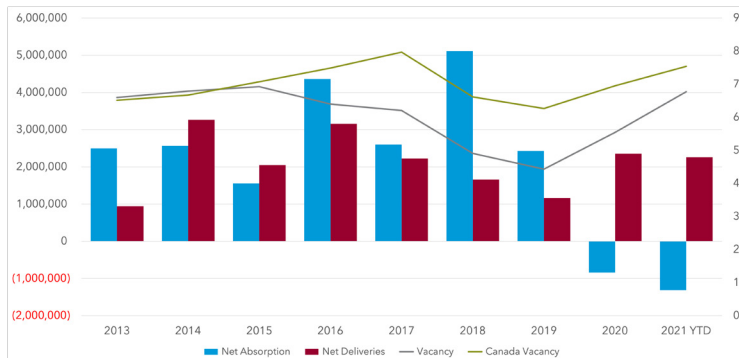
OFFICE MARKET OVERVIEW

WILL GEHRING, Senior Vice President

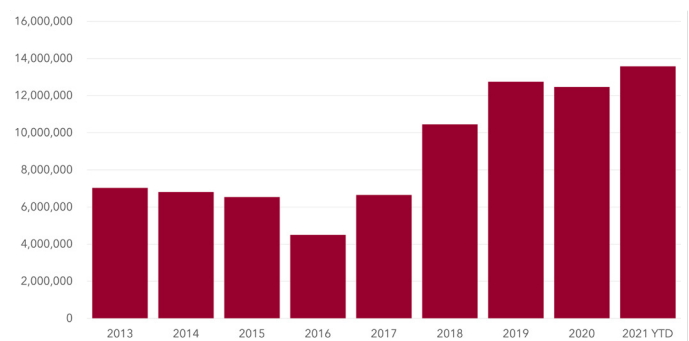
Toronto's office leasing market remains in a holding pattern as tenants reevaluate their need for space. 2021 Q2 marked a full year that the city's office performance has struggled as a result of the pandemic and although the vaccine rollout offers hope, new restrictions and recurring lockdowns amid rising infection rates continue to alter market fundamentals. As a result, tenants continue to hold off on making major real estate decisions. In the suburbs, short-term lease extensions remain prevalent as tenants weigh their future space needs including whether to retrofit their existing offices, reduce their footprint, or relocate altogether.

MARKET INDICATORS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
▼ 12 Mo. Net Absorption SF	(2,824,683)	(1,614,187)	(2,511,166)	(841,110)	1,932,295
▲ Vacancy Rate	6.7%	6.5%	6.1%	5.5%	4.8%
▲ Avg NNN Asking Rate PSF	\$38.76	\$38.46	\$38.33	\$38.28	\$38.28
▲ SF Under Construction	13,577,922	12,613,618	13,792,715	12,469,491	12,337,681
▲ Inventory SF	208,281,587	280,200,524	278,220,544	278,021,380	277,810,145

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
10 York Mills Road Toronto, ON	570,000 SF	\$250,000,000 \$438.60 PSF	Gazit TripLLLe Canada Manulife Investment Management	Class B
2 Sheppard Avenue E Toronto, ON	494,947 SF	\$168,706,443 \$340.86 PSF	RioCan REIT KingSett Capital Inc	Class B
North Building - 2201 Eglinton Ave- ue E, Toronto, ON	410,874 SF	\$85,015,111 \$206.91 PSF	Westdale Properties Scotiabank	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1-125 Queens Quay E Toronto, ON	80,000 SF	BentallGreenOak	theScore	Entertainment
401 Bay Street Toronto, ON	62,971 SF	Cadillac Fairview	Undisclosed	Undisclosed
1-2515 Meadowpine Boulevard Mississauga, ON	35,397 SF	Daniels Power Corporation	Henkel Canada Corporation	Chemical & Consumer Goods



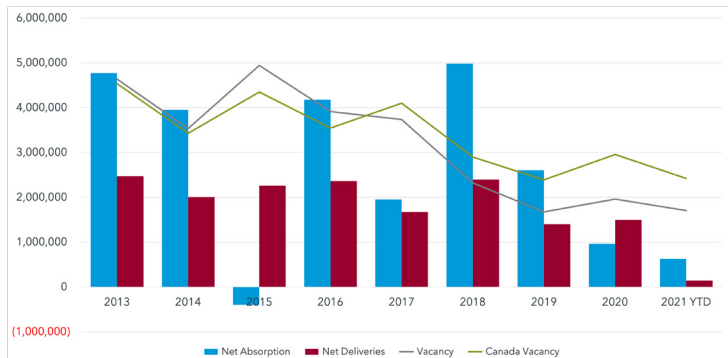
RETAIL MARKET OVERVIEW

NICOLE MONIZ, *Vice President*

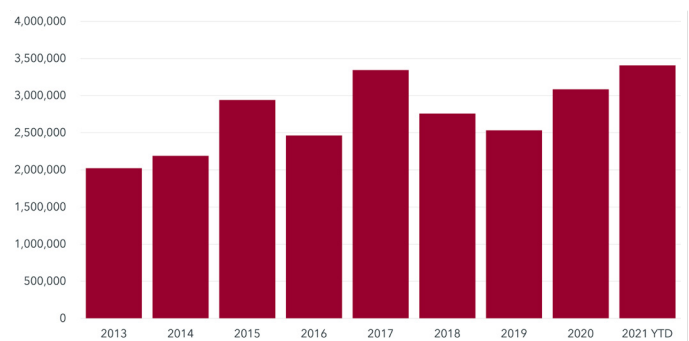
The adverse effects of a prolonged pandemic have hit some retail sectors worse than others. Enclosed malls and street-front retail continue to suffer, whereas strip centres anchored by food retailers and other essential services are thriving. We have seen a trend in under-utilized retail and restaurant spaces increasingly being used as 'dark kitchens' to fulfil online orders and prepare food exclusively for delivery. Online grocery shopping has also gained traction as major grocers have expanded their offerings to consumers, bolstering staffing levels to do so. Quick Service Restaurants and electronics stores have performed above average, but full-service restaurants and clothing stores have seen sales fall sharply from 2019 levels.

MARKET INDICATORS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
▲ 12 Mo. Net Absorption SF	1,297,077	870,815	1,313,296	963,475	513,857
▼ Vacancy Rate	1.7%	1.8%	1.8%	1.9%	1.9%
▲ Avg NNN Asking Rate PSF	\$31.67	\$31.27	\$30.97	\$31.01	\$30.88
▲ SF Under Construction	3,407,129	3,251,245	3,142,043	3,086,049	3,369,540
▲ Inventory SF	296,488,659	296,386,495	296,395,777	296,344,843	295,686,570

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
98 Vanderhoof Avenue Toronto, ON	178,543 SF	\$65,000,000 \$364.06 PSF	Muzzo Group of Companies Mercedes-Benz	Single-Tenant
478 Dudas Street W Oakville, ON	89,639 SF	\$23,687,133 \$264.25 PSF	BentallGreenOak RioCan REIT	Multi-Tenant
1400 Victoria Street E Whitby, ON	88,750 SF	\$25,614,564 \$288.61 PSF	Ripple Developments KingSett Capital Inc.	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1-158 N Queen Street Toronto, ON	70,472 SF	SmartCentres REIT	Marshalls	Retail
1-3115 Argentia Road Mississauga, ON	30,408 SF	SmartCentres REIT		Retail
1-1899 Brock Road Pickering, ON	30,126 SF	SmartCentres REIT		Retail

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