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COMMERCIAL REAL ESTATE SERVICES

Q2 2022 MARKET REPORTS

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Q2 2022
MARKET REPORTS

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

FEATURED MARKET REPORTS

INDUSTRIAL

OFFICE

RETAIL

MULTIFAMILY

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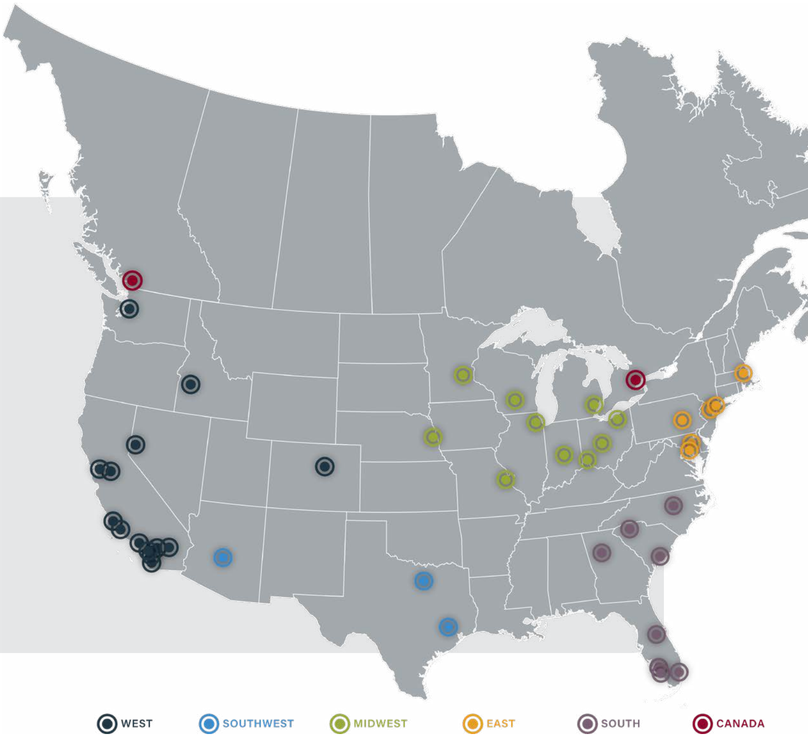

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2022
INDUSTRIAL OVERVIEW

INDUSTRIAL OVERVIEW: RECORD LOW SUPPLY, RENT GROWTH

Demand for industrial space eased slightly from its record-setting growth of last year but remained strong through for the first half of 2022 as annualized rent growth moved into double digits and the overall vacancy rate fell to 3.9%, a record low. Net absorption through June totaled 192.2 million SF. It was the second highest two-quarter total on record and more than the 170 million SF of tenant growth for all of 2019. It was exceeded only by 297.8 million SF of net absorption in the second half of last year.

The Canadian market also is tight. At the end of Q2 the vacancy rate was 1.4%. Net absorption in the first half totaled 9.2 million SF. Annual rent growth was 12.4% nationally and 15.4% in the Toronto market, the nation's largest, and 13% in Vancouver.

Since early last year, quarterly net absorption in the U.S. market has averaged 53% or more than in all the years before the pandemic. Net absorption in 2021 totaled 515.8 million SF. That's 57% more than in 2020, the year of the lockdown and before e-commerce could fully ramp up to meet sudden demand. Nevertheless, measurements show that with lower hospitalization rates, in-person shopping in 2021 gained ground on e-commerce, perhaps for the first time. The shift was affirmed with Amazon's recent announcement that it is slowing expansion of its distribution network. The news prompted one tech columnist to write consumers have moved on from the lockdown's "e-commerce craze to malaise." But U.S. households accrued an extra $5 trillion during the pandemic – savings that will help consumers weather a downturn or further erosion of spending power due to inflation.

It doesn't change the fact that Amazon, which accounted for up to 20% of industrial demand in North America throughout 2020 and 2021, reported an overall net loss in the first quarter. It attributed the loss to rising expenses tied to labor, transportation costs and excess space in its distribution network. So far, Amazon appears to be disproportionately shedding its smaller spaces, particularly in multitenant properties. The total the e-commerce giant is rumored to be subleasing or not renewing would add less than 2% to the total amount of U.SD. industrial space now listed as available. Annual rent growth hit 11.7% at the end of Q2, a 220-basis-point jump from the end of 2021. Rents increased at slightly more than twice the average rate from 2016 to the lockdown in 2020 and have been gaining in recent months as surging demand collides with limited supply. Among the largest 50 U.S. industrial markets, 33 have 10% or more annual rent growth. Rent growth has been greatest in logistics properties, hitting 13.3% at the end of Q2, compared to 8.4% for flex space. In Miami, Northern New Jersey, Los Angeles and other land-constrained port markets, annual rent growth has ranged from 14% to 21%. Existing available modern space and space under construction in these markets is roughly equal to 12 months of supply at current absorption rates.

LOWEST VACANCY RATE	
ON, Toronto	0.8%
BC, Vancouver	0.9%
CA, Inland Empire	1.6%
ID, Boise	1.6%
CA, Los Angeles	19%
U.S. Index	3.9%
Canada Index	1.4%

HIGHEST MARKET RENT / SF ANNUAL	
CA, San Francisco	$26.16
CA, San Diego	$19.80
NY, New York	$17.28
CA, Orange County	$17.04
CA, Los Angeles	$17.04
U.S. Index	$10.56 PSF
Canada Index	$10.80 PSF

HIGHEST MARKET SALE PRICE / SF	
CA, San Francisco	$481
CA, Orange County	$337
CA, San Diego	$325
BC, Vancouver	$322
CA, Los Angeles	$320
U.S. Index	$149 PSF
Canada Index	$205 PSF

MOST SF UNDER CONSTRUCTION	
TX, Dallas-Fort Worth	67,208,448
GA, Atlanta	40,453,318
IL, Chicago	39,265,960
AZ, Phoenix	38,679,012
CA, Inland Empire	37,117,575
U.S. Index	651,497,037 SF
Canada Index	44,385,543 SF

LARGEST INVENTORY BY SF	
IL, Chicago	1,340,387,216
TX, Dallas-Fort Worth	1,047,395,684
CA, Los Angeles	943,689,759
ON, Toronto	858,682,673
NY, New York	845,987,020
U.S. Index	17,801,882,700 SF
Canada Index	1,765,042,870 SF

LOWEST MARKET CAP RATE	
BC, Vancouver	3.8%
CA, Inland Empire	3.9%
ON, Toronto	4.1%
CA, Los Angeles	4.2%
CA, Orange County	4.3%
U.S. Index	6.1%
Canada Index	4.7%

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LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2022
TORONTO, ON

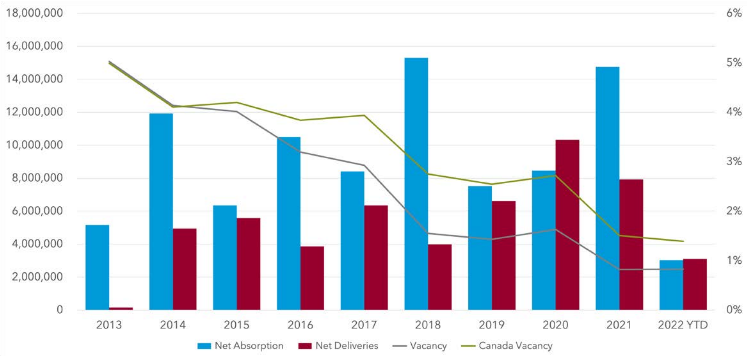
INDUSTRIAL MARKET OVERVIEW

DANIEL SMITH, *Senior Vice President, Partner*

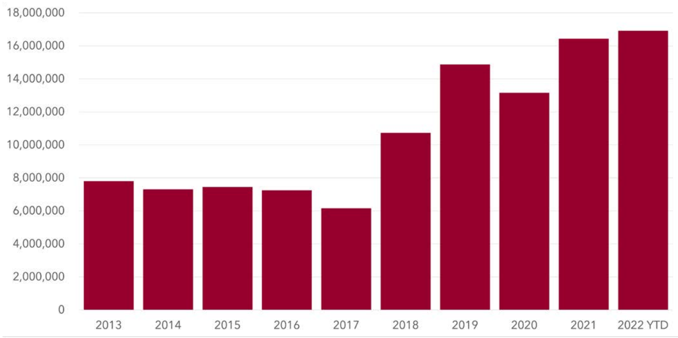
Vacancy compressed further in Q2 to an all-time low of 0.8%. Net absorption totaled 1.6 million SF. The strain on the market from declining availability has driven rents up 15.6% year over year in the greater Toronto area. Supply chain issues and increasing construction costs have delayed many projects this quarter, pushing delivery dates further out. The GTA currently has 16 million SF under construction, making up only 2% of existing inventory. Limited availabilities for potential tenants and scarcity of space due to land constraints are likely to keep GTA industrial space tight.

MARKET INDICATORS		Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
▼	12 Mo. Net Absorption SF	12,681,433	13,815,154	14,743,998	13,623,416	8,429,335
▲	Vacancy Rate	0.82%	0.81%	0.82%	1.03%	1.38%
▲	Avg NNN Asking Rate PSF	$15.17	$14.60	$14.07	$13.56	$13.08
▼	SF Under Construction	16,914,591	17,897,583	16,437,857	14,906,390	16,895,766
▲	Inventory SF	858,834,991	856,747,660	855,731,828	855,058,031	850,871,300

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
8000 Dixie Road Brampton, ON	930,000 SF	$194,460,000 $209.01 PSF	Panattoni Canada Ford Motor Company	Class B
100 West Drive Brampton, ON	883,863 SF	$244,000,000 $276.06 PSF	Crestpoint Owen's Illinois	Class C
12424 Dixie Road Caledon, ON	850,000 SF	$174,919,680 $205.79 PSF	UPS Canada Prologis, Inc.	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
10750 Hwy 50 Brampton, ON	670,485 SF	Orlando Corporation	Undisclosed	Undisclosed
2750 Morningside Avenue Scarborough, ON	333,638 SF	Oxford Properties	Global Industrial	Retailer
5400 Explorer Drive Mississauga, ON	250,000 SF	Lord Realty Holdings	Undisclosed	Undisclosed

Q2 2022
OFFICE OVERVIEW

OFFICE OVERVIEW: DEMAND FALLS; VACANCIES, SUBLETS CLIMB

Demand for North American office space weakened in the second quarter with net absorption slipping into negative territory and vacancies hitting their highest levels in a decade as companies continue to assess workplace schedules and real estate needs. Although the 8.3-billion-SF U.S. market closed out the second half of 2021 with a strong 27 million SF of positive net absorption, demand went flat in January. Tenants shed 1.5 million SF of space in the first half with 992,701 SF of negative absorption coming in Q2. The overall vacancy rate settled at 12.4%.

Across Canada, leasing volumes are below their long-term averages heading into the summer. Demand is strongest in Vancouver and other West Coast cities. About 3 million SF under construction in each Toronto and Vancouver are set for completion by 2024. Approximately 75% of the space is preleased.

After stabilizing in the second half of 2021, sublease availability in the U.S. has moved higher, setting a record at 214 million SF. Available second-hand space is up more than 50% in Salt Lake City, more than 40% in Cincinnati and more than 30% in Tampa, Minneapolis, San Antonio and Orange County, California. In San Francisco, sublease inventory totals more than 9.6 million SF, more than half of which still is occupied, representing 2.5% of inventory, double the national average.

The effects of Covid continues to alter the office landscape. Utilization is at a fraction of pre-pandemic levels. One of the largest conversions of the pandemic, a nearly empty 30-story office building at 55 Broad Street in Manhattan's financial district is being turned into 571 apartments. Suburban office parks – initially thought to be a healthier alternative to subways, elevators and lunch counters in urban settings – also are posting high vacancies. With 75% of its employees working remotely, Allstate agreed to sell its headquarters campus of 55 years in the leafy Chicago suburb of Northbrook for $232 million. Dermody Properties plans to redevelop the 122-acre office park with 3.2 million SF of logistics buildings.

Markets with the most supply underway on a percentage basis are tech centers such as San Jose, Austin and Seattle. Life science hubs San Diego and Boston along with Sun Belt metros Nashville, Miami, Charlotte and others have seen demand exceed the national average. Whatever demand can be mustered for office space, it will be difficult to offset the level of scheduled new supply. Although development has moderated since the lockdown, there still is plenty of speculative space underway. About 140 million SF are under construction, compared to 160 million SF going into the lockdown.

Construction starts have cooled in perennial leading cities such as New York City, Washington, D.C., and Los Angeles, in part because financing requirements on speculative developments have toughened since Covid hit. Overall construction starts have declined notably. After averaging 24 million SF in new starts each quarter prior to the lockdown, quarterly construction starts have averaged about 15 million SF since.

LOWEST VACANCY RATE	
GA, Savannah	2.6%
CA, San Luis Obispo	3.1%
SC, Spartanburg	3.9%
ID, Boise	4.4%
FL, Fort Myers	4.6%
U.S. Index	12.4%
Canada Index	8.6%

HIGHEST MARKET RENT / SF ANNUAL	
CA, San Francisco	$62.28
NY, New York	$57.12
FL, Miami	$42.84
MA, Boston	$42.00
CA, Los Angeles	$41.76
U.S. Index	$35.04 PSF
Canada Index	$27.60 PSF

HIGHEST MARKET SALE PRICE / SF	
CA, San Francisco	$800
NY, New York	$691
BC, Vancouver	$574
WA, Seattle	$529
MA, Boston	$480
U.S. Index	$342 PSF
Canada Index	$307 PSF

MOST SF UNDER CONSTRUCTION	
NY, New York	17,651,144
MA, Boston	15,656,997
ON, Toronto	11,759,383
WA, Seattle	10,647,860
DC, Washington	9,030,539
U.S. Index	141,779,259 SF
Canada Index	19,907,305 SF

LARGEST INVENTORY BY SF	
NY, New York	972,521,384
DC, Washington	516,025,617
IL, Chicago	509,199,460
CA, Los Angeles	432,430,984
TX, Dallas-Fort Worth	413,934,934
U.S. Index	8,290,787,488 SF
Canada Index	678,204,642 SF

LOWEST MARKET CAP RATE	
BC, Vancouver	3.5%
CA, San Francisco	4.5%
NY, New York	5.2%
ON, Toronto	5.3%
CA, Los Angeles	5.3%
U.S. Index	6.8%
Canada Index	6.1%

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LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2022
TORONTO, ON

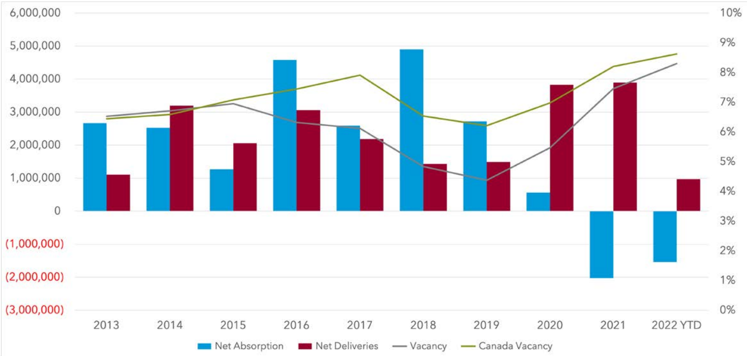
OFFICE MARKET OVERVIEW

WILL GEHRING, Senior Vice President

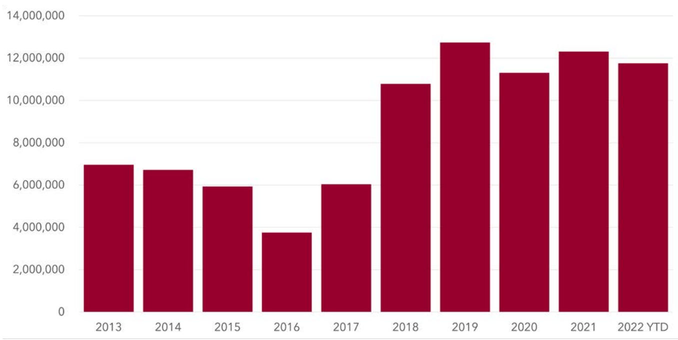
As the office sector slowly recovers from the pandemic, office markets overall are showing signs of stabilization; office real estate still has purpose and value to businesses from every industry. Signs of office market stabilization include decreasing vacancy rates in select markets across Canada, a decrease in the number of sublets, and construction permits on the rise. Class A office product continues to be in highest demand for both downtown and suburban nodes, mainly due to the immediate access these commercial properties have to desirable amenities for employers and their employees alike. We will see in Q3 the use of office space outside of our homes slowly trend back into our office markets resulting in a healthier balance between the supply and demand of office space.

MARKET INDICATORS		Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
▼	12 Mo. Net Absorption SF	(1,609,581)	(1,178,951)	(2,023,190)	(3,818,242)	(2,610,612)
▲	Vacancy Rate	8.1%	7.9%	7.5%	6.5%	6.3%
▲	Avg NNN Asking Rate PSF	$39.80	$39.74	$39.74	$39.64	$39.23
▼	SF Under Construction	11,759,383	11,880,090	12,312,317	14,528,587	12,432,841
▼	Inventory SF	288,010,165	288,039,003	287,042,388	284,167,530	283,945,070

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
55 Standish Court Mississauga, ON	821,954 SF	$126,071,118 $153.38 PSF	Crown Realty Partners Orlando Corporation	Class A
121 King Street W Toronto, ON	528,286 SF	$369,491,849 $699.42 PSF	Crestpoint Real Estate Investments BentallGreenOak	Class A
5770 Hurontario Street Mississauga, ON	250,703 SF	$40,321,730 $160.83 PSF	Crown Realty Partners Chiefton Investments	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
105 Berkeley Street Toronto, ON	150,000 SF	Colonia Treuhand	Undisclosed	Undisclosed
199 Bay Street Toronto, ON	69,918 SF	BCI	Guardian Capital	Finance and Insurance
6696 Financial Drive Mississauga, ON	50,970 SF	Meadowvale North	Undisclosed	Undisclosed

Q2 2022
RETAIL OVERVIEW

RETAIL OVERVIEW: BRICK-AND-MORTAR GAINS ON E-COMMERCE

In-person shopping is regaining its popularity and it's taking a toll on e-commerce. Merchant demand for retail space in the United States is the most since 2017 with net absorption on track to expand by nearly 80 million SF in 2022. The overall vacancy rate has fallen 60 basis points over the last two quarters, settling at 4.4%, the lowest on record.

Canadian demand for retail space also strengthened in the first half of 2022. The 3.8 million SF of net absorption through Q2 equals total demand for 2020 and is on pace to match the average annual growth of the previous five years. The tightest markets are Vancouver and Toronto, whose vacancy rates are 1.2% and 1.7% respectively. The two metros also have the nation's highest rents.

Leading the forces behind tenant growth is a financially healthy and active consumer. Last year in-person shopping gained ground on e-commerce, possibly a first. An analysis by Mastercard says U.S. online purchases fell in March for the first time in a decade, adding more support to the view that online shopping has hit a wall, at least for now. The ripple effects are punishing the tech industry now to a similar degree that it was rewarded when the lockdown caused consumers to race ahead in their embrace of online shopping.

After its online sales declined 3% in the first quarter to $51.1 billion, Amazon said it would begin to reduce excess industrial space in its distribution network. Amazon wasn't alone. Facebook reports sagging ad sales. Etsy and Shopify also posted unexpectedly low sales growth and have reduced expectations. Reduced online trade has reduced the pressure on retail landlords. Rent growth is averaging 4%, the most in more than a decade in the U.S., and 3.4% in Canada, the most since 2017. Strip and neighborhood centers posted the strongest first half rent growth at 4.7%.

U.S. markets capturing an outsized portion of population and job growth have seen rents increase substantially. Metros reporting the biggest increases over the last 12 months include: Nashville, 10.3%; Salt Lake City and Charlotte, N.C., at 9.4%; Las Vegas, 9.3%; Tampa, 7.3%; Orlando, 7.2% and Raleigh, 7.1%. Overall net absorption for U.S. space in the first half totaled 39,224,344, a 59% gain over the same period last year. Retailers announced nearly seven times as many store openings as closings. Mall space is reporting positive net absorption of 2 million SF at the end of the first half. That follows four straight years of losses totaling more than 19 million SF. Tenant growth in power centers at the end of Q2 totaled 4.3 million SF, double the total for 2020.

More than $23 billion in property traded hands in the first quarter, the most ever. Investors target the general retail segment, which chiefly are stand-alone buildings that make up 53% of retail space. These buildings typically are occupied by banks, car dealers, bars, bowling alleys and convenience stores.

LOWEST VACANCY RATE	
BC, Vancouver	1.2%
ON, Toronto	1.7%
WA, Seattle	2.7%
MA, Boston	2.7%
NC, Raleigh	2.7%
U.S. Index	4.4%
Canada Index	2.0%

HIGHEST MARKET RENT / SF ANNUAL	
NY, New York	$45.12
FL, Miami	$42.84
CA, San Francisco	$42.60
CA, Orange County	$34.92
CA, Los Angeles	$34.80
U.S. Index	$23.28 PSF
Canada Index	$22.08 PSF

HIGHEST MARKET SALE PRICE / SF	
CA, San Francisco	$622
BC, Vancouver	$536
NY, New York	$425
CA, Orange County	$423
FL, Miami	$422
U.S. Index	$237 PSF
Canada Index	$351 PSF

MOST SF UNDER CONSTRUCTION	
TX, Houston	4,421,150
FL, Miami	3,477,926
NY, New York	3,163,426
TX, Dallas-Fort Worth	3,078,690
DC, Washington	2,374,894
U.S. Index	60,048,257 SF
Canada Index	5,766,654 SF

LARGEST INVENTORY BY SF	
NY, New York	621,833,601
IL, Chicago	583,666,919
TX, Dallas, Fort Worth	452,468,077
CA, Los Angeles	444,983,975
TX, Houston	425,584,273
U.S. Index	11,811,304,394 SF
Canada Index	754,987,631 SF

LOWEST MARKET CAP RATE	
BC, Vancouver	4.1%
CA, San Francisco	4.5%
ON, Toronto	4.6%
CA, Orange County	5.1%
CA, Los Angeles	5.3%
U.S. Index	6.8%
Canada Index	5.0%

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Q2 2022
TORONTO, ON

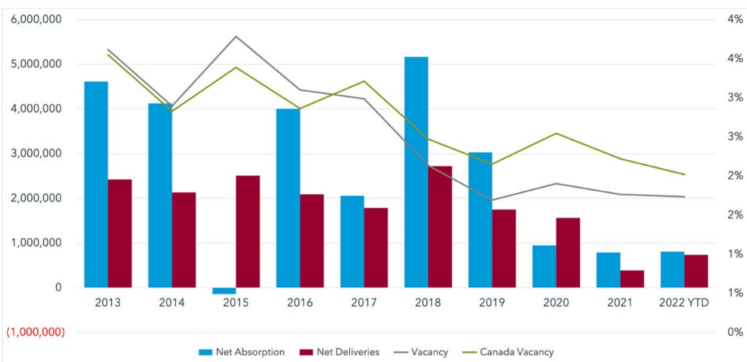
RETAIL MARKET OVERVIEW

NICOLE MONIZ, *Vice President*

Momentum has continued to build over the last few months, mostly in centres anchored by grocery, pharmacies, banks, etc, everyday essentials that have proved to be resilient. Notable deals include Cineplex, 50,859 SF at Erin Mills Town Centre, commencing in Q2 2023. Ikea opened its first 66,000 SF urban format store in the downtown core at Yonge and Gerrard in June. Gap announced their plans to open 5 more Canadian stores in 2022, making their second location at Yorkdale Shopping Centre in addition to their existing locations at Mapleview Centre in Burlington. Pusateri's Fine Foods, signed on to lease 17,504 SF at the base of The Carvalo Condos on College in Little Italy.

	MARKET INDICATORS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
▲	12 Mo. Net Absorption SF	1,287,019	780,864	790,547	1,247,404	820,361
▼	Vacancy Rate	1.7%	1.9%	1.8%	1.8%	1.8%
▲	Avg NNN Asking Rate PSF	$32.66	$32.17	$32.00	$31.88	$31.55
▼	SF Under Construction	1,201,812	1,258,843	1,885,012	2,034,565	1,994,858
▲	Inventory SF	300,522,809	300,434,329	299,784,088	299,693,078	299,495,601

NET ABSORPTION, NET DELIVERIES, & VACANCY



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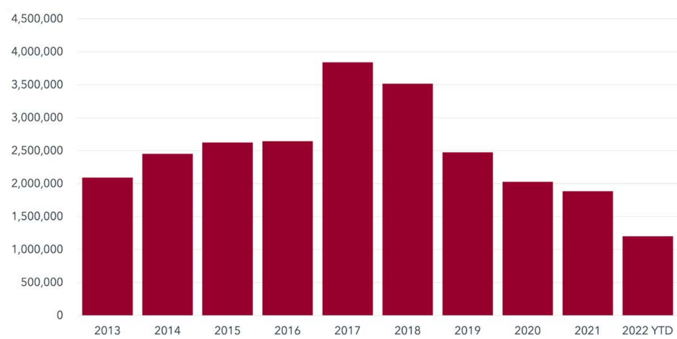


TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
2435 Appleby Line Burlington, ON	Undisclosed	$40,360,000	Choice Properties Triovest	Retail Plaza
2301 - 2331 Appleby Line Burlington, ON	70,000 SF	$28,140,000 $402.00 PSF	Graywood Developments Triovest	Retail Plaza
92 - 132 Waverley Road Clarington, ON	22,282 SF	$6,300,000 $282.74 PSF	13790401 Canada Inc. Southeast Building Corp	Retail Plaza

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5100 Erin Mills Parkway Mississauga, ON	50,859 SF	Ontario Pension Board	Cineplex	Theatres
55 New Huntington Road Vaughan, ON	45,000 SF	SmartCentres	Undisclosed	Undisclosed
382 Yonge Street Toronto, ON	40,000 SF	IKEA	Undisclosed	Undisclosed

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2022
MULTIFAMILY OVERVIEW

MULTIFAMILY OVERVIEW: RENTERS STYMIED BY HIGH HOME PRICES

The unprecedented pace of rent growth eased slightly in the first half of 2022 as strong demand continued for an undersupply of housing. However, to the relief of many U.S. renters, about 180,000 new apartments – roughly double the quarterly average – are slated for delivery in the third quarter and completions are expected to remain elevated through 2023. The steadily rising cost of home buying has been keeping people in the rental market longer. Mortgage rates are up, and existing home prices reached a record median $407,600 in May. Due to supply-chain disruptions and lengthening construction timelines, deliveries of new apartments have been flat. The U.S. vacancy rate settled at 4.9% at the end of the second quarter. In Canada, the vacancy rate was 1.9%.

There were 141,794 apartments absorbed in the U.S. in the first half of the year with 166,054 new units delivered. There are a record 745,000 units under construction. With projected deliveries this year at 453,410 and net absorption expected at 368,500 units, some estimates have rent growth slowing to less than 7% by the end of 2022.

The apartment market has never seen such widespread, double-digit rent growth. Only the run-up during the dot-com boom in tech centers like Boston and San Jose offers a comparison. Although rent growth moderated slightly, falling from 11.3% at the end of 2021 to 9.2% at the end of Q2, some Sun Belt markets have seen annual rent increases of more than 20%. Rents for single-family homes in April rose 14% year over year. Of the 50 largest U.S. multifamily markets only Phoenix and Sacramento have full-year rent forecasts below their five-year pre-pandemic average.

Early this year rent growth began accelerating in coastal and Midwest regions. Los Angeles, San Jose and Milwaukee reported growth of 100 basis points or more. Despite 1.2% vacancy rates in Vancouver and Toronto, rents in the two metros have gained 5.7% and 4.3% respectively through the first half of 2022. To minimize potential disruptions due to materials not being delivered on schedule, some developers have taken the unprecedented step of buying and warehousing all needed materials prior to breaking ground. This has caused construction delays. There are a record 122,000 apartment units that have been approved but not started. Additionally, developers have moved away from garden-style apartments and are trending toward dense, mid- and high-rise projects. These often are in tight urban spaces and require double or triple the construction time to complete.

With rent growth surging, investment capital has been pouring into the multifamily sector. Multifamily sales activity topped the four major real estate categories, and investors see rent growth remaining above the long-term average and the shortage of available housing not changing in the short term. Per unit pricing has risen 11% over the past four quarters and now sits at $245,000. While long-term interest rates have seen strong upward movement, it does not mean that cap rates will rise in tandem. Record rent growth most likely will be fueling rising net operating income at the property level which could give cap rates more stability in a rising interest rate environment.

LOWEST VACANCY RATE	
ON, Toronto	1.2%
BC, Vancouver	1.2%
CA, Santa Barbara	2.0%
NY, New York	2.3%
CA, Orange County	2.4%
U.S. Index	5.0%
Canada Index	1.8%

HIGHEST MARKET RENT / UNIT	
CA, San Francisco	$3,092
NY, New York	$2,980
MA, Boston	$2,699
CA, Orange County	$2,575
CA, East Bay	$2,426
U.S. Index	$1,640 Per Unit
Canada Index	$1,322 Per Unit

HIGHEST 12 MO. SALES VOLUME	
GA, Atlanta	$20,873,136,636
AZ, Phoenix	$17,897,276,466
NY, New York	$14,530,073,896
CA, Los Angeles	$14,366,068,096
DC, Washington	$10,828,177,249
U.S. Index	$298,543,692,811
Canada Index	$5,573,671,149

MOST UNITS UNDER CONSTRUCTION	
NY, New York	56,903
TX, Dallas-Fort Worth	37,206
DC, Washington	35,067
AZ, Phoenix	29,346
GA, Atlanta	28,403
U.S. Index	852,961 Units
Canada Index	47,704 Units

LARGEST INVENTORY BY UNITS	
NY, New York	1,497,684
CA, Los Angeles	993,855
TX, Dallas-Fort Worth	801,445
TX, Houston	663,094
DC, Washington	541,003
U.S. Index	18,322,891 Units
Canada Index	854,496 Units

LOWEST MARKET CAP RATE	
BC, Vancouver	2.4%
ON, Toronto	3.5%
CA, San Francisco	3.5%
CA, Orange County	3.6%
CA, Ventura	3.8%
U.S. Index	5.0%
Canada Index	3.6%

** Please note that the statistics represented in these tables are based on CoStar defined market territories and may not all represent the geographic area the label depicts.*

Q1 2022
TORONTO, ON

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

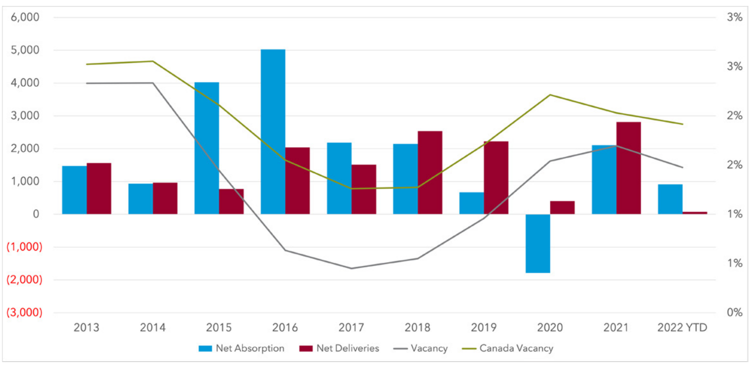
MULTIFAMILY MARKET OVERVIEW

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

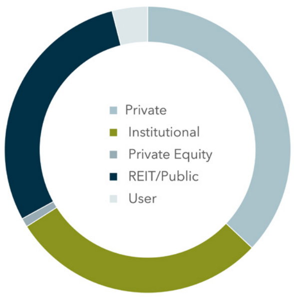
As economic restrictions ease, a sense of normalcy has returned to many aspects of everyday life. A constant throughout the pandemic has been the demand and the resiliency of Toronto's multifamily sector. The long-term forecast has been widely optimistic, which has been reflected in escalating valuations and continued increases to the rental pipeline. The market has long been defined by low vacancy rates. The rental pool consists of young professionals, new immigrants, students, and those unable to finance a home purchase.

	MARKET INDICATORS	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
▲	12 Mo. Absorption Units	3,035	2,109	895	(583)	(1,802)
▼	Vacancy Rate	1.5%	1.7%	1.9%	1.8%	1.7%
▲	Asking Rent/Unit ($)	$1,802	$1,787	$1,770	$1,753	$1,746
▲	Under Construction Units	22,516	21,499	19,583	13,823	10,105
▲	Inventory Units	380,430	380,352	380,123	378,668	378,049

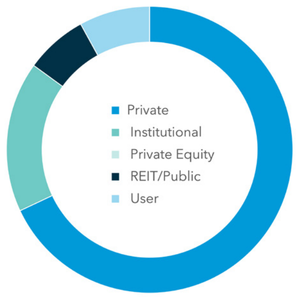
NET ABSORPTION, NET DELIVERIES, & VACANCY



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
NONE TO REPORT			

TOP SELLERS (PAST 12 MONTHS)	SALES VOLUME
Rockport Group	$338,000,000
Starlight Investments Ltd.	$332,500,000
Perkell Brothers Construction	$194,000,000
MetCap Living	$174,544,748
CST Corporation	$159,000,000

TOP BUYERS (PAST 12 MONTHS)	SALES VOLUME
DREAM Unlimited	$426,818,058
Canadian Apartment Properties REIT	$378,114,271
Akelius	$282,150,000
Timbercreek Capital Inc	$264,280,000
InterRent Real Estate Investment Trust	$234,401,000

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