



COMMERCIAL REAL ESTATE SERVICES



FEATURED MARKET REPORTS

THE LEE ADVANTAGE

Every Lee & Associates office delivers world-class service to an array of regional, national, and international clients - from small businesses and local investors to major corporate users and institutional investors. Our professionals combine the latest technology, resources, and market intelligence with their experience, expertise, and commitment to superior service to optimize client results.

WHAT SETS US APART?

Since 1979, Lee & Associates has reimagined the way that commercial real estate companies should be structured. Each Lee & Associates office is owned and operated by its professionals. As shareholders of the company, this separates us from our competition and creates one common goal; to provide seamless, consistent execution and value-driven market-to-market services to our clients.

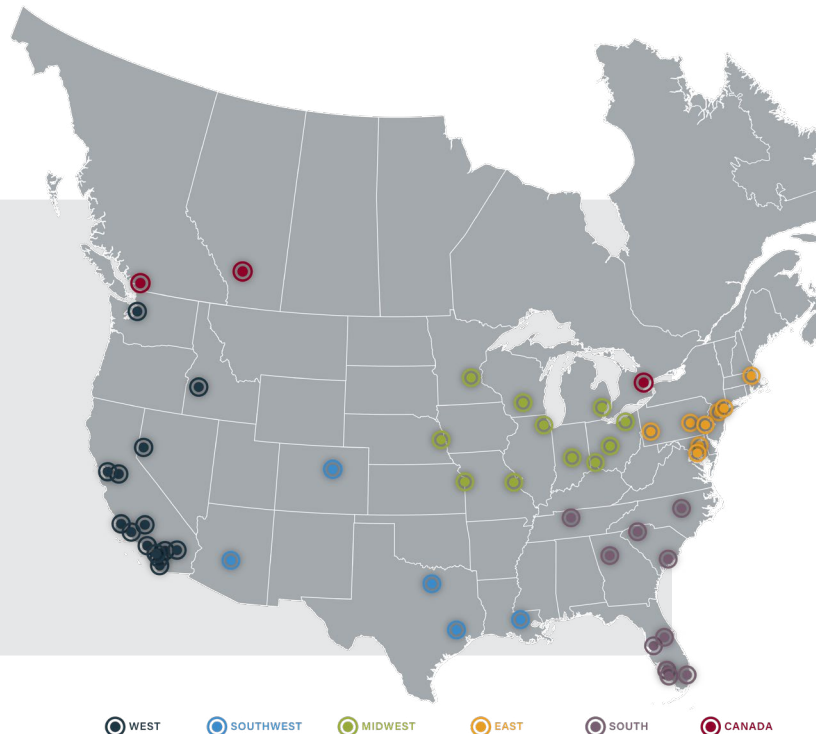
SERVICES TO MEET THE NEEDS OF OUR CLIENTS

Lee & Associates' offices offer a broad array of real estate services tailored to meet the needs of the company's clients in each of the markets it operates, including commercial real estate brokerage, integrated services, and construction services.

With specialty practice groups in each of these disciplines, our professionals regularly collaborate to make sure they are providing their clients with the most advanced, up-to-date market technology and information.

LOCAL EXPERTISE INTERNATIONAL REACH

With offices in 75+ markets across North America, Lee & Associates has the ability to deliver first-class services to our clients both locally and internationally.





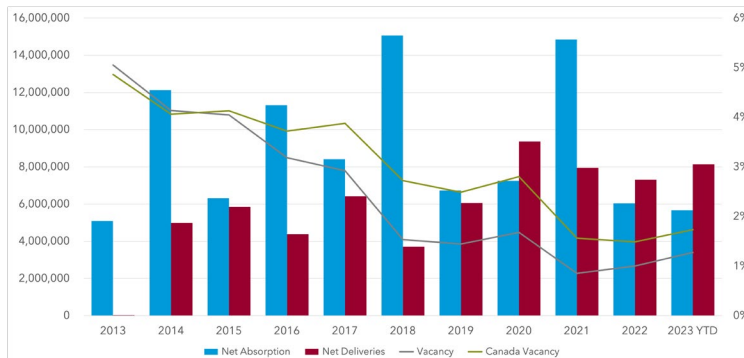
INDUSTRIAL MARKET OVERVIEW

DANIEL SMITH, *Senior Vice President, Partner*

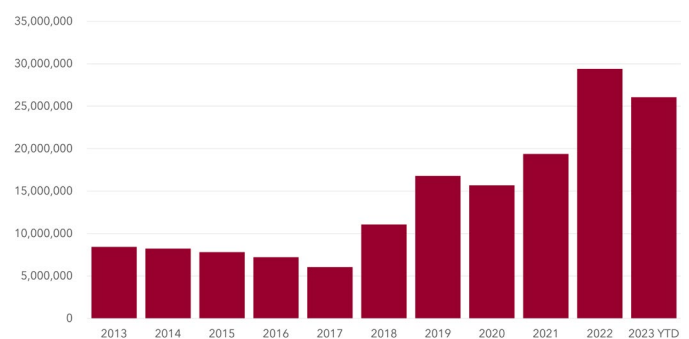
The Greater Toronto Area's thriving industrial sector is driven by its strategic location, robust transportation networks, and diverse economy which encompasses warehouses, distribution centers, manufacturing facilities, and flex spaces. Recent years have seen surging demand, fueled by population growth, e-commerce expansion, logistics needs, and increased manufacturing. The online retail boom has driven demand for large-scale warehouses and distribution centers, leading to limited property availability and rising lease rates. This trend is expected to continue unless more industrial space is developed. However, geographic constraints and zoning challenges may hinder growth.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▲ 12 Mo. Net Absorption SF	8,782,991	6,413,277	6,596,340	6,035,265	5,713,034
▼ Vacancy Rate	1.2%	1.3%	1.2%	1.0%	1.0%
▲ Avg NNN Asking Rate PSF	\$19.33	\$18.84	\$18.17	\$17.46	\$16.71
▼ SF Under Construction	26,295,185	27,317,395	28,343,583	29,618,433	28,989,980
▲ Inventory SF	865,876,482	863,377,068	860,924,569	857,738,330	855,506,964

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
81 Royal Group Crescent Vaughan, ON	281,265 SF	\$81,500,000 \$289.76 PSF	Newmar Alpha Lumber Group Oxford Properties Group	Class B
1840-1842 Clements Road Pickering, ON	170,107 SF	\$40,250,000 \$236.62 PSF	Groupe Mach KingSett Capital, Inc.	Class B
250 Chrysler Drive Brampton, ON	149,635 SF	\$4,400,000 \$294.05 PSF	Dream Industrial REIT BentallGreenOak	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1680 Thornton Road North Oshawa, ON	379,000 SF	Undisclosed	Lactalis Canada	Dairy Product Merchant Wholesalers
96 Inspire Boulevard Brampton, ON	162,500 SF	Eli Gibli	The ProLift Rigging Company Canada	Transportation and Warehousing
20 Graniteridge Road Vaughan, ON	142,402 SF	Sorbara Group of Companies	Sorbara Group of Companies	Land Subdivision



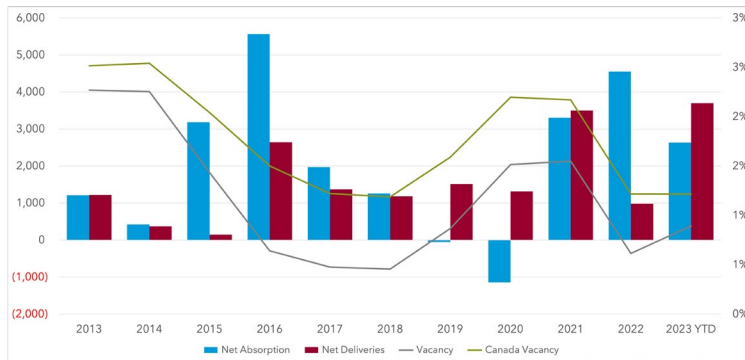
MULTIFAMILY MARKET OVERVIEW

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

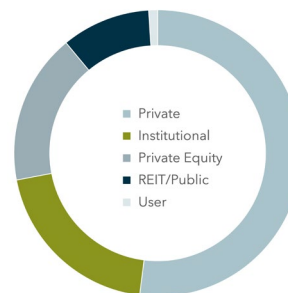
Toronto's multi-family sector shines as Canada's most resilient market. The surge in housing prices during the pandemic pushed many towards rentals, resulting in rapid growth in rentership that surpasses homeownership rates. This flourishing rental landscape caters to diverse tenants, including young professionals, newcomers, students, and those priced out of homeownership, with immigration flows gradually rebounding. This market offers a range of options, from affordable high-rises to luxurious purpose-built rentals. However, rising interest rates have added to housing unaffordability, making rentals increasingly attractive as homeownership remains elusive for many.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▲ 12 Mo. Absorption Units	2,824	2,552	3,318	4,554	5,595
▲ Vacancy Rate	0.9%	0.8%	0.7%	0.6%	0.7%
▲ Asking Rent/Unit (\$)	\$2,184	\$2,156	\$2,107	\$2,054	\$1,994
▲ Under Construction Units	21,219	19,934	16,978	17,434	16,684
▲ Inventory Units	386,727	385,180	383,868	383,030	383,045

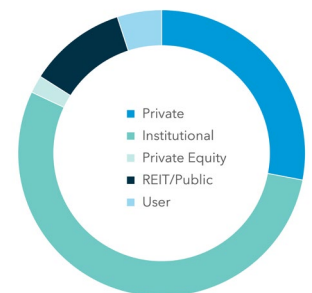
NET ABSORPTION, NET DELIVERIES, & VACANCY



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	SALE PRICE	NUMBER OF UNITS	BUYER / SELLER
2 Anndale Toronto, ON	\$1,535,000 \$5,116.67 Per Unit	300	The Wireless Geek THMR Development, Inc.
7089 Yonge Street Markham, ON	\$7,240,547 \$31,480.64 Per Unit	230	Undisclosed Undisclosed
135 Tyndall Avenue* Toronto, ON	\$1,719,031 7,958.48 Per Unit	216	Fitzrovia Real Estate AIMCo

*Part of a 2-Property Portfolio

TOP SELLERS (PAST 12 MONTHS)	SALES VOLUME	TOP BUYERS (PAST 12 MONTHS)	SALES VOLUME
Power Corporation of Canada	\$185,500,000	Starlight Investments Ltd.	\$245,505,018
Roche Development Group, Inc.	\$170,180,018	Woodbourne Capital Mgmt Intn'l LP	\$149,000,000
First Capital REIT	\$149,000,000	Timbercreek Capital, Inc.	\$116,900,000
Golden Hauer Investments (1988)	\$94,500,000	Realstar Group	\$84,748,231
Alit Developments	\$84,748,231	InterRent Real Estate Investment Trust	\$61,833,333



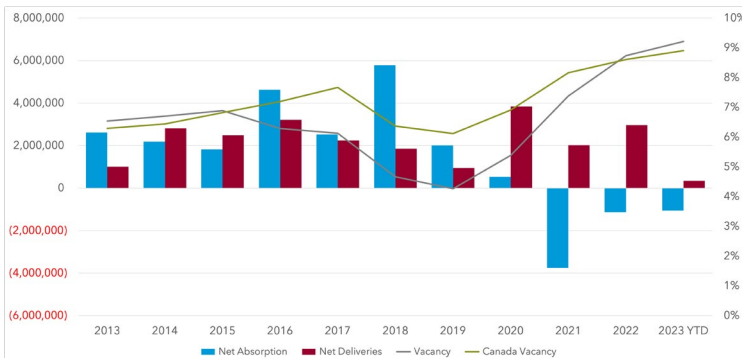
OFFICE MARKET OVERVIEW

WILL GEHRING, *Senior Vice President*

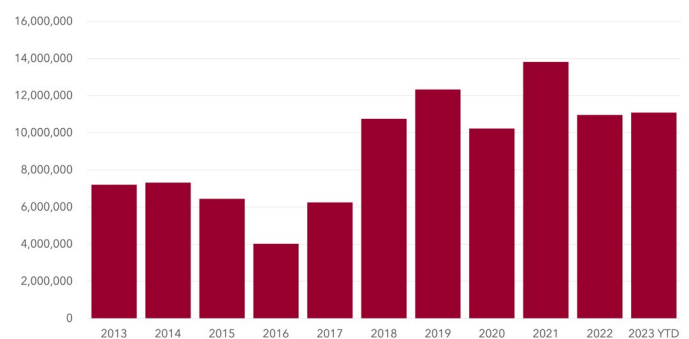
Toronto's office market remains in a state of flux, grappling with challenges akin to other North American cities. Despite employers summoning employees back to the office, downtown foot traffic is still below pre-pandemic levels. The GTA office market overall reflects the continuation of the reassessment of workspace requirements, negative office absorption predominantly in the downtown core and sublet space opportunities on the incline. The suburban office market on the other hand continue to show lower vacancy rates than downtown sub-markets where a substantial increase in new office supply has pushed vacancies higher.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▲ 12 Mo. Net Absorption SF	(1,064,338)	(1,259,182)	(1,372,654)	(1,132,770)	(2,557,522)
▼ Vacancy Rate	9.2%	9.5%	9.1%	8.7%	8.4%
▲ Avg NNN Asking Rate PSF	\$40.40	\$40.25	\$40.24	\$40.20	\$40.12
▲ SF Under Construction	10,546,516	10,227,580	10,153,373	10,465,669	11,657,833
▼ Inventory SF	40,364,823	40,461,764	39,287,925	37,204,712	35,054,793

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
250 Front Street West** Toronto, ON	1,282,769 SF	\$248,000,000 \$193.33 PSF	KDDI Canada, Inc. Allied Properties Real Estate Inv. Tr.	Class A
2235 Sheppard Avenue East*** Toronto, ON	342,781 SF	\$66,418,174 \$193.76 PSF	Groupe Mach Dorsay Development Corporation	Class A
2225 Sheppard Avenue East** Toronto, ON	328,927 SF	\$52,480,877 \$159.55 PSF	Groupe Mach Dorsay Development Corporation	Class A

*All numbers shown are in Canadian dollars (CAD) ** Part of a 3-Property Portfolio

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
79 Wellington Street West Toronto, ON	164,187 SF	Cadillac Fairview, Ontario Pension Board	Torys	Offices of Lawyers
100 Commerce Valley Drive West Markham, ON	49,648 SF	100cvdw, Inc.	Undisclosed	Undisclosed
33 Green Belt Drive Toronto, ON	49,200 SF	OTT Financial Group	Undisclosed	Undisclosed



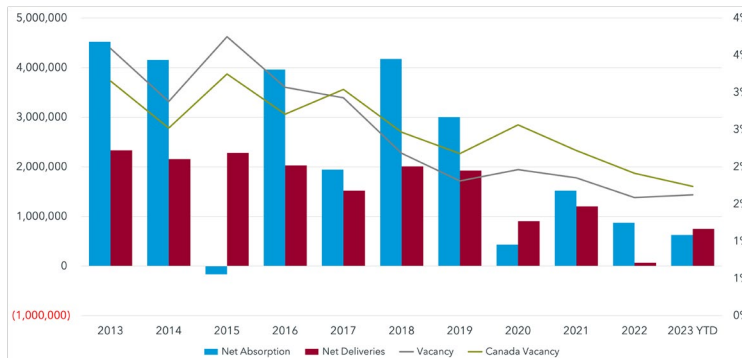
RETAIL MARKET OVERVIEW

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

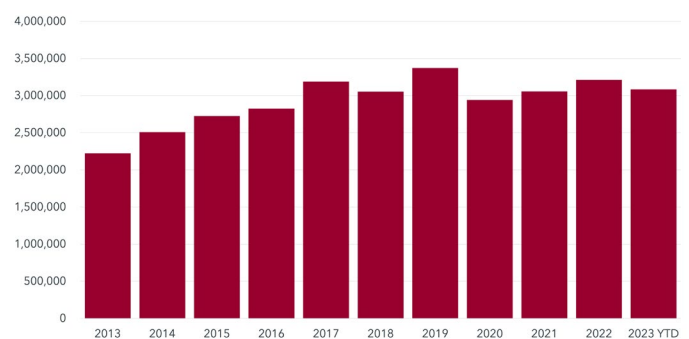
Toronto's retail market was on the path to recovery in Q3 2023, despite pandemic-induced economic uncertainties and shifting consumer behaviors. Challenges and shop closures were observed in both the downtown core and foot traffic-dependent storefronts. However, the gradual reopening of offices and the resurgence of tourism have begun to fill these spaces with restaurants, fitness centers, and wellness services. Limited available space is presenting challenges for tenants, especially those in need of mid-sized and prime corridor locations in the GTA. In addition, retail investments have slowed due to the impact of rising interest rates and high inflation on the sector's attractiveness, with expectations of increasing cap rates in the near future.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▲ 12 Mo. Net Absorption SF	922,228	856,255	1,078,665	874,670	650,571
▼ Vacancy Rate	1.6%	1.7%	1.7%	1.6%	1.7%
▼ Avg NNN Asking Rate PSF	\$34.87	\$34.89	\$34.50	\$34.25	\$33.90
▲ SF Under Construction	3,110,064	2,619,661	2,940,249	3,223,785	3,359,550
▲ Inventory SF	303,943,610	303,876,447	303,471,692	303,194,366	303,158,929

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
1170 Martin Grove Road Toronto, ON	195,638 SF	\$49,475,000 \$252.89 PSF	Sun Commercial Real Estate Gistex, Inc.	Single-Tenant
1095 Kingston Road Pickering, ON	86,782 SF	\$27,000,000 \$311.12 PSF	Plazacorp Investments Ltd. Ontario Superior Court of Justice	Multi-Tenant
20 Maritime Ontario Boulevard Brampton, ON	64,234 SF	\$1,250,000 \$19.46 PSF	Shabnam Preetkaur Undisclosed	Multi-Tenant

*All numbers shown are in Canadian dollars (CAD)

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
162 Queen Street North Toronto, ON	45,000 SF	SmartCentres Real Estate Investment Trust	Sport Chek	Sporting Goods
162 Queen Street North Toronto, ON	25,000 SF	SmartCentres Real Estate Investment Trust	Mark's	Apparel and Accessories
33 Yonge Street Toronto, ON	22,564 SF	GWL Realty Advisors	Undisclosed	Undisclosed

ABSORPTION

Refers to the change in occupancy over a given time period. Lease renewals are not factored into absorption unless the renewal includes the occupancy of additional space. (In that case, the additional space would be counted in absorption.) Pre-leasing of space in non-existing buildings (e.g., Proposed, Under Construction, Under Renovation) is not counted in absorption until the actual move-in date.

CAP RATE

The income rate of return for a total property that reflects the relationship between one year's net operating income expectancy and the total price or value. Calculated by dividing the net operating income by the sale price or value.

CLASS A OFFICE

In general, a class A building is an extremely desirable investment-grade property with the highest quality construction and workmanship, materials and systems, significant architectural features, the highest quality/expensive finish and trim, abundant amenities, first rate maintenance and management; usually occupied by prestigious tenants with above average rental rates and in an excellent location with exceptional accessibility. They are most eagerly sought by international and national investors willing to pay a premium for quality and are often designed by architects whose names are immediately recognizable. A building meeting this criteria is often considered to be a landmark, either historical, architectural or both. It may have been built within the last 5-10 years, but if it is older, it has been renovated to maintain its status and provide it many amenities. Buildings of this stature can be one-of-a-kind with unique shape and floor plans, notable architectural design, excellent and possibly outstanding location and a definite market presence.

CLASS B OFFICE

In general, a class B building offers more utilitarian space without special attractions. It will typically have ordinary architectural design and structural features, with average interior finish, systems, and floor plans, adequate systems and overall condition. It will typically not have the abundant amenities and location that a class A building will have. This is generally considered to be more of a speculative investment. The maintenance, management and tenants are average to good, although, Class B buildings are less appealing to tenants and may be deficient in a number of respects including floor plans, condition and facilities. They therefore attract a wide range of users with average rents. They lack prestige and must depend chiefly on lower price to attract tenants and investors. Typical investors are some national but mostly local.

CLASS C OFFICE

In general, a class C building is a no-frills, older building that offers basic space. The property has below-average maintenance and management, a mixed or low tenant prestige, and inferior elevators and mechanical/electrical systems. As with Class B buildings, they lack prestige and must depend chiefly on lower price to attract tenants and investors.

GROSS ABSORPTION

For existing buildings, the measure of total square feet occupied (indicated as a Move-In) over a given period of time with no consideration for space vacated during the same time period. Sublet space and lease renewals are not factored into gross absorption. However, in a lease renewal that includes the leasing of additional space, that additional space is counted in gross absorption. Preleasing of space in non-existing buildings (Planned, Under Construction or Under Renovation) is not counted in gross absorption until actual move in, which by definition may not be any earlier than the delivery date.

INDUSTRIAL GROSS RENT

A type of Modified Gross lease where the tenant pays one or more of the expenses in addition to the rent. Exact details must be confirmed for each lease.

INVENTORY

Existing inventory refers to the total square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space that is either planned, or under construction.

MODIFIED GROSS

Modified Gross is a general type of lease rate where typically the tenant will be responsible for their proportional share of one or more of the expenses. The Lessor (landlord) will pay the remaining expenses. For example: Plus Electric means the tenant pays rent plus their own electric expense, or Plus Janitorial means the tenant pays the rent plus their own janitorial expense. Both of these are types of Modified Gross Leases, which may vary from tenant to tenant.

NET ABSORPTION

For existing buildings, the measure of total square feet occupied (indicated as a Move-In) less the total space vacated (indicated as a Move-Out) over a given

period of time. Lease renewals are not factored into net absorption. However, in a lease renewal that includes the leasing of additional space, that additional space is counted in net absorption. Pre-leasing of space in non-existing buildings (Planned, Under Construction or Under Renovation) is not counted in net absorption until actual move in, which by definition may not be any earlier than the delivery date.

TRIPLE NET (NNN)

A lease in which the tenant is responsible for all expenses associated with their proportional share of occupancy of the building.

UNDER CONSTRUCTION

Buildings in a state of construction, up until they receive their certificate of occupancy. In order for CoStar to consider a building Under Construction, the site must have a concrete foundation in place.

VACANCY RATE

Expressed as a percentage - it identifies the amount of New/Relet/Sublet space vacant divided by the existing RBA. Can be used for buildings or markets.

COMMON LEASE TYPES MATRIX

LEASE TYPE	RESPONSIBILITY FOR EXPENSES	OTHER
Gross (full service)	Landlord pays all or most of the operating expenses and taxes.	Costs of operation must be disclosed in lease.
Modified Gross	Expenses are divided between tenant and landlord.	Costs can be double or triple net depending on terms of lease.
Net	Tenant pays all operating expenses.	Landlord must disclose tenant responsibility in lease.
Triple Net (Net-net-net, or NNN)	Tenant pays all operating expenses, taxes and insurance.	Landlord is responsible for structure, roof and maybe parking lot.

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