



LEE &
ASSOCIATES

COMMERCIAL REAL ESTATE SERVICES

Q4 2020 TORONTO MARKET REPORTS





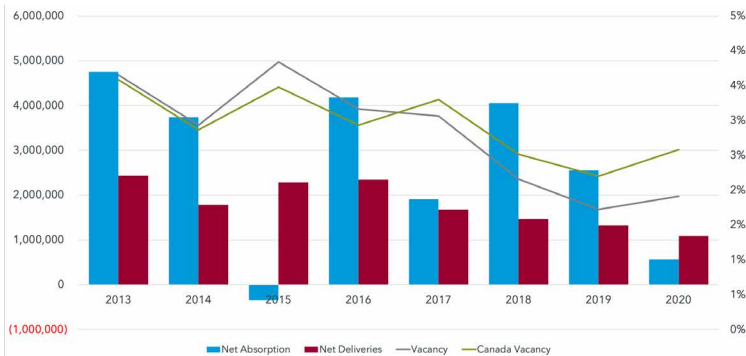
RETAIL MARKET OVERVIEW

NICOLE MONIZ, *Vice President, Retail*

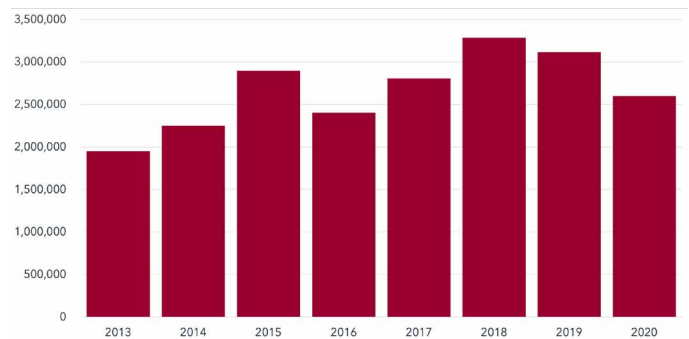
Defining businesses as essential or nonessential was an honest attempt to protect the public from the pandemic. However, it was a decision that has taken market share from large to small businesses deemed nonessential. With e-commerce in the drivers seat, essential businesses need to remain innovative to keep their newfound market share while non-essential businesses strive to upgrade and improve their e-commerce platforms and all other digital assets in order to stay alive. This new environment we are in will force retailers to change to adjust and accommodate consumer habits that are being ingrained right now as people cocoon, shopping from their phones and only going out for necessity.

MARKET INDICATORS	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
▲ Net Absorption	566,571 SF	493,142 SF	1,357,483 SF	1,546,626 SF	2,555,800 SF
◀▶ Vacancy Rate	1.9%	1.9%	1.9%	1.9%	1.7%
▲ Avg NNN Asking Rate	\$26.57 PSF	\$26.35 PSF	\$26.93 PSF	\$26.73 PSF	\$26.18 PSF
▼ Under Construction	2,600,550 SF	2,661,100 SF	2,689,753 SF	2,899,528 SF	3,116,649 SF
▲ Inventory	292,855,257 SF	292,558,197 SF	292,580,235 SF	292,091,186 SF	291,747,316 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
6435 & 6487 Dixie Road (Portfolio) Mississauga, ON	128,000 SF	\$24,000,000.00 \$187.50 PS	Private Invar Building Corporation	Multi-Tenant
1025 The Queensway (Partial Interest) Toronto, ON	99,307 SF	\$11,000,000.00 \$221.54 PSF	Talisker Corporation RioCan REIT	Single Tenant
499 Ray Lawson Blvd Brampton, ON	42,167 SF	\$15,099,999.00 \$358.10 PSF	Private Private	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
605 Rogers Toronto, ON	55,000 SF	Paradise Developments	Ample Food Market	Specialty Foods
3560 Victoria Park Toronto, ON	51,332 SF	Dundas Real Estate Investment	Hockey Factory Vic Park	Recreation
8601 Warden Avenue Markham, ON	32,044 SF	SmartCentres	Canada Computers	Electronics



OFFICE MARKET OVERVIEW

WILL GEHRING, Senior Vice President

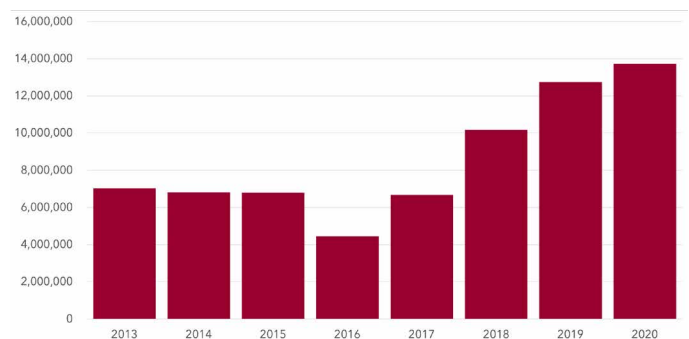
Our return to the office will be much slower than initially expected due to the second wave of COVID-19. During the last 10 months, on average, more than 80% of space in the GTA was under utilized by office tenants with the majority of employees working from home. Last year an all-time high of 4.5 M sq.ft of sublease space came on the market. Overall, we saw a 60% decrease in office leasing volume year-over-year. As we enter 2021, we remind ourselves how important the work environment is in supporting tenants' long-term business objectives and the well-being of their employees. We've been missing out on the face-to-face interaction we once had with our peers. There is light at the end of the tunnel and our workplace will evolve once again.

MARKET INDICATORS	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
▼ Net Absorption	(983,365) SF	1,797,880 SF	1,582,306 SF	1,855,136 SF	2,396,186 SF
▲ Vacancy Rate	5.50%	4.80%	4.50%	4.30%	4.40%
▲ Avg NNN Asking Rate	\$19.78 PSF	\$19.64 PSF	\$19.55 PSF	\$19.60 PSF	\$19.72 PSF
▲ Under Construction	13,743,692 SF	12,942,684 SF	13,862,103 SF	13,234,318 SF	13,155,845 SF
▲ Inventory	276,864,568 SF	276,792,493 SF	275,227,696 SF	274,800,715 SF	274,737,559 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1 Concord Gate (Portfolio Sale) Toronto, ON	358,693 SF	Undisclosed	Fengate Capital Artis REIT	Class A
40 University Ave (Partial Interest) Toronto, ON	285,393 SF	\$6,986,173.00 \$469.85 PSF	Triovest TD Greystone	Class B
2465 Argentia Road Mississauga, ON	249,345 SF	\$72,200,000.00 \$289.56 PSF	Mach Inc. BentallGreenOak & First Gulf Corp	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
100 Queens Quay East Toronto, ON	84,867 SF	Menkes	Richardson Wealth	Finance & Insurance
700 University Avenue Toronto, ON	55,061 SF	KingSett	Belairdirect Insurance Company	Insurance
1920 Yonge Street Toronto, ON	25,687 SF	Davpart, Inc.	Toronto Transit Commission	Transportation



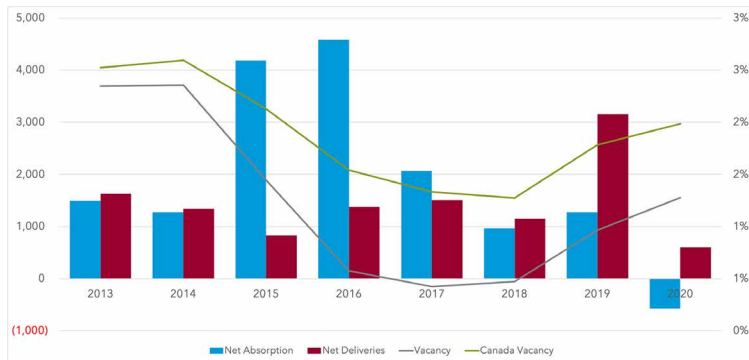
MULTIFAMILY MARKET OVERVIEW

LUIS ALMEIDA, *Senior Vice President, Partner*

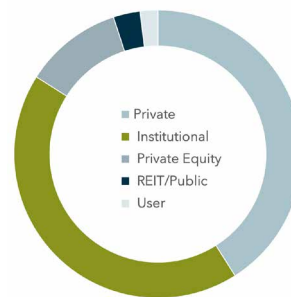
The effects of the pandemic have taken hold of the multi-family sector over the last 3 quarters, and while the long-term outlook remains positive, it will not be without challenges. With the planned rent freeze set to commence in Q1 2021, rent controlled suites will not be subject to guideline increases for the entire year. Additionally, landlords will face increased competition as supply continues to mount across the market. Despite these disruptions, we remain optimistic that through recovery immigration, employment, and other key economic factors will help restore regularity to the market and once again underscore the resilience of the asset class.

MARKET INDICATORS	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
▲ Absorption Units	(576)	(592)	50	844	1,278
◀▶ Vacancy Rate	1.30%	1.30%	1.20%	1.00%	1.00%
▲ Asking Rent/Unit	\$1,767	\$1,757	\$1,749	\$1,733	\$1,708
▲ Inventory Units	378,251	377,882	377,668	377,716	377,645
▲ Under Construction	17,267	17,208	17,036	16,029	14,318

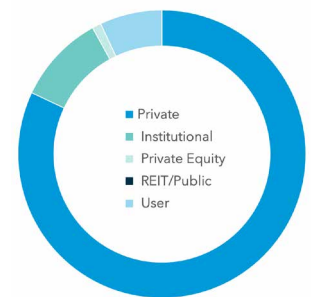
NET ABSORPTION, NET DELIVERIES, & VACANCY



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
301 Dixon Road (Part of Portfolio) Toronto, ON	\$78,500,000.00	361	Starlight Investments Runnymede Development Corp
165 La Rose Avenue Toronto, ON	\$83,600,000.00	211	Realstar Group Sheng-RAAMCO Management
500 Duplex Avenue Toronto, ON	\$157,975,008.00	330	Q Residential Soudan Investments

TOP SELLERS (PAST 12 MONTHS)	SALES VOLUME
Minto Group Inc.	\$229,250,000
Signet Group Inc.	\$193,749,999
Flagship Property Ventures Corp.	\$143,647,000
Runnymede Development Corp Ltd	\$87,750,000
Sheng-RAAMCO Management, Inc.	\$83,600,000

TOP BUYERS (PAST 12 MONTHS)	SALES VOLUME
Starlight Investments Ltd.	\$529,606,670
Timbercreek Asset Management Inc.	\$246,515,329
Conundrum Capital Corporation	\$157,080,000
Realstar Group	\$83,600,000
Homestead Land Holdings Ltd.	\$79,100,000



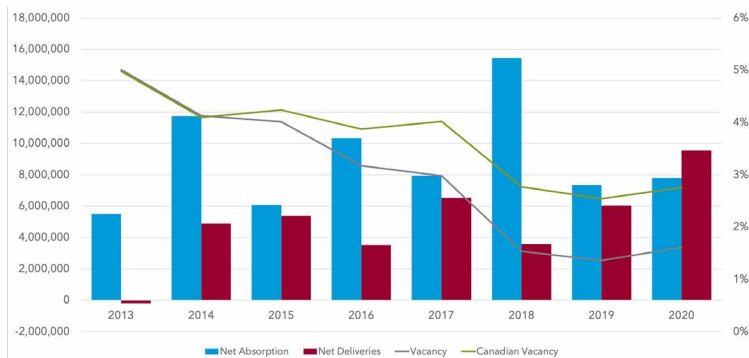
INDUSTRIAL MARKET OVERVIEW

DANIEL SMITH, *Vice President, Principal*

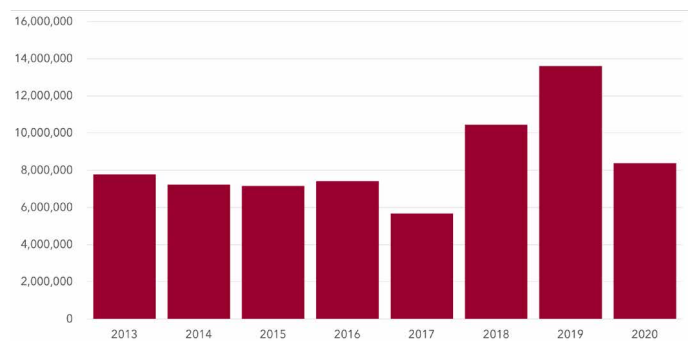
While 2021 shutdowns did bring about a brief pause in activity and small increases in vacancy, the GTA industrial market has fully bounced back with demand and rents higher than pre-COVID levels, with property and land values following suit. The market has seen demand primarily driven by retailers who continue to modernize their distribution networks and build out their e-commerce fulfillment platforms, and this is only expected to increase as a result of new buying trends. Walmart has recently announced upgrades to their fulfillment operations across the GTA, and Amazon have also announced two new DCs at each end of the city, Hamilton and Ajax.

MARKET INDICATORS	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
▼ Net Absorption	7,796,548 SF	9,220,590 SF	9,986,464 SF	6,182,277 SF	7,351,904 SF
▲ Vacancy Rate	1.60%	1.30%	1.30%	1.40%	1.40%
▲ Avg NNN Asking Rate	\$10.08 PSF	\$9.95 PSF	\$9.63 PSF	\$9.36 PSF	\$8.84 PSF
▼ Under Construction	8,371,439 SF	11,231,854 SF	10,646,298 SF	13,809,294 SF	13,609,076 SF
▲ Inventory	841,565,208 SF	838,592,073 SF	836,180,974 SF	833,300,263 SF	831,718,685 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1 Steelcase Rd W Markham, ON	688,904 SF	\$93,000,000.00 \$135.00 PSF	Quadreal Liberty Development	Class B
7333 Mississauga Rd Mississauga, ON	664,054 SF	\$15,733,000.00 \$23.69 PSF	Bora Pharmaceuticals GlaxoSmithKline, Inc.	Class A
1395 Tapscott Rd Toronto, ON	373,000 SF	\$41,489,272.00 \$111.23 PSF	BentallGreenOak First Gulf	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6351 Steeles Ave E Toronto, ON	1,023,359 SF	Manulife	Amazon	E-Commerce
10 Garyray Drive Toronto, ON	192,933 SF	Metrus Properties	Advan Tech	Transportation and Warehousing
8875 Torbram Brampton, ON	180,000 SF	Concert Properties	MEC	Retail Logistics

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