



LEE & ASSOCIATES

COMMERCIAL REAL ESTATE SERVICES





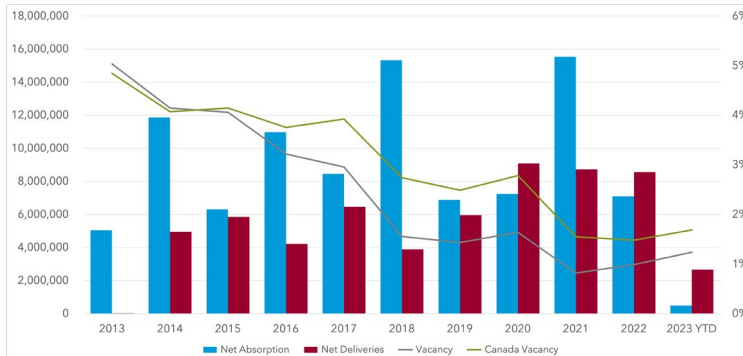
INDUSTRIAL MARKET OVERVIEW

DANIEL SMITH, *Senior Vice President, Partner*

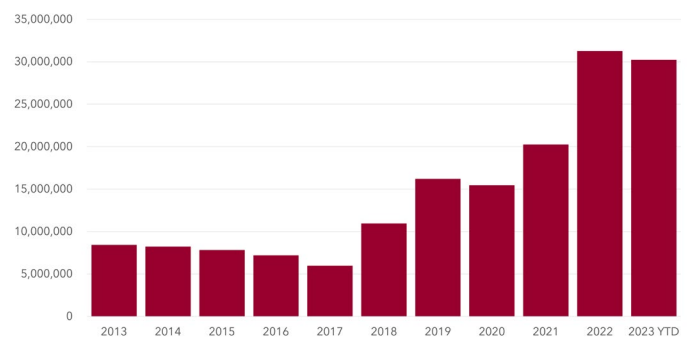
Toronto asking industrial rents continued rise in Q1 2023, with another double-digit year-over-year increase. With little change to overall vacancy across the market, the market continues to prove tough for occupiers as there are no signs of slowdown. Given these strong fundamentals, developers remain active as demand is fully expected to continue, with many of the new projects being pre-leased prior to construction completion. Milton specifically will see multiple million square feet come to market as construction is underway for both James Snow Business Park and Milton North, offering big-box Class A industrial space for 3PLs and end users alike.

MARKET INDICATORS	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
▼ 12 Mo. Net Absorption SF	6,589,756	7,102,397	6,532,476	13,069,958	14,379,901
▲ Vacancy Rate	1.10%	1.00%	1.00%	1.00%	0.90%
▲ Avg NNN Asking Rate PSF	\$17.83	\$17.20	\$16.49	\$15.75	\$15.09
▼ SF Under Construction	30,646,300	31,277,810	31,998,705	27,504,708	24,864,745
▲ Inventory SF	859,878,067	858,108,577	855,385,612	854,222,753	850,929,585

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
8450 Boston Church Road Milton, ON	1,320,000 SF	\$330,000,000* \$250.00 PSF	Sycamore Partners Lowe's Company, Inc.	Class A
50 Stienway Boulevard Toronto, ON	589,894 SF	\$247,662,978* \$419.84 PSF	Breaking Pat Nominee, Inc. Apotex	Class B
150 Signet Drive Toronto, ON	439,429 SF	\$98,625,398* \$225.44 PSF	Breaking Pat Nominee, Inc. Apotex	Class B

**All numbers shown are in Canadian dollars (CAD)

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3150 Derry Road E Mississauga, ON	605,299 SF	Derry Aero Inc.	The Home Depot	Industrial
255 Chrysler Drive Brampton, ON	437,323 SF	Oxford Properties Group	Mondelez International	Industrial
12203 Airport Road Caledon, ON	410,975 SF	Prologis LP	Legacy Supplu Chain Services	Industrial



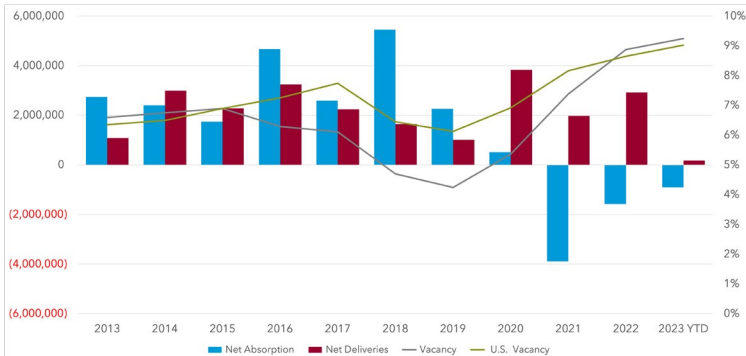
OFFICE MARKET OVERVIEW

WILL GEHRING, *Senior Vice President*

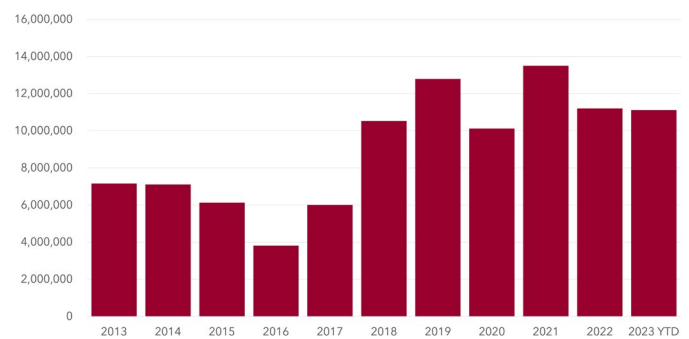
Toronto's office market is the largest in Canada with over 288 million square feet of current inventory in stock. Coming on the heels of the lowest GTA office vacancy rate in recorded history at 4.3% in Q1 2020, the pandemic halted leasing activity and now the market is in the process of recovery. Toronto's office market continues to find its footing as it moves through recovery. Office tenants formalized their plans for office utilization and finding the right-sized office is the aim for most companies. Some plan to increase their square footage to accommodate a more distanced floorplan or to add collaborative spaces within their offices to encourage office attendance, while others are expected to downsize to their square footage under hybrid models with employee rotation.

MARKET INDICATORS	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
▼ 12 Mo. Net Absorption SF	(2,101,080)	(1,576,258)	(3,198,112)	(3,657,172)	(2,706,030)
▲ Vacancy Rate	9.3%	8.9%	8.5%	8.2%	1.8%
▲ Avg NNN Asking Rate PSF	\$40.96	\$40.92	\$40.62	\$40.46	\$40.26
▼ SF Under Construction	11,116,390	11,200,196	12,397,699	12,976,473	12,844,523
▲ Inventory SF	287,994,098	287,820,292	286,583,741	285,677,839	285,844,093

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
100 New Park Place Vaughan, ON	365,000 SF	\$75,176,261 \$205.96 PSF	City of Vaughan SmartCentres Real Estate	Undisclosed
1908 Colonel Sam Drive Oshawa, ON	285,000 SF	Undisclosed	Ontario Power Generation General Motors of Canada	Undisclosed
720 Bay Street Toronto, ON	247,743 SF	\$135,000,000 \$544.92 PSF	Alexandria Real Estate Equities Dream Office Real Estate Invest	Undisclosed

*All numbers shown are in Canadian dollars (CAD)

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5600 Cancross Court Mississauga, ON	75,000 SF	Undisclosed	Federated Agencies Limited	Undisclosed
151 Yonge Street Toronto, ON	33,516 SF	Undisclosed	Citco	Undisclosed
68-70 Claremont Street Toronto, ON	30,000 SF	Undisclosed	Undisclosed	Undisclosed



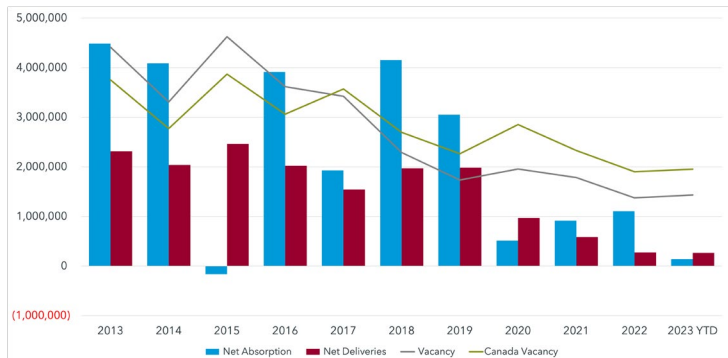
RETAIL MARKET OVERVIEW

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

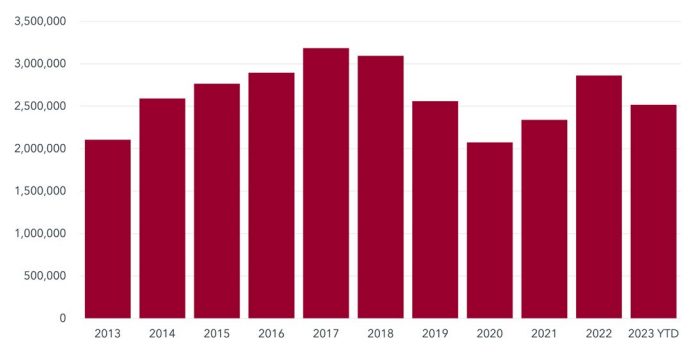
Retail in the Greater Toronto Area (GTA) is poised to recover well as we emerge from the pandemic, especially grocery-anchored retail centres. Even with the increasing CPI and interest rates, consumers will need to purchase everyday essentials making this format a preferred option for investors. Even though consumers are spending more, the effects of rising inflation and higher interest rates are impacting true growth in this sector. As the implications of higher inflation and a diminishing level of savings, consumers may slow their spending in the coming months. However, the rise in consumer prices positively affects landlords whose tenants' rents are correlated with their sales, translating into increased rent growth.

MARKET INDICATORS	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
▲ 12 Mo. Net Absorption SF	1,261,377	1,106,258	987,998	1,292,459	786,785
◀ ▶ Vacancy Rate	1.60%	1.60%	1.60%	1.70%	1.90%
▲ Avg NNN Asking Rate PSF	\$34.09	\$34.01	\$33.75	\$33.36	\$32.78
▼ SF Under Construction	2,543,816	2,861,286	2,831,474	2,592,116	2,367,523
▲ Inventory SF	301,201,876	300,925,682	300,870,244	300,764,167	300,803,637

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
Portfolio Sale Ontario	3,746,535 SF	\$764,200,000* \$203.98 PSF	Sycamore Partners Lowe's Companies, Inc.	Multi-Tenant
5100 Erin Mills Parkway Mississauga, ON	800,000 SF	\$272,000,000* \$340.00 PSF	The Muzzo Group Ontario Pension Board	Multi-Tenant
3757 Keele Street Toronto, ON	93,088 SF	\$23,125,000* \$248.42 PSF	Nafeez Chowdhury CRAFT Development Corp	Single-Tenant

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TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1455-1457 McCowan Road Toronto, ON	28,676 SF	Desjardins Insurance	Princess Auto	Automotive
7979 Weston Road Vaughan, ON	23,186 SF	CPD Developments	Ashley HomeStore	Home Décor
15 Canmotor Avenue Toronto, ON	21,109 SF	Riverside Cardiology and Diagnostic Imaging	Social Motion Media Inc.	Media

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