



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.

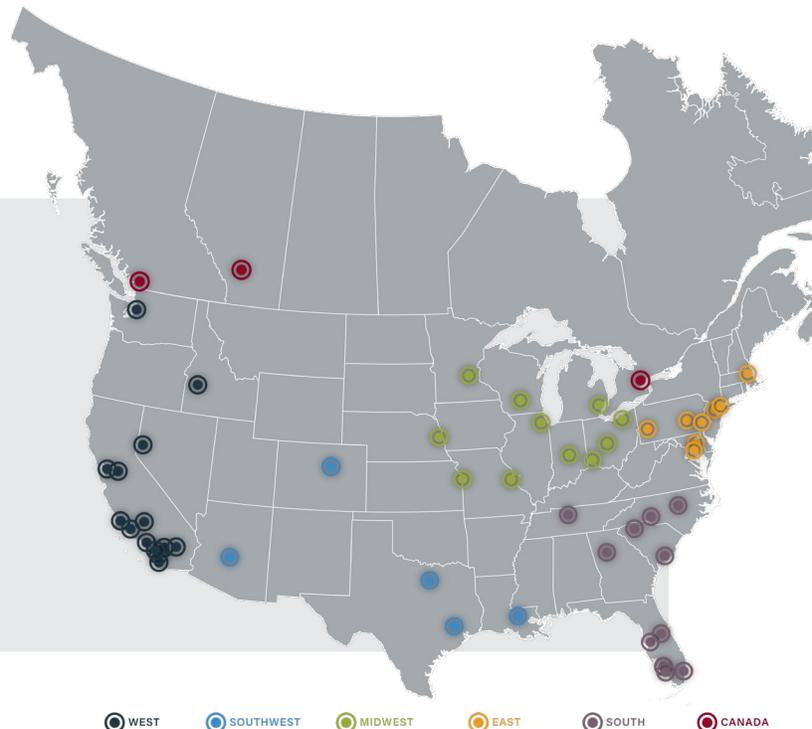
SERVICES TO MEET THE NEEDS OF OUR CLIENTS

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.





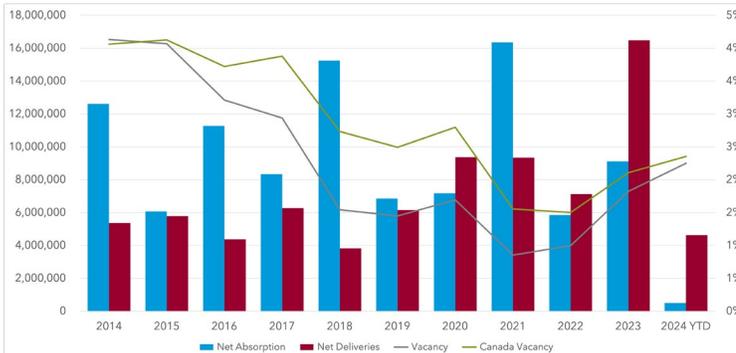
INDUSTRIAL MARKET OVERVIEW

DANIEL SMITH, *Senior Vice President, Partner*

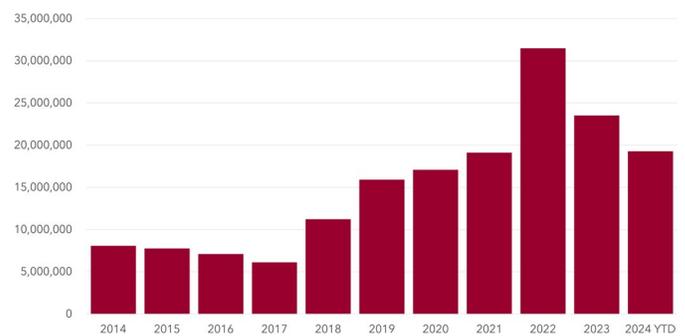
Over 40% of Canada's industrial inventory lies within the GTA. Immigration propels population growth, driving demand for e-commerce space and bolstering logistics, distribution, and manufacturing needs. Barriers like land restrictions hinder new supply, leading to a supply-demand mismatch with rents sharply rising. New construction projects continue to increase, primarily in suburbs. Approximately 59.5% of under-construction space remains unleased, potentially tempering fundamentals. Nonetheless, investor interest remains robust, evidenced by \$6.7 billion in transactions over the past year, including \$2.3 billion in Q4 2023. Although rising construction costs and interest rates might delay projects, demand is anticipated to endure barring a severe economic downturn.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▼ 12 Mo. Net Absorption SF	7,996,167	9,117,661	9,615,865	5,340,790	6,855,560
▲ Vacancy Rate	2.2%	1.8%	1.3%	1.4%	1.2%
▲ Avg NNN Asking Rate PSF	\$20.03	\$19.73	\$19.27	\$18.65	\$17.99
▼ SF Under Construction	19,279,908	23,522,373	28,031,301	30,944,765	30,793,937
▲ Inventory SF	879,294,475	874,666,287	868,403,245	863,444,810	861,444,160

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
240 South Blair Street Whitby, ON	291,281 SF	\$67,000,000* \$230.02 PSF	Vista Properties Manulife Financial Corporation	Class B
8050 Woodbine Avenue Markham, ON	186,765 SF	\$40,000,000* \$214.17 PSF	White Owl Family Office Limited Belfield Investments, Inc.	Class C
910 Mid-Way Boulevard Mississauga, ON	173,392 SF	\$42,000,000* \$242.23 PSF	ITD Industries, Inc. Panattoni Development Company	Class B

*All numbers shown are in Canadian dollars (CAD)

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2200 Islington Avenue Toronto, ON	323,850 SF	TD Asset Management/ Rice Group	Undisclosed	Undisclosed
550 Matheson Boulevard East Mississauga, ON	209,702 SF	Menkes	Undisclosed	Undisclosed
1100 Courtneypark Drive East Mississauga, ON	126,183 SF	Dream Unlimited Corporation	Stallion Express	Process and Logistics Consulting Services



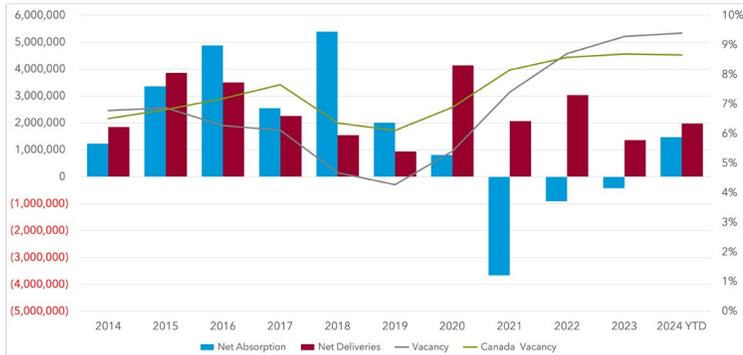
OFFICE MARKET OVERVIEW

WILL GEHRING, *Senior Vice President*

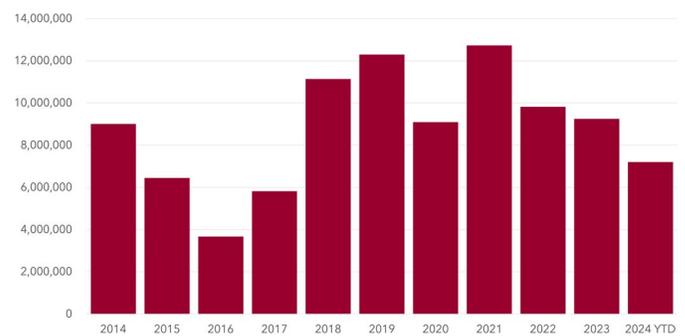
Toronto's office market continues to grapple with the rise of hybrid work, evident in Downtown Toronto's foot traffic remaining 47% below pre-pandemic levels as of December 2023. Post-pandemic, office demand weakens, doubling vacancy rates since 2020 with downtown sublease space increasing, as major corporations favor modern developments over traditional buildings. Available office space now exceeds the 5-year average, reaching 42.2 million SF. Investment activity has declined, with no major downtown transactions since 2021. Pricing data indicates discounts compared to pre-pandemic levels, coupled with rising cap rates due to a higher interest rate environment.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▲ 12 Mo. Net Absorption SF	2,011,524	(422,529)	(1,290,413)	(1,381,336)	(1,262,371)
◀ ▶ Vacancy Rate	9.3%	9.3%	9.4%	9.5%	9.1%
▲ Avg NNN Asking Rate PSF	\$40.01	\$39.92	\$39.78	\$39.53	\$39.51
▼ SF Under Construction	7,203,018	9,247,331	9,642,625	9,560,122	9,497,223
▲ Inventory SF	288,494,719	286,513,678	285,866,778	285,593,530	285,504,527

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
180 Duncan Mill Road Toronto, ON	145,037 SF	\$28,100,000* 193.74 PSF	Kingo Investments Parallax Investment Corporation	Class A
2655 N. Sheridan Way** Mississauga, ON	101,338 SF	\$16,465,402* \$162.48 PSF	Crown Realty Partners Slate Asset Management	Class B
2695 N. Sheridan Way** Mississauga, ON	56,984 SF	\$9,134,598* \$160.30 PSF	Crown Realty Partners Slate Asset Management	Class B

*All numbers shown are in Canadian dollars (CAD) ** Part of a 2-Property Portfolio Ssle

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
195 The West Mall Toronto, ON	160,709 SF	Slate Asset Management	Undisclosed	Undisclosed
16 York Street Toronto, ON	56,252 SF	Cadillac Fairview/ Ontario Pension Board	Undisclosed	Undisclosed
1940 Eglinton Avenue East Toronto, ON	22,911 SF	Madison Group	Strides Toronto	Offices of Mental Health Practitioners



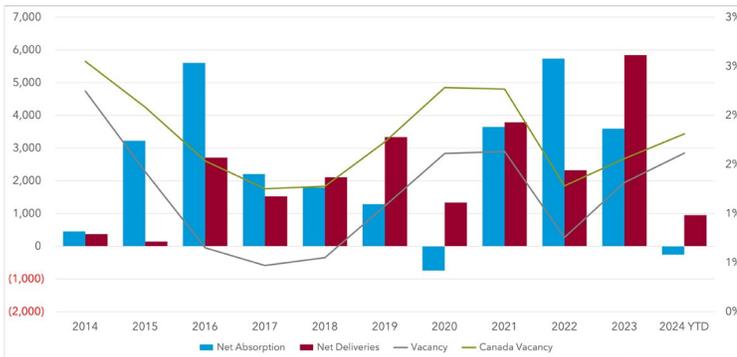
MULTIFAMILY MARKET OVERVIEW

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

Toronto's population surge, driven by immigration, outstrips apartment supply, intensifying rental market pressures. Many opt for renting over homeownership, while others seek affordability outside the downtown area. With limited supply, vacancy stays low at 1.6%, fueling a robust 6.0% annual rental growth. However, this tight market may see deceleration due to fewer turnover opportunities. Additionally, despite delays from rising construction costs, developers are forging ahead, carried by the federal government's GST exemption on new rentals. Investor interest remains strong, though tempered by higher interest rates and economic slowdown, leading to a wider bid-ask spread in the transaction market.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▼ 12 Mo. Absorption Units	2,586	3,595	3,764	3,374	4,405
▲ Vacancy Rate	1.6%	1.3%	1.2%	1.0%	0.8%
▲ Asking Rent/Unit (\$)	\$2,265	\$2,255	\$2,231	\$2,188	\$2,137
▲ Under Construction Units	24,403	23,242	22,906	22,284	19,098
▲ Inventory Units	399,251	398,300	397,543	394,726	393,383

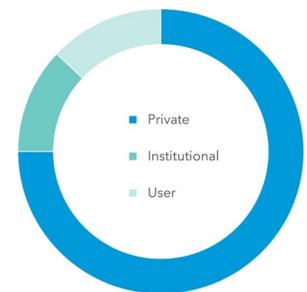
NET ABSORPTION, NET DELIVERIES, & VACANCY



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
3385 Dundas Street West Toronto, ON	\$88,000,000* \$671,756 Per Unit	131	Realstar Group Terra Firma Homes
25 Lorne Avenue Newmarket, ON	\$16,750,000* \$250,000 Per Unit	67	Lankin Investments Pinevalley Apartments Limited
200 Garden Street Whitby, ON	\$11,950,000* \$213,393 Per Unit	56	Whitby Mary Apartments Limited A.B. Gil Management Incorporated

*All numbers shown are in Canadian dollars (CAD)

TOP SELLERS (PAST 12 MONTHS)	SALES VOLUME	TOP BUYERS (PAST 12 MONTHS)	SALES VOLUME
Roche Development Group	\$170,180,018	CentreCourt	\$171,725,833
Terra Firma Homes	\$95,180,000	RioCan REIT	\$107,999,999
Alit Developments	\$84,748,231	Sun Commercial Real Estate Group	\$49,475,000
Harry Rotenberg Real Estate	\$80,840,000	Korea Food Trading	\$40,700,000
Hazelview Investments	\$65,115,250	Arkfield Development	\$31,032,501



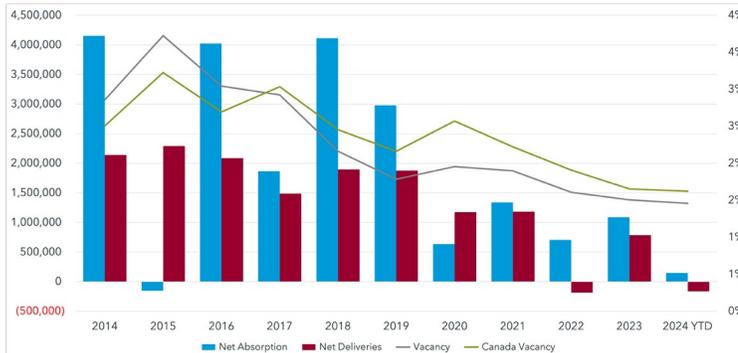
RETAIL MARKET OVERVIEW

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

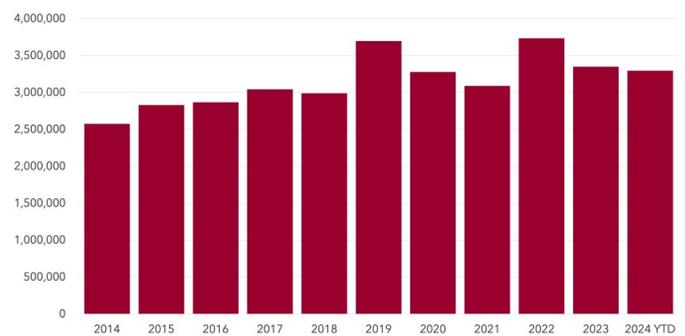
Vacancy rates remain low across most retail formats, except for lower-end malls experiencing decreased foot traffic. Since the pandemic, leasing activity has surged, particularly in larger enclosed malls, with neighborhood centers maintaining steady occupancy. Limited deliveries and repurposing of older shopping centers into mixed-use developments drive the intensification of existing retail sites, creating new supply without causing oversaturation. With an economic slowdown, rental growth is anticipated to decelerate, giving tenants greater bargaining power. Further cooling of the Canadian economy may lead to a decline in retail consumption, causing challenges for sectors like restaurants and small businesses.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▲ 12 Mo. Net Absorption SF	1,343,863	1,088,149	754,440	618,054	736,421
▼ Vacancy Rate	1.5%	1.5%	1.7%	1.7%	1.7%
▼ Avg NNN Asking Rate PSF	\$35.57	\$35.31	\$35.17	\$34.92	\$34.49
▼ SF Under Construction	3,294,797	3,348,373	3,475,522	3,278,342	3,663,634
▲ Inventory SF	303,819,390	303,814,759	303,806,746	303,606,880	303,131,760

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
490-528 Lawrence Avenue West** Toronto, ON	136,288 SF	\$59,747,838* \$876.79 PSF	RioCan REIT Milestone Group	Multi-Tenant
3090 Bathurst Street** Toronto, ON	50,530 SF	\$26,363,040* \$1,043.66 PSF	RioCan REIT Milestone Group	Multi-Tenant
3094-3114 Bathurst Street** Toronto, ON	48,690 SF	\$13,884,112* \$570.31 PSF	RioCan REIT Milestone Group	Multi-Tenant

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

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
145-153 Cumberland Street Toronto, ON	38,000 SF	KingSett Capital	Harry Rosen	Clothing and Clothing Accessories Retailers
150 Bloor Street West Toronto, ON	28,428 SF	Ponte Gadea	Undisclosed	Undisclosed
1150 Simcoe Street North Oshawa, ON	22,790 SF	Global Link Realty Group	Blue Sky Supermarket	Supermarkets and Grocery Stores

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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