



# LEE & ASSOCIATES

COMMERCIAL REAL ESTATE SERVICES





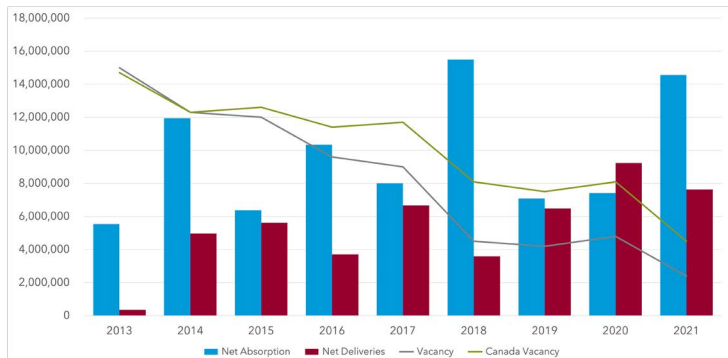
### INDUSTRIAL MARKET OVERVIEW

DANIEL SMITH, *Senior Vice President, Partner*

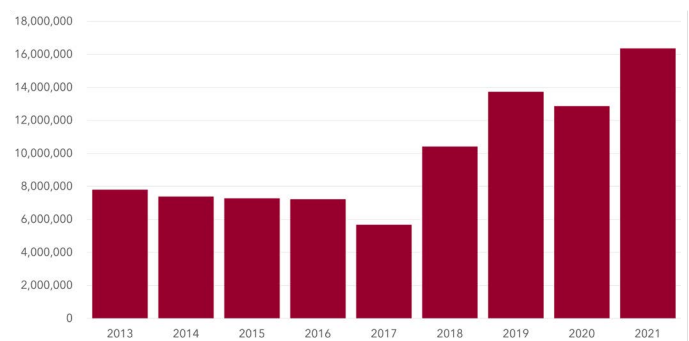
Toronto's industrial market has greatly benefitted from the evolution in supply chain management. Lack of available space and relentless demand for warehouse and distribution facilities has reinforced the GTA as one of the most challenging markets in North America. Demand for industrial properties remains fierce as asking industrial rents are higher than pre-COVID levels, with property and land values following suit. Although many traditional retailers have suffered, grocery and e-commerce tenants remain exceptionally busy. As the market continues to tighten, large blocks of space have become very rare. Available spaces over 100,000 SF in existing industrial buildings dropped almost 30% since last quarter.

MARKET INDICATORS	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
▲ 12 Mo. Net Absorption SF	14,551,934	12,035,139	7,225,949	8,205,875	7,419,034
▼ Vacancy Rate	0.80%	1.0%	1.40%	1.60%	1.60%
▲ Avg NNN Asking Rate PSF	\$13.90	\$13.42	\$12.96	\$12.53	\$12.19
▲ SF Under Construction	16,360,903	13,434,214	15,169,116	12,460,930	12,866,669
▲ Inventory SF	852,402,804	851,769,021	847,760,877	846,567,358	844,767,840

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
12424 Dixie Road Caledon, ON	850,000 SF	\$174,919,680 \$205.79 PSF	UPS Prologis	Class A
150 Toro Road Toronto, ON	214,005 SF	\$35,750,000 \$167.05 PSF	Private User BA Management	Class C
375 Wheelabrator Way Milton, ON	152,839 SF	\$23,000,000 \$150.49 PSF	Mayflower Properties Private User	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
Kerrison Drive Ajax, ON	716,000 SF	Blackwood Partners	H&M	Clothing/Fashion
9250 Airport Road Brampton, ON	545,000 SF	Oxford Properties	Best Buy	Consumer Electronics
6 Cleve Court Halton Hills, ON	324,000 SF	Triovest	CEVA Logistics	3PL/Warehousing



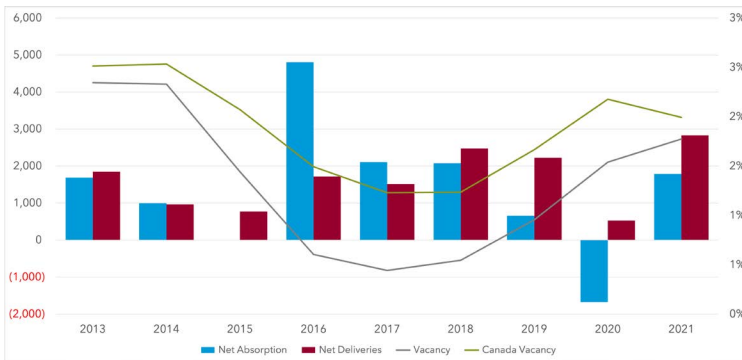
### MULTIFAMILY MARKET OVERVIEW

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

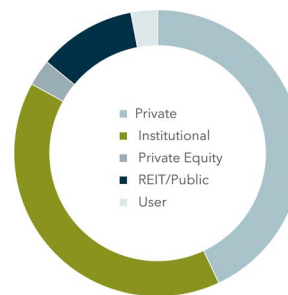
As economic restrictions ease, a sense of normalcy has returned. A constant that we have experienced throughout the pandemic has been the demand and the resiliency of the multifamily sector. The long-term forecast has been widely optimistic, which has been reflected in escalating valuations and continued increases to the purpose-built rental pipeline. Toronto's multifamily market has long been defined by tight vacancy rates. The rental pool consists of young professionals starting their careers, new immigrants, and students, both domestic and international, as well as those that are unable to purchase due to booming housing prices.

MARKET INDICATORS	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
▲ 12 Mo. Absorption Units	1,820	825	452	1,651	1,669
▼ Vacancy Rate	1.8%	1.9%	1.8%	1.7%	1.5%
▲ Asking Rent/Unit (\$)	\$1,781	\$1,768	\$1,751	\$1,745	\$1,743
▲ Under Construction Units	16,587	15,243	14,314	10,596	10,189
▲ Inventory Units	381,295	381,066	379,682	379,063	378,465

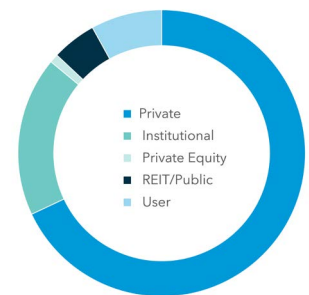
#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### 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
122 5th Street Toronto, ON	\$4,695,000	1	Berardino Furia 2262449 Ontario Limited
120 McGill Street Toronto, ON	\$1,695,000	1	Kenny Choi Ajay Garg
11 Churchill Avenue Toronto, ON	\$15,000,000	14	A1 Developments BlueChip Corporation

TOP SELLERS (PAST 12 MONTHS)	SALES VOLUME
Rockport Group	\$338,000,000
Starlight Investments Ltd.	\$316,423,846
MetCap Living	\$174,544,748
CST Corporation	\$159,000,000
Tridel Group of Companies	\$135,000,000

TOP BUYERS (PAST 12 MONTHS)	SALES VOLUME
DREAM Unlimited	\$426,818,058
Canadian Apartment Properties REIT	\$378,114,271
InterRent Real Estate Investment Trust	\$234,401,000
Sun Life Financial	\$200,540,991
Connor, Clark & Lunn Financial Group	\$197,800,000



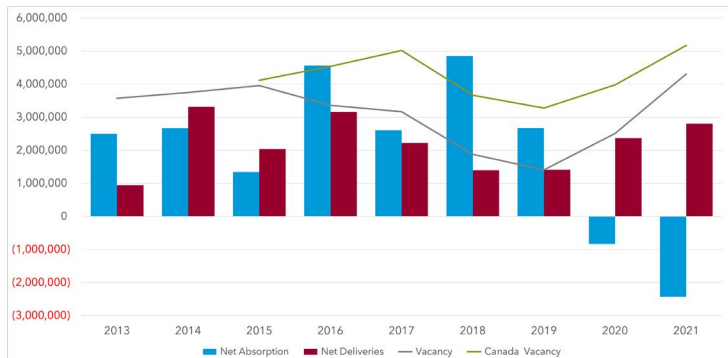
### OFFICE MARKET OVERVIEW

WILL GEHRING, Senior Vice President

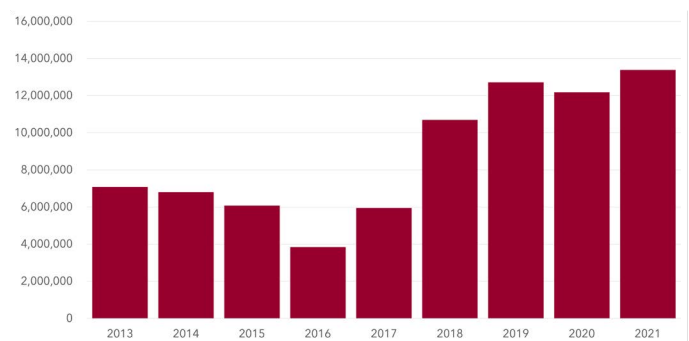
Although Canada's overall office vacancy rate increased slightly in Q4 2021, net absorption in Toronto turned positive for the first time since Q1 2020. Toronto's Pre-COVID vacancy rate was around 2% versus 10% today, which is comparatively healthy and with half the vacancy of many other North American metros. Office leasing activity has picked up with the downtown market slightly outperforming our suburban markets. As workers slowly return to their offices, they will expect a safe work environment that fosters interaction and collaboration.

MARKET INDICATORS	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
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▼ Vacancy Rate	0.80%	1.00%	1.40%	1.60%	1.60%
▲ Avg NNN Asking Rate PSF	\$13.90	\$13.42	\$12.96	\$12.53	\$12.19
▲ SF Under Construction	16,360,903	13,434,214	15,169,116	12,460,930	12,866,669
▲ Inventory SF	852,395,302	851,725,519	847,717,375	846,523,856	844,724,338

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
5099 Creebank Rd- Buildings B,C,D (Part of a Portfolio), Mississauga, ON	525,921 SF	\$207,470,000 \$394.49 PSF	Oak Street Real Estate Capital H&R Real Estate Investment Trust	Class A
5025 Creebank Rd- Building A (Part of a Portfolio), Mississauga, ON	365,295 SF	\$147,940,000 \$404.98 PSF	Oak Street Real Estate Capital H&R Real Estate Investment Trust	Class A
99 Atlantic Ave (99 Atlantic (Part of a Portfolio), Toronto, ON	140,500 SF	\$138,390,000 \$984.96 PSF	The BlackStone Group Inc. PSP Investments	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
40 King Street W Toronto, ON	558,104 SF	Undisclosed	Scotiabank	Finance & Insurance
895 Don Mills Road Toronto, ON	114,208 SF	Fana Group of Companies Inc.	LifeWorks	Professional, Scientific
19 Allstate Parkway Markham, ON	109,560 SF	Crown Realty Partners	Huawei Technologies Co. Ltd.	Manufacturing



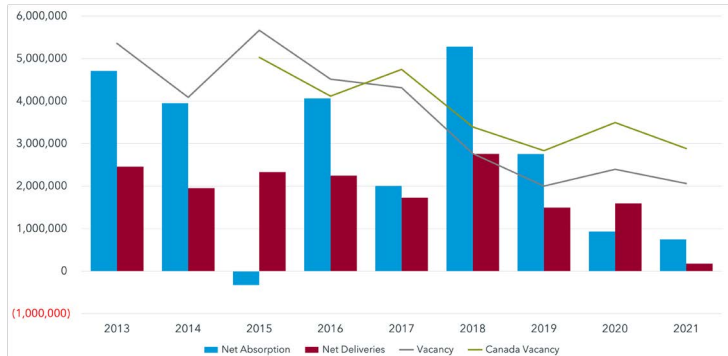
### RETAIL MARKET OVERVIEW

NICOLE MONIZ, *Vice President*

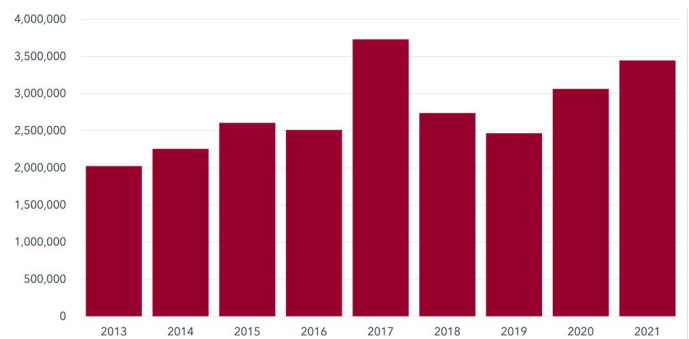
Toronto's retail sector is gaining momentum and market performance is in better shape than it may seem from a streetfront perspective. Leasing and transaction activity is continuing to grow with retailers starting to see the light at the end of the tunnel as pent-up demand is being unleashed. With many businesses waiting for mass immunization to return to the office, downtown Toronto is expected to continue to lag behind the rest of the city. The trend continues with 'essential needs' and e-commerce retailers trying to keep up with consumer demand, while restaurants, fitness centers, service and experiential retailers such as hair salons and theatres, are seeing the greatest negative impacts to their businesses.

MARKET INDICATORS	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
▼ 12 Mo. Net Absorption SF	745,714	1,272,482	804,836	1,269,975	932,742
▼ Vacancy Rate	1.7%	1.8%	1.9%	1.9%	1.9%
▼ Avg NNN Asking Rate PSF	\$31.35	\$31.55	\$31.23	\$30.99	\$31.01
▼ SF Under Construction	3,472,115	3,478,111	3,209,140	3,114,329	3,064,003
▲ Inventory SF	297,870,854	297,864,311	297,738,727	297,742,691	297,686,089

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
2021 Kennedy Road Scarborough, ON	412,000 SF	\$215,000,000 \$521.84 PSF	Private Investor RioCan/First Gulf	Multi-Tenant
180 Steeles Avenue W Vaughan, ON	163,702 SF	\$19,857,400 \$121.30 PSF	Private Investor Sidgrey Land Corp	Multi-Tenant
705 Kingston Road Pickering, ON	65,798 SF	\$31,000,000 \$471.14 PSF	Plazacorp Valiant Group	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1935 Ravenscroft Road Ajax, ON	49,797 SF	RioCan	BestCo	Health Care
4466 Sheppard Avenue E Scarborough, ON	20,500 SF	Lee Li Holdings	Undisclosed	Undisclosed
1770 Dundas Street E Mississauga, ON	17,680 SF	N.Turk Investments	Kar Auto Parts	Automotive

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