LEE & ASSOCIATES

COMMERCIAL REAL ESTATE SERVICES

Q2 2025 MARKET REPORTS

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2025 MARKET REPORTS

FEATURED MARKET REPORTS

INDUSTRIAL

OFFICE

RETAIL

MULTIFAMILY

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

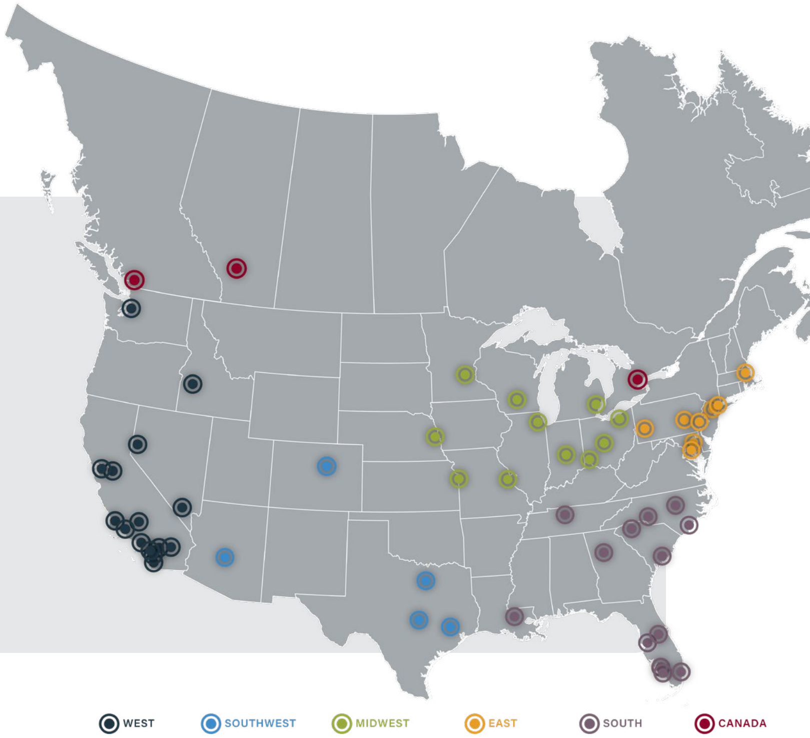
Lee & Associates' offices offer a broad array of real estate services tailored to meet the needs of the company's clients in each of the markets it operates, including commercial real estate brokerage, integrated services, and construction services.

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

FIND A LEE & ASSOCIATES OFFICE ▸



Q2 2025 INDUSTRIAL OVERVIEW

INDUSTRIAL OVERVIEW: VACANCIES RISE, RENT GROWTH SLOWS

Concern over the impact of tariffs has added to slowing tenant growth in logistics and manufacturing across North America. But the continued easing demand has resulted in more choices and benefits for users that have been subjected to a prolonged stretch of steep rent growth.

Vacancies in the United States have risen to 7.4%, a decade-long high, while deliveries continued to outpace tenant expansion. Net absorption fell 8.1 million SF in the first half, including negative 5.9 million SF in the second quarter. Demand in Canadian markets – particularly for logistics properties – was 5.7 million SF in the red through June. Easing demand raised the vacancy rate to 4.2%, a 40-basis point increase from Q1.

Rent growth throughout Canada measured 1.3% in the second quarter, down from 7% a year ago and from an average of 8.6% since 2019. Meanwhile, overall rent growth in the U.S. year to date has fallen to 1.7% compared to 4.1% through the first half a year ago and an average of 7% in the last five years.

Nevertheless, due to record rent gains during the Covid years, many leases still are renewing at higher rates after being marked to market. This is seen chiefly with smaller spaces in the U.S., where available inventories remain tight.

New leasing volume excluding renewals rose in most markets and soared more than 50% above prior two-year averages in markets in the Midwest and South, including Saint Louis, Richmond, Columbus, Nashville, Greenville, Memphis, Charlotte and Greensboro. San Francisco and California's Inland Empire also saw improved volume.

Despite rising 80 basis points through the first half, the vacancy rate for specialized and typically smaller spaces nationally is 4.2%. Some of the most acute shortages of small space are in Nashville, Jacksonville, Orlando, Tampa and Charlotte.

The inventory of logistics buildings of 100,000-500,000 SF has grown by 14% since 2021 and the vacancy rate for big-box space stands at 8.3%, the highest since 2012. But tariffs present a risk for warehouse-and-distribution buildings, particularly in major West Coast port-dependent markets that are seeing slowing imports. After 10 months of steady growth, container traffic through the Port of Long Beach in May was down 8.2% and off 5% at the Port of Los Angeles.

Nearing the end of a record wave of new development, U.S. industrial building deliveries are moderating. New construction starts fell to just 2.6 million SF in Q4, a record quarterly low. But as the construction pipeline thins, supply growth will likely outpace net absorption in upcoming quarters. Austin, Indianapolis, Greenville/Spartanburg, Phoenix and San Antonio stand out as markets with risks of prolonged elevated availability, particularly with distribution buildings.

In Canada, working off the excess supply of new speculative warehouse space remains the central issue for the nation's industrial market. The most available space is the 15 million SF in the Toronto market. There also is considerable new supply available in Calgary and Southern Ontario's Greater Golden Horseshoe as developers sought opportunities in these parts in recent years for their attractive land and development costs.

LOWEST VACANCY RATE	
NE, Omaha	2.6%
BC, Vancouver	4.0%
OH, Cleveland	4.0%
MN, Minneapolis	4.1%
ON, Toronto	4.2%
U.S. Index	7.4%
Canada Index	4.2%

HIGHEST MARKET RENT / SF ANNUAL	
CA, San Francisco	$28.24
CA, San Diego	$22.49
FL, Miami	$20.89
NY, New York*	$19.93
CA, Orange County	$19.04
U.S. Index	$12.12
Canada Index	$12.84 CAD

HIGHEST MARKET SALE PRICE / SF	
CA, San Francisco	$441
CA, Orange County	$342
BC, Vancouver	$328 CAD
CA, San Diego	$324
CA, Los Angeles	$311
U.S. Index	$154
Canada Index	$223 CAD

MOST SF UNDER CONSTRUCTION SF	
TX, Dallas-Fort Worth	34,235,919
AZ, Phoenix	20,123,369
TX, Houston	19,345,989
ON, Toronto	16,251,082
GA, Atlanta	15,299,070
U.S. Index	294,426,070
Canada Index	33,694,895

LARGEST INVENTORY BY SF	
IL, Chicago	1,426,231,633
TX, Dallas-Fort Worth	1,214,038,359
CA, Los Angeles	964,117,437
ON, Toronto	896,915,355
NY, New York*	890,175,282
U.S. Index	19,435,933,700
Canada Index	1,938,544,155

LOWEST MARKET CAP RATE	
BC, Vancouver	4.2%
ON, Toronto	4.7%
CA, Inland Empire	4.7%
CA, Los Angeles	5.2%
CA, Orange County	5.4%
U.S. Index	7.3%
Canada Index	5.5%

** Please note that the statistics represented in these tables are based on CoStar defined market territories and may not all represent the geographic area the label depicts.*

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2025
INDUSTRIAL OVERVIEW

MARKET	VACANCY RATE	MARKET RENT / SF	MARKET SALE PRICE / SF	SF UNDER CONSTRUCTION	INVENTORY SF	MARKET CAP RATE
AB, Calgary **	4.5%	$0.84	$137	3,072,696	194,166,155	7.1%
AZ, Phoenix	12.5%	$1.14	$179	20,123,369	501,953,965	6.7%
BC, Vancouver **	4.0%	$1.24	$328	4,137,482	284,521,395	4.2%
CA, Bakersfield	10.5%	$0.84	$110	1,237,678	66,913,883	7.4%
CA, East Bay	9.1%	$1.44	$263	1,129,634	279,635,159	5.9%
CA, Fresno	4.5%	$0.74	$88	50,100	87,645,410	7.7%
CA, Inland Empire	8.4%	$1.08	$261	11,875,027	785,521,417	4.7%
CA, Los Angeles	6.3%	$1.47	$311	6,015,542	964,117,437	5.2%
CA, Orange County	5.9%	$1.59	$342	2,353,375	304,398,096	5.4%
CA, San Diego	9.5%	$1.87	$324	2,066,346	215,965,488	6.2%
CA, San Francisco	13.3%	$2.35	$441	2,597,365	103,486,645	5.9%
CA, San Luis Obispo	4.3%	$1.38	$196	360,320	10,167,486	6.7%
CA, Santa Barbara	4.3%	$1.50	$219	43,350	20,787,805	6.9%
CA, Stockton	9.8%	$0.78	$128	1,607,448	156,017,842	6.4%
CA, Ventura	5.2%	$1.24	$202	145,003	76,202,611	6.4%
CO, Denver	8.8%	$1.01	$172	5,014,863	286,370,341	7.5%
DC, Washington	5.8%	$1.47	$243	13,911,311	315,551,563	7.0%
FL, Fort Myers	8.6%	$1.13	$141	479,188	44,102,405	8.2%
FL, Miami	6.5%	$1.74	$273	4,580,318	278,687,256	5.9%
FL, Naples	3.6%	$1.50	$185	22,086	14,569,100	7.7%
FL, Orlando	8.6%	$1.20	$165	3,609,217	211,011,542	6.7%
FL, Tampa	6.5%	$1.08	$148	2,391,705	225,891,708	7.5%
GA, Atlanta	8.7%	$0.82	$115	15,299,070	863,890,109	6.7%
GA, Savannah	12.9%	$0.73	$127	7,719,595	156,757,449	6.9%
ID, Boise	8.5%	$0.89	$129	3,412,109	62,824,152	7.9%
IL, Chicago	6.0%	$0.82	$97	12,326,780	1,426,231,633	8.0%
IN, Indianapolis	9.7%	$0.64	$75	2,214,442	429,033,218	8.6%
KS, Lawrence	2.3%	$0.81	$86	551,295	9,218,932	9.4%
KS, Topeka	2.7%	$0.47	$56	500,237	22,039,121	10.4%
LA, Baton Rouge	2.7%	$0.85	$79	640,000	44,496,038	9.6%
LA, Lafayette	3.0%	$0.80	$78	2,155,000	27,095,166	9.5%
MA, Boston	8.0%	$1.38	$193	2,872,756	369,530,754	7.2%
MD, Baltimore	9.2%	$0.97	$137	3,364,254	269,086,574	7.7%
MI, Detroit	4.8%	$0.75	$72	3,140,988	633,221,734	10.7%
MN, Minneapolis	4.1%	$0.77	$98	2,948,148	435,712,227	8.8%
United States Index	7.4%	$1.01	$154	294,426,070	19,435,933,700	7.3%
Canada Index	4.2%	$1.07 CAD	$223 CAD	33,694,895	1,938,544,155	5.5%

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2025
INDUSTRIAL OVERVIEW

MARKET	VACANCY RATE	MARKET RENT / SF	MARKET SALE PRICE / SF	SF UNDER CONSTRUCTION	INVENTORY SF	MARKET CAP RATE
MO, Kansas City *	5.6%	$0.61	$65	9,786,415	377,170,299	9.3%
MO, Saint Louis	4.2%	$0.61	$70	4,129,264	346,073,605	8.5%
NC, Charlotte	10.0%	$0.82	$105	7,318,732	395,689,582	7.4%
NC, Durham	8.1%	$0.97	$131	3,154,085	58,103,994	7.4%
NC, Raleigh	6.9%	$1.05	$139	3,165,148	107,312,523	8.0%
NE, Lincoln	4.8%	$0.86	$93	3,740,000	20,795,285	8.1%
NE, Omaha	2.8%	$0.63	$82	156,808	33,433,634	9.5%
NJ, Atlantic City	2.6%	$0.70	$85	4,589,936	110,202,765	8.9%
NJ, Northern New Jersey *	5.0%	$0.91	$82	0	9,755,531	8.7%
NJ, Trenton	6.0%	$1.35	$207	4,340,042	258,395,999	6.6%
NJ, Vineland	8.5%	$0.88	$160	676,237	44,638,415	6.9%
NV, Las Vegas	4.1%	$0.66	$66	166,037	19,795,560	7.9%
NV, Reno	11.2%	$1.19	$210	7,283,399	195,776,568	5.8%
NY, Long Island *	10.0%	$0.77	$132	5,709,595	120,378,389	6.4%
NY, New York *	5.9%	$1.59	$203	921,126	182,933,853	8.4%
OH, Cincinnati	7.4%	$1.66	$269	7,947,002	890,175,282	6.1%
OH, Cleveland	5.8%	$0.65	$74	841,564	364,221,246	8.4%
OH, Columbus	4.0%	$0.57	$51	1,240,300	356,335,814	10.5%
ON, Toronto **	8.4%	$0.69	$86	3,809,258	388,585,585	7.3%
PA, Harrisburg	4.2%	$1.20	$265	16,251,082	896,915,355	4.7%
PA, Lehigh Valley *	7.4%	$0.70	$98	95,382	113,529,838	7.1%
PA, Philadelphia *	7.3%	$0.76	$121	2,622,460	170,521,430	7.0%
PA, Pittsburgh	8.3%	$0.98	$126	7,719,135	642,160,130	7.3%
SC, Charleston	5.6%	$0.73	$67	389,502	232,132,681	8.8%
SC, Greenville	15.8%	$0.88	$110	1,878,219	116,799,484	7.8%
SC, Spartanburg	5.9%	$0.59	$64	1,350,748	155,826,449	9.1%
TN, Nashville	11.8%	$0.56	$70	1,697,160	129,970,203	8.7%
TX, Austin	6.0%	$1.00	$119	9,265,611	290,505,799	6.6%
TX, Dallas-Fort Worth	13.5%	$1.17	$158	14,761,445	170,706,588	7.6%
TX, Houston	9.1%	$0.83	$127	34,235,919	1,214,038,359	6.4%
WA, Seattle	7.0%	$0.78	$105	19,345,989	848,390,035	7.8%
WI, Madison	8.7%	$1.21	$235	5,413,360	365,958,421	5.9%
United States Index	7.4%	$1.01	$154	294,426,070	19,435,933,700	7.3%
Canada Index	4.2%	$1.07 CAD	$223 CAD	33,694,895	1,938,544,155	5.5%

** Please note that the statistics represented in this table are based on CoStar defined market territories and may not all represent the geographic area the label depicts.*

*** Numbers shown are in Canadian dollars (CAD)*

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2025
TORONTO, ON

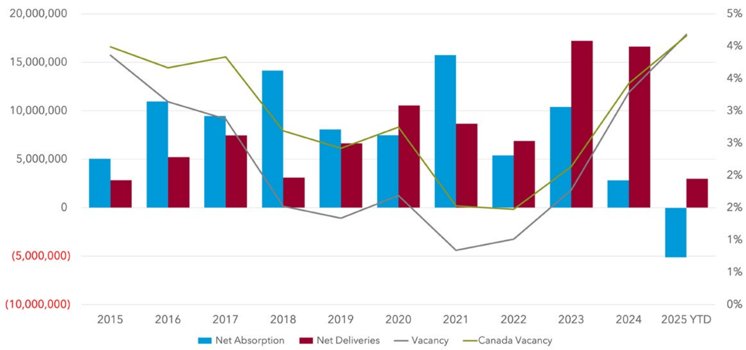
INDUSTRIAL MARKET OVERVIEW

LEE & ASSOCIATES TORONTO, *Real Estate Intelligence Department*

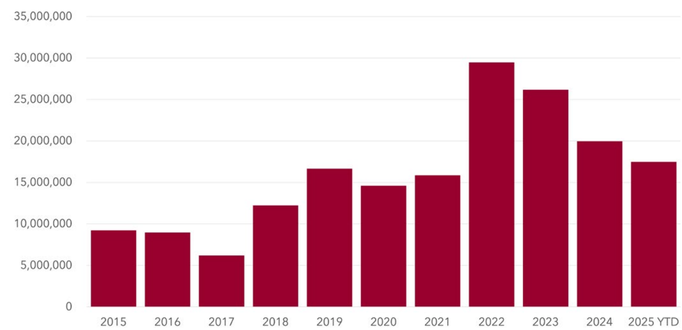
Industrial vacancy and availability rates are rising across the GTA due to a surge in speculative development initiated during the post-COVID boom. Demand has softened, with tariffs now weighing on manufacturing, especially in steel and automotive sectors. GTA East and North GTA West saw the most significant increases in inventory. Rental growth has slowed and is forecast to turn negative, while construction activity is tapering off despite net deliveries staying above historical norms. Sales volumes remain healthy, but investment sentiment is cautious. Cap rates have edged higher, reflecting shifting market dynamics amid broader economic uncertainty.

	MARKET INDICATORS	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
▼	12 Mo. Net Absorption SF	(1,141,010)	1,314,829	2,815,795	2,494,132	6,979,662
▲	Vacancy Rate	4.2%	3.6%	3.3%	2.8%	2.4%
▼	Avg NNN Asking Rate PSF	$19.57	$19.78	$19.80	$19.75	$19.50
◄ ►	Sale Price PSF	$361.00	$361.00	$357.00	$352.00	$347.00
▼	Cap Rate	4.70%	4.70%	4.70%	4.70%	4.60%
▼	Under Construction SF	17,477,932	18,960,773	19,959,107	25,349,933	27,750,500
▲	Inventory SF	895,316,311	893,317,852	892,330,311	884,216,628	879,667,900

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
33 W. Beaver Creek Road Richmond Hill, ON	350,000 SF	$39,500,000 $112.86 PSF	KingSett Capital Eurofase	Class B
6865 Northwest Drive** Mississauga, ON	164,274 SF	$47,327,253 $288.10 PSF	Janda, Inc. BGO	Class C
1218 S. Service Road, W *** Oakville, ON	128,338 SF	$30,086,040 $234.43 PSF	Dream Industrial REIT Crestpoint Real Estate Inv. Ltd.	Class B

**All numbers shown are in Canadian dollars (CAD); **Part of a 3-Property Portfolio; ***Part of a 2-Property Portfolio*

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1565 Thornton Road N Oshawa, ON	370,000 SF	Panattoni Development	Undisclosed	Undisclosed
560 Hensall Circle Mississauga, ON	211,592 SF	Triovest	CJ Group of Companies	Commercial Printing
6750 Campbellville Road Milton, ON	130,194 SF	Emery Investments	Angelcare Group	Womens Clothing

Q2 2025
OFFICE OVERVIEW

OFFICE OVERVIEW: TENANT CONTRACTIONS RESUME

Overall recent improvement in tenant growth across North American office markets had been showing signs of a recovery with some momentum. But the first positive United States trend since Covid hit a wall in the second quarter while revised Canadian net absorption totals turned negative after three years of modest gains.

U.S. net absorption was in the red 16.3 million SF in Q2, reversing 11.7 million SF of tenant expansion in the three previous quarters. The contraction pushed up the vacancy rate 30 basis points to a record 14.2%.

Class A tenants relinquished 6.9 million SF of space in the second quarter, pushing up the vacancy rate 40 basis points to 21.2%. Class B buildings posted 8.2 million SF of negative net absorption. The Q2 vacancy rate ticked up 20 points to 12.7%.

There had been recent signs that the recovery could have staying power as long as economic conditions remained positive. Absorption in Class A buildings had been positive for only the second time since 2021 and older buildings, which had been steadily losing occupancy, saw absorption stabilized. With attendance rising gradually and job growth slowing, a slow recovery and elevated vacancy rates looked likely.

In capital markets, the values for investment-grade buildings aimed at traditional office tenants have fallen by up to half. Since 2022, institutions and REITs have been net sellers, giving private buyers and owner-users opportunities to capitalize on discounts that often are below replacement costs. Values are likely to dip further as more liquidity leads to another round of price discovery.

The continued occupancy losses in the U.S. since early last year have been mitigated by growth in about half of the nation's top 50 office markets, including a surge in New York. But the same trend has failed to materialize in other gateway cities, while many secondary markets are facing slow job growth and still are losing occupancy. Meanwhile, office-using job growth has nearly stalled.

Typical requirements continue to trend toward smaller spaces, and many markets report that space consolidations are not yet over. The typical deal size remains about 15% less than the average from 2015-2019.

Fewer new buildings are appearing on the market. The 45 million SF delivered in 2024 were the least since 2012. Forty-one million SF are projected for this year. Eight of the last 10 quarters are among the lowest number of starts on record. Despite the national trend of a shrinking pipeline, some markets face supply pressures. Austin leads major markets with 3% of its inventory under construction. Miami and Boston both have about 2.5% of inventory in the pipeline.

In Canada, there was 4.9 million SF of positive net absorption measured from 2022-2024. But the outsized negative adjustment to net absorption in Q1 of -5.2 million SF is due to an update to research methodology, specifically from the reclassification of listings as vacant until there is confirmation of occupancy. The revised measurement shows 509,000 SF of net tenant expansion in the second quarter for a net negative in the first half of 4.7 million SF.

LOWEST VACANCY RATE	
OH, Cincinnati	8.6%
FL, Miami	8.7%
OH, Cleveland	9.5%
IN, Indianapolis	9.5%
St. Louis, MO	9.7%
U.S. Index	14.2%
Canada Index	10.0%

HIGHEST MARKET RENT / SF ANNUAL	
NY, New York*	$59.28
FL, Miami	$51.84
CA, San Francisco	$50.52
TX, Austin	$42.72
MA, Boston	$42.36
U.S. Index	$35.52
Canada Index	$27.60 CAD

HIGHEST MARKET SALE PRICE / SF	
NY, New York*	$506
CA, San Francisco	$460
WA, Seattle	$374
MA, Boston	$348
FL, Miami	$343
U.S. Index	$258
Canada Index	$247 CAD

MOST SF UNDER CONSTRUCTION SF	
NY, New York*	9,363,746
MA, Boston	8,087,320
TX, Dallas-Fort Worth	5,430,407
WA, Seattle	4,806,240
ON, Toronto	4,267,333
U.S. Index	62,562,876
Canada Index	8,383,785

LARGEST INVENTORY BY SF	
NY, New York*	974,428,975
DC, Washington	520,662,327
IL, Chicago	508,971,745
CA, Los Angeles	445,400,283
TX, Dallas-Fort Worth	429,956,242
U.S. Index	8,486,146,278
Canada Index	688,208,783

LOWEST MARKET CAP RATE	
ON, Toronto	6.7%
CA, San Francisco	7.1%
NY, New York*	7.1%
FL, Miami	7.1%
WA, Seattle	7.5%
U.S. Index	9.0%
Canada Index	7.7%

** Please note that the statistics represented in these tables are based on CoStar defined market territories and may not all represent the geographic area the label depicts.*

Q2 2025
OFFICE OVERVIEW

MARKET	VACANCY RATE	MARKET RENT / SF	MARKET SALE PRICE / SF	SF UNDER CONSTRUCTION	INVENTORY SF	MARKET CAP RATE
AB, Calgary **	14.4%	$1.92	$122	66,095	95,080,853	12.2%
AZ, Phoenix	16.9%	$2.41	$203	511,345	195,495,387	8.8%
BC, Vancouver **	8.2%	$2.90	$466	2,560,804	96,968,585	4.5%
CA, Bakersfield	10.2%	$1.90	$153	30,000	16,253,365	10.3%
CA, East Bay	15.5%	$3.13	$266	56,176	118,414,502	7.7%
CA, Fresno	8.5%	$1.98	$161	168,065	29,265,333	10.2%
CA, Inland Empire	4.9%	$2.47	$195	125,777	78,799,912	8.7%
CA, Los Angeles	16.3%	$3.48	$327	2,834,941	445,400,283	7.5%
CA, Orange County	12.8%	$2.72	$255	408,417	157,814,801	7.9%
CA, San Diego	13.1%	$3.34	$282	815,617	121,050,381	8.3%
CA, San Francisco	23.0%	$4.21	$460	1,037,731	192,459,805	7.1%
CA, San Luis Obispo	3.0%	$2.45	$238	43,550	6,760,770	8.9%
CA, Santa Barbara	5.3%	$2.92	$313	0	13,240,156	7.7%
CA, Stockton	4.3%	$1.88	$160	0	13,088,453	9.2%
CA, Ventura	10.6%	$2.38	$237	37,455	21,791,824	8.8%
CO, Denver	18.0%	$2.44	$201	1,241,383	187,841,019	9.1%
DC, Washington	17.5%	$3.30	$275	1,321,492	520,662,327	9.4%
FL, Fort Myers	5.4%	$2.20	$195	17,300	22,229,150	8.3%
FL, Miami	8.7%	$4.32	$343	1,821,471	117,450,914	7.1%
FL, Naples	5.6%	$2.97	$243	21,800	10,916,086	8.5%
FL, Orlando	10.1%	$2.49	$182	391,632	107,097,686	9.3%
FL, Tampa Bay	9.9%	$2.55	$182	248,850	131,211,962	9.2%
GA, Atlanta	16.9%	$2.42	$181	1,206,292	339,224,513	9.0%
GA, Savannah	2.4%	$2.44	$184	0	12,793,388	9.9%
ID, Boise	6.5%	$1.82	$142	118,825	35,532,545	10.8%
IL, Chicago	16.9%	$2.38	$161	1,631,195	508,971,745	10.0%
IN, Indianapolis	9.5%	$1.82	$111	1,408,240	110,717,800	10.9%
KS, Lawrence	12.9%	$1.90	$115	0	3,337,919	11.6%
KS, Topeka	7.2%	$1.56	$107	100,000	11,725,085	11.1%
LA, Baton Rouge	5.9%	$1.68	$103	33,300	28,536,608	12.3%
LA, Lafayette	1.9%	$1.67	$87	0	12,141,259	12.9%
MA, Boston	14.7%	$3.53	$348	8,087,320	386,205,264	7.8%
MD, Baltimore	12.4%	$1.99	$147	183,788	151,116,155	10.3%
MI, Detroit	12.6%	$1.82	$109	1,763,190	201,691,041	11.4%
MN, Minneapolis	11.5%	$2.07	$129	595,816	206,027,779	10.3%
United States Index	14.2%	$2.96	$258	62,562,876	8,486,146,278	9.0%
Canada Index	10.0%	$2.30 CAD	$247 CAD	8,383,785	688,208,783	7.7%

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2025
OFFICE OVERVIEW

MARKET	VACANCY RATE	MARKET RENT / SF	MARKET SALE PRICE / SF	SF UNDER CONSTRUCTION	INVENTORY SF	MARKET CAP RATE
MO, Kansas City *	11.1%	$1.88	$113	689,973	129,608,184	10.6%
MO, Saint Louis	9.7%	$1.84	$105	943,866	147,402,073	11.2%
NC, Charlotte	14.6%	$2.82	$230	614,044	138,162,126	8.5%
NC, Durham	10.6%	$2.39	$211	39,505	37,787,864	8.9%
NC, Raleigh	12.1%	$2.56	$208	275,254	81,219,230	8.8%
NC, Wilmington	1.9%	$2.08	$168	13,125	11,809,384	9.7%
NE, Lincoln	6.8%	$1.70	$113	12,000	18,952,082	10.8%
NE, Omaha	8.4%	$1.99	$119	1,229,463	49,020,550	11.7%
NJ, Atlantic City	6.5%	$1.93	$128	40,000	7,617,276	11.0%
NJ, Northern New Jersey *	13.5%	$2.43	$175	49,070	150,675,837	10.0%
NJ, Trenton	10.4%	$2.42	$159	0	32,578,200	10.3%
NJ, Vineland	4.3%	$1.69	$99	0	2,856,601	11.0%
NV, Las Vegas	10.2%	$2.40	$246	564,220	68,387,995	8.6%
NV, Reno	7.6%	$2.04	$186	225,129	17,641,211	9.5%
NY, Long Island	8.4%	$2.72	$170	12,440	97,767,443	9.9%
NY, New York *	13.5%	$4.94	$506	9,363,746	974,428,975	7.1%
OH, Cincinnati	8.6%	$1.62	$99	314,700	104,162,998	11.7%
OH, Cleveland	9.5%	$1.64	$94	1,296,000	111,327,795	12.5%
OH, Columbus	9.8%	$1.74	$102	204,788	119,926,672	11.2%
ON, Toronto **	11.3%	$2.55	$272	4,267,333	288,718,697	6.7%
PA, Harrisburg	7.5%	$1.51	$102	107,576	39,195,755	12.3%
PA, Lehigh Valley *	6.6%	$1.76	$119	60,000	32,133,636	11.6%
PA, Philadelphia *	11.1%	$2.29	$156	2,617,016	335,081,535	10.3%
PA, Pittsburgh	12.0%	$1.92	$112	670,000	142,951,506	11.0%
SC, Charleston	6.3%	$2.83	$195	475,508	33,370,049	9.6%
SC, Greenville	8.3%	$1.99	$135	63,260	35,619,746	10.1%
SC, Spartanburg	3.4%	$1.93	$118	0	8,711,371	10.9%
TN, Nashville	12.5%	$2.75	$212	2,028,784	104,806,197	8.6%
TX, Austin	17.0%	$3.56	$321	4,017,102	136,839,392	7.6%
TX, Dallas-Fort Worth	18.0%	$2.60	$206	5,430,407	429,956,242	8.7%
TX, Houston	19.6%	$2.37	$185	2,396,626	357,386,013	9.9%
WA, Seattle	17.3%	$3.04	$374	4,806,240	234,943,243	7.5%
WI, Madison	6.7%	$1.84	$111	273,013	40,697,740	11.8%
United States Index	14.2%	$2.96	$258	62,562,876	8,486,146,278	9.0%
Canada Index	10.0%	$2.30 CAD	$247 CAD	8,383,785	688,208,783	7.7%

** Please note that the statistics represented in this table are based on CoStar defined market territories and may not represent the geographic area the label depicts.*

*** Numbers shown are in Canadian dollars (CAD)*

Q2 2025
TORONTO, ON

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

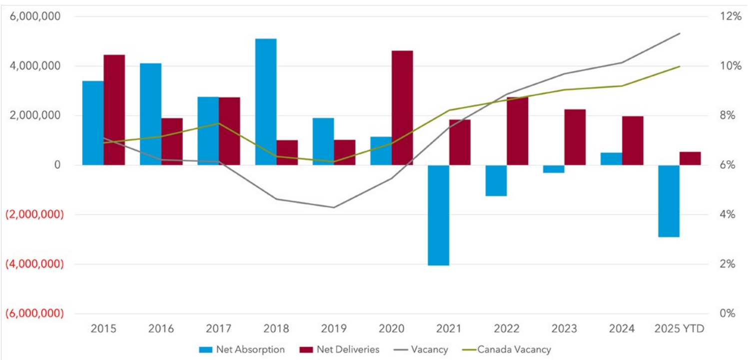
OFFICE MARKET OVERVIEW

LEE & ASSOCIATES TORONTO, *Real Estate Intelligence Department*

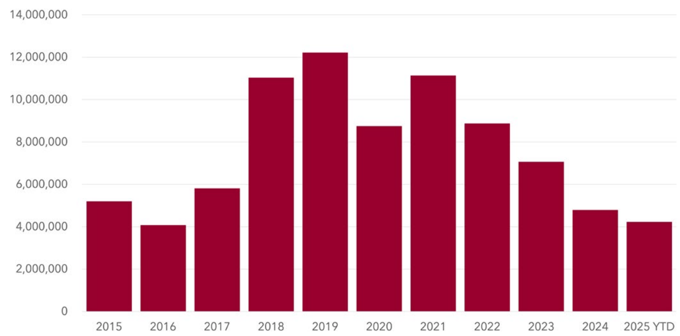
Toronto's office market is experiencing ongoing challenges with elevated vacancy and availability, driven by space oversupply and evolving demand. While vacancy continues to rise, the pace has slowed, and availability is declining, suggesting stabilization. Suburban offices outperform downtown due to cost and accessibility. Trade-related uncertainty and return-to-office inconsistencies pose renewed risks, particularly for sublets. Tenant incentives remain high, masking weak net effective rents, especially in premium buildings. Downtown Toronto faces a significant inventory glut, dampening recovery momentum. Nonetheless, cautious optimism persists as occupier sentiment improves, even as economic headwinds and tariff concerns temper confidence in a near-term rebound.

MARKET INDICATORS	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
▼ 12 Mo. Net Absorption SF	(2,319,533)	(642,827)	504,371	921,022	1,796,067
▲ Vacancy Rate	11.3%	10.6%	10.1%	9.9%	10.0%
▲ Avg NNN Asking Rate PSF	$41.71	$41.65	$41.60	$41.55	$41.37
▼ Sale Price PSF	$370.00	$371.00	$375.00	$380.00	$384.00
◄ ► Cap Rate	6.70%	6.70%	6.60%	6.60%	6.50%
▼ Under Construction SF	4,228,543	4,761,109	4,788,771	5,046,008	6,034,577
▲ Inventory SF	288,333,160	287,804,770	287,795,373	287,594,106	286,609,464

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1189 Colonel Sam Drive Oshawa, ON	103,179 SF	$16,450,000 $159.43 PSF	Ontario Power Generation Ravelin Properties REIT	Class B
1599 Hurontario Street Mississauga, ON	72,406 SF	$12,250,000 $169.18 PSF	Thombar Group Davpart, Inc.	Class B
1266 Queen Street W Toronto, ON	59,200 SF	$27,900,000 $471.28 PSF	Carttera Republic Developments	Class B

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

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6880 Financial Drive Mississauga, ON	565,694 SF	Triovest / Northam Realty	RBC Insurance	Finance and Insurance
483 Bay Toronto, ON	374,182 SF	Northam Realty	The Ministry of the Attorney General Ontario	Government
100 King Street W Toronto, ON	88,916 SF	CPP Investments / Brookfield Corporation	Undisclosed	Undisclosed

Q2 2025 RETAIL OVERVIEW

RETAIL OVERVIEW: WEAKENING DEMAND FALLS IN FIRST HALF

Overall demand for North American retail property moderated in the first half of 2025 with declining net absorption in the United States turning negative for the first time since during the Covid lockdown, in part due to increased bankruptcies and recent store closures.

Net absorption was negative 8,913,320 SF in the second quarter. That follows a first-quarter 7,089,219-SF contraction. Annual net absorption has been falling steadily since peaking at 70.8 million SF in 2021. There were 67 million SF absorbed in 2022, 43 million SF in 2023 and 22.2 million SF last year. Included in the current negative reading is a 24% increase from Q1 in the move-out rate to more than 108 million SF.

Move-outs, which include spaces subject to the bankruptcy process, averaged 84 million SF in the last three years. The jump is tied directly to space occupied by Big Lots, Conn's, Joann, Forever 21, Party City, Red Lobster, T.G.I. Fridays and other merchants and restauranteurs that began working through severe financial and legal woes in the last 18 months.

Despite changing tastes and an upturn in brand-name tenants in distress, the nationwide market of 11.9 billion SF remains fundamentally tight in Q2 with overall vacancy at 4.3%, close to the historic low. The vacancy rate was 2.7% for general retail, the largest category with 6.5 billion SF or 55% of total inventory. Neighborhood centers totaled 2.9 billion SF for 24% of inventory and were at 6.3% vacancy. Strip and power centers totaled 1.5 billion SF and averaged just less than 5% vacancy. Malls totaled 876 million SF and were at 8.8% vacancy.

Tenants and brokers in the field continue to report healthy competition for quality space, resulting in available space backfilling at the fastest pace in nearly 15 years.

Increased competition for space also has been driven by the limited amount of new developments across the U.S. since 2010. From 2000 to 2009, approximately 300 million square feet of retail space were delivered annually, of which nearly 40% was available for lease. Much has changed. Only 81 million square feet of new retail space has been delivered annually since early 2020, with the vast majority comprising build-to-suit projects. This has left fewer second-generation space options for tenants seeking to expand.

Strong activity in the property sales market has occurred since last year. Retail investment sales gained momentum in 2024 with annual volume reaching $59 billion—an 8% increase from the prior year. That momentum extended into 2025. First-quarter volume climbed 11% beyond the same period in 2024, and April's preliminary figures came in 45% higher than a year ago.

The overall Canadian retail market recovered from negative 1.7 million SF in the first quarter to close out the first half with 355,121 SF of positive net absorption. The nation's retail property market is characterized by robust demand, limited supply and changing consumer preferences. The nation's surging population growth has ensured that retail foot traffic remains active despite dampened consumer spending and murkier economic conditions.

LOWEST VACANCY RATE	
ON, Toronto	1.5%
BC, Vancouver	1.5%
MA, Boston	2.7%
MN, Minneapolis	2.7%
TX, Austin	3.1%
U.S. Index	4.3%
Canada Index	1.8%

HIGHEST MARKET RENT / SF ANNUAL	
FL, Miami	$49.68
NY, New York*	$45.60
CA, San Francisco	$43.92
CA, Orange County	$39.36
CA, Los Angeles	$36.60
U.S. Index	$25.44
Canada Index	$23.28 CAD

HIGHEST MARKET SALE PRICE / SF	
BC, Vancouver	$535 CAD
NY, Orange County	$451
FL, Miami	$439
NY, New York*	$423
CA, Los Angeles	$416
U.S. Index	$245
Canada Index	$327 CAD

MOST SF UNDER CONSTRUCTION SF	
TX, Dallas-Fort Worth	7,145,637
TX, Houston	3,898,444
TX, Austin	3,460,231
AZ, Phoenix	2,177,632
AB, Calgary	1,955,147
U.S. Index	47,394,753
Canada Index	6,550,443

LARGEST INVENTORY BY SF	
NY, New York*	597,570,256
IL, Chicago	574,109,319
TX, Dallas-Fort Worth	468,824,072
CA, Los Angeles	448,573,376
TX, Houston	445,685,718
U.S. Index	11,963,365,311
Canada Index	818,706,091

LOWEST MARKET CAP RATE	
BC, Vancouver	4.5%
ON, Toronto	4.9%
CA, Orange County	5.3%
FL, Miami	5.6%
CA, Los Angeles	5.7%
U.S. Index	7.1%
Canada Index	5.5%

** Please note that the statistics represented in these tables are based on CoStar defined market territories and may not all represent the geographic area the label depicts.*

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2025
RETAIL OVERVIEW

MARKET	VACANCY RATE	MARKET RENT / SF	MARKET SALE PRICE / SF	SF UNDER CONSTRUCTION	INVENTORY SF	MARKET CAP RATE
AB, Calgary **	2.2%	$1.82	$254	1,955,147	78,645,785	6.6%
AZ, Phoenix	4.6%	$2.17	$255	2,177,632	244,976,440	6.8%
BC, Vancouver **	1.5%	$2.36	$535	750,759	128,500,520	4.5%
CA, Bakersfield	5.5%	$1.66	$218	184,534	35,872,649	6.9%
CA, East Bay	5.7%	$2.68	$337	210,748	122,876,545	5.9%
CA, Fresno	5.5%	$1.63	$199	342,808	49,760,059	7.3%
CA, Inland Empire	6.3%	$2.24	$295	804,922	203,472,314	6.2%
CA, Los Angeles	5.9%	$3.05	$416	642,547	448,573,376	5.7%
CA, Orange County	4.0%	$3.28	$451	205,223	144,540,100	5.3%
CA, San Diego	4.4%	$3.05	$398	559,596	137,124,309	5.8%
CA, San Francisco	6.3%	$3.66	$556	214,731	76,963,016	5.0%
CA, San Luis Obispo	3.9%	$2.36	$308	150,431	15,618,324	6.3%
CA, Santa Barbara	4.1%	$2.61	$335	61,356	25,352,641	6.6%
CA, Stockton	5.1%	$1.86	$207	90,878	31,340,619	7.2%
CA, Ventura	6.3%	$2.43	$313	49,076	41,091,325	6.1%
CO, Denver	4.4%	$2.21	$271	389,932	165,302,038	6.5%
DC, Washington	4.4%	$2.84	$336	1,310,809	265,020,436	6.7%
FL, Fort Myers	3.4%	$1.88	$243	537,499	49,836,031	6.8%
FL, Miami	3.1%	$4.14	$439	583,641	142,883,233	5.6%
FL, Naples	4.1%	$2.47	$347	221,997	23,566,221	5.7%
FL, Orlando	4.0%	$2.51	$277	1,353,312	158,281,218	6.6%
FL, Tampa Bay	3.5%	$2.23	$270	510,838	175,988,841	6.5%
GA, Atlanta	4.1%	$1.94	$223	609,824	372,378,020	7.1%
GA, Savannah	3.0%	$2.08	$227	98,338	28,518,851	7.8%
ID, Boise	4.2%	$1.52	$224	236,081	43,889,679	6.7%
IL, Chicago	4.9%	$1.83	$191	758,218	574,109,319	7.9%
IN, Indianapolis	3.1%	$1.59	$163	415,509	132,835,376	8.0%
KS, Lawrence	3.6%	$1.41	$183	89,938	6,781,205	7.9%
KS, Topeka	4.8%	$0.93	$143	4,069	13,844,064	8.8%
LA, Baton Rouge	3.2%	$1.52	$150	2,300	47,737,539	8.3%
LA, Lafayette	3.2%	$1.56	$157	20,200	27,713,904	8.1%
MA, Boston	2.7%	$2.35	$268	746,976	244,382,906	6.6%
MD, Baltimore	5.6%	$2.03	$208	140,521	144,389,883	7.5%
MI, Detroit	5.9%	$1.57	$132	263,111	263,582,294	8.2%
MN, Minneapolis	2.7%	$1.73	$178	391,994	205,735,156	7.5%
United States Index	4.3%	$2.12	$245	47,394,753	11,963,365,311	7.1%
Canada Index	1.8%	$1.94 CAD	$327 CAD	6,550,443	818,706,091	5.5%

Q2 2025
RETAIL OVERVIEW

MARKET	VACANCY RATE	MARKET RENT / SF	MARKET SALE PRICE / SF	SF UNDER CONSTRUCTION	INVENTORY SF	MARKET CAP RATE
MO, Kansas City*	4.2%	$1.57	$169	778,064	133,257,755	8.0%
MO, Saint Louis	3.4%	$1.42	$141	614,424	175,374,009	8.7%
NC, Charlotte	3.2%	$2.10	$237	504,259	151,981,404	6.9%
NC, Durham	2.3%	$2.06	$240	292,820	30,791,885	8.7%
NC, Raleigh	2.3%	$2.31	$265	384,625	76,159,222	6.6%
NE, Lincoln	2.2%	$1.23	$140	16,000	21,742,200	7.9%
NE, Omaha	4.8%	$1.53	$160	249,077	65,865,696	7.9%
NJ, Atlantic City	4.6%	$1.50	$157	7,018	18,718,102	7.7%
NJ, Northern New Jersey *	3.8%	$2.13	$222	356,583	135,156,139	7.3%
NJ, Trenton	3.7%	$1.87	$188	23,000	22,110,820	8.3%
NJ, Vineland	4.4%	$1.30	$160	0	8,731,192	7.7%
NV, Las Vegas	5.0%	$2.88	$332	1,283,258	123,437,417	6.1%
NV, Reno	4.3%	$1.88	$231	98,152	28,126,829	7.2%
NY, Long Island	4.4%	$2.97	$333	468,868	156,067,151	6.6%
NY, New York *	4.2%	$3.80	$423	1,170,255	597,570,256	6.3%
OH, Cincinnati	5.4%	$1.33	$129	611,384	135,041,793	8.3%
OH, Cleveland	4.6%	$1.35	$114	225,924	142,689,293	8.6%
OH, Columbus	4.0%	$1.63	$157	297,205	124,622,009	8.2%
ON, Toronto **	1.5%	$2.21	$386	1,771,276	299,922,425	4.9%
PA, Harrisburg	3.9%	$1.45	$140	317,809	37,213,247	8.1%
PA, Lehigh Valley *	4.5%	$1.43	$145	56,847	50,591,661	9.1%
PA, Philadelphia *	4.2%	$1.87	$188	460,088	344,152,621	7.4%
PA, Pittsburgh	4.5%	$1.28	$132	136,448	158,581,354	8.3%
SC, Charleston	3.2%	$2.15	$262	193,576	48,775,974	6.7%
SC, Greenville	3.3%	$1.56	$180	129,750	63,998,680	7.1%
SC, Spartanburg	4.0%	$1.24	$136	33,130	25,944,121	8.3%
TN, Nashville	3.2%	$2.42	$277	605,039	125,528,465	6.3%
TX, Austin	3.1%	$2.56	$347	3,460,231	122,990,771	6.1%
TX, Dallas-Fort Worth	4.8%	$2.07	$273	7,145,637	468,824,072	6.7%
TX, Houston	5.2%	$2.02	$243	3,898,444	445,685,718	7.2%
WA, Seattle	3.8%	$2.50	$334	266,118	175,287,101	6.1%
WI, Madison	2.2%	$1.43	$158	20,950	42,349,337	7.6%
United States Index	4.3%	$2.12	$245	47,394,753	11,963,365,311	7.1%
Canada Index	1.8%	$1.94 CAD	$327 CAD	6,550,443	818,706,091	5.5%

** Please note that the statistics represented in this table are based on CoStar defined market territories and may not all represent the geographic area the label depicts.*

*** Numbers shown are in Canadian dollars (CAD)*

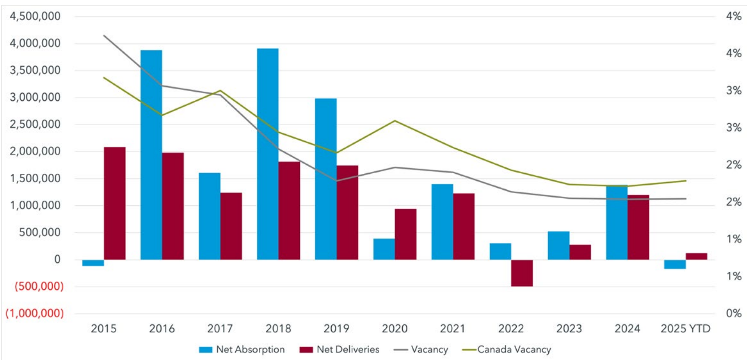
RETAIL MARKET OVERVIEW

LEE & ASSOCIATES TORONTO, *Real Estate Intelligence Department*

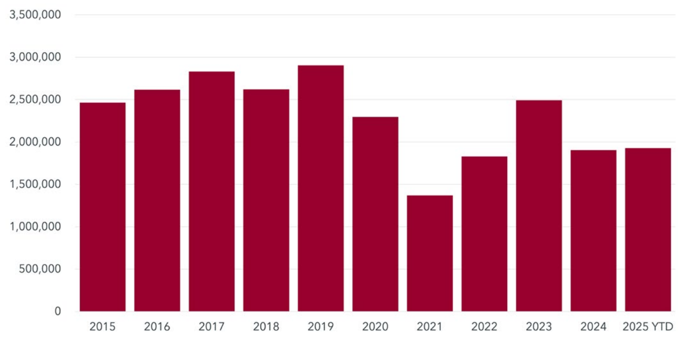
The GTA retail market remains fundamentally tight due to strong historical population growth outpacing retail development. Vacancy and availability rates have steadily declined since early 2021, with central submarkets showing the most constrained conditions. New construction has lagged long-term trends, hindered by high development costs, further tightening supply. While rental growth trails the national average, it is expected to remain ahead of inflation. Trade tensions may disrupt cross-border e-commerce, benefiting domestic retailers with local supply chains. This shift could elevate demand for brick-and-mortar space, particularly among well-established Canadian brands poised to capitalize on evolving consumer preferences.

MARKET INDICATORS	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
▼ 12 Mo. Net Absorption SF	365,719	984,948	1,386,608	1,902,731	1,686,643
▼ Vacancy Rate	1.5%	1.7%	1.5%	1.4%	1.5%
▼ Avg NNN Asking Rate PSF	$36.25	$36.48	$36.34	$36.10	$35.85
▲ Sale Price PSF	$525.00	$523.00	$517.00	$515.00	$513.00
◄ ► Cap Rate	4.90%	4.90%	4.90%	4.90%	4.90%
▲ Under Construction SF	1,927,886	1,894,775	1,903,937	2,109,349	2,364,759
▼ Inventory SF	300,502,848	300,509,868	300,382,673	300,086,033	299,616,008

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
1635 Lawrence Avenue W** Toronto, ON	67,837 SF	$23,323,372 $343.81 PSF	Zheng Guang Wang Spotlight Development	Multi-Tenant
2215 Dundas Street E Mississauga, ON	42,000 SF	$22,670,000 $539.76 PSF	Performance Auto Group Toyota	Single-Tenant
2260 Battleford Road Mississauga, ON	20,327 SF	$15,000,000 $737.93 PSF	Seenergy Foods, Inc. Rafih Automotive Group	Single-Tenant

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

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
768 Warden Avenue Toronto, ON	113,462 SF	Navona Investors Services Limited	Undisclosed	Undisclosed
1020 Islington Avenue Toronto, ON	30,178 SF	Crestpoint	Undisclosed	Undisclosed
600 Matheson Boulevard W Mississauga, ON	12,123 SF	Orlando Corporation	Cozy Living Furniture	Furniture Retailers

MULTIFAMILY OVERVIEW: REACTING TO DOWNTURN PREDICTIONS

While healthy multifamily tenant demand held steady in the second quarter across the United States, net absorption moderated in Canada amid reductions to national immigration quotas and growing concerns that the trade war with the U.S. will cause a recession.

Strong second-quarter net absorption in the U.S. totaled 136,007 units, as tenants shrugged off recession forecasts and extended the stretch of robust demand that began early last year. In the last six quarters 816,814 units have been leased up. New York and large markets in the South and Southwest, such as Dallas and Phoenix, have been growth leaders in the first half.

The Q2 decline in overall vacancy by 10 basis points to 8.1% is attributed to the higher quality Class A segment where demand has exceeded supply.

The solid rental demand through Q2 of 267,273 units follows the 548,911 units leased in 2024, the second most on record. Accelerated demand for apartments has been supported by steady employment and economic growth. Furthermore, older members of Gen Z are entering the prime apartment rental age, while more baby boomers are reaching an age where renting becomes a better option.

As apartment demand is growing at an above-average pace, the development cycle has peaked and is winding down. The annual inventory growth rate has fallen from 3.6% in 2024 to 1.3% through the first half, the lowest percentage since 2013. Net deliveries have declined for three consecutive quarters, falling nearly 30% to less than 130,000 units in the first quarter. Forecasts show that as few as 80,000 units are due for fourth-quarter delivery. Construction starts have fallen to a decade-plus low due to the extended lease-up periods developers are experiencing, higher capital costs and stricter lending.

Canada's first-half net absorption total is off 17% from a year ago. The easing demand is due, in part, to the government scaling back its permissive immigration policies. Vacancy remains near multi-year lows. The Ottawa-Gatneau, Vancouver and Toronto markets continue to have the tightest conditions in the country.

To avoid added costs and bureaucracy connected with traditional multifamily, many developers opt to build for-sale condominiums versus dedicated rental units. High-rise condominiums are popular as rentals. The Canadian Mortgage and Housing Corporation estimates that as much as 50% of these condos are sold to investors and then placed into the shadow rental market.

After gaining momentum in the second half of last year on falling interest rates, Canada's economy is facing a recessionary climate because of the trade war. While most Canadian goods sold to the U.S. are duty-free under the current United States-Mexico-Canada trade agreement, 35% tariffs for steel and aluminum, as well as for the non-U.S. portion of finished motor vehicles, are due to take effect August 1. Canada supplies 23% of the U.S.'s steel and about 50% of aluminum. These tariffs could drive Canadian exports sharply lower this summer. Layoffs already have been announced by several automakers. Uncertainty about trade policies is also undermining consumer and business confidence.

LOWEST VACANCY RATE	
ON, Toronto	3.0%
BC, Vancouver	3.2%
NY, New York*	3.2%
CA, Orange County	4.0%
IL, Chicago	4.7%
U.S. Index	8.1%
Canada Index	3.7%

HIGHEST MARKET RENT / UNIT	
NY, New York*	$3,341
CA, San Francisco	$3,285
MA, Boston	$2,973
CA, Orange County	$2,736
CA, San Diego	$2,526
U.S. Index	$1,772
Canada Index	$1,538 CAD

HIGHEST 12 MO. SALES VOLUME	
NY, New York*	$8,346,384,297
CA, Los Angeles	$6,458,379,476
GA, Atlanta	$5,457,563,158
DC, Washington	$5,013,181,020
WA, Seattle	$4,610,111,833
U.S. Index	$109,606,304,613
Canada Index	$4,425,456,230 CAD

MOST UNITS UNDER CONSTRUCTION	
NY, New York*	52,315
ON, Toronto	35,087
TX, Dallas-Fort Worth	26,149
FL, Miami	24,607
AZ, Phoenix	23,876
U.S. Index	597,043
Canada Index	80,623

LARGEST INVENTORY BY UNITS	
NY, New York*	1,590,273
CA, Los Angeles	1,050,576
TX, Dallas-Fort Worth	912,868
TX, Houston	731,867
DC, Washington	583,958
U.S. Index	20,533,712
Canada Index	985,021

LOWEST MARKET CAP RATE	
BC, Vancouver	3.1%
ON, Toronto	4.1%
CA, Orange County	4.4%
CA, San Francisco	4.6%
CA, San Diego	4.7%
U.S. Index	6.1%
Canada Index	4.3%

** Please note that the statistics represented in these tables are based on CoStar defined market territories and may not all represent the geographic area the label depicts.*

Q2 2025
MULTIFAMILY OVERVIEW

MARKET	VACANCY RATE	MARKET RENT / UNIT	MARKET SALE PRICE / UNIT	UNDER CONST. UNITS	INVENTORY UNITS	MARKET CAP RATE
AB, Calgary **	6.7%	$1,381	$226,309	9,064	80,994	5.2%
AZ, Phoenix	12.0%	$1,586	$269,616	23,876	419,410	4.9%
BC, Vancouver **	3.2%	$1,747	$374,280	21,029	149,519	3.1%
CA, Bakersfield	6.0%	$1,393	$133,517	45	26,472	7.0%
CA, East Bay	6.6%	$2,466	$351,078	2,293	193,541	5.3%
CA, Fresno	4.6%	$1,459	$152,588	96	56,571	6.3%
CA, Inland Empire	6.6%	$2,113	$278,256	4,255	179,826	5.1%
CA, Los Angeles	4.9%	$2,332	$364,168	19,715	1,050,576	4.9%
CA, Orange County	4.0%	$2,736	$449,027	5,858	259,475	4.4%
CA, San Diego	5.3%	$2,526	$401,290	9,217	283,977	4.7%
CA, San Francisco	5.1%	$3,285	$527,254	1,192	189,281	4.6%
CA, San Luis Obispo	7.3%	$2,279	$293,449	258	8,348	5.4%
CA, Santa Barbara	3.3%	$2,529	$349,486	92	21,003	4.8%
CA, Stockton	5.2%	$1,721	$177,614	0	29,345	6.7%
CA, Ventura	3.5%	$2,670	$368,952	1,276	36,966	4.7%
CO, Denver	11.2%	$1,856	$311,003	12,034	313,757	5.3%
DC, Washington	7.6%	$2,283	$313,651	12,976	583,958	5.6%
FL, Fort Myers	17.5%	$1,806	$234,086	4,913	36,968	5.6%
FL, Miami	7.0%	$2,450	$329,460	24,607	202,781	5.3%
FL, Naples	14.7%	$2,232	$276,362	1,403	15,318	5.3%
FL, Orlando	9.9%	$1,811	$243,404	12,453	234,121	5.2%
FL, Tampa Bay	9.4%	$1,844	$224,830	11,858	239,419	5.5%
GA, Atlanta	12.2%	$1,663	$214,053	14,369	540,746	5.6%
GA, Savannah	14.7%	$1,736	$204,757	2,037	37,719	5.5%
ID, Boise	10.5%	$1,632	$251,296	622	43,282	5.1%
IL, Chicago	4.7%	$1,888	$216,533	8,286	572,807	6.7%
IN, Indianapolis	9.3%	$1,338	$138,966	3,553	174,997	6.4%
KS, Lawrence	3.7%	$1,092	$89,515	59	12,189	8.1%
KS, Topeka	7.6%	$971	$68,220	134	9,883	8.1%
LA, Baton Rouge	14.4%	$1,202	$113,506	1,028	44,361	7.7%
LA, Lafayette	9.6%	$1,167	$92,480	423	16,792	7.8%
MA, Boston	6.2%	$2,973	$450,267	14,079	289,594	5.1%
MD, Baltimore	7.3%	$1,731	$187,504	2,776	214,617	6.4%
MI, Detroit	7.3%	$1,349	$110,688	2,683	231,854	7.3%
MN, Minneapolis	6.8%	$1,561	$181,809	5,946	285,078	6.5%
United States Index	8.1%	$1,772	$231,483	597,043	20,533,712	6.1%
Canada Index	3.7%	$1,538 CAD	$255,590 CAD	80,623	985,021	4.3%

Q2 2025
MULTIFAMILY OVERVIEW

MARKET	VACANCY RATE	MARKET RENT / UNIT	MARKET SALE PRICE / UNIT	UNDER CONST. UNITS	INVENTORY UNITS	MARKET CAP RATE
MO, Kansas City*	8.3%	$1,372	$156,621	6,371	180,185	6.4%
MO, Saint Louis	10.5%	$1,294	$130,906	2,096	151,549	7.2%
NC, Charlotte	12.6%	$1,647	$245,453	21,438	240,072	5.3%
NC, Durham	12.2%	$1,572	$214,914	5,883	63,957	5.6%
NC, Raleigh	12.3%	$1,580	$238,691	6,043	136,598	5.3%
NC, Wilmington	11.6%	$1,561	$193,396	879	28,261	6.1%
NE, Lincoln	7.1%	$1,203	$116,523	1,206	33,744	7.4%
NE, Omaha	6.3%	$1,268	$116,793	4,791	83,373	7.0%
NJ, Atlantic City	4.0%	$1,721	$137,579	0	10,778	6.9%
NJ, Northern New Jersey *	5.5%	$2,232	$256,630	8,107	173,869	6.1%
NJ, Trenton	5.5%	$2,257	$249,988	764	21,709	6.0%
NJ, Vineland	3.4%	$1,406	$115,103	0	3,213	6.8%
NV, Las Vegas	9.8%	$1,495	$220,400	3,983	193,946	5.2%
NV, Reno	8.1%	$1,664	$234,583	87	47,665	5.3%
NY, Long Island	4.4%	$2,960	$333,350	1,548	59,092	5.4%
NY, New York *	3.2%	$3,341	$380,653	52,315	1,590,273	5.4%
OH, Cincinnati	7.4%	$1,335	$113,898	5,140	145,934	7.6%
OH, Cleveland	8.4%	$1,246	$85,442	2,654	137,288	8.9%
OH, Columbus	9.1%	$1,382	$139,466	8,631	223,810	6.7%
ON, Toronto **	3.0%	$1,668	$267,003	35,087	412,032	4.1%
PA, Harrisburg	5.9%	$1,416	$124,686	85	33,171	7.1%
PA, Lehigh Valley *	4.9%	$1,733	$166,700	1,306	37,899	6.9%
PA, Philadelphia *	7.4%	$1,831	$209,160	7,832	378,590	6.2%
PA, Pittsburgh	6.3%	$1,407	$129,656	2,243	106,274	7.8%
SC, Charleston	12.1%	$1,831	$228,138	1,638	74,749	5.4%
SC, Greenville	9.7%	$1,424	$175,091	1,473	55,838	6.0%
SC, Spartanburg	14.4%	$1,311	$145,646	383	17,573	5.9%
TN, Nashville	11.8%	$1,725	$238,225	12,696	182,956	5.6%
TX, Austin	15.0%	$1,580	$223,579	17,796	327,406	5.5%
TX, Dallas-Fort Worth	11.9%	$1,567	$183,347	26,149	912,868	5.8%
TX, Houston	11.3%	$1,377	$148,059	12,121	731,867	6.6%
WA, Seattle	7.0%	$2,106	$367,762	13,536	402,405	4.9%
WI, Madison	5.4%	$1,620	$172,618	1,858	77,417	6.4%
United States Index	8.1%	$1,772	$231,483	597,043	20,533,712	6.1%
Canada Index	3.7%	$1,538 CAD	$255,590 CAD	80,623	985,021	4.3%

** Please note that the statistics represented in this table are based on CoStar defined market territories and may not all represent the geographic area the label depicts.*

*** Numbers shown are in Canadian dollars (CAD)*

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2025
TORONTO, ON

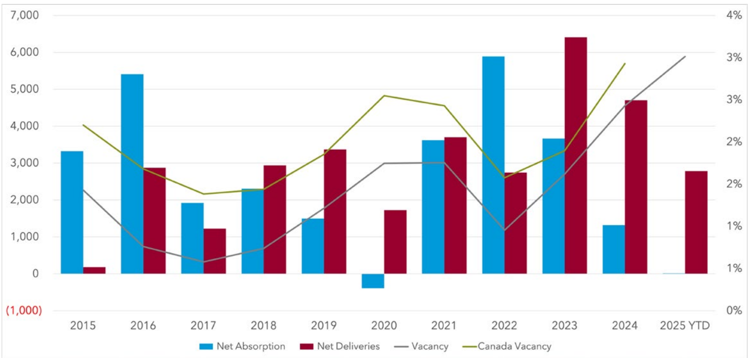
MULTIFAMILY MARKET OVERVIEW

LEE & ASSOCIATES TORONTO, *Real Estate Intelligence Department*

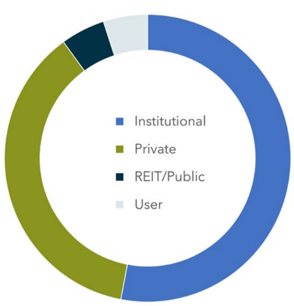
The GTA multifamily market is showing early signs of softening despite a persistent supply-demand imbalance. Rental growth has plateaued, constrained by wage stagnation, and vacancies are rising from historic lows. High interest rates have increased rental demand but also hindered new development feasibility, slowing construction starts. Some condo developers are pivoting to rentals due to declining unit values and financing hurdles. Investor-owned units face refinancing risk, especially from properties purchased during low-rate periods. Demographic shifts further cloud the outlook, as population growth is driven by newcomers with less stable rental demand, while inter- and intra-provincial migration trends remain negative.

MARKET INDICATORS		Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
▼	12 Mo. Absorption Units	843	1,135	1,320	2,043	2,440
▲	Vacancy Rate	3.0%	2.7%	2.4%	2.3%	2.1%
▼	Asking Rent/Unit	$2,271	$2,278	$2,289	$2,297	$2,296
▲	Sale Price/Unit	$363,614	$362,262	$360,466	$358,801	$356,372
◄ ►	Cap Rate	4.1%	4.1%	4.1%	4.1%	4.1%
▼	Under Construction Units	35,615	37,385	34,870	33,882	29,110
▲	Inventory Units	412,079	410,222	409,293	408,747	407,202

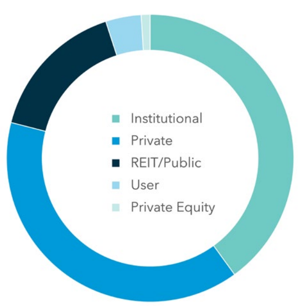
NET ABSORPTION, NET DELIVERIES, & VACANCY



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 Silver Maple Court Brampton, ON	$132,000,000 $317,308 Per Unit	416	Lankin Investments GWL Realty Advisors, Inc.
3015-3017 Queen Street E Toronto, ON	$39,903,080 $244,804 Per Unit	163	Dream Residential REIT Blackstone, Inc.
1175 Broadview Avenue Toronto, ON	$44,000,000 $330,827 Per Unit	133	The DMS Group Marbrook Developments Ltd.

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

TOP SELLERS (PAST 12 MONTHS)	SALES VOLUME
Greenrock	$437,184,000
Canadian Apartment Properties REIT	$278,011,000
OMERS	$216,300,000
Timbercreek Capital, Inc.	$160,823,249
Power Corporation of Canada	$132,000,000

TOP BUYERS (PAST 12 MONTHS)	SALES VOLUME
Brookfield Corporation	$437,184,000
Starlight Investments Ltd.	$352,800,000
Lankin Investments	$239,261,000
AIMCo	$160,823,249
Equiton, Inc.	$130,199,999

GLOSSARY OF TERMS

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.

Source: CoStar Group and NAIOP Research Foundation

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

GLOSSARY OF TERMS

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.

Source: CoStar Group and NAIOP Research Foundation

LEE & ASSOCIATES

COMMERCIAL REAL ESTATE SERVICES