Toronto Office

2018 Market Insight Report

Q3 2018

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Toronto Office

GTA Overview

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Supply	Vacancy	Average Net Rent	2017 Absorption
267,524,950 SF	5.9%	$18.40/SF	823,375 SF

Arrows Indicate One Quarter Change

Vacancy Rate

	Q1	Q2	Q3	
Midtown	3.5%	3.6%	3.7%	▲
Downtown	3.3%	3.2%	3.4%	▲
Toronto North	5.8%	6.2%	6.3%	▲
Toronto East	7.6%	8.8%	8.0%	▼
Toronto West	10.6%	10.2%	9.8%	▼
Overall GTA	6.0%	6.1%	5.9%	▼

Vacancy Rates & Availability Rates

Vacancy Rates

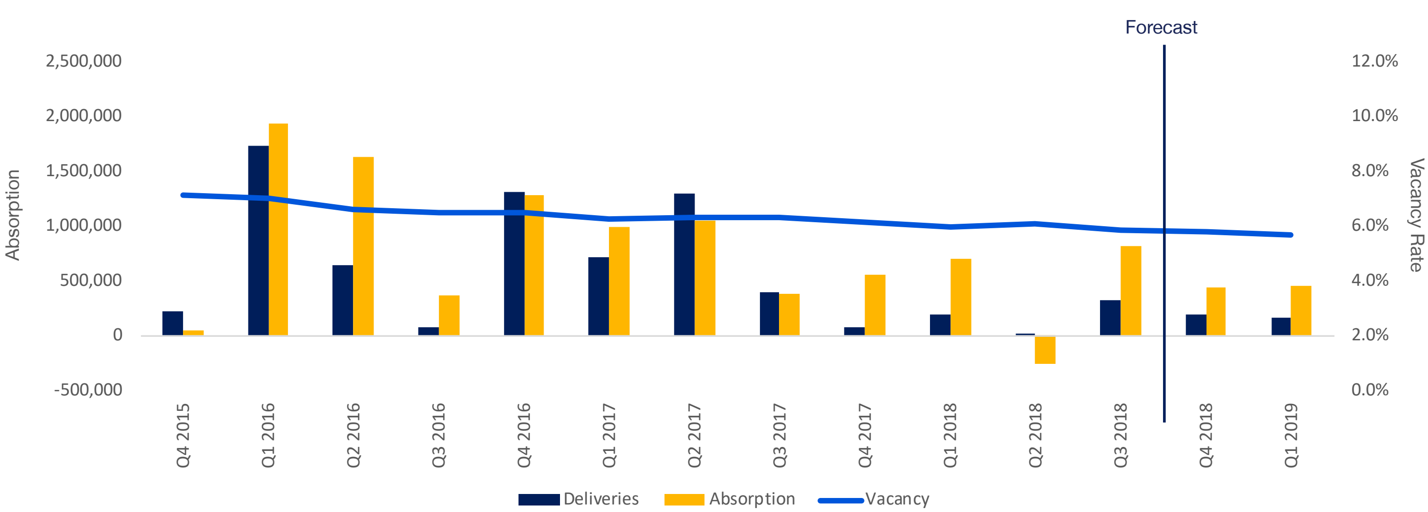
The vacancy rate is the percentage of all available units in a rental property, that are vacant or unoccupied at a particular time.

Availability Rates

The availability rate is the percentage of total rentable space including new developments under construction.

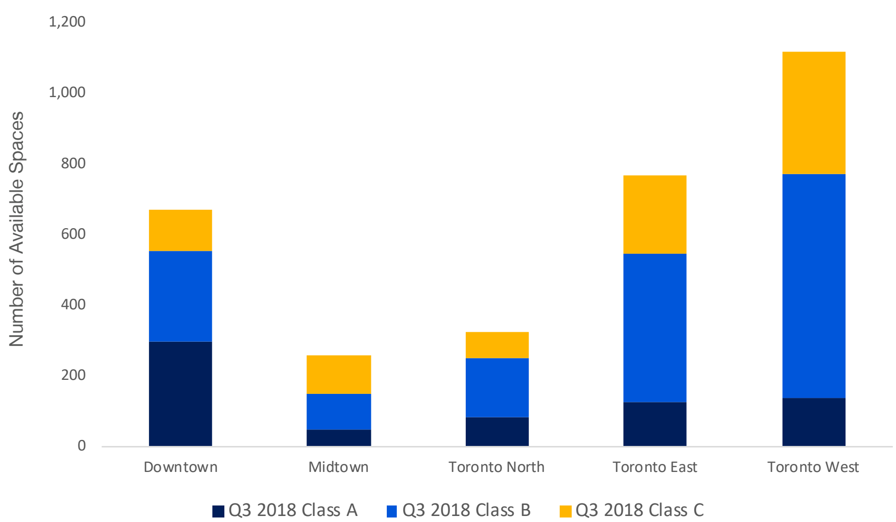
New Construction and Absorption

> "As vacancy rates further decrease, there continues to be upward pressure on rental rates."



GTA Overview

Availability Trends



Significant Availabilities

Market	Address	Size (SF)
Downtown	8 Spadina Avenue - The Well	909,720
Downtown	16 York Street	566,857
Downtown	100 Queen Quay E	452,900
East	2200-2206 Eglinton Avenue East	310,456
East	1150 Eglinton Avenue East	302,229

Toronto Sites Under Development

(Mid-year 2018)

8.5M
Total SF

Pre-leased Construction

48%

Of the 8.5M SF of total construction in Toronto, 7.2M SF is in Downtown Toronto

Office Market Insights

1

Newly-built facilities offering higher efficiency and more amenities are being leased quickly.

2

Occupiers continue to focus on finding a location near mass-transit, as access to affordable housing can aid in the attraction and retention of talent.

3

Construction timelines will continue to stretch as building permits in all municipalities are experiencing delays.

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Midtown Toronto

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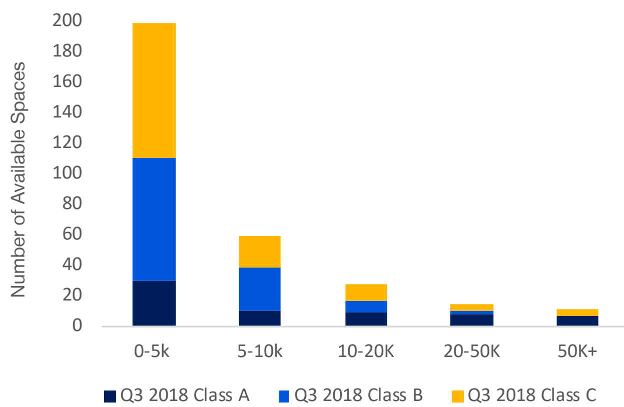
Supply	Vacancy	Average Net Rent	Net Absorption
22,547,495 SF	3.7%	$27.21/SF	92,801 SF

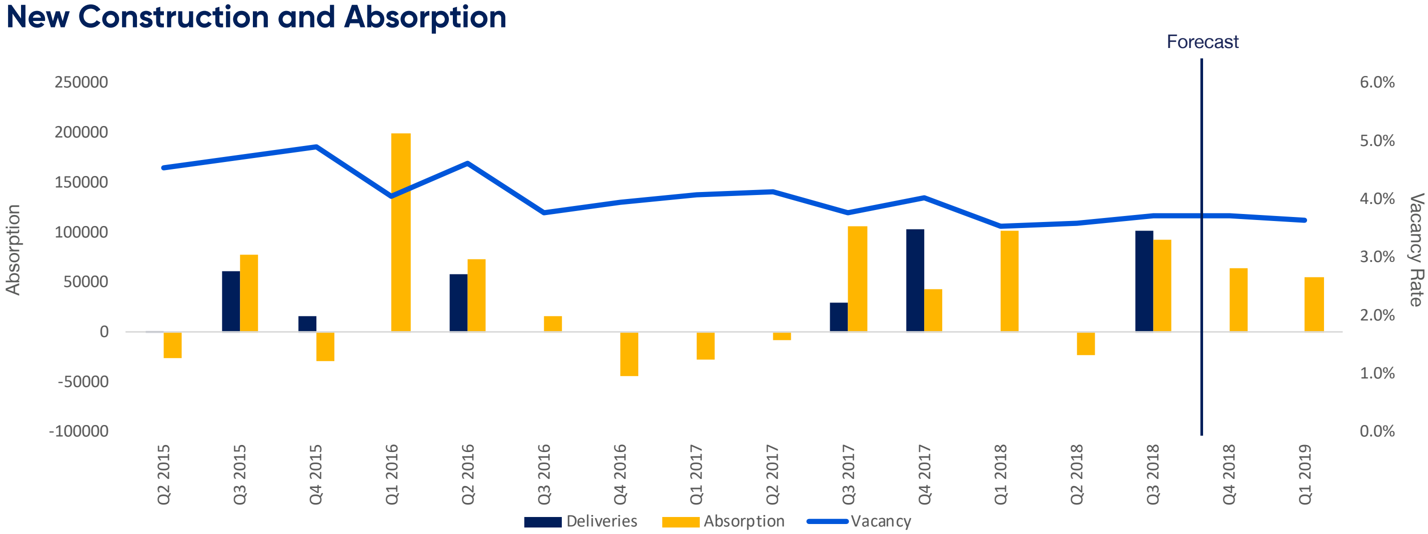
Vacancy Rate

	Q1	Q2	Q3	
Bloor	3.6%	3.6%	4.3%	▲
St. Clair	2.6%	2.2%	2.0%	▼
Eglinton	4.0%	4.7%	3.4%	▼
Overall	3.5%	3.6%	3.7%	▲

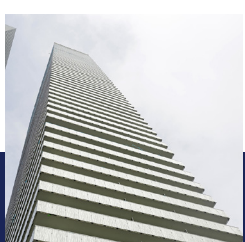
Availability Trends



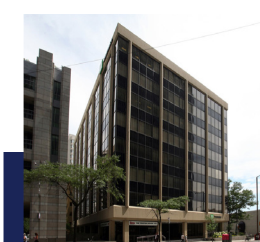
New Construction and Absorption



Significant Availabilities



59 Hayden Street
95,066 SF



2161 Yonge Street
62,536 SF

33 Bloor Street E
58,804 SF

80 Bloor Street W
55,522 SF

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Downtown Toronto

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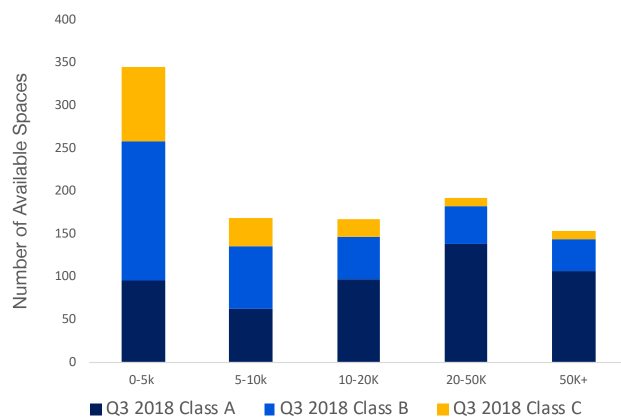
Supply	Vacancy	Average Net Rent	Net Absorption
94,181,257 SF	3.4%	$29.42/SF	-149,097 SF

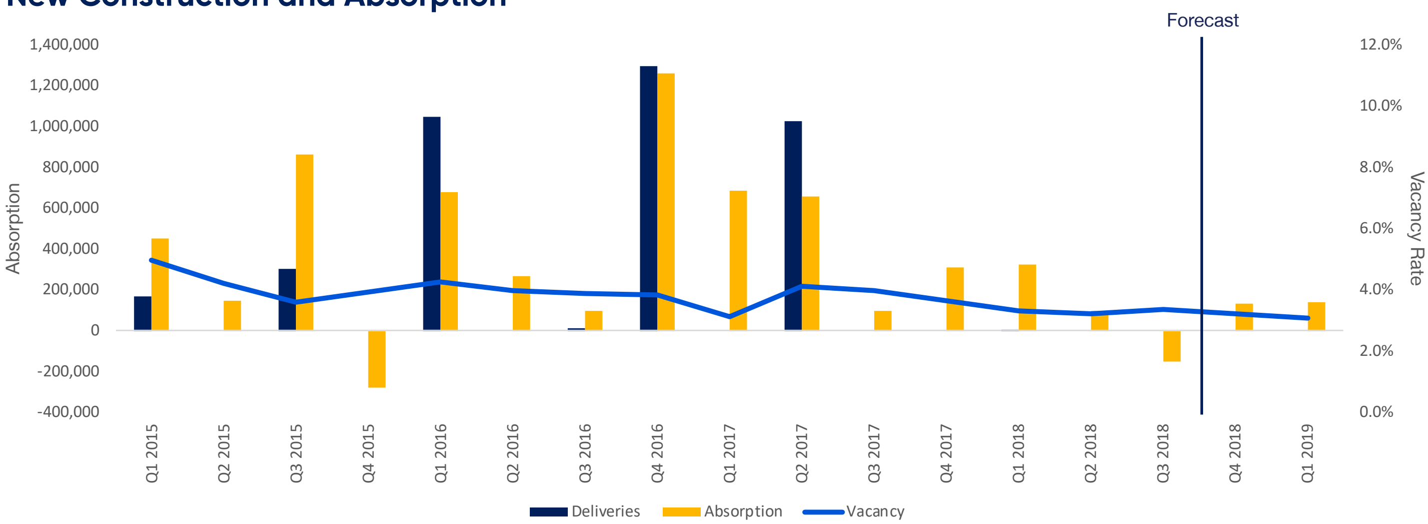
Vacancy Rate

	Q1	Q2	Q3	
Financial Core	5.1%	4.5%	4.4%	▼
Outer Financial Core	2.2%	3.4%	3.9%	▲
Downtown North	2.0%	1.8%	1.5%	▼
Downtown South	3.0%	2.2%	2.8%	▲
Downtown East	2.4%	1.8%	2.0%	▲
Downtown West	2.8%	2.5%	2.7%	▲
King/Dufferin	4.3%	4.2%	3.6%	▼
Overall	3.3%	3.2%	3.4%	▲

Availability Trends



New Construction and Absorption



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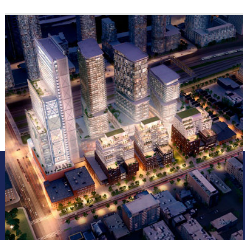
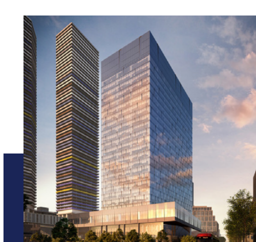


8 Spadina Avenue
909,720 SF

16 York Street
566,857 SF



100 Queen Quay E
452,900 SF

130 King Street W
260,116 SF

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Toronto North

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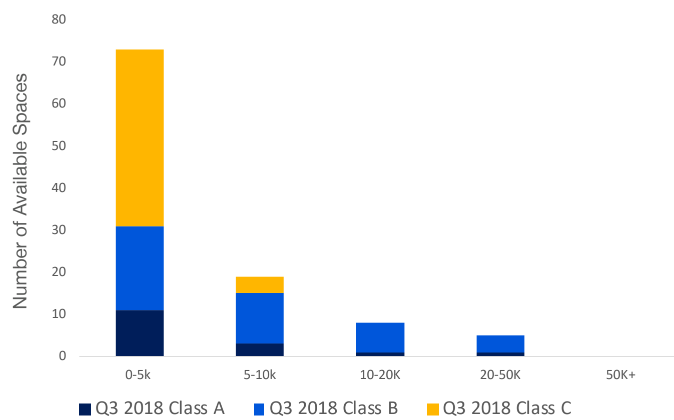
Q3 2018			
Supply	Vacancy	Average Net Rent	Net Absorption
23,683,724 SF	6.3%	$18.48/SF	-42,612 SF

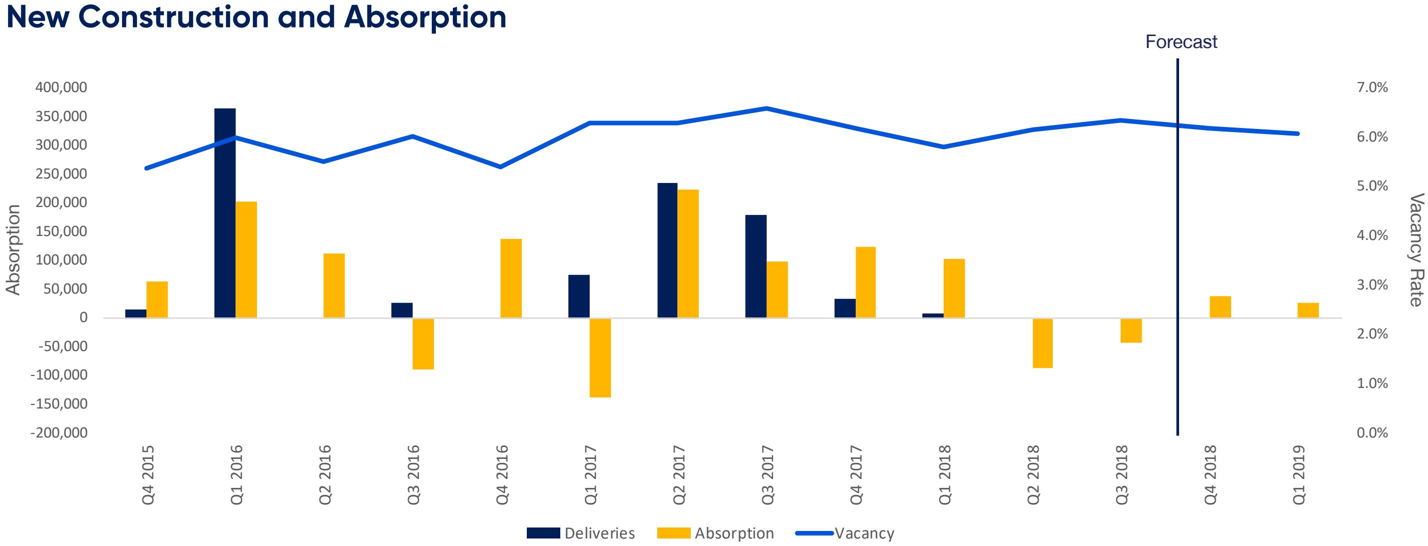
Vacancy Rate

	Q1	Q2	Q3	
North Toronto Region	3.2%	4.3%	3.8%	▼
North Yonge Corridor	7.6%	7.3%	8.6%	▲
Vaughan	4.5%	3.8%	4.5%	▲
North York West	5.7%	6.5%	6.0%	▼
Overall	5.8%	6.2%	6.3%	▲

Availability Trends



New Construction and Absorption



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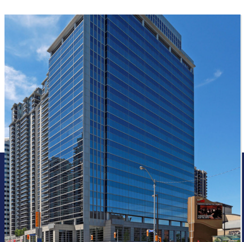
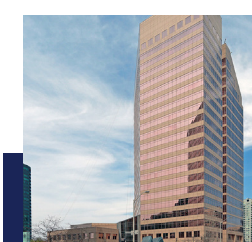


5000 Yonge Street
128,707 SF

25 Sheppard Ave. W
114,776 SF

6230 Highway 7 W
96,000 SF



5700 Yonge Street
95,484 SF

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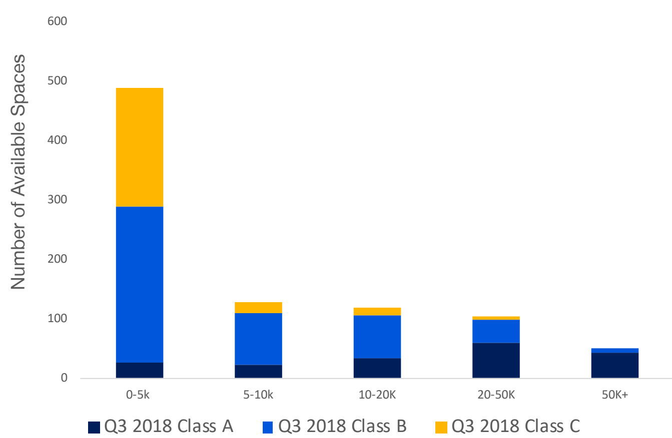
Toronto East

Q3 2018			
Supply	Vacancy	Average Net Rent	Net Absorption
46,020,032 SF	8.0%	$15.68/SF	390,702 SF

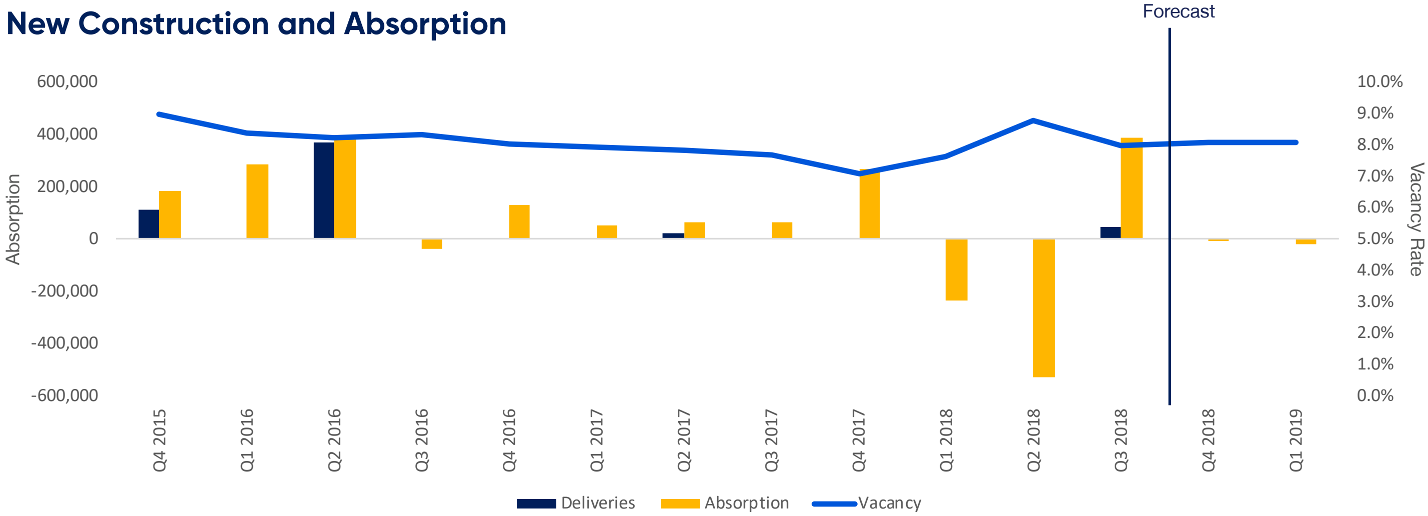
Vacancy Rate

	Q1	Q2	Q3	
Consumers Road	13.1%	11.0%	10.0%	▼
DVP N/Duncan Mill	8.9%	12.2%	13.1%	▲
DVP S/Don Mills/Eglinton	10.6%	12.1%	6.0%	▼
East Toronto Region	4.5%	4.3%	4.4%	▲
Gordon Baker/Victoria Park	10.5%	13.8%	14.1%	▲
Markham/Richmond Hill	6.6%	6.2%	6.4%	▲
Scarborough	7.0%	12.6%	12.3%	▼
South East Toronto Region	5.1	5.4%	4.6%	▼
Steeles/Woodbine	3.7%	3.5%	3.5%	▶
Overall	7.6%	8.8%	8.0%	▼

Availability Trends



New Construction and Absorption



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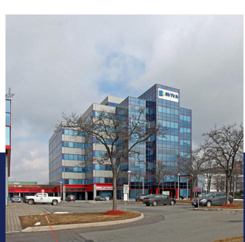

2200-06 Eglinton Ave E
310,456 SF

1150 Eglinton Ave E
302,229 SF

115 Gordon Baker Road
144,734 SF

2235 Sheppard Ave E
102,799 SF

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Toronto West

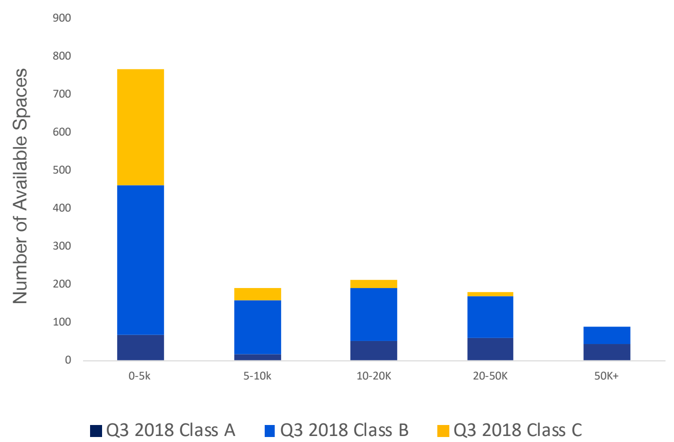
Q3 2018

Supply	Vacancy	Average Rent	Net Absorption
59,397,161 SF	9.8%	$16.87/SF	416,719 SF

Vacancy Rate

	Q1	Q2	Q3	
427 Corridor/Bloor/Islington	14.3%	15.3%	14.8%	▼
Airport/Airport Corporate Centre	13.9%	13.4%	10.3%	▼
Brampton	6.9%	7.6%	5.3%	▼
Burlington	6.8%	7.6%	7.8%	▲
City Centre	10.5%	10.0%	8.9%	▼
Hwy 10/Hwy 401	13.7%	12.8%	13.5%	▲
Meadowvale	11.2%	8.6%	9.6%	▲
Mississauga South	15.8%	15.0%	12.9%	▼
Oakville	10.7%	11.3%	10.8%	▼
West Toronto Region	3.9%	3.9%	4.8%	▲
Overall	10.6%	10.2%	9.8%	▼

Availability Trends



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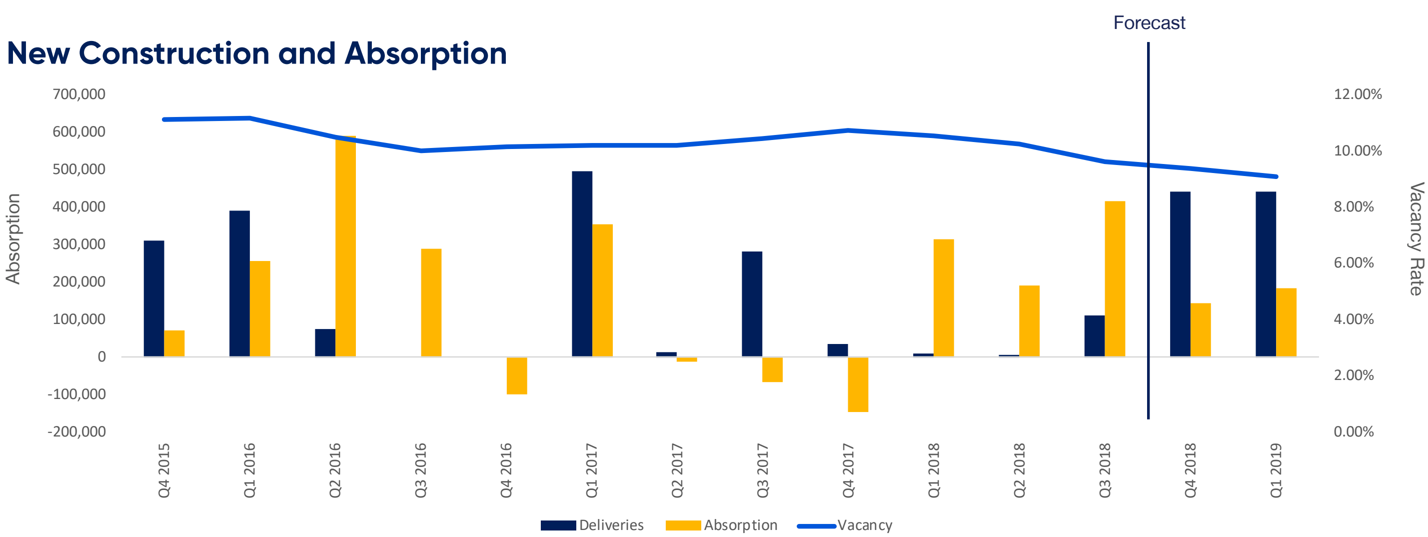

Significant Availabilities

2300 Meadowvale Blvd
242,992 SF

360 Oakville Place Dr
139,132 SF

304 The East Mall
138,134 SF

2599 Speakman Dr
132,716 SF

About Cresa Toronto

Cresa is the world's largest commercial real estate firm that exclusively represents occupiers of space. By not taking listings on behalf of landlords or developers, we are able to provide our clients with objective, conflict-free advice.

For the last 25+years, Cresa's Toronto office has worked alongside our clients to align their business plans and their real estate needs, increase their productivity, and consistently save them money. Our integrated team of real estate advisors, project managers, designers, and analysts, listen to occupiers' needs, meticulously research market conditions, firmly negotiate terms, and manage the design and construction of projects to customize the best possible occupancy solutions. And it's this relentless focus on our clients that has earned us numerous industry awards along the way.

Contact

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