



ASHLAR

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# Toronto Market Office Report | Q3 2009

## GTA OFFICE TRENDS

Availability



New Supply



Change in Occupied Area



Net Rents

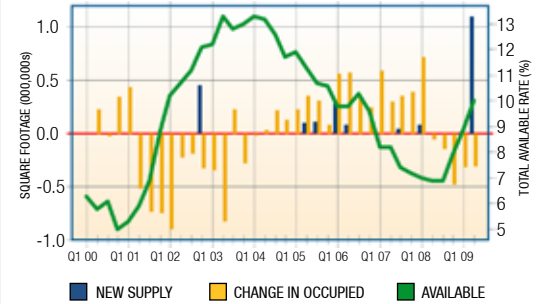


## GTA Office Market Overview

- Downtown office market fundamentals continue to reflect our current economic condition as the availability rate currently sits at approximately 10%, up from 6.9% from Q208 according to Altus Insite.
- Secondly, the Downtown Financial Core has recently seen a dramatic increase in inventory with the addition of just over 3 million square feet which will come online by the end of 2009. These new completions, which include the Bay Adelaide Centre, Maple Leaf Square, RBC Centre, and the Telus Tower, will primarily have their tenants relocate from within the downtown core. As such we suspect that this will put upward pressure on vacancies in the Downtown Financial Core due to this new availability of back-fill space.
- Notwithstanding the softening of net rents in the financial core, the Downtown East and West markets have carried comparatively well as lower occupancy costs and strong demand have created lower vacancy rates.
- Finally, Canada has technically begun its slow recovery out of its current economic recession. However, current unemployment rates continue to inhibit a robust recovery and should be monitored to assess the future potential of commercial real estate absorption in the Greater Toronto Area.

## Historical Market Summary Greater Toronto Market - Downtown District

Class - ALL



SOURCE: ALTUS INSITE © 1999-2009 ALTUS GROUP LIMITED

## Annual Change Since Q2 2008

AVAILABLE RATE (%) 10% (Up 3.1)

NEW SUPPLY (sf) 1,114,735

CHANGE IN OCCUPIED AREA (sf) -1,259,156

SOURCE: ALTUS INSITE © 1999-2009 ALTUS GROUP LIMITED

## Ashlar Recent Transactions (since June, 2009)

ADDRESS	TYPE	SIZE (SF)
5995 Avebury Road, Mississauga, ON	Leased	92,260
850 Matheson Blvd W., Mississauga, ON	Leased	84,357
60 Adelaide Street East, Toronto, ON	Leased	50,000
193 Yonge Street, Toronto, ON	Leased	30,000
36 Toronto Street, Toronto, ON	Leased	20,000
15 Duncan Street, Toronto, ON	Sold	17,415
735-741 Queen Street W., Toronto, ON	Sold	14,487
110 Lombard Street, Toronto, ON	Sold	13,800
184 Front Street, Toronto, ON	Leased	12,000
6631 Browning Drive, North Richland Hills, TX, USA	Leased	9,960



## Sharing Successes: Ashlar Urban Brokers User-Sale of Character Office Building in Toronto

Northern Lights Direct Response Television Inc., a leading brand-based agency offering production services in the United States and Canada has purchased a 20,000 square feet of

gross Class B office in Toronto, Ontario. Ashlar Urban brokered the sale of 15 Duncan Street, between King and Adelaide Streets in the Financial Core. The property will become the new Northern Lights headquarters, and the company will occupy half of the building. The full-leased property's current tenants include two law firms and a financial services firm. The transaction was reported at \$4.425 million CDN.

Craig Smith, Broker of Record and President, and Fraser McKay, Sales Representative with Ashlar Urban represented Northern Lights in the acquisition of this property, which marks the fourth transaction this year for the firm in the owner/user space. Bucking the current trend, users continue to obtain debt and complete acquisitions despite the general malaise in office acquisitions and the commercial real estate investment sector.

"Our long-standing relationship with Ashlar Urban over the past fifteen years has been characterized by unquestionable integrity, in-depth market knowledge, and tactful negotiation," said Luc Bourgon, Chief Operating Officer of Northern Lights Direct Response Television Inc. "Ashlar demonstrated excellent patience and strategy over our three year search to successfully acquire our new corporate headquarters at 15 Duncan Street."

## Q2 09 Toronto Average Rental Rates

Source: Altus Insite

TOTAL DIRECT ESTIMATED DIRECT RENT/SF

CLASS A OFFICE \$57.01

CLASS B OFFICE \$45.34

CLASS C OFFICE \$32.82



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Q3 2009



## About Ashlar Urban

INVESTMENT | OFFICE | RETAIL | INDUSTRIAL | ADVISORY

Ashlar Urban is a full service commercial real estate firm located in Toronto, Ontario, specializing in investment sales, office, retail, and industrial leasing. At Ashlar we strive to provide a superior client centered alternative to the traditional transaction-focused commercial real estate firms by providing market insight, industry intelligence and innovative solutions. Furthermore Ashlar is able to better service it's clients as a member of NAI Global. NAI Global's entrepreneurial culture and best-in class technology helps clients anywhere in the world, tap into 5,000 experts in 350 offices across 55 countries. Whether you're looking locally or thinking globally, our professionals have the knowledge, experience and network to deliver effective real estate solutions.

## Ashlar's Current Leasing and Investment Opportunities

ADDRESS	INTERSECTION	SIZE (SF)
<b>Available Properties for Lease</b>		<b>*Total SF Available</b>
60 Adelaide St. E.	Yonge/King	35,717*
252 Adelaide St. E.	Adelaide/Jarvis	6,216*
183 Bathurst St.	Queen/Bathurst	7,680
330 Bay St.	Bay/Adelaide	15,165*
350 Bay St.	Bay/Adelaide	5,495*
357 Bay St.	Bay/Richmond	17,046*
360 Bay St.	Bay/Richmond	12,852*
366 Bay St.	Bay/Richmond	6,182*
145 Berkeley St.	Queen/Parliament	2,228
100 Broadview Ave.	Broadview/Queen	52,171*
47 Colborne St.	Yonge/King	8,001*
10 Dundas St. E.	Yonge/Dundas	16,536*
35-39 Front St. E.	Front/Yonge	<b>FULLY LEASED</b>
41-45 Front St. E.	Front/Yonge	3,334
106 Front St. E.	Front/Jarvis	2,268
184 Front St. E.	Front/Jarvis	6,834*
179 John St.	Queen/Spadina	1,771
275 King St. E.	King/Jarvis	14,735
489 King St. W.	King/Spadina	<b>FULLY LEASED</b>
495 King St. W.	King/Spadina	4,700*
110 Lombard St.	Jarvis/Queen	5,300
86 Parliament St.	Parliament/King	10,000*
468 Queen St. E.	Queen/Parliament	23,000*
489 Queen St. E.	Queen/Bayview	25,605*
103 Richmond St. E.	Richmond/Jarvis	12,716*
80 Richmond St. W.	Richmond/Bay	7,812*
860 Richmond St. W.	Richmond/Strachan	2,192
96 Spadina Ave.	Spadina/King	18,052*
56 Temperance St.	Bay/Richmond	6,990*
56 The Esplanade	Yonge/Front	608*
36 Toronto St.	Yonge/Adelaide	39,078*

ADDRESS	INTERSECTION	SIZE (SF)
53 Yonge St.	Yonge/King	<b>FULLY LEASED</b>
81 Queen St. E.	Queen/Bay	2,200
325 Humber College Blvd.	Finch/Hwy 27	30,000*
2345 Stanfield Rd.	Dixie Rd/Queensway E	21,849*

### Sublease

357 Bay St.	Bay/Richmond	881
1235 Bay St.	Yonge/Bloor	1,700
80 Bloor St. W.	Yonge/Bloor	11,000
468 Queen St. E.	Queen/Parliament	12,721
50 Ronson Dr.	Kipling/401	4,218
55 St. Clair Ave. W.	Yonge/St. Clair	3,743

### Retail

252 Adelaide Street East	Adelaide/Jarvis	5,399
330 Adelaide Street East	Adelaide/Jarvis	8,000*
275 King Street East	King/Sherbourne	11,064*
968 Queen Street West	Queen/Ossington	<b>FULLY LEASED</b>
186 Spadina Avenue	Queen/Spadina	8,963
36 Toronto St.	Yonge/King	3,048*

### Available Properties for Sale

527 Brant Street	King/Spadina	3,168
260 Church Street	Yonge/Dundas	9,000
259-263 King Street E	Jarvis/King	<b>SOLD</b>
513 Hounslow Avenue	Bathurst/Finch	5,407 sf LAND
446 Horsham Avenue	Bathurst/Finch	5,073 sf LAND
47 Terrace Avenue	Bathurst/Finch	7,057 sf LAND
150-152 Lakeshore Rd. E	Bathurst/Finch	3,370
110 Lombard Street	Queen/Jarvis	<b>SOLD</b>
7-9 Main Street North	Woodbine/Kingston Rd	2,500