

TREB RELEASES COMMERCIAL MARKET FIGURES REPORTED BY GTA REALTORS®

TORONTO, ONTARIO, January 4, 2018 – Toronto Real Estate Board President Tim Syrianos announced commercial leasing and sales statistics reported through TREB’s MLS® System for the fourth quarter of 2017.

TREB Commercial Network Members reported 5,985,841 square feet of combined industrial, commercial/retail and office space leased through TREB’s MLS® System. This result was up from 5,824,485 square feet leased during the last three months of 2016.

The great majority of leased square footage was accounted for by the industrial market segment, at 75 per cent of the total, or approximately 4.5 million square feet. This result was down slightly compared to Q4 2016.

Average lease rates reported on a per square foot net basis for transactions with pricing disclosed were up for all major market segments. The average industrial and commercial/retail lease rates remained at similar levels to last year, whereas the average office lease rate was up by a more substantial annual rate. Much of the growth in the office lease rate was accounted for by a different mix of space leasing in larger size categories compared to 2016.

“The fact that Q4 2017 leasing activity was up compared to last year is a positive sign and is in line with the consensus view that economic growth in Canada will remain relatively strong in the coming year with business investment intentions remaining positive. Businesses take on new space when they are confident that their business will expand in the future,” said Mr. Syrianos.

Combined industrial, commercial/retail and office sales reported by TREB Commercial Network Members amounted to 211 in Q4 2017 – down from a total of 366 sales reported in Q4 2016. Average sale prices on a per square foot basis for transactions with pricing disclosed were up for the industrial and office market segments and down for the commercial/retail segment. Year-over-year changes in selling prices were due to both market conditions and changes in the mix of properties sold. For office properties in particular, a change in the mix of properties sold between Q4 2016 and Q4 2017 was a major factor.

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Fourth Quarter 2017: Commercial Lease Transactions
Total Leased Space for All Lease Transaction Types on TREB's MLS® System

| | Total Leased Square Feet | | |
|------------|--------------------------|-----------|----------|
| | Q4 2017 | Q4 2016 | % Change |
| Industrial | 4,467,220 | 4,541,916 | -1.6% |
| Commercial | 529,076 | 588,980 | -10.2% |
| Office | 989,545 | 693,589 | 42.7% |
| Total | 5,985,841 | 5,824,485 | 2.8% |

Fourth Quarter 2017: Per Square Foot Net Average Lease Rate Summary
Lease Transactions Completed on a Per Square Foot Net Basis with Pricing Disclosed on TREB's MLS® System

| | Average Lease Rate | | |
|------------|--------------------|---------|----------|
| | Q4 2017 | Q4 2016 | % Change |
| Industrial | \$6.80 | \$6.23 | 9.1% |
| Commercial | \$20.99 | \$20.65 | 1.6% |
| Office | \$15.58 | \$12.86 | 21.2% |

Fourth Quarter 2017: Commercial Sale Transactions
Total Number of Sales on TREB's MLS® System

| | Total Sales | | |
|------------|-------------|---------|----------|
| | Q4 2017 | Q4 2016 | % Change |
| Industrial | 75 | 133 | -43.6% |
| Commercial | 86 | 140 | -38.6% |
| Office | 50 | 93 | -46.2% |
| Total | 211 | 366 | -42.3% |

Fourth Quarter 2017 Average Sale Price per Square Foot
Transactions with Pricing Disclosed on TREB's MLS® System

| | Avg. Sale Price Per Sq. Ft. (Pricing Disclosed) | | |
|------------|---|----------|----------|
| | Q4 2017 | Q4 2016 | % Change |
| Industrial | \$168.87 | \$100.39 | 68.2% |
| Commercial | \$199.17 | \$257.29 | -22.6% |
| Office | \$388.04 | \$180.35 | 115.2% |

Source: TREB

NOTE: Some table totals may differ due to conversion and rounding.

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