

TREB RELEASES COMMERCIAL MARKET FIGURES AS REPORTED BY GTA REALTORS®

TORONTO, ONTARIO, January 6, 2018 – Toronto Real Estate Board President Tim Syrianos announced that TREB Commercial Network Members reported 364,392 square feet of combined industrial, commercial/retail and office space leased through the TREB MLS® System, on a per square foot net basis with pricing disclosed, in January 2018. This result was similar to January 2017, when a total of 367,526 square feet was reported leased.

Typically, in January, annual changes in average per square foot lease rates can be volatile. Volatility generally results more from changes in the mix (i.e. size, location, use, etc.) of properties leased from one year to the next, rather than changes in market conditions. Average lease rates were down for the industrial and office market segments and up for the commercial/retail segment.

“Vacancy rates are very low for the office and industrial market segments in the GTA. The addition of new supply has not kept up with demand. Looking forward, tight market conditions should support increases in average lease rates in 2018,” said Mr. Syrianos. “Strong demand for space relative to supply also highlights the strength and attractiveness of the GTA region as a place from which to do business.”

The number of commercial sales with pricing disclosed dropped from 51 in January 2017 to 30 in January 2018. The number of transactions was down for the industrial and commercial/retail market segments and up slightly for the office segment.

Year-over-year changes in average selling prices per square foot were mixed, for transactions reported with pricing disclosed. The average selling price for the commercial/retail was up substantially compared to January 2017 – largely due to a change in the mix of transactions, which is amplified by a relatively small number of transactions. Average office and industrial selling prices were both down 9.2 percent year-over-year. As discussed above, January can be a volatile month in terms of price growth. The full first quarter results will provide a better market overview with regard to pricing.

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January 2018: Per Square Foot Net Commercial Leasing Summary

Lease Transactions Completed on a *Per Square Foot Net Basis with Pricing Disclosed* on TorontoMLS

	Leased Square Feet				Average Lease Rate		
	Jan. 2018	Jan. 2017	% Change		Jan. 2018	Jan. 2017	% Change
Industrial	288,828	253,687	13.9%	Industrial	\$6.66	\$6.94	-4.1%
Commercial	36,735	60,802	-39.6%	Commercial	\$21.84	\$17.45	25.2%
Office	38,829	53,037	-26.8%	Office	\$13.92	\$15.66	-11.1%
Total	364,392	367,526	-0.9%				

January 2018: Commercial Sales Completed with Pricing Disclosed on TorontoMLS

	Sales (Price Disclosed)				Avg. Sale Price Per Sq. Ft. (Pricing Disclosed)		
	Jan. 2018	Jan. 2017	% Change		Jan. 2018	Jan. 2017	% Change
Industrial	8	25	-68.0%	Industrial	\$147.20	\$162.13	-9.2%
Commercial	14	19	-26.3%	Commercial	\$375.92	\$286.83	31.1%
Office	8	7	14.3%	Office	\$193.82	\$213.36	-9.2%
Total	30	51	-41.2%				

Source: TREB

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

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