

Greater Toronto Area Office Market

Global Research and Consulting

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Second Quarter 2010

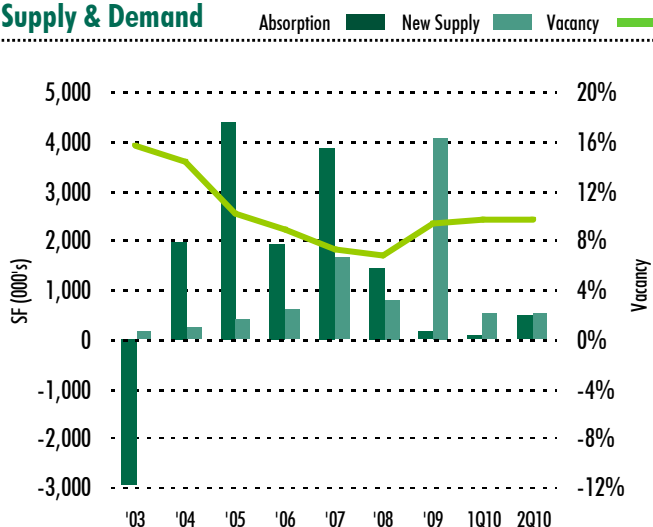
MARKET PROFILE

		Change From Last Quarter		Change From Last Quarter
Inventory (SF)	147.6 million	↑	Absorption 2Q 2010 (SF)	455,708 ↑
Vacant Space (SF) <i>direct & sublet</i>	14.2 million	↑	Weighted Avg. Net Rent (psf)	\$17.12 ↓
Sublet Space (SF)	2.9 million	↓	Weighted Avg. Taxes & Oper. Costs (psf)	\$16.41 ↓
Vacancy Rate <i>direct & sublet</i>	9.6%	↑	Weighted Avg. Gross Rent (psf)	\$33.53 ↓
Blocks of Contiguous Space (> 30,000 SF)			Weighted Avg. Net Rent (psf)	
A Class	46 Blocks	↔	A Class	\$20.00 ↓
B Class	12 Blocks	↔	B Class	\$13.64 ↓
C Class	2 Blocks	↔	C Class	\$11.90 ↓
RC Class* (<i>Renovated & Converted</i>)	1 Blocks	↔	RC Class	\$16.90 ↓

RECENT TRANSACTIONS

TENANT	ADDRESS	CLASS	SF	DEAL TYPE
Proctor & Gamble Inc.	4711 Yonge Street, North York	A	235,000	Lease
PWC	18 York Street, Toronto	A	65,471	Lease
TD Bank	12 Concorde Gate, North York	A	75,000	Lease
Keuhne + Nagel Inc.	55 Standish Court, Mississauga	A	72,000	Lease

Supply & Demand



MARKET HIGHLIGHTS

- The vacancy rate was unchanged from 1Q10 to 2Q10 at 9.6%, up 20 basis points (bps) from 4Q09, and at its highest level since reaching 9.7% in 3Q06.
- The gross rental rate fell from \$34.28 in 1Q10 to \$33.53 in 2Q10 despite several consecutive increases in previous quarters.
- There is 1.6 million SF of Class A office space due to be completed in the GTA before the end of 2011, 70.0% of which will be completed before the end of 2010.