



## NEWS RELEASE



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## GTA Commercial REALTORS® Release Quarterly Commercial Market Figures

**TORONTO, January 4, 2013** -- Toronto Real Estate Board (TREB) Commercial Division Members reported transactions amounting to almost 3.9 million square feet of leased space through the TorontoMLS system in the Fourth Quarter of 2012. This result was down by 30 per cent compared to the Fourth Quarter of 2011.

Industrial properties accounted for 83 per cent leased space reported in the last three months of 2012. The average industrial lease rate, for properties leased on a per square foot net basis and for which pricing was disclosed, was down slightly from last year, at \$4.65 for Q4 2012 versus \$4.92 for Q4 2011.

“There were a substantial number of lease transactions in the Fourth Quarter of 2012, but the level of activity remained lower than in the same period in 2011. While the Canadian economy continued to grow in 2012, the pace of growth was somewhat anemic, especially where the export sector was concerned. The high value of the Canadian dollar continued to be a competitive disadvantage to export-focused firms. In addition, economic uncertainty in the United States coupled with global economic headwinds, prompted many exporters to remain on the sidelines in 2012 with regard to real estate investment,” said TREB Commercial Division Chair Cynthia Lai.

There were 214 commercial property sales reported through the TorontoMLS system in the Fourth Quarter of 2012 – down from 300 sales in the Fourth Quarter of 2011. Sales were down for all property types on a year-over-year basis. The number of industrial sales was closest to last year’s level – down by 17 per cent to 97 transactions. Commercial/retail and office transactions were down by 28 and 49 per cent respectively.

Average sale prices per square foot, based on transactions for which selling prices were disclosed, were up substantially for the industrial and commercial/retail segments. Over the same period, the average selling price for office properties was down.

“Given that the pace of sales was slower this year compared to last, the large average selling price increases for industrial and commercial/retail properties were more associated with a change in the composition of sales. For example, in the Fourth Quarter of 2012, there was greater proportion of industrial sales in smaller size categories compared to the Fourth Quarter of 2011. All else being equal, smaller properties tend to sell at a higher price per square foot,” continued Lai.

### Fourth Quarter 2012: All Commercial Lease Transactions

#### Total Leased Space for All Lease Transaction Types on TorontoMLS

	Total Leased Square Feet		
	Q4 2012	Q4 2011	% Change
Industrial	3,211,738	4,540,624	-29.3%
Commercial	374,872	483,308	-22.4%
Office	290,232	503,076	-42.3%
Total	3,876,842	5,527,008	-29.9%

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

Leased Sq. Ft. (Price Disclosed, Per Sq.Ft. Net)	Avg. Lease Rate (Price Disclosed, Per Sq.Ft. Net)
	%

	Q4 2012	Q4 2011	Change
Industrial	2,475,701	2,129,389	16.3%
Commercial	209,370	200,297	4.5%
Office	148,895	240,121	-38.0%
Total	2,833,966	2,569,807	10.3%

	Q4 2012	Q4 2011	% Change
Industrial	\$4.65	\$4.92	-5.5%
Commercial	\$15.10	\$19.56	-22.8%
Office	\$12.35	\$11.45	7.9%

Fourth Quarter 2012: All Commercial Sale Transactions  
Total Number of Sales on TorontoMLS

	Total Sales		% Change
	Q4 2012	Q4 2011	
Industrial	97	117	-17.1%
Commercial	80	111	-27.9%
Office	37	72	-48.6%
Total	214	300	-28.7%

Fourth Quarter 2012: Commercial Sales Completed with Pricing Disclosed on TorontoMLS

	Sales (Price Disclosed)		% Change
	Q4 2012	Q4 2011	
Industrial	97	92	5.4%
Commercial	80	92	-13.0%
Office	37	52	-28.8%
Total	214	236	-9.3%

	Avg. Sale Price Per Sq. Ft. (Pricing Disclosed)		
	Q4 2012	Q4 2011	% Change
Industrial	\$87.99	\$70.08	25.6%
Commercial	\$195.07	\$151.84	28.5%
Office	\$185.98	\$223.13	-16.6%

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