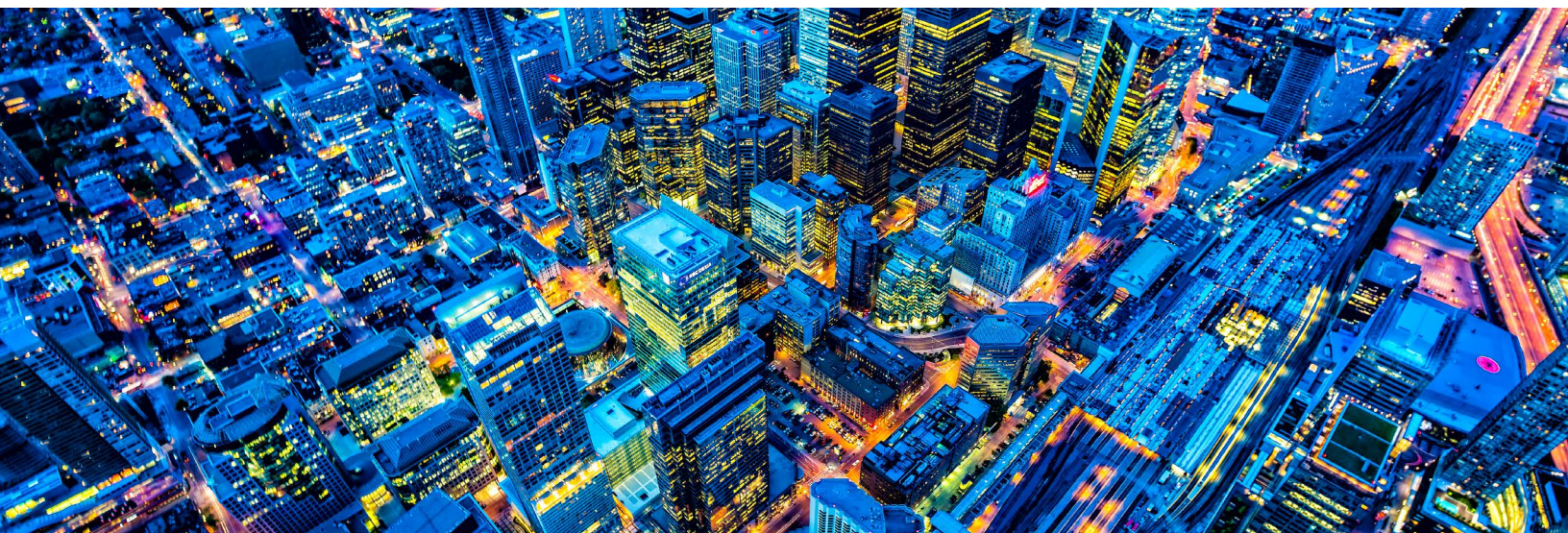
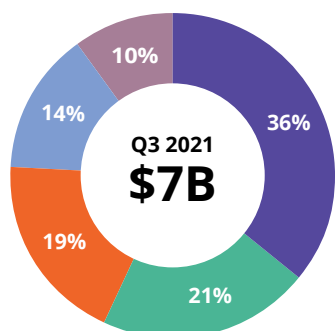


Greater Toronto Area



GTA Investment Activity by Sector and Dollar Volume



	Q3 2021	Q2 2021	Q3 2020
Industrial	\$2.5B	\$1.4B	\$668M
ICI Land	\$1.5B	\$1.6B	\$645M
Multi-Residential	\$1.3B	\$815M	\$575M
Retail	\$961M	\$725M	\$342M
Office	\$680M	\$349M	\$233M

Investors continued to deploy a ready supply of capital into the Greater Toronto Area (GTA) commercial real estate sector during the third quarter of 2021, with stakeholders' increasing confidence in the future demonstrated by record-breaking quarterly dollar volume, increasing transaction activity and declining cap rates. The industrial, ICI land and multi-residential sectors remained top-of-mind with investors.

In all, third-quarter sales of office, industrial, retail, multi-residential and ICI land assets ($\geq \$1$ million) across the GTA totaled \$7 billion – a new single-quarter record for the market – up 44% quarter-over-quarter and 184% compared with the third quarter of 2020. Quarterly gains were recorded in every sector except ICI land, which was down only slightly from an all-time high in the previous quarter. Total year-to-date investment volume of \$15.8 billion was up 93% year-over-year and well above the full-year result for 2020 – and every other previous year except the market's all-time high \$17.7-billion annual total in 2019. The market is poised to eclipse

that record by year-end 2021. Deal activity increased quarter-over-quarter once again, with the overall number of transactions rising 8%.

Cap rates continued to be compressed by robust investor demand during the third quarter. The overall GTA-wide average declined 10 basis points (bps) to 4%, with decreases posted for all asset types except office, which remained stable at 4.4%.

Industrial

The already bustling industrial sector found another gear in the third quarter of 2021, as investment volume increased 79% quarter-over-quarter to \$2.5 billion (representing 36% of the GTA total). The sector's year-to-date total of nearly \$5.4 billion already exceeds 2020's record-breaking full-year tally of \$4.6 billion as low availability, the restricted pace of new supply and rapidly rising rental rates serve to intensify investor demand for this asset class. The quarter's high investment volume was boosted by the GTA's largest transaction of the quarter overall – the sale of a 25-property, 2.3-million-



4%

Average cap rate for all asset types GTA-wide – down 10 bps quarter-over-quarter and 30 bps year-over-year



\$2.5B

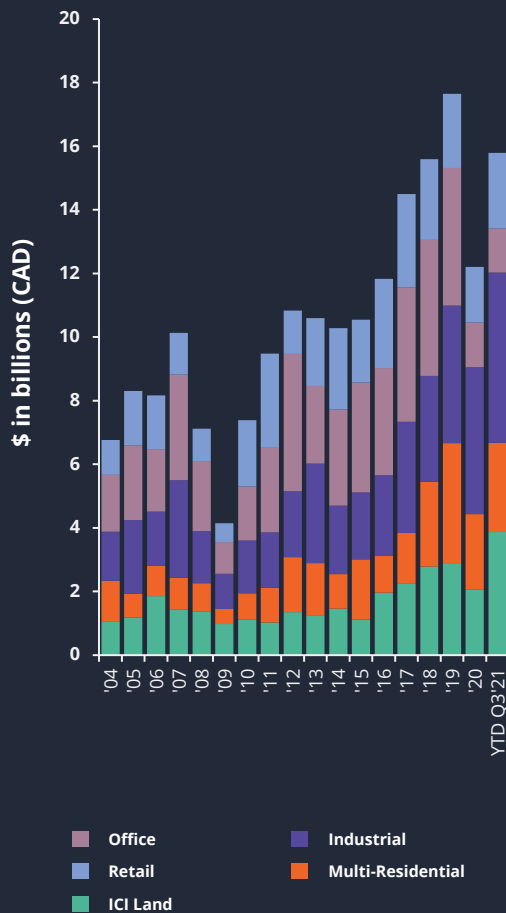
Total industrial investment sales in the third quarter – accounting for 36% of total GTA investment



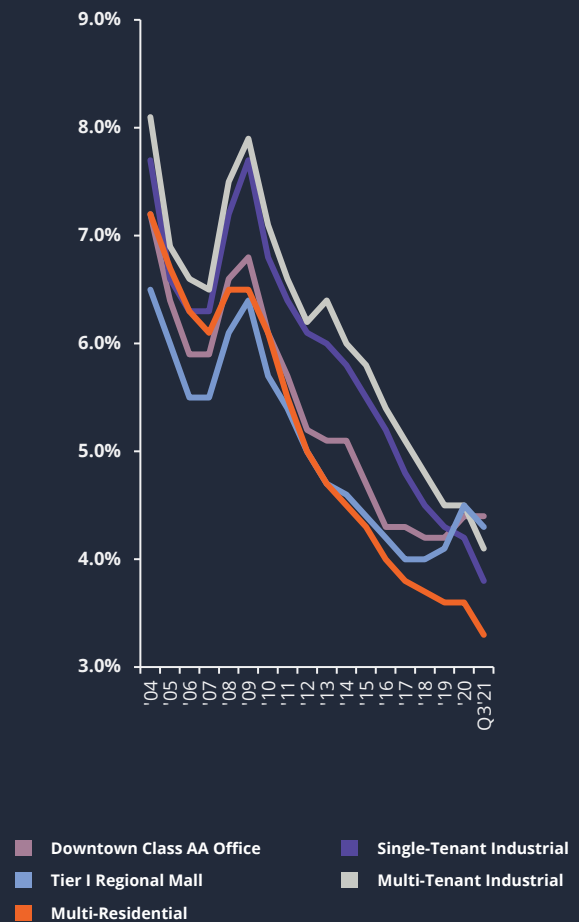
\$15.8B

GTA-wide investment sales year-to-date – up 93% compared with the same period in 2020

GTA Investment Volume



GTA Select Capitalization Rates



\$207.1M

Suburban assets accounted for the third quarter's largest office transactions, led by the sale of Steeles Technology Campus for \$338 psf



square-foot (msf) portfolio by Artis REIT to Pure Industrial Real Estate Trust for nearly \$697 million. Nearly half a billion dollars worth of assets changed hands in each of Brampton and Mississauga as Peel was the GTA's top region by dollar volume during the quarter, with 41% of the overall total.

ICI Land

The GTA's ongoing development boom continues to drive demand for ICI land from developers and investors. Dollar volume was down just 5% compared with the second-quarter result – which was an all-time quarterly high – as third-quarter transactions totaled nearly \$1.5 billion (21% of GTA total). The sector's year-to-date total of nearly \$3.9 billion is already \$1 billion higher than the previous full-year record volume of \$2.9 billion, set in 2019. The sector's largest transaction of the quarter was the sale of 5244 Tremaine Rd. in Milton – a 199-acre vacant site, currently zoned for agricultural use – by Triple Net Realty to Anatolia Group for nearly \$831,000 per acre. For comparison, the vendor had purchased the property in 2015 for \$79,000 per acre. Peel was the GTA's most active region by dollar volume, with 44% of the overall total. In all, 4,842 acres changed hands during the quarter as Peel,

Durham, York and Halton accounted for approximately one quarter each.

Multi-Residential

Demand for housing remains strong across the GTA, and a limited supply of assets continues to make the multi-residential sector a highly sought-after asset type. Multi-residential investment volume totaled \$1.3 billion during the third quarter (19% of the GTA total) – up 65% quarter-over-quarter and 133% compared with the third quarter of 2020. The sector's year-to-date tally of nearly \$2.8 billion already exceeds 2020's full-year figure, along with every previous annual result except the \$3.8-billion record set in 2019 – putting a new record well within reach by year-end. The sale of the two-building Weston Common complex was the quarter's largest transaction, as the 841-unit mixed-use asset was purchased by Dream Unlimited from Rockport Group for nearly \$402,000 per unit.

Retail

Investment in the retail sector increased 33% quarter-over-quarter to \$961 million – marking the fifth consecutive quarterly increase – for a year-to-date total of nearly \$2.4 billion. Quarterly dollar volume was up 181% compared with the third quarter of

2020. Deal activity also increased, as the number of retail transactions during the third quarter (and year-to-date) was second only to the industrial sector. The largest transactions of the quarter featured a variety of non-enclosed shopping centres, but the list was topped by automotive dealerships – including the four-asset, \$102-million portfolio sold by Pfaff Automotive Partners to Lithia Motors (at an aggregate price of \$650 per square foot (psf)) and the sale of a 3.7-acre dealership in North York for \$40 million.

Office

The least-traded asset class for a seventh consecutive quarter, office investment made up just 10% of total GTA dollar volume but nevertheless rose 95% quarter-over-quarter and 192% year-over-year to \$680 million as investors continue to assess their confidence in long-term tenant demand. With slightly less than \$1.4 billion in assets traded year-to-date, the sector has been the GTA's quietest during 2021, but was bolstered by the sale of a 95% interest in the 645,000-sf Steeles Technology Campus as suburban assets once again accounted for four of the five largest transactions during the quarter.

Significant Transactions by Sale Price

Sector				
Office	Total Price	Price psf	Purchaser	Vendor
Steeles Technology Campus (95% interest)	\$207,100,000	\$338	Crestpoint Real Estate Investments / North American Development Group / Hazelview Investments	Crestpoint Real Estate Investments (on behalf of institutional investor)
2095 Matheson Blvd. E.	\$54,225,000	\$895	Colonia Treuhand	Montez Corp.
1415 Joshuas Creek Dr.	\$32,650,000	\$378	Canadian Urban	Carttera
1125 Leslie St.	\$30,000,000	\$492	Downing Street Group	Angus Systems Group
59 Hayden St., Units 400-600	\$27,250,000	\$694	Fidelity Property Management	Cresford Developments
Industrial	Total Price	Price psf	Purchaser	Vendor
Artis REIT – PIRET Portfolio	\$696,780,000	\$298	Pure Industrial Real Estate Trust	Artis REIT
Carttera – LaSalle Portfolio	\$183,011,721	\$302	LaSalle Investment Management	Carttera
7400 & 7420 Bramalea Rd.	\$90,175,000	\$275	Pure Industrial Real Estate Trust	The Everlast Group
1160 & 1170 Birchmount Rd.	\$78,500,000	\$216	Soneil Investments	North Bridge Investment Management
KingSett – Berkshire Axis Portfolio	\$61,100,000	\$233	Berkshire Axis	KingSett Capital
Retail	Total Price	Price psf	Purchaser	Vendor
Pfaff Automotive – Lithia Motors Portfolio	\$101,692,045	\$650	Lithia Motors	Pfaff Automotive Partners
1671 Eglinton Ave. E., 24 & 30 Mobile Dr.	\$40,000,000	\$1,126	Weins Canada	Parkway Automotive Investments
170 North Queen St.	\$31,500,000	\$387	Memory Express	Beaux Properties
325 Moore Ave.	\$30,300,000	\$2,282	Choice Properties REIT	1259909 Ontario Inc.
Milton Square	\$25,880,000	\$330	1195 Maple Holdings Inc.	Rock Developments
Multi-Residential	Total Price	Price per unit	Purchaser	Vendor
Weston Common	\$338,000,000	\$401,902	Dream Unlimited	The Rockport Group
330 Spadina Rd.	\$110,000,000	\$780,142	CAPREIT	330 Spadina Road Inc.
30 Tichester Rd., 1531, 1535 & 1539 Bathurst St.	\$81,000,000	\$361,607	Hazelview Investments	Starlight Investments
2, 6, 7 & 8 Park Vista Dr. (50% interest)	\$72,097,707	\$390,773	CAPREIT	PVP Realty
1287 Costigan Rd.	\$62,550,000	\$595,714	Realstar Group	T. Valeri Construction
ICI Land	Total Price	Price per acre	Purchaser	Vendor
5244 Tremaine Rd.	\$165,000,000	\$830,941	Anatolia Group	Triple Net Realty
688 Southdown Rd.	\$125,000,000	\$1,364,599	Moldenhauer Corp.	Petro-Canada Lubricants
12210, 12280 & 12304 Heart Lake Rd.	\$106,592,400	\$1,157,217	Broccolini	Private individual(s)
Heart Lake Rd.	\$92,211,000	n/a	Berkshire Axis / Fiera Real Estate	Emery Investments
16 Lesmill Rd. & 840-842 York Mills Rd.	\$67,500,000	\$4,620,317	Nicola Wealth / Northbridge Capital	SmartCentres

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