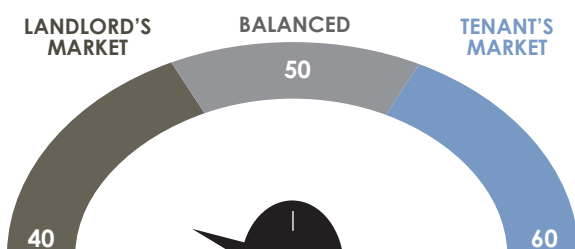


41

An index of 41 indicates that we are in a **Landlord's market**.



THE ELLINGTON INDEX is designed to take into consideration a variety of factors that influence the market. We do this on a quarterly basis. The higher the individual factor is ranked means it influences the overall market in a positive way for the tenant or in other words, contributes to a "Tenant's Market". Conversely the lower the rank, the more the factor contributes to it being a "Landlord's Market"

ELLINGTON INDEX - FACTORS/VALUES		RANK
Current Availability Rate (GTA)	8.7% ▼	4
Current Availability Rate (Downtown)	4.1% ▼	4
Change Availability Rate since last Quarter (DT)	0.2% ▼	4
Available Sublet Space - % of Direct Space (DT)	0.8% ▼	4
New Supply (buildings under construction) (DT)	17 ▼	4
Space Leased since last Quarter (DT)	93,096 sf	4
Tenant Confidence (DT)	Medium	5
Landlord Confidence (DT)	Strong	3
Forecasted Rental Rates over next 3 months (DT)	Slight increase	4
Tenant Deal Velocity in Market (DT)	Medium	5
<b>TOTAL</b>		<b>41</b>

## Why Do Companies Continue to Move Downtown?

Over the past few years, rental rates have increased significantly in the Downtown markets; yet companies have chosen to remain or relocate there, even though suburban rents have remained relatively flat and the price gap continues to widen.

Some reasons that Downtown is appealing include:

- Attraction and retention of employees**
  - People under 30 want to live near their workplace and be close to amenities; owning a car is not a priority
  - 30 to 40 year olds, while pursuing home ownership in the GTA and beyond, want to minimize travel distance and Downtown is a good central location.
- Transit:** Public transit ridership has and continues to increase for both GO Transit and the TTC
  - In 2019 daily ridership on the TTC was 1.62M riders
  - Approximately 1.3M used the subway
  - The busiest streetcar/bus is the 504 King streetcar - 56,700 riders/day
  - In 2019, GO daily ridership was 276,500
- Real Estate Footprint:** In order to offset a higher rental cost/sf, companies continue to reduce the amount of space allocated to each employee
- Location:** Companies want to be close to suppliers, clients and events

## NOTABLE TRANSACTIONS - Q4, 2019

TENANT	ADDRESS	SIZE (SF)
Loblaws Companies	500 Lakeshore Blvd. W	160,989
Morneau Shepell	16 York Street	118,112
Health & Safety Innovation	5110 Creekbank Rd.	101,610
Konrad Group	486 Front St. West	92,350
Financeit	8 Spadina Ave.	50,000
Little Canada	10 Dundas St. East	40,000
Polar Financial	16 York Street	29,528
Kruger Products	208 Prologis Blvd.	26,060
Mulvey & Banani	90 Sheppard Ave. E	28,000
OSL	5090 Orbitor Drive	26,784
City of Toronto	30 Adelaide St. East	24,370