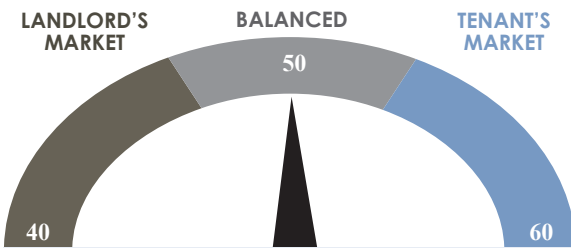


51

An index of 50 indicates that we are in a **Balanced Market**



THE ELLINGTON INDEX is designed to take into consideration a variety of factors which 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)	9.3% ▲	4
Current Availability Rate (Downtown)	5.6% ▲	4
Change Availability Rate since last Quarter (DT)	1.0% ▲	4
Available Sublet Space - % of Direct Space (DT)	1.5% ▲	4
New Supply (buildings under construction) (DT)	17 ◀▶	4
Space Leased since last Quarter (DT)	813,206 sf ▲	4
Tenant Confidence (DT)	Weak ◀▶	9
Landlord Confidence (DT)	Medium ◀▶	5
Forecasted Rental Rates over next 3 months (DT)	Decreasing ▼	5
Tenant Deal Velocity in Market (DT)	Low ◀▶	8
TOTAL		51

2020 - What Do We Expect in the Office Market?

- Generally, back to work won't begin until September, and even then, only 20-30% of staff are expected to work at the office. As we get closer, that date may start to slide to a later point in the year
- We won't be getting back to work in a meaningful way until the teachers and students are both at school and daycares are open at higher capacities
- We expect the supply of sublet and direct office space to increase and rental rates will start to decline by a greater extent, especially in the Downtown market
- Rental rents will decrease partly because i) government support will end and ii) the unemployment rate of 12% will negatively affect the overall demand for goods and services
- Working from home will take away any demand for additional office space for the next 6-12 months
- Transit and elevators - these 2 items will continue to inhibit even a 50% return to the office.

NOTABLE TRANSACTIONS - Q2, 2020

TENANT	ADDRESS	SIZE (SF)
MaRS	125-155 Queens Quay E	54,577
Simply Green	2225 Sheppard Ave. E	19,900
Ogilvy*	2 Bloor St. East	16,532
Vision Critical	365 Bloor St. East	16,162
Walker Industries	603 Michigan Drive	15,000
City of Toronto**	625 Church Street	14,923
Mother Parkers*	191 The West Mall	14,982
Clubrunner*	2060 Winston Park Dr.	10,500
Canadian Orthodontic Partners	401 The West Mall	9,621

*Sublet
**Renewal