



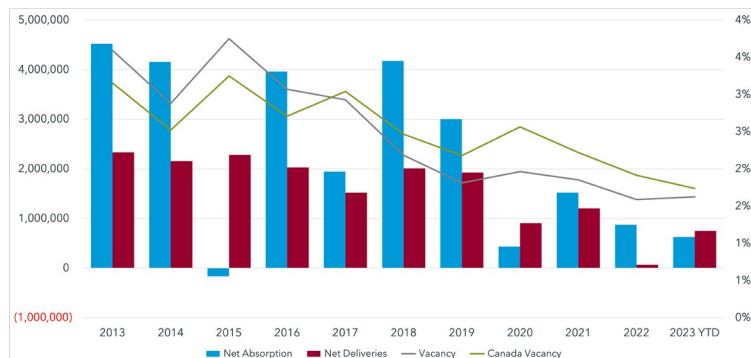
RETAIL MARKET OVERVIEW

LUIS ALMEIDA, SIOR, *Executive Vice President, Partner*

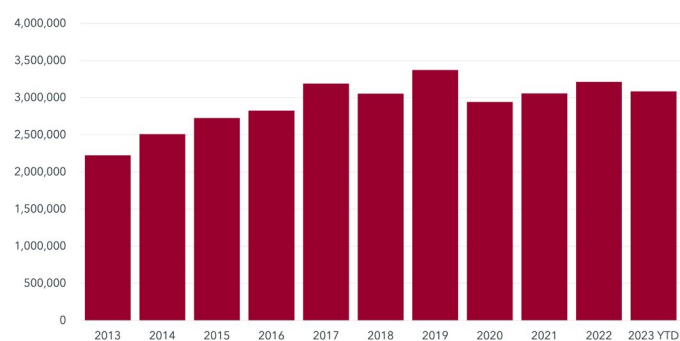
Toronto's retail market was on the path to recovery in Q3 2023, despite pandemic-induced economic uncertainties and shifting consumer behaviors. Challenges and shop closures were observed in both the downtown core and foot traffic-dependent storefronts. However, the gradual reopening of offices and the resurgence of tourism have begun to fill these spaces with restaurants, fitness centers, and wellness services. Limited available space is presenting challenges for tenants, especially those in need of mid-sized and prime corridor locations in the GTA. In addition, retail investments have slowed due to the impact of rising interest rates and high inflation on the sector's attractiveness, with expectations of increasing cap rates in the near future.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▲ 12 Mo. Net Absorption SF	922,228	856,255	1,078,665	874,670	650,571
▼ Vacancy Rate	1.6%	1.7%	1.7%	1.6%	1.7%
▼ Avg NNN Asking Rate PSF	\$34.87	\$34.89	\$34.50	\$34.25	\$33.90
▲ SF Under Construction	3,110,064	2,619,661	2,940,249	3,223,785	3,359,550
▲ Inventory SF	303,943,610	303,876,447	303,471,692	303,194,366	303,158,929

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
1170 Martin Grove Road Toronto, ON	195,638 SF	\$49,475,000 \$252.89 PSF	Sun Commercial Real Estate Gistex, Inc.	Single-Tenant
1095 Kingston Road Pickering, ON	86,782 SF	\$27,000,000 \$311.12 PSF	Plazacorp Investments Ltd. Ontario Superior Court of Justice	Multi-Tenant
20 Maritime Ontario Boulevard Brampton, ON	64,234 SF	\$1,250,000 \$19.46 PSF	Shabnam Preetkaur Undisclosed	Multi-Tenant

*All numbers shown are in Canadian dollars (CAD)

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
162 Queen Street North Toronto, ON	45,000 SF	SmartCentres Real Estate Investment Trust	Sport Chek	Sporting Goods
162 Queen Street North Toronto, ON	25,000 SF	SmartCentres Real Estate Investment Trust	Mark's	Apparel and Accessories
33 Yonge Street Toronto, ON	22,564 SF	GWL Realty Advisors	Undisclosed	Undisclosed

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