# Greater Toronto Market Overview
# April 2009

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# Boring is Sometimes Better

## Soundest Banking Systems

- Canada (1)
- Sweden (2)
- Luxembourg (3)
- Australia (4)
- Denmark (5)
- France (19)
- Botswana (38)
- Germany (39)
- United States (40)
- Japan (93)

Source: The World Economic Forum's Global Competiveness Report

## World's Safest Banks

1. KfW (Germany)
2. Caisse des Depots et Consignations (France)
3. Bank Nederlands Gemeenten (Netherlands)

10. Royal Bank of Canada

14. TD Bank

23. Scotiabank

33. Bank of Montreal

43. CIBC

Source: Global Finance magazine

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# Toronto’s Competitive Ranking

*Scorecard on Prosperity*

- Calgary (1)
- Dallas (2)
- Hong Kong (3)
- Toronto (4*)
- Boston (4*)
- London (4*)
- New York (4*)
- Vancouver (8*)
- Seattle (8*)
- Quebec City (10)

Source: Toronto Board of Trade

*Competitive Alternatives: Focus on Tax*

- San Juan, US (1)
- Puebla, MX (2)
- Guadalajara, MX (3)
- Vancouver (4)
- Monterrey, MX (5)
- Montreal (6)
- Toronto (7)
- Baltimore (8)
- Atlanta (9)
- Melbourne (10)

Source: KPMG

*Livable Cities*

- Vancouver (1)
- Melbourne (2)
- Vienna (3)
- Perth (4)
- Toronto (5)
- Helsinki (6)
- Adelaide (7*)
- Calgary (7*)
- Geneva (9*)
- Sydney (9*)
- Zurich (9*)

Source: The Economist

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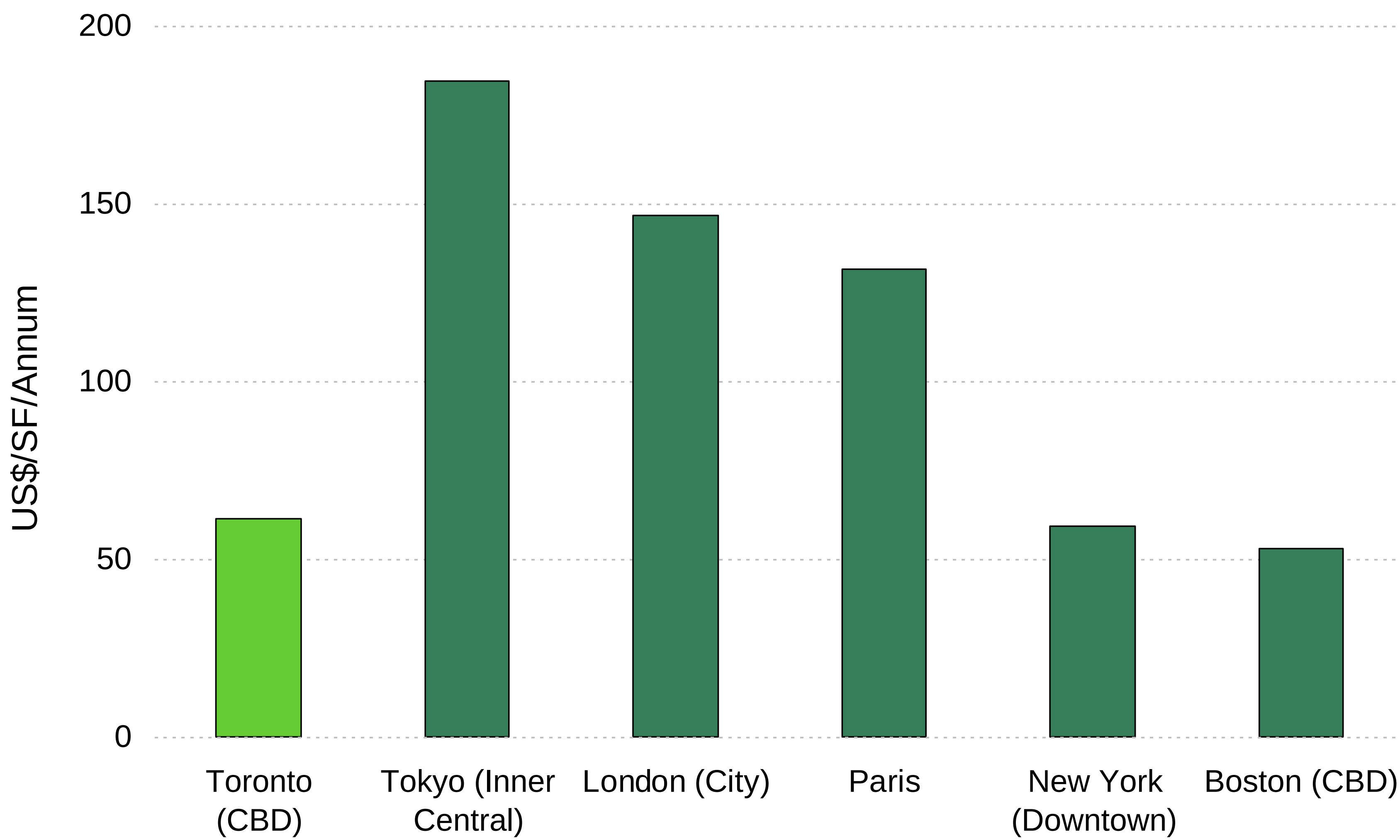
# Office Market Overview

# Toronto's Competitive Environment – Occupancy Costs




Source: CB Richard Ellis

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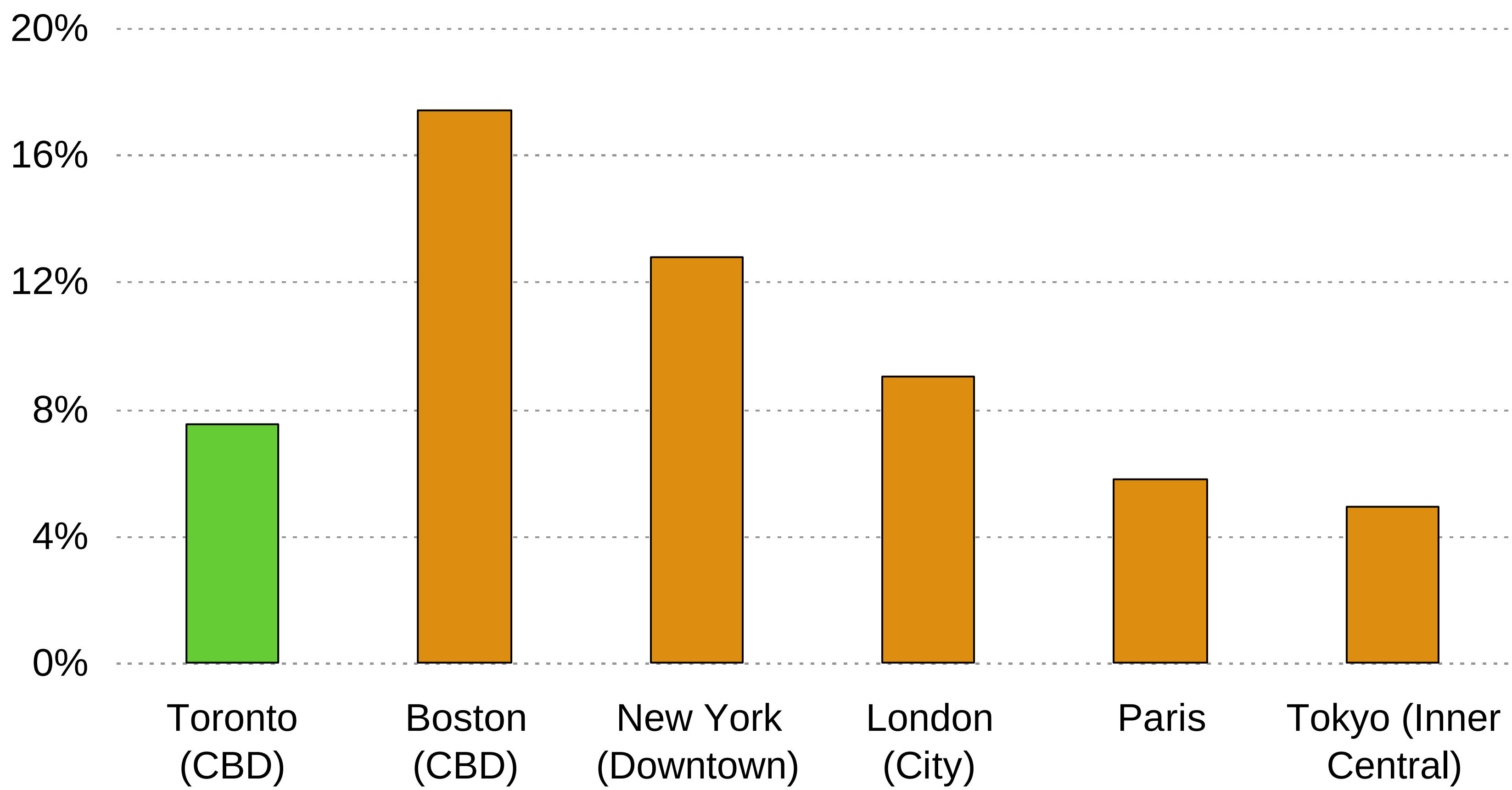
# Toronto's Competitive Environment – Office Vacancy




Source: Real Capital Analytics

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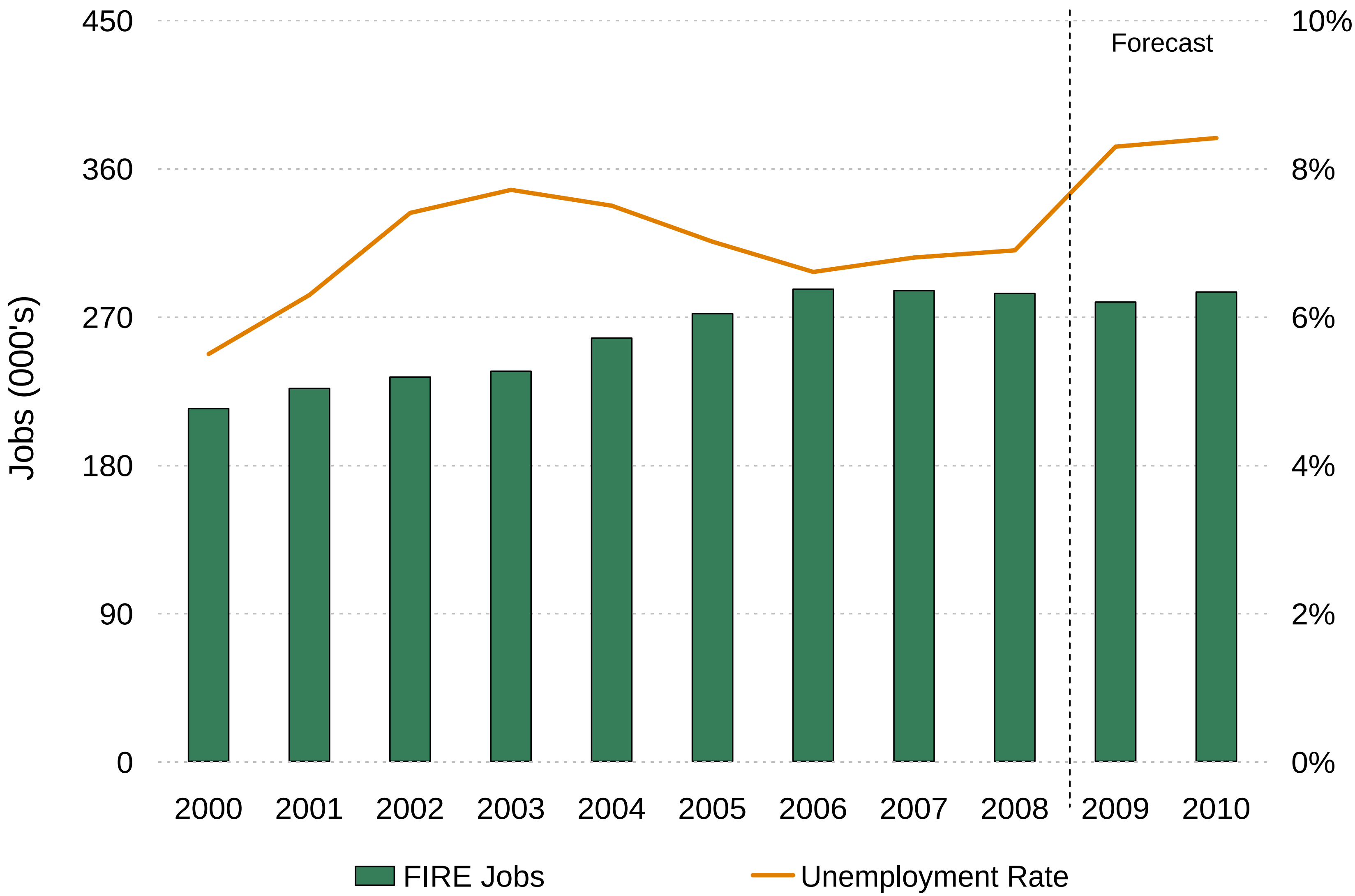
# GTA Unemployment Expected to Climb




Source: Conference Board of Canada

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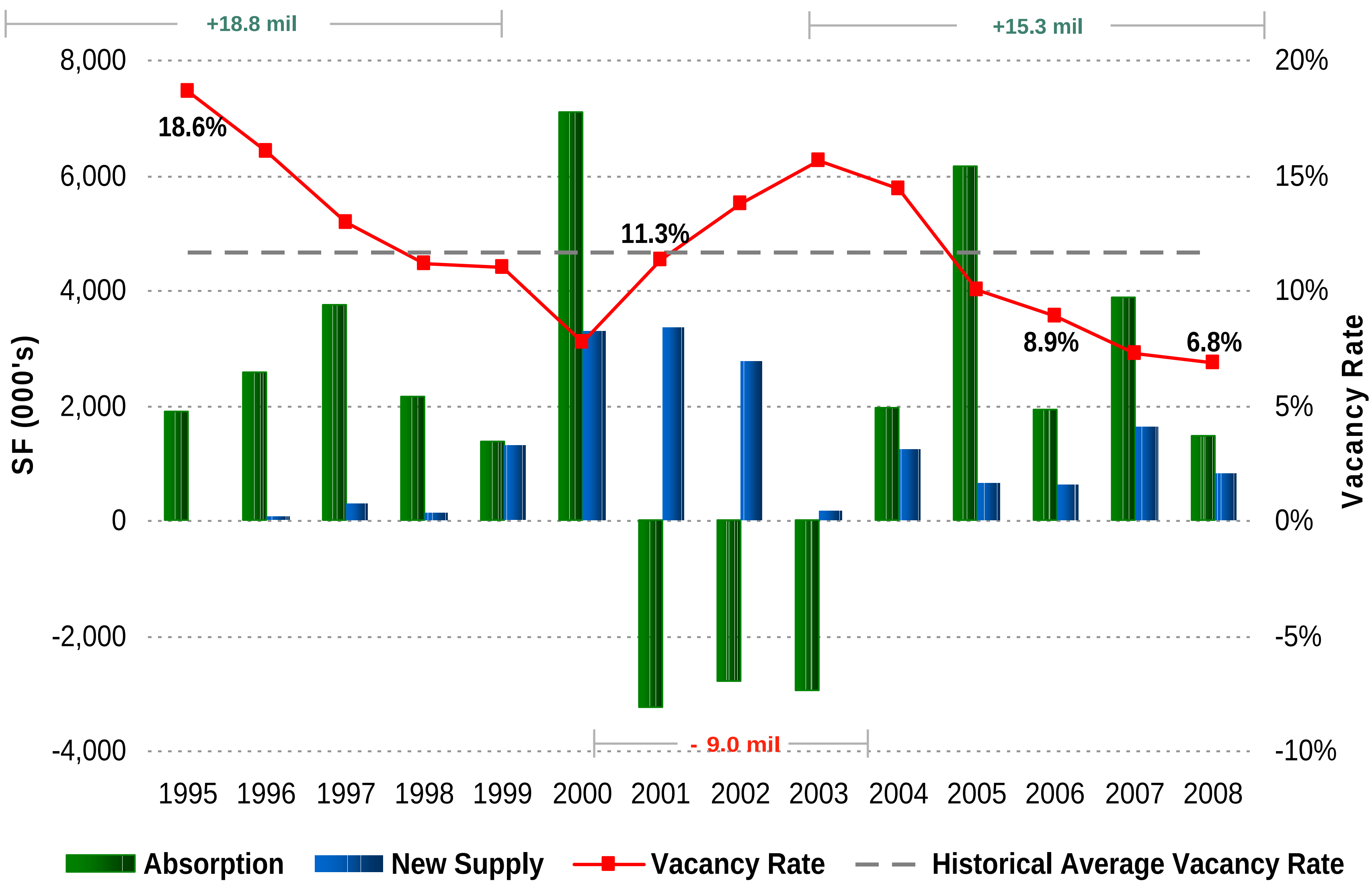
# GTA Office Supply & Demand (All Classes)




1995 GTA Inventory – 99.6 million SF

2008 GTA Inventory – 141.9 million SF

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# Toronto Downtown – Major ‘New’ Office Buildings

71% preleased

| | Bay-Adelaide Centre | RBC Centre | TELUS Tower | 18 York Street |
|---|---|---|---|---|
| |  4Q 09 |  4Q 09 |  4Q 09 |  3Q 11 |
| Rentable Area (SF) | 1,100,000 | 1,200,000 | 780,000 | 641,000 |
| Typical Floor Size (SF) | 23,000 – 25,300 | 25,000 – 48,000 | 27,500 | 26,500 |
| Floors | 51 | 41 | 30 | 26 |
| Net Rent (psf) | Low Rise $36.00 NET, YRS 1-10 | $29.50 NET, YRS 1-10 | YRS 1-5: $34.00 NET<br>YRS 6-10: $37.00 NET | YRS 1-5: $31.00 NET<br>YRS 6-10: $34.00 NET |
| Additional Rent (psf) | $27.64 (2009) | $22.29 (2009) | $22.00 (2009) | $23.42 (2011) |
| Tenant Allowance (psf) | N/A | N/A | $40.00 | $25.00 |
| Lead Tenants (SF) | KPMG 303,000<br>GOODMANS LLP 182,000<br>FASKENS 166,000<br>HEENAN BLAIKIE 120,000<br>BROOKFIELD/ BROOKFIELD ASSET MANAGEMENT 71,000<br>ASAP MARKETING 10,000 | RBC & RBC DEXIA 767,000<br>FAIRMONT RAFFLES HOTELS 77,000<br>BUCK CONSULTANTS 50,000 | TELUS 440,000<br>KINROSS GOLD 82,000<br>ACE INSURANCE 54,800<br>SMA 27,500<br>KWA 14,000 | PRICEWATERHOUSECOOPERS 280,000 |
| Leased | 78% | 75% | 79% | 44% |
| Parking Ratio | 1:2,500 SF | 1:2,000 SF | 1:2,900 SF | 1:3,200 SF |
| Completion Date | Q4 2009 | Q4 2009 | Q4 2009 | Q3 2011 |

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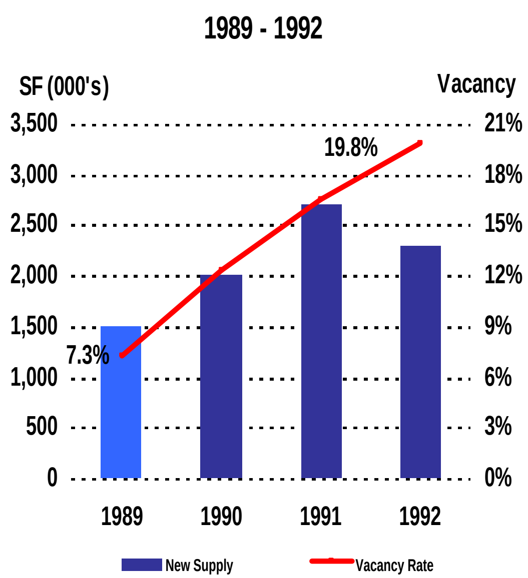
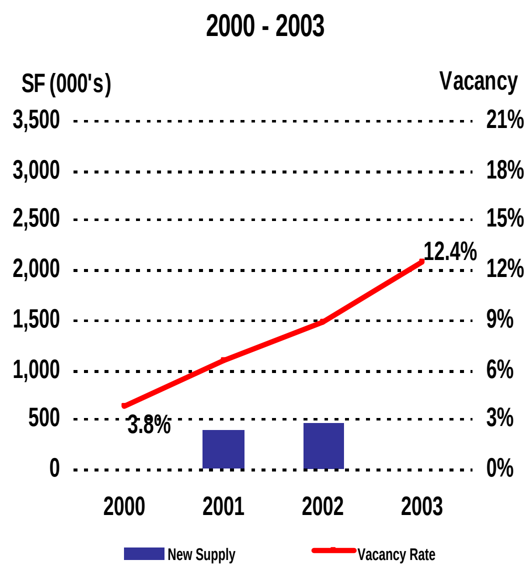
# Toronto Downtown New Supply & Vacancy Rate

| CLASS A | '90 - '92 | '01 – '03 | '09 – '11 |
|---|---|---|---|
| Vacancy Rate at beginning of downturn | 7.3% ('89) | 3.8% ('00) | 3.7% ('08) |
| Vacancy Rate at end of downturn | 19.8% ('92) | 12.4% ('03) | 19.0% (2011)* |
| New Supply (SF) (year preceding the downturn) | 1,500,000 | 0 | 80,000 |
| New Supply (SF) | 6,900,000 | 840,000 | 4,600,000 |

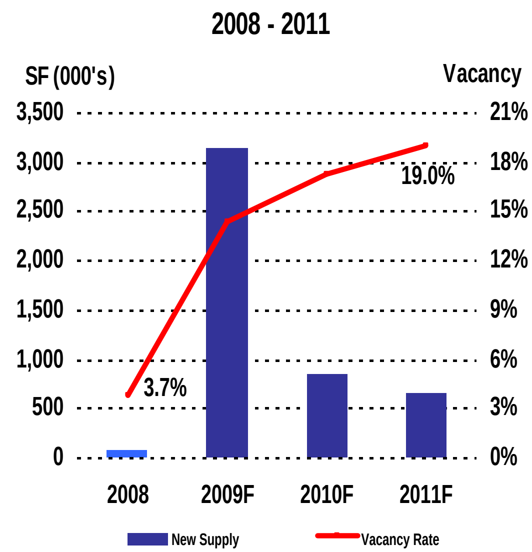
*** Projected Vacancy Rate**




**1992 Toronto Downtown Inventory – 49.5 million SF**




**2003 Toronto Downtown Inventory – 59.5million SF**




**2011 Toronto Downtown Projected Inventory 64.6 million SF**

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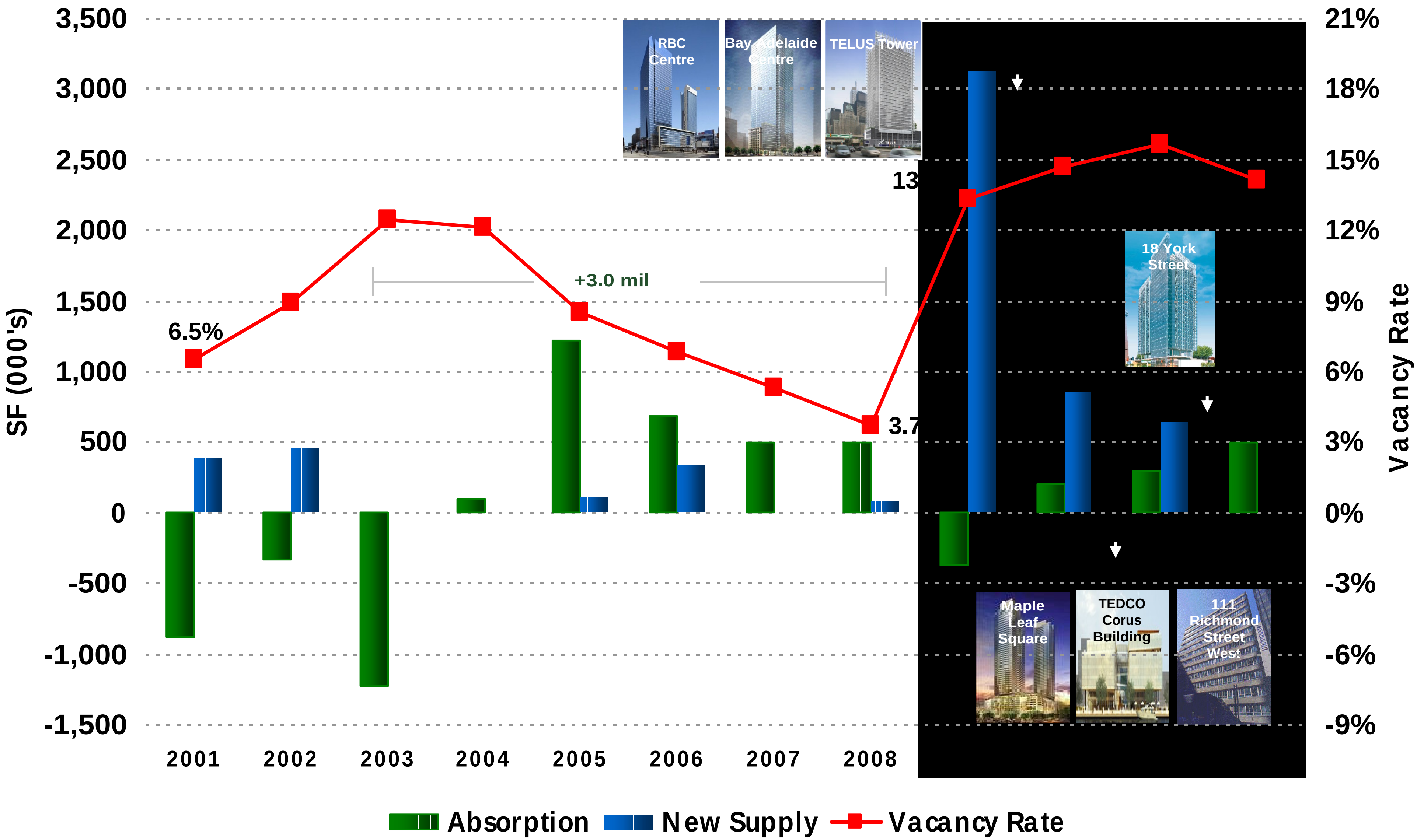
# Toronto Downtown Class A Office Supply & Demand




2008 Class A Inventory – 34.6 million SF     2011 Class A Inventory - 39.2 million SF

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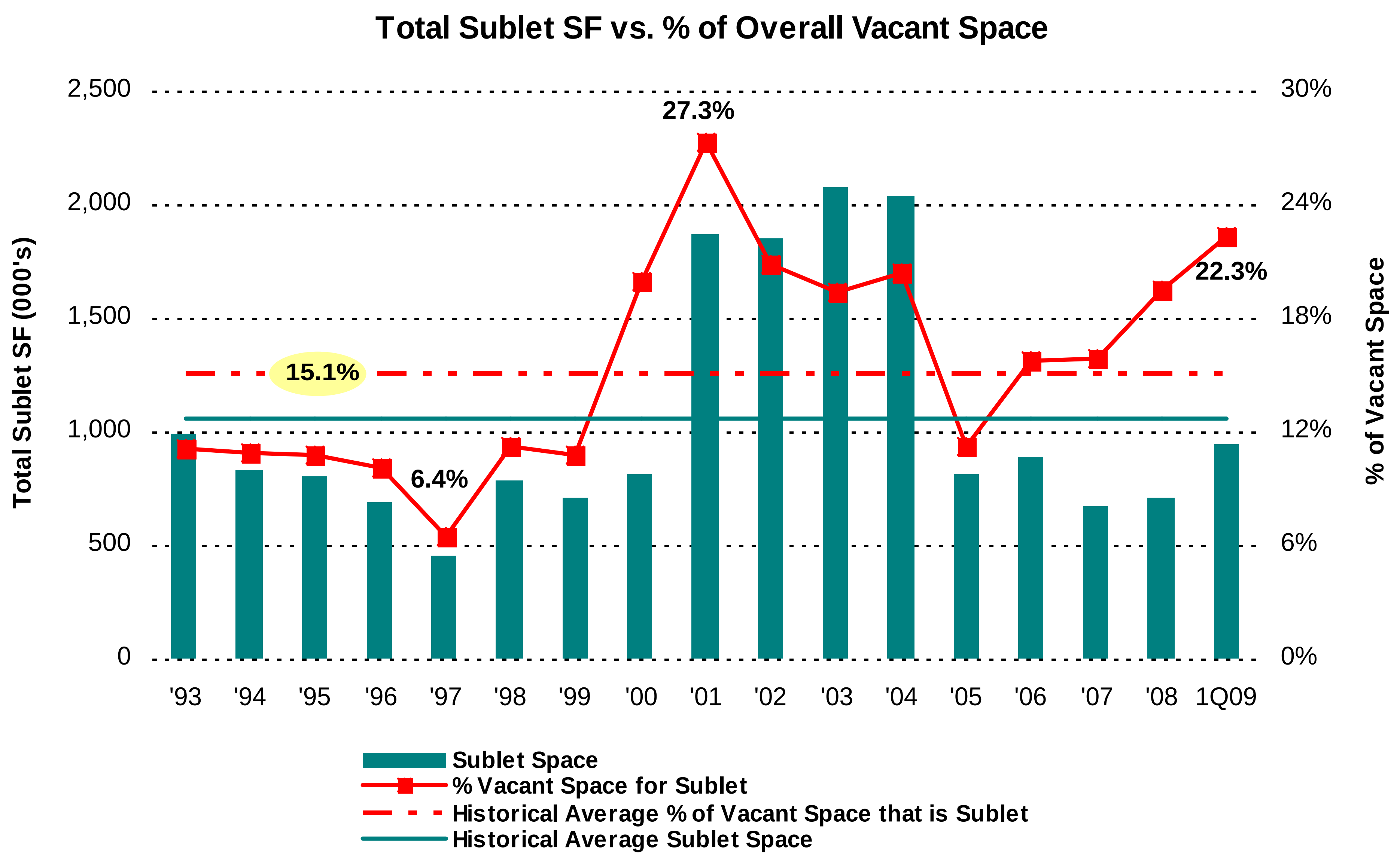
# Toronto Central Market - Historical Sublet Analysis




Toronto Central Market (Downtown & Midtown) – 74.5 million SF

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