



GTA West Office Market Report

3rd Quarter 2009



Intelligent
Real Estate Solutions

• Airport Corporate Centre • Airport East • Airport North • Airport West • Bloor & Islington • Brampton • Burlington
• Cooksville • Etobicoke North • Etobicoke South • Heartland • Hwy. 427 Corridor • Meadowvale
• Mississauga City Centre • Mississauga Dispersed • Oakville • Sheridan

Office Market Overview

▪ The third quarter showed further softening of the GTA West office market as the overall vacancy rate for office properties increased by 120 basis points (bps) to 11.9%. Class A space also saw an increase in the vacancy rate as it jumped by 140 bps to reach 12.4%. Part of the increase in the vacancy rate can be attributed to the completion of three new buildings located in both the Heartland and Meadowvale submarkets. These recent completions account for the addition of approximately 228,700 square feet (sf) of new inventory.

▪ Weak absorption figures for the recent quarter contributed to the increase in vacancy and availability in the GTA West. There was negative absorption this quarter of approximately 278,069 sf, bringing the year to-date decline in occupied space to just over 1.0 million sf

▪ The Mississauga City Centre and Meadowvale submarkets have remained relatively resilient throughout the year and now stand as the only two major submarkets in the GTA West to have a class A availability rate under 10%. In comparison, the previous quarter saw four of the major submarkets with class A availability rates in the single digits. The Mississauga City Centre has an availability rate of 9.1% for class A space, while Meadowvale is slightly lower at 8.0%. However, the strength of the City Centre market may be threatened as a number of major tenants have leases expiring in the next few years which total approximately one million square feet.

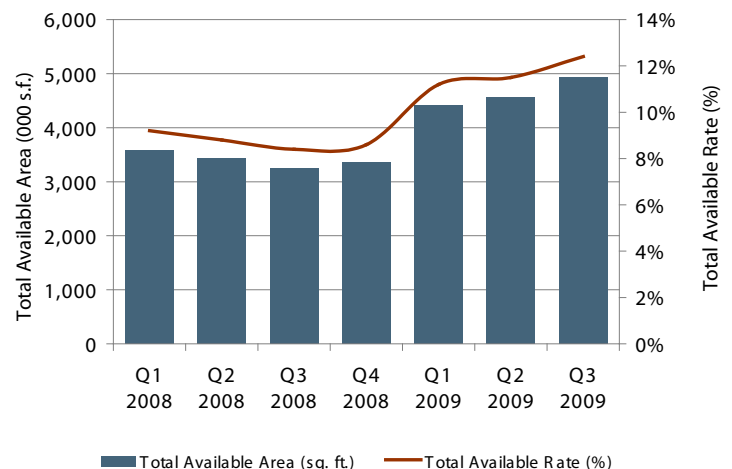
▪ The overall average net asking rate for the GTA West continues to fall, down \$0.05 to \$14.46 per square foot (psf). Since the start of 2009 the average asking rate has decreased by \$0.30 psf – an average decline of approximately 0.68% per quarter. It is expected that this trend will continue throughout the remainder of the year.

▪ The sale of 2121 Argentia Road by GE Canada in the Meadowvale submarket was the largest office transactions this quarter. The 61,200 sf building traded at a price of \$9.9 million, representing a price per square foot of \$162.

GTA WEST CLASS A SUMMARY

Historical Vacancy		Current		Forecast		Inventory
12 Months Ago	3 Months Ago	Vacant Rate	Change in Occupied Area from Last Quarter	Vacant Rate	Asking Rate	Change from Last Quarter
6.4 %	11.0 %	12.4 %	-115,948 sq. ft.	↑	↓	228,720sq. ft.

GTA WEST AVAILABILITY TRENDS



Office Market Trends - Class "A"

	Previous Quarter	Current Quarter
Average Asking Rental Rate	\$16.32 psf	\$16.19 psf
Average Additional Rent	\$12.85 psf	\$12.84 psf
Vacancy Rate	11.0 %	12.4 %
Total Office Inventory (000's)	22,878 sf	23,107 sf

AVISON YOUNG EXCLUSIVE LISTING

New Flex Office Space For Lease

75 Courtneypark Drive West, Mississauga

Ready for Tenant Fixturing - 50% Leased !!

Remaining gross floor area approx. 35,550 sq. ft.

Divisible to suit.



SIGNIFICANT LEASE TRANSACTIONS

ADDRESS	TENANT	SIZE
1375 Kerns Road, Burlington	L3 Communications	35,000 sq. ft.
5600 Cancross Court, Mississauga	Aecom/UMA	24,000 sq. ft.
5055 Satellite Drive, Mississauga	Global Live	23,000 sq. ft.
710 Dorval Drive, Oakville	Open Solutions Datawest inc.	14,900 sq. ft.

COMPARISON OF LEASING OPTIONS FOR TENANTS CLASS "A"

Nodes	AVAILABLE SPACE				AVAILABILITY RATE		
	Number of Buildings Available	Number of Buildings With More Than 50,000 sq. ft.	Number of Buildings With More Than 10,000 sq. ft.	Number of Buildings Between 4,000-10,000 sq. ft.	Direct %	Sublet %	Total %
Airport Corporate Centre	40	6	17	15	13.6	5.0	18.6
Airport East	6	2	4	5	25.3	4.2	29.5
Airport North	3	0	1	0	0.0	5.1	5.1
Airport West	1	0	0	0	1.9	2.6	4.5
Bloor & Islington	3	0	2	3	1.6	6.8	8.4
Brampton	7	0	1	1	2.3	11.1	13.4
Burlington	20	2	7	12	14.6	1.5	16.1
Cooksville	2	0	0	0	3.3	0.0	3.3
Dixie and Eglinton	21	0	1	0	0.5	0.4	0.9
Etobicoke North	2	0	0	0	2.3	1.2	3.5
Etobicoke South	1	0	0	0	5.4	1.9	7.3
Heartland	22	2	11	6	5.8	7.3	13.1
Highway 427 Corridor	4	0	3	2	6.0	4.4	10.4
Meadowvale	27	2	8	6	6.3	1.6	8.0
Mississauga City Centre	13	2	4	7	8.4	0.7	9.1
Oakville	21	0	10	13	9.2	3.6	12.8
Sheridan	5	0	2	0	16.0	0.0	16.0

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