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Media Release

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Editors/Real Estate Reporters

· Please click here to view Avison Young's Q4 2010 Greater Toronto Area West Office Market Report:
http://www.avisonyoung.com/library/pdf/Mississauga/Research/GTA_West_Office_Report_Q4-2010_Final_Email_1.pdf

Greater Toronto Area West office availability and vacancy rates retreat as 2010 finishes strongly

Avison Young releases its Q4 2010 Greater Toronto Area West Office Market Report

Toronto, ON – The Greater Toronto Area (GTA) West office market finished 2010 in better shape than it started, with availability and vacancy rates ending their upward trend and, instead, beginning to decline. Although the availability and vacancy rates are still higher than one year ago, they have begun to edge downward thanks to an uptick in leasing activity – positive signs for the recovery taking place in the market.

These are some of the key trends noted in **Avison Young's Q4 2010 Greater Toronto Area West Office Market Report**, released today.

According to the report, the vacancy rate (physically unoccupied space) in the GTA West market crept downwards by 10 basis points (bps) over the course of the fourth quarter to close the year at 12.9%. This rate is 240 bps higher compared with the previous year's figure, but nevertheless represents a decline from the preceding two quarters. The availability rate (space marketed for lease), meanwhile, saw a more substantial drop of 100 bps in the last quarter of the year, ending 2010 at 14.3%; however, this level exceeds last year's mark by 210 bps.

"When you strip out the amount of sublet office space, the market is in much better shape, displaying a landlord direct availability rate just shy of 11%," notes **Bill Argeropoulos**, Vice-President and Director of Research (Canada) for Avison Young. "Sublet space is one metric that reflects the overall health of a market. After peaking at 1.5 million square feet (msf) mid-way through 2010, this figure is on the verge of falling below 1 msf for the first time in more than a year – an encouraging sign."

One of the most established and prestigious suburban office nodes, the Airport Corporate Centre, continues to display an overall availability rate of almost 24%. In contrast, the Meadowvale market, which witnessed a considerable amount of new office development during the economic downturn, is in the 11% range.

The report goes on to note that elevated availability and vacancy rates and flagging demand have held rental rates relatively in check. The average asking net rental rate for all asset classes in the GTA West market rose only marginally through 2010, ending the year at \$14.24 per square foot.

“Induced by attractive rental rates and new product opportunities, tenants in the GTA West office market are definitely creating increased velocity,” adds **Martin Dockrill**, Avison Young Principal and Managing Director of the Mississauga office. “Save for the Airport Corporate Centre, which has a significant tenant base still impacted by a slow U.S. recovery, this may be the beginning of the end of the tenant’s market in the GTA West.”

Founded in 1978, Avison Young is Canada's largest independently-owned commercial real estate services company and the only national, Canadian-owned, principal-managed real estate brokerage firm in the country. Headquartered in Toronto, Ontario and ranked among Canada's leading national commercial real estate organizations, Avison Young is a full-service commercial real estate company comprising more than 700 real estate professionals in 23 offices across Canada and in the U.S. The company provides value-added, client-centric investment sales, leasing, advisory, management, financing and mortgage placement services to owners and occupiers of office, retail, industrial and multi-residential properties.

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