



CANADIAN OFFICE MARKET UPDATE

CITY	CBD VACANCY RATE	MARKET CONDITION	FORECAST
Vancouver	9.9%	Tenant's Market	New office buildings continue to be added to the CBD. While tech companies are active, the resource sector demand is still weak.
Calgary	13.5%	Strong Tenant's Market	Vacancy rates are expected to climb by 3% over the next 12 months
Winnipeg	9.0%	Balanced Market	Vacancy rates have increased slightly year over year however, the economic outlook is still positive for the area. Class "A" vacancy rates are lower (approx. 5%) which poses a challenge for tenants in this category.
Montreal	6.7%	Balanced Market	The vacancy rate should rise in the next 12 months as new office tower supply is added to the market. Rental rates are expected to drop slightly while tenant inducements should increase.
Halifax	12.8%	Tenant's Market	With approximately 422,000 square feet of office space under construction, we are forecasting a continued tenant's market for the next 12 months with an estimated increase in vacancy rates to 14.2%

NOTABLE TRANSACTIONS - Q3, 2015

TENANT	ADDRESS	SIZE
TD BANK	101 McNABB ST.	161,235
SCOTIABANK	4715 TAHOE BLVD.	146,500
MARIZ	6900 MARIZ DR.	103,000
TRANSCONTINENTAL	5255 SATELLITE DR.	92,000
TTC	250 BLOOR ST. E	66,000
SCI INSURANCE	175 COMMERCE VALLEY DR.	61,685
IVANHOE CAMBRIDGE	95 WELLINGTON ST. W	52,000
HUAWEI	19 ALLSTATE PKWY	47,013
MATTAMY HOMES	7880 KEELE ST.	39,000
AGF	55 STANDISH CRT	33,472

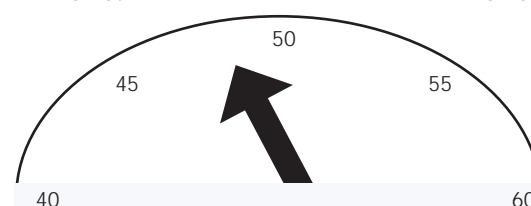


ELLINGTON INDEX Q3, 2015

FACTOR	VALUE/DESCRIPTION	RANK (1-10)
Current Availability Rate (GTA)	11.6% ↑	6
Current Availability Rate (DT)	5.0% ↓	5
Change in Availability Rate since last Quarter (DT)	0.2% ↓	5
Sublet Space Availability as % of Direct Space (DT)	1.3% ↓	5
New Supply (DT)	7 buildings under construction	5
Space Leased since last Quarter (DT)	134,569 sf	5
Tenant Confidence (DT)	Mild	5
Landlord Confidence (DT)	Medium	4
Forecasted Rental Rates over next 3 months (DT)	Flat	5
Tenant Deal Velocity in Market (DT)	Low to Medium	4
Total		49

An index of 49 indicates that we are in a Landlord's market.

Landlord's Market Balanced Tenant's 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"

GTA-Greater Toronto Area

DT-Downtown Toronto

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