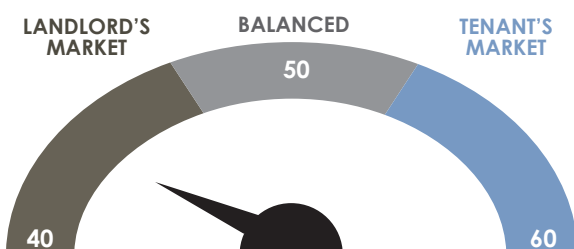




**42** An index of 42 indicates that we are in a **Landlord's market**.



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"

ELLINGTON INDEX - FACTORS/VALUES		RANK
Current Availability Rate (GTA)	9.1% ↓	4
Current Availability Rate (Downtown)	4.4% ↓	4
Change Availability Rate since last Quarter (DT)	0.7% ↓	4
Available Sublet Space - % of Direct Space (DT)	0.9% ↓	4
New Supply (buildings under construction) (DT)	13 ↑	4
Space Leased since last Quarter (DT)	453,000 sf	4
Tenant Confidence (DT)	Medium	5
Landlord Confidence (DT)	Strong	3
Forecasted Rental Rates over next 3 months (DT)	Incremental increase	5
Tenant Deal Velocity in Market (DT)	Medium	5
<b>TOTAL</b>		<b>42</b>

### TRENDS WE ARE SEEING THESE DAYS

1. Almost all the major office towers in Toronto are being built Downtown, south of Queen Street - some of them without a lead tenant.
2. High tech companies are experiencing rapidly rising salaries as well as increased poaching with their experienced staff.
3. The co-working trend is active, growing and showing no signs of slowing down.
4. The cost of residential rent is a growing concern for the downtown companies whose staff want to live within walking, biking or a quick transit distance.
5. Landlords are still expecting rental rates to rise in 2019.

### NOTABLE TRANSACTIONS - Q3, 2018

TENANT	ADDRESS	SIZE (SF)
Intact	700 University Ave.	433,000
Scotiabank	Bay Adelaide - North Tower	420,000
Shopify	8 Spadina Avenue	200,000 - 408,142
WPP	125-155 Queens Quay East	259,000
LCBO	100 Queens Quay East	200,000
HSBC Bank of Canada	16 York Street	109,917
Index Exchange	8 Spadina Avenue	108,814
LinkedIn	16 York Street	69,000
CPA Ontario	130 King St. West	65,566
BMO	130 King St. West	25,000

**ASK US ABOUT WHAT ELLINGTON'S LEASE CABINET CAN DO FOR YOU.**