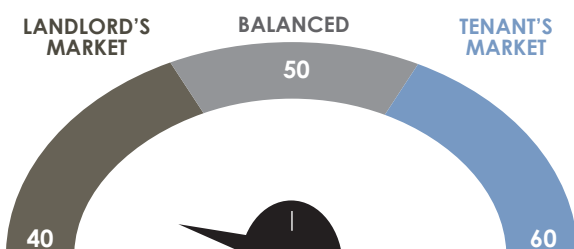




41

An index of 41 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)	8.8% ▼	4
Current Availability Rate (Downtown)	4.2% ▼	4
Change Availability Rate since last Quarter (DT)	0.2% ▼	4
Available Sublet Space - % of Direct Space (DT)	0.9% ◀▶	4
New Supply (buildings under construction) (DT)	12 ◀▶	4
Space Leased since last Quarter (DT)	278,000 sf	4
Tenant Confidence (DT)	Medium	5
Landlord Confidence (DT)	Strong	3
Forecasted Rental Rates over next 3 months (DT)	Pushing	4
Tenant Deal Velocity in Market (DT)	Medium	5
TOTAL		41

Office Furniture - Observations and Trends

Observations

- In 2018, furniture pricing increased an average of 5% to 8%
- Additional tariffs on steel and aluminum were partially the cause of this price increase and are expected to increase in the future
- In the 2nd half of 2018, we noticed that delivery times for furniture increased by 2 to 4 weeks
- Typical furniture delivery used to take 8 to 10 weeks

Trends

Aspects of home such as comfortable upholstered chairs, textured wall coverings and the placement of coffee tables in collaboration spaces are being found in the office. Kitchen islands in serveries that anchor town hall spaces reflect the great room concept of home.

- Upholstered furniture may take longer to deliver as they are not constructed in the same quantities or by the same manufacturers as standard office furniture.
- Upholstered furniture and textured wall coverings may require specialized cleaning

NOTABLE TRANSACTIONS - Q4, 2018

TENANT	ADDRESS	SIZE (SF)
Spaces	460 Front St. West	124,000
LinkedIn	16 York Street	85,000
Uber	121 Bloor St. East	78,000
CPA	130 King St. West	65,000
Fairmont Hotels	155 Wellington St. W	50,000
Duca Financial	5255 Yonge Street	32,254
Cirba	179 Enterprise Blvd.	32,109
BDC	81 Bay Street	32,000
Allstate Insurance	27 Allstate Parkway	23,155

FOR ADDITIONAL INSIGHTS AND RECOMMENDATIONS ON FACILITY AND PROJECT MANAGEMENT ISSUES, CONTACT ELLINGTON PARTNERS