











Toronto Office, Q3 2018

**Oakville**

The Oakville market is bounded by Highway 407 to the north, Winston Churchill Blvd to the east, Lakeshore Road to the south and Burloak Drive to the west.

 Inventory (sq. ft.) <b>4.2 million</b> ↑	 Net Absorption Q3 2018 (sq. ft.) <b>25,177</b> ↓	 Weighted Avg. Direct Net Rent (\$ per sq. ft.)	 Blocks of Contiguous Space >30,000 sq. ft.
 Vacant Space Direct & Sublet (sq. ft.) <b>947,968</b> ↑	 Under Construction (sq. ft.) <b>170,483</b> ↓	<b>Class A</b> \$20.90 ↓	<b>Class A</b> 5 ↔
 Sublet Space (sq. ft.) <b>12,320</b> ↑	 Weighted Avg. Direct Net Rent (\$ per sq. ft.) <b>\$19.21</b> ↓	<b>Class B</b> \$15.82 ↑	<b>Class B</b> 2 ↔
 Vacancy Rate Direct & Sublet (%) <b>22.6%</b> ↑	 Weighted Avg. Taxes & Oper. Costs (\$ per sq. ft.) ↔	<b>Class C</b> \$19.00 ↔	<b>Class C</b> 1 ↔

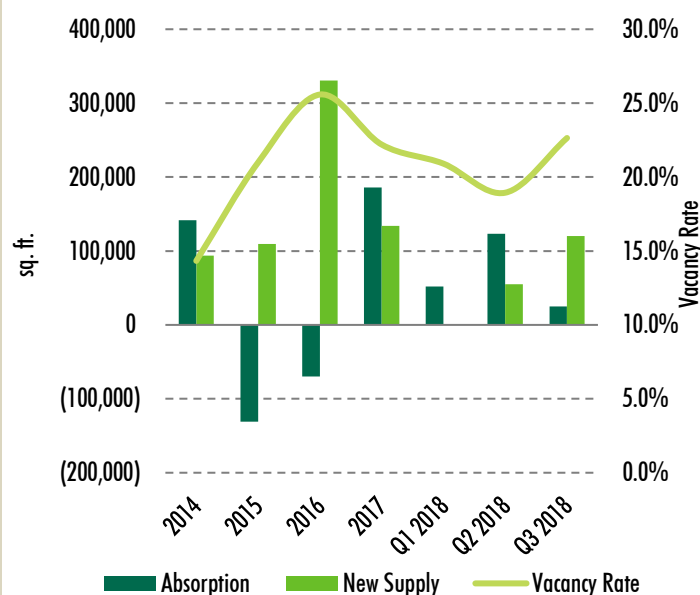
**Recent Transactions**

Tenant	Address	Class	Sq. ft.	Transaction Type
Ipx Management	1425 North Service Road East	B	31,000	Extension
Velocity EHS Canda, Inc.	586 Argus Road	A	27,883	Extension
Contact Resources Services Inc.	2775 Coventry Road	C	26,145	Sublease

**Market Highlights**

- Previously, Oakville had posted 6 consecutive decreases in overall vacancy spanning from Q4 2016 to Q2 2018. Unfortunately, this quarter experienced a 3.7% quarter-over-quarter increase in vacancy and currently sits at 22.6%.
- The asking net rental rate remained relatively unchanged across all classes with the overall average net rental rate having decreased by only \$0.11 per sq. ft. quarter-over-quarter to \$19.21 per sq. ft.
- Following the completions of 555 Michigan Drive and 1415 Joshuas Creek Drive for 30,600 sq. ft. and 89,600 sq. ft. respectively, there was 120,200 sq. ft. added to the Oakville inventory this quarter. Both flex office buildings experienced partial pre-leasing prior to completion, showing a continued tenant demand for flex office product.

**Supply & Demand**



**Glossary of Terms**

- Net Absorption** A measure of the net change in occupied space over a given period of time.
- Net Rental Rate** The asking rental rate not including taxes and operating costs.
- Vacancy Rate** The percentage of total office space in a given area that is currently vacant and available for occupancy.