



Jason Mercer TRREB's Chief Market Analyst

# Greater Golden Horseshoe Economic and Commercial Update

#### **Greater Golden Horseshoe Toronto Regional** Real Estate Board Merrickvi 16 regions, counties Wolford and amalgamated 28 cities centred Meaford around the City of 400 Owen Sound Toronto Harrowsmith Lindsay Mohawks of the Gananoque Campbellford Bay of Quinte First Nation ~9.2 Million People Kingston Belleville Alliston anover 000 (2016 Census) Port Perry Shelburne Newmarket CR 49 Mount Forest Watertown Oshawa ~10 Million People rdwich Arthur Today Listowel Brampton Toronto 21 Kitchener Oswego 25) T I Stratford LOSP Fulton Hamilton St. Marys 104 Rochester Clay Lockport Woodstock 490 Henrietta Ingersoll London Batavia Sarnia Syracuse 21 Norwich Clarence Strathroy Auburn Dunnville Port Colborne Canandaigua Geneva Petrolia Simcoe Buffalo St. Thomas Richmond Glencoe [3] 390 Port Stanley Colden Cortland Dresden Dunkirk © 2021 Mapbox © OpenStreetMap Marathon

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#### **Greater Golden Horseshoe - Manufacturing** Toronto Regional Real Estate Board Merrickvi Wolford 28 Wiarton Sauble Beach Meaford 400 Owen Sound Southampton 401/ Tweed Harrowsmith Lindsay Mohawks of the wtton Res Gananoque Paisley Bay of Quinte First Nation Kingston Kincardine Belleville Hanover Port Perry CR 49 Mount Forest Watertown Fordwich Arthur Goderich Listowel Brampto Toronto 21 Seaforth ütchen Oswego 25 T Stratford 21 LOSP Fulton Hamilton St. Marys 104 Clay Rochester Lockport Woodstock 490 Henrietta Ingersoll Sarnia London Batavia Syracuse [21] Norwich Clarence Strathroy Auburn Dunnville Port Colborne Canandaigua Geneva Petrolia Simcoe Buffalo Richmond St. Thomas Glencoe 3 Port Stanley Colden Cortland Dresden Dunkirk Marathon © 2021 Maphox © OpenStreetMap

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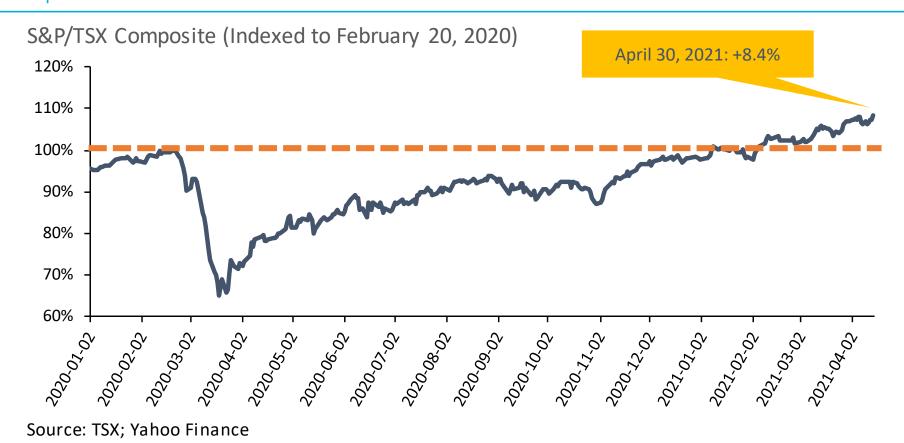
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#### Toronto Regional Real Estate Board **Greater Golden Horseshoe - High Order Services** Merrickvi Wolfon Wiarton Sauble Beach Meaford Owen Sound Southampton Tweed Harrowsmith Mohawks of the Sutton Wes Gananoque Paisley Bay of Quinte First Nation Kingston Kincardine Belleville Hanover Port Perry Shelburne CR 49 Mount Forest Watertown Orange Richa Fordwich Arthur Goderich Listowel ergus Brampt Toronto 21 Seaforth Oswego 25 Stratford LOSP Fulton St. Marys 104 Clay Rochester Lockport Woodstock Henrietta Ingersoll Sarnia London Batavia Syracuse 21 Norwich Clarence Strathroy Auburn Dunnville Port Colborne Canandaigua Geneva Petrolia Simcoe Buffalo St. Thomas Richmond Glencoe 3 390 Port Stanley Colden Cortland Dresden Dunkirk Marathon © 2021 Mapbox @ OpenStreetMap

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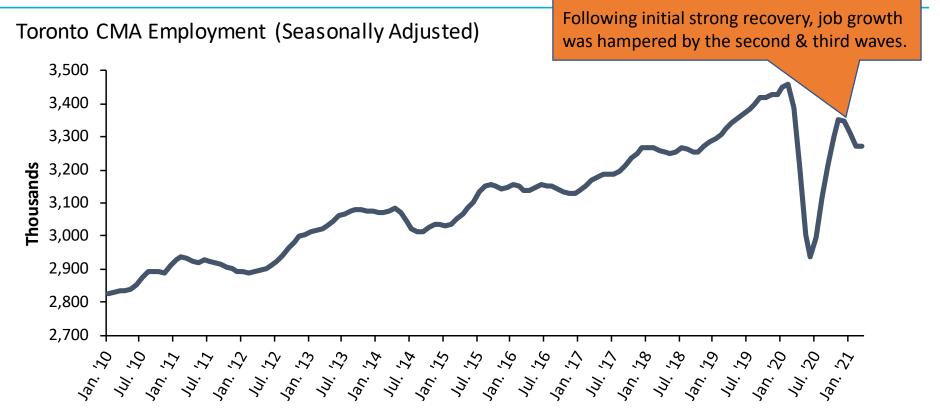


# **Equity Markets have Fully Recovered**





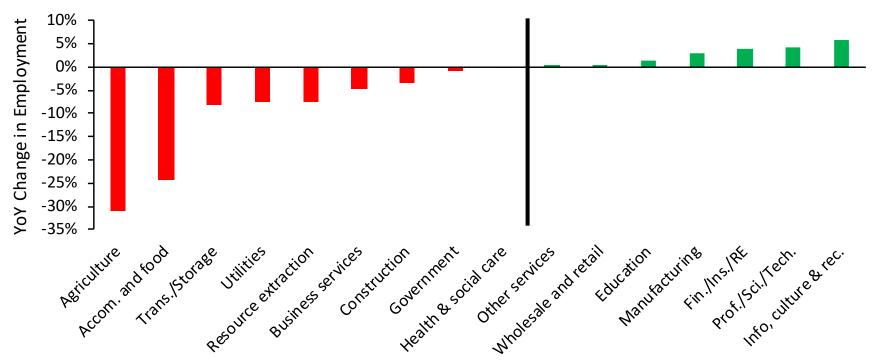
# Strong Initial Recovery in Jobs Market





# **Recovery has Not Been Uniform**

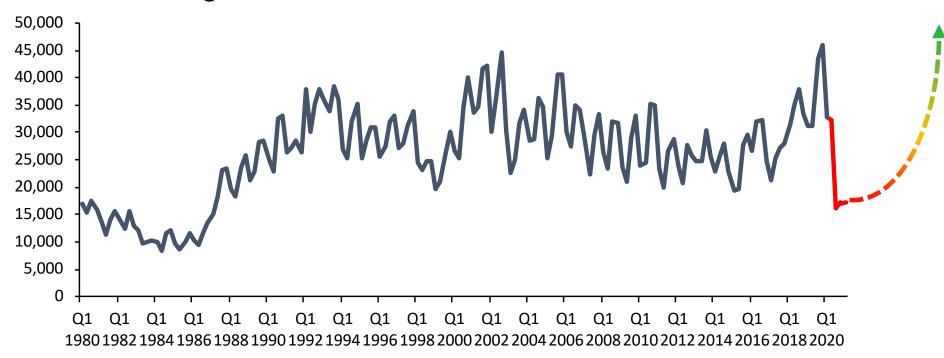
Employment Change for Feb. 2020 to March 2021





# **Immigration Dipped to Mid-1980s Levels**

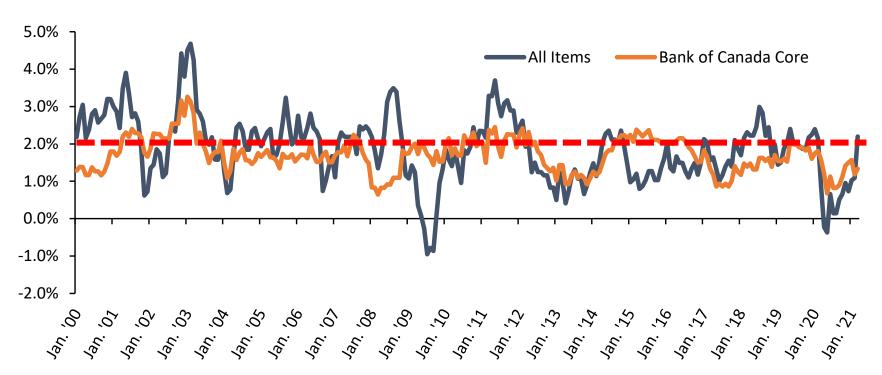
#### **Ontario Net Immigration**





# The Inflation Rate is Rebounding

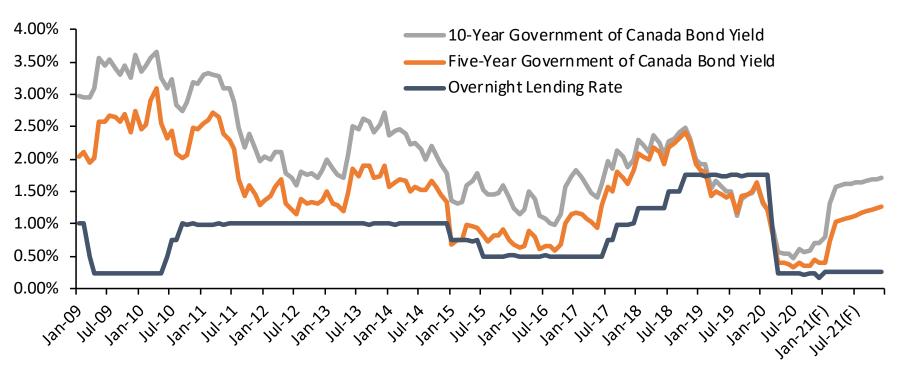
#### **CPI Inflation**





# Medium & Long-Term Rates Trending Higher

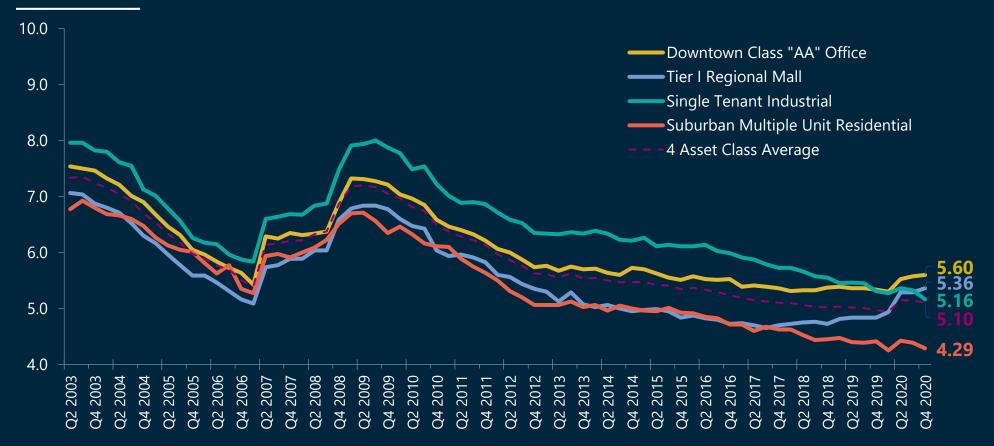
#### Key Interest Rates



Source: Bank of Canada; Statistics Canada; TRREB Calculations

## National OCR trends – 4 benchmark asset classes Q4 2020





Source: Altus Group, Investment Trends Survey

## Total investment activity down 21% year-over-year



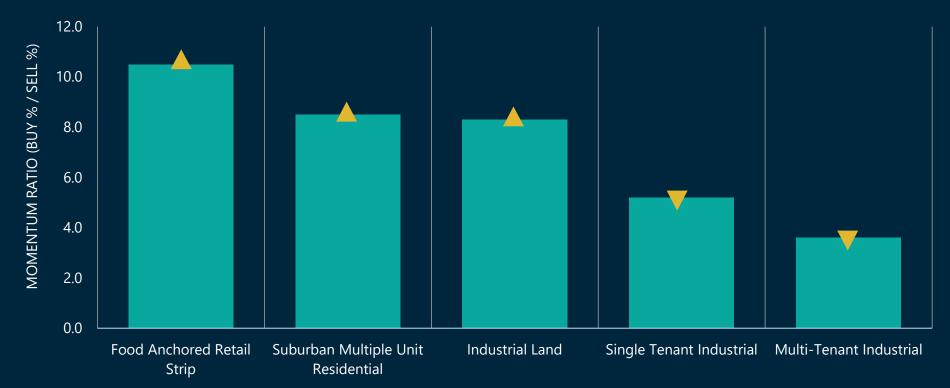


Source: Altus Group

## Food/grocery anchor retail – most in demand



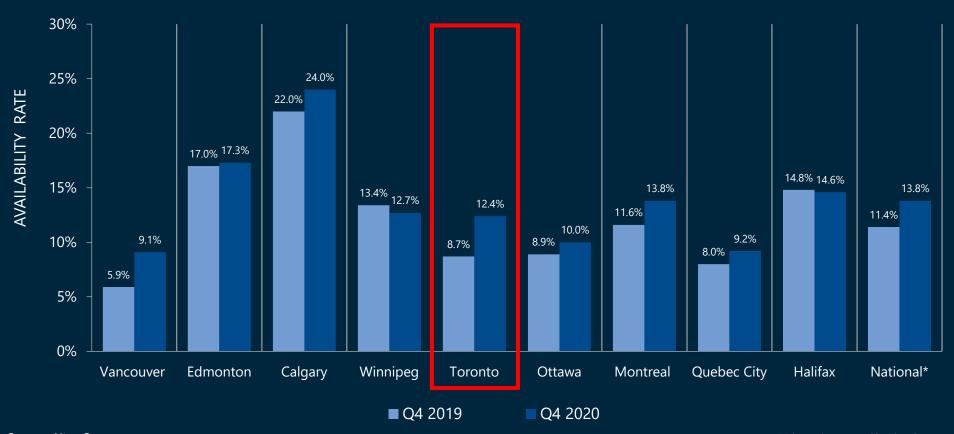
Property Type Barometer, All Available Products – Q4 2020



Source: Investment Trends Survey, Altus Group

## Office availability rate increasing, and likely to continue





\*Major markets covered by Altus Group

#### Office under construction & availability (Q4 2020), pre-leasing holds

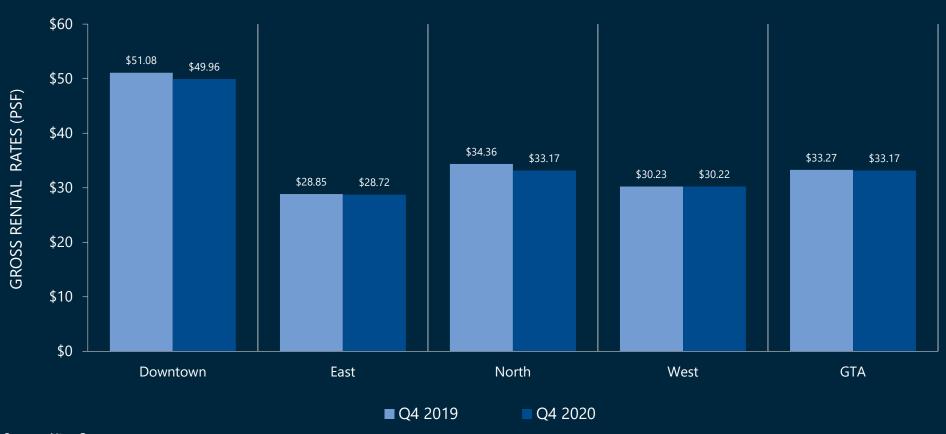






### Office rental rates — more about tenant incentives than posted rates

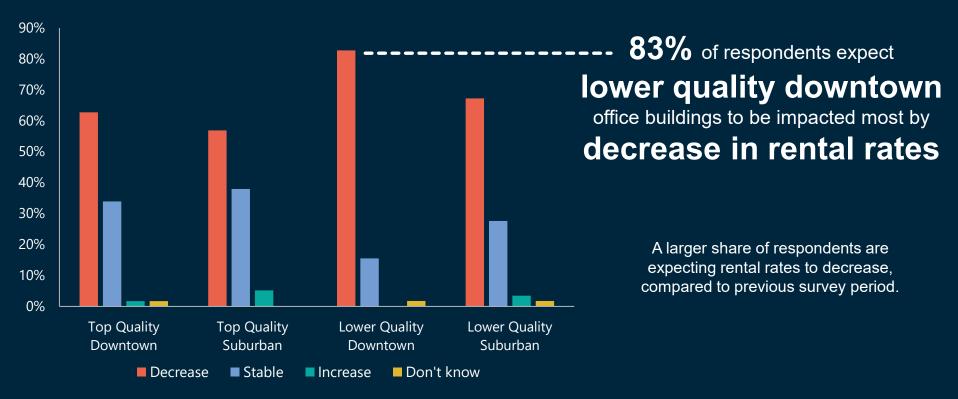




## Office market rents expected to fall; tenant inducements increase



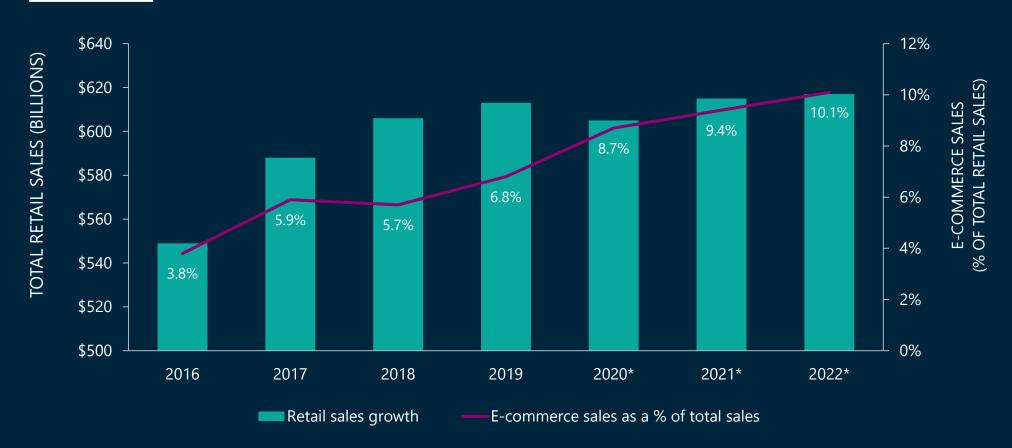
What change in market rents (face rates) are you forecasting for the 2021 fiscal year?



Source: Altus Group's Key Assumptions Survey (November 2020)

## E-commerce sales rapidly accelerating in Canada



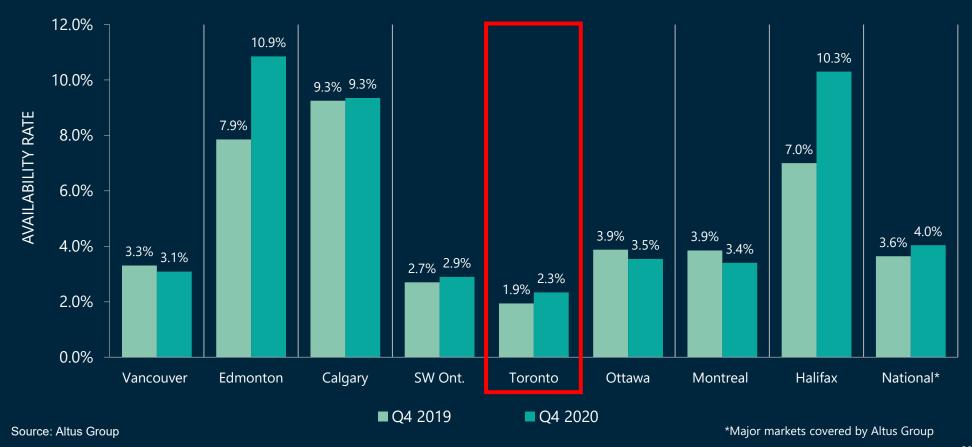


Source: eMarketer-Canada Ecommerce 2020: Digital Retail Propelled by COVID-19 Quarantines-June 2020 and Altus Group

\*Projected

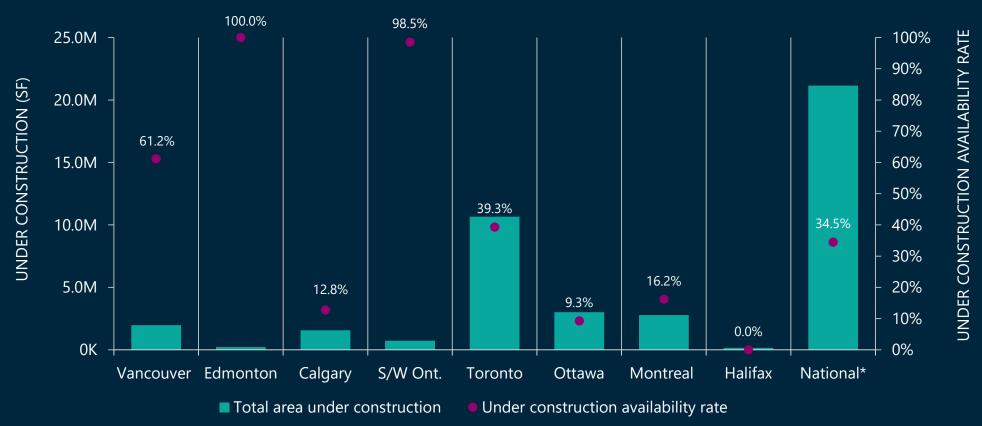
## Industrial availability Q4 2019 vs. Q4 2020





## Industrial under construction & availability (Q4 2020)





Source: Altus Group

\*Major markets covered by Altus Group

### Industrial rental rates — move higher



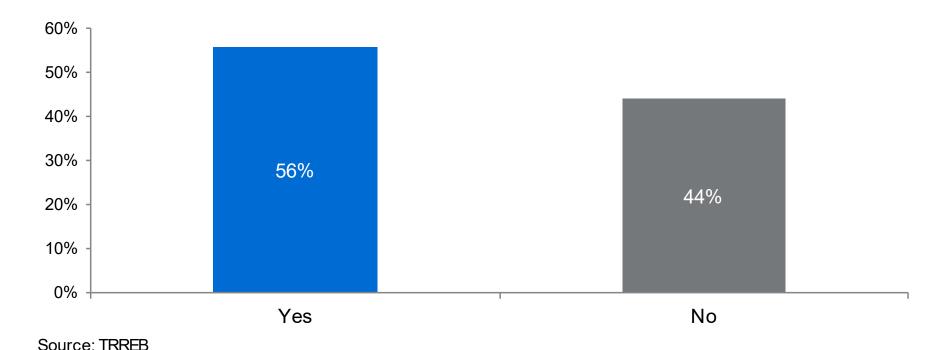


Source: Altus Group



# TRREB Member/Client Interest in S. Florida

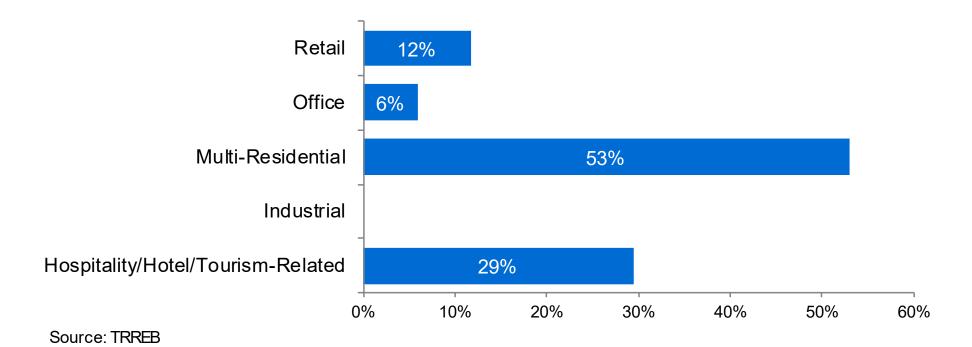
Do you have clients who are interested in commercial real estate in Florida?





# TRREB Member/Client Interest in S. Florida

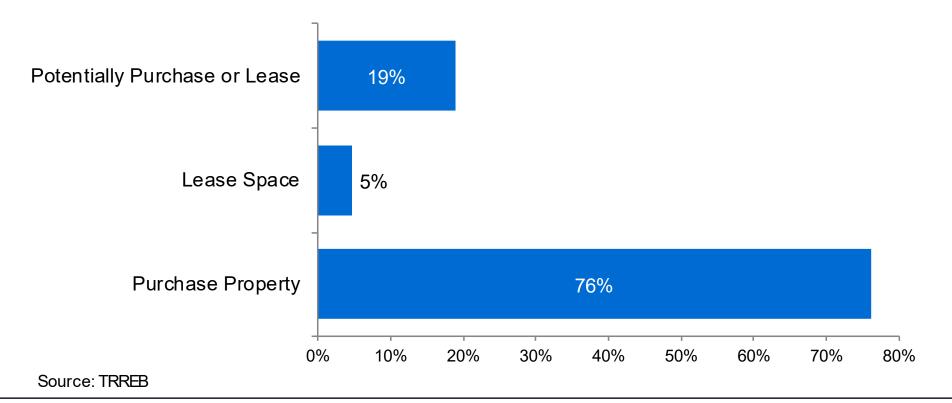
If you answered "Yes" to Question 1, in what type of commercial real estate are your clients interested?





# TRREB Member/Client Interest in S. Florida

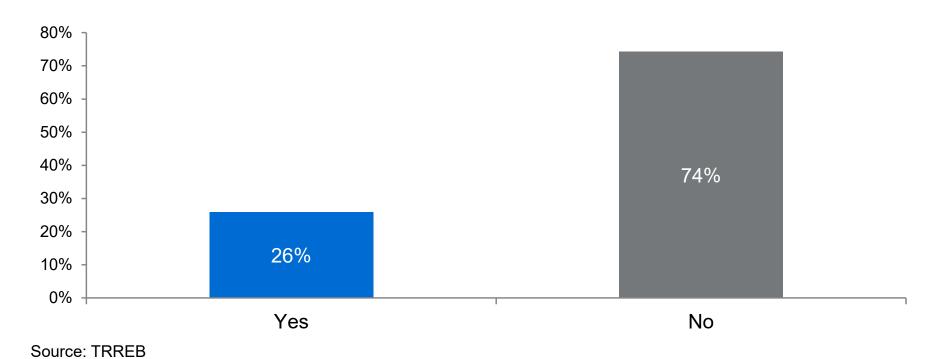
If you answered "Yes" to Question 1, are your clients looking to:





# S. Florida Interest in the Toronto Area

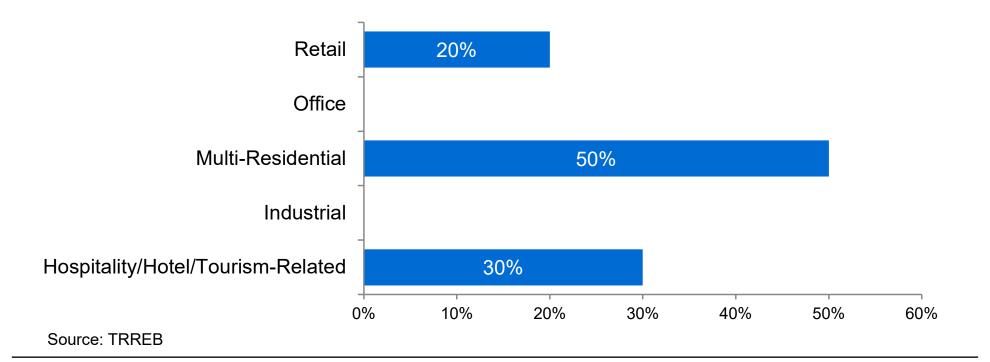
Do you receive inquiries about commercial real estate in the Greater Toronto Area from individuals or companies in Florida?





# S. Florida Interest in the Toronto Area

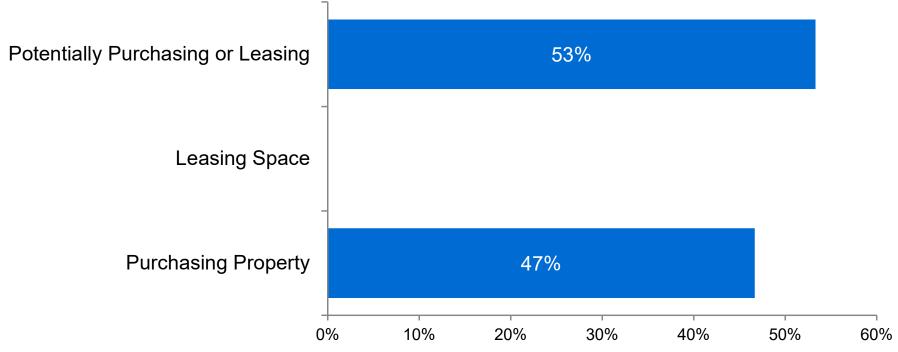
If you answered "Yes" to Question 4, for what type of commercial real estate are you receiving inquiries?





# S. Florida Interest in the Toronto Area

If you answered "Yes" to Question 4, are these inquires related to:



Source: TRREB