

GTA SUBLEASE REPORT



OFFICE MARKET UPDATE | MARCH 2009

SUBLEASES BY NUMBERS

At the end of March 2009, the available sublet space in the GTA totaled 3.1 Million square feet, and was comprised of 380 available units. Of the total sublet space being marketed only 35% is physically empty, with the balance being still partially or wholly occupied. When compared to February 2009, the overall amount of available sublet space has increased by approximately 330,000 square feet, or 12%. Throughout March the number of units available for sublease rose by 8.3% and had an average size of 8,168 square feet, with suburban sublet availabilities having a larger average size than those in the Central markets. The average discount on sublet space, when compared to direct space is currently 8% for the GTA, with the largest spread existing in the Downtown market with a current average discount of 14%.

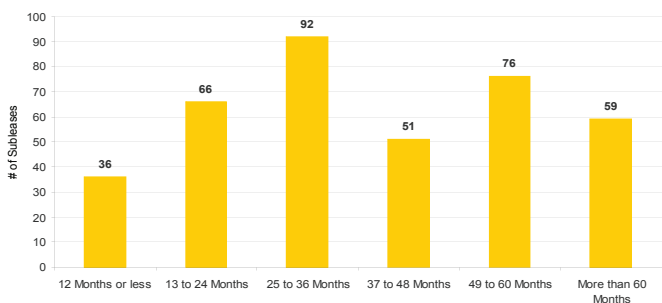
Downtown is taking the lead in number of listings and total size of available space. More than 40% of the listed units or 38% of the available sublease space are found in this market.

	# of Sublease Availabilities*	Sublease Size in sf - Mean	Total sf of Subleases	Remaining Term in months - Mean	Average Asking Net Rent psf
GTA	380	8,168	3,103,923	41	\$15.70
Downtown	157	7,519	1,180,531	41	\$20.38
Midtown	32	5,868	187,790	44	\$15.48
GTA North	24	8,468	203,233	46	\$16.96
GTA West	92	9,052	832,795	37	\$13.94
GTA East	75	9,328	699,575	42	\$12.30

* Note: For this statistic the smallest available units in all surveyed office buildings in the GTA are considered. Any contiguous & divisible units are NOT included.

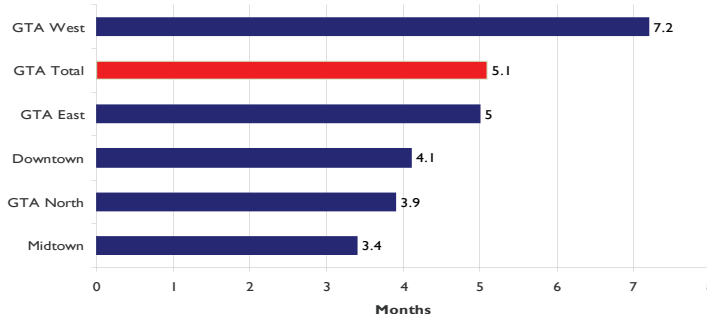
REMAINING TERM OF SUBLEASES IN THE GTA OFFICE MARKET

40% of the sublease listings quote a remaining term of three years or more. If the economy continues to weaken we expect this percentage to increase as more tenants look to reduce operating costs.



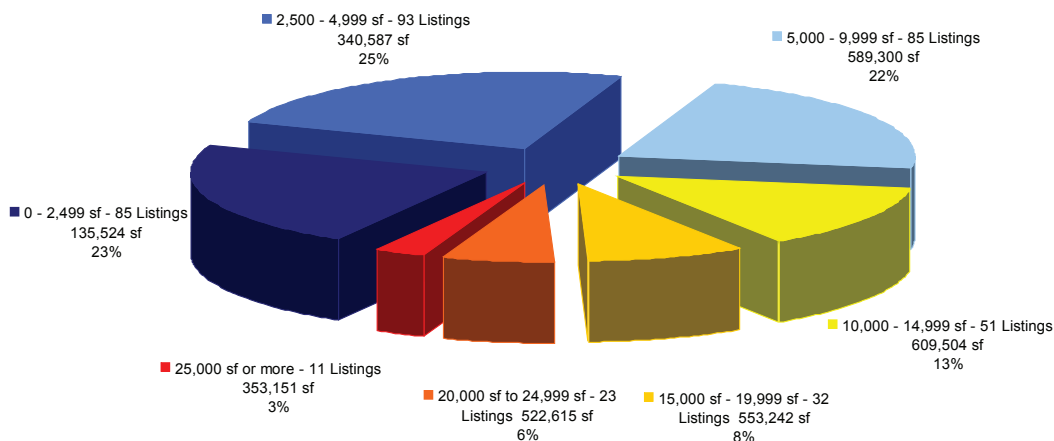
AVERAGE TIME ON THE MARKET OF AVAILABLE SUBLEASE SPACE BY MARKETS

Currently available sublet space has been on the market an average of 5.1 months. While listings in central, east and north markets have been marketed for less time, listings in the GTA West market have been on the market an average of 7.2 months.



SUBLEASES BY SIZE

The majority of the listings are of smaller nature - more than 70 percent of all listings range between 0 and 10,000 square feet in size. This suggests that many tenants have opted for severing off a portion of their current premises to reduce expenses.

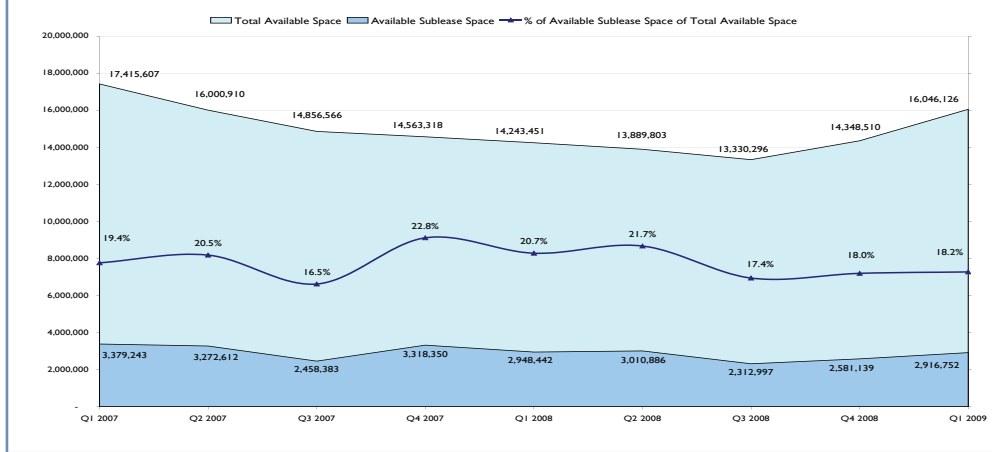


AVAILABILITY TREND*

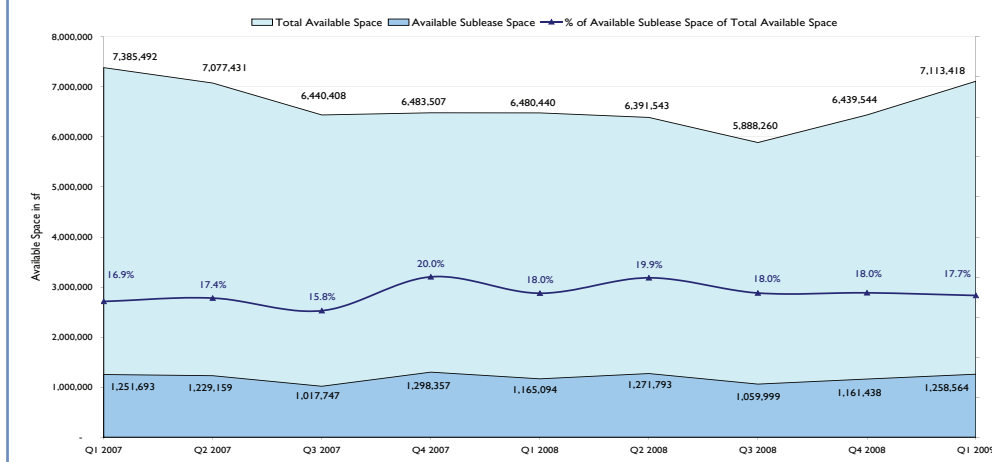
At this point GTA real estate fundamentals remain in contrast to the alarming conditions in the Canadian and global economies, but we have started to observe marginal, steady increases in the total and the sublet space since Q3 2008. The GTA's available sublease space increased by 26% within the last two quarters. In the Central Markets we experienced an increase of 19%, while Suburban sublet space rose by 32%. In addition to this, the reasons why companies sublease appear to have shifted. While in a buoyant economy companies tend to sublease space because they are expanding into larger premises, companies are currently downsizing to reduce operating costs.

* in surveyed office buildings of 10,000 sf or more in size

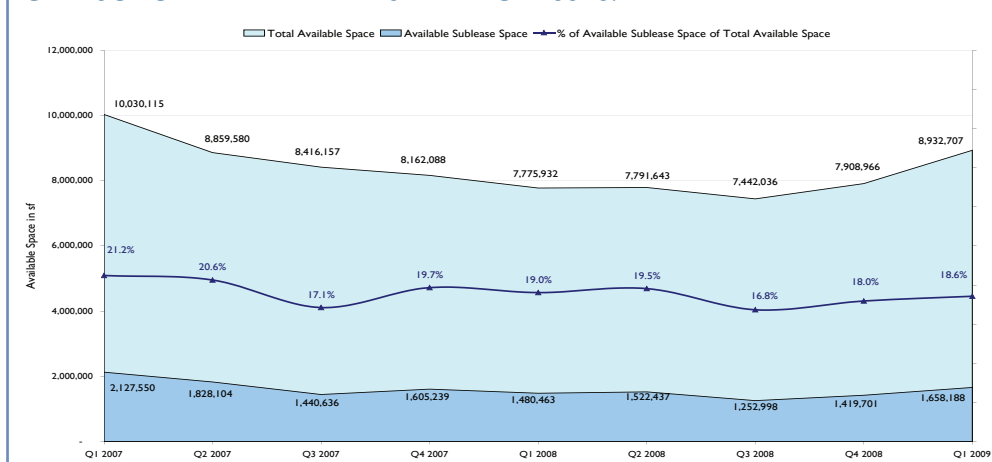
GTA - ALL CLASSES: Q1 2007 - Q1 2009



GTA CENTRAL MARKETS - ALL CLASSES: Q1 2007 - Q1 2009



GTA SUBURBAN MARKETS - ALL CLASSES: Q1 2007 - Q1 2009



COLLIERS FAST FACTS

19 OFFICES IN CANADA

- ▶ \$220 million in revenue
- ▶ 284 million sq. ft. under management
- ▶ 4,244 Transactions
- ▶ 1,324 Professionals
- ▶ \$6.1B Total transaction value

CONTACT INFORMATION

John Arnoldi
 Managing Director
 Office Practice Group
 416.643.3733
John.Arnoldi@colliers.com

Ian MacCulloch
 Vice President - Research
 Canada
 416.643.3708
Ian.Macculloch@colliers.com

Duerten Lindenbeck
 Senior Research Analyst
 416.643.3764
Duerten.Lindenbeck@colliers.com

To view this report online, visit www.colliers.com/toronto

To receive this publication electronically, please email e.marketing@colliers.com and specify "GTA Sublease Report" in the subject line.

Colliers International respects your privacy. If you would prefer to be removed from this mailing list, please email unsubscribe.toronto@colliers.com and specify "GTA Sublease Report" in the subject line.

This is a research document of Colliers Macaulay Nicolls (Ontario) Inc., Brokerage © 2009. Questions related to information herein should be directed to the Research Department at 416.777.2200. The information contained in this report was provided by sources deemed to be reliable, however, no guarantee is made as to the accuracy or reliability. As new, corrected or updated information is obtained, it is incorporated into both current and historical data, which may invalidate comparison to previously issued reports. Colliers Macaulay Nicolls (Ontario) Inc., Brokerage © 2009 is an owner member of Colliers International, a worldwide real estate partnership with offices in the Americas, Europe, Asia, Australia and Africa.

