

Market Grade	Nominal Cap Rate	YoY CPPI Change	5-Yr Fwd M-RevPAF Growth	LT NOI Growth	Risk-Adjusted IRR	Avg. Effective Rent	Occupancy
<div>A-</div> <div>(2 of 10)</div>	<div>4.8%</div> <div>(7 of 10)</div>	<div>-3.3%</div> <div>(10 of 10)</div>	<div>0.3%</div> <div>(7 of 10)</div>	<div>2.3%</div> <div>(2 of 10)</div>	<div>6.6%</div> <div>(4 of 10)</div>	<div>\$2,710</div> <div>(2 of 10)</div>	<div>97.9%</div> <div>(5 of 10)</div>
Market Overview	Submarket Overview	Supply & Demand	Forecast Scenarios	Valuation	Sales Comps	REIT Properties	

### Market Overview

**Toronto:** Toronto, Ontario, a vibrant city, is underpinned by a diversified economy with key sectors including finance, technology, and healthcare. As Canada's financial hub, it houses prominent national and international banks, fostering growth and stability. The burgeoning technology sector, marked by the presence of global tech giants and thriving startups, is another vital economic driver. Additionally, Toronto's healthcare sector, enriched with leading hospitals and research institutions, contributes significantly to its economic resilience. The city's robust educational system and cultural offerings also attract a skilled workforce, enhancing the potential for economic development. Moreover, the city's strategic location enables access to global markets, further bolstering economic dynamism. Despite the challenges brought by the COVID-19 pandemic, Toronto has since firmly recovered and its multifaceted economy has demonstrated robustness, which is notably reflected in its real estate market.

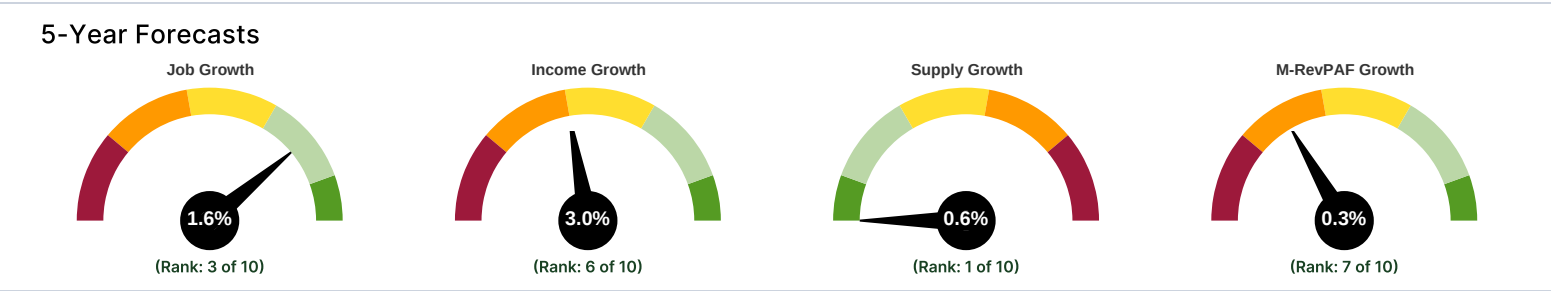
### Strengths & Weaknesses

- + New condo sales have plummeted 60%+ YoY and are now almost 90% below the 10-year average. Construction starts are down in the same fashion
- + Lackluster macro conditions are negatively impacting demand for single-family homes, which could be supportive of demand for rental units
- + Apartment capitalization rates in Toronto have increased ~100 bps since '21 lows, which could become more attractive again to investors
- Asking rents are decreasing due to affordability issues, and macroeconomic headwinds. The decrease could subsist while rents remain high by historical standards
- The City of Toronto is supporting purpose-built rental unit construction, including affordable units. The impact of the supply seen over the last two years could extended from here
- Lower immigration growth in a context of higher construction activity could contribute to further rental rate decreases

### Market Grade

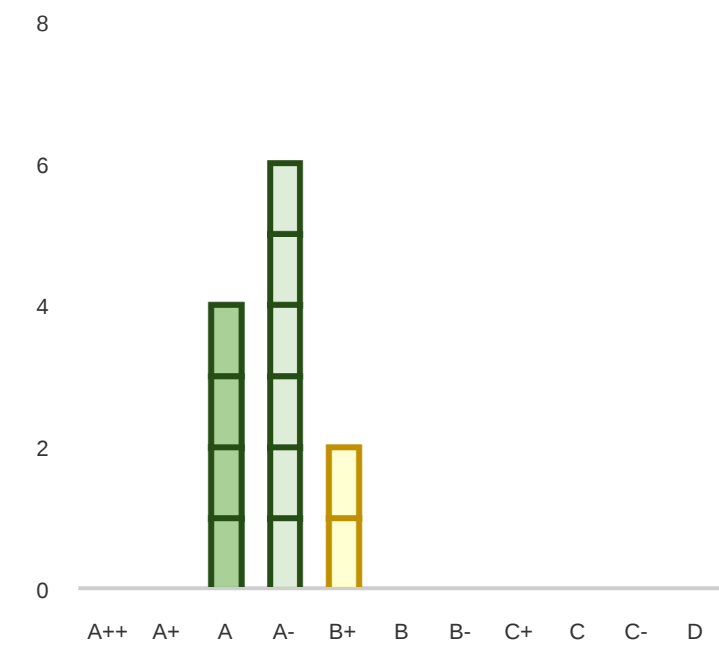
**A-**

[Methodology](#)

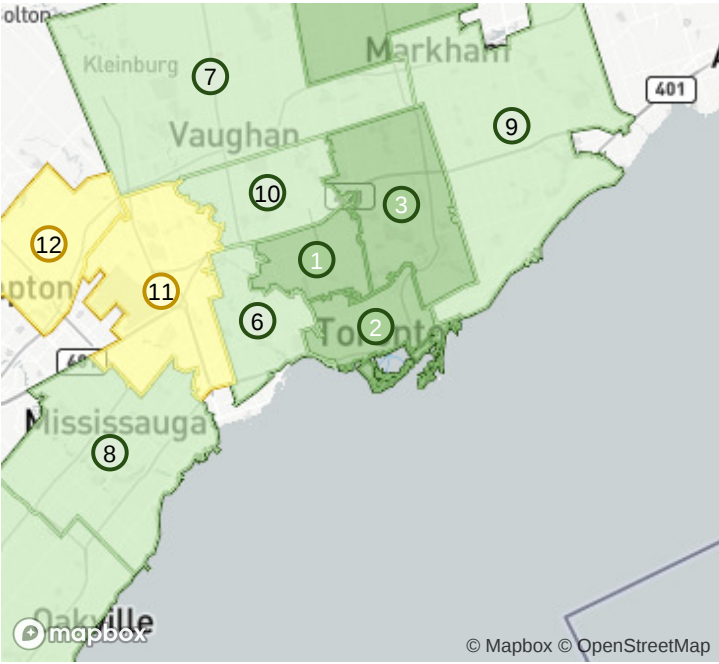


Recent Research		
<h4>Sector Update</h4> <p>Canadian Sector Update: Testing...</p> <p>A review of 1Q25 Canadian REIT earnings, updated estimates and market fundamentals.</p> <div> <div> <p><b>Fred Blondeau</b></p> <p>3-Jun-2025</p> </div> </div>	<h4>Property Insights</h4> <p>Property Insights: Here Comes the...</p> <p>Green Street revises Canadian private market estimates to further account for economic headwinds generated by tariff regimes.</p> <div> <div> <p><b>Fred Blondeau</b></p> <p>10-Apr-2025</p> </div> </div>	<h4>Sector Update</h4> <p>Canadian Sector Update: Not a...</p> <p>A review of 4Q24 Canadian REIT earnings, updated estimates and market fundamentals.</p> <div> <div> <p><b>Fred Blondeau</b></p> <p>25-Mar-2025</p> </div> </div>

Submarket Grades



Submarket

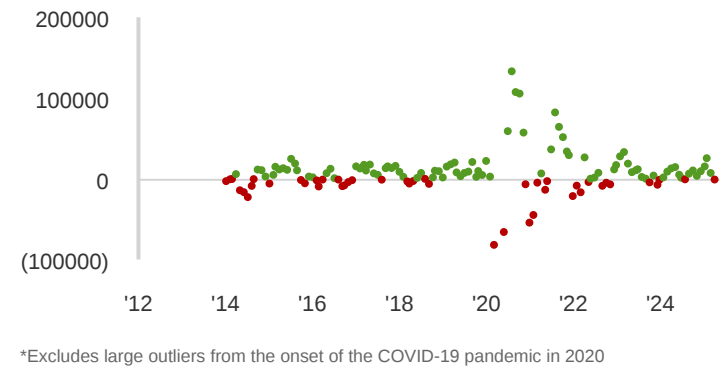


Top Submarkets (Ranked by Grade)

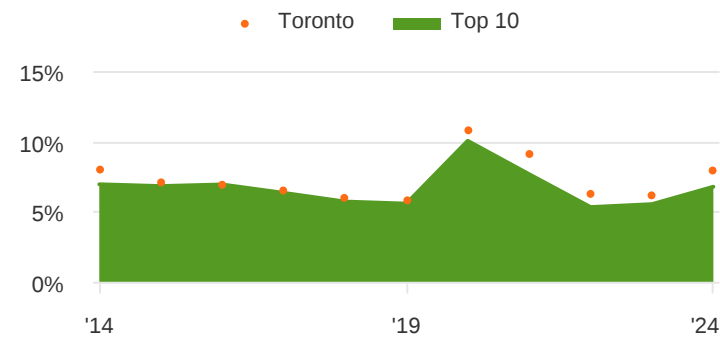
	Submarket	Nominal Cap Rates	Current Effective Rent	Current Occupancy	Median Household Income	Median Home Price	Population Density	Climate Event Risk	Desirability Index	Supply Barriers	Submarket Grade
1	Midtown	4.6%	\$2,710	97.9%	\$106k	\$2M	6,120	Low	51	High	A
2	Downtown	4.5%	\$2,710	97.9%	\$92k	\$1M	10,040	Very Low	68	High	A
3	Don Mills-East York	4.6%	\$2,710	97.9%	\$100k	\$1M	5,440	Very Low	54	High	A
4	Richmond Hill	4.6%	\$2,710	97.9%	\$122k	\$1M	1,780	Low	47	High	A
5	Oakville	4.6%	\$2,710	97.9%	\$146k	\$1M	1,090	Low	45	High	A-
6	Bloor-Islington	4.7%	\$2,710	97.9%	\$104k	\$1M	4,540	Low	51	High	A-
7	Vaughan	4.6%	\$2,710	97.9%	\$138k	\$1M	1,360	Low	48	High	A-
8	Mississauga	4.8%	\$2,710	97.9%	\$116k	\$1M	3,510	Low	53	High	A-
9	Scarborough	4.8%	\$2,710	97.9%	\$99k	\$1M	3,350	Very Low	54	High	A-
10	North York	4.8%	\$2,710	97.9%	\$89k	\$995k	3,670	Low	57	High	A-
11	401-427 Corridor	4.9%	\$2,710	97.9%	\$102k	\$977k	2,110	Low	56	High	B+
12	Brampton	5.0%	\$2,710	97.9%	\$106k	\$872k	2,040	Low	56	High	B+
	Toronto	4.8%	\$2,710	97.9%	\$117k	\$1M	2,780	Low	54	High	A-

Sources: AlphaGeo, Altus, Broker Reports, CBRE, CMHC, Company Disclosures, Oxford Economics, Rentals CA, Spacelist, Statistics Canada, Yardi Matrix, Green Street

Employment: Monthly Job Gains



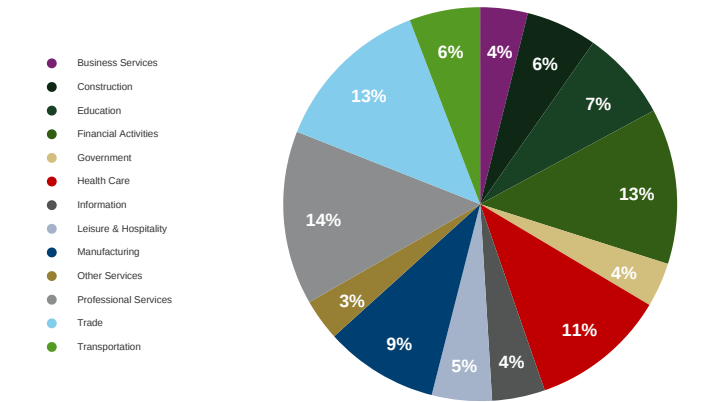
Unemployment Rate



Top Employers

Employer	Fortune 500?	HQ
City of Toronto	✗	Toronto, Ontario
Toronto-Dominion Bank	✓	Toronto, Ontario
Royal Bank of Canada	✓	Toronto, Ontario
Bank of Nova Scotia	✓	Toronto, Ontario
Magna International Inc.	✓	Aurora, Ontario
Rogers Communications Inc.	✗	Toronto, Ontario
BCE Inc.	✗	Montreal, Quebec
George Weston Limited	✗	Toronto, Ontario
Manulife Financial Corporation	✓	Toronto, Ontario
Canadian Imperial Bank of Commerce	✓	Toronto, Ontario

Employment Breakdown



Demand Drivers

1.5%

YOY Job Growth

(7 out of 10)

7.9%

Unemployment Rate

(10 out of 10)

5.5%

GMP Growth

(7 out of 10)

1.4%

Population Growth Forecast

(5 out of 10)

\$117K

Median Income

(1 out of 10)

\$1M

Med. Home Price

(2 out of 10)

330K

Inventory

(2 out of 10)

65.1%

Homeownership Rate

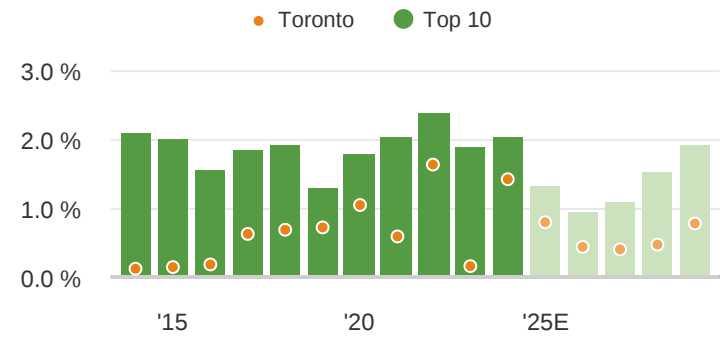
(5 out of 10)

2M

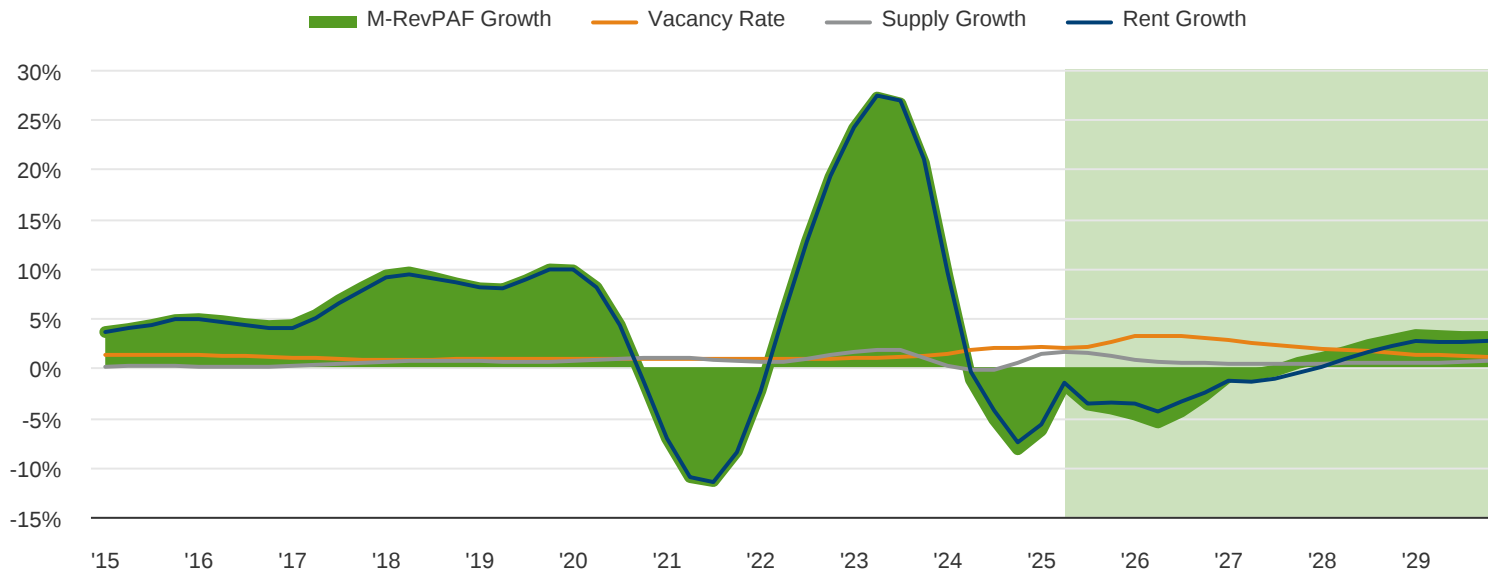
Households

(1 out of 10)

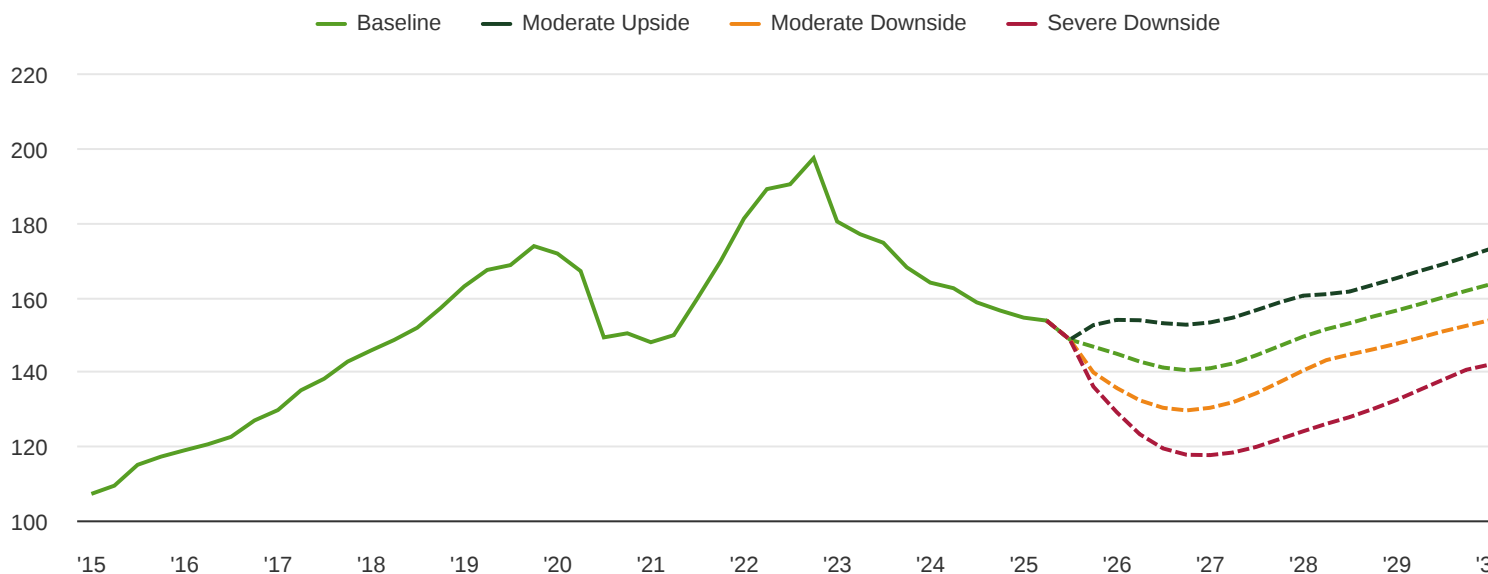
Supply Growth



## Baseline Rent And Vacancy Rate



## Commercial Property Price Index Scenarios



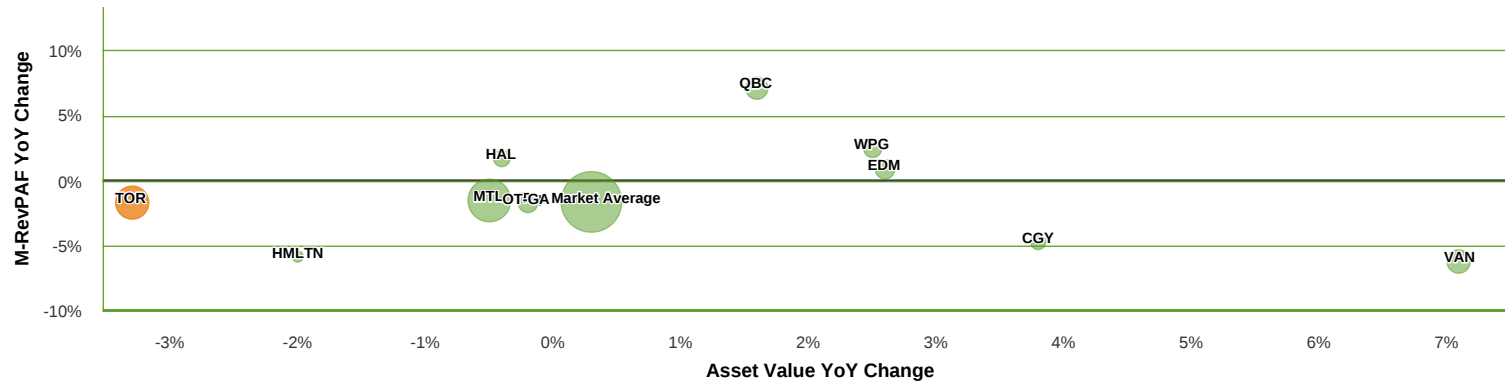
Sources: AlphaGeo, Altus, Broker Reports, CBRE, CMHC, Company Disclosures, Oxford Economics, Rentals CA, Spacelist, Statistics Canada, Yardi Matrix, Green Street

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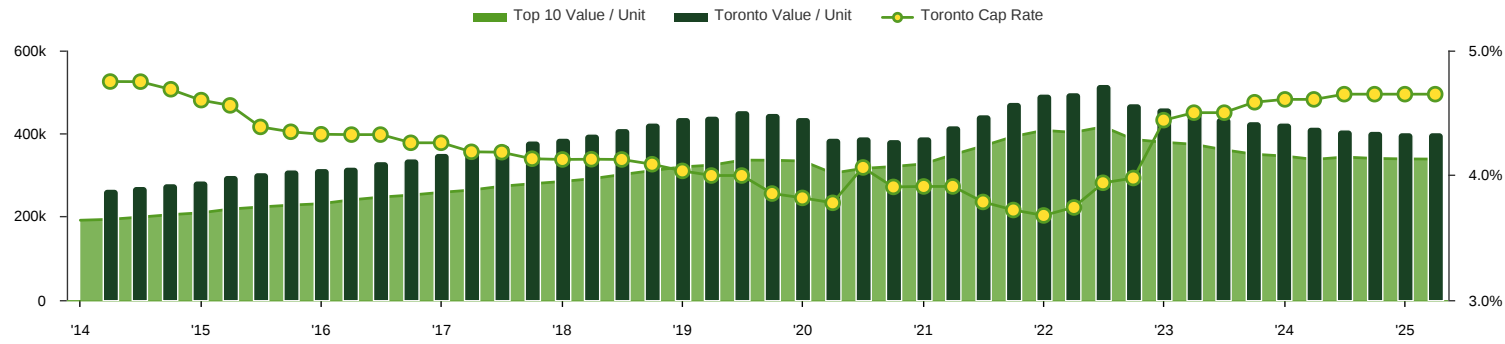
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Momentum

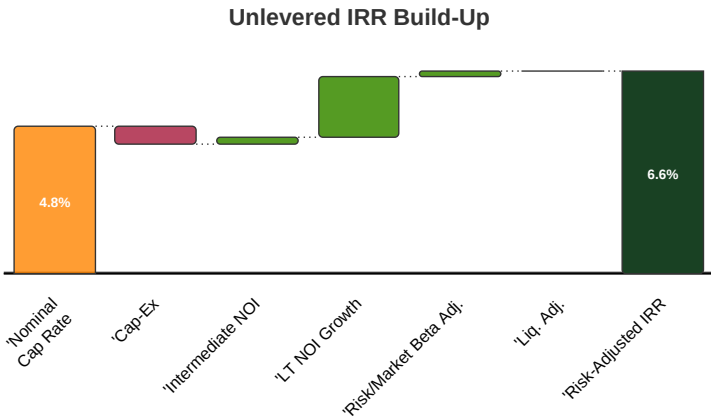


Asset Values



Market Valuation

Nominal Cap Rate	4.8%
Cap-Ex Reserve (% of NOI)	12.0%
Economic Cap Rate	4.2%
Intermediate NOI Growth	1.6%
Long-Term NOI Growth	2.3%
Unlevered IRR	6.4%
Sector Risk/Market Beta Adjustment	0.2%
Liquidity Adjustment	-
Risk-Adjusted IRR	6.6%











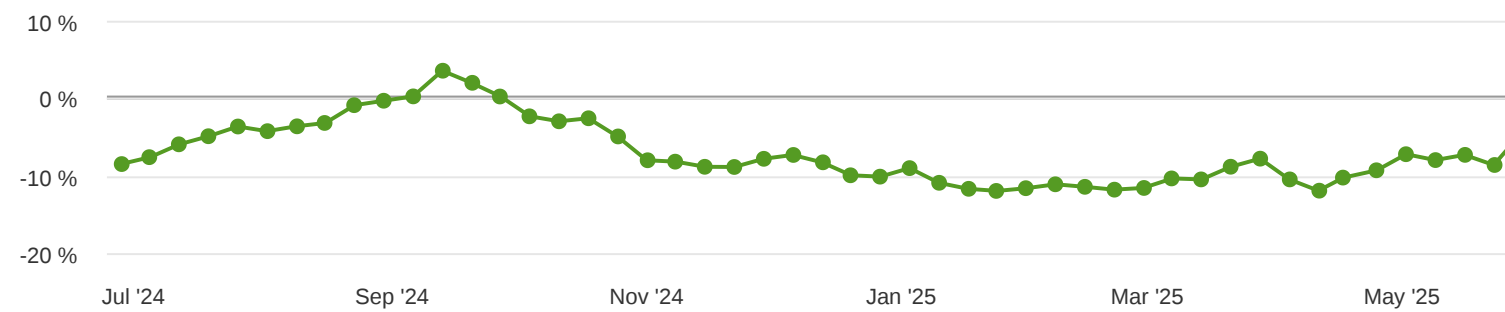
REIT Properties



Toronto REIT Portfolio Summary

Name	Submarket Grade	Postal Code Grade	% of REIT NOI	# Props	Size	Nominal Cap Rate
 Canadian Apartment Properties	A=	A=	-	55	-	-
 Boardwalk REIT	B+	B+	-	1	-	-
 Kilham Apartment REIT	A=	A=	-	3	-	-
 InterRent REIT	A=	A=	-	13	-	-
Total REIT Exposure	-	-	-	72	-	-

Canadian Apartment Sector Premium/Discount to GAV



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