

TORONTO

Urban Retail Report

Urban Retail Overview

Urban Retail
Availability
Rate

12.79%

Average Asking Rent
(All Corridors - \$/s.f./
year)

\$91.23

Bloor Street
Average Asking
Rent (\$/s.f./year)

\$228.85

Bloor Street (Yonge to Avenue)

DEFINITIONS:

Average Asking Rent: Calculated using the straight-line average for direct ground-floor spaces that have frontage along one of the corridors tracked by JLL. Does not include sublets.

Average Asking Rent (All Corridors): The straight-line average of all direct, ground-floor availabilities with corridor frontage.

Toronto Market Overview

Toronto Urban Retail Report - Q4 2022

Toronto's retail industry has shown remarkable resilience in the face of pandemic-related challenges. Contributing to a stronger retail landscape are the resurgence of Canadian tourism and the gradual return of office workers. During the holiday season, shoppers also demonstrated a renewed interest in in-store shopping, and significant pent-up demand for experiences fueled restaurant sales.

However, the retail leasing market in downtown Toronto experienced a slight pullback in Q4 due to negative economic news such as inflation, interest-rate hikes, and declining home values. Despite these setbacks, there are still reasons to be optimistic. Toronto's tight labour market – which accounted for nearly 20% of national employment growth in January – is a positive sign, suggesting that shoppers continue to have spending power.

Office occupancy rates in downtown Toronto reached 42% in January 2023, a significant increase from less than 10% in January 2022. The rates peak at 57% on Wednesdays and dip to 29% on Mondays. This growth trend is expected to continue as more workers return to their offices, signaling the revitalization of downtown's business and retail districts.

In-person holiday shopping in Toronto saw a significant increase in foot traffic, with major

commercial downtown areas surpassing pre-pandemic levels. A similar trend was observed in the dining sector as shoppers looked to celebrate the holidays outside their homes. These positive indicators suggest a strong demand for in-person experiences.

Businesses in downtown Toronto are expanding in highly trafficked areas to capitalize on demand for in-person experiences. This spring, Toronto will see the opening of the NBA Courtside Restaurant, the city's first NBA-themed restaurant, located just steps from Scotiabank Arena. Additionally, Modern Golf will open on the PATH level of First Canadian Place. These businesses' strategic expansion plans cater to the growing demand for unique experiences, positioning them for success in the city's rebounding retail and hospitality sectors.

Leasing Activity

In total, 32 new leases were transacted in Q4 2022, totaling more than 83,000 square feet. Ossington Avenue (Queen to Dundas) and Yonge Street (Gerrard to Bloor) experienced the most leasing activity with five new leases signed in each submarket.

The largest lease was signed by Saint Laurent for 10,400 square feet at 110 Bloor Street West. Additionally, Value Village Boutique leased 9,362

Market News

- Q4 2022 average asking rent across Toronto's 11 retail corridors dipped by 0.9% to \$91.23 per square foot
- The number of direct ground-floor availabilities totals 167, or 12.79% of the corridors
- Ossington Avenue, Leslieville, and Yonge & Eglinton are Toronto's tightest corridors

Toronto Market Overview

Toronto Urban Retail Report - Q4 2022

square feet at 2637 Yonge Street and Healthy Planet secured over 6,000 square feet at 322 Yonge Street.

Yonge Street (Eglinton to Blythwood) recorded the highest leasing velocity among all neighbourhoods, with over 17,000 square feet leased across three transactions.

Food & beverage (F&B) was the leading category in terms of number of new retail transactions (five), while Unisex Apparel led the charge with nearly 13,000 square feet of new deals. Notable transactions include Vancouver-based Hello Nori securing 2,576 square feet at 650 King Street West and Montreal-based One-of-a-Kind leasing 2,894 square feet at 333 Queen Street West.

Availability

The average availability rate for the 11 retail corridors increased 1.8 percentage points to 12.79%. Bloor Street West from Yonge Street to Avenue Road had the highest percentage of available retail space (22.73%), while Ossington Avenue, Leslieville, and Yonge & Eglinton had the lowest (4-5%).

The number of available storefronts increased from 145 in Q3 to 167 in Q4. The largest contributor to the increase was Yonge Street (Gerrard to Bloor) with an additional 28 availabilities.

Average Asking Rent

The average asking rent for Toronto's 11 retail corridors decreased by 0.9% to \$91.23 per square foot. The largest contributor to the decline was Bloor Street, down 8.4%. Nevertheless, Bloor Street still leads at \$228.85 per square foot, followed by Yonge Street (Queen to Gerrard) at \$118.33 and Yorkville Avenue (Yonge to Avenue) at \$108.57.

Construction

While the upcoming Ontario Line will benefit downtown Toronto, local businesses have expressed concerns about disruption caused by partial street closures during construction. The new subway stations are expected to reduce congestion and commute times downtown, providing long-term benefits to the city's transportation and business sectors.

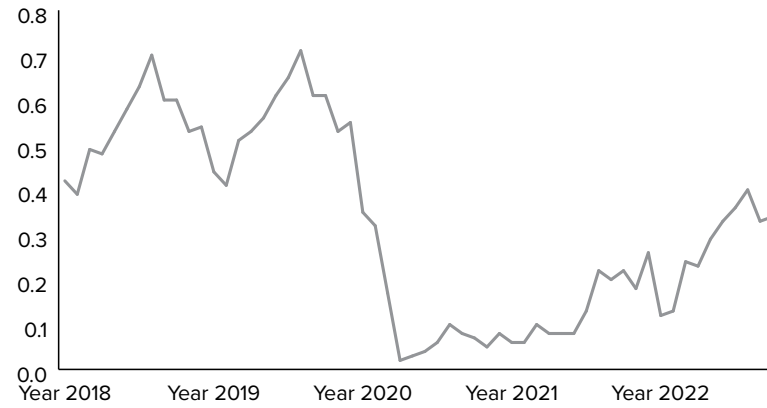
Union Park is a highly anticipated urban development project that is currently in the design phase and under review by the City of Toronto. With an estimated value of \$3.5 billion, the project is set to include 4.3 million square feet of office, residential, and retail space, and will be developed by Oxford Properties. The project is expected to create a new landmark in the city, connecting to the northern part of the CN Tower.



Market Dynamics

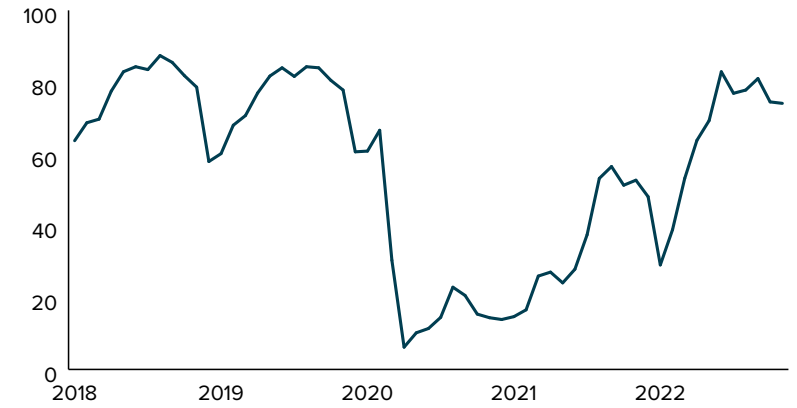
Toronto Market Overview

Visitor Spending (\$B)



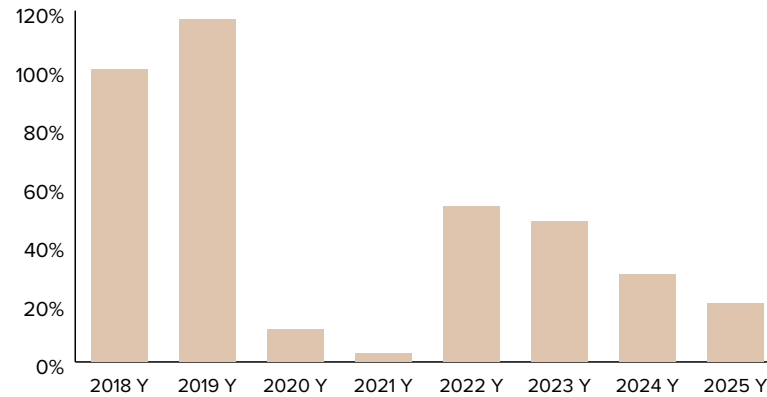
Source: StatsCan, Destination Canada

Hotel Occupancy (%)

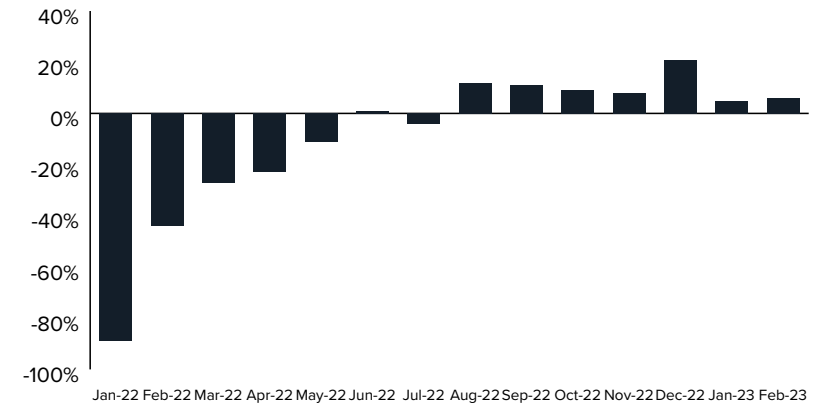


Source: STR, AirDNA

Events by Year (Events 1,000+ Attendance)



Percentage of Seated Diners Compared to 2019



Source: Opentable

Corridor Comparison

Toronto Market Overview

Corridor Parameters	# of Storefronts Available	% of Storefronts Available	Average Asking Rent (PSF)
Bloor Street (Yonge to Avenue)	15	22.73%	\$228.85
Yonge Street (Queen to Gerrard)	14	19.18%	\$118.33
Queen Street West (John to Spadina)	8	8.79%	\$93.13
King Street West (Spadina to Bathurst)	14	19.44%	\$90.36
Yorkville Avenue (Yonge to Avenue)	11	15.71%	\$108.57
Yonge Street (Gerrard to Bloor)	47	21.36%	\$80.79
Yonge Street (Eglinton to Blythwood)	10	5.41%	\$68.59
Ossington Avenue (Queen to Dundas)	5	4.35%	\$55.70
King Street East (Yonge to Parliament)	17	16.04%	\$56.29
Queen Street West (Spadina to Bathurst)	18	12.50%	\$55.54
Leslieville (Queen Street East - Booth to Leslie)	8	4.88%	\$47.43

Total # of Storefronts Available

167

Total % of Storefronts Available*

12.79%

Average Asking Rent (All Corridors)*

\$91.23

* Data may have been revised since original publication due to updated information

DEFINITIONS:

Availability: Direct space that is actively being marketed for lease in one of the corridors tracked by JLL; includes space for future and immediate occupancy with at least five years of guaranteed term.

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Lease Transactions

Toronto Market Overview



Top Lease Transactions by Sq. Ft. Leased | Q4 2022

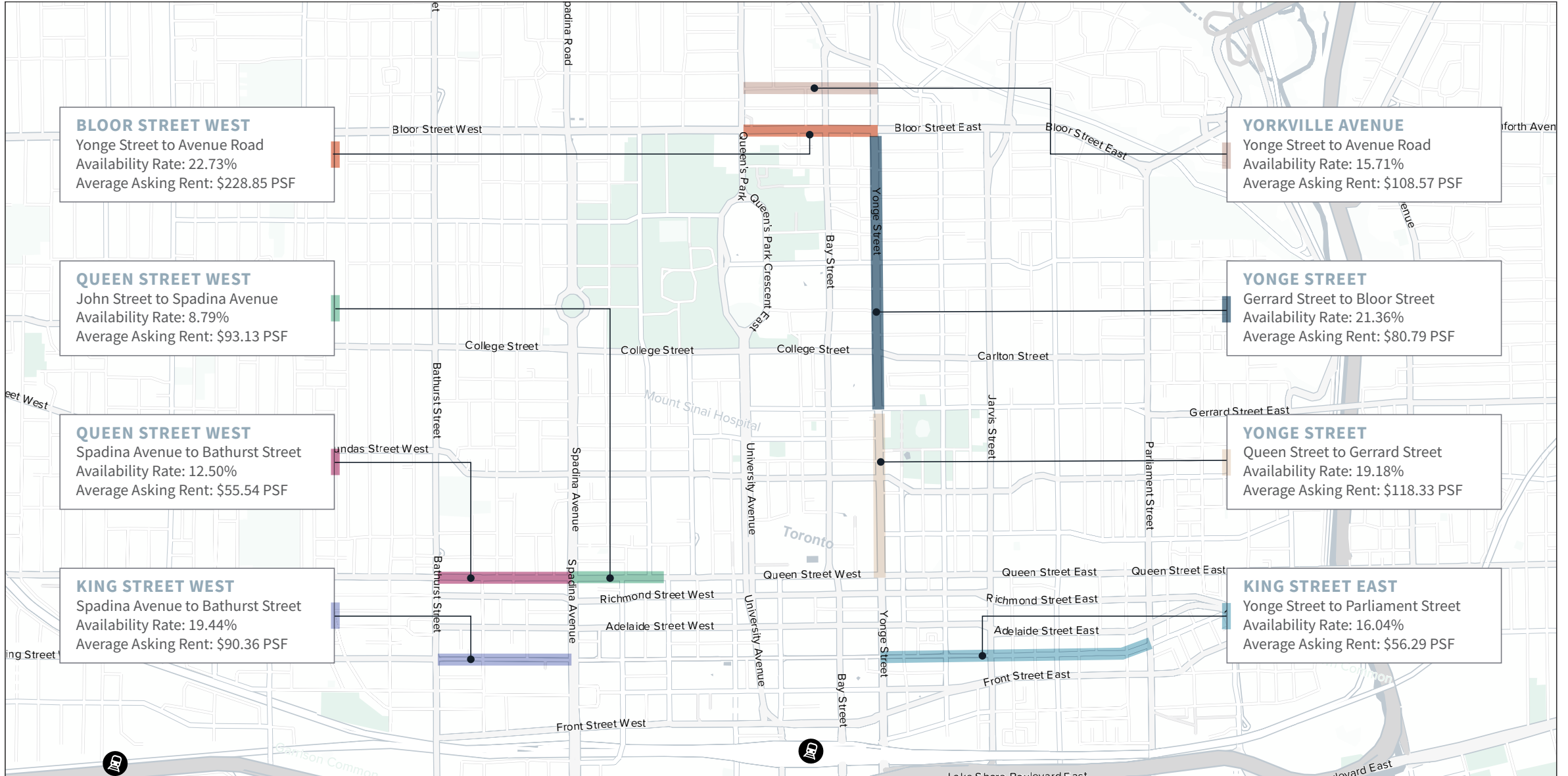
Tenant	Address	Size (SF)	Submarket	Tenant Category	
Saint Laurent	110 Bloor Street West	10,400	Bloor Street (Yonge to Avenue)	Luxury Goods	
Value Village Boutique	2637 Yonge Street	9,362	Yonge Street (Eglinton to Blythwood)	Unisex Apparel	JLL
Healthy Planet	322 Yonge Street	6,642	Yonge Street (Queen to Gerrard)	Grocery	
FH Health	2574 Yonge Street	6,234	Yonge Street (Eglinton to Blythwood)	Medical	JLL
Urban Cova Bakery & Café	256 Queen Street West	3,847	Queen Street West (John to Spadina)	Specialty Retail	JLL
Browns	60 Bloor Street West	3,819	Bloor Street (Yonge to Avenue)	Footwear	
Lost & Found	12 Ossington Avenue	3,300	Ossington Avenue (Queen to Dundas)	Men's Apparel	
One of a Kind	333 Queen Street West	2,894	Queen Street West (John to Spadina)	Streetwear	JLL
Unknown	328 Yonge Street	2,647	Yonge Street (Queen to Gerrard)	TBA	
Hello Nori	650 King Street West	2,576	King Street West (Spadina to Bathurst)	Fast Casual Restaurant	JLL

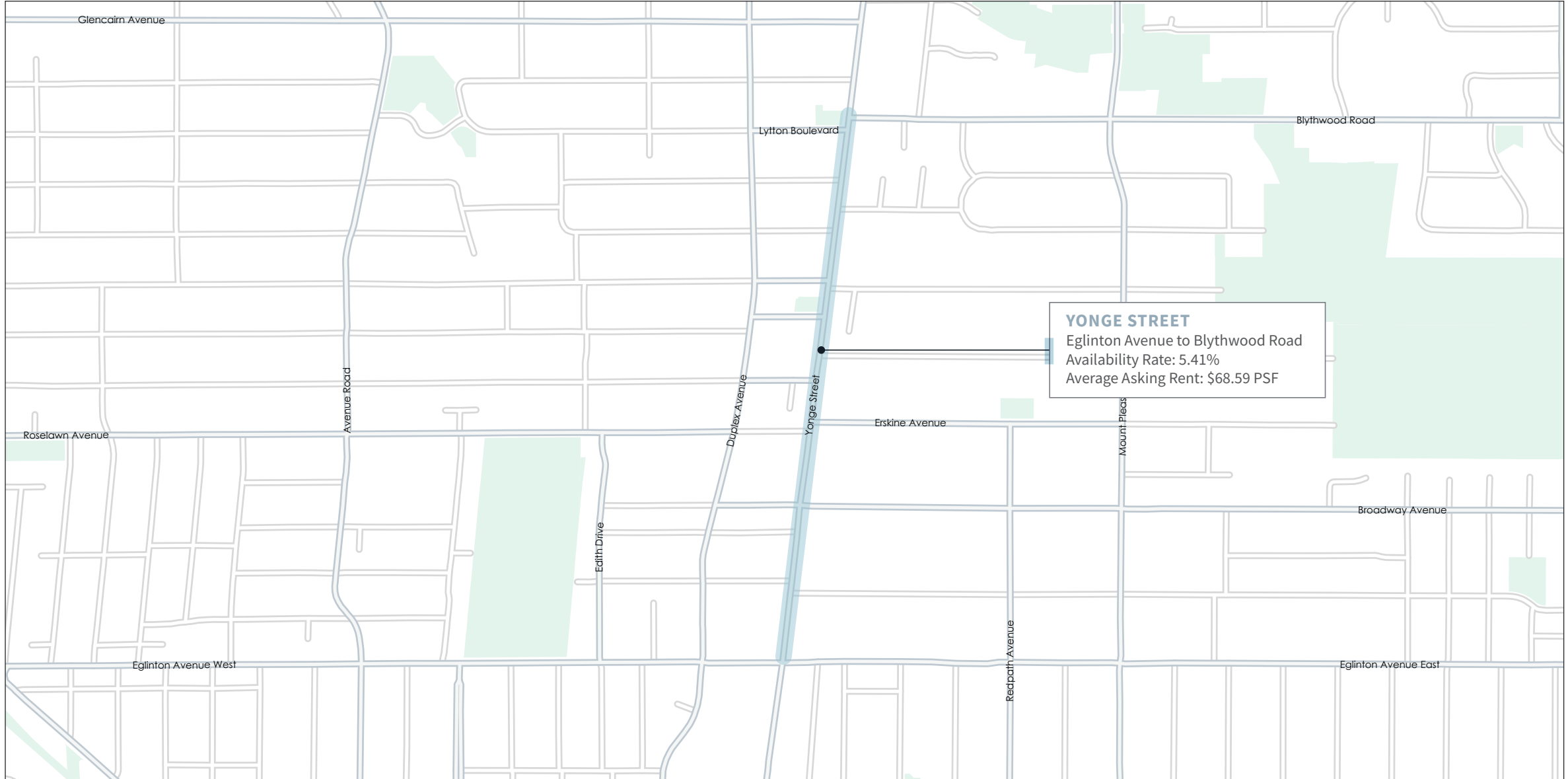
Most Active Neighbourhoods by Sq. Ft. Leased | Q4 2022

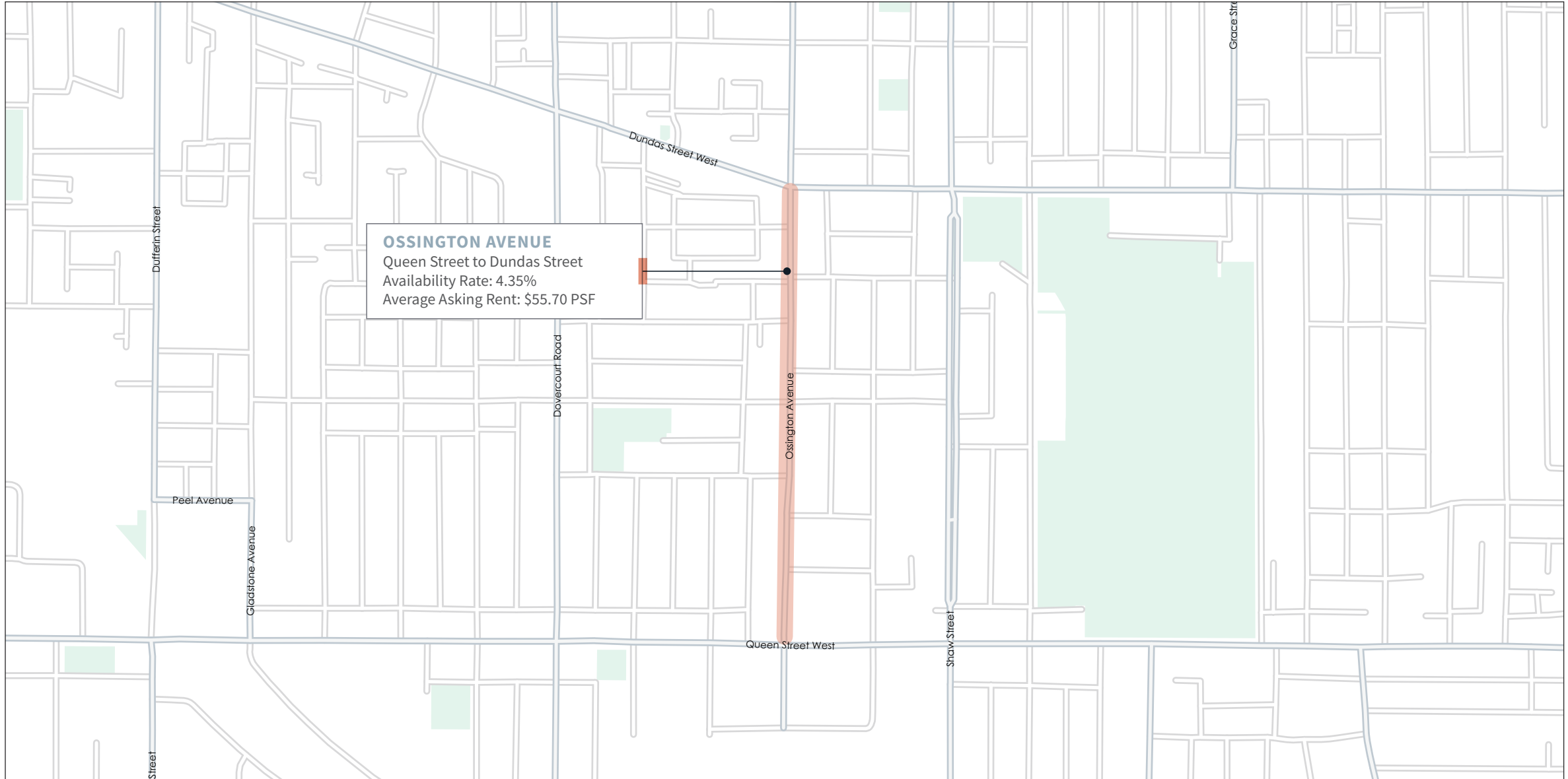
Submarket	# of New Lease Transactions	Total Space Leased (SF)
Yonge Street (Eglinton to Blythwood)	3	17,241
Bloor Street (Yonge to Avenue)	2	14,219
Ossington Avenue (Queen to Dundas)	5	10,286
Yonge Street (Queen to Gerrard)	2	9,289
Yonge Street (Gerrard to Bloor)	5	7,286
Queen Street West (John to Spadina)	2	6,741
Queen Street West (Spadina to Bathurst)	4	5,730
Leslieville (Queen Street East - Booth to Leslie)	2	3,878
Yorkville Avenue (Yonge to Avenue)	4	3,874
King Street West (Spadina to Bathurst)	1	2,576
King Street East (Yonge to Parliament)	2	2,340

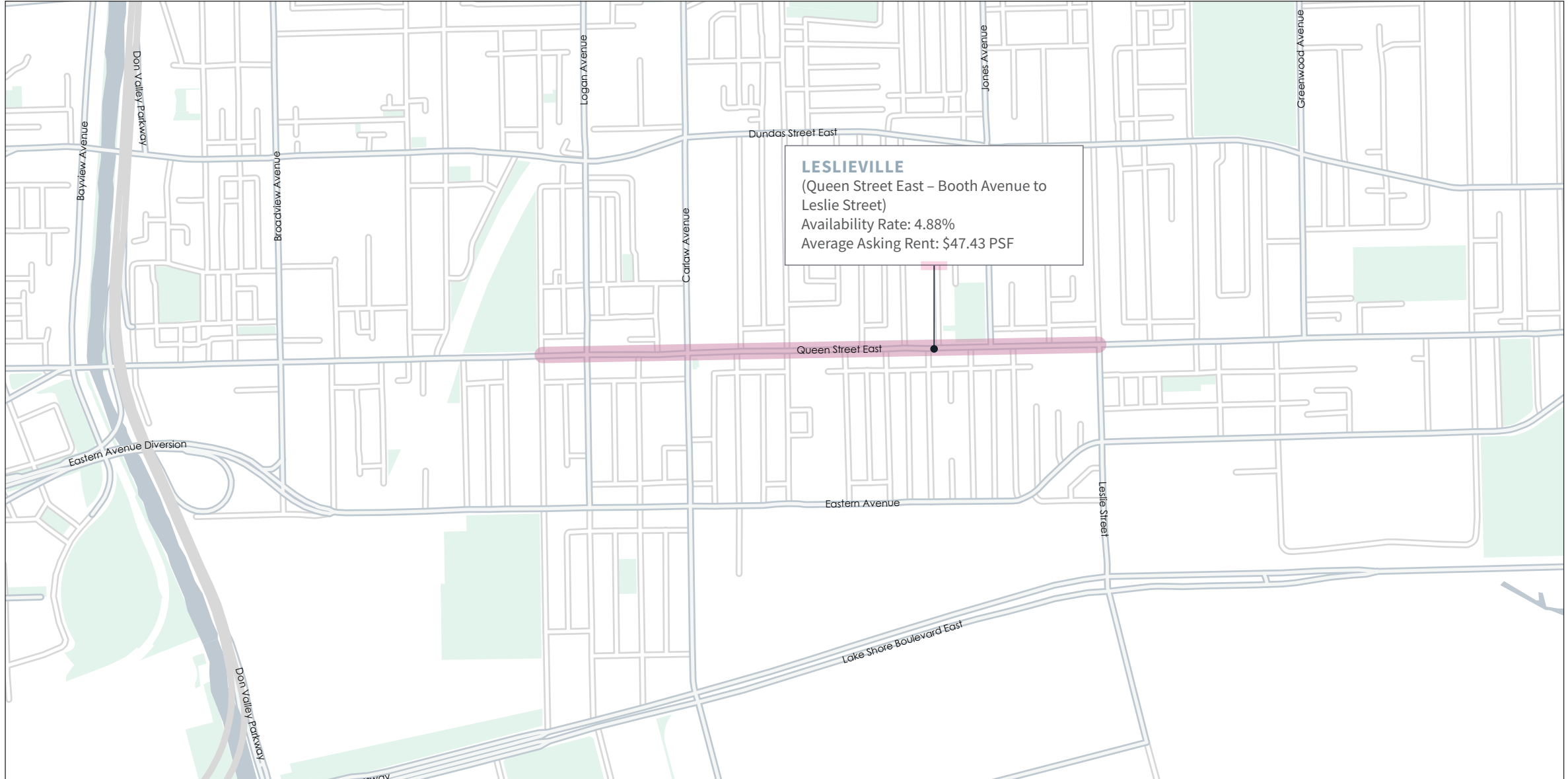
Most Active Tenant Categories by Sq. Ft. Leased | Q4 2022

Tenant Category	# of Lease Transactions	Leased (SF)
Unisex Apparel	3	12,872
Luxury Goods	1	10,400
Specialty Retail	5	9,010
TBA	4	6,824
Grocery	1	6,642
Fast Casual Restaurant	3	6,424
Medical	1	6,234
Office	2	3,857
Footwear	1	3,819
Quick Service Restaurant	2	3,372
Men's Apparel	1	3,300











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Q4 2022

Agency Retail Group

