



Q1 2021 Canadian Cap Rates & Investment Insights

**A quarterly snapshot of
Canadian commercial
real estate cap rates and
investment trends.**

CBRE RESEARCH

CBRE

Q1 2021

Canadian Cap Rates & Investment Insights

CANADIAN INVESTMENT TRENDS

Investment	3
Debt Market	4
Office	5
Industrial	6
Retail	7
Multifamily	8
Seniors Housing	9
Hotel	10

CITY-BY-CITY ANALYSIS

Victoria	11
Vancouver	12
Calgary	13
Edmonton	14
Saskatoon	15
Winnipeg	16
London	17
Kitchener-Waterloo	18
Toronto	19
Ottawa	20
Montreal	21
Quebec City	22
Halifax	23

CAP RATE SUMMARY SHEET

24-25

GLOSSARY OF TERMS

26

Investment Summary

- By the end of Q1 2021, Canada was once again playing whack-a-mole with COVID-19 variants with case levels rising to new highs in many parts of the country.
- While there remains undeniable short-term uncertainty, the real estate sector in general has reflected steadiness and a continuation of the now well established narrative - slight compression in yields for the most sought after asset classes (industrial and multifamily), minimal movement in the office sector and bifurcation in retail, with needs-based assets holding up nicely.
- The recent increase in 10-year Government of Canada bond yields has sparked some inflationary concerns but to date impact on cap rates appears to be nominal.

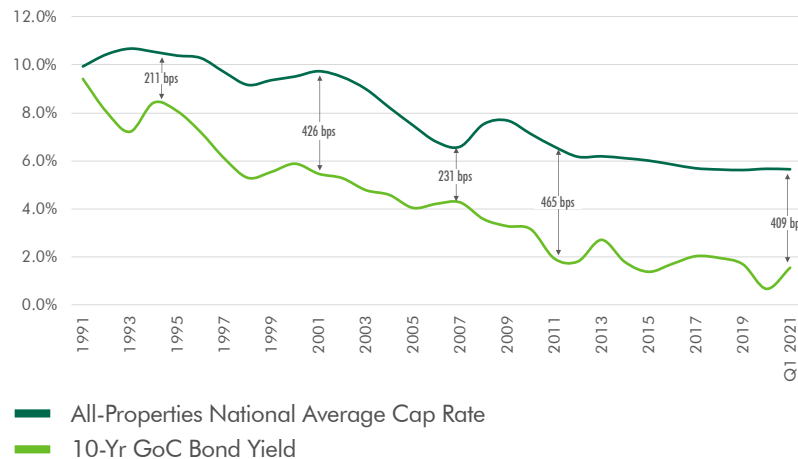


Paul Morassutti

Vice Chairman,
Valuation & Advisory
Services

www.cbre.ca/paul.morassutti

National Average Cap Rate



Source: CBRE Research, Refinitiv Eikon, Q1 2021.

Q1 2021 CAP RATES

DOWNTOWN OFFICE		ΔQ/Q
AA	4.88%	▼
A	5.70%	◀▶
B	6.63%	◀▶
SUBURBAN OFFICE		
A	6.44%	▼
B	7.28%	▼
INDUSTRIAL		
A	4.89%	▼
B	5.89%	▼
RETAIL		
Regional	5.44%	◀▶
Power	6.47%	◀▶
Neighbourhood	6.41%	◀▶
Strip	5.84%	▼
Strip (non-anchored)	6.81%	◀▶
Urban Streetfront	5.47%	◀▶
High Street	3.88%	◀▶
MULTIFAMILY		
High Rise A	3.75%	◀▶
High Rise B	4.33%	◀▶
Low Rise A	4.39%	◀▶
Low Rise B	4.84%	◀▶
SENIORS HOUSING		
Independent/Assisted Living A	6.20%	◀▶
Independent/Assisted Living B	7.39%	▼
Long Term Care A	7.54%	◀▶
HOTEL		
Downtown Full Service	7.13%	◀▶
Suburban Limited Service	8.53%	◀▶
Focused Service	7.94%	◀▶

Debt Market Summary

- The key trends in Q1 2021 were stimulus, animal instincts and thundering herds which awoke bond markets from their comatose state exiting 2020.
- Accelerating global vaccination efforts took place in the first quarter of 2021 with some countries making significant progress while others struggled to gain meaningful traction.
- In the commercial real estate debt world, herd mentality created a pecking order where the industrial and multifamily sectors have benefitted from spread compression while the remaining asset classes have seen a distinct separation in pricing spreads.
- Despite these secular trends and a tripling in underlying Canadian bond yields, current market spreads have facilitated borrowing costs in the high 2% to mid 3% range across sectors.

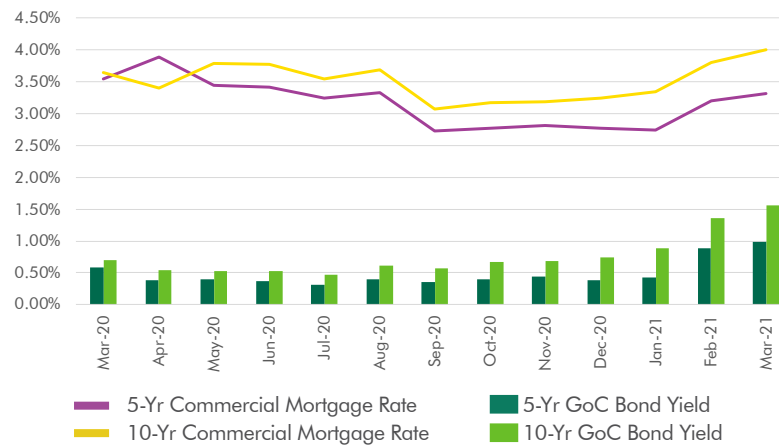


Carmin Di Fiore

Executive Vice President, Debt & Structured Finance

www.cbre.ca/carmin.difiore

Mortgage Rates to Government of Canada Bonds



Source: CBRE Research, Refinitiv Eikon, Q1 2021.

MARKET MOVERS

CAD/USD

Q4 2020	Q1 2021	Change QoQ (%)
\$0.79	\$0.80	▲ 1.40%

CANADA PRIME RATE

Q4 2020	Q1 2021	Change QoQ (%)
2.45%	2.45%	◀▶ 0.00%

30-DAY CDOR

Q4 2020	Q1 2021	Change QoQ (%)
0.46%	0.41%	▼ -10.33%

WESTERN CANADIAN SELECT (USD)

Q4 2020	Q1 2021	Change QoQ (%)
\$33.46	\$48.62	▲ 45.31%

5-YEAR MORTGAGE SPREAD RANGE

Q4 2020	Q1 2021	Change QoQ (%)
1.50% - 3.25%	1.40% - 3.25%	▼ -2.11%

10-YEAR MORTGAGE SPREAD RANGE

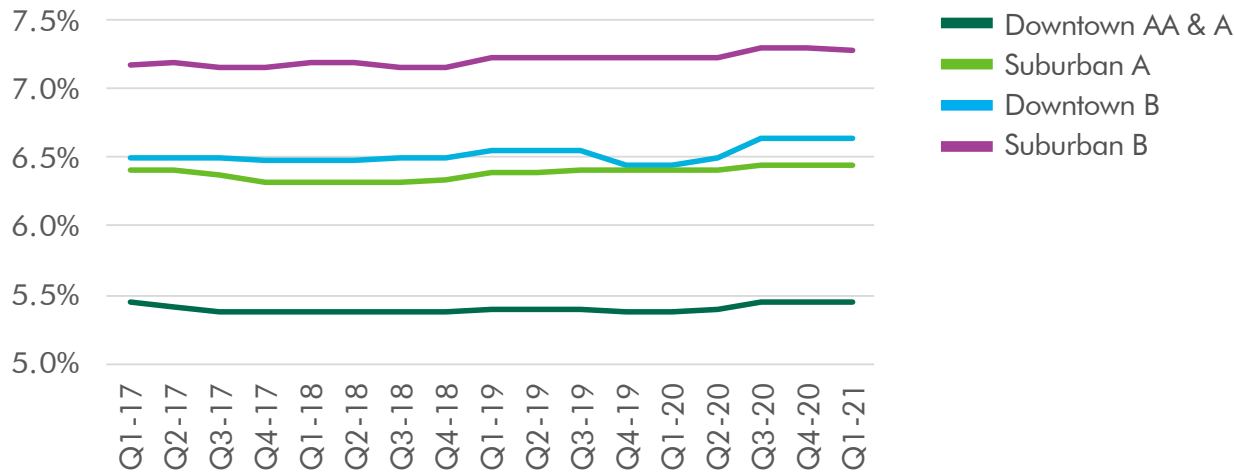
Q4 2020	Q1 2021	Change QoQ (%)
1.60% - 3.40%	1.50% - 3.40%	▼ -2.00%

Source: CBRE Limited, Refinitiv Eikon.

National Office Summary

- As the country concluded a full year of COVID-19 restrictions in March, office cap rates continued to hold steady to start 2021. The only market to see office cap rates move over the first quarter was Vancouver, where yields for Downtown Class AA, Suburban Class A and Suburban Class B properties each declined by 13 bps.
- The tightening of cap rates in Vancouver caused corresponding movements for these office property types at the National level. The national average cap rate figures for each of the Downtown Class AA, Suburban Class A and Suburban Class B categories compressed by 2 bps in Q1 2021.
- With much of the nation facing a third wave of infections to start the spring, investors have continued to take a cautious approach to the office sector. Despite the continued caution, it's expected that activity should increase drastically over the next 6 months as vaccination efforts accelerate and occupiers begin to return to their physical spaces over the summer.

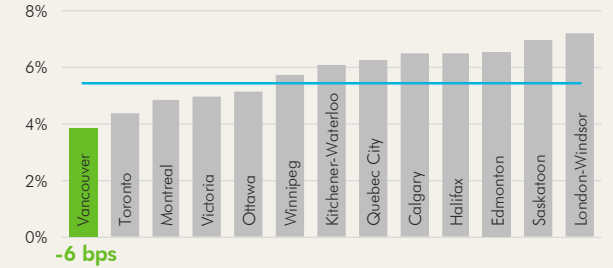
Historical Office Cap Rates



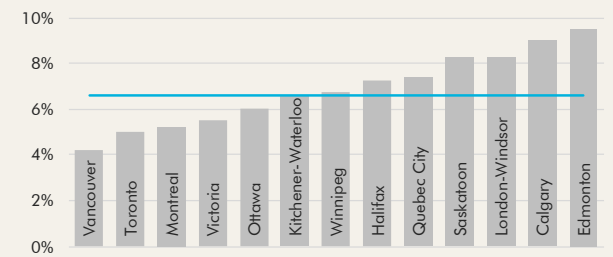
REGIONAL RANKINGS

Cap Rate National Average Δ Q/Q

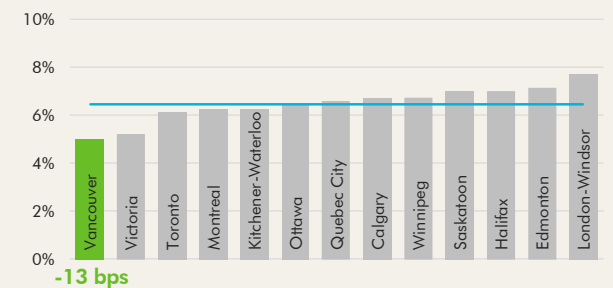
DOWNTOWN AA & A



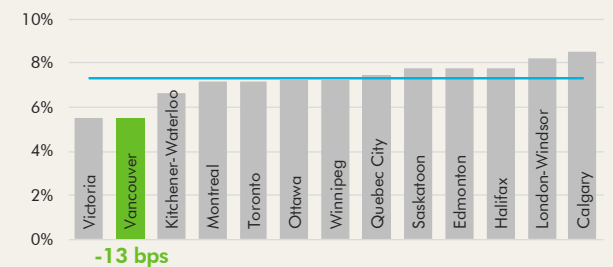
DOWNTOWN B



SUBURBAN A



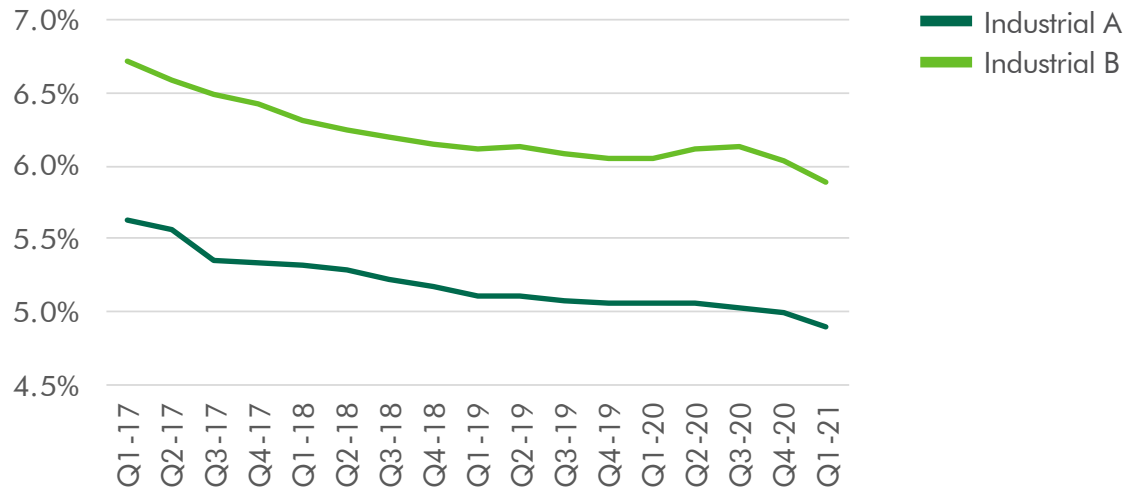
SUBURBAN B



National Industrial Summary

- The extraordinary momentum seen in the Canadian industrial sector in 2020 spilled into the new year as cap rates continued to compress across the country. The national average cap rate figures for the industrial Class A and B categories declined by 10 bps and 14 bps, respectively, in Q1 2021.
- Nine of the thirteen markets tracked by CBRE reported cap rate compression in at least one industrial property type to start 2021. These markets included Vancouver, Calgary, Winnipeg, London-Windsor, Kitchener-Waterloo, Toronto, Montreal, Quebec City and Halifax.
- The asset class is showing no signs of slowing and investor interest remains at an all-time high driven by strengthening fundamentals and a new supply pipeline which can't keep up with demand. It's expected that industrial cap rates will continue to face downward pressure for the foreseeable future.

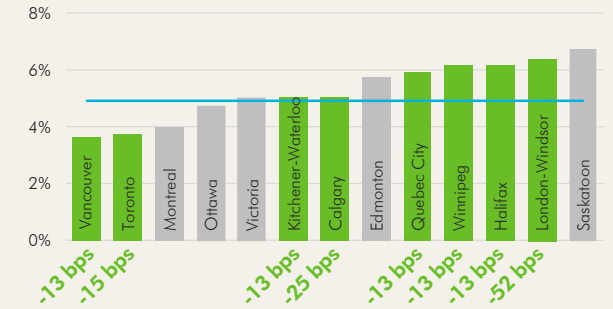
Historical Industrial Cap Rates



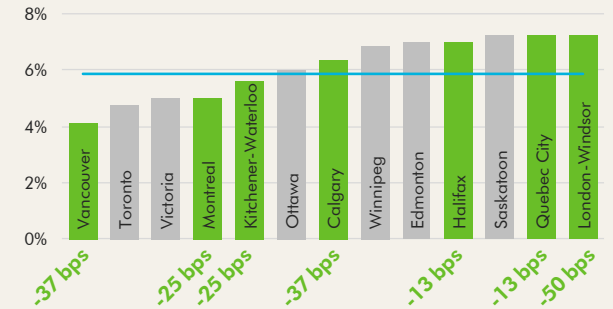
REGIONAL RANKINGS

Cap Rate National Average Δ Q/Q

INDUSTRIAL A



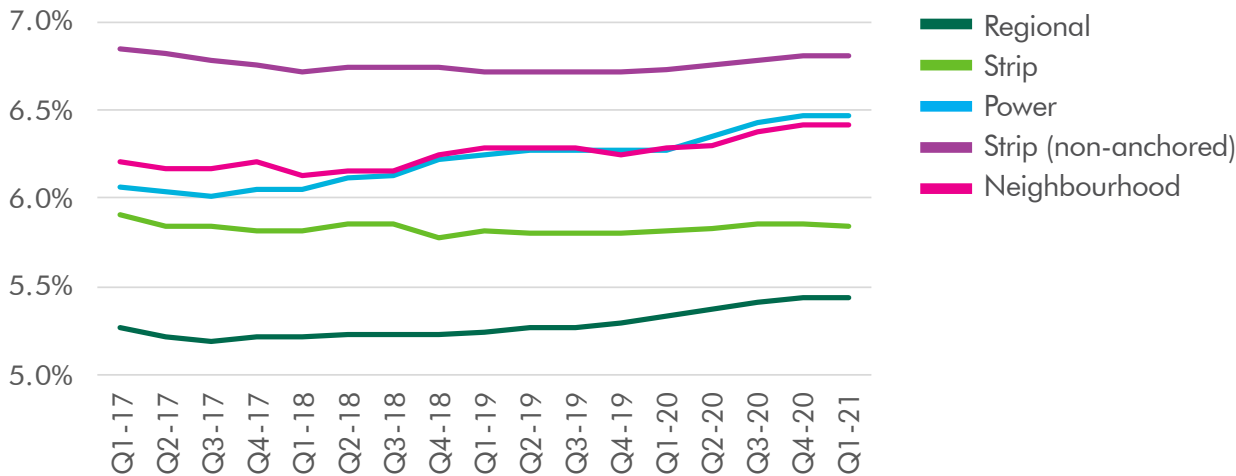
INDUSTRIAL B



National Retail Summary

- After 2020 saw many retailers struggle to survive COVID-19 lockdowns and a continued shift towards ecommerce accelerated the trend of reduced sales in physical stores, some green shoots are beginning to be seen for the retail asset class. Nationally, there was minimal movement in retail cap rates in Q1 2021 and some capital sources are beginning to return to the sector especially for assets leased by needs based retailers.
- The sole retail category to see any movement over the first quarter was the anchored strip property type where the national average cap rate figure compressed by 2 bps over the period.
- Three markets reported changes to retail cap rates in Q1 2021. Vancouver saw cap rates for anchored strip assets increase by 25 bps, Calgary saw a decline of 38 bps in the same category, while the London-Windsor market saw cap rates fall by 13 bps in each of the non-anchored and anchored strip categories.

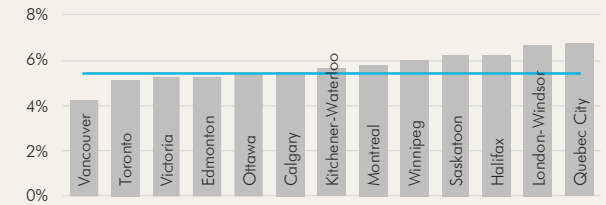
Historical Retail Cap Rates



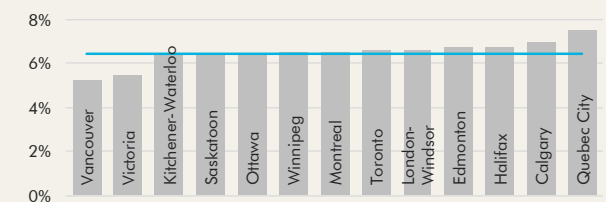
REGIONAL RANKINGS

Cap Rate National Average Δ Q/Q

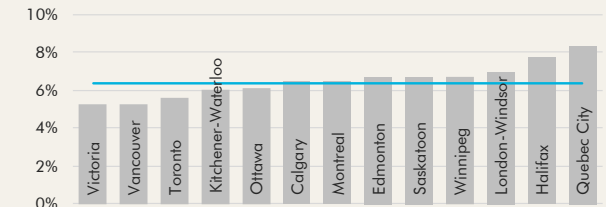
REGIONAL



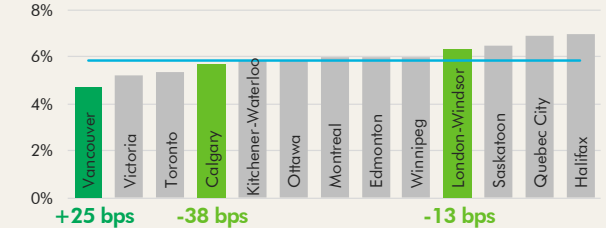
POWER



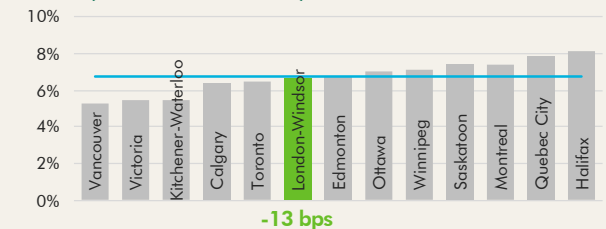
NEIGHBOURHOOD



STRIP



STRIP (NON-ANCHORED)



National Multifamily Summary

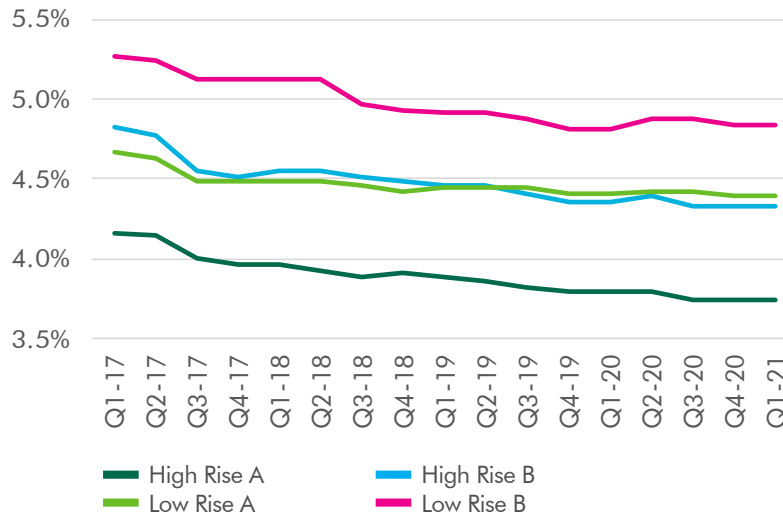
- The multifamily asset class had a strong start to 2021, building on the sector’s extremely active 2020. While each of the sector’s national average cap rate figures remained unchanged over the first quarter, investment activity has remained exceptionally robust and interest from investors continues to grow.
- The only market to report any movement in multifamily cap rates in Q1 2021 was Kitchener-Waterloo, which saw Low Rise Class A yields compress by 25 bps and Low Rise Class B yields compress by 37 bps.
- While data from 2020 has suggested that multifamily fundamentals weakened somewhat over the course of the pandemic, vacancy rates are still exceptionally low and rents have continued to rise across most markets. The sector’s strong fundamentals and the expectation that any losses seen over the pandemic will be erased rapidly as both international travel and immigration resume over the coming year, should ensure that liquidity and pricing will remain elevated over the remainder of 2021.



David Montessor

Executive Vice President, National Apartment Group
www.cbre.ca/david.montessor

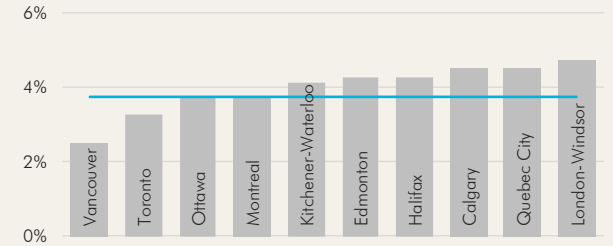
Historical Multifamily Cap Rates



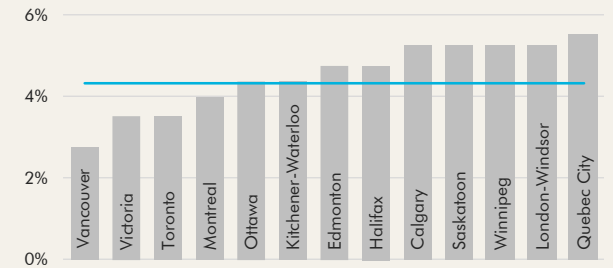
REGIONAL RANKINGS

Cap Rate National Average ΔQ/Q

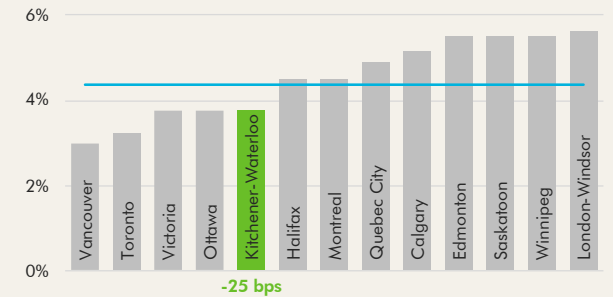
HIGH RISE A



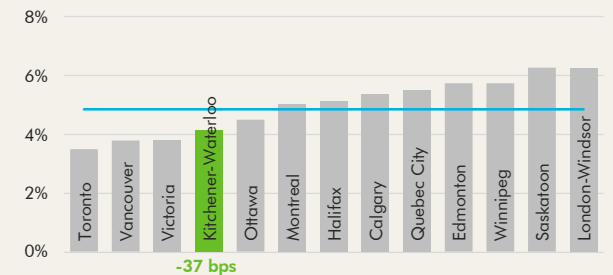
HIGH RISE B



LOW RISE A



LOW RISE B



National Seniors Housing Summary

- While scarcity of Class A transactions remained the story across the seniors housing sector in Q1 2021, offerings planned for the near-term have increased of late. It's expected that some significant transactions should close in 2021 after almost two years of inactivity.
- While scarcity of Class A transactions persisted through Q1 2021, the first quarter saw increased Class B deal flow. The increased activity resulted in Class B cap rates compressing by 25 bps across all markets, bringing yields back to levels seen before the start of the pandemic.
- Construction costs have continued to rise and this trend has reinforced the belief that downward pressure on cap rates for existing product should continue as good opportunities arise.
- Despite rising costs, it is expected that the development pipeline will continue to grow, particularly in primary markets which continue to be fueled by compelling demographics, strong demand fundamentals and the advancement of provincial vaccine rollouts, especially throughout the seniors population.

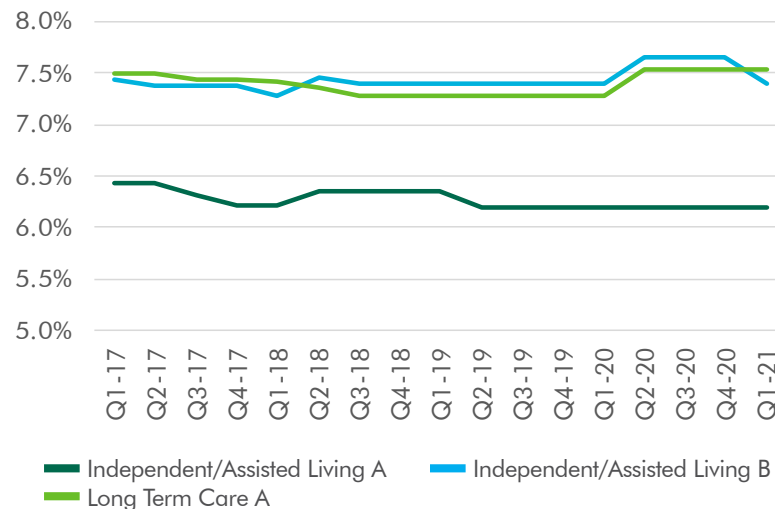


Steve Hiscox

Senior Director,
Seniors Housing &
Healthcare

www.cbre.ca/steve.hiscox

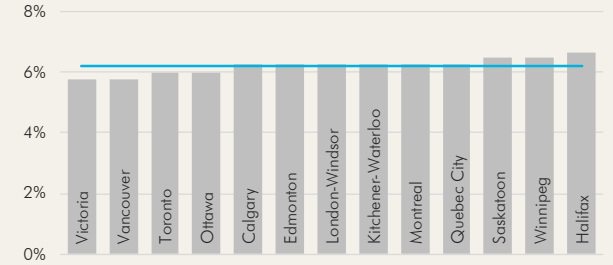
Historical Seniors Housing Cap Rates



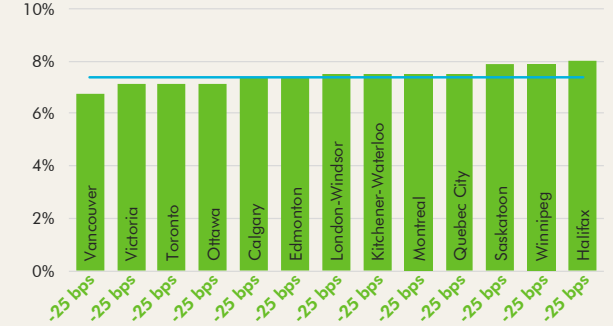
REGIONAL RANKINGS

Cap Rate National Average Δ Q/Q

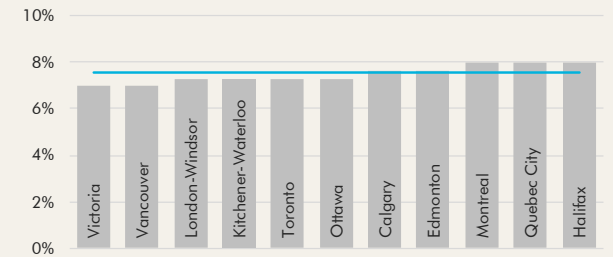
INDEPENDENT/ASSISTED LIVING A



INDEPENDENT/ASSISTED LIVING B



LONG TERM CARE A



National Hotel Summary

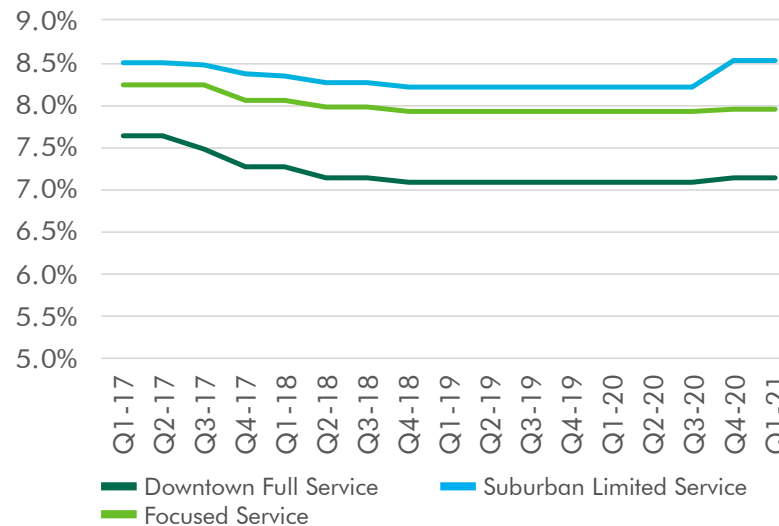
- Hotels investment activity remained muted in the first quarter of 2021. Many market participants have continued to wait for more clarity on the COVID-19 recovery, particularly as vaccine rollouts accelerate.
- According to preliminary transaction data, the trend of hotels being purchased for alternate use has continued into the new year. Local municipalities and non-profit organizations continue to drive this trend by acquiring assets for conversion.
- While the gap between buyer-seller expectations remains wide outside of major markets, this spread is narrowing and there was a noticeable uptick in activity in Q1 2021. This stabilization of market dynamics may lead to increased transaction volumes heading into the second and third quarters.
- National RevPAR finished down 60% in Q1 2021 compared to the same quarter in 2020. Despite building optimism, a third wave of cases has led to a recent return to strict lockdowns across the country and these measures continue to hold the sector back from beginning a full recovery.



Mark Sparrow

Executive Vice President, CBRE Hotels

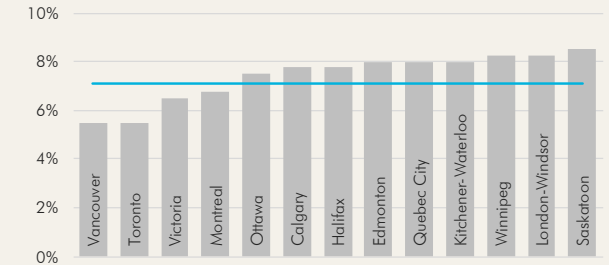
Historical Hotel Cap Rates



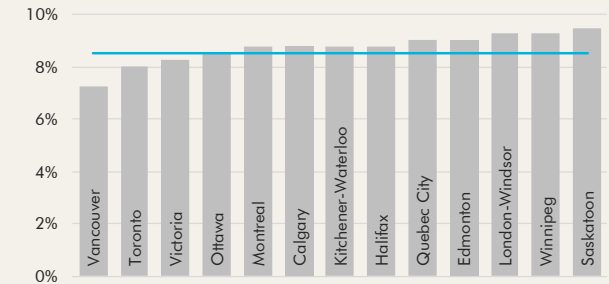
REGIONAL RANKINGS

Cap Rate National Average Δ Q/Q

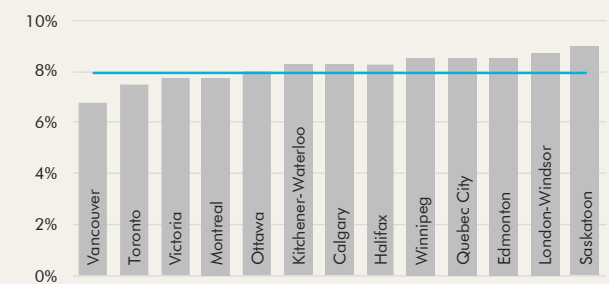
DOWNTOWN FULL SERVICE



SUBURBAN LIMITED SERVICE



FOCUSED SERVICE



Victoria

- Greater Victoria had a strong start to the year across all asset classes in Q1 2021. The market’s buyer pool has grown substantially as investors look to place pent up capital in an attractive and stable market with limited supply. The increased demand should continue to place downward pressure on cap rates going forward.
- Demand for development sites continues to shift away from the urban core to suburban submarkets. This shift is resulting in increased competition in the Westshore neighborhood and causing land values to escalate.
- The combination of a limited supply of zoned land, record low vacancy and rising lease rates is resulting in a surge of interest in industrial strata ownership from both owner-occupier and investor groups.

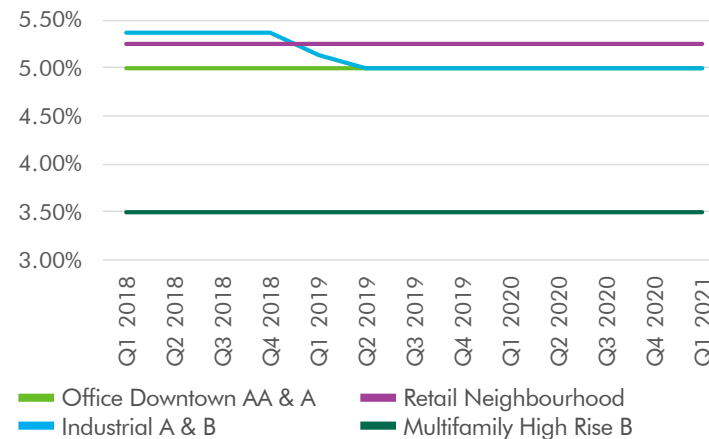


Ross Marshall

Senior Vice President

www.cbre.ca/ross.marshall

Historical Victoria Cap Rates



Q1 2021 CAP RATES

DOWNTOWN OFFICE		ΔQ/Q
AA	N/A	
A	4.75% - 5.25%	◀▶
B	5.25% - 5.75%	◀▶
SUBURBAN OFFICE		
A	5.00% - 5.50%	◀▶
B	5.25% - 5.75%	◀▶
INDUSTRIAL		
A	4.75% - 5.25%	◀▶
B	4.75% - 5.25%	◀▶
RETAIL		
Regional	4.75% - 5.75%	◀▶
Power	5.00% - 6.00%	◀▶
Neighbourhood	5.00% - 5.50%	◀▶
Strip	5.00% - 5.50%	◀▶
Strip (non-anchored)	5.25% - 5.75%	◀▶
Urban Streetfront	5.00% - 5.50%	◀▶
High Street	5.00% - 5.50%	◀▶
MULTIFAMILY		
High Rise A	N/A	
High Rise B	3.25% - 3.75%	◀▶
Low Rise A	3.50% - 4.00%	◀▶
Low Rise B	3.50% - 4.00%	◀▶
SENIORS HOUSING		
Independent/Assisted Living A	5.50% - 6.00%	◀▶
Independent/Assisted Living B	6.75% - 7.50%	▼
Long Term Care A	6.75% - 7.25%	◀▶
HOTEL		
Downtown Full Service	5.50% - 7.50%	◀▶
Suburban Limited Service	7.50% - 9.00%	◀▶
Focused Service	7.00% - 8.50%	◀▶

Vancouver

- As expected, Vancouver’s commercial real estate sector continued its recovery in Q1 2021. The market began the year with exceptionally high levels of interest from investors.
- While investors continue to favour industrial and multifamily assets, there has also been growing interest in suburban office assets and office development sites both in the core and on the urban fringe. This level of interest bodes well for the office asset class which has been mired in uncertainty since the start of the pandemic.
- Capital is reaching out for opportunities aggressively after many investors spent 2020 on the sidelines. It’s expected that Vancouver will experience a very strong year across all asset classes in 2021.



Tony Quattrin

Vice Chairman,
National Investment Team

www.cbre.ca/tony.quattrin

Historical Vancouver Cap Rates



Q1 2021 CAP RATES

DOWNTOWN OFFICE		ΔQ/Q
AA	3.50% - 4.00%	▼
A	3.75% - 4.25%	◄►
B	4.00% - 4.50%	◄►
SUBURBAN OFFICE		
A	4.75% - 5.25%	▼
B	5.25% - 5.75%	▼
INDUSTRIAL		
A	3.25% - 4.00%	▼
B	3.75% - 4.50%	▼
RETAIL		
Regional	4.00% - 4.50%	◄►
Power	5.00% - 5.50%	◄►
Neighbourhood	5.00% - 5.50%	◄►
Strip	4.50% - 5.00%	▲
Strip (non-anchored)	5.00% - 5.50%	◄►
Urban Streetfront	3.75% - 4.25%	◄►
High Street	3.50% - 4.00%	◄►
MULTIFAMILY		
High Rise A	2.25% - 2.75%	◄►
High Rise B	2.50% - 3.00%	◄►
Low Rise A	2.75% - 3.25%	◄►
Low Rise B	3.25% - 4.25%	◄►
SENIORS HOUSING		
Independent/Assisted Living A	5.50% - 6.00%	◄►
Independent/Assisted Living B	6.50% - 7.00%	▼
Long Term Care A	6.75% - 7.25%	◄►
HOTEL		
Downtown Full Service	4.50% - 6.50%	◄►
Suburban Limited Service	6.50% - 8.00%	◄►
Focused Service	6.00% - 7.50%	◄►

Calgary

- The relaxation of COVID-19 restrictions in Alberta resulted in a rise in investment activity in Q1 2020 as it is now widely believed that tenants that have survived the lockdowns thus far will endure through the final days of the pandemic.
- Private buyers continue to dominate the investment landscape, but institutional investors have returned to the market looking primarily for opportunities to invest in Class A industrial assets.
- Capital which had previously been targeting industrial and multifamily offerings exclusively is now starting to turn towards essential service retail.
- Office investments remain a challenge but as more evidence emerges that leasing interest exists for best-in-class space, it is starting to be clear which assets will win out in an over-supplied market.

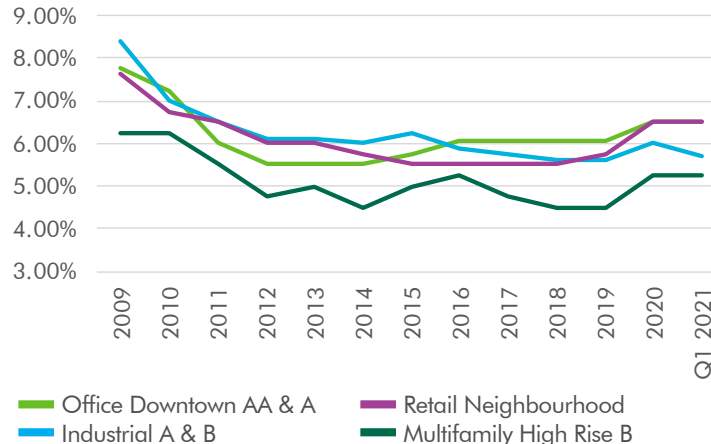


Duncan MacLean

Senior Vice President,
National Investment Team

www.cbre.ca/duncan.maclea

Historical Calgary Cap Rates



Q1 2021 CAP RATES

DOWNTOWN OFFICE		ΔQ/Q
AA	5.50% - 6.00%	◀▶
A	6.75% - 7.75%	◀▶
B	8.50% - 9.50%	◀▶
SUBURBAN OFFICE		
A	6.25% - 7.25%	◀▶
B	8.00% - 9.00%	◀▶
INDUSTRIAL		
A	4.75% - 5.25%	▼
B	6.00% - 6.75%	▼
RETAIL		
Regional	5.00% - 6.00%	◀▶
Power	6.50% - 7.50%	◀▶
Neighbourhood	6.00% - 7.00%	◀▶
Strip	5.50% - 6.00%	▼
Strip (non-anchored)	6.00% - 6.75%	◀▶
Urban Streetfront	6.00% - 6.75%	◀▶
High Street	N/A	
MULTIFAMILY		
High Rise A	4.25% - 4.75%	◀▶
High Rise B	5.00% - 5.50%	◀▶
Low Rise A	4.75% - 5.50%	◀▶
Low Rise B	5.00% - 5.75%	◀▶
SENIORS HOUSING		
Independent/Assisted Living A	6.00% - 6.50%	◀▶
Independent/Assisted Living B	7.00% - 7.75%	▼
Long Term Care A	7.25% - 8.00%	◀▶
HOTEL		
Downtown Full Service	7.00% - 8.50%	◀▶
Suburban Limited Service	8.00% - 9.50%	◀▶
Focused Service	7.50% - 9.00%	◀▶

Edmonton

- Vaccine rollouts are causing renewed optimism in the broader economy as well as the energy sector, leading to a stabilization in real estate fundamentals and more in-bound capital across Alberta. The multifamily and industrial asset classes continue to be the sectors of choice for investors due to enticing secular tailwinds.
- The office sector continues to be a question mark for investors. While a flight-to-quality has allowed Class AA assets to outperform the broader market, price-per-square-foot will continue to be the limiting factor for most investors.
- Retail is still largely unstable due to the uncertainty surrounding tenant strength and NOI and this will likely continue until the damage to the sector can be assessed fully post-pandemic.



Dave Young
Executive Vice President,
National Investment Team
www.cbre.ca/dave.young

Historical Edmonton Cap Rates



Q1 2021 CAP RATES

Category	Cap Rate Range	ΔQ/Q
DOWNTOWN OFFICE		
AA	5.50% - 6.00%	◀▶
A	7.00% - 7.75%	◀▶
B	8.00% - 11.00%	◀▶
SUBURBAN OFFICE		
A	6.75% - 7.50%	◀▶
B	7.50% - 8.00%	◀▶
INDUSTRIAL		
A	5.50% - 6.00%	◀▶
B	6.75% - 7.25%	◀▶
RETAIL		
Regional	5.00% - 5.50%	◀▶
Power	6.50% - 7.00%	◀▶
Neighbourhood	6.50% - 7.00%	◀▶
Strip	5.75% - 6.25%	◀▶
Strip (non-anchored)	6.50% - 7.00%	◀▶
Urban Streetfront	6.25% - 6.75%	◀▶
High Street	N/A	
MULTIFAMILY		
High Rise A	4.00% - 4.50%	◀▶
High Rise B	4.50% - 5.00%	◀▶
Low Rise A	5.25% - 5.75%	◀▶
Low Rise B	5.50% - 6.00%	◀▶
SENIORS HOUSING		
Independent/Assisted Living A	6.00% - 6.50%	◀▶
Independent/Assisted Living B	7.00% - 7.75%	▼
Long Term Care A	7.25% - 8.00%	◀▶
HOTEL		
Downtown Full Service	7.00% - 9.00%	◀▶
Suburban Limited Service	8.00% - 10.00%	◀▶
Focused Service	7.50% - 9.50%	◀▶

Saskatoon

- While investment demand in Saskatoon remains elevated, transaction-based evidence suggests that cap rates have remained flat across asset classes, with continued uncertainty surrounding the COVID-19 recovery limiting investment volumes.
- Lease-up continues at the River Landing development in preparation for Nutrien’s relocation to the North office tower in early fall. The onslaught of new space continues to create uncertainty and opportunity for investors and users in Saskatoon’s downtown office market.
- Demand for multifamily assets remains strong driven by stable residential fundamentals and limited availability. These dynamics should continue to place downward pressure on cap rates going forward.



Michael Bratvold

Vice President,
Managing Director

www.cbre.ca/michael.bratvold

Historical Saskatoon Cap Rates



Q1 2021 CAP RATES

DOWNTOWN OFFICE		ΔQ/Q
AA	N/A	
A	6.75% - 7.25%	◀▶
B	7.75% - 8.75%	◀▶
SUBURBAN OFFICE		
A	6.75% - 7.25%	◀▶
B	7.50% - 8.00%	◀▶
INDUSTRIAL		
A	6.50% - 7.00%	◀▶
B	7.00% - 7.50%	◀▶
RETAIL		
Regional	6.00% - 6.50%	◀▶
Power	6.25% - 6.50%	◀▶
Neighbourhood	6.50% - 7.00%	◀▶
Strip	6.25% - 6.75%	◀▶
Strip (non-anchored)	7.25% - 7.50%	◀▶
Urban Streetfront	6.75% - 7.25%	◀▶
High Street	N/A	
MULTIFAMILY		
High Rise A	N/A	
High Rise B	5.00% - 5.50%	◀▶
Low Rise A	5.25% - 5.75%	◀▶
Low Rise B	6.00% - 6.50%	◀▶
SENIORS HOUSING		
Independent/Assisted Living A	6.25% - 6.75%	◀▶
Independent/Assisted Living B	7.50% - 8.25%	▼
Long Term Care A	N/A	
HOTEL		
Downtown Full Service	7.50% - 9.50%	◀▶
Suburban Limited Service	8.50% - 10.50%	◀▶
Focused Service	8.00% - 10.00%	◀▶

Winnipeg

- Winnipeg continued to see strong demand for warehousing and logistics assets in Q1 2021. The market has seen renewed interest from institutional investors and a growing appetite for larger acquisition opportunities.
- Investor demand for multifamily is focused predominantly on development land and opportunities to reposition existing assets that provide upside in temporarily taking the property out of rent control.
- The potential acquisition of Portage Place Shopping Centre for office and retail repositioning as well as the addition of two new residential towers was subsequently put on hold and then renewed again, as the federal government’s commitment to the project remains uncertain.



Ryan Behie

Vice President,
Managing Director

www.cbre.ca/ryan.behie

Historical Winnipeg Cap Rates



Q1 2021 CAP RATES

DOWNTOWN OFFICE		ΔQ/Q
AA	N/A	
A	5.50% - 6.00%	◀▶
B	6.50% - 7.00%	◀▶
SUBURBAN OFFICE		
A	6.50% - 7.00%	◀▶
B	7.00% - 7.50%	◀▶
INDUSTRIAL		
A	5.75% - 6.50%	▼
B	6.50% - 7.25%	◀▶
RETAIL		
Regional	5.75% - 6.25%	◀▶
Power	6.25% - 6.75%	◀▶
Neighbourhood	6.50% - 7.00%	◀▶
Strip	5.75% - 6.25%	◀▶
Strip (non-anchored)	6.75% - 7.50%	◀▶
Urban Streetfront	6.00% - 6.75%	◀▶
High Street	N/A	
MULTIFAMILY		
High Rise A	N/A	
High Rise B	5.00% - 5.50%	◀▶
Low Rise A	5.25% - 5.75%	◀▶
Low Rise B	5.50% - 6.00%	◀▶
SENIORS HOUSING		
Independent/Assisted Living A	6.25% - 6.75%	◀▶
Independent/Assisted Living B	7.50% - 8.25%	▼
Long Term Care A	N/A	
HOTEL		
Downtown Full Service	7.50% - 9.00%	◀▶
Suburban Limited Service	8.50% - 10.00%	◀▶
Focused Service	8.00% - 9.00%	◀▶

London

- The London investment market continued to show strength across most asset classes in Q1 2020, with the lone exception being the office sector where investors continue to await greater clarity on long-term occupier trends.
- Investment demand has risen drastically of late, fueled by an influx of capital from the GTA coupled with a strong bench of local firms. Smaller firms and individual buyers continue to drive activity and the bulk of interest continues to be placed on assets priced at less than \$10.0 million.
- While activity has ramped up, there remains a sense that many are still taking a wait-and-see approach to investment decisions as the country nears a resolution to the pandemic.



Kevin MacDougall
Associate Vice President
www.cbre.ca/kevin.macdougall

Historical London Cap Rates



Q1 2021 CAP RATES

DOWNTOWN OFFICE		ΔQ/Q
AA	N/A	
A	6.25% - 8.25%	◀▶
B	7.75% - 8.75%	◀▶
SUBURBAN OFFICE		
A	7.50% - 8.00%	◀▶
B	8.00% - 8.50%	◀▶
INDUSTRIAL		
A	5.75% - 7.00%	▼
B	6.75% - 7.75%	▼
RETAIL		
Regional	6.25% - 7.00%	◀▶
Power	6.25% - 7.00%	◀▶
Neighbourhood	6.25% - 7.75%	◀▶
Strip	5.75% - 7.00%	▼
Strip (non-anchored)	5.75% - 7.50%	▼
Urban Streetfront	7.00% - 8.50%	◀▶
High Street	N/A	
MULTIFAMILY		
High Rise A	4.25% - 5.25%	◀▶
High Rise B	4.50% - 6.00%	◀▶
Low Rise A	4.75% - 6.50%	◀▶
Low Rise B	5.50% - 7.00%	◀▶
SENIORS HOUSING		
Independent/Assisted Living A	6.00% - 6.50%	◀▶
Independent/Assisted Living B	7.00% - 8.00%	▼
Long Term Care A	7.00% - 7.50%	◀▶
HOTEL		
Downtown Full Service	7.50% - 9.00%	◀▶
Suburban Limited Service	8.50% - 10.00%	◀▶
Focused Service	8.00% - 9.50%	◀▶

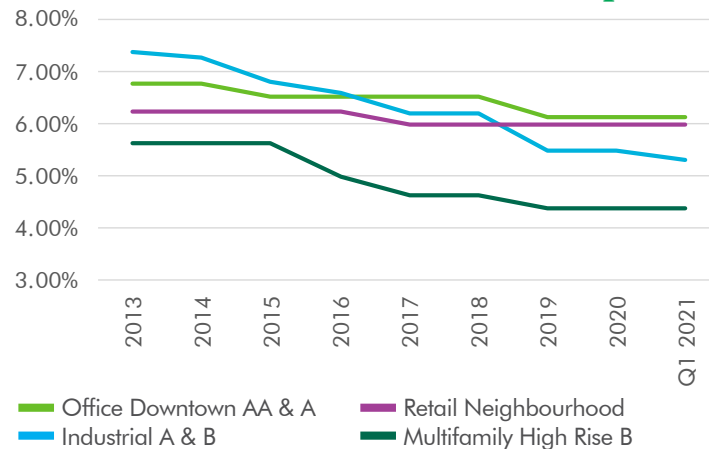
Kitchener-Waterloo

- The Kitchener-Waterloo region has continued to see an influx of new capital as GTA and out of province investors survey the market for opportunities. The region continues to offer enticing yield spreads to investors priced out of the comparatively tight major markets.
- A recent wave of land sales activity, particularly in the industrial and residential development sectors, will lead to a significant increase to the new supply pipeline for the next few years.
- While there have been a limited number of large-scale offerings and transactions so far in Q1 2021, the outlook for the investment market remains bright as investor interest remains elevated and an abundance of capital waits on the sidelines for opportunities to present themselves.



Joe Benninger
Vice President
www.cbre.ca/joe.benninger

Historical Kitchener-Waterloo Cap Rates



Q1 2021 CAP RATES

DOWNTOWN OFFICE		ΔQ/Q
AA	N/A	
A	5.75% - 6.50%	◀▶
B	6.25% - 7.00%	◀▶
SUBURBAN OFFICE		
A	5.75% - 6.75%	◀▶
B	6.25% - 7.00%	◀▶
INDUSTRIAL		
A	4.50% - 5.50%	▼
B	5.25% - 6.00%	▼
RETAIL		
Regional	5.25% - 6.00%	◀▶
Power	6.00% - 6.75%	◀▶
Neighbourhood	5.50% - 6.50%	◀▶
Strip	5.25% - 6.50%	◀▶
Strip (non-anchored)	4.75% - 6.25%	◀▶
Urban Streetfront	5.75% - 7.00%	◀▶
High Street	N/A	
MULTIFAMILY		
High Rise A	4.00% - 4.25%	◀▶
High Rise B	4.00% - 4.75%	◀▶
Low Rise A	3.50% - 4.00%	▼
Low Rise B	3.75% - 4.50%	▼
SENIORS HOUSING		
Independent/Assisted Living A	6.00% - 6.50%	◀▶
Independent/Assisted Living B	7.00% - 8.00%	▼
Long Term Care A	7.00% - 7.50%	◀▶
HOTEL		
Downtown Full Service	7.50% - 8.50%	◀▶
Suburban Limited Service	8.00% - 9.50%	◀▶
Focused Service	7.50% - 9.00%	◀▶

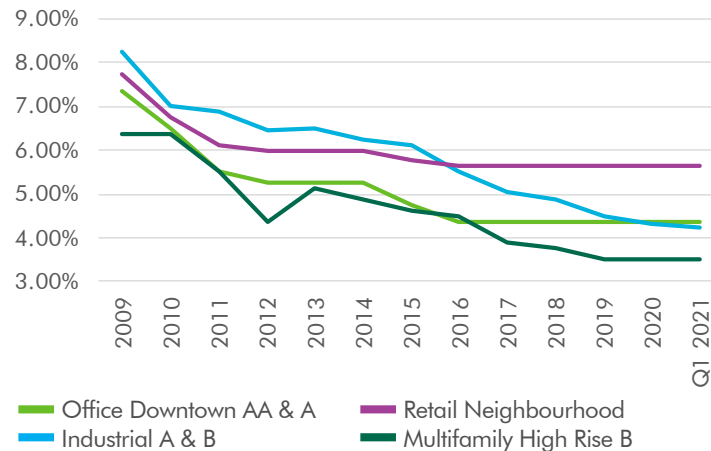
Toronto

- Investment activity in Toronto had a strong start to 2021 with both volumes and positive sentiment from investors building momentum.
- Even with improved transaction activity, the true strength of the market is still being camouflaged behind the cloud of COVID-19. The market is poised to rebound even further as vaccine rollouts progress over the summer.
- Bid depth on new offerings has been exceptionally robust and asset pricing continued to rise in Q1 2021.
- Real estate as an investment vehicle continues to perform well compared to other asset classes. Investors continue to target real estate in an effort to uncover yield.



Peter Senst
 President, Canadian
 Capital Markets
 National Investment Team
www.cbre.ca/peter.senst

Historical Toronto Cap Rates



Q1 2021 CAP RATES

DOWNTOWN OFFICE		ΔQ/Q
AA	4.00% - 4.50%	◀▶
A	4.25% - 4.75%	◀▶
B	4.75% - 5.25%	◀▶
SUBURBAN OFFICE		
A	5.75% - 6.50%	◀▶
B	6.75% - 7.50%	◀▶
INDUSTRIAL		
A	3.50% - 4.00%	▼
B	4.25% - 5.25%	◀▶
RETAIL		
Regional	4.25% - 6.00%	◀▶
Power	6.00% - 7.25%	◀▶
Neighbourhood	5.00% - 6.25%	◀▶
Strip	4.75% - 6.00%	◀▶
Strip (non-anchored)	6.00% - 7.00%	◀▶
Urban Streetfront	3.75% - 4.50%	◀▶
High Street	3.75% - 4.25%	◀▶
MULTIFAMILY		
High Rise A	2.75% - 3.75%	◀▶
High Rise B	3.00% - 4.00%	◀▶
Low Rise A	2.75% - 3.75%	◀▶
Low Rise B	3.00% - 4.00%	◀▶
SENIORS HOUSING		
Independent/Assisted Living A	5.75% - 6.25%	◀▶
Independent/Assisted Living B	6.75% - 7.50%	▼
Long Term Care A	7.00% - 7.50%	◀▶
HOTEL		
Downtown Full Service	4.50% - 6.50%	◀▶
Suburban Limited Service	7.50% - 8.50%	◀▶
Focused Service	7.00% - 8.00%	◀▶

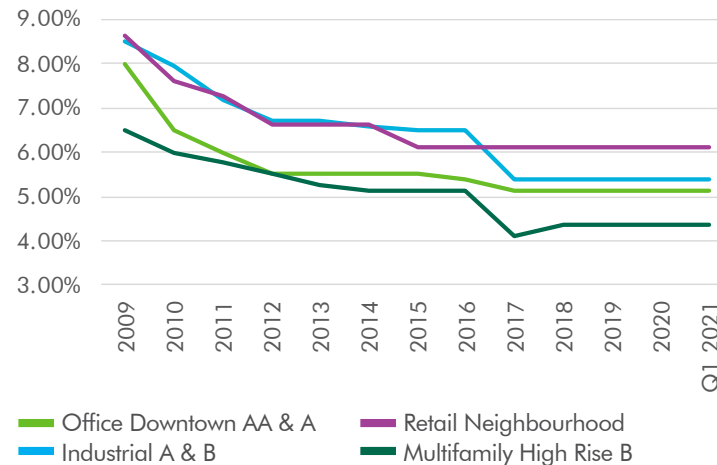
Ottawa

- Ottawa is showing signs of an accelerated recovery and investment volumes are expected to be robust for the foreseeable future as several notable large transactions are set to close shortly.
- The emergence of private capital has been the primary contributor to overall activity and bid depth. Private buyers have filled much of the void left by more traditional institutional investors who have remained silent over most of the pandemic.
- Multifamily, ICI land and industrial assets continue to lead in terms of pricing and overall bid depth with no signs of change on the horizon.
- Significant appetite remains for asset classes which boast potential for growth and stability. Covenant, term and location remain fundamental drivers for liquidity.



Nico Zentil
 Senior Vice President,
 National Investment Team
www.cbre.ca/nico.zentil

Historical Ottawa Cap Rates



Q1 2021 CAP RATES

Category	Cap Rate Range	ΔQ/Q
DOWNTOWN OFFICE		
AA	4.75% - 5.25%	◀▶
A	5.00% - 5.50%	◀▶
B	5.75% - 6.25%	◀▶
SUBURBAN OFFICE		
A	6.25% - 6.75%	◀▶
B	7.00% - 7.50%	◀▶
INDUSTRIAL		
A	4.50% - 5.00%	◀▶
B	5.50% - 6.50%	◀▶
RETAIL		
Regional	5.00% - 5.75%	◀▶
Power	6.00% - 6.75%	◀▶
Neighbourhood	5.75% - 6.50%	◀▶
Strip	5.50% - 6.25%	◀▶
Strip (non-anchored)	6.50% - 7.50%	◀▶
Urban Streetfront	4.75% - 5.50%	◀▶
High Street	N/A	
MULTIFAMILY		
High Rise A	3.50% - 4.00%	◀▶
High Rise B	4.00% - 4.75%	◀▶
Low Rise A	3.50% - 4.00%	◀▶
Low Rise B	4.25% - 4.75%	◀▶
SENIORS HOUSING		
Independent/Assisted Living A	5.75% - 6.25%	◀▶
Independent/Assisted Living B	6.75% - 7.50%	▼
Long Term Care A	7.00% - 7.50%	◀▶
HOTEL		
Downtown Full Service	7.00% - 8.00%	◀▶
Suburban Limited Service	8.00% - 9.00%	◀▶
Focused Service	7.50% - 8.50%	◀▶

Montreal

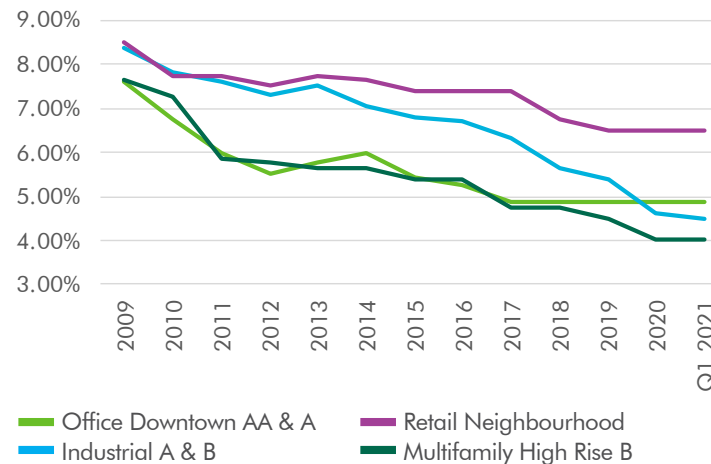
- Montreal experienced a strong first quarter with investment volumes in-line with the first quarter of 2020. Investor confidence has returned to the market as firms have become more comfortable operating in the current environment.
- Industrial continues to be the most coveted asset class with unprecedented investor demand for existing product and land for development. With surging demand and robust occupier fundamentals, investors are once again targeting industrial assets with shorter lease terms to capture future growth.
- Investors have become increasingly interested in office and retail offerings, although caution remains for these property types with an on-going focus on lease term and covenant.



Scott Speirs

Executive Vice President,
National Investment Team

Historical Montreal Cap Rates



Q1 2021 CAP RATES

Category	Cap Rate Range	ΔQ/Q
DOWNTOWN OFFICE		
AA	4.50% - 5.00%	◀▶
A	4.75% - 5.25%	◀▶
B	5.00% - 5.50%	◀▶
SUBURBAN OFFICE		
A	6.00% - 6.50%	◀▶
B	6.75% - 7.50%	◀▶
INDUSTRIAL		
A	3.75% - 4.25%	◀▶
B	4.50% - 5.50%	▼
RETAIL		
Regional	5.50% - 6.00%	◀▶
Power	6.25% - 6.75%	◀▶
Neighbourhood	6.25% - 6.75%	◀▶
Strip	5.75% - 6.25%	◀▶
Strip (non-anchored)	7.00% - 7.75%	◀▶
Urban Streetfront	4.00% - 4.50%	◀▶
High Street	N/A	
MULTIFAMILY		
High Rise A	3.50% - 4.00%	◀▶
High Rise B	3.75% - 4.25%	◀▶
Low Rise A	4.25% - 4.75%	◀▶
Low Rise B	4.75% - 5.25%	◀▶
SENIORS HOUSING		
Independent/Assisted Living A	6.00% - 6.50%	◀▶
Independent/Assisted Living B	7.00% - 8.00%	▼
Long Term Care A	7.75% - 8.25%	◀▶
HOTEL		
Downtown Full Service	6.00% - 7.50%	◀▶
Suburban Limited Service	8.00% - 9.50%	◀▶
Focused Service	7.00% - 8.50%	◀▶

Quebec City

- Over a year into the pandemic, Quebec City’s employment market has rebounded well and is gaining momentum.
- Multifamily and industrial assets have continued to see the highest levels of demand from investors. Industrial cap rates compressed for the second consecutive quarter in Q1 2021.
- As construction costs have continued to rise, investors have been increasingly open to renovating existent assets rather than targeting new construction projects.
- Overall, Quebec City’s commercial real estate market continues to gain momentum and is beginning to attract out of market investors.

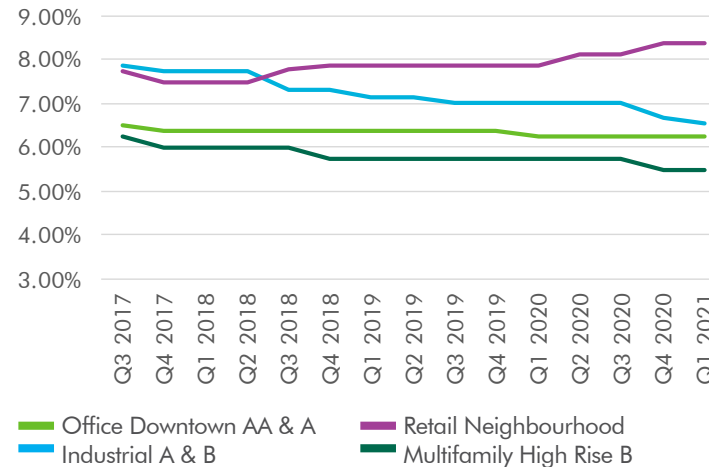


Philippe Lambert

Associate

www.cbre.ca/philippe.lambert

Historical Quebec City Cap Rates



Q1 2021 CAP RATES

DOWNTOWN OFFICE		ΔQ/Q
AA	N/A	
A	5.75% - 6.75%	◀▶
B	6.75% - 8.00%	◀▶
SUBURBAN OFFICE		
A	6.25% - 7.00%	◀▶
B	7.00% - 8.00%	◀▶
INDUSTRIAL		
A	5.50% - 6.25%	▼
B	6.50% - 8.00%	▼
RETAIL		
Regional	6.25% - 7.25%	◀▶
Power	7.00% - 8.00%	◀▶
Neighbourhood	7.75% - 9.00%	◀▶
Strip	6.25% - 7.50%	◀▶
Strip (non-anchored)	7.50% - 8.25%	◀▶
Urban Streetfront	N/A	
High Street	N/A	
MULTIFAMILY		
High Rise A	4.00% - 5.00%	◀▶
High Rise B	5.00% - 6.00%	◀▶
Low Rise A	4.50% - 5.25%	◀▶
Low Rise B	5.00% - 6.00%	◀▶
SENIORS HOUSING		
Independent/Assisted Living A	6.00% - 6.50%	◀▶
Independent/Assisted Living B	7.00% - 8.00%	▼
Long Term Care A	7.75% - 8.25%	◀▶
HOTEL		
Downtown Full Service	7.50% - 8.50%	◀▶
Suburban Limited Service	8.50% - 9.50%	◀▶
Focused Service	8.00% - 9.00%	◀▶

Halifax

- First quarter investment activity in Halifax was driven primarily by private local investors acquiring smaller assets. The majority of completed transactions involved properties below \$5.0 million.
- Several office and industrial transactions were completed by owner-occupier groups or tenants acquiring buildings for their own use. This was driven by the availability of low interest rates and a preference to own rather than lease given current market conditions.
- Halifax is expected to see increased investment activity in the second half of the year, particularly with regards to larger transactions, as travel restrictions ease.



Bob Mussett

Senior Vice President,
National Investment Team

www.cbre.ca/bob.mussett

Historical Halifax Cap Rates



Q1 2021 CAP RATES

DOWNTOWN OFFICE		ΔQ/Q
AA	N/A	
A	6.25% - 6.75%	◀▶
B	7.00% - 7.50%	◀▶
SUBURBAN OFFICE		
A	6.50% - 7.50%	◀▶
B	7.50% - 8.00%	◀▶
INDUSTRIAL		
A	5.75% - 6.50%	▼
B	6.50% - 7.50%	▼
RETAIL		
Regional	6.00% - 6.50%	◀▶
Power	6.25% - 7.25%	◀▶
Neighbourhood	7.25% - 8.25%	◀▶
Strip	6.50% - 7.50%	◀▶
Strip (non-anchored)	7.50% - 8.75%	◀▶
Urban Streetfront	6.50% - 7.50%	◀▶
High Street	N/A	
MULTIFAMILY		
High Rise A	4.00% - 4.50%	◀▶
High Rise B	4.50% - 5.00%	◀▶
Low Rise A	4.25% - 4.75%	◀▶
Low Rise B	4.75% - 5.50%	◀▶
SENIORS HOUSING		
Independent/Assisted Living A	6.25% - 7.00%	◀▶
Independent/Assisted Living B	7.50% - 8.50%	▼
Long Term Care A	7.75% - 8.25%	◀▶
HOTEL		
Downtown Full Service	7.00% - 8.50%	◀▶
Suburban Limited Service	8.00% - 9.50%	◀▶
Focused Service	7.50% - 9.00%	◀▶

Q1 2021 Canadian Cap Rates Δ Q/Q

DOWNTOWN OFFICE	VICTORIA	VANCOUVER	CALGARY	EDMONTON	SASKATOON	WINNIPEG	LONDON-WINDSOR
AA	N/A	3.50% - 4.00% ▼	5.50% - 6.00% ◀▶	5.50% - 6.00% ◀▶	N/A	N/A	N/A
A	4.75% - 5.25% ◀▶	3.75% - 4.25% ◀▶	6.75% - 7.75% ◀▶	7.00% - 7.75% ◀▶	6.75% - 7.25% ◀▶	5.50% - 6.00% ◀▶	6.25% - 8.25% ◀▶
B	5.25% - 5.75% ◀▶	4.00% - 4.50% ◀▶	8.50% - 9.50% ◀▶	8.00% - 11.00% ◀▶	7.75% - 8.75% ◀▶	6.50% - 7.00% ◀▶	7.75% - 8.75% ◀▶
SUBURBAN OFFICE							
A	5.00% - 5.50% ◀▶	4.75% - 5.25% ▼	6.25% - 7.25% ◀▶	6.75% - 7.50% ◀▶	6.75% - 7.25% ◀▶	6.50% - 7.00% ◀▶	7.50% - 8.00% ◀▶
B	5.25% - 5.75% ◀▶	5.25% - 5.75% ▼	8.00% - 9.00% ◀▶	7.50% - 8.00% ◀▶	7.50% - 8.00% ◀▶	7.00% - 7.50% ◀▶	8.00% - 8.50% ◀▶
INDUSTRIAL							
A	4.75% - 5.25% ◀▶	3.25% - 4.00% ▼	4.75% - 5.25% ▼	5.50% - 6.00% ◀▶	6.50% - 7.00% ◀▶	5.75% - 6.50% ▼	5.75% - 7.00% ▼
B	4.75% - 5.25% ◀▶	3.75% - 4.50% ▼	6.00% - 6.75% ▼	6.75% - 7.25% ◀▶	7.00% - 7.50% ◀▶	6.50% - 7.25% ◀▶	6.75% - 7.75% ▼
RETAIL							
Regional	4.75% - 5.75% ◀▶	4.00% - 4.50% ◀▶	5.00% - 6.00% ◀▶	5.00% - 5.50% ◀▶	6.00% - 6.50% ◀▶	5.75% - 6.25% ◀▶	6.25% - 7.00% ◀▶
Power	5.00% - 6.00% ◀▶	5.00% - 5.50% ◀▶	6.50% - 7.50% ◀▶	6.50% - 7.00% ◀▶	6.25% - 6.50% ◀▶	6.25% - 6.75% ◀▶	6.25% - 7.00% ◀▶
Neighbourhood	5.00% - 5.50% ◀▶	5.00% - 5.50% ◀▶	6.00% - 7.00% ◀▶	6.50% - 7.00% ◀▶	6.50% - 7.00% ◀▶	6.50% - 7.00% ◀▶	6.25% - 7.75% ◀▶
Strip	5.00% - 5.50% ◀▶	4.50% - 5.00% ▲	5.50% - 6.00% ▼	5.75% - 6.25% ◀▶	6.25% - 6.75% ◀▶	5.75% - 6.25% ◀▶	5.75% - 7.00% ▼
Non-anchored Strip Mall	5.25% - 5.75% ◀▶	5.00% - 5.50% ◀▶	6.00% - 6.75% ◀▶	6.50% - 7.00% ◀▶	7.25% - 7.50% ◀▶	6.75% - 7.50% ◀▶	5.75% - 7.50% ▼
Urban Streetfront	5.00% - 5.50% ◀▶	3.75% - 4.25% ◀▶	6.00% - 6.75% ◀▶	6.25% - 6.75% ◀▶	6.75% - 7.25% ◀▶	6.00% - 6.75% ◀▶	7.00% - 8.50% ◀▶
High Street	5.00% - 5.50% ◀▶	3.50% - 4.00% ◀▶	N/A	N/A	N/A	N/A	N/A
MULTIFAMILY							
High Rise A	N/A	2.25% - 2.75% ◀▶	4.25% - 4.75% ◀▶	4.00% - 4.50% ◀▶	N/A	N/A	4.25% - 5.25% ◀▶
High Rise B	3.25% - 3.75% ◀▶	2.50% - 3.00% ◀▶	5.00% - 5.50% ◀▶	4.50% - 5.00% ◀▶	5.00% - 5.50% ◀▶	5.00% - 5.50% ◀▶	4.50% - 6.00% ◀▶
Low Rise A	3.50% - 4.00% ◀▶	2.75% - 3.25% ◀▶	4.75% - 5.50% ◀▶	5.25% - 5.75% ◀▶	5.25% - 5.75% ◀▶	5.25% - 5.75% ◀▶	4.75% - 6.50% ◀▶
Low Rise B	3.50% - 4.00% ◀▶	3.25% - 4.25% ◀▶	5.00% - 5.75% ◀▶	5.50% - 6.00% ◀▶	6.00% - 6.50% ◀▶	5.50% - 6.00% ◀▶	5.50% - 7.00% ◀▶
SENIORS HOUSING							
Independent/Assisted Living A	5.50% - 6.00% ◀▶	5.50% - 6.00% ◀▶	6.00% - 6.50% ◀▶	6.00% - 6.50% ◀▶	6.25% - 6.75% ◀▶	6.25% - 6.75% ◀▶	6.00% - 6.50% ◀▶
Independent/Assisted Living B	6.75% - 7.50% ▼	6.50% - 7.00% ▼	7.00% - 7.75% ▼	7.00% - 7.75% ▼	7.50% - 8.25% ▼	7.50% - 8.25% ▼	7.00% - 8.00% ▼
Long Term Care A	6.75% - 7.25% ◀▶	6.75% - 7.25% ◀▶	7.25% - 8.00% ◀▶	7.25% - 8.00% ◀▶	N/A	N/A	7.00% - 7.50% ◀▶
HOTEL							
Downtown Full Service	5.50% - 7.50% ◀▶	4.50% - 6.50% ◀▶	7.00% - 8.50% ◀▶	7.00% - 9.00% ◀▶	7.50% - 9.50% ◀▶	7.50% - 9.00% ◀▶	7.50% - 9.00% ◀▶
Suburban Limited Service	7.50% - 9.00% ◀▶	6.50% - 8.00% ◀▶	8.00% - 9.50% ◀▶	8.00% - 10.00% ◀▶	8.50% - 10.50% ◀▶	8.50% - 10.00% ◀▶	8.50% - 10.00% ◀▶
Focused Service	7.00% - 8.50% ◀▶	6.00% - 7.50% ◀▶	7.50% - 9.00% ◀▶	7.50% - 9.50% ◀▶	8.00% - 10.00% ◀▶	8.00% - 9.00% ◀▶	8.00% - 9.50% ◀▶

Q1 2021 Canadian Cap Rates Δ Q/Q

	KITCHENER-WATERLOO	TORONTO	OTTAWA	MONTREAL	QUEBEC CITY	HALIFAX
DOWNTOWN OFFICE						
AA	N/A	4.00% - 4.50% ◀▶	4.75% - 5.25% ◀▶	4.50% - 5.00% ◀▶	N/A	N/A
A	5.75% - 6.50% ◀▶	4.25% - 4.75% ◀▶	5.00% - 5.50% ◀▶	4.75% - 5.25% ◀▶	5.75% - 6.75% ◀▶	6.25% - 6.75% ◀▶
B	6.25% - 7.00% ◀▶	4.75% - 5.25% ◀▶	5.75% - 6.25% ◀▶	5.00% - 5.50% ◀▶	6.75% - 8.00% ◀▶	7.00% - 7.50% ◀▶
SUBURBAN OFFICE						
A	5.75% - 6.75% ◀▶	5.75% - 6.50% ◀▶	6.25% - 6.75% ◀▶	6.00% - 6.50% ◀▶	6.25% - 7.00% ◀▶	6.50% - 7.50% ◀▶
B	6.25% - 7.00% ◀▶	6.75% - 7.50% ◀▶	7.00% - 7.50% ◀▶	6.75% - 7.50% ◀▶	7.00% - 8.00% ◀▶	7.50% - 8.00% ◀▶
INDUSTRIAL						
A	4.50% - 5.50% ▼	3.50% - 4.00% ▼	4.50% - 5.00% ◀▶	3.75% - 4.25% ◀▶	5.50% - 6.25% ▼	5.75% - 6.50% ▼
B	5.25% - 6.00% ▼	4.25% - 5.25% ◀▶	5.50% - 6.50% ◀▶	4.50% - 5.50% ▼	6.50% - 8.00% ▼	6.50% - 7.50% ▼
RETAIL						
Regional	5.25% - 6.00% ◀▶	4.25% - 6.00% ◀▶	5.00% - 5.75% ◀▶	5.50% - 6.00% ◀▶	6.25% - 7.25% ◀▶	6.00% - 6.50% ◀▶
Power	6.00% - 6.75% ◀▶	6.00% - 7.25% ◀▶	6.00% - 6.75% ◀▶	6.25% - 6.75% ◀▶	7.00% - 8.00% ◀▶	6.25% - 7.25% ◀▶
Neighbourhood	5.50% - 6.50% ◀▶	5.00% - 6.25% ◀▶	5.75% - 6.50% ◀▶	6.25% - 6.75% ◀▶	7.75% - 9.00% ◀▶	7.25% - 8.25% ◀▶
Strip	5.25% - 6.50% ◀▶	4.75% - 6.00% ◀▶	5.50% - 6.25% ◀▶	5.75% - 6.25% ◀▶	6.25% - 7.50% ◀▶	6.50% - 7.50% ◀▶
Non-anchored Strip Mall	4.75% - 6.25% ◀▶	6.00% - 7.00% ◀▶	6.50% - 7.50% ◀▶	7.00% - 7.75% ◀▶	7.50% - 8.25% ◀▶	7.50% - 8.75% ◀▶
Urban Streetfront	5.75% - 7.00% ◀▶	3.75% - 4.50% ◀▶	4.75% - 5.50% ◀▶	4.00% - 4.50% ◀▶	N/A	6.50% - 7.50% ◀▶
High Street	N/A	3.75% - 4.25% ◀▶	N/A	N/A	N/A	N/A
MULTIFAMILY						
High Rise A	4.00% - 4.25% ◀▶	2.75% - 3.75% ◀▶	3.50% - 4.00% ◀▶	3.50% - 4.00% ◀▶	4.00% - 5.00% ◀▶	4.00% - 4.50% ◀▶
High Rise B	4.00% - 4.75% ◀▶	3.00% - 4.00% ◀▶	4.00% - 4.75% ◀▶	3.75% - 4.25% ◀▶	5.00% - 6.00% ◀▶	4.50% - 5.00% ◀▶
Low Rise A	3.50% - 4.00% ▼	2.75% - 3.75% ◀▶	3.50% - 4.00% ◀▶	4.25% - 4.75% ◀▶	4.50% - 5.25% ◀▶	4.25% - 4.75% ◀▶
Low Rise B	3.75% - 4.50% ▼	3.00% - 4.00% ◀▶	4.25% - 4.75% ◀▶	4.75% - 5.25% ◀▶	5.00% - 6.00% ◀▶	4.75% - 5.50% ◀▶
SENIORS HOUSING						
Independent/Assisted Living A	6.00% - 6.50% ◀▶	5.75% - 6.25% ◀▶	5.75% - 6.25% ◀▶	6.00% - 6.50% ◀▶	6.00% - 6.50% ◀▶	6.25% - 7.00% ◀▶
Independent/Assisted Living B	7.00% - 8.00% ▼	6.75% - 7.50% ▼	6.75% - 7.50% ▼	7.00% - 8.00% ▼	7.00% - 8.00% ▼	7.50% - 8.50% ▼
Long Term Care A	7.00% - 7.50% ◀▶	7.00% - 7.50% ◀▶	7.00% - 7.50% ◀▶	7.75% - 8.25% ◀▶	7.75% - 8.25% ◀▶	7.75% - 8.25% ◀▶
HOTEL						
Downtown Full Service	7.50% - 8.50% ◀▶	4.50% - 6.50% ◀▶	7.00% - 8.00% ◀▶	6.00% - 7.50% ◀▶	7.50% - 8.50% ◀▶	7.00% - 8.50% ◀▶
Suburban Limited Service	8.00% - 9.50% ◀▶	7.50% - 8.50% ◀▶	8.00% - 9.00% ◀▶	8.00% - 9.50% ◀▶	8.50% - 9.50% ◀▶	8.00% - 9.50% ◀▶
Focused Service	7.50% - 9.00% ◀▶	7.00% - 8.00% ◀▶	7.50% - 8.50% ◀▶	7.00% - 8.50% ◀▶	8.00% - 9.00% ◀▶	7.50% - 9.00% ◀▶

GLOSSARY OF TERMS:

CAP RATE: Estimates are provided by NIT members in respective markets based on market transactions and/or feedback from investors on their current yield expectations.

Office/Industrial

DOWNTOWN: The neighborhoods in a metropolitan area which are the most densely populated, contain the highest concentration of businesses, offer access to a variety of urban amenities, and are typically well serviced by public transit.

SUBURBAN: The portion of a metropolitan area that is outside the city centre with a less concentrated population and typically lower density land use than is typically found in the metro's urban areas.

CLASS AA (OFFICE ONLY): The best quality office assets in a metropolitan area's downtown submarket. Typically, these properties are newer, larger than 800,000 sq. ft. with large floor plates, fully or near fully leased at or above market rents to top quality tenants.

CLASS A: Properties competing for higher-quality tenants with above average rental rates for the area. Buildings are in good physical shape, are well situated and contain high-quality finishes, top class building systems and exceptional accessibility features.

CLASS B: Properties competing for a wide range of tenants with average or below average rents for the area. Buildings are in good to fair shape and suitable for tenants seeking functional space at discounted rates.

Retail

REGIONAL: Enclosed malls which have strong anchors with a high percentage of National tenants in CRU space. Occupiers focus on general merchandise or fashion-oriented offerings. Properties are typically anchored by at least two large format tenants, including most often a department store.

POWER CENTRES: Unenclosed retail centres comprised of freestanding and mostly unconnected single storey properties or "big boxes", often including at least one large format brand name anchor tenant. Typically situated in a larger retail node but contain limited CRU space.

COMMUNITY/NEIGHBOURHOOD: Enclosed or unenclosed shopping centres that serve a community and are generally anchored by some combination of a junior department store, supermarket, drug or sport store. Typically supply a wide range of apparel and soft goods.

STRIP (ANCHORED): Open-air centres anchored by either a grocery or major drugstore tenant. Designed to provide convenience shopping for the daily needs of consumers in the surrounding neighbourhood. Off-street parking typically offered on site.

STRIP (NON-ANCHORED): Open-air centre typically not anchored by either a grocery or drugstore tenant. Centres offer a narrow mix of goods and personal services to a limited trade area. Off-street parking typically offered on site.

HIGH STREET RETAIL: Self-contained streetfront properties centrally located along high-profile retail corridors. Properties are occupied by well-known brands at well above average rental rates. Parking is typically available on street or within a public parking structure.

URBAN STREETFRONT: Streetfront properties located side by side along major urban thoroughfares in close proximity to public transit. Properties may be occupied by a wide range of tenants at above average rental rates. Parking is typically available on street or within a public parking structure.

Multifamily

HIGH RISE: Multi-unit high density properties typically 5 storeys and above in height.

LOW RISE: Multi-unit properties typically 4 storeys and below in height.

CLASS A: Newer properties which are situated in desirable neighbourhoods, well-served by public transit, demand above average rents, and are furnished with top of the line finishes and amenities.

CLASS B: Older properties which offer functional space with rental rates near to or below the market average.

Seniors Housing

IND./ASSIST. LIVING: Multifamily rental properties with central dining facilities and other amenity spaces that provide residents with meals and other services such as housekeeping, transportation, and social and recreational activities to seniors 75+ years of age. Many have trained staff providing assistance with activities of daily living ("ADL"), either throughout the building or on a separate floor/wing. There are no funded Long Term Care (nursing) beds.

LONG TERM CARE: Provincially licensed, government funded Long Term Care homes providing health and medical services and accommodation to residents who require 24-hour nursing care and supervision within a secure setting.

CLASS A: Properties with 120+ units, within 15 years of age and in good to fair shape. Typically situated in primary or large secondary markets, with a good suite mix, amenity space and other desirable features.

Hotel

CAP RATES (HOTEL SPECIFIC): Rates indicated are based on adjusted results after deduction of management fees and reserves for replacement

FULL SERVICE: Hotel properties offering an abundant provision of food and beverage services (meeting rooms and dining venues). Full service hotels also typically offer additional amenities such as room service, valet parking and concierge service. Examples of core brands would be Marriott, Hilton, Four Seasons.

LIMITED SERVICE: Hotel properties that are rooms focused and don't offer a wide variety of additional amenities or services. This category would include "budget" limited service assets that offer no-frills rooms at modest prices, as well as more robust limited service properties that might offer a fitness room, a guest laundry facility, a market pantry, an indoor and/or outdoor pool, and/or a small meeting room. Examples would include Comfort Inn, Days Inn, Super 8.

FOCUSED SERVICE: Focused service hotels (also referred to as select service hotels) offer the fundamentals of limited-service properties together with a selection of the services and amenities characteristic of full-service properties. They may offer food and beverage facilities but on a less elaborate scale than one would find at full-service hotels. Extended Stay/All-Suite hotels are included in this sample. Examples would include Hampton Inn, Holiday Inn Express, Residence Inn.