

Q2 2016 
**CANADIAN
CAP RATES &
INVESTMENT
INSIGHTS**

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

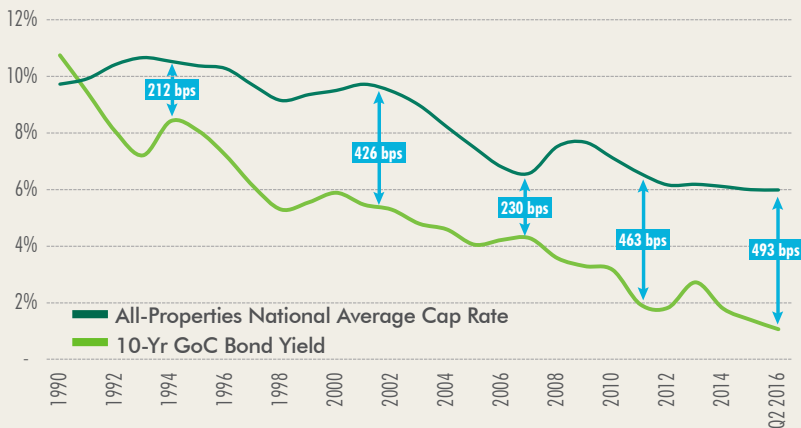
CBRE

Canada

INVESTMENT TRENDS

Canadian real estate should be the beneficiary of continued flight capital from China and increasingly Europe, in light of the turmoil surrounding the Brexit and the perception of the U.S. being late in the cycle. Defensive Canadian multifamily and industrial assets have seen cap rates compress, while core office and retail remain sought after but overall bidding pools may be thinning.

RECORD LOW NATIONAL AVERAGE CAP RATE*



Paul Morassutti

Executive Vice President
Valuation & Advisory Services

www.cbre.ca/paul.morassutti

VIEW ALL CANADIAN CAP RATES
ON PAGE 12

Q2 2016 CAP RATES

DOWNTOWN OFFICE △Q/Q

AA	5.08%	◀▶
A	5.78%	▼
B	6.53%	▲

SUBURBAN OFFICE

A	6.44%	▼
B	7.22%	▼

INDUSTRIAL

A	5.86%	▼
B	6.86%	▼

RETAIL

Regional	5.31%	◀▶
Power	6.13%	▲
Neighbourhood	6.27%	▲
Strip	5.98%	▼
Strip (non-anchored)	7.00%	▲

APARTMENT

High Rise A	4.20%	▼
High Rise B	4.92%	▼
Low Rise A	4.70%	▼
Low Rise B	5.38%	▼

HOTEL

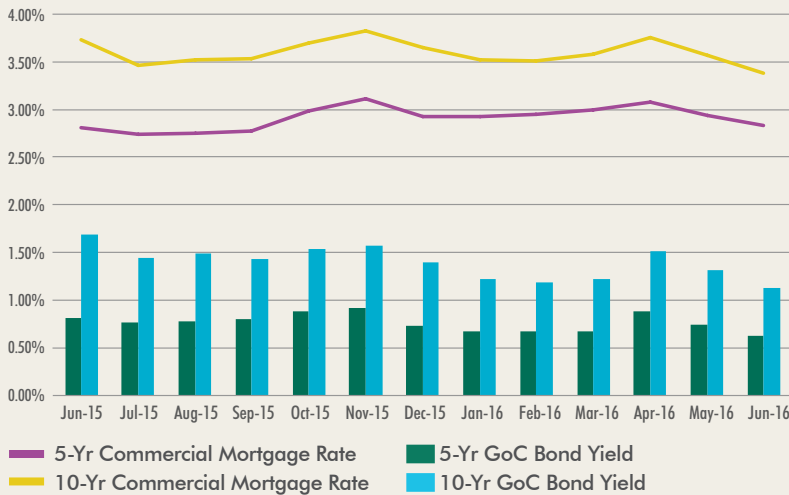
Downtown Full Service	7.84%	◀▶
Suburban Limited Service	9.17%	◀▶
Focused Service	8.36%	◀▶

Canada

DEBT MARKET TRENDS

The Brexit vote has been felt in bond markets and put stable sovereign bonds in high demand, however, abundant liquidity remains in place for Canadian commercial real estate investors. Committed lenders continue to make returns work via selective underwriting, credit structuring and pricing selectivity. Relationships and deal specifics continue to drive 'on book' transactions forward. Lenders are open to making aggressive 3-5 year unsecured term loans to investment grade REITs or will accommodate relationship clients in less robust geographies. A long-awaited Canadian CMBS sale to investors raises hope for a more active mortgage securitization industry.

MORTGAGE RATES TO GOVERNMENT OF CANADA BONDS



Carmin Di Fiore

Executive Vice President
Debt & Structured Finance

www.cbre.ca/carmin.difiore

VIEW ALL CANADIAN CAP RATES
ON PAGE 12

MARKET MOVERS

CAD/USD

2015 Q2	2016 Q2	Change YoY (%)
\$0.80	\$0.77	▼ -3.42%

CANADA PRIME RATE

2015 Q2	2016 Q2	Change YoY (%)
2.85%	2.70%	▼ -5.26%

30-DAY CDOR

2015 Q2	2016 Q2	Change YoY (%)
1.00%	0.87%	▼ -12.93%

WEST TEXAS INTERMEDIATE (USD)

2015 Q2	2016 Q2	Change YoY (%)
\$59.47	\$49.88	▼ -16.13%

5-YEAR MORTGAGE SPREAD RANGE

2015 Q2	2016 Q2	Change YoY (%)
1.65% - 2.35%	1.85% - 2.55%	▲ 10.00%

10-YEAR MORTGAGE SPREAD RANGE

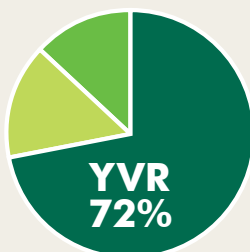
2015 Q2	2016 Q2	Change YoY (%)
1.75% - 2.35%	1.95% - 2.55%	▲ 9.76%

Source: CBRE Limited, Thomson Reuters Eikon, June 29, 2016

Vancouver

INVESTMENT TRENDS

The Vancouver commercial real estate investment market accounted for 72.0% of foreign investment nationally in Q1 and record investment from China is expected in 2016.



Both foreign and domestic investors are showing a continued willingness to pursue significant investments at record level cap rates.

Strong demand and the compression of office and multifamily cap rates reflect investor confidence in the B.C. economy and commercial property fundamentals.



Tony Quattrin

Vice Chairman
National Investment Team

www.cbre.ca/tony.quattrin

Q2 2016 CAP RATES

DOWNTOWN OFFICE △Q/Q

AA	4.00% - 4.50%	◀▶
A	4.25% - 4.75%	▼
B	4.50% - 5.00%	◀▶

SUBURBAN OFFICE

A	5.00% - 5.75%	▼
B	5.75% - 6.25%	▼

INDUSTRIAL

A	4.75% - 5.50%	◀▶
B	5.25% - 6.25%	◀▶

RETAIL

Regional	4.50% - 5.00%	◀▶
Power	5.50% - 6.00%	◀▶
Neighbourhood	5.00% - 5.75%	◀▶
Strip	4.75% - 5.50%	◀▶
Strip (non-anchored)	5.50% - 6.00%	◀▶

APARTMENT

High Rise A	2.50% - 3.00%	▼
High Rise B	3.00% - 3.50%	▼
Low Rise A	2.75% - 3.25%	▼
Low Rise B	3.25% - 4.25%	▼

HOTEL

Downtown Full Service	6.00% - 7.00%	◀▶
Suburban Limited Service	7.00% - 8.00%	◀▶
Focused Service	7.00% - 8.00%	◀▶

VIEW ALL CANADIAN CAP RATES
ON PAGE 12

Calgary

INVESTMENT TRENDS

Investment activity has picked up dramatically in the industrial, retail and multifamily markets, where core asset cap rates are in the mid-5.00% range and buyers feel more optimistic in light of higher oil prices.



Investors are also motivated to reconsider Calgary as commercial property in Vancouver and Toronto becomes increasingly expensive and difficult to attain.

There is also healthy activity around secondary assets. Achieved cap rates range from 6.25%-6.75% for secondary industrial and retail property, and 5.00%-5.75% for secondary multifamily product.



Garry Beres

Executive Vice President
National Investment Team

www.cbre.ca/garry.beres

Q2 2016 CAP RATES

DOWNTOWN OFFICE △Q/Q

AA	5.25% - 5.75%	◀▶
A	6.25% - 7.00%	◀▶
B	7.75% - 8.50%	▲

SUBURBAN OFFICE

A	6.25% - 6.75%	◀▶
B	7.25% - 8.00%	◀▶

INDUSTRIAL

A	5.25% - 5.75%	▼
B	6.25% - 6.75%	▼

RETAIL

Regional	5.00% - 5.50%	◀▶
Power	5.75% - 6.25%	◀▶
Neighbourhood	5.25% - 5.75%	◀▶
Strip	5.50% - 6.00%	▼
Strip (non-anchored)	6.25% - 6.75%	◀▶

APARTMENT

High Rise A	4.50% - 5.00%	◀▶
High Rise B	5.00% - 5.50%	◀▶
Low Rise A	4.75% - 5.25%	◀▶
Low Rise B	5.25% - 5.75%	◀▶

HOTEL

Downtown Full Service	7.75% - 8.75%	◀▶
Suburban Limited Service	9.25% - 10.25%	◀▶
Focused Service	8.25% - 9.25%	◀▶

VIEW ALL CANADIAN CAP RATES
ON PAGE 12

Edmonton

INVESTMENT TRENDS

Investor sentiment improved in Q2 as oil prices stabilized and turned higher. The “new normal” is being embraced, but realistic pricing guidance is imperative to finalize transactions.



Core retail and industrial assets continue to be highly sought after with pricing relatively unchanged from 2014 levels.

Private investors continue to dominate the market as institutional buyers remain conservative in their approach to acquisitions given the lack of institutional quality assets that are available.



Dave Young

Executive Vice President
National Investment Team

www.cbre.ca/dave.young

Q2 2016 CAP RATES

DOWNTOWN OFFICE △Q/Q

AA	5.50% - 6.00%	◀▶
A	6.50% - 7.00%	◀▶
B	7.75% - 8.50%	▲

SUBURBAN OFFICE

A	6.75% - 7.25%	◀▶
B	7.25% - 7.75%	◀▶

INDUSTRIAL

A	5.50% - 6.00%	◀▶
B	6.75% - 7.50%	◀▶

RETAIL

Regional	5.00% - 5.50%	◀▶
Power	5.75% - 6.25%	◀▶
Neighbourhood	5.75% - 6.25%	◀▶
Strip	5.50% - 6.00%	◀▶
Strip (non-anchored)	7.00% - 7.50%	◀▶

APARTMENT

High Rise A	4.25% - 4.75%	▼
High Rise B	4.75% - 5.25%	◀▶
Low Rise A	5.25% - 5.75%	▼
Low Rise B	5.75% - 6.50%	▼

HOTEL

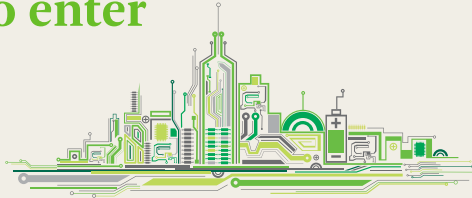
Downtown Full Service	7.75% - 8.75%	◀▶
Suburban Limited Service	10.00% - 10.50%	◀▶
Focused Service	9.00% - 10.00%	◀▶

VIEW ALL CANADIAN CAP RATES
ON PAGE 12

Waterloo Region

INVESTMENT TRENDS

Investor interest remains strong in Waterloo Region due in part to the growth of the tech sector, which is where investors are finding niche opportunities to enter this dynamic market.



The low dollar and improved industrial fundamentals are increasing investor interest in this asset class, which has also led to a drop in industrial cap rates.

Mid-market investors challenged to find deals in the larger market are now turning their eyes to this fast growing stable market.



Peter Whatmore

Senior Vice President
National Investment Team

www.cbre.ca/peter.whatmore

Q2 2016 CAP RATES

DOWNTOWN OFFICE △Q/Q

AA	N/A	
A	6.00% - 7.00%	◀▶
B	6.50% - 7.25%	◀▶

SUBURBAN OFFICE

A	6.25% - 7.50%	◀▶
B	7.00% - 8.00%	◀▶

INDUSTRIAL

A	5.90% - 6.50%	▼
B	6.75% - 7.25%	▼

RETAIL

Regional	5.50% - 6.00%	◀▶
Power	5.75% - 6.50%	◀▶
Neighbourhood	6.00% - 6.50%	◀▶
Strip	5.25% - 6.50%	◀▶
Strip (non-anchored)	5.25% - 7.00%	◀▶

APARTMENT

High Rise A	4.50% - 5.00%	◀▶
High Rise B	4.75% - 5.25%	◀▶
Low Rise A	5.00% - 5.75%	◀▶
Low Rise B	5.50% - 6.00%	◀▶

HOTEL

Downtown Full Service	8.25% - 9.00%	◀▶
Suburban Limited Service	8.50% - 9.00%	◀▶
Focused Service	7.50% - 8.50%	◀▶

VIEW ALL CANADIAN CAP RATES
ON PAGE 12

Toronto

INVESTMENT TRENDS

Toronto is a sought after global market which is reflected in the strength of land investment volumes which rose 42.5% when comparing Q1 2016 to Q1 2015.



Capital flows from domestic and global capital sources continue to show their conviction for quality assets with the market increasingly fixating on core and urban property.

Brexit is the latest question for investors to consider; however, the impact on Canada should be manageable and Toronto could actually benefit as a leading financial centre.



Peter Senst

President, Canadian
Capital Markets
National Investment Team

www.cbre.ca/peter.senst

Q2 2016 CAP RATES

DOWNTOWN OFFICE △Q/Q

AA	4.25% - 4.75%	◀▶
A	4.50% - 5.00%	▼
B	4.75% - 5.25%	▼

SUBURBAN OFFICE

A	5.75% - 6.25%	◀▶
B	6.75% - 7.25%	▼

INDUSTRIAL

A	5.00% - 5.50%	◀▶
B	6.50% - 7.50%	◀▶

RETAIL

Regional	4.50% - 5.50%	◀▶
Power	5.50% - 6.50%	◀▶
Neighbourhood	5.25% - 6.25%	◀▶
Strip	5.25% - 6.25%	◀▶
Strip (non-anchored)	6.25% - 7.25%	◀▶

APARTMENT

High Rise A	3.25% - 4.00%	◀▶
High Rise B	4.25% - 5.00%	◀▶
Low Rise A	3.25% - 4.00%	◀▶
Low Rise B	4.25% - 5.00%	◀▶

HOTEL

Downtown Full Service	6.00% - 7.00%	◀▶
Suburban Limited Service	7.00% - 8.50%	◀▶
Focused Service	7.00% - 8.00%	◀▶

VIEW ALL CANADIAN CAP RATES
ON PAGE 12

Ottawa

INVESTMENT TRENDS

The new Liberal majority government continues to positively impact perceptions of the Ottawa marketplace and is helping to attract investors.



Ottawa recorded an unprecedented level of investment activity to start the year, with demand for office and multifamily assets driving volumes higher.

The back half of 2016 is poised for additional large offerings and partial interest sales which will more than offset lagging investment volumes for retail and industrial assets.



Nico Zentil

Vice President
National Investment Team

www.cbre.ca/nico.zentil

Q2 2016 CAP RATES

DOWNTOWN OFFICE △Q/Q

AA	5.00% - 5.75%	◀▶
A	5.25% - 6.00%	◀▶
B	5.50% - 6.25%	◀▶

SUBURBAN OFFICE

A	6.25% - 7.00%	◀▶
B	7.00% - 7.50%	◀▶

INDUSTRIAL

A	6.00% - 6.25%	◀▶
B	6.50% - 7.25%	◀▶

RETAIL

Regional	5.00% - 5.75%	◀▶
Power	5.75% - 6.50%	◀▶
Neighbourhood	5.75% - 6.50%	◀▶
Strip	5.50% - 6.25%	◀▶
Strip (non-anchored)	6.50% - 7.50%	◀▶

APARTMENT

High Rise A	3.75% - 4.50%	◀▶
High Rise B	4.75% - 5.50%	◀▶
Low Rise A	4.00% - 4.75%	◀▶
Low Rise B	4.75% - 5.50%	◀▶

HOTEL

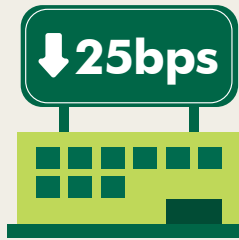
Downtown Full Service	7.00% - 8.00%	◀▶
Suburban Limited Service	8.25% - 9.00%	◀▶
Focused Service	7.50% - 8.50%	◀▶

VIEW ALL CANADIAN CAP RATES
ON PAGE 12

Montreal

INVESTMENT TRENDS

Best-in-class industrial cap rates are unchanged due to a lack of product and spec development; light industrial cap rates fell 25 bps as these assets benefited from activity around “last mile” retail distribution.



Limited downtown office supply has forced investors to place capital in Midtown and the West Island; however, appetite to own AAA downtown office property remains very strong.

Investors are underwriting food and pharmacy anchored retail aggressively, even in low growth, mature markets, while foreign investors covet urban retail opportunities.



Serge Duval

Senior Vice President
National Investment Team

www.cbre.ca/serge.duval

Q2 2016 CAP RATES

DOWNTOWN OFFICE △Q/Q

AA	4.75% - 5.50%	◀▶
A	5.50% - 6.00%	◀▶
B	6.00% - 6.75%	◀▶

SUBURBAN OFFICE

A	5.75% - 6.75%	▼
B	7.00% - 7.75%	◀▶

INDUSTRIAL

A	5.75% - 6.50%	◀▶
B	6.75% - 7.75%	▼

RETAIL

Regional	5.00% - 5.75%	◀▶
Power	5.75% - 6.75%	◀▶
Neighbourhood	7.00% - 7.75%	◀▶
Strip	5.50% - 6.25%	▼
Strip (non-anchored)	7.25% - 8.00%	◀▶

APARTMENT

High Rise A	4.25% - 5.00%	▼
High Rise B	5.00% - 5.75%	◀▶
Low Rise A	4.75% - 5.50%	◀▶
Low Rise B	5.75% - 6.75%	◀▶

HOTEL

Downtown Full Service	7.50% - 8.50%	◀▶
Suburban Limited Service	9.00% - 10.00%	◀▶
Focused Service	8.00% - 8.75%	◀▶

**VIEW ALL CANADIAN CAP RATES
ON PAGE 12**

Halifax

INVESTMENT TRENDS

Halifax is leveraging its strategic seaside location by making significant investments in oceanographic research and other naval related industries.



Increasing employment and immigration bode well for the multifamily sector in particular, while residential developments are expected to increase population density in the CBD.

The concentration of commercial property ownership in Halifax makes owners reluctant to sell for fear of not being able to get back in the market, which is limiting trade volumes.



Chris Carter

Vice President
National Investment Team

www.cbre.ca/chris.carter

Q2 2016 CAP RATES

DOWNTOWN OFFICE △Q/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	6.50% - 7.00%	◀▶
B	7.25% - 7.75%	◀▶

RETAIL

Regional	5.50% - 6.00%	◀▶
Power	6.25% - 7.00%	▲
Neighbourhood	6.75% - 7.75%	▲
Strip	6.50% - 7.50%	▲
Strip (non-anchored)	7.50% - 8.25%	▲

APARTMENT

High Rise A	4.75% - 5.25%	◀▶
High Rise B	5.00% - 5.75%	◀▶
Low Rise A	5.00% - 5.50%	◀▶
Low Rise B	5.50% - 6.00%	◀▶

HOTEL

Downtown Full Service	8.75% - 9.75%	◀▶
Suburban Limited Service	9.50% - 10.50%	◀▶
Focused Service	8.25% - 9.50%	◀▶

VIEW ALL CANADIAN CAP RATES
ON PAGE 12

Q2 2016 Canadian Cap Rates

△Q/Q Vancouver Calgary Edmonton Winnipeg London-Windsor

Downtown Office

AA	4.00% - 4.50% ◀▶	5.25% - 5.75% ◀▶	5.50% - 6.00% ◀▶	N/A	NA
A	4.25% - 4.75% ▼	6.25% - 7.00% ◀▶	6.50% - 7.00% ◀▶	5.50% - 6.00% ◀▶	6.50% - 8.50% ▼
B	4.50% - 5.00% ◀▶	7.75% - 8.50% ▲	7.75% - 8.50% ▲	6.50% - 7.00% ◀▶	8.00% - 9.00% ◀▶

Suburban Office

A	5.00% - 5.75% ▼	6.25% - 6.75% ◀▶	6.75% - 7.25% ◀▶	6.50% - 7.00% ◀▶	7.50% - 8.00% ◀▶
B	5.75% - 6.25% ▼	7.25% - 8.00% ◀▶	7.25% - 7.75% ◀▶	7.00% - 7.50% ◀▶	8.00% - 8.50% ◀▶

Industrial

A	4.75% - 5.50% ◀▶	5.25% - 5.75% ▼	5.50% - 6.00% ◀▶	6.00% - 6.50% ◀▶	7.00% - 8.00% ▼
B	5.25% - 6.25% ◀▶	6.25% - 6.75% ▼	6.75% - 7.50% ◀▶	6.50% - 7.25% ◀▶	7.75% - 9.00% ▼

Retail

Regional	4.50% - 5.00% ◀▶	5.00% - 5.50% ◀▶	5.00% - 5.50% ◀▶	5.50% - 6.00% ◀▶	5.50% - 6.50% ▼
Sector/Power	5.50% - 6.00% ◀▶	5.75% - 6.25% ◀▶	5.75% - 6.25% ◀▶	6.00% - 6.50% ◀▶	6.25% - 7.00% ▼
Neighborhood	5.00% - 5.75% ◀▶	5.25% - 5.75% ◀▶	5.75% - 6.25% ◀▶	6.50% - 7.00% ◀▶	6.25% - 7.50% ▼
Strip	4.75% - 5.50% ◀▶	5.50% - 6.00% ▼	5.50% - 6.00% ◀▶	6.50% - 7.00% ◀▶	6.00% - 7.00% ▼
Non-anchored Strip Mall	5.50% - 6.00% ◀▶	6.25% - 6.75% ◀▶	7.00% - 7.50% ◀▶	7.00% - 7.50% ◀▶	6.00% - 7.50% ▼

Apartment

High Rise A	2.50% - 3.00% ▼	4.50% - 5.00% ◀▶	4.25% - 4.75% ▼	N/A	5.00% - 5.50% ◀▶
High Rise B	3.00% - 3.50% ▼	5.00% - 5.50% ◀▶	4.75% - 5.25% ◀▶	5.00% - 5.75% ◀▶	5.25% - 6.50% ◀▶
Low Rise A	2.75% - 3.25% ▼	4.75% - 5.25% ◀▶	5.25% - 5.75% ▼	5.50% - 6.00% ◀▶	5.75% - 6.75% ◀▶
Low Rise B	3.25% - 4.25% ▼	5.25% - 5.75% ◀▶	5.75% - 6.50% ▼	5.75% - 6.00% ◀▶	6.00% - 7.25% ◀▶

Hotel

Downtown Full Service	6.00% - 7.00% ◀▶	7.75% - 8.75% ◀▶	7.75% - 8.75% ◀▶	8.00% - 9.00% ◀▶	8.25% - 9.00% ◀▶
Suburban Limited Service	7.00% - 8.00% ◀▶	9.25% - 10.25% ◀▶	10.00% - 10.50% ◀▶	9.50% - 10.50% ◀▶	8.50% - 9.50% ◀▶
Focused Service	7.00% - 8.00% ◀▶	8.25% - 9.25% ◀▶	9.00% - 10.00% ◀▶	8.00% - 8.75% ◀▶	8.00% - 9.00% ◀▶

Q2 2016 Canadian Cap Rates

△Q/Q	Kitchener-Waterloo	Toronto	Ottawa	Montreal	Halifax
Downtown Office					
AA	N/A	4.25% - 4.75% ◀▶	5.00% - 5.75% ◀▶	4.75% - 5.50% ◀▶	N/A
A	6.00% - 7.00% ◀▶	4.50% - 5.00% ▼	5.25% - 6.00% ◀▶	5.50% - 6.00% ◀▶	6.25% - 6.75% ▲
B	6.50% - 7.25% ◀▶	4.75% - 5.25% ▼	5.50% - 6.25% ◀▶	6.00% - 6.75% ◀▶	7.00% - 7.50% ◀▶
Suburban Office					
A	6.25% - 7.50% ◀▶	5.75% - 6.25% ◀▶	6.25% - 7.00% ◀▶	5.75% - 6.75% ▼	6.50% - 7.50% ◀▶
B	7.00% - 8.00% ◀▶	6.75% - 7.25% ▼	7.00% - 7.50% ◀▶	7.00% - 7.75% ◀▶	7.50% - 8.00% ◀▶
Industrial					
A	5.90% - 6.50% ▼	5.00% - 5.50% ◀▶	6.00% - 6.25% ◀▶	5.75% - 6.50% ◀▶	6.50% - 7.00% ◀▶
B	6.75% - 7.25% ▼	6.50% - 7.50% ◀▶	6.50% - 7.25% ◀▶	6.75% - 7.75% ▼	7.25% - 7.75% ◀▶
Retail					
Regional	5.50% - 6.00% ◀▶	4.50% - 5.50% ◀▶	5.00% - 5.75% ◀▶	5.00% - 5.75% ◀▶	5.50% - 6.00% ◀▶
Sector/Power	5.75% - 6.50% ◀▶	5.50% - 6.50% ◀▶	5.75% - 6.50% ◀▶	5.75% - 6.75% ◀▶	6.25% - 7.00% ▲
Neighborhood	6.00% - 6.50% ◀▶	5.25% - 6.25% ◀▶	5.75% - 6.50% ◀▶	7.00% - 7.75% ◀▶	6.75% - 7.75% ▲
Strip	5.25% - 6.50% ◀▶	5.25% - 6.25% ◀▶	5.50% - 6.25% ◀▶	5.50% - 6.25% ▼	6.50% - 7.50% ▲
Non-anchored Strip Mall	5.25% - 7.00% ◀▶	6.25% - 7.25% ◀▶	6.50% - 7.50% ◀▶	7.25% - 8.00% ◀▶	7.50% - 8.25% ▲
Apartment					
High Rise A	4.50% - 5.00% ◀▶	3.25% - 4.00% ◀▶	3.75% - 4.50% ◀▶	4.25% - 5.00% ▼	4.75% - 5.25% ◀▶
High Rise B	4.75% - 5.25% ◀▶	4.25% - 5.00% ◀▶	4.75% - 5.50% ◀▶	5.00% - 5.75% ◀▶	5.00% - 5.75% ◀▶
Low Rise A	5.00% - 5.75% ◀▶	3.25% - 4.00% ◀▶	4.00% - 4.75% ◀▶	4.75% - 5.50% ◀▶	5.00% - 5.50% ◀▶
Low Rise B	5.50% - 6.00% ◀▶	4.25% - 5.00% ◀▶	4.75% - 5.50% ◀▶	5.75% - 6.75% ◀▶	5.50% - 6.00% ◀▶
Hotel					
Downtown Full Service	8.25% - 9.00% ◀▶	6.00% - 7.00% ◀▶	7.00% - 8.00% ◀▶	7.50% - 8.50% ◀▶	8.75% - 9.75% ◀▶
Suburban Limited Service	8.50% - 9.00% ◀▶	7.00% - 8.50% ◀▶	8.25% - 9.00% ◀▶	9.00% - 10.00% ◀▶	9.50% - 10.50% ◀▶
Focused Service	7.50% - 8.50% ◀▶	7.00% - 8.00% ◀▶	7.50% - 8.50% ◀▶	8.00% - 8.75% ◀▶	8.25% - 9.50% ◀▶

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.

AA Downtown Office: The downtown's best office buildings, typically newer, larger than 800,000 sq. ft. with larger floor plates, attract larger, top quality tenants with 5 and 10-year leases.

Class A Suburban Office and Industrial: Best of class product, recently completed to a high-standard, leases to better quality tenants on 5 and 10-year leases, typically newer construction.

Class B Suburban Office and Industrial: Older product, mostly 5-year leases, typically previously owned.

Regional: Enclosed malls, are the top performers in sales per sq. ft., has strong anchors and high percentage of National Tenants in CRU space. Typically >500,000 sq. ft. and has a department store as one of the anchors.

Power Centres: Open-air retail centre comprised of larger, brand name tenants. Tend to be in a node with other anchor tenants. Limited CRU space and typically larger than 400,000 sq. ft. or in a node of that size.

Community/Neighborhood: Enclosed centre that serves a community and is generally anchored by some combination of a junior department store, supermarket, drug or sport store; supplies a wide range of apparel and soft goods. Can range from 150,000 sq. ft.–350,000 sq. ft.

Strip (Anchored): Open-air centre anchored by either food or drug.

Strip (Non-Anchored): Open-air centre typically not anchored by either food or drug.

Hotel: Rates indicated are based on normalized results after deduction of management fees and reserves for replacement.

Focused Service Hotel: Upper-midscale lodging focused on rooms operations with limited food and beverage and meeting facilities; examples include Hampton Inn, Residence Inn.

This disclaimer shall apply to CBRE Limited, Real Estate Brokerage, and to all other divisions of the Corporation; to include all employees and independent contractors ("CBRE"). The information set out herein, including, without limitation, any projections, images, opinions, assumptions and estimates obtained from third parties (the "Information") has not been verified by CBRE, and CBRE does not represent, warrant or guarantee the accuracy, correctness and completeness of the Information. CBRE does not accept or assume any responsibility or liability, direct or consequential, for the Information or the recipient's reliance upon the Information. The recipient of the Information should take such steps as the recipient may deem necessary to verify the Information prior to placing any reliance upon the Information. The Information may change and any property described in the Information may be withdrawn from the market at any time without notice or obligation to the recipient from CBRE. CBRE and the CBRE logo are the service marks of CBRE Limited and/or its affiliated or related companies in other countries. All other marks displayed on this document are the property of their respective owners. All Rights Reserved.