

RECENT GTA RETAIL TRANSACTIONS

Source: Marshnet.com

726 KINGSTON ROAD – Pickering – 6.70% Cap Rate – A 10,000 square foot plaza located just east of the Kingston Rd/Whites Rd intersection. Closed on Aug. 15, 2008 for \$3,800,000 or \$380 psf.

1939 KENNEDY ROAD – Scarborough – 6.00 to 6.50% Cap Rate – A 22,000 square foot plaza located on the south-east corner of Kennedy Rd and Progress Ave. Closed on Aug. 7, 2008 for \$5,000,000 or \$227 psf.

3015 WINSTON CHURCHILL BOULEVARD & 2661 DUNDAS STREET WEST – Mississauga – A 36,600 square foot retail plaza located on the north-west corner of Winston Churchill and Dundas. Closed on July 17, 2008 for \$17,300,000 or \$192 psf.

9100 JANE STREET – Vaughan – Retail Condo Units – 8.00% Cap Rate – 16 units totalling 19,815 square feet of a 73,205 square foot plaza located on the south-west corner of Jane St and Rutherford Rd. Closed June 26, 2008 for \$7,570,000 or \$382 psf.

9105 AIRPORT ROAD – Brampton – 6.00 to 6.25% Cap Rate – Newly constructed 136,000 square foot 10 store big-box style plaza located on the north-east corner of Airport Rd and Queen St E. Sale of 50% closed June 25, 2008 for \$19,456,714 or \$286 psf.

2211 BRANT STREET – Burlington – Newly constructed 13,750 square foot single tenant retail building located on the north-east corner of Brant St and Upper Middle Rd. Closed June 4, 2008 for \$5,844,767 or \$425 psf.

800 MAIN STREET EAST – Milton – 5.92% Cap Rate – Newly constructed 95,945 square foot plaza located the south-west corner of Thompson Rd S and Main St E. Closed March 14, 2008 for \$38,436,821 or \$400 psf.

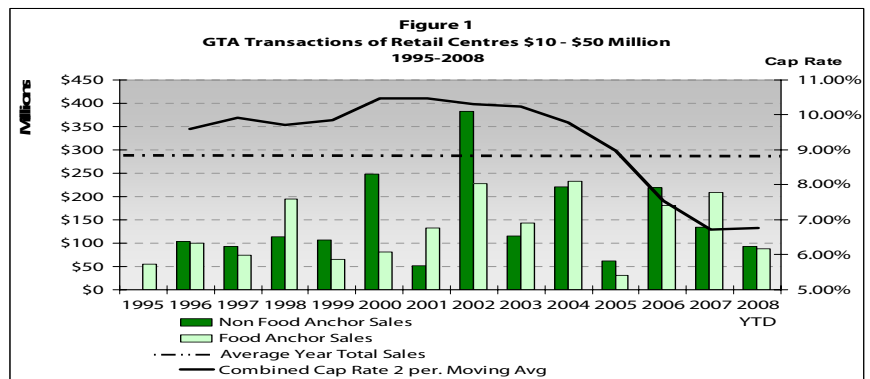
1010 – 1050 KENNEDY CIRCLE – Milton – 6.10% Cap Rate – A 116,760 square foot plaza located south of Derry Rd and just east of Thomson Rd S. Closed on January 9, 2008 for \$35,750,000 or \$306 psf.



INDUSTRY COMMENTARY - FOOD ANCHORED RETAIL CENTRES VS. NON-FOOD ANCHORED RETAIL CENTRES 1995-2008

We revisit our analysis of food anchored vs. non-food anchored retail centres this month. Our hypothesis is that food anchored centres should trade at lower cap rates than non-food anchored centres.

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LIFE LESSONS at P.G. GAGNÉ COMMERCIAL REAL ESTATE CORP., Brokerage – Lesson #33

To get the best from life, be completely present and mindful in every situation. On most days our minds are in ten different places at once. Rather than enjoying the walk to work, we wonder what the boss will say when we get to the office, what emails we will have, what we will have for lunch, or how our kids will do at school. Our minds are like buzzing bees or, as they say in the east, like unchained monkeys, rushing from place to place without any pause for peace. By developing present moment awareness and mental focus, you will not only feel much calmer in your life, you will also unlock the fullness of your mind's potential – and that creates the possibility of greatness.

- Eckhart Tolle

Office Leasing



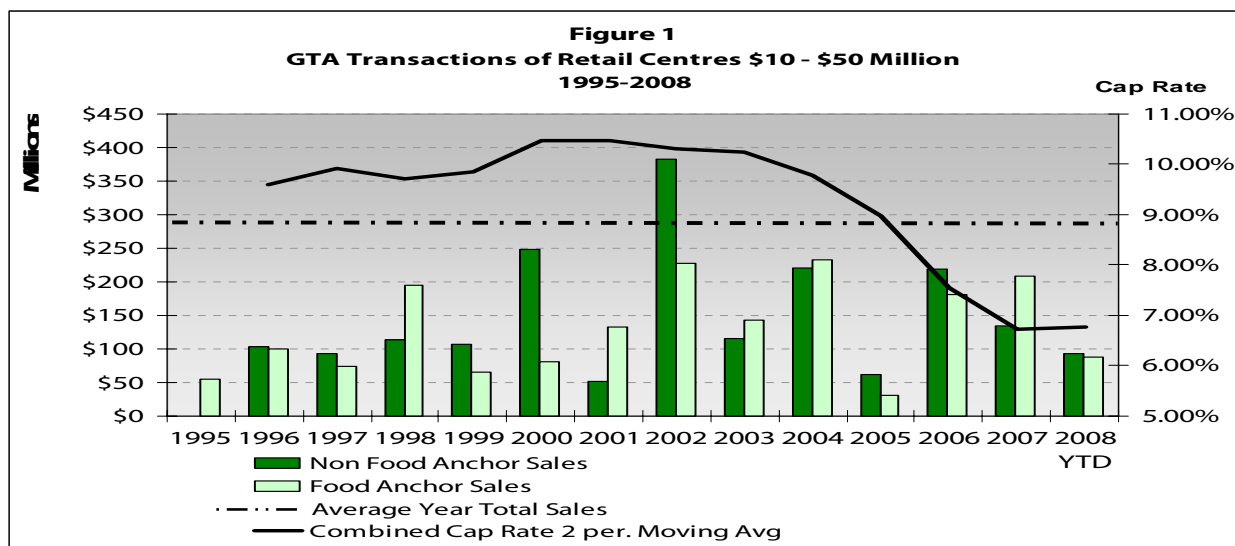


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We revisit our analysis of food anchored vs. non-food anchored retail centres this month. Our hypothesis is that food anchored centres should trade at lower cap rates than non-food anchored centres.

We sampled all retail centres sold between 1995 and 2008 YTD in the GTA at prices ranging between \$10 and \$50 million. We have excluded single tenanted retail buildings but have not made any distinction between enclosed and non-enclosed properties.

Total average investment in \$10 to \$50 million retail centres has been \$278-million per year from 1995 to 2008. Overall investment in this asset class trended upwards from 1995 to 2002 (a high of \$610-million in transactions) but has more or less stabilized from 2003 to 2008 with an average transaction volume of \$310-million (See Figure 1).



Our cap rate analysis shows that prior to 2003 the market did not make a distinction between the two types of retail centres. The market's willingness to pay a premium for food anchored centres began in 2003 (See Figure 2). Between 2003 and 2008 the average cap rate for food anchored centres was 116 bps below that of non-food anchored centres (See Figure 3).

