

Market Trends for Office Buildings in Ontario

This year, MPAC is updating the property assessments for every business property in Ontario.

4%

Per year average increase of overall office values in Ontario since 2012.

4,686

Number of offices in Ontario. Property Assessment Notices are being mailed in Ontario on October 18, 2016.

\$82.3 billion

Combined total value of office building properties in Ontario.

January 1, 2016

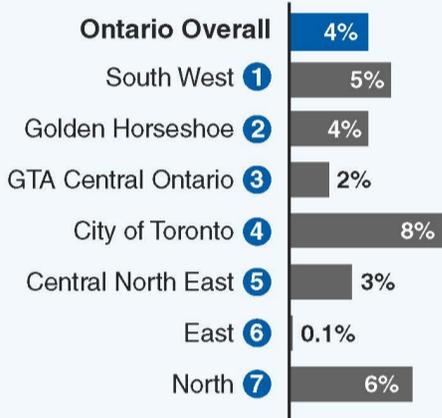
Legislated valuation date in Ontario for 2017-2020 property tax years.

OFFICE VALUE COMPARISON



Overall Office

Average assessment change for 2016-2017



2016 OFFICE VALUES EXPLAINED

1

Supply is growing in Guelph

Guelph has seen recent growth in new office buildings and leasing opportunities, particularly in the south west of the city along the main thoroughfare. Windsor/Essex County remain stable in terms of occupancy and rental rates.

2

Demand in York Region is on the rise

Business and industry continue to be attracted to affordable office buildings in York Region. York is advertising "Flex Office Buildings" that can house a variety of tenant types, including industrial use.

3

Low vacancy rates in Toronto

There continues to be a strong demand for centrally-located space in the City of Toronto.

4

Supply of office space in Toronto is increasing

In 2016, 1.2 million sq. ft. of new office space has been added to the Toronto market—and another 2.1 million sq. ft. is anticipated for 2017.

5

Ottawa faces decline in value

Ottawa continues to see a decline in rents and an increase in vacancy as the federal government continues to relinquish office space back to the market.

6

Province-wide highlights

Capitalization rates continue to compress in most parts of Ontario. New supply continues to be added in several major markets, including Richmond Hill, Mississauga and Oakville.

For the 2016 update, MPAC has...

- Reviewed Fair Market Rents against market data received from property owners.
- Reviewed three years of sales data to determine office building values.

Assessing Office Properties

- Office properties are valued using the income approach, which looks at the property's revenue-earning power.
- We look at the relationship between income, operating expenses and sales of similar properties.

To learn more about your assessment, the relationship between property assessment and taxation and more visit aboutmyproperty.ca.



Your Property.
Our Assessment.
Know More About It.