

Reporting Guide for Survey of Commercial Rents

Lessors of non-residential buildings are defined as those establishments engaged in the provision of space to others for rent, which are not used as residences or dwellings. Mini-warehouses are excluded from this definition.

Section A - Building Information

To reduce response burden, if you own more than one building please select and report for the one which you receive the most gross leasing revenue from.

This building should not be owner occupied, or at least not entirely owner occupied and must be located in the same province that this questionnaire was mailed to.

If selecting the building based on gross leasing revenue is too difficult, then select the building with the largest square footage or one whose rent prices you feel are representative of your market.

Leasable square feet: Total amount of square feet in building that is either currently being leased or is available for lease to tenants.

Occupancy Rate: The percentage of the leasable square feet that is occupied as of the date indicated.

What is considered **renovated**? Any major renovation, refitting or building expansion. Examples include – new wiring and/or cabling, plumbing, lighting, carpeting, elevator upgrades, air quality upgrades or improved exterior finishes. Minor improvements such as painting or anything considered routine maintenance should not be included.

Building Type Definitions:

Office Building: This includes high-rise or low-rise office buildings, regardless of whether they are general office buildings, financial office buildings or medical office buildings.

Class of Office Building: **Class “A”** buildings typically have modern and superior quality exterior curtain walls, state-of-the-art mechanical, electrical and life safety systems and high quality interior finishes. These prestigious office buildings are typically occupied by a city’s premier office users and have a definitive market presence and command premium rents¹.

Class “B” buildings commonly have acceptable (but not outstanding) curtain wall finishes, adequate (but not state-of-the-art) mechanical, electrical and life safety systems and a mid-quality level interior finish. These buildings compete for a wide range of users at average rents for their area².

Class “C” buildings have curtain walls and a quality of finish generally below average, with mechanical, electrical and life safety systems that are generally somewhat outdated. These buildings commonly compete for tenants requiring functional space at below average rents³.

Enclosed Shopping Centre: A shopping centre where the majority of individual stores are accessed from an indoor common area.

Open Shopping Centre: A shopping centre whose stores are accessed from the outdoors and there is no indoor common area that allows access to all stores. This includes strip malls and convenience centres.

For the shopping centre configurations described below, if the majority of its stores are accessed only from outside then please select open shopping centre, if you feel that most of your stores can be accessed through a common area then select enclosed shopping centre⁴.

Neighbourhood centres – roughly 30,000-150,000 square feet designed to provide convenience shopping to customers, usually anchored by a supermarket, serving customers within a 5km radius.

¹²³ These are industry wide definitions that were obtained from Colliers International.

⁴ Definitions obtained from the International Council of Shopping Centers.

Community centres – roughly 100,000-350,000 square feet designed to provide convenience and general merchandise shopping to customers within a 5-10km radius. These centres can be anchored by a supermarket, discount department store, drug store or home improvement store.

Regional centre – roughly 400,000-800,000 square feet designed to provide general merchandise and fashion apparel shopping to customers within a 8-12km radius, anchored by possibly numerous department stores, fashion apparel stores, restaurants or general merchandise stores.

Super regional centres – similar to a regional centre, with more variety and assortment. Typically 800,000+ square feet, serving customers within a 10-40km radius.

Power Centres – usually has category-dominant anchors with few small tenants, such as home improvement, discount department or warehouse stores. Typically 250,000-600,000 square feet servicing customers 8-15km away.

Lifestyle centres – typically 150,000-500,000 square feet but can be smaller or larger. They may contain upscale specialty stores, dining and entertaining, large-format bookstores or multiplex cinemas.

Commercial Building: This includes all commercial or retail buildings that do not fall under the definition of shopping centres. Examples include retail stores (not part of a shopping centre), restaurants, bars, etc.

Industrial Building: This includes heavy manufacturing buildings, light manufacturing and assembly buildings, research and development buildings, and warehouse and distribution buildings.

Other Non-Residential Building: This category includes auditoriums, stadiums, convention centres, banquet and concert halls, theatres and any other non-residential building or facility not already mentioned.

Section B – Tenant Information

For the rent questions in this section, please report in Canadian dollars, the total dollar amount received from all tenants within the selected building by month for the quarter indicated.

Total Tenants: This includes all tenants who currently occupy space in the selected building.

Net effective Rents: For the purposes of this survey, net effective rent is the price charged to tenants to physically occupy space in your building, excluding all operating costs or additional rents. As explained in the questionnaire, operating costs and additional rents **not** to be included are: utilities (heat, water, electricity, etc.), insurance, taxes of all kinds, common area maintenance (cleaning, repairs, garbage disposal, janitorial services, etc.), elevator expenses, installation of communications equipment, management fees or commissions, parking and storage revenues.

Percentage Rent: These rents charges occur most often in retail and auditorium/arena leasing, and is defined as a portion of a tenants' revenue paid to the lessor from an event or the standard operation of a business. Please indicate the dollar amount (or best estimate) and not the percentage.

Tenant Incentives: For the purposes of this survey, tenant incentives include: Rent free periods, tenant improvement allowances, lease buyout values, signing bonuses or volume discounts. If your tenant incentives are already reflected in the net effective rent, do not include them again. Otherwise, please provide an approximate value per month.