



INDUSTRIAL MARKET REPORT

Considerable preleasing activity limits impact of new inventory on availability rates

 **New Supply**
6,350,396 SQ. FT.

 **Under Construction**
12,440,658 SQ. FT.

 **Avg. Ask Lease Rate**
\$8.62 PER SQ. FT.

 **Avg. Ask Sale Price**
\$224.14 PER SQ. FT.

*Arrows indicate change from previous quarter

The Greater Toronto Area's (GTA) industrial market maintained strong fundamentals in Q4 2019, recording 4.5 million sq. ft. of positive net absorption, continuing the longest streak in market history. The year closed with 10.7 million sq. ft. of total absorption, largely driven by pre-lease, new completions.

The tight market conditions continued in 2019, as the availability rate fell by 20 bps, year-over-year to 1.4%. The prolonged shortage of available options has prompted asking rents to rise to its highest ever recorded levels, accounting for year-over-year growth of 20.6% to its current value of \$8.62 per sq. ft.

The year closed with an annual 9.1 million sq. ft. of new completions added to the GTA's inventory. In comparison, the combined new supply from year-end 2016 to year-end 2018 was only 14.4 million sq. ft. With 12.4 million sq. ft. currently under construction, and more expected to break ground, the forecasted new supply for 2020 is 14.1 million sq. ft.

TORONTO WEST

Toronto West's availability rate reverted to its Q1 and Q2 value of 1.7%, after decreasing to 1.3% in Q3 2019. The vacancy rate remained at 0.8% from last quarter, accounting for a 10 bps decrease since year-end 2018.

For an eleventh consecutive quarter, the average net asking lease rate has appreciated to a new record high.

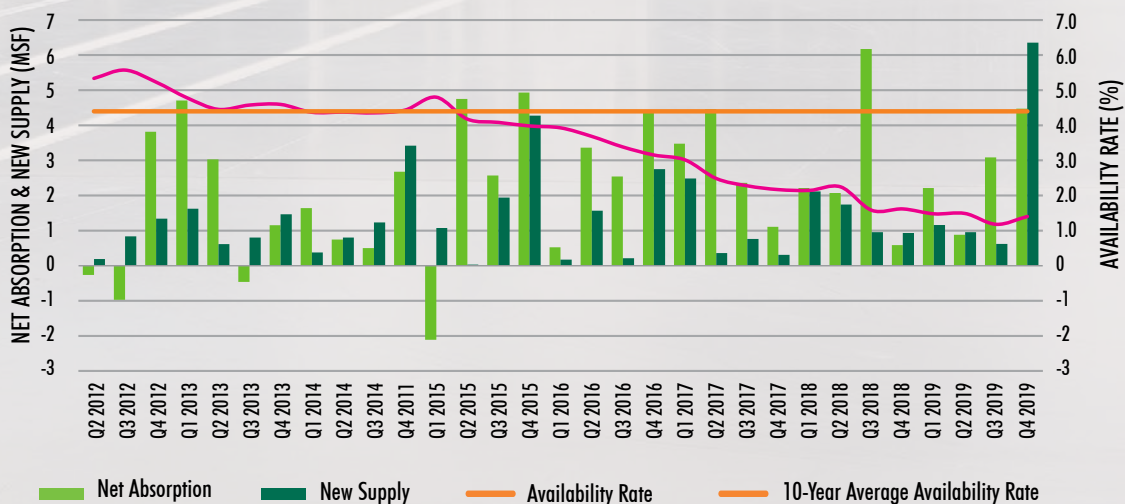
The current value of \$8.45 per sq. ft. accounts for a year-over-year increase of 17.8% which comparatively lower than the entire GTA's year-over-year growth of 20.6%. For the last four quarters the GTA's average net asking lease rate has been higher than the GTA's West's value.

The quarter-over-quarter growth of the average asking sale price has slowed down, recording a 1.6% quarter-over-quarter appreciated to \$216.13 per sq. ft. This is in line with the entire GTA's average asking sale price growth which had only recorded a 1.3% appreciation during the same time span.

Q4 saw an increase in completed new builds with 9 buildings totaling 3.7 million sq. ft. of new supply added to the Toronto West inventory. Of these 9 buildings, 8 were pre-leased/sold, accounting for 97.3% of the new supply's total sq. ft. Further, only 3 of these buildings were built on a speculative basis with the remaining 88.7% of the total sq. ft. comprised of design build space.

Bombardier recently announced their signing of a long-term lease with the Greater Toronto Airport Authority located at Toronto Pearson International Airport. This agreement will see the relocation and development of a 1.0 million sq. ft. high tech facility for its Global Aircraft Final Assembly business. Preliminary site work is already taking place with intentions on having the facility operational in 2023.

GTA Fundamentals - Historical Analysis



AVAILABLE LAND

GTA WEST LAND STATS Q4 2019	AVERAGE LAND PRICE (\$/ACRE)	DEVELOPMENT CHARGES			
		MILTON	BRAMPTON	MISSISSAUGA	ETOBICOKE
	1,380,463	\$18.14	\$20.63	\$24.12	\$1.12

340 MAIN STREET N HALTON HILLS, ON



- Halton Hills newest Industrial Park totaling 55 acres
- Hard to find rail access and outside storage
- Lands available for sale or design build
- Zoned EMP and fully serviced
- Phase 1 complete. Phase 2 ready.

CONCESSION ROAD 7 PUSLINCH, ON



- 25 acres
- Divisible to 10 acres
- Rezoning to employment in final stages
- Quick 401 access
- Located at 401 & Highway 6, 15 minutes past Milton

AVAILABLE FOR SALE

GTA WEST INDUSTRIAL SALE STATS Q4 2019	5 - 10 YEAR COMMERCIAL MORTGAGE RATE	AVAILABLE FOR SALE (SQ. FT.)	AVERAGE ASKING PRICE (/SQ. FT.)	INDUSTRIAL CAP RATE
	3.95%	994,901	\$216.13	5.11%

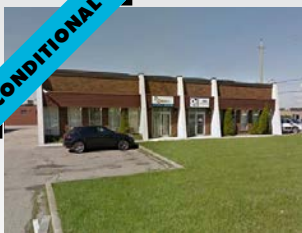
8-10 CRAIG STREET BRANTFORD, ON



- 164,315 sq. ft. on 17.2 acres
- Warehouse/manufacturing facility prime for redevelopment
- Premium frontage onto Highway 403
- Flexible zoning
- Directly accessible from Wayne Gretzky Parkway Interchange



1365 FEWSTER DRIVE MISSISSAUGA, ON



- 9,352 sq. ft. on 0.56 acres
- Currently 50% leased and ideal opportunity for user/investor
- Could also be purchased vacant
- Corner location with easy access to Hwy. 401 and 403 interchange

1290 CRESTLAWN DRIVE MISSISSAUGA, ON



- 12,000 sq. ft. on 0.80 acres
- Well maintained freestand
- High build out & improvements

489 HIGHWAY 8 HAMILTON, ON



- Turnkey transport terminal
- Building set up for truck & trailer repair with drive-in bays, wash bay & pit bay
- Fully graveled, fenced & lit yard with 3 gated access points
- New Tim Horton's & Shell station across the street

1355 FEWSTER DRIVE MISSISSAUGA, ON



- 9,352 sq. ft. on 0.56 acres
- Small, well maintained freestand
- Easy access to transit and highways 401 & 403 interchanges

AVAILABLE FOR LEASE

GTA WEST INDUSTRIAL LEASE STATS Q4 2019	TOTAL AVAILABLE (SQ. FT.)	ABSORPTION YTD	AVAILABILITY RATE	AVERAGE ASKING RATE	AVERAGE TMI
	4,561,160 	6,182,106 	1.7% 	\$8.45 	\$3.75 

41 REXDALE BOULEVARD TORONTO, ON



- 98,702 sq. ft. for lease
- Clean functional distribution space
- Great shipping court with room for trailer parking/storage
- Access to Hwy. 401, 409 & 427 interchange

2390 SOUTH SERVICE ROAD OAKVILLE, ON



- 34,680 sq. ft. on 1.73 acres
- Excellent corner location with direct exposure to the QEW
- Highway access is via nearby ramps at both Third Line and Bronte Road
- This facility is currently undergoing a modernization program, including extensive interior and exterior improvements
- Interior finishes can be completed to suit

615 RUSHOLME ROAD WELLAND, ON



- For lease, 57,000 – 274,500 sq. ft. available
- Large scale, high bay industrial property on 65 acres
- Heavy power & an active rail spur capabilities
- Excess land allowing outside storage
- Proximity to US border

25 TYLER STREET CAMBRIDGE, ON



- +/- 51,332 sq. ft.
- 28' warehouse with ESFR sprinkler
- Easy hwy access & hwy 401 exposure
- Space can be divided - units starting at 20,000 sq. ft.
- New construction

RECENT CLIENT SUCCESS STORIES

6415 Northam Drive - **MISSISSAUGA, ON**



204,784 sq. ft.

63 Rexdale Boulevard - **TORONTO, ON**



126,645 sq. ft.

77 Belfield Road - **TORONTO, ON**



59,691 sq. ft.

109-111 Advance Boulevard - **BRAMPTON, ON**



52,190 sq. ft.

2390 South Service Road - **OAKVILLE, ON**



34,680 sq. ft.

3121 Universal Drive - **MISSISSAUGA, ON**



21,400 sq. ft.

ABOUT US

Together John Planeta, Ted Overbaugh, Chris Planeta and Grace Kishander form one of the Top Producing Industrial Real Estate Teams in Canada. This collaborative group of industry experts focus on developing strategy and execution for owners and occupiers of space, both locally and on a multi-market basis.

Utilizing the vast resources and “best practices” available through CBRE’s Global Platform, our team is able to design and tactically implement the most complex assignments ensuring high-level accountability and superior, measurable results. We have successfully executed thousands of assignments across multiple markets in Canada and globally.

Our team represents corporations in strategic transactions for individual and portfolio assignments. We have been industry leaders in defining strategic Corporate Real Estate (CRE) plans, creating detailed tactical processes in order to support those plans and effectively executing the CRE transaction(s). By leveraging the CBRE platform and breadth of experience, our team provides an integrated approach that produces value above and beyond the expectations of our clients.

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