

Q3, 2019

INDUSTRIAL MARKET REPORT

Supply constraints attracting industrial development to Greater Toronto

The GTA market remains tight, with last quarter's record low availability rate of 1.5% maintained this quarter. The prolonged shortage of available options has fueled asking rents to unprecedented levels, accounting for an annual rent growth of 24.9%. For the first time in history, the average asking lease rate for the GTA has risen above \$8.00 per sq. ft., appreciating to \$8.18 per sq. ft.

Due to a shortage of available warehouses and a desire to remain in the GTA, many users have opted to secure design-build projects in excess of 500,000 sq. ft. Despite the influx of anticipated construction, including 9.6 million sq. ft. of new supply expected by year-end 2019, it is likely that tight market conditions will not be alleviated by 2020 as demand continues to outpace supply. Of the new supply introduced in

continue through 2019 and beyond as momentum for online retail sales continue to grow.

TORONTO WEST

The Toronto West Market maintained its availability rate of 1.7% this quarter. The current availability rate is the lowest ever recorded in the Toronto West Market. The average net asking lease rate increased for a ninth consecutive quarter to an all-time high of \$8.09 per sq. ft. This figure marks a \$0.43 per sq. ft. appreciation since last quarter.

Since Q3 2018, the average net asking lease rate increased by 19.9%, or \$1.34 per sq. ft. Meanwhile, the average asking sale price for user properties surpassed the \$200.00 mark for the first time ever, increasing by 17.0% quarter-over-quarter to \$214.07 per sq. ft.

Completed construction projects added 698,749 sq. ft. to the Toronto West inventory this quarter. Currently there is 5,768,737 sq. ft. under construction in Toronto West. This number is expected to increase substantially in the coming months, as many sites have received site plan approval and are in the process of completing servicing or otherwise being prepped for development. Of the projects under construction, 86.8% of the anticipated space is already under contract.




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the first half of 2019, 98.7% was pre-leased before completion.

Strong demand for big bay space continues to be driven by third-party logistics, food & beverage and retail companies. High demand is expected to

 New Supply
954,212 SQ. FT.

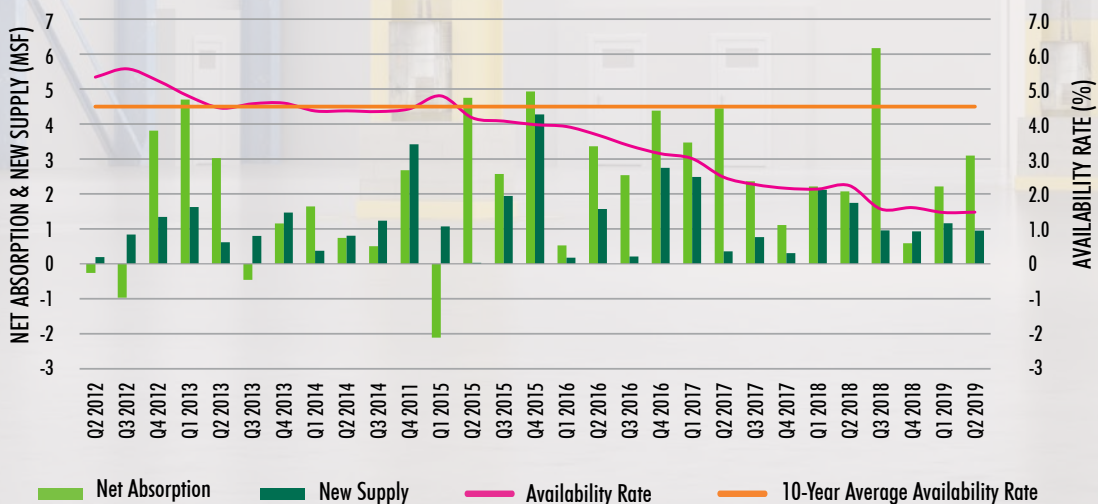
 Under Construction
9,356,026 SQ. FT.

 Avg. Ask Lease Rate
\$8.18 PER SQ. FT.

 Avg. Ask Sale Price
\$223.14 PER SQ. FT.

*Arrows indicate change from previous quarter

GTA Fundamentals - Historical Analysis



AVAILABLE LAND

GTA WEST LAND STATS Q2 2019	AVERAGE LAND PRICE (\$/ACRE)	DEVELOPMENT CHARGES			
		MILTON	BRAMPTON	MISSISSAUGA	ETOBICOKE
	1,228,571 	\$18.14	\$19.74	\$23.50	\$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 Q2 2019	5 - 10 YEAR COMMERCIAL MORTGAGE RATE	AVAILABLE FOR SALE (SQ.FT.)	AVERAGE ASKING PRICE (/SQ.FT.)	INDUSTRIAL CAP RATE
	3.95%	1,452,115 	\$214.07 	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

109 - 111 ADVANCE BOULEVARD BRAMPTON, ON



- 52,190 sq. ft. on 2.28 acres
- Ideal user/investor opportunity
- Sought after M2 zoning
- 25,000 sq.ft. vacant on closing
- Possibility to demise further to 4 x +/-13,000 sq. ft.

2390 SOUTH SERVICE ROAD OAKVILLE, ON



- 34,680 sq. ft. on 1.78 acres
- Direct QEW exposure
- Well maintained freestanding
- Very good shipping area

1771 AIMCO BOULEVARD MISSISSAUGA, ON



- 94,875 sq. ft.
- More than 4.5 acres of extra land
- Roof replacement program in place
- Multiple street access points
- Ideal site configuration
- Large shipping court

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 Hortons & Shell station across the street

1355 FEWSTER DRIVE MISSISSAUGA, ON



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

AVAILABLE FOR LEASE

GTA WEST INDUSTRIAL LEASE STATS Q2 2019	TOTAL AVAILABLE (SQ. FT.)	ABSORPTION YTD	AVAILABILITY RATE	AVERAGE ASKING RATE	AVERAGE TMI
	4,040,321 	2,171,230 	1.7% 	\$7.90 	\$3.86 

8-10 CRAIG STREET BRANTFORD, ON



- Build to Suit 100,000 – 375,000 sq. ft.
- Q3 2020 Occupancy
- Trailer Parking
- Multiple access points
- Exposure onto Highway 403 & Wayne Gretzky Parkway



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 | Fall 2019 delivery

ANNOUNCEMENTS

- After nearly 10 years as both a partner and integral member of our team, Ted Overbaugh has accepted a Managing Director position within CBRE and will be running the Southwest Ontario Region, including the Kitchener, London and Windsor offices. This move will be effective October 1, 2019. Ted will be keeping close contact with Industrial & Logistics operations in the GTA and will continue to support existing clients. We wish Ted continued success and good luck.

- We would like to welcome Chris Planeta who recently joined our team and will focus on leasing and sales of Industrial & Logistics facilities, land and investment properties. Chris is a graduate of Dalhousie University and spent two years in CBRE's downtown Toronto office working with the National Investment and Multifamily Teams. He has experience in sales and investment underwriting and is a fantastic addition to our team.

RECENT CLIENT SUCCESS STORIES

2500 Williams Parkway, **BRAMPTON**



132,402 sq. ft.

35A&B Minthorn Boulevard, **THORNHILL**



118,380 sq. ft.

635 Wilton Grove Road, **LONDON**



96,000 sq. ft.

25 Tyler Street, **CAMBRIDGE**



92,363 sq. ft.

225 Orenda Road, **BRAMPTON**



44,000 sq.ft.

68 Railside Road W, **TORONTO**



42,785 sq. ft.

324 Traders Boulevard E, **MISSISSAUGA**



27,507sq. ft.

8620 Escarpment Way, **MILTON**



20,557 sq. ft.

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