

# INDUSTRIAL MARKET REPORT

---

Q2 | 2021

CBRE



# GTA INDUSTRIAL MARKET

## INDUSTRIAL AVAILABILITY RATE DROPS TO PRE-PANDEMIC LEVEL



**NEW SUPPLY**  
2.0M SQ. FT.



**UNDER CONSTRUCTION**  
9.4M SQ. FT.



**AVG. ASK LEASE RATE**  
\$10.45 PER SQ. FT.



**AVG. ASK SALE PRICE**  
\$257.88 PER SQ. FT.



**AVAILABILITY RATE**  
1.6%

### Greater Toronto Area

The Greater Toronto Area's (GTA) industrial market remains well poised as record fundamentals continue to elevate to unprecedented levels. The availability rate which held steady at 2.0% for three consecutive quarters saw a 40 bps reduction to its Q1 2020 pre-recession level of 1.6%.

Toronto's average net asking lease rate increased by \$0.20 per sq. ft. quarter-over-quarter to an all-time high of \$10.45 per sq. ft., marking a record 16 consecutive quarters of growth. In the last five years, rental rates have appreciated by 90.8%.

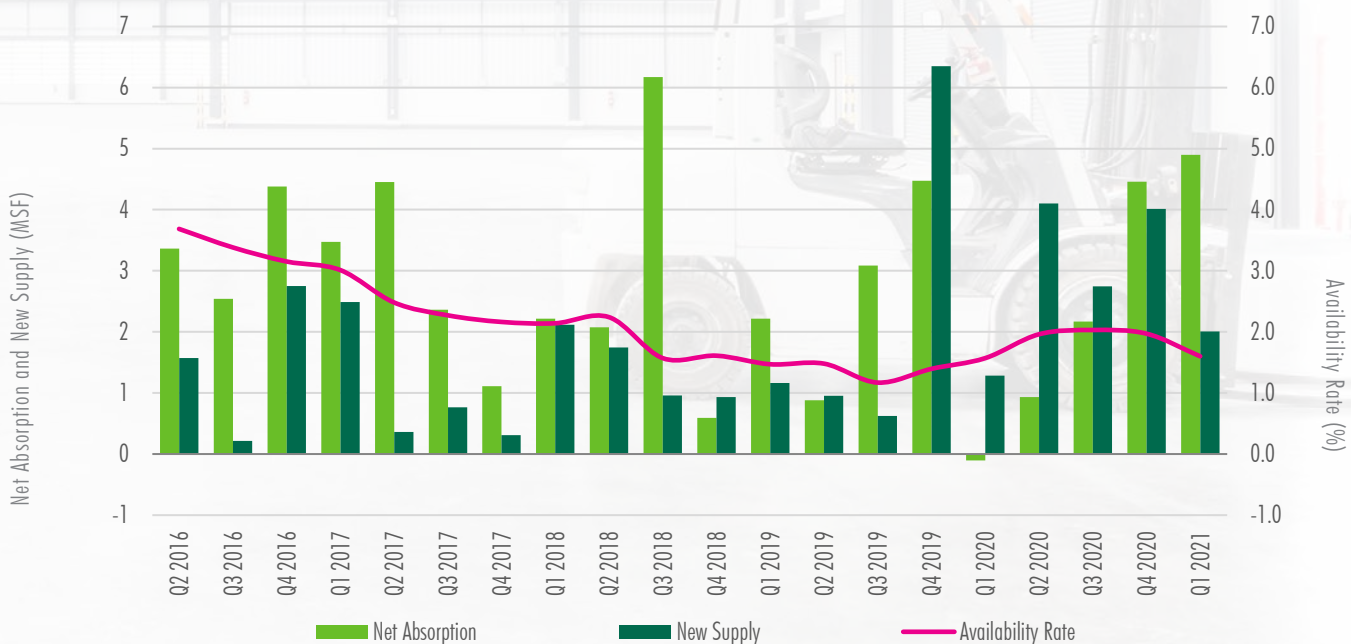
2.0 million sq. ft. of new supply was delivered to the GTA market this quarter. An additional 3.5 million sq. ft. is expected to complete construction next quarter, while a similar number is anticipated to break ground in the spring for an estimated 11.1 million sq. ft. of new supply to be introduced to the market in 2021. Due to certain speculative building projects pushing their anticipated

completion dates to 2022, the forecasted deliveries for 2021 are roughly 1.0 million sq. ft. less than 2020's 12.1 million sq. ft. Currently, 2022 is anticipated to complete an unprecedented 15.0 million sq. ft.

### Toronto West

The Toronto West availability rate decreased by 30 bps quarter-over-quarter to 1.6%, marking the lowest availability rate in the market since Q3 2019. Toronto West's current availability rate and vacancy rate of 1.6% and 0.9% respectively, mirror the overall GTA's averages. The average net asking lease rate increased to a new record high of \$10.38 per sq. ft. this quarter, accounting for a quarter-over-quarter increase of \$0.22 per sq. ft. Eight buildings completed construction this quarter adding roughly 680,000 sq. ft. to the Toronto West inventory. Of the new supply delivered, 90.3% was committed to before substantial completion. Currently, 4.9 million sq. ft. is under construction, with only 21.0% available for lease.

### GTA FUNDAMENTALS— HISTORICAL ANALYSIS





# AVAILABLE LAND

## GTA WEST LAND STATS | Q1 2021

AVERAGE LAND PRICE (\$ PER ACRE) | **\$1,674,887**

DEVELOPMENT CHARGES (PER SQ. FT.)

MILTON   \$19.07	VAUGHAN   \$39.63	BRAMPTON   \$23.12
MISSISSAUGA   \$26.35	OAKVILLE   \$27.23	BURLINGTON   \$22.97
ETOBICOKE   \$1.18	HALTON HILLS   \$17.43	CALEDON   \$22.85



## 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 2 lands development ready, 3-16 acres

# AVAILABLE FOR LEASE

## GTA WEST INDUSTRIAL LEASE STATS | Q1 2021

AVAILABLE FOR LEASE (SQ. FT.)	4,548,485	▼
ABSORPTION YTD	680,476	
AVAILABILITY RATE	1.6%	▼
AVERAGE RATE (PER SQ. FT.)	\$10.38	▲
AVERAGE TMI (PER SQ. FT.)	\$4.15	▲



## 115 WESTPORT CRESCENT MISSISSAUGA, ON

- 10,000 sq. ft. freestanding building
- Building has undergone recent improvements
- 1 Drive-In door & 1 knock-out for potential second door
- E3 zoning permits wide range of uses

# AVAILABLE FOR SALE

## GTA WEST INDUSTRIAL SALE STATS | Q1 2021

AVAILABLE FOR SALE (SQ. FT.)	1,026,024	▼
AVERAGE PRICE (PER SQ. FT.)	\$275.13	▲
5 YR MORTGAGE SPREAD	1.40%-3.25%	▲



## 5149 BRADCO BOULEVARD MISSISSAUGA, ON

- 10,153 sq. ft. freestand on 0.58 acre corner lot with great visibility
- Warehouse is clean and fully air-conditioned
- Easy access to transit and Highways 410 & 403 interchanges

# COMING SOON...

DID YOU KNOW?

**FORTUNE**

Fortune 500 company  
since 2008; ranked  
#128 in 2020

**ETHISPHERE**

Named A World's Most  
Ethical Company Eight  
years in a Row

**IAOP**

Among The Best of The  
Global Outsourcing 100  
for the past 12 years



**325,000 SQ. FT.**

**CLASS "A" DISTRIBUTION FACILITY, MILTON**

- For Lease
- Excellent highway access
- 40' ceiling height, great shipping and trailer parking
- Late 2022 occupancy



**250,000 SQ. FT.**

**BUILD TO SUIT**

- For Lease
- Class A distribution facility
- Outside greenbelt
- Q1/2023 occupancy



**70,000 SQ. FT.**

**WITH OUTSIDE STORAGE**

- For Sale
- North Brampton
- 22' clear, good shipping
- Q1/22 occupancy



**50,000 SQ. FT.**

**BRAMALEA BUSINESS PARK**

- For Sale
- Clean manufacturing facility
- Strong local labour pool
- High ceilings
- Available 2022

# RECENT CLIENT SUCCESS STORIES



## HURONTARIO STREET BRAMPTON, ON

29.90 Acres



## 395 PENDANT DRIVE MISSISSAUGA, ON

60,034 sq. ft.



## 5145 TIMBERLEA BLVD MISSISSAUGA, ON

36,000 sq. ft.



## 3755 LAIRD ROAD MISSISSAUGA, ON

33,825 sq. ft.



## 324 TRADERS BLVD MISSISSAUGA, ON

27,507 sq. ft.



## 2600 MATHESON BLVD MISSISSAUGA, ON

14,860 sq. ft.

## TORONTO WEST SNAPSHOT



Inventory (sq.ft.)  
333.4 million



Under Construction (sq.ft.)  
4,875,089



Availability Rate  
1.6%



Vacancy Rate  
0.9%



New Supply Q1 (sq.ft.)  
680,476



New Supply YTD (sq.ft.)  
680,476



Absorption Q1 (sq.ft.)  
1,681,859



Absorption YTD (sq.ft.)  
1,681,859



Net Rental Rate Weighted  
Average (\$ per sq.ft.)  
\$10.38



TMI (\$ per sq.ft.)  
\$4.15



Average Sale Price  
(\$ per sq.ft.)  
\$275.13



Realty Taxes  
(\$ per sq.ft.)  
\$2.42

# CBRE

## ABOUT US

Our combined team forms 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.



**JOHN PLANETA\***

Executive Vice President  
Global Integrated Logistics  
416 798 6223  
john.planeta@cbre.com



**TED OVERBAUGH\***

Senior Vice President  
416 798 6272  
ted.overbaugh@cbre.com



**CHRIS PLANETA**

Sales Representative  
416 798 6222  
chris.planeta@cbre.com



**GRACE KISHANDER\***

Team Lead,  
Real Estate Services  
416 798 6252  
grace.kishander@cbre.com



**PETER MILLESSE**

Industrial Advisory  
905 234 0382  
peter.millesse@cbre.com



**CARL LAVOIE\***

CBRE Capital Markets  
Debt & Structured Finance  
416 495 6217  
carl.lavoie@cbre.com



**QUENTON RAWLINSON**

Senior Financial Analyst  
416 815 2370  
quenton.rawlinson@cbre.com



**SEAN YUTRONKIE**

Senior Research Analyst  
416 798 6252  
sean.yutronkie@cbre.com

### CBRE LIMITED REAL ESTATE BROKERAGE TORONTO WEST 5935 Airport Road, Suite 700, Mississauga, ON L4V 1W5

This disclaimer shall apply to CBRE Limited, Real Estate Brokerage, and to all other divisions of the Corporation; to include all employees and independent contractors (“CBRE”). All references to CBRE Limited herein shall be deemed to include CBRE, Inc. The information set out herein, including, without limitation, any projections, images, opinions, assumptions and estimates obtained from third parties (the “Information”) has not been verified by CBRE, and CBRE does not represent, warrant or guarantee the accuracy, correctness and completeness of the Information. CBRE does not accept or assume any responsibility or liability, direct or consequential, for the Information or the recipient’s reliance upon the Information. The recipient of the Information should take such steps as the recipient may deem necessary to verify the Information prior to placing any reliance upon the Information. The Information may change and any property described in the Information may be withdrawn from the market at any time without notice or obligation to the recipient from CBRE. CBRE and the CBRE logo are the service marks of CBRE Limited and/or its affiliated or related companies in other countries. All other marks displayed on this document are the property of their respective owners. All Rights Reserved. Mapping Sources: Canadian Mapping Services canadamapping@cbre.com; DMTI Spatial, EnviroNics Analytics, Microsoft Bing, Google Earth