

Toronto Industrial

2018 Market Insight Report



Q4 2018

cresa

Cresa's Industrial Team



Sean Hoehn
Managing Principal,
Sales Representative



Steven Rector
Principal,
Sales Representative



Mark Rodgers
Vice President,
Sales Representative



Marvin Joseph, MBA
Senior Advisor,
Sales Representative



Kyle Rees
Advisor,
Broker



Renee Rees
Advisor,
Sales Representative



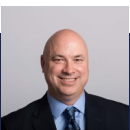
Sean Spiers
Advisor,
Sales Representative



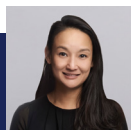
James Jackson
Business Development
Representative



Craig Birk
Business Development
Representative



Michael Wasyliw
Principal, Project
Management



Joanne Chan
Principal, Interior
Design

We take your business further

Cresa is the world's largest occupier-only commercial real estate firm. We think of real estate as a business tool - one that goes beyond operational needs to help drive profitability, enhance your image and attract top talent.

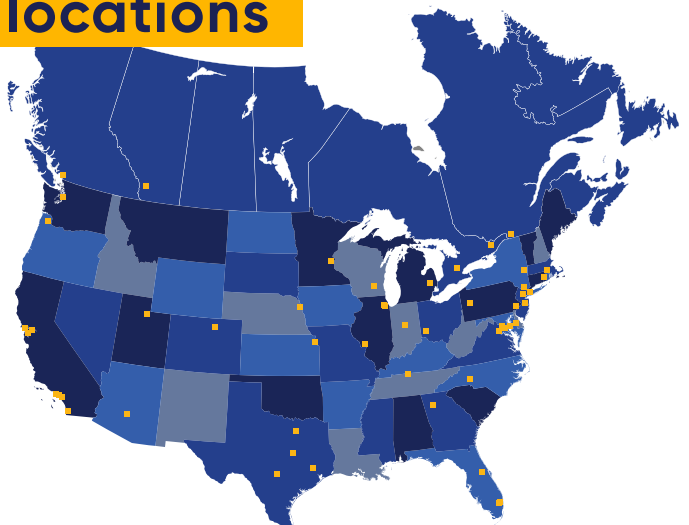
In the past year, Cresa has worked with:

Over 1,700 **Covering 59** **In 891 cities**
clients industries worldwide

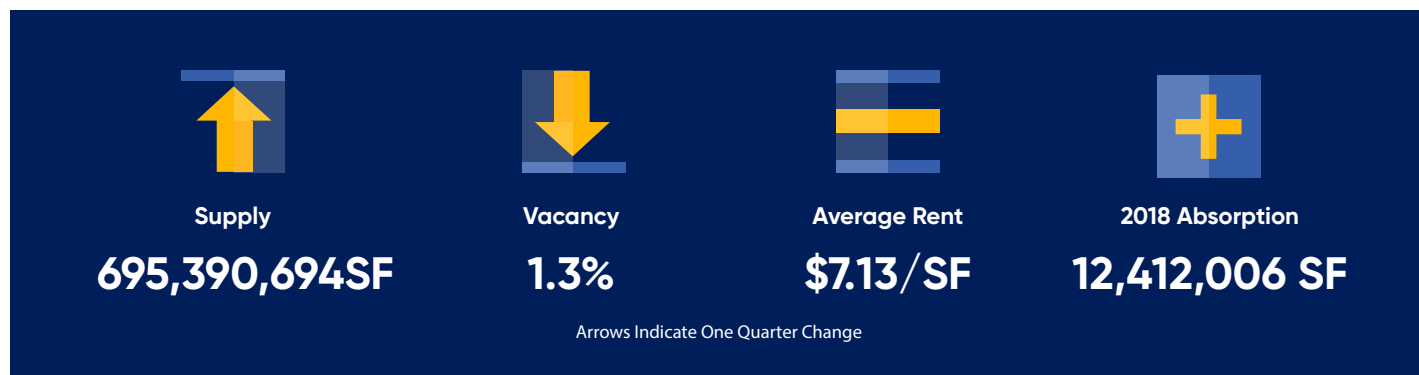
We think beyond space.

We take a fully integrated approach, first determining what your business needs are, then figuring out how to meet them and finally implementing a solution.

Canada & U.S. locations



GTA Overview

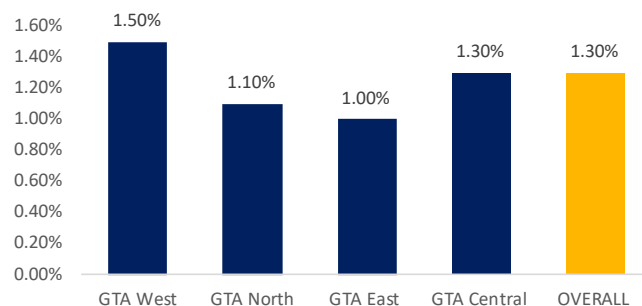


Vacancy Rate

	Q2	Q3	Q4
GTA West	2.5%	2.3%	1.5%
GTA North	2.1%	1.7%	1.1%
GTA East	1.7%	1.7%	1.0%
GTA Central	1.6%	1.8%	1.3%
Overall	2.2%	2.1%	1.3%

“Landlord expectations will continue to climb alongside rates. Rates in some nodes have increased as much as 50% to 70% over the last 5 years.”

Vacancy Rates (%)



Vacancy & Availability

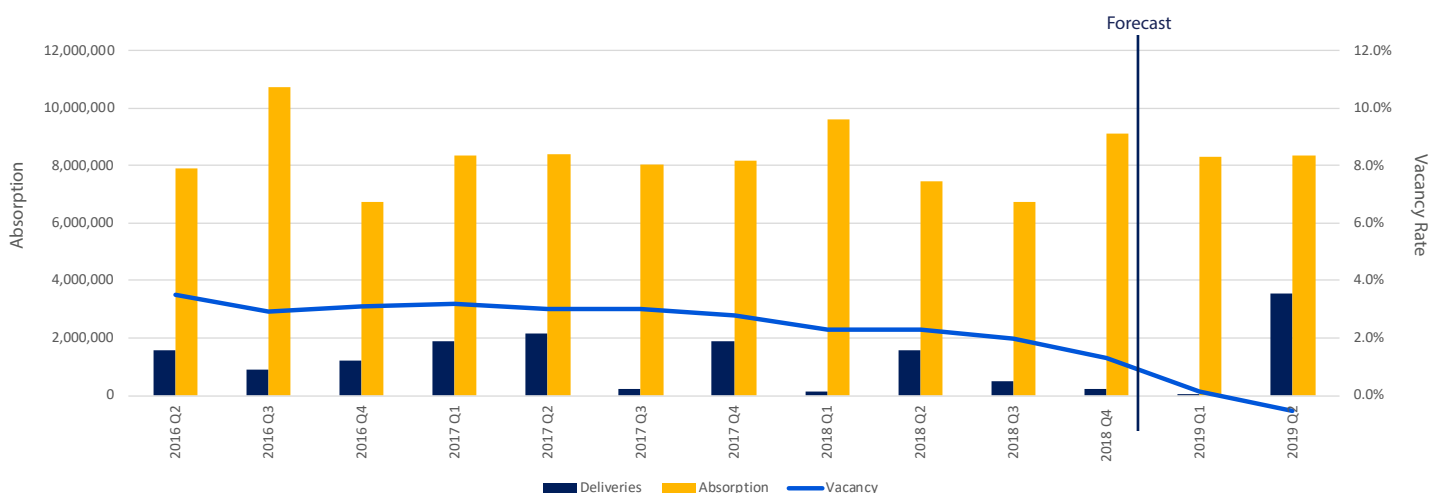
Vacancy Rates

The vacancy rate is the percentage of all units in a rental property, that are vacant or unoccupied at a particular time.

Availability Rates

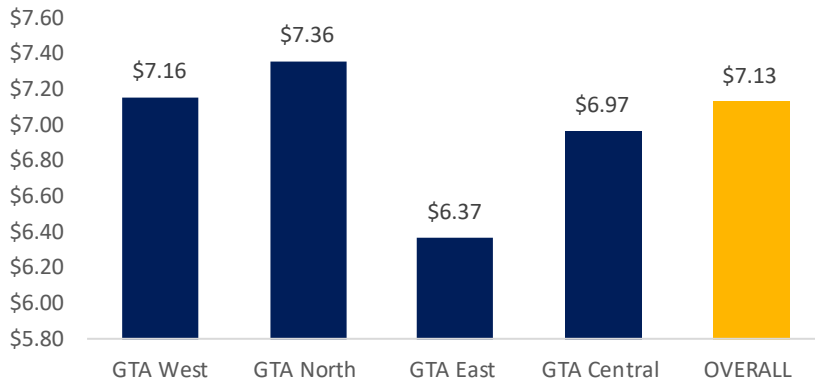
The availability rate is the percentage of total rentable space available including new developments under construction.

New Construction and Absorption

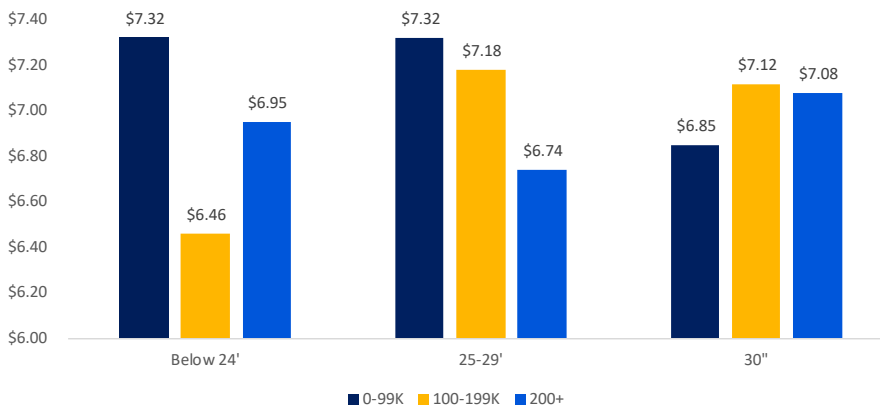


GTA Overview

Net Rate (PSF)



Net Rent by Clear Height



Notable Lease Transactions



Cresa Transactions

Address	Size (SF)	Market
1 12292 Dixie Rd - B3	850,000	Caledon
2 12292 Dixie Rd - B1	643,635	Caledon
3 8460 Mount Pleasant Way	274,000	Milton
4 12292 Dixie Rd - B2	244,761	Caledon
5 6135 Millcreek Dr	182,728	Mississauga
6 6085 Belgrave Rd	176,245	Mississauga
7 5 Kenview Boulevard	87,329	Brampton

Industrial Market Insights

1

The Q4 2018 Industrial market in the GTA was again characterized as a Landlord's market, with declining vacancy rates across all nodes. The overall vacancy rate in the GTA fell to 1.3% from 2.1% in the previous quarter.

2

As vacancy rates seemingly cannot go much lower, and with leasing activity holding steady, Landlords have now continued to take advantage of the tight market conditions, as with average asking rents going well above the \$7.00 mark.

3

Continued rental increases, quarter over quarter, have done little to deter the pace of the market, as Occupiers are seemingly willing to pay a premium for the right facility.

4

Much of the new inventory coming to market within the next six months to one year have already been pre-leased, signaling continued market strength and the demand for space in the GTA.

5

The construction activity seen this quarter is expected to continue for the next few quarters, as developers push to fill excess demand.

GTA West

Q4 2018



Supply

330,167,749 SF



Vacancy

1.5%



Average Rent

\$7.16/SF



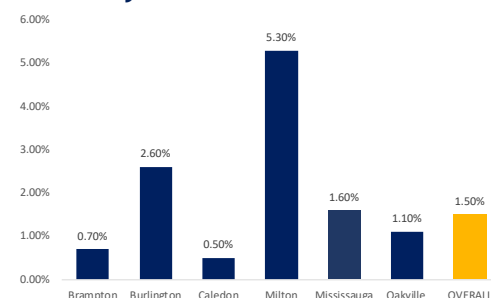
Net Absorption

2,816,338 SF

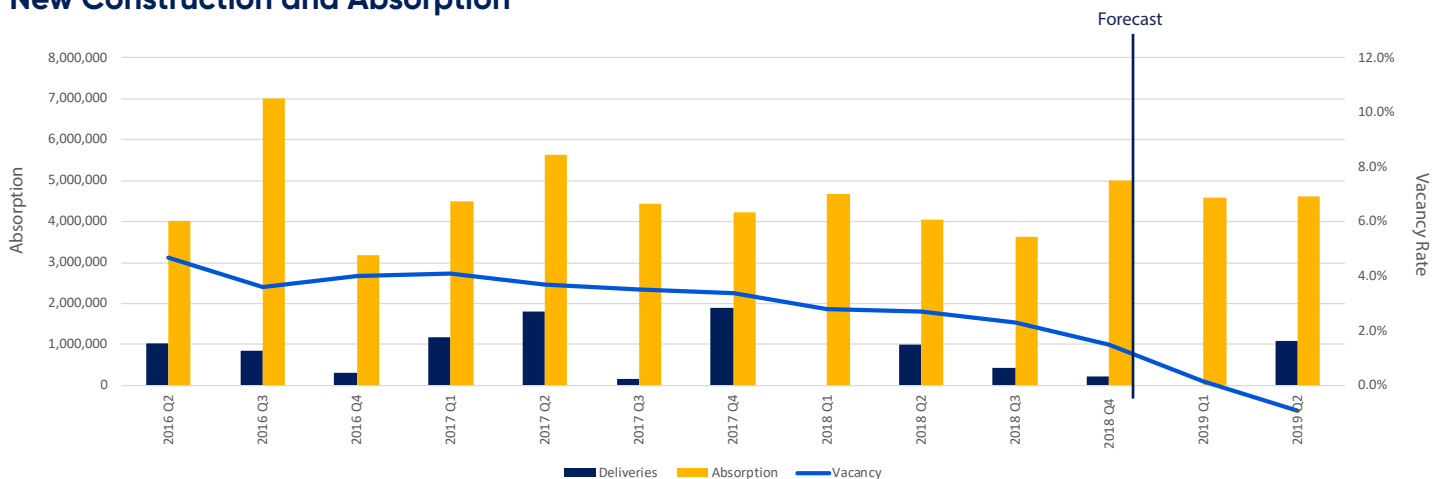
Vacancy Rate

	Q2	Q3	Q4	
Brampton	1.6%	1.0%	0.7%	▼
Burlington	2.3%	2.5%	2.6%	▲
Caledon	1.1%	0.8%	0.5%	▼
Milton	1.1%	8.2%	5.3%	▼
Mississauga	2.7%	2.5%	1.6%	▼
Oakville	1.8%	1.8%	1.1%	▼
OVERALL	2.5%	2.3%	1.5%	▼

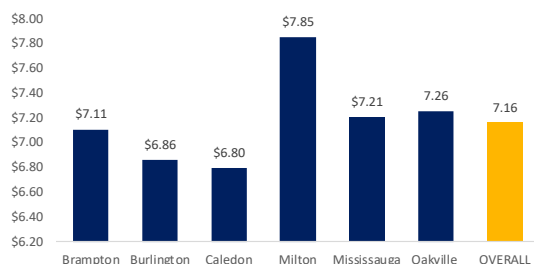
Vacancy Rates (%)



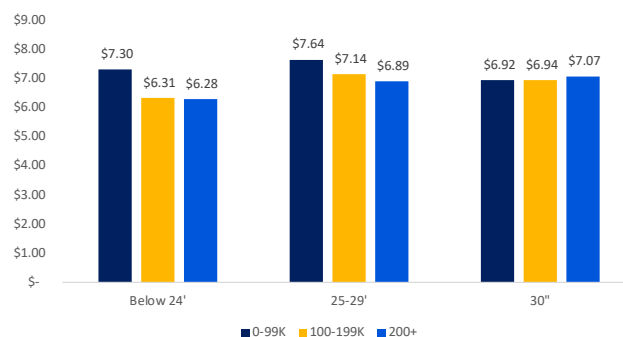
New Construction and Absorption



Net Rate (PSF)



Net Rent by Clear Height



Notable Lease Transactions

Address	Size (SF)	Market
1 12292 Dixie Rd	850,000	Caledon
2 12292 Dixie Rd	643,635	Caledon
3 8460 Mount Pleasant Way	274,761	Milton

GTA East

Q4 2018



Supply

42,739,483 SF



Vacancy

1%



Average Rent

\$6.37/SF



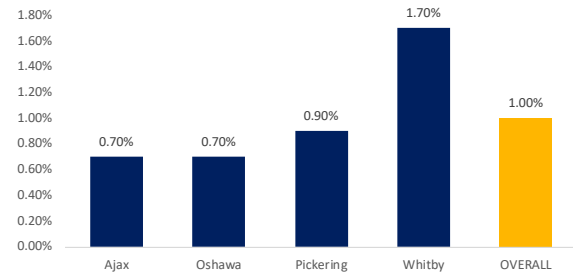
Net Absorption

276,156 SF

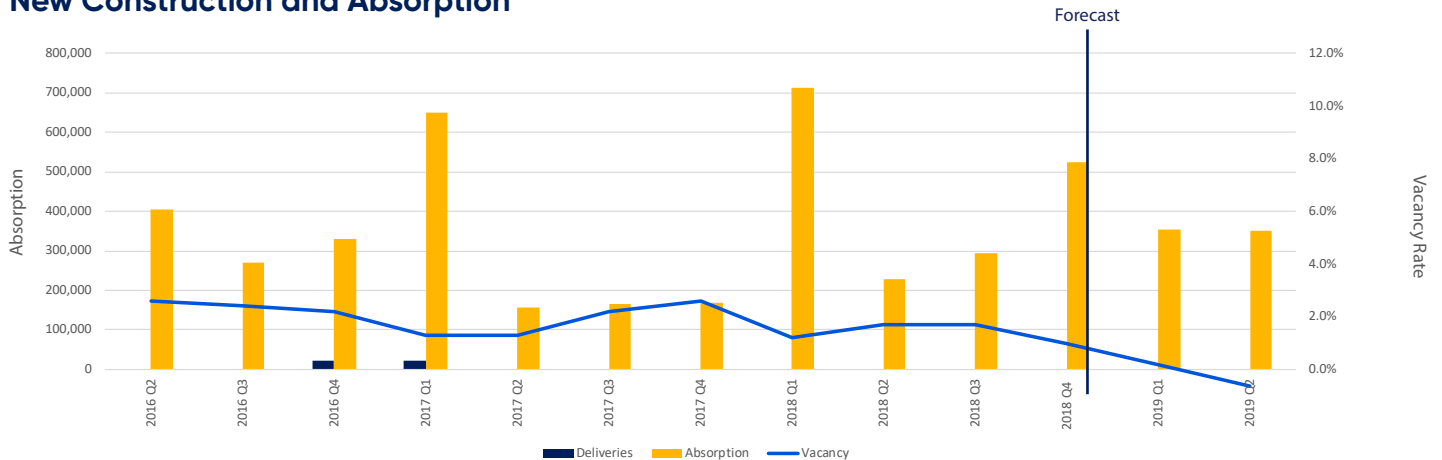
Vacancy Rate

	Q2	Q3	Q4	
Ajax	2.4%	1.2%	0.7%	▼
Oshawa	0.1%	0.1%	0.7%	▲
Pickering	1.8%	2.8%	0.9%	▼
Whitby	3.7%	3.4%	1.7%	▼
OVERALL	1.7%	1.7%	1.0%	▼

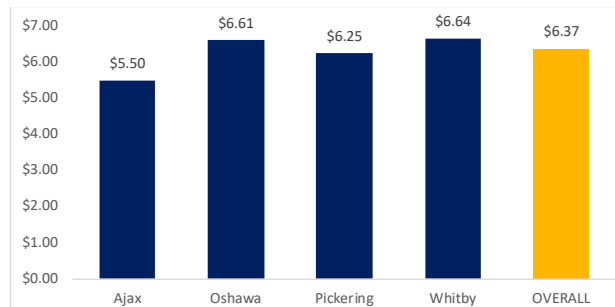
Vacancy Rates (%)



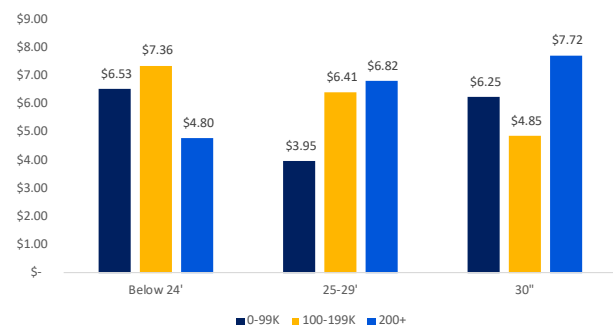
New Construction and Absorption



Net Rate (PSF)



Net Rent by Clear Height



Notable Lease Transactions

Address	Size (SF)	Market
1 1845 Clements Road	18,666	Pickering
2 190 Waterloo St	1,800	Oshawa
3 676 Monarch Ave	1,200	Ajax

GTA North

Q4 2018



Supply

131,492,574 SF



Vacancy

1.1%



Average Rent

\$7.36/SF



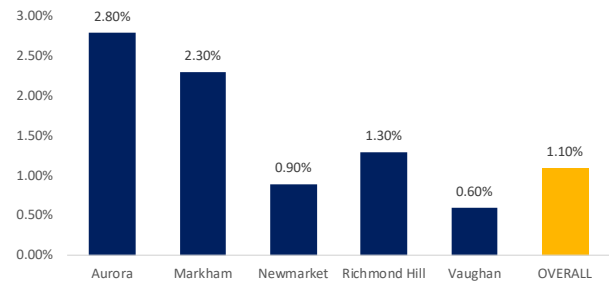
Net Absorption

780,072 SF

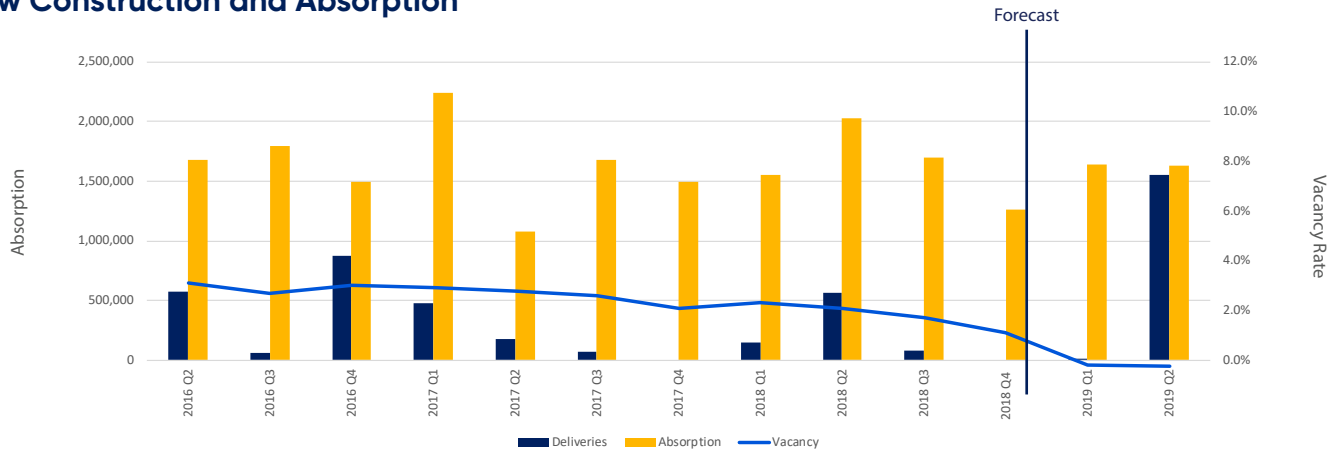
Vacancy Rate

	Q2	Q3	Q4	
Aurora	2.2%	2.3%	2.8%	▲
Markham	1.7%	2.5%	2.3%	▼
Newmarket	2.8%	4.0%	0.9%	▼
Richmond Hill	1.8%	1.6%	1.3%	▼
Vaughan	2.2%	1.2%	0.6%	▼
OVERALL	2.1%	1.7%	1.1%	▼

Vacancy Rates (%)



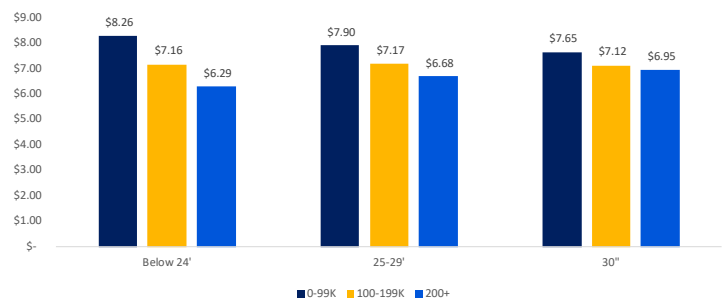
New Construction and Absorption



Net Rate (PSF)



Net Rent by Clear Height



Notable Lease Transactions

Address	Size (SF)	Market
1 150 New Huntington Rd	88,500	Vaughan
2 10911 Keele St	48,790	Vaughan
3 45 Connie Cres	40,998	Concord

GTA Central

Q4 2018



Supply

190,989,917 SF



Vacancy

1.3%



Average Rent

\$6.97/SF



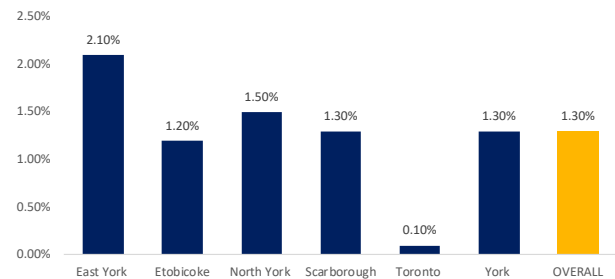
Net Absorption

1,058,598 SF

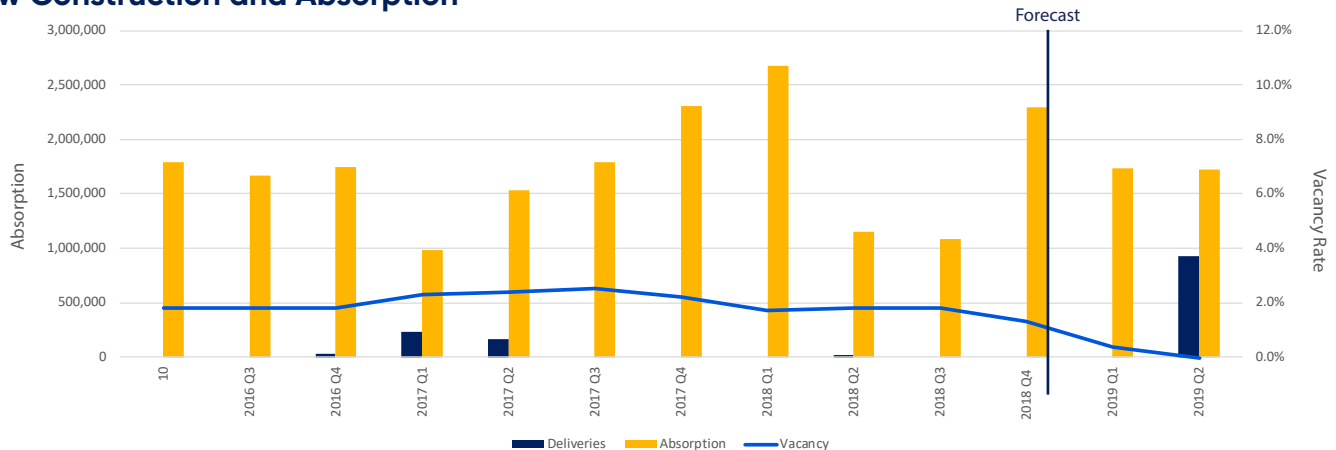
Vacancy Rate

	Q2	Q3	Q4	
East York	3.3%	2.8%	2.1%	▼
Etobicoke	2.1%	2.5%	1.2%	▼
North York	1.6%	2.1%	1.5%	▼
Scarborough	1.0%	1.2%	1.3%	▲
Toronto	1.8%	0.3%	0.1%	▼
York	0.9%	1.0%	1.3%	▲
OVERALL	1.6%	1.8%	1.3%	▼

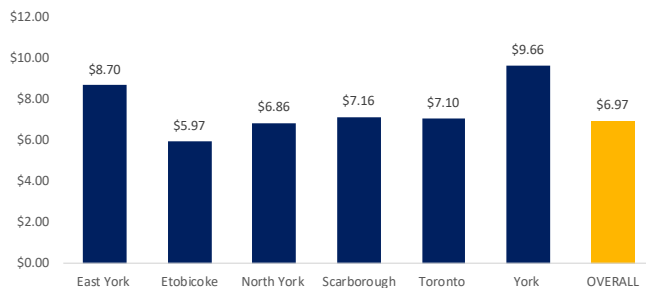
Vacancy Rates (%)



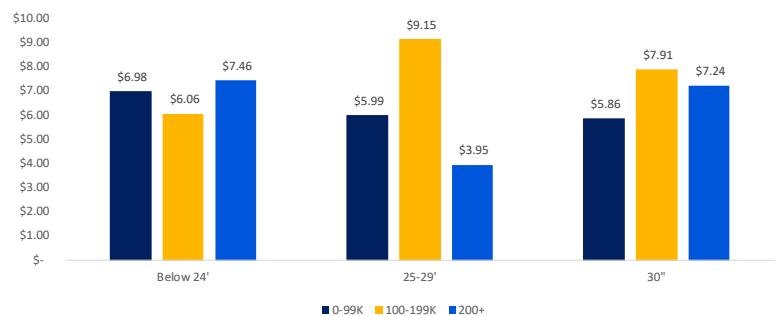
New Construction and Absorption



Net Rate (PSF)



Net Rent by Clear Height



Notable Lease Transactions

Address	Size (SF)	Market
1 1399 Kennedy	66,965	Toronto
2 350-358 Flint Rd	65,052	Toronto
3 124 Bermondsey Rd	43,150	Toronto

About Cresa Toronto

Cresa is the world's largest commercial real estate firm that exclusively represents occupiers of space. By not taking listings on behalf of landlords or developers, we are able to provide our clients with objective, conflict-free advice.

For the last 25+ years, Cresa's Toronto office has worked alongside our clients to align their business plans and their real estate needs, increase their productivity, and consistently save them money. Our integrated team of real estate advisors, project managers, designers, and analysts, listen to occupiers' needs, meticulously research market conditions, firmly negotiate terms, and manage the design and construction of projects to customize the best possible occupancy solutions. And it's this relentless focus on our clients that has earned us numerous industry awards along the way.

Contact

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