

Toronto Industrial

2019 Market Insight Report



Q1 2019

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



Sean Spiers
Senior Advisor,
Sales Representative



Renee Rees
Advisor,
Sales Representative



Kyle Rees
Advisor,
Broker



James Jackson
Advisor,
Sales 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.

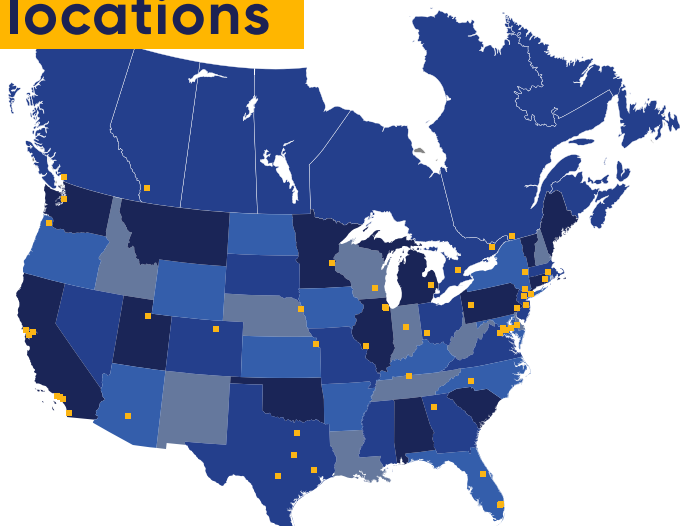
In the past year, Cresa has worked with:

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

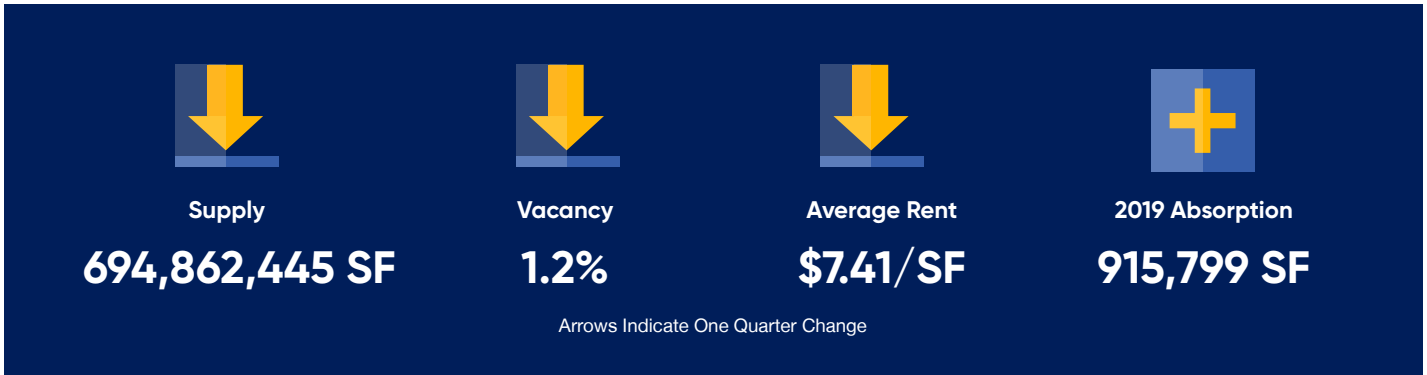
We think beyond space.

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

	Q3	Q4	Q1
GTA West	2.3%	1.5%	1.3%
GTA North	1.7%	1.1%	1.3%
GTA East	1.7%	1.0%	1.3%
GTA Central	1.8%	1.3%	1.0%
Overall	2.1%	1.3%	1.2%

“GTA Industrial market continues to reach new lows with the vacancy rate now falling to 1.2%. Strong tenant demand will continue to put upward pressure on rents.”

Vacancy & Availability

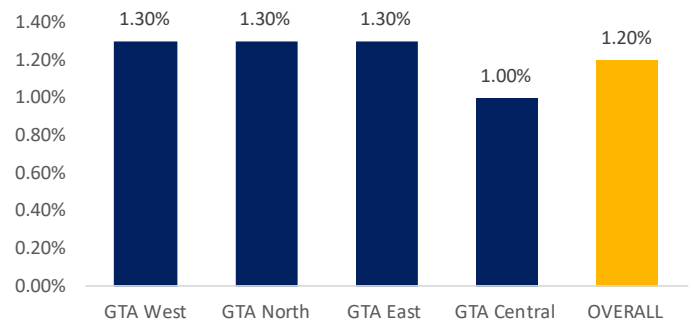
Vacancy Rates

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

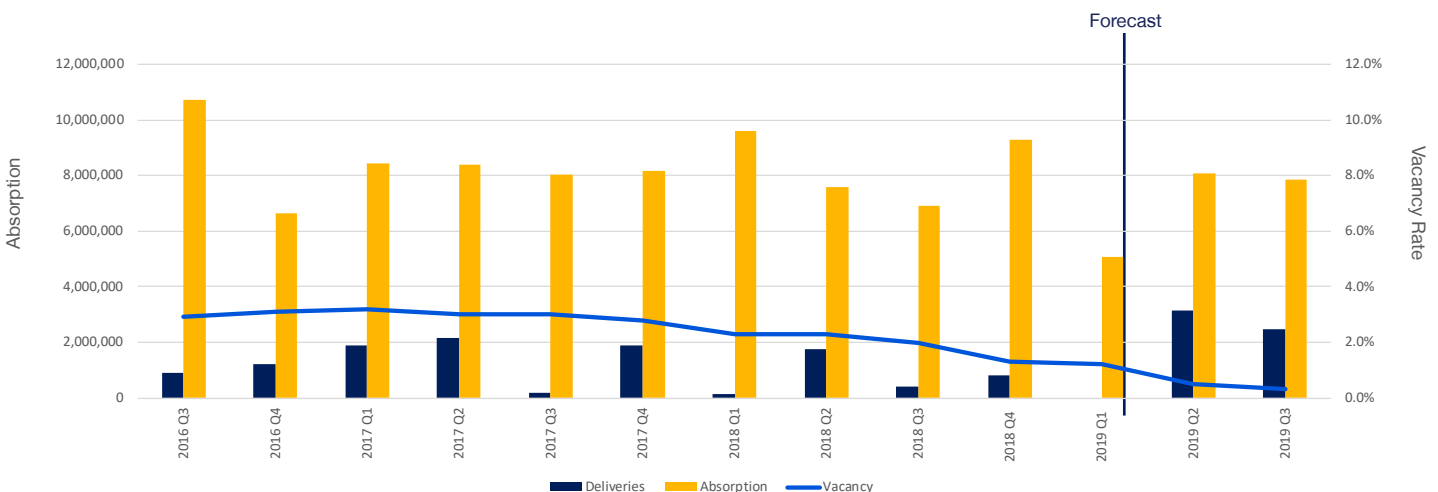
Availability Rates

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

Vacancy Rates (%)

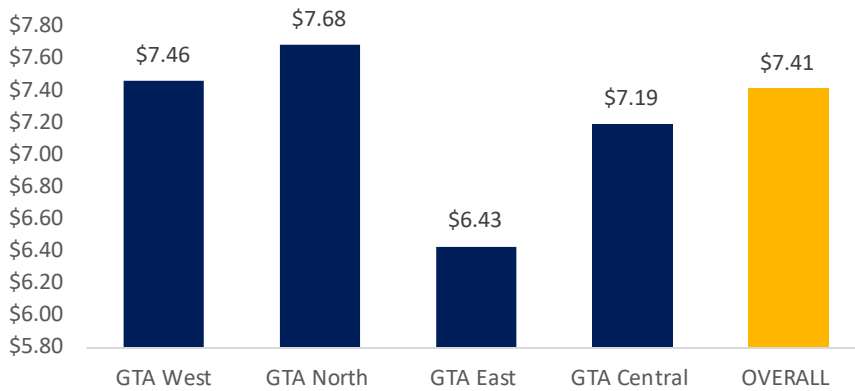


New Construction and Absorption

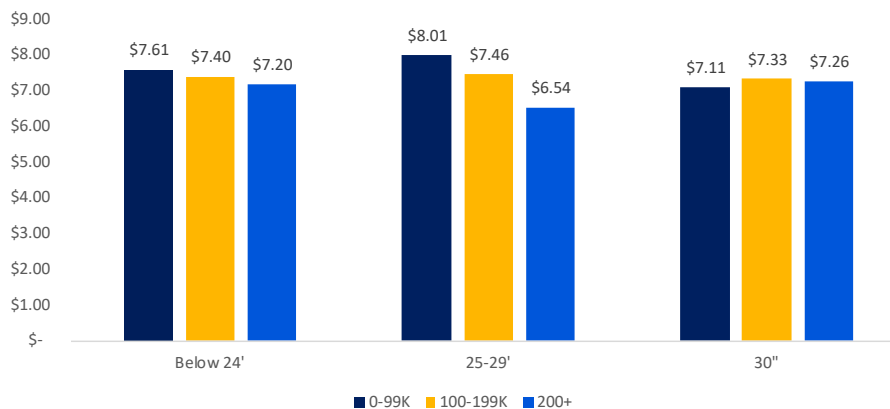


GTA Overview

Net Rate (PSF)



Net Rent by Clear Height



Notable Lease Transactions



Cresa Transactions

Address	Size (SF)	Market
1 Give & Go	375,000	Vaughan
2 Metrie	240,000	Halton
3 Kingspan Insulated Panels Ltd.	203,133	Caledon
4 Martinrea International Inc.	201,046	Mississauga
5 Hunter Amenities International Ltd.	135,000	Oakville

Industrial Market Insights

1

The Q1 2019 industrial market was yet again characterized as a Landlord's market. The overall vacancy rate in the GTA fell to 1.2% from 1.3% in the previous quarter. Low vacancies across all GTA nodes will continue to put upward pressure on rents.

2

Industrial rental rates across the GTA increased to \$7.41 PSF from \$6.56 PSF in Q1 2018, representing a 13% year over year rate growth.

3

The majority of large leasing activity in Q1 occurred in the West, specifically in Mississauga.

4

Of the current buildings that are under construction at the moment, most will be either owner occupied or are pre-leased. This trend is expected to continue into new projects for 2019.

5

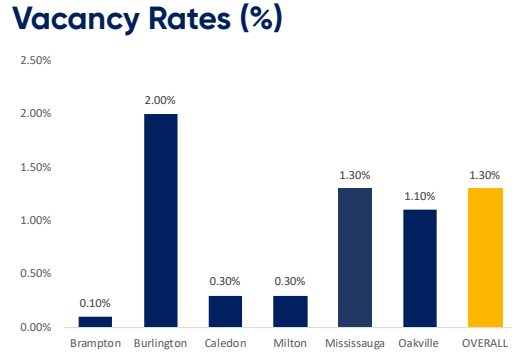
Rising rents seemingly have done little to deter the pace of the market, Tenants are realizing the operational benefits of locating in the right facility with access to transportation routes and local amenities, and to this point Occupiers are willing to pay a premium for it.

GTA West

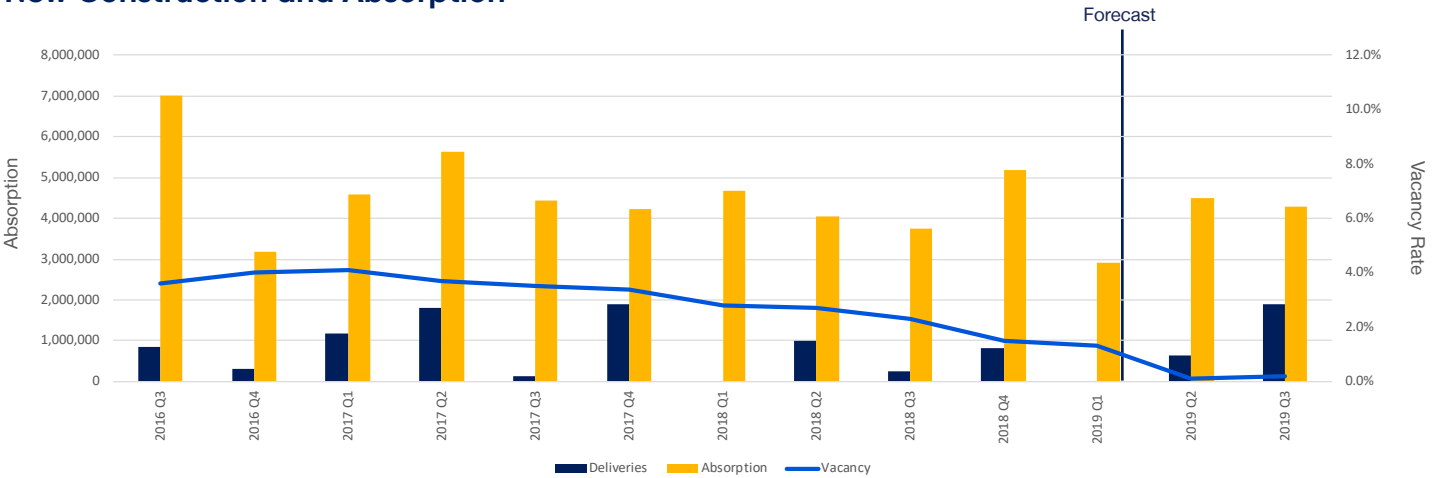
Q1 2019

Supply	Vacancy	Average Rent	Net Absorption
330,781,495 SF	1.3%	\$7.46/SF	905,052 SF

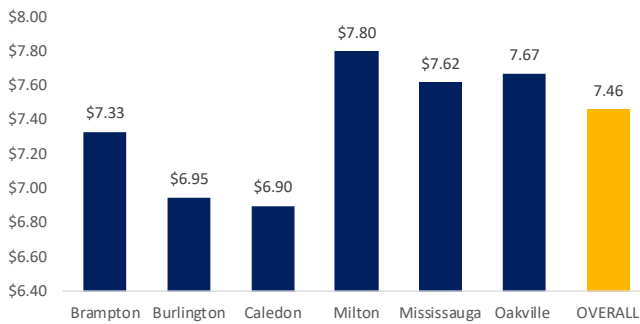
Vacancy Rate	Q3	Q4	Q1	
Brampton	1.0%	0.7%	0.1%	▼
Burlington	2.5%	2.6%	2%	▼
Caledon	0.8%	0.5%	0.3%	▼
Milton	8.2%	5.3%	0.3%	▼
Mississauga	2.5%	1.6%	1.3%	▼
Oakville	1.8%	1.1%	1.1%	►
OVERALL	2.3%	1.5%	1.3%	▼



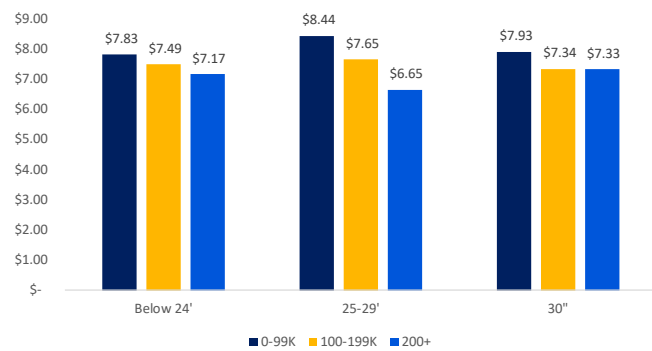
New Construction and Absorption



Net Rate (PSF)



Net Rent by Clear Height



Notable Lease Transactions

Address	Size (SF)	Market
1 2994 Peddie Rd	150,843	Milton
2 8030 Esquesing Line	142,464	Milton
3 315 Madill Blvd	127,625	Mississauga

GTA North

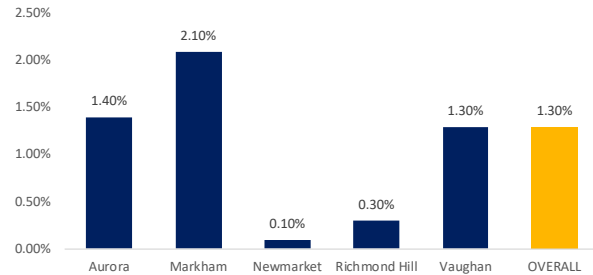
Q1 2019

Supply	Vacancy	Average Rent	Net Absorption
131,365,633 SF	1.3%	\$7.68/SF	-373,329 SF

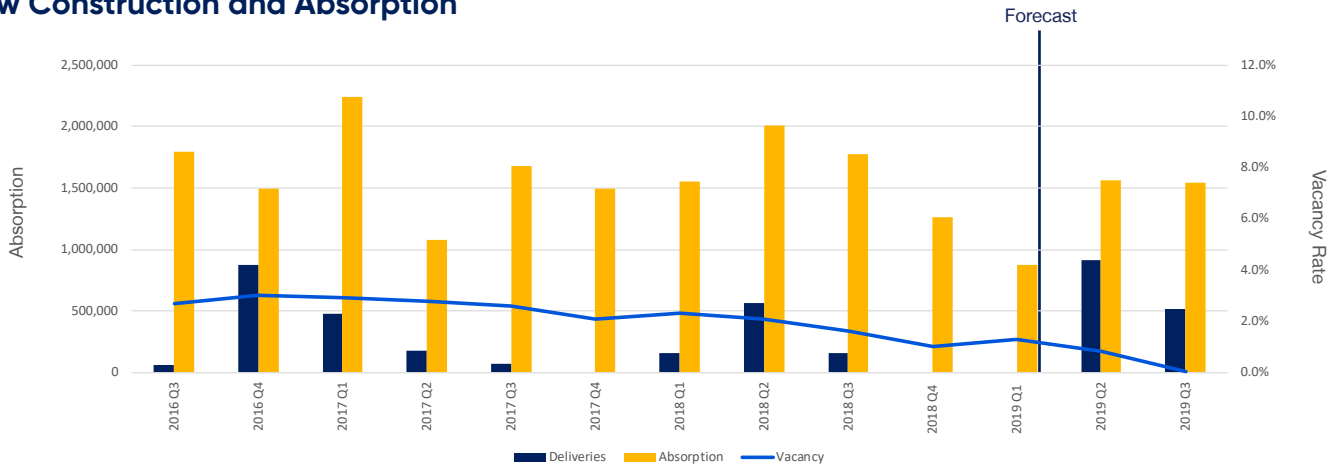
Vacancy Rate

	Q3	Q4	Q1	
Aurora	2.3%	2.8%	1.4%	▼
Markham	2.5%	2.3%	2.1%	▼
Newmarket	4.0%	0.9%	0.1%	▼
Richmond Hill	1.6%	1.3%	0.3%	▼
Vaughan	1.2%	0.6%	1.3%	▲
OVERALL	1.7%	1.1%	1.3%	▲

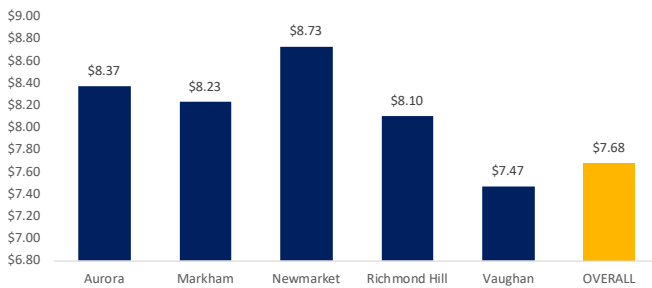
Vacancy Rates (%)



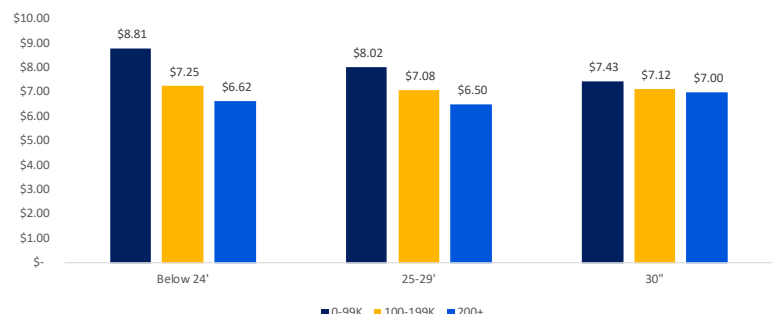
New Construction and Absorption



Net Rate (PSF)



Net Rent by Clear Height



Notable Lease Transactions

Address	Size (SF)	Market
1 7245 Highway 50	259, 923	Vaughan
2 210 Duffield Dr	143,788	Markham
3 441 Chrislea Rd	100,626	Vaughan

GTA East

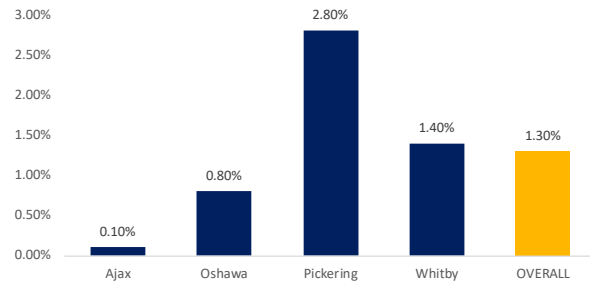
Q1 2019

Supply	Vacancy	Average Rent	Net Absorption
42,897,247 SF	1.3%	\$6.43/SF	-116,968 SF

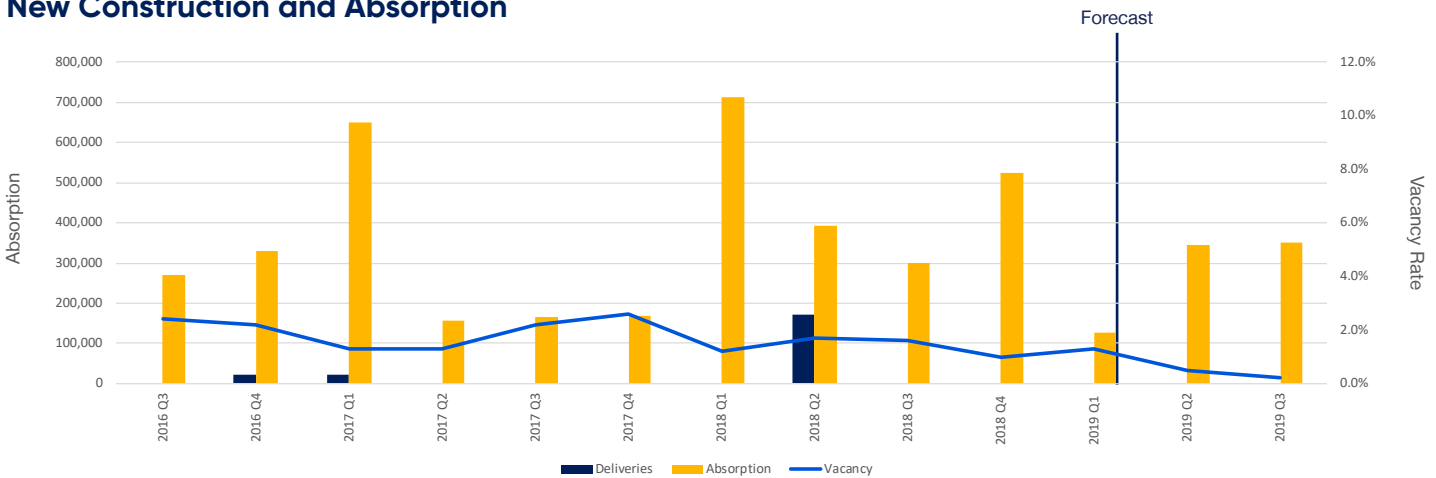
Vacancy Rate

	Q3	Q4	Q1	
Ajax	1.2%	0.7%	0.1%	▼
Oshawa	0.1%	0.7%	0.8%	▲
Pickering	2.8%	0.9%	2.8%	▲
Whitby	3.4%	1.7%	1.4%	▼
OVERALL	1.7%	1.0%	1.3%	▲

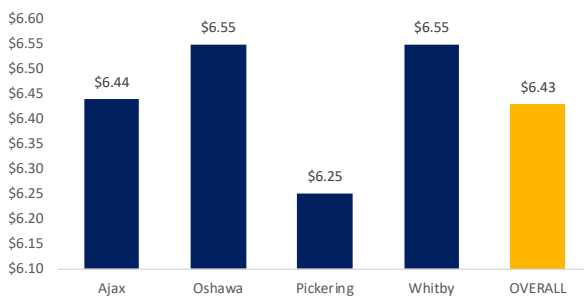
Vacancy Rates (%)



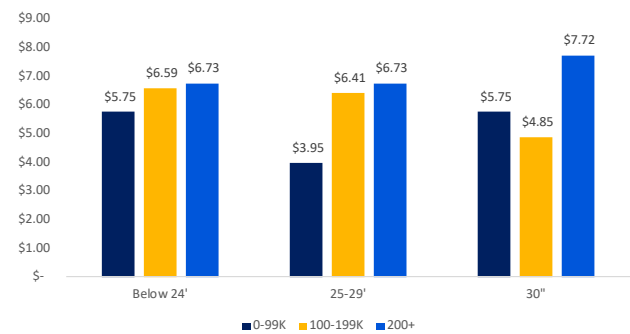
New Construction and Absorption



Net Rate (PSF)



Net Rent by Clear Height



Notable Lease Transactions

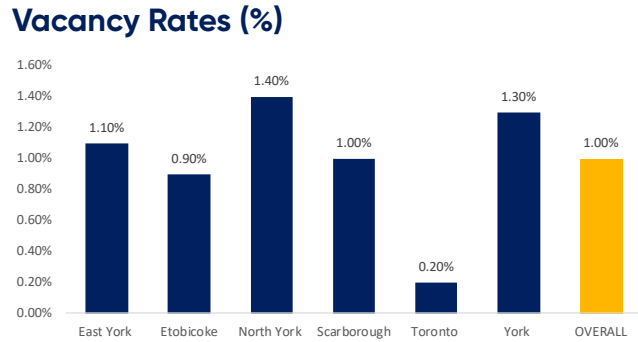
Address	Size (SF)	Market
1 1410 Bayly St	16,817	Pickering
2 1450 Hopkins St	5,328	Whitby
3 1060 Salk Rd	3,541	Pickering

GTA Central

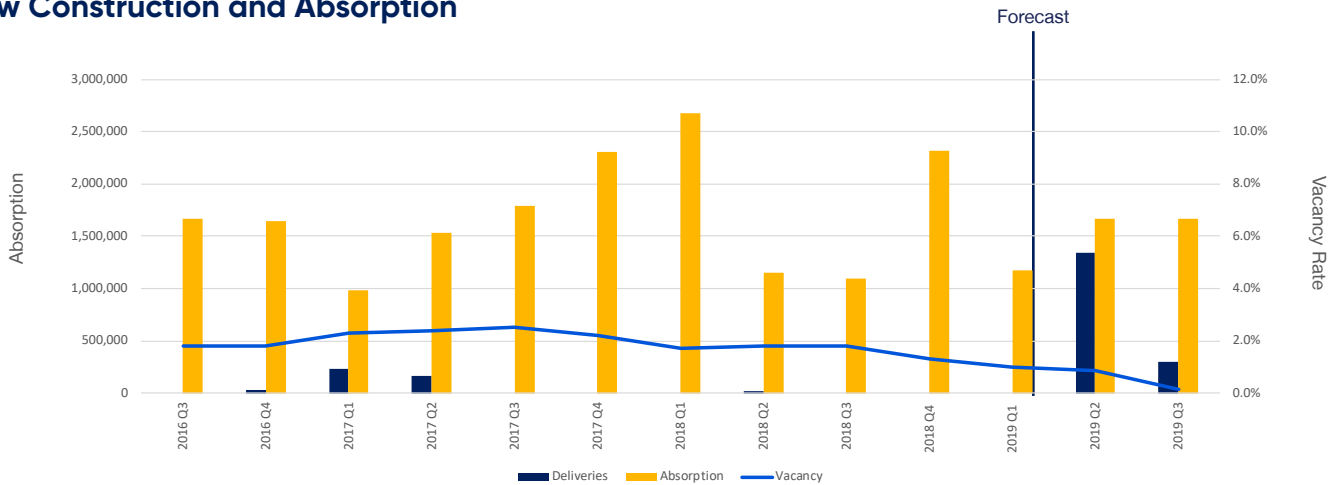
Q1 2019

Supply	Vacancy	Average Rent	Net Absorption
189,818,070 SF	1%	\$7.19/SF	501,044 SF

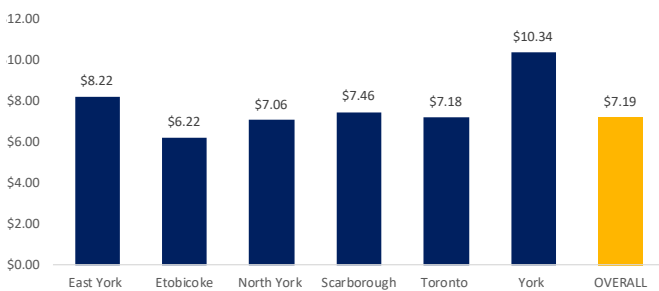
Vacancy Rate	Q3	Q4	Q1	
East York	2.8%	2.1%	1.1%	▼
Etobicoke	2.5%	1.2%	0.9%	▼
North York	2.1%	1.5%	1.4%	▼
Scarborough	1.2%	1.3%	1.0%	▼
Toronto	0.3%	0.1%	0.2%	▲
York	1.0%	1.3%	1.3%	▶
OVERALL	1.8%	1.3%	1.0%	▼



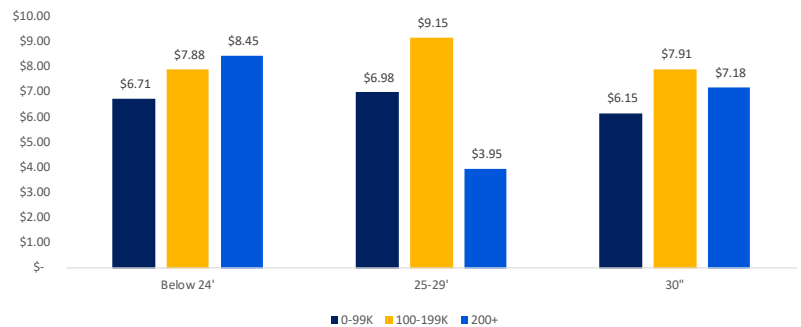
New Construction and Absorption



Net Rate (PSF)



Net Rent by Clear Height



Notable Lease Transactions

Address	Size (SF)	Market
1 1399 Kennedy	67,000	Toronto
2 120 The East Mall	48,608	Toronto
3 2101 - 2111 Mccowan Rd	34,566	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 30 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

For more information about Cresa and the Toronto market, please contact:

Cresa Toronto Inc., Brokerage
170 University Avenue, Suite 1100
Toronto, ON M5H 3B3
416.862.2666
cresa.com/toronto

+ Follow Us



Check out our social media channels to stay up to date on current market trends and availability.

cresa

Disclaimer: Even though obtained from sources deemed reliable, no warranty or representation, express or implied, is made as to the accuracy of the information herein, and it is subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions imposed by our principals.

