



GTA West Industrial Market Report

1st Quarter 2009

**AVISON
YOUNG**

Intelligent
Real Estate Solutions

• Brampton • Burlington • Caledon • Milton • Mississauga • Oakville • Halton Hills

Industrial Market Overview

▪ The affects of the global economic crisis continues to impact the GTA industrial market as the overall availability rate has increased steadily over the past year. Currently at 6.5%, availability has climbed from 4.8% one year ago. By comparison, availability for industrial properties in the GTA West market has increased from 6.3% in the first quarter of 2008 to 7.7% in the first quarter of 2009.

▪ A closer look at the GTA West reveals a wide gap in availability between Single and Multi Tenant industrial buildings. While availability in single tenant industrial buildings has been relatively steady, hovering in the 4.0% to 5.0% range over the past year, multi tenant industrial buildings have been saddled with availability rates in the 12.0% to 16.0% range. Of the 14 million square feet (msf) currently available in the multi-tenant market in GTA West, almost 48% is housed in buildings with a clear height of between 28 and 32 feet.

▪ Company foreclosures and space rationalization has not only given rise to more direct available space but also to a steady increase in sublet available space. Of the more than 48 million square feet (6.5%) available for lease across the GTA, almost 7.0 msf or 14.0% is sublet available. In the recent quarter, the GTA West industrial market saw an additional 932,000 square feet (sf) of sublet space, bringing the total to roughly 3.6 msf. The overwhelming majority is concentrated in the Mississauga and Brampton markets, comprising 2.1 and 1.2 msf, respectively.

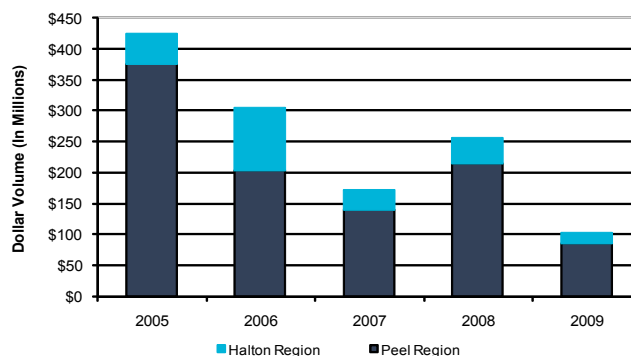
▪ Not only is leasing activity off, but sales volume is down significantly. In GTA West, overall industrial sales volume in the first quarter of the year was approximately \$94 million, compared with \$255 million one year prior – representing a decline of 63%. Interestingly, owner-occupiers were the dominant purchaser group during the first quarter as they accounted for approximately two-thirds of the purchase volume.

▪ Of note, a third party logistics company, Kuehne + Nagel completed their purchase of a 402,000 sf industrial warehouse located at 6200 Millcreek Drive in Mississauga. This sale accounted for 45% of the dollar volume for the entire quarter and was negotiated well in advance of the global recession.

INDUSTRIAL MARKET SUMMARY

	Historical Availability		Current		Forecast	
	6 Months Ago	3 Months Ago	Availability Rate	Inventory (sq. ft.)	Availability Rate	Asking Rate
GTA	5.5%	5.9%	6.5%	747,224,541	↑	↓
GTA West	6.5%	6.5%	7.7%	326,584,071	↑	↓

GTA WEST Q1 TOTAL DOLLAR VOLUME BY YEAR



Market Economic Trends

	Previous Quarter	Current Quarter
Prime Interest Rate	3.5%	2.5%
Unemployment Rate	6.6%	8.0%
U.S. Exchange Rate	0.81	0.79
Inflation Rate (per Feb. 2009)	1.2%	1.4 %
Average Net Rate (psf)	\$6.00	\$5.80
Average Sale Prices (psf)	\$85.00	\$94.00

AVISON YOUNG EXCLUSIVE LISTINGS



Land for Sale

*891 North Service Road,
Burlington*

Lot Size: 8.8 acres



Industrial for Sale

*3109 American Drive,
Mississauga*

Building Size: 95,555 sq.ft.
Lot Size: 4.04 acres

SIGNIFICANT INDUSTRIAL LEASE TRANSACTIONS

ADDRESS	TENANT	SIZE
6768 Financial Drive, Mississauga	SMC Pneumatics	95,324 sq. ft.
3191 Mainway Drive, Burlington	Watson Supplies	48,830 sq. ft.
2250 Argentia Road, Mississauga	Kinecor LP	31,910 sq. ft.
3300 Ridgeway Drive, Mississauga	Hoya Lens Canada	17,500 sq. ft.

SIGNIFICANT INDUSTRIAL SALE TRANSACTIONS

ADDRESS	PRICE	PURCHASER	SIZE
6200 Millcreek Drive, Mississauga	\$42,147,600	Kuehne + Nagel	402,000 sq. ft.
6768 Financial Drive, Mississauga	\$8,580,000	Pride Pak Canada Ltd.	95,300 sq. ft.
970 Syscon Road, Burlington	\$4,700,000	Cogeco Cable Canada Inc.	52,300 sq. ft.

LIGHT INDUSTRIAL AVAILABILITY REPORT

NODE	NUMBER OF TOTAL BUILDINGS	AVAILABILITY RATE		
		Direct %	Sublet %	Total %
Brampton	972	4.4	1.6	6.0
Burlington	520	7.7	0.4	8.1
Caledon	197	15.5	0.6	16.1
Halton Hills	136	7.8	0.0	7.8
Milton	196	8.1	0.5	8.6
Mississauga	3,101	6.5	1.2	7.7
Oakville	512	3.9	0.5	4.4

Avison Young is the real estate partner business trusts for intelligent, integrated solutions. We deliver results that are aligned with your strategic business objectives, supporting real estate initiatives that add value and build competitive advantage for your organization.

Across the Country,
Around the World

Halifax • Quebec City
Montreal • Ottawa
Toronto • Mississauga
Winnipeg • Regina
Calgary • Edmonton
Vancouver • Chicago
USA • Mexico • United Kingdom
Continental Europe • Asia-Pacific

For more information on this report, please contact Avison Young:

Bill Argeropoulos 416.673.4029
Vice President & Director of Research, Canada

Avison Young
Commercial Real Estate (Ontario) Inc., Brokerage

30 Eglinton Avenue West, Suite 300, Mississauga, ON L5R 3E7

T 905.712.2100 F 905.712.2937
E ayresearch@ay-on.com W avisonyoung.com



Intelligent
Real Estate Solutions