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GTA Central

GTA East

GTA North

GTA West

Greater Toronto Area Industrial Market Report Mid-Year 2011

The Greater Toronto Area (GTA) industrial market remained strong through the second quarter as deal velocity saw marked improvement. In particular, Bauer leased 300,000 square feet (sf) at 6660A Millcreek Drive, while ICI Paints completed a deal for 223,000 sf at 46 Norelco Drive. Moreover, strong labour market trends continue to have a positive impact on this region, with unemployment decreasing from 7.9% to 7.7% in June 2011 according to Statistics Canada.

The availability rate in the **GTA** trended upward 30 basis points (bps) to end the second quarter of 2011 at 5.3%. Of the four markets surveyed, availability rates range from a low of 3.9% in GTA North to a high of 6.5% in GTA West. Despite the increase, availability across the region is 80 bps lower than one year ago. Asking net rental rates fell slightly to \$5.40 per square foot (psf); however, they are still higher than the \$5.29 psf posted rate seen in mid-year 2010. As the GTA industrial market gains momentum, look for a decrease in the availability rate and an increase in rental rates.

GTA Central experienced a rise of 40 bps in its availability rate to end the quarter at 4.7%; but remains below last year's posted rate of 5.1%. Next to GTA West, this market has the most properties with more than 250,000 square feet of available space. Notwithstanding the rise in availability, asking net rental rates increased to \$4.79 per square foot (psf), with the highest rental rates at \$6.35 psf in the former City of Toronto.

A similar 40 bps rise was experienced in **GTA East** to finish the quarter at 5.1%. Year-over-year, availability has plummeted an impressive 240 bps. On a clear height basis, the majority of the available space resides in single tenant buildings in the 18 to 24 foot range. After rising to \$4.77 psf in the first quarter; however, the average asking net rental rate declined to \$4.69 psf in the second quarter.

GTA North remains the tightest industrial market, despite a negligible (10 bps) increase in the availability rate to close the first half of the year at 3.9%. Consequently, this market commands the highest rents with the asking net rate residing at \$5.91 psf – higher than the GTA average of \$5.40 psf. Within GTA North, the Vaughan market has the most available space in the 50,000 sf to 249,000 sf range.

Finally, the availability rate in the **GTA West** rose 30 bps to 6.5% at the midway point of 2011; however, this represents a 60 bps decrease from one year prior. This market has the highest concentration of available properties in the 28 to 32 foot clear height range, in both the single- and multi-tenant building categories. The average asking net rental rate finished the quarter at \$5.61 psf, marginally lower than one quarter ago and second only to GTA North.

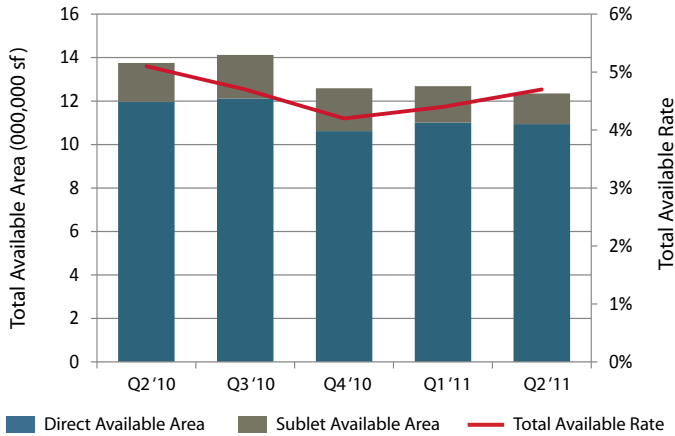
Market Facts	
5.3% GTA industrial availability rate	\$6.32 Average asking net rental rate in Markham
\$4.79 Average asking net rental rate in the GTA Central	6.8% Mississauga industrial availability rate



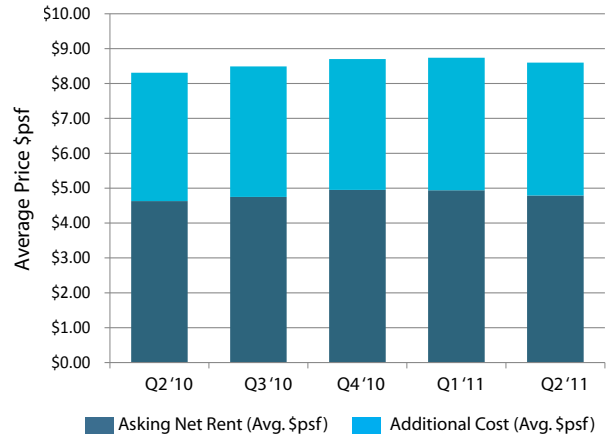
Intelligent
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GTA Central

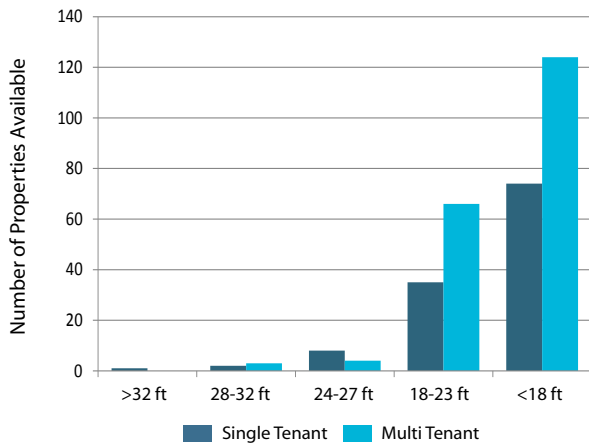
GTA Central - Industrial Market Trends



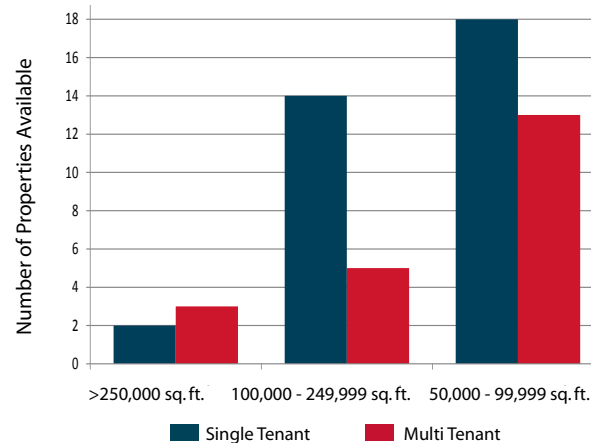
GTA Central - Occupancy Cost Trends



GTA Central - Available Space by Clear Height



GTA Central - Large Block Availability

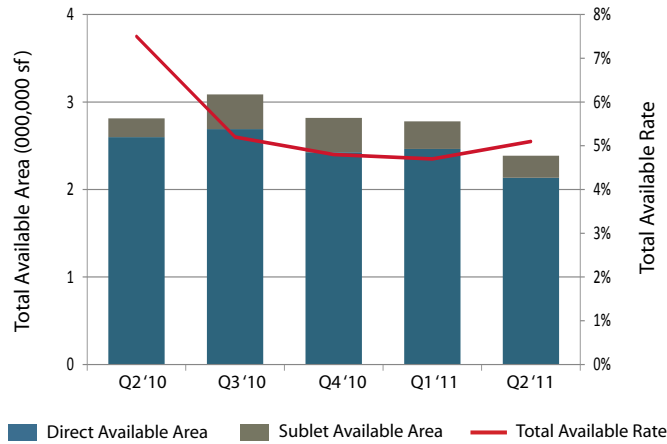


GTA CENTRAL - SUBMARKET SUMMARY

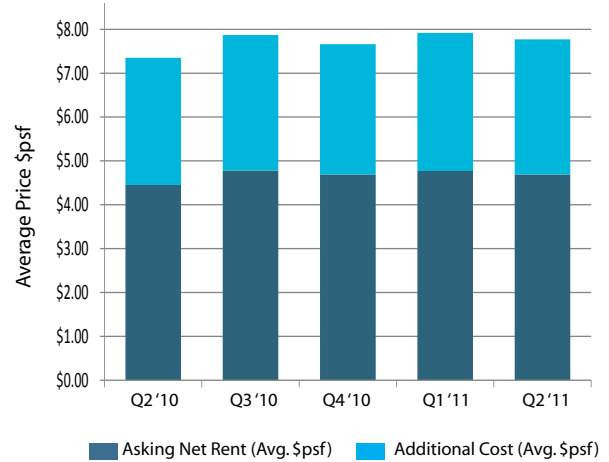
Market	Inventory (msf)	Availability Rate (%)		Asking Net Rent (\$psf)	
	Current Quarter	Current Quarter	Change from Previous Quarter	Current Quarter	Change from Previous Quarter
East York	9	3.4%	↑	\$5.98	↑
Etobicoke	74	7.6%	↑	\$4.53	↓
North York	70	3.8%	↑	\$4.90	↓
Scarborough	65	4.8%	↓	\$4.67	↑
Toronto	43	1.3%	↑	\$6.35	↑
GTA Central*	263	4.7%	↑	\$4.79	↑

* Total figures for the GTA Central include additional submarkets not listed above, ie York.

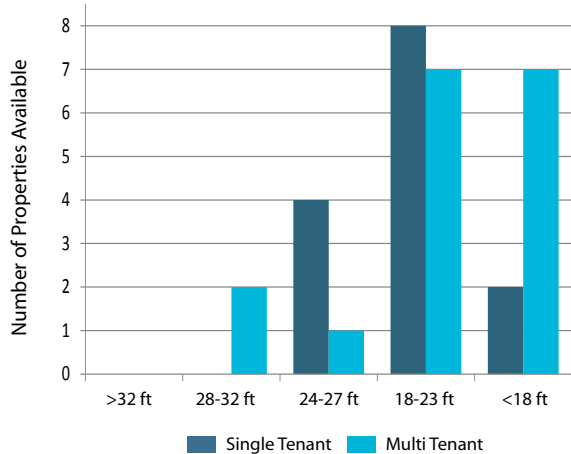
GTA East - Industrial Market Trends



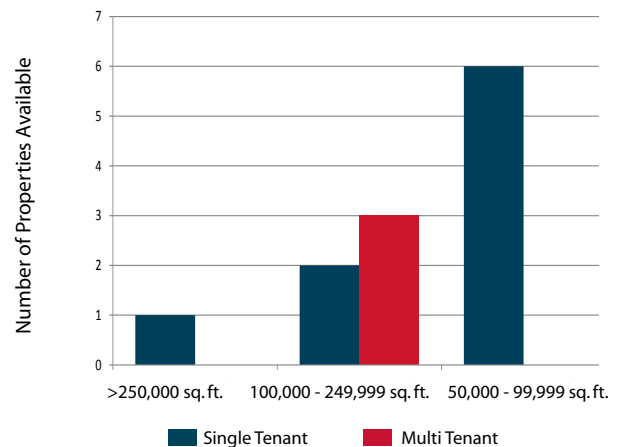
GTA East - Occupancy Cost Trends



GTA East - Available Space by Clear Height



GTA East - Large Block Availability



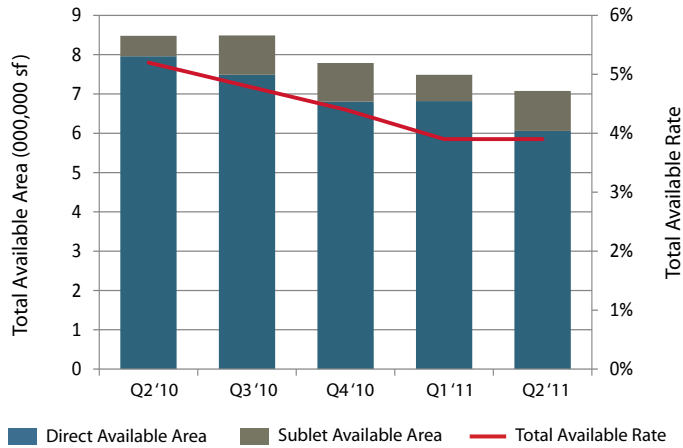
GTA EAST - SUBMARKET SUMMARY

Market	Inventory (msf)		Availability Rate (%)		Asking Net Rent (\$psf)	
	Current Quarter	Change from Previous Quarter	Current Quarter	Change from Previous Quarter	Current Quarter	Change from Previous Quarter
Ajax	7	↑	5.3%	↑	\$4.90	↓
Oshawa	14	↓	1.0%	↓	\$5.44	↑
Pickering	10	↑	8.6%	↑	\$3.97	↑
Whitby	10	↑	10.3%	↑	\$4.99	↔
GTA East*	46	↑	5.1%	↑	\$4.69	↓

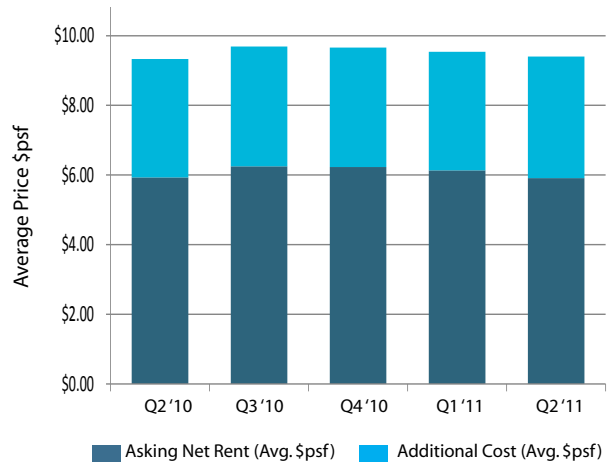
* Total figures for the GTA East include additional submarkets not listed above, ie Brock, Clarington, Scugog, and Uxbridge.

GTA North

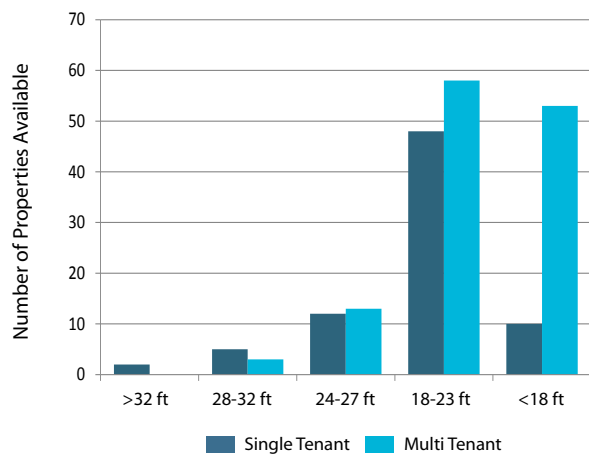
GTA North - Industrial Market Trends



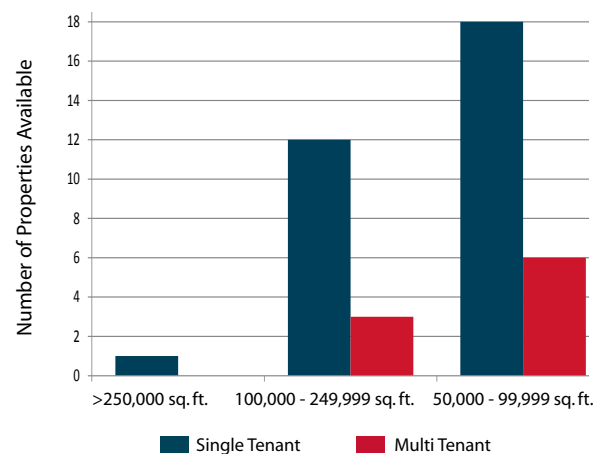
GTA North - Occupancy Cost Trends



GTA North - Available Space by Clear Height



GTA North - Large Block Availability



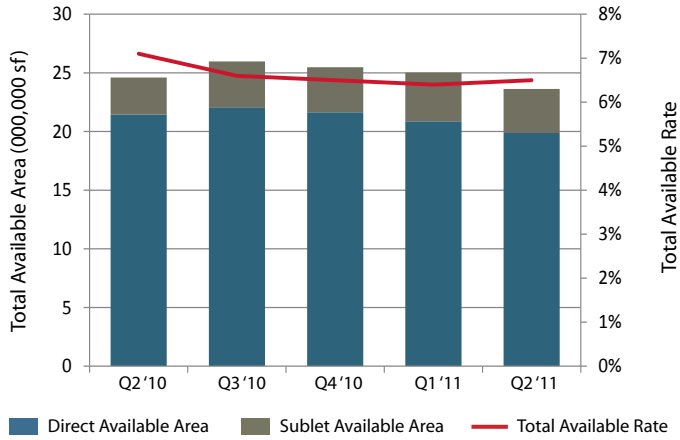
GTA NORTH - SUBMARKET SUMMARY

Market	Inventory (msf)	Availability Rate (%)		Asking Net Rent (\$psf)	
	Current Quarter	Current Quarter	Change from Previous Quarter	Current Quarter	Change from Previous Quarter
Aurora	6	6.2%	↑	\$4.76	↓
Markham	40	3.6%	↑	\$6.32	↑
Newmarket	9	1.4%	↑	\$5.60	↑
Richmond Hill	15	5.6%	↑	\$5.64	↓
Vaughan	104	4.1%	↓	\$5.59	↓
GTA North*	181	3.9%	↑	\$5.91	↓

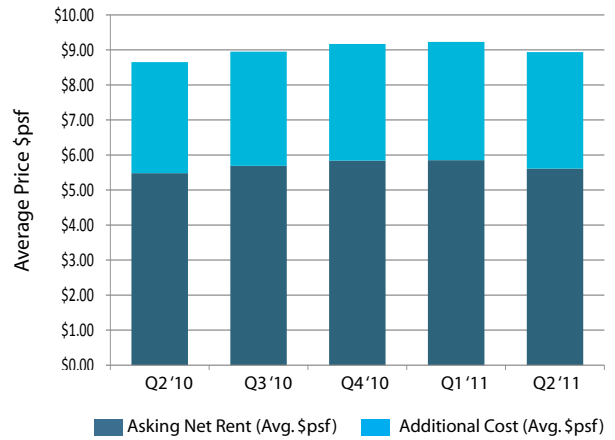
* Total figures for the GTA North include additional submarkets not listed above, ie East Gwillimbury, Georgina, King, and Whitchurch-Stouffville.

GTA West

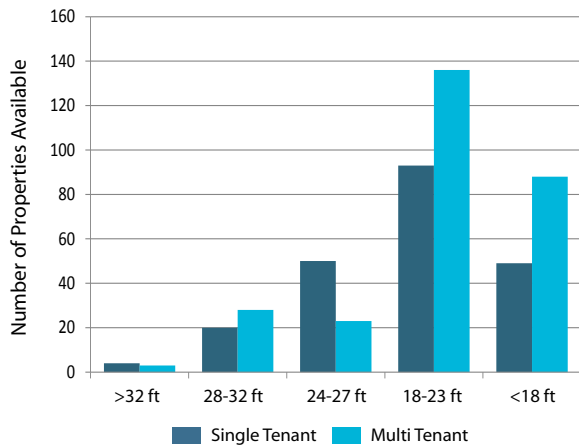
GTA West - Industrial Market Trends



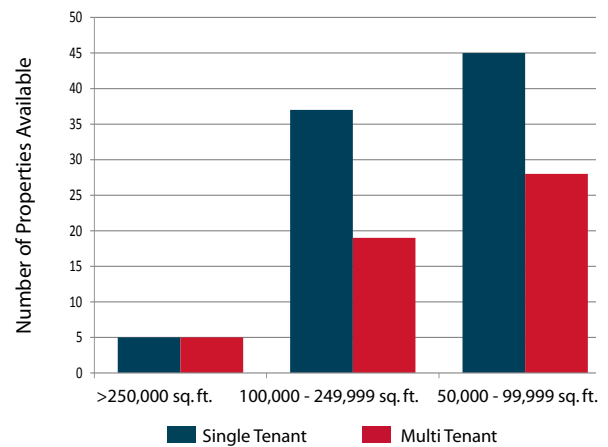
GTA West - Occupancy Cost Trends



GTA West - Available Space by Clear Height



GTA West - Large Block Availability

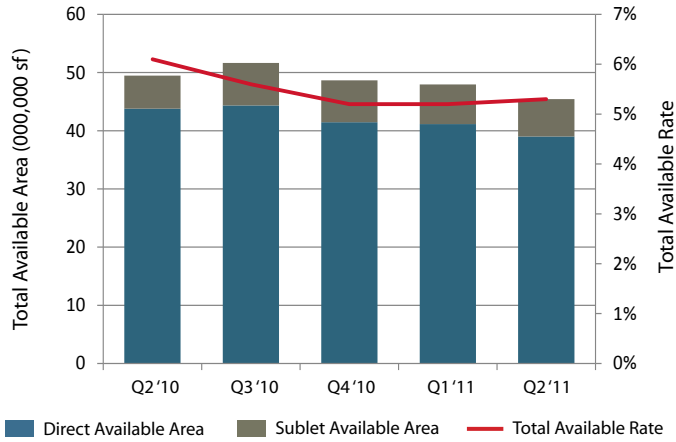


GTA WEST - SUBMARKET SUMMARY

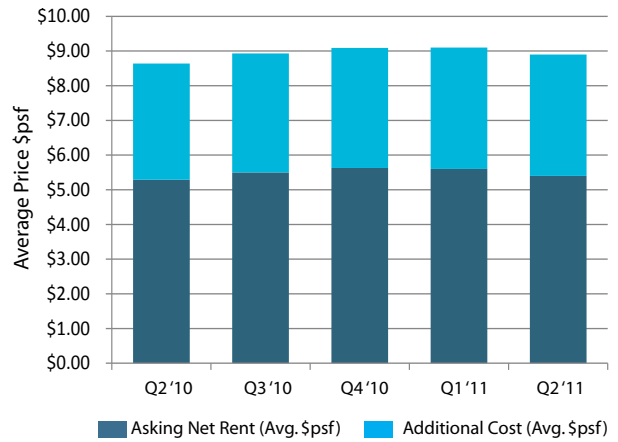
Market	Inventory (msf)	Availability Rate (%)		Asking Net Rent (\$psf)	
	Current Quarter	Current Quarter	Change from Previous Quarter	Current Quarter	Change from Previous Quarter
Brampton	89	6.3%	↔	\$5.21	↓
Burlington	26	6.0%	↑	\$5.85	↓
Caledon	11	6.8%	↑	\$4.33	↓
Halton Hills	6	8.1%	↑	\$4.40	↓
Milton	16	6.4%	↑	\$6.03	↑
Mississauga	187	6.8%	↑	\$5.71	↓
Oakville	29	5.1%	↔	\$5.37	↓
GTA West	365	6.5%	↑	\$5.61	↓

GTA Overall

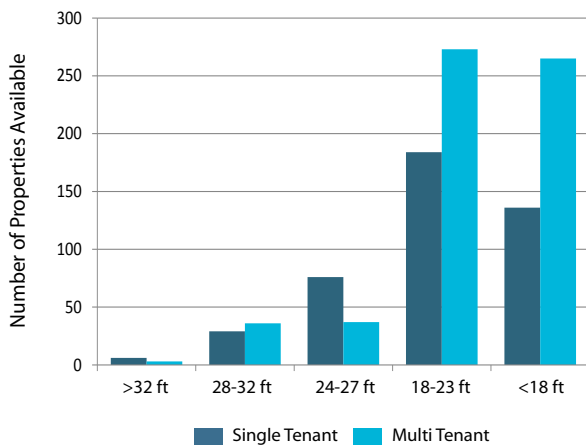
GTA - Industrial Market Trends



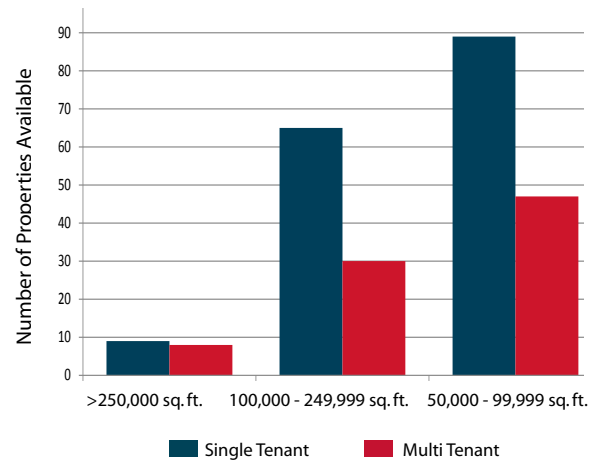
GTA - Occupancy Cost Trends



GTA - Available Space by Clear Height



GTA - Large Block Availability



GTA MARKET SUMMARY

Market	Inventory (msf)	Availability Rate (%)		Asking Net Rent (\$psf)	
	Current Quarter	Current Quarter	Change from Previous Quarter	Current Quarter	Change from Previous Quarter
GTA Central	263	4.7%	↑	\$4.79	↑
GTA East	46	5.1%	↑	\$4.69	↓
GTA North	180	3.9%	↑	\$5.91	↓
GTA West	365	6.5%	↑	\$5.61	↓
GTA Total	855	5.3%	↑	\$5.40	↓

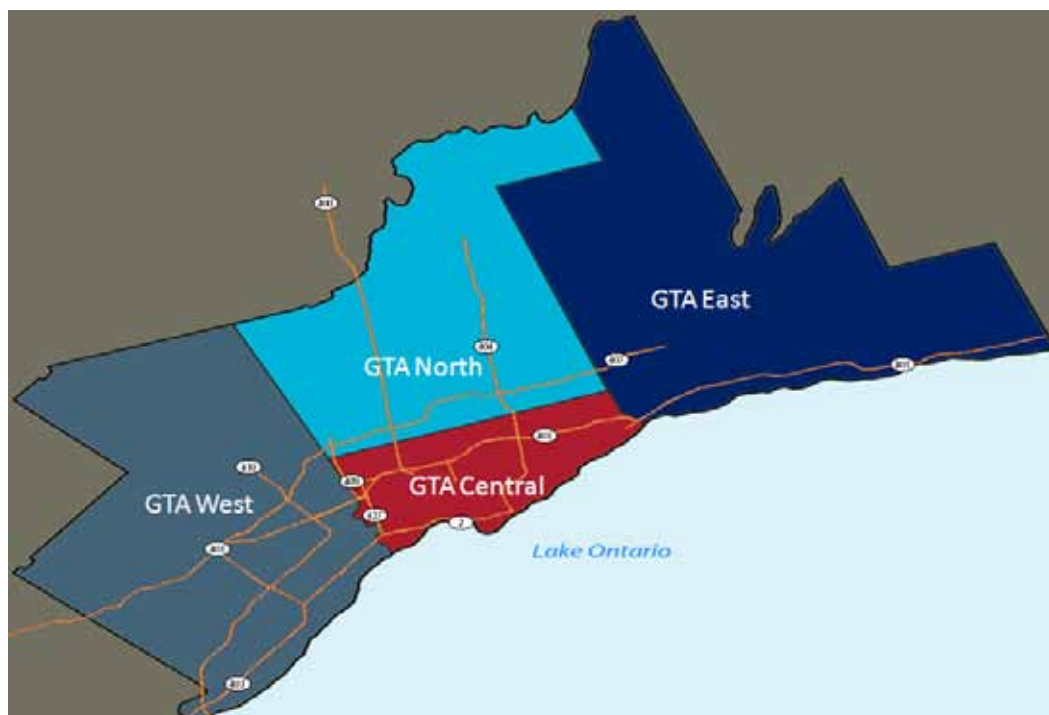
GTA MARKET - SUMMARY OF TENANT OPTIONS

Market	Number of Buildings with Available Space	Properties with More Than 250,000 sf Available	Properties with 100,000 to 249,999 sf Available	Properties with 50,000 to 100,000 sf Available	Properties with 20,000 to 50,000 sf Available	Properties with Less Than 20,000 sf Available
East York	5	0	2	0	1	2
Etobicoke	123	5	8	13	35	62
North York	96	0	4	10	28	54
Scarborough	114	0	6	9	30	69
Toronto	25	0	1	1	7	16
GTA Central	363	5	21	33	101	203
Ajax	10	0	1	2	2	5
Oshawa	6	0	1	0	0	5
Pickering	13	1	1	3	5	3
Whitby	7	0	5	1	1	0
GTA East	36	1	8	6	8	13
Aurora	7	0	2	0	2	3
Markham	68	0	1	5	15	47
Newmarket	7	0	0	1	1	5
Richmond Hill	31	0	1	3	10	17
Vaughan	111	1	11	15	30	54
GTA North	224	1	15	24	58	126
Brampton	82	0	23	19	20	20
Burlington	33	0	4	8	11	10
Caledon	12	0	2	4	4	2
Halton Hills	3	1	0	1	1	0
Milton	11	2	2	2	1	4
Mississauga	379	7	22	35	101	214
Oakville	38	0	4	5	11	18
GTA West	558	10	57	74	149	268

SIGNIFICANT INDUSTRIAL LEASE TRANSACTIONS

Address	Tenant	Size
6363 Millcreek Dr., Mississauga	Amazon	501,000 sf
6660A Millcreek Dr., Mississauga	Bauer	300,000 sf
46 Norelco Dr., North York	ICI Paints	223,000 sf
4041 N. Service Rd., Burlington	Regional Tire	55,000 sf
2620 Slough St., Mississauga	SGS Canada	36,000 sf

GTA INDUSTRIAL MAP



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