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GTA Central    GTA East    GTA North    GTA West

# Greater Toronto Area Industrial Market Report Q3 2011

The Greater Toronto Area (GTA) industrial market, one of North America's largest continues to strengthen with noteworthy deals dominating the headlines during the third quarter of 2011. Specifically, Maersk Canada Inc. leased 250,000 square feet (sf) at 6 Manchester Court, while Matrix Logistics took 194,000 sf at 7659 Bramalea Road. Deal velocity is expected to improve as we move into the last quarter of 2011.

After rising 30 basis points (bps) last quarter, the overall availability rate in the **GTA** declined 30 bps to end the third quarter at an even 5%, 60 bps lower than one year ago. For the first time this year, all four of the industrial markets surveyed saw a decrease in their availability rates. Availability rates across the region ranged from a low of 3.8% in the GTA North to a high of 6.1% in the GTA West. On the rental front, the overall average asking net rental rate increased marginally to close at \$5.46 per square foot (psf).

Accounting for roughly 31% of the overall industrial inventory, **GTA Central** saw a 50 bps decrease in its availability rate to finish the quarter at 4.2% and held firm with its decline compared to 4.7% last year. It also has the most available buildings under 18 foot clear height in the GTA. Despite the lack of modern-day facilities, the average asking rental rate increased for the third consecutive quarter to \$4.92 psf. With the existing stock at nearly full capacity, the highest rents can be found in the former City of Toronto at \$6.08 psf.

Sitting 20 bps higher at 4.4%, the **GTA East** market registered a 70 bps decline its availability rate. By comparison, it stood 80 bps higher in the same quarter one year prior. With the exception of Oshawa (steady), availability fell in the remaining markets of Ajax, Pickering and Whitby. This quarter, the GTA East experienced a rise in its overall average asking net rental rate to complete the quarter at \$4.92 psf.

One of the most active and the tightest market is **GTA North**, with an overall availability rate of 3.8% - 120 bps below the GTA average. This market has recovered from a recession high of 6.5% just over two years ago. Accounting for almost 60% of the GTA North inventory, the Vaughan market boasts a 4% availability rate, also down by more than 200 bps over the same period. The average asking net rental rate exceeded the \$6.00 psf mark to close at \$6.02 psf - the highest in the GTA.

The region's largest industrial market, **GTA West** saw its overall availability rate decline 40 bps to end the quarter at 6.1%, down 50 bps over the past year. Within GTA West, the results were mixed with availability rates falling in four markets, rising in one, while holding steady in two. GTA West also offers tenants the greatest number of buildings (11) with greater than 250,000 sf of available space. Rental rates held firm at \$5.58 psf, with Mississauga (\$5.67 psf) the only market to post a rate above the GTA West average.

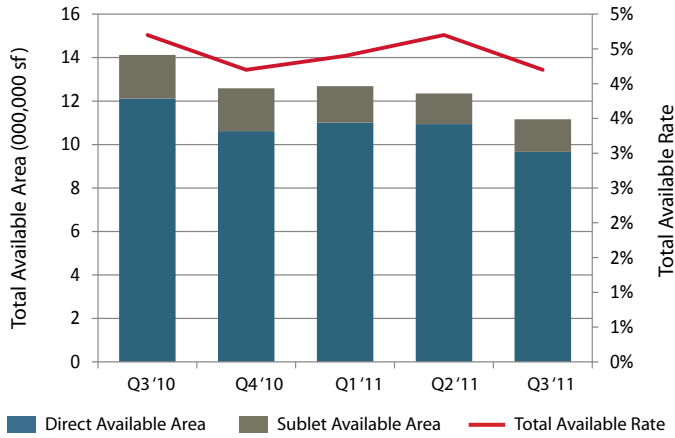
Market Facts	
<b>5.0%</b> GTA industrial availability rate	<b>\$5.41</b> Average asking net rental rate in Oakville
<b>\$4.92</b> Average asking net rental rate in the GTA Central	<b>3.8%</b> GTA North industrial availability rate



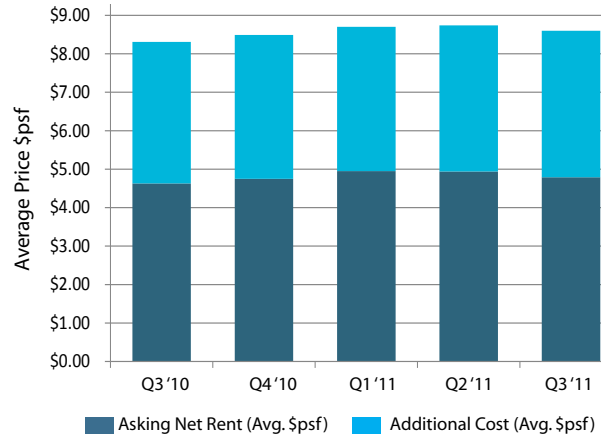
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## GTA Central

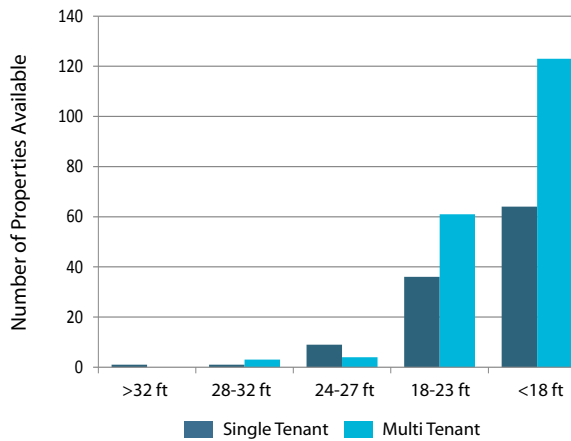
### GTA Central - Industrial Market Trends



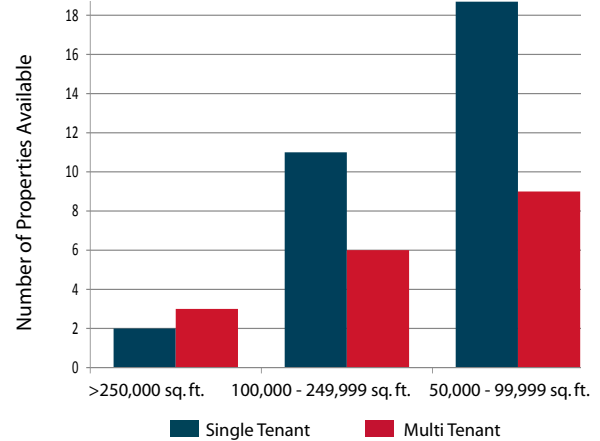
### GTA Central - Occupancy Cost Trends



### GTA Central - Available Space by Clear Height



### GTA Central - Large Block Availability

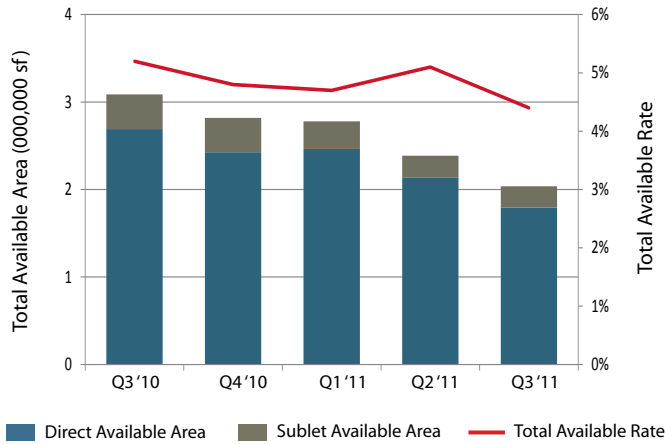


## GTA CENTRAL - SUBMARKET SUMMARY

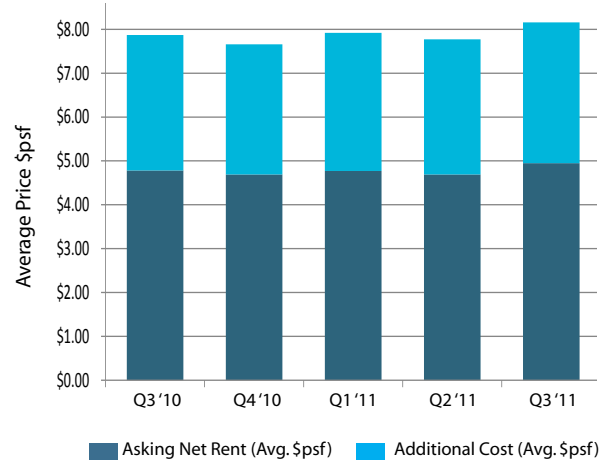
Market	Inventory (msf)	Availability Rate (%)		Asking Net Rent (\$psf)	
	Current Quarter	Current Quarter	Change from Previous Quarter	Current Quarter	Change from Previous Quarter
East York	9	1.8%	↓	\$5.97	↓
Etobicoke	74	7.7%	↑	\$4.64	↑
North York	70	3.1%	↓	\$5.15	↑
Scarborough	65	4.1%	↓	\$4.74	↑
Toronto	43	0.8%	↓	\$6.08	↓
<b>GTA Central*</b>	<b>263</b>	<b>4.2%</b>	<b>↓</b>	<b>\$4.92</b>	<b>↑</b>

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

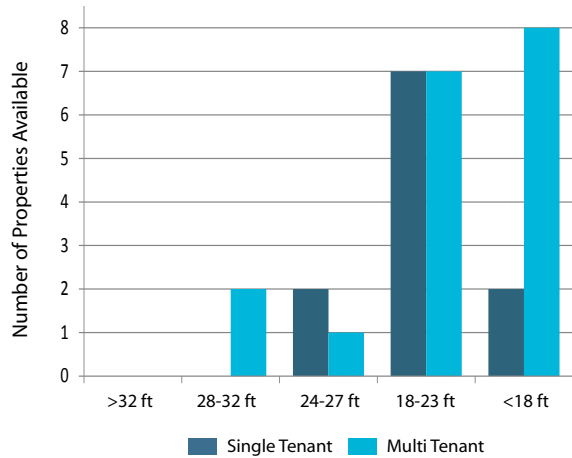
## GTA East - Industrial Market Trends



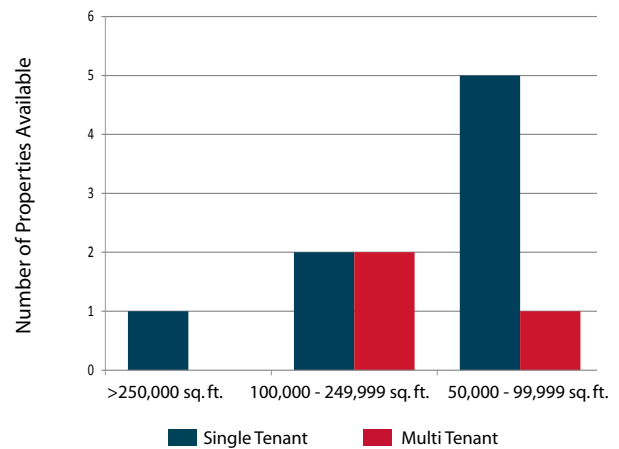
## GTA East - Occupancy Cost Trends



## GTA East - Available Space by Clear Height



## GTA East - Large Block Availability



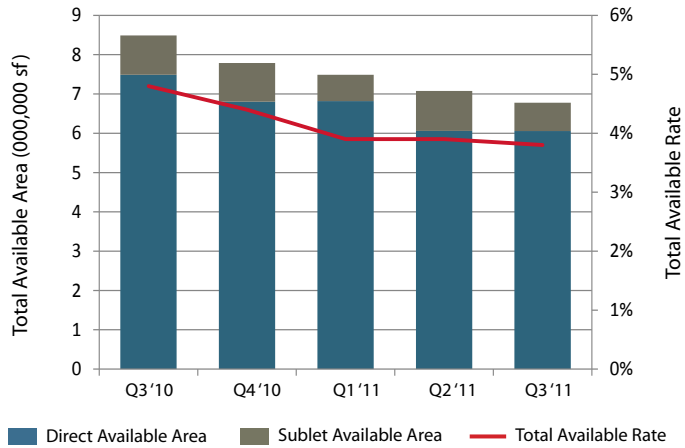
## GTA EAST - SUBMARKET SUMMARY

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	↘	3.3%	↘	\$4.90	↔
Oshawa	14	↔	1.0%	↔	\$5.17	↘
Pickering	10	↘	7.7%	↘	\$5.00	↗
Whitby	10	↘	9.1%	↘	\$5.07	↗
<b>GTA East*</b>	<b>46</b>	<b>↘</b>	<b>4.4%</b>	<b>↘</b>	<b>\$4.92</b>	<b>↗</b>

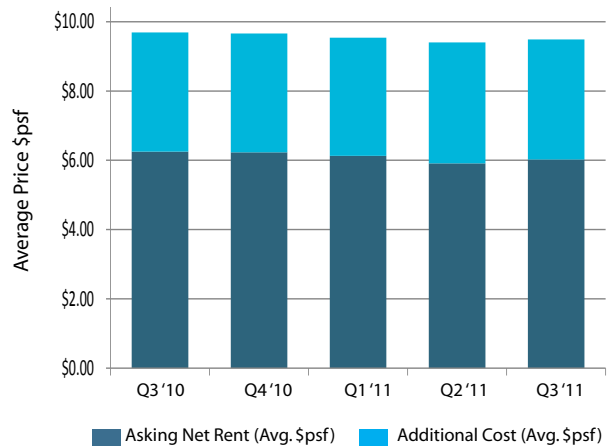
\* Total figures for the GTA East include additional submarkets not listed above, ie Brock, Clarington, Scugog, and Uxbridge.

## GTA North

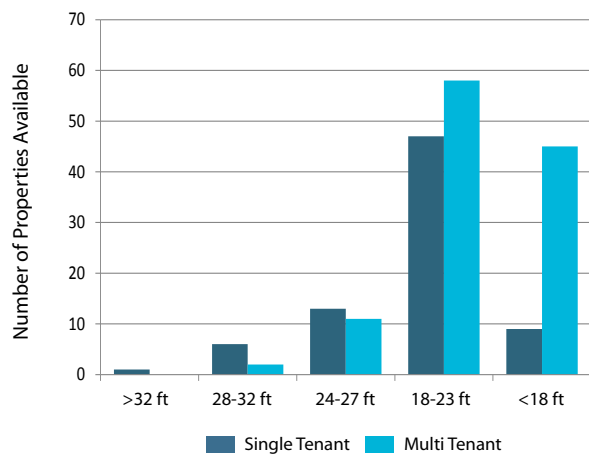
### GTA North - Industrial Market Trends



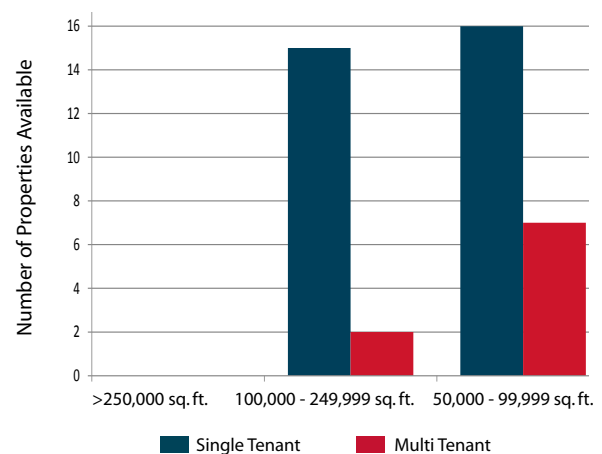
### GTA North - Occupancy Cost Trends



### GTA North - Available Space by Clear Height



### GTA North - Large Block Availability



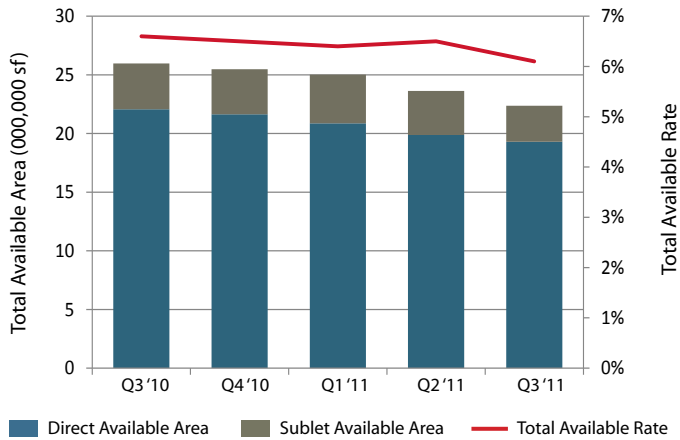
## GTA NORTH - SUBMARKET SUMMARY

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	6.8%	↑	\$4.74	↓
Markham	40	3.7%	↑	\$6.82	↑
Newmarket	9	1.3%	↓	\$5.60	↔
Richmond Hill	15	3.9%	↓	\$6.52	↑
Vaughan	104	4.0%	↓	\$5.32	↓
<b>GTA North*</b>	<b>181</b>	<b>3.8%</b>	<b>↓</b>	<b>\$6.02</b>	<b>↑</b>

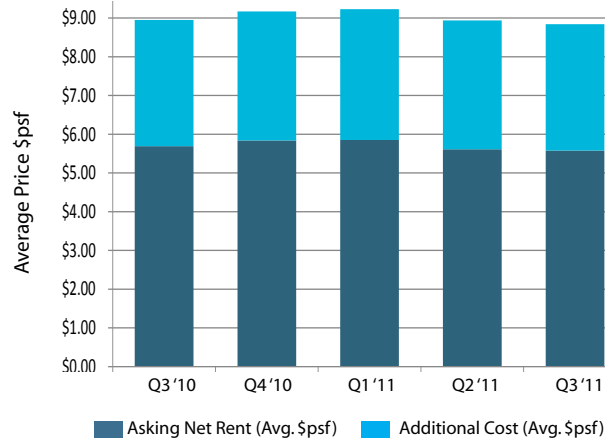
\* Total figures for the GTA North include additional submarkets not listed above, ie East Gwillimbury, Georgina, King, and Whitchurch-Stouffville.

## GTA West

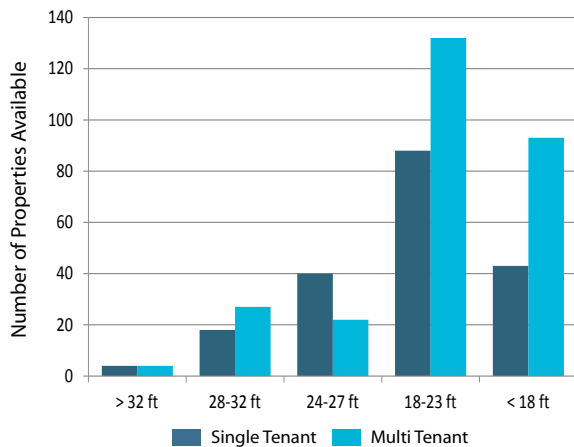
### GTA West - Industrial Market Trends



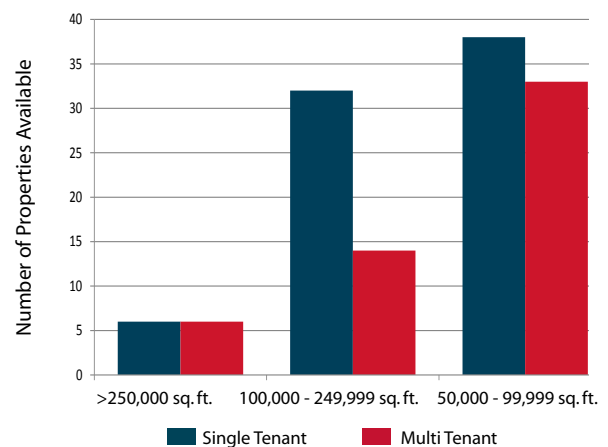
### GTA West - Occupancy Cost Trends



### GTA West - Available Space by Clear Height



### GTA West - Large Block Availability

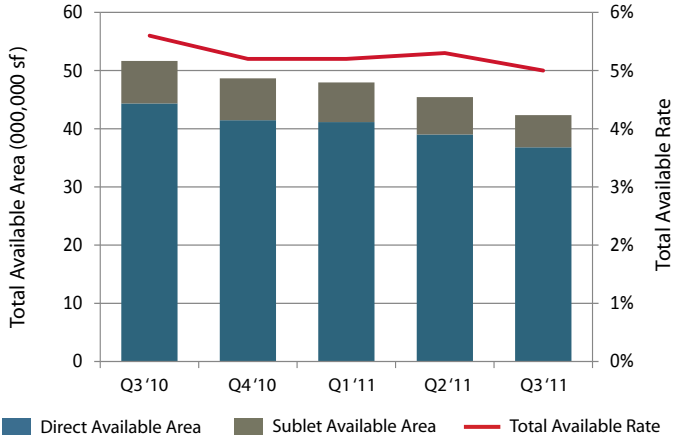


## GTA WEST - SUBMARKET SUMMARY

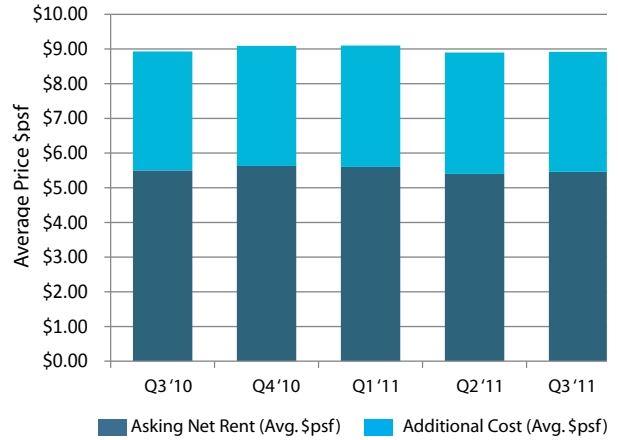
Market	Inventory (msf)	Availability Rate (%)		Asking Net Rent (\$psf)	
	Current Quarter	Current Quarter	Change from Previous Quarter	Current Quarter	Change from Previous Quarter
Brampton	89	6.0%	↓	\$5.24	↑
Burlington	26	4.5%	↓	\$5.55	↓
Caledon	11	5.4%	↓	\$4.38	↑
Halton Hills	6	8.1%	↔	\$4.72	↑
Milton	16	7.1%	↑	\$5.29	↓
Mississauga	187	6.4%	↓	\$5.67	↓
Oakville	29	5.1%	↔	\$5.41	↑
<b>GTA West</b>	<b>365</b>	<b>6.1%</b>	<b>↓</b>	<b>\$5.58</b>	<b>↓</b>

## GTA Overall

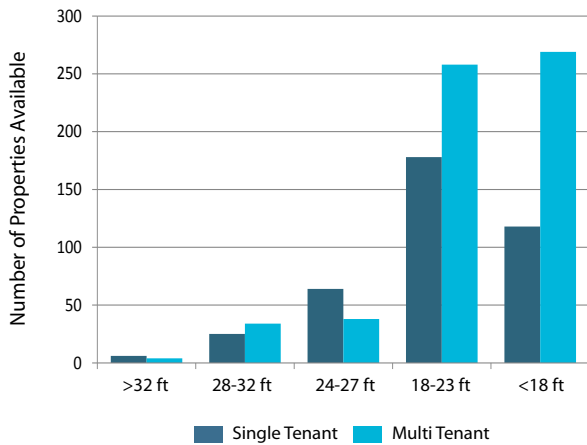
### GTA - Industrial Market Trends



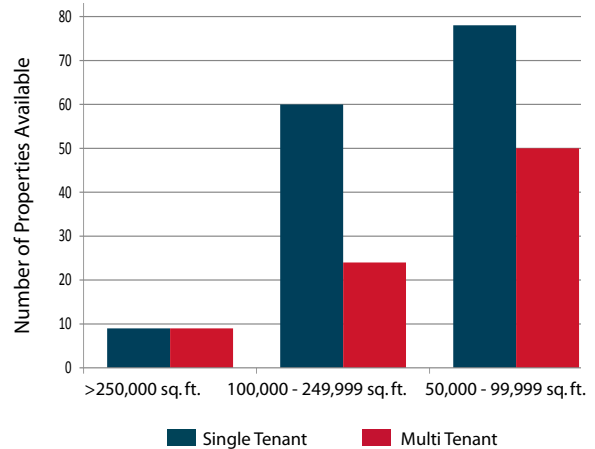
### GTA - Occupancy Cost Trends



### 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	4.2%	↓	\$4.92	↑
GTA East	46	4.4%	↓	\$4.95	↑
GTA North	180	3.8%	↓	\$6.02	↑
GTA West	365	6.1%	↓	\$5.58	↓
<b>GTA Total</b>	<b>855</b>	<b>5.0%</b>	<b>↓</b>	<b>\$5.46</b>	<b>↑</b>

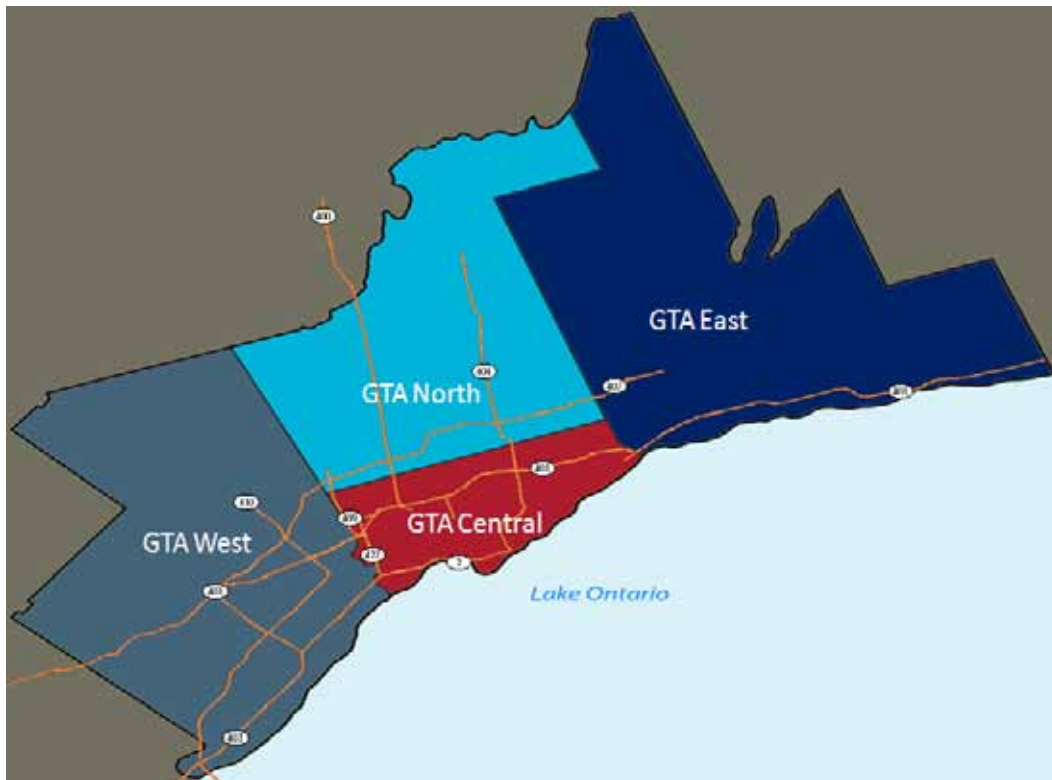
## GTA MARKET - SUMMARY OF TENANT OPTIONS

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	7	0	1	0	1	5
Etobicoke	115	5	10	15	31	54
North York	94	0	2	8	26	58
Scarborough	106	0	5	5	33	62
Toronto	21	0	0	0	8	14
<b>GTA Central</b>	<b>343</b>	<b>5</b>	<b>18</b>	<b>28</b>	<b>98</b>	<b>194</b>
Ajax	8	0	0	2	2	4
Oshawa	5	0	1	0	0	4
Pickering	11	1	1	3	2	4
Whitby	7	0	5	1	0	1
<b>GTA East</b>	<b>31</b>	<b>1</b>	<b>7</b>	<b>6</b>	<b>4</b>	<b>13</b>
Aurora	9	0	2	0	3	4
Markham	64	0	1	7	15	41
Newmarket	6	0	0	1	1	4
Richmond Hill	24	0	1	1	7	15
Vaughan	113	0	13	14	30	56
<b>GTA North</b>	<b>217</b>	<b>0</b>	<b>17</b>	<b>23</b>	<b>56</b>	<b>121</b>
Brampton	79	1	19	19	19	21
Burlington	28	0	2	8	8	10
Caledon	10	0	2	2	3	3
Halton Hills	3	1	0	1	1	0
Milton	15	2	2	2	3	6
Mississauga	373	7	18	36	98	214
Oakville	43	0	4	4	13	22
<b>GTA West</b>	<b>551</b>	<b>11</b>	<b>47</b>	<b>72</b>	<b>145</b>	<b>276</b>

## SIGNIFICANT INDUSTRIAL LEASE TRANSACTIONS

Address	Tenant	Size
6 Manchester Crt., Caledon	Maersk Canada	250,000 sf
7659 Bramalea Rd., Brampton	Matrix Logistics	194,000 sf
300 Kennedy Rd., Brampton	Ozburn-Hessey Logistics	121,000 sf
7090 Kennedy Rd., Mississauga	Technicolour	100,000 sf
55 Walker Dr., Brampton	Ivers Lee	75,000 sf

## GTA INDUSTRIAL MAP



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