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# Greater Toronto Area Industrial Market Report

1<sup>st</sup> Quarter 2011



Intelligent  
Real Estate Solutions

GTA Central

GTA East

GTA North

GTA West

## Industrial Market Overview

The Greater Toronto Area (GTA) industrial market started and finished the first quarter of 2011 on a relatively positive note, supported by some key economic results. According to Statistics Canada, manufacturing sales improved 5.8% to \$21.9 billion in Ontario in January 2011 - a positive indicator for Canada's largest industrial market. Deal velocity is steady, with a number of noteworthy transactions taking place. SIMTRANS and Van de Water Raymond Ltd., for example, inked leases for 82,000 and 102,000 square feet (sf), respectively.

The overall industrial availability rate in the GTA continued its downward trend, slipping another 20 basis points (bps) from year-end 2010 to close the first quarter of 2011 at an even 5.0%. In all, the availability rate has descended 190 bps from a recession high of 6.9% in the same quarter one year ago. With the exception of the GTA Central district, which saw a marginal rise in availability (+10 bps), the remaining districts (GTA North, East and West) posted lower rates. Meanwhile, rental rates remained steady. Across the region, the overall average asking net rates fell from \$5.63 per square foot (psf), last quarter, to \$5.43 psf this quarter. However, this figure is up from \$5.36 psf, one year earlier.

**GTA Central** was the only district to experience an increase in availability, rising 10 bps to finish the first quarter of 2011 at 4.3% - surrendering its title as the lowest availability rate to the GTA North (3.8%). Despite the nominal increase, availability is 100 bps lower than the first quarter of 2010. On average, the asking net rental rate ended the quarter at \$4.76 psf, ranging as high as \$5.75 psf in the former City of Toronto.

In contrast, **GTA East** saw its availability rate fall 10 bps to conclude the quarter at 4.7%. Large block opportunities in this market are largely concentrated in multi-tenant facilities in the 100,000 to 249,999 sf category. Availability by clear height reveals the majority of options are found in single and multi-tenant buildings with a clear height of between 18 and 23 feet. Average asking net rental rates range from a low of \$3.93 psf in Pickering to a high of \$5.24 in Oshawa, while overall rental rates settled at \$4.77 psf, up from \$4.69 psf three months ago.

At 3.8%, **GTA North** is the tightest industrial district in the GTA, a position held by GTA Central in the previous quarter. With the exception of the Richmond Hill market, availability rates fell across the remaining four markets. In particular, Vaughan's availability rate declined for the second consecutive quarter to end the quarter at 4.2%. The rental rates for the GTA North continued to improve and finished the quarter at \$5.95 psf.

**GTA West**, the largest industrial district with an inventory of 391 million square feet, saw its availability rate decrease for the fourth consecutive quarter, finishing the first quarter at 6.2%. Four of the seven submarkets posted lower availability rates with Burlington, Caledon, Milton and Oakville posting availability rates below the district average. At \$5.68 psf, the average asking net rental rate is the second highest among the four districts.

## Market Facts

**5.0%**

GTA industrial availability rate

**\$5.43**

Average asking net rental rate in the GTA

**\$5.75**

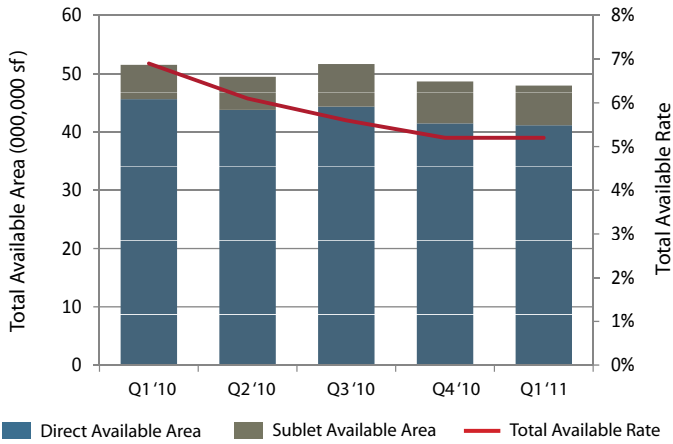
Average asking net rental rate in Mississauga

**6.7%**

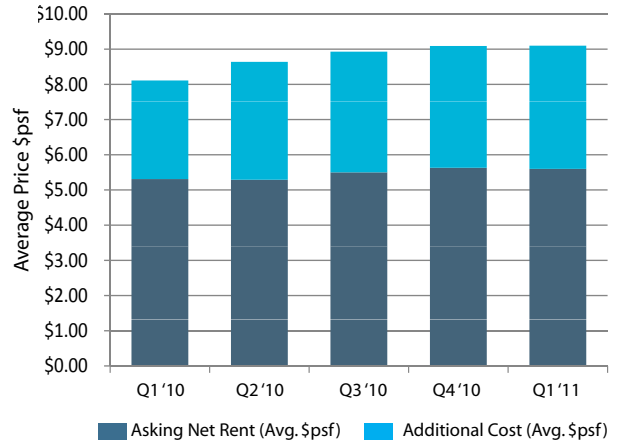
Mississauga industrial availability rate

## GTA Overall

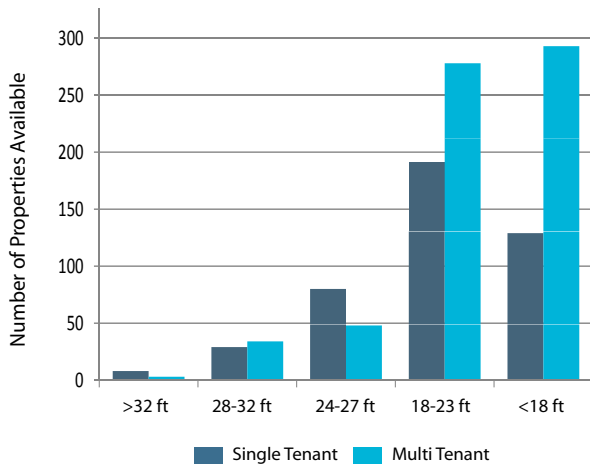
### GTA - Industrial Market Trends



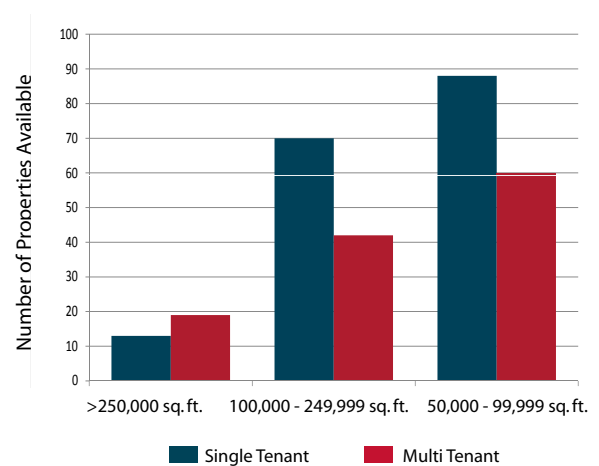
### GTA - Occupancy Cost Trends



### GTA - Available Space by Clear Height



### GTA - Large Block Availability

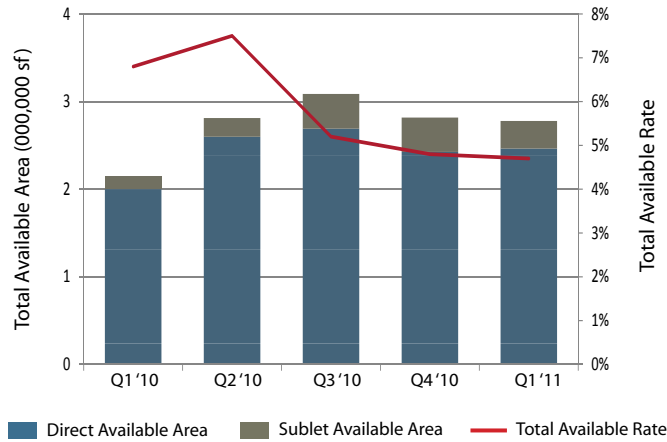


## GTA MARKET SUMMARY

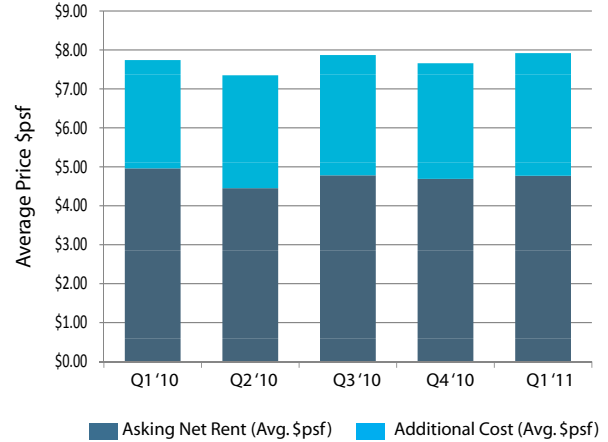
Market	Inventory (msf)	Availability Rate (%)		Asking Net Rent (\$psf)	
	Current Quarter	Current Quarter	Change from Previous Quarter	Current Quarter	Change from Previous Quarter
GTA Central	285	4.3%	↑	\$4.76	↓
GTA East	59	4.7%	↓	\$4.77	↑
GTA North	190	3.8%	↓	\$5.95	↓
GTA West	391	6.2%	↓	\$5.68	↓
<b>GTA Total</b>	<b>925</b>	<b>5.0%</b>	<b>↓</b>	<b>\$5.43</b>	<b>↓</b>

## GTA East

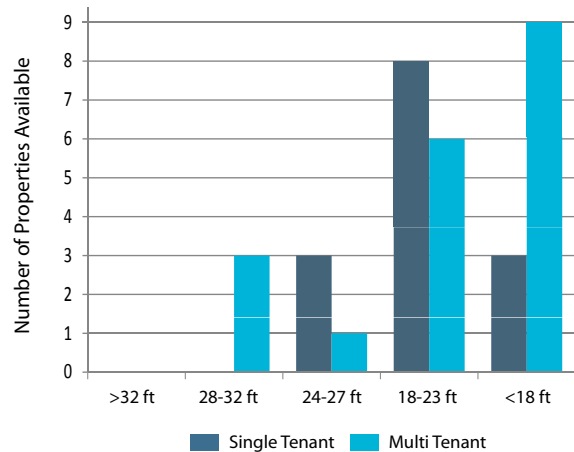
### GTA East - Industrial Market Trends



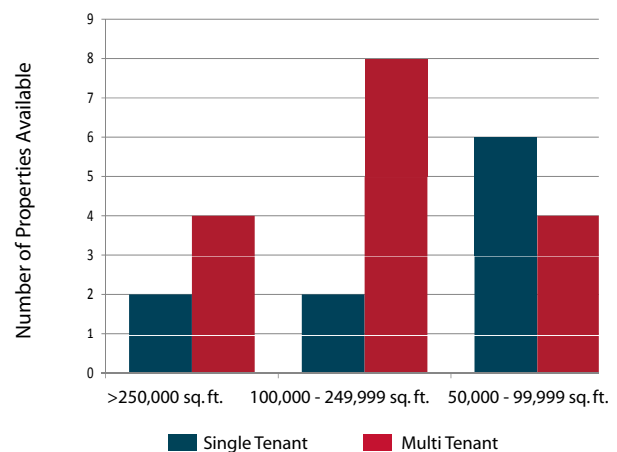
### GTA East - Occupancy Cost Trends



### GTA East - Available Space by Clear Height



### GTA East - Large Block Availability



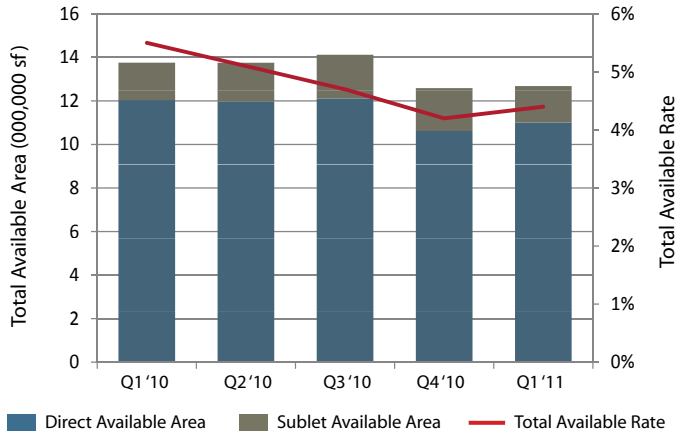
## GTA EAST - SUBMARKET SUMMARY

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	8	↑	4.8%	↑	\$5.03	↑
Oshawa	15	↑	3.6%	↔	\$5.24	↔
Pickering	14	↓	5.5%	↓	\$3.93	↓
Whitby	12	↔	8.8%	↔	\$4.99	↔
<b>GTA East*</b>	<b>59</b>	<b>↓</b>	<b>4.7%</b>	<b>↓</b>	<b>\$4.77</b>	<b>↑</b>

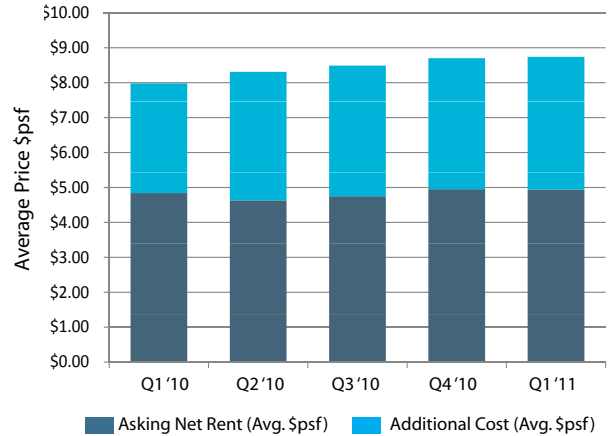
\* Total figures for the GTA East include additional submarkets not listed above, ie Brock, Clarington, Scugog, and Uxbridge.

## GTA Central

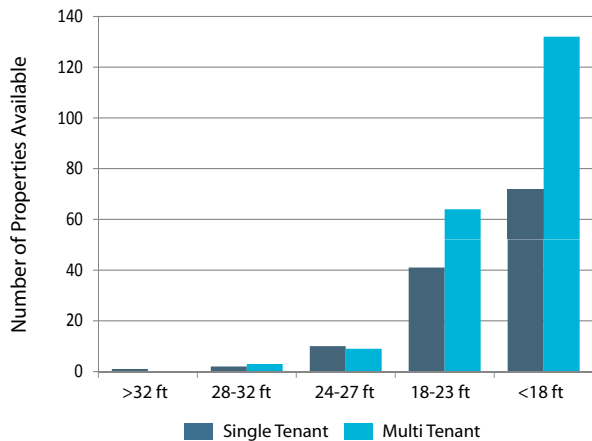
### GTA Central - Industrial Market Trends



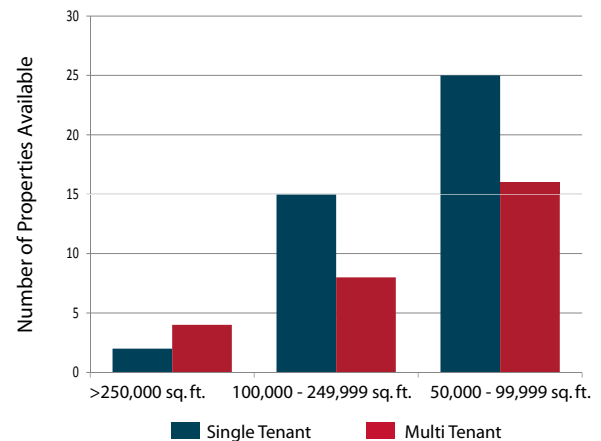
### GTA Central - Occupancy Cost Trends



### GTA Central - Available Space by Clear Height



### GTA Central - Large Block Availability



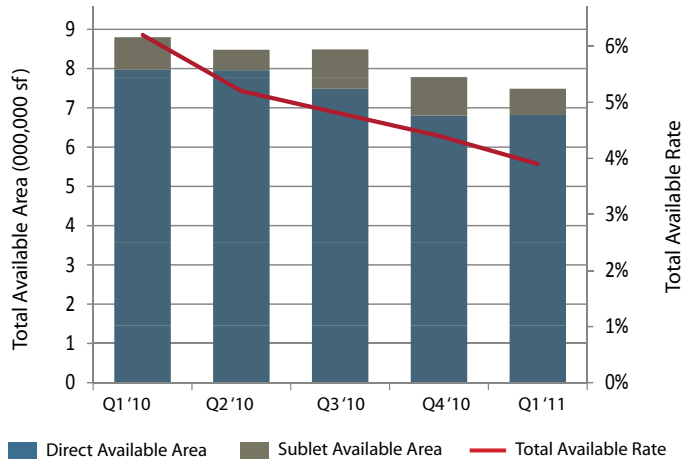
## GTA CENTRAL - SUBMARKET SUMMARY

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	10	3.0%	↑	\$4.65	↑
Etobicoke	78	7.2%	↑	\$4.57	↓
North York	72	2.8%	↓	\$4.96	↓
Scarborough	71	5.0%	↑	\$4.66	↑
Toronto	52	1.2%	↓	\$5.75	↑
<b>GTA Central*</b>	<b>285</b>	<b>4.3%</b>	<b>↑</b>	<b>\$4.76</b>	<b>↓</b>

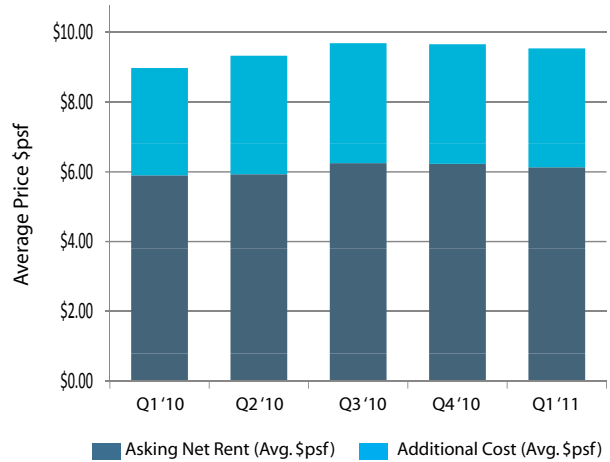
\* Total figures for the GTA Central include additional submarkets not listed above, ie York.

## GTA North

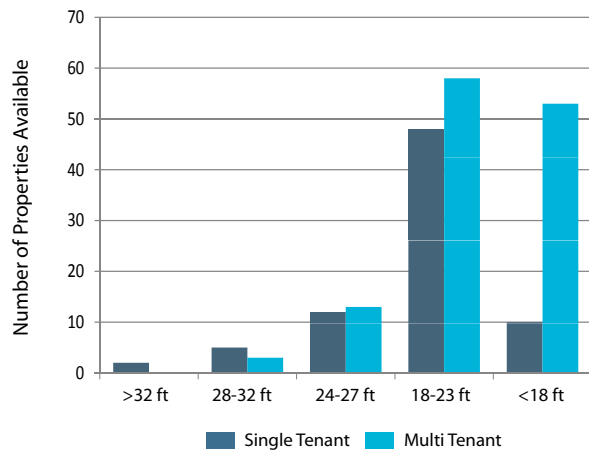
### GTA North - Industrial Market Trends



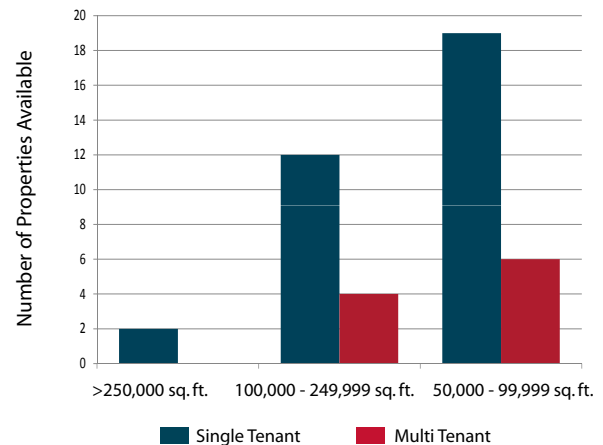
### GTA North - Occupancy Cost Trends



### GTA North - Available Space by Clear Height



### GTA North - Large Block Availability



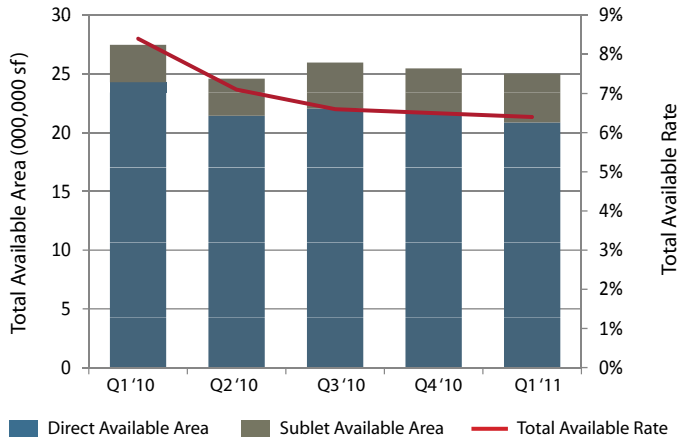
## GTA NORTH - SUBMARKET SUMMARY

Market	Inventory (msf)	Availability Rate (%)		Asking Net Rent (\$psf)	
	Current Quarter	Current Quarter	Change from Previous Quarter	Current Quarter	Change from Previous Quarter
Aurora	7	5.5%	↓	\$5.28	↓
Markham	42	3.5%	↓	\$5.95	↓
Newmarket	9	1.0%	↓	N/A	N/A
Richmond Hill	15	4.9%	↑	\$6.72	↑
Vaughan	108	4.2%	↓	\$5.80	↓
<b>GTA North*</b>	<b>190</b>	<b>3.8%</b>	<b>↓</b>	<b>\$5.95</b>	<b>↓</b>

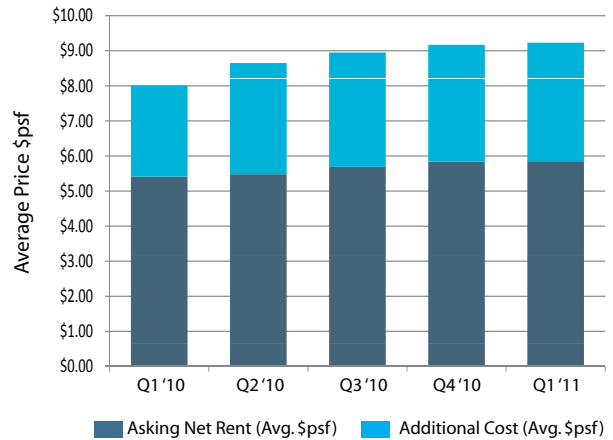
\* Total figures for the GTA North include additional submarkets not listed above, ie East Gwillimbury, Georgina, King, and Whitchurch-Stouffville.

## GTA West

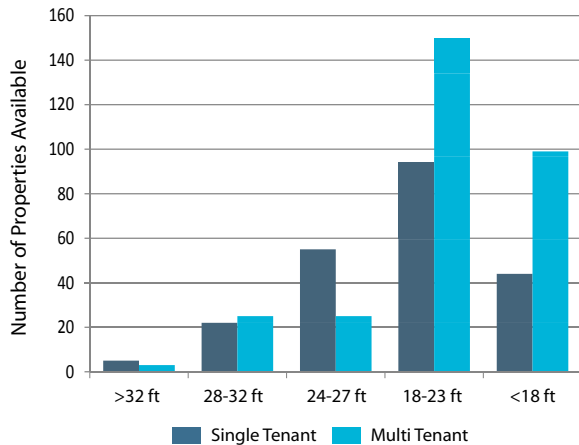
### GTA West - Industrial Market Trends



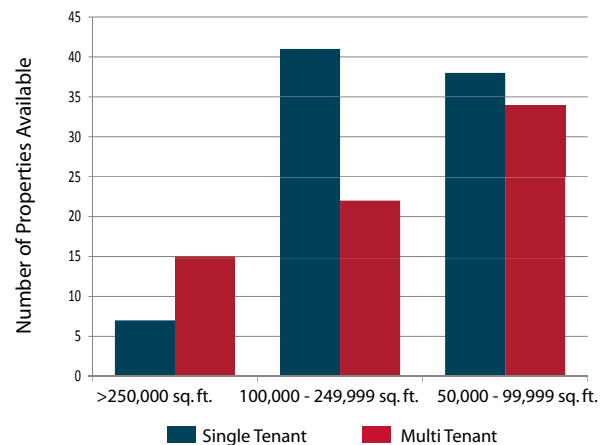
### GTA West - Occupancy Cost Trends



### 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	93	6.3%	↑	\$5.22	↓
Burlington	29	5.8%	↓	\$5.94	↓
Caledon	14	4.2%	↑	\$5.10	↓
Halton Hills	7	6.5%	↑	\$5.09	↓
Milton	18	5.1%	↓	\$5.99	↓
Mississauga	197	6.7%	↓	\$5.75	↓
Oakville	33	5.1%	↓	\$5.63	↓
<b>GTA West</b>	<b>391</b>	<b>6.2%</b>	<b>↓</b>	<b>\$5.68</b>	<b>↓</b>

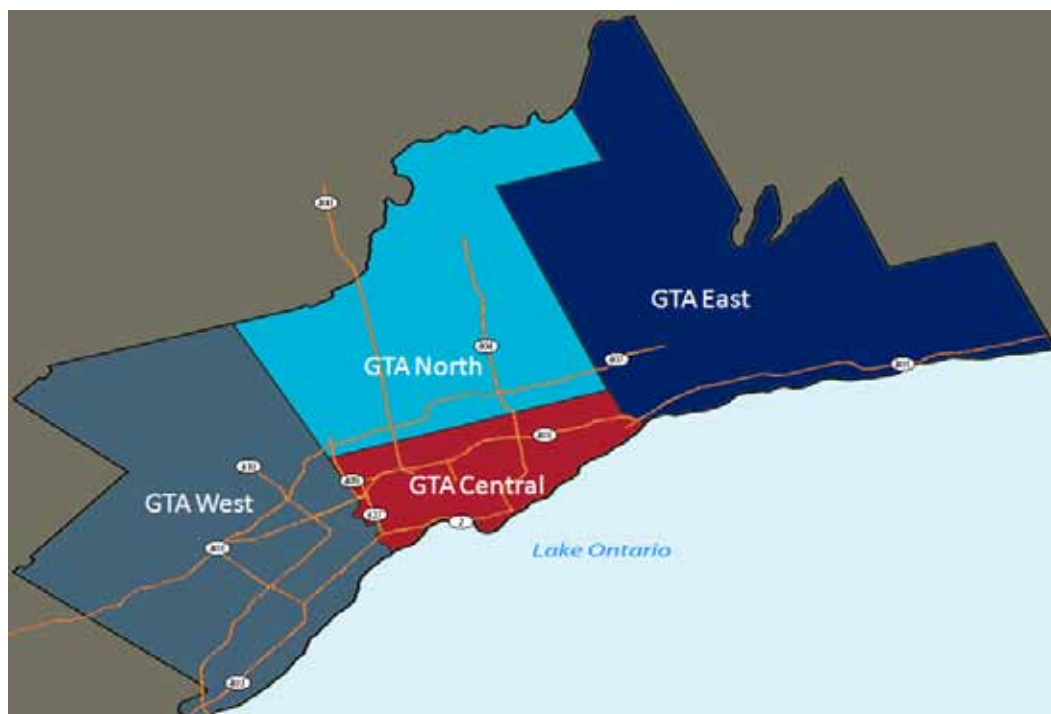
## GTA MARKET - SUMMARY OF TENANT OPTIONS

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	6	0	2	0	1	3
Etobicoke	121	5	10	14	36	56
North York	95	0	2	10	26	57
Scarborough	119	1	9	12	26	71
Toronto	25	0	1	1	7	16
<b>GTA Central</b>	<b>366</b>	<b>6</b>	<b>24</b>	<b>37</b>	<b>95</b>	<b>204</b>
Ajax	16	0	3	5	2	6
Oshawa	10	1	3	1	1	4
Pickering	12	1	1	2	4	4
Whitby	7	0	5	1	1	0
<b>GTA East</b>	<b>46</b>	<b>2</b>	<b>12</b>	<b>10</b>	<b>8</b>	<b>14</b>
Aurora	7	0	2	0	2	3
Markham	62	0	2	5	16	39
Newmarket	5	0	0	1	0	4
Richmond Hill	26	0	0	4	10	12
Vaughan	110	2	12	15	25	56
<b>GTA North</b>	<b>212</b>	<b>2</b>	<b>16</b>	<b>25</b>	<b>53</b>	<b>116</b>
Brampton	81	3	24	17	20	17
Burlington	40	0	6	10	10	14
Caledon	13	5	2	1	5	0
Halton Hills	5	1	1	2	1	0
Milton	13	4	2	0	2	5
Mississauga	378	7	25	35	100	211
Oakville	46	2	3	5	9	27
<b>GTA West</b>	<b>576</b>	<b>22</b>	<b>63</b>	<b>70</b>	<b>147</b>	<b>274</b>

## SIGNIFICANT INDUSTRIAL LEASE TRANSACTIONS

Address	Tenant	Size
8039 5th Line N., Halton Hills	Van de Water Raymond	102,000 sf
56 Steelecase Rd. W., Markham	Federal Express	89,000 sf
7595 Tranmere Dr, Mississauga	SIMTRANS	82,000 sf
110 East Dr., Brampton	General Kinetics	50,000 sf
9010 Keele St., Vaughan	Indwisco	45,000 sf

## GTA INDUSTRIAL MAP



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