

**For Immediate Release (3 pages)
Thursday, November 15, 2018**

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Editors/Reporters

• Please click on link to view and download Avison Young's topical report: *Intermodal Logistics in the Greater Toronto Area: The Relevance of Intermodal in the E-commerce Era*
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Growth of intermodal logistics and e-commerce shape evolution of the Greater Toronto Area's industrial real estate landscape

Avison Young releases topical report, Intermodal Logistics in the Greater Toronto Area: The Relevance of Intermodal in the E-commerce Era

Toronto, ON – The Greater Toronto Area (GTA) has two established intermodal terminals (CN Brampton and CP Vaughan) operating near full capacity and a highly anticipated third one (CN Milton) in the planning phase as intermodal logistics demand rises across the region. Retailers, manufacturers and distributors are taking advantage of the efficiencies of this affordable, reliable and adaptable form of shipping on local, national and international scales. Increasingly, industrial real estate close to intermodal facilities is in great demand as organizations with logistics and distribution needs have the potential to increase efficiencies dramatically and reduce costs by locating their premises close to these terminals.

These are some of the key trends noted in Avison Young's topical report: ***Intermodal Logistics in the Greater Toronto Area: The Relevance of Intermodal in the E-commerce Era***, released today.

According to the topical report, the GTA is among the largest and most dynamic industrial markets in North America, buoyed by sound fundamentals and strong occupier demand driven by e-commerce. In response, the region's rail capacity continues to grow, offering the flexibility to accommodate future shipments from multiple ports and hubs across North America.

"In the past, industrial space was predominantly used for manufacturing activities, and many buildings were serviced by direct rail-spur connections," comments **Bill Argeropoulos**, Principal and Practice Leader, Research (Canada) for Avison Young. "Today, logistics, distribution and warehousing are the main industrial-space uses; as a result, many of these rail spurs have been removed, giving way to greater use of container shipments via intermodal facilities."

The report goes on to say that CN is proposing to build a new logistics hub in Milton to meet demand. According to the proposal, the new \$250-million, 400-acre facility would handle up to

four trains per day with each representing the equivalent of 280 long-distance heavy trucks. A decision relating to the review process is expected by early 2019.

“Shifting demand for quick delivery of consumer goods is increasing the necessity of local distribution points,” says Argeropoulos. “As a result of the need for increased last-mile efficiencies, demand for industrial real estate more connected to the masses is outpacing supply, reducing vacancy and raising rental rates for buildings within last-mile zones.”

The report also identifies five potential future disruptors of intermodal logistics in the GTA whose impact remains to be seen, namely: urbanization and the importance of the last mile; autonomous modes of transport; international trade agreements; reshoring of manufacturing; and 3D printing and onsite manufacturing.

Argeropoulos concludes: “The GTA’s rail network has always played an important role in the development of the region’s industrial landscape, from the peak of the manufacturing era to today’s e-commerce world. This landscape continues to evolve, with the evolution increasingly shaped by urbanization and growth in e-commerce retailing, as evidenced by Amazon’s recently announced plan to build a new purpose-built 1-million-square-foot fulfillment centre in Caledon. Newer concepts, such as co-location parks around intermodal hubs and multi-storey urban distribution facilities, will undoubtedly have an impact on the future of intermodal distribution of goods – and the industrial real estate market – in the GTA.”

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