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Editors/Reporters

· Please click on link to view and download Avison Young's Second Quarter 2015 Toronto West Office Market Report:

http://www.avisonyoung.com/fileDownloader.php?file=files/content-files/Offices/Mississauga/Research/TorontoWestOfficeMarketReport_Q2-2015.pdf

**New supply and big-block leases dominate
Toronto West office sector activity in second quarter of 2015**

Avison Young releases its Second Quarter 2015 Toronto West Office Market Report

Mississauga, ON – The second quarter of 2015 was a busy time in Toronto West as PointClickCare leased 185,000 square feet (sf) in the vacant Target space at AeroCentre V; 11 new buildings totalling 874,000 sf came online; and the Region of Peel began deliberations on amending its development charges policy.

These are some of the key trends noted in ***Avison Young's Second Quarter 2015 Toronto West Office Market Report***, released today.

AeroCentre V – 5550 Explorer Drive in the Airport Corporate Centre (ACC) – continued to be high on everyone's list of buildings to watch. Target made real estate headlines across North America at the outset of 2015 with the decision to withdraw its business in Canada, leaving behind a 185,000-sf vacancy in the ACC and three distribution centres across the country, from Cornwall, ON to Calgary.

“Undeniably, the Target move was a shock to the market and had a lot of people thinking about what would become of their assets in Canada,” comments Avison Young Principal **Joe Almeida**. “But the turnaround on this space was very quick; not even five months had passed before HOOPP secured a tenant to take the entire block of vacant space – which really says a lot about the competitive edge that these newer, amenity-focused buildings can offer.”

In terms of new supply, the second quarter of 2015 welcomed 874,000 sf of office space to the Toronto West market. These completions span four nodes and 11 buildings, with the bulk of the space being in the Oakville and Heartland submarkets. Newly completed 1 and 85 Prologis Boulevard, just north of Highway 401 on Hurontario Street, are enjoying plenty of market activity:

the top two floors of 1 Prologis Boulevard have been leased to Compass Group, and paper is going back and forth with other prospective parties in the mix.

All five Oakville deliveries comprised single-storey flex-office units that are part of larger campuses: Joshua Creek Corporate Centre, Phase II (110,000 sf) and Great Lakes Business Park, Phase III (109,000 sf).

“Watch for the contest between flex and traditional multi-storey office space in Oakville to heat up as the year goes on,” adds Almeida.

Aside from their shared commonality as flex buildings, both projects were also built on a speculative basis, a trend that some in the business – based on interactions in the market – are attributing in part to tenants waiting longer to make important real estate decisions.

“What you find,” notes **Kurt Love**, a Vice-President in Avison Young’s Mississauga office, “is that by the time tenants are feeling the pressure to locate adequate space, it is too late to do something purpose-built. So these spec options start to become increasingly attractive.”

In other market news, a new report from the Region of Peel released in June indicates that development in the region did not meet forecasts made by region’s Growth Management Program back in 2002. In short, the region did not see the returns in the form of development charges it was expecting and, as a result, has been forced in recent years to begin the process of amending those charges to a point where they will result in real economic growth for the Region of Peel and its municipalities.

A council meeting on July 9 ended with the decision to defer the ruling on these amendments until September.

Avison Young is the world’s fastest-growing commercial real estate services firm. Headquartered in Toronto, Canada, Avison Young is a collaborative, global firm owned and operated by its principals. Founded in 1978, the company comprises 1,900 real estate professionals in 67 offices, providing value-added, client-centric investment sales, leasing, advisory, management, financing and mortgage placement services to owners and occupiers of office, retail, industrial and multi-family properties.

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