

# Greater Toronto Area Industrial Market Report

Q4 2019

## Net Absorption

This Quarter

↑ 3.1M SF

12-Month Absorption

↓ 5.4M SF

5-Year Quarterly Average

↑ 1.8M SF

## Availability

This Quarter

↔ 1.1%

Year-over-Year

↓ 30 bps

## Asking Net Rent

This Quarter\*

↑ \$9.44 PSF

Year-over-Year

↑ 30%

\*weighted average

## Development/Sales

Under Construction

↑ 15.3M SF

New Supply

↑ 2.8M SF

Sale Price (avg.)

↑ \$183 PSF

Year-over-Year

↑ 5.2%

## MARKET OUTLOOK

A theme throughout much of 2019 was the delay in completion of new developments. In Q4, some of these properties came to market, which provided marginal relief to availability. The 2.8 million SF of new supply is the highest quarterly result of 2019 and second to the recent peak in Q4 2018 at 3.2 million. The overall availability rate remained stable at 1.1%.

Both land supply and vacancy levels remain heavily constrained. However, more creative solutions are emerging where tenants are optimizing the efficiency of existing warehouses using automated pallet and picking systems, as well as modifying internal layouts.

The annual growth in asking net rental rates was over 30% in the GTA for the third consecutive quarter. The tertiary markets have seen an uptick in activity as a result. In October, Panattoni officially broke ground on the first

stage of their 1.6 million SF site in Hamilton. In November, HOOPP purchased 300 acres of land in Cambridge.

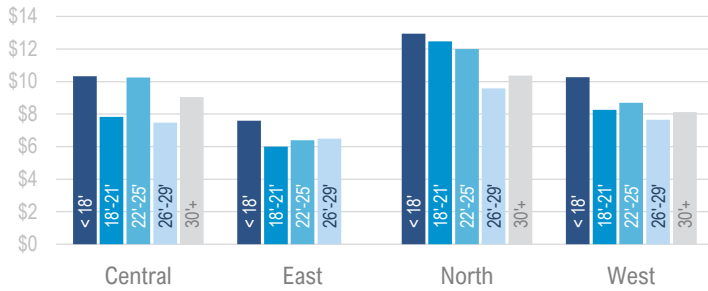
Amazon announced that it will build a new 1 million SF fulfillment centre in Scarborough at 6351 Steeles Avenue East. It will be their seventh fulfillment centre in Ontario and expected to create more than 600 jobs. Manulife and Broccolini will be overseeing the development with an estimated completion at the end of Q2 2020.

Strong Black Friday and Cyber Monday sales in Q4 emphasize that demand for industrial real estate will remain strong across 2020. Tenants will continue to make significant investment towards increasing efficiencies within supply chain operations.

# Market Overview

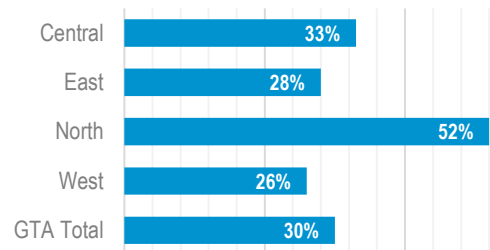
## 01 Rental Rates by Clear Height

Weighted Average Asking Net Rates (\$PSF)



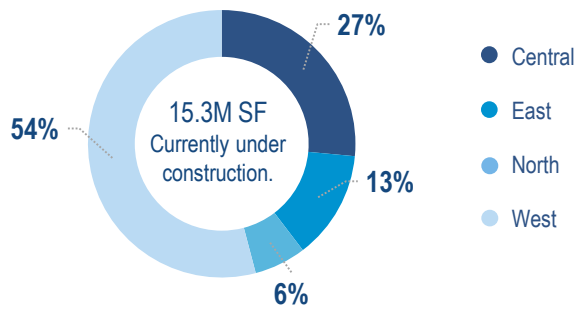
## 02 Rental Rate Growth

By Market | Q4 2018 – Q4 2019



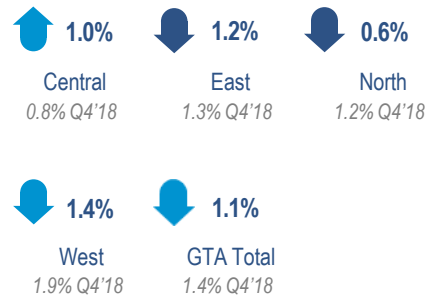
## 03 Under Construction by Market

Total Square Feet



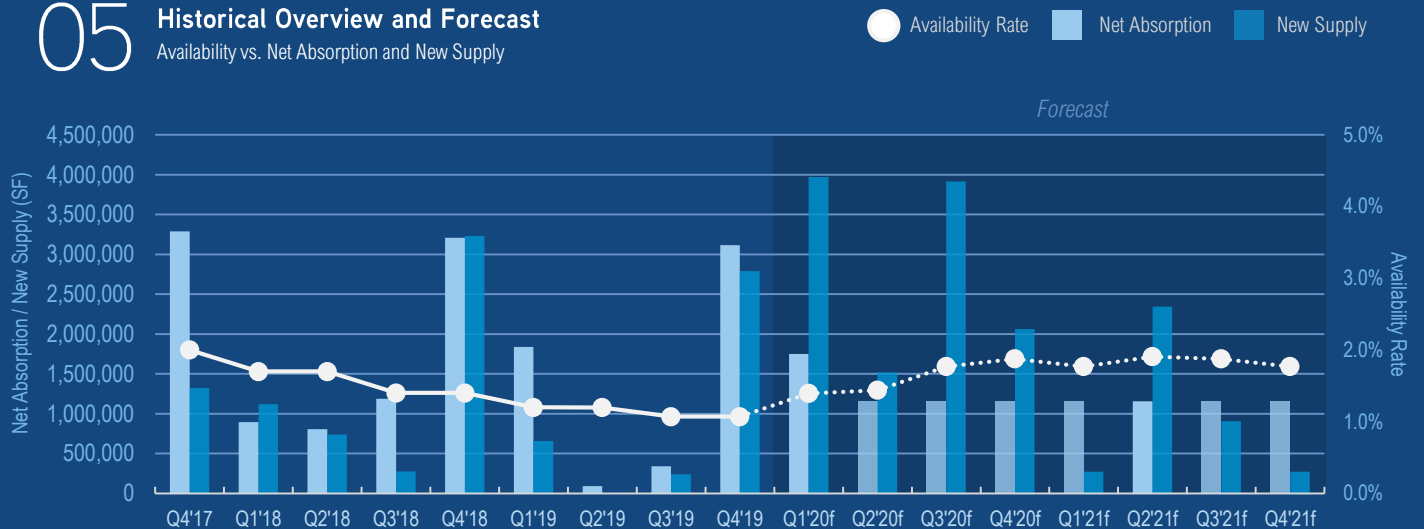
## 04 Availability Rate

By Market | Q4 2018 – Q4 2019



## 05 Historical Overview and Forecast

Availability vs. Net Absorption and New Supply



# Greater Toronto Area Market Statistics

Market	Total Inventory (SF)	Total Vacant Space (SF)	Vacancy Rate	Direct Availability (SF)	Sublease Availability (SF)	Total Available Space (SF)	Availability Rate	Net Absorption (SF)	New Supply (SF)	Under Construction (SF)	Wgt Avg. Asking Net Rent (\$/SF)	Avg. Sale Price (\$/SF)
Don Mills	9,991,736	52,000	0.5%	174,000	0	174,000	1.7%	0	0	0	\$10.33	\$239.04
Downsview	25,884,401	77,326	0.3%	140,200	29,800	170,000	0.7%	82,162	0	0	\$8.45	\$185.64
East York	8,287,654	0	0.0%	0	0	0	0.0%	0	0	0	-	\$315.44
North Etobicoke	41,713,588	65,270	0.2%	350,108	0	350,108	0.8%	-25,151	0	0	\$8.70	\$120.79
North York South	11,142,279	35,933	0.3%	210,884	0	210,884	1.9%	0	0	46,747	\$9.00	-
Scarborough East	13,359,826	158,458	1.2%	190,949	0	190,949	1.4%	0	0	2,254,145	\$9.61	\$257.62
Scarborough South	26,994,508	230,739	0.9%	520,163	69,878	590,041	2.2%	-164,339	0	0	\$10.27	\$132.95
Scarborough West	21,113,051	0	0.0%	0	0	0	0.0%	0	0	0	-	\$226.27
South Etobicoke	29,365,078	81,300	0.3%	601,678	58,100	659,778	2.2%	0	0	500,000	\$8.39	\$255.81
Toronto	19,946,142	0	0.0%	0	0	0	0.0%	0	0	0	-	\$388.09
Weston	21,550,617	34,281	0.2%	56,281	0	56,281	0.3%	47,413	0	1,241,440	\$7.46	\$189.62
Willowdale	3,612,513	0	0.0%	0	0	0	0.0%	0	0	0	-	-
York	5,022,391	0	0.0%	72,000	0	72,000	1.4%	0	0	0	\$15.00	\$133.99
<b>GTA Central</b>	<b>237,983,784</b>	<b>735,307</b>	<b>0.3%</b>	<b>2,316,263</b>	<b>157,778</b>	<b>2,474,041</b>	<b>1.0%</b>	<b>-59,915</b>	<b>0</b>	<b>4,042,332</b>	<b>\$9.35</b>	<b>\$184.71</b>
Ajax	8,404,188	20,000	0.2%	20,000	127,474	147,474	1.8%	330,000	330,000	0	\$6.00	\$138.55
Oshawa	10,141,335	0	0.0%	186,759	0	186,759	1.8%	0	0	1,071,262	\$6.50	\$136.73
Pickering	9,860,527	0	0.0%	54,119	0	54,119	0.5%	51,343	0	565,000	\$8.25	-
Whitby	9,040,831	41,000	0.5%	57,000	0	57,000	0.6%	135,061	0	370,000	\$11.00	\$220.00
<b>GTA East</b>	<b>37,446,881</b>	<b>61,000</b>	<b>0.2%</b>	<b>317,878</b>	<b>127,474</b>	<b>445,352</b>	<b>1.2%</b>	<b>516,404</b>	<b>330,000</b>	<b>2,006,262</b>	<b>\$7.57</b>	<b>\$149.84</b>
Aurora	5,937,564	39,835	0.7%	39,835	0	39,835	0.7%	27,940	0	0	\$8.95	\$90.47
Markham East	33,906,551	26,280	0.1%	258,790	0	258,790	0.8%	0	0	250,000	\$10.41	\$275.63
Markham West	1,843,301	0	0.0%	0	0	0	0.0%	0	0	0	-	\$97.44
Newmarket	7,365,291	0	0.0%	0	0	0	0.0%	0	0	0	-	-
Richmond Hill	12,549,678	0	0.0%	0	0	0	0.0%	0	0	0	-	\$173.73
Vaughan	93,064,574	238,215	0.3%	501,540	100,425	601,965	0.6%	618,726	550,930	707,074	\$12.41	\$255.90
Whitchurch / Stouffville	1,162,793	0	0.0%	0	0	0	0.0%	0	0	0	-	\$308.24
<b>GTA North</b>	<b>155,829,752</b>	<b>304,330</b>	<b>0.2%</b>	<b>800,165</b>	<b>100,425</b>	<b>900,590</b>	<b>0.6%</b>	<b>646,666</b>	<b>550,930</b>	<b>957,074</b>	<b>\$11.59</b>	<b>\$202.29</b>
Brampton East	58,430,414	468,514	0.8%	853,557	330,701	1,184,258	2.0%	-143,520	0	423,000	\$8.54	\$188.14
Brampton West	40,480,592	0	0.0%	147,766	300,458	448,224	1.1%	17,800	0	1,652,032	\$8.95	\$165.06
Burlington	22,533,607	140,338	0.6%	398,677	0	398,677	1.8%	0	0	219,940	\$7.41	\$141.33
Caledon	15,766,614	150,897	1.0%	212,634	674,618	887,252	5.6%	871,470	850,000	2,893,261	\$7.00	\$205.63
Halton Hills	7,216,680	40,000	0.6%	0	40,000	40,000	0.6%	284,708	324,708	0	-	-
Milton	20,317,127	162,633	0.8%	322,903	69,000	391,903	1.9%	-162,633	0	1,638,585	\$7.70	\$163.80
Miss. Central East	19,131,190	21,000	0.1%	61,878	35,634	97,512	0.5%	0	0	308,545	\$11.90	\$223.13
Miss. Central West	19,324,837	42,226	0.2%	0	77,181	77,181	0.4%	66,904	0	0	-	\$186.14
Mississauga East	21,527,715	83,808	0.4%	119,173	0	119,173	0.6%	143,069	205,877	0	\$8.03	\$239.02
Miss. / Meadowvale	20,752,713	0	0.0%	111,124	0	111,124	0.5%	303,918	303,918	685,710	\$7.55	-
Mississauga South / E	13,179,714	0	0.0%	380,728	35,671	416,399	3.2%	0	0	0	\$12.00	\$271.15
Mississauga South / W	19,948,088	335,280	1.7%	366,108	17,200	383,308	1.9%	30,823	0	270,000	\$9.25	-
Mississauga West	72,460,497	112,889	0.2%	276,073	59,108	335,181	0.5%	160,761	127,625	166,044	\$10.73	\$252.74
Oakville	19,517,746	155,965	0.8%	176,005	0	176,005	0.9%	439,315	98,549	0	\$15.23	\$268.97
Oakville Winston Park	5,806,035	80,661	1.4%	212,494	0	212,494	3.7%	0	0	0	\$8.45	\$235.54
<b>GTA West</b>	<b>376,393,569</b>	<b>1,794,211</b>	<b>0.5%</b>	<b>3,639,120</b>	<b>1,639,571</b>	<b>5,278,691</b>	<b>1.4%</b>	<b>2,012,615</b>	<b>1,910,677</b>	<b>8,257,117</b>	<b>\$9.20</b>	<b>\$175.18</b>
<b>GTA Total</b>	<b>807,653,986</b>	<b>2,894,848</b>	<b>0.4%</b>	<b>7,073,426</b>	<b>2,025,248</b>	<b>9,098,674</b>	<b>1.1%</b>	<b>3,115,770</b>	<b>2,791,607</b>	<b>15,262,785</b>	<b>\$9.44</b>	<b>\$182.71</b>

# Transaction Highlights

## Notable Lease Transactions

Project/Address	Market	Municipality	Tenant	Lease Type	Area (SF)
12424 Dixie Road	GTA West	Caledon	UPS Logistics	Head	850,000
10 Canfield Road	GTA North	Markham	Kubota Canada	Extension	289,458
1652 Tricont Avenue	GTA East	Whitby	Paramount Pallet Inc.	Head	185,000
1695 Drew Road	GTA West	Mississauga	XPO Logistics	Extension	167,810
141 New Huntington Road	GTA North	Vaughan	Second Closet	Head	99,200

## Notable Developments

Project/Address	Market	Municipality	Building Status	Est. Completion	Area (SF)	Owner/Developer
10200 Hurontario Street	GTA West	Brampton	Under Construction	Q2 2021	1,300,000	Panattoni
Fifth Line	GTA West	Milton	Under Construction	Q1 2020	1,100,000	DSV Solutions Inc.
6351 Steeles Avenue East	GTA Central	Toronto	Under Construction	Q3 2020	1,023,359	Manulife
12724 Coleraine Drive	GTA West	Caledon	Under Construction	Q2 2020	966,242	Blackwood Partners
2233 Sheppard Ave W, Bldgs A & C	GTA Central	Toronto	Under Construction	Q1 2020	924,709	Investors Group
12000 Coleraine Drive	GTA West	Caledon	Under Construction	Q2 2021	772,300	HOOPP
Highway 7 / Brock Road	GTA East	Pickering	Under Construction	Q4 2020	565,000	Kubota Canada
1460 The Queensway	GTA Central	Toronto	Under Construction	Q1 2020	500,000	Dymon Storage

**LEASED**

1695 Drew Road, Mississauga  
Leased by XPO Logistics



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