

Q1 2021

Toronto

Industrial Market Report

Net Absorption

This Quarter	Previous Quarter
3.0M SF	1.8M SF
12-Month Absorption	5-Year Quarterly Avg.
8.3M SF	1.7M SF

Availability

This Quarter	Year-over-Year
1.3%	▲ 20 bps

Asking Net Rent

This Quarter*	Year-over-Year
\$10.54 PSF	▲ 6.4%

Development / Sales

Under Construction	New Supply
13.9M SF	2.4M SF
Sale Price Avg.	Year-over-Year
\$210 PSF	▲ 4.7%

*Weighted Average
Colliers Macaulay Nicolls Inc.

Market Outlook

The GTA's industrial market posted very strong fundamental indicators in the first quarter of 2021. Both the vacancy rate and availability rates are at their lowest percentages since Q1 2020. Average asking net rent increased by \$0.36 quarter-over-quarter. Three million square feet of absorption is the largest amount since Q4 2019.

In January, TransForce International announced that they acquired United Parcel Services Freight, the truckload and less-than-load (LTL) divisions of UPS. This move is expected to give TFI the most extensive LTL networks in both Canada and the United States. The unit will now operate as TForce Freight, with the deal valued at around \$800 million USD.

In other acquisition news, Fastfrate Group announced in February that they acquired ASL Distribution Services. While the sum of the acquisition is undisclosed, the deal is expected to add \$120 million of revenue to Fastfrate in 2021. The deal will give Fastfrate 13 new final mile and terminal hubs in Ontario, Manitoba, Quebec and New York.

In February, Cadillac Fairview announced a partnership with ReturnBear in an effort to refine e-commerce product returns across Canada. The expectation is that consumers will be able to return items from a variety of retailers all at once, either being shipped in a single box to a ReturnBear processing location or via a drop-off at a Cadillac Fairview shopping centre. As Canadians are increasingly engaging with online shopping, the amount of returns has increased as well. By Cadillac Fairview and ReturnBear offering a "one-stop shop" for returns, consumers' experiences with online shopping, and more specifically the product returns process, should continue to improve.

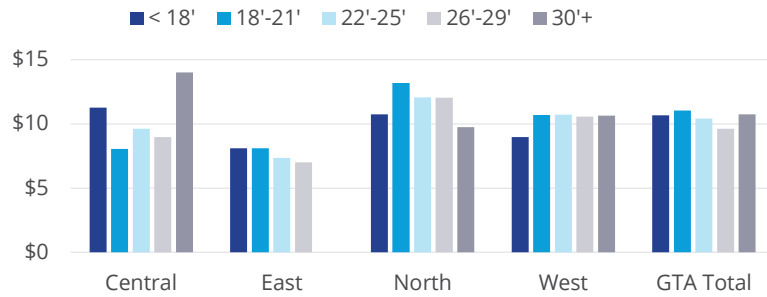
E-commerce sales made up 12% of all Canadian retail activity in January 2021. The percentage has doubled year-over-year, as it was only 6% in January 2020, just before the coronavirus pandemic arrived in Canada. This online retail activity continues to fuel demand for industrial space in the GTA, lending itself to prospective and current occupiers looking to strengthen their operations for 2021.

Accelerating success.

Market Overview

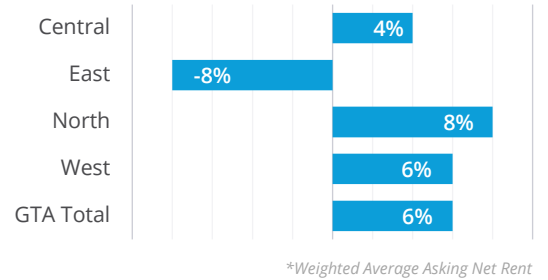
01 Rental Rates by Clear Height

Weighted Average Asking Net Rates (PSF)



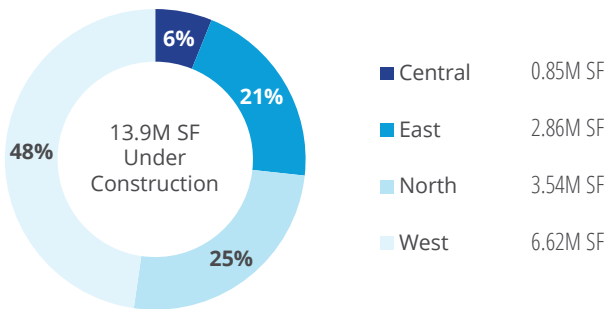
02 Rental Rate Growth*

By Market | Q1 2020 – Q1 2021



03 Under Construction by Market

By Building Area (SF)



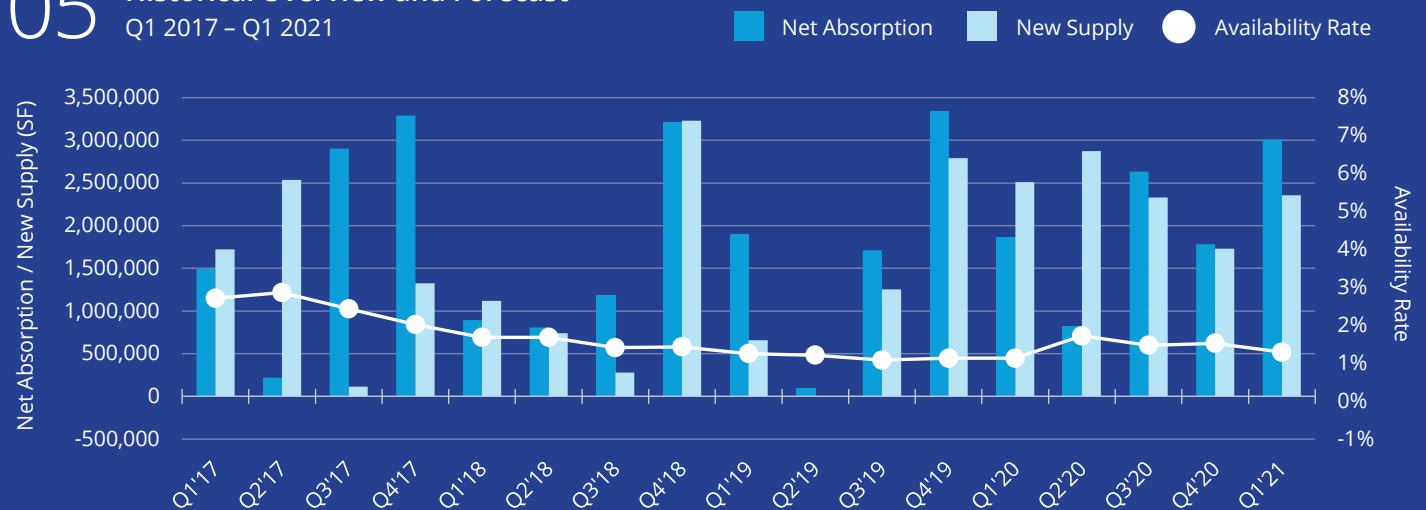
04 Availability Rate by Market

Q1 2020 – Q1 2021

Central	1.4%	▲	from 1.0% Q1'20
East	1.8%	▲	from 1.4% Q1'20
North	1.3%	▲	from 0.8% Q1'20
West	1.2%	▼	from 1.3% Q1'20
GTA Total	1.3%	▲	from 1.1% Q1'20

05 Historical Overview and Forecast

Q1 2017 – Q1 2021



Market Statistics

Market	Total Inventory (SF)	Total Vacant Space (SF)	Vacancy Rate	Direct Available Space (SF)	Sublease Available Space (SF)	Total Available Space (SF)	Availability Rate	Net Absorption (SF)	New Supply (SF)	Under Construction (PSF)	Wgt. Avg. Asking Net Rent (PSF)	Avg. Sale Price (PSF)
Don Mills	10,021,100	52,108	0.5%	89,862	0	89,862	0.9%	25,000	0	0	\$11.26	-
Downsview	25,920,624	54,834	0.2%	432,805	69,103	501,908	1.9%	93,150	0	0	\$8.90	\$300.95
East York	8,431,525	42,803	0.5%	42,803	129,349	172,152	2.0%	-42,803	0	0	\$7.50	\$137.27
North Etobicoke	41,195,492	225,976	0.5%	448,427	51,981	500,408	1.2%	-97,108	0	0	\$9.88	\$192.19
North York South	11,424,459	208,689	1.8%	208,689	0	208,689	1.8%	94,327	0	0	\$14.85	\$205.33
Scarborough East	14,743,207	70,718	0.5%	94,357	34,480	128,837	0.9%	183,538	77,105	553,249	\$10.55	\$175.41
Scarborough South	26,957,190	343,697	1.3%	710,451	16,220	726,671	2.7%	62,846	0	0	\$8.75	\$165.25
Scarborough West	20,963,528	15,920	0.1%	93,388	0	93,388	0.4%	-15,920	0	0	\$9.68	\$215.62
South Etobicoke	29,949,473	123,201	0.4%	330,915	143,101	474,016	1.6%	174,977	0	294,393	\$9.82	\$159.09
Toronto	19,687,000	32,378	0.2%	32,378	0	32,378	0.2%	0	0	0	\$20.89	\$123.63
Weston	23,278,351	0	0.0%	104,240	0	104,240	0.4%	178,919	150,000	0	\$10.50	\$241.59
Willowdale	3,669,828	0	0.0%	0	0	0	0.0%	0	0	0	-	-
York	5,077,926	205,398	4.0%	132,198	110,715	242,913	4.8%	0	0	0	\$11.52	\$323.02
Central	241,319,703	1,375,722	0.6%	2,720,513	554,949	3,275,462	1.4%	656,926	227,105	847,642	\$9.99	\$172.48
Ajax	8,445,214	0	0.0%	0	21,510	21,510	0.3%	129,504	0	1,049,837	-	\$189.49
Oshawa	10,185,264	0	0.0%	85,505	0	85,505	0.8%	17,800	0	1,071,262	\$6.50	-
Pickering	9,821,344	18,612	0.2%	340,864	0	340,864	3.5%	-18,612	0	737,120	\$7.64	\$466.16
Whitby	9,487,680	216,189	2.3%	216,189	0	216,189	2.3%	185,000	0	0	\$7.31	-
East	37,939,502	234,801	0.6%	642,558	21,510	664,068	1.8%	313,692	0	2,858,219	\$7.31	\$191.91
Aurora	5,965,473	0	0.0%	60,684	0	60,684	1.0%	0	0	0	\$10.12	\$136.95
Markham East	34,159,890	218,259	0.6%	439,268	63,031	502,299	1.5%	-19,597	0	0	\$12.53	\$217.19
Markham West	1,796,453	0	0.0%	43,560	0	43,560	2.4%	0	0	0	-	-
Newmarket	7,678,970	53,019	0.7%	70,454	22,500	92,954	1.2%	-22,500	0	0	\$11.12	\$239.48
Richmond Hill	12,686,597	115,106	0.9%	315,045	47,053	362,098	2.9%	-75,905	0	0	\$12.39	\$232.71
Vaughan	94,954,378	447,667	0.5%	754,360	251,282	1,005,642	1.1%	281,882	219,819	3,544,196	\$12.92	\$245.82
Whitchurch/Stouffville	1,119,055	0	0.0%	0	0	0	0.0%	151,000	0	0	-	\$262.95
North	158,360,816	834,051	0.5%	1,683,371	383,866	2,067,237	1.3%	314,880	219,819	3,544,196	\$12.51	\$208.38
Brampton East	57,642,317	38,800	0.1%	557,323	269,973	827,296	1.4%	299,913	235,423	0	\$11.31	\$280.70
Brampton West	40,265,539	91,372	0.2%	21,372	132,110	153,482	0.4%	-91,372	0	1,530,688	-	\$243.54
Burlington	23,013,136	467,180	2.0%	510,851	0	510,851	2.2%	-117,249	135,111	41,433	\$8.45	\$158.29
Caledon	17,176,981	551,437	3.2%	551,437	23,000	574,437	3.3%	366,540	883,027	2,816,494	\$10.74	\$273.07
Halton Hills	7,294,423	0	0.0%	323,838	0	323,838	4.4%	0	0	0	-	-
Milton	22,733,041	0	0.0%	0	0	0	0.0%	534,285	534,285	457,012	-	-
Miss. Central East	19,465,084	99,910	0.5%	174,394	0	174,394	0.9%	-1,153	0	70,000	\$10.68	\$280.41
Miss. Central West	18,563,829	26,780	0.1%	415,507	0	415,507	2.2%	62,226	0	0	\$10.13	\$273.60
Mississauga East	21,169,303	0	0.0%	119,544	80,444	199,988	0.9%	189,307	121,351	0	\$11.93	-
Miss. / Meadowdale	22,115,875	47,330	0.2%	329,800	62,662	392,462	1.8%	271,791	0	507,320	\$10.45	-
Mississauga South / E	13,330,515	22,612	0.2%	22,612	0	22,612	0.2%	-22,612	0	0	-	\$369.94
Mississauga South / W	19,699,487	15,000	0.1%	15,000	33,410	48,410	0.2%	33,825	0	553,544	-	\$516.16
Mississauga West	72,020,309	61,252	0.1%	500,017	185,130	685,147	1.0%	114,243	0	456,641	\$10.84	\$271.54
Oakville	19,829,069	78,311	0.4%	159,393	17,743	177,136	0.9%	47,909	0	73,417	\$10.97	\$249.28
Oakville Winston Park	5,873,405	0	0.0%	68,516	0	68,516	1.2%	34,814	0	110,567	\$10.95	\$215.97
West	380,192,313	1,499,984	0.4%	3,769,604	804,472	4,574,076	1.2%	1,722,467	1,909,197	6,617,116	\$10.52	\$253.58
Greater Toronto Area Total	817,812,334	3,944,558	0.5%	8,816,046	1,764,797	10,580,843	1.3%	3,007,965	2,356,121	13,867,173	\$10.54	\$210.04
Greater Hamilton Area Total	43,376,406	309,377	0.7%	963,934	46,119	1,010,053	2.3%	858,842	771,154	1,953,467	\$7.74	\$214.47

Transaction Highlights

Notable Lease Transactions

Tenant	Building Name / Address	Market	Lease Type	Size (SF)
Trillium Supply Chain Inc	410 Gateway Business Park	Caledon	Head Lease	342,821
DB Schenker	100 Alfred Kuehne Boulevard	Brampton East	Head Lease	243,261
Aosom Canada Inc	1121 Thornton Road	Oshawa	Head Lease	171,150
Triforest Inc	650 Finley Avenue	Ajax	Head Lease	129,504
CanAtom	1147 Thornton Road	Oshawa	Head Lease	120,000
WG Pro-Manufacturing Inc	10 Auction Lane	Brampton East	Head Lease	100,213

Notable Sales Transactions

Building Name / Address	Market	Size (SF)	Sale Price	Purchaser	Purchaser Profile
777 Bayly Street West	Ajax	342,830	\$68,000,000	Summit REIT	Public Investor
190 Bovaird Drive West	Brampton West	210,000	\$39,250,000	Desjardins & Triovest	Institution
69 First Gulf Boulevard	Brampton West	117,000	\$30,500,000	2786330 Ontario Inc.	Private Investor
2485 Speers Road	Oakville	77,000	\$29,500,000	First Gulf & Nicola Wealth	Private Investor
200 Industrial Parkway North	Aurora	167,958	\$24,000,000	Aurora Industrial Investments Corporation	Private Investor
130 Pippin Road	Vaughan	90,250	\$22,055,880	130 Pippin Road Inc.	User



Leased

650 Finley Avenue, Ajax
New Lease 129,504 SF

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For more information on the Toronto Industrial Market, please contact:

Peter Garrigan

Senior Managing Director,
Industrial Practice Group, GTA
+1 416 620 2854
peter.garrigan@colliers.com

Roelof van Dijk

Senior Director, National
Research & Analytics | Canada
+1 416 798 0991
roelof.vandijk@colliers.com

Leo Lee

Director, National
Research Operations | Canada
+1 416 620 2839
leo.lee@colliers.com

Report Author:

Max Shapinko

Research Analyst

+1 416 791 7256
max.shapinko@colliers.com

Report Contributors:

Maureen Núñez

Team Lead, Market Data
Operations | Toronto

+1 416 643 3725
maureen.nunez@colliers.com

Olga Adamenkova

Market Data Coordinator

+1 416 791 7209
olga.adamenkova@colliers.com

Colliers Canada | Toronto

Colliers Macaulay Nicolls Inc.
401 The West Mall, Suite 800
Etobicoke, ON, M9C 5J5
+1 416 777 2200

collierscanada.com/research



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