

The background image is a photograph of a large industrial warehouse. The interior features a high ceiling with a complex network of steel beams and fluorescent lighting. On the left, there are large roll-up doors. In the center-right, a white semi-truck is parked. The floor is a smooth, light-colored concrete with yellow safety barriers and lines. The overall color palette is dominated by blues and greys, with a bright yellow accent for the text boxes.

Toronto Industrial

# 2021 Market Insight Report

Q1 2021

cresa 

## Cresa's Industrial Team



**Sean Hoehn**  
Managing Principal,  
Sales Representative



**Steven Rector**  
Principal,  
Sales Representative



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Sales Representative



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Broker



**Benedict Bouvier**  
Advisor,  
Sales Representative



**Michael Wasyliw**  
Principal,  
Project Management



**Joanne Chan**  
Principal,  
Interior Design

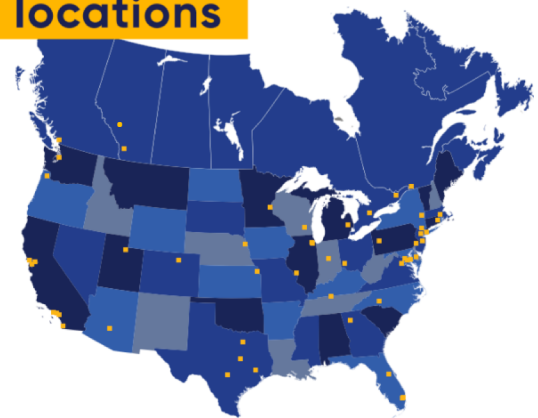
### We take your business further

Cresa is the world's largest occupier-only commercial real estate firm. We think of real estate as a business tool – one that goes beyond operational needs to help drive profitability, enhance your image and attract top talent.

### We think beyond space.

We take a fully integrated approach, first determining what your business needs are, then figuring out how to meet them and finally implementing a solution.

### Canada & U.S. locations





## Market Overview



### Q1 2021 Market Trends

Image: Aosom Canada's Future E-Commerce Warehouse at 1121 Thornton Road South

The Greater Toronto Area (GTA) industrial market continues to perform at a high level, maintaining similar metrics to last year, with the overall market vacancy dropping further to 0.6% caused by 2,693,340 SF in net absorption. Average net asking rates increased \$0.29 quarter-over-quarter to \$10.37, led by the GTA North market which has four out of eight of its industrial sub-markets completely occupied in Aurora, King, Outlying York and Whitechurch-Stouffville.

As the COVID-19 pandemic continues to drive demand for logistics, e-commerce and supply-chain growth, Aosom Canada, DB Schenker and Trillium Supply Chain inked deals of 170,000 SF, 400,000 SF and 500,000 SF respectively across the GTA West and East markets. The pandemic has driven Canada's retail e-commerce sector to over \$50B in sales for the year, up 20% from 2019. With almost no viable existing industrial space available on the market for this type of demand, most new deals are being completed for space that is either under construction or available off-market.

Canadian e-commerce company Aosom will be moving into Panattoni Development's Oshawa campus later this year – this development was Durham Region's first property ever built on speculation. Panattoni's Development Manager, Ryan Smele, accurately describes the GTA East's growing industrial market as he says, "Oshawa has grown as an attractive location for organizations considering an eastern presence within the Greater Toronto Area", mentioning that the city has a "unique blend of proximity to major North American markets and a lifestyle that is growing in popularity." With an average net asking rate of \$8.23, this market is the most affordable across the GTA.

Canada's unemployment rate dropped significantly from 8.8% in December to 7.5% in March, the lowest it has been since February 2020 and well below the market expectation of 8%. Looking towards the summer months, tenants will watch Ontario's roll-out of vaccinations before they make final decisions regarding their internal supply-chain.



- Check out our **COVID-19 resource page** to understand the implication of COVID-19 on your commercial real estate.
- Please visit: [cresatoronto.com/cre-covid-19](https://cresatoronto.com/cre-covid-19)

# GTA Overview

Q1 2021



Supply

745,439,665 SF



Vacancy

0.6%



Average Net Rent

\$10.37/SF



Net Absorption

2,693,340 SF

Arrows Indicate One Quarter Change

## Vacancy Rate

	Q3	Q4	Q1	
GTA West	1.3%	1.0%	0.8%	▼
GTA North	0.9%	0.7%	0.4%	▼
GTA East	0.6%	1.1%	0.5%	▼
GTA Central	0.8%	0.9%	0.6%	▼
Overall	1.0%	1.0%	0.6%	▼

The pandemic has driven Canada's retail e-commerce sector to over \$50B in sales for the year, up 20% from 2019.

## Vacancy & Availability

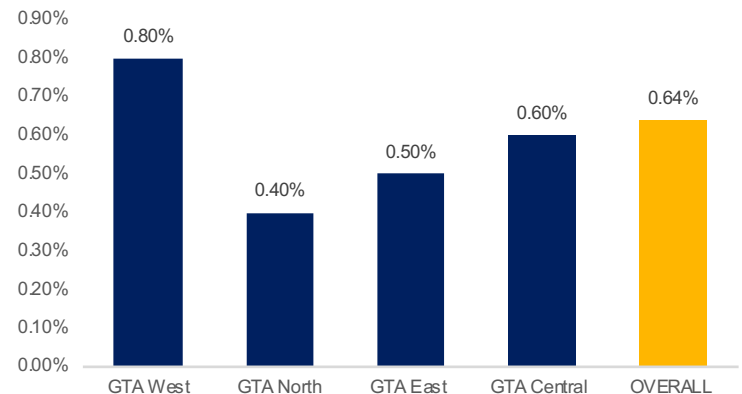
### Vacancy Rates

Expressed as a percentage – it identifies the amount of New/Relet/Sublet space vacant divided by the existing RBA. Can be used for buildings or markets.

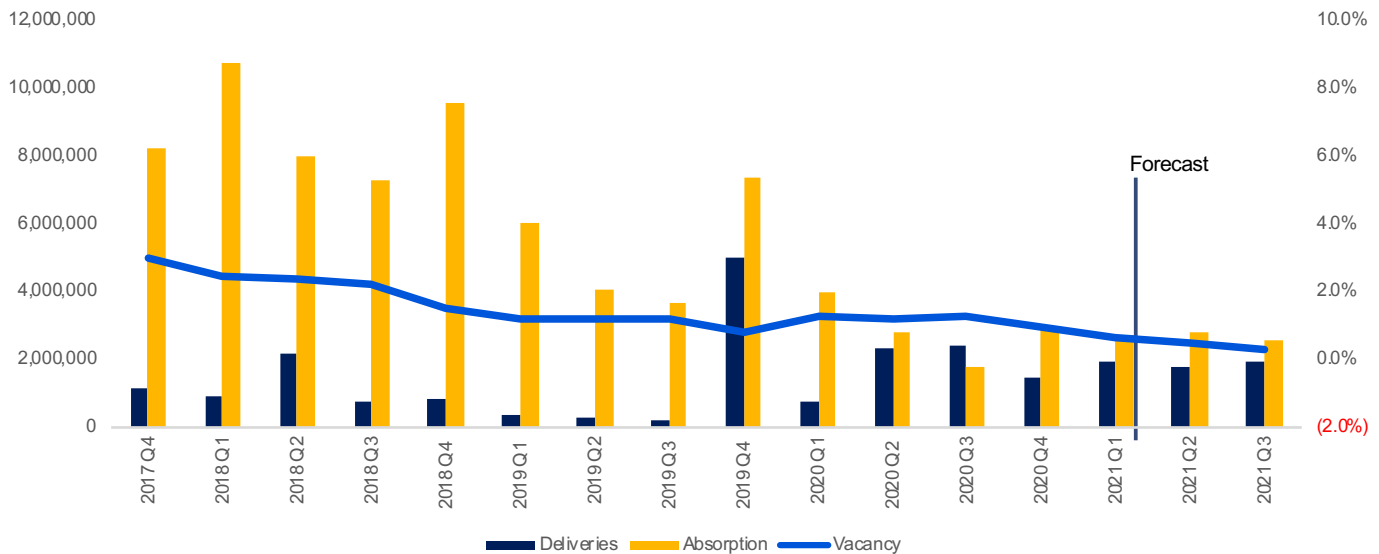
### Availability Rates

The percent of space available on the last day of each quarter or the current date in the case of the current quarter. Total Available SF divided by the total RBA on the last day of each quarter.

## Vacancy Rate (%)



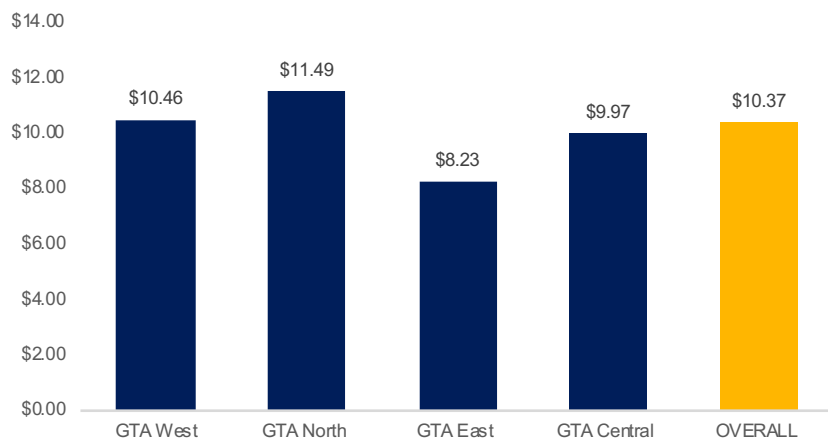
## New Construction and Absorption



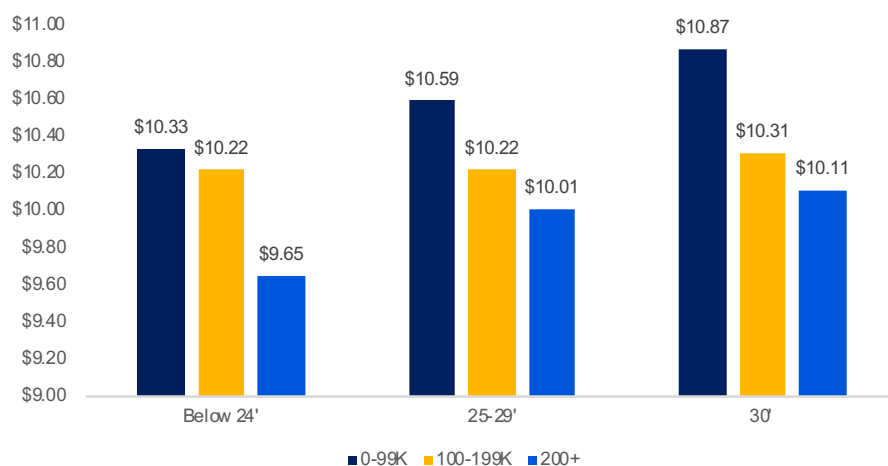


# GTA Overview

## Net Rate (PSF)



## Net Rent by Clear Height



## Notable Lease Transactions

Address	Size (SF)	Market
1. 12000-12400 Coleraine Drive	243,503 SF	Caledon
2. 7330 Mississauga Road	216,412 SF	Mississauga
3. 1652 Tricont Avenue	185,000 SF	Whitby
4. 1121 Thornton Road South	170,150 SF	Oshawa
5. 95 Clegg Road	110,236 SF	Markham

## Industrial Market Insights

1. Average net asking lease rates increased across the GTA's industrial market by \$0.29 PSF, reaching an all-time high of \$10.37 PSF. This growth, spurred by logistics, e-commerce and supply-chain absorption is expected to continue through the year.
2. Over 1.9M SF worth of new supply was delivered across the GTA this quarter with another 1.7M SF expected to be completed in Q2 – there is over 13M SF worth of supply currently under construction across GTA markets.
3. Mantella Corporation sold its 523,000 SF Iron Street logistics centre to Triovest Realty Advisors for \$125M this quarter. The buildings, originally built by Robert Mantella in 1981, feature clear ceiling heights of 22 to 23 feet and were acquired on behalf of Triovest's client whose identity has not been released.
4. Vancouver-based Nicola Wealth Real Estate acquired two large-scale industrial properties in partnership with First Gulf to expand its GTA presence. The properties totaling 550,000 SF across 30+ acres will see numerous capital improvements to increase revenue while the new owners plan to build modern distribution space on the surplus of land.

# GTA West

Q1 2021



Supply

351,457,337 SF



Vacancy

0.8%



Average Net Rent

\$10.46/SF



Net Absorption

1,479,382 SF

Arrows Indicate One Quarter Change

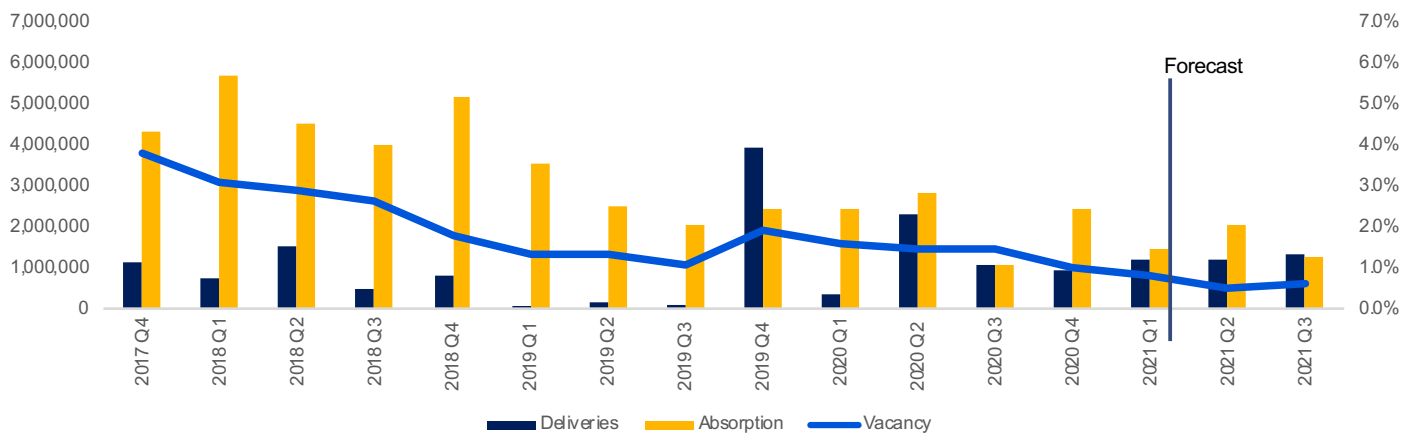
## Vacancy Rate

	Q3	Q4	Q1	
Brampton	0.7%	0.9%	0.6%	▼
Burlington	1.8%	1.3%	1.9%	▲
Caledon	1.0%	0.8%	3.5%	▲
Halton Hills	0.6%	0.5%	0.1%	▼
Milton	1.4%	0.1%	0.2%	▲
Mississauga	1.2%	2.1%	0.4%	▼
Oakville	0.9%	0.6%	0.9%	▲
Overall	1.3%	1.0%	0.8%	▼

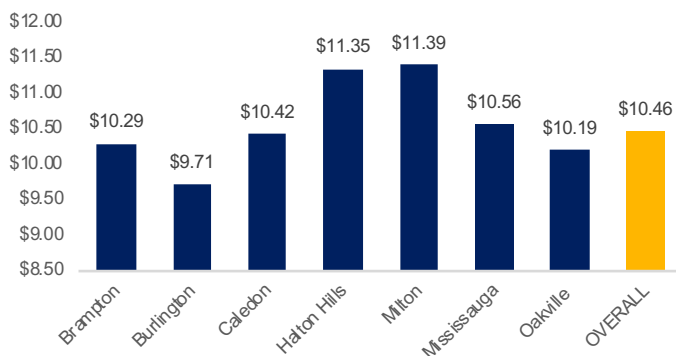
## Notable Lease Transactions

Address	Size (SF)	Market
1. 12000-12400 Coleraine Drive	243,503 SF	Caledon
2. 7330 Mississauga Road	216,412 SF	Mississauga
3. 4455 North Service Road	90,000 SF	Burlington

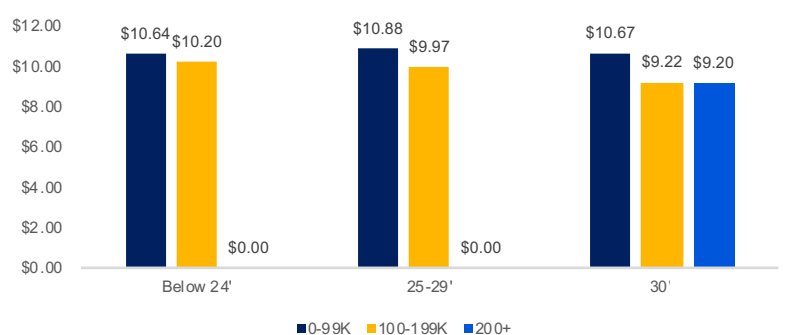
## New Construction and Absorption



## Net Rate (PSF)



## Net Rent by Clear Height



# GTA North

Q1 2021



Supply  
**139,976,392 SF**



Vacancy  
**0.4%**



Average Net Rent  
**\$11.49/SF**



Net Absorption  
**169,490 SF**

Arrows Indicate One Quarter Change

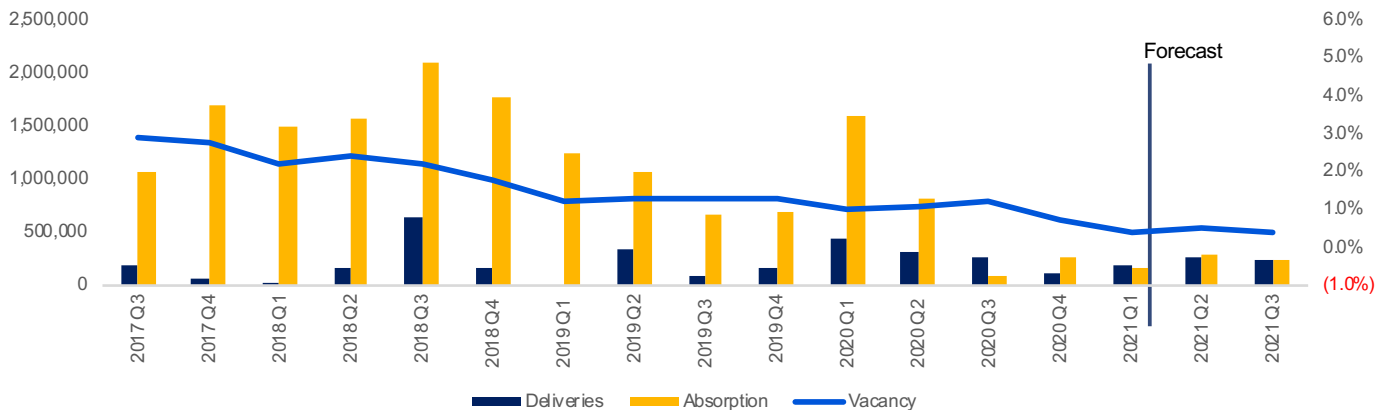
## Vacancy Rate

	Q3	Q4	Q1	
Aurora	2.1%	0.0%	0.0%	►
Markham	0.6%	0.5%	0.3%	▼
Newmarket	0.7%	0.3%	0.8%	▲
King	1.1%	0.0%	0.0%	►
Outlying York	0.3%	0.0%	0.0%	►
Whitchurch-Stouffville	3.2%	8.3%	0.0%	▼
Richmond Hill	2.9%	0.2%	1.1%	▲
Vaughan	0.6%	0.6%	0.8%	▲
Overall	0.9%	0.7%	0.4%	▼

## Notable Lease Transactions

Address	Size (SF)	Market
1. 95 Clegg Road	110,236 SF	Markham
2. 8865 Highway 50 Drive	106,030 SF	Vaughan
3. 89 Connie Crescent	79,987 SF	Vaughan

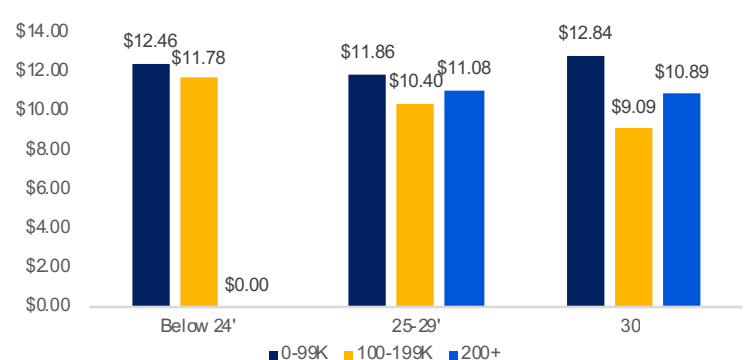
## New Construction and Absorption



## Net Rate (PSF)



## Net Rent by Clear Height





# GTA East

Q1 2021



Supply  
**50,392,348 SF**



Vacancy  
**0.5%**



Average Net Rent  
**\$8.23/SF**



Net Absorption  
**425,991 SF**

Arrows Indicate One Quarter Change

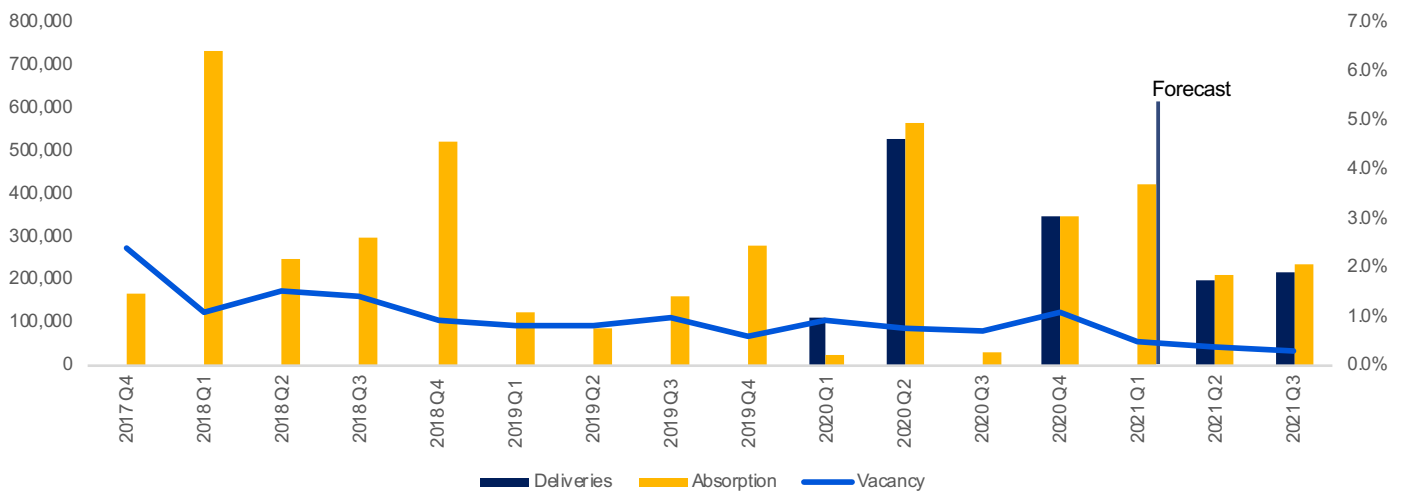
## Vacancy Rate

	Q3	Q4	Q1	
Ajax	1.4%	1.6%	0.1%	▼
Oshawa	0.1%	0.2%	0.3%	▲
Pickering	0.3%	0.4%	0.3%	▼
Outlying Durham	0.1%	0.1%	0.0%	▼
Whitby	0.5%	3.2%	2.9%	▼
Overall	0.6%	1.1%	0.5%	▼

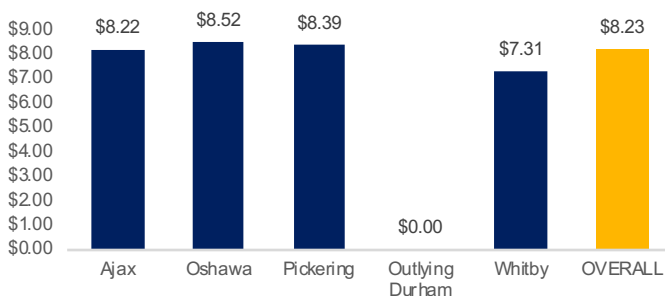
## Notable Lease Transactions

Address	Size (SF)	Market
1. 1652 Tricont Avenue	185,000 SF	Whitby
2. 1121 Thornton Road South	170,150 SF	Oshawa
3. 650 Finley Avenue	129,504 SF	Ajax

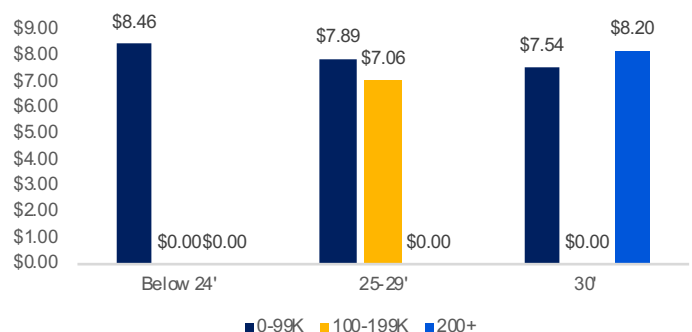
## New Construction and Absorption



## Net Rate (PSF)



## Net Rent by Clear Height



# GTA Central

Q1 2021



Supply

203,613,588 SF



Vacancy

0.6%



Average Net Rent

\$9.97/SF



Net Absorption

618,477 SF

Arrows Indicate One Quarter Change

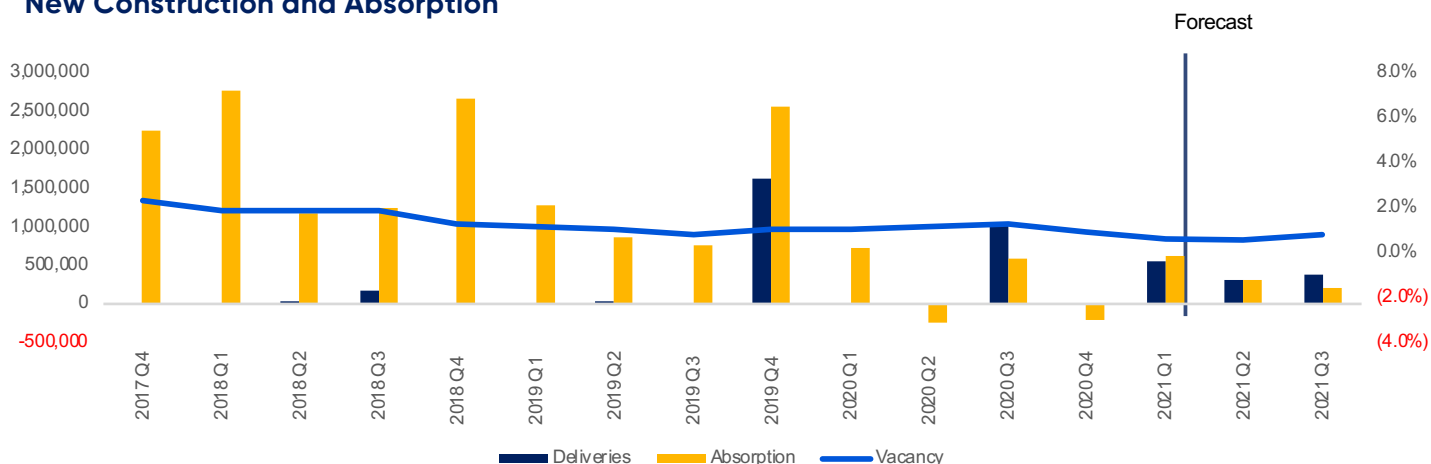
## Vacancy Rate

	Q3	Q4	Q1	
East York	0.1%	0.0%	0.1%	▲
Etobicoke	0.9%	0.2%	0.2%	►
North York	1.2%	1.7%	1.1%	▼
Scarborough	0.9%	1.3%	0.8%	▼
Toronto	0.1%	0.1%	0.1%	►
Outlying Toronto	0.3%	0.3%	0.5%	▲
York	2.8%	3.9%	1.9%	▼
Overall	0.8%	0.9%	0.6%	▼

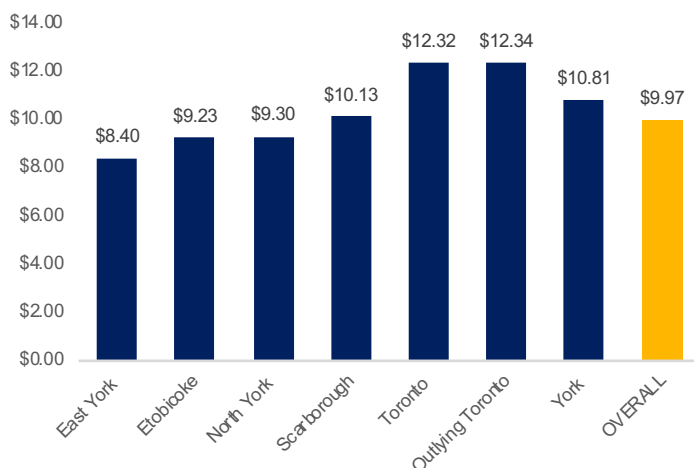
## Notable Lease Transactions

Address	Size (SF)	Market
1. 200 Norseman Street	106,685 SF	Toronto
2. 415 Milner Avenue	95,763 SF	Toronto
3. 195 Nantucket Boulevard	72,624 SF	Toronto

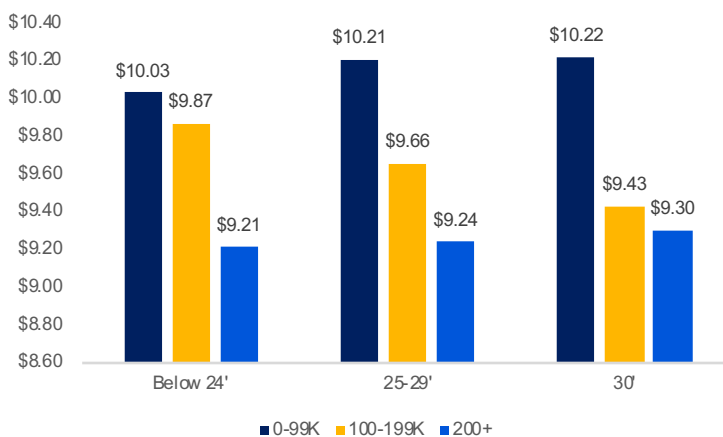
## New Construction and Absorption



## Net Rate (PSF)



## Net Rent by Clear Height



## About Cresa Toronto

Cresa is the world's largest commercial real estate firm that exclusively represents occupiers of space. By not taking listings on behalf of landlords or developers, we are able to provide our clients with objective, conflict-free advice.

For the last 30 years, Cresa's Toronto office has worked alongside our clients to align their business plans and their real estate needs, increase their productivity, and consistently save them money. Our integrated team of real estate advisors, project managers, designers, and analysts, listen to occupiers' needs, meticulously research market conditions, firmly negotiate terms, and manage the design and construction of projects to customize the best possible occupancy solutions. And it's this relentless focus on our clients that has earned us numerous industry awards along the way.

## Contact

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