



Toronto Industrial

# 2020 Market Insight Report

Q4 2020

cresa 

## Cresa's Industrial Team



**Sean Hoehn**  
Managing Principal,  
Sales Representative



**Steven Rector**  
Principal,  
Sales Representative



**Mark Rodgers**  
Senior Vice President,  
Sales Representative



**Marvin Joseph, MBA**  
Vice President,  
Sales Representative



**Sean Spiers**  
Senior Advisor,  
Sales Representative



**Craig Birk**  
Advisor,  
Sales Representative



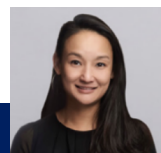
**Enrico DiFede**  
Advisor, Broker  
Sales Representative



**Benedict Bouvier**  
Advisor,  
Sales Representative



**Michael Wasyliw**  
Principal,  
Project Management



**Joanne Chan**  
Principal,  
Interior Design

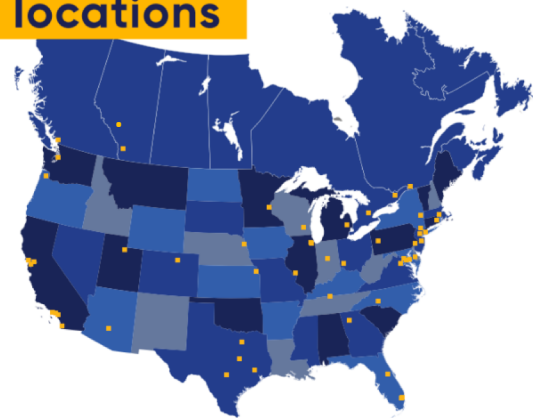
## We take your business further

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



### Market Trends

Image: 7575 Kimbel Street, Mississauga, ON

The Greater Toronto Area (GTA) industrial market maintained similar metrics from the previous quarter with overall market vacancy remaining at 1.0% and average net asking rent once again surpassing the double-digit mark at \$10.08. With COVID-19's impact felt by all in the commercial real estate sector, the GTA industrial market closed out the year as the dominant asset type. While record-setting levels of construction did its best to satisfy rapid demand from e-commerce and logistic sectors, online shopping spurred by the pandemic has created even more stress on warehouse and distribution supply.

With many e-commerce and logistic-sector deals completed in 2020's third quarter; automotive, manufacturing and food-sectors led the way, with Toyota, Volkswagen, Dart Canada and Advantech all inking new deals over 130,000 sf. Despite the significant absorption of 2,891,805 sf and relatively normal new supply reaching market, the GTA's vacancy rate remained at 1.0% for the quarter. This is largely believed to be the result of numerous small-bay spaces in the 20,000 – 50,000 sf range coming to market. These spaces, which were previously occupied by small to medium-sized businesses that have ceased operations during the pandemic, have come to market at a premium – with inventory of 99,000 SF and below leading upward pressure on rents at \$10.34, \$10.28 and \$10.02 for space with clear height sized 24' or less, 25' to 29', 30' and above, respectively. Many expect this space to be absorbed by neighbouring tenants looking to satisfy their pandemic-related growth.

Canada's unemployment rate increased marginally from 8.5 per cent in November to 8.6 per cent in December. With 63,000 jobs lost, this marks the first decline since April. Looking towards the new year, tenants will watch Ontario's roll-out of vaccinations as a key indicator for market stabilization.

**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

Q4 2020



**Supply**  
743,520,066 SF



**Vacancy**  
1.0%



**Average Net Rent**  
\$10.08/SF



**Net Absorption**  
2,891,805 SF

Arrows Indicate One Quarter Change

## Vacancy Rate

	Q2	Q3	Q4	
GTA West	1.5%	1.3%	1.0%	▼
GTA North	1.1%	0.9%	0.7%	▼
GTA East	0.8%	0.6%	1.1%	▲
GTA Central	1.1%	0.8%	0.9%	▲
Overall	1.3%	1.0%	1.0%	▶

“ While record-setting levels of construction did its best to satisfy rapid demand from e-commerce and logistic sectors, online shopping spurred by the pandemic has created even more stress on warehouse and distribution supply. ”

## Vacancy & Availability

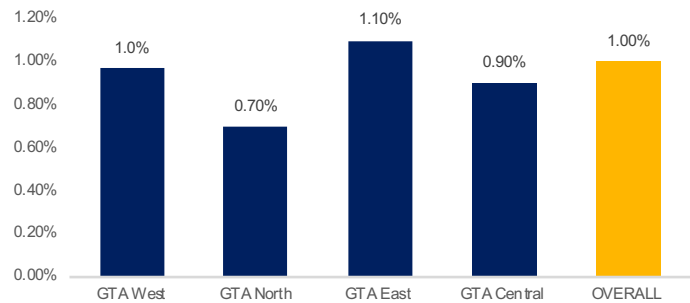
### Vacancy Rates

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.

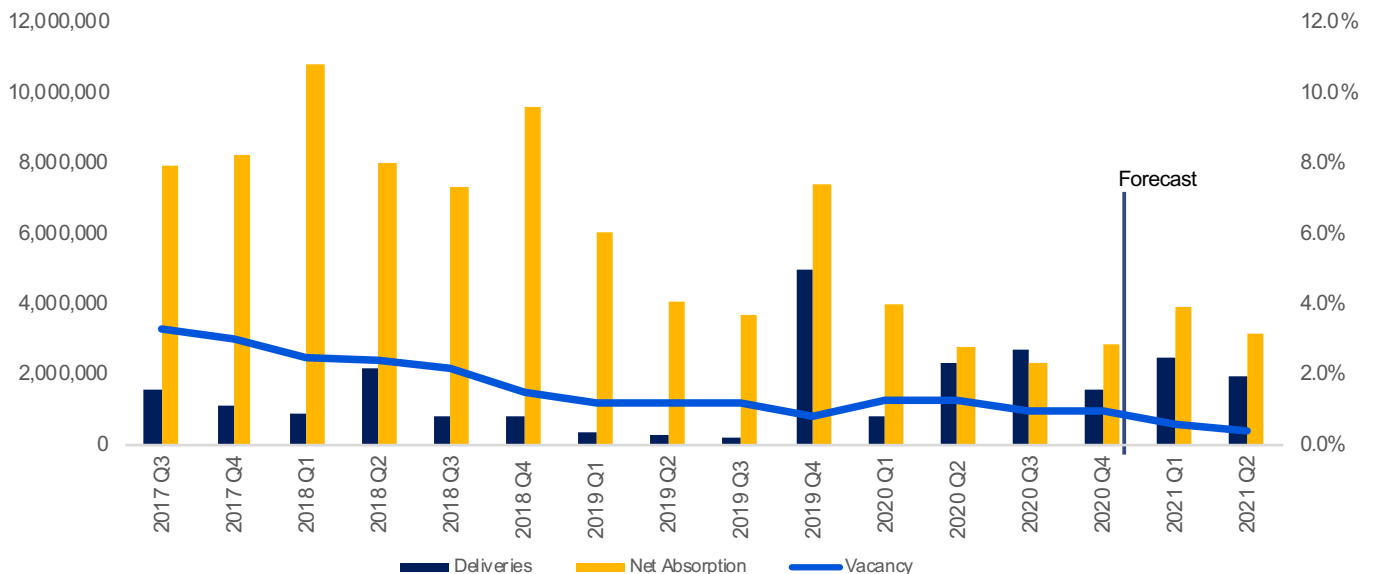
### Availability Rates

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 (%)

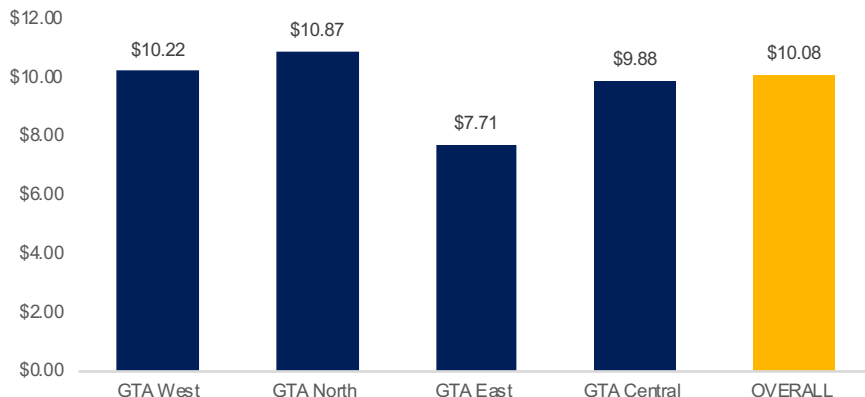


## New Construction and Absorption

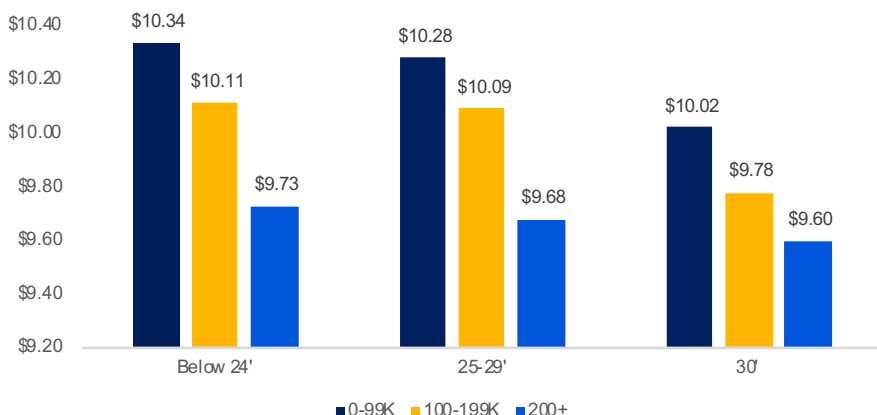


# GTA Overview

## Net Rate (PSF)



## Net Rent by Clear Height



## Notable Lease Transactions

Address	Size (SF)	Market
1. 8480 Mount Pleasant West	592,636 SF	Milton
2. 100 Pillsworth Road	563,000 SF	Caledon
3. 777 Bayly Street West	342,830 SF	Ajax
4. 300 Gibraltar Road	284,000 SF	Vaughan
5. 10 Garyray Drive	192,993 SF	Toronto

## Industrial Market Insights

1. The GTA delivered over 12 million square feet worth of new supply during 2020, which is the largest figure ever recorded for the market. With another 11 million currently under construction, 2021 plans to be another record-breaking year.

2. Despite record-breaking construction, 2020 saw 9.5 million square feet in net absorption. This absorption, which was led by e-commerce giant Amazon, was the largest level of absorption across all Canadian markets. Amazon now has plans to have 15 facilities open across Ontario by 2022's end, with another 6 already operational across the country.

3. StorageVault Canada is set to close on multiple deals this quarter to buy 14 facilities for close to \$220 million. The transaction, which echoes Blackstone's recent acquisition of Brookfield's Simply Self Storage for \$1.2 billion, had similar valuations to pre-COVID pricing with capitalization rates from 5.25 – 5.5%.

4. A company linked to Ontario Premier Doug Ford, Doug Ford Holdings, sold 85 Vulcan Street this quarter for \$6.75 million. The 23,730 SF manufacturing facility on 0.6 acres sold to Glencairn Distributing and did not appear to have any affiliation with the Ford family's labelling company, Deco Labels & Tags

# GTA West

Q4 2020



**Supply**  
**350,255,939 SF**



**Vacancy**  
**1.0%**



**Average Net Rent**  
**\$10.22/SF**



**Net Absorption**  
**2,463,753 SF**

Arrows Indicate One Quarter Change

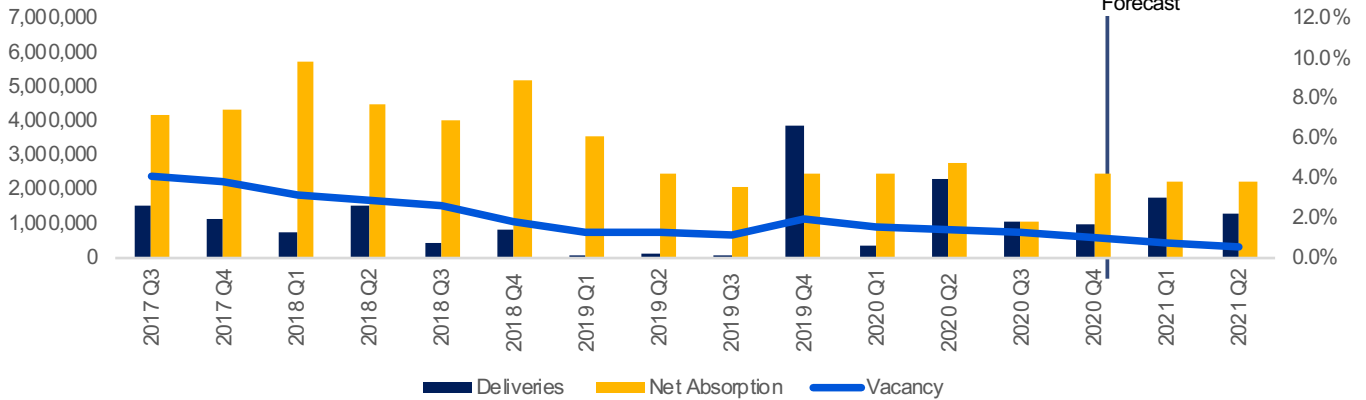
## Vacancy Rate

	Q2	Q3	Q4	
Brampton	1.4%	0.7%	0.9%	▲
Burlington	1.8%	1.8%	1.3%	▼
Caledon	1.2%	1.0%	0.8%	▼
Halton Hills	0.5%	0.6%	0.5%	▼
Milton	3.0%	1.4%	0.1%	▼
Mississauga	1.1%	1.2%	2.1%	▲
Oakville	0.9%	0.9%	0.6%	▼
Overall	1.5%	1.3%	1.0%	▼

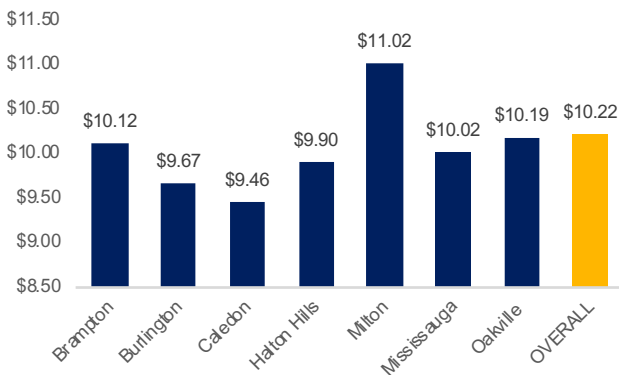
## Notable Lease Transactions

Address	Size (SF)	Market
1. 8480 Mount Pleasant West	592,636 SF	Milton
2. 100 Pillsworth Road	563,000 SF	Caledon
3. 12850 Coleraine Drive	122,705 SF	Caledon

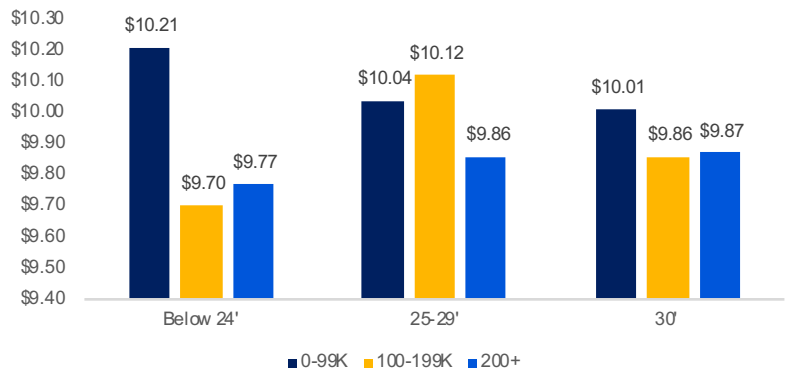
## New Construction and Absorption



## Net Rate (PSF)



## Net Rent by Clear Height



# GTA North

Q4 2020



Supply

139,798,040 SF



Vacancy

0.7%



Average Net Rent

\$10.87/SF



Net Absorption

277,411 SF

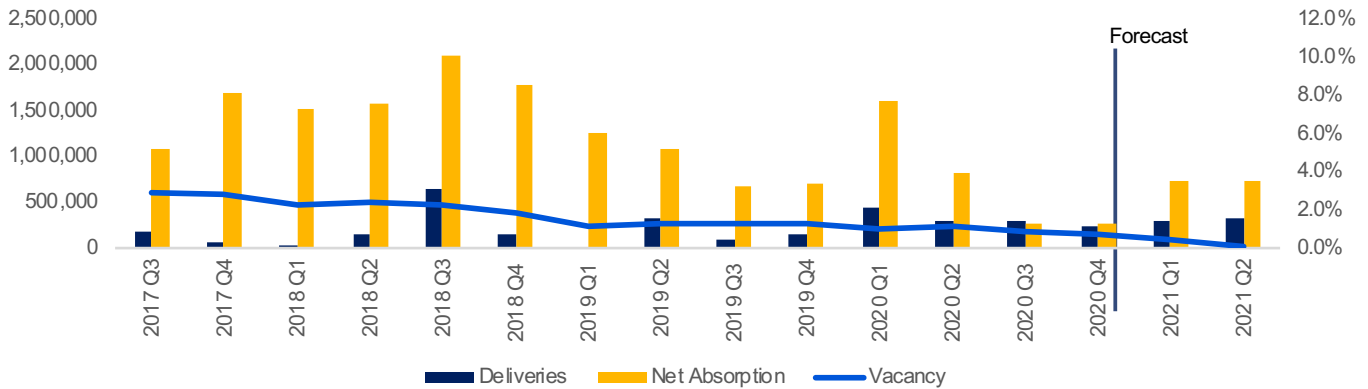
Arrows Indicate One Quarter Change

Vacancy Rate	Q2	Q3	Q4	
Aurora	2.3%	2.1%	0.0%	▼
Markham	1.3%	0.6%	0.5%	▼
Newmarket	1.0%	0.7%	0.3%	▼
King	0.0%	1.1%	0.0%	▼
Outlying York	0.7%	0.3%	0.0%	▼
Whitchurch-Stouffville	0.1%	3.2%	8.3%	▲
Richmond Hill	1.2%	2.9%	0.2%	▼
Vaughan	0.9%	0.6%	0.6%	▶
Overall	1.1%	0.9%	0.7%	▼

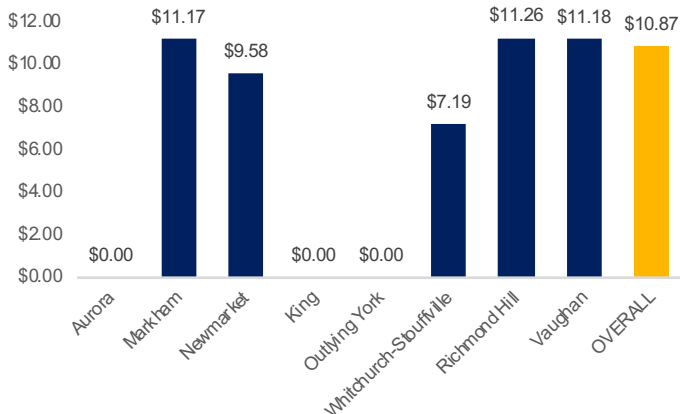
## Notable Lease Transactions

Address	Size (SF)	Market
1. 300 Gibraltar Road	284,000 SF	Vaughan
2. 2710 14th Avenue	72,103 SF	Markham
3. 60 East Beaver Creek Road	39,000 SF	Richmond Hill

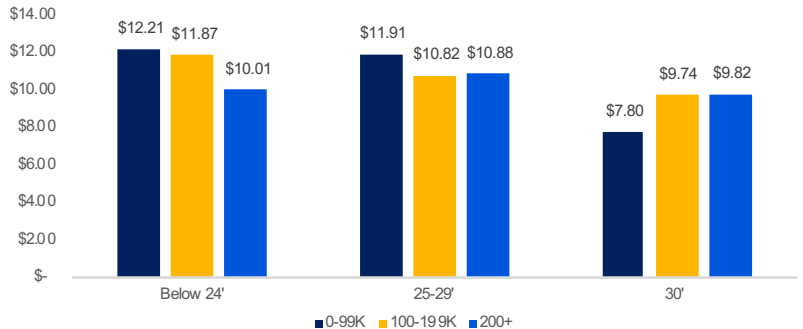
## New Construction and Absorption



## Net Rate (PSF)



## Net Rent by Clear Height



# GTA East

Q4 2020



**Supply**  
**50,392,348 SF**



**Vacancy**  
**1.1%**



**Average Net Rent**  
**\$7.71/SF**



**Net Absorption**  
**349,013 SF**

Arrows Indicate One Quarter Change

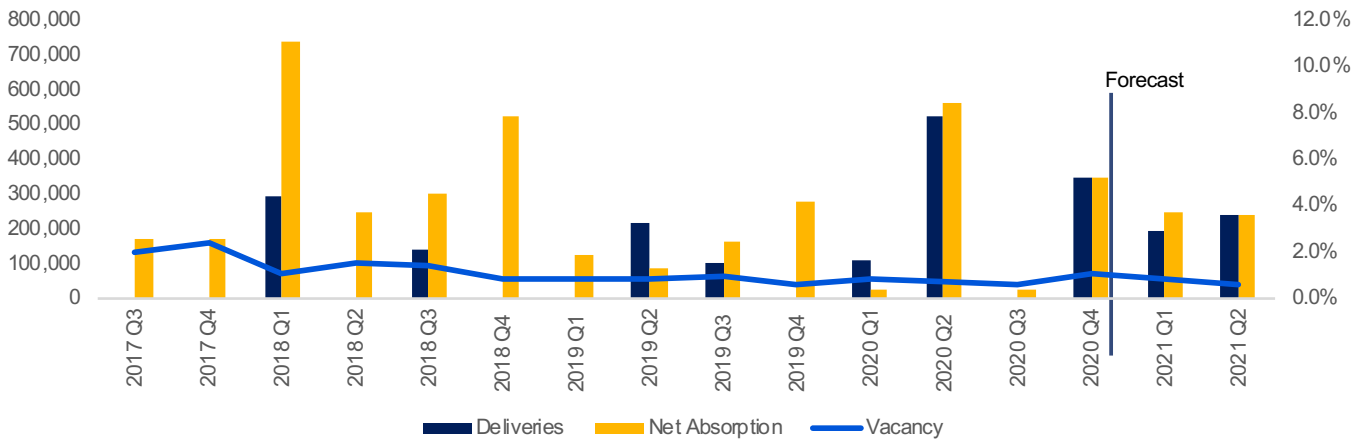
## Vacancy Rate

	Q2	Q3	Q4	
Ajax	0.0%	1.4%	1.6%	▲
Oshawa	0.7%	0.1%	0.2%	▲
Pickering	1.6%	0.3%	0.4%	▲
Outlying Durham	0.2%	0.1%	0.1%	▶
Whitby	1.1%	0.5%	3.2%	▲
Overall	0.8%	0.6%	1.1%	▲

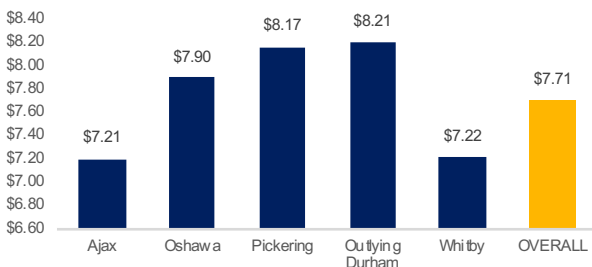
## Notable Lease Transactions

Address	Size (SF)	Market
1. 777 Bayly Street West	342,830 SF	Ajax
2. Thornton Road South	101,254 SF	Oshawa
3. 980 Thornton Road South	43,036 SF	Oshawa

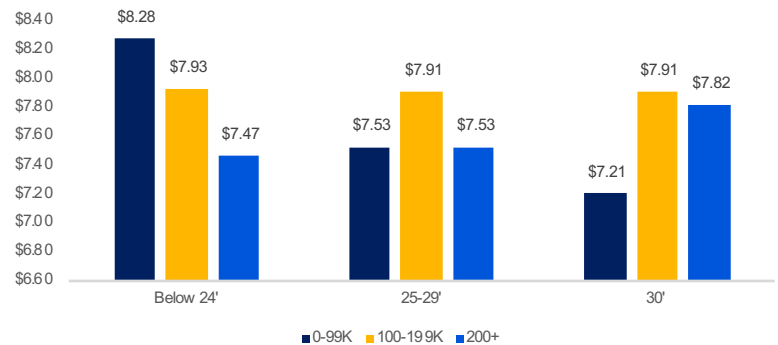
## New Construction and Absorption



## Net Rate (PSF)



## Net Rent by Clear Height





# GTA Central

Q4 2020



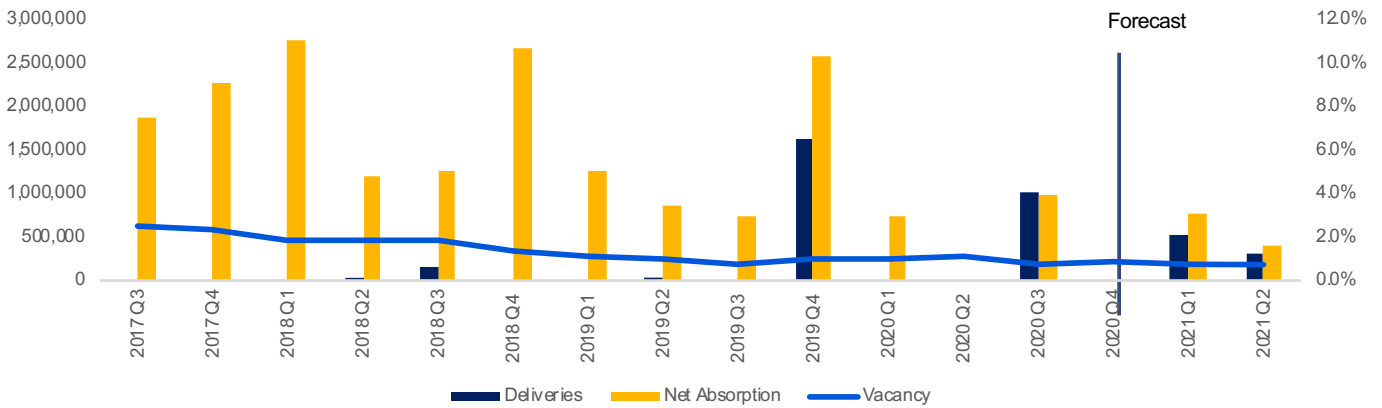
Arrows Indicate One Quarter Change

Vacancy Rate	Q2	Q3	Q4
East York	1.2%	0.1%	0.0%
Etobicoke	1.0%	0.9%	0.2%
North York	1.3%	1.2%	1.7%
Scarborough	1.1%	0.9%	1.3%
Toronto	0.7%	0.1%	0.1%
Outlying Toronto	0.7%	0.3%	0.3%
York	1.9%	2.8%	3.9%
<b>Overall</b>	<b>1.1%</b>	<b>0.8%</b>	<b>0.9%</b>

### Notable Lease Transactions

Address	Size (SF)	Market
1. 10 Garyray Drive	192,993 SF	Toronto
2. 4545 Steeles Avenue West	138,701 SF	Toronto
3. 26 Monogram Place	93,717 SF	Toronto

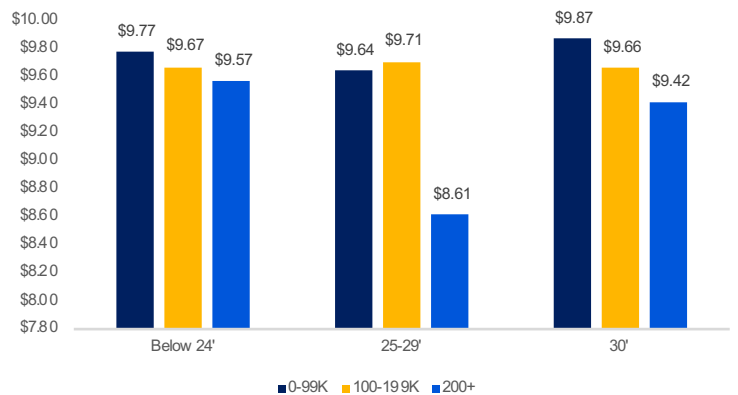
### New Construction and Absorption



### 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

For more information about Cresa and the Toronto market, please contact:

Cresa Toronto Inc., Brokerage  
170 University Avenue, Suite 1100  
Toronto, ON M5H 3B3  
416.862.2666  
[cresa.com/toronto](http://cresa.com/toronto)

## + Follow Us



Check out our social media channels to stay up to date on current market trends and availability.

**cresa**

Disclaimer: Even though obtained from sources deemed reliable, no warranty or representation, express or implied, is made as to the accuracy of the information herein, and it is subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions imposed by our principals.

