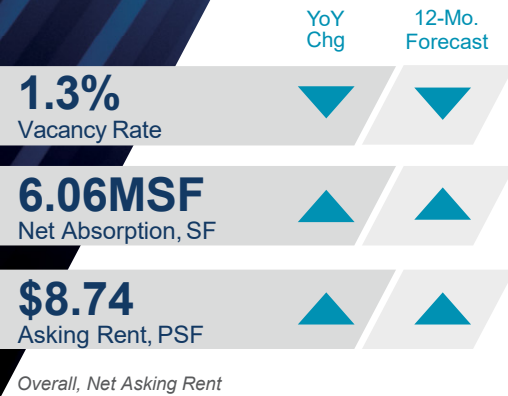
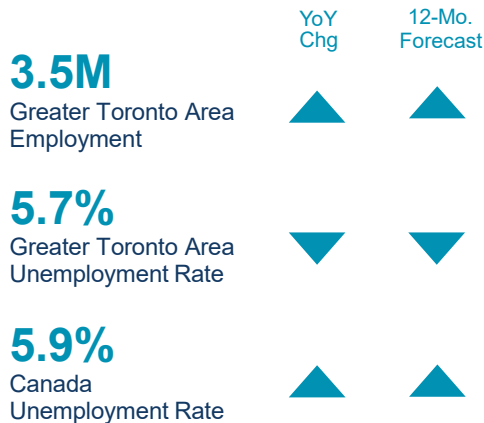


### Industrial Q4 2019



#### ECONOMIC INDICATORS Q4 2019



Source: Statistics Canada

#### ECONOMY

The Bank of Canada expects GDP growth in Canada will gain momentum in 2020, supported by modest growth in business investment, exports and an increase in household spending. GTA residential sales had solid growth in 2019 with 87,825 units sold, compared to the decade low 78,015 sales that were reported in 2018; this translates into an increase of 12.6%. Buyer confidence was buoyed by a strong regional economy and declining contract mortgage rates over the course of the year.

Sources: RBC, Toronto Real Estate Board

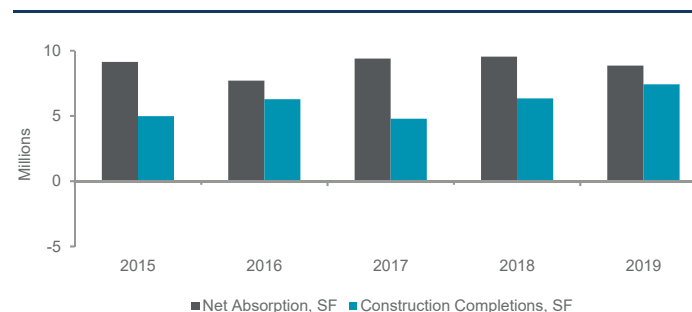
#### SUPPLY AND DEMAND: Imbalance Still Poses a Challenge for Occupiers

The supply-demand imbalance remained the number one challenge for occupiers through 2019. Despite the addition in the fourth quarter of 2019 of a record 17 buildings, totaling 5.8 million square feet (msf), robust pre-leasing kept fourth quarter availability at a historic low of 1.3% for a second consecutive quarter. At 3.9 msf, GTA West held the top spot for new supply followed by GTA Central at 1.3 msf. Notable new buildings in the west market included 2200 Yukon Court, located in Milton, a 1.1-msf build-to-suit (BTS); 12724 Coleraine Drive in Caledon, a 1.0-msf BTS; and 12424 Dixie Road, also located in Caledon, a 847,000-sf BTS. The largest new buildings in the central market included an 823,000-sf speculative build at 2233 Sheppard Avenue West located in North York, and 382,000-sf BTS at 1395 Tapscott Road. Overall absorption reached the second highest level recorded at 6.0 msf, second only to the 6.2 msf recorded in the first quarter of 2010. All three major GTA industrial markets posted absorption results ranging from 1.0 msf to over 3.0 msf. GTA East was the only market that did not see growth in the fourth quarter, posting negative 10,000 sf of absorption. Amazon stands out as a major driver of demand in the fourth quarter with the lease up of four new buildings.

#### PRICING: Asking Rent Continues to Climb

With availability at a record low of 1.3%, the overall average asking lease rate continued its upward trajectory reaching yet another high of \$8.74 per square foot (psf) in the fourth quarter, an 18.1% increase year-over-year (YoY). For the first time, the average asking rent in GTA North reached the double-digits at \$10.59 psf, a staggering increase of 47% YoY, while posting a record-low availability rate of 1.1%. With demand far outstripping supply, asking lease rates and sale prices will continue to rise. GTA average asking sale price rose to \$205 psf, a 6% increase YoY.

#### SPACE DEMAND / DELIVERIES



#### OVERALL VACANCY & ASKING NET RENT



### Industrial Q4 2019

#### UNDER CONSTRUCTION



TOTAL UNDER CONSTRUCTION SF  
**12M SF**



TOTAL AVAILABLE SF  
**3.7M SF**

#### SPECULATIVE



TOTAL SF SPEC UNDER CONSTRUCTION  
**6.3M SF**



SPEC BUILDINGS ACCOUNT FOR  
**52%** OF TOTAL CONSTRUCTION

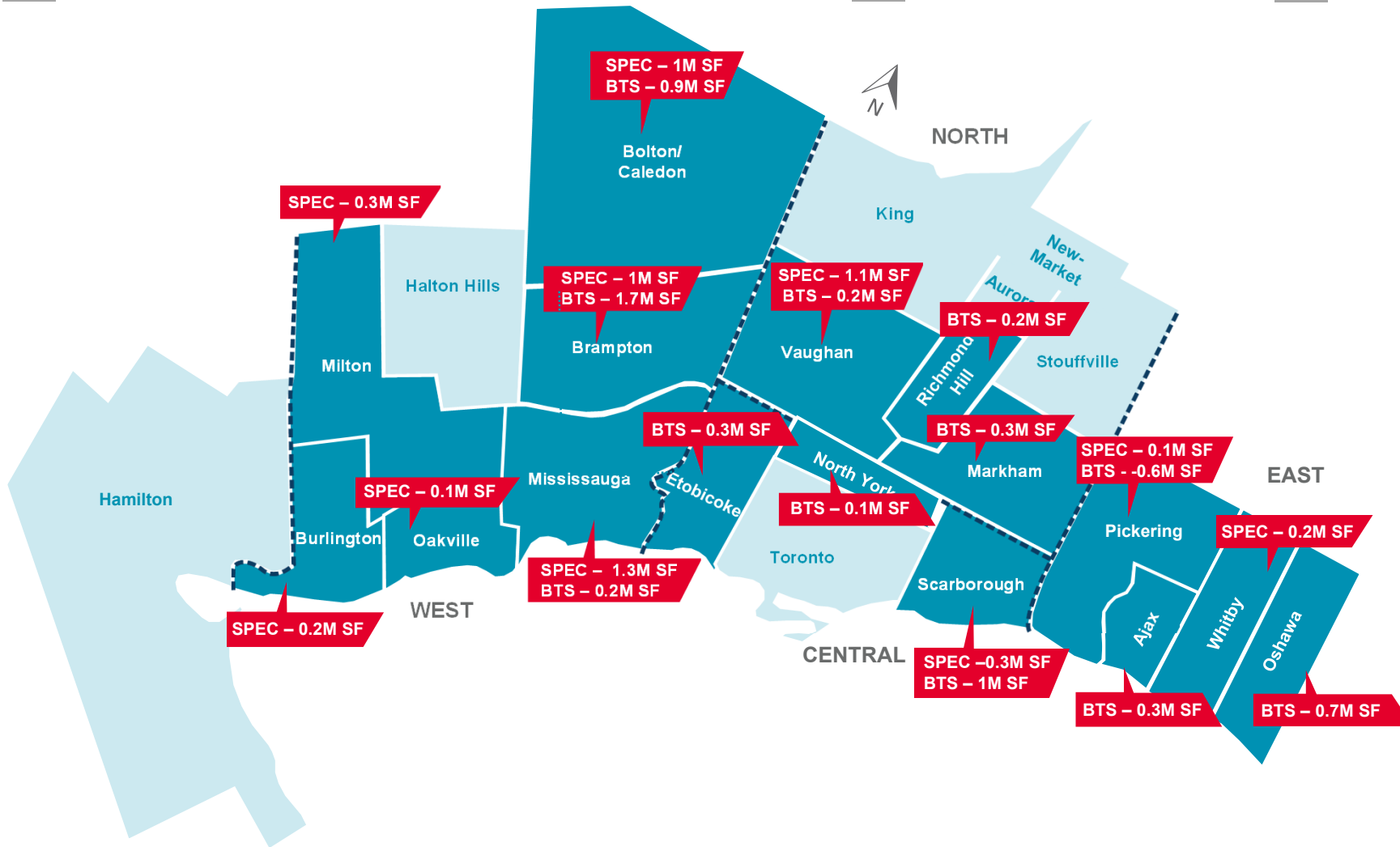
#### "BUILD TO SUIT"



**5.8M SF**  
TOTAL SF BTS UNDER CONSTRUCTION



BTS BUILDINGS ACCOUNT FOR  
**48%** OF TOTAL CONSTRUCTION



### Industrial Q4 2019

#### MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT*	OVERALL WEIGHTED AVG TMI**	OVERALL WTD AVG ASKING SALE PRICE \$/SF
GTA Central	231,748,790	3,136,076	1.4%	1,541,625	695,854	1,744,633	1,346,074	\$8.76	\$3.67	\$153.61
GTA West	362,541,829	5,079,740	1.4%	3,399,143	5,516,300	6,644,339	3,942,355	\$8.34	\$3.45	\$216.05
GTA North	153,147,764	1,706,366	1.1%	1,131,135	2,387,614	1,842,787	561,167	\$10.59	\$3.73	\$319.89
GTA East	42,174,220	514,626	1.2%	-10,141	249,643	1,881,084	0	\$6.77	\$3.27	\$193.24
SUBURBAN	557,863,813	7,300,732	1.3%	4,520,137	8,153,557	10,368,210	4,503,522	\$8.74	\$3.49	\$241.80
<b>GTA TOTALS</b>	<b>789,612,603</b>	<b>10,436,808</b>	<b>1.3%</b>	<b>6,061,762</b>	<b>8,849,411</b>	<b>12,112,843</b>	<b>5,849,596</b>	<b>\$8.74</b>	<b>\$3.54</b>	<b>\$205.03</b>
<b>HAMILTON</b>	<b>50,305,043</b>	<b>1,184,256</b>	<b>2.4%</b>	<b>416,161</b>	<b>590,927</b>	<b>330,000</b>	<b>101,007</b>	<b>\$6.91</b>	<b>\$2.71</b>	<b>\$173.46</b>

\*Rental rates reflect weighted net asking \$psf/year.

\*\* TMI – Taxes, Maintenance, Insurance

#### KEY LEASE TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	TENANT	SF	TYPE
6351 Steeles Avenue East	Scarborough	Amazon	1,023,359	New Lease
1555 Wentworth Street	Whitby	Amazon	354,029	New Lease
80 Enterprise Road	Etobicoke	Amazon	223,876	New Lease
200 Edgeware Road	Brampton	Accuristix	222,032	New Lease
1652 Tricont Avenue	Whitby	Paramount Pallet Inc.	185,000	New Lease

\*Renewals not included in leasing statistics

#### KEY SALES TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
80 Van Kirk Drive	Brampton	Vankirk 7080 Inc. / Triovest	196,020	\$29M / \$148
2490-2500 Royal Windsor Drive	Mississauga	Nestle Canada Inc. / Carterra Private Equities Inc	179,765	\$23.5M / \$131
431 Carlingview Drive	Etobicoke	Lovsuns Tunneling Canada Ltd. / Mantella Corporation	173,228	\$16.6M / \$96
200 Industrial Parkway North	Aurora	Granite REIT / SJ Agemian Investments Inc.	167,958	\$10M / \$60
210 Great Gulf Drive	Vaughan	Mantella Corporation / Summit REIT	128,235	\$25.3M / \$197

#### KEY CONSTRUCTION COMPLETIONS 2019

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
2200 Yukon Court	Milton	DSV Global Transport and Logistics	1,100,000	London Life Insurance Company
12724 Coleraine Drive	Caledon	Amazon Fulfillment Centre	1,021,611	Blackwood Partners Corporation

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