

# OUR INSIGHT

GORAN BRELIH

Insight - Strategy - Execution



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GTA Q1 2019  
KEY STATS

1.5%  
Vacancy  
Rates

\$7.63 psf  
Avg Asking  
Net Rental Rates

0.59 M SF  
Absorption

11 M SF  
Under Construction

4.5-4.7%  
Cap Rates



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## STATE OF THE MARKET – GTA INDUSTRIAL - Q1 2019

### GTA VACANCY RATE PLUMMETS TO 1.5%

The GTA Industrial Market vacancy rates remained at an all-time low of 1.5% for the second consecutive quarter while developers are in the process of delivering a record high 11 million square feet under construction. New supply delivered in 2018 was just 6.33 Million SF.

The average asking lease rate increased to \$7.63 PSF, while new construction with 36' high ceilings and greater would demand more than \$8.50 PSF net.

Leasing activity reached 5.6 million SF with over 90% of leasing transactions taking place in Toronto-West (60.3%) and Toronto-North markets (30.3%). Given the lack of available product, overall activity was sluggish in Q1 2019.

Demand from E-Commerce, 3PL, and logistics companies continue to be the main driver of the aforementioned activity across Greater Toronto Area.

As demand continues to outpace supply, rental rates are expected to increase further. A big contributor to this increase is the rising cost of industrial land, raw materials and labour, as well as an increase in development charges.

CAP rates are between 4.5% – 4.7%.



DIANA MCKENNON

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## KEY TAKEAWAYS

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## NOTABLE LEASE TRANSACTIONS

767 Creditstone Road, Vaughan	247,800 SF	New	Euro-Asia
210 Duffield Road, Markham	144,663 SF	New	Veoneer
150 Gibraltar Road, Vaughan	375,000 SF	New	Give & Go Prepared Foods Corp.
12400 Coleraine Drive	890,175 SF	New	Mars Canada
3160 Derry Road, Mississauga	210,000 SF	New	Agellan Aerospace (Design Build)

## NOTABLE SALES TRANSCATIONS

2301 Dixie Road, Mississauga	147,900 SF	\$10,350,000/\$70 PSF	Nightingale Corp Existing Occ. Purchase
376 Birchmount Road, Scarborough	131,600 SF	\$10,206,000/\$78 PSF	Green Storage Investment Sale
11 Director Court, Vaughan	97,294 SF	\$11,521,000/\$118 PSF	Ozery Bakery Existing Occ. Purchase
205 Market Drive, Milton	241,596 SF	\$49,750,000/\$206 PSF	GWL Investment Sale Leaseback
777 Creditstone Road, Vaughan	214,100 SF	\$50,800,000/\$237 PSF	FGF Brands User Purchase
2665 Meadowpine Boulevard, Miss.	157,890 SF	\$38,000,000/\$241 PSF	Fiera Properties Investment Sale
15 Ingram Drive, North York	115,100 SF	\$26,000,000/\$225.89 PSF	NYX Capital/Blue Bird Investment Sale

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