CHARACTERISTICS OF INDUSTRIAL AND OFFICE GREENFIELD DEVELOPMENT IN GTA'S 905-REGIONS, 2010-2020

Planning and Economic Development Branch

Economic Strategy Division

York Region

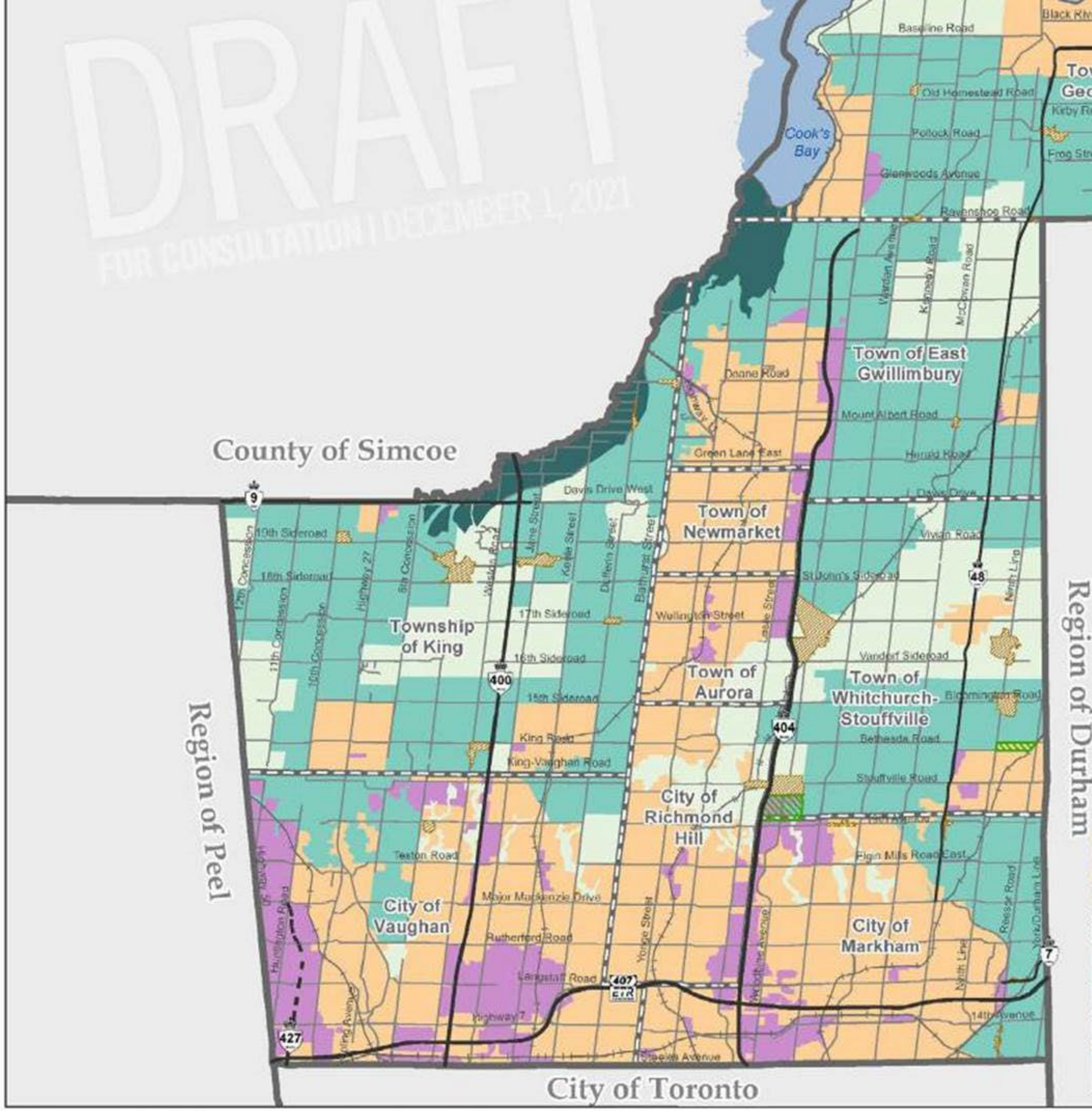
OVERVIEW

RESEARCH TOPICS

- Research Parameters and definitions
- Development activity snapshot
- Industrial development findings
- Flex development findings
- Office development findings
- Summary of key takeaways
- Research Q&A

RESEARCH PARAMETERS AND DEFINITIONS

Data source	CoStar database (supplemented by public domain research)
Research period	Buildings completed between January 2010 and December 2020
Office buildings included	Minimum Rentable Building Area (RBA) of 75,000 square feet (sq. ft.); alignment with York Region Planning Definitions
Industrial and Flex buildings included	Minimum Rentable Building Area (RBA) of 100,000 square feet (sq. ft.)
Geographic boundary	Regional municipalities in the GTA's 905 area of Durham Region, Halton Region, Peel Region, York Region
Rentable Building Area (RBA)	The space tenants occupy in addition to associated common areas of the building such as the lobby, hallways, bathrooms etc.
Flex building definition	Flex properties are considered a subsect of industrial properties designed to be versatile, which may be used in combination with office, R&D, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. For this research Flex also includes mixed-use properties such as industrial buildings with minimum of 50% office space, campus-style office buildings with attached warehousing/industrial facility etc.
Calculations	Percentages may not total 100% due to rounding



Urban System

Community Area

Employment Area

Agricultural System

Holland Marsh Specialty Crop Area

Agricultural Area

Rural Area

Hamlet

Provincial Highways

Existing

Under Construction

Municipal Boundaries

Regional Municipal Boundary

Local Municipal Boundary

Area within ORMCP conditional upon amendments to Ontario Regulation 140/02*

*Urban designations are conditional upon amendments to the ORM designations prior to adoption of the ROP.

Note: Should the Province refuse requested settlement area boundary expansions within the ORM, the following will be incorporated to reintroduce urban expansion on the Whitebelt lands in Whitchurch-Stouffville in accordance with Council direction of November 25, 2021.

N

0 2.5 5 7.5 10

Kilometers

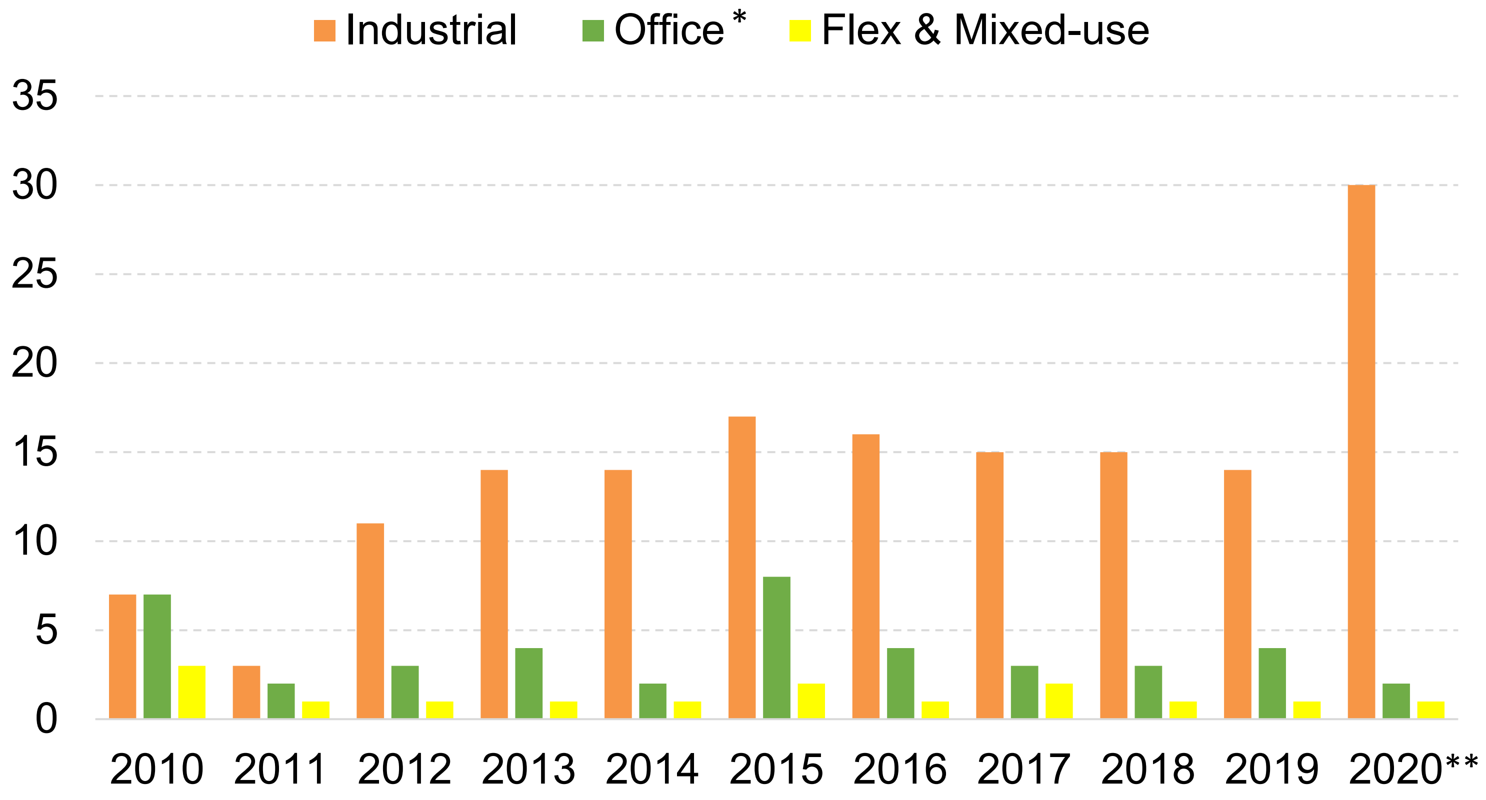
York Region

Produced by: The Regional Municipality of York
Corporate Services, Department, Planning and Economic Development Branch

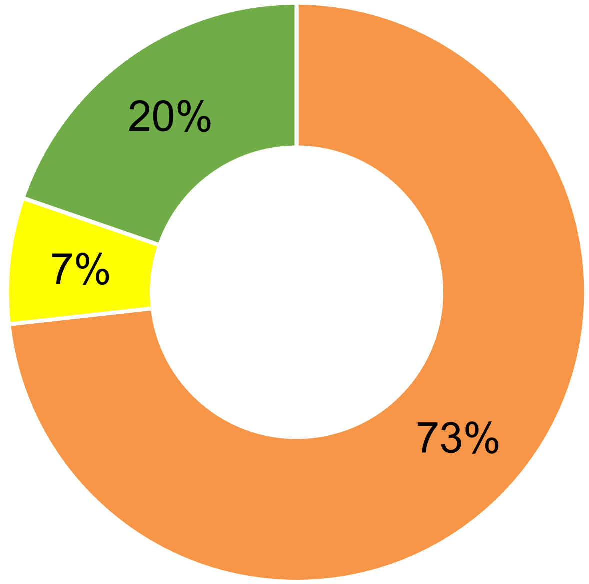
DEVELOPMENT ACTIVITY SNAPSHOT

INDUSTRIAL DEVELOPMENT ACCOUNTED FOR THE LARGEST PORTION OF PROJECTS COMPLETED

Number of completed development projects by type by year in GTA's 905-Regions



Percentage of total projects completed in GTA's 905-Regions, 2010-2020



** Office buildings completed with a minimum RBA of 75,000 sq. ft. Industrial and Flex buildings with a minimum RBA of 100,000 sq. ft.*

*** 2020 was a record year for industrial development in the GTA and across Canada and the U.S.*

NEARLY 3/4 OF ALL MAJOR GREENFIELD DEVELOPMENT WAS INDUSTRIAL PROJECTS

Distribution of Total Industrial, Office, Flex and Mixed-Used Projects and Building Size in GTA's 905-Regions, 2010-2020

Property Type	No. of Projects		Rentable Building Area (RBA) sq. ft.	
	Total number	% of total	Total size	% of total
Industrial	156	73%	51,270,088	85%
Industrial Flex & Mixed-use	15	7%	2,440,574	4%
Office	42	20%	6,801,658	11%
TOTAL	213	100%	60,512,320	100%

INDUSTRIAL DEVELOPMENT KEY FINDINGS

THE TOP 5 MAJOR INDUSTRIAL DEVELOPMENT PROJECTS ARE ALL LOGISTICS / DISTRIBUTION FACILITIES

Location municipality	Caledon, Peel Region
Year completed	2017
Major Intersection	Hwy 50 / Mayfield Rd
Building RBA sq. ft.	1,500,000
Top tenant by sq. ft.	Canadian Tire Distribution Centre

Location municipality	Milton, Halton Region
Year completed	2012
Major Intersection	James Snow Pkwy / Hwy 401
Building RBA sq. ft.	1,320,000
Top tenant by sq. ft.	Lowe's Regional Distribution Centre

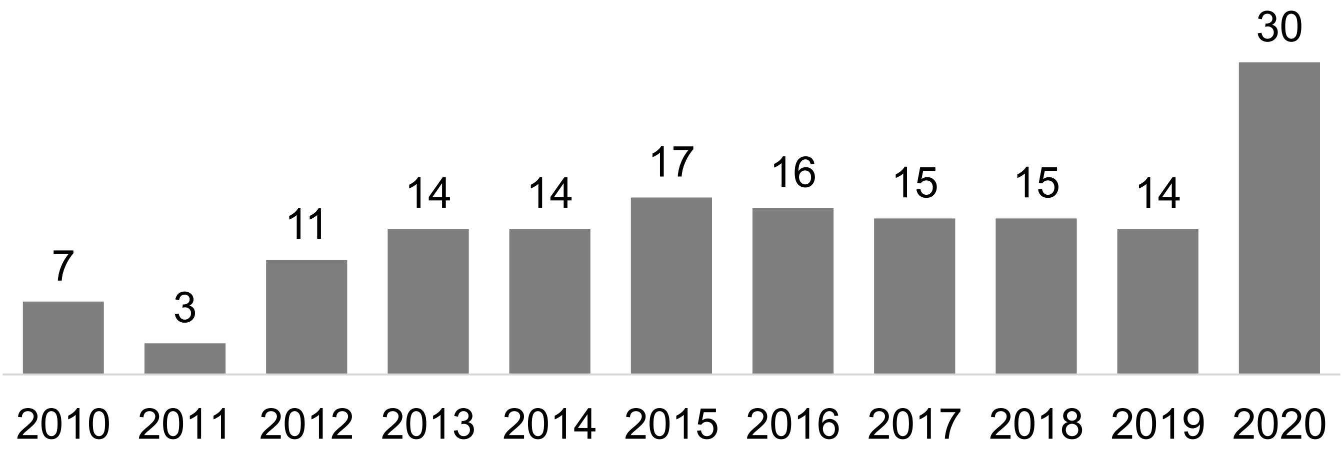
Location municipality	Brampton, Peel Region
Year completed	2020
Major Intersection	Bovaird Rd. / Hwy 410
Building RBA sq. ft.	1,300,000
Top tenant by sq. ft.	Canadian Tire Distribution Centre

Location municipality	Milton, Halton Region
Year completed	2020
Major Intersection	Fifth Line / Hwy 401
Building RBA sq. ft.	1,100,000
Top tenant by sq. ft.	DSV Canada Logistics

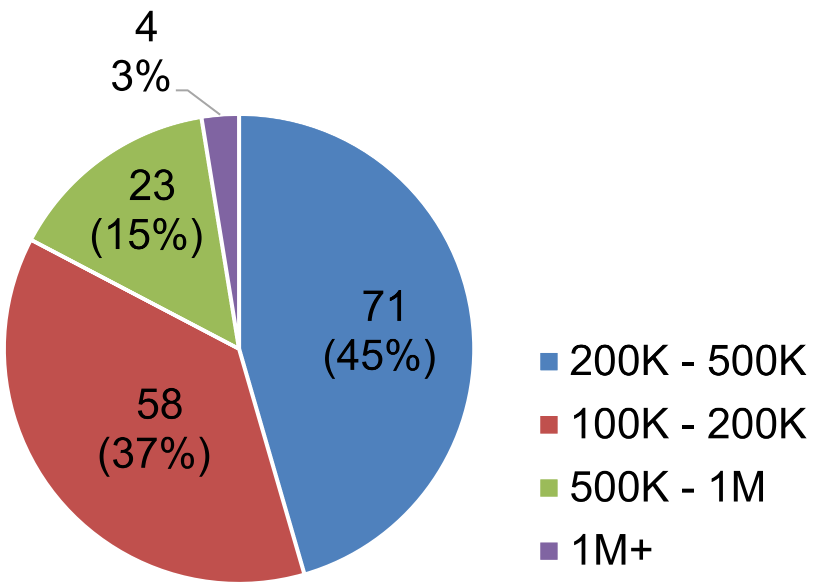
Location municipality	Brampton, Peel Region
Year completed	2015
Major Intersection	Torbram Rd / Hwy 407
Building RBA sq. ft.	994,645
Top tenant by sq. ft.	MEC (Mountain Equipment)

BUILDING SIZE UNDER 500,000 SF ACCOUNTED FOR OVER 80% OF INDUSTRIAL GREENFIELD DEVELOPMENT PROJECTS

Industrial building completions >100K sq. ft. by year in GTA's 905-Regions, 2010-2020

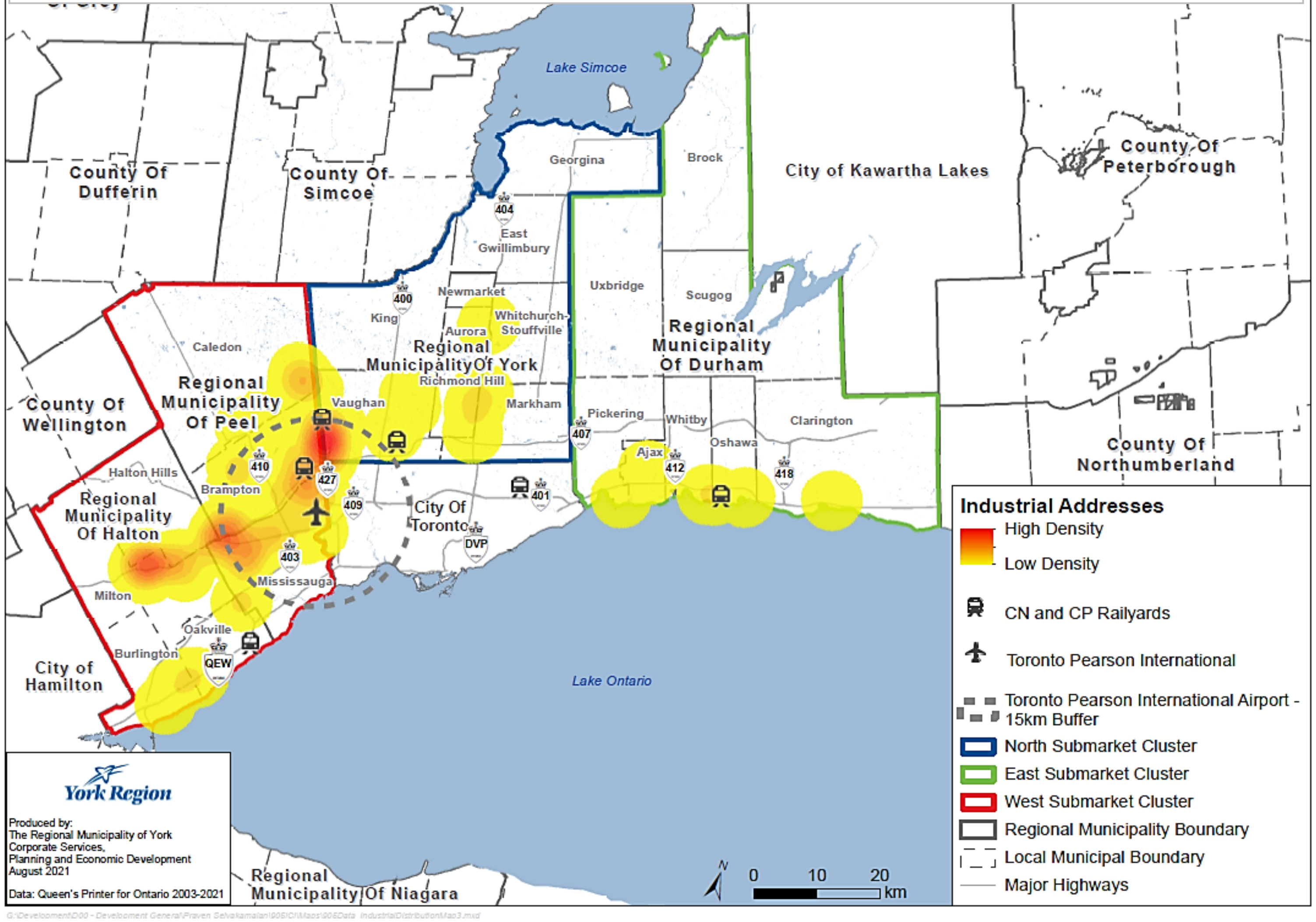


Number and percent of industrial projects by building size in GTA's 905-Regions, 2010-2020



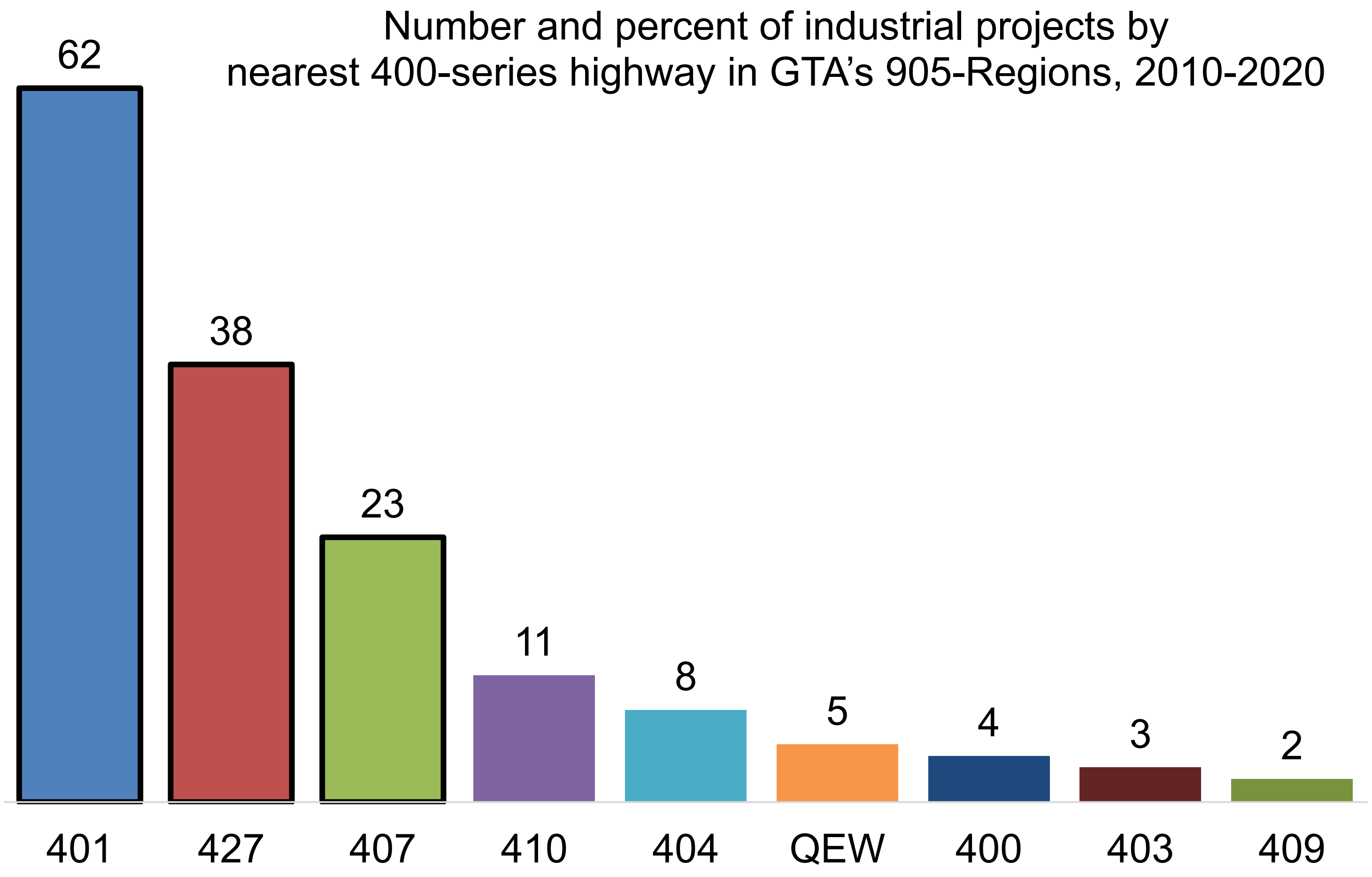
GTA WEST HAS SEEN A SIGNIFICANTLY HIGHER CONCENTRATION OF MAJOR INDUSTRIAL DEVELOPMENT PROJECTS COMPARED TO NORTHERN AND EASTERN GTA

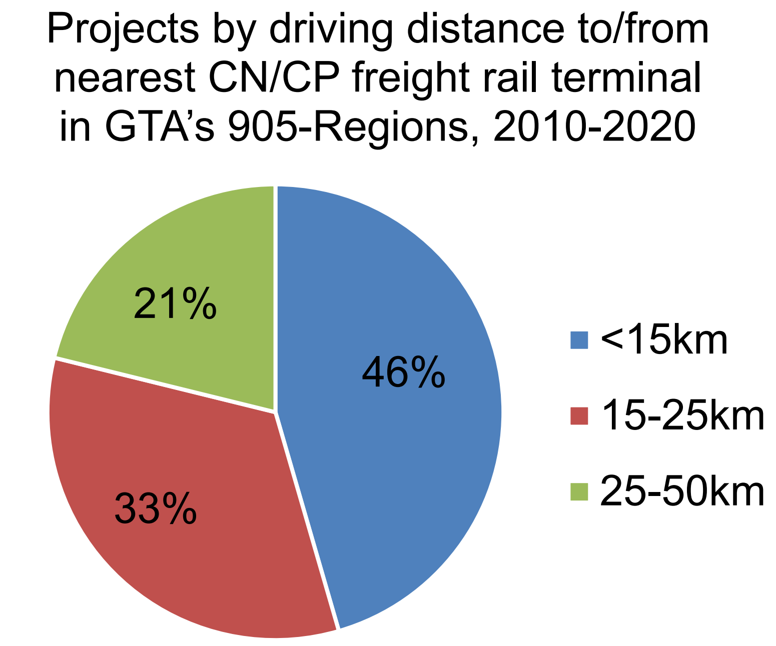
Industrial development density in GTA's 905 regions by location and no. of projects, 2010-2020

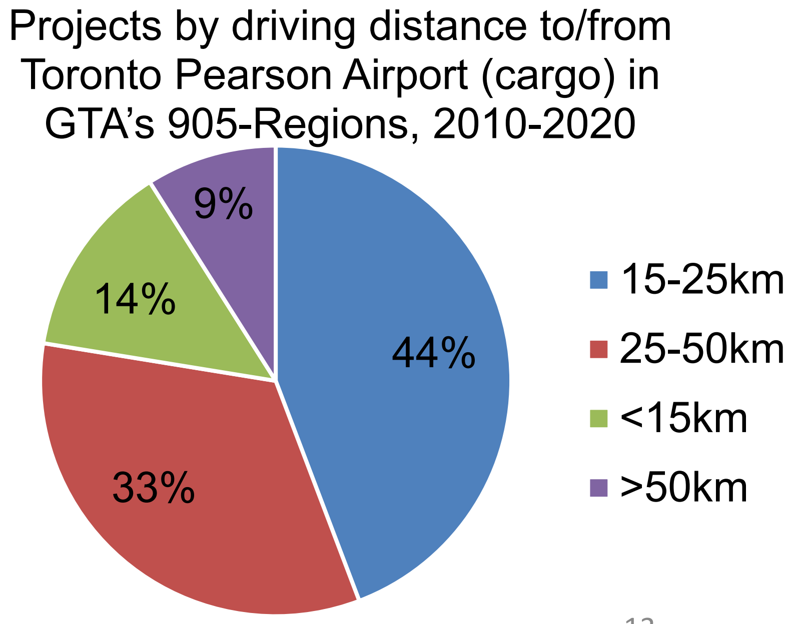


Region	Number of Projects	Total Building Size (sq. ft.)
Peel	75	26,330,757
York	40	10,199,361
Halton	33	13,118,845
Durham	8	1,621,125
Total	**156**	**51,270,088**

GOODS MOVEMENT TRANSPORTATION CORRIDORS ARE A STRATEGIC LOCATION FOR INDUSTRIAL DEVELOPMENT PROJECTS



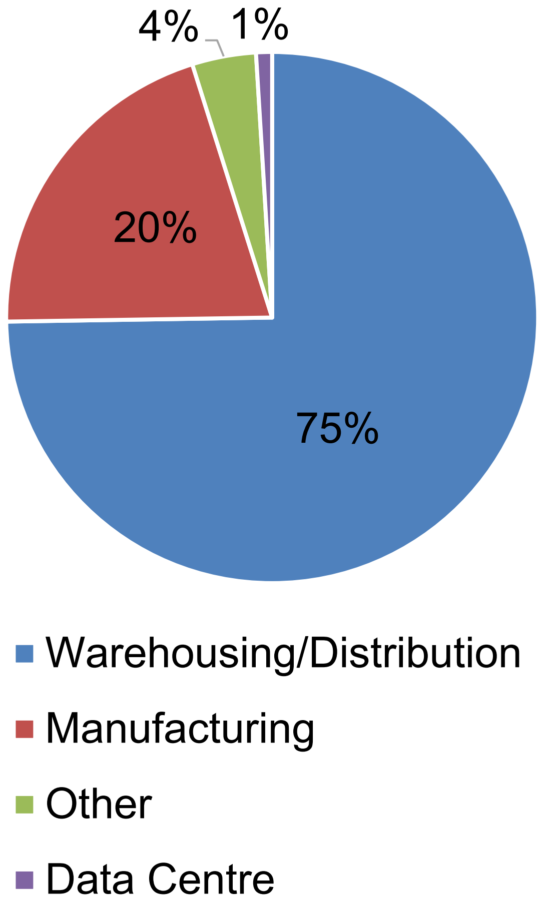




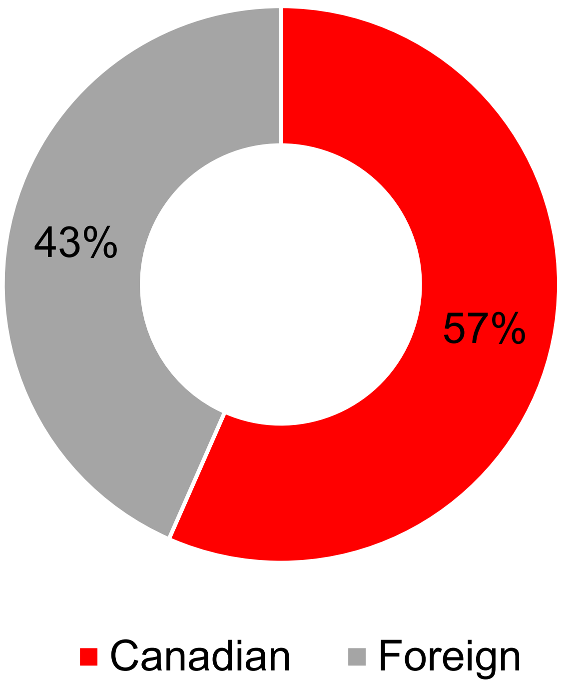
WAREHOUSING & DISTRIBUTION IN GTA'S 905-REGIONS ACCOUNTS FOR THE MAJORITY OF TENANTS' ONSITE ACTIVITY

Corporate industry sector (2-Level NAICS)	Percent of all core tenants*
31-33 Manufacturing	37%
41 Wholesale trade	20%
48-49 Transportation and warehousing	19%
44-45 Retail trade	17%
23 Construction	1%
Other (7 different sectors)	6%

Core tenants by primary activity onsite GTA's 905-Regions, 2010-2020



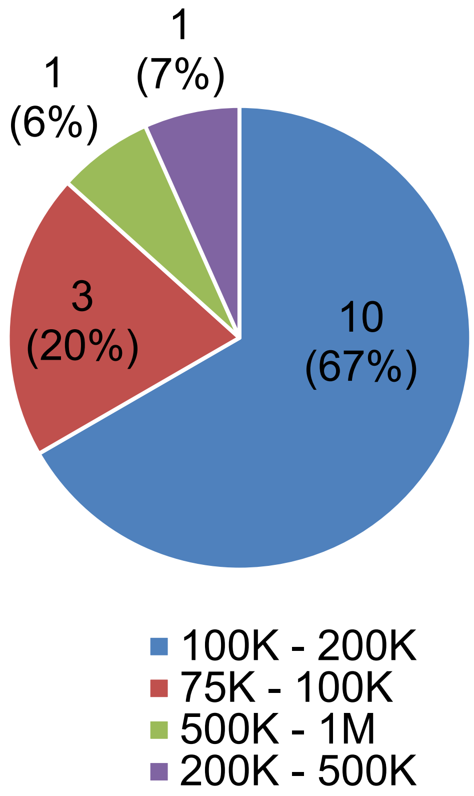
Core tenants by ownership in GTA's 905-Regions 2010-2020



INDUSTRIAL FLEX & MIXED-USE DEVELOPMENT KEY FINDINGS

FLEX OR MIXED-USED CAMPUS PROJECTS ARE LESS COMMON THAN INDUSTRIAL OR OFFICE DEVELOPMENT

Number of Flex projects by size range in GTA's 905-Regions 2010-2020



Municipality	Number of Projects	Percent of Total
Vaughan	5	33%
Markham	3	20%
Burlington	2	13%
Oakville	1	7%
Pickering	1	7%
Brampton	1	7%
Caledon	1	7%
Mississauga	1	7%
Total	**15**	-

Location municipality	Markham
Year completed	2010
Major Intersection / Node	Hwy 404 / Elgin Mills Rd
Building RBA sq. ft. (combined)	569,361
Number of stories	4
Top tenant(s) by sq. ft.	Honda Canada Head Office

Location municipality	Vaughan
Year completed	2010
Major Intersection / Node	Steeles Ave W / Hwy 27
Building RBA sq. ft. (combined)	229,110
Number of stories	2
Top tenant(s) by sq. ft.	Kingsdown Canada

Location municipality	Markham
Year completed	2011
Major Intersection / Node	Hwy 404 / Major MacKenzie Dr
Building RBA sq. ft. (combined)	190,000
Number of stories	4
Top tenant(s) by sq. ft.	GE Digital Energy / Grid IQ

Location municipality	Pickering
Year completed	2012
Major Intersection / Node	401 / Brock
Building RBA sq. ft. (combined)	162,261
Number of stories	4
Top tenant(s) by sq. ft.	Purdue Pharma Canada

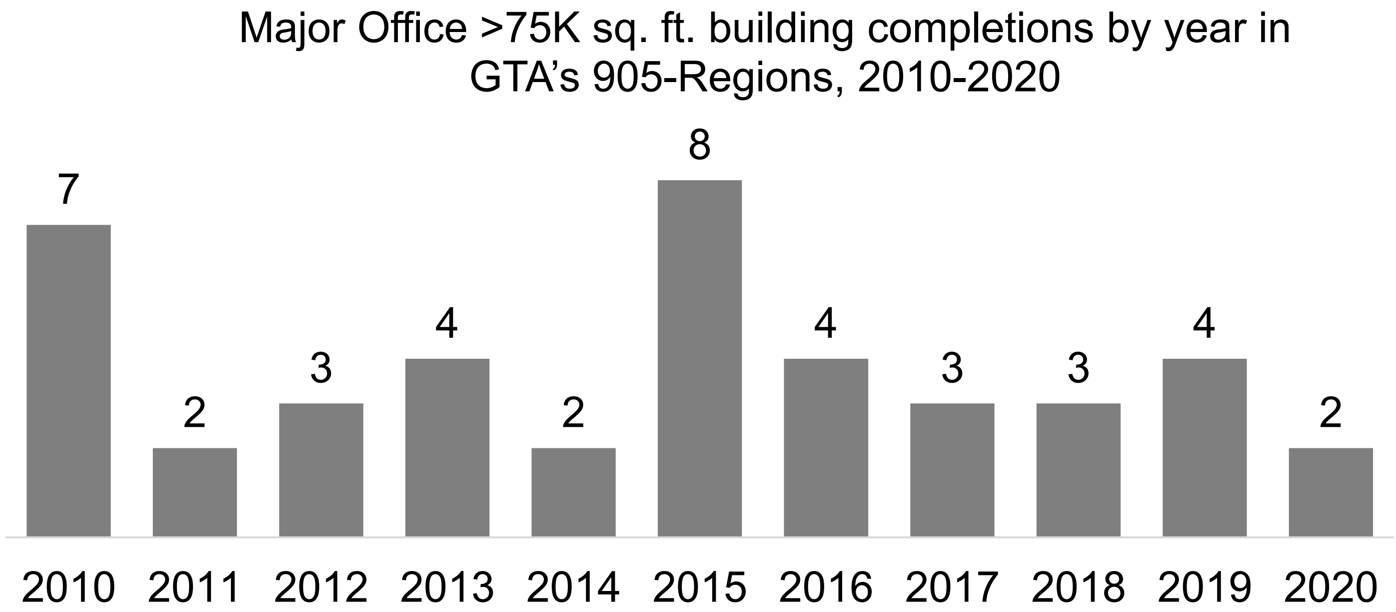
Location municipality	Mississauga
Year completed	2014
Major Intersection / Node	401 / Winston Churchill
Building RBA sq. ft. (combined)	160,000
Number of stories	2
Top tenant(s) by sq. ft.	Alcon Canada

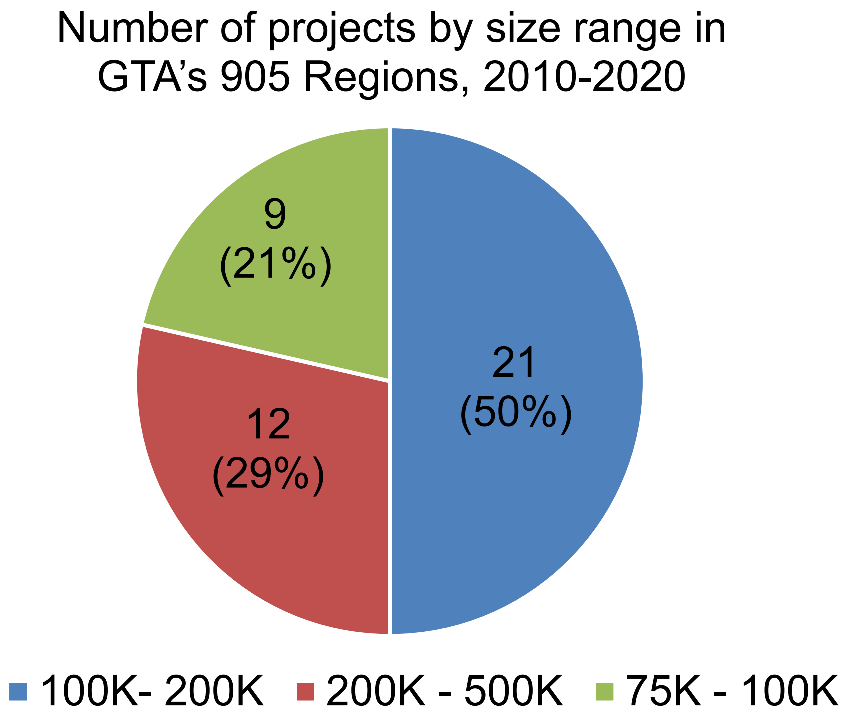
OFFICE DEVELOPMENT KEY FINDINGS

THE TOP 5 OFFICE DEVELOPMENT PROJECTS ARE LOCATED WITHIN ESTABLISHED BUSINESS PARKS OR POPULATION GROWTH CENTRES

	Location municipality	Mississauga, Peel Region
	Year completed	2015
	Major Intersection / Node	Hurontario/Hwy 401
	Building RBA sq. ft.	432,000
	Number of stories	6
	Typical floor size sq. ft.	72,000
	Top tenant(s) by sq. ft.	TJX Canada (Winners / HomeSense)
	Location municipality	Markham, York Region
	Year completed	2016
	Major Intersection / Node	Warden / Hwy 407 [Markham Centre]
	Building RBA sq. ft.	370,0000
	Number of stories	12
	Typical floor size sq. ft.	30,833
	Top tenant(s) by sq. ft.	Aviva Canada, Huawei Canada, Morneau Shepell
	Location municipality	Vaughan, York Region
	Year completed	2016
	Major Intersection / Node	Hwy 7 / Hwy 400 [Vaughan Metropolitan Centre]
	Building RBA sq. ft.	365,000 sq. ft.
	Number of stories	15
	Typical floor size sq. ft.	22,800
	Top tenant(s) by sq. ft.	KPMG, GFL Environmental, FM Global
	Location municipality	Markham, York Region
	Year completed	2015
	Major Intersection / Node	Warden / Hwy 407 [Markham Centre]
	Building RBA sq. ft.	253,075
	Number of stories	3 (4)
	Typical floor size sq. ft.	14,800
	Top tenant(s) by sq. ft.	Densify
	Location municipality	Mississauga, Peel Region
	Year completed	2012
	Major Intersection / Node	Hwy 401/Mississauga Rd. [Meadowvale]
	Building RBA sq. ft.	252,500
	Number of stories	10
	Typical floor size sq. ft.	25,250
	Top tenant(s) by sq. ft.	Intact Insurance, WSP

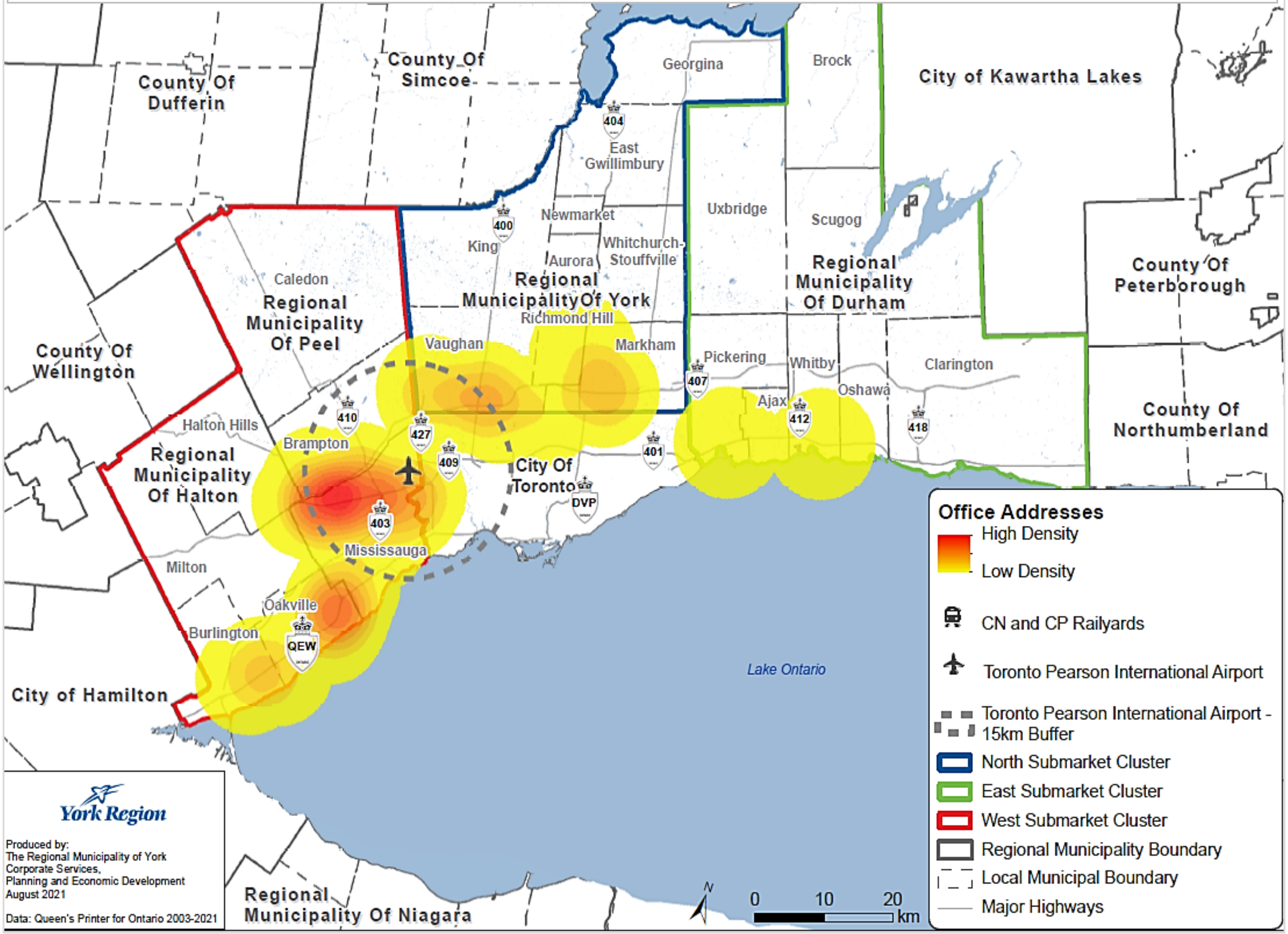
THE 905-REGIONS HAVE SEEN A MODERATE LEVEL OF MAJOR OFFICE GREENFIELD DEVELOPMENT





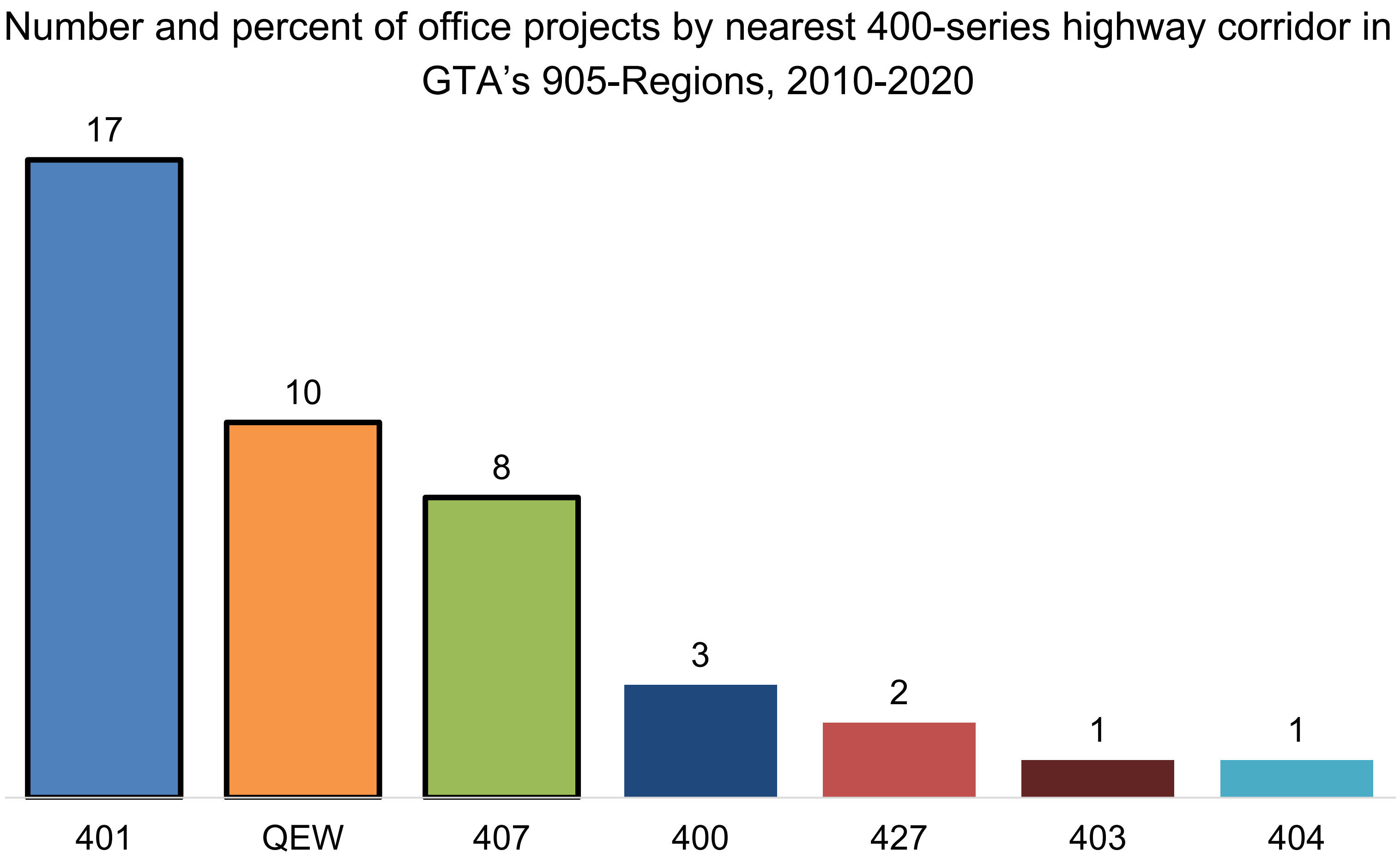
GTA WEST HIGHWAY CORRIDORS HAVE SEEN A HIGHER VOLUME OF MAJOR OFFICE DEVELOPMENT BY NUMBER OF PROJECTS

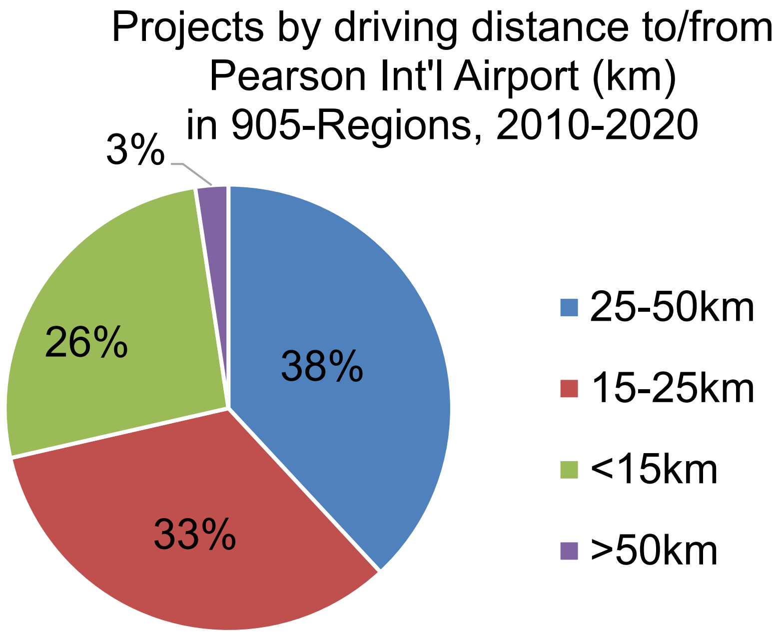
Office development density in GTA's 905 Regions by location and no. of projects, 2010-2020

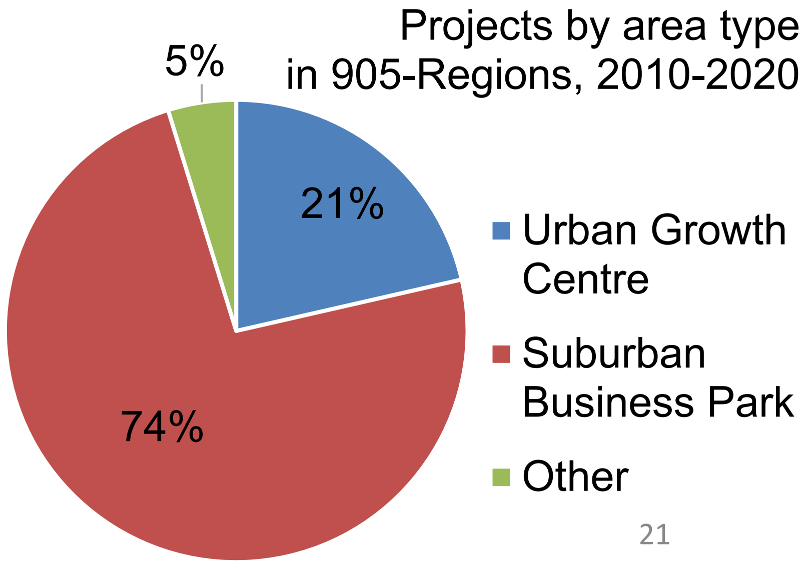


Region	Number of Projects	Total Building Size (sq. ft.)
Peel	19	3,072,537
York	11	2,296,514
Halton	10	1,184,866
Durham	2	247,741
Total	**42**	**6,801,658**

PROXIMITY TO AIRPORT, EAST-WEST HIGHWAY CORRIDORS AND EMPLOYMENT / POPULATION CENTRES ARE KEY FACTORS IN OFFICE DEVELOPMENT



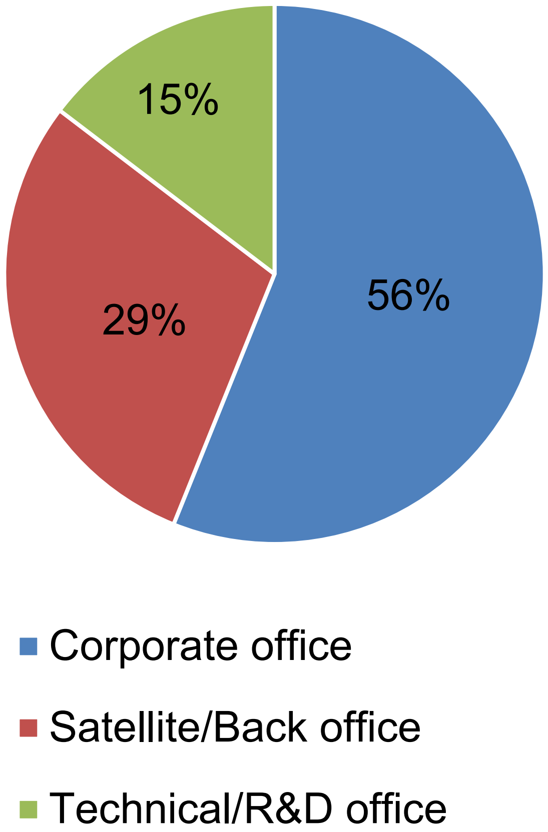




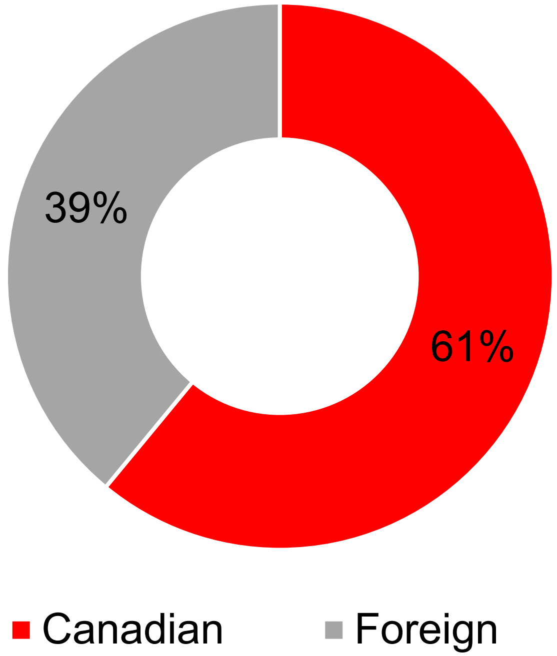
CORE TENANT CHARACTERISTICS

Corporate industry sector (2-level NAICS)	Percent of all core tenants
54 Professional, scientific and technical services	24%
52 Finance and insurance services	20%
31-33 Manufacturing (goods-producing companies)	18%
23 Construction	7%
44-45 Retail trade	7%
Other (10 different sectors)	24%

Core tenants by primary activity onsite in GTA's 905-Regions, 2010-2020



Core tenants by ownership in GTA's 905-Regions, 2010-2020



SUMMARY OF KEY TAKEAWAYS

KEY TAKEAWAYS

- Research findings underscore the need to protect employment lands along 400-series highways for both industrial and major office development opportunities.
- Proximity (under 25 km) to rail logistics hubs and/or Toronto Pearson International Airport is an important factor in both new industrial and major office greenfield development.
- Nearly 3/4 of all major commercial greenfield development across the 905 was industrial projects.

KEY TAKEAWAYS (CONT'D)

- Warehousing and distribution facilities comprised most of the industrial properties completed.
- GTA west markets have a higher concentration of major industrial development projects.
- Attraction/expansion of technology, professional services, and financial & insurance firms is key to new office development.
- Flex and mixed-use office campus development such as Honda and General Electric are not common in the GTA.

THANK YOU

Research contacts:

Sally Chau, Economic Business Analyst | sally.chau@york.ca

Robert Unterman, Manager, Investment & Marketing | robert.unterman@york.ca

Planning and Economic Development Branch
Economic Strategy Division