Canada | Q4 2020

Research

Industrial Outlook

Vacancy is once again reaching for historic lows as developers find creative ways to meet demand

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Top 3 industrial trends

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After a slight midyear uptick vacancy starts to trend downward hitting 2.7% while rents rise 7.2% in 2020

2.

Logistics companies overtake e-commerce with over 2.7M s.f. of large lease activity in the fourth quarter

3.

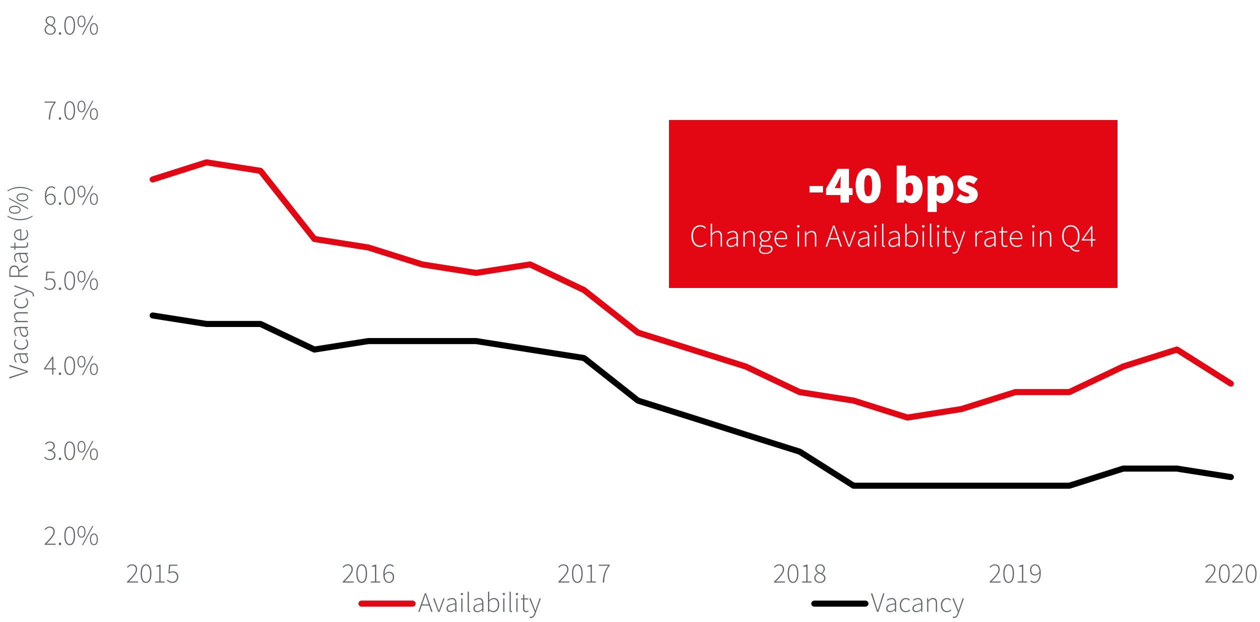
Large scale multi-story industrial facilities make their Canadian debut as developers scramble to meet demand

Canada key statistics

Inventory (s.f.)	Total vacancy	Total availability	Quarterly net absorption (s.f.)	YTD net absorption (s.f.)	Quarterly Completions (s.f.)	YTD Completions (s.f.)	Under construction (s.f.)	Q4 2020 direct net rent
1,827,783,548	2.7%	3.8%	5,681,200	18,359,875	5,578,006	22,193,924	26,989,726	$9.92

After a slight uptick during the first wave of the pandemic vacancy and availability trend back down in the fourth quarter

Strong user demand to close out 2020 has maintained historically tight market conditions



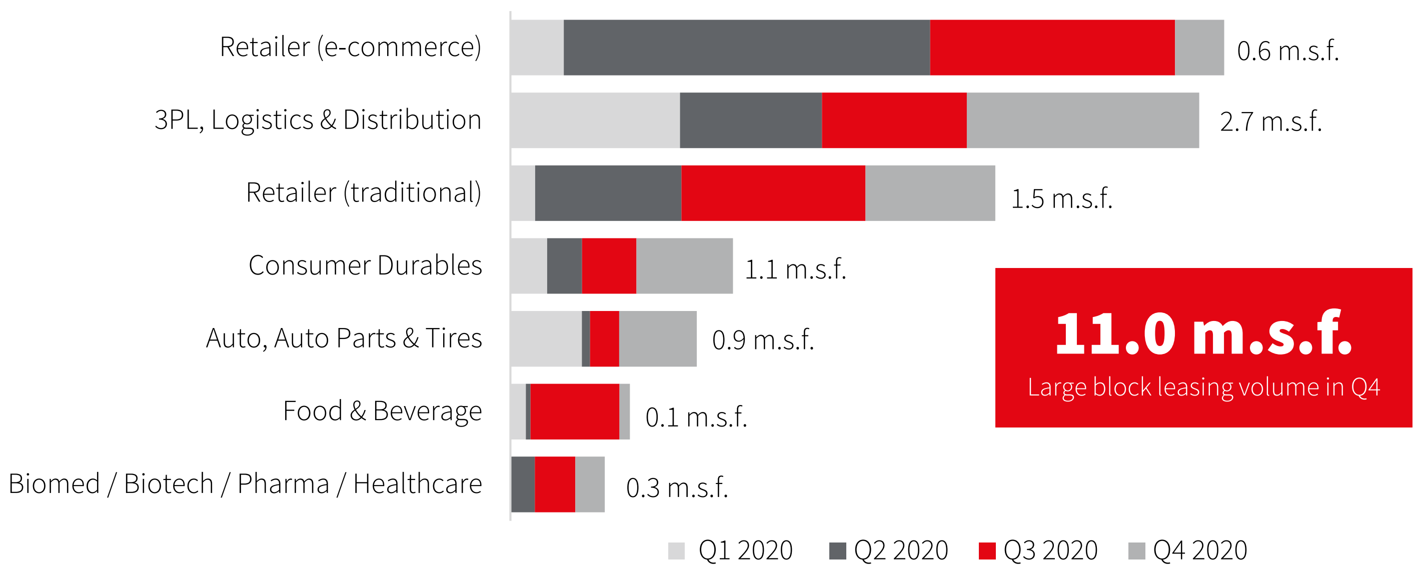
Source: JLL Research , CoStar, Altus Insite

The Canadian Industrial market posted a vacancy rate of 2.7% to close out the year. Vacancy is currently just 10 basis points off a historic low registered one year ago as the uncertainty in the market that emerged in the first half of the year has largely faded. The availability rate, which includes occupied available space, plunged most notably with a 40-basis point drop since last quarter. Continued strong leasing activity and a resurgence of owner-users in markets like Vancouver have contributed to this drop. Additionally, the increase in small bay space coming to market during the first few months of the pandemic has since subsided.

The most notable decrease in vacancy came in Calgary which witnessed an 80-basis point drop as several large occupiers took space including Canadian Tire which acquired almost 500,000 s.f. this quarter. Edmonton also saw a 40-basis point drop. Alberta's industrial market has remained resilient despite the struggling oil and gas industry and the ongoing COVID-19 pandemic. While Alberta markets currently have the highest vacancy in the country, they have also witnessed the strongest downward tend this quarter. Meanwhile, in Canada's tightest markets, vacancy did increase slightly. However, user demand in both Toronto and Montreal remains extremely high and vacancy rates in both these centres remain below 2.0%. Significant pent-up demand due to persistent lack of available space and rising rents continue to characterize these markets. Toronto has witnessed the highest average net rent increase in 2020 clocking in at 15.3% and Montreal came in second at 8.6%.

3PL, logistics & distribution companies dominate fourth quarter leasing as leasing volume continues to surge

Large block leasing volume remains strong in the fourth while e-commerce volume subsides



Source: JLL Research

*Based on leasing activity over 50,000 s.f.

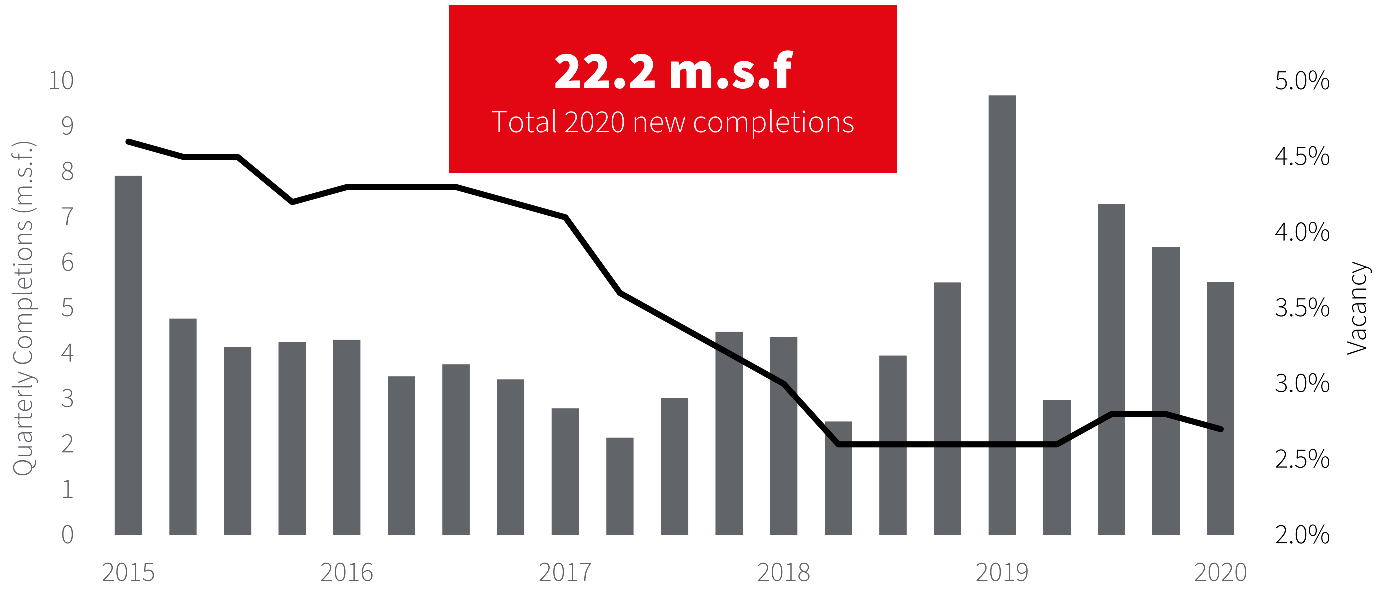
Large block leasing volume continued to be strong to finish off the year as large industrial tenants have proven to be resilient and, in some cases, have prospered despite the ongoing pandemic. Total volume reached 11.0 million s.f. in Q4 2020, which is a 42% increase from Q4 2019. Strong leasing activity in the second half of the year can be attributed to increased need for space among large users and a return to decision making after the initial COVID-19 related shutdowns.

E-commerce leasing activity came out on top in 2020 as leasing surged midyear, coinciding with a large uptick in online sales due to the pandemic. In Q2, e-commerce leasing accounted for well over 40% of total large leasing in the country with several large deals getting signed including a 2.7 million s.f. lease in Ottawa. However, as the year wore on many other industries got in on the action.

3PL, logistics & distribution companies dominated leasing in Q4. Meanwhile, traditional retailers and consumer durables also finished the year strong. Notable deals in these sectors in Q4 included a 659,000-s.f. deal signed by Proactive Group in Vaughan, a 498,000-s.f. deal leased by Canadian Tire in Calgary and a 592,000-s.f. deal done by ULINE in the Toronto Area. TJX group of companies also inked a significant expansion this quarter on top of another new deal done last quarter in Brampton. The company, which operates Winners and HomeSense, has essentially no online presence in Canada and has been affected by lockdowns during the year. These deals highlight how many users have been actively rethinking their supply chains amid the pandemic's disruptions which has also helped contribute to leasing volume despite having a tough year.

2020 completions reached a cyclical high but still struggled to meet surging demand

Developers have begun to develop multi-story properties as strong new supply has done little to relieve tight market conditions



Source: JLL Research , CoStar, Altus Insite

Government-forced construction shutdowns in Ontario and Quebec this past spring did little to deter industrial construction across the country in 2020. Total completions hit 22.2 million s.f., a slight increase over 2019's 21.7 million s.f. of completions. This also represents a notable increase over the annual average between 2016 and 2018 of 15 million s.f. Toronto alone represented 53.3% of total deliveries in 2020 as near historically low vacancy continues to entice developers into building.

While developers pushed through significant completions this year much more will likely be needed to bring relief from historically tight market conditions in much of the country. Developers in turn have gotten creative amid continued high user demand and constrained land markets in major centres. Oxford broke ground on Canada's first true multi-story industrial complex this past quarter at Riverbend Business Park in the Vancouver area. The 707,000-s.f., two-story facility is part of a larger 1.3 million s.f. infill development. It will offer shipping to full size transit trailers on both floors. On the other end of the country construction is well under way at 222 Citigate Drive. This build-to-suit site, which is scheduled for completion this summer, will be more than 2.7 million s.f. over 5 floors. While shipping access is only on the first floor, this site still packs in density unheard of for a modern industrial facility in Canada. Both these building types are expected to be replicated in the coming years.

Local Markets

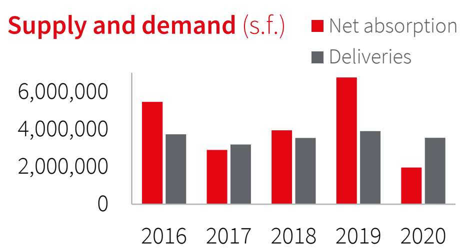
Metro Vancouver

Construction begins on Canada's first multi-story facility amid a continued lack of available space

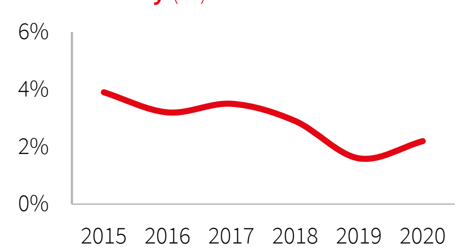
- Vacancy held steady at 2.2% up slightly from a historic low of 1.6% in 2019
- Under construction space increased over 1 million s.f. since Q3
- Average net rental rates registered at $13.66 per s.f., a 6.1% increase year-over-year

Fundamentals	Forecast	
2020 net absorption	1,955,326 s.f.	▲
Under construction	4,023,107 s.f.	▶
Total vacancy	2.2%	▼
Sublease vacancy	855,023 s.f.	▼
Direct asking rent	$13.66 p.s.f.	▲
Sublease asking rent	$11.60 p.s.f.	▶
Concessions	Stable	▶

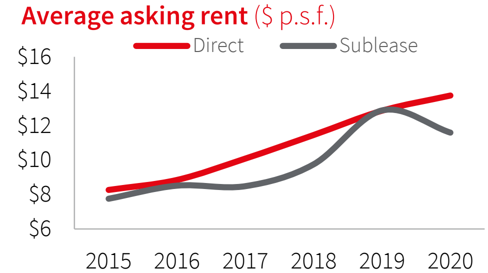
Supply and demand (s.f.)



Total vacancy (%)



Average asking rent ($ p.s.f.)



Construction commenced on Canada's first true multi-story industrial building this quarter. The 707,000-s.f. building is located at Oxford's Riverbend Business Park in Burnaby. This project highlights a creative solution to Vancouver's supply constrained market with ever rising land prices. Additionally, this massive project helped drive under construction space to 4 million s.f. as developers double down on supplying the tight market after a short pause in ground breakings during the initial wave of the pandemic.

Meanwhile, leasing activity continued to be brisk to round out an extremely busy second half of the year. The theme we have seen the past few quarters, is that larger spaces over 50,000 s.f. have been particularly in demand. Of note J.F. Hillebrand inked a deal for 120,000 s.f. at Beedie's Westpointe Business Centre that just completed this quarter. Additionally, Big Mountain Foods subleased 68,000 at Cliveden Avenue in Delta and Sim Video International leased 69,000 s.f. at 12111 Jacobson way in Richmond. These deals highlight increased demand in both the grocery and studio space for the entertainment industry since the COVID-19 pandemic began.

On the sales front, Greater Vancouver registered $301 million in industrial sales in Q4. This is up significantly from a dismal Q3, but also helped push overall sales volume for the year above 2019 levels as inventors and users alike regain confidence in purchasing after the initial COVID related uncertainty.

Outlook

Vancouver's slight rise in vacancy in 2020 isn't expected to continue into 2021 as user demand in the later half of the year surged and construction in Vancouver's land constrained market is expected to continue to struggle to keep up. That said, developers are becoming increasingly creative, and a robust construction pipeline is expected in 2021 and beyond.

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Calgary & Area

Calgary's strong user growth in Q4 makes its industrial market well positioned for 2021

- Vacancy and availability rates declined in Q4
- "Big Box" distribution centers were the most sought-after product type and this is expected to continue into 2021
- Q4 absorption totaled nearly 1,600,000 s.f.

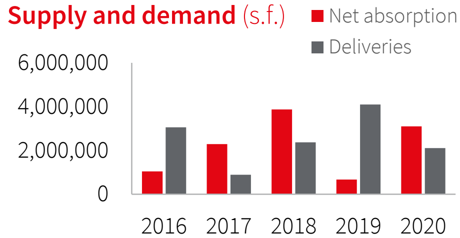
Fundamentals	Forecast
2020 net absorption	3,096,003 s.f. ▲
Under construction	1,884,304 s.f. ▼
Total vacancy	6.2% ▼
Sublease vacancy	682,574 s.f. ▶
Direct asking rent	$9.88 p.s.f. ▶
Concessions	Stable ▶

With 2020 now behind us, Calgary's industrial market weathered another rigorous and challenging year. Despite COVID-19's impacts, the industrial market has remained the most resilient among other real estate asset classes and to some extent, prospered. In Q4 we saw nearly 1.6 million s.f. of positive net absorption, and vacancy rates have dropped noticeably from 7.0% to 6.2%. One of the largest deals to account for this absorption was Canadian Tire for almost 500,000 s.f. in SE Calgary, Sleep Country leasing 102,624 s.f. at 11 Dufferin Place SE, and 139,885 s.f. was leased at 4100 Westwinds Dr NE. There are a number of other active deals currently which we expect to continue to push vacancy down in Q1, 2021.

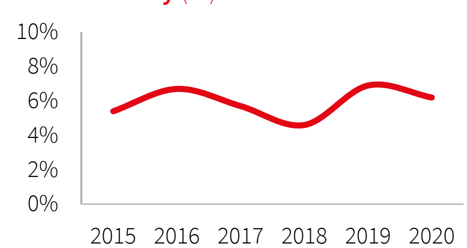
"Big box" distribution and warehouse spaces continue to thrive in the Greater Calgary Area. These spaces are 100,000 s.f. or greater, with ceilings heights of 28 feet and higher. The market changes through last year acceleration of online shopping and delivery have continued to make these building highly sought after. On the other side of the spectrum, there has been significant diversions in the sub-20,000 s.f. market. With a variance in risk tolerance and capital, many of these tenants occupying smaller bay spaces have experienced mixed fortunes.

Calgary will be seeing six new noteworthy developments breaking ground this year. In north Calgary and Balzac these include Enright's Airport Crossing Building 5 for 172,150 s.f., Hopewell's Crosspointe Building 2 in Balzac for 200,274 s.f., and Highfield's building 7 at 409,360 s.f., while in the SE Gregg Distributors' design build in Eastlake is under construction at 132,827 s.f..

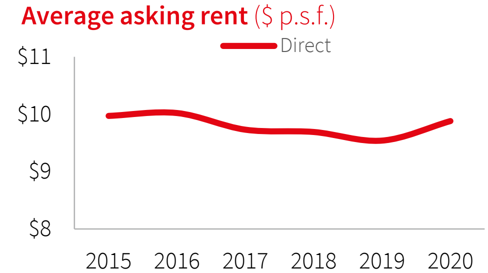
Supply and demand (s.f.)



Total vacancy (%)



Average asking rent ($ p.s.f.)



Outlook

With nearly half of the entire year's absorption occurring in the last quarter, this can be a strong indicator of continued strength in 2021. We will likely continue to see vacancy decline through the year, with rental rates holding stable or starting to see upward pressure.

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Edmonton

Vacancy hovers near 5-year high as market enters second COVID wave

- The Edmonton industrial market posted 984,561 s.f. of positive net absorption in 2020.
- Total average asking rents contracted by 3.4%, year-over-year, from $9.75 per s.f. in Q4 2019 to $9.42 per s.f. in Q4 2020.
- Deliveries in 2020 totaled 2,670,273 s.f.

The Edmonton industrial market has weathered the on-going pandemic by riding the 2020 tailwinds of accelerated e-commerce adoption and the accompanying boom in last mile logistics. Distribution and e-commerce tenants took possession of 53.8% of deliveries in 2020, for a total of 1,437,402 s.f.. The fourth quarter recorded 866,095 s.f. of positive net absorption, for a total of 984,561 s.f. of net occupancy gains for 2020. Vacancy edged lower to 6.3% over the quarter after recovering from a 5-year record peak of 6.7% in Q3 2020.

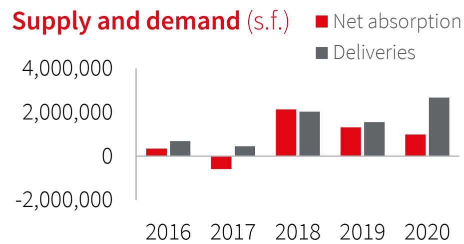
Notable transactions include X-Caliber / Matrix Heavy Hauling leasing 79,542 s.f. at 30 Alberta Ave in Spruce Grove and Structube leasing 107,747 s.f. in Southport Crossing Building 2 while Annelida is close to securing the Destiny Bioscience portfolio in Leduc. Despite steady deal flow, total average asking rates decreased by 3.4% this year, dropping from $9.75 per s.f. in Q4 2019 down to $9.42 per s.f. in Q4 2020. However, this drop is partially due to the growing divergence in direct and sublease average asking rents in response to the 35.3% increase in sublease availabilities over the past 12 months. For comparison, direct availabilities only increased by 18.3 % over the same time period.

Outlook

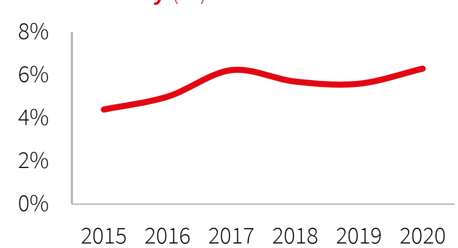
Construction broke ground on the 214,070 s.f. Building E in Horizon Business Park, but no tenant has been announced at this time. Delivery is slated for Q1 2022. As online shopping continues to build market share, a new multi-level e-commerce facility, with a 600,000 s.f. floorplate is slated to break ground at Panattoni's Highlands Business Park in the new year. The site is located in Acheson's southern border and is positioned to take full advantage of the major highway upgrades planned for the Highway 60 and Highway 628 intersection. The new interchange will provide convenient access to Anthony Henday by way of a new Whitemud Drive extension. Construction is expected to commence in 2021.

Fundamentals	Forecast
2020 net absorption	984,561 s.f. ▶
Under construction	2,174,070 s.f. ▼
Total vacancy	6.3% ▲
Sublease vacancy	686,713 s.f. ▲
Direct asking rent	$9.54 p.s.f. ▶
Sublease asking rent	$8.29 p.s.f. ▼
Concessions	Falling ▼

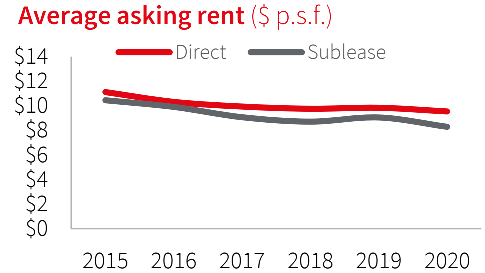
Supply and demand (s.f.)



Total vacancy (%)



Average asking rent ($ p.s.f.)



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Winnipeg

The Winnipeg industrial market is well-positioned for a strong start to 2021

- Approximately 257,000 s.f. of new competitive industrial product will be delivered in the first quarter of 2021
- Over 1 million s.f. of industrial space was absorbed in 2020, as occupier growth remained strong despite economic uncertainties
- Over 62% of total vacant space is now concentrated in the West and Northwest submarkets

Fundamentals	Forecast
2020 net absorption	1,139,808 s.f. ▲
Under construction	257,000 s.f. ▲
Total vacancy	4.2% ▼
Sublease vacancy	48,335 s.f. ▲
Direct asking rent	$9.20 p.s.f. ▼
Concessions	Stable ▶

The Winnipeg industrial market ended 2020 on a strong note continuing where Q3 left off with remarkable tenant demand and leasing activity. Overall vacancy fell to 4.2%, down from 4.8% in Q3 2020 and is now in line with the historical average. Nearly every submarket saw a decrease in vacancy with the only exception being the West submarket where vacancy increased by 20 basis points. Positive absorption of 813,980 s.f. was recorded in the quarter bringing year-end absorption to 1,139,808 s.f.

Strong rental rates continued to be driven by new product on the market with approximately 760,200 s.f. coming to the market in 2020 and another 257,000 s.f. set to be delivered in Q1 2021.

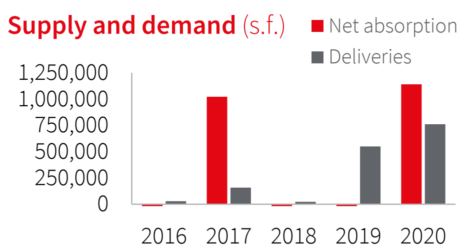
New speculative project announcements continue to be made in Northwest Winnipeg at Steele Business Park (MMI) and Inksport Business Park (Whiteland Development). This is in addition to McGillivray Business Park in the Southwest submarket.

Meanwhile, historically low interest rates continued to have a strong effect on construction decisions and end-user industrial buildings.

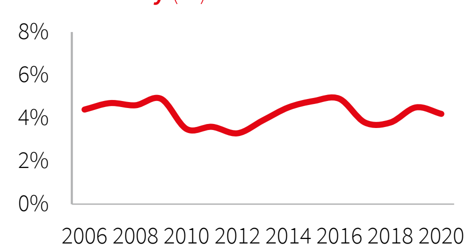
Outlook

We see no signs that current tenant demand will subside in early 2021 as Winnipeg's central location in Canada and access to a thriving inland port will continue to keep the market well-positioned for future growth. It remains to be seen how much new development activity will be seen in the Spring construction season as landlords continue to fill the more than 1 million sf that will be coming to the market between Q2 2020 and Q1 2021 but strong user demand to round out the year may help entice developers.

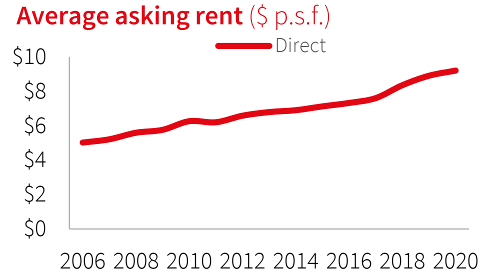
Supply and demand (s.f.)



Total vacancy (%)



Average asking rent ($ p.s.f.)



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Greater Toronto Area

Industrial market finishes the year strong after a turbulent year

- Vacancy rose 20 basis points since last quarter but remains very low at only 1.6%
- Average asking net rents continued to climb to a new high of $10.25 per s.f., up 15.3% year over year
- Completions this quarter totaled 4.3 million s.f., highlighted by Canadian Tire's 1.3 million s.f. Brampton facility

Large block leasing activity over 50,000 s.f. continued a strong resurgence in Q4. The second half of the year saw an 85.3% increase of large lease volume compared to the first half as the year as the industrial market roared back from a COVID induced slowdown. Notable leases that crossed the goal line this quarter include Proactive Group that inked an over 600,000 s.f. deal at 300 Gibraltar Road and neighboring 150 Gibraltar Road in Vaughan. Meanwhile leasing was busy at HOOPP's iPort Caledon with Worldpac Automotive signing a 560,000 s.f. deal, joining the likes of Mars, Brewers Retail and Radiant Logistics on the site. Additionally, ULINE struck a deal for almost 600,000 s.f. at the freshly completed 8480 Mount Pleasant way in Milton.

Industrial sales volume hit almost $800 million this quarter, significantly higher than any other quarter in an overall muted year. While overall volume on the year was below the 2017 to 2019 levels, the fourth quarter signaled a significant return of transaction activity.

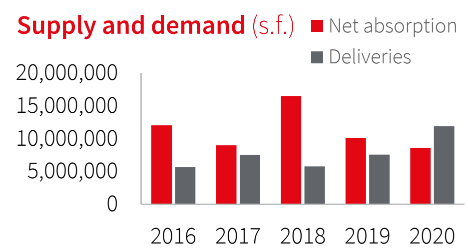
It was a notable year for construction completions in Greater Toronto. About 11.9 million s.f. of new product was delivered this year with 4.3 million of that in Q4 alone. This compares to only 6.6 million s.f. of annual completions the Greater Toronto market averaged between 2015 and 2019. Total under construction space increased slightly over last quarter as several notable projects broke ground. This includes a 1.0 million s.f. facility at Blackwood's GTA East Industrial Park as well as Walmart's new 550,000 s.f. facility at 11110 Jane Street.

Outlook

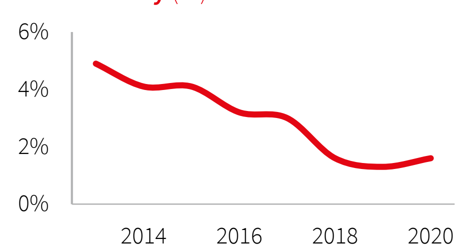
Vacancy has risen slightly since the COVID-19 pandemic began, but overall market condition remain extremely tight as vacancy still sits below 2%. With the surge in activity in the later part of 2020 vacancy is expected to remain stable through 2021. Upward pressure on rental rates is expected to continue, however after an unprecedented 53% increase in rates over the past 3 years, the rate of increase is expected to slow.

Fundamentals	Forecast	
2020 net absorption	8,545,531 s.f.	▲
Under construction	10,663,024 s.f.	▶
Total vacancy	1.6%	▶
Sublease vacancy	1,401,581 s.f.	▶
Direct asking rent	$10.25 p.s.f.	▲
Sublease asking rent	$9.09 p.s.f.	▲
Concessions	Stable	▶

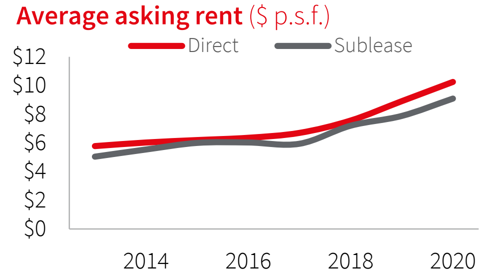
Supply and demand (s.f.)



Total vacancy (%)



Average asking rent ($ p.s.f.)



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Greater Ottawa Area

After a turbulent year, Ottawa's industrial market continues its steady course

- Vacancy dropped 30 basis points in Q4 to 2.4% and is near a historic low of 2.2% set in 2019
- Direct asking rents are up 6.5% year over year reaching $11.59 in the fourth quarter
- Currently, no speculative industrial development is taking place

After a year of uncertainty, the Ottawa Industrial market left of 2020 with very similar market conditions it had entered the year with. Industrial users have felt varying effect from the ongoing COVID-19 pandemic, but the overall market has remained extremely resilient. Vacancy remained stable below 3% throughout 2020 and net rental rates have continued their upward trajectory throughout the year. Meanwhile, the construction pipeline has been dominated by a single large build-to-suit facility at 222 Citigate Drive.

Market activity has been strong throughout the year and Q4 was no exception. There were several notable lease deals over 20,000 s.f. concentrated in the East submarket. This includes deals done at 1275 Humber Place, 1230 Old Innes Road, 1165 Kenaston Street and the recently completed 899 Ages Drive. By far the largest deal was at 2525 Lancaster Street where PWSGC inked a 125,000 s.f. deal.

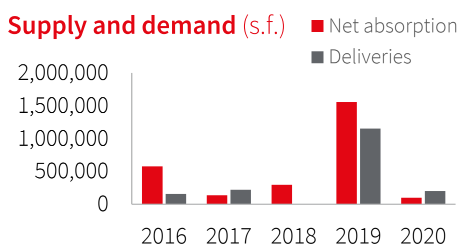
Industrial sales volume on the year registered $208.3 million in sales, down from 2019 but still above the 10-year average. Notably Manulife purchased the 108,000 s.f. 2105 Bantry Street from Greyhound Canada this quarter. Additionally, sales of industrial land have been strong this year highlighted by Broccolini's purchase of the 222 Citigate Drive last summer.

Outlook

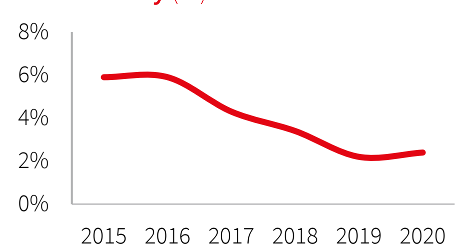
As the ongoing pandemic continues, industrial market conditions have remained historically tight. These conditions are expected to remain through 2021 with high user demand and no speculative construction to increase available options. Additionally, as the vaccine roll out peaks in the coming year, additional demand for storage may arise. In this climate, significant interest from users and investors in new development outside of traditional industrial nodes is expected. This could bring much needed new development to the market beyond the large build to suit e-commerce facilities that have dominated Ottawa's new supply the past few years.

Fundamentals	Forecast	
2020 net absorption	99,194 s.f.	▲
Under construction	2,753,130 s.f.	▶
Total vacancy	2.4%	▶
Sublease vacancy	136,703 s.f.	▶
Direct asking rent	$11.59 p.s.f.	▲
Sublease asking rent	$7.34 p.s.f.	▶
Concessions	Stable	▶

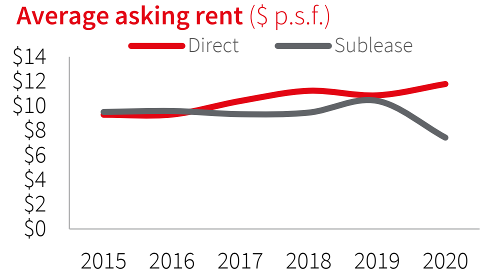
Supply and demand (s.f.)



Total vacancy (%)



Average asking rent ($ p.s.f.)



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Greater Montreal Area

Greater Montreal industrial vacancy inches up slightly, but rents continue to climb.

- Interstate Portfolio sale to KingSett displays that industrial real estate continues to be the preferred asset class in the GMA from investors
- Quarter over quarter vacancy rate rises slightly for the first time in two years
- Speculative construction continues to ramp up

Fundamentals	Forecast
2020 net absorption	2,539,070 s.f. ▲
Under construction	5,037,091 s.f. ▲
Total vacancy	1.9% ▶
Sublease vacancy	283,449 s.f. ▲
Direct asking rent	$7.58 p.s.f. ▲
Concessions	Stable ▶

Institutional investors continued to pour into the Greater Montréal Area's thriving industrial market. A partnership between Kingsett and a group of local investors purchased the Interstate Construction Portfolio in Saint-Laurent for $45 million. The portfolio consisted of several low-bay buildings for a total of 309,247 s.f. Even REITs are getting in on the action, with BTB REIT purchasing 2005 Chatelier in Laval for over $236 per square foot and Choice REIT purchasing Canada Cartage's cross dock terminal in Laval.

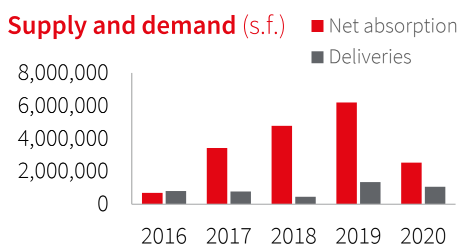
On the leasing front, Q4 was characterized by large tenants renewing in place due to the lack of product, especially quality product in the market. Notably, Groupe Marcelle renewed their 129,084 s.f. facility at 9200 Côte-de-Liesse, in Saint-Laurent. Staying in Saint-Laurent, Daher Aerospace, whose headquarters are in France, will be entering the Montréal market after leasing 156,000 s.f. at 550 McArthur from Mondev.

As the vacancy rate continues to hover below 2% and net rents continue to climb, the speculative construction pipeline continues to heat up. Rosefellow announced that two projects will begin on May 1st, 151 Reverchon, in Pointe-Claire and their Marien project in the East End; the projects will be roughly 300,000 s.f. and 125,000 s.f., respectively. Moreover, Broccolini's 390,000 s.f. spec build in Vaudreuil-Dorion should be completed by the fall.

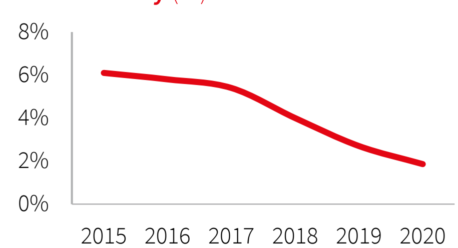
Outlook

As speculative projects are completed over the course of 2021, we expect to see the vacancy rate climb slightly, which will give prospective tenants more choices for Class A product. However, the sheer amount of demand on the market currently is expected to quickly absorb new supply in 2021, which will keep net rents trending upward.

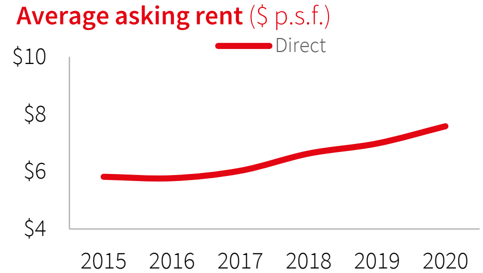
Supply and demand (s.f.)



Total vacancy (%)



Average asking rent ($ p.s.f.)



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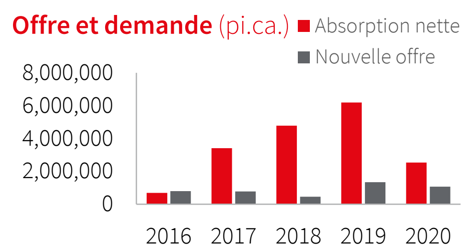
Montréal

Le taux d'inoccupation des propriétés industrielles de la Grande région de Montréal a augmenté légèrement, mais les loyers continuent de croître.

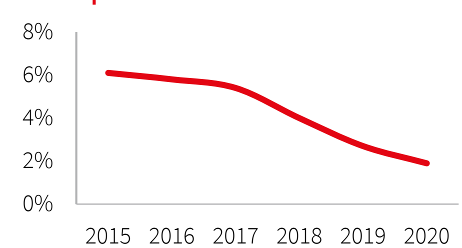
- La vente du portefeuille de Construction Interétat à KingSett démontre que le secteur industriel continue d'être la classe d'actifs préférée des investisseurs dans la GRM
- Pour la première fois en deux ans, le taux d'inoccupation a augmenté légèrement depuis son niveau du trimestre précédent
- Les projets de construction réalisés sur une base spéculative sont de plus en plus fréquents

Indicators	Prévisions
Absorption nette CDA	2 539 070 pi.ca. ▲
En construction	5 235 091 pi.ca. ▲
Innocupation	1,9 % ▶
Taux d'inoccupation pour sous-locations	266 586 pi.ca. ▲
Loyer affiché moyen	7,58 $ / pi.ca. ▲
Allocation	Stable ▶

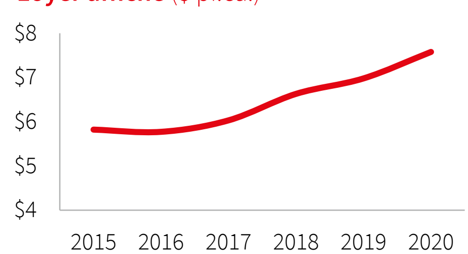
Offre et demande (pi.ca.)



Innocupation



Loyer affiché ($ pi.ca.)



Les investisseurs institutionnels continuent d'affluer vers le vigoureux marché industriel de la GRM. Un partenariat établi entre KingSett et un groupe d'investisseurs locaux a permis à ces derniers d'acquérir le portefeuille de Construction Interétat de Saint-Laurent pour la somme de 45 millions $. Ce portefeuille comprend de plusieurs immeubles à faible hauteur totalisant de 309 247 pieds carrés. Même les FPI se mettent de la partie, tel qu'en témoignent l'achat, par FPI BTB, du 2005, rue Le Chatelier, à Laval, pour plus de 236 $ le pied carré, et l'achat, par le FPI Propriétés de Choix, du terminal de transbordement de Canada Cartage, à Laval.

Sur le plan de la location, le quatrième trimestre a été marqué par le renouvellement des baux de grands utilisateurs d'espace, en raison du manque de produit, et surtout du manque de produit de qualité sur le marché actuellement. Notamment, le Groupe Marcelle a renouvelé son bail pour ses installations de 129 084 pieds carrés au 9200, chemin de la Côte-de-Liesse, dans l'arrondissement de Saint-Laurent. Toujours à Saint-Laurent, Daher Aerospace, dont le siège social est situé en France, fera son entrée sur le marché montréalais suite à la signature d'un bail, avec l'entreprise Mondev, pour des locaux de 56 000 pieds carrés au 550, rue McArthur.

Alors que le taux d'inoccupation demeure inférieur à 2 % et que les loyers nets continuent d'augmenter, de plus en plus de projets de construction ont lieu sur une base spéculative. Rosefellow a annoncé le lancement de deux projets de construction qui débuteront le 1er mai, soit le 151, avenue Reverchon, à Pointe-Claire et leur projet situé sur la rue Marien, à Montréal-Est. La superficie de ces projets sera d'environ 300 000 pieds carrés et 125 000 pieds carrés, respectivement. De plus, le projet de Broccolini de 390 000 pieds carrés, à Vaudreuil-Dorion, devrait être terminé d'ici l'automne.

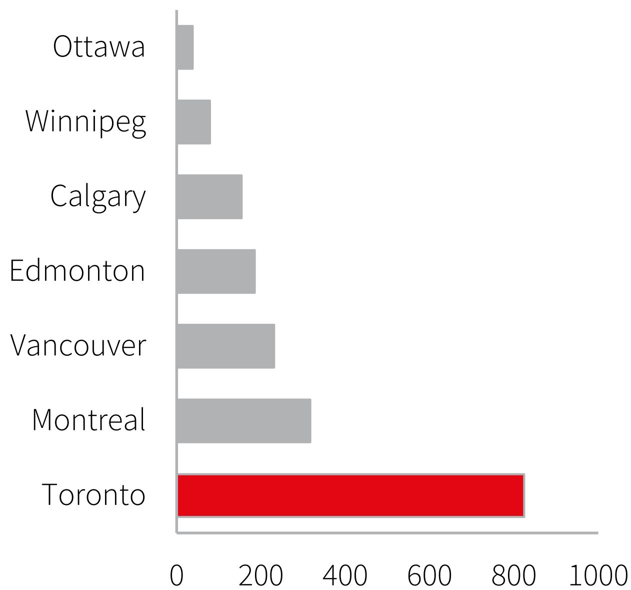
Perspectives

À mesure que les projets de construction réalisés sur une base spéculative seront complétés au cours de l'année 2021, nous nous attendons à ce que le taux d'inoccupation augmente légèrement, ce qui donnera aux locataires plus de choix pour les produits de catégorie A. Toutefois, l'ampleur de la demande qui prévaut actuellement sur le marché devrait être en mesure d'absorber rapidement le nouveau produit offert en 2021, ce qui maintiendra la tendance à la hausse des loyers nets.

Pour obtenir plus d'informations, veuillez communiquer avec: Dimitri (Jimmy) Mouhteros Dimitri.Mouhteros@am.jll.com

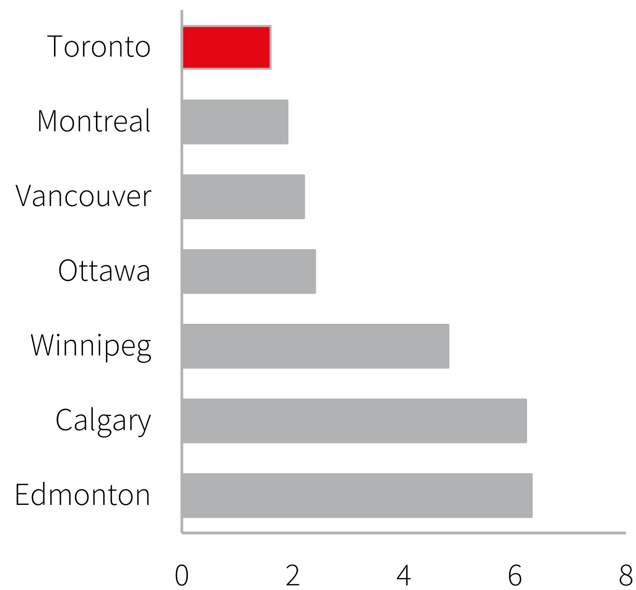
Appendix

Inventory
Square feet (millions)



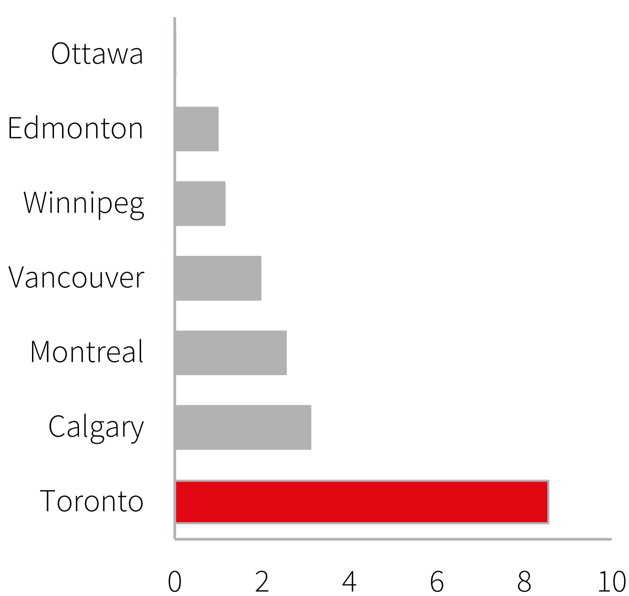
Source: JLL Research , CoStar, Altus Insite

Total vacancy rates
Vacancy Rate (%)



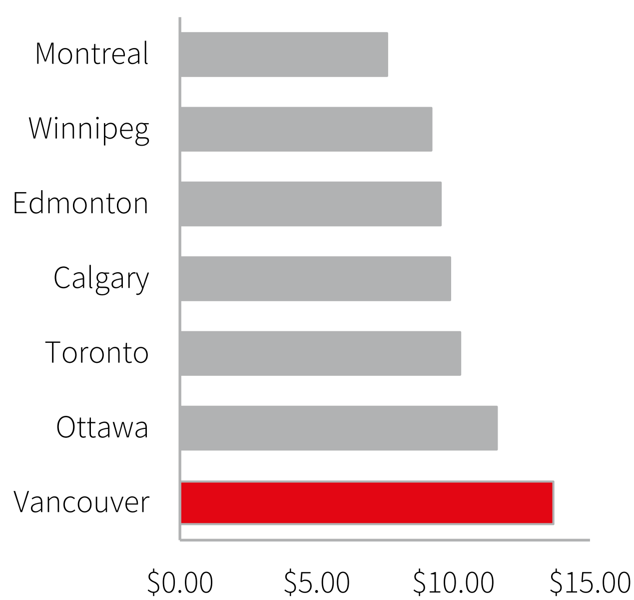
Source: JLL Research , CoStar, Altus Insite

YTD total Net absorption
Square feet (millions)



Source: JLL Research , CoStar, Altus Insite

Average asking net rent
Asking rent ($/s.f.)



Source: JLL Research , CoStar, Altus Insite

Industrial Statistics

	Inventory (s.f.)	Quarterly total net absorption (s.f.)	YTD total net absorption (s.f.)	YTD total net absorption (% of stock)	Total vacancy (%)	Total availability (%)	Direct Average asking net rent ($ p.s.f.)	Quarterly Completions (s.f.)	YTD Completions (s.f.)	Under construction (s.f.)
Vancouver	230,763,984	641,072	1,955,326	0.8%	2.2%	2.8%	$13.66	607,016	3,540,153	4,023,107
Calgary	153,901,236	1,541,003	3,096,385	2.0%	6.2%	8.0%	$9.88	263,570	2,108,125	1,884,304
Edmonton	184,917,236	866,095	984,561	0.5%	6.3%	7.9%	$9.54	422,380	2,670,273	2,174,070
Winnipeg	79,062,357	813,980	1,139,808	1.4%	4.2%	4.2%	$9.20	0	760,200	257,000
Toronto	824,302,211	1,944,667	8,545,531	1.0%	1.6%	2.5%	$10.25	4,285,040	11,851,063	10,663,024
Ottawa	37,639,506	110,594	99,194	0.3%	2.4%	4.7%	$11.59	0	197,680	2,753,130
Montreal	317,197,018	-236,211	2,539,070	0.8%	1.9%	3.3%	$7.58	0	1,066,430	5,235,091
Canada Total	**1,827,783,548**	**5,681,200**	**18,359,875**	**1.0%**	**2.7%**	**3.8%**	**$9.88**	**5,578,006**	**22,193,924**	**26,989,726**

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