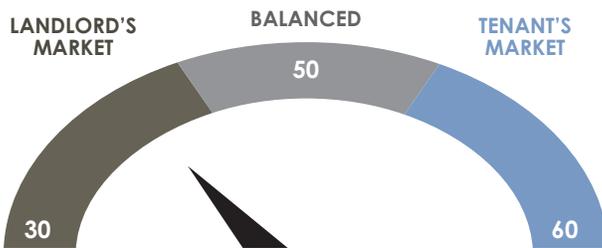


**45** An index of 45 indicates that we are in a **Landlord's market**.



THE ELLINGTON INDEX is designed to take into consideration a variety of factors which influence the market. We do this on a quarterly basis. The higher the individual factor is ranked means it influences the overall market in a positive way for the tenant or in other words, contributes to a "Tenant's Market". Conversely the lower the rank, the more the factor contributes to it being a "Landlord's Market"

ELLINGTON INDEX - FACTORS/VALUES		RANK
Vacancy Rate (GTA)	0.8%	4
Availability Rate (GTA)	1.4%	4
Availability Rate Toronto Central	1.3%	4
Availability Rate Toronto East	1.5%	4
Availability Rate Toronto North	1%	4
Availability Rate GTA West	1.6%	4
Tenant Confidence	Medium	6
Landlord Confidence	High	4
Forecasted Rental Rates over next 3 months	Stable	4
Tenant Deal Velocity in Market (GTA)	Low	7
<b>TOTAL</b>		<b>45</b>

**INDUSTRIAL OUTLOOK  
Q1 2020**

The Greater Toronto industrial market has demonstrated year over year growth in occupancy costs and historically low levels of availability for the preceding 24-36 months. The COVID-19 global pandemic has caused significant disruption across all sectors of business and real estate asset classes. Retail and office markets have been most significantly impacted as a result of forced business closures, increasing jobless rates and adaptation to remote working environments.

With this considered, the industrial market has remained stable with minimal rent default in April. Furthermore, sectors of the industrial market such as e-commerce, food & beverage and third party logistics are all experiencing increasing demand as a result of COVID-19. Retail closures have led to supply chain disruption increasing inventory levels for many clients now in need of temporary accommodations for excess inventory. The global shortage of pandemic supplies has also increased demand for local manufacturing. Of the 15,000,000 sq. ft. of industrial space currently under construction, non-essential speculative construction projects have been shut down causing further constraints on supply.

We anticipate near term adjustments in pricing and slowing of rental growth as a result of increasing capitalization rates, market uncertainty and significant increases in jobless rates. The long-term outlook for industrial real estate however, in the Greater Toronto Area is stable and companies that strategically plan today will excel going forward.

**NOTABLE INDUSTRIAL TRANSACTIONS  
Q1 2020**

TENANT	LOCATION	SIZE (SF)
Trillium Supply Chain Inc.	Caledon	342,821
RPM Canada	Vaughan	272,767
William F White	Mississauga	180,994
511 Food Service	Halton Hills	180,000
Walmart	Caledon	180,000
Irving	Toronto	150,000
Haggar Canada	Vaughan	103,800

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