

COVID-19 INFORMATION INSIDE!



Oakville Burlington Hamilton

Market Report Q2 2020



DOUG MURRAY
Vice President
Sales Representative
+ 1 289 266 1010
Doug.Murray@colliers.com



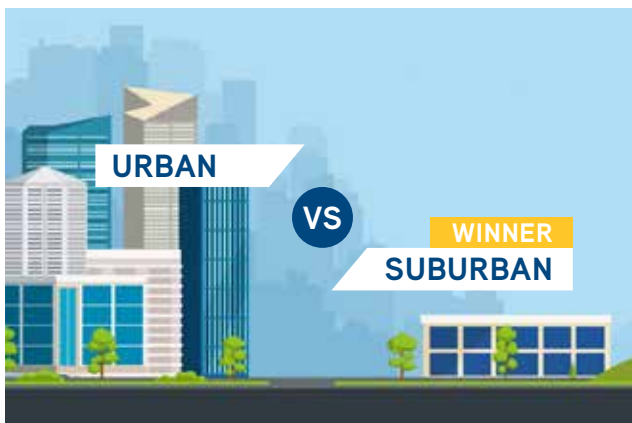
BRYAN FALDOWSKI
Senior Vice President
Sales Representative
+ 1 289 266 1009
Bryan.Faldowski@colliers.com

THE COVID-19 EFFECT

Commercial Real Estate Trends

COVID-19 brought the world to a halt with the closure of businesses, disrupted travel and forced isolation. Within the Halton-Hamilton commercial real estate sector, we saw various stakeholders assess impacts, adjust operations, and build on their contingency plans to support their people and their businesses.

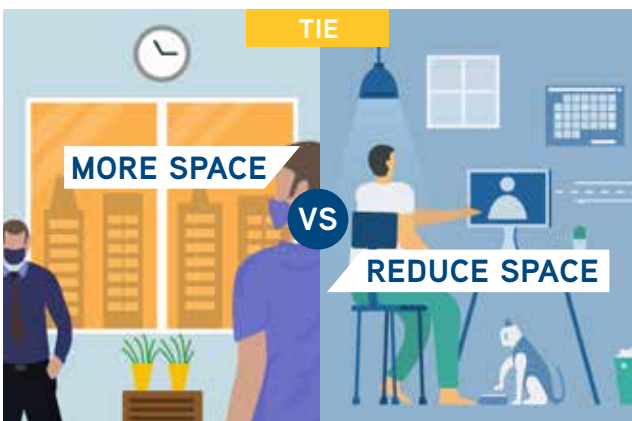
Office Demand Shift



We're seeing a shift from overcrowded urban offices to quiet, spacious suburban spaces. Suburban walk-up or single-storey office buildings have built-in social distancing with no elevators or common areas making it a key winner in the COVID-19 era.

Suburban office is less expensive than urban space, making it a desirable option for companies looking to cut costs. The majority of suburban locations require car travel and don't rely on mass transit, therefore limiting employee exposure.

Evolving Space Needs

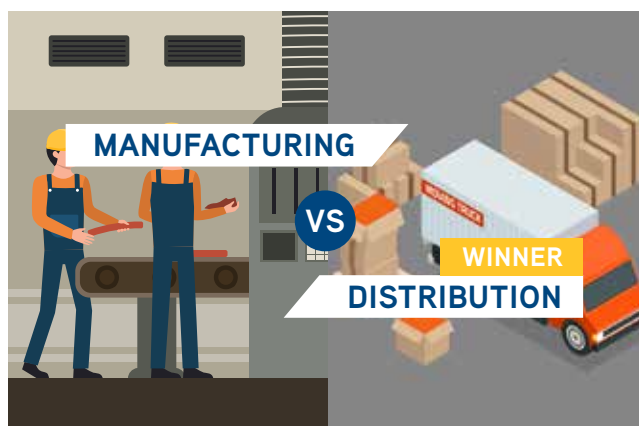


In weighing the balance between requiring more space per employee and moving to a permanent work from home model to reduce space needs, there is no clear best practice.

The effects of COVID-19 are either causing businesses to expand their space to provide enough space for social distancing, or they are reducing their space as many employees will continue to work from home.

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E-Commerce Driving Distribution



Even pre-COVID-19, e-commerce was driving industrial activity. Distribution space continues to be in high demand as customers rely on same-day delivery. In order to reach customers faster, we may see an increase in distribution centres constructed closer to residential areas.

As we move forward, most new industrial development will be dominated by large distribution centres for tenants 100,000 SF and up.



Key Considerations for Tenants

Negotiating Power

Tenants have more negotiating leverage as Landlords may not be able to evict and are cautious to preserve whatever cash flow they can. If you are not looking for rental relief, this may be an opportunity to negotiate other elements of the lease.

Rent Relief

Don't be afraid to ask your Landlord for relief. However, be prepared to show proof of economic hardship.

Shorter Extensions

Tenants may want to consider shorter term extensions in order to assess the impact of COVID-19 on their business.

External Control

Note that in most cases it is your Landlord's bank that is the most important factor in the Landlord's ability to afford rent relief measures.



THE COVID-19 EFFECT

Key Considerations for Landlords

Strengthen Relationships

COVID-19 provides an opportunity for Landlords to strengthen their relationships with their Tenants by providing creative solutions to help them weather the storm.

Review Loan Documents

Before agreeing to any rent relief, ensure that is not in contravention of financial covenants in your loan documents.

Evaluate Unique Needs

Rent relief solutions should be on a case-by-case basis considering the Tenant's unique circumstances. There is not a one-size-fits-all solution.

Communication

If a Tenant misses a payment and there is no lease amendment agreement to allow, the Landlord should notify the Tenant that they are in default to protect its rights (even if the Landlord does not intend to evict).

Mutual Early Termination

Instead of eviction (which is currently prohibited in most jurisdictions), consider mutual early termination for Tenants that struggled prior to COVID-19.

Documentation

Rent relief should be structured as a deferral of the rent, not an abatement. Any action needs to be documented in a lease amending agreement.

Deferral Options

Two popular deferral scenarios include pushing out deferred rent by months and/or extending the term of the lease.

MARKET TRENDS

Industrial Statistics

Sale Prices by Market

Over 10,000 SF, 12 month rolling average

Oakville \$232 PSF

- 4% from Q1 2020
+ 30% from Q2 2019

Burlington \$203 PSF

+ 1.5% from Q1 2020
+ 27% from Q2 2019

Hamilton \$124 PSF

- 5% from Q1 2020
+ 2% from Q2 2019

Asking Net Rents by Market

Over 10,000 SF, 12 month rolling average

Oakville \$9.40 PSF

- 3% from Q1 2020
+ 3% from Q2 2019

Burlington \$8.55 PSF

- 6% from Q1 2020
+ 1.7% from Q2 2019

Hamilton \$7.91 PSF

+ 7% from Q1 2020
+ 35% from Q2 2019

Office Statistics

Asking Net Rents by Market

Over 2,000 SF, 12 month rolling average

Oakville \$18.25 PSF

- 2.4% from Q1 2020
- 0.7% from Q2 2019

Burlington \$17.25 PSF

- 0.7% from Q1 2020
+ 4.5% from Q2 2019

MARKET TRENDS

Vacancy Rates

By Market and Asset Class

	Q2 2020	Q1 2020	Trend
Oakville Office	9.1%	8.9%	▲
Oakville Industrial	2.1%	1.2%	▲
Burlington Office	9.7%	10%	▼
Burlington Industrial	1.5%	0.8%	▲
Hamilton Industrial	2.9%	1.9%	▲

What does this mean?

5-7% vacancy is considered market equilibrium between landlords and tenants.

A vacancy rate **below** this is typically a landlord's market with demand outpacing supply.

A rate **above** this is a tenant's market with supply outpacing demand.

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Industrial & Land Listings

FOR SALE



2102 Speers Road, Oakville

- > 19,530 SF freestanding facility
 - > 4 shipping doors and 19.8' clear height
- List Price:** \$5,950,000 | **Taxes:** \$51,814

FOR LEASE



451 Wyecroft Road, Oakville

- > 1,200 SF available
 - > 1 shipping door and 14' clear height
- Gross Rent:** \$4,000/month

FOR LEASE



5335 John Lucas Drive, Burlington

- > 79,229 SF available, divisible to 15,433 SF
 - > Occupancy July 2020
- Net Rent:** \$8.50+ PSF | **TMI:** \$4.50 PSF

FOR SALE



1153 Pioneer Road, Burlington

- > 643 SF - 1,172 SF; multiple units available
 - > Significant Landlord improvements
- List Price:** Contact the team for details.

FOR LEASE



920 Century Drive, Burlington

- > 33,696 SF building on 1.8 acres
 - > 3 shipping doors and 3 cranes
- Net Rent:** \$7.95 PSF | **TMI:** \$3.95 PSF

FOR SUBLEASE



830 Harrington Court, Burlington

- > 8,210 SF with 3,000 SF office space
 - > 2 shipping doors and 14' clear height
- Net Rent:** \$10.95 PSF | **TMI:** \$3.50 PSF

FOR SALE



4355 Fairview Street, Burlington

- > 110,919 SF warehouse on 6.37 acres
 - > 7 shipping doors and rail access
- List Price:** \$16,500,000 | **Taxes:** \$86,695

FOR LEASE



990 Fraser Drive, Burlington

- > 21,388 SF available with QEW exposure
 - > 1 shipping door and 9' - 30' clear height
- Net Rent:** \$12.95 PSF | **TMI:** \$4.01 PSF

FOR SALE/LEASE




5530 Harvester Road, Burlington

- > 24,000 SF building on 1.59 acres
 - > 4 shipping doors and 18' clear height
- List Price:** \$5,640,000 | **Taxes:** \$41,100
Net Rent: \$9.50 PSF | **TMI:** \$4.00 PSF

Industrial & Land Listings

FOR SALE



1110 Heritage Road, Burlington

- > 16,000 SF building on 1.17 acres
 - > Excellent investment opportunity
- List Price:** \$3,700,000 | **Taxes:** \$29,945

FOR LEASE



245 Lottridge Street, Hamilton

- > 6,780 SF warehouse with outside storage
 - > Offers approximately 15% built-out office
- Gross Rent:** \$10,000/month (utilities extra)

FOR SUBLEASE



391 Victoria Avenue North, Hamilton

- > 97,195 SF warehouse
 - > 5 shipping doors and 14' - 16' clear height
- Net Rent:** \$5.00 PSF | **TMI:** \$1.20 PSF

FOR SALE



437-441 Ofield Road, Hamilton

- > 15,811 SF building on 10.9 acres
 - > 7 shipping doors and 23' clear height
- List Price:** \$6,250,000 | **Taxes:** \$92,416

FOR SALE/LEASE



66 Innovation Drive, Hamilton

- > 19,000 SF building available
 - > 4 loading doors and 16' - 21' clear height
- List Price:** \$3,999,000 | **Taxes:** \$45,062
- Net Rent:** \$7.25 PSF | **TMI:** \$4.00 PSF

FOR SALE



548 Arvin Avenue, Stoney Creek

- > 1.60 acres
 - > Excellent access to the QEW
- List Price:** \$1,900,000 | **Taxes:** TBD

FOR LEASE



1290 Arvin Avenue, Stoney Creek

- > Units ranging from 1,500 SF - 8,000 SF
 - > Possession Q2 2020
- Net Rent:** \$9.00 PSF | **TMI:** TBD

FOR LEASE



628 Arvin Avenue, Stoney Creek

- > 8,742 SF freestanding building available
 - > 2 loading doors and 16' clear height
- Net Rent:** \$8.50 PSF | **TMI:** \$3.50 PSF

FOR LEASE



1295 Cormorant Road, Ancaster

- > Up to 90,000 SF build-to-suit industrial
 - > Can be demised to 15,440 - 28,380 SF
- Net Rent:** \$8.95+ PSF | **TMI:** \$4.50 PSF

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Office & Retail Listings



FOR LEASE

1565 North Service Road, Oakville

- > 60,000 SF Class A office tower
- > New development with 2021 occupancy

Net Rent: \$24.00 PSF | **TMI:** \$11.50 PSF



FOR SUBLEASE

1320 Cornwall Road, Oakville

- > 7,500 SF bright office space
- > Sublease term until September 30, 2023

Net Rent: \$14.00 PSF | **TMI:** \$12.41 PSF



FOR LEASE

1453 Cornwall Road, Oakville

- > Suites ranging from 2,612 SF - 5,771 SF
- > Utilities are included in TMI

Net Rent: \$12.00 PSF | **TMI:** \$8.40 PSF



FOR SALE

474 Iroquois Shore Road, Oakville

- > 39,693 SF on 1.68 acres
- > Ideal for owner-occupier

List Price: \$7,250,000 | **Taxes:** \$74,426



FOR SALE

1550 South Gateway Road, Mississauga

- > 1,100 SF third floor office space
- > Excellent space layout and location

List Price: \$297,000 | **Taxes:** \$3,651
Condo Fee: \$261/month



FOR SALE

1455 Lakeshore Road, Burlington

- > 1,233 SF - 2,488 SF over two units
- > Excellent location downtown Burlington

List Price: Contact the team for details.



FOR LEASE

3425 Harvester Road, Burlington

- > Suites ranging from 904 SF - 1,999 SF
- > Upgraded HVAC, parking lot and roof

Net Rent: \$14.00+ PSF | **TMI:** \$11.21+ PSF



FOR LEASE

Emery-Alton Corp. Centre, Burlington

- > Suites ranging from 886 SF - 8,710 SF
- > Free rent and improvement incentives

Net Rent: \$18.95+ PSF | **TMI:** \$11.00+ PSF



FOR LEASE

760 Brant Street, Burlington

- > Suites ranging from 462 SF - 3,805 SF
- > Prime downtown Burlington location

Net Rent: \$10.00 PSF | **TMI:** \$10.19 PSF

Office & Retail Listings

FOR LEASE



630 Main Street East, Hamilton

- > 1,900 SF recently renovated office suite
- > Ample free on-site parking

Gross Rent: \$12.00 PSF (utilities extra)

FOR LEASE



1425 Osprey Drive, Ancaster

- > 5,620 SF second floor office suite
- > Divisible to 1,620 SF and 4,000 SF units

Net Rent: \$14.50 PSF | **TMI:** \$7.50 PSF

FOR LEASE



1295 Cormorant Road, Ancaster

- > 4,209 SF third floor office suite
- > Ready for tenant fit-up

Net Rent: \$14.95 PSF | **TMI:** \$4.50 PSF

FOR LEASE



42 King Street East, Stoney Creek

- > 938 SF professional office space
- > Ample on-site parking

Net Rent: \$15.00 PSF | **TMI:** \$10.87 PSF

FOR LEASE



435 McNeilly Road, Stoney Creek

- > 2,651 SF office unit
- > 30% industrial area

Net Rent: \$12.00 PSF | **TMI:** \$6.10 PSF

FOR LEASE



430 McNeilly Road, Stoney Creek

- > 4,100 SF office unit
- > 58% industrial area

Net Rent: \$12.00 PSF | **TMI:** \$6.10 PSF

FOR SALE



183 James Street South, Hamilton

- > Iconic John Patterson House
- > 7,189 SF investment property

List Price: \$2,350,000 | **Taxes:** \$19,161

FOR SALE



1393 Main Street East, Hamilton

- > 2,600 SF available
- > street front retail and 2 upper apartments

List Price: \$625,000 | **Taxes:** \$5,200

FOR LEASE



3200 Regional Road 56, Binbrook

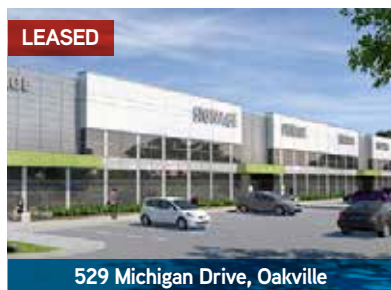
- > Retail suites from 563 SF - 2,695 SF
- > Additional 3,000 SF basement space*

Net Rent: \$20.00 PSF | **TMI:** \$9.00 PSF

*\$8.00 PSF Net

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Recent Team Transactions



Represented the Tenants in two different deals in securing the leases of 10,000 SF and 15,000 SF industrial/office flex units.



Represented the Tenant in securing a 3,100 SF industrial lease.



Represented the Buyer and Seller in the disposition of a 13,729 SF office/commercial building in the downtown Oakville core.



Represented the Tenant and Landlord in negotiating the lease of 35,000 SF new build industrial building.



Represented the Buyer in the disposition of a 22,416 SF industrial building situated on 0.75 acres.



Represented the Seller in the disposition of a 52,057 SF industrial building situated on 3.41 acres.



Represented the Tenant and Landlord in negotiating the lease of a 1,617 SF industrial flex unit.



Represented the Tenant and Landlord in securing the lease of a 1,665 SF office unit.



Represented the Seller in the disposition of a 17,141 SF industrial building situated on 0.94 acres.

Why Choose Us?

Real Estate Horsepower

With a roster of 7 professionals, our team's bench strength is unmatched in the market and positioned to best service our clients.

Prestigious Designations

Doug holds the SIOR designation - the most recognized standard of excellence in commercial real estate. Bryan is among the few Certified Negotiation Experts® in Ontario.

#1 Team 10 Years Running

Team Murray Faldowski is the #1 Colliers team servicing the Oakville-Burlington-Hamilton corridor (based on Colliers Burlington revenue).

Award Winning Advisors

Bryan was the 2015 award winner of SIOR Young Professional of the Year and the momentum has only grown ever since. Doug and Bryan are perennially top producers within Colliers.

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Team Murray Faldowski:



DOUG MURRAY*, SIOR

Vice President

+ 1 289 266 1010

Doug.Murray@colliers.com



BRYAN FALDOWSKI*, CNE

Senior Vice President

+ 1 289 266 1009

Bryan.Faldowski@colliers.com



SIMON HENDERSON

Senior Sales Representative

+ 1 289 266 1004

Simon.Henderson@colliers.com



JUSTIN VENANCIO

Sales Representative

+ 1 289 266 1006

Justin.Venancio@colliers.com



KENNEDY BANKS

Sales Representative

+ 1 289 266 1002

Kennedy.Banks@colliers.com



JENNIFER BYERS

Brokerage Project Specialist

+ 1 289 266 1014

Jennifer.Byers@colliers.com

Colliers International

1122 International Boulevard, Suite 102

Burlington, ON L7L 6Z8

+1 416 777 2200

