



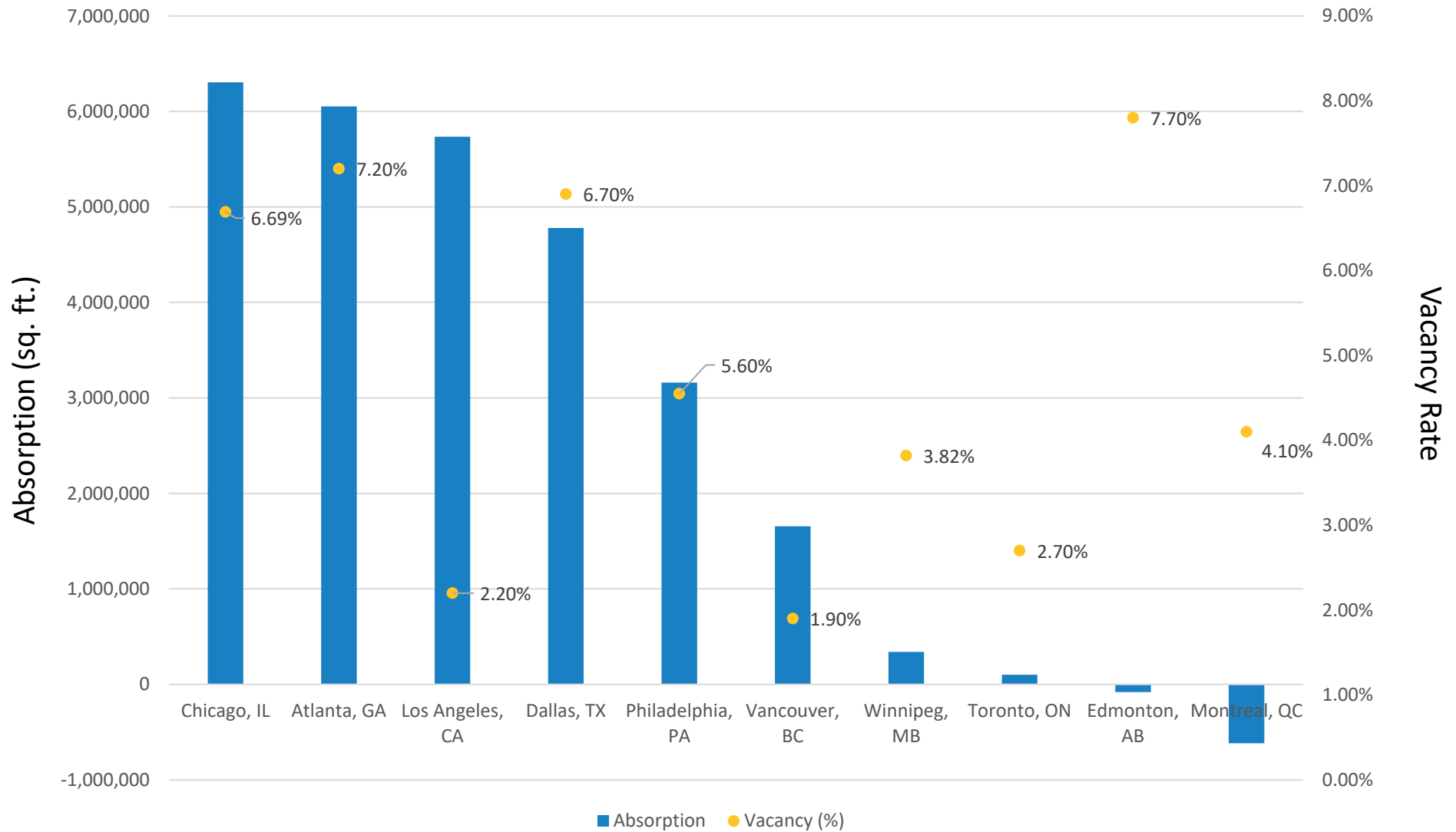
## Session A3

# INDUSTRIAL REAL ESTATE MARKETS: WHAT ARE REIT STRATEGIES IN THIS ASSET CLASS?

September 7, 2017

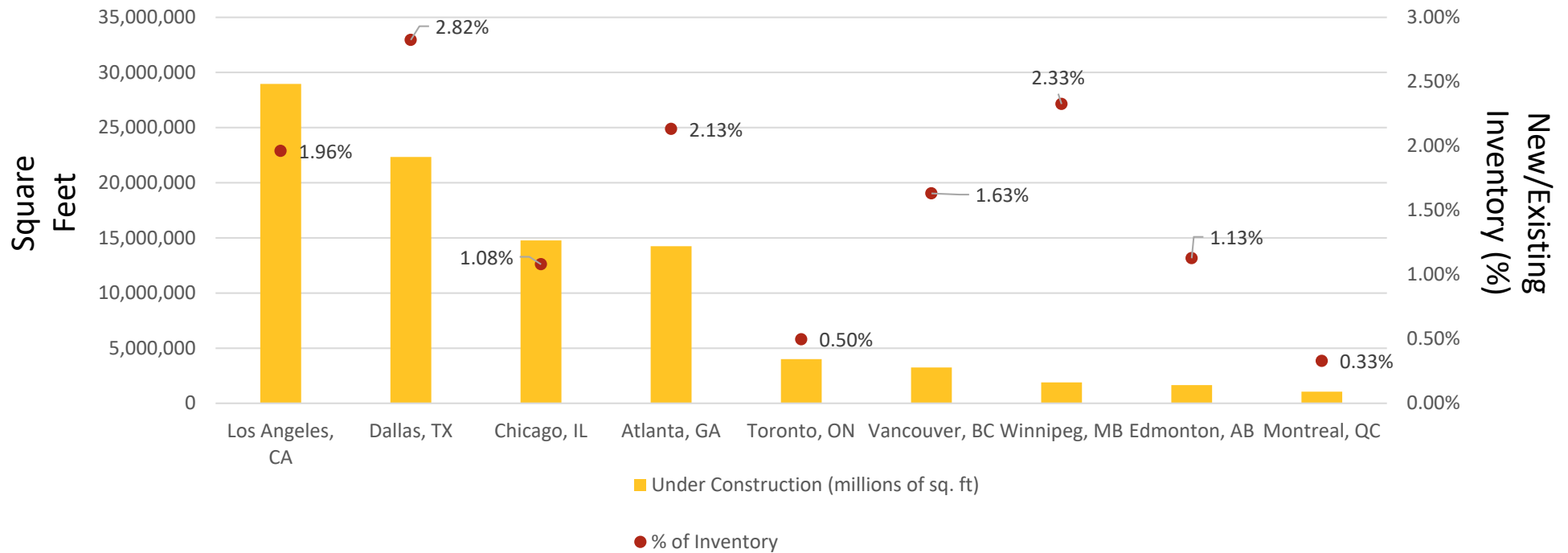
# North American Leasing Market

## Key Metrics (Q2-2017)



Source: Colliers International

# North American Leasing Market Under Construction (Q2-2017)



Market	Under Construction (SF)	Existing Inventory (SF)	Percentage of Inventory
Los Angeles	28,963,734	1,476,867,168	1.96%
Dallas	22,336,839	790,971,620	2.82%
Chicago	14,767,966	1,366,156,874	1.08%
Atlanta	14,246,022	668,027,773	2.13%
Toronto	4,015,273	807,948,793	0.50%
Vancouver	3,248,953	199,105,409	1.63%
Winnipeg	1,650,000	81,700,000	2.33%
Edmonton	1,650,000	146,300,000	1.13%
Montreal	1,062,980	323,000,000	0.33%

# What Does the Future Hold?

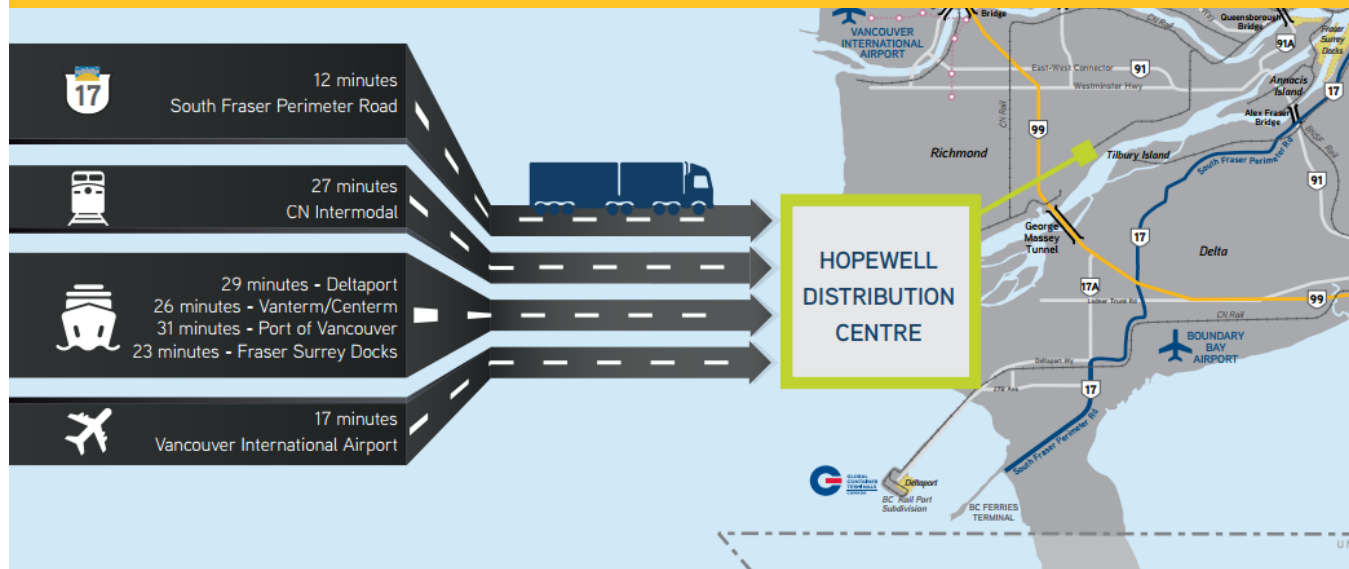
ProLogis – 580,000 SF 3 Storey Seattle Warehouse



ONE Properties – 1.1M SF Toronto Urban Hub



PIRET / Hopewell Distribution Centre – Vancouver Port





# What Does the Future Hold for Old Stock?

## Redevelopment – 307 Orenda Rd, Brampton



*Aging second generation facility redeveloped to modern 36' clear LEED Gold*

## Retrofit – 101 Royal Group Crescent, Vaughan



*Difficult to lease second generation facility retrofit and modernized for food user*

## Condo Conversion – 6355 Kennedy Rd, Mississauga



*Developer tapping into vibrant user market for small bay product*

## Sources of Demand

### E-Commerce

---



Online purchases in Canada forecasted to grow from \$34B in 2016 to \$56B by 2021.

# Sources of Demand

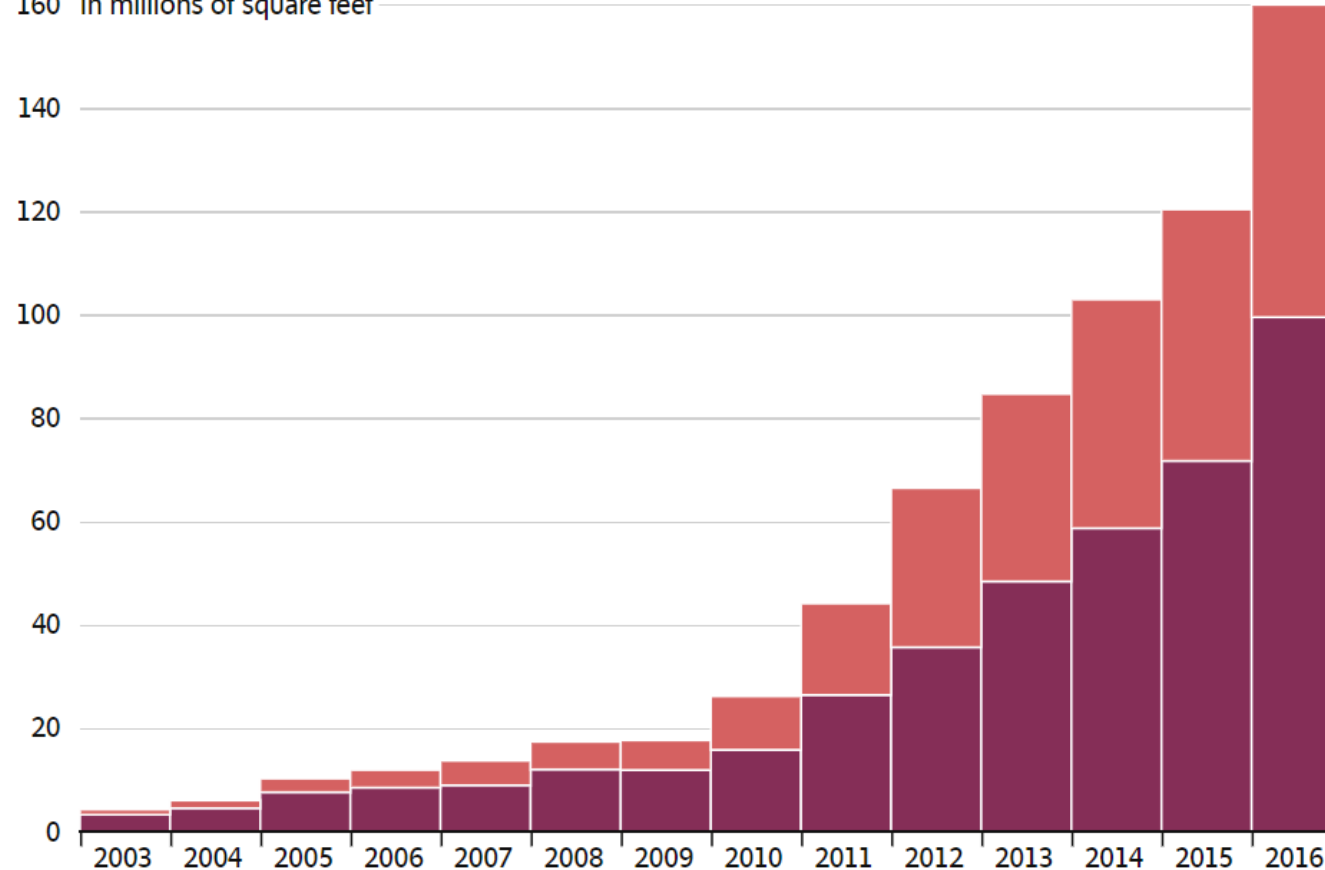
## E-Commerce

---

### Size of Amazon's warehouse and fulfillment operations

● North America ● International

160 In millions of square feet



THE GLOBE AND MAIL, SOURCE: BLOOMBERG

**E-Commerce 6.5% of retail sales in Canada**  
**US e-commerce is outpacing at 11.7%**

# Sources of Demand

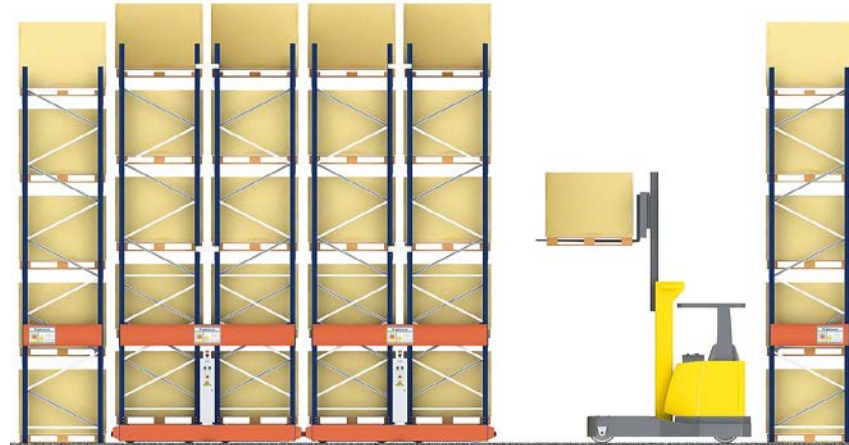
## Tenant Requirements

---

Last Mile



Clear Height



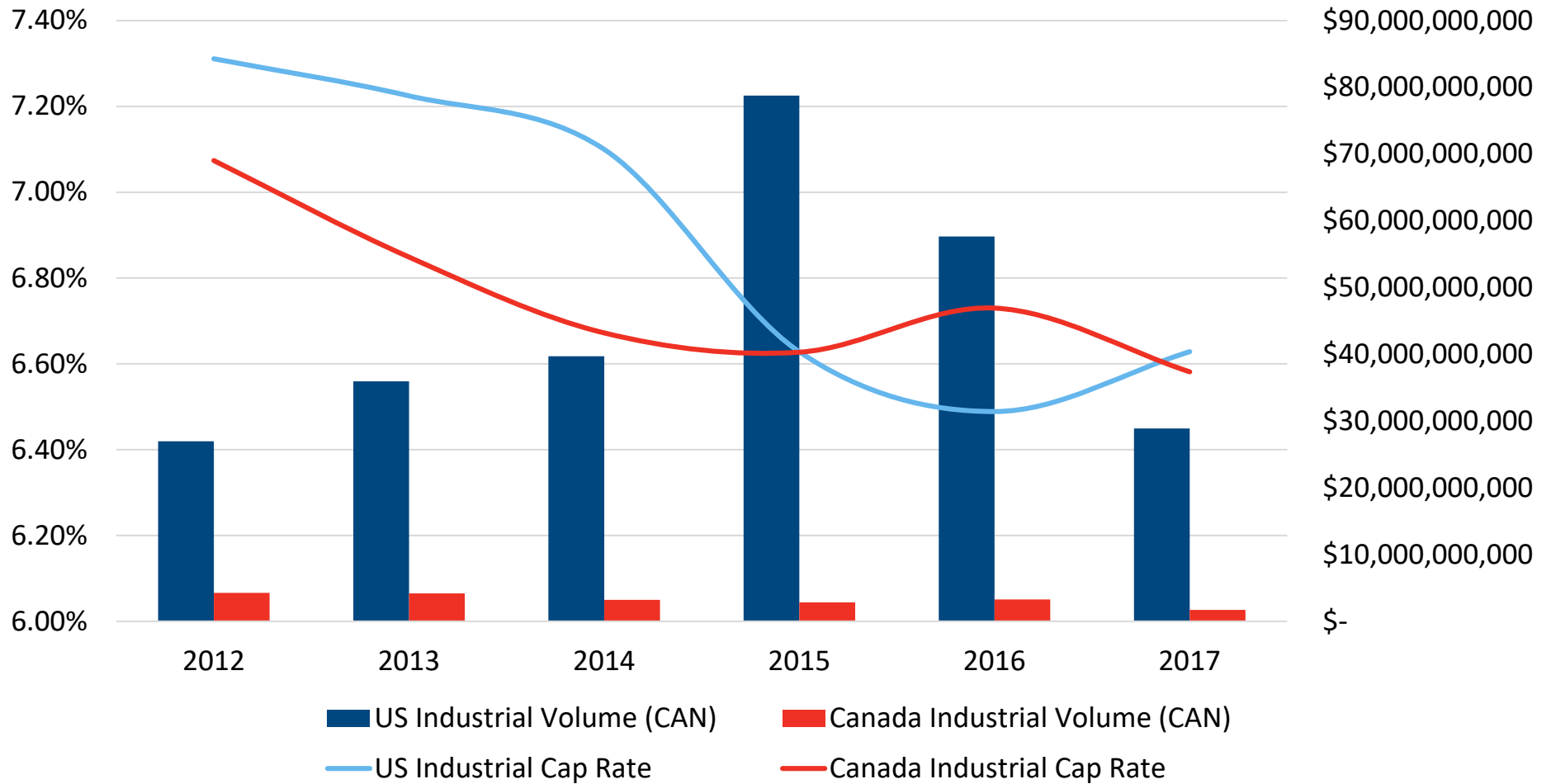
Multi-Level Facilities





# Trend Tracking

## United States & Canada



**CAP Rate Compression**

**Thank You!**