

Market Conditions

This profile contains information on building activity, employment lands, as well as both industrial and office markets.

Mississauga Recognized for Economic Strategy

- The City of Mississauga ranks highly on the global stage as a top place for economic development. According to fDi Magazine, Mississauga placed in the “Large City: Top 5 Best fDi Strategy” in North America. Mississauga is the only Canadian city to make the Top 5 in this category. fDi Magazine is a division of the UK-based Financial Times Ltd. Key factors analyzed by fDi for this Foreign Direct Investment Strategy include: staff and initiatives dedicated to facilitating inward investment; information on high-growth sectors; description of incentives available to investors and high profile, world class sites available in the city for investors.

Building Activity

- The total dollar value of building permits issued for 2009 was \$641 million.
- Mississauga’s industrial/commercial activity in 2009 represented \$163,236 million (25.5%). Industrial permits issued totaled \$81,993 million and commercial \$81,243 million. In 2009 permits were issued for a total of 7 new industrial/commercial buildings.
- Our residential sector accounted for 60.6% of the total permits issued amounting to over \$388 million. The following chart provides details on building activity over the last 5 years.

Comparative Value of Construction by Type 2005 - 2009

Year	Total (\$000s)	Industrial (\$000s)	Commercial (\$000s)	Residential (\$000s)	Other* (\$000s)
2005	\$1,104,789	\$216,725	\$122,928	\$644,850	\$120,286
2006	\$1,052,760	\$247,051	\$180,184	\$552,832	\$72,693
2007	\$1,199,184	\$205,925	\$168,132	\$681,738	\$143,389
2008	\$1,127,194	\$145,636	\$329,839	\$545,094	\$106,625
2009	\$640,508	\$81,993	\$81,243	\$387,955	\$89,317

Source: City of Mississauga, Planning & Building Dept., 2005-2009 Building Permit Reports
 Note: *Other includes public, institutional, church, school and government.

Employment Lands

Land Use Policies

- Municipalities control land use by means of an Official Plan addressing transportation, population densities, park and recreational needs and the location of business parks and commercial centres.
- Mississauga Plan (formerly titled the Official Plan) uses a comprehensive zoning by-law which defines specific uses for the developed and undeveloped lands in Mississauga. The Mississauga Plan also includes a set of district plans outlining detailed policies for specific planning districts.
- Employment lands include those within employment districts as well as lands designated “Business Employment” and/or used for industrial purposes within residential districts.
- Lands associated with the Toronto Pearson International Airport are not included as they are federal government lands.

Employment Lands by Planning Districts

District	Total Employment Land		Vacant Employment Land		% Vacant
	Acres	Hectares	Acres	Hectares	
Airport Corporate	721	292	109	44	15
City Centre	581	235	92	37	16
Dixie	1,344	544	110	44	8
Gateway	4,510	1 825	510	207	11
Mavis-Erindale	491	199	33	14	7
Meadowvale Business Park	3,278	1 326	452	183	14
Northeast	8,590	3 476	472	191	6
Sheridan Park	400	162	109	44	27
Southdown	1,794	726	402	163	22
Western Business Park	1,038	420	103	42	10
Residential Districts	384	156	122	50	32
Total	23,132	9 361	2,513	1 017	11

Source: City of Mississauga, Planning & Building Department, 2009 Vacant Employment Lands

Note: Numbers may not add up due to rounding.

Note: To view district locations, visit www.mississauga.ca/business > Profiles, Facts & Maps > Our Location-Maps > Map-District Land Use

- According to experts in the real estate community, the Greater Toronto Area, which includes Mississauga, is the 3rd largest industrial real estate market in North America, behind Chicago and Los Angeles
- Key growth areas for future employment development fall within the districts of Gateway, Meadowvale Business Park and Northeast with approximately 57% (1,434 acres) undeveloped.
- Major factors influencing growth in Mississauga are easy access to Toronto Pearson International Airport, Highways 401, 403, 407, QEW and 410, and the availability of highway exposure sites.

Vacant Employment Land – January 2009

Status	Acres	Hectares
Total Vacant Employment Lands in Employment Districts, the City Centre & Residential Districts	2,513	1 017
Total Vacant Employment Lands excluding Residential Districts	2,391	967
Total Vacant Employment Lands excluding Residential Districts & City Centre	2,299	930

Source: City of Mississauga, Planning & Building Dept. 2009 Vacant Employment Lands

- More than 2,500 acres of employment lands are available to be developed.
- Employment lands include lands designated “Business Employment”, “Industrial”, “General Commercial” and “Motor Vehicle Commercial”. These designations allow a variety of development including industrial, office, retail commercial and institutional uses.
- For further information, visit: www.mississauga.ca > Residents > Planning & Building > Products & Services > Focus on Mississauga > 2009 Vacant Employment Lands

Employment Lands Real Estate Activity

Employment Land Sales Activity

- Demand for land has declined.
- Acquisitions by owner/users with the intent of constructing their own facility is one of the driving forces behind most land sales.
- Fewer transactions have taken place than in the previous 6 months.

Employment Land Values

Fully Serviced Land	Quoted Price/Acre
General	\$700,000 - \$750,000
Prestige	\$740,000 - \$760,000
High Exposure	\$800,000 - \$850,000
Source: Indusite Realty Corporation, December 2009	
Notes: The above quoted prices are to be used as a guideline only; they include development charges and are based on a 42% building coverage.	

- Development charges are collected by the municipality for the purpose of financing the construction of new capital infrastructure, as a result of the growth stemming from development in the City of Mississauga.
- For detailed information regarding development charges go to www.mississauga.ca > residents > planning & building > development information > development charges details

Industrial Buildings - Sales Activity

- Demand and prices for industrial sales, especially medium to large-size design/build projects have declined moderately.
- Prices start at \$65 - \$100 per square foot depending on size, finish, quality and location. Lower prices for older buildings.
- Sales activity has been slower than in the previous 6 months.

Industrial Building Vacancy Rates

Existing Space (square feet)	Available Space (square feet)	Average Vacancy Rate
152,977,053	11,886,751	7.8%
Source: C B Richard Ellis, 4th Quarter 2009		

Industrial Building Lease Rates

Size (square feet)	Quoted Net Rent (\$/square foot) 10% Finished Area	Quoted Net Rent (\$/square foot) 30% Finished Area
Under 10,000	\$4.50 - \$6.25	\$5.50 - \$7.00
10,000 - 20,000	\$4.50 - \$6.25	\$5.50 - \$7.00
20,000 - 50,000	\$4.25 - \$6.00	\$5.50 - \$6.75
60,000 - 100,000	\$4.00 - \$6.00	\$5.50 - \$6.25
Over 100,000	\$4.00 - \$6.25	\$5.25 - \$6.00

Source: Indusite Realty Corporation, December 2009
 Notes:
 Taxes, Maintenance & Insurance (TMI) with 10% finished area \$2.90 - \$4.25/square foot; TMI with 30% finished area \$3.00 - \$4.50/square foot. The above quoted prices are to be used as a guideline only.

Industrial Buildings – Leasing Activity

- Leasing activity has been slower than in the previous 6 months.
- Lease rates have declined and vacancy rates have increased marginally. Sub-leases are being marketed aggressively, resulting in lower starting rents and adding to the supply.
- Design/build activity has declined.
- Tenant improvements and extra office construction is either paid upfront or amortized over the lease term resulting in additional costs to users.
- Less demand and absorption of industrial buildings containing a high percentage (50+%) of office.
- Industrial buildings with greater than 30 foot ceiling heights continue to outperform other properties.

Office Market

- Mississauga issued building permits for more than 1.8 million square feet of new office space during 2008.
- The city's strength in having a significant business core is one of the reasons for the increasing number of speculative office buildings underway.
- The total amount of existing office commercial development is close to 24 million square feet for buildings that are greater than 20,000 square feet.
- Approximately 2,500 businesses housed in major office buildings employ 67,500 employees.

Office Building Inventory

District	Existing Office Buildings*		Total # of Office Buildings	Office Building Permits Issued in 2008		Total # of Office Building Permits Issued in 2008
	Square feet	metres ²		Square feet	metres ²	
Airport Corporate	4,800,226	445 941	62	240,850	22 375	1
Applewood	110,538	10 269	4	-	-	-
Central Erin Mills	142,293	13 219	2	-	-	-
City Centre	3,720,075	345 595	65*	-	-	-
Cooksville	1,040,670	96 678	17	-	-	-
Dixie	340,474	31 630	8	-	-	-
Erin Mills	40,205	3 735	1	-	-	-
Fairview	20,075	1 865	1	-	-	-
Gateway	3,442,400	319 799	34	93,854	8 719	2
Hurontario	282,121	26 209	3	-	-	-
Mavis-Erindale	418,170	38 848	4	-	-	-
Meadowvale	88,159	8 190	1	-	-	-
Meadowvale Business Park	3,753,552	348,705	70	883,671	82 093	6
Mineola	59,107	5 491	1	-	-	-
Northeast	3,998,547	371 465	45	507,126	47 112	2
Pearson International Airport	99,440	9 238	1	-	-	-
Port Credit	33,391	3 102	1	-	-	-
Sheridan	274,037	25 458	2	-	-	-
Sheridan Park	866,264	80 476	8	102,024	9 478	1
Southdown	28,052	2 606	2	-	-	-
Western Business Park	116,200	10 795	7	-	-	-
City Total	23,673,996	2 199 314	339	1,827,525	169 777	12

Source: City of Mississauga, Planning & Building Dept., May 2007 & Economic Development Office, New Industrial & Commercial Buildings, 2007 & 2008

Notes: * Includes condominium office buildings & office campuses.

Numbers may not add up due to rounding.

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Office Space Vacancy Rates

Existing Space (square feet)	Available Space (square feet)	Average Vacancy Rate
32,031,015	3,078,166	9.6%

Source: Cushman & Wakefield LePage, Office Space Market, 4th Quarter 2009

Office Space Lease Rates

Building Class	Average Net Rental Rate
A	\$16.60
B & C	\$13.00
All	\$15.51

Source: Cushman & Wakefield LePage, 4th Quarter 2009

Notes:
The above rates are to be used as a guideline only; they do not include Realty Taxes, Operating Costs or Hydro and exclude business taxes.
Numbers may not add up due to rounding.

- Due to continual changes in the office market, the city does not monitor vacancy rates or lease rates but relies on information supplied by the real estate community.
- Boundaries used by the real estate community are based on office concentration areas and not based on municipal boundaries or municipal geographical districts found in other inventories. It should also be noted that not all realtors use the same concentration area boundaries.
- The chart contains data for office areas that may extend beyond the municipal boundaries of the City of Mississauga.
- The total square footage, available space and vacancy rate represents “office space” but may not be located within an “office building”.
- The information in the charts above depict vacancy and lease rates and are intended to be a guideline only.