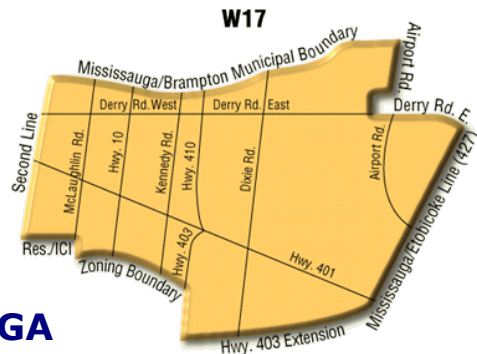




# GTA REALTY TRENDS

Compliments of  
 Custom Realty Services Inc. Brokerage  
 (905) 840-9500

This newsletter is provided compliments of Custom Realty Services to identify Real Estate Trends in the Greater Toronto Area with Mississauga as the focus for this issue, and specifically the W-17 District of the Toronto Real Estate Board.



## BENEFITS OF DOING BUSINESS IN MISSISSAUGA

From an industrial and commercial perspective, Mississauga tax rates score high in the business community simply because they are so low. In 2006, the City of Mississauga has, once again, some of the lowest tax rates in the province. The competitive tax rates are one of the driving forces which make the City of Mississauga an attractive business location. (Source: City of Mississauga Tax Rates and Business Development)

*"For the third straight year, Standard & Poor's has assigned a 'AAA' credit rating for the City of Mississauga. The high rating is based on the City's exceptional liquidity levels, debt-free position and strategically located economy."*

*Mississauga Business Times—August 2006*

### 2006 Industrial Tax Comparisons

City/Town	Tax Rates	Total \$
London	6.1714%	\$ 246,854
Cambridge	5.4085%	\$ 216,338
Kitchener	5.3777%	\$ 215,106
Waterloo	5.3203%	\$ 212,811
Guelph	5.2675%	\$ 210,702
Oshawa	5.0910%	\$ 203,642
Toronto	4.3797%	\$ 175,186
Whitby	4.3233%	\$ 172,934
Burlington	3.7440%	\$ 149,762
Oakville	3.6348%	\$ 145,392
Milton	3.4309%	\$ 137,236
Brampton	3.0767%	\$ 123,067
<b>Mississauga</b>	<b>2.8938%</b>	<b>\$ 115,753</b>
Richmond Hill	2.6503%	\$ 106,013
Vaughan	2.6439%	\$ 105,755
Markham	2.5627%	\$ 102,508

Source: Finance/Tax Department of the respective City

Note: Based on a \$4 million assessed building.

### 2006 Commercial Tax Comparisons

City/Town	Tax Rates	Total \$
London	4.9176%	\$ 98,351
Cambridge	4.1272%	\$ 82,543
Kitchener	4.1041%	\$ 82,083
Toronto	4.0634%	\$ 81,269
Waterloo	4.0613%	\$ 81,225
Guelph	3.7805%	\$ 75,610
Oshawa	3.5004%	\$ 70,008
Whitby	3.0285%	\$ 60,570
Brampton	2.6971%	\$ 53,942
<b>Mississauga</b>	<b>2.5526%</b>	<b>\$ 51,052</b>
Burlington	2.4945%	\$ 49,890
Oakville	2.4271%	\$ 48,541
Markham	2.3668%	\$ 47,337
Richmond Hill	2.3648%	\$ 47,295
Vaughan	2.3591%	\$ 47,181
Milton	2.3012%	\$ 46,024

Source: Finance/Tax Department of the respective City

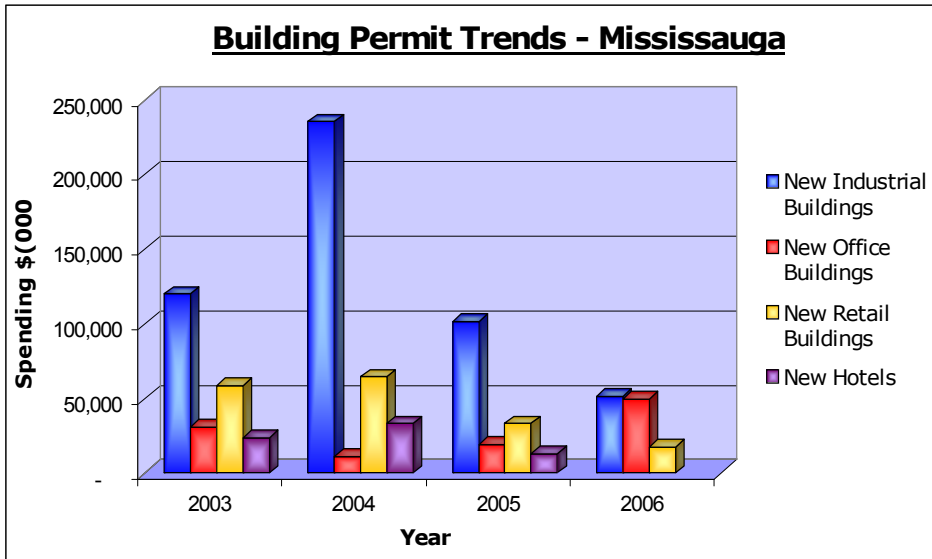
Note: Based on a \$2 million assessed building.

### Economic Highlights

(at Sept. 11/06)

Prime Interest Rate	6%
Unemployment Rate	6.4%
Canadian Dollar	\$1.13
Consumer Price Index	2.5%
Gross Domestic Product —GDP (unchanged)	0%
Price of Gas/Liter	\$0.82

# MISSISSAUGA MARKET OVERVIEW



Although the building activity continues to be strong in Mississauga, the permits have declined in the past year due to rising interest rates and a lack of supply of available land.

*Mississauga surpassed the billion dollar mark in building activity for the 9th year in a row. The total dollar value of building permits issued for 2005 was \$1.105 billion.*

*City of Mississauga—Building Activity Market Trends March 2006*

## VACANT LAND MARKET TRENDS

The “2006 Vacant Employment Lands” study, indicates Mississauga has limited employment lands available for development, particularly in the Mississauga W-17 MLS area (as highlighted in Table 1). A total of 420 parcels of vacant employment lands (2,961 acres) are available throughout the city.

Planning Districts	District Area (ha)	District Area (acre)	Vacant Area (ha)	Vacant Area (acre)	Percentage Vacant
City Centre	235.2	581.2	43.6	107.8	18.6%
Airport Corporate	291.8	721.0	48.8	120.5	16.7%
Dixie	543.9	1,344.0	29.7	73.4	5.5%
Gateway	1 825.1	4,509.8	235.9	582.9	12.9%
Mavis-Erindale	198.7	491.0	12.9	31.8	6.5%
Meadowvale Business Park	1 326.4	3,277.5	268.9	664.5	20.3%
Northeast	3 476.5	8,590.3	213.2	526.7	6.1%
Sheridan Park	162.0	400.3	43.6	107.9	26.9%
Southdown	725.9	1,793.7	176.7	436.7	24.3%
Western Business Park	420.2	1,038.3	60.9	150.5	14.5%
Residential Districts with Vacant Employment Lands*	7 270.6	17,965.3	64.1	158.4	0.9%
<b>Total</b>	<b>16 476.3</b>	<b>40,712.4</b>	<b>1 198.3</b>	<b>2,961.1</b>	<b>7.3%</b>

## RECENT VACANT LAND TRANSACTIONS



SECRETARIAT COURT  
5.84 Acres  
Zoning: M1  
**\$585,000/Acre**  
Sold: Jan. 25, 2006  
*As per Land Registry*



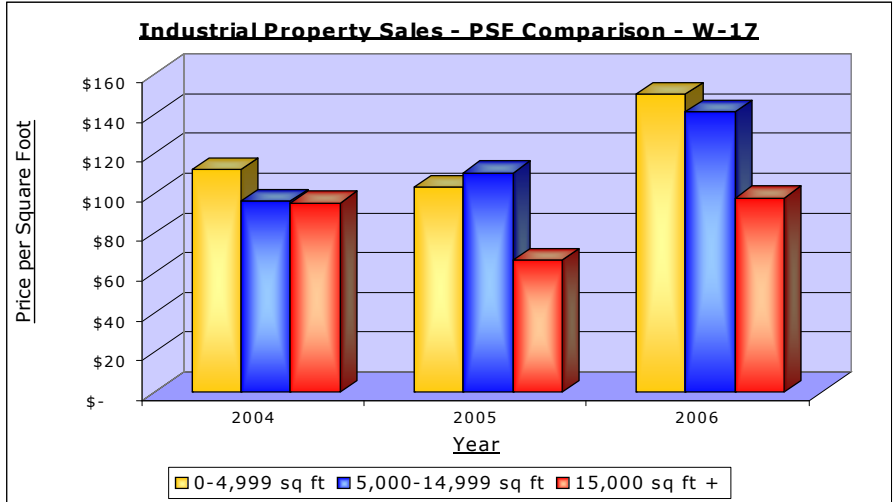
WOLFEDALE ROAD  
2.69 Acres  
Zoning: M2  
**\$600,400/Acre**  
Sold: April 19, 2006  
*As per Land Registry*

# INDUSTRIAL MARKET TRENDS

The industrial market continues to be strong, with the under 5,000 square foot units being most desired due to higher affordability. The high level of market activity can also be attributed to the continually low interest rates.

*Mississauga (GTA) has been identified as the **3rd largest industrial real estate market in North America**, behind Chicago and Los Angeles. Key growth areas within Mississauga for future industrial development fall within the districts of Airport Corporate, Gateway, Meadowvale Business Park and Northeast.*

*City of Mississauga, March 2006*



## RECENT INDUSTRIAL TRANSACTIONS IN THE W-17 AREA



TORBRAM ROAD  
2,080 Square Feet  
**\$111/Sq.Ft.**  
Sold: May 22, 2006

*As per MLS*



KIMBEL STREET  
10,915 Square Feet  
**\$124/Sq.Ft.**  
Sold: May 29, 2006

*As per MLS*



TIMBERLEA BOULEVARD  
45,600 Square Feet  
**\$82/Sq.Ft**  
Sold: April 25, 2006

*As per MLS*



NASHUA DRIVE  
68,973 Square Feet  
**58/Sq.Ft.**  
Sold: May 17, 2006

*As per MLS*

## OFFICE MARKET TRENDS

Since January 1, 2006 there have been 12 office transactions in Mississauga recorded on the Toronto Real Estate Board Multiple Listing Service. These range in size from 658 square feet to 14,000 square feet. The price ranges from a low of \$113 per square foot to a high of \$179 per square foot.

## RECENT OFFICE TRANSACTIONS IN THE W-17 AREA



EXPLORER DRIVE  
1,635 Square Feet  
**\$179/Sq.Ft.**  
Sold: March 16, 2006

*As per MLS*



MATHESON BOULEVARD  
37,079 Square Feet  
**\$91.48/Sq.Ft.**  
Sold: May 31, 2006

*Private Sale*

# LEASING OPPORTUNITIES



**Industrial Space**  
 MEYERSIDE DRIVE  
 2,416 Sq.Ft. (16% office)  
**\$Negotiable Net Rent**  
 Available: Immediately



**Office Space**  
 DIXIE ROAD  
 1,665 Sq.Ft.. (Improved)  
**\$Negotiable Net Rent**  
 Available: Immediately

## RENTAL RATES IN MISSISSAUGA'S W-17 AREA



Rental rates are taken from the Toronto Real Estate Board MLS W-17 district (01/06 to current). Building Class, size, location may affect rental rates.

Property Type	Lease Rates/sq.ft. Net		
	Average	Low	High
Industrial: 0 to 5,000 sq.ft.	\$7.00	\$4.75	\$9.75
over 5,000 sq.ft.	\$6.00	\$4.30	\$9.25
Office: 0 to 5,000 sq.ft.	\$9.00	\$5.25	\$16.00
over 5,000 sq.ft.	\$9.00	\$5.66	\$12.45

### LEASING

#### Benefits

- Obtaining Credit is Easier
- Flexible mobility—can sublease and move
- No loss in owning in poor market

#### Disadvantages

- Rental rate escalations
- Tenant may be forced to move at end of the lease
- No equity buildup



### BUYING

#### Benefits

- Good return on owner's investment in a strong real estate market
- Flexibility in making changes to building
- Excess space can be leased out

#### Disadvantages

- More capital required upfront to purchase
- Higher risk of loss in poor market
- Managing property may distract owner from primary business

## EXCLUSIVE NEWSLETTER PROMOTION

(Expires December 30/06)



If you're buying or selling, receive up to \$5,000 in complimentary realty services when you list or sell a commercial property with Custom Realty Services Inc.

- (1) Buying/Selling – Receive a free "Certified Appraisal" - prepared by an accredited member of the Appraisal Institute of Canada (AACI)
- (2) Leasing/Re-negotiating – Receive a free "Rental Survey/Leasing Strategy"



Mary Wojas  
 Broker of Record,  
 President

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