

Broccolini's Large Industrial Land Buy Is a Big Deal for Southwestern Ontario



In a region where the industrial real estate availability rate is among Canada's lowest – 1.2% – Broccolini's purchase of 622 acres of prime industrial land in Township of Southwold, ON, with plans to create a huge new regional industrial node there, is a big deal for the area.



Previously home to the Ford St. Thomas Assembly Plant, which closed its doors in 2011, the tract of industrial land at 11884 Sunset Road sits in an important transportation corridor for Southern Ontario. It was location benefits that attracted Ford to the site originally, and its proximity to Highway 401, Highway 402 and the CN railway line will be key to its reinvention.

Broccolini plans to redevelop the site and introduce new uses to reflect the modern industrial real estate landscape. This should bring significant and sustained employment opportunities back to the Township of Southwold and Elgin County, which have expressed strong support for the development.

Broccolini has begun preparatory work and soil grading to ensure the land is prepared for immediate redevelopment. The site currently has municipal water, hydro and gas services in place.

"We continue to see migration of both capital and occupiers outside of the GTA and into the Midwestern and Southwestern Ontario markets," said CBRE Vice Chairman Kyle Hanna, who represented Broccolini in the deal. "This transaction underscores the depth of demand that the industrial market has for large scale new facilities and development opportunities."

Hanna notes that it was also collaboration across the CBRE platform that made this deal work. CBRE Toronto, London, and Detroit worked as a team to manage getting a complicated transaction done quickly to facilitate an immediate design-build on the lands.

CBRE Senior Vice President Randy Fisher, who worked on the deal with Vice President Larin Shouldice, representing Ford, notes that 70 acres of the site have already been spoken for by a high-profile tenant to build an ecommerce fulfillment centre.

'Cost effective'

But the remaining land is available for other users and with broad CM1 Commercial/Industrial zoning it allows for a variety of potential uses, including agricultural, automotive, laboratories, and transport terminal, in addition to warehousing and wholesale. And as Fisher notes, thanks to favourable development charges, "it would be considerably more cost-effective to have an industrial business here than in the GTA or other municipalities in Southwestern Ontario."

The London industrial market remains strong as demand continues to outpace new supply. The city's industrial availability rate in the third quarter of 2021 decreased 30 bps to 0.9%, while vacancy remained unchanged at 0.8%.

Broccolini's purchase of 622 acres for industrial use has injected much needed new opportunity for industrial companies and enthusiasm back into the market.

"It's incredible news for this region and the industrial sector as e-commerce and distribution demand continues to exceed the supply of industrial space from coast to coast," says Fisher. "It's an especially excellent opportunity for those looking for smaller parcels of land, and we've had numerous inquiries for 10, 20 even 100-acre parcels."

"Broccolini boasts a depth of construction expertise, financing capability and design-build experience", he adds, "and the earlier businesses engage in the design-build process, the better."