



For Sale: Industrial & Outside Storage

575 Thornton Road S, Oshawa

Highly Functional 21,000 SF Industrial Facility with
Redevelopment Potential

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Executive Summary

Lennard Commercial Realty (the “Advisors”) is please to present for sale 575 Thornton Road South, Oshawa (the “Site” or “Property”). The Site is comprised of a highly functional 21,000 sf industrial facility situated on 4.26 acres of land allowing for outdoor storage. Situated adjacent to the future Thornton’s Corner Go station and in proximity to countless retail and educational amenities, a significant value-add opportunity exists to reposition the site to a mid-high density land use in the mid-long term while utilizing or leasing the site for positive cash flow in the short term.

Investment Highlights

Existing Industrial Site Permitting Outside Storage	Highly functional industrial facility positioned on 4.26 acres of land permitting outdoor storage, a desirable land use in short supply
Adjacent to Future Metrolinx Go Station	The site is positioned in the immediate proximity to the future Thornton’s Corner Go Station, one of four new stations forming the Clarington East Go Line and providing connectivity to Downtown Toronto
Future High Rise Density Potential	With a push from provincial and municipal authorities to densify transit hubs, the Site benefits from a substantial value-add opportunity through land use repositioning
Positive Cash Flow Potential	Opportunity to achieve positive cash flow in the short term through lease-up at market rates
Abundant Surrounding Amenities	In addition to Thornton’s Corner Go Station, the site is surrounded by an abundance of amenities such as Smart Centres to the immediate east and Oshawa Mall, Trent University and Civic Recreational Complex in walkable distance to the north
Significant Development in GTA East	Significant development is occurring in the GTA East in a variety of asset classes with an emphasis on residential and employment lands

Asset Overview



575 Thornton Road South is a truly unique parcel that has a significant amount of utility in the short-term and immense value upside in the mid-long term.

In the short term, the site’s functional building and highly attractive industrial zoning that permits outside storage can be leveraged by an investor to create positive cash flow or an end user for expansion or relocation of their existing operation.

In the mid-long term (5 years +), there is a significant value-add opportunity through repositioning the site to a mid-high density residential land use. Such land uses are typically incorporated into transit-oriented hubs, with the province heavily supporting these initiatives in order to help combat the supply/demand imbalance in the residential market. With the largest immigration ever flowing into Canada and Ontario specifically, the undersupply of affordable housing supply is project to persist for the years to come.

Property Details

Address	575 Thornton Road South
Municipality	Oshawa
Building SF	21,000 SF
Showroom	4,220 SF
Warehouse	12,560 SF
Clear Height	16'
Total Lot Area	4.26 acres (185,565 SF)
Current Zoning	General Industrial
Taxes	\$43,943 (2022)
Environmental	Phase I (2018)

Projected Future Upside

- Terminal value projection (positioned as density residential)
 - 4.26 acres (185,565 SF)
 - FSR (Floor Space Ratio): +/- 4.0x
 - Total Potential Density: 742,262 SF
 - Price per Buildable SF: \$40
 - Terminal Value: \$29,700,000

Current Value Proposition

- Acquisition Cost: \$15,000,000
- Buyer to utilize or lease the site in the short-mid term
 - Severe lack of available industrial land permitting outside storage
 - Market Rent: \$14.00 - \$15.00 PSF Net on building (21,000 SF)
 - \$9,000/ac/mo Net on excess land (4 acres)
 - Total Potential Net Income: \$726,000
 - Holding Yield: 5.0%

A Growing Community

The Oshawa Census Metropolitan Area (CMA) is leading the country in population growth. According to Statistics Canada, the Oshawa CMA achieved a population growth rate in 2020 of 2.1% and 2021 growth of 2.3%. This growth is projected to continue to lead all of Durham Region up to 2041. The City of Oshawa has made national headlines as a top destination for those migrating out of Toronto.

According to a 2021 HuffPost article, Oshawa is one of the best cities to move to within the G.T.A. Oshawa, which ranked fifth, was the only municipality in Durham Region to make the list. Oshawa's low unemployment was also a factor in Oshawa's ranking, with the article citing that the number of jobs in Oshawa is up by 3.2% compared to 2020. According to the Conference Board of Canada, Oshawa benefits from being close to Toronto, Canada's largest consumer market. Being only 60 kilometres (37 miles) east of downtown Toronto, Oshawa is becoming increasingly attractive to young families seeking more affordable homes than those in Canada's largest cities. The spillover housing demand from Toronto is lifting activity in several sectors, including construction, finance, insurance, and real estate.

Columbus Part II Plan is anticipated to progress to the public planning stage in 2023 and includes new growth areas to accommodate up to 28,000 new residents. The Proposed draft plan includes new growth areas of 376 hectares (929 acres) of developable land and a range of 7,450–11,350 units in a mix of low, medium and high density residential developments.

Kedron Part II Plan is expected to accommodate 22,000 new residents on 466 hectares (1,151 acres). Ten new schools and a number of new parks are expected. The plan permits for up to 22,483 sq. m. (242,000 s. ft.) of commercial space.

Oshawa Tourism

Oshawa Tourism is here to expose you to the incredibly active, unique, creative, and engaging collective of makers, creators, and businesses within our vibrant community. Register for their newsletter to have first access to all the big things happening around the city: [OshawaTourism.com](https://www.oshawatourism.com)

With a projected population approaching 197,000 in 2031, the number of Oshawa residents is expected to grow by 12.3% over the next nine years

**2031 Population Projection
1,000,000 Durham Region residents**

New Metrolinx GO Station

Thornton's Corner Go Station

In the 2023 Ontario Provincial Budget, the province has approved Metrolinx's Thornton Corners Go station. The new station is one of 4 that will form the GO East Clarington line that will extend out to Bowmanville and provide connectivity to Toronto through the Lakeshore East line.

Thornton's Corner Go Station will be located in the immediate proximity of 575 Thornton Road South and will redefine the land uses in the area as the province and municipalities seek to strategically place density (ie. mid – high rise residential) in transit nodes.



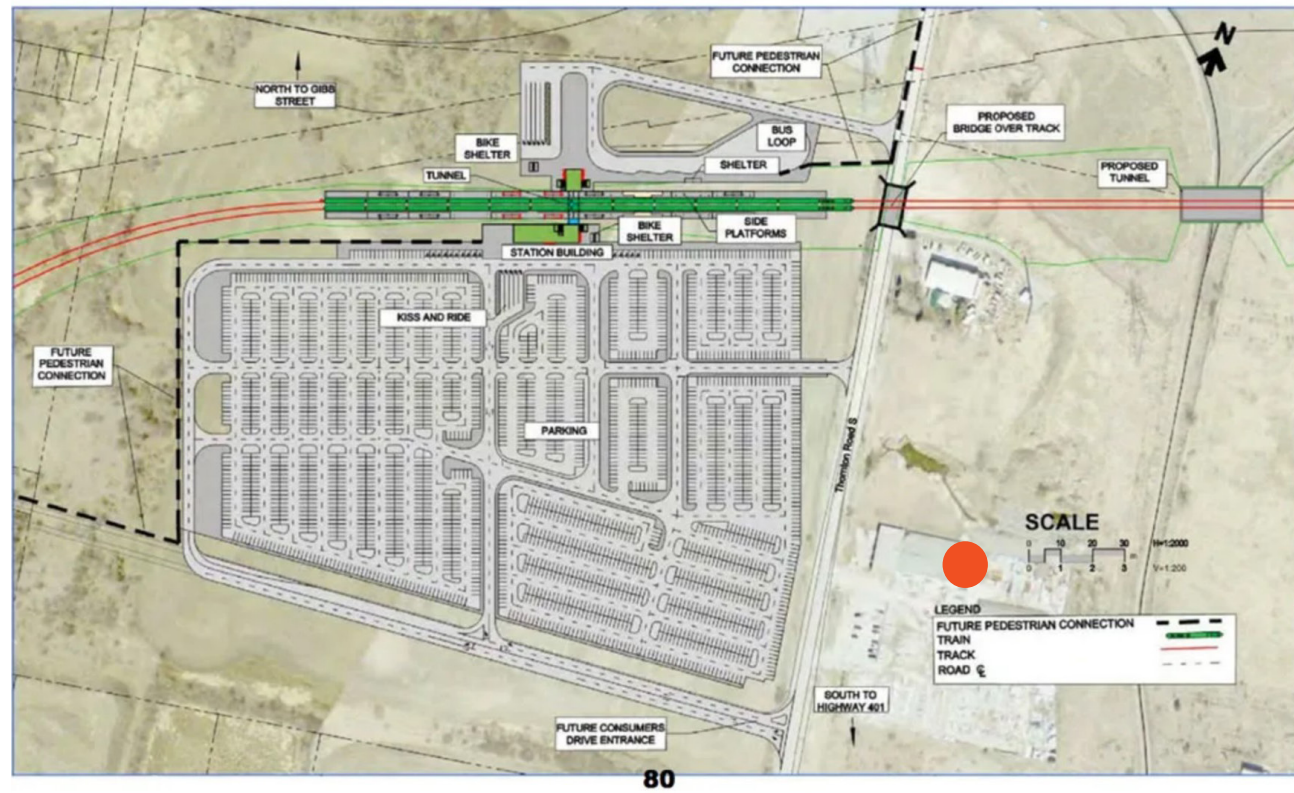
● 575 Thornton Road S

New Metrolinx GO Station

Thornton's Corner Go Station: Initial Proposal

Thornton's Corner Go Station, providing 2-way rail and bus services, was initially proposed to be placed on the northwest side of Thornton Road South and Stellar Drive as outlined in the site plan below. Issues accessing the rail line from this location has pushed Metrolinx to pivot their plans. A more natural option is available on the east side of Thornton Road South and is outlined on the following page.

Initial Thornton's Corner Go Station Rendering



● 575 Thornton Road S

New Metrolinx GO Station

Thornton's Corner Go Station: Potential Scenario

Metrolinx owns the parcel directly to the south of 575 Thornton Road S that stretches down to Highway 401 in addition to owning the parcel to the northeast beside Walmart. CMHC, another government organization, owns the tract of land directly east of 575 Thornton Road South and in between the Metrolinx sites. There is an existing rail line that was used to service the GM plant to the south that is no longer used for that operation. The ideal location, abundance of land, ownership synergies and existing rail infrastructure makes the Metrolinx and CMHC tracts the ideal location for Thornton's Corner Go Station.



Durham Regional Overview

The Oshawa Advantage

There are many advantages to doing business in Oshawa, which include an educated talent pool, innovative assets and value. With one of the highest rates of population growth in Canada, residents and companies across the Greater Toronto Area (G.T.A.) are taking notice.

Talent The City of Oshawa is a gateway to the most populous region of Canada and one of the largest concentrations of economic activity in North America. Oshawa offers a labour force of over 1.2 million workers within a 45 minute commute. The city is home to a rapidly growing student population approaching 30,000 across three top ranking post-secondary institutions: Durham College, Ontario Tech University and Trent University Durham GTA. Oshawa post-secondary institutions have graduated over 120,000 alumni around the world. Market-driven education combined with globally-renowned research facilities have created a unique concentration of Oshawa talent that is sought after by top companies.

Innovation Digital transformation continues to reward businesses that adapt to change. The challenges brought on by the global pandemic have brought a renewed interest in Oshawa, as new technology adoption empowers companies and employees to redefine the workplace. As evidenced in a report released by CBRE, Oshawa has been ranked as one of the top five markets for tech talent growth across Canada.

Value Oshawa companies enjoy the benefits associated with doing business in Ontario, Canada. According to the Conference Board of Canada, remote work continues to provide Torontonians with an opportunity to move to cities with a lower cost of living such as Oshawa.



Canada has one of the lowest costs of doing business in the world, including generous R&D tax incentives and the second lowest business costs among the G7 countries according to KPMG. According to The World Bank, Canada is the easiest place to start a business in the G20. Locally, Oshawa industrial and downtown development has an exemption from development charges. Our city continues to embrace a large influx of millennials and young families who are seeking value and proximity to the G.T.A. You will continue to find both in the City of Oshawa.

Durham Regional Overview

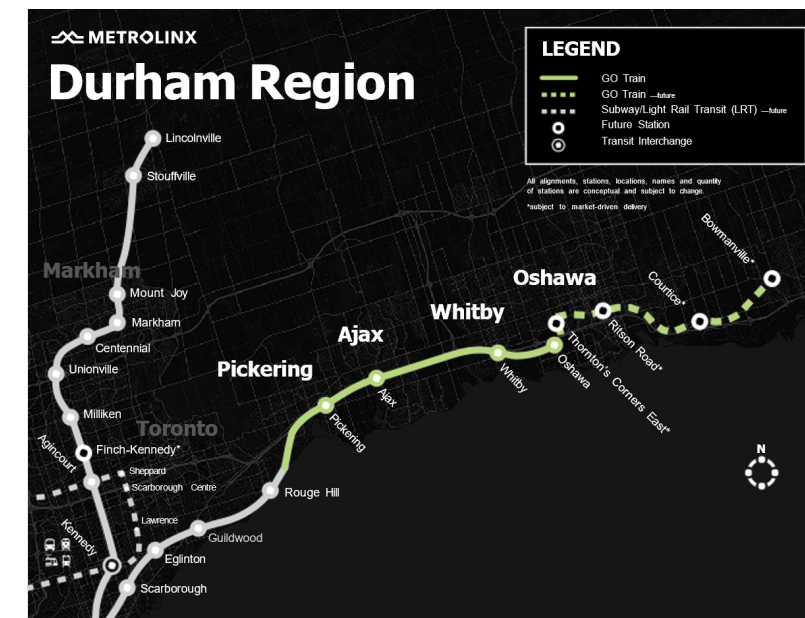
Access & Connectivity

Located along the north shore of Lake Ontario, the City of Oshawa is the largest urban municipality in Durham Region and is the eastern gateway to the G.T.A. Companies in Oshawa have quick and convenient access to Canada's largest consumer market of more than 5 million people and are located within a day's drive of more than 120 million Canadian and American consumers. With easy connections to multiple U.S.A. border crossings into New York, Michigan and Minnesota, Oshawa offers superior access to American markets.

Oshawa Executive Airport The Oshawa Executive Airport features a modern terminal, capable of facilitating corporate business travel and general aviation. The airport offers dual runways able to service a broad range of aircraft, modern navigational aids, hangar space and a variety of aviation services to meet business needs.

Roads Infrastructure Highway 407 East provides Oshawa with another point of access across the G.T.A. With tolls now removed from Highways 412 and 418, highway travel around the region offers more convenience than ever.

GO Train East Extension Recently approved in the Provincial budget, the Lakeshore East GO Train extension has an estimated economic value of \$1.1 billion in transit-oriented, walkable urban development. The expansion is estimated to generate 21,000 permanent new jobs. There is an estimated \$70 million in annual savings to residents via reduced commuting time and improved road safety. Furthermore, a 50 million kilometre per year reduction in private vehicle use is expected, significantly reducing the amount of CO2 emissions.



Durham Regional Overview

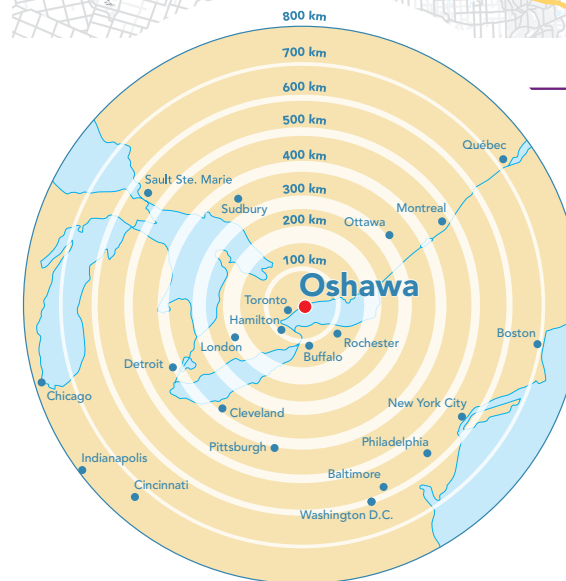
Oshawa Port

The Port of Oshawa welcomed 78 vessels in 2021. Looking at 2022, Oshawa's port is poised for growth. After posting an all-time record total shipping volumes in 2020, the port saw increases in fertilizer and finished steel in 2021, with total shipping volumes 3% above the five-year average. Hamilton Oshawa Port Authority (H.O.P.A.) plans to build on Oshawa's current cargo levels by upgrading its port facilities and infrastructure in the coming years, namely, increasing capacity for agricultural cargoes and the port's allowable draft.

The Federal Government announced approximately \$14 million for an export expansion project at the Oshawa Port. As the recipient, the Hamilton-Oshawa Port Authority is contributing \$16 million, representing a total investment of nearly \$30 million. With this investment, new infrastructure will be built to modernize operations in the port's main area and position it for growth.



Durham Regional Overview



Location	Distance (km)	Distance (mi)
Toronto, ON	60 km	37 mi
Buffalo, NY	222 km	138 mi
Washington, DC	841 km	522 mi
Ottawa, ON	392 km	243 mi
Windsor, ON	410 km	254 mi
Montreal, QC	486 km	302 mi
New York, NY	805 km	500 mi
Boston, MA	848 km	527 mi
Chicago, IL	880 km	547 mi
Atlanta, GA	1,598 km	993 mi

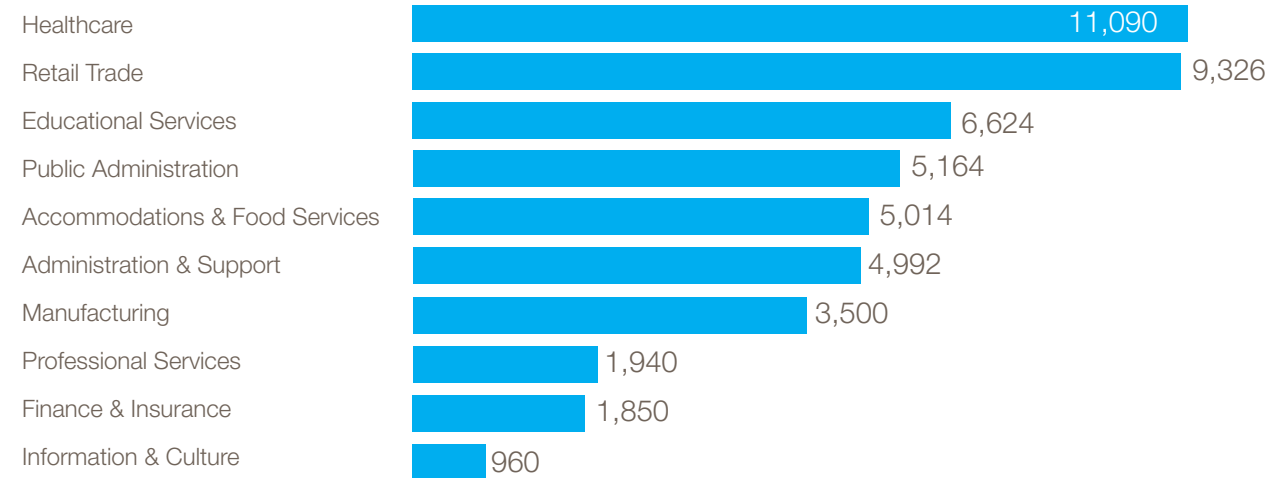
A Transforming Economy

Oshawa Port

Oshawa's economy continues to show resilience as one of Canada's top 7 mid-sized cities for real G.D.P. growth from 2023 to 2026. Oshawa's favourable proximity to Toronto, Canada's most important economic hub, has led Oshawa to achieve some of the highest population growth in Canada, bringing with it an influx of new talent in the community. As more employers allow employees to work fully remotely, the Conference Board anticipates that some Torontonians will opt to move to cities such as Oshawa that benefit from a lower cost of living.

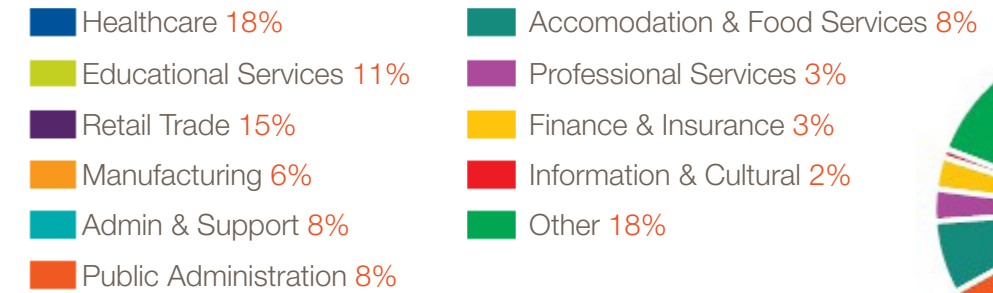
The Conference Board of Canada anticipates Oshawa's G.D.P. growth to be 4.4% in 2022 and a further 2.2% in 2023. The report also anticipates manufacturing output in the Oshawa area will grow by 8.5% in 2022, while construction output will grow by 4.3% in 2022. The projections point to a significantly improved job market, with employment predicted to expand by 5.9%. The opening of GM Canada's Truck Assembly Plant and strong non-residential construction activity are seen as key factors in the rebounding of Oshawa's manufacturing sector and the recovery of Oshawa's construction output.

Jobs by Employment Sector

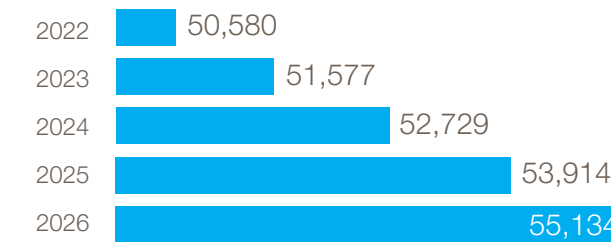


A Transforming Economy

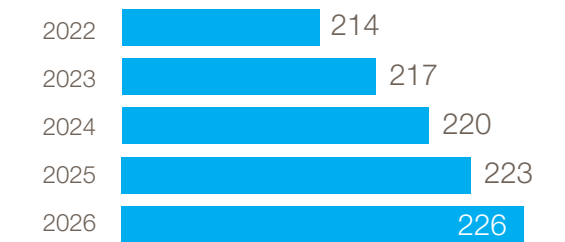
Oshawa Dynamic & Diverse Economy is Composed of:



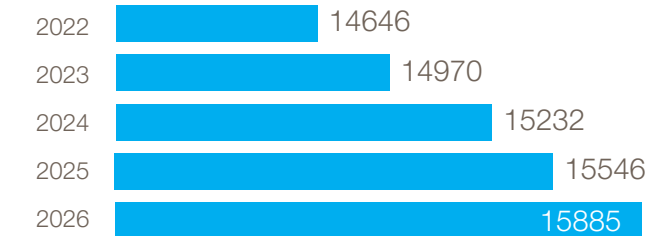
Household Income Per Capita (\$)



Total Employment (000s)



Real GDP at Basic Prices (\$ millions)



GDP Projections Canada



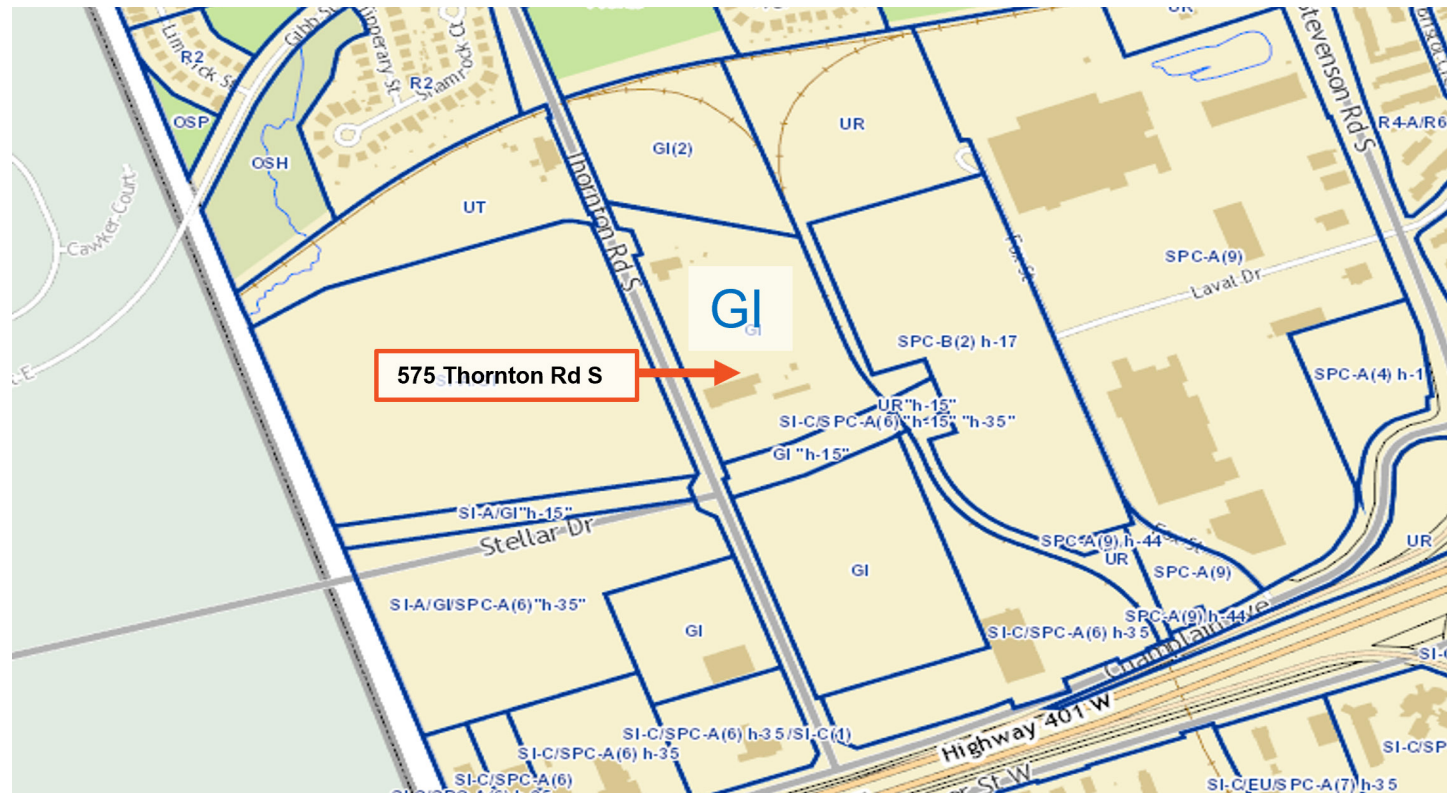
Photo Gallery



Neighbourhood Map



Current Zoning & Permitted Uses



Permitted Uses

- (a) Any industrial use not mentioned in this subsection which is not obnoxious
- (b) Auction establishment
- (c) Automobile body shop
- (d) Automobile repair garage
- (e) Automobile towing business
- (f) Cleaning or dyeing plant
- (g) Contracting yard
- (h) Dry cleaning and laundry plant
- (i) Equipment repair or servicing shop
- (j) Food preparation plant (k) Industrially oriented office
- (l) Kennel
- (m) Manufacturing, processing or assembly industry
- (n) Metal stamping establishment
- (o) Nightclub
- (p) Outdoor storage accessory to a permitted use in a GI Zone**
- (q) Parking garage or parking lot associated with a permitted use in a GI Zone
- (r) Printing establishment
- (s) Recreational use
- (t) Recreational vehicle storage
- (u) Recycling depot
- (v) Recycling operation
- (w) Sales outlet
- (x) Service industry
- (y) Taxi establishment
- (z) Transport terminal including railway yard
- (aa) Underground bulk liquid storage
- (bb) Vehicle sales and service establishment
- (cc) Warehouse
- (dd) Wholesale distribution centre



Offering Process

Memorandum Contents

This Confidential Investment Memorandum (“CIM”) has been prepared by the Advisor and is being delivered to prospective purchasers to assist them in deciding whether they wish to acquire the Property. This CIM does not purport to be all inclusive or to contain all the information that a prospective purchaser may require in deciding whether or not to purchase the Property. This CIM is for information and discussion purposes only and does not constitute an offer to sell or the solicitation of any offer to buy the Property. This CIM provides selective information relating to certain physical, location and financial characteristics of the Property.

The information on which this CIM is based has been obtained from various sources considered reliable. Neither the Vendor nor the Advisor make any representations, declarations or warranties, express or implied, as to the accuracy or completeness of the information or statements contained herein or otherwise and such information or statements should not be relied upon by prospective purchasers without independent investigation and verification. The Vendor and Advisor expressly disclaim any and all liability for any errors or omissions in the CIM or any other written or oral communication transmitted or made available to prospective purchasers. Prospective purchasers should conduct their own independent investigation and verification of the information provided herein, and should seek legal, accounting, tax and engineering advice as necessary.

If any information relating to the Property, in addition to the information provided in this CIM, is provided at any time, orally or otherwise, by the Vendor or the Advisor or anyone acting on their behalf, such information is provided as a convenience only without representation or warranty as to its accuracy or completeness and such information should not be relied upon by prospective purchasers without independent investigation and verification.

Confidentiality

By accepting this CIM, prospective purchasers agree to hold and treat this CIM and its contents in the strictest confidence. Prospective purchasers will not, directly or indirectly, disclose or communicate or permit anyone else to disclose or communicate this CIM or any of its contents or any part thereof to any person, firm or entity without the prior written consent of the Vendor and Advisor. Prospective purchasers will not use or permit this CIM to be used in any manner detrimental to the interests of the Vendor, Lennard or their affiliates or for any other purpose than a proposed purchase of the Property. The recipient of this CIM agrees to provide the Advisor with a list of those persons to whom this CIM or any information contained herein is provided.

The terms and conditions in this section with respect to confidentiality and the disclaimer contained under final page of the memorandum will relate to all sections of the CIM as if stated independently therein.

Indemnification

Recipients of this CIM acknowledge that they are principals or investment advisor in connection with the possible acquisition of the Property and agree that they will not look to the Vendor or the Advisor or any of their affiliates for any fees or commissions in connection with the sale of the Property other than the co-operating fee being offered.

In no event shall any prospective purchaser or any of its agents or contractors contact any governmental authorities concerning the Property, or make any physical inspection or testing of the Property, without the prior written consent of the Vendor or Advisor.

At any time prior to the Completion of the proposed transaction, the Vendor may request additional information from interested parties relevant to the transaction. The Vendor reserves the right to end the sale process or to cease discussions with any and all parties at any time without notice or liability.

Process

Based on the information contained in this CIM, and other information that may be made available by the Advisor upon request, interested parties are invited to submit an offer to address the following requirements:

1. The purchase price and deposits for the Property
2. Proposed timeline and the terms of due diligence and closing
3. Confirmation that the Property will be purchased on an “as is, where is” basis
4. Name of the ultimate beneficial owners of the Purchaser
5. Evidence of the Purchaser’s financial ability to complete the transaction

After review of the offer, it is the intent of the Vendor to enter into a binding Agreement of Purchase and Sale for the Property with a selected party. None of the initial proposals, regardless of their form and content will create any binding legal obligation upon the Vendor or the Advisor.

Prospective purchasers should note that the Vendor is under no obligation to select any of the offers.

Sale Conditions

The Property and any fixtures, chattels and equipment included with the Property are to be purchased on an “as is, where is” basis. There is no warranty, express or implied, as to title, description, condition, cost, size, quantity or quality thereof.

Any information related to the Property which have been or will be obtained from the Vendor, Advisor or any other person, have been prepared and provided solely for the convenience of the prospective purchaser. Neither the Vendor nor the Advisor make any representation or warranty that such information is accurate or complete. Such information shall not form part of the terms of an Agreement of the Purchase and Sale, unless otherwise agreed in writing by the Vendor.

Submission Process & Timing

Proponents are invited to submit their offers to Lennard Commercial to the attention of Parker Payette & Jay Finch.

Offers to purchase will be evaluated based upon, but not limited to, the structure proposed by the prospective Purchaser, the net proceeds to the Vendor, the prospective Purchaser’s ability to complete the transaction, the time lines and proposed closing conditions. The Vendor is not obliged to accept any offers and reserves the right to reject any or all offers received.

The Advisor and the Vendor intend to review all offers as soon as possible following a submission. Following the review, the Vendor will, at their discretion, choose a purchaser based on offer criteria. Once the purchaser has been chosen, Lennard will contact the proponents and provide them with feedback on their offer.

Exclusive Advisor

All inquiries regarding the Property or any information contained in this CIM should be directed to Lennard Commercial as exclusive agents for the Vendor.

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**Broker *Sales Representative

Statements and information contained are based on the information furnished by principals and sources which we deem reliable but for which we can assume no responsibility. Lennard Commercial Realty, Brokerage.