

APPENDIX A

ABSORPTION RATES OF INDUSTRIAL LAND

Absorption rates of industrial lands for the City of Greater Sudbury are difficult to estimate accurately as yearly records have not been kept in a form readily summarized. As well actual historical absorption rates of industrial lands would need to reflect Sudbury's boom bust cycles and the wider economic determinates of the market place. Therefore we have decided to develop a proxy measure which should be relatively reflective of what one might expect in a conservative market environment.

Two measures are provided. The first is based on taking the City's two public sector industrial parks which have both been in place for 40 years. Both parks are now essentially sold out. The Walden Industrial Park has 325 acres of industrial land with a 40 year average annual absorption rate of approximately 8 acres per year. The Valley East Industrial Park consists of 140 acres of industrial land with a 40 year average annual absorption rate of approximately 5 acres per year. Together they total 13 acres per year of serviced industrial land consumed over all business cycles.

If one assumes that private sector parks and land opportunities for the same period at least matched or doubled the public sector absorption rate (13 to 26 acres per year for the same periods) approximately 40 acres of serviced land would be required annually for new or expanded industrial operations.

If one were to examine industrial use building permits taken out for the past 10 years between 2001 to 2011 in two categories - industrial permits and extractive industrial permits - , a second lens on industrial development in Greater Sudbury is provided. Over that ten year period, 2.2 million square feet of new industrial development occurred and 420,000 square feet of new extractive industrial development occurred. Together these amounts account for a 10 year annual average of about 260,000 square feet of new industrial building stock per year.

These absorption rates would represent and anticipated yearly average demand across all business cycles which could be reasonably expected.

On the supply side, our data is somewhat better although still incomplete as assumptions must be made with respect to serviceability and availability. However reasonable estimates indicate the following:

1, Kingway Industrial Lands

(These lands are pre-serviced with municipal water and sewer on the Kingsway and zoned but not yet subdivided in register industrial lots)

M1 Mixed Light Industrial/Service Commercial	166 acres
M2 Light Industrial	110 acres
M3 Heavy Industrial	35 acres

2. Fielding Road Industrial Lands

(These lands do not have municipal sewer and water infrastructure at this time and are partially developed. Vacant lands and partially vacant sites are as follows)

M3 Heavy Industrial	148 acres
M5 Extractive Industrial (requires rezoning)	99 acres

3. Elisabella/LaSalle

(These lands are serviced with sewer and water but do not have adequate capacities for expansion. The area has many industrial businesses in addition to sites which are vacant and partially developed. The acreage below represents opportunities in this area for additional development.)

M2 Light Industrial Area 2	3 acres
M2 Light Industrial Area 3	6 acres
M3 Heavy Industrial Area 2	15 acres
M3 Heavy Industrial Area 3	18 acres

4. Kelly Lake Road

(These vacant lands are serviced with water and sewer along Kelly Lake Road but unserved on Ceasar Road. This area will have improved service capacity to this site once the BioSolids plant is operational.)

M2 Light Industrial	20 acres
M3 Heavy Industrial	94 acres

5. Radisson Industrial Park

(These lands are vacant and unserved but are readily serviced as part of the development process.)

M1 Mixed Light Industrial Service Commercial	14 acres
M2 Light Industrial	78 acres

6. Falconbridge Road/Maley Drive

(This area is a mix of developed, partially developed and vacant lands which are both serviced and unserviced. Some the servicing is feasible for the developer and other services would best be upgraded when Maley Drive is upgraded. The vacant land component is outlined below)

M1 Mixed Light Industrial Service Commercial (serviced)	48 acres
M2 Light Industrial (unserviced)	16 acres
M3 Heavy Industrial (unserviced)	176 acres

7. Coniston South

(The majority of this area is vacant and unserviced and would require significant offsite infrastructure improvements to bring services in including looping of the trunk water line on Highway 17 through Coniston)

M1 Mixed Light Industrial Service Commercial (Serviced)	25 acres
M3 Heavy Industrial (Unserviced)	90 acres

8. Kingsway (near the Bypass)

(Area is serviced with water but not sewer)

M2 Light Industrial	55 acres
---------------------	----------

9. Sudbury Airport

(The airport is a public sector entity which is expanding its light industrial opportunities through servicing the SE Quadrant and now servicing and developing the NE Quadrant. These industrial offerings are unique for companies requiring airport access and transportation.)

M2 Light Industrial (NE Quadrant being serviced)	230 acres
M2 Light Industrial (NSW Quadrant unserviced)	210 acres

Industrial Land Supply Summary

Industrial Land supply can be considered from both a private and public supply perspective. If the first 7 private sector industrial land areas are taken together they result in the following zoned land supply:

M1 Mix Light Industrial Service Commercial	253 acres
M2 Light Industrial	288 acres
M3 Heavy Industrial	576 acres
M5 Extractive Industrial (requires rezoning)	99 acres
Total Private (all classes of industrial land)	1,216 acres

(Note: Other smaller industrially zoned parcels of land also exist which are found in scattered locations throughout the City. These lands are not reflected in the above totals)

The seven private sector industrial parks above with 1,216 acres of land represents a 30.4 year land supply of vacant land for all industrial classes at a 40 acre per year absorption rate. If all the industrial land requirement went to M1 Mixed Light Industrial Service Commercial lands the City currently has a 6.3 year supply of land. If all the industrial land requirement went to the M2 Light Industrial zone the City has a 7.2 year supply of land. If all the industrial land requirement went to the M3 Heavy Industrial areas the City has a 14.4 year land supply. Servicing Elisabella/LaSalle would allow 42 acres of land to be fully developed and represents on its own a 1 year supply.

If the Airports M2 Light Industrial Lands are brought into the mix another 11 years of opportunity is available.

However, as indicated in previous reports, less than twenty percent of this total is shovel ready for industrial development. Shovel ready sites would allow perspective purchasers the opportunity to immediately obtain a registered serviced lot and a building permit.