

Toronto Industrial

Market Insight Report 2025

GTA Overview

Q3 2025



Market Overview

The GTA industrial market continued to adjust in Q3, as vacancy inched up to 4.2 percent, reflecting the gradual absorption of new supply and one of the largest increases in sublease space seen in over a decade. Sublease availability now exceeds seven million square feet, with tenants looking to shed excess space after years of rapid expansion. Net absorption slowed considerably, and deal cycles lengthened as occupiers took a more cautious, wait-and-see approach in the face of broader economic uncertainty. Asking rents, which had surged over the past several years, softened further in Q3 as landlords adjusted expectations in response to competition and prolonged vacancy in some new builds.

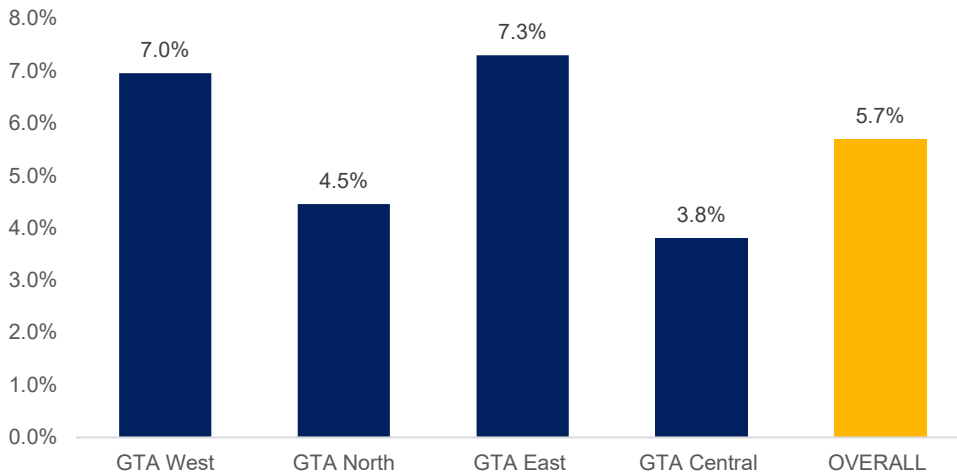
Looking ahead to Q4, the industrial market appears to be nearing a bottom. As tenants take advantage of current pricing and sublease availability, we anticipate renewed activity in well-located, high-quality facilities. Global supply chain shifts and continued demand for logistics space near the GTA mean the long-term outlook remains strong. For tenants, timing is everything. Construction starts have slowed, and many planned developments remain on hold, meaning today's tenant-friendly conditions may prove temporary. As much of the upcoming inventory is already committed through design-build projects, availability in the open market will continue to tighten once existing sublease and speculative space is absorbed.

Submarket Movement

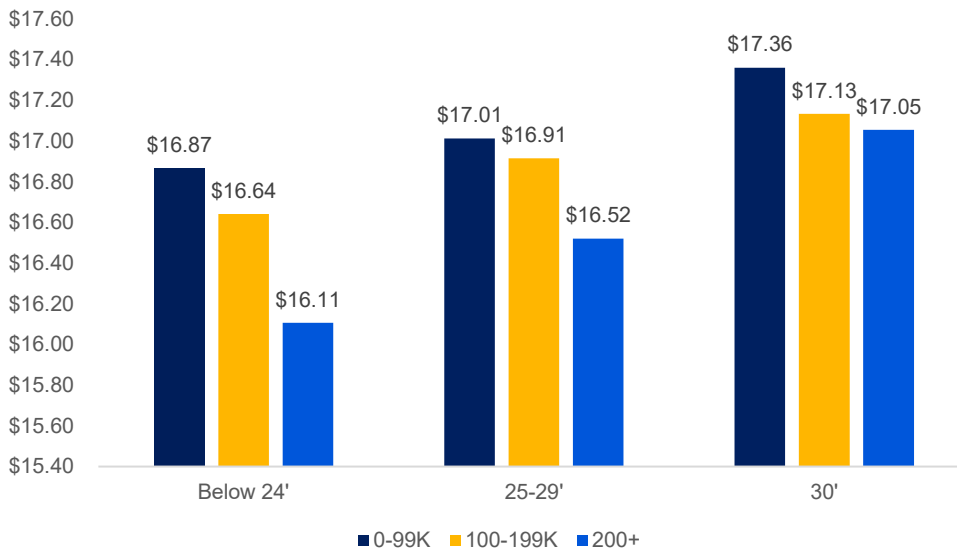
Availability Rate	QOQ Change	Direct Asking Rent (\$/SF)	Submarket
7.0%	0.0% ▶	\$16.99	GTA West
4.5%	0.0% ▶	\$17.06	GTA North
7.3%	1.5% ▲	\$15.36	GTA East
3.8%	0.2% ▲	\$16.85	GTA Central
5.7%	0.2% ▲	\$16.84	Overall

The Occupier's Perspective

Availability Rate



Net Rent by Clear Height



Cresa Notable Transactions

Address	Size (SF)	Market
1. 2995 Peddie Road	303,187 SF	GTA West
2. 40 Farr Court	29,843 SF	Hamilton
3. 277 Lakeshore Road East	29,422 SF	GTA West

1. Be strategic about timing as negotiation windows are longer now

The industrial market is gaining momentum but deal cycles are stretching. Even the landlords demanding top market rates are willing to negotiate on lease structure. There is an opportunity to test the market and negotiate on your terms.

2. Explore expansion options before sublease legacy space vanishes

Dominoes in the sublease inventory are beginning to fall. If you expect growth, now is your chance to look for expansion space. Once subleases are absorbed, competition will intensify, and your options may shrink quickly.

3. Push for structure, not division

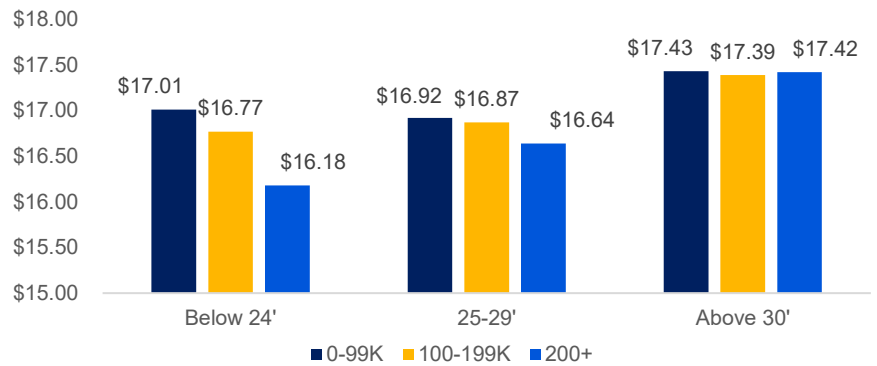
Many landlords resist carving up large footprints. Instead of accepting a less efficient building layout, advocate for demountable wall systems, flexible floorplates, or modular designs.



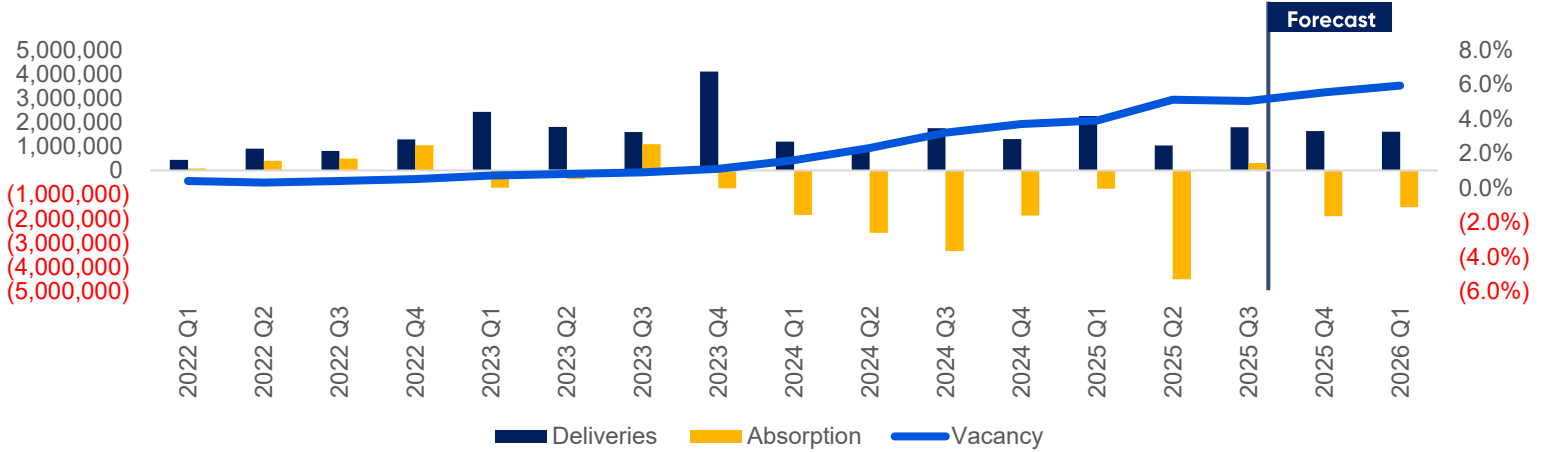
Arrows Indicate One Quarter Change

Availability Rate	Q1	Q2	Q3	
Brampton	5.8%	6.4%	6.1%	↓
Burlington	5.2%	6.0%	6.7%	↑
Caledon	4.0%	4.4%	4.0%	↓
Halton Hills	2.9%	11.2%	17.5%	↑
Milton	7.4%	10.5%	9.7%	↓
Mississauga	3.6%	4.5%	4.8%	↑
Oakville	6.0%	10.0%	9.5%	↓
Overall	5.8%	7.0%	7.0%	→

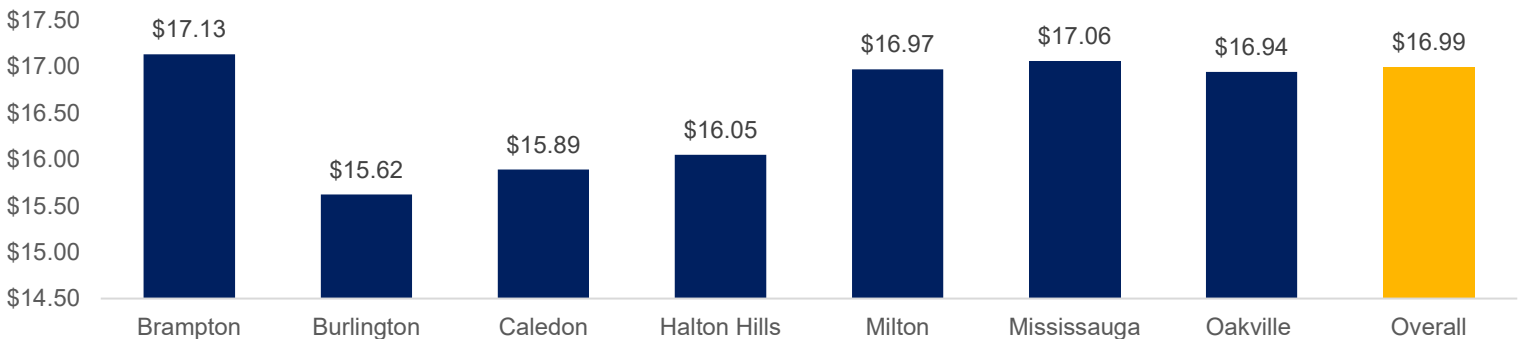
Net Rent by Clear Height



New Construction and Absorption



Net Rate (PSF)

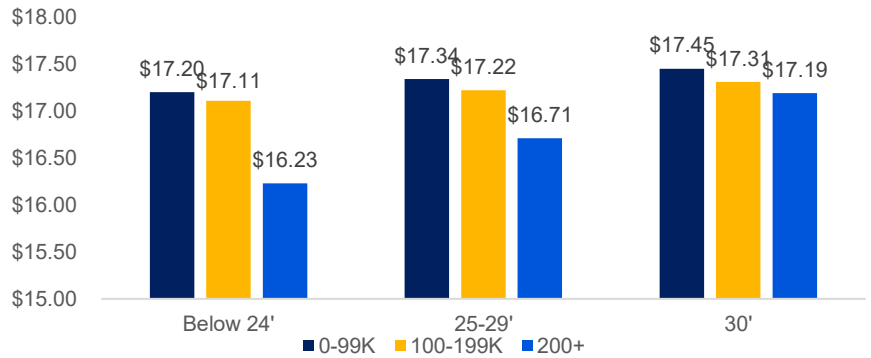




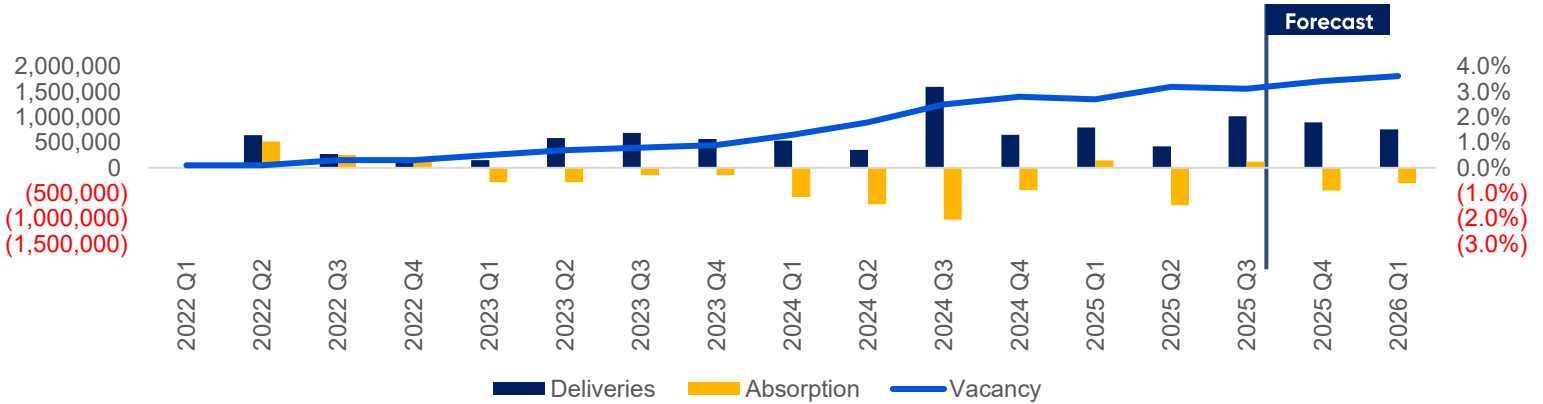
Arrows Indicate One Quarter Change

Availability Rate	Q1	Q2	Q3
Aurora	2.9%	3.2%	3.4%
Markham	2.4%	2.8%	2.8%
Newmarket	3.3%	3.0%	3.2%
Outlying York	4.4%	4.0%	4.0%
Whitchurch-Stouffville	1.4%	2.7%	2.7%
Richmond Hill	3.4%	3.6%	3.3%
Vaughan	4.2%	4.7%	4.7%
Overall	4.0%	4.5%	4.5%

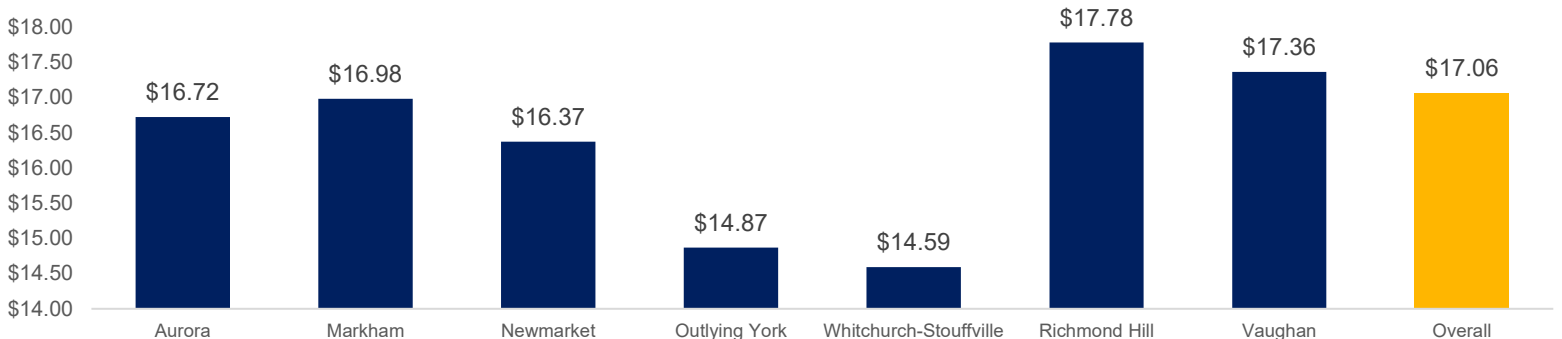
Net Rent by Clear Height



New Construction and Absorption



Net Rate (PSF)

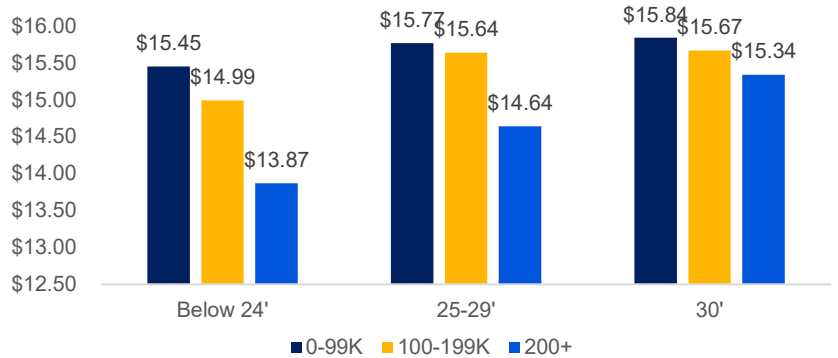




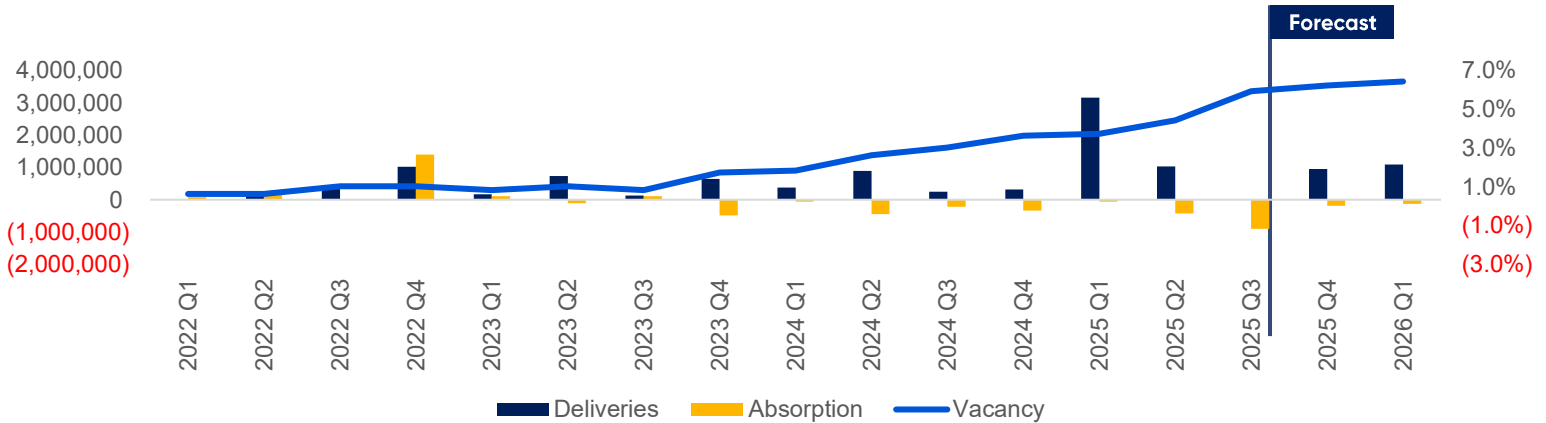
Arrows Indicate One Quarter Change

Availability Rate	Q1	Q2	Q3
Ajax	4.5%	6.4%	8.5%
Oshawa	3.8%	2.4%	2.2%
Pickering	5.8%	5.9%	6.8%
Outlying Durham	1.6%	1.8%	2.2%
Whitby	6.6%	8.5%	10.4%
Overall	5.1%	5.8%	7.3%

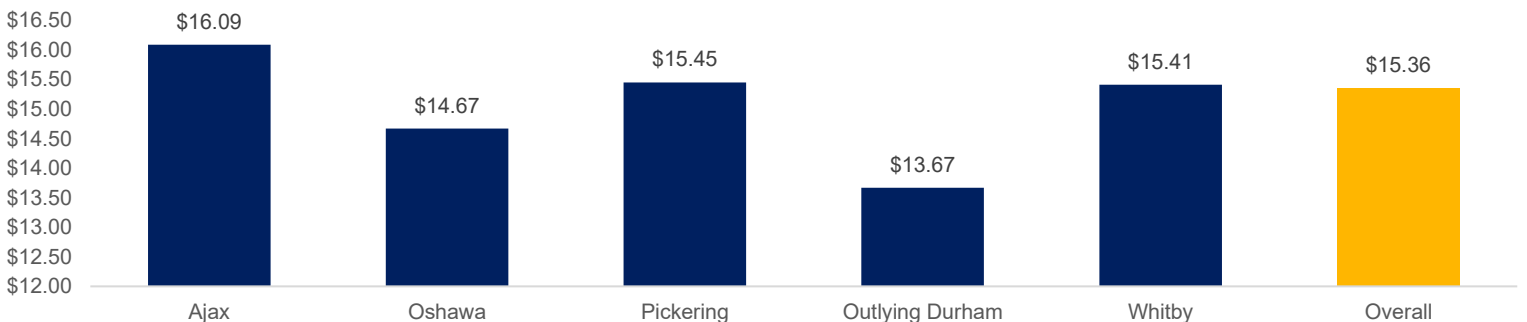
Net Rent by Clear Height



New Construction and Absorption



Net Rate (PSF)

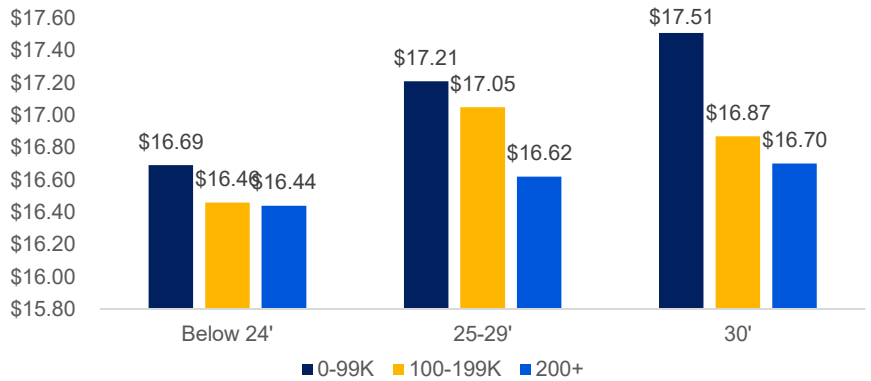




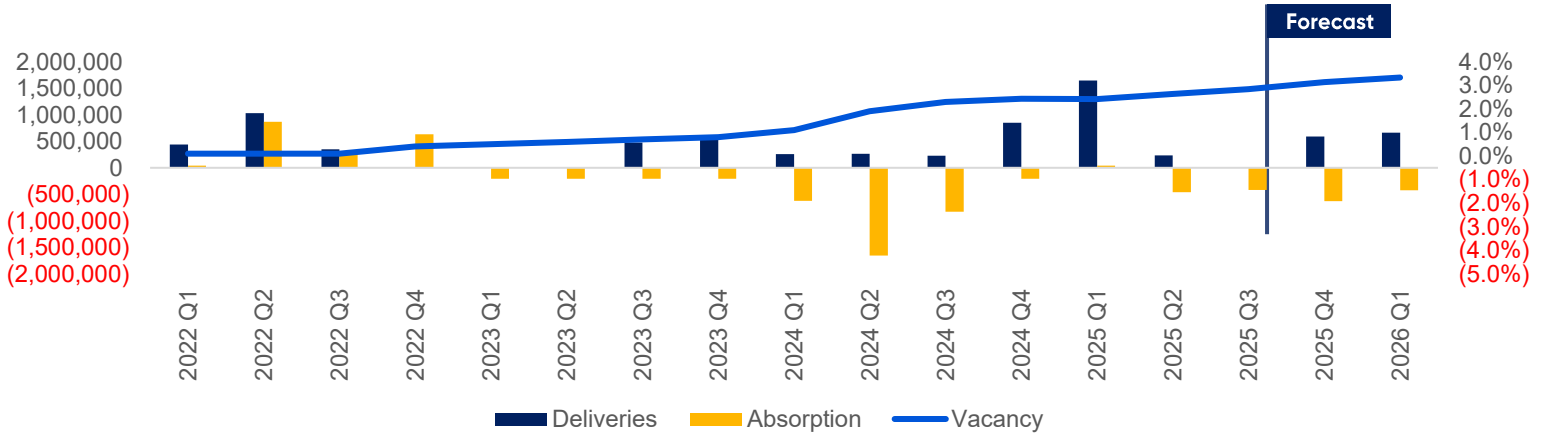
Arrows Indicate One Quarter Change

Availability Rate	Q1	Q2	Q3	
East York	2.5%	3.0%	3.2%	↑
Etobicoke	4.2%	4.4%	4.2%	↓
North York	2.6%	2.8%	3.1%	↑
Scarborough	3.5%	3.8%	4.4%	↑
Toronto	2.2%	2.3%	2.1%	↓
York	2.1%	2.2%	2.4%	↑
Overall	3.4%	3.6%	3.8%	↑

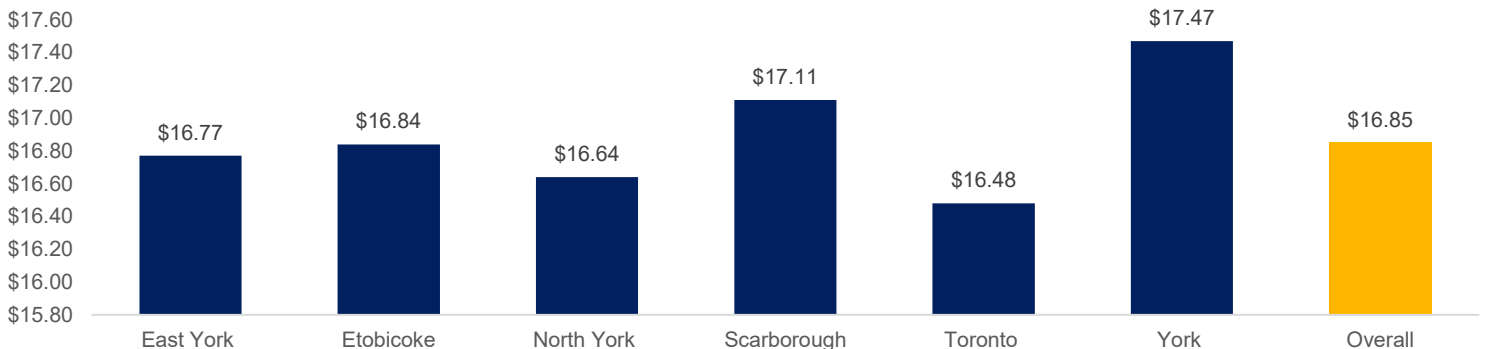
Net Rent by Clear Height



New Construction and Absorption



Net Rate (PSF)



About Cresa Toronto

Cresa is the world's leading global commercial real estate advisory firm that exclusively represents occupiers. The Toronto office, an employee-owned Canadian company that services clients across the province, was founded in 1989 as LNR Corporation. In 1993, LNR Corporation entered into a partnership with Cresa, recognizing the opportunity to strengthen its geographic capabilities and provide a great scope of services for present and future clients.

Our mandate is to partner with clients to deliver them the best value. We work with organizations of all sizes and industries, spanning across Canada, to align their business plans and their real estate needs, increase their productivity, and consistently save them money. Our integrated team of real estate advisors, project managers, designers, and analysts listen to occupiers' needs, meticulously researches market conditions, firmly negotiates terms, and manages the design and construction of projects to customize the best possible occupancy solutions. And it's this relentless focus on our clients that has earned us numerous industry awards along the way.

To explore our latest findings and discover new strategies for managing the complexity of this ongoing situation, please visit cresatoronto.com

Contact

For more information about Cresa and the Toronto market, please contact:

Cresa Toronto Inc., Brokerage
200 Wellington Street West,
Suite 600
Toronto, ON M5H 3B3
416.862.2666
cresa.com/toronto-on

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