

The background of the cover is a photograph of a large industrial warehouse. The warehouse is filled with tall, metal shelving units (pallet racks) that stretch far into the distance. The racks are filled with cardboard boxes and pallets. In the center of the aisle, two people are walking away from the camera. One person is wearing a red jacket and white pants, and the other is wearing a blue jacket and dark pants. The lighting is bright, and the overall atmosphere is one of a busy, organized industrial space. There are several large, semi-transparent blue shapes overlaid on the image, including a large circle on the left and a large, stylized number '4' on the right. The text is overlaid on these shapes.

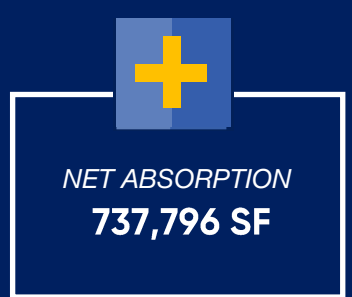
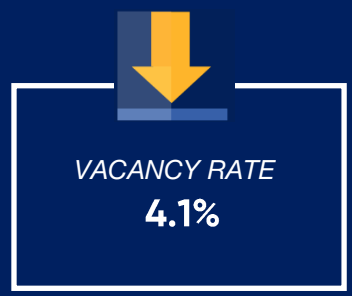
Toronto Industrial

Market Insight Report

2025

GTA Overview

Q4 2025



Market Overview

The Greater Toronto Area (GTA) industrial market went through a period of adjustments in Q4 2025 as the signs of renewed activity became clearer. Vacancy decreased slightly and currently sits at 4.1%, with availability at 5.6%, showing that the market has softened, as occupiers are adjusting to the new pricing and supply conditions.

As the uncertainty due to trade tensions and tariff concerns has continued, decisions that were previously held back are moving forward, as companies now assume these uncertain conditions will remain for the foreseeable future. This has led to increased leasing activity in the last quarter, as we see transactions that were previously delayed are now progressing, and spaces that have been on the market for an extended period are seeing renewed interest. This increase in activity underscores the need for tenants to move quickly, as intensifying competition and a stalled construction pipeline are likely to absorb available inventory.

Demand remains most intense for spaces under 50,000 square feet, where good options are scarce. Higher rental costs have led many occupiers to downsize, which has increased competition for smaller spaces while leaving a larger supply of big-box options. In response, landlords are becoming more willing to divide larger units to meet this demand.

Performance varies across submarkets. Areas heavily tied to manufacturing and trade-sensitive industries, especially in GTA East, are still under pressure. In contrast, logistics-focused submarkets are benefiting from changes in supply chains. There is noticeable interest from international 3PL operators looking to reduce U.S. tariff exposure, adding some demand for GTA warehousing.

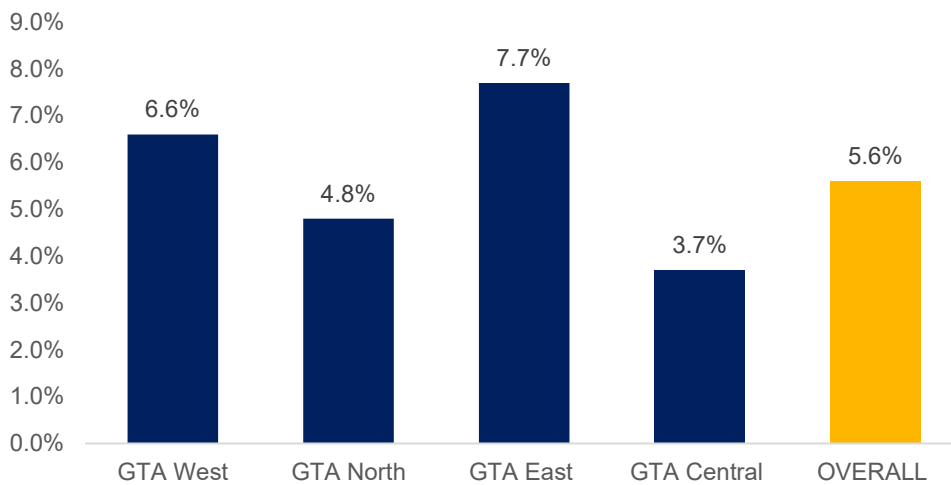
Looking ahead, Q4 marked a turning point for the GTA industrial market. Market participants generally expect vacancy rates to keep falling over the next few years as development slows and absorption improves. As more deals close, the balance of power is expected to gradually shift back to landlords, especially in competitive size ranges. As supply pressures ease and demand stabilizes, the market will likely adjust quickly, benefiting those who are ready to act before the next tightening phase.

Submarket Movement

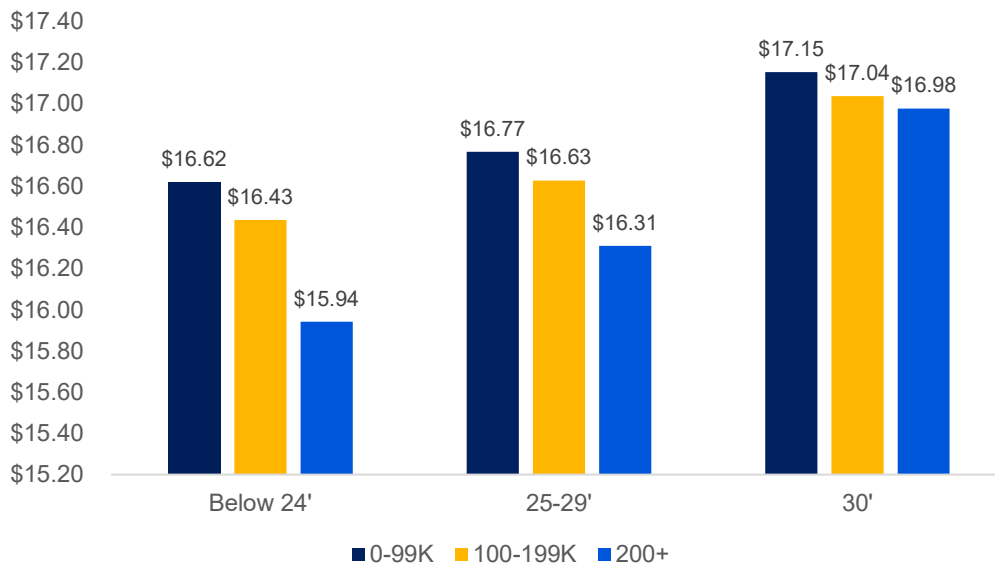
Availability Rate	QOQ Change	Direct Asking Rent (\$/SF)	Submarket
6.6%	-0.4% ▼	\$16.74	GTA West
4.8%	0.3% ▲	\$17.12	GTA North
7.7%	0.4% ▲	\$14.88	GTA East
3.7%	-0.1% ▼	\$16.54	GTA Central
5.6%	-0.1% ▼	\$16.62	Overall

The Occupier's Perspective

Availability Rate



Net Rent by Clear Height



Cresa Notable Transactions

Address	Size (SF)	Market
1. 70 Connie Crescent	52,434 SF	GTA North
2. 1273 North Service Road	17,834 SF	GTA West
3. 1675 Sismet Road	12,584 SF	GTA West

1. Be market-ready – speed now matters.

Leasing velocity has accelerated, and well-priced, functional space is moving quickly. Tenants should complete internal approvals, define requirements, and engage early, as quality options—particularly under 50,000 SF—are more limited than availability suggests.

2. Right-size strategically, not reactively.

With rents elevated and availability skewed toward larger formats, many occupiers are successfully resizing into efficient footprints. Landlords are increasingly open to subdivision, creating opportunities for tenants who move decisively and structure deals creatively.

3. Act ahead of the next tightening cycle.

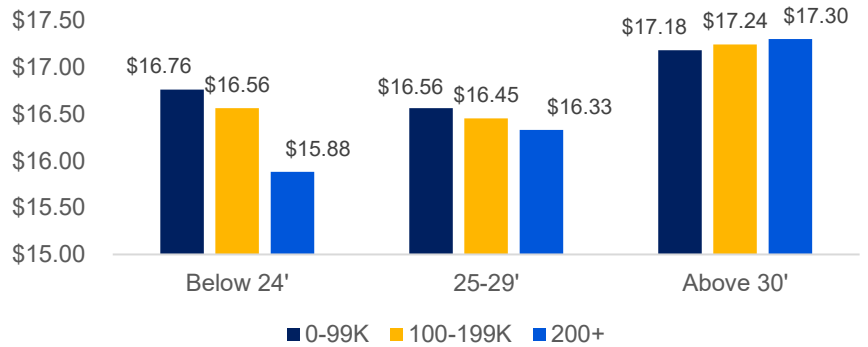
With development slowing and vacancy forecasted to decline over the coming years, current conditions represent a transitional window. Tenants with medium-term needs should consider acting now to secure favorable terms before transaction volume drives renewed upward pressure on rents.



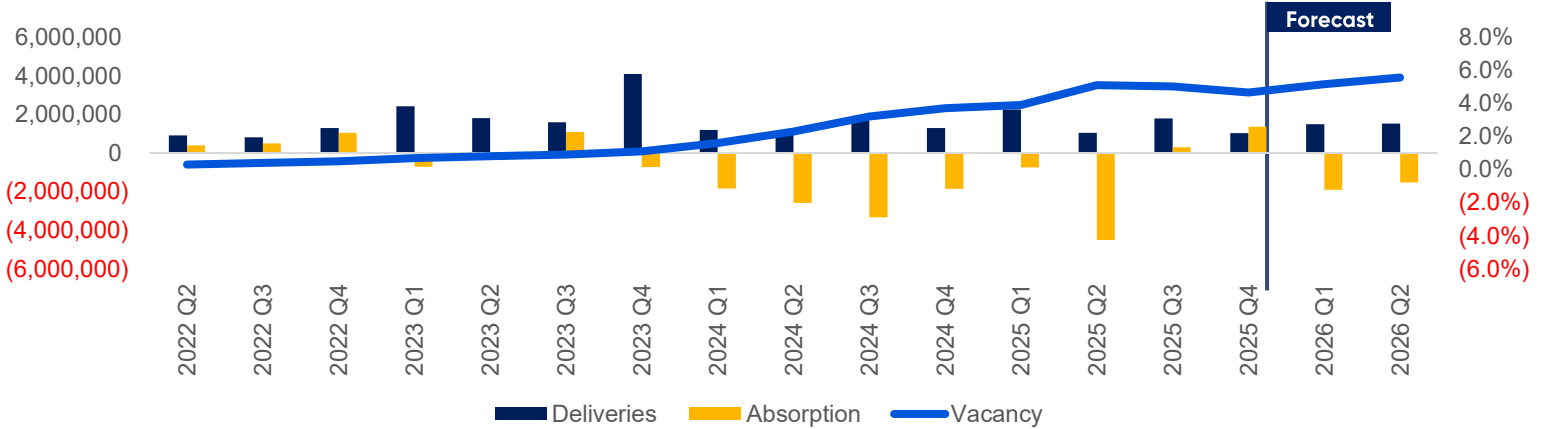
Arrows Indicate One Quarter Change

Availability Rate	Q2	Q3	Q4
Brampton	6.4%	6.1%	6.5%
Burlington	6.0%	6.7%	7.5%
Caledon	4.4%	4.0%	3.5%
Halton Hills	11.2%	17.5%	12.9%
Milton	10.5%	9.7%	11.0%
Mississauga	4.5%	4.8%	4.4%
Oakville	10.0%	9.5%	10.1%
Overall	7.0%	7.0%	6.6%

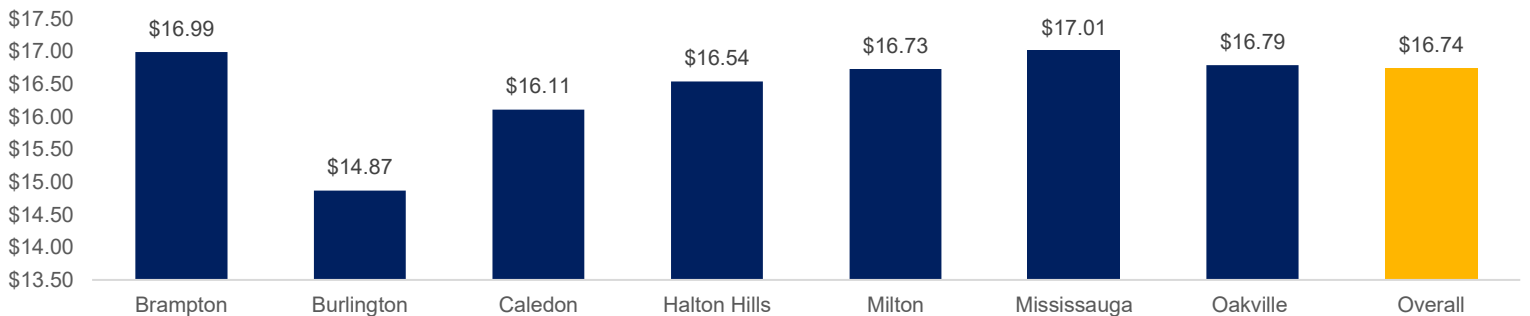
Net Rent by Clear Height



New Construction and Absorption



Net Rate (PSF)

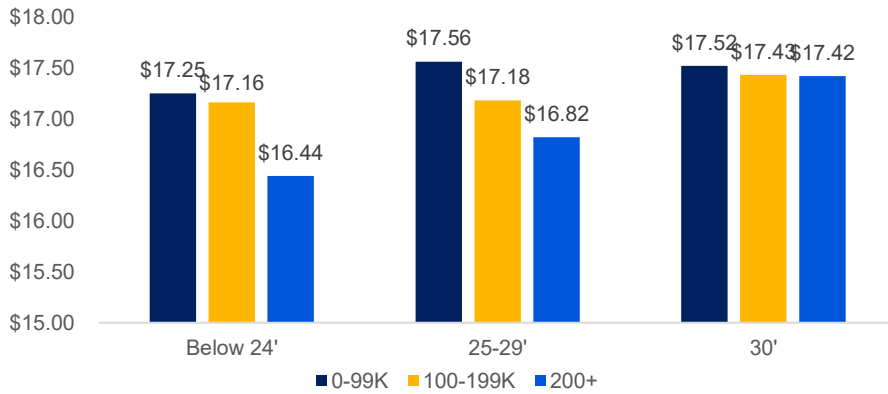




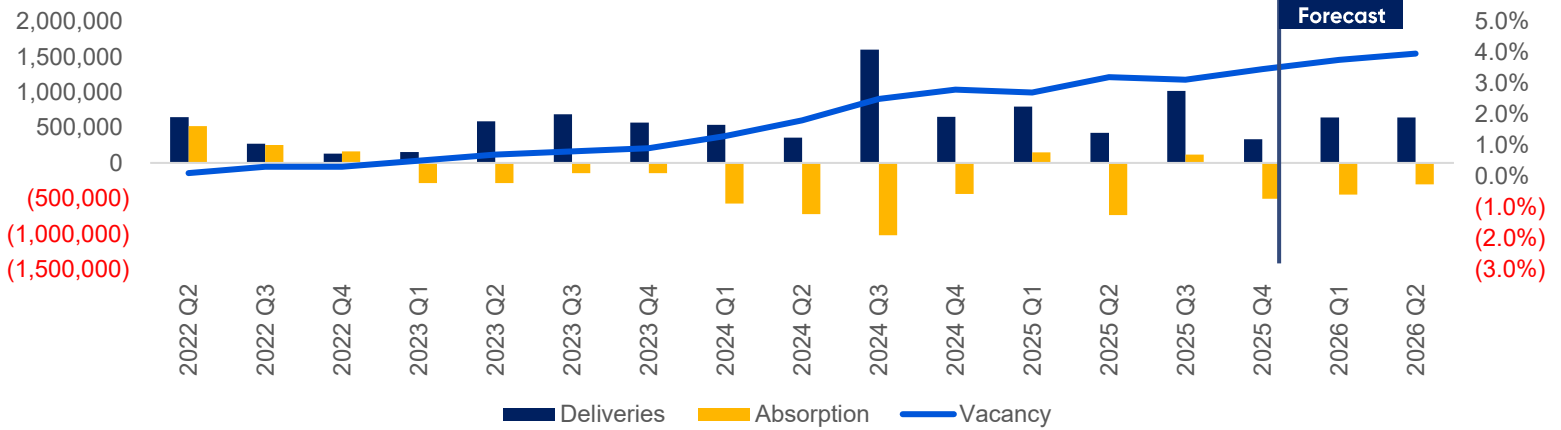
Arrows Indicate One Quarter Change

Availability Rate	Q2	Q3	Q4
Aurora	3.2%	3.4%	2.7%
Markham	2.8%	2.8%	5.5%
Newmarket	3.0%	3.2%	2.2%
Whitchurch-Stouffville	2.7%	2.7%	0.6%
Richmond Hill	3.6%	3.3%	3.0%
Vaughan	4.7%	4.7%	4.5%
Overall	4.5%	4.5%	4.8%

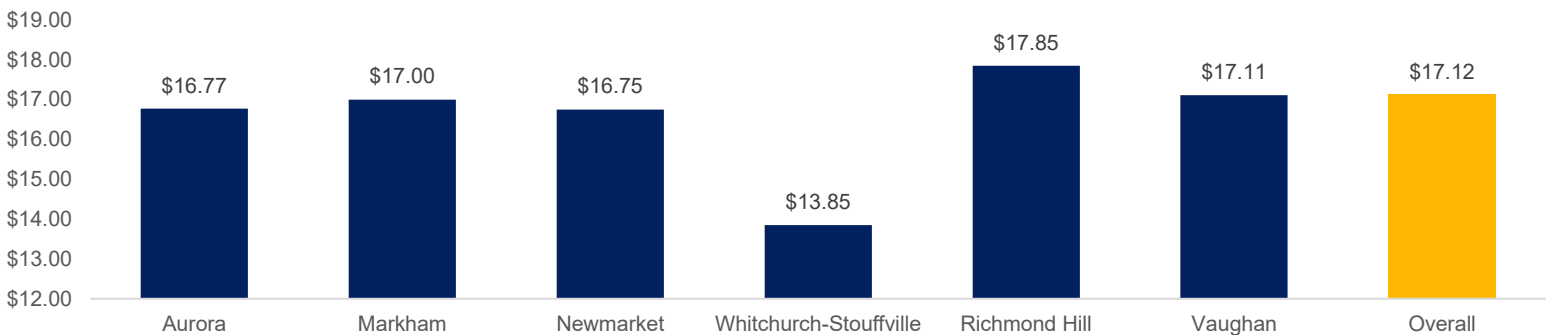
Net Rent by Clear Height



New Construction and Absorption



Net Rate (PSF)

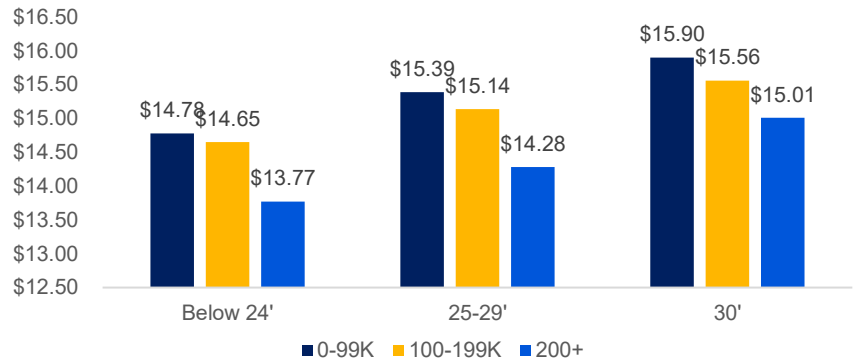




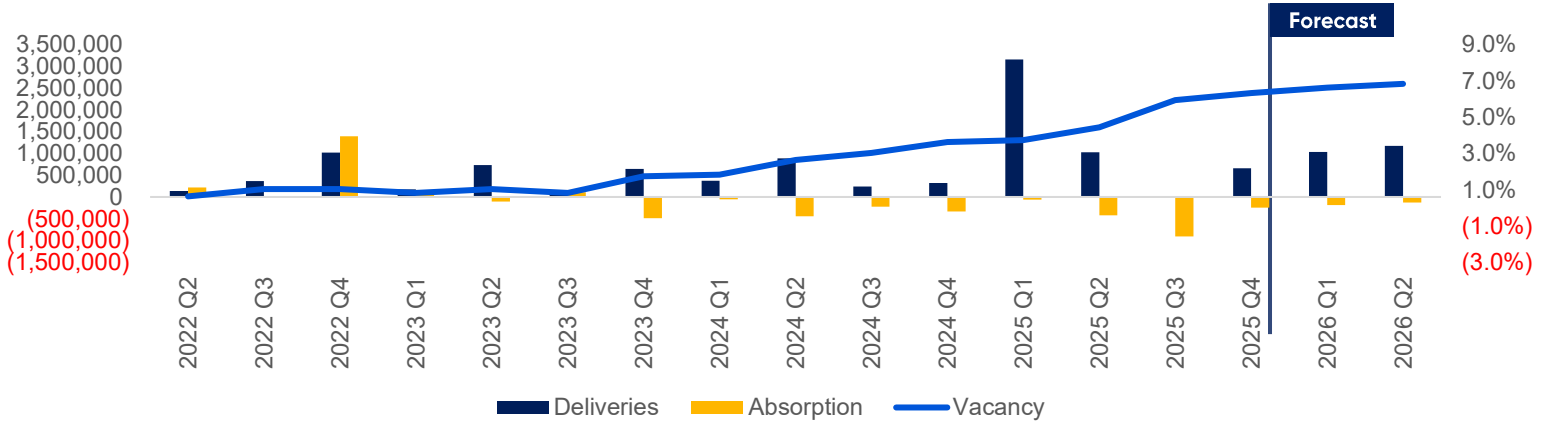
Arrows Indicate One Quarter Change

Availability Rate	Q2	Q3	Q4
Ajax	6.4%	8.5%	10.2%
Oshawa	2.4%	2.2%	2.4%
Pickering	5.9%	6.8%	8.4%
Outlying Durham	1.8%	2.2%	2.5%
Whitby	8.5%	10.4%	10.6%
Overall	5.8%	7.3%	7.7%

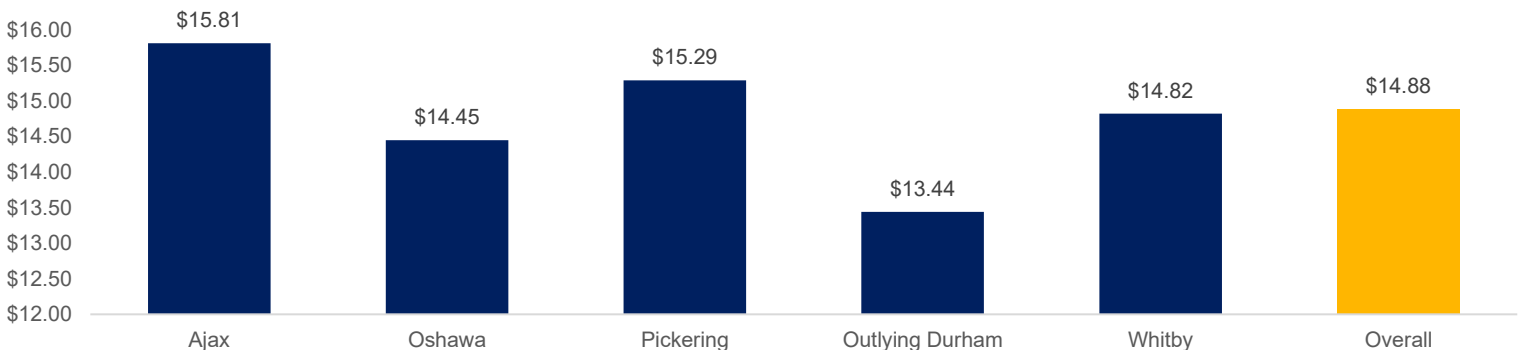
Net Rent by Clear Height



New Construction and Absorption



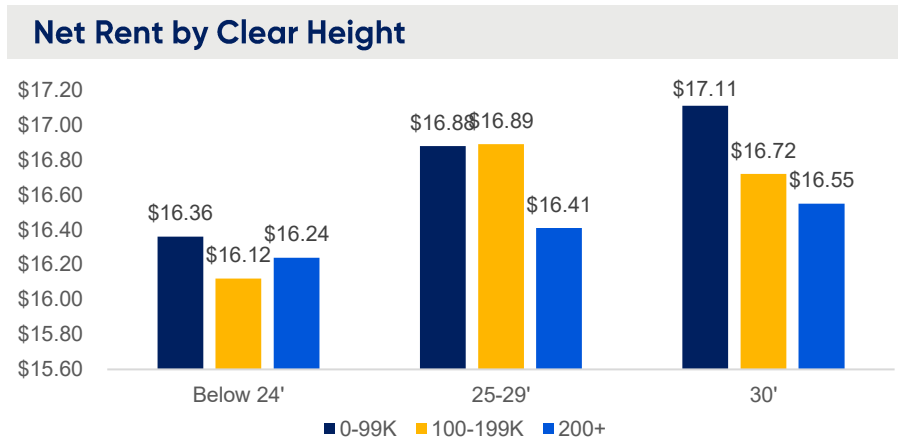
Net Rate (PSF)



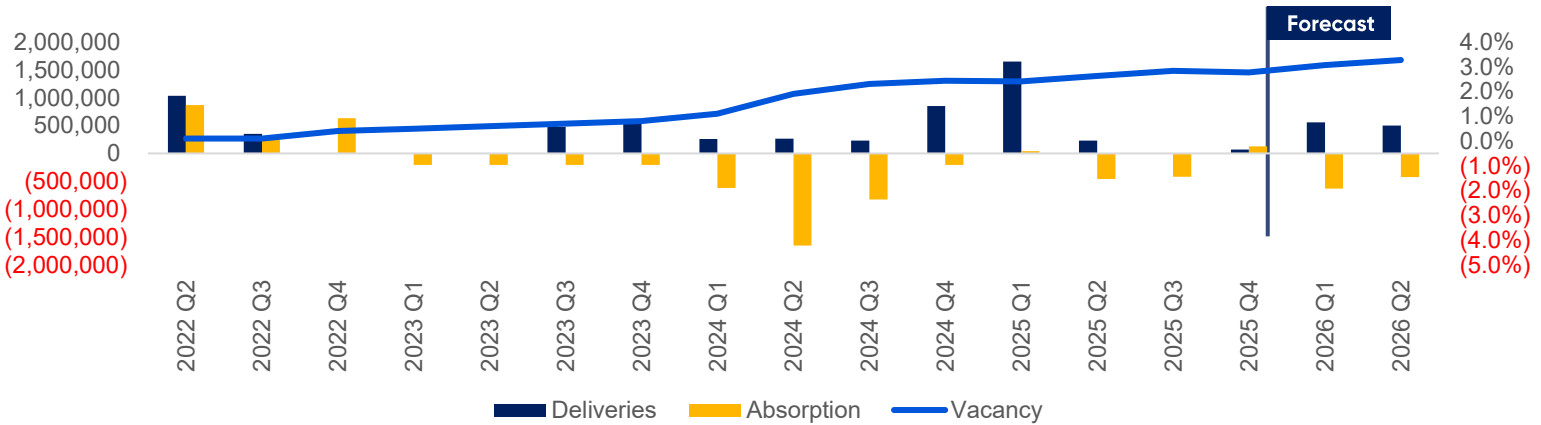


Arrows Indicate One Quarter Change

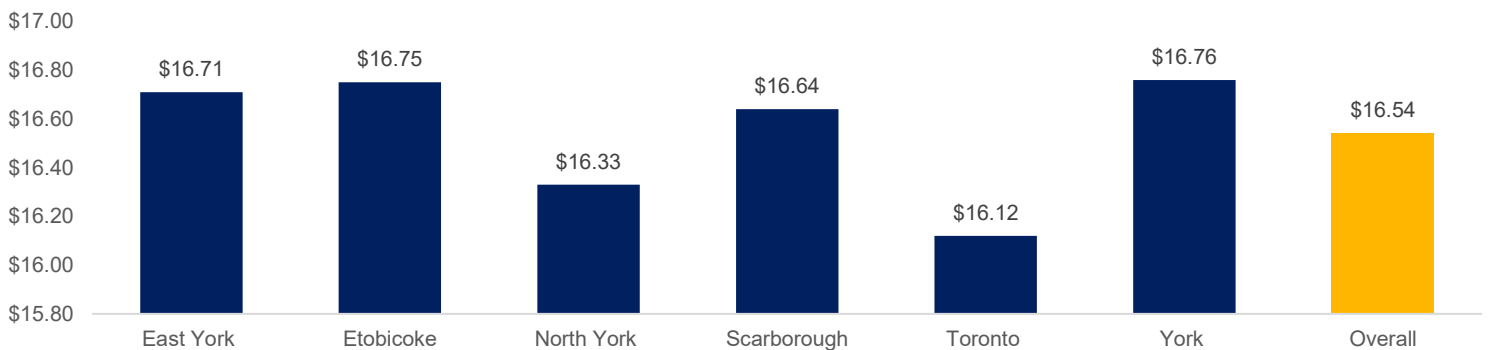
Availability Rate	Q2	Q3	Q4
East York	3.0%	3.2%	3.7%
Etobicoke	4.4%	4.2%	4.3%
North York	2.8%	3.1%	3.4%
Scarborough	3.8%	4.4%	3.6%
Toronto	2.3%	2.1%	1.0%
York	2.2%	2.4%	2.0%
Overall	3.6%	3.8%	3.7%



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

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