



Q1 2026

Market Insights Report

Toronto, ON

INDUSTRIAL

cresa

GTA Overview | Q1 2026



The Industrial market is undergoing a correction. Although the new deliveries have slowed, and there are renewed signs of leasing activity, demand is still not keeping up with the available supply.

Vacancy:

Vacancy rose to 4.1%, and availability increased to 5.8% in Q1 2026. While both metrics had declined in the previous quarter, they have since edged back up again. This modest increase in availabilities demonstrates the industrial market's resilience in the face of continued economic uncertainty.

Market Rent & Lease Volume:

Rental rates continue to come down, with the average net rent across the Greater Toronto Area (GTA) at \$16.36 PSF. While the drop in net rent over the last year is significant, the current rental rates are still a significant increase for tenants who signed leases before 2020. Although rates are not projected to decline meaningfully, incentives such as allowance and free rent have become more negotiable for tenants.

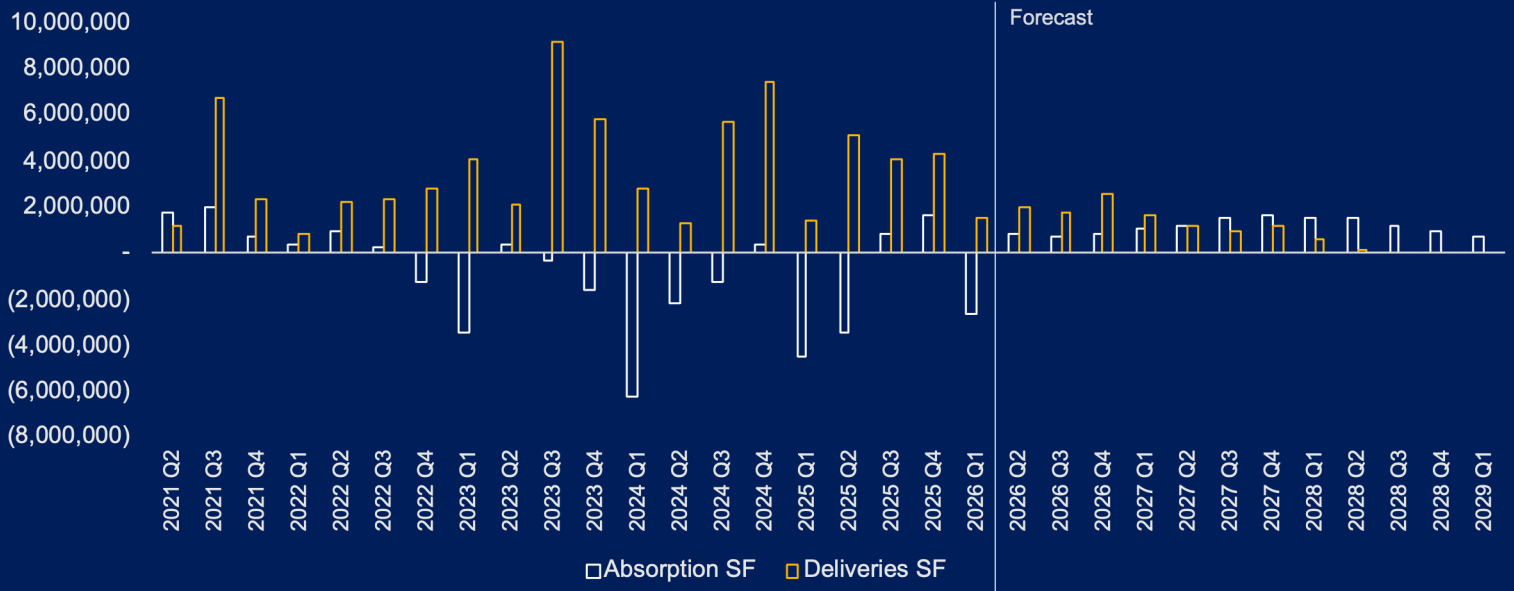
Market Trend in Focus:

The increase in oil prices over the last month is a prelude to an increase in inflation. Higher oil prices directly impact commercial real estate expenses, as both the cost to operate the buildings and build out costs are tied to energy prices. This environment refocuses the need on negotiating caps on building maintenance expenses.

Notable Cresa Transactions:

Address	Size (SF)	Market
500 Conestoga Boulevard	635,000 SF	Waterloo
6750 Campbellville Road	165,903 SF	GTA West
9010 Keele Street	45,132 SF	GTA North

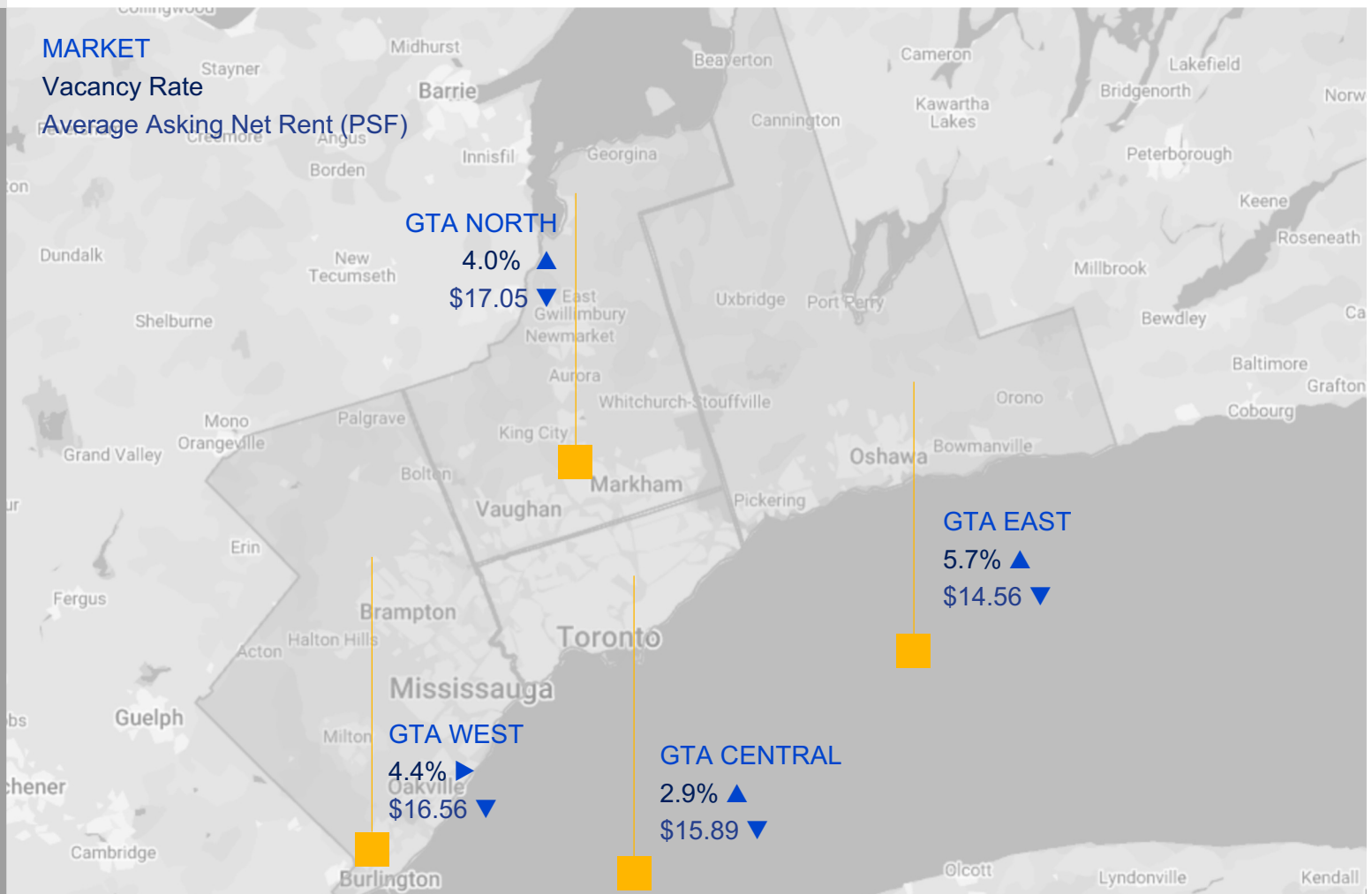
GTA Overview | Absorption & Construction



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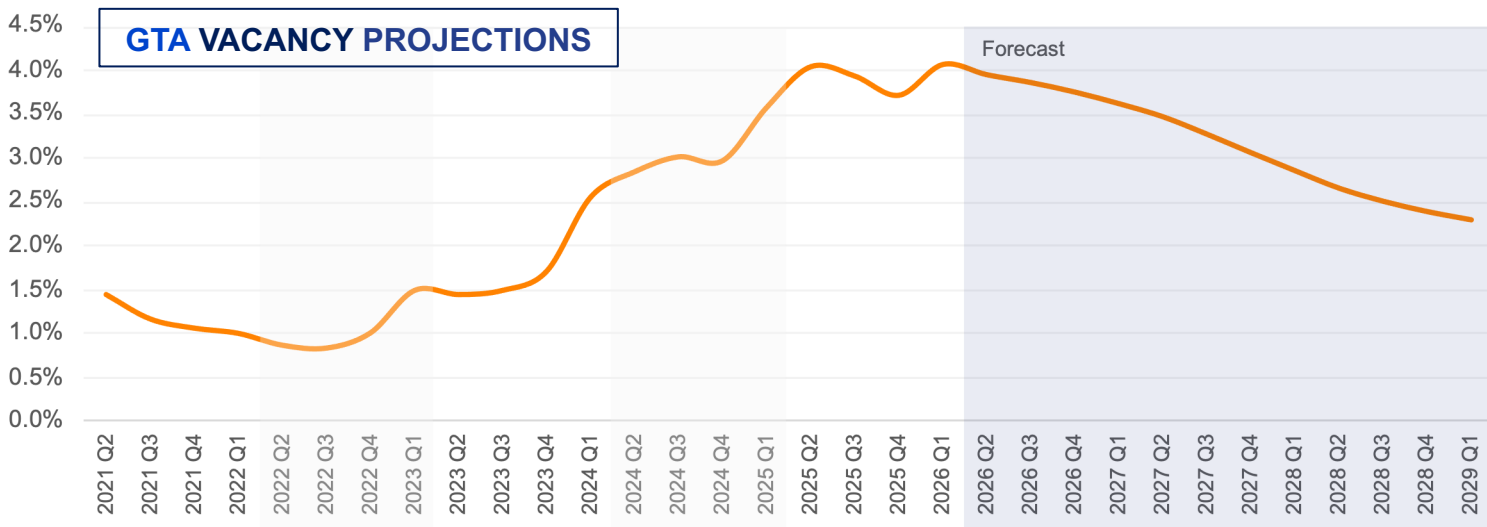
Vacancy Rate

Average Asking Net Rent (PSF)



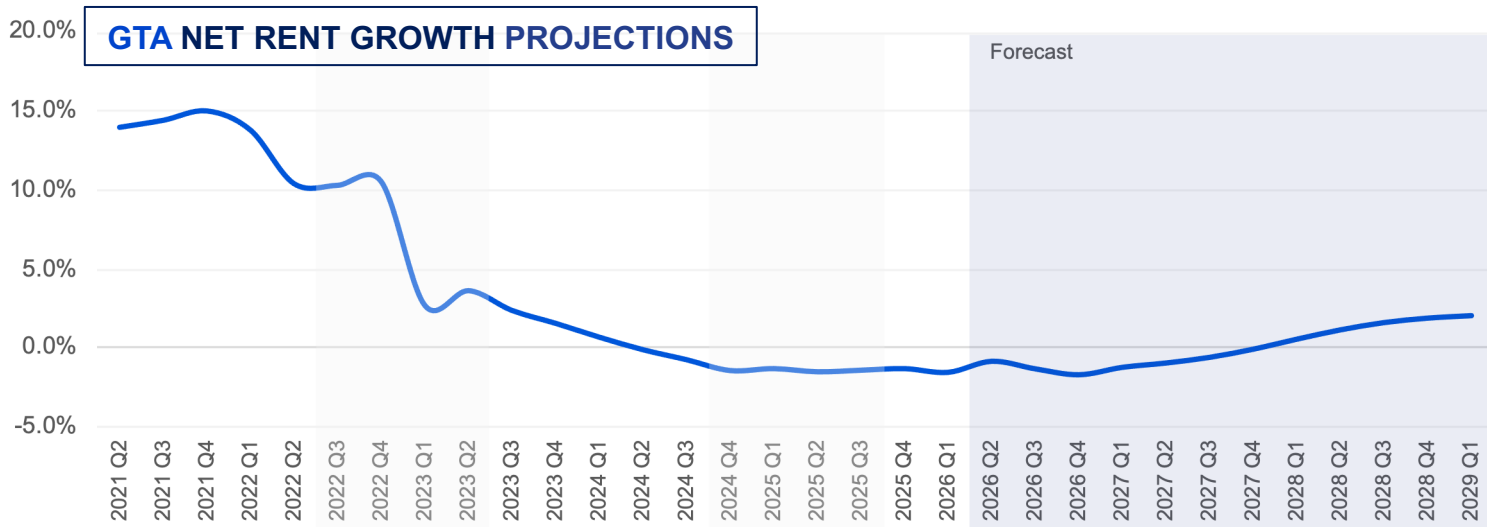
Strategic consolidation to support economic uncertainty.

Amid ongoing economic uncertainty, tenants are balancing expansion plans by consolidating into modern, efficient facilities that better support supply chains rather than aggressively growing their footprint. Well-positioned tenants are also opting to purchase facilities for long-term cost savings and customization.



Proactive strategies help against diverging landlord expectations.

The gap in net rent expectations between landlords still remains. This situation implores tenants to strategize, cast their nets as wide as possible and begin planning their real estate needs well in advance.



Tariff Effect:

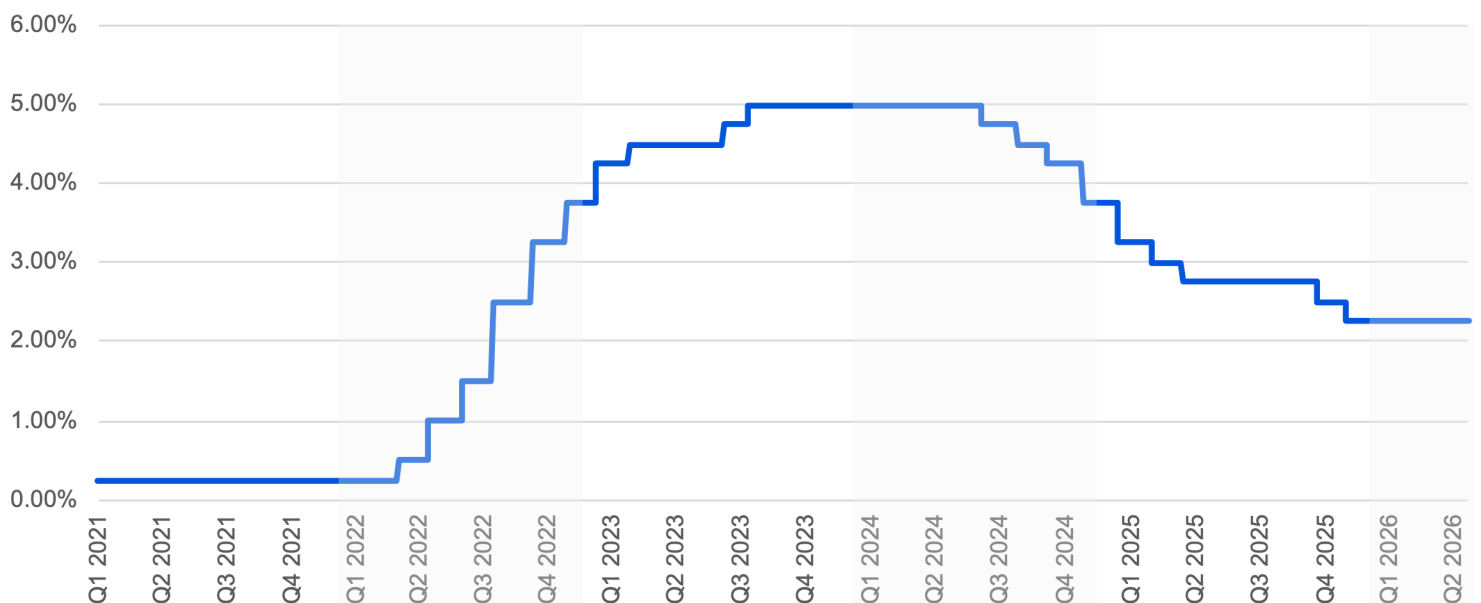
The GTA’s industrial market is grappling with the uncertainty presented by evolving tariff policies by the United States. Job losses in the manufacturing and retail trade sectors highlight the challenges facing the market. The industry is waiting for the outcome of the upcoming Canada-United States-Mexico Agreement (CUSMA) review in July 2026, with the hope that the outcome will provide clarity and a more certain path forward.

Industry	Current Jobs	Current Growth	10-Year Historical	5-Year Forecast
Manufacturing	338K	-7.1%	0.1%	0.1%
Transportation, Warehouse, Utilities	226K	6.9%	3.7%	1.4%
Retail Trade	486K	-6.8%	0.0%	1.0%

Monetary Policy:

The Bank of Canada continues to hold the overnight policy rate at 2.25%, which has remained unchanged since October 2025. The decision is driven by a resilient Canadian economy, which is technically avoiding recession, and an uncertain world economic order and its yet-to-be-seen impact on Canadian economic metrics. The Bank of Canada has signaled a cautious approach, and major banks forecast no rate cuts or increases this year.

BANK OF CANADA TARGET FOR OVERNIGHT RATE



Market Overview

Occupier Perspective

Economic Outlook

Statistics

Market	Supply (SF)	Vacancy %	Availability %	Avg. Asking Net Rent (PSF)	Under Construction (SF)	YoY Net Absorption (SF)
Brampton	101,488,466	4.8%	6.9%	\$16.87	3,102,995	-253,721
Burlington	22,525,380	5.1%	7.2%	\$14.55	111,925	33,788
Caledon	17,791,821	3.1%	4.6%	\$16.00	1,787,326	-115,647
Halton Hills	9,452,936	5.4%	8.4%	\$16.43	0	340,306
Milton	30,344,039	10.0%	12.4%	\$16.62	0	-697,913
Mississauga	161,678,989	2.8%	4.5%	\$16.71	1,004,208	452,701
Oakville	25,283,033	6.8%	9.6%	\$16.59	0	68,264
GTA West	368,564,664	4.4%	6.4%	\$16.56	6,006,454	-172,222

Aurora	6,541,948	2.8%	4.5%	\$17.02	13,418	-59,532
Markham	25,428,244	5.2%	6.8%	\$16.97	628,835	-343,281
Newmarket	7,119,127	1.8%	6.8%	\$16.43	238,810	-18,510
Whitchurch-Stouffville	2,145,943	0.1%	0.2%	\$13.27	566,861	6,867
Richmond Hill	11,041,621	2.8%	3.7%	\$16.87	452,717	-77,291
Vaughan	96,654,540	4.1%	5.4%	\$17.23	1,780,933	-918,218
GTA North	148,931,423	4.0%	5.5%	\$17.05	3,681,574	-1,409,965

Market	Supply (SF)	Vacancy %	Availability %	Avg. Asking Net Rent (PSF)	Under Construction (SF)	YoY Net Absorption (SF)
Ajax	12,405,972	7.4%	10.1%	\$15.40	297,780	-32,256
Oshawa	13,696,569	2.1%	2.3%	\$14.21	0	-57,526
Pickering	9,972,104	7.0%	9.5%	\$14.89	1,088,915	-111,688
Outlying Durham	5,734,007	1.6%	3.2%	\$13.43	29,500	8,601
Whitby	12,071,008	8.8%	10.9%	\$14.35	222,696	-166,580
GTA East	53,879,660	5.7%	7.5%	\$14.56	1,638,891	-359,448

East York	5,401,025	3.2%	5.0%	\$16.22	0	-32,946
Etobicoke	57,024,874	3.3%	4.8%	\$16.08	11,761	-165,372
North York	52,236,062	2.8%	3.9%	\$15.74	0	-219,391
Scarborough	53,398,082	3.1%	4.1%	\$15.72	713,837	-309,709
Toronto	4,237,324	0.7%	1.0%	\$17.01	0	-1,695
York	7,868,116	1.1%	1.9%	\$15.84	0	23,604
GTA Central	180,165,483	2.9%	4.1%	\$15.89	725,598	-705,509

GTA Overview	751,541,230	4.1%	5.8%	\$16.36	12,052,517	-2,647,144
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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.

To explore our latest findings and discover new strategies, please visit cresatoronto.com

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