

An aerial photograph of a warehouse loading dock. Two white semi-trailers are parked at the dock. The trailer on the left has its rear door open, revealing a pallet of goods. The trailer on the right has its side door open, and a yellow Yale forklift is positioned in front of it, carrying a pallet of goods. Two workers are visible: one in a dark jacket and another in a high-visibility vest. In the bottom left corner, a worker is handling a pallet of oranges. The scene is set on a concrete floor with yellow support pillars in the background.

# Greater Toronto industrial market report

Q3 2024

---

**AVISON  
YOUNG**

---

# Greater Toronto market fundamentals

**4.5%**

availability rate  
across the GTA

**-3.4M**

square feet (sf) net absorption  
year-to-date  
across the GTA

**13.2M**

sf under construction  
**46 buildings**

**\$17.86**

average asking net rental rate  
per square foot (psf)  
across the GTA

**-2.8%**

growth in asking net rental rates  
**year-over-year**

**\$367**

average sale price psf  
across the GTA

# Greater Toronto industrial market trends

## 01

### Availability rises for the seventh consecutive quarter

The overall GTA availability rate rose by 50 basis points (bps) in the third quarter to 4.5% (42 million sf). This is the highest rate since Q1 2015, when availability was 4.8%. Rates have steadily climbed from a historic low of 0.9% (8 million sf) in Q3 2022. This is a difference of 34 million sf that has come to market over the last 24 months.

During the third quarter, an additional 4.6 million sf became available, and net absorption was negative 3.6 million sf. 1 million sf of this space is within newly completed buildings. More opportunities are expected to come to market as tenants adjust to current economic conditions.

## 02

### Rental rates recede for fourth consecutive quarter

Average net rental rates declined by 1.5% during the quarter to \$17.86 psf. This marks the fourth consecutive quarter of decline. However, rates have risen by an average of 20% per year from 2019 to 2024, compared to a total of 6% between 2013 and 2018.

Rental rates are expected to hover around current levels as the explosive rental growth experienced in the past three years is not sustainable given the current rising availability rates. More listings are coming to market with posted rents to entice interest as competition builds.

## 03

### Sublease space continues to gain greater prominence

Over the past five quarters, the amount of available space for sublease on the market has nearly tripled (2.3 million sf in Q3 2023 to 6.7 million sf in Q3 2024). In the third quarter of 2023, sublets accounted for 16% of total available space across the GTA.

Looking at the trend for each of the GTA's industrial markets over the past five quarters, sublet space as a proportion of total available space has increased from 10% to 18% in GTA West, 0% to 16% in GTA East, remained unchanged at 14% in GTA Central and dropped from 19% to 10% in GTA North.

# GTA overall

## Asking rent growth recedes as leasing slows

The overall industrial availability rate across the GTA continued to rise in the third quarter of 2024, up 50 bps to 4.5% – a 230-bps increase year-over-year. Quarter-over-quarter, availability increased in all markets: GTA East (+180 bps to 5.5%), GTA West (+60 bps to 5.7%), GTA Central (+30 bps to 3.1%) and GTA North (+20 bps to 3.4%).

Top lease transactions signed during the third quarter of 2024 were led by Kruger's 645,000-sf new lease at 4680 Garrard Road in Whitby, Nestle's renewal totalling 540,000 sf at 9050 Airport Road in Brampton and SCI Logistics' renewal of 225,700 sf at 6590 Millcreek Drive in Mississauga.

Demand in the GTA continues to centre around logistics and distribution, followed by consumer goods & services and manufacturing. The average asking net rental rate in the GTA softened \$0.28 to \$17.86 psf during the third quarter of 2024. Year-over-

year rates declined 1.5%; however, in the past three years rents grew 54%, and 100% in the past five years. The highest average net rents were found in GTA North at \$18.63 psf. The most affordable area was GTA East, with average net rents at \$15.10 psf.

Third-quarter completions totaled 2.2 million sf across eight buildings (53% leased) throughout the GTA. A further 46 buildings, totalling 13.2 million sf, were under construction at the end of the third quarter – with 7% preleased. Most of the buildings under construction were in GTA West (39%), while the East accounted for 33%, North 19% and Central 9%. An additional 161 buildings were in the pre-construction stage, with the potential to add almost 58 million sf (3% already leased) across the GTA.

Q3 2024

Quarter-over-quarter

**941M sf**

inventory



**42.2M sf**

available area



**\$17.86 psf**

average asking net rental rate



**13.2M sf**

**46 buildings**

under construction



# GTA Central

## Market remains the top choice for last-mile users

Available space in the Central market increased 30 bps quarter-over-quarter to 3.1%. Availability rates ranged from a high of 3.8% in Etobicoke to a low of 2.7% in North York and Scarborough. The average asking net rental rate increased to \$16.66 psf during the quarter – down 5.4% year-over-year, but up 56% in the last three years and 80% in the last five years. Scarborough commands the highest rents at \$17.51 psf, and Etobicoke has the lowest at \$15.01 psf.

Significant lease transactions in the Central market were led by Pet Valu's renewal of 160,100 sf at 1211 Martin Grove Road in Etobicoke.

On the sales front, 150 Duncan Mill Road in North York was purchased by StorageVault Canada for \$48.4 million (\$374 psf), 31 Melford Drive in Scarborough was acquired by Melscott for \$34.7 million (\$210 psf) and 235

Wicksteed Avenue in East York was purchased by LaFarge Canada in a user sale for \$43.5 million (\$512 psf).

In the Central market, there were no building completions during the third quarter. Five buildings totalling 1.2 million sf were under construction (13% leased). Etobicoke is home to 57% of the Central market's under-construction pipeline (by square footage), with the balance in Scarborough (43%). Meanwhile, there are 16 buildings at the pre-construction stage totalling 2.1 million sf. These are 6% leased – a mixture of design-build projects and those awaiting a tenant.

Q3 2024

Quarter-over-quarter

**260M sf**  
inventory



**8.0M sf**  
available area



**\$16.66 psf**  
average asking net rental rate



**1.2M sf**  
**5 buildings**  
under construction





# GTA East

## Rental rate delta narrows in the East when compared to the GTA average

Overall availability in the East market increased by 180 bps during the third quarter to 5.5%. Meanwhile, the average asking rental rate increased to \$15.10 psf – but is down 3.6% year-over-year, and up 69% in the last three years and 116% in the past five years. The East continues to offer some of the most economical rents in the GTA, although the gap between rental rates in the East and the rest of the GTA is narrowing.

Leasing activity was led by Kruger, which signed a new lease for 645,000 sf at 4680 Garrard Road in Whitby where the company has consolidated its operations within Durham Region. The Experience Event Centre inked a new deal for 16,500 sf at 19 Notion Road in Ajax.

On the sales front, top deals were led by new condo unit sales. Units at 1440 Victoria Street E. in Whitby were acquired by private

investors – Unit 8 for \$4.2 million (\$418 psf) and Unit 9 for \$4.3 million (\$430 psf). The property was developed by Ripple Developments, with two buildings totalling approximately 147,700 sf across 15 units between 8,600 and 10,600 sf.

One building was completed during the third quarter (901 Hopkins Street in Whitby, with 293,300 sf fully available upon completion). 11 buildings totalling 4.3 million sf are currently under construction and are 11% leased. The majority of space under construction is in Ajax (53%), followed by Whitby (21%), Oshawa (20%) and Pickering (6%). Meanwhile, there are 21 buildings at the pre-construction stage totalling 4.5 million sf fully available for lease.

Q3 2024

Quarter-over-quarter

**59M sf**

inventory



**3.3M sf**

available area



**\$15.10 psf**

average asking net rental rate



**4.3M sf**

**11 buildings**

under construction



# GTA North

## Largest concentration of under construction projects shifts to Markham

The availability rate in the GTA North industrial market increased 20 bps to 3.4% during the third quarter, while asking net rental rates averaged \$18.63 psf across submarkets. Rates dropped 3.8% year-over-year, but have increased 40% in the last three years and 87% in the past five years. Within GTA North, average rents in all municipalities range from \$17.43 psf in Aurora to \$19.92 psf in Markham.

On the leasing front, Stormtech Performance signed the largest lease of the quarter, for 165,100 sf at 1 Steelcase Road W. in Markham. Polyconcept North America signed a renewal for 156,000 sf at 30 Staples Avenue in Richmond Hill.

On the sales front, Ferocia Callidus Et Vires purchased a 13,200-sf unit at 155 Rowntree Dairy Road in Vaughan. Separately, 115 Idema Road in Markham traded for \$6 million (\$166 psf).

In development news, two buildings were completed during the quarter (375,800 sf) – of which the largest was a spec-build at 700 Anatolian Drive in Vaughan (261,600 sf), fully available upon completion. At the end of the quarter, two buildings totalling 727,500 sf were under construction. The majority of space under construction in GTA North is now centered in Markham (63%). Vaughan, now accounting for 29%, historically held the largest portion of the under-construction pie.

There were 20 buildings at the pre-construction stage with the potential to add 9.8 million sf to the market when completed.

Q3 2024

Quarter-over-quarter

**199M sf**

inventory



**6.8M sf**

available area



**\$18.63 psf**

average asking net rental rate



**2.5M sf**

**12 buildings**

under construction



# GTA West

## Rising availability widens options for tenants

The availability rate in the West market increased 60 bps to 5.7% during the third quarter of 2024. The last time availability was this high was in Q3 2015.

During Q3, average asking net rental rates dropped slightly to \$18.12 psf across the West's submarkets. Rates also declined 3.4% year-over-year but rose by 57% in the last three years and 104% in the past five years. Within GTA West, average rents in all municipalities range from a high of \$18.69 psf in Brampton to a low of \$17.28 psf in Halton Hills.

On the leasing front, large renewals in Brampton and Mississauga took the top spots in the third quarter. Nestle renewed 540,000 sf at 9050 Airport Road in Brampton and SCI Logistics 225,700 sf at 6590 Millcreek Drive in Mississauga. On the investment front, Prologis acquired 8450 Boston Church Road in Milton (1,335,000 sf on 79.3 acres) for \$361 million.

The building is fully tenanted by RONA and was originally built for Target Canada.

Elsewhere, Enticor Properties purchased 1575 South Gateway Road in Mississauga for \$52.5 million (\$326 psf) from KingSett Capital, while DH Management acquired 261 Abbotside Way for \$48.6 million (\$329 psf) from GWL Realty Advisors.

Five buildings totalling 1,522,200 sf were completed during Q3 (69% leased). The largest was a 928,600-sf distribution centre built by Prologis at 5515 Countryside Road in Brampton – fully leased by Lululemon. Meanwhile, 5.2 million sf (3% leased) across 18 buildings was under construction at the close of the third quarter – accounting for 39% of the overall construction pipeline in the GTA. A further 104 buildings totalling 42 million sf are in the pre-construction phase.

Q3 2024

Quarter-over-quarter

**422M sf**

inventory



**24.1M sf**

available area



**\$18.12 psf**

average asking net rental rate



**5.1M sf**

**18 buildings**

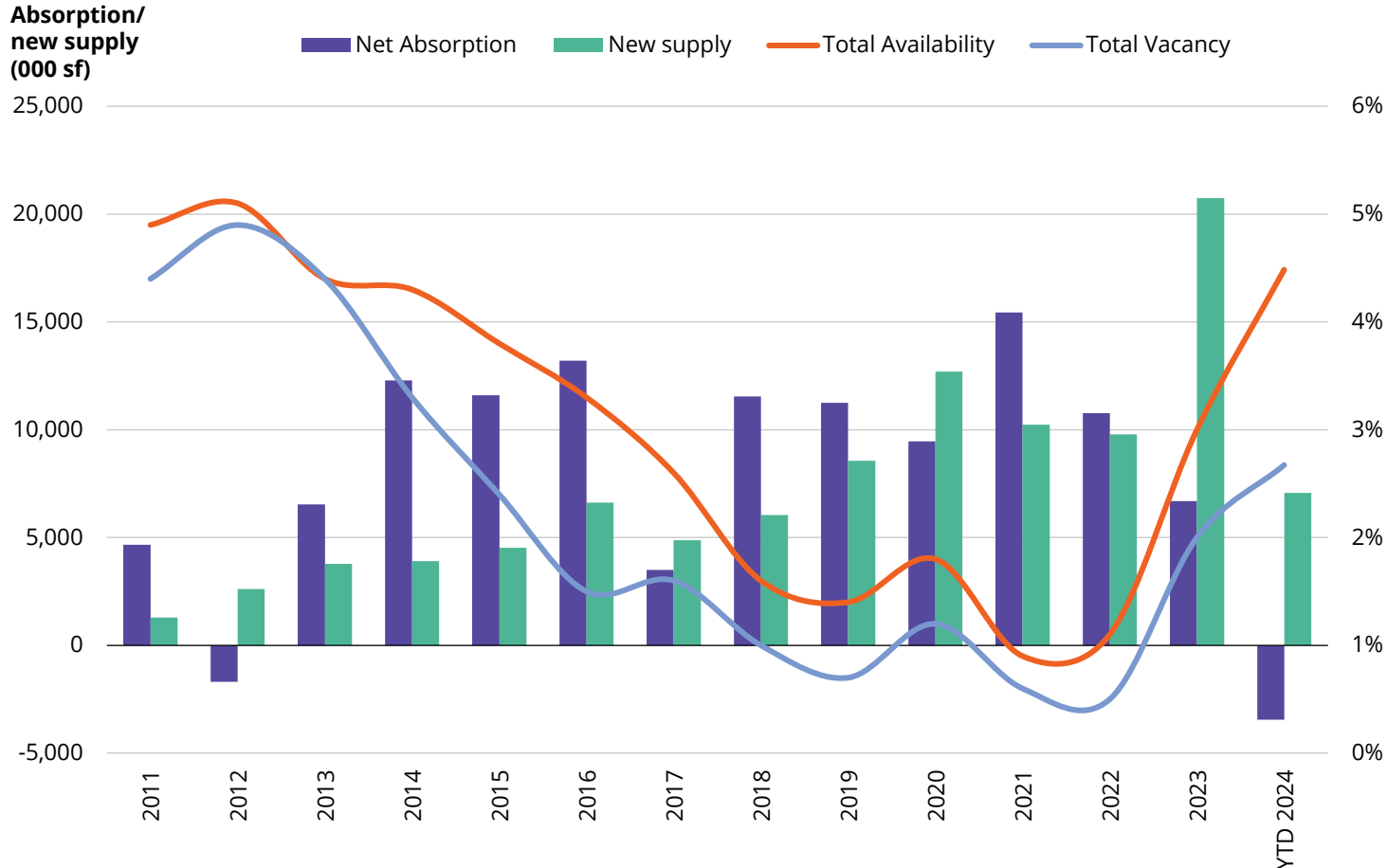
under construction





# Greater Toronto industrial market indicators

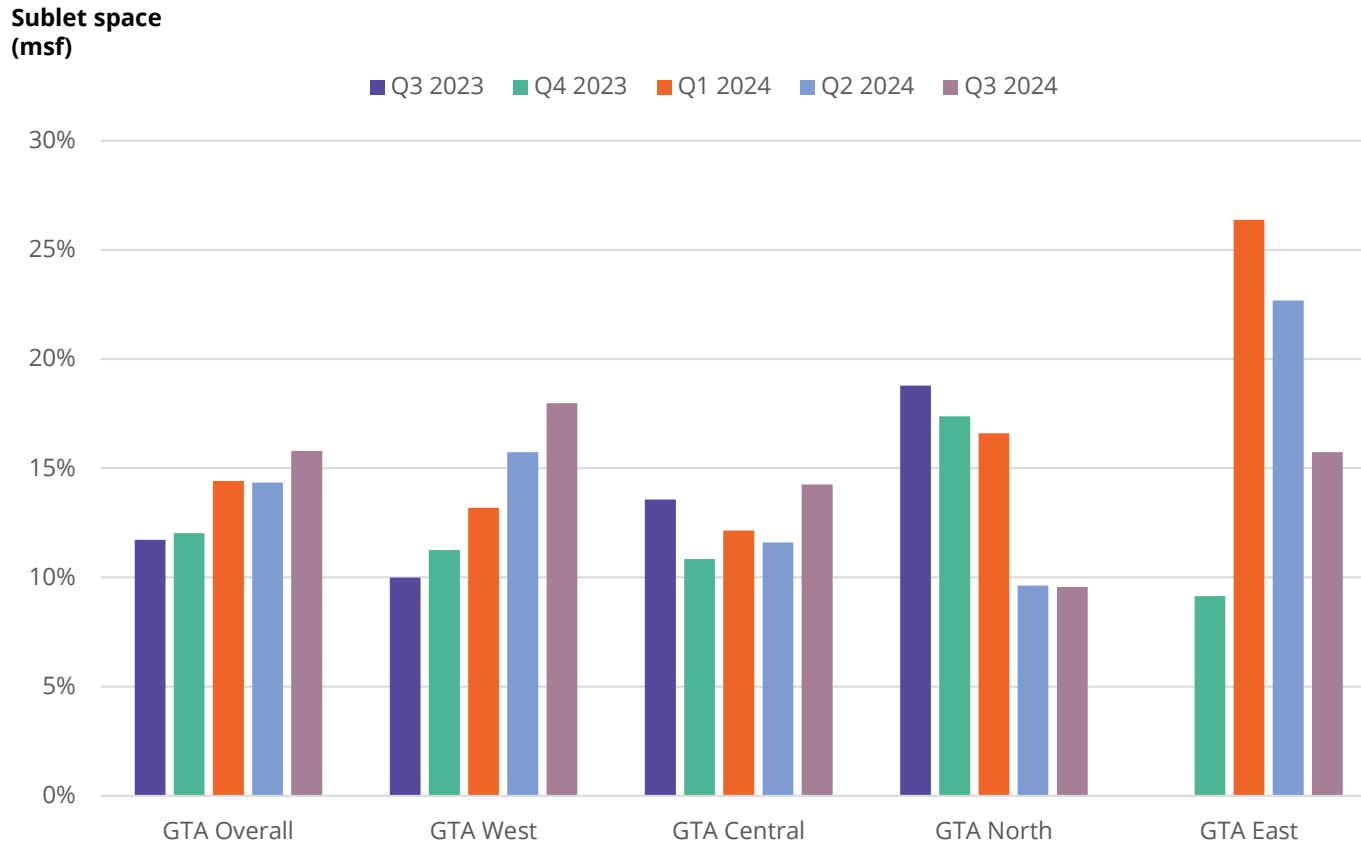
Historic industrial market trends



**3.4 million sf of negative absorption has been recorded year-to-date as slow demand continues.**

# Greater Toronto sublease market

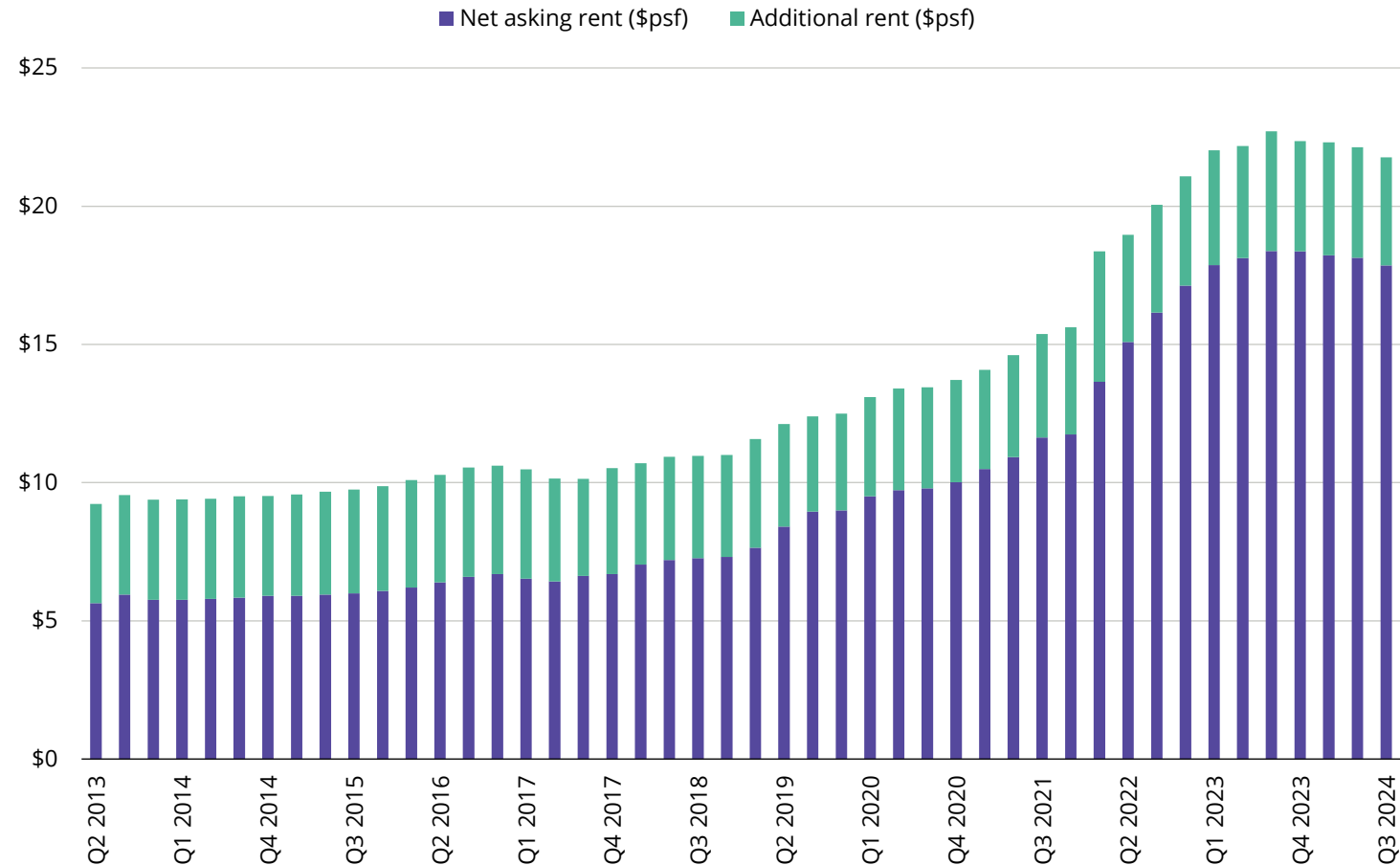
Available sublet space as a percentage of total available space



**In the past five quarters, sublease space as a proportion of total available space has risen from 12% to 16% in the overall GTA.**

# Greater Toronto industrial market indicators

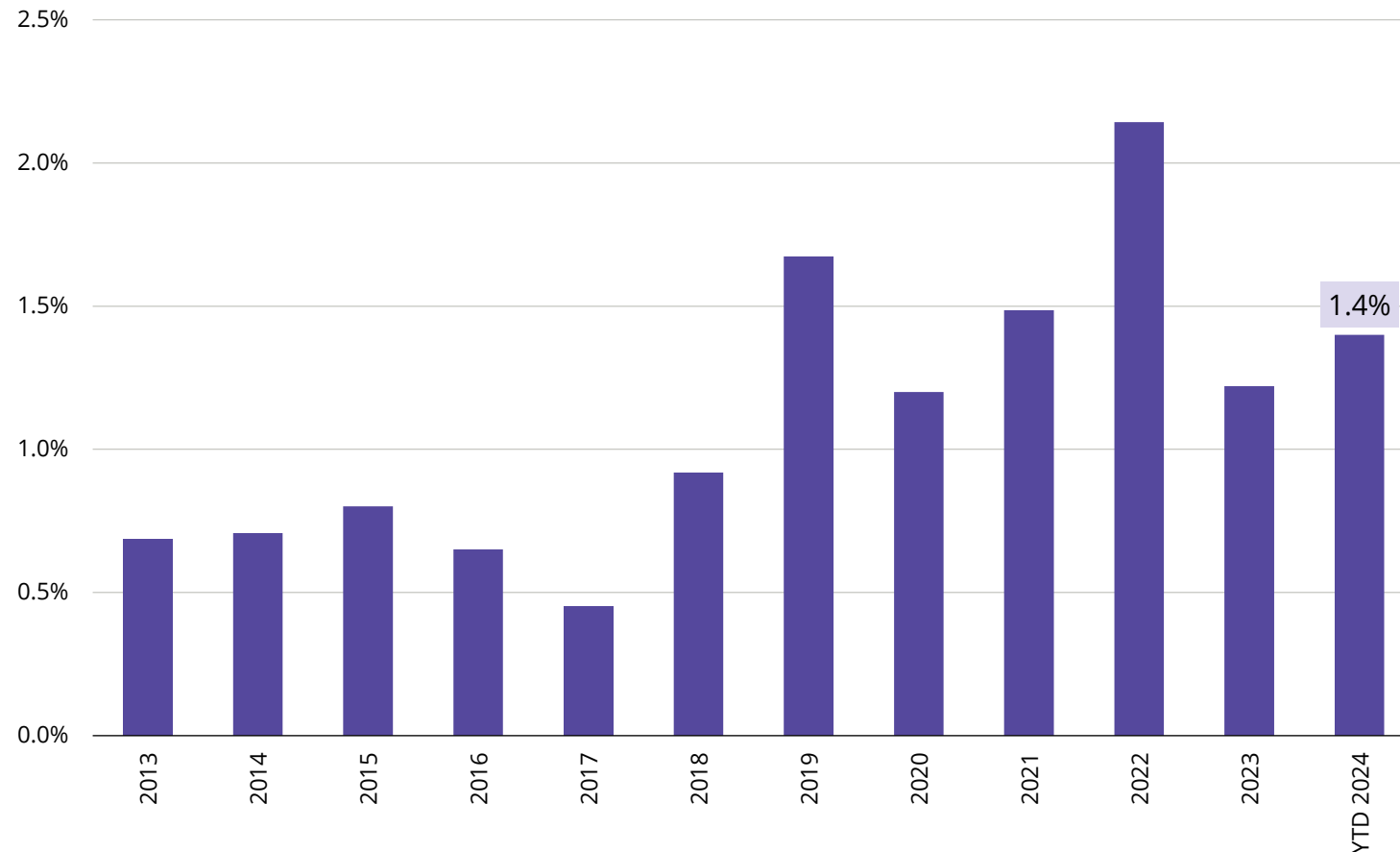
## Average asking rents



**Average asking net rents shrank by 2.8% (\$0.52) year-over-year, a result of slow demand and more available space coming to market.**

# Greater Toronto industrial market indicators

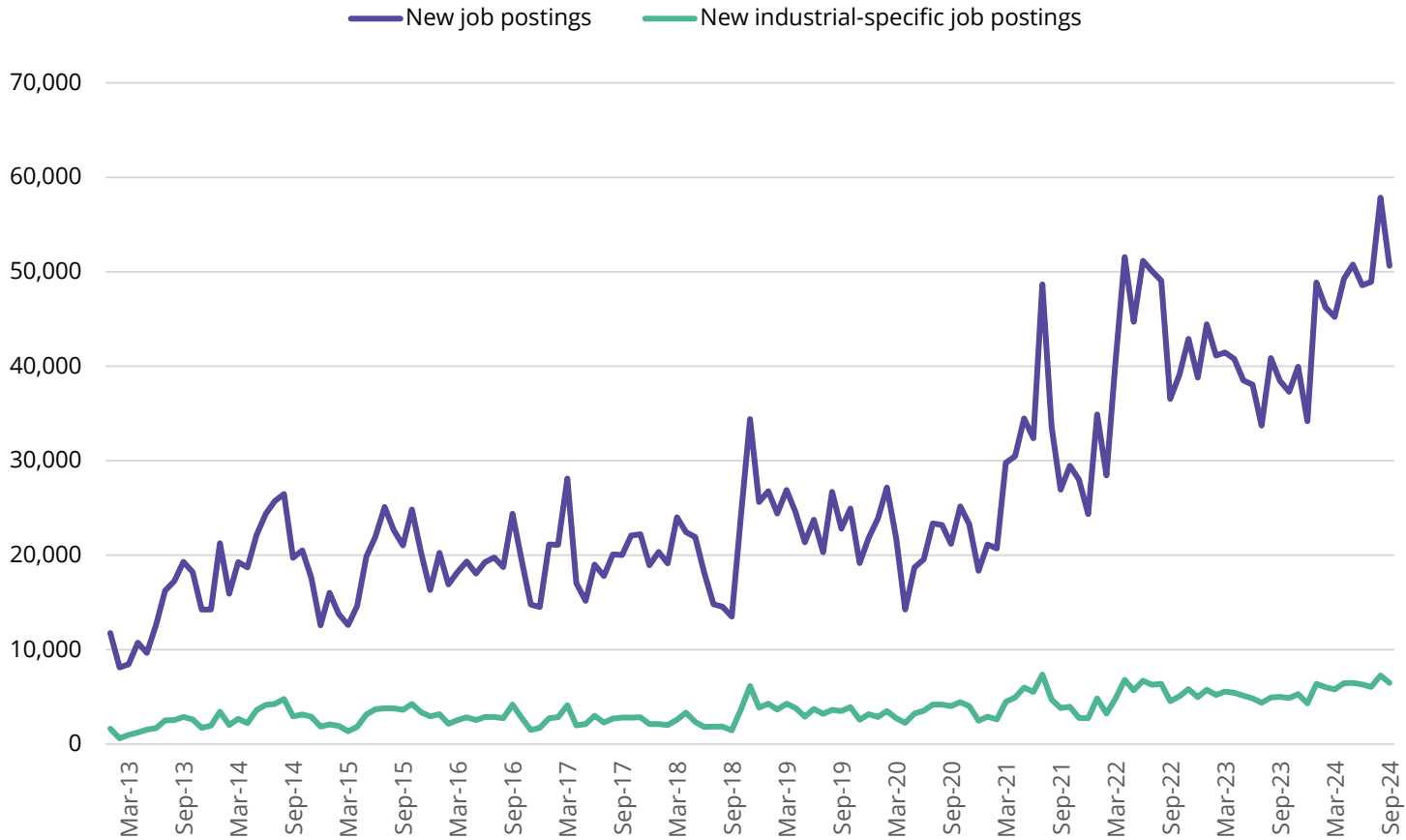
Space under construction as a percentage of existing inventory



**13 million sf were under construction at the end of Q3 – equal to 1.4% of existing GTA inventory.**

# Greater Toronto industrial market indicators

New job posting volumes



**On average 12.8% of new job postings year-to-date in 2024 are industrial-specific job postings.**

# Greater Toronto industrial market indicators

Average net asking rents by clear height

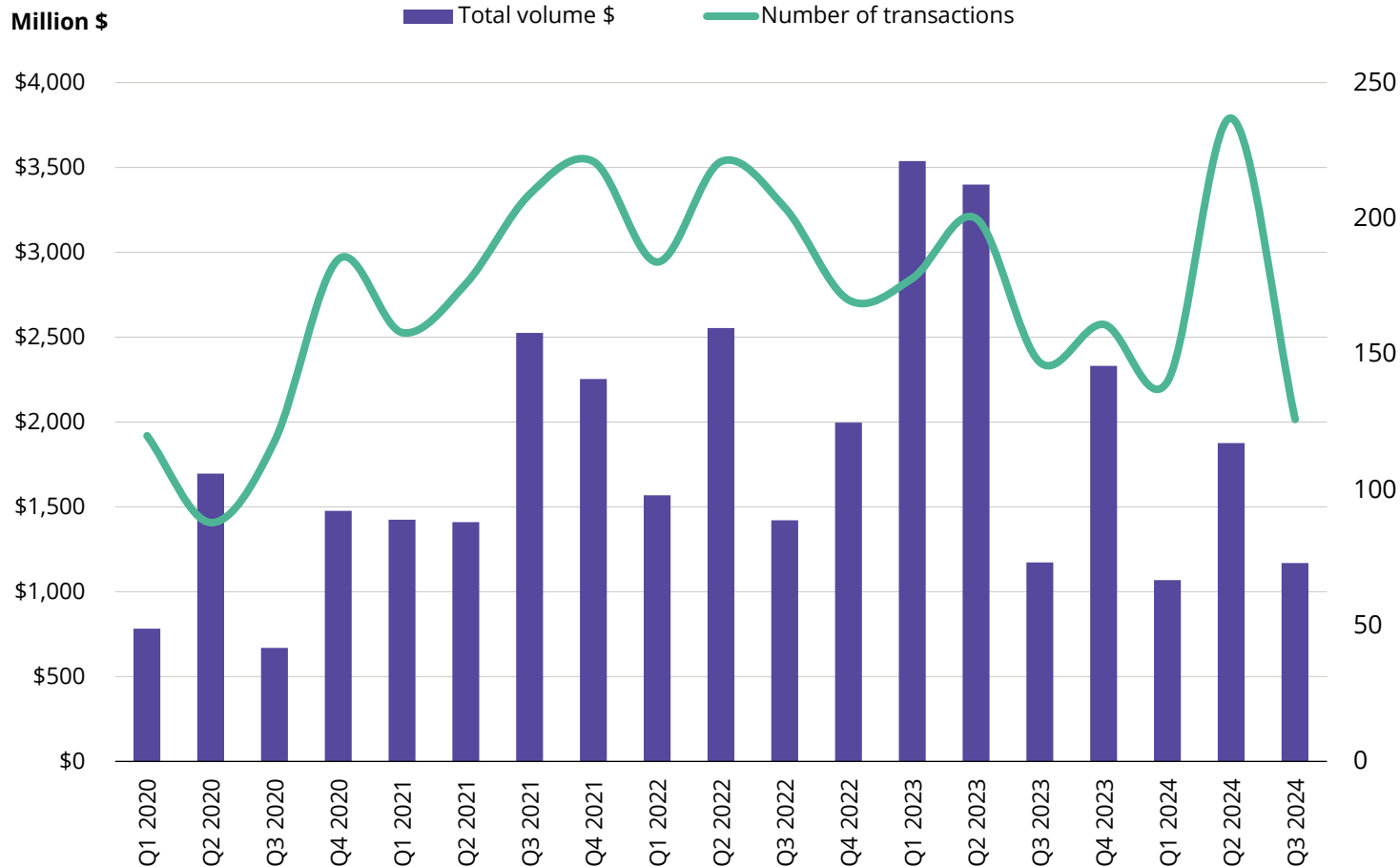


**Rents grew by 1% quarter-over-quarter in the less than 18' segment while falling 4% in the 22' to 25' segment.**



# Greater Toronto industrial market indicators

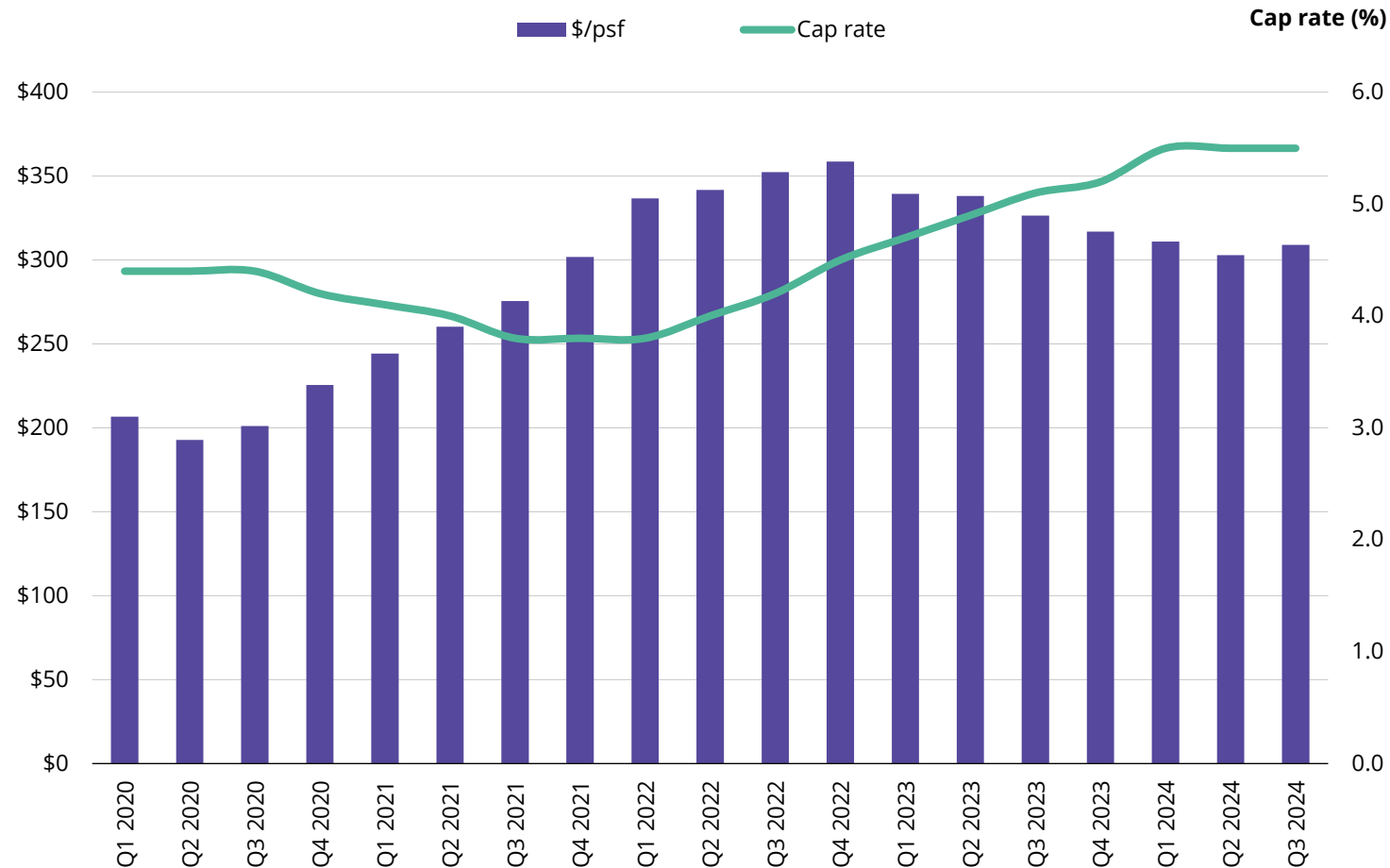
## Investment sales volume



**The number of transactions dropped significantly from 237 in Q2 2024 to 126 in Q3 2024, while total sales volume decreased by 38%.**

# Greater Toronto industrial market indicators

Unit values and cap rate trends (single tenant)



**Average capitalization rates remained steady at 5.5% for the third consecutive quarter, while unit values rose slightly to \$309 psf.**

# Greater Toronto industrial market activity

## Notable leasing transactions

Address	Tenant	Size (sf)	Lease type	Transaction type	Landlord
4680 Garrard Rd., Whitby	Kruger	645,000	Direct	New	Panattoni
9050 Airport Rd., Brampton	Nestle	540,000	Direct	Renewal	Oxford Properties
6590 Millcreek Dr., Mississauga	SCI Logistics	225,700	Direct	Renewal	Prologis
1 Steelcase Rd. W., Markham	Stormtech Performance	165,100	Direct	New	QuadReal
1211 Martin Grove Rd., Etobicoke	Pet Valu	160,100	Direct	Renewal	Mantella & Sons

## Major industrial building transactions

Address	Buyer	Sale date	Sale price	Sale price (psf)	Seller
8450 Boston Church Rd., Milton	Prologis	August 2024	\$361M	\$270	Sycamore Partners
1575 South Gateway Rd., Mississauga	Enticor Properties	September 2024	\$52.5M	\$326	KingSett Capital
150 Duncan Mill Rd., North York	StorageVault Canada Inc.	September 2024	\$48.4M	\$374	Ruth Reisman Limited
261 Abbotside Way, Caledon	DH Management	September 2024	\$48.6M	\$329	GWL Realty Advisors
235 Wicksteed Ave., East York	LaFarge Canada	August 2024	\$43.5M	\$512	Ncap Nicola (Wicksteed) Ltd.

## Major industrial land transactions

Location	Buyer	Sale date*	Sale price	Sale price (per acre)	Seller
5122 First Ln., Milton	Tribal Partners	May 2024	\$55.6M	\$1,101,961	822404 Ontario Inc.
3402 Appleby Ln., Burlington	Temple Steel	April 2024	\$29.6M	\$1,769,050	Panattoni Development Company
365 Hood Rd., Markham	1000073686 Ontario Inc	July 2024	\$13.8M	\$4,112,233	1000366214 Ontario Inc.
6465 Healey Rd., Caledon	1000888598 Ontario Ltd.	May 2024	\$13M	\$1,340,408	Platinum Freight Group
41 Aviva Park Dr., Vaughan	41 Aviva Park Holdings Inc.	January 2024	\$13M	\$4,324,678	Aviva Park Property Inc.

# Greater Toronto industrial market statistics

Market / submarket	Inventory (sf)	Total available area (sf)	Availability rate (%)	Total vacant area (sf)	Vacancy rate (%)	Net absorption (sf)	Weighted average asking net rental rate (\$psf)	Weighted average TMI (\$psf)	Average sold price (\$psf)	Total completed area (sf)	Total under construction (sf)
East York	8,702,500	297,300	3.4%	160,900	1.8%	-99,400	\$16.89	\$3.48	\$274	0	0
Etobicoke	75,993,800	2,864,500	3.8%	1,799,100	2.4%	-289,300	\$15.01	\$4.44	\$494	0	654,400
North York	68,326,600	1,836,600	2.7%	907,700	1.3%	-238,800	\$16.76	\$4.30	\$451	0	0
Scarborough	68,527,400	1,856,500	2.7%	896,700	1.3%	-156,400	\$17.51	\$4.40	\$411	0	499,700
Toronto	33,700,500	1,116,400	3.3%	713,500	2.1%	-242,400	\$17.28	\$4.13	\$465	0	0
<b>GTA Central Overall</b>	<b>260,133,500</b>	<b>8,046,200</b>	<b>3.1%</b>	<b>4,544,600</b>	<b>1.7%</b>	<b>-1,043,300</b>	<b>\$16.66</b>	<b>\$4.34</b>	<b>\$450</b>	<b>0</b>	<b>1,154,200</b>
Ajax	10,481,200	389,200	3.7%	141,400	1.3%	-136,100	\$17.94	\$3.60	\$203	0	2,293,100
Oshawa	17,807,800	1,501,100	8.4%	389,000	2.2%	-39,100	\$13.10	\$3.33	\$269	0	878,700
Pickering	12,152,300	428,700	3.5%	364,600	3.0%	-127,600	\$15.50	\$3.59	\$226	0	270,200
Whitby	11,957,400	897,200	7.5%	695,300	5.8%	-63,800	\$14.10	\$3.75	\$329	293,300	892,800
<b>GTA East Overall</b>	<b>58,922,900</b>	<b>3,257,000</b>	<b>5.5%</b>	<b>1,610,600</b>	<b>2.7%</b>	<b>-366,700</b>	<b>\$15.10</b>	<b>\$3.62</b>	<b>\$272</b>	<b>293,300</b>	<b>4,334,700</b>
Aurora	6,853,100	225,800	3.3%	14,300	0.2%	16,900	\$17.43	\$4.40	\$364	0	95,000
Markham	40,404,300	746,900	1.8%	455,800	1.1%	-36,300	\$19.92	\$4.12	\$396	0	1,601,900
Newmarket	9,287,300	329,500	3.5%	110,800	1.2%	18,100	\$17.92	\$4.01	\$290	114,200	0
Richmond Hill	14,848,400	443,600	3.0%	297,300	2.0%	-111,300	\$17.65	\$4.64	\$286	0	112,600
Vaughan	119,948,900	4,505,300	3.8%	2,302,000	1.9%	-101,800	\$18.73	\$3.93	\$387	261,600	727,500
<b>GTA North Overall</b>	<b>199,032,300</b>	<b>6,785,500</b>	<b>3.4%</b>	<b>3,650,300</b>	<b>1.8%</b>	<b>-199,000</b>	<b>\$18.63</b>	<b>\$4.00</b>	<b>\$353</b>	<b>375,800</b>	<b>2,537,100</b>
Brampton	106,019,700	6,262,600	5.9%	4,384,600	4.1%	-868,300	\$18.69	\$3.80	\$376	1,047,300	1,342,300
Burlington	28,381,000	1,337,700	4.7%	896,100	3.2%	-39,100	\$17.73	\$3.98	\$223	0	0
Caledon	21,882,000	810,000	3.7%	528,300	2.4%	43,900	\$18.44	\$3.96	\$548	100,100	0
Halton Hills	8,980,000	249,500	2.8%	199,100	2.2%	-179,800	\$17.28	\$3.80	\$286	0	1,301,200
Milton	30,350,800	3,340,800	11.0%	3,094,600	10.2%	-30,600	\$17.79	\$3.47	\$553	296,300	985,000
Mississauga	196,777,800	10,548,900	5.4%	5,288,400	2.7%	-977,500	\$17.96	\$3.89	\$365	0	1,185,900
Oakville	30,044,500	1,516,700	5.0%	947,400	3.2%	-6,000	\$17.50	\$4.19	\$353	78,500	333,100
<b>GTA West Overall</b>	<b>422,435,800</b>	<b>24,066,300</b>	<b>5.7%</b>	<b>15,338,500</b>	<b>3.6%</b>	<b>-2,057,600</b>	<b>\$18.12</b>	<b>\$3.85</b>	<b>\$371</b>	<b>1,522,200</b>	<b>5,147,500</b>
<b>GTA Overall</b>	<b>940,683,600</b>	<b>42,180,900</b>	<b>4.5%</b>	<b>25,144,000</b>	<b>2.7%</b>	<b>-3,666,700</b>	<b>\$17.86</b>	<b>\$3.91</b>	<b>\$367</b>	<b>2,191,200</b>	<b>13,173,400</b>

For more market insights and  
information visit **avisonyoung.ca**

**Warren D'Souza**

Senior Manager and Industrial Lead,  
Market Intelligence  
+ 1 905 283 2331  
warren.dsouza@avisonyoung.com

**Charles Torzsok**

Senior Analyst, Market Intelligence  
+ 1 905 968 8023  
charles.torzsok@avisonyoung.com

**Thomas Forr**

Director, Market Intelligence  
+ 1 416 571 2090  
thomas.forr@avisonyoung.com

**Steven Preston**

Manager, Market Intelligence  
+ 1 416 673 4010  
steven.preston@avisonyoung.com

**Charlotte Ishoj**

Administration and Market Intelligence  
Coordinator  
+ 1 647 252 4099  
charlotte.ishoj@avisonyoung.com

**Jamie Nelles**

Senior Analyst, Market Intelligence  
+ 1 416 899 5355  
jamie.nelles@avisonyoung.com