

FIVE FAST FACTS

INDUSTRIAL Q4 2024

GREATER TORONTO AREA

01

INDUSTRIAL SUPPLY AT NEAR RECORD LEVEL AS DEMAND COOLS

GTA's industrial market trends in 2024 were defined by a **surge in new supply and softer demand**. Q4 introduced 7.5 msf of new inventory, raising the annual total to 14.4 msf—the second highest in over 20 years. Of this, **4.9 msf remained vacant, contributing to an 70-bps uptick in the vacancy to 4.5%—a nine-year high** and the sharpest quarterly rise in nearly 30 years.



02

RENTS ADJUST DOWNWARD AS THE MARKET REBALANCES

As the widening supply-demand gap pushed vacancy rates higher in 2024, the average overall quoted **asking rent adjusted downward for three straight quarters – the longest streak in 13 years**. By Q4, the average dropped to \$17.33 psf from \$18.36 psf a year earlier, reflecting a 6.0% year-over-year decrease—the steepest annual dip in 14 years. The downturn was most notable in older, existing building stock.



03

LEASING SLOWDOWN PUTS A SPOTLIGHT ON A CHANGING LANDSCAPE

New leasing activity in 2024 signaled a slowdown in demand, **with quarterly leasing averaging 5.0 msf—16.0% below the 2021–2023 average of 6.0 msf**. Q4, the second-strongest quarter of the year at 5.8 msf, was led by GTA West, which accounted for 3.5 msf, or 60.2% of total activity. In contrast, GTA East lagged, with just 363,000 sf, representing 6.3% of total leasing activity.



04

SOFT DEMAND TAKES A TOLL ACROSS ALL SIZE RANGES

Vacancy rates have climbed steadily across all size categories over the past two years, **reaching or surpassing five-year highs by the end of 2024**. The 200,000 sf+ segment recorded the largest increase, rising by 4.6% since Q1 2023 to 5.2%. The <20K segment followed with a 3.5% increase. The 20K-50K, 50K-100K, and 100K-200K segments experienced more moderate gains of 2.7%, 2.4%, and 3.3%, respectively.



05

SUBLETS IN THE MIX

Sublets are ramping up competition, **jumping by 2.8 msf over the past year to a 10-year high of 6.3 msf**. Of the 111 sublets on the market, 17.1% (19 buildings of 2.2 msf) are in buildings constructed since 2015, with an average size of 118,000 sf. The majority, 82.8% (92 buildings or 4.1 msf), are being offered in buildings older than 10 years, with an average size of 44,000 sf.

