



INDUSTRIAL MARKET OVERVIEW

LEE & ASSOCIATES TORONTO, *Real Estate Intelligence Department*

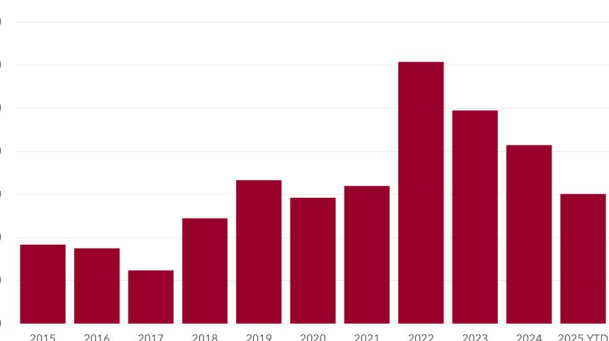
The Greater Toronto Area industrial market is undergoing a period of recalibration as a surge of speculative development collides with softer demand. Vacancy and availability have risen notably, reflecting the pace of new supply and shifting economic headwinds such as tariff uncertainty and slowing logistics activity. Submarkets like GTA East and North GTA West are seeing the sharpest adjustments, particularly in manufacturing-driven locations. While elevated construction levels continue to weigh on fundamentals, deliveries are expected to taper in the coming year. Rental growth has turned negative, yet liquidity remains intact, with investors positioning for a longer-term rebound.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	871,484	409,389	1,182,164	1,921,133	2,580,130
▲ Vacancy Rate	4.3%	4.2%	3.6%	3.3%	2.8%
▼ Avg NNN Asking Rate PSF	\$18.99	\$19.15	\$19.25	\$19.22	\$19.20
▲ Sale Price PSF	\$360.00	\$359.00	\$356.00	\$353.00	\$348.00
◀ ▶ Cap Rate	4.7%	4.7%	4.7%	4.7%	4.7%
▼ Under Construction SF	15,053,277	17,737,841	20,117,764	20,729,822	25,614,663
▲ Inventory SF	897,918,908	895,234,344	891,340,266	890,532,915	883,315,455

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
11400 Steeles Avenue E Halton Hills, ON	639,839 SF	\$143,000,000 \$223.49 PSF	BGO IG Wealth Management	Class A
700 Clayson Road Toronto, ON	451,010 SF	\$134,500,000 \$298.22 PSF	Pure Industrial IG Wealth Management	Class B
197 Norseman Street Toronto, ON	235,274 SF	\$67,045,500 \$284.97 PSF	W.P. Carey Polytainers, Inc.	Class C

*All numbers shown are in Canadian dollars (CAD)

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2995 Peddie Road Milton, ON	288,467 SF	Orlando Corporation	Vision Transportation Systems	Transportation
160 Carrier Drive Toronto, ON	271,452 SF	AIMCo	Undisclosed	Undisclosed
5405 Countryside Drive Brampton, ON	247,144 SF	Orlando Corporation	Mainfreight	Transportation

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