



**CBRE**

NATIONAL INDUSTRIAL & LOGISTICS TEAM

# Q1 2026 Industrial Market Report

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# Introduction

CBRE's National Industrial & Logistics Team is a partnership of top brokers across Canada, the USA, and Mexico. We focus on developing and executing strategy for owners and occupiers of industrial space, both locally and on a multi-market basis.

Utilizing the vast resources available through CBRE's Global Platform, our team is able to design and tactically implement the most complex assignments while ensuring a high level of accountability. We have successfully executed thousands of assignments across multiple markets achieving measurably superior results to our competitors.

As specialists in supply chain management, members of the National Industrial & Logistics Team understand the role of Corporate Real Estate (CRE) in the overall cost ecosystem and are dedicated to servicing industrial occupiers with unique value-add service programs.



# Industrial Market

## Q4 2025 GTA Snapshot

### AVAILABILITY RECORDS SECOND CONSECUTIVE QUARTERLY DECLINE AMID INCREASED DEMAND

- Strengthened leasing activity helped the Greater Toronto Area (GTA) close out the year with 4.3 million sq. ft. of quarterly net absorption, though it was supported by 1.9 million sq. ft. of pre-leased new supply and 625,000 sq. ft. of sublessors opting to retain their space.
- The availability rate declined for the second consecutive quarter, falling an additional 10 basis points (bps) to 5.0%.
- Rental rates declined for the ninth consecutive quarter, decreasing 1.3% quarter-over-quarter to \$16.38 per sq. ft.
- The GTA delivered nearly 4.3 million sq. ft. this quarter, bringing the annual total to 11.1 million sq. ft.
- Future deliveries are expected to decline significantly, with 7.3 million sq. ft. projected for 2026 and 7.7 million sq. ft. for 2027, which would be the lowest annual levels since 2018.

▼ **5.0%**

Availability Rate

▼ **\$363.10**

PSF Avg. Asking Sale Price

▲ **4.3M**

SF New Supply

▼ **7.7M**

SF Under Construction

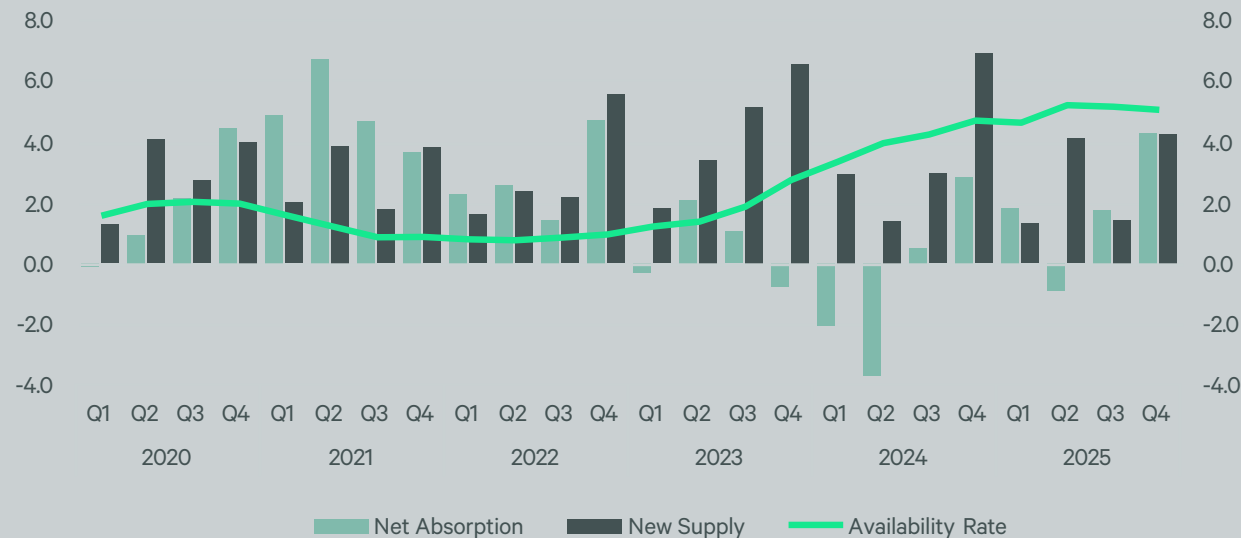
▼ **\$16.38**

PSF Avg. Asking Lease Rate

Greater Toronto Area Fundamentals – Historical Analysis

Net Absorption and New Supply (MSF)

Availability Rate (%)



Source: CBRE Research, Q4 2025.

# GTA Insights

## AVAILABILITY & DEMAND

Q4 recorded an uptick in demand, registering as the most active quarter and reflecting typical year end seasonality. Strengthened leasing activity helped the GTA close out the year with 4.3 million sq. ft. of quarterly net absorption, though it was supported by 1.9 million sq. ft. of preleased new supply and 625,000 sq. ft. of sublessors opting to retain their space.

The availability rate declined for the second consecutive quarter, falling an additional 10 bps to 5.0%. Most activity took place in Toronto West, where the availability rate decreased by 40 bps to 6.4%. In contrast, Toronto North recorded a 40 bps increase to 4.3%, mainly due to Markham which delivered 925,000 sq. ft. of vacant new supply this quarter. Although Toronto West was the primary contributor to the GTA wide decline, its availability rate remains high comparatively to the Toronto North market.

Despite a strong Q4 finish, a high degree of uncertainty persists, suggesting that near term performance is unlikely to mirror Q4's strength. The recent 10 bps quarterly declines in availability, although positive, are modest and remain elevated above Q1 2025's rate of 4.6%. Looking ahead, the upcoming CUSMA renegotiations introduce another source of volatility, although a reduced pipeline of speculative development is expected to provide some stabilization on the supply side.

## CONSTRUCTION ACTIVITY

The GTA delivered nearly 4.3 million sq. ft. this quarter, bringing the annual total to 11.1 million sq. ft. The year-end total represents the lowest year-end level since 2019, albeit only slightly below the 2021 and 2022 totals of 11.5 and 11.8 million sq. ft., respectively. Of the 4.3 million sq. ft. delivered, a notable 43.8% was pre-leased/pre-sold. Despite this, 11 of the 25 buildings delivered fully vacant, seven of which are above 100,000 sq. ft. in size.

Q4 construction starts were minimal, with eight projects totaling 2.1 million sq. ft. breaking ground. Excluding two design build projects, this figure drops significantly to 728,000 sq. ft. Moreover, after removing small bay and industrial condominium developments, the total is reduced further to just 2 buildings totaling 417,000 sq. ft.

Currently, 29 projects totaling 7.7 million sq. ft. are under construction, marking the lowest level since Q4 2018. When excluding projects under 100,000 sq. ft., pre-leased developments, and industrial condominiums, the total declines to 13 projects totaling 4.4 million sq. ft.

## RENT TRENDS

Rental rates declined for the ninth consecutive quarter, decreasing 1.3% quarter-over-quarter to \$16.38 per sq. ft. The quarterly downward movement was driven primarily by assets with clear heights below 26', while rates for clear heights above 26' remained virtually unchanged. Furthermore, the core industrial municipalities of Mississauga, Brampton, and Vaughan recorded more moderate quarterly rental rate decreases than the overall market, with decreases of 0.6% to 0.9%. Market bifurcation has become increasingly evident, both between core and non-core assets and in product quality.

Since Q3 2023, the average asking rate has declined from \$18.35 per sq. ft. to \$16.38 per sq. ft., representing a decrease of 10.7% or \$1.97 per sq. ft. Concession packages have increased significantly, while average annual escalations have moved lower, which have mitigated a more severe pullback in rental rates.

## FORECASTED NEW SUPPLY

Future deliveries are expected to decline significantly, with 7.3 million sq. ft. projected for 2026 and 7.7 million sq. ft. for 2027, which would be the lowest annual levels since 2018. Additionally, design builds are becoming more prevalent, comprising 35.8% of 2026's pipeline and 24.1% of 2027's. With developer trepidation prevalent in the current market, many are adopting a more cautious and reactive approach to speculative projects, making longer term supply forecasts increasingly fluid and dependent on economic conditions.

Despite this, some developers have remained bullish, maintaining a strong long-term outlook and commenced construction on several projects in a market characterized by depressed sentiment. As such, the move muted the severity of the pullback initially anticipated for 2025 and prolonged it to 2026. For those less confident, pad-ready, permit-approved sites held until a lease is secured have gained traction throughout 2025 and into 2026.

# CURRENTLY Available

## For Lease



Brochure

### 2785 SKYMARK AVENUE #16 & 17

Mississauga, ON | 17,945 sq. ft.

Well-kept unit in professionally managed complex with excellent curb appeal. Well located in Airport Corporate center with proximity to HWY 401/427 and many amenities. Fully air conditioned, favourable clear height and ample parking. Office will be reduced/refurbished to suit Tenant needs. Clean uses only.



Brochure

### 175 WATLINE AVENUE

Mississauga, ON | 16,300 sq. ft.

Prime industrial property with excellent access to highways 401, 410, and 403. The freestanding, 16,300 sq. ft. building sits on 1 acre of land. This facility includes three truck-level doors, one oversized door (10' x 9'8"), and another oversized door (14' x 12'4"). The warehouse features a clear height of 17'5" and is airconditioned.

## For Sale

SOLD CONDITIONALLY



Brochure

### 5450 MAINGATE DRIVE

Mississauga, ON | 12,036 sq. ft.

Prime industrial freestanding property on high visibility corner lot. Dual access points via Maingate Dr and Matheson Blvd. Ideal for manufacturing, warehousing and other industrial uses.

## Land for Sale

SOLD CONDITIONALLY



Brochure

### 10862 STEELES AVE E

Milton, ON | 25 Acres

The site represents approx. 25 acres of land designated as Gateway Area with a portion of the Site permitting legal parking and/or storage for tractor trailers.

### GTA WEST INDUSTRIAL LEASE STATS Q4 2025

Total Available (sq. ft.)	23,105,111
Absorption Ytd	4,090,742
Vacancy Rate	4.7%
Average Asking Price (Per sq. ft.)	\$16.56
Average TMI (Per sq. ft.)	\$3.98

### GTA WEST INDUSTRIAL SALES STATS Q4 2025

Total Available (sq. ft.)	3,701,566
Completion Ytd	5,267,165
Availability Rate	6.4%
Average Asking Price (Per sq. ft.)	\$352.02
Realty Taxes (Per sq. ft.)	\$2.20

### DEVELOPMENT CHARGES (\$ per sq. ft.)

Mississauga	Vaughan	Halton Hills	Brampton	Milton	Etobicoke	Caledon	Oakville	Burlington
\$35.55	\$59.97	\$29.62	\$34.52	\$32.26	\$1.57	\$34.00	\$41.30	\$39.36

**GTA WEST AVERAGE LAND PRICE (\$/ACRES) FOR Q4 2025**  
**\$1,761,466**

# RECENT Transactions



**SOLD**

## 10874 Steeles Ave E

Halton Hills, ON  
4.8 acres | Closed Jan 2026  
Represented: Seller



**SOLD**

## 1450 Meyerside Dr

Mississauga, ON  
88,454 sq. ft. | Closed Dec 2025  
Represented: Seller



**LEASED**

## 6150 Kennedy Rd

Mississauga, ON  
11,671 sq. ft. | Closed Nov 2025  
Represented: Tenant



**SOLD**

## 3600 Pitfield Blvd

Montreal, QC  
152,187 sq. ft. | Closed Sept 2025  
Represented: Seller



**SOLD**

## 5185 Timberlea Blvd

Mississauga, ON  
14,000 sq. ft. | Closed June 2025  
Represented: Seller



**SOLD**

## 5225 Timberlea Blvd

Mississauga, ON  
14,035 sq. ft. | Closed Sept 2025  
Represented: Seller

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