



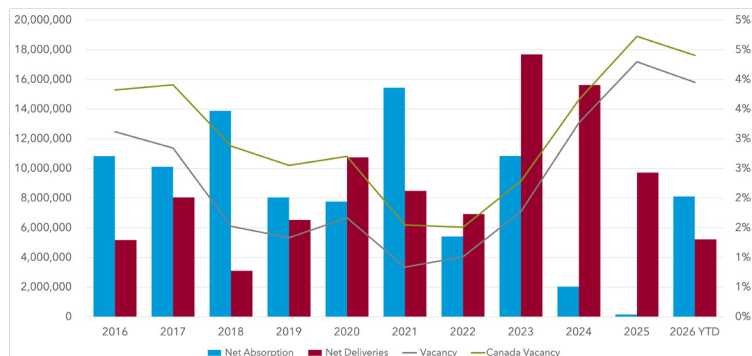
INDUSTRIAL MARKET OVERVIEW

LEE & ASSOCIATES TORONTO, Real Estate Intelligence Department

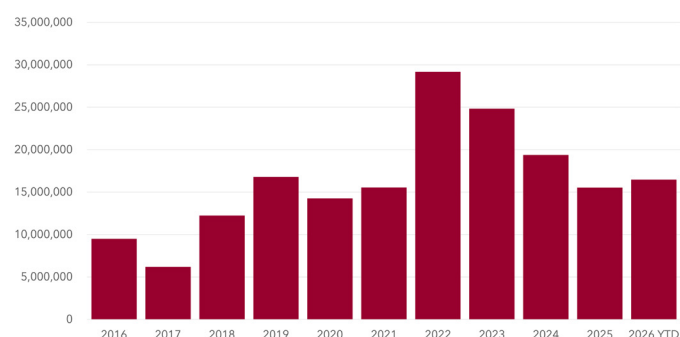
Toronto's industrial market is gradually stabilizing as leasing activity strengthens and absorbs space delivered during the recent development wave. Vacancy has eased, while availability remains elevated. Construction activity has slowed, which should moderate future supply, although planned sites could support a faster development response if demand improves. Rental growth has softened from its post-pandemic pace, but rents remain well above historical levels. Investor interest in high-quality logistics assets remains active as improving fundamentals support confidence. Economic uncertainty and North American trade relations continue to temper the recovery.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▲ 12 Mo. Net Absorption SF	12,515,357	8,094,275	6,025,858	154,243	(874,355)
▼ Vacancy Rate	3.83%	4.06%	3.97%	4.30%	4.52%
▼ Avg NNN Asking Rate PSF	\$18.75	\$18.98	\$18.95	\$18.89	\$18.78
▼ Sale Price PSF	\$356.28	\$357.54	\$357.51	\$355.40	\$352.78
◀▶ Cap Rate	4.79%	4.79%	4.78%	4.77%	4.77%
▲ Under Construction SF	16,478,386	16,050,774	15,682,944	15,544,094	14,874,224
▲ Inventory SF	906,192,328	904,130,730	901,984,192	900,975,328	899,631,765

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
750 Creditstone Rd (Part of a 2 Property Portfolio Sale) - Vaughan	176,535 SF	\$58,128,159 \$329.27	ZZen Group Dream	Class B
3100 Harvester Rd (Part of a 3 Property Portfolio Sale) Burlington	118,532 SF	\$35,700,000 \$301.18	CanFirst Capital Management BGO	Class B
1219 Corporate Dr Burlington	103,119 SF	\$26,000,000 \$252.14	Extrudex Aluminum Pure Industrial	Class B

*All numbers shown are in Canadian dollars (CAD); ** Part of a 5-Property Portfolio; ***Part of a 2-Property Portfolio Sale

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6500 Campbellville Rd Milton	680,235 SF	Mesa Properties	The Beer Store	Beer, Wine, and Liquor Retailers
200 Aviva Park Dr Vaughan	230,581 SF	Pure Industrial	Grand & Toy	Office Supplies and Stationery Retailers
165 Summerlea Rd Brampton	168,476 SF	Canadian Urban Ltd.	Niche Bakers Corp.	Commercial Bakeries & Frozen Bakery Product Manufacturing

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