



Matt's Market Minute | November Newsletter

Nov 28, 2024

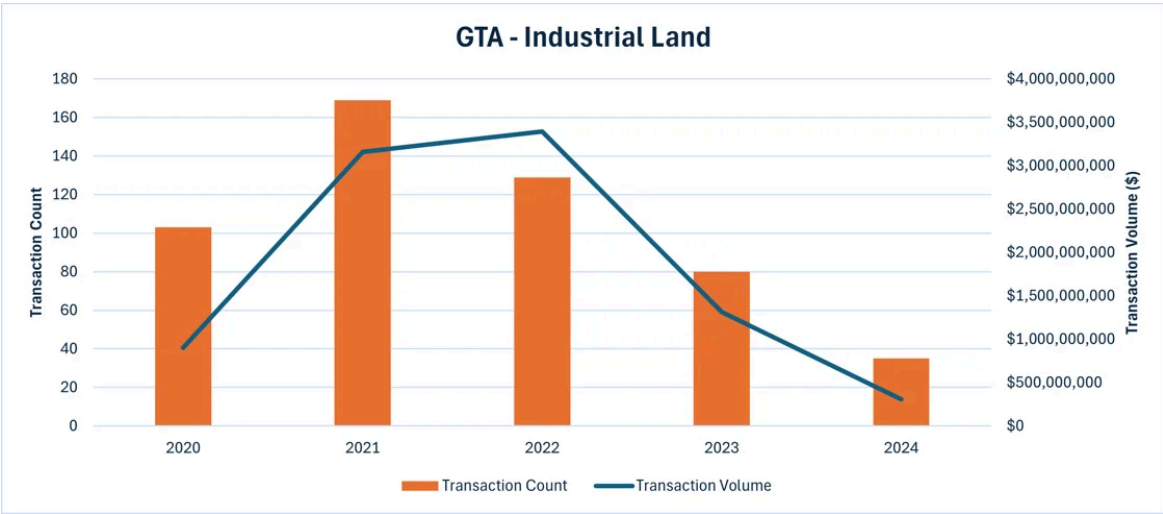
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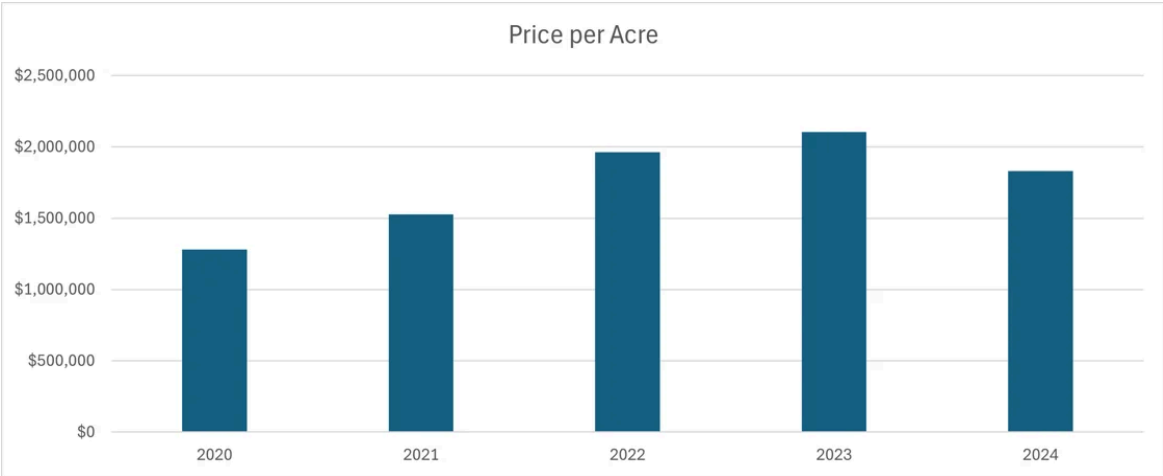
Matt's Market Minute – Toronto Industrial Land Market Update

The Greater Toronto Industrial Land Market has seen significant shifts over the past five years with significant changes in pricing, transaction volumes, and activity levels. Let's break down the trends and highlight percentage changes to provide a clearer picture:

Market Highlights (2020-2024)

- **Price per Acre:**
 - Overall prices increased steadily, peaking at **\$2,105,072** in 2023 (a **64% increase** from 2020).
 - 2024 saw a correction, with prices dropping **13%** to **\$1,829,864**.
- **Transaction Volume:**
 - Peaked at **\$3.39 billion** in 2022 (a **276% surge** from 2020).
 - Declined sharply to **\$305.6 million** in 2024 (a **91% drop** from 2022).
- **Transaction Count:**
 - Activity peaked in 2021 at **169 deals**, up **64%** from 2020.
 - By 2024, transaction activity slowed to **35 deals** (down **79%** from 2021).

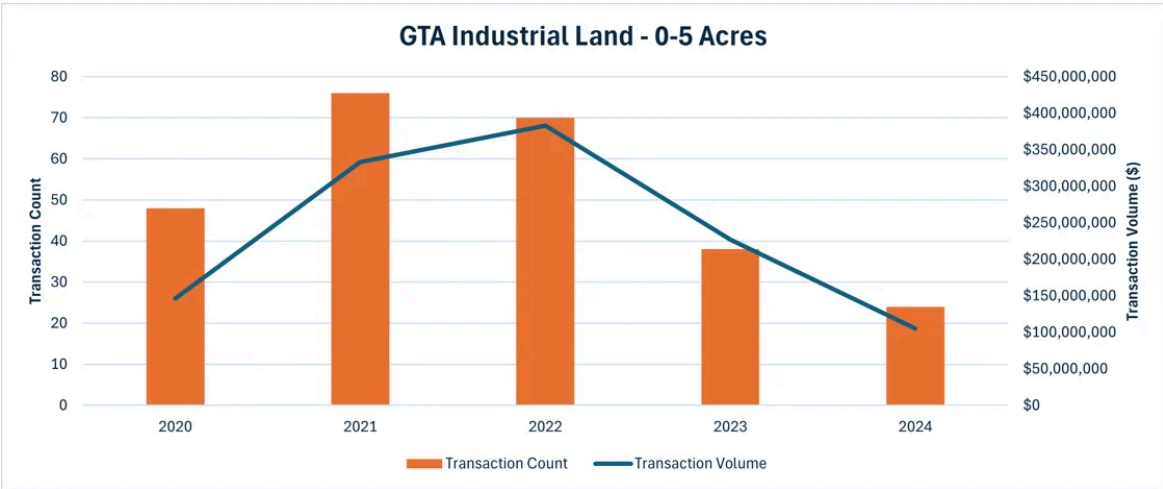




Land Size Breakdown

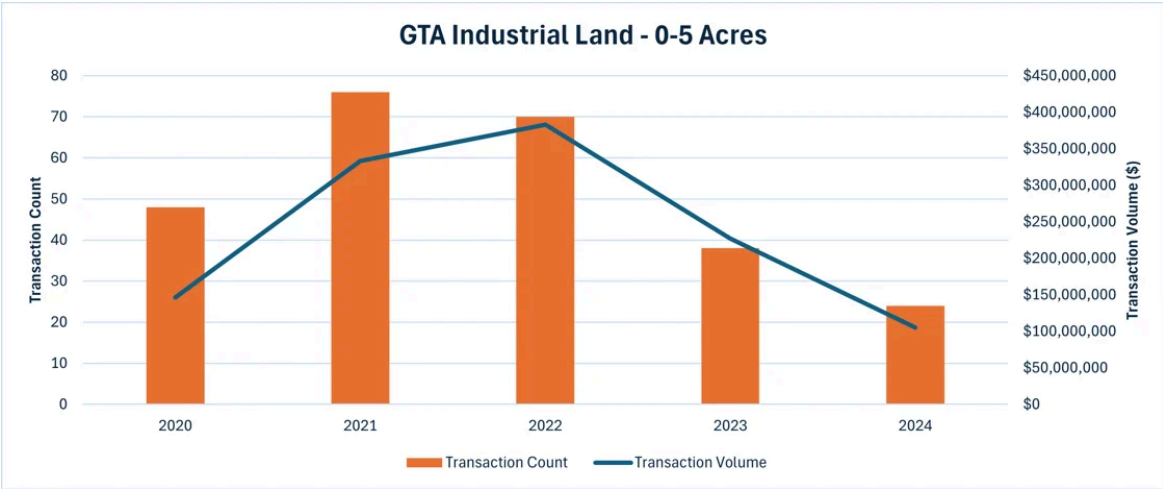
0-5 Acres

- **Price Trends:** Prices peaked at **\$2,609,443/acre** in 2023, a **55% increase** from 2020. Prices pulled back to **\$2,182,874/acre** in 2024, a **16% drop** year-over-year.
- **Transaction Count:** Activity fell to **24 deals** in 2024, down **68%** from its 2021 high of **76 deals**.
- **Volume:** Smaller lot transaction volume dropped from **\$227 million in 2023** to **\$105 million in 2024 (-53%)**.



5+ Acres

- **Price Trends:** Larger parcel prices increased by **72%** from 2020 to their peak in 2023 at **\$1,614,333/acre**, before declining **28%** to **\$1,155,935/acre** in 2024.
- **Transaction Count:** Larger deals fell from **92 in 2021** to just **11 in 2024** (an **88% decline**).
- **Volume:** 2024 transaction volume for large sites fell to **\$200.5 million**, down **93%** from the 2022 peak of **\$2.99 billion**.



Key Takeaways

- **Market Cooling:** Economic uncertainty and higher costs have slowed activity, especially for larger parcels, which saw the sharpest price and transaction volume declines.
- **Smaller Parcels Outperform:** Demand for 0-5 acre sites remains relatively stable, supported by tighter supply and consistent user demand.
- **Opportunities in Volatility:** Correcting prices, particularly for larger parcels, may offer strategic acquisition opportunities for long-term investors.

Looking Ahead

The market's cooling reflects broader economic uncertainty and a cautious approach by buyers. However, this environment may present opportunities for those with a long-term view. Smaller parcels are likely to remain in demand, while larger sites could offer value as prices continue to stabilize.

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