



**Matt's Market Minute | October Newsletter**

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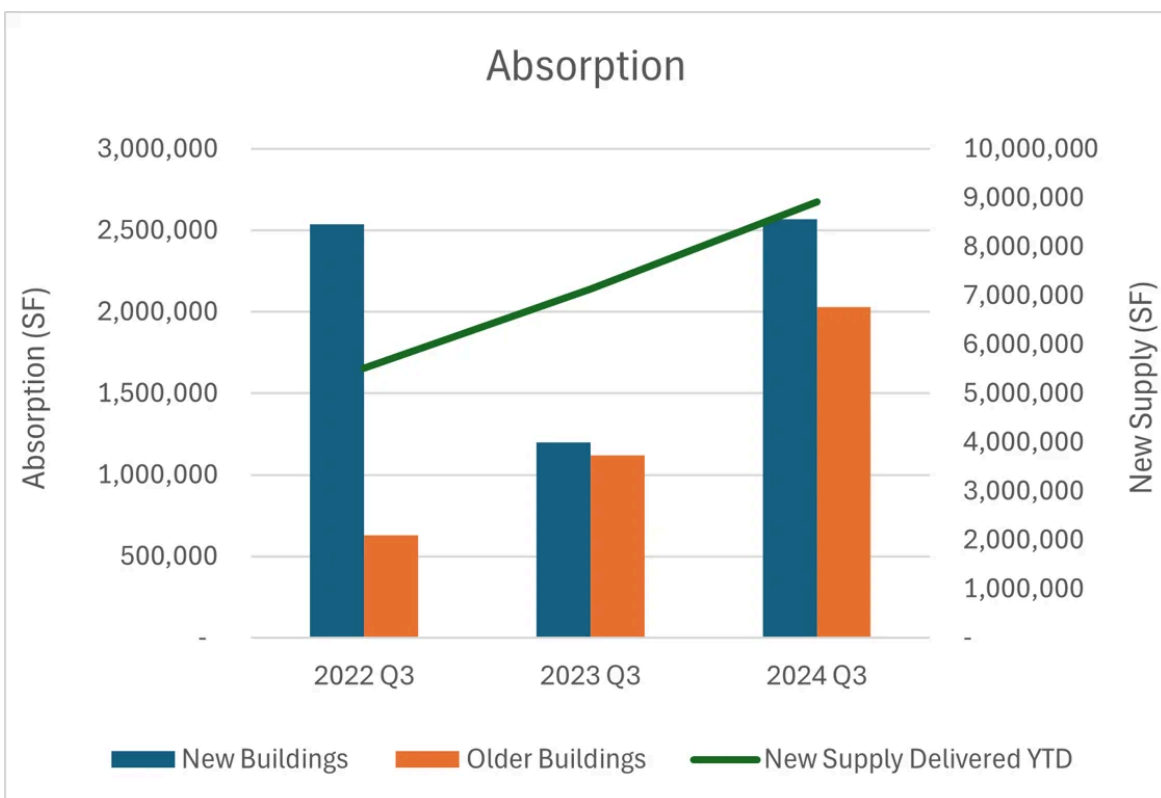
**Breaking Down The Q3 2024 Industrial Figures | A Focus on Activity**

In the GTA West Industrial Market in Q2 2024, absorption was -1.9M SF. In Q3 2024, absorption was 541K SF. This means there was an increase of 2.5M SF (positive news), and availability in Q3 2024 is now at 4% (expected news).

But where is that activity, and what type of product is coming back to the market?

**Recent Absorption**

4,597,497 SF represents the positive change in the absorption total in the GTA for Q3 2024 – 55.89% of the buildings built during or after 2021 became occupied, which means +/- 45% of the absorption figures are older generation assets.



**Asking Rates on New vs. Older**

Looking at asking rates on new space, the average is \$18.58, which drops slightly to \$18.34 when including the sublease market. When considering older properties with 28' and over clear heights, the average is \$16.51 with sublets and \$17.37 without.

## **Recent Listings to the Market**

When looking at space returning to the market last quarter, only 20% are sublet (83 listings of the 419 total) - this figure is in line with the average of 19% of the market being sublet offerings. Across all the buildings in the TOTAL GTA, 69M SF worth of space is available from new builds (post-2018), and 12% of that space is vacant. This is in stark contrast to the 2% vacancy seen in older buildings.

## **Conclusion**

Today, occupiers have more choices, and rates vary depending on the quality of assets and location. Outside of a strategic business move for operational efficiency, Tenants try to take advantage of cheaper offerings through sublets or existing discounted space.

However, we have seen more activity in spec construction this Fall than in the Summer, which is positive news. Incentives have increased and are a driving focus towards the spec market.

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