



Matt's Market Minute

Aug 6, 2024

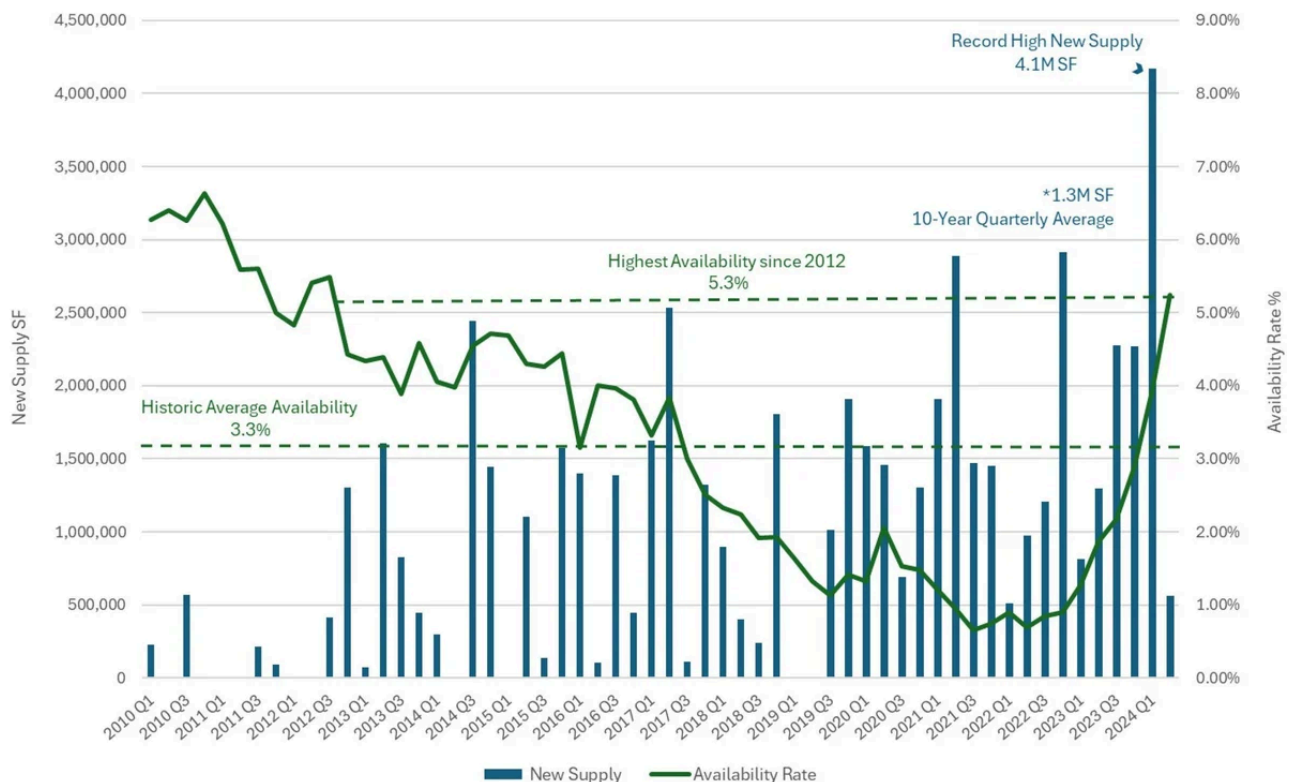
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A Focus on GTA West - Breaking Down The Numbers

The GTA West is comprised of approximately 402M SF. The historic average of availability is 3.3%, and we currently sit at 5.3% availability in the GTA West. The **availability rate has increased 182% in the GTA West** in the past twelve months.

How could there be such a drastic increase in availability over 12 months? Lets break down the numbers:

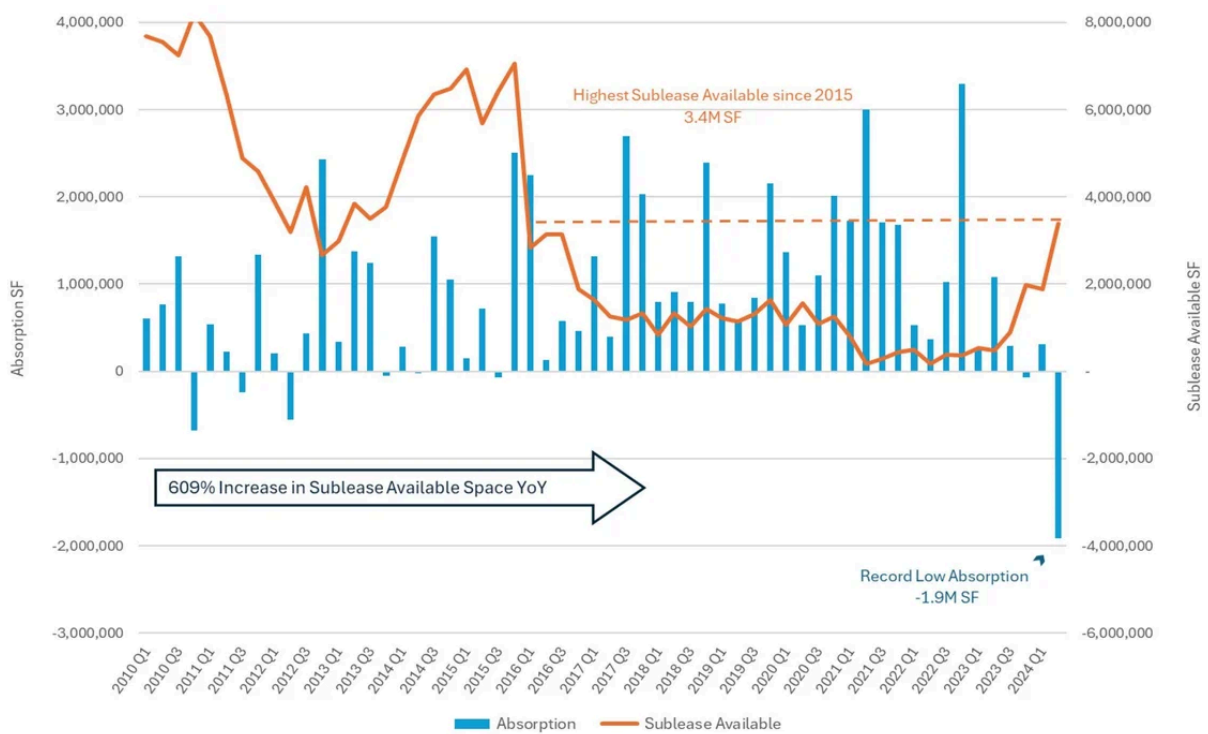
We have record levels of New Supply @ 4.1M SF, which is 68.29% higher than the 1.3M SF 10-year quarterly average. **We expect to deliver another 4.5 million SF of new supply** in the GTA West this year.



Combining the record new supply with the **highest sublease availability since 2015** (3.4M SF) helps break down the top availability rate since 2012.

The most important factor to track over the next few quarters is absorption (*the net change in occupied space over a given period*). If you look at the **2024 Q1 absorption, we are showing a record low**. However, only a few quarters ago, in Q4 2022, we absorbed 3.3 million SF and 1.7 million SF in Q3 2021. – were either of these record highs? The 3.3 million SF of absorption in **Q4 2022 is the highest volume the GTA West has seen since 2005**. The 10-year average GTA West absorption is 1.04 million SF.

Therefore, we have seen **both highs and lows** in availability, subleasing (since 2017) & absorption over 12-24 months. It will be fascinating to see the next few quarters of statistics.



Have a great rest of the week!

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