

Toronto

Office - Q3 2026



Tightening supply strengthens Toronto office fundamentals

Toronto's office market maintained positive momentum in Q3 2026, supported by steady leasing activity. Overall availability declined for a third consecutive quarter to 14.3%, extending a sustained downward trend from the market's 2024 peak. Class A availability fell further to 10.4%, reflecting a pronounced reduction in higher-quality space. Leasing activity totalled 1.7 million square feet (msf), broadly in line with the five-year quarterly average of 1.6 msf but below the 2.6 msf recorded a year earlier. Continued availability compression alongside normalized leasing volumes points to broader improvement in market fundamentals as cumulative absorption and a shrinking pool of available space reshape supply conditions.

Downtown rent growth outpaces suburban markets

Availability declined across central and non-central markets, but rental growth was notably stronger downtown. Central Business District (CBD) availability fell 240 basis points (bps) year over year to 12.7%, while asking rents rose 6.4% to \$65.69 per square foot (psf). Non-CBD availability declined a similar 220 bps to 15.6%, but rents increased just 1.8% to \$38.07 psf, highlighting stronger pricing pressure within the CBD. Submarket conditions remained uneven. Financial Core availability was 10.7%, with market-high rents of \$76.46 psf, while Downtown South and Vaughan recorded availability below 9.0%. By contrast, King/Dufferin availability remained elevated at 24.8%.

Sublease supply contracts significantly, reducing tenant options

Available sublease space fell to 2.9 msf, down 2.3 msf year over year and down 0.9 msf over the quarter. The continued contraction is removing a meaningful source of competing inventory and narrowing options for tenants seeking readily available space. As sublease availability recedes, direct space is playing a greater role in shaping overall market conditions and landlord pricing dynamics.

KEY STATISTICS

	Q3 2025	Q3 2026	Y-O-Y
Inventory	192.6	191.2 msf	-1.4 msf
Central business district availability rate	15.1%	12.7%	-240 bps
Central business district asking rental rate	\$61.73	\$65.69	+6.4%
Non-central business district availability rate	17.8%	15.6%	-220 bps
Non-central business district asking rental rate	\$37.41	\$38.07	+1.8%
Quarterly leasing activity	2.6 msf	1.7 msf	-0.9 msf
Available sublease space	5.2 msf	2.9 msf	-2.3 msf

Outlook

01

The shrinking supply of large blocks may limit the size of future transactions, moderating aggregate leasing volumes.

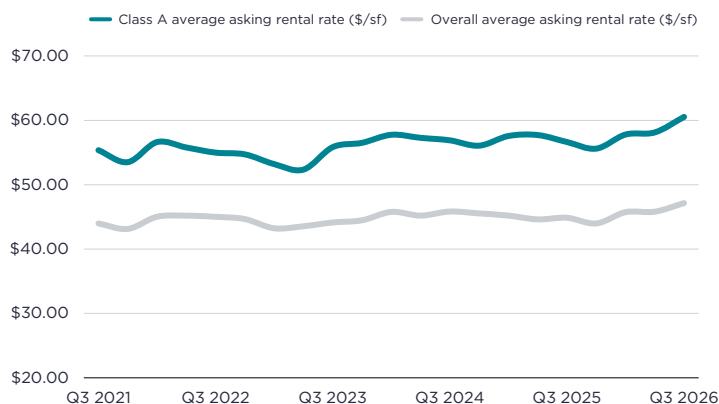
02

The widening gap between CBD and non-CBD rent growth could influence location decisions as occupiers reassess the cost premium for downtown space.

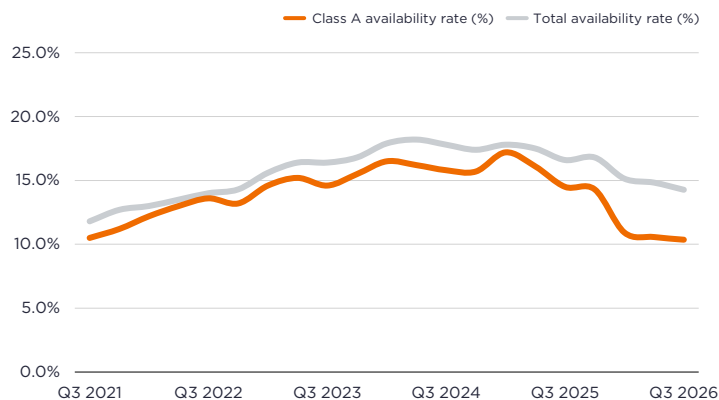
03

Wide variation in submarket conditions may increasingly influence where demand migrates as occupiers evaluate alternatives across the GTA.

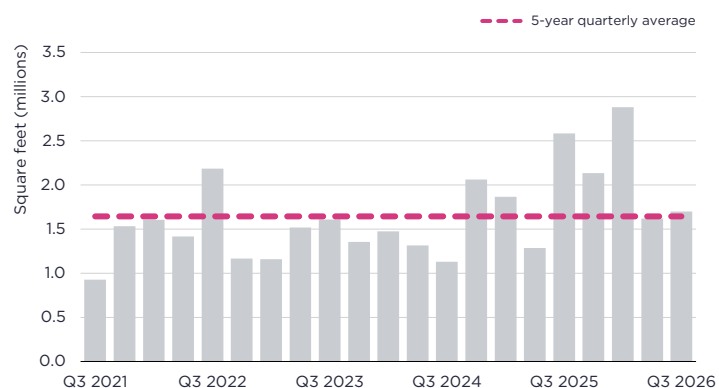
ASKING RENT



AVAILABILITY



LEASING ACTIVITY

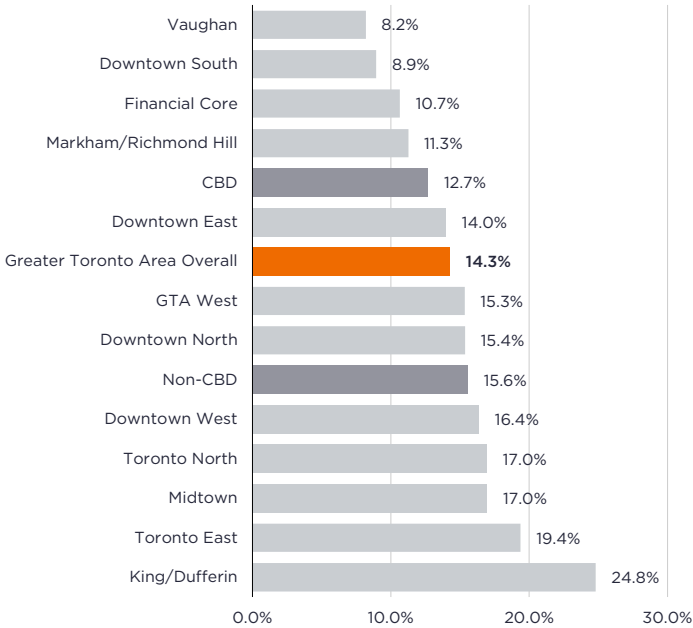


NOTABLE LEASES

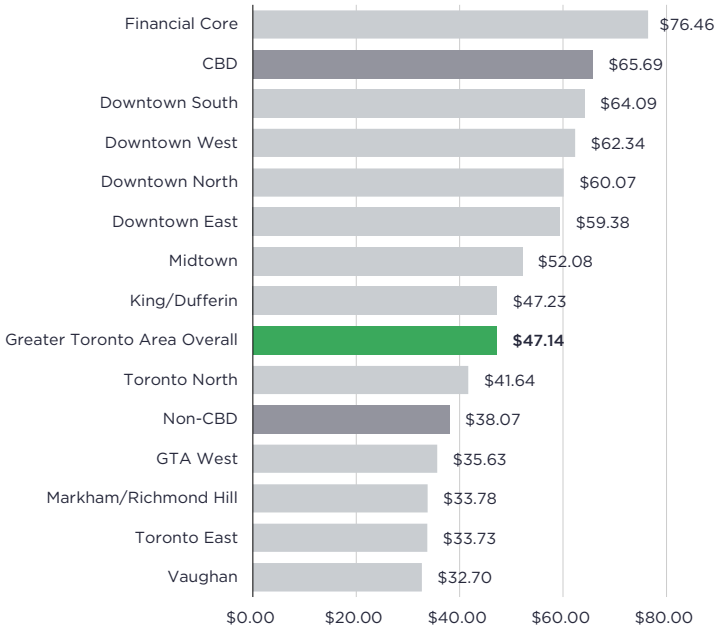
*Trophy building **Sublease

Tenant	Industry	Submarket	Address	Size (SF)	Transaction type
Toyota Motor Manufacturing Canada	Manufacturing	Toronto East	300 Consilium Place	99,407	New Location**
The Workplace Safety and Insurance Board	Financial Services & Insurance	GTA West	4 Robert Speck Parkway	83,712	New Location
The Ministry of the Attorney General	Government	Financial Core	483 Bay Street	81,124	Renewal
LifeLabs	Healthcare	GTA West	5550-5570 Explorer Drive	69,408	New Location**
Canada Post	Government	Financial Core	1 Dundas Street West	62,000	Renewal
Element Fleet Management Corporation	Financial Services & Insurance	GTA West	4 Robert Speck Parkway	55,859	Renewal
Pinterest	Technology, Advertising, Media & Information	Financial Core	85 Richmond Street West	50,353	Renewal
Intel of Canada Ltd.	Technology, Advertising, Media & Information	Markham/Richmond Hill	27 Allstate Parkway	49,741	New Location
Epazz, Inc.	Technology, Advertising, Media & Information	Downtown West	250 University Avenue	40,966	New Location
BrokerLink	Financial Services & Insurance	Markham/Richmond Hill	8133 Warden Avenue	33,758	New Location

AVAILABILITY RATE COMPARISON (%)
TORONTO SUBMARKETS



RENTAL RATE COMPARISON (\$/SF)
TORONTO SUBMARKETS



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Unless otherwise noted, all rents quoted throughout this report are average asking gross (full service) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical availability and rent data are subject to change due to changes in inventory. The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills Research. Copyright © 2026 Savills