

YoY
Chg 12-Mo.
Forecast

1.7%

Vacancy Rate



-161,310

Net Absorption, SF



\$8.77

Net Asking Rent, PSF



* Statistics as of Q1 2022.

ECONOMIC INDICATORS
Q1 2022YoY
Chg 12-Mo.
Forecast

292.7

London
Employment

5.3%

London
Unemployment Rate

5.3%

Canada
Unemployment RateSOURCE: Statistics Canada. Labour force characteristics,
three month moving average, seasonally adjusted. April 8,
2022.

ECONOMY

The various restrictions that have been implemented throughout the pandemic to curb the spread of COVID-19 slowly began to be lifted in the first quarter of 2022. While London has lagged behind the national average with respect to employment during the pandemic, this trend reversed this quarter, pointing to the relative strength of the local economy. London's economy has now caught up and the local unemployment rate is currently equal to the national average, both having dropped to 5.3% in March 2022. In contrast to the local office market, the industrial market has continued to thrive throughout the pandemic.

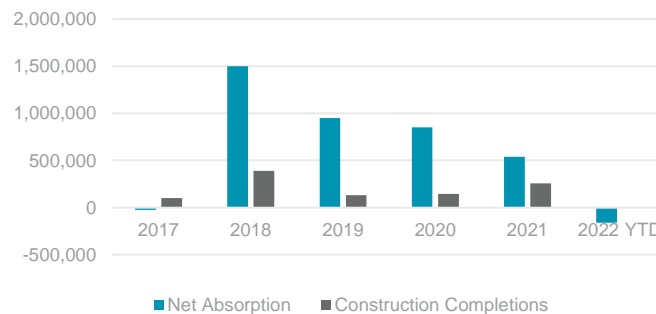
PRICING, SUPPLY AND DEMAND

Notwithstanding continued economic challenges impacting the broader economy, the local industrial market has remained very robust throughout the pandemic. There was a notable increase in industrial vacancy in the first quarter of 2022, however vacancy remains very low compared to historical averages for the local market and demand continues to significantly outweigh supply. There is approximately 40 million square feet of industrial space in London, of which less than 700,000 square feet is currently vacant. Although absorption was negative this quarter, the increase in vacancy does reflect the strength of the local market. The increase industrial vacancy can be attributed to just handful of larger industrial units that were listed this quarter.

Despite the minor rise in vacancy, there continues to be a highly competitive landscape for many new industrial listings that come on the market, whether for lease or purchase. Purpose-built facilities occupied by owner-users account for the majority of the new industrial space currently under construction in London and will have little impact on alleviating the strong and growing local demand in the near future.

The strong demand for industrial space in London is reflected by average net asking rates, which have risen further in the first quarter of this year. Due to the continued low vacancy rates for industrial space in the local market, average net asking lease rates for industrial space are now approaching \$9 per square foot. Mirroring average lease rates, average sales prices for industrial land and buildings in London have also increased dramatically in recent years due to growing demand. Privately-owned industrial lands traded for an average of approximately \$425,000 per acre this quarter and some smaller industrial land sales recorded in recent months having exceeded the \$800,000 per acre threshold. While the price for City-owned industrial land still lags well behind that of privately-owned industrial land, the City of London has implemented price increases ranging from 56% – 77% for all City-owned industrial land parcels, further demonstrating rising prices across the local industrial market. Existing industrial buildings are now regularly trading for over \$150 per square foot, with many recent transactions approaching, or exceeding the \$200 per square foot threshold.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKETBEAT CITY OF LONDON

Industrial Q1 2022



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT SPACE (SF)	OVERALL VACANCY RATE	QUARTERLY ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	WEIGHTED AVERAGE NET ASKING RENT	WEIGHTED AVERAGE ADDITIONAL RENT	OVERALL WEIGHTED AVERAGE GROSS RENT
Airport	857,220	0	0.0%	0	0		n/a	n/a	n/a
Central	10,051,827	262,623	2.6%	-97,620	-97,620		\$8.05	\$2.86	\$10.91
Hyde Park	986,303	42,764	4.3%	46,805	46,805		\$11.26	\$7.39	\$18.64
Lambeth	291,222	0	0.0%	0	0		n/a	n/a	n/a
Northeast	8,398,510	144,218	1.7%	-115,090	-115,090		\$10.12	\$3.58	\$13.70
Veteran's Memorial Parkway	4,297,916	68,786	1.6%	-66,776	-66,776	180,000	\$7.87	\$3.50	\$11.37
Westminster	3,499,965	68,253	1.9%	43,587	43,587		\$7.59	\$4.14	\$11.73
White Oak	4,173,799	25,993	0.6%	5,085	5,085	666,600	\$10.00	\$4.90	\$14.91
Wilton Grove	7,513,441	61,501	0.8%	22,699	22,699		\$7.84	\$2.10	\$9.94
LONDON TOTALS	40,070,203	674,138	1.7%	-161,310	-161,310	846,600	\$8.77	\$3.40	\$12.17

*Rates reflect weighted net asking price per square foot per annum.

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1001 Green Valley Rd	Wilton Grove	n/a	62,500	Lease
980 Adelaide St S	Westminster	n/a	14,766	Lease
91 Enterprise Dr	Wilton Grove	n/a	10,400	Lease

KEY SALES TRANSACTIONS Q1 2022

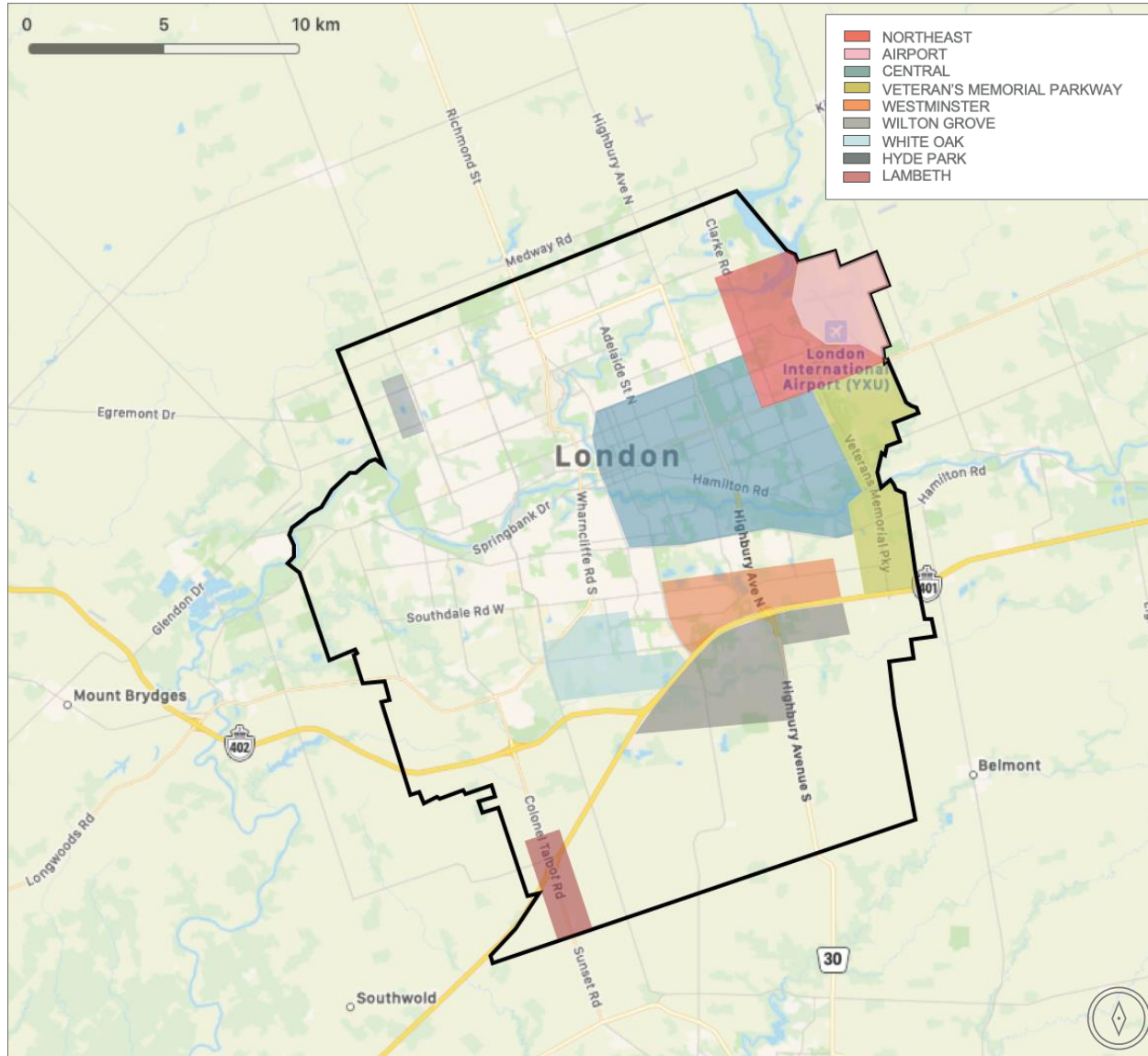
PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
1828 Blue Heron Dr	Hyde Park	Doman Developments Inc./Undisclosed	86,100	\$142.86 PSF
568 Second St	Central	Oxford Call Centre Corporation/Parkit Enterprises Inc.	85,774	\$100.00 PSF
1615 North Routledge Pk	Hyde Park	Waterstone Hyde Park Inc./Undisclosed	69,000	\$144.93 PSF
15 Towerline Pl	Westminster	Fred Barber Construction Limited/2691407 Ontario Inc.	13,700	\$181.96 PSF
4080 Dowell Dr	White Oak	1525157 Ontario Limited/2772005 Ontario Inc.	13,200	\$329.55 PSF
2371 Scanlan St	Veteran's Memorial Parkway	2071284 Ontario Inc./Martingrove Holdings Inc.	10,371	\$139.81 PSF

KEY PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
1577 Wilton Grove Rd	Wilton Grove	Maple Leaf Foods	638,000	n/a
2545 Innovation Dr	Veteran's Memorial Parkway	Quest Brands	79,653	n/a
980 Wilton Grove Rd	Wilton Grove	Nestle Canada	26,600	n/a



INDUSTRIAL SUB-AREAS



LOCAL MARKET RESEARCH LEAD

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