



17.4%

Vacancy Rate

YoY
Chg12-Mo.
Forecast

18,030

Net Absorption (SF)



\$13.52

Net Asking Rent (PSF)



(Overall, All Classes)

ECONOMIC INDICATORS
Q2 2022

294.8

London
EmploymentYoY
Chg12-Mo.
Forecast

5.8%

London
Unemployment Rate

4.9%

Canada
Unemployment Rate

SOURCE: Statistics Canada. Labour force characteristics, three month moving average, seasonally adjusted. June 2022.

ECONOMY

The unemployment rate for London is currently 5.8% and has increased slightly relative to the national average. High inflation and rising interest rates are contributing to economic uncertainty at the local and national level. Although the local economy has shown signs of recovery in 2022, the COVID-19 pandemic continues to have a major impact on many sectors of the economy and there has been some imbalance with respect to the pandemic recovery that has been observed locally. While the industrial sector has been thriving due to unprecedented demand and limited new supply, the negative impacts of the COVID-19 pandemic have been much more apparent in the office sector, and particularly in the downtown core.

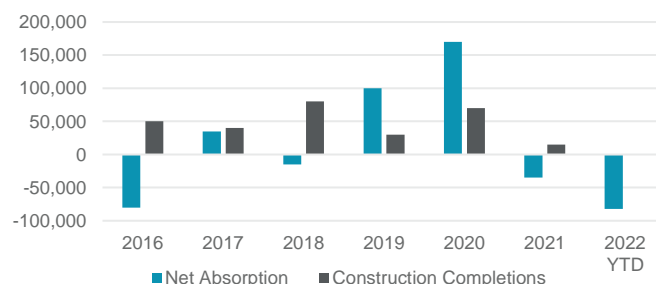
PRICING, SUPPLY AND DEMAND

The pandemic recovery in London remains slow, particularly for the office sector, as many tenants continue exercising caution and are generally more reluctant to commit to long-term leases. Pandemic-related challenges that have been negatively impacting the downtown office sector continued in the second quarter of 2022. While the overall office vacancy rate decreased slightly from 17.7% to 17.4% quarter-over-quarter, absorption was negative for the downtown office sector. A number of high-profile office tenants have elected to move from the downtown area to suburban office locations and this trend is expected to continue in the second half of this year.

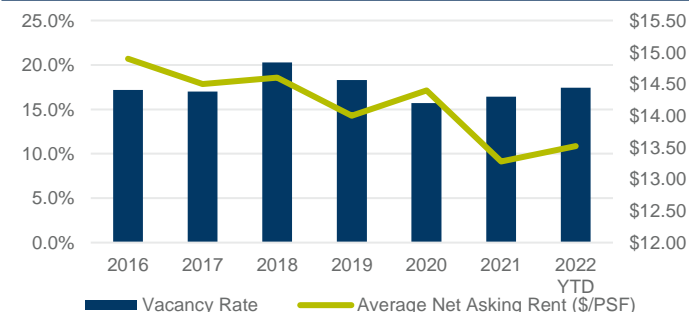
London's suburban office market continues to be a more desirable option for many office tenants and has been able to withstand the pandemic-related headwinds far better than the downtown area. In contrast to the downtown area, office vacancy in suburban locations has been declining through the first half of the year. The vacancy rate for downtown office space in London is now more than four times higher than suburban office vacancy and the difference between the downtown and suburban markets continues to grow. As of this quarter, the vacancy rate for downtown office space is 22.0%, compared to 5.4% for suburban office space in London.

Overall, average net and additional rents for office space in London have remained relatively steady throughout the pandemic, with the weighted average net asking rent for London at \$13.52 per square foot (psf) in the second quarter of 2022, compared to \$13.66 psf last quarter. The strong and growing demand for suburban office space in London is reflected both by prevailing vacancy rates as noted above, as well as average net asking rents. There is also a greater concentration of more recently constructed office buildings in suburban locations, which further explains why average net asking rents in suburban locations frequently exceed the average for the downtown area. Minimal change in average net asking rates is anticipated through the remainder of 2022.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



CITY OF LONDON

Office Q2 2022

CUSHMAN &
WAKEFIELD

Southwestern Ontario

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG NET ASKING RENT	OVERALL AVG ADDITIONAL RENT
Downtown	5,945,608	129,144	1,178,480	22.0%	-4,532	-100,842	28,046	0	\$13.27	\$12.53
A	1,907,072	72,144	249,888	16.9%	10,228	-83,026	5,356	0	\$14.75	\$16.29
B	2,643,100	19,799	537,546	21.1%	9,576	3,822	21,535	0	\$12.92	\$12.53
C	1,395,436	37,201	391,046	30.7%	-24,336	-21,638	1,155	0	\$12.60	\$9.70
Suburban	2,266,275	1,247	122,179	5.45%	22,562	18,614	42,141	0	\$16.22	\$12.31
B	826,838	0	43,374	5.2%	16,085	13,948	9,078	0	\$24.83	\$13.70
C	1,439,437	1,247	78,805	5.6%	6,477	4,666	33,063	0	\$11.56	\$11.56
CITY OF LONDON TOTAL	8,211,883	130,391	1,300,659	17.4%	18,030	-82,228	70,187	0	\$13.52	\$12.51

*Reflects properties actively marketed on the MLS

KEY LEASE TRANSACTIONS YTD 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE
240 Waterloo St	Downtown	Confidential	6,443	Lease
343 Dundas St	Downtown	Confidential	6,077	Lease
291 King St	Downtown	Confidential	4,665	Lease
244-256 Pall Mall St	Downtown	Confidential	3,827	Lease
557 Southdale Rd	Suburban	Confidential	3,782	Lease
219 Oxford St W	Suburban	Confidential	2,903	Lease

KEY SALES TRANSACTIONS YTD 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE (\$/SF)
1555 Glenora Dr	Suburban	2225755 Ontario Ltd.	7,827	\$321.96 PSF

KEY CONSTRUCTION COMPLETIONS YTD 2022

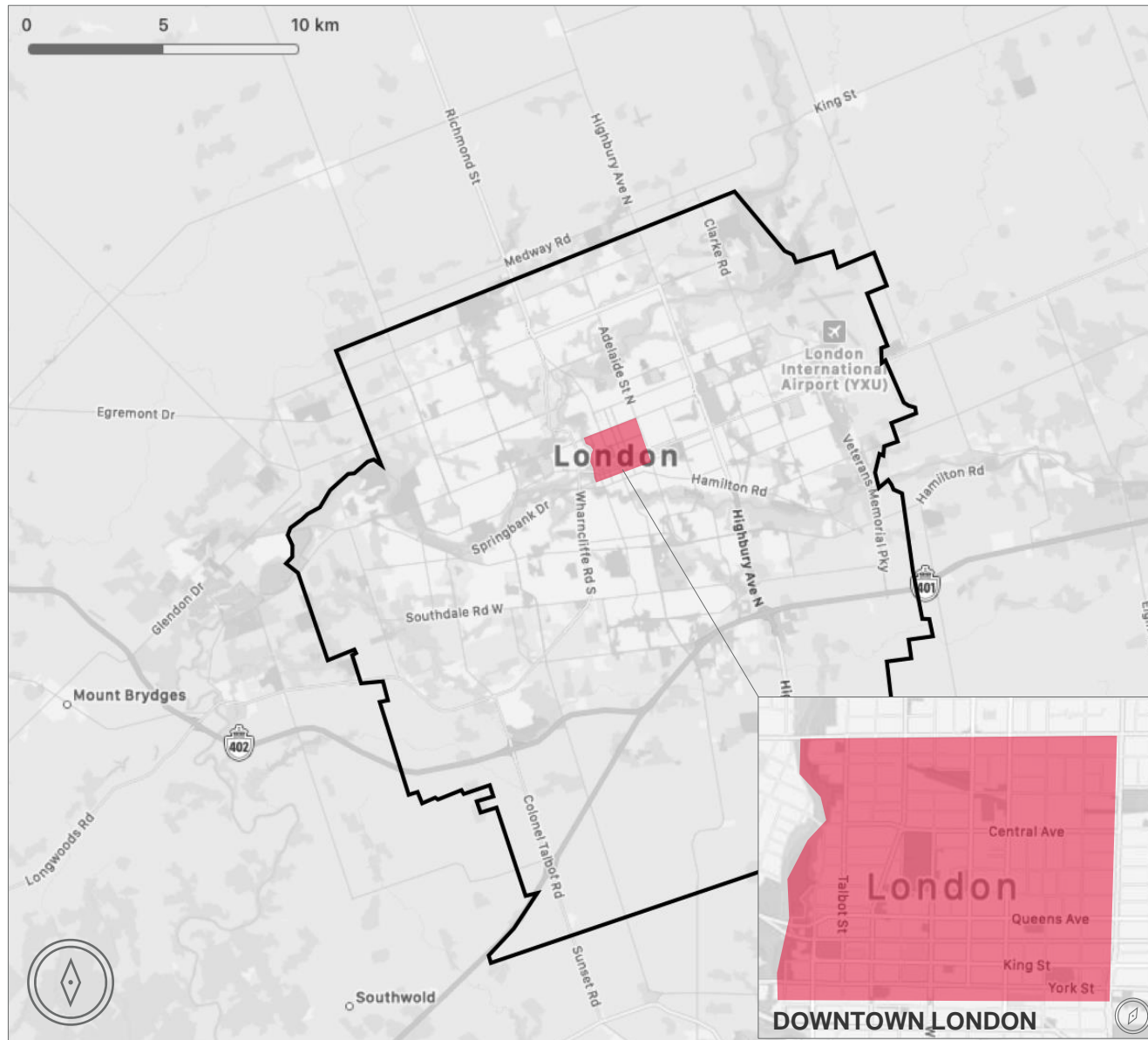
PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
n/a	n/a	n/a	n/a	n/a

CITY OF LONDON

Office Q2 2022

**CUSHMAN &
WAKEFIELD**

Southwestern Ontario

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