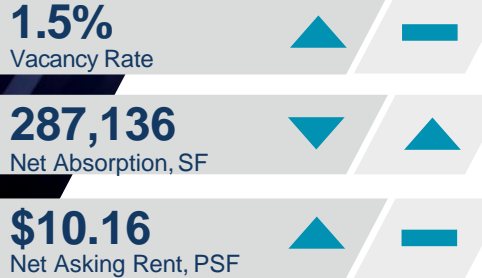
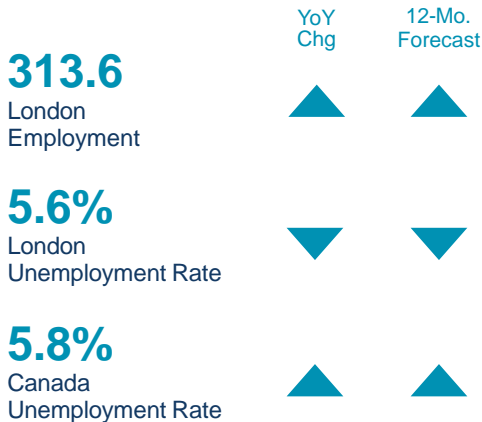


## Industrial Q4 2023



\* Statistics as of Q4 2023.

### ECONOMIC INDICATORS Q4 2023



SOURCE: Statistics Canada. Labour force characteristics, three month moving average, seasonally adjusted. December 2023.

### ECONOMY

London's unemployment rate declined by 40 basis points (bps) quarter-over-quarter (QOQ), falling from 6.0% in the third quarter to 5.6% in the fourth quarter of 2023. Total employment increased for the second consecutive quarter, rising to 313,600 jobs. The local economy has shown greater resiliency and key economic indicators demonstrate the relative economic strength of London compared to other similarly-sized Canadian cities. Despite the high interest rate environment and other headwinds that have been impacting the national economy, increasing economic momentum is expected to continue locally in 2024, as more companies continue to invest in new or expanded operations in London and the surrounding area.

### PRICING, SUPPLY AND DEMAND

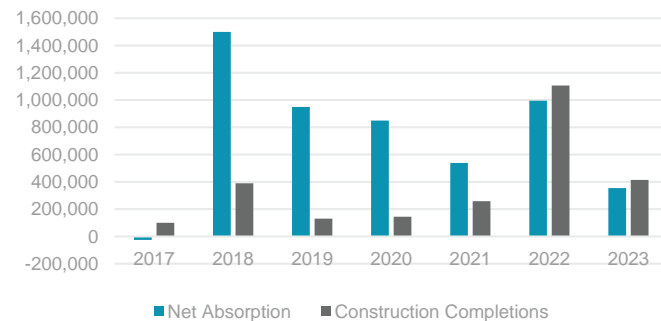
Following several consecutive years of unprecedented demand, which corresponded with declining vacancy and rising lease rates, London's industrial market exhibited greater stability throughout 2023. Industrial vacancy decreased by 10 basis points from last quarter, falling to 1.5% in the fourth quarter of 2023. Similar to the previous quarter, the inventory of available industrial space remained limited in the fourth quarter of 2023 and thereby slowed down quarterly absorption, despite steady demand.

Average net asking rates for industrial space in London were relatively constant QOQ, increasing from \$10.13 per square foot (psf) to \$10.16 psf in the fourth quarter of 2023. Industrial sales prices in the fourth quarter of 2023 remained close to the \$200 psf threshold; however, with significant variation depending on location, zoning, building quality, land size, etc. Throughout 2023, London's industrial market continued to generate interest from real estate investments trusts (REITs) and other large investors, with a several high-profile sales in excess of 200,000 square feet (sf) completed throughout the year.

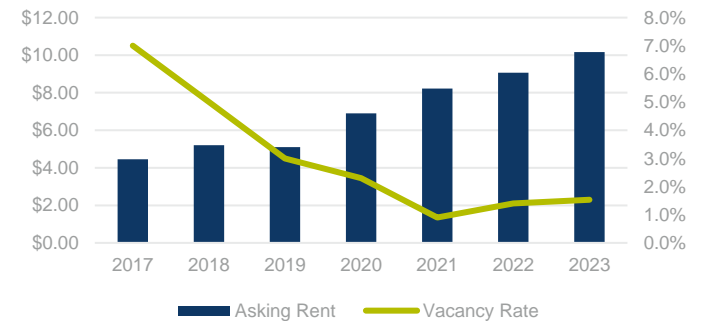
The supply of vacant lands designated and zoned for industrial use remained very limited in the fourth quarter of 2023, regardless of whether they were privately-owned or city-owned. Average sale prices for privately-owned industrial land continued to trade at a significant premium relative to city-owned lands; with city-owned lands asking up to \$175,000 per acre, compared to privately owned land transactions approaching, or in some instances exceeding, \$500,000 per acre.

There was 279,708 sf of new industrial supply delivered in the fourth quarter of 2023, with an additional 890,710 sf of new space actively under construction. Purpose-built facilities continued to account for the majority of industrial construction activity in the local market; however, there was also a notable speculative development completed in the fourth quarter of 2023 which helped to address steady local demand.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT SPACE (SF)	OVERALL VACANCY RATE	CURRENT QUARTER 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	864,020	3,200	0.4%	0	3,600	0	\$10.50	\$4.00	\$14.50
Central	10,033,570	230,087	2.3%	-14,350	-47,693	558,550	\$8.95	\$3.37	\$12.32
Hyde Park	986,303	9,120	0.9%	8,120	18,800	0	\$13.00	\$7.50	\$20.50
Lambeth	291,222	0	0.0%	0	0	0	n/a	n/a	n/a
Northeast	8,504,077	105,300	1.2%	27,810	-37,862	24,085	\$10.23	\$5.49	\$15.72
Veteran's Memorial Parkway	4,818,349	1,917	0.0%	67,371	273,551	211,200	\$9.50	\$7.25	\$16.75
Westminster	3,531,983	134,169	3.8%	16,600	-41,032	0	\$9.82	\$4.79	\$14.61
White Oak	4,273,584	131,767	3.1%	22,560	-34,849	0	\$11.72	\$2.99	\$14.71
Wilton Grove	8,345,041	21,874	0.3%	159,025	219,927	96,875	\$12.06	\$4.23	\$16.30
<b>LONDON</b>	<b>41,648,149</b>	<b>637,434</b>	<b>1.5%</b>	<b>287,136</b>	<b>354,442</b>	<b>890,710</b>	<b>\$10.16</b>	<b>\$4.07</b>	<b>\$14.22</b>

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

## KEY LEASE TRANSACTIONS 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1425 Creamery Rd	Northeast	n/a	77,877	Lease
439 Sovereign Rd	Veteran's Memorial Parkway	n/a	77,877	Lease
2485 Innovation Dr	Veteran's Memorial Parkway	n/a	30,200	Lease

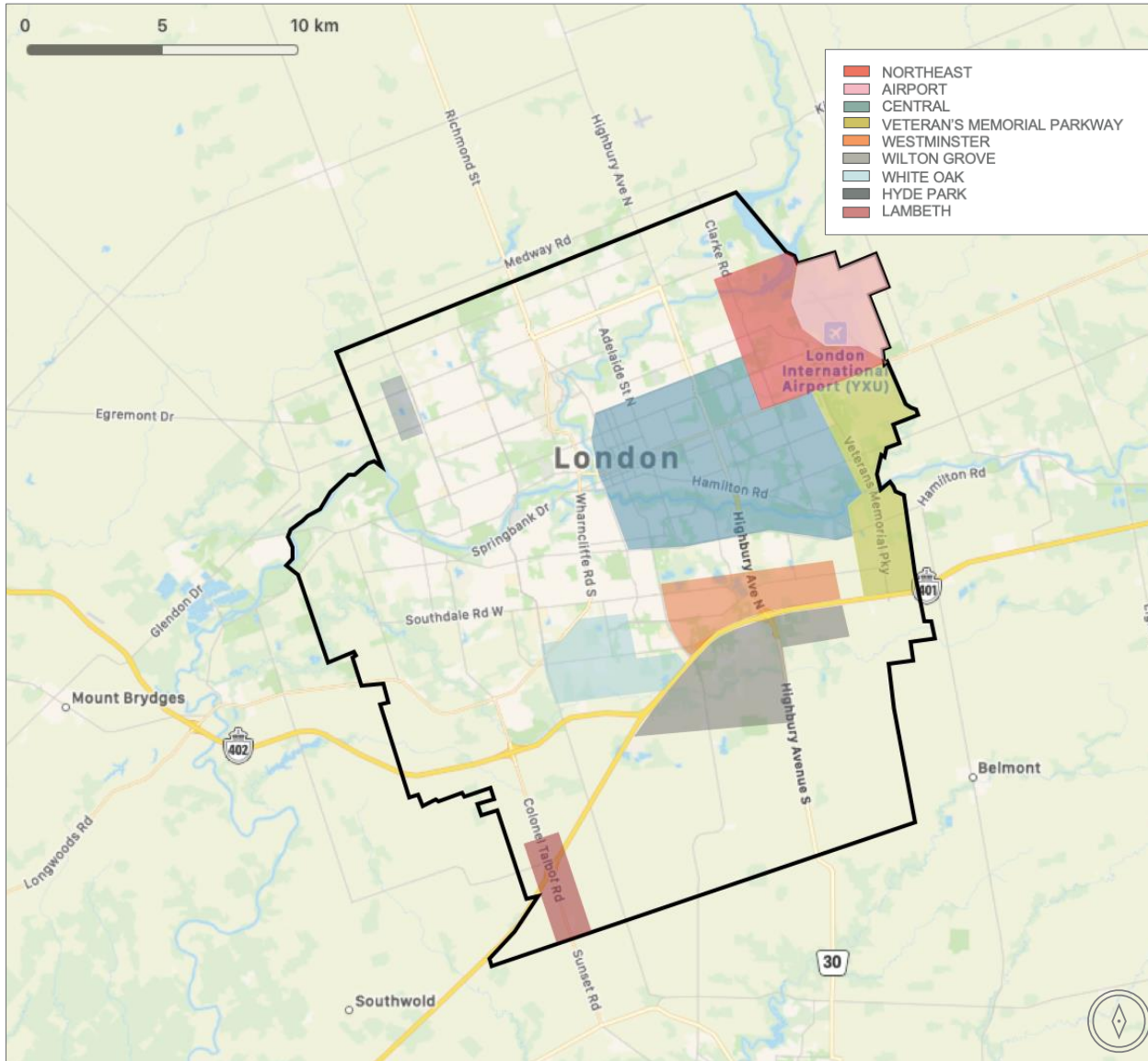
## KEY SALES TRANSACTIONS 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
1005 Wilton Grove Rd	Wilton Grove	1803299 Ontario Inc./Nobel REIT GP Inc.	335,000	\$166.55 PSF
2234 & 2290 Scanlan St	Veteran's Memorial Parkway	1803299 Ontario Inc./Nobel REIT GP Inc.	293,272	\$192.17 PSF
15745 Robin's Hill Rd	Northeast	9310924 Canada Inc./Nobel REIT GP Inc.	266,988	\$134.84 PSF
15600 Robin's Hill Rd	Northeast	Summit (15600 Robin's Hill Road) Ltd./Dream Summit Industrial (Ontario) Inc.	213,341	\$239.05 PSF

## KEY PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
1985 Gore Rd	Central	Old Navy	558,550	Dancor Construction Ltd.
585 Sovereign Rd	Veteran's Memorial Parkway	Equals Brewing	106,200	SWS Property Corp.
1285 Hubrey Rd	Wilton Grove	Undisclosed	96,875	Nexus REIT

## INDUSTRIAL SUB-AREAS



### LOCAL MARKET RESEARCH LEAD

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