

CITY OF LONDON

Industrial Q1 2024

1.6%
Vacancy Rate



126,894
Net Absorption, SF



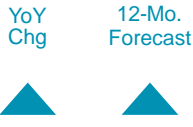
\$10.01
Net Asking Rent, PSF



* Statistics as of Q1 2024.

ECONOMIC INDICATORS Q1 2024

310.9
London
Employment



6.4%
London
Unemployment Rate



6.1%
Canada
Unemployment Rate



SOURCE: Statistics Canada. Labour force characteristics, three month moving average, seasonally adjusted. March 2024.

ECONOMY

London's unemployment rate increased by 80 basis points (bps) quarter-over-quarter (QOQ), rising from 5.6% in the fourth quarter of last year to 6.4% in the first quarter of 2024. After having increased for two consecutive quarters, total employment declined in the first quarter of 2024, falling from 313,600 to 310,900 jobs. Despite increased unemployment reported in the first quarter of this year, the local economy is relatively well-positioned for future growth, with a several notable investments in new or expanded operations that are planned, or already underway, in London and the surrounding area.

PRICING, SUPPLY AND DEMAND

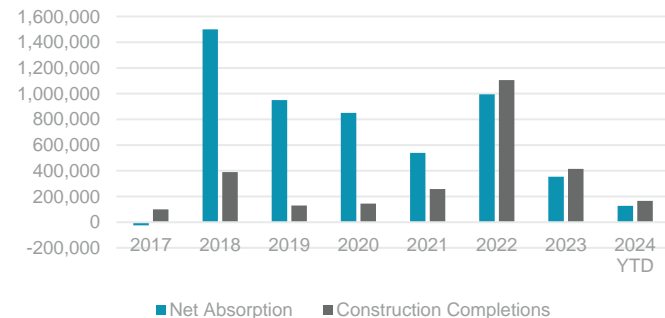
London's industrial market stabilized throughout 2023, following several consecutive years of unprecedented demand. Despite greater stability in the local market, overall demand for industrial space has remained strong to begin 2024. There was minimal change with respect to the local industrial vacancy rate, which increased by 10 bps from the previous quarter; rising to 1.6% in the first quarter of 2024.

The overall average net asking rate for industrial space in London declined by fifteen cents in the first quarter of 2024, falling from \$10.16 per square foot (psf) to \$10.01 psf QOQ. Although there is significant variation depending on location, zoning, building quality, land size and other factors, average industrial sale prices in the first quarter of 2024 remained just below the \$200 psf threshold. Real estate investments trusts (REITs) and other large investors have continued to show interest in London's industrial market in the first quarter of 2024 and have accounted for the majority of the largest sales transactions recorded over the past few months.

On a year-over-year basis, industrial absorption increased significantly in the first quarter of 2024, which can primarily be attributed to new construction space that was completed and absorbed. There was 165,285 sf of new industrial space completed in the first quarter of 2024 and there is an additional 807,423 sf actively under construction. Purpose-built facilities have accounted for the majority of recently completed and active industrial construction projects in the local market.

Throughout London the supply of vacant land designated and zoned for industrial use remained low in the first quarter of 2024, including both privately-owned and city-owned parcels. Despite the limited supply, there are a number of new industrial subdivisions planned to help address demand for vacant industrial land, including the Huron Industrial Park, as well as privately-owned industrial developments. 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 \$300,000 per acre, compared to privately owned lands in excess of \$500,000 per acre.

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	0	0.0%	3,200	3,200	0	n/a	n/a	n/a
Central	10,033,287	254,219	2.5%	-23,824	-23,824	558,550	\$9.11	\$3.26	\$12.37
Hyde Park	986,303	1,500	0.2%	7,620	7,620	0	\$13.00	\$7.50	\$20.50
Lambeth	291,222	0	0.0%	0	0	0	n/a	n/a	n/a
Northeast	8,528,162	155,507	1.8%	-26,122	-26,122	37,598	\$10.24	\$4.87	\$15.11
Veteran's Memorial Parkway	5,068,849	1,917	0.0%	153,998	153,998	70,000	\$9.50	\$7.25	\$16.75
Westminster	3,532,152	149,904	4.2%	-15,566	-15,566	44,400	\$9.74	\$4.71	\$14.46
White Oak	4,351,859	110,213	2.5%	21,554	21,554	0	\$11.97	\$4.42	\$16.39
Wilton Grove	8,345,041	15,840	0.2%	6,034	6,034	96,875	\$10.25	\$4.22	\$14.47
LONDON	42,000,895	689,100	1.6%	126,894	126,894	807,423	\$10.01	\$4.17	\$14.18

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

KEY LEASE TRANSACTIONS 2024

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
2146 Oxford St E	Northeast	Steris	24,085	Lease
3392 Wonderland Rd S	White Oak	n/a	14,260	Lease
639 Sovereign Rd	Veteran's Memorial Parkway	n/a	12,798	Lease

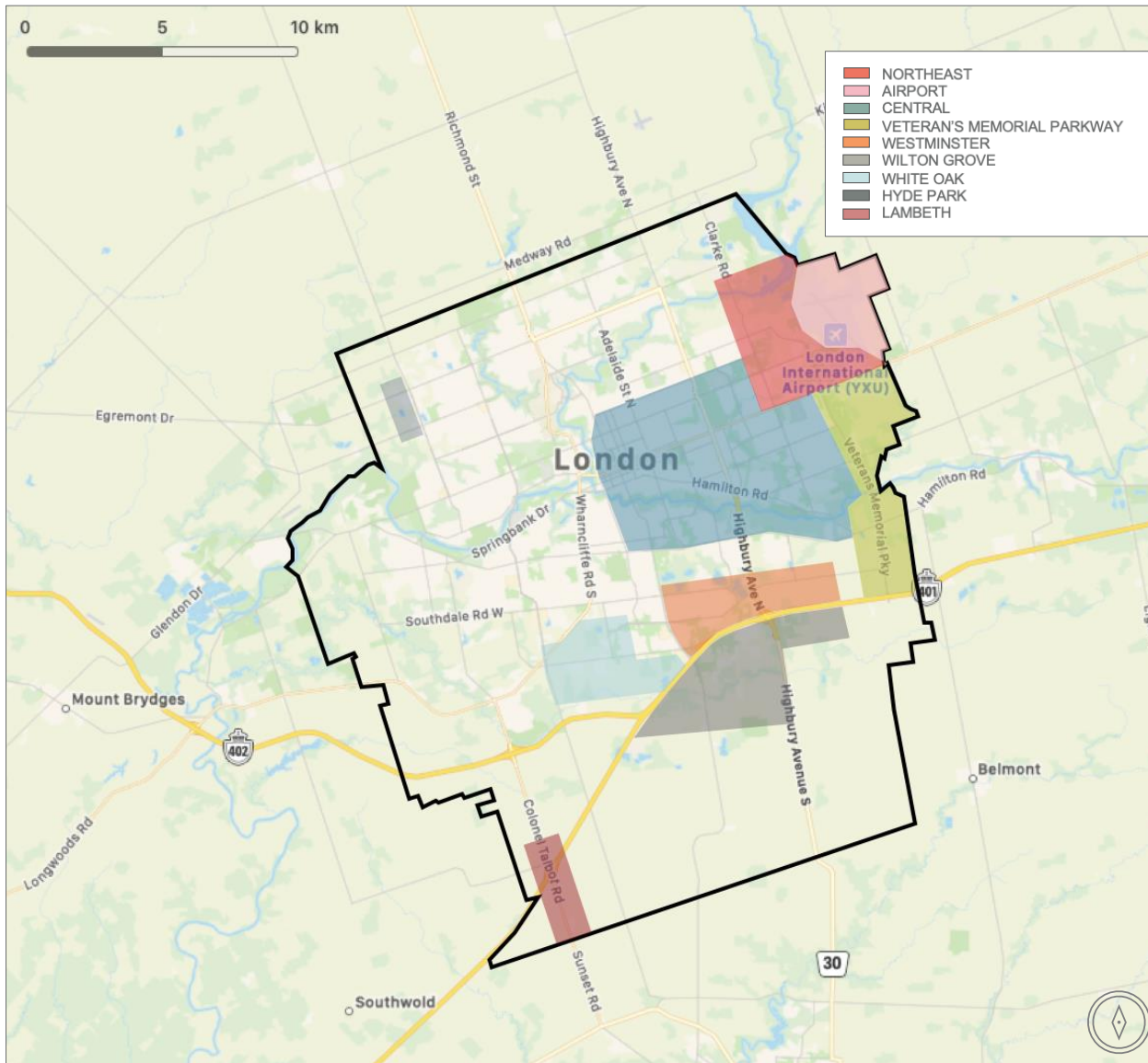
KEY SALES TRANSACTIONS 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
2800 Roxburgh Rd	Wilton Grove	PIRET (2800 Roxburgh Road) Holdings Inc. & BMO Life Assurance Company/ Fiera Real Estate Small Cap Industrial GP Inc.	99,910	\$161.15 PSF
4350 Castleton Rd	Wilton Grove	BMO Life Assurance Company/Fiera Real Estate Small Cap Industrial GP Inc.	99,287	\$152.09 PSF
3799 Commerce Rd	Wilton Grove	12 Swiftsure Court Inc./Sydenham Realty Inc.	55,326	\$97.60 PSF
126 Carke Rd	Central	Named Individuals/14912730 Canada Inc.	26,206	\$103.03 PSF

KEY PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
1985 Gore Rd	Central	Old Navy	558,550	Dancor Construction Ltd.
1285 Hubrey Rd	Wilton Grove	Undisclosed	96,875	Nexus REIT
406 Newbold St	Westminster	Centura	44,400	Centura

INDUSTRIAL SUB-AREAS



LOCAL MARKET RESEARCH LEAD

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