



	YoY Chg	12-Mo. Forecast
21.2% Vacancy Rate	▲	▬
-67,022 Net Absorption (SF)	▼	▼
\$13.46 Net Asking Rent (PSF)	▲	▬

(Overall, All Classes)

ECONOMIC INDICATORS Q1 2024

	YoY Chg	12-Mo. Forecast
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.

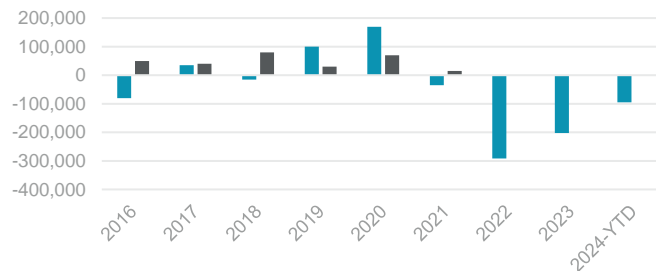
PRICING, SUPPLY AND DEMAND

London's downtown office market has continued to face challenges compared to the relative strength of the suburban office market, however, not all classes of office space have been impacted uniformly. Vacancy rates for Class A space in the downtown area remain high, but significantly lower than that of Class B and Class C space. This trend has been particularly evident in the downtown area, where there is a greater concentration of older office buildings that are becoming less desirable or functionally obsolete.

Leasing activity in London during the first quarter of 2024 outpaced that of the first quarter of last year. The overall office vacancy rate declined slightly to 21.2% in the first quarter of 2024, decreasing by 30 bps QOQ. This represents a decline in overall office vacancy for the second consecutive quarter, however, it is important to recognize that this decline can be attributed to the demolition of a large downtown office building (369 York Street), rather than a notable QOQ increase in office leasing activity or absorption. Although demand for suburban office space in London remains strong overall, negative absorption was recorded for both downtown and suburban locations in the first quarter of 2024.

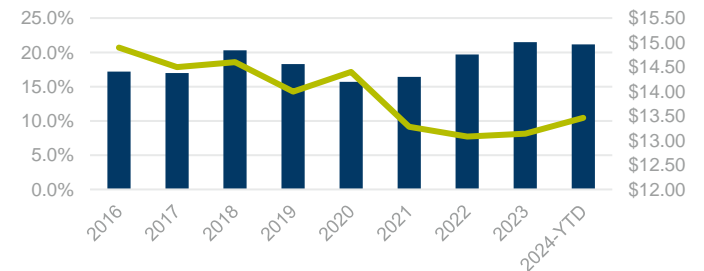
Average city-wide asking rents for office space in London increased by 42 cents per square foot (psf) in the first quarter, jumping from the \$13.14 psf average recorded for the fourth quarter of 2023. More recently constructed space in suburban locations, medical office space and downtown Class A space generally commands a premium compared to lower quality office space in the local market. Limited fluctuation is anticipated with respect to average net asking rates for office space in London throughout 2024.

SPACE DEMAND / DELIVERIES



■ Net Absorption ■ Construction Completions

OVERALL VACANCY & ASKING RENT



■ Vacancy Rate — Average Net Asking Rent (\$/PSF)



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	5,678,451	146,525	1,400,721	27.3%	-60,034	-60,034	71,965	0	\$13.14	\$12.47
A	1,907,072	70,295	299,900	19.4%	-8,061	-8,061	24,987	0	\$15.21	\$14.80
B	2,520,827	76,230	742,423	32.5%	-47,326	-47,326	44,242	0	\$12.63	\$12.85
C	1,250,552	0	358,398	28.7%	-4,647	-4,647	2,736	0	\$12.17	\$9.17
Suburban	2,408,879	33,117	131,059	6.8%	-6,988	-6,988	17,849	0	\$16.47	\$11.54
B	914,305	27,500	49,998	8.5%	1,065	1,065	1,065	0	\$20.87	\$9.82
C	1,494,574	5,617	81,061	5.8%	-8,053	-8,053	16,784	0	\$12.54	\$13.08
CITY OF LONDON TOTAL	8,087,330	179,642	1,531,780	21.2%	-67,022	-67,022	89,814	0	\$13.46	\$12.38

*Reflects properties actively marketed on the MLS

KEY LEASE TRANSACTIONS 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
140-148 Fullarton St & 465 Richmond St	Downtown	Confidential	12,648	Lease
220 Dundas Street	Downtown	Confidential	7,603	Lease
101 Cherryhill Blvd	Suburban	Confidential	2,350	Lease

KEY SALES TRANSACTIONS 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE (PSF)
170 Dundas St	Downtown	Farhi Holdings Corporation/166 Dundas St London Inc.	27,185	\$189.44
217 Wharnccliffe Rd S	Suburban	Koorakani Contracting Ltd./Truworth Associates Inc.	4,600	\$278.26
1057 Oxford St W	Suburban	Named Individual(s)/Named Individual(s)	3,650	\$386.85
6-575 Wharnccliffe Rd S	Suburban	R J Lyons Real Estate Appraisal Services Inc./Undisclosed	1,743	\$232.93

KEY PROJECTS UNDER CONSTRUCTION

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

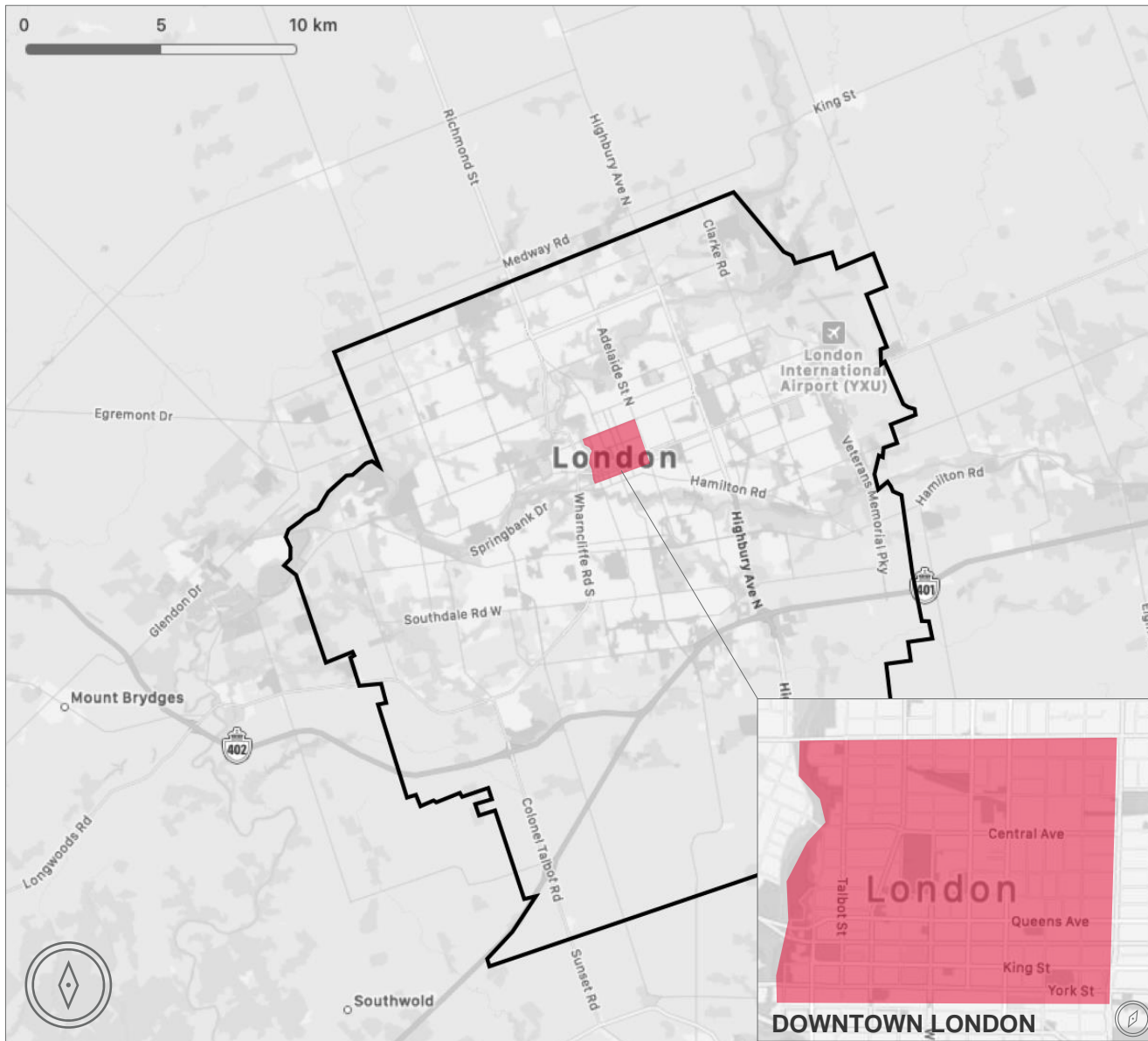
CITY OF LONDON

Office Q1 2024



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MAP



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