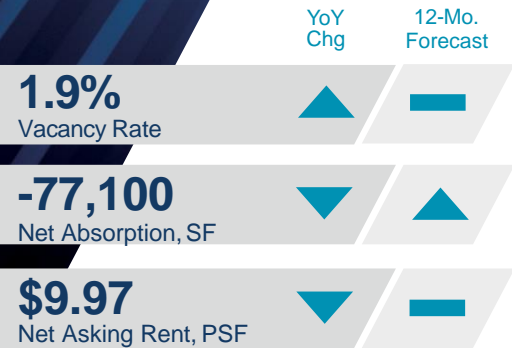


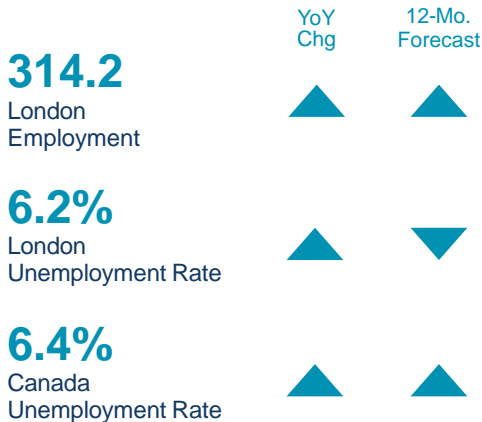
CITY OF LONDON

Industrial Q2 2024



* Statistics as of Q2 2024.

ECONOMIC INDICATORS Q2 2024



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

ECONOMY

After rising in the first quarter of 2024, London's unemployment rate declined by 20 basis points (bps), falling to 6.2% at the end of second quarter of 2024 and below the national unemployment rate of 6.4%. Despite the minor quarter-over-quarter (QOQ) decline, local employment levels fluctuated during the second quarter and many employment positions remain unfilled, particularly for healthcare, education and government services. Although short-term local growth prospects are modest, London continues to be well-positioned for long-term economic growth.

PRICING, SUPPLY AND DEMAND

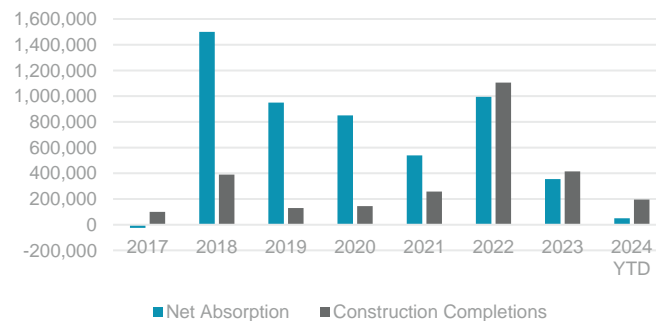
There has been greater stability and balance in London's industrial market during the first half of 2024. London remains among the strongest industrial markets in Canada, however, the extraordinary demand observed during the past 5+ years has levelled-off, continuing the trend seen over the past year. Absorption was negative and vacancy subsequently increased in the second quarter of 2024, rising by 30 bps QOQ to 1.9%. The volume of space available for sublease also increased in the second quarter of this year.

Despite the muted demand recorded in the second quarter, large transactions continued to close, including a 68,465- square foot (sf) property at 375 Exeter Road that was leased by Cushman & Wakefield SWO in June 2024. London's average net asking rate for industrial space remained steady in the second quarter of this year, declining by just four cents from last quarter to \$9.97 per square foot (psf). Average industrial sale prices exceeded the \$200 psf threshold in the second quarter of 2024, but overall remained relatively steady QOQ.

In a departure from the strong absorption figures recorded in the first quarter of this year, a result of the absorption of new supply, absorption was negative in the second quarter of 2024. There was 30,000 sf of new industrial space completed this quarter and there is an additional 820,587 sf actively under construction. This includes a 96,875-sf facility at 1285 Hubrey Road that is nearing completion and will be occupied beginning next quarter.

The supply of vacant land designated and zoned for industrial use remained scarce throughout the first half of 2024, regardless of whether it was privately-owned or city-owned parcels. There has continued to be a significant premium with respect to average sale prices for privately-owned industrial land in the second quarter of 2024; with privately owned lands often asking in excess of \$500,000 per acre, as opposed to city-owned lands generally asking close to \$300,000 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%	0	3,200	0	n/a	n/a	n/a
Central	10,032,366	249,113	2.5%	-4,544	-28,368	558,550	\$8.95	\$3.30	\$12.25
Hyde Park	986,303	21,334	2.2%	-19,834	-12,214	0	\$10.99	\$5.13	\$16.12
Lambeth	291,222	5,320	1.8%	-5,320	-5,320	0	n/a	n/a	n/a
Northeast	8,528,162	248,644	2.9%	-93,137	-119,259	37,598	\$9.76	\$4.15	\$13.92
Veteran's Memorial Parkway	5,098,849	27,895	0.5%	4,022	158,020	70,000	\$10.19	\$3.91	\$14.09
Westminster	3,532,152	116,027	3.3%	29,877	14,311	44,400	\$9.84	\$4.68	\$14.52
White Oak	4,351,859	96,044	2.2%	14,169	35,723	0	\$12.42	\$4.26	\$16.67
Wilton Grove	8,345,041	18,173	0.2%	-2,333	3,701	96,875	\$9.99	\$4.35	\$14.35
LONDON	42,029,974	782,550	1.9%	-77,100	49,794	807,423	\$9.97	\$3.98	\$13.96

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

KEY LEASE TRANSACTIONS 2024

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
375 Exeter Rd	White Oak	MetalCor Building Systems	68,465	Lease
2146 Oxford St E	Northeast	Steris	24,085	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
795 Wilton Grove Rd	Wilton Grove	Freightliner Properties Ltd./PTG Mississauga Enterprises Limited Partnership & PAG Commercial Vehicles Canada (GP) Ltd.	36,393	\$219.82 PSF

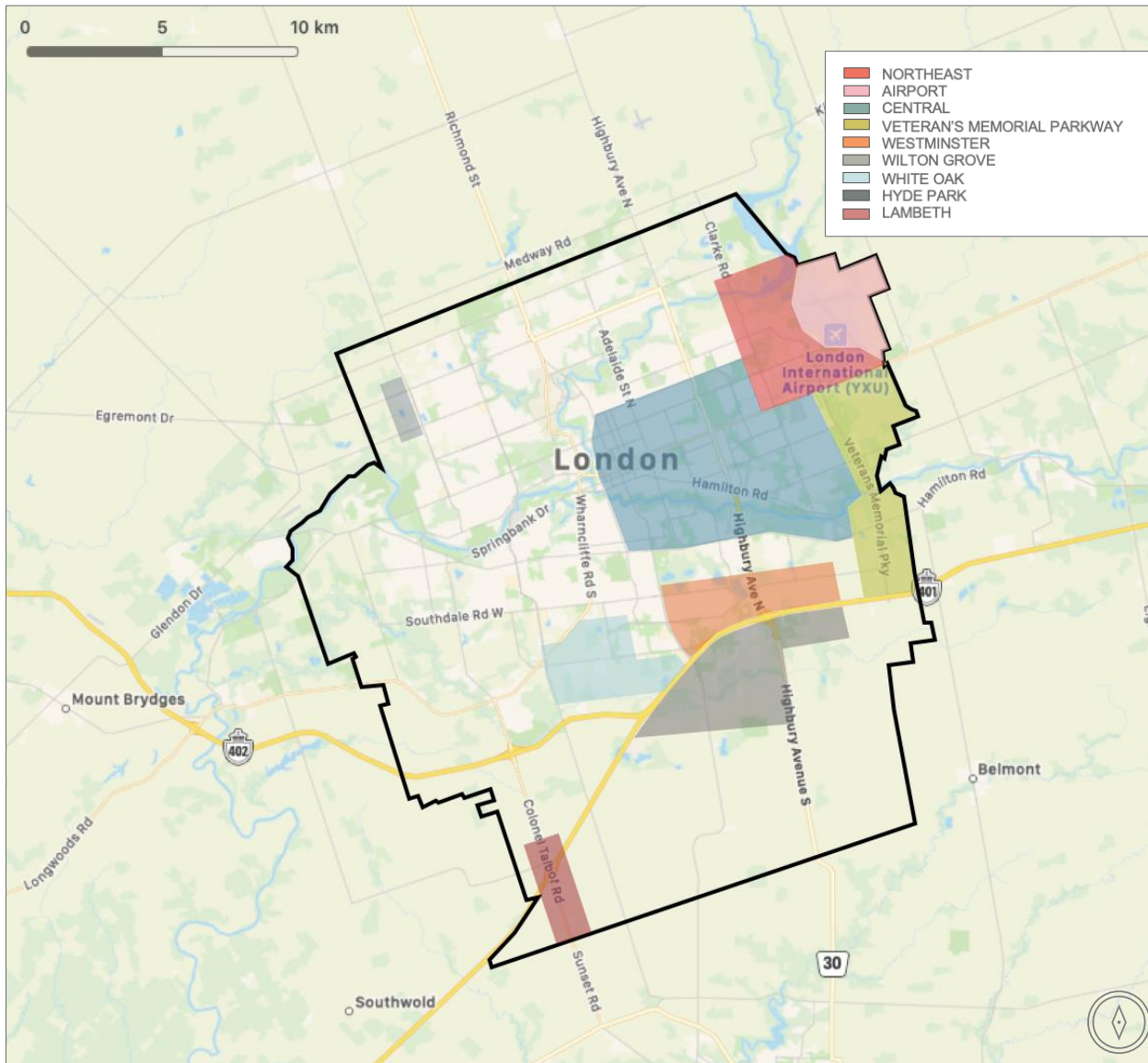
KEY PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
1985 Gore Rd	Central	Old Navy	558,550	Dancor Construction Ltd.
406 Newbold St	Westminster	Centura	44,400	Centura
3036 Page St	Northeast	Crawford Packaging	37,598	Covey Investments Inc.

CITY OF LONDON

Industrial Q2 2024

INDUSTRIAL SUB-AREAS



LOCAL MARKET RESEARCH LEAD

Michael Johnson

Sales Representative

Tel: +1 519 438 7325

michael.johnson@cushwakeswo.com

Cushman & Wakefield Southwestern Ontario is Independently Owned and Operated / A Member of the Cushman & Wakefield Alliance.

©2024 All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy. For information about our brokerage, please visit www.cushwakeswo.com.

About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.