

**MARKET FUNDAMENTALS**

	YOY Chg	12-Month Forecast
<b>21.7%</b> Vacancy Rate	▼	—
<b>-157,978</b> YTD Net Absorption, SF	▲	—
<b>\$13.38</b> Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▲	—

**ECONOMIC INDICATORS**

	YOY Chg	12-Month Forecast
<b>308.3</b> London Employment	▼	▲
<b>6.5%</b> London Unemployment Rate	▲	▼
<b>6.6%</b> Canada Unemployment Rate	▲	—

Source: Statistics Canada. Labour force characteristics, three month moving average, seasonally adjusted. August 2024.

**ECONOMY**

London's unemployment rate has exhibited minor fluctuations throughout the first three quarters of this year; rising in the first quarter of 2024, before falling in the second quarter of 2024 and then rising again in the third quarter of 2024. London's unemployment rate increased by 30 basis points (bps) quarter-over-quarter (QOQ) and has generally been trending upwards over the past year. Although London's unemployment rate remains below Ontario, it reached the highest level in the past year during the third quarter of 2024. Recent cuts to the Bank of Canada's key lending rate have yet to yield notable impacts for the local market.

**SUPPLY AND DEMAND**

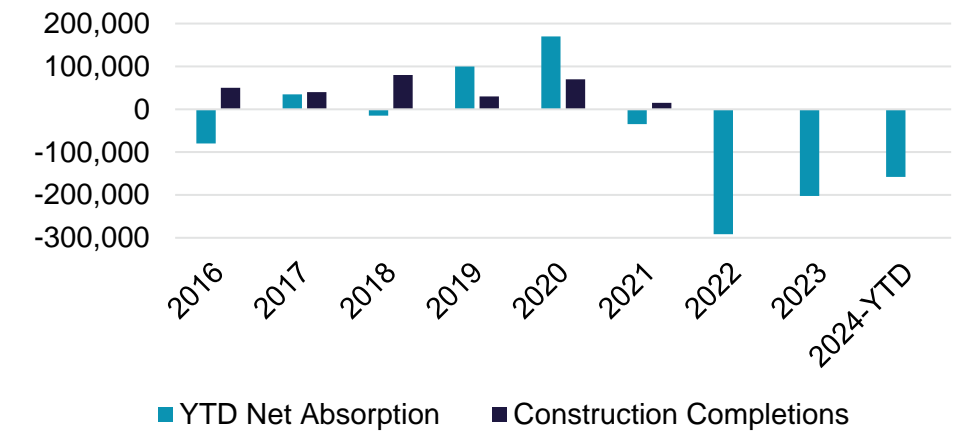
In the third quarter of 2024, London had among the highest downtown office vacancy rates in Canada, at almost 30%. The shift to hybrid work arrangements, tenants downsizing, large inventory of older/less functional buildings, and social issues are examples of the multifaceted challenges impacting the downtown office market. While London's downtown market has struggled, the suburban market has remained healthy, creating a substantial divergence between suburban and downtown office vacancy rates which continued in Q3 2024.

Recognizing the tempered demand for office space and high overall vacancy, there was no office space suburban actively under construction in London in the third quarter of 2024.

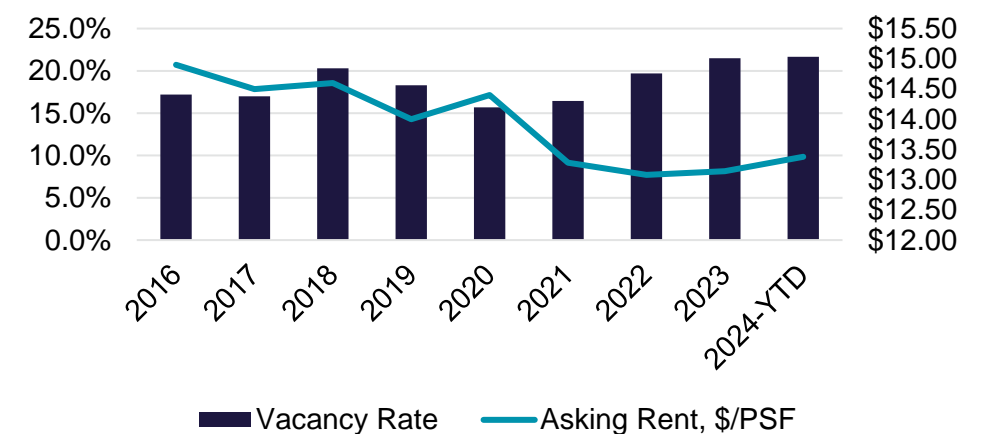
**PRICING**

The average city-wide asking net rent for the third quarter of 2024 was \$13.38 per square foot (psf) and \$24.91 psf overall. There has been minimal change in average asking rents for office space in London during the past year, which is expected to continue over the short-term. Office sales transactions have varied significantly depending on location, quality, tenant mix, etc.; with recent transactions as low as \$105 psf and as high as \$365 psf.

**SPACE DEMAND / DELIVERIES**



**OVERALL VACANCY & ASKING RENT**



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
A	1,907,072	53,190	353,439	21.3%	3,278	-43,871	69,506	0	\$29.49	\$29.49
B	2,430,827	9,276	801,670	33.4%	8,973	-83,622	142,365	0	\$24.05	n/a
C	1,267,543	0	388,761	30.7%	-9,846	-23,493	39,538	0	\$21.29	n/a
DOWNTOWN SUBTOTALS	5,605,442	62,466	1,543,870	28.7%	2,405	-150,986	251,409	0	\$24.76	n/a
B	944,305	27,500	52,346	8.5%	-1,600	-28,783	16,956	0	\$27.71	n/a
C	1,494,574	0	56,834	3.8%	7,302	21,791	70,420	0	\$25.27	n/a
SUBURBAN TOTALS	2,438,879	27,500	109,180	5.6%	5,702	-6,992	87,376	0	\$26.70	n/a
<b>LONDON TOTALS</b>	<b>8,044,321</b>	<b>89,966</b>	<b>1,653,050</b>	<b>21.7%</b>	<b>8,107</b>	<b>-157,978</b>	<b>338,785</b>	<b>0</b>	<b>\$24.91</b>	<b>\$29.49</b>

\*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS YTD 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
355 Wellington Street	Downtown	Digital Extremes	70,000	Renewal*
255 Queens Avenue	Downtown	Gallagher	17,729	Lease
140-148 Fullarton Street	Downtown	Confidential	12,648	Lease
1100 Dearness Avenue	Suburban	Confidential	6,514	Lease

\*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS YTD 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE/\$PSF
170 Dundas Street	Downtown	Farhi Holdings Corporation/166 Dundas St London Inc.	27,185	\$5,150,000 / \$189.44
510 Southdale Road E	Suburban	Nixon Healthcare Ltd./13424375 Canada Inc.	24,150	\$8,765,000 / \$362.94
376 Richmond Street	Downtown	Ontario Superior Court of Justice/15856281 Canada Inc.	14,082	\$1,500,000 / \$106.52
392 Colborne Street	Downtown	2117846 Ontario Inc./Confidential	4,578	\$825,000 / \$180.21

KEY CONSTRUCTION COMPLETIONS YTD 2024

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

OFFICE SUBMARKETS



**MICHAEL JOHNSON**

*Sales Representative*

Tel: +1 519 438 7325

[michael.johnson@cushwakeswo.com](mailto:michael.johnson@cushwakeswo.com)

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