MARKETBEAT

LONDON

INDUSTRIAL Q4 2025



CUSHMAN & WAKEFIELD
Southwestern Ontario

MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.6% Vacancy Rate	▲	▼
-182,873 YTD Net Absorption, SF	▲	–
$11.12 Asking Rent, PSF *(Overall, Net Asking Rent)*	▲	▼

ECONOMIC INDICATORS

	YOY Chg	Outlook
333K London Employment	▲	–
7.0% London Unemployment Rate	–	–
6.5% Canada Unemployment Rate	▼	▲

Source: Statistics Canada. Labour force characteristics, three month moving average, seasonally adjusted. November 2025.

ECONOMY

The local unemployment rate jumped by 90 basis points (bps) quarter-over-quarter (QOQ), rising to 7.0% in the fourth quarter of 2025. While the unemployment rate climbed, total employment also increased in the fourth quarter of 2025, rising to 332,700 jobs, which also represents a year-over-year (YOY) gain.

While stable economic growth had been forecasted for the local economy going forward, more recent reports from the Conference Board of Canada have indicated that local economic growth is likely to be sluggish over the next couple of years, before accelerating and returning to more stable growth towards the end of 2027. The ongoing development of the PowerCo battery plant in St. Thomas is expected to be a key economic driver that helps to bolster the local economy despite continued tariff-related headwinds.

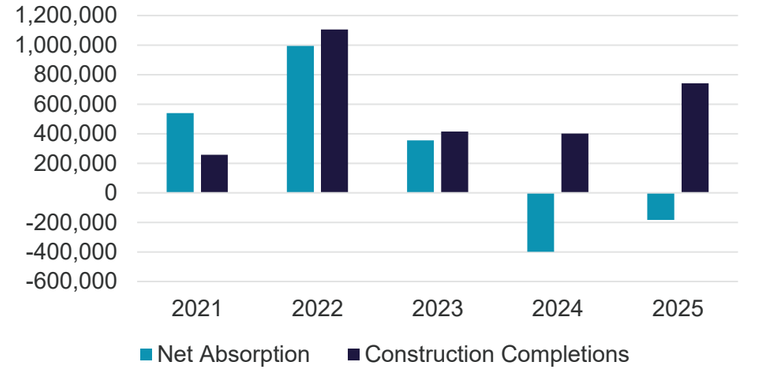
SUPPLY AND DEMAND

Fluctuation in London's overall industrial vacancy rate continued in the fourth quarter of 2025, jumping to 4.6% after having fallen in the previous quarter. The city-wide industrial vacancy rate increased YOY, reflecting the trend towards greater stability and a more balanced market dynamic. There are a number of ongoing construction projects underway, most of which are concentrated along the Veteran's Memorial Parkway corridor and will help to boost future absorption. Interest from tenants seeking large footprints in the local market has been increasing recently boosting demand.

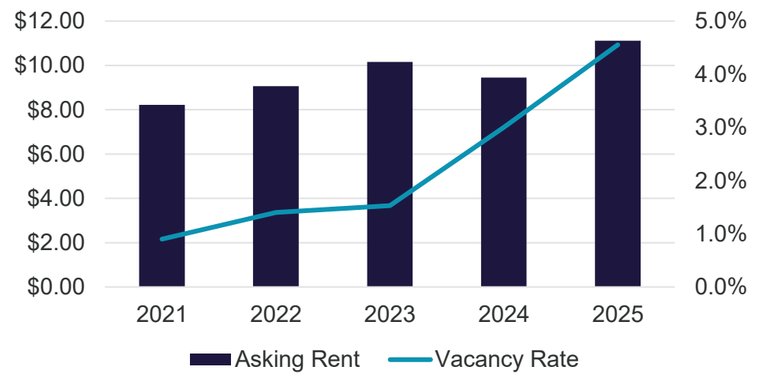
PRICING

There was a modest QOQ increase for the city-wide average net asking rate for industrial space in London, rising to $11.12 per square foot (psf) in the fourth quarter of 2025. There are a handful of larger properties listed at premium lease rates (e.g. $12+ psf), which is driving up the city-wide average net asking rate. In general, more landlords continue to be motivated to offer incentives to attract high-quality tenants. The average sale prices for industrial buildings and land have generally stabilized and actually declined modestly during the past year, however they remain well above average prices from five years ago. Minimal change is expected for the average net asking rates and sales prices in the local industrial market going into 2026.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CNSTR COMPLETIONS (SF)	WEIGHTED AVERAGE NET ASKING RENT*	WEIGHTED AVERAGE ADDITIONAL RENT	OVERALL WEIGHTED AVERAGE GROSS RENT
Airport	864,020	0	0.0%	0	0	0	0	n/a	n/a	n/a
Central	9,845,679	498,076	5.1%	-287,677	363,069	0	0	$10.36	$3.84	$14.21
Hyde Park	988,789	41,221	4.2%	1,849	3,823	0	0	$12.81	$6.20	$19.01
Lambeth	291,222	5,320	1.8%	0	0	0	0	n/a	n/a	n/a
Northeast	8,772,850	403,430	4.6%	-43,006	-141,807	123,420	29,848	$10.75	$3.79	$14.55
Veteran's Memorial Parkway	5,206,378	149,062	2.9%	-63,707	12,069	564,759	16,000	$11.62	$3.98	$15.60
Westminster	3,620,396	173,205	4.8%	105,585	87,200	0	0	$10.01	$4.42	$14.43
White Oak	4,398,427	95,145	2.2%	2,198	2,934	0	0	$11.14	$4.70	$15.84
Wilton Grove	8,461,598	567,610	6.7%	-8,493	-510,161	0	0	$12.07	$3.94	$16.01
LONDON	**42,449,359**	**1,933,069**	**4.6%**	**-293,251**	**-182,873**	**688,179**	**45,848**	**$11.12**	**$4.03**	**$15.15**

**Rental rates reflect weighted net asking $psf/year; 5,320 sf of vacant space in Lambeth is listed for sale only*

KEY LEASE TRANSACTIONS 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
847 Highbury Ave N	Central	Blackfly Beverage Company	331,906	Extension + Lease
360 Exeter Rd	White Oak	MetalCor Building Systems	49,653	Lease
2455 Innovation Dr	Veteran’s Memorial Parkway	Confidential	48,750	Sublease

**Renewals not included in leasing statistics*

KEY SALE TRANSACTIONS 2025

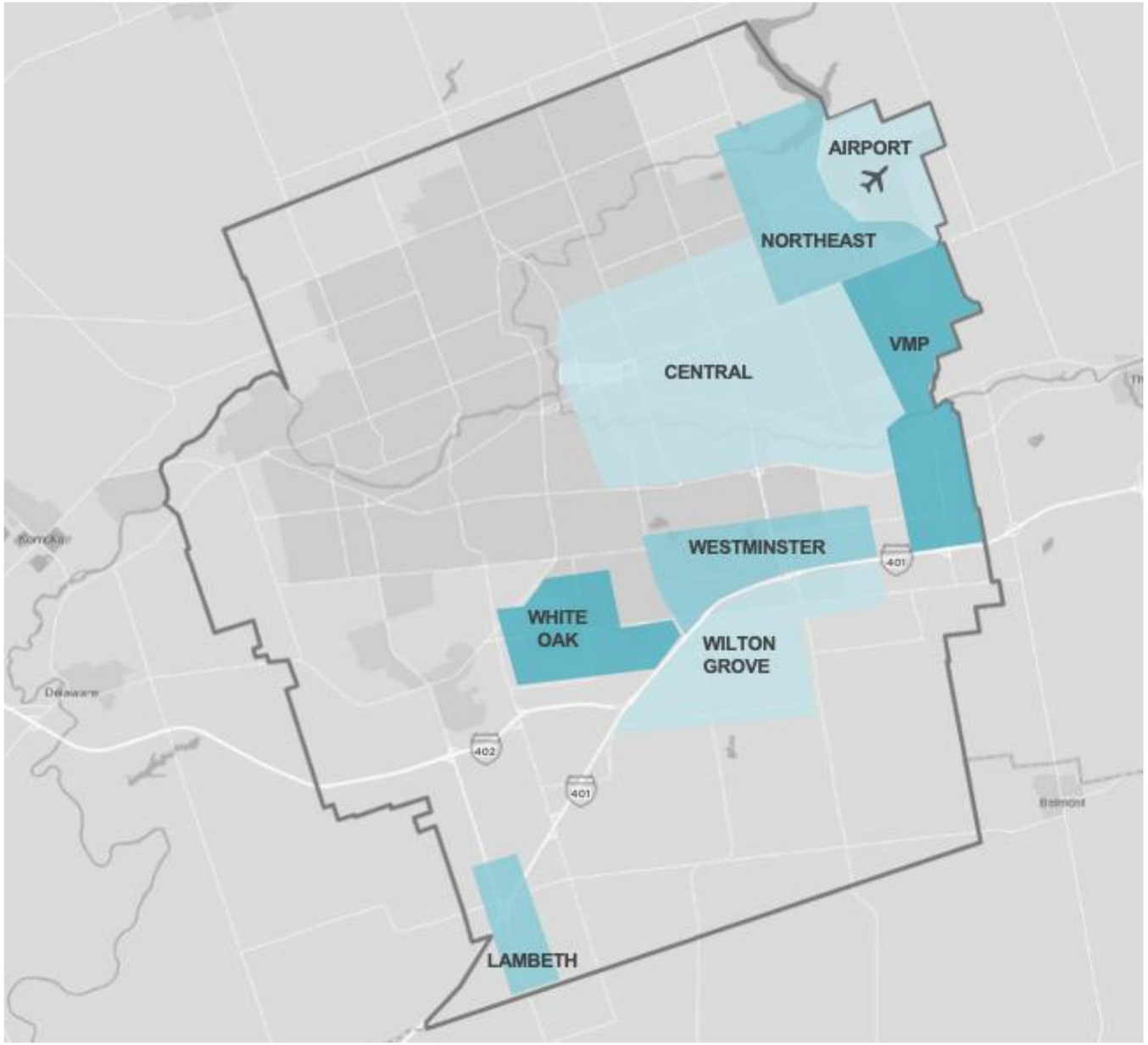
PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
3392 Wonderland Rd	White Oak	Wonderland Business Centre Inc./Bluestone Properties Inc.	165,468	$33,275,00 / $201.10
2450 Innovation Drive	Veteran’s Memorial Parkway	11850407 Canada Inc./Halali Group Holdings Ltd.	100,000	$1,755,000 / $117.55
405 Exeter Rd	White Oak	9593998 Ontario Limited/Bluestone Properties Inc.	62,000	$8,750,000 / $141.13
234 Exeter Rd	White Oak	1173735 Ontario Limited/234 Exeter Inc.	50,500	$6,500,000 / $128.71
2485 Innovation Drive	Veteran’s Memorial Parkway	2448622 Ontario Corp./Armano Group Inc.	30,200	$6,900,000 / $228.48

KEY CONSTRUCTION COMPLETIONS 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
1985 Gore Rd	Veteran’s Memorial Parkway	Old Navy	558,550	Old Navy (Canada) Inc.
2615 Innovation Dr	Veteran’s Memorial Parkway	Andriani	61,225	Andriani Ltd.
1061 Hargrieve Rd	Westminster	MTE Consultants	43,164	1061 Hargrieve Road Holdings Inc.

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INDUSTRIAL SUBMARKETS



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