MARKETBEAT LONDON
OFFICE Q1 2026

CUSHMAN & WAKEFIELD
Southwestern Ontario

MARKET FUNDAMENTALS

	YOY Chg	Outlook
20.0% Vacancy Rate	▼	—
-55,353 YTD Net Absorption, SF	▼	—
$13.68 Asking Rent, PSF	▲	—

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
323K London Employment	▼	—
8.8% London Unemployment Rate	▲	—
6.7% Canada Unemployment Rate	▲	▲

Source: Statistics Canada. Labour force characteristics, three month moving average, seasonally adjusted. February 2026.

ECONOMY

The local unemployment rate jumped by 180 basis points (bps) quarter-over-quarter (QOQ), rising to 8.8% in the first quarter of 2026. Despite some economic momentum and several notable planned investments including the ongoing development of the PowerCo battery plant in St. Thomas and the recent announcement of a new defence contract for expanded munitions production in Ingersoll, key economic indicators have taken a turn for the worse to begin 2026. Not only did the unemployment rate jump significantly and diverge from the national and provincial averages, total employment decreased in the first quarter of 2026, falling to 323,300 jobs, which also represents a year-over-year (YOY) decline. These key economic indicators align with the Conference Board of Canada outlook that forecasts sluggish economic growth over the next couple of years, before a return to greater stability towards the end of 2027.

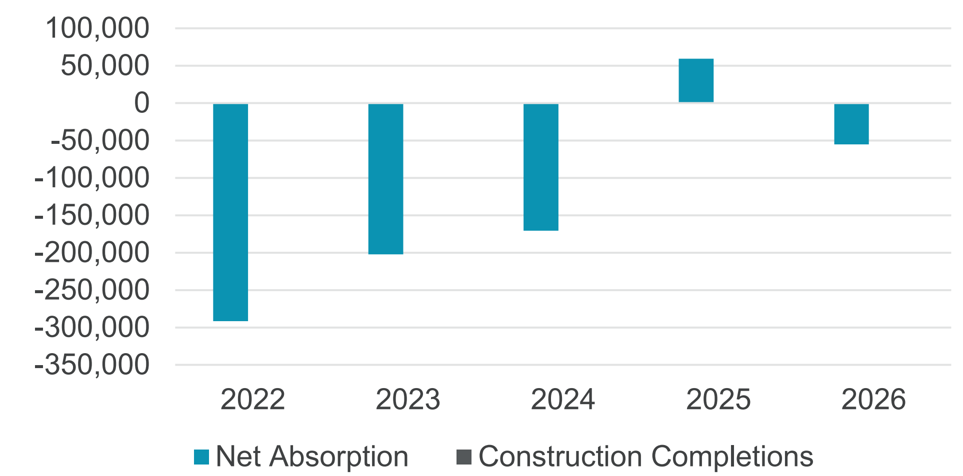
SUPPLY AND DEMAND

London's city-wide office vacancy rate was 20.0% in the first quarter of 2026, which represents an increase of 60 bps from the previous quarter. Downtown office vacancy remains but has stabilized after peaking in 2024. There is generally greater optimism for the office market due in part to the implementation of back-to-office policies being employed by both public and private sector organizations (e.g. TD Bank at London City Centre). Negligible change in the city-wide office vacancy rate is anticipated through the remainder of 2026.

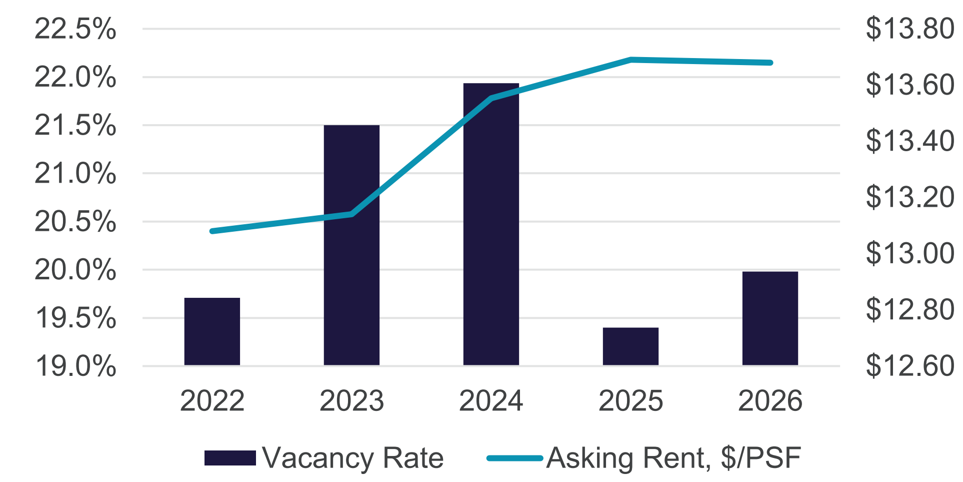
PRICING

The overall average city-wide net asking rate was effectively unchanged QOQ, landing at $13.68 per square foot (psf) in the first quarter of 2026. The overall gross asking rate also declined marginally in the first quarter of 2026, falling to $26.07 psf. Office sales activity was minimal in the first quarter of 2026, with the most notable trade reported at a price of $212.50 psf. Key factors dictating prices and lease rates for office transactions throughout London include location, construction quality, type of finishes, tenant mix, and broader market conditions. Minimal changes are expected for average asking rents and sales prices for London through the remainder of 2026.

SPACE DEMAND & DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET 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 NET RENT (ALL CLASSES)	OVERALL AVG ADDITIONAL RENT (ALL CLASSES)
Downtown	**5,356,757**	**56,674**	**1,426,431**	**27.7%**	**-84,866**	**-84,866**	**43,217**	**0**	**$13.60**	**$12.37**
A	1,907,072	0	453,561	23.8%	**-90,269**	-90,269	11,660	0	**$15.93**	**$14.96**
B	2,205,161	51,061	672,549	32.8%	**-6,331**	-6,331	14,760	0	**$12.90**	**$11.92**
C	1,244,524	5,613	300,321	24.6%	**11,734**	11,734	16,797	0	**$11.80**	**$9.58**
Suburban	**2,405,511**	**2,311**	**65,581**	**2.8%**	**29,513**	**29,513**	**44,625**	**0**	**$15.48**	**$12.96**
B	910,937	2,311	13,950	1.8%	**25,496**	25,496	34,250	0	**$23.66**	**$8.28**
C	1,494,574	0	51,631	3.5%	**4,017**	4,017	10,375	0	**$12.90**	**$14.43**
CITY OF LONDON TOTAL	**7,762,268**	**58,985**	**1,492,012**	**20.0%**	**-55,353**	**-55,353**	**87,842**	**0**	**$13.68**	**$12.39**

KEY LEASE TRANSACTIONS 2026 YTD

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
255 Queens Ave	Downtown	Aviva	11,210	Renewal
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1100 Dearness Dr	Suburban	Confidential (Union Office)	8,000	Lease

**Renewals not included in leasing statistics*

KEY SALE TRANSACTIONS 2026 YTD

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
1695 Wonderland Rd N	Suburban	Al Faez Real Estate Corp./1000826194	32,000	$6,800,000 / $212.50
392-396 Clarence St	Downtown	1390795 Ontario Inc./1301309 Ontario Inc.	10,386	$970,000 / $93.39

KEY CONSTRUCTION COMPLETIONS 2026 YTD

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
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

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