MARKETBEAT
# LONDON
## INDUSTRIAL Q2 2026

CUSHMAN & WAKEFIELD
Southwestern Ontario

### MARKET FUNDAMENTALS

| | YOY Chg | Outlook |
|---|---|---|
| **5.0%** Vacancy Rate | ▲ | — |
| **77,183** YTD Net Absorption, SF | ▲ | — |
| **$10.89** Asking Rent, PSF | ▲ | ▼ |

*(Overall, Net Asking Rent)*

### ECONOMIC INDICATORS

| | YOY Chg | Outlook |
|---|---|---|
| **318K** London Employment | ▼ | ▲ |
| **8.7%** London Unemployment Rate | ▲ | ▲ |
| **6.6%** Canada Unemployment Rate | ▼ | ▲ |

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

### ECONOMY

The local unemployment rate dropped by 10 basis points (bps) quarter-over-quarter (QOQ), falling to 8.7% in the second quarter of 2026. Despite this modest decline the local unemployment rate remains significantly higher than the national average and among the highest in Canada. The slight QOQ decline in unemployment can be attributed primarily to a shrinking workforce in the second quarter of 2026, rather than increasing employment. These key indicators reflect a weak labour market locally that is expected to remain sluggish throughout the remainder of 2026. Despite strong economic performance throughout much of last year, the local outlook has shifted, and the Conference Board of Canada is forecasting muted economic growth over the next couple of years, before a return to greater stability towards the end of 2027.

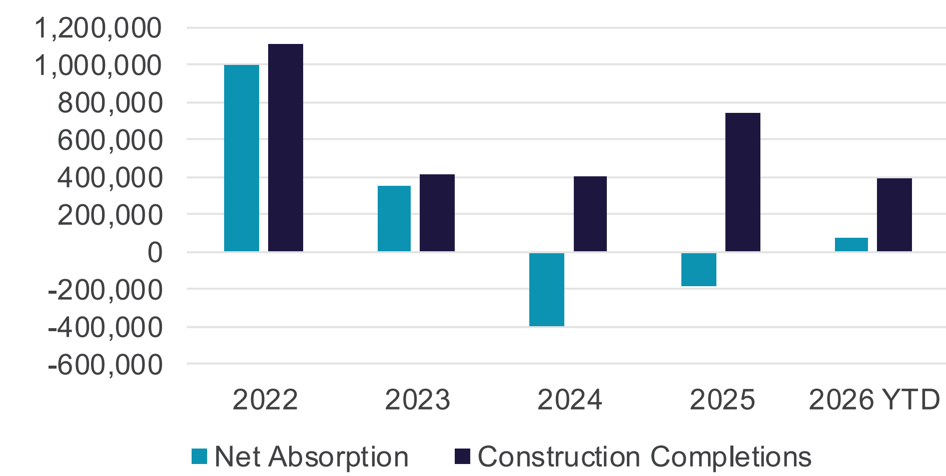
### SUPPLY AND DEMAND

London's overall industrial vacancy rate remained relatively steady at 5.0% for the second quarter of 2026, reflecting more balanced market conditions. While the industrial market remains healthy overall, absorption has been slowing. Both industrial tenants and buyers have more options available to choose from and properties more frequently remain on the market for longer in comparison to previous years. Construction activity has been a key factoring helping to supplement absorption to-date in 2026.

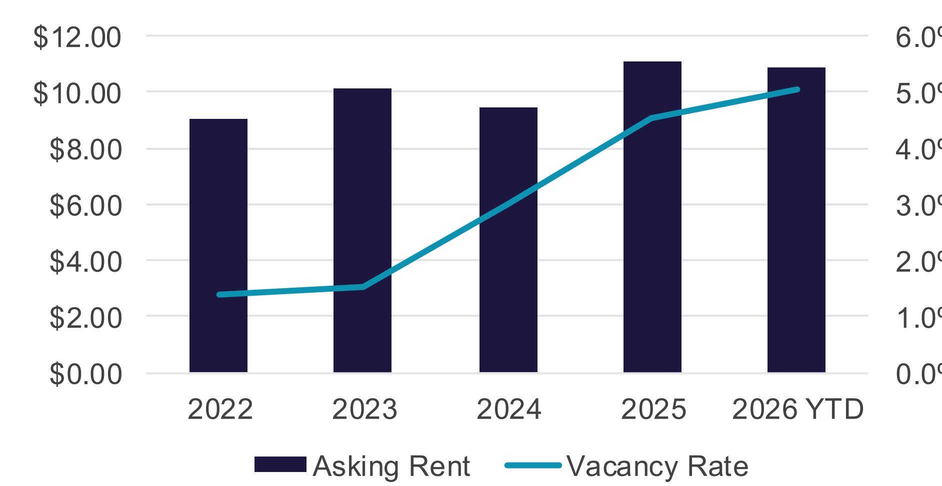
### PRICING

The city-wide average net asking rate for industrial space declined again slightly QOQ, falling by 11 cents to $10.89 per square foot (psf) in the second quarter of 2026. While the average net asking rate remains above the $10.00 psf threshold, due to a handful of larger properties listed at premium lease rates (e.g. $12+ psf), some landlords have begun to market space at rates below $10.00 psf. With greater market balance and availability of space locally, landlords have a greater willingness to offer various leasing incentives to secure high-quality long-term tenants. In general, average net asking rates and sales prices are not expected to change significantly through the remainder of 2026.

### SPACE DEMAND / DELIVERIES




### OVERALL VACANCY & ASKING RENT



## 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 | 9,843,809 | 523,834 | 5.3% | -17,052 | -31,828 | 39,041 | 0 | $10.20 | $3.92 | $14.12 |
| Hyde Park | 817,338 | 31,837 | 3.9% | 1,204 | 9,384 | 0 | 0 | $12.47 | $6.14 | $18.61 |
| Lambeth | 291,222 | 5,320 | 1.8% | 0 | 0 | 0 | 0 | n/a | n/a | n/a |
| Northeast | 8,973,826 | 363,030 | 4.0% | 39,908 | -22,300 | 221,420 | 0 | $10.05 | $3.66 | $13.72 |
| Veteran's Memorial Parkway | 5,605,725 | 153,176 | 2.7% | 345,063 | 374,079 | 566,939 | 366,000 | $11.62 | $4.04 | $15.66 |
| Westminster | 3,623,096 | 241,188 | 6.7% | 28,171 | -67,983 | 0 | 0 | $9.57 | $3.40 | $12.97 |
| White Oak | 4,398,427 | 125,237 | 2.8% | 10,236 | -30,092 | 0 | 0 | $11.56 | $4.92 | $16.48 |
| Wilton Grove | 8,462,046 | 721,687 | 8.5% | -24,897 | -154,077 | 0 | 0 | $11.94 | $3.85 | $15.78 |
| **LONDON** | **42,879,509** | **2,165,309** | **5.0%** | **382,633** | **77,183** | **827,400** | **366,000** | **$10.89** | **$3.89** | **$14.78** |

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

## KEY LEASE TRANSACTIONS 2026 YTD

| PROPERTY | SUBMARKET | TENANT | SF | TYPE* |
|---|---|---|---|---|
| 1015 Green Valley Rd | Wilton Grove | Confidential | 32,125 | Lease |
| 3 Buchanan Crt | Westminster | Confidential | 18,879 | Lease |
| 980 Adelaide St S | Westminster | Confidential | 15,284 | Lease |
| 1095 Wilton Grove Rd | Wilton Grove | Confidential | 14,107 | Lease |

*Renewals not included in leasing statistics*

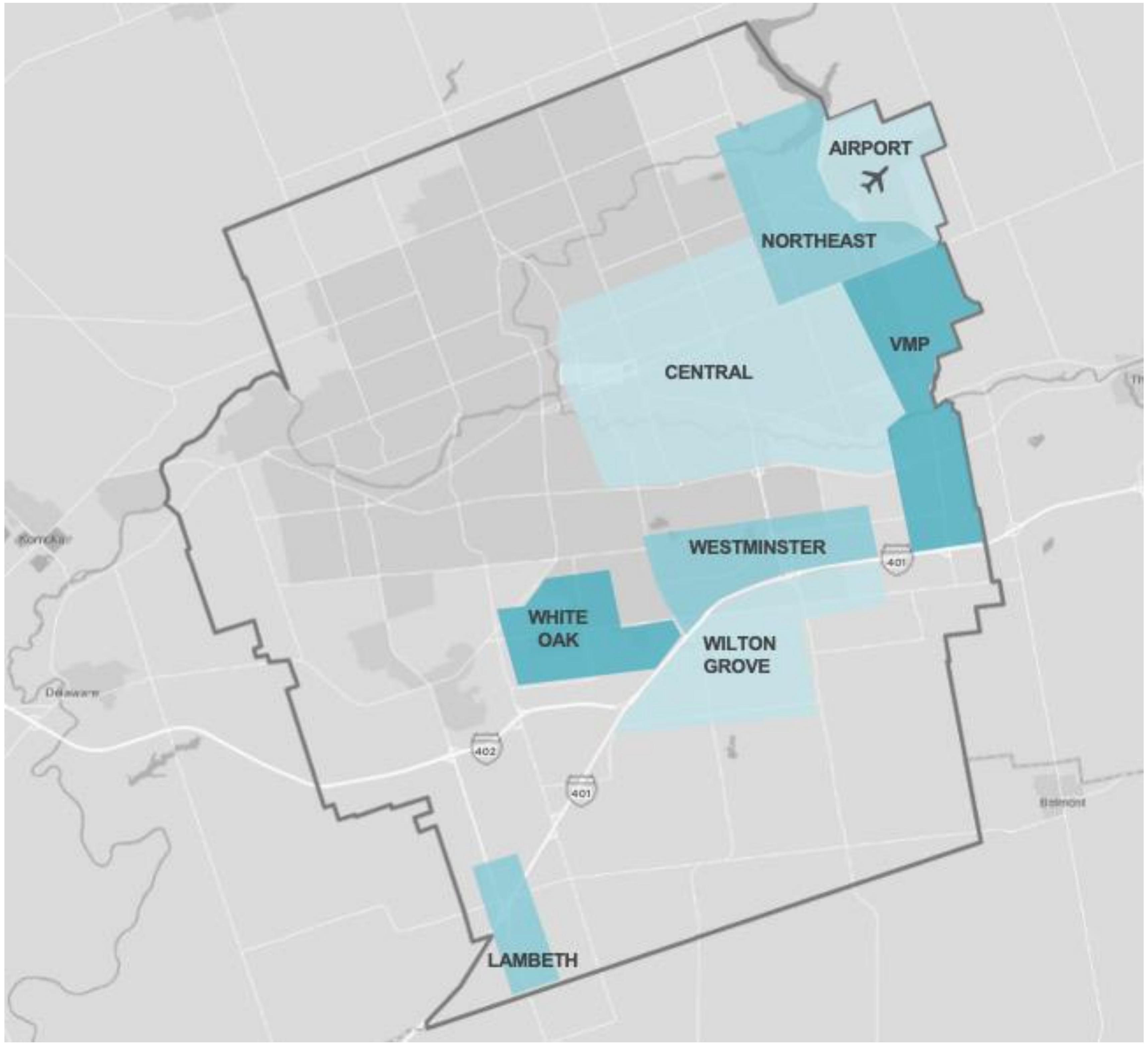
## KEY SALE TRANSACTIONS 2026 YTD

| PROPERTY | SUBMARKET | SELLER/BUYER | SF | PRICE / $ PSF |
|---|---|---|---|---|
| 1881 Huron St | Northeast | Militex Coatings Inc./1253645 Ontario Limited | 92,011 | $14,000,000 / $152 |
| 944 Leathorne St | Central | Syvan Developments Limited/Bishop Street Property Corporation | 36,505 | $4,350,000 / $119 |
| 900 Wilton Grove Rd | Wilton Grove | HD Cambridge-London Operating inc./770 Pacific Road Inc. | 24,026 | $6,575,000 / $274 |
| 563 Clarke Rd | Northeast | 2743265 Ontario Inc./1001556929 Ontario Inc. | 23,371 | $3,500,000 / $150 |

## KEY CONSTRUCTION COMPLETIONS 2026 YTD

| PROPERTY | SUBMARKET | MAJOR TENANT | SF | OWNER/DEVELOPER |
|---|---|---|---|---|
| 2300 Discovery Dr | Veteran’s Memorial Parkway | Cardiff Products Corporation | 260,000 | Cardiff Products Corporation |
| 2415 Innovation Dr | Veteran’s Memorial Parkway | Skyview Windows | 106,000 | 2415 Innovation Inc. |
| 2560 Boyd Crt | Veteran’s Memorial Parkway | J-Tech Design | 30,000 | 1666042 Ontario Inc. |

## INDUSTRIAL SUBMARKETS

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