MARKETBEAT
LONDON
OFFICE Q2 2026

CUSHMAN & WAKEFIELD
Southwestern Ontario

MARKET FUNDAMENTALS

	YOY Chg	Outlook
20.6% Vacancy Rate	▼	—
-101,488 YTD Net Absorption, SF	▼	—
$13.77 Asking Net Rent, PSF	▲	—

(Overall, All Property Classes)

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.

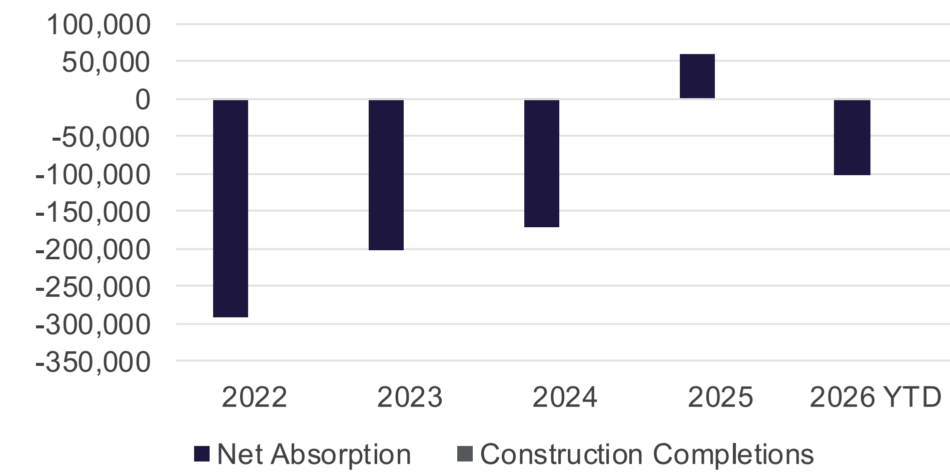
SUPPLY AND DEMAND

London's city-wide office vacancy rate increased by 60 bps QOQ, rising to 20.6% in the second quarter of 2026. There continues to strong demand from office tenants seeking opportunities to lease in suburban locations as an alternative to the downtown area, including a number of AAA companies actively in the market for new office space. Although rising downtown office vacancy has generally stabilized, there continues to be challenges in attracting/retaining high-quality tenants in the downtown area. Minimal change in the city-wide office vacancy rate is anticipated through the remainder of 2026.

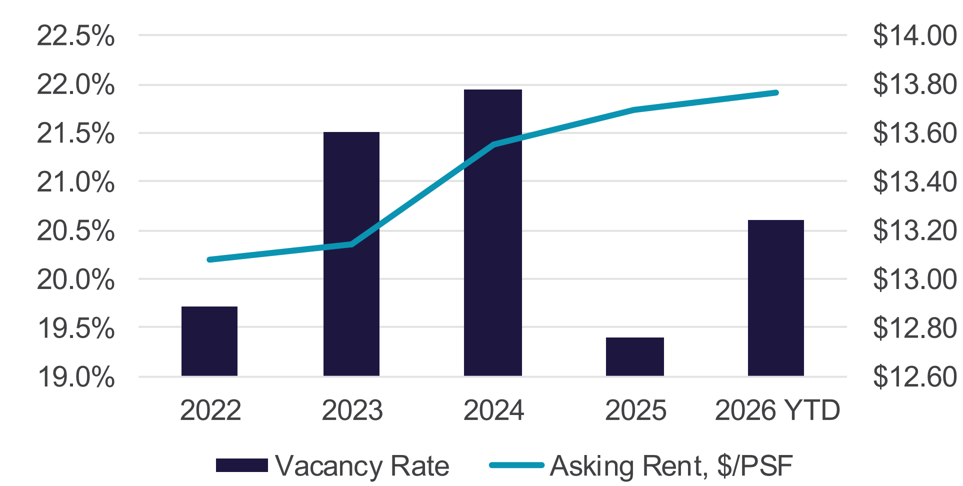
PRICING

The overall average city-wide net asking rate increased marginally in the second quarter, rising to $13.77 per square foot (psf). There was also a corresponding QOQ increase in the overall gross asking rate, which jumped to $26.18 psf in the second quarter of 2026. Office sales and leasing activity was relatively limited in the second quarter of 2026. Key factors that are dictating prices and lease rates for office transactions throughout London include location, construction quality, type of finishes, tenant mix, and broader market conditions. The short-term office market outlooks remains the same, with minimal changes expected for asking rents and sales prices 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	**5,358,598**	**1,450,953**	**57,643**	**28.2%**	**-25,491**	**-110,357**	**56,671**	**0**	**$13.66**	**$12.46**
A	1,907,072	470,733	969	24.7%	-18,141	-108,410	12,899	0	$15.96	$15.19
B	2,205,161	680,541	51,061	33.2%	-7,992	-14,323	19,668	0	$12.91	$11.92
C	1,246,365	299,679	5,613	24.5%	642	12,376	24,104	0	$11.91	$9.56
Suburban	**2,391,511**	**86,225**	**2,311**	**3.7%**	**-20,644**	**8,869**	**61,768**	**0**	**$15.53**	**$11.53**
B	910,937	26,033	2,311	3.1%	-12,083	13,413	40,167	0	$20.13	$7.00
C	1,480,574	60,192	0	4.1%	-8,561	-4,544	21,601	0	$13.36	$13.66
CITY OF LONDON TOTAL	**7,750,109**	**1,537,178**	**59,954**	**20.6%**	**-46,135**	**-101,488**	**118,439**	**0**	**$13.77**	**$12.41**

KEY LEASE TRANSACTIONS 2026 YTD

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
255 Queens Ave	Downtown	Aviva	11,210	Renewal
255 Queens Ave	Downtown	IG Wealth Management	7,406	Renewal
171 Queens Ave	Downtown	CSCN	6,910	Renewal
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
424 Waterloo St	Downtown	Bridgecole Holdings Inc./Undisclosed	5,074	$1,300,000 / $256.21
919 Oxford St E	Downtown	Named Individuals/1001581084 Ontario Inc. & 1001581071 Ontario Inc.	3,099	$1,367,075 / $441.13

KEY CONSTRUCTION COMPLETIONS 2026 YTD

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

OFFICE SUBMARKETS

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