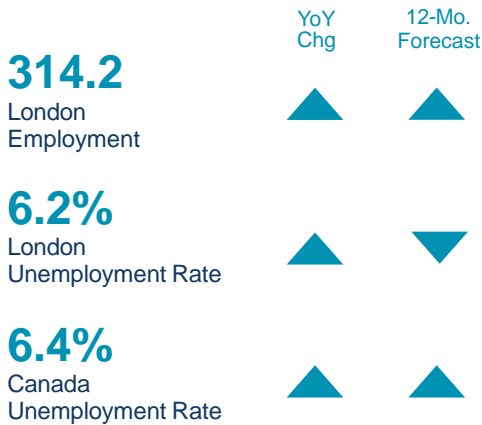


(Overall, All Classes)

**ECONOMIC INDICATORS Q2 2024**



SOURCE: Statistics Canada. Labour force characteristics, three month moving average, seasonally adjusted. June 2024.

**ECONOMY**

After rising in the first quarter of 2024, London’s unemployment rate declined by 20 basis points (bps), falling to 6.2% at the end of second quarter of 2024 and below the national unemployment rate of 6.4%. Despite the minor quarter-over-quarter (QOQ) decline, local employment levels fluctuated during the second quarter and many employment positions remain unfilled, particularly for healthcare, education and government services. Although short-term local growth prospects are modest, London continues to be well-positioned for long-term economic growth.

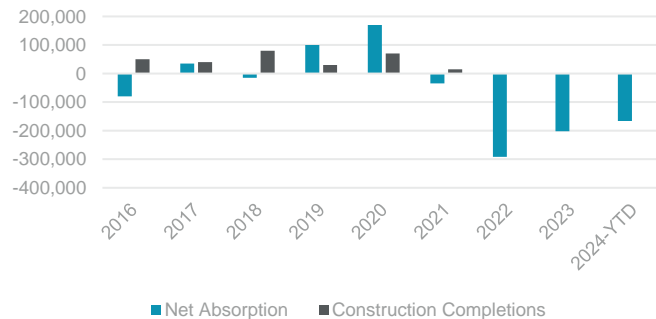
**PRICING, SUPPLY AND DEMAND**

Impediments affecting London’s downtown office market remained in the second quarter of 2024, as the overall downtown office vacancy rate reached an all-time high approaching 30.0%. Ongoing downtown revitalization initiatives and infrastructure investments have yet to demonstrate a significant positive impact on the downtown office market and the recovery of London’s downtown office market has lagged behind other urban municipalities throughout Canada. Bifurcation has continued to be evident in the local office market, both with respect to the divergence between downtown and suburban vacancy rates, and the gap between vacancy rates for newer/high-quality space compared to older less functional office properties.

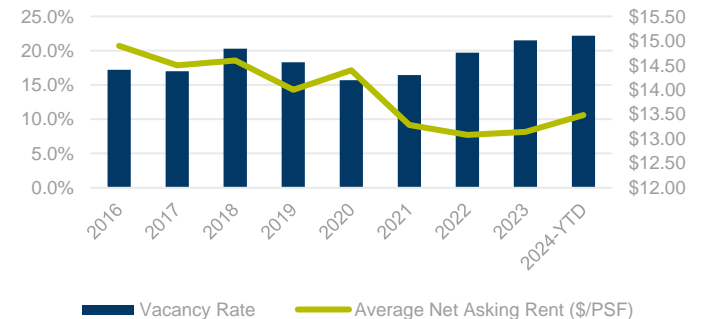
The overall office vacancy rate jumped by 100 bps QOQ, increasing to 22.2% in the second quarter of 2024. This notable increase in the city-wide office vacancy rate has been driven by rising downtown vacancy. More space also became available for sublease in the second quarter of this year, as many tenants continued to downsize and implement hybrid work-from-home structures. In response to persistent high vacancy impacting the downtown office market, some landlords recently unveiled plans to convert under-utilized office space into residential units. There is no office space currently under construction in London – downtown or suburban.

The average city-wide net asking rent for office space in London remained steady in the second quarter of 2024, at \$13.48 per square foot, and limited fluctuation is anticipated throughout the remainder of 2024. More recently constructed space in suburban locations, medical office space and downtown Class A space continues to command a premium compared to older, less functional office space.

**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	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG NET ASKING RENT	OVERALL AVG ADDITIONAL RENT
<b>Downtown</b>	<b>5,613,914</b>	<b>146,525</b>	<b>1,491,144</b>	<b>29.2%</b>	<b>-93,357</b>	<b>-153,391</b>	<b>114,537</b>	<b>0</b>	<b>\$13.25</b>	<b>\$11.58</b>
A	1,907,072	70,295	338,988	21.5%	-39,088	-47,149	44,872	0	\$14.86	\$14.66
B	2,430,827	76,230	765,692	34.6%	-45,269	-92,595	47,219	0	\$12.82	\$11.39
C	1,276,015	0	386,464	30.4%	-9,000	-13,647	22,446	0	\$12.48	\$8.74
<b>Suburban</b>	<b>2,408,879</b>	<b>30,229</b>	<b>112,153</b>	<b>5.9%</b>	<b>21,794</b>	<b>-12,694</b>	<b>64,612</b>	<b>0</b>	<b>\$16.20</b>	<b>\$11.13</b>
B	914,305	27,500	50,746	8.6%	-748	-27,183	13,056	0	\$18.96	\$9.58
C	1,494,574	2,729	61,407	4.3%	22,542	14,489	51,556	0	\$12.84	\$13.01
<b>CITY OF LONDON TOTAL</b>	<b>8,022,793</b>	<b>176,754</b>	<b>1,603,297</b>	<b>22.2%</b>	<b>-71,563</b>	<b>-166,085</b>	<b>179,149</b>	<b>0</b>	<b>\$13.48</b>	<b>\$11.54</b>

\*Reflects properties actively marketed on the MLS

## KEY LEASE TRANSACTIONS 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
140-148 Fullarton St & 465 Richmond St	Downtown	Confidential	12,648	Lease
220 Dundas St	Downtown	Confidential	7,603	Lease
1100 Dearness Dr	Suburban	Confidential	6,514	Lease

## KEY SALES TRANSACTIONS 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE (PSF)
170 Dundas St	Downtown	Farhi Holdings Corporation/166 Dundas St London Inc.	27,185	\$189.44
376 Richmond St	Downtown	Ontario Superior Court of Justice/15856281 Canada Inc.	14,082	\$106.52
217 Wharncliffe Rd S	Suburban	Koorakani Contracting Ltd./Truworth Associates Inc.	4,600	\$278.26

## KEY PROJECTS UNDER CONSTRUCTION

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

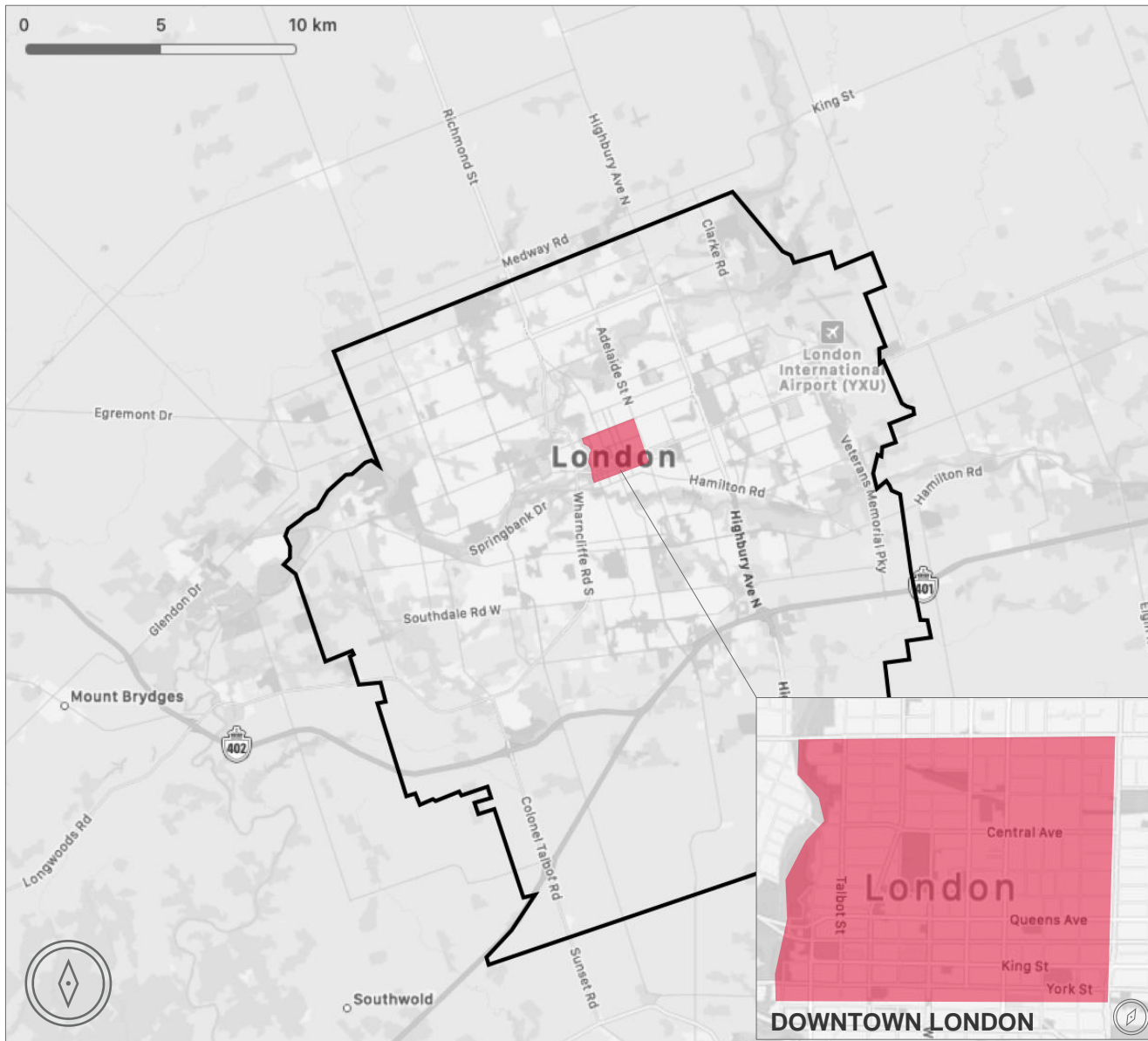
# CITY OF LONDON

Office Q2 2024



**CUSHMAN & WAKEFIELD**  
Southwestern Ontario

## MAP



### LOCAL MARKET RESEARCH LEAD

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Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com).