

**MARKET FUNDAMENTALS**

	YOY Chg	Outlook
<b>21.9%</b> Vacancy Rate	▲	▬
<b>-170,499</b> YTD Net Absorption, SF	▲	▲
<b>\$13.55</b> Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▲	▬

**ECONOMIC INDICATORS**

	YOY Chg	Outlook
<b>313,500</b> London Employment	▼	▲
<b>7.0%</b> London Unemployment Rate	▲	▼
<b>6.7%</b> Canada Unemployment Rate	▲	▬

Source: Statistics Canada. Labour force characteristics, three month moving average, seasonally adjusted. December 2024.

**ECONOMY**

The local unemployment rate closed the year with a quarter-over-quarter (QOQ) increase, with the unemployment rate rising to 7.0% in the fourth quarter of 2024. Total employment in London was 313,500 as of the fourth quarter of 2024, which represents a minimal year-over-year decrease of approximately 100 jobs.

Following a year of fluctuations in the local economy throughout 2024, the Conference Board of Canada is forecasting a rebound in 2025 and strong average annual economic growth in London over the next few years. Employment is projected to remain relatively stable in the year ahead, with growth anticipated in the education, construction and manufacturing sectors, offset by declines in the finance, insurance and real estate sectors.

**SUPPLY AND DEMAND**

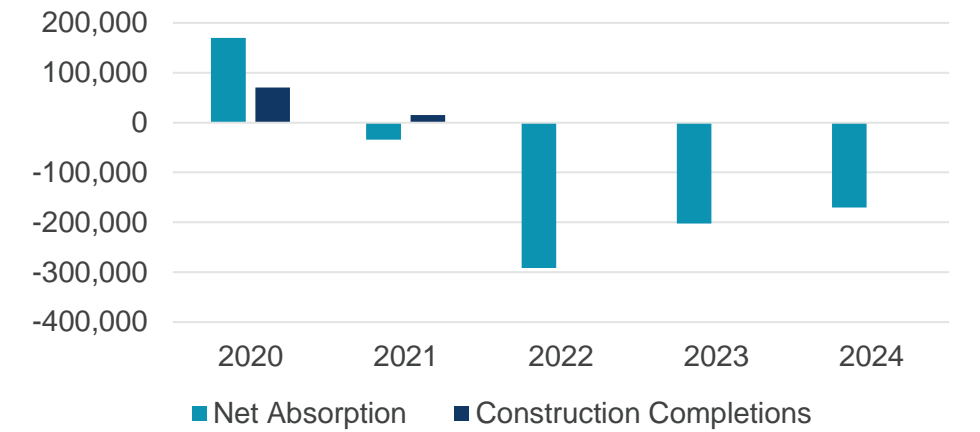
Overall, the city-wide vacancy rate increased by 20 basis points (bps) in the fourth quarter of 2024, rising to 21.9% to close out the year. Persistent headwinds have impacted the downtown office market, as London continues to have among the highest downtown office vacancy rates in Canada. The downtown office vacancy rate remained close to 30% in the fourth quarter of 2024, albeit much lower for high quality Class A office space.

A notable gap has continued to be evident between office market vacancy rates in London's downtown core compared to suburban locations, where demand remained steady throughout much of 2024.

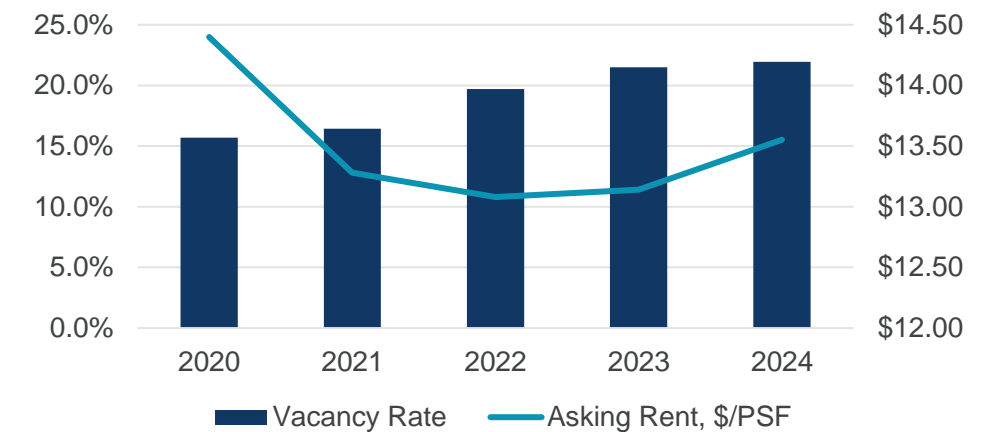
**PRICING**

The average city-wide net asking rate for the fourth quarter of 2024 was \$13.55 per square foot (psf), which represents an increase of 127 bps QOQ. The overall gross asking rate for office space in London jumped by 209 bps QOQ; increasing to \$25.43 psf in the fourth quarter of 2024. In general, there was very limited change with respect to average city-wide asking rates for office space in London in 2024. Office sales transactions were minimal in the fourth quarter of 2024, and varied significantly throughout the year, with differences in sales prices largely dependent on location, quality of finishes/type of construction, tenant mix and other market influences.

**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 RENT (ALL CLASSES)*	OVERALL AVG ADDITIONAL RENT (ALL CLASSES)*
Downtown	5,595,843	1,538,733	62,466	28.6%	5,137	-145,849	299,516	0	\$13.34	\$12.00
A	1,907,072	342,867	53,190	20.8%	10,572	-33,299	104,618	0	\$15.70	\$14.96
B	2,425,479	806,210	9,276	33.6%	-4,540	-88,162	150,613	0	\$12.62	\$12.10
C	1,263,292	389,656	0	30.8%	-895	-24,388	44,285	0	\$12.47	\$8.77
Suburban	2,438,879	133,636	27,500	6.6%	-17,658	-24,650	101,372	0	\$15.62	\$10.76
B	944,305	50,746	27,500	8.3%	1,600	-27,183	18,556	0	\$17.86	\$9.58
C	1,494,574	82,890	0	5.5%	-19,258	2,533	76,018	0	\$13.51	\$11.87
<b>CITY OF LONDON TOTAL</b>	<b>8,034,722</b>	<b>1,672,369</b>	<b>89,966</b>	<b>21.9%</b>	<b>-12,521</b>	<b>-170,499</b>	<b>400,888</b>	<b>0</b>	<b>\$13.55</b>	<b>\$11.88</b>

\*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
355 Wellington St	Downtown	Digital Extremes	70,000	Renewal*
255 Queens Ave	Downtown	Gallagher	17,729	Lease
140-148 Fullarton St	Downtown	Confidential	12,648	Lease
1100 Dearness Ave	Suburban	Confidential	6,514	Lease

\*Renewals not included in leasing statistics

KEY SALE TRANSACTIONS 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
170 Dundas St	Downtown	Farhi Holdings Corporation/166 Dundas St London Inc.	27,185	\$5,150,000 / \$189.44
510 Southdale Rd E	Suburban	Nixon Healthcare Ltd./13424375 Canada Inc.	24,150	\$8,765,000 / \$362.94
376 Richmond St	Downtown	Ontario Superior Court of Justice/15856281 Canada Inc.	14,082	\$1,500,000 / \$106.52
392 Colborne St	Downtown	2117846 Ontario Inc./Meddco Properties Inc.	4,578	\$825,000 / \$180.21
685 Adelaide St N	Downtown	1000483321 Ontario Inc. (+4 other numbered corporations)/Ancar Holdings Inc.	3,982	\$2,045,000 / \$513.56

KEY CONSTRUCTION COMPLETIONS 2024

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

OFFICE SUBMARKETS



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