

MARKET FUNDAMENTALS

	YOY Chg	Outlook
22.4% Vacancy Rate	▲	▬
-37,874 YTD Net Absorption, SF	▲	▬
\$13.35 Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▼	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
328,300 London Employment	▲	▼
5.9% London Unemployment Rate	▼	▲
6.7% Canada Unemployment Rate	▲	▲

Source: Statistics Canada. Labour force characteristics, three month moving average, seasonally adjusted. March 2025.

ECONOMY

The local unemployment rate decreased to 5.9% in the first quarter of 2025. Total employment increased quarter-over-quarter (QOQ) in London to begin the year, jumping to 328,300 jobs in the first quarter of 2025.

In March 2025, the policy interest rate was reduced by a further 25 basis points (bps) to 2.75%, marking the seventh consecutive rate cut by the Bank of Canada. The most recent rate cut was prompted by the need to stimulate economic growth and in response to increased uncertainty due to new and pending future tariff policies implemented by the United States. Economic headwinds related to the trade war with the United States are likely to negatively impact employment and overall economic prospects in the local market, at least in the short-term.

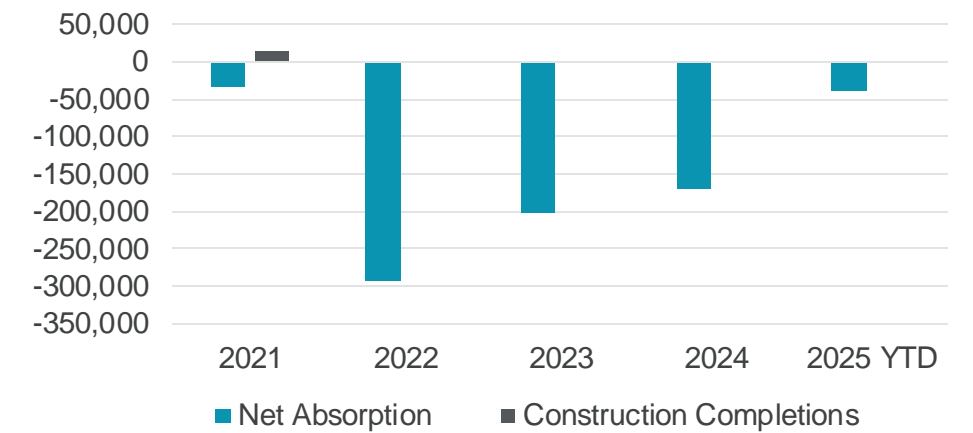
SUPPLY AND DEMAND

The city-wide office vacancy rate continued to increase in the first quarter of 2025, rising by 50 bps to begin the year. Short-term optimism for the local office market is limited, particularly for the downtown area, where vacancy rates remain close to the highest of any downtown market across Canada. While the market for higher quality Class A office space remains healthier, the overall downtown office vacancy rate was just below 30% in the first quarter of 2025, and approximately four times higher than the suburban office vacancy rate.

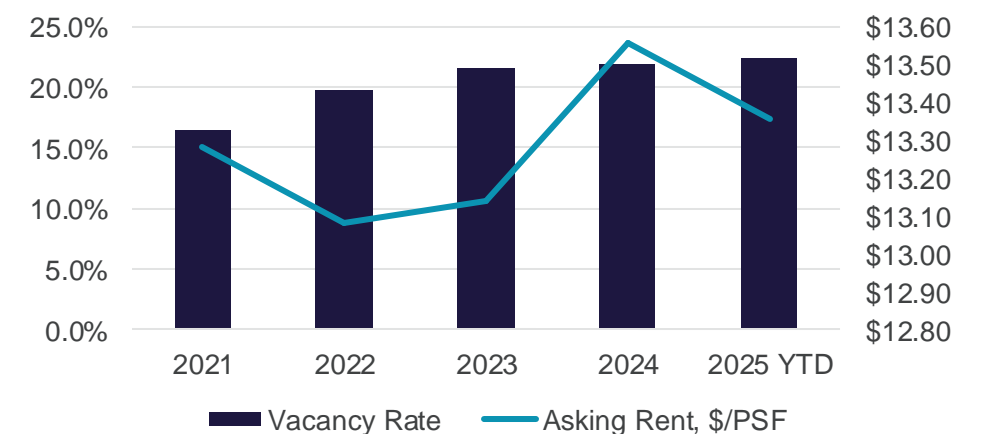
PRICING

The average city-wide net asking rate declined by 20 cents QOQ, falling to \$13.35 per square foot (psf) in the first quarter of 2025. Despite a minor decline in the net asking rate, the overall gross asking rate for office space locally remained steady at \$25.43 psf in the first quarter of 2025, reflecting rising taxes and operating costs. Office sales transactions in first quarter of 2025 were generally limited to smaller buildings, with only one sales transaction recorded over 10,000 square feet. Prices for sales transactions in the first quarter of 2025 varied due to differences in location, quality of finishes/type of construction, tenant mix and other market influences. Minimal change is expected with respect to average asking rates and sales prices for office space in London throughout 2025.

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	1,504,513	114,596	28.9%	-17,910	-17,910	147,850	0	\$13.13	\$12.17
A	1,907,072	395,628	53,190	23.5%	-52,761	-52,761	52,383	0	\$15.30	\$15.12
B	2,425,479	754,191	55,793	33.4%	5,502	5,502	54,937	0	\$12.32	\$11.98
C	1,263,292	354,694	5,613	28.5%	29,349	29,349	40,530	0	\$12.28	\$8.94
Suburban	2,438,879	153,980	27,500	7.4%	-19,964	-19,964	17,623	0	\$15.48	\$11.03
B	944,305	68,212	27,500	10.1%	-17,466	-17,466	6,450	0	\$17.43	\$10.45
C	1,494,574	85,768	0	5.7%	-2,498	-2,498	11,173	0	\$12.95	\$12.01
CITY OF LONDON TOTAL	8,034,722	1,658,493	142,096	22.4%	-37,874	-37,874	165,473	0	\$13.35	\$12.08

KEY LEASE TRANSACTIONS 2025 YTD

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
534 Queens Ave	Downtown	Forest City Healing Center	17,842	Lease
380 Wellington St & 275 Dundas St	Downtown	Confidential	13,068	Lease
140-148 Fullarton St	Downtown	Confidential	6,457	Lease

*Renewals not included in leasing statistics

KEY SALE TRANSACTIONS 2025 YTD

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
275 Colborne St	Downtown	Centre West Ventures Inc./Undisclosed	15,469	\$1,700,000 / \$109.90
2083 Wharnccliffe Rd S	Suburban	PVPines Investment Inc./16665942 Canada Inc..	5,400	\$1,900,000 /\$351.85
536 Queens Ave	Downtown	Tatiana Zdyb Psychology Professional Corporation./Undisclosed	5,222	\$1,175,000 / \$225.01
18 Becher St	Suburban	Named Individuals/The Bird's Nest Properties Inc.	5,000	\$1,100,000 / \$220.00
540 Queens Ave	Downtown	Terzis Dentistry Professional Corp./Duran Holdings Inc.	4,000	\$1,392,000 / \$348.00

KEY CONSTRUCTION COMPLETIONS 2025 YTD

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
n/a				

OFFICE SUBMARKETS



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