

MARKET FUNDAMENTALS

	YOY Chg	Outlook
20.7% Vacancy Rate		
72,440 YTD Net Absorption, SF		
\$13.31 Asking Rent, PSF (Overall, All Property Classes)		

ECONOMIC INDICATORS

	YOY Chg	Outlook
325K London Employment		
6.9% London Unemployment Rate		
7.0% Canada Unemployment Rate		

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

ECONOMY

The local unemployment rate jumped by basis points (bps) to 6.9% in the second quarter of 2025. Total employment decreased quarter-over-quarter (QOQ) in London in the second quarter of 2025, falling to 324,800 jobs, albeit up year-over-year (YOY).

Despite economic uncertainty related to the evolving trade relationship with the United States, the Conference Board of Canada has forecasted stable economic growth for London. Although trade tensions and tariff policies being implemented by the United States continue to threaten the local and national economic outlook, London is well-positioned for economic growth over the next few years and there is some restrained optimism.

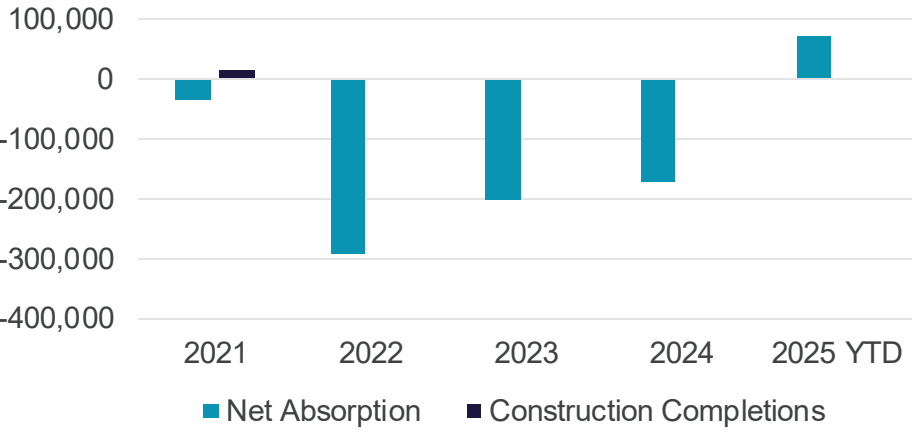
SUPPLY AND DEMAND

There was a reversal of recent trends for the city-wide office vacancy rate in the second quarter of 2025, with overall vacancy declining to 20.7%. The majority of the recent leasing activity has been concentrated in Class A buildings in the downtown area, while Class B and C buildings continue to struggle to attract tenants. Much of the recent leasing activity has also been from tenants with an existing market footprint locally, rather than new tenants entering the London market. While there is greater momentum for London’s office market, the downtown area has yet to really turn the corner, with the downtown office vacancy remaining close to the 30% mark in the second quarter of 2025.

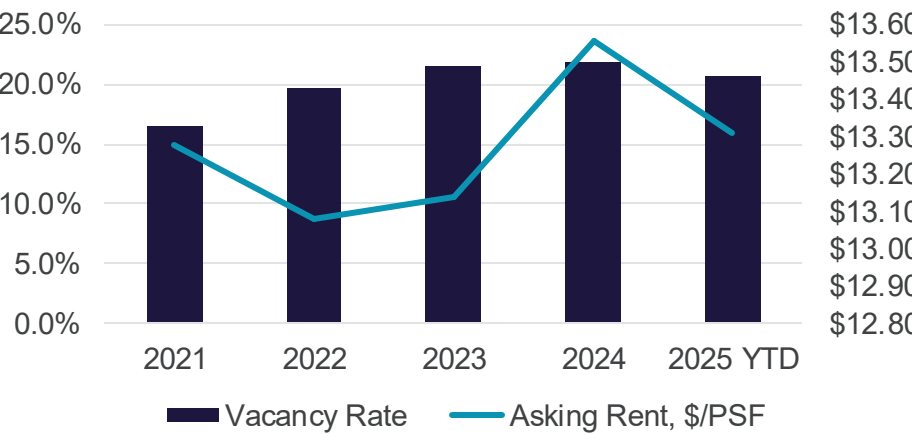
PRICING

The average city-wide net asking rate was stable in the second quarter of 2025, declining by only 4 cents QOQ to \$13.31 per square foot (psf). Similarly, the overall gross asking rate for office space locally remained steady at \$25.46 psf in the second quarter of 2025. Office sales transactions in the second quarter of 2025 continued to be limited to smaller buildings under 10,000 square feet. Location, quality of finishes/type of construction, tenant mix and other market influences remain important factors in determining sales prices and lease rates for office space throughout London. Minimal change is forecasted for average asking rates and sales prices for office space in London throughout the remainder of 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 NET RENT (ALL CLASSES)	OVERALL AVG ADDITIONAL RENT (ALL CLASSES)
Downtown	5,583,143	1,433,913	61,406	26.8%	97,950	80,040	269,628	0	\$13.05	\$12.21
A	1,907,072	348,269	0	18.3%	83,410	30,649	150,245	0	\$15.00	\$15.22
B	2,425,479	749,587	55,793	33.2%	4,604	10,106	59,541	0	\$12.32	\$11.98
C	1,250,592	336,057	5,613	27.3%	9,936	39,285	59,842	0	\$12.76	\$9.69
Suburban	2,405,511	132,483	27,500	6.7%	12,364	-7,600	39,455	0	\$15.78	\$11.56
B	910,937	57,244	27,500	9.3%	1,835	-15,631	10,056	0	\$18.40	\$10.73
C	1,494,574	75,239	0	5.0%	10,529	8,031	29,399	0	\$12.83	\$12.49
CITY OF LONDON TOTAL	7,988,654	1,566,396	88,906	20.7%	110,314	72,440	309,083	0	\$13.31	\$12.15

KEY LEASE TRANSACTIONS 2025 YTD

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
534 Queens Ave	Downtown	Forest City Healing Center	17,842	Lease
255 Queens Ave	Downtown	Financial Services	18,111	Lease
380 Wellington St & 275 Dundas St	Downtown	Confidential	13,068	Lease
140-148 Fullarton St	Downtown	Confidential	12,468	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
2320 Main St	Suburban	Safe Home Fireplace Inc./1000287671 Ontario Inc.	5,667	\$2,000,000 /\$352.92
2083 Wharncliffe 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

KEY CONSTRUCTION COMPLETIONS 2025 YTD

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
n/a				

OFFICE SUBMARKETS



MICHAEL JOHNSON
Sales Representative
Tel: +1 519 438 7325
michael.johnson@cushwakeswo.com

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