MARKETBEAT
LONDON
OFFICE Q3 2025

CUSHMAN & WAKEFIELD
Southwestern Ontario

MARKET FUNDAMENTALS

	YOY Chg	Outlook
20.9% Vacancy Rate	▼	—
36,844 YTD Net Absorption, SF	▲	—
$13.19 Asking Rent, PSF	▼	—

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
327K London Employment	▲	—
6.1% London Unemployment Rate	▼	—
7.1% Canada Unemployment Rate	▲	—

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

ECONOMY

The local unemployment rate has fluctuated throughout 2025, falling by 80 basis points (bps) to 6.1% quarter-over-quarter (QOQ). Total employment increased QOQ in London in the third quarter of 2025, rising to 327,200 jobs, which also represents a year-over-year (YOY) gain.

Despite lingering economic challenges related to the ever-changing trade relationship with the United States, stable economic growth has been forecasted for the local economy. London and the surrounding area is generally well-positioned for economic growth over the next few years despite the impact of trade tensions and tariff policies. The ongoing development of the PowerCo battery plant in St. Thomas is already helping to bolster economic growth locally and is expected to be a key driver of economic growth over the next few years.

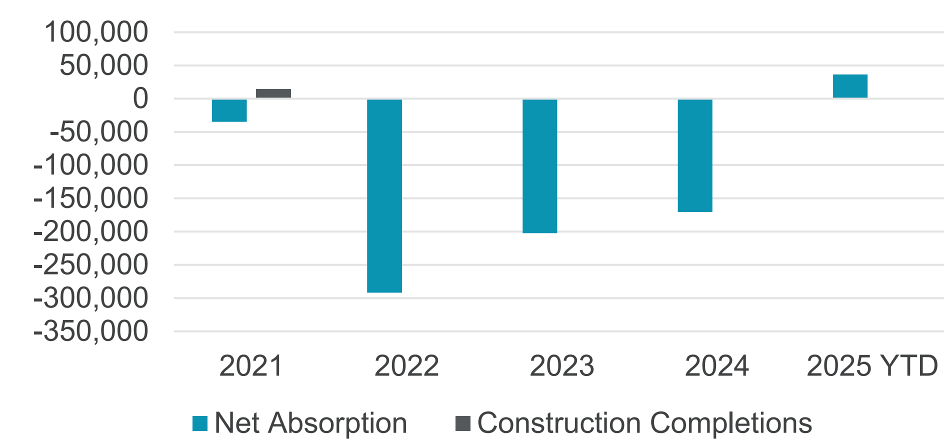
SUPPLY AND DEMAND

London's city-wide office vacancy rate remained relatively unchanged in the third quarter of 2025, with overall vacancy increasing by 20 bps to 20.9%. While it appears that vacancy have finally peaked and have begun to level-off, any significant office market recovery has yet to really take hold locally and London continues to lag behind other market areas. In response to challenging office market conditions and municipal incentive programs, some landlords have been working to convert under-utilized office space into residential units, with the first of such projects completed in the third quarter of 2025 with others underway.

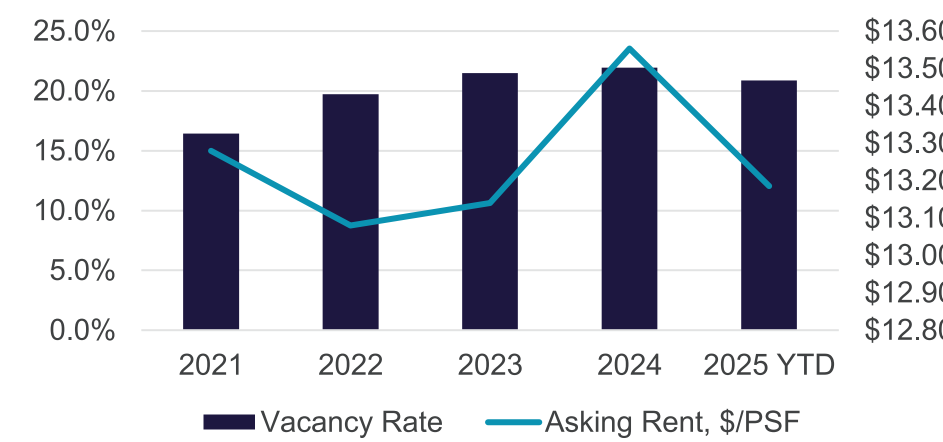
PRICING

There was a modest decline in the overall average city-wide net asking rate in the third quarter of 2025, declining by 12 cents QOQ to $13.19 per square foot (psf), however, the overall gross asking rate remained almost unchanged at $25.45 psf. Office sales activity has remained limited throughout much of 2025, and most transactions have continued to center on smaller buildings under 10,000 square feet. Key factors dictating prices and lease rates for office transaction across London include location, construction quality, type of finishes, tenant mix, and broader market conditions. Minimal changes are expected for average asking rents and sales prices for London through 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	**5,541,680**	**61,406**	**1,473,416**	**27.7%**	**-70,775**	**8,725**	**284,548**	**0**	**$13.02**	**$12.30**
A	1,907,072	0	410,215	21.5%	**-61,946**	-31,297	**158,462**	0	**$14.33**	**$15.06**
B	2,384,016	55,793	729,599	32.9%	**-11,284**	-1,718	**64,424**	0	**$12.45**	**$12.05**
C	1,250,592	5,613	333,602	27.1%	**2,455**	41,740	**61,662**	0	**$12.76**	**$9.53**
Suburban	**2,405,511**	**27,500**	**97,304**	**5.2%**	**35,179**	**27,579**	**60,842**	**0**	**$15.20**	**$11.77**
B	910,937	27,500	22,777	5.5%	**34,467**	18,836	**16,867**	0	**$19.44**	**$10.78**
C	1,494,574	0	74,527	5.0%	**712**	8,734	**43,975**	0	**$12.34**	**$12.43**
CITY OF LONDON TOTAL	**7,947,191**	**88,906**	**1,570,720**	**20.9%**	**-35,596**	**36,295**	**345,390**	**0**	**$13.19**	**$12.26**

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

**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
1065-1067 Valetta St	Suburban	1065 Valetta Inc./1001174042 Ontario Inc.	8,669	$4,306,344 / $496.75
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
393 Wharncliffe Rd S	Suburban	1822076 Ontario Limited/Chevalier Family Holdings Inc.	3,299	$1,300,000 / $394.06

KEY CONSTRUCTION COMPLETIONS 2025 YTD

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
n/a				

LONDON
OFFICE Q3 2025

OFFICE SUBMARKETS

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