

MARKET FUNDAMENTALS

	YOY Chg	Outlook
19.4% Vacancy Rate	▼	—
59,316 YTD Net Absorption, SF	▲	—
\$13.69 Asking Rent, PSF <small>(Overall, All Property Classes)</small>	▲	—

ECONOMIC INDICATORS

	YOY Chg	Outlook
333K London Employment	▲	—
7.0% London Unemployment Rate	—	—
6.5% Canada Unemployment Rate	▼	▲

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

ECONOMY

The local unemployment rate jumped by 90 basis points (bps) quarter-over-quarter (QOQ), rising to 7.0% in the fourth quarter of 2025. While the unemployment rate climbed, total employment also increased in the fourth quarter of 2025, rising to 332,700 jobs, which also represents a year-over-year (YOY) gain.

While stable economic growth had been forecasted for the local economy going forward, more recent reports from the Conference Board of Canada have indicated that local economic growth is likely to be sluggish over the next couple of years, before accelerating and returning to more stable growth towards the end of 2027. The ongoing development of the PowerCo battery plant in St. Thomas is expected to be a key economic driver that helps to bolster the local economy despite continued tariff-related headwinds.

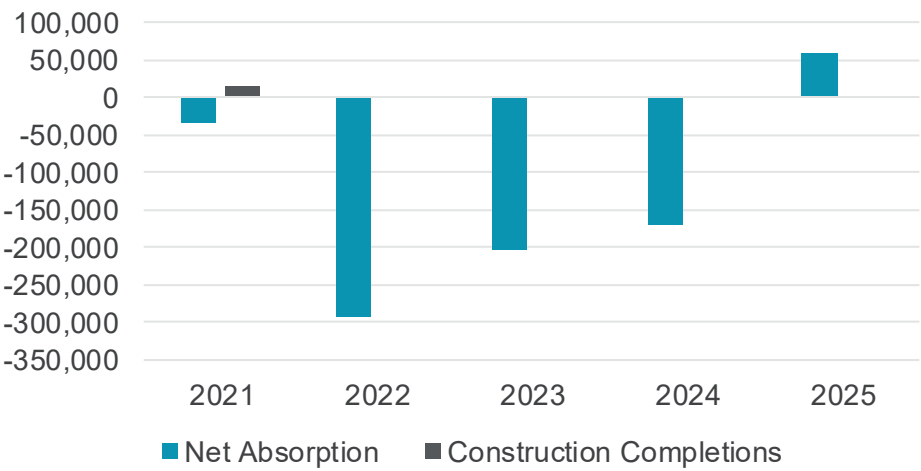
SUPPLY AND DEMAND

London's city-wide office vacancy rate finished the year at 19.4%, a decline from last quarter. This decrease in vacancy can largely be attributed to the removal of a larger office property from the inventory that is planned for conversion to residential, rather than substantial leasing activity, however, there is generally greater optimism for the office market due in part to the implementation of back-to-office policies being employed by both public and private sector organizations. Recovery remains slow but the general sentiment around the local office market improved throughout 2025.

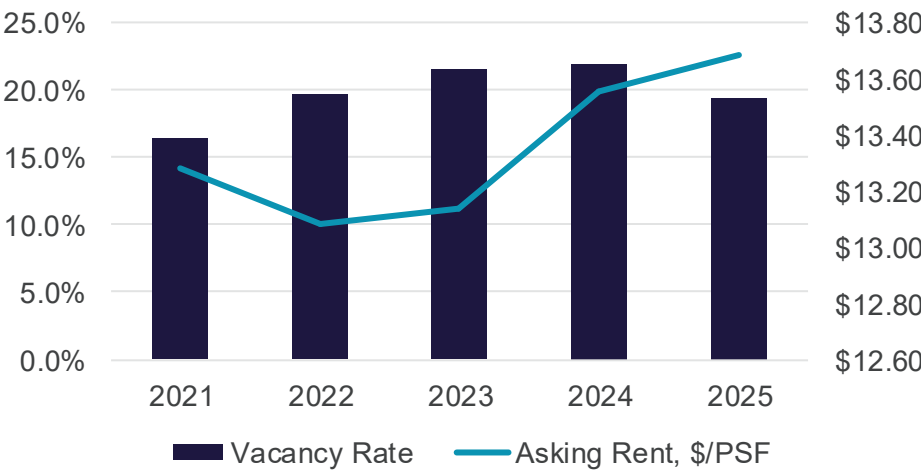
PRICING

The overall average city-wide net asking rate exhibited minor fluctuations throughout the year and increased in the fourth quarter of 2025, climbing by 50 cents QOQ to \$13.69 per square foot (psf). The overall gross asking rate also increased in the fourth quarter of 2025, rising to \$26.76 psf. Office sales activity continued to be limited primarily to transactions for smaller buildings under 15,000 square feet. Key factors dictating prices and lease rates for office transactions throughout 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 going into 2026.

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	5,350,588	1,341,565	65,813	26.3%	8,279	17,004	393,671	0	\$13.49	\$13.16
A	1,907,072	363,292	0	19.0%	46,923	15,626	243,061	0	\$15.62	\$14.84
B	2,205,161	666,218	60,200	32.9%	-53,954	-55,672	71,094	0	\$12.83	\$13.84
C	1,238,355	312,055	5,613	25.7%	15,310	57,050	79,516	0	\$12.56	\$9.68
Suburban	2,405,511	67,594	29,811	4.0%	14,733	42,312	96,019	0	\$16.58	\$11.74
B	910,937	11,946	29,811	4.6%	-4,146	14,690	18,638	0	\$21.37	\$9.02
C	1,494,574	55,648	0	3.7%	18,879	27,622	77,381	0	\$12.99	\$13.79
CITY OF LONDON TOTAL	7,756,099	1,409,159	95,624	19.4%	23,012	59,316	489,690	0	\$13.69	\$13.07

KEY LEASE TRANSACTIONS 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
255 Queens Ave	Downtown	Scotiabank	18,111	Lease
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	12,468	Lease
255 Queens Ave	Downtown	IG Wealth Management	7,406	Lease

\*Renewals not included in leasing statistics

KEY SALE TRANSACTIONS 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
275 Colborne St	Downtown	Centre West Ventures Inc./Undisclosed	15,469	\$1,700,000 / \$109.90
965 Adelaide St S	Suburban	Farhi Holdings Corporation/God’s Favourite House	15,147	\$3,500,000 / \$231.07
1065-1067 Valetta St	Suburban	1065 Valetta Inc./1001174042 Ontario Inc.	8,669	\$4,306,344 / \$496.75
150-152 Kent St	Downtown	2470894 Ontario Inc./BSN Group London Corporation	7,340	\$2,400,000 /\$326.98
1785 Wonderland Rd N	Suburban	South London Investments Inc./Undisclosed	6,000	\$2,825,000 /\$470.83
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

KEY CONSTRUCTION COMPLETIONS 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
n/a				

OFFICE SUBMARKETS



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