



MARKET FUNDAMENTALS

	YOY Chg	Outlook
5.4% Vacancy Rate		
-31,739 YTD Net Absorption, SF		
\$10.77 Asking Rent, PSF (Overall, Net Asking Rent)		

ECONOMIC INDICATORS

	YOY Chg	Outlook
313K London Employment		
8.5% London Unemployment Rate		
6.4% Canada Unemployment Rate		

Source: Statistics Canada. Labour force characteristics, three month moving average, seasonally adjusted. August 2026.

ECONOMY

The local unemployment rate dropped by 20 basis points (bps), falling to 8.5% in the third quarter of 2026. This reflects the second consecutive quarter-over-quarter (QOQ) decline, although local unemployment rate remains well above the national average. Much like the previous quarter, the modest QOQ decline in unemployment during the third quarter of 2026 is a result of the shrinking workforce, rather than increasing employment locally. These key indicators reflect a weak labour market in London that is expected to be restrained for the remainder of the year. London’s short-term economic outlook remains hampered by various challenges including constantly evolving trade-related issues but is expected to rebound towards the end of 2027.

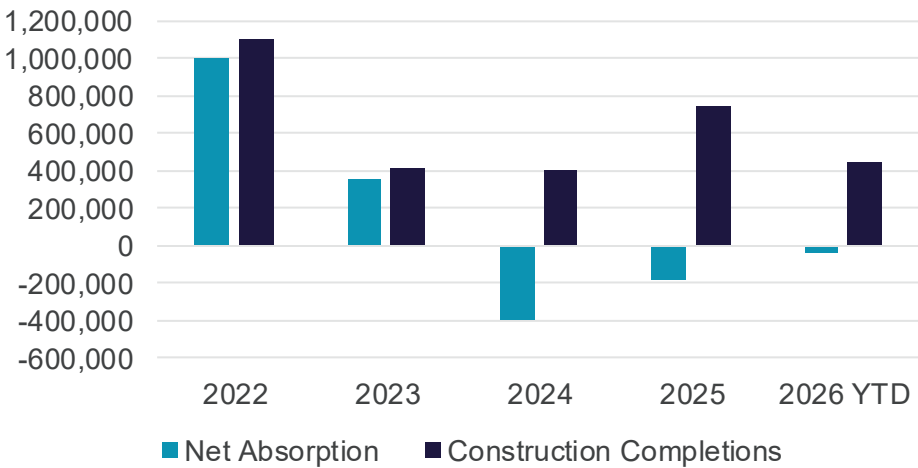
SUPPLY AND DEMAND

London’s overall industrial vacancy rate crept upwards in the third quarter of 2026, rising to 5.4%, as the market continues to become more balanced market and less oriented in favour of landlords. Although industrial market demand remains healthy, absorption has declined over the past couple of years. There is a greater supply of options available for buyers and tenants resulting in properties remaining on the market for longer periods compared to years where demand was at its peak. Construction activity related to expansions and new tenants entering the local market are key influences that have been helping to bolster absorption throughout 2026.

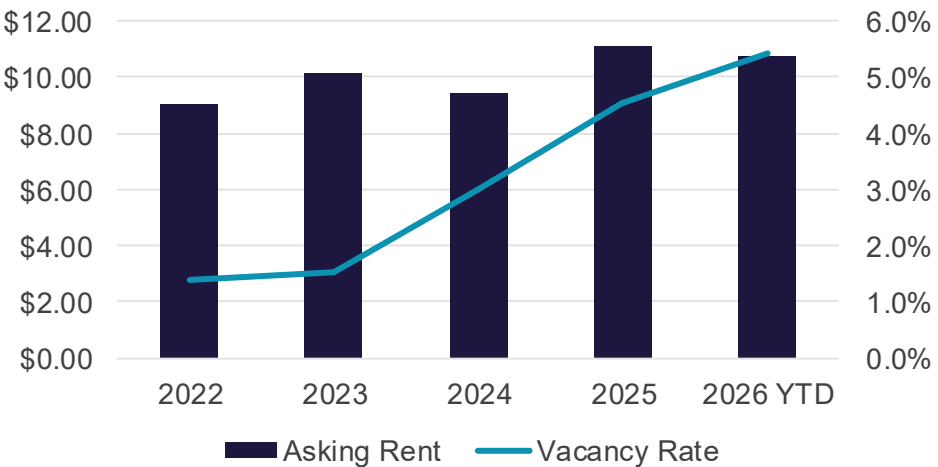
PRICING

The city-wide average net asking rate for industrial space declined again slightly QOQ, falling by 12 cents to \$10.77 per square foot (psf) in the third quarter of 2026. Net asking rates for spaces currently being marketed for lease on the MLS range between a low of \$7.50 psf and high of \$16.50 psf. In response to the increasing supply of available space and slowing absorption there are now several landlords actively marketing space below the \$10.00-psf threshold. Landlords are also generally more amenable to offering flexible leasing incentives to help secure AAA long-term tenants. In general, average net asking rates and sales prices are not expected to change significantly through the remainder of 2026.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	WEIGHTED AVERAGE NET ASKING RENT*	WEIGHTED AVERAGE ADDITIONAL RENT	OVERALL WEIGHTED AVERAGE GROSS RENT
Airport	864,020	0	0.0%	0	0	14,000	0	n/a	n/a	n/a
Central	9,843,809	519,929	5.3%	3,905	-27,923	117,123	0	\$10.07	\$3.88	\$13.95
Hyde Park	817,338	33,847	4.1%	-2,010	7,374	0	0	\$12.32	\$6.16	\$18.48
Lambeth	291,222	5,320	1.8%	0	0	0	0	n/a	n/a	n/a
Northeast	9,028,519	427,692	4.7%	-14,662	-36,962	176,420	50,000	\$10.23	\$3.86	\$14.08
Veteran's Memorial Parkway	5,605,725	165,355	2.9%	-12,179	361,900	290,939	396,000	\$11.73	\$3.95	\$15.69
Westminster	3,623,096	301,380	8.3%	-60,192	-128,175	0	0	\$9.07	\$3.22	\$12.29
White Oak	4,398,427	123,742	2.8%	1,495	-28,597	11,000	0	\$10.73	\$4.64	\$15.37
Wilton Grove	8,462,046	746,966	8.8%	-25,279	-179,356	0	0	\$11.98	\$3.89	\$15.86
LONDON	42,934,202	2,324,231	5.4%	-108,922	-31,739	609,482	446,000	\$10.77	\$3.87	\$14.64

*Rental rates reflect weighted net asking \$psf/year; 5,320 sf of vacant space in Lambeth is listed for sale only

KEY LEASE TRANSACTIONS 2026 YTD

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
1015 Green Valley Rd	Wilton Grove	Confidential	32,125	Lease
3 Buchanan Crt	Westminster	Confidential	18,879	Lease
980 Adelaide St S	Westminster	Confidential	15,284	Lease
1095 Wilton Grove Rd	Wilton Grove	Confidential	14,107	Lease

*Renewals not included in leasing statistics

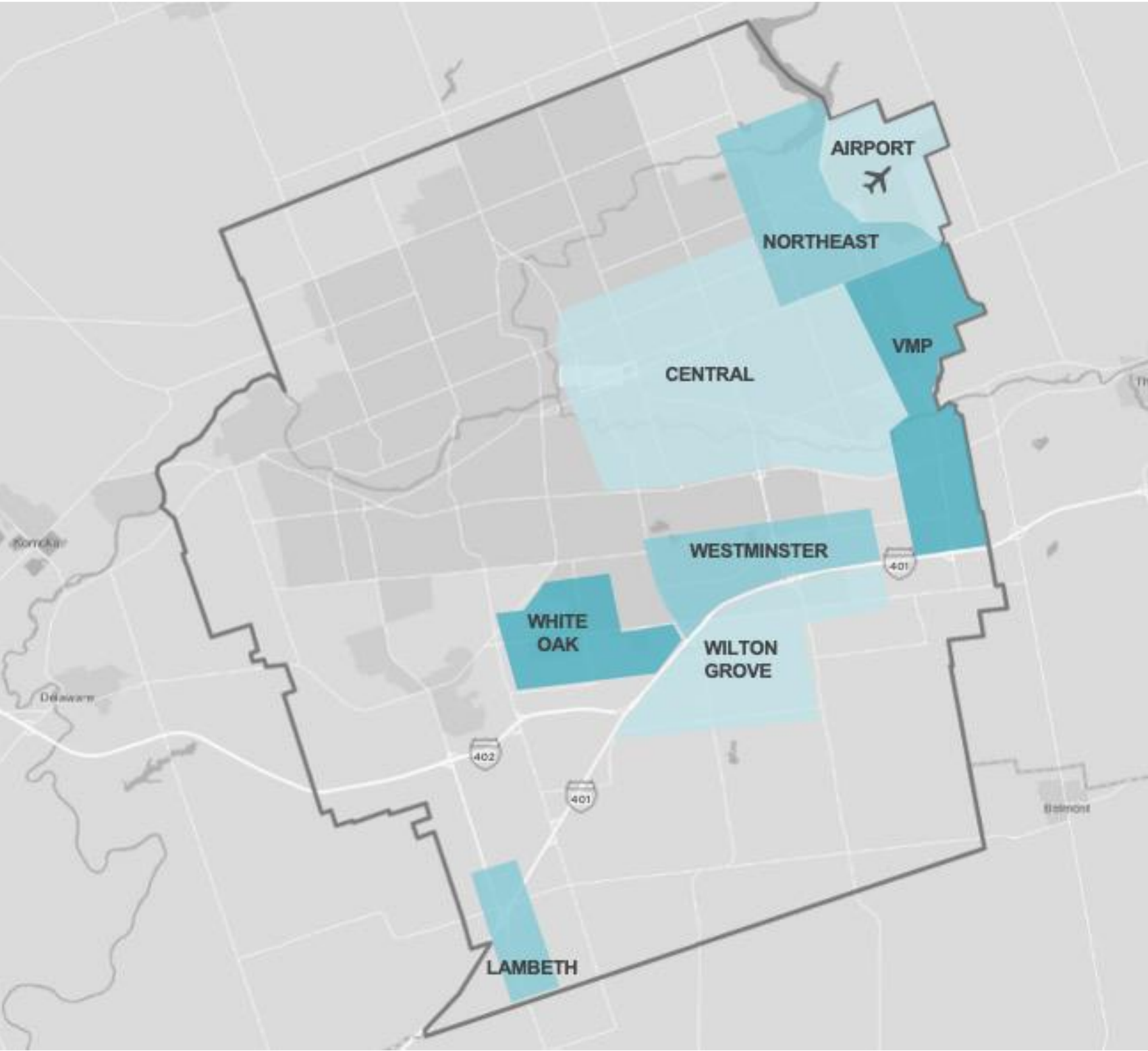
KEY SALE TRANSACTIONS 2026 YTD

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
1030 Clarke Rd	Northeast	KCTG Property Leasing/Wabtec Canada Inc.	102,820	\$9,849,600/ \$96
4575 Blakie Rd	White Oak	M. Greaves Holdings Inc./Hitachi Energy Canada Inc.	97,244	\$16,500,000 / \$170
1881 Huron St	Northeast	Militex Coatings Inc./1253645 Ontario Limited	92,011	\$14,000,000 / \$152
944 Leathorne St	Central	Syvan Developments Limited/Bishop Street Property Corporation	36,505	\$4,350,000 / \$119

KEY CONSTRUCTION COMPLETIONS 2026 YTD

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
2300 Discovery Dr	Veteran's Memorial Parkway	Cardiff Products Corporation	260,000	Cardiff Products Corporation
2415 Innovation Dr	Veteran's Memorial Parkway	Skyview Windows	106,000	2415 Innovation Inc.
15600 Robin's Hill Rd	Northeast	McCormick Canada	50,000	McCormick Canada

INDUSTRIAL SUBMARKETS



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