

MARKET FUNDAMENTALS

	YOY Chg	Outlook
20.9% Vacancy Rate		
-209,330 YTD Net Absorption, SF		
\$13.86 Asking Net Rent, PSF (Overall, All Property Classes)		

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 second 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.

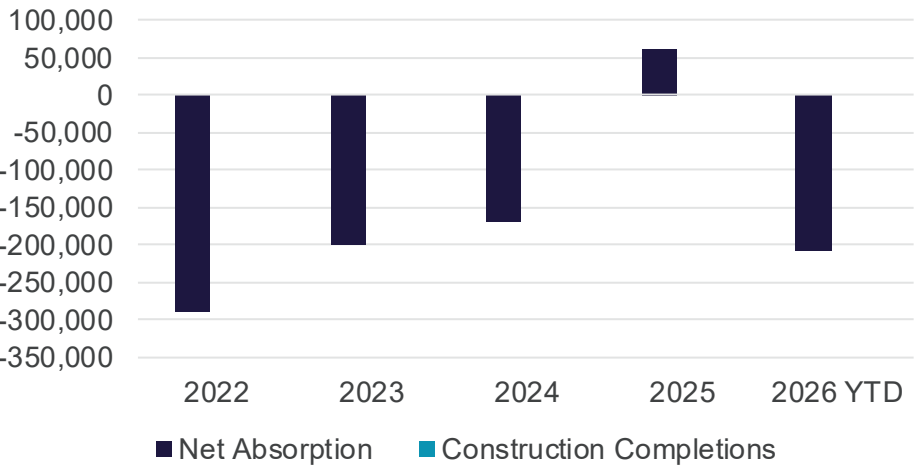
SUPPLY AND DEMAND

London’s office vacancy rate has remained relatively unchanged over the past year. In the third quarter of 2026 the city-wide office vacancy increased by 30 bps QOQ, climbing to 20.9%. There continues to a significant gap in vacancy rates in the downtown area compared to suburban locations, with the London downtown office market yet to experience notable recovery which has been observed in other urban centres across Canada. Although downtown office vacancy has largely stabilized, attracting and retaining high-quality tenants remains challenging. Minimal change in the city-wide office vacancy rate is anticipated through the remainder of 2026.

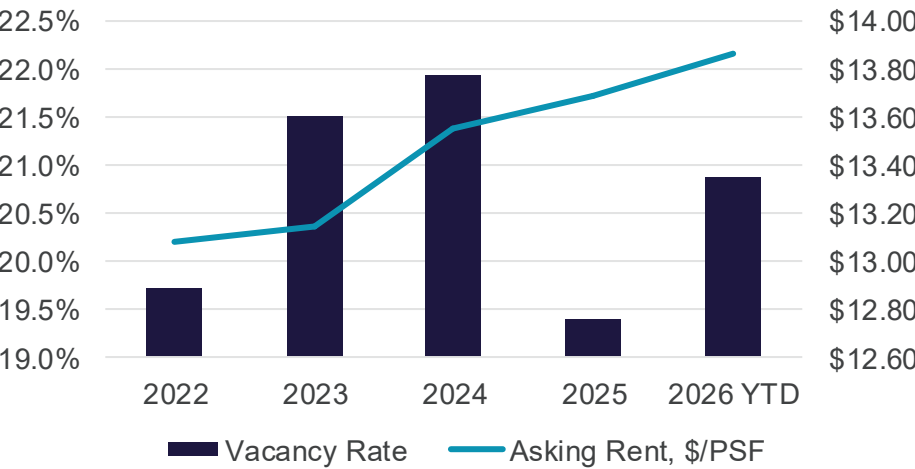
PRICING

There was a very minor increase in the overall average city-wide net asking rate in the third quarter of 2026, rising to \$13.86 per square foot (psf). The overall average gross lease rate for office space in London also increased in the third quarter, climbing to \$26.61 psf. Pricing and lease rates for London’s office sector are shaped by location, construction quality, finishes, tenant mix, and broader market conditions. The short-term outlook remains unchanged, with minimal movement in asking rents and sale prices expected through the remainder of 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	5,265,934	1,392,906	56,674	27.5%	-33,648	-144,005	127,265	0	\$13.73	\$12.67
A	1,907,072	503,191	0	26.4%	-31,489	-139,899	56,516	0	\$15.81	\$15.22
B	2,205,161	682,901	51,061	33.3%	-2,360	-16,683	44,256	0	\$12.97	\$11.88
C	1,153,701	206,814	5,613	18.4%	201	12,577	26,493	0	\$11.43	\$9.34
Suburban	2,459,876	160,419	2,311	6.6%	-74,194	-65,325	71,782	0	\$15.05	\$13.46
B	979,302	99,033	2,311	10.3%	-73,000	-59,587	40,167	0	\$15.71	\$12.97
C	1,480,574	61,386	0	4.1%	-1,194	-5,738	31,615	0	\$13.96	\$14.26
CITY OF LONDON TOTAL	7,725,810	1,553,325	58,985	20.9%	-107,842	-209,330	199,047	0	\$13.86	\$12.75

KEY LEASE TRANSACTIONS 2026 YTD

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
255 Queens Ave	Downtown	Aviva	11,210	Renewal
171 Queens Ave	Downtown	Leads Employment Services of London Inc.	10,141	Renewal
1100 Dearness Dr	Suburban	Confidential (Union Office)	8,000	Lease
171 Queens Ave	Downtown	CSCN	7,945	Renewal

*Renewals not included in leasing statistics

KEY SALE TRANSACTIONS 2026 YTD

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
1695 Wonderland Rd N	Suburban	Al Faez Real Estate Corp./1000826194	32,000	\$6,800,000 / \$212.50
94 & 100 Wellington St	Downtown	100 Wellington Holdings Inc./1301309 Ontario Inc.	14,865	\$2,700,000 / \$181.63
392-396 Clarence St	Downtown	1390795 Ontario Inc./1301309 Ontario Inc.	10,386	\$970,000 / \$93.39
424 Waterloo St	Downtown	Bridgecole Holdings Inc./Undisclosed	5,074	\$1,300,000 / \$256.21

KEY CONSTRUCTION COMPLETIONS 2026 YTD

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
n/a	n/a	n/a	n/a	n/a

OFFICE SUBMARKETS



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