

Strong Net Absorption Seen Alongside Pre-leased New Supply

▼ 6.8%
Availability Rate

▲ 902K
SF New Supply

▼ 1.0M
SF Under Construction

▲ \$12.92
PSF Avg. Asking Lease Rate

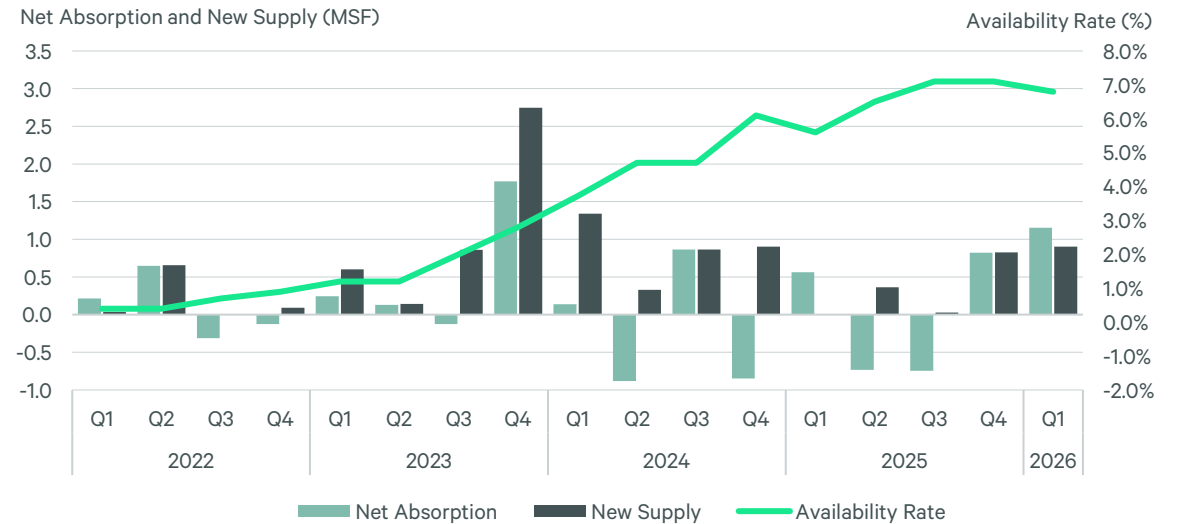
▼ \$261.20
PSF Avg. Asking Sale Price

Note: Arrows indicate change from previous quarter.

Overview

- Over 900,000 sq. ft. of new industrial supply delivered this quarter across the Waterloo Region and was 86.6% pre-leased. The majority of this product was design build, which heavily contributed towards the 1.2 million sq. ft. of positive net absorption.
- Net absorption has continued to trend higher across most of the region, reaching a quarterly total of 1,151,740 sq. ft., the highest since Q4 of 2023. This made up about a quarter of the national net absorption for the quarter, surpassed only by the Toronto region.
- Available space remains elevated, as the overall vacancy rate held steady at 4.2%, while the availability rate declined slightly to 6.8%. The availability rate of properties with clear heights above 26' has declined from its multi-year peak of 4.0% seen last quarter, now at 3.6%.

FIGURE 1: Midwestern Ontario Industrial Supply & Demand Fundamentals



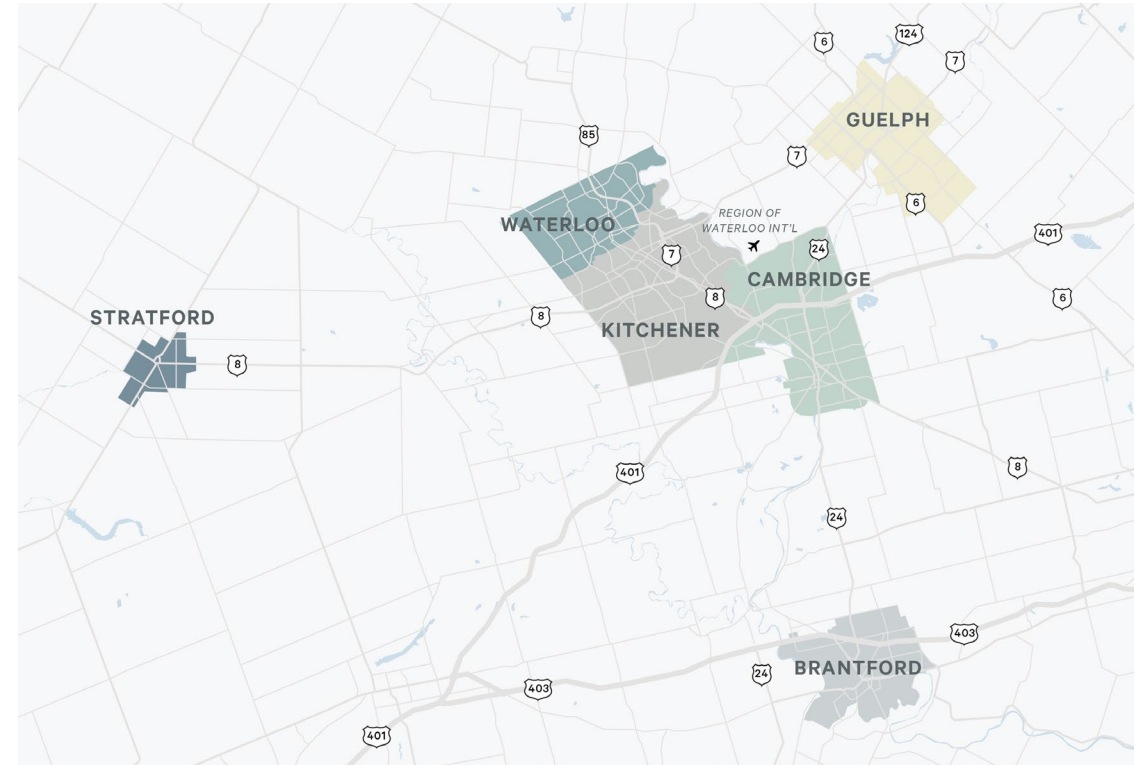
Source: CBRE Research, Q1 2026.

FIGURE 2: Industrial Market Statistics

Submarket	Inventory (SF)	Availability Rate (%)	Vacancy Rate (%)	Quarterly Net Absorption (SF)	Yearly Net Absorption YTD (SF)	Under Construction (SF)	Net Asking Rent (PSF)	Avg. Asking Sale Price (PSF)
Kitchener	24,483,559	7.3%	5.1%	253,218	253,218	0	\$12.38	\$312.90
Waterloo	8,711,405	5.2%	0.3%	115,741	115,741	240,692	\$12.45	\$328.11
Cambridge	37,317,031	8.5%	6.2%	339,780	339,780	93,471	\$13.37	\$309.56
Waterloo Region Total	70,511,995	7.6%	5.1%	708,739	708,739	334,163	\$13.00	\$313.01
Guelph	22,392,020	7.3%	3.8%	-199,851	-199,851	0	\$13.95	\$268.50
Brantford	25,320,496	5.1%	2.7%	651,914	651,914	711,064	\$11.38	\$144.14
Stratford	7,104,191	3.1%	1.1%	-9,062	-9,062	0	\$10.41	\$141.21
Overall Total	125,328,702	6.8%	4.2%	1,151,740	1,151,740	1,045,227	\$12.92	\$261.20

Source: CBRE Research, Q1 2026.

Market Area Overview



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