

East region activity sparks large increase in availability rate

▲ 5.3%

Availability Rate

▲ 190K

SF New Supply

▼ 351K

SF Under Construction

▲ \$10.38

PSF Avg. Asking Lease Rate

▼ \$184.49

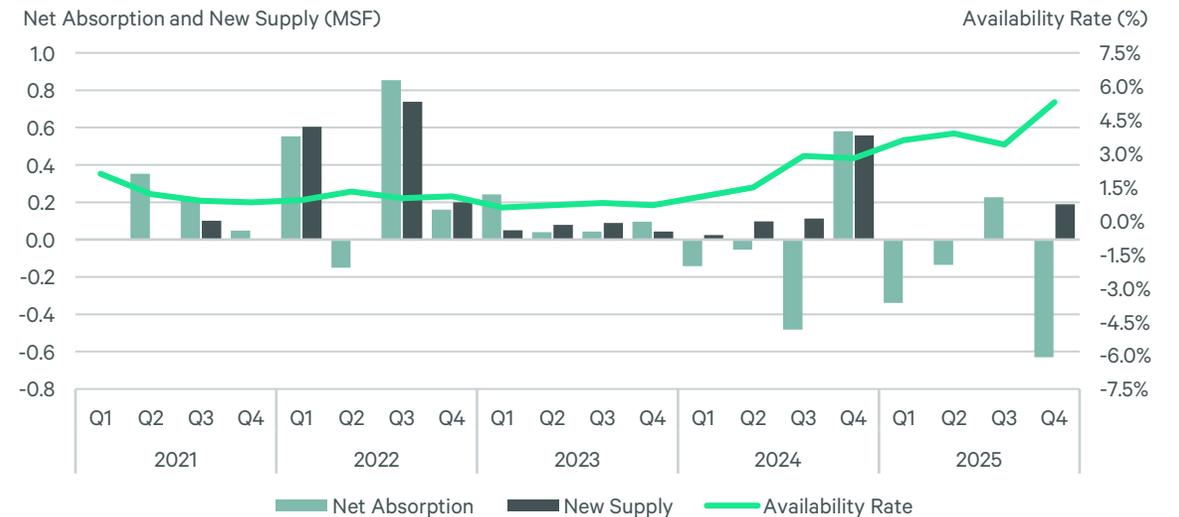
PSF Avg. Asking Sale Price

Note: Arrows indicate change from previous quarter.

Executive Summary

- London's industrial market experienced a significant shift in availability in Q4 to 5.3%, reaching a seven-year high. The major driver in the availability rate spikes were three key properties in the East region coming back to market, accounting for 1.0 million sq. ft. of space becoming available.
- The East Region saw availability rates increase 470 bps to 6.8%, while overall availability rate increased 190 bps to 5.3%. 31 Firestone Boulevard, the former Accuride building, is now fully vacant and brought over 547,000 sq. ft. of newly available space to market. Additionally, 2190 Scanlan brought 270,000 sq. ft. of space to market, as the current tenant, Gap Clothing, no longer needs the space.
- Overall net asking rents remained stable recording a \$0.02 increase to \$10.38 per sq. ft. while the East submarket experienced a 6.6% increase to \$10.07 per sq. ft.

FIGURE 1: London Fundamentals – Historical Analysis



Source: CBRE Research, Q4 2025.

Availability and vacancy experience significant increases

Overall availability jumped 190 bps to 5.3% in Q4, while the vacancy rate also increased 190 bps to 3.8%. At first glance, these numbers seem concerning to the London Industrial market, but rest assured, these increases are forecasted to be short lived. The main driver of this movement was Accuride’s former building at 31 Firestone Boulevard, which brought over 547,000 sq. ft. back to market and was the main cause behind East Region availability spiking 470 bps to 6.8%. 2190 Scanlan Street, the Gap Clothing building, also brought over 270,000 sq. ft. of space to market which further exaggerated the East Region and overall numbers this quarter. 31 Firestone Boulevard and 2190 Scanlan Street are both quality spaces with attractive clear height, power, and shipping capacity. Additionally, Power Co.’s St Thomas Battery Plant continued with construction in Q4 and is attracting accessory industrial tenants to the London market.

South region records three-year high in net absorption

Activity in the East Region glossed over other notable movements that were seen in Q4, the main one being London’s second largest submarket, the South Region, recording 205,000 sq. ft. of positive net absorption. This is the highest absorption we have seen in the South Region since Q3 2022, which caused the availability rate in the South region to drop 100 bps to 3.9%. The South Region sublease space recorded over 45,000 sq. ft. of absorption and reached a two-year low in percentage of space available for sublet at 2.0%

Net asking rents remain stable amidst changing market conditions

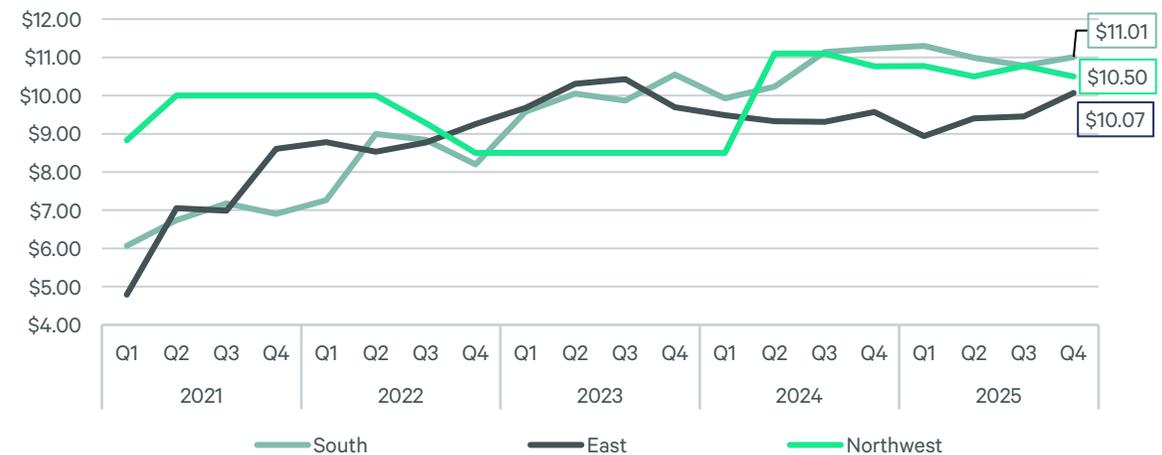
Overall net asking rents rose \$0.02 per sq. ft. quarter-over-quarter to \$10.38 per sq. ft., while the East region saw a 6.6% increase to \$10.07 per sq. ft. With new construction being stagnant for over a year now, the small changes in net asking rents are expected. As mentioned before, foreign tenants to the London industrial market are beginning to see London as an attractive market to enter with the large infrastructure planned 30 minutes away in St. Thomas. Latest plans for the Gigafactory will bring somewhere in the ballpark of 8.0 million sq. ft. to the Southwestern Ontario Industrial market, while Vianode (Norwegian synthetic graphite manufacturer) has announced a \$3,200,000,000 investment in the St. Thomas regions as well. These two projects are expected to play a positive effect on London industrial market activity.

FIGURE 2: Historical Industrial Availability Rate By Submarket (%)



Source: CBRE Research, Q4 2025.

FIGURE 3: Historical Rental Rates by Submarket (PSF)



Source: CBRE Research, Q4 2025.

FIGURE 4: Q4 2025 Industrial Market Statistics

Submarket	Inventory (SF)	Availability Rate (%)	Vacancy Rate (%)	Net Absorption (SF)	YTD Net Absorption (SF)	Under Construction (SF)	Net Asking Rent (PSF)	Avg. Asking Sale Price (PSF)
South	19,317,628	3.9%	2.2%	205,057	-200,862	240,000	\$11.01	\$199.83
East	21,915,841	6.8%	5.5%	-856,494	-702,021	111,000	\$10.07	\$178.70
Northwest	1,394,647	0.6%	0.6%	22,390	26,390	0	\$10.50	\$177.27
London Total	42,628,116	5.3%	3.8%	-629,047	-876,493	351,000	\$10.38	\$184.49

Source: CBRE Research, Q4 2025.

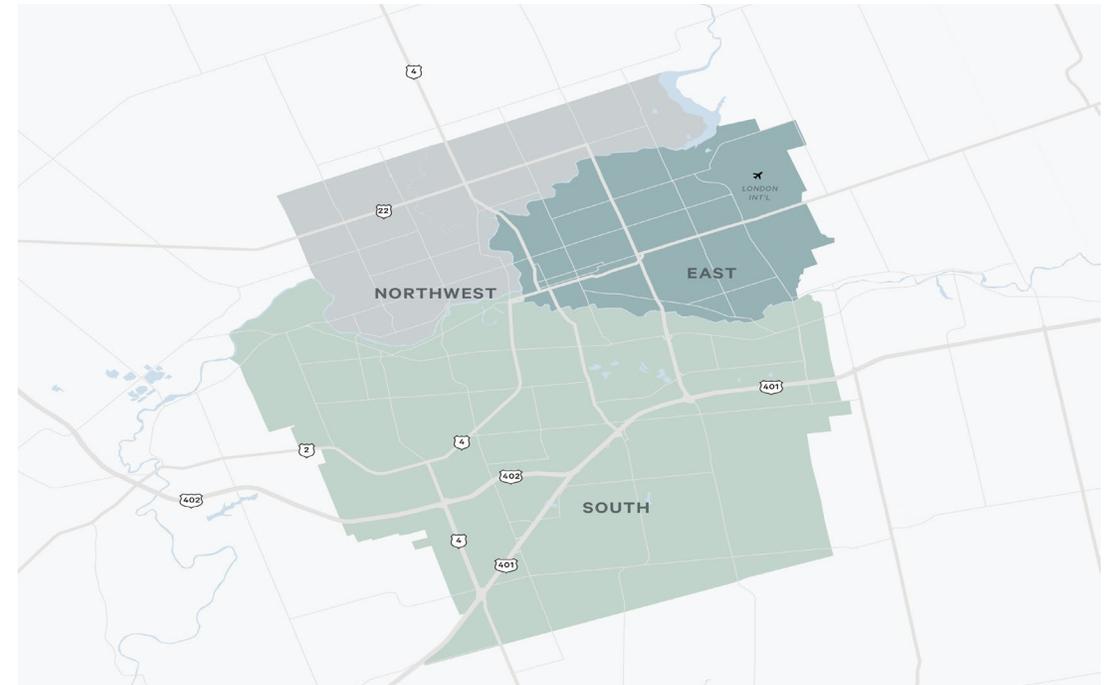
Definitions

- Vacant sq. ft.: Space that can be occupied within 30 days.
- Vacancy Rate: Total vacant sq. ft. divided by the total building area.
- Available sq. ft.: Existing space in a building, ready for occupancy within three months; can be occupied or vacant.
- Availability Rate: Total available sq. ft. divided by the total building area.
- Average Net Asking Lease Rate: A calculated average of the net lease rate weighted by its corresponding available square footage; building must be existing, not under construction or planned.
- Gross Lease Rate: Average asking lease rate in addition to real property taxes, building insurance, and maintenance.
- Net Absorption: The change in occupied sq. ft. from one period to the next.
- Occupied sq. ft.: Inventory subtracted by total available sq. ft.

Survey Criteria

- Includes all existing industrial availabilities 5,000 sq. ft. and greater in size in London.
- Under construction is defined by buildings which have begun foundation work or otherwise has foundations in place.

Market Area Overview



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