

Occupancy improving amid expanding supply

▼ 6.3%

Availability Rate

▼ 175K

SF New Supply

▲ 1.65M

SF Under Construction

▼ \$12.96

PSF Avg. Asking Lease Rate

▼ \$247.07

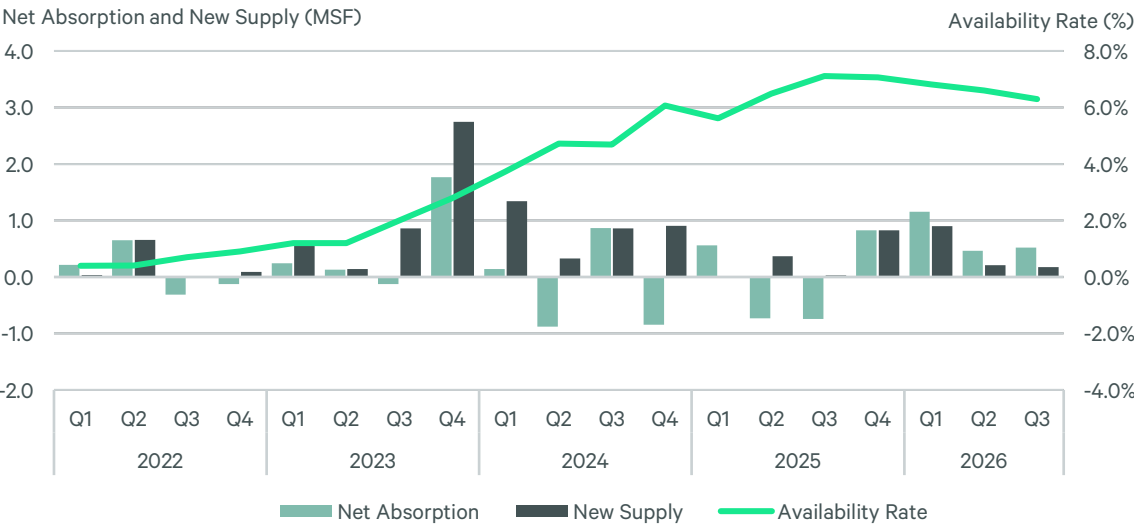
PSF Avg. Asking Sale Price

Note: Arrows indicate change from previous quarter.

MARKET SUMMARY

- Midwestern Ontario's industrial market recorded 518,000 sq. ft. of positive net absorption, bringing year-to-date net absorption to 2.1 million sq. ft.
- Overall availability declined from 6.6% to 6.3%, while vacancy fell from 3.6% to 2.9%, reflecting improving occupancy across the region. Both metrics continue to trend downward, each declining by 80 bps on a year-over-year basis.
- Net asking rents edged down \$0.01 quarter-over-quarter to \$12.96 per sq. ft., remaining below \$13.00 per sq. ft. for a fifth consecutive quarter. Average asking sale prices declined 5.7% to \$247.07 per sq. ft. this quarter.
- The under construction pipeline increased to 1.6 million sq. ft., supported by a series of project starts this quarter. New supply continues to enter the market at a steady rate, with year-to-date deliveries already exceeding the total reported in 2025.

FIGURE 1: Midwestern Ontario Industrial Supply & Demand Fundamentals



Source: CBRE Research, Q3 2026.

Net absorption and leasing activity

Midwestern Ontario’s industrial market posted 518,000 sq. ft. of positive net absorption in Q3 2026, pushing the year-to-date total to 2.1 million sq. ft. Activity was driven by traditional manufacturing, retail/wholesale, automotive, and e-commerce.

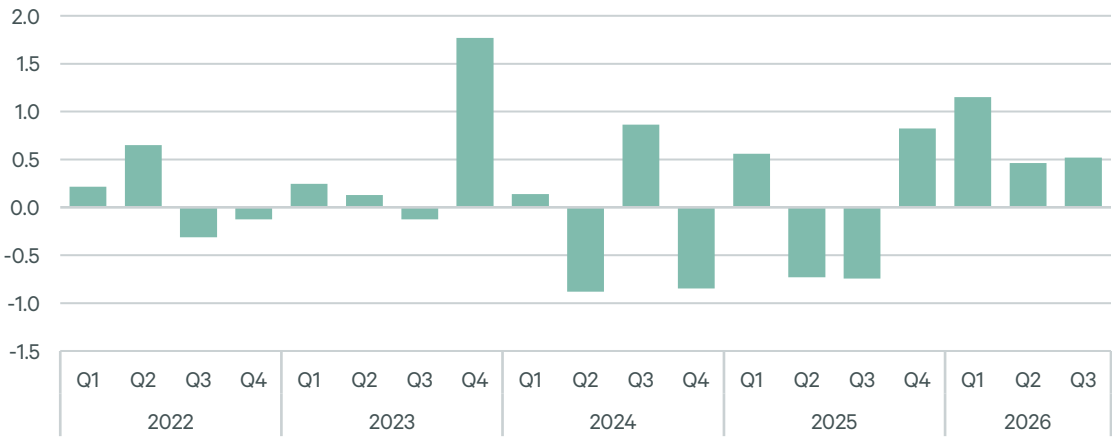
Availability fell 30 bps to 6.3% and vacancy declined to 2.9%. Both measures are down 80 bps year-over-year. The recent downward trend indicates that demand continues to absorb existing space, supporting stable occupancy fundamentals across the region despite availability remaining above early-2025 levels.

Construction activity expanded while sale pricing softened

Construction increased to 1.6 million sq. ft. in Q3. The current pipeline is weighted toward speculative development, with design-build projects representing a smaller share. Net asking rents edged down \$0.01 quarter-over-quarter to \$12.96 per sq. ft., representing the fifth consecutive quarter below \$13.00.

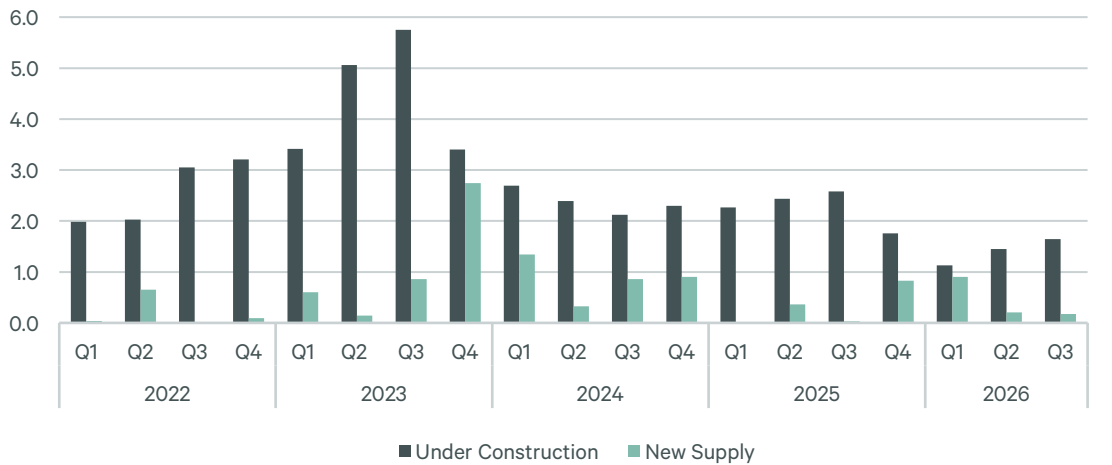
New supply totalled 175,000 sq. ft. this quarter, down from 208,000 sq. ft. in Q2. Year-to-date deliveries reached 1.3 million sq. ft., already exceeding the 1.2 million sq. ft. completed in all of 2025. A few projects under construction are scheduled for completion in Q4 2026; if delivered as planned, they will add to new supply before year-end.

FIGURE 2: Historical Net Absorption (MSF)



Source: CBRE Research, Q3 2026.

FIGURE 3: Under Construction and New Supply (MSF)



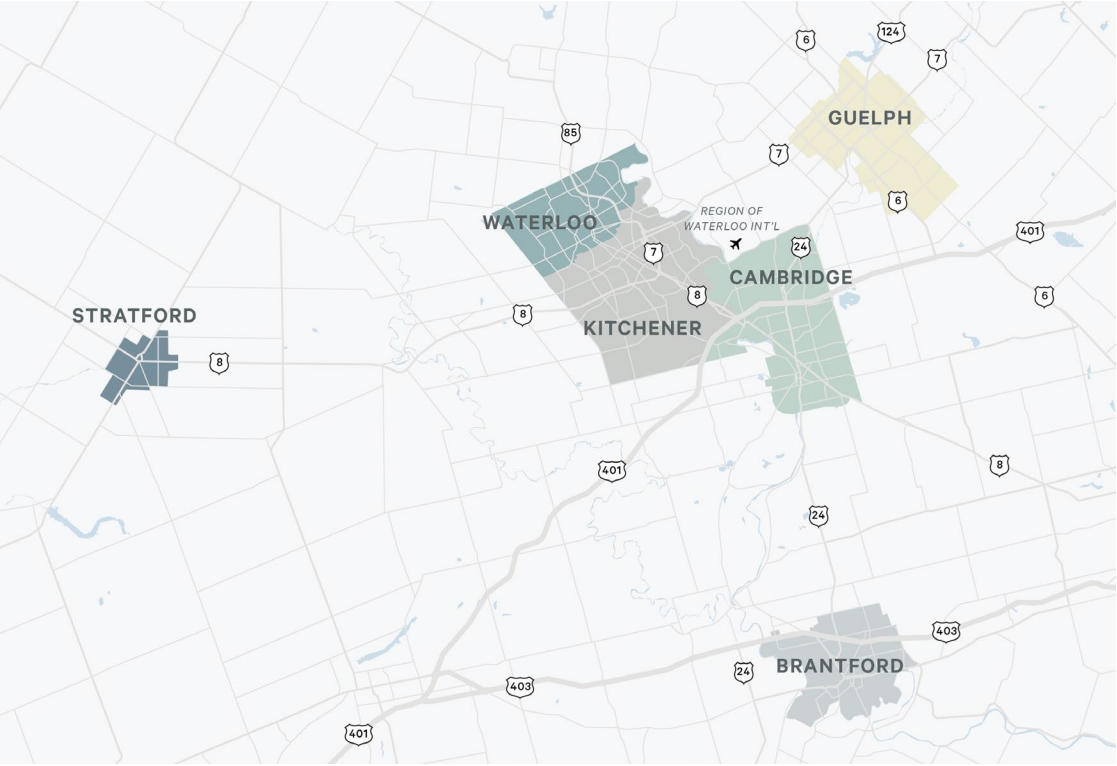
Source: CBRE Research, Q3 2026.

FIGURE 4: Industrial Market Statistics Summary

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	5.8%	2.2%	301,343	626,657	0	\$12.86	\$296.94
Waterloo	8,711,405	7.9%	0.6%	-186,686	-125,661	240,692	\$12.29	\$293.19
Cambridge	37,410,502	8.4%	5.1%	-65,331	462,159	565,666	\$13.32	\$293.17
Waterloo Region Total	70,605,466	7.4%	3.5%	49,326	963,155	806,358	\$13.08	\$294.48
Guelph	22,392,020	6.5%	3.4%	199,366	-13,933	87,288	\$14.09	\$256.93
Brantford	25,610,341	4.4%	1.6%	269,371	1,113,123	660,272	\$11.44	\$136.31
Stratford	7,104,191	2.0%	0.0%	0	70,891	91,730	\$9.23	\$144.06
Overall Total	125,712,018	6.3%	2.9%	518,063	2,133,236	1,645,648	\$12.96	\$247.07

Source: CBRE Research, Q3 2026.

Market Area Overview



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