

Q2 2024

INDUSTRIAL OVERVIEW



WATERLOO REGION INDUSTRIAL MARKET STATISTICS

MARKET	NUMBER OF PROPERTIES	TOTAL INVENTORY (SF)	TOTAL AVAILABILITY (SF)	AVAILABILITY RATE (%)	TOTAL VACANCY (SF)	VACANCY RATE (%)	Q NET ABSORPTION (SF)	NEW SUPPLY (SF)	AVG. ASKING SALE PRICE (\$ PSF)	AVG. ASKING NET RATE (\$ PSF)
CAMBRIDGE	570	32,887,916	2,355,270	7.20%	2,060,578	6.30%	-563,048	328,000	\$290	\$14.23
KITCHENER	507	21,207,100	646,951	3.10%	243,376	1.10%	220,445	60,000	\$366	\$13.52
WATERLOO	255	7,990,067	268,515	3.40%	2,106	0.03%	23,225	0	\$256	\$12.42
TOTAL	1332	62,085,083	3,270,736	5.27%	2,306,060	3.71%	-319,378	388,000	\$304	\$13.39

WATERLOO REGION INDUSTRIAL OVERVIEW

The Waterloo industrial market experienced a record number of new sale listings coming to market in Q2, driving up the availability rate to 5.27%. Despite this listing surge, pricing has remained stable, with the average asking sale price remaining in the low \$300's, coming in at \$304 per square foot for the quarter. Alternatively, the average asking net rate dropped slightly by \$0.12 to \$13.39 per square foot for Q2.

Although the availability rate continues to rise, it is becoming increasingly harder to source stand alone buildings 60,000 square feet and below. This issue is exacerbated by the fact there are also a limited amount of land parcels under 10 acres to build on.

The majority of space currently available on market is large bay, with a total square footage of 200,000 square feet or above and approximately 25% is new product that has been delivered within the past two years.

There are two new large bay buildings expected to be delivered next quarter, adding a total of approximately 570,000 square feet to the market. This is expected to further drive up the availability rate as the current pre-lease rate for both these buildings is under 17%. Landlords are starting to offer more incentives as well as smaller demisable options to combat the market saturation.

AVG. ASKING SALE PRICE (PSF)

\$271 PSF
INDUSTRIAL FREESTAND

AVG. ASKING SALE PRICE (PSF)

\$387 PSF
INDUSTRIAL CONDO

TOTAL AVAILABILITY BY MARKET (SF) Q1 2024 - Q2 2024

