

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	576	33,773,038	3,455,374	9.70%	2,585,406	7.70%	295,384	1,495,872	\$283	\$14.10
KITCHENER	504	20,748,445	776,977	3.70%	322,376	1.60%	-79,000	0	\$360	\$14.06
WATERLOO	251	7,882,030	466,047	5.90%	111,106	1.40%	-109,000	0	\$253	\$13.30
TOTAL	1,331	62,403,513	4,698,398	7.53%	3,018,888	4.84%	107,384	1,495,872	\$278	\$13.94

WATERLOO REGION INDUSTRIAL MARKET OVERVIEW

The vacancy rate for the Waterloo regional industrial market rose 113 bps quarter over quarter coming in at 4.84% for Q3. The largest contributor to this rise was the submarket of Cambridge, which saw an overall jump in vacancy of just over 500,000 square feet from the previous quarter. This climb can be attributed to the nearly 1.5 million square feet of new supply entering the market largely unoccupied.

Despite a rise in vacancy, average asking net rates increased by \$.055 since the previous quarter. This contrast can be contributed to the divide in building and size classes we are seeing within the region. Properties under 10,000 square feet continue to experience high demand, driving up the net rate, while existing and new builds 100,000 square feet and above are having a difficult time finding tenants.

The average asking sale price for industrial freestanding buildings increased slightly by \$4.00 per square foot since the previous quarter. In turn, the average asking sale price for small bay industrial condos rose significantly from \$387 per square foot in Q2 to \$440 per square foot for Q3. We expect to see the popularity of small bay industrial continue as there are currently a limited number of units available for sale and a scarcity of new supply. This is due to a restricted amount of land available for sale coupled with high construction costs in the area.

AVG. ASKING SALE PRICE (PSF)

\$275 PSF

INDUSTRIAL FREESTAND

AVG. ASKING SALE PRICE (PSF)

\$440 PSF

INDUSTRIAL CONDO

TOTAL AVAILABILITY BY MARKET (SF) Q2 2024 - Q3 2024

