

Q4 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)
GUELPH	391	23,611,120	1,348,409	5.71%	1,083,281	4.59%	25,749	60,502	\$274	\$14.08
KITCHENER	505	21,117,662	1,433,498	6.79%	547,602	2.59%	137,882	363,108	\$369	\$12.42
WATERLOO	251	7,914,044	441,313	5.58%	183,106	2.31%	-72,000	0	\$277	\$13.07
CAMBRIDGE	576	33,903,807	2,818,861	8.31%	1,923,059	5.67%	153,597	440,392	\$414	\$14.22
TOTAL	1,723	86,546,633	6,042,081	6.98%	3,737,048	4.32%	107,346	864,002	\$334	\$13.45

WATERLOO REGION INDUSTRIAL MARKET OVERVIEW

The industrial availability rate dropped 55 basis points from Q3, coming in at 6.98% for the quarter. Despite this healthy decline, availabilities remain relatively high in comparison to recent years. This is partly due to the record amount of new supply that has hit the market in recent quarters, the majority of this space being big box warehousing of 100,000 sf and above that has remained vacant. Landlords are now offering to demise some of these spaces in order to accommodate mid-size tenants with less options, though they are charging a premium to do so.

The average asking net rate decreased by \$0.49 psf from the previous quarter to \$13.45 psf for Q4. Every submarket experienced a slight decline in face rates with the exception of Cambridge, which saw an increase in their average asking net rate of \$0.12 psf from the previous quarter coming in at \$14.22 psf for Q4. This can be attributed to a significant amount of new supply being delivered in this submarket, which command higher premiums than older, outdated product.

The average asking sale price for industrial freestands dropped \$12 psf from the previous quarter, coming in at \$263 psf for Q4. In contrast, there continues to be a limited supply of small bay industrial condos available for sale within the Waterloo region, thus driving up the overall asking sale price. This trend is expected to persist in coming quarters as a lack of new small bay product is slated to be delivered.

AVG. ASKING SALE PRICE (PSF)

\$263 PSF
INDUSTRIAL FREESTAND

AVG. ASKING SALE PRICE (PSF)

\$382 PSF
INDUSTRIAL CONDO

TOTAL AVAILABILITY BY MARKET (SF) Q3 2024 - Q4 2024

