

Q1 2025

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)	UNDER CONSTRUCTION (SF)	AVG. ASKING SALE PRICE (\$ PSF)	AVG. ASKING NET RATE (\$ PSF)
GUELPH	397	23,777,315	1,922,820	8.09%	1,722,615	7.24%	-586,382	170,000	\$256	\$13.87
KITCHENER	507	21,218,697	1,727,992	8.14%	1,080,404	5.09%	-472,405	355,944	\$348	\$13.79
WATERLOO	251	7,916,144	391,083	4.94%	136,393	1.72%	46,713	0	\$269	\$13.61
CAMBRIDGE	575	34,909,777	2,734,421	7.83%	2,734,421	7.83%	-243,600	158,000	\$343	\$13.66
TOTAL	1,730	87,821,933	6,776,316	7.25%	5,673,833	5.47%	-1,255,674	683,944	304	\$13.73

WATERLOO REGION INDUSTRIAL MARKET OVERVIEW

The industrial market across Waterloo Region saw a notable slowdown in Q1 2025. Overall availability rose to 8.73%, and vacancy climbed to 7.14%, both up significantly from the previous quarter. Net absorption turned sharply negative at -1.25 Million SF, marking a considerable shift from the modest gains posted in Q4 2024.

Guelph and Kitchener were the hardest hit, recording negative absorption of -586,382 SF and -472,405 SF, respectively. This downturn is largely attributed to soft tenant demand and a growing inventory of unleased space. Cambridge also experienced a pullback with -243,600 SF of negative absorption, while Waterloo bucked the trend slightly, posting a modest 46,713 SF in positive net absorption and maintaining the region's lowest vacancy rate at just 1.72%.

Average asking net rent across the region held relatively steady at \$13.73 PSF, with minor fluctuations between submarkets. Sale prices softened in some areas, particularly for freestand industrial product, which averaged \$260 PSF. Industrial condos remained highly priced at \$382 PSF due to ongoing limited supply and high demand for small-bay ownership opportunities.

As more space comes to market and leasing demand remains cautious, tenants are likely to benefit from increased flexibility and negotiating power in the coming quarters.

AVG. ASKING SALE PRICE (PSF)

\$260 PSF

INDUSTRIAL FREESTAND

AVG. ASKING SALE PRICE (PSF)

\$382 PSF

INDUSTRIAL CONDO

TOTAL AVAILABILITY BY MARKET (SF) Q4 2024 - Q1 2025

