Q3 2025
INDUSTRIAL OVERVIEW

SPEAR REALTY

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	384	23,522,642	2,050,369	8.72%	1,795,934	7.63%	(103,325)	0	$343.65	$16.02
KITCHENER	508	20,899,093	1,789,788	8.56%	1,215,991	5.82%	-60,681	85,878	$373.93	$13.13
WATERLOO	251	7,883,634	312,716	3.97%	214,215	2.72%	-96,403	0	$341.13	$13.03
CAMBRIDGE	581	35,560,420	2,936,166	8.26%	2,259,028	6.35%	-116,351	0	$335.03	$13.76
TOTAL	**1724**	**87,865,789**	**7,089,039**	**7.38%**	**5,485,168**	**5.63%**	**(376,760)**	**85878**	**$348.44**	**$13.99**

WATERLOO REGION INDUSTRIAL MARKET OVERVIEW

The Kitchener-Waterloo-Cambridge-Guelph industrial market experienced a softer Q3 2025 following a strong rebound in Q2, with overall net absorption dropping from +566,979 SF to -376,760 SF—a decline of nearly 943,000 SF—indicating reduced leasing activity across all submarkets.

Total inventory stands at 87.9 million square feet, with an availability rate of 7.38% and a vacancy rate of 5.63%.

Cambridge remains the largest hub with 35.5 million SF and an 8.26% availability rate, while Waterloo continues to post the lowest vacancy at 2.72%.

Cambridge and Guelph saw the sharpest declines in absorption, Kitchener remained slightly negative, and Waterloo shifted from modest growth to contraction.

Average net rents rose slightly to $13.99 PSF, and sale prices held stable at $348 PSF. Construction activity also eased, with just under 600,000 SF underway compared to nearly 1 million SF last quarter.

Despite the slowdown, market fundamentals remain steady, supported by limited new supply and ongoing industrial demand across the region as it heads toward year-end.

AVG. ASKING SALE PRICE (PSF)

$312 PSF

INDUSTRIAL FREESTAND

AVG. ASKING SALE PRICE (PSF)

$284 PSF

INDUSTRIAL CONDO

AVERAGE ASKING NET RATE BY MARKET ($ PSF) Q2 2025 - Q3 2025