

# Q4 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	378	22,101,856	1,000,734	4.50%	803,864	3.60%	-12,430	0	\$346.49	\$12.53
KITCHENER	512	20,951,761	1,639,127	7.70%	1,028,194	4.90%	156,700	355,944	\$313.34	\$14.69
WATERLOO	251	7,889,889	344,640	4.40%	204,296	2.60%	-98,081	0	\$325.96	\$14.92
CAMBRIDGE	583	35,695,128	2,843,429	7.90%	2,520,933	7.10%	215,612	93,471	\$382.26	\$13.64
<b>TOTAL</b>	<b>1,724</b>	<b>86,638,634</b>	<b>5,827,930</b>	<b>6.13%</b>	<b>4,557,287</b>	<b>4.6%</b>	<b>261,801</b>	<b>449,415</b>	<b>\$342.01</b>	<b>\$13.95</b>

### WATERLOO REGION INDUSTRIAL MARKET OVERVIEW

The Waterloo Region industrial market shows mixed but stabilizing conditions, with total net absorption returning to positive territory at +261,801 SF. Activity was led by Cambridge, which recorded strong absorption of +215,612 SF, followed by Kitchener at +156,700 SF. These gains were partially offset by contractions in Waterloo (-98,081 SF) and Guelph (-12,430 SF), highlighting uneven demand across the region.

Overall availability stands at 6.13%, while the vacancy rate remains relatively tight at 4.6%, supported by limited new deliveries in several submarkets. Cambridge continues to have the highest vacancy at 7.1%, reflecting its larger inventory base, while Waterloo remains the tightest market with just 2.6% vacancy. Guelph also remains constrained, posting a vacancy rate of 3.6%.

Development activity remains modest, with 449,415 SF under construction, the majority concentrated in Kitchener (355,944 SF) and Cambridge (93,471 SF). No active construction was reported in Guelph or Waterloo, which may continue to limit future supply in those markets.

Rental rates remain stable across the region, with average asking net rents at \$13.95 PSF, ranging from \$12.53 PSF in Guelph to \$14.92 PSF in Waterloo. Sale pricing remains resilient, averaging \$342.01 PSF, led by Cambridge at \$382.26 PSF, underscoring continued strength in the owner-occupier segment.

While tenant leverage persists in select submarkets, steady absorption, constrained vacancy, and limited new construction suggest that regional industrial fundamentals are beginning to normalize.

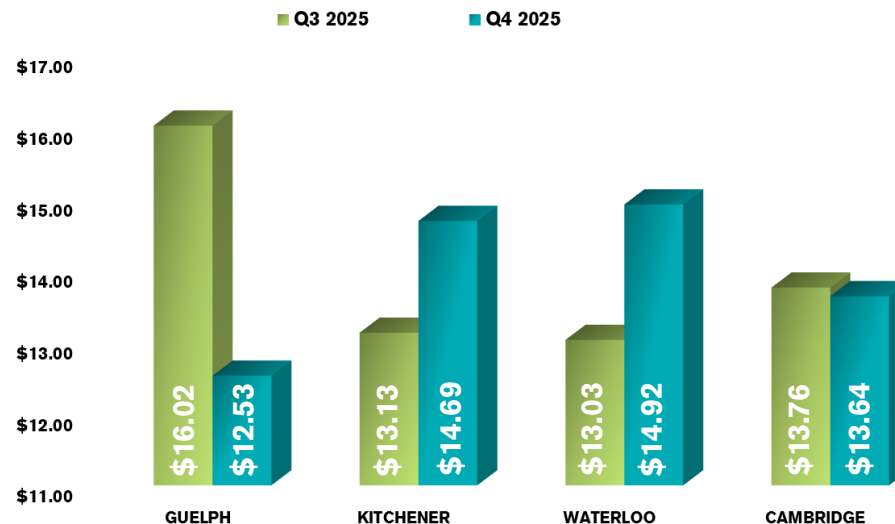
#### AVG. ASKING SALE PRICE (PSF)

**\$343 PSF**  
INDUSTRIAL FREESTAND

#### AVG. ASKING SALE PRICE (PSF)

**\$362 PSF**  
INDUSTRIAL CONDO

#### AVERAGE ASKING NET RATE BY MARKET (\$ PSF) Q3 2025 - Q4 2025



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## WATERLOO REGION INDUSTRIAL OVERVIEW



### SIGNIFICANT SALE TRANSACTIONS

NO.	ADDRESS	MARKET	PURCHASER	VENDOR	BUILDING SIZE	SOLD PRICE	PRICE PSF
1	935 (A/B) & 945 (A/B) Southgate Dr Portfolio Sale	Guelph	CanFirst Capital Management	CanFirst Industrial Realty Fund VIII	578,026 SF	\$126,250,001	\$221.06
2	5075 Whitelaw Rd	Guelph	Trans 99 Logistics	Transport N Service Inc	28,000 SF	\$17,300,000	\$617.86
3	160 McGovern Dr	Cambridge	Hitachi Énergie Canada Inc.	LINM Investments Inc	16,813 SF	\$6,000,000	\$356.87

### SIGNIFICANT LEASE TRANSACTIONS

NO.	ADDRESS	MARKET	TENANT	LANDLORD / SUB LANDLORD	SIZE	LEASE TYPE
1	180 Sheldon Dr	Cambridge	Hitman Hotrods	DREAM Industrial REIT	18,169 SF	Direct Lease
2	602 Colby Dr	Waterloo	Nasarc Industries Inc.	Gies Wm J Construction Ltd.	31,507 SF	Direct Lease

### NUMBER OF PROPERTIES

Includes all industrial / flex industrial buildings 2,000 square feet and above.

### TOTAL INVENTORY (SF)

Amount of existing industrial space 2,000 square feet and above.

### TOTAL VACANCY (SF)

Amount of industrial space with an available occupancy of less than 30 days from the time of survey completion.

### VACANCY RATE (%)

Total vacant square feet divided by total inventory.

### TOTAL AVAILABILITY (SF)

Amount of industrial space with an available occupancy of 1 to 3 months from the time of survey completion, currently occupied or vacant.

### AVAILABILITY RATE (%)

Total available square feet divided by total inventory.

### QUARTERLY NET ABSORPTION (SF)

Change in occupied square feet from one quarter to the next.

### UNDER CONSTRUCTION (SF)

A site in which ground work has begun, with the purpose of delivering an industrial building to market 10,000 sf or greater within the next two years.

### AVERAGE ASKING NET RATE PSF (\$)

Calculated average of the net asking rate per square foot for all available industrial listings 2,000 sf and above, currently advertised on market.

### AVERAGE ASKING SALE PRICE PSF (\$)

Calculated average of the asking price per square foot for all available industrial listings 10,000 sf and above, currently advertised on market.

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# 2025

## QUARTERLY MARKET REPORT

### WATERLOO REGION INDUSTRIAL

# Q4