

Q1 2021

London

Industrial Market Report

Total Inventory

This Quarter

46.3M SF

Net Absorption

This Quarter

198K SF

Availability

This Quarter

1.94%

Year-over-Year

▲ 0 bps

Asking Rental Rates

This Quarter*

\$6.93 PSF

Year-over-Year

▲ 0.0%

Development

Under Construction

970K SF

New Supply

0.0M SF

*Weighted Average

Colliers International London Ontario Brokerage

Market Outlook

Despite the pandemic, there has been a noticeable uptick in a lot of the traditional industrial sectors. For example, the agriculture food and auto sectors continued to witness strong growth throughout Q1 2021. Thus, London remains a strong industrial foundation to 34,000 manufacturing jobs in the Middlesex area.

Just under 1 million SF of industrial space is currently available. There are many options available for small industrial users of less than 10,000 SF with multi-unit industrial parks as an active and viable option. Growing businesses requiring 10-20,000 SF have limited opportunities and users requiring 20,000+ SF are now compelled to look at Build-to-Suit options.

London's total under construction supply increased to 968,500 SF in Q1 2021. This includes the 640,000 SF Maple Leaf Poultry project. For existing inventory, the Net Rental rates range between \$5 and \$8 PSF.

Build-to-Suit options range between \$8.00 and \$11.50 plus any customization expense, with discounting on first year with minimum term commitments.

City of London continues to market its Industrial Lands along the Highway 401/Veterans Memorial Parkway corridor. These lands are primarily reserved for manufacturing end users. There are roughly 205 acres available with parcels exceeding four acres at \$70K an acre and \$80K an acre for smaller parcels. The City has an additional 8.5 acres in this corridor Under Contract.

Nexus REIT announced it's agreement to acquire a total of nine industrial properties in Ontario, six of which are in London. The six assets in London total approximately 1.2 million SF for a total of \$103.5 million. The conditions of the purchase agreement have been waived and transaction is expected to close on April 1st 2021.

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Market Outlook

Notable Lease Transactions

Notable Developments

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Transaction Highlights

Notable Lease Transactions

Tenant	Building Name / Address	Lease Type	Size (SF)
Undisclosed	580 Industrial Drive	Head Lease	113,595
Undisclosed	2391 Huron Street	Head Lease	30,000
Undisclosed	150 Exeter Road	Head Lease	8,485
Undisclosed	1510 Fanshawe Park Road	Head Lease	6,000
Undisclosed	70 Pacific Court	Head Lease	4,577

Notable Developments

Building Name / Address	Building Status	Size (SF)	Est. Completion	Owner / Developer
15893 Dakota Place - Part 1	SPA	50,000	Q4 2021	Dancor Construction
15893 Dakota Place - Part 2	Pre Leasing	129,000	Q4 2021	Dancor Construction
2150 Oxford Street - Phase 2 & 4	Pre Leasing	173,000	Q2 2022	Dancor Construction
2240 Huron Street - A & D	Pre Leasing	176,000	Q4 2022	Dancor Construction
Oxford Street E & Industrial Road	Under Contract	350,000	TBA	Ellis Don Corporation
1577 Wilton Grove Road - Maple Leaf Foods	SPA	640,000	TBA	London Poultry Plant - Walters Group Inc.



Leased
580 Industrial Drive, London
113,595 SF

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For more information on the London and Collingwood Industrial Markets, please contact:

Chris Kirwin AACI, SIOR
President,
Broker of Record
+1 519 438 4300 ext. 201
chris.kirwin@colliers.com

Matt Chambers
Vice President,
Sales Representative
+1 519 438 4300 ext. 203
matt.chambers@colliers.com

Brian VanAcker
Associate Vice President,
Sales Representative
+1 519 438 4300 ext. 207
bryan.vanacker@colliers.com

Report Author:

Alaa Aljarousha
Research Analyst
+1 519 438 4300
alaa.aljarousha@colliers.com

Report Contributor:

Marcy Small
Office / Marketing Manager
+1 519 438 4300 ext. 220
marcy.small@colliers.com

Colliers Canada | London
Colliers International London
Ontario Brokerage
605 Colborne Street
London, ON, N6A 5A1
+1 519 438 4300

Colliers Canada | Collingwood
215-4-115 First Street
Collingwood, ON, L9Y 4W3
+1 705 532 1175

collierscanada.com



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