

Industrial Mid Year Review 2024

WATERLOO REGION

Industrial Market Overview

The industrial market has remained resilient overall, however we are starting to see separation between the various sectors.

Owner-Occupier Sales: This remains the only sector of the market to set record pricing in 2024. Buyers are more critical of the attributes of properties. In this new environment, we see quality product continuing to have very strong pricing, and older properties struggling more than in years past.

Land Sales: Land sales are largely owner-occupier driven, especially in markets like Waterloo Region where expectations for land are well above \$1M per acre. This doesn't mean there is a lack of demand for well zoned, well located land. We are not seeing as many investors / developers paying top dollar due to the state of the leasing market.

Leasing Market: New construction, large format buildings continue to drive the considerable rise in vacancy. Tenants have a wider variety of options, however the majority of those options are new builds owned by institutional landlords who are holding strong on their asking rates.

Investment Sales: Activity has been strong and the rise of interest rates has not been reflected in a rise of cap rates. Many investors are putting out-sized deposits down and accepting cap rates at ~6% or lower if they see under-market rental rates. This is a signal that the market is viewing industrial real estate as a stable commodity.

NET ABSORPTION

Q2	Q1
166K SF	1.4M SF

VACANCY RATE

2.0%

▲149 bps (YoY)

ASKING NET RENT

\$14.09 / SF

▲12% (YoY)

UNDER CONSTRUCTION

3.6M SF

Michael Lambert*, SIOR
Partner, President
2X Olympian

Significant Sale YTD

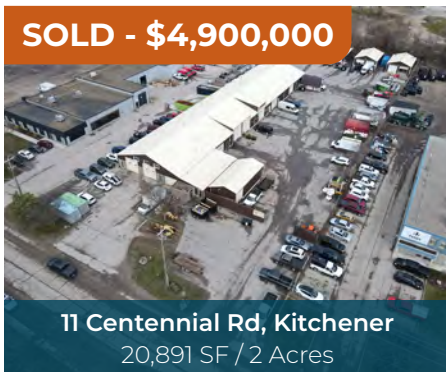
- ▶ \$5,150,000
- ▶ 14,957 SF
- ▶ 1.267 Acres



612 Colby Drive, Waterloo, Ontario

Our Transaction Highlights

SOLD - \$4,900,000



11 Centennial Rd, Kitchener
20,891 SF / 2 Acres

SOLD - \$4,650,000



360 Shirley Ave, Kitchener
16,201 SF / 4.202 Acres

SOLD - \$3,130,000



620 Colby Dr, Waterloo
16,885 SF / 1.16 Acres

SOLD - \$2,950,000



1677 Victoria St N, Kitchener
9,175 SF / 0.920 Acres

LEASED



30 Adam Ferrie Pl, Kitchener
12,048 SF / 10 Year Term

LEASED



55 Dennis Rd, St. Thomas
26,210 SF / 5 Year Term

On the Market

FOR SALE



352 Governors Rd E, Brantford
\$2,400,000 | 11,774 SF | 4.14 Acres

FOR SALE



99 Northland Rd, Waterloo
\$4,397,000 | 9,128 SF | 1.27 Acres

FOR SALE



50 Northland Rd, Waterloo
Call Us | 221,848 SF | 11.48 Acres

FOR LEASE



50 Northland Rd, Waterloo - Unit 100
\$9.95 / SF Net | 54,497 SF

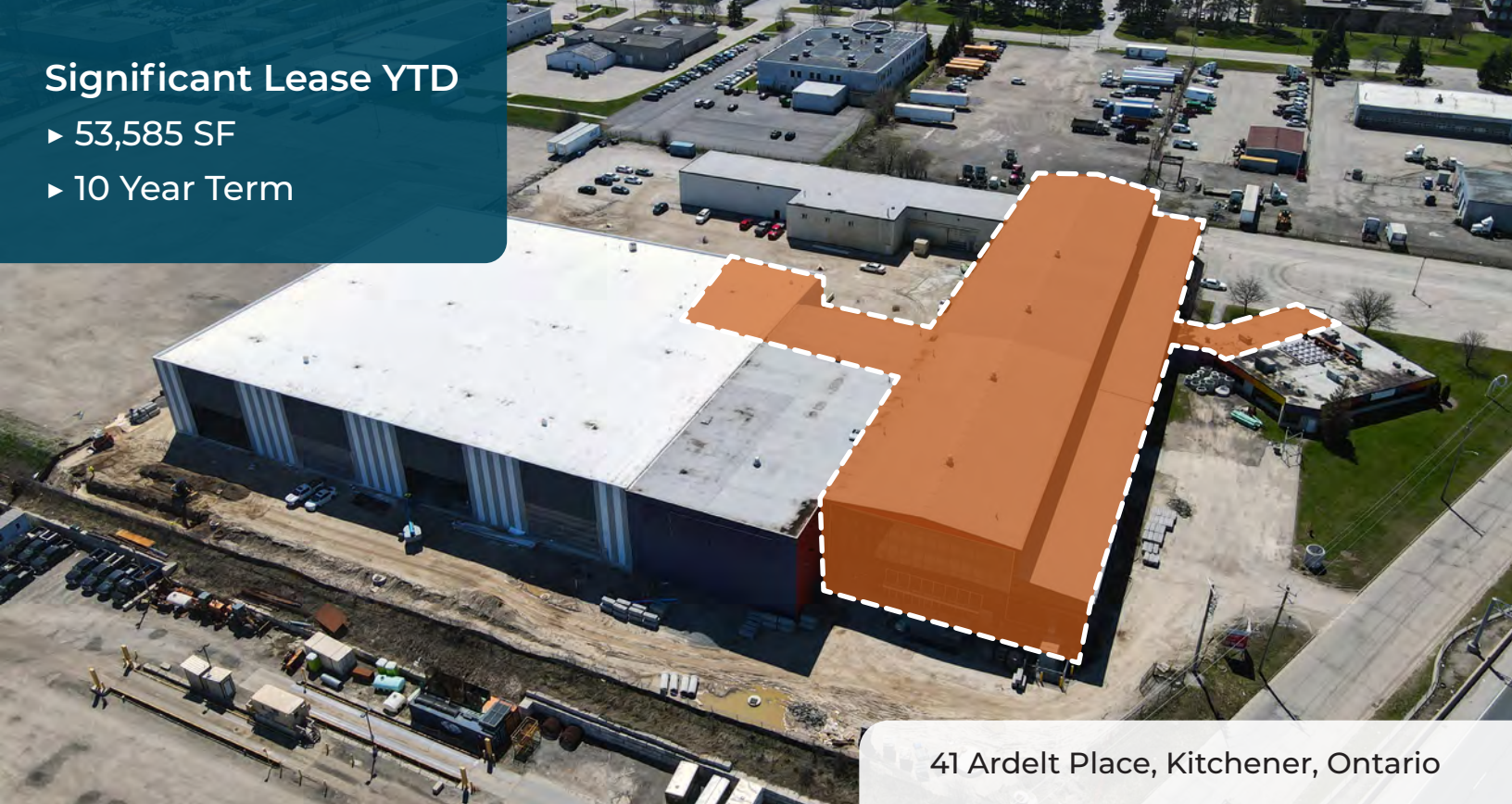
FOR LEASE



525 Conestogo Rd, Waterloo
\$11.75 - \$12.95 / SF Net | 29,673 - 77,673 SF

Significant Lease YTD

- ▶ 53,585 SF
- ▶ 10 Year Term



41 Ardel Place, Kitchener, Ontario

"If you are interested in discussing current market conditions, obtaining an Opinion of Value, selling, purchasing or leasing excess space, don't hesitate to contact us. We have mandates with Tenants and Buyers across all size requirements."

WHITNEY & Company's long-standing presence in commercial real estate is a testament to our expertise and commitment to the industry. Over the course of more than a century, we have developed and maintained strong connections within Waterloo Region, Southwestern Ontario and beyond.

We provide a client-centric approach to real estate services, ensuring our customers receive tailored solutions, helping them navigate the complexities of the commercial real estate market.

Our roots are in Waterloo Region and our reputation withstands the test of time.



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