

INDUSTRIAL
MID YEAR REVIEW
2025



INDUSTRIAL MARKET OVERVIEW

OWNER-OCCUPIER SALES:

The industrial market as a whole has been resilient and in some sectors of the market, prices have remained competitive even if they're on the rise. Especially in the owner-occupier segment of the market. It remains difficult to find smaller parcels of land and with current construction costs, the values remain propped up.

LAND SALES:

The land market has slowed down to a near standstill as owners are unwilling to part with values too far from what we saw during the peak of the market in 2022. In addition to a gap in pricing exceptions, we are also seeing major developers put many new projects on hold as they still work to fill their existing buildings.

LEASING MARKET:

The Leasing market is a tale of two worlds, with spaces under approx 30,000 SF remaining in high demand, and there being substantial vacancy in new buildings which were designed to ideally house Tenants over 100,000 SF. The Waterloo Region has almost 3.5M SF of vacant industrial space, which is largely new. There is positive activity and more velocity in the leasing market and we seem to be through the bottom. It's a question of time now; it could be upwards of 36 months before we see the majority of vacancies filled.

INVESTMENT SALES:

Investment sales under 30,000 SF are a powerful part of the market that do not adhere to market cap rates. While an institutional investor looking at a portfolio would need to see a 6.5% - 7.5% return, we are seeing individuals paying as low as a 3.5% return for multi-bay buildings. Sometimes there will be a clear path to increase the rents in 12-24 months, but overall these are proving to be incredibly desirable assets.



Michael Lambert

MICHAEL LAMBERT*, SIOR
Managing Partner, President
2x Olympian

NET ABSORPTION

Q2
-883K SF

Q1
525K SF

VACANCY RATE

4.9%

ASKING NET RENT

\$13.34 / SF

UNDER CONSTRUCTION

1.123M SF



SOLD
209
FROBISHER DRIVE
WATERLOO

38,730 SF | 2.414 ACRES

OUR TRANSACTIONAL HIGHLIGHTS

PENDING LEASED



#101, 210 Sheldon Dr, Cambridge
Industrial Building + Land
8,625 SF

PENDING LEASED



#2, 5 Forwell Rd, Kitchener
Industrial Building
11,217 SF

SOLD



1 Salmon Ave, Bracebridge
Land
~10.00 Acres

LEASED



400 Conestogo Rd, Waterloo
Industrial Building
12,000 SF

PENDING SOLD



660 1st St, Hanover
Industrial Building
12,700 SF | 0.997 Acres

LEASED



#3, 402725 Grey Rd, Durham
Industrial Building + Outdoor Storage
24,000 SF

ON THE MARKET

**FOR SALE
& LEASE**

**50
NORTHLAND RD
WATERLOO**

UP TO 221,848 SF
11.257 ACRES



**FOR SALE
& LEASE**

**5
INDUSTRIAL RD
ST. MARYS**

9,190 SF
0.502 ACRES



FOR SALE

**65
HOWARD PL
KITCHENER**

5,467 SF
0.594 ACRES



FOR LEASE

**67
KIRKBY CRT
GUELPH**

28,384 SF
8 ACRES



FOR LEASE

**13
CENTENNIAL RD
UNIT B
KITCHENER**

7,231 SF



FOR SALE

**145
ARNOLD ST
NEW HAMBURG**

15,000 SF
2.891 ACRES



FOR LEASE

**165
KINCARDINE HWY
WALKERTON**

214,810 SF
19.873 ACRES





If you are interested in discussing current market conditions, obtaining an Opinion of Value, selling, purchasing or leasing excess space, don't hesitate to call 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.

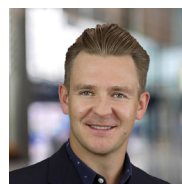
Our roots are in Waterloo Region and our reputation withstands the test of time.



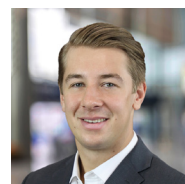
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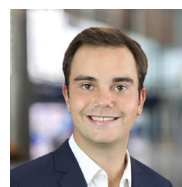
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**Broker *Sales Representative