

YEAR IN REVIEW

WATERLOO REGION

2025



2025

"In uncertain markets, clear guidance and a strong understanding of fundamentals help clients make confident decisions."



Resilience is the name of the game. The first half of 2025 saw the biggest slowdown in transactions in over a decade, largely due to the new U.S. administration. Uncertainty put a pause on all large-scale decisions from Investors to Tenants.

Now that reality has set in, this uncertainty is here to stay. However, we are seeing movement again. While a gap between Buyers' and Sellers' expectations continues to exist, a lack of availability continues to hold up value for all types of Sale Transactions.

In the Region of Waterloo, the most shocking news was the Regions decision to suspend approvals for all new developments due to water capacity concerns in high growth areas. The decision was made with minimal warning and shocked the development community. We are now awaiting the Regions plan to resolve the matter.

Despite these challenges, Investors remain bullish on nearly all segments of the investment market. New developments are being halted due to the lack of water will continue to prop up resale pricing, along with the inescapable cost of land and construction costs.

Small bay, multi-tenant industrial space continues to be highly desired. Developers have struggled to build a new supply, and the economics and lease rates for these assets have done anything but slide downward.

While these roadblocks remain, the market's resilience and limited supply continue to create opportunities for strategic Investors and Tenants.

Michael Lambert

MICHAEL LAMBERT*, SIOR
Managing Partner, 2x Olympian

PENDING SOLD



888

GUELPH ST
KITCHENER

109,666 SF | 7.567 ACRES

Manufacturing Facility

We're thrilled to announce the pending sale of this prime manufacturing facility near Highway 85 and Downtown Kitchener.

With dual access from Guelph Street and Maple Avenue, and a bus stop just 450 m away, the property has logistics and connectivity in mind.

A new Phase 2 Environmental Report and Building Condition Assessment ensured a smooth transaction for all parties.

We want to congratulate everyone who was involved in this transaction.



Truck-level &
Drive-in Loading



Phase 2
Environmental



Close Proximity
To HWY 85 & 401





Industrial Overview | 2025

The industrial market has several moving parts. Resale prices for modern, functional buildings remain strong, while older facilities are increasingly viewed as obsolete and face downward pricing pressure, creating a clear gap between new and aging stock.

With more than three million square feet of newly completed industrial space, largely delivered by institutional Investors, we are seeing asking Net Rents remain near \$15 per square foot. To entice Tenants, Landlords are offering incentives such as 16 months of gross free rent and seven-figure cash allowances.

Overall, the industrial market continues to adjust, with pricing, incentives, and building quality all playing a role in how transactions ultimately come together.




**PENDING
SOLD**

97

ARDELT AVE
KITCHENER


59,705 SF | 2.882 ACRES

OUR TRANSACTIONAL HIGHLIGHTS




LEASED

402725 Grey Rd 4, Durham
Industrial Units
73,000 SF




SOLD

209 Frobisher Dr, Waterloo
Industrial Building + Land
38,730 SF / 2.414 Acres




SOLD & LEASED

5 Forwell Rd, Kitchener
Multi-Unit Industrial Building + Land
34,930 SF / 4.319 Acres




SOLD (OFF MARKET)

350 Shirley Ave, Kitchener
Multi-Tenant Industrial Building
32,735 SF | 2.815 Acres



PENDING SOLD

1628 Concession Rd, Cambridge
Multi-Building Industrial Site + Duplex
21,924 SF / 2.305 Acres



SOLD

190 Huron St, Woodstock
Commercial Building + Excess Land
16,932 SF / 1.83 Acres

**Q4
Vacancy Rate**

~4.5%

**Avg. Asking
Net Rent**

~\$13.00 / SF

**Under
Construction**

~2M SF

Waterloo Region

WHITNEY & CO. DESIGN & BUILD PLATFORM

506 DOTZERT CRT, WATERLOO

LAND SIZE | 1.05 Acres

PROPOSED BUILD | ~20,000 SF

ZONING | Industrial

PRIMARY USE | R&D + Manufacturing

With WHITNEY & Company's deep expertise in industrial and commercial real estate, we understand the right property isn't always readily available. When market options are limited, we leverage our Design / Build platform to deliver purpose-built solutions.

This approach allows us to identify suitable vacant land and design a building tailored to our Clients' operational requirements. Once the project specifications are clearly defined, we engage the general contractor market to solicit competitive pricing proposals. This competitive bid process enables us to align our Clients' needs with the contractor best suited to deliver a fully customized design-build solution.

We recently assisted Navitas Vehicles Systems Ltd. in the purchase of a 1.05 Acre site in Waterloo that will allow them to construct a 20,000 SF R&D and manufacturing facility. This investment will allow them to centralize engineering, testing and production operations, doubling their existing production capacity.





Office Overview | 2025

The office market is one area where Landlords are willing to be as aggressive as they need to be to entice and attract Tenants to their buildings. However, in high-demand areas like Toronto, the ‘A’ class buildings, Tenants are competing for space, which keeps rental rates high and incentives minimal.

Secondary markets like the Region of Waterloo and surrounding areas, show slower leasing activity, giving Tenants more negotiating power. Landlords are competing with each other and offering flexible lease terms, rent incentives, and even customized build-outs to fill the empty units.

This demonstrates how market conditions can vary widely, with Tenants holding the upper hand in some regions while Landlords remain in control in others.



LEASED


410

ALBERT ST
WATERLOO
UNIT 102

14,969 SF


OUR TRANSACTIONAL HIGHLIGHTS

LEASED




215 Queen St W, Cambridge
Office Suites
32,703 SF

LEASED




16 Andrew St, Kitchener
Office / Medical Suite
15,695 SF

LEASED




435 King St N, Waterloo
Office / Retail Suite
8,439 SF

LEASED




319 Bridgeport Rd E, Waterloo
Office Suite
8,155 SF

LEASED



420 Wes Graham Way, Waterloo
Office Suites
4,066 SF & 6,574 SF

LEASED



240 Duke St W, Kitchener
Office Suite
5,650 SF

**Q4
Vacancy Rate**

~16%

**Avg. Asking
Net Rent**

~\$16.50 / SF

**Under
Construction**

~20K SF


Waterloo Region

ON THE MARKET | INDUSTRIAL

FOR SALE

HESH CRES
KITCHENER

1 - 26 ACRES



FOR LEASE

HIGHBURY AVE
ST. THOMAS


UP TO 1.3M SF
67 ACRES



FOR SALE

130
WOODWORTH AVE
ST. THOMAS

33,720 SF
2.518 ACRES



FOR LEASE

139
DEARBORN PL
WATERLOO

30,000 SF
1.507 ACRES



FOR SALE

1901
JAMES ST S
ST. MARYS

25,340 SF
4.044 ACRES



FOR LEASE

7295
MASON RD
PUSLINCH

16,825 SF
5.2 ACRES



FOR LEASE
(EXCLUSIVE)

367
SPEEDVALE AVE
GUELPH

UP TO 15,500 SF
UP TO 6.3 ACRES







ON THE MARKET | OFFICE

FOR SALE

8 QUEEN ST N
48 ONTARIO ST N
41 KING ST W
73 KING ST W
KITCHENER

62,286 SF



FOR LEASE

440
PHILLIP ST
WATERLOO

12,000 - 51,836 SF



FOR LEASE

455
PHILLIP ST
WATERLOO

3,500 - 47,204 SF



FOR SALE
& LEASE

410
CONESTOGO RD
WATERLOO

2,036 - 38,707 SF



FOR LEASE

410
ALBERT ST
WATERLOO

5,819 - 27,440 SF



FOR LEASE

451
PHILLIP ST
WATERLOO

2,924 - 19,815 SF



FOR LEASE

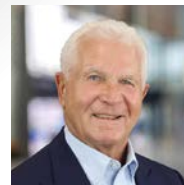
375
HAGEY BLVD
WATERLOO

2,782 - 17,446 SF





Michael Lambert*, SIOR
Managing Partner, 2x Olympian
519.590.0286
michael.lambert@whitneyre.com



John Whitney
Broker of Record, CEO
519.746.6300
john.whitney@whitneyre.com

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.

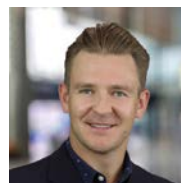
Our roots are in Waterloo Region and our reputation withstands the test of time.



Ginger Whitney, SIOR, CCIM
Broker, Partner
519.590.5242
ginger.whitney@whitneyre.com



Joe Anstett*, SIOR
Associate Vice President
519.721.1659
joe.anstett@whitneyre.com



Rich Evanoff*, SIOR
Associate Vice President
226.752.7197
rich.evanoff@whitneyre.com



Matthew Hayward
Senior Sales Representative
519.270.4691
matthew.hayward@whitneyre.com



Xavier Ayora
Sales Representative
226.929.4667
xavier.ayora@whitneyre.com



Jack Hayward
Sales Representative
519.270.3314
jack.hayward@whitneyre.com

WHITNEY
Commercial Real Estate Services

WHITNEY & Company Realty Limited, Brokerage
103 Bauer Place, Suite 2, Waterloo, ON N2L 6B5

519.746.6300 | www.whitneyre.com

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**Broker *Sales Representative