

**WHITNEY**  
Commercial Real Estate Services

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# YEAR IN REVIEW

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## WATERLOO REGION



# 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.

The signature of Michael Lambert, SIOR.

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.



## 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.

**Q4  
Vacancy Rate**

**~4.5%**

**Avg. Asking  
Net Rent**

**~\$13.00 / SF**

**Under  
Construction**

**~2M SF**

Waterloo Region



**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

# 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.

**Q4  
Vacancy Rate**  
**~16%**

**Avg. Asking  
Net Rent**  
**~\$16.50 / SF**

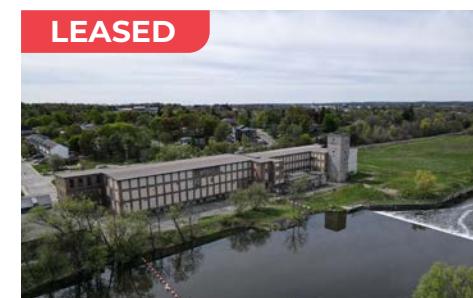
**Under  
Construction**  
**~20K SF**

Waterloo Region



**LEASED**  
**410**  
**ALBERT ST**  
**WATERLOO**  
**UNIT 102**  
**14,969 SF**

### OUR TRANSACTIONAL HIGHLIGHTS



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



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



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



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

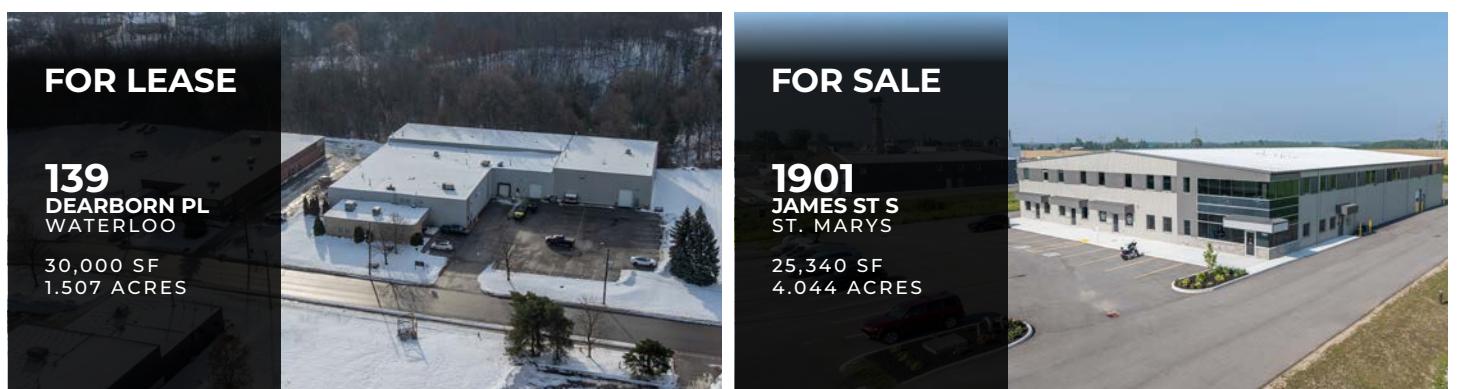
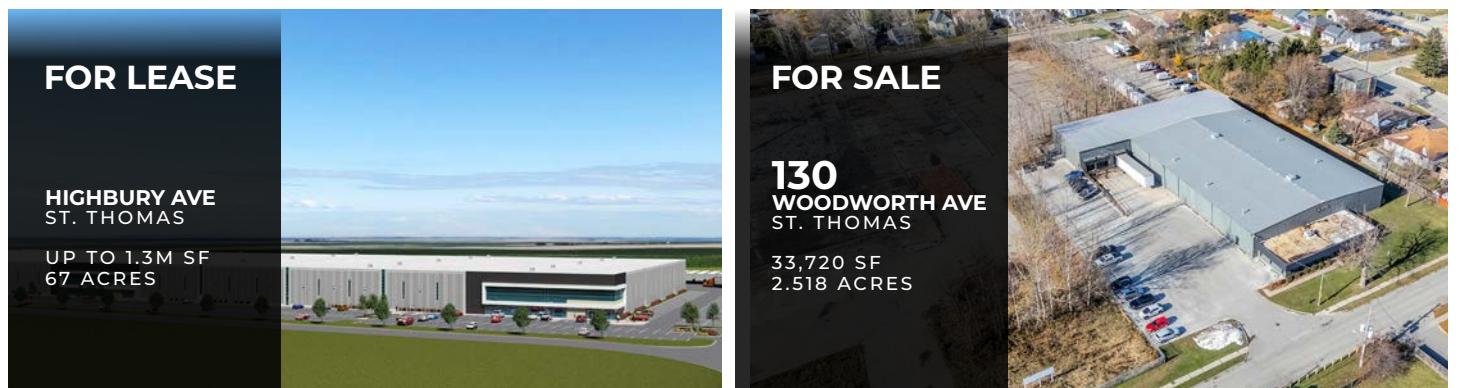
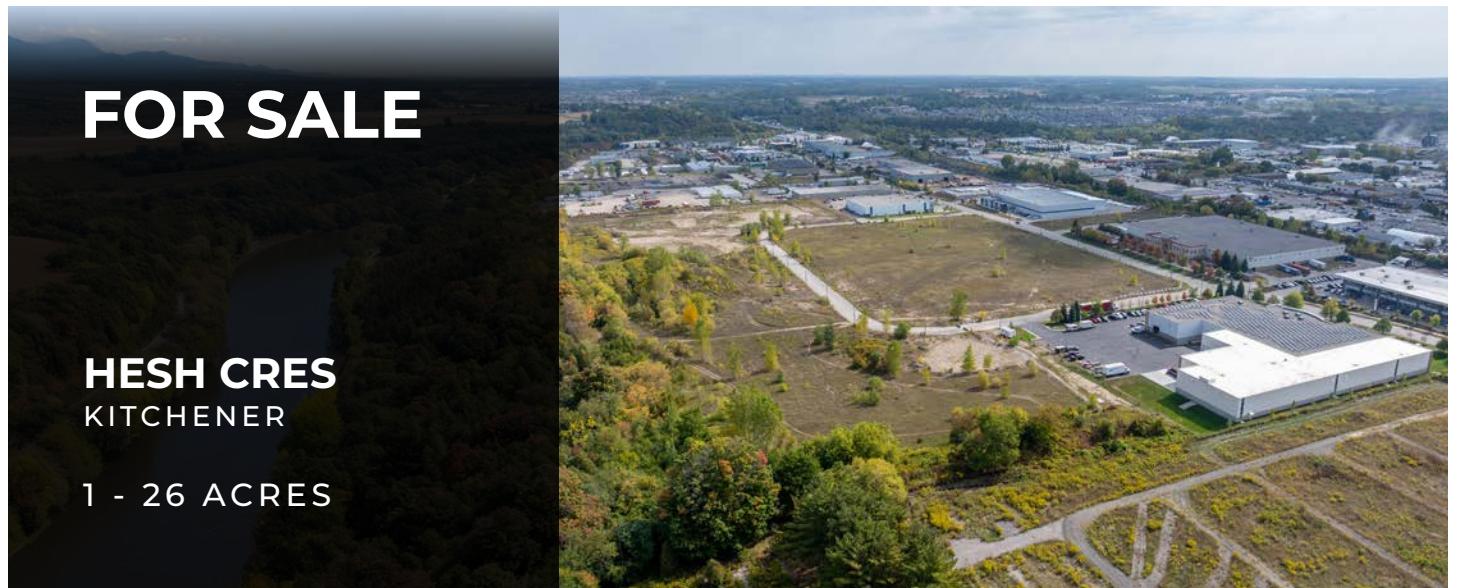


**420 Wes Graham Way, Waterloo**  
Office Suites  
4,066 SF & 6,574 SF

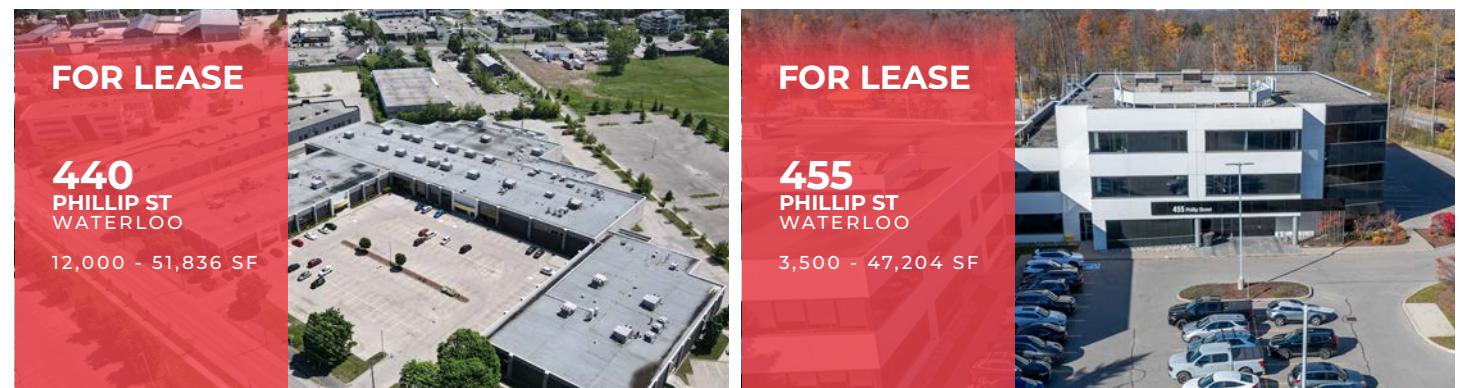
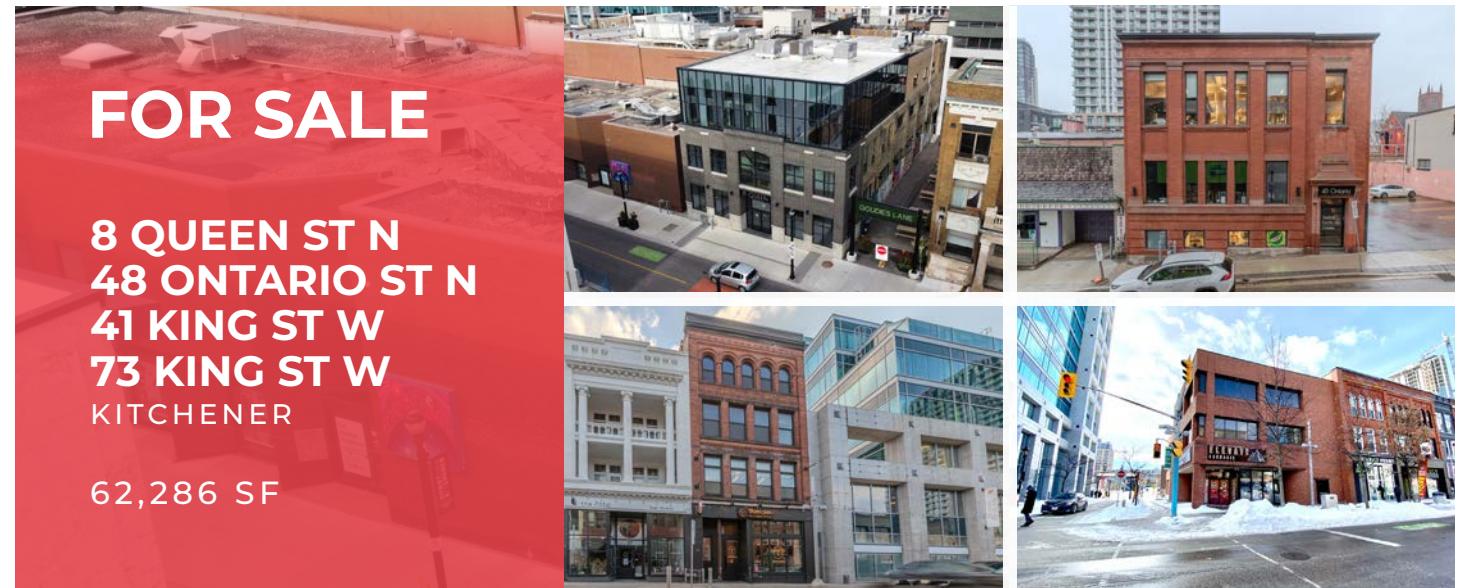


**240 Duke St W, Kitchener**  
Office Suite  
5,650 SF

## ON THE MARKET | INDUSTRIAL



## ON THE MARKET | OFFICE





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**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.

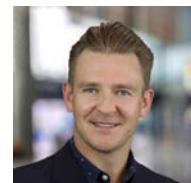
Our roots are in Waterloo Region and our reputation withstands the test of time.



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\*\*Broker \*Sales Representative