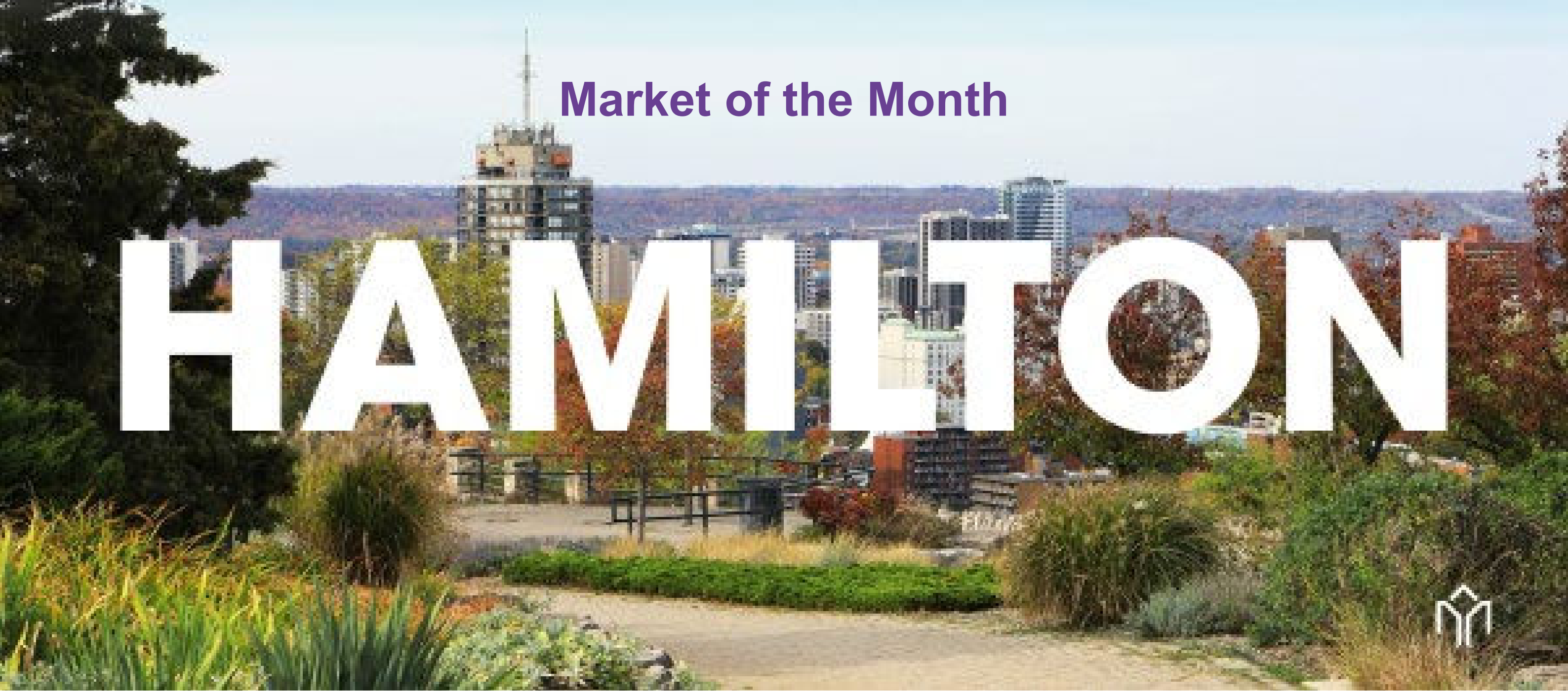
Market of the Month

HAMILTON



INDUSTRIAL MARKET HIGHLIGHTS

An Industrial Market in Transition

+ Mid-sized units (20,000–60,000 SF) in short supply across key submarkets forcing tenants to expand search areas or compromise.
+ Speculative construction cooling as developers shift to secured tenants and pre-leased projects.
+ Retail and mixed-use redevelopment reducing traditional industrial land base.
+ Hamilton's fundamentals remain strong long-term, but tenants must act strategically in a segmented and cautious market.

- **3.00% industrial vacancy rate**, up from historically tight levels, mainly due to slower lease-up of new large-bay (>100,000 SF) product.
- **Lease incentives are becoming more common**, including tenant improvement (TI) allowances and flexible terms.
- Submarkets like Ancaster and Stoney Creek continue to attract industrial activity but have **higher vacancy for large units**.
- **Rents remain competitive**, but vary widely by location, age, and building features. Urban core commands a premium.
- **Land sales have slowed**, and values are stabilizing as buyers wait for better fundamentals.
- **Construction costs and borrowing conditions** are impacting the pace and feasibility of new development.

3.00%
Vacancy Rate

$13.00 – $16.00
Average Asking Rate, PSF

As developers delay or reduce construction pipelines, Hamilton should see a gradual stabilizing of vacancy levels over the medium term. However, the recovery in leasing velocity, particularly for larger industrial footprints, may take time and rely on further improvements in macroeconomic confidence and tenant expansion plans.