

# Retail Snapshot Q4 2015

Ottawa, ON



## ECONOMIC INDICATORS

National	2014	2015	12-Month Forecast
GDP Growth	3.4%	1.7%	▲
CPI Growth	0.0%	0.7%	▲
Consumer Spending Growth	2.4%	1.8%	■
Retail Sales Growth	3.7%	1.0%	▼

Regional	2014	2015	12-Month Forecast
Household Income	\$44,649	\$45,108	▼
Population Growth	1.2%	1.1%	■
Unemployment	5.9%	6.3%	■

Source: Statistics Canada  
/Conference Board of Canada

## Economy

The unemployment rate in the City of Ottawa reached 6.3% in November 2015, a minimal decrease of 0.1 percentage points from the third quarter. The country's unemployment rate bumped up to 7.1% from last month as the economy lost 35,700 jobs; largely thought to be a decline in the temporary work that was generated by the federal election. Now that the federal election is over, it will be interesting to see how a Liberal majority will impact the region's economy as we head into 2016. Campaign promises that were made that would directly impact the local economy include a promised increase in funding for infrastructure, a pledge to contribute significant funds to expand the Light Rail Transit network in the region, and most importantly a promise to public servants to help mend the, at times, strained relationship between the public service and the Conservative government.

## Market Overview

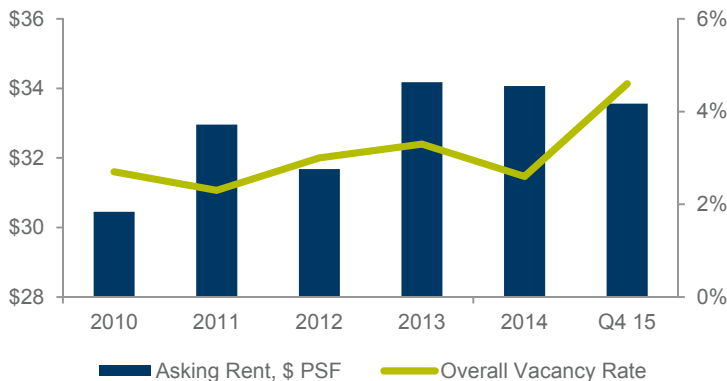
The retail market got off to a tough start in 2015, as the region was left to deal with numerous retail closures. That being said the retail market did stabilize somewhat over the last half of 2015 with overall vacancy declining to 4.6%, 0.4 percentage points lower than at the mid-point mark of the year.

There was no change in the Regional Mall vacancy rate over the course of the year; remaining at 3.6%. The largest pocket of availability continues to be located at Place D'Orleans, as the 116,000-sf space vacated by Target remains available. Vacancy declines in the Community Mall segment have also been hampered somewhat by Targets departure. While Target's former 104,000-sf space remains vacant in Hazeldean Mall, the Target space at Meadowlands Mall has been removed from the market as there is a planned redevelopment of this site which will be partially anchored by a 75,000-sf Movati Athletic Club. This market segment continues to see new construction, including the redevelopments of both Herongate Mall and Shopper's City East, as well as future plans for a 380,000-sf development at Barrhaven; likely anchored by a Costco. The Neighbourhood Mall segment saw demand slightly outpace new availability over the last half of the year as vacancy declined to 4.4%, 0.2 percentage points lower than at the mid-way point of 2015.

## Outlook

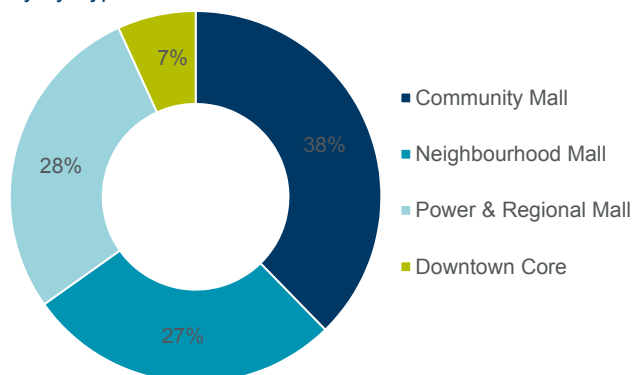
Looking ahead to 2016, it is anticipated that the retail market will remain steady, with any changes to vacancy likely to remain minimal. Possible trends to look for will be an increase in local dollars being spent locally, as the weakening dollar will continue to discourage cross-border shopping. It's also expected to see continued redevelopment of older plazas into more mixed-use type of developments.

## Rental Rate vs. Overall Vacancy



\*Rental rates reflect gross asking \$psf/year

## Availability by Type



MARKETBEAT

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**CUSHMAN & WAKEFIELD**  
Ottawa

MARKETS/SUBMARKETS	TOTAL BLDGS	INVENTORY (SF)	Q2 2015 VACANCY RATE	Q4 2015 VACANCY RATE	CURRENT NET OVERALL ABSORPTION (SF)	YTD NET OVERALL ABSORPTION (SF)	OVERALL AVERAGE ASKING RENT *
<b>Regional Malls &amp; Larger Power Centres</b>	<b>13</b>	<b>8,195,555</b>	<b>3.6%</b>	<b>3.6%</b>	<b>(4,478)</b>	<b>(217,147)</b>	<b>n/a</b>
<b>Community Malls &amp; Smaller Power Centres</b>	<b>37</b>	<b>7,407,329</b>	<b>6.6%</b>	<b>5.4%</b>	<b>98,924</b>	<b>(264,140)</b>	<b>\$36.42</b>
<b>Downtown Core</b>	<b>21</b>	<b>728,047</b>	<b>9.9%</b>	<b>9.9%</b>	<b>(424)</b>	<b>(26,090)</b>	<b>\$50.16</b>
Ottawa East	14	480,083	2.9%	5.6%	(12,975)	(22,708)	\$18.94
Gloucester	14	397,321	12.4%	4.7%	30,729	36,433	\$26.62
Orleans	21	834,064	3.5%	3.4%	903	69,012	\$29.45
Ottawa South	28	1,020,134	3.4%	2.7%	7,188	(2,514)	\$29.24
Kanata/Stittsville	31	1,436,078	3.6%	4.4%	(12,203)	(17,580)	\$33.89
Bell's Corners	10	338,302	6.5%	8.1%	(1,915)	361	\$32.41
Nepean (Merivale Road Area)	19	657,301	8.5%	6.6%	12,280	(6,481)	\$32.87
Nepean/Other/Barrhaven	18	729,891	2.9%	3.5%	(4,811)	(8,374)	\$36.40
Ottawa West/Westboro	27	680,736	3.2%	4.3%	(7,276)	(1,906)	\$36.12
<b>NEIGHBOURHOOD MALLS TOTAL</b>	<b>182</b>	<b>6,573,910</b>	<b>4.6%</b>	<b>4.4%</b>	<b>11,920</b>	<b>46,243</b>	<b>\$31.25</b>
<b>OTTAWA TOTALS</b>	<b>253</b>	<b>22,904,841</b>	<b>5.0%</b>	<b>4.6%</b>	<b>105,942</b>	<b>(461,134)</b>	<b>\$33.56</b>

\*Rental rates reflect gross asking \$psf/year

## Key Lease Transactions Q4 2015

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
Riocan Orleans	13,416	Mandarin	New Lease	Regional Malls (Orleans)
Kanata Centrum	13,000	Solutions	New Lease	Regional Malls (Kanata)

## Key Sales Transactions Q4 2015

PROPERTY	SF	SELLER/BUYER	PRICE /\$PSF	SUBMARKET
1800 Bank Street (Retail/Office Plaza)	53,229	2122673 Ontario Inc./Econo-Malls Holdings #21 Inc.	\$10,000,000 / \$188	Neighbourhood Malls (Ottawa South)
125 Rideau/90 George Street (Retail/Office Podium)	51,000	90 George Street Ltd./90 George Street Nominee Inc.	\$24,500,000 / \$480	Byward Market

## Key Projects Under Construction Q4 2015

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET
Kanata Commons	70,857	The Brick / La-Z-Boy	Neighbourhood Mall	Kanata
Hunt Club Road / Merivale Road	Approx. 35,000	Mandarin / La-Z-Boy	Community Malls	Nepean

Cushman & Wakefield  
99 Bank Street, Suite 700  
Ottawa, ON  
[www.cushmanwakefield.com](http://www.cushmanwakefield.com)

For more information, contact:  
Alain Desmarais, Senior  
Managing Director  
Tel: +1 613 236 7777  
[adesmarais@cwottawa.com](mailto:adesmarais@cwottawa.com)

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