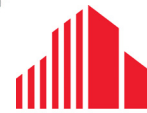


# Industrial Snapshot Q1 2016

Ottawa, ON



## OTTAWA INDUSTRIAL

### Economic Indicators

	Q1 15	Q1 16	12-Month Forecast
Ottawa Employment	533k	535k	▲
Ottawa Unemployment	7.0%	6.6%	▲
Canada Unemployment	6.8%	7.3%	▲

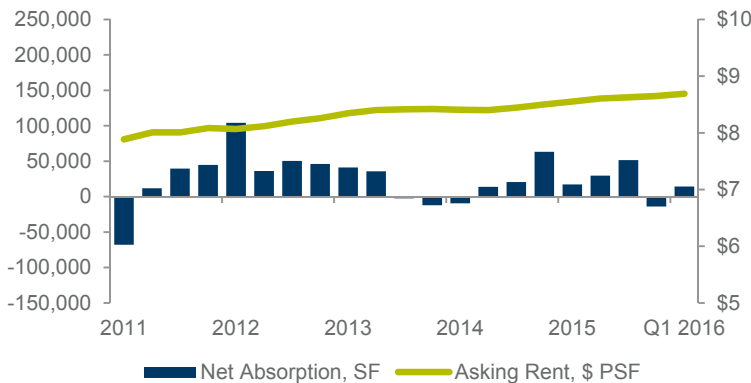
### Market Indicators (Overall)

	Q1 15	Q1 16	12-Month Forecast
Overall Vacancy	6.6%	6.8%	▲
Net Absorption (sf)	195,098	46,439	▲
Under Construction (sf)	119,000	22,000	▲
Average Asking Rent	\$8.60	\$8.77	▲

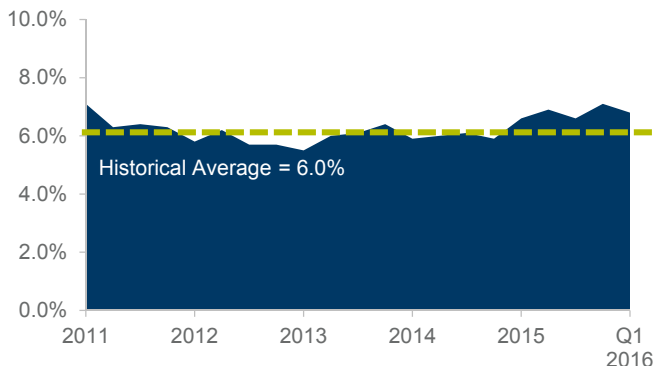
\*Rental rates reflect net asking \$psf/year

### Overall Net Absorption/Overall Asking Rent

#### 4Q TRAILING AVERAGE



### Overall Vacancy



## Economy

The unemployment rate in the City of Ottawa reached 6.6% in February 2016, an increase of 0.3 percentage points from the fourth quarter. The country's unemployment rate bumped up to 7.3% from last month amid flat job growth. The newly elected federal government has tabled its budget, and have not shied away from running deficits in order to improve the economy. This in turn should bode well for the local economy as the sizeable public administration sector should stop shedding jobs and, according to the Conference Board of Canada's latest metropolitan release, employment in the sector will expand by 1.3% in 2016. This, in combination with continuing positive momentum in the high-tech industry, will push GDP growth in the region to 1.7% in 2016, up from 1.0% in 2015.

## Market Overview

Market conditions improved in the first quarter of the year with vacancy declining to 6.8%; 0.3 percentage points lower than the fourth quarter of 2015. A slight strengthening in demand and a lack of new large blocks of availability in the western submarkets this quarter were the driving forces behind the overall decrease in vacancy. The western markets vacancy declined to 6.4% and absorption levels were in the positive at close to 59,000 square feet (sf), with the Kanata and Woodward/Carling submarkets generating the majority of the total. The eastern submarkets were more active this quarter in that the majority of the submarkets posted changes in vacancy and either sizeable levels of positive and negative absorption. A significant contributor to the Cyrville submarkets positive absorption total was a 45,000-sf transaction at 1670 Comstock Road involving Groupe Touchette Inc. a distribution company involved in the automotive industry. All-in-all overall new availability in the eastern markets slightly outpaced demand with approximately 12,000 sf of negative absorption. However, due to an increase in size of the competitive inventory this quarter vacancy declined to 7.0%

## Outlook

No real significant change is expected for the Ottawa Industrial market through at least the next six months. Very little new availability is projected to come on the market, no significant construction completions are expected, and overall demand is anticipated to remain consistent; particularly on good quality space in desirable locations.

MARKETBEAT

## Industrial Snapshot Q1 2016

Ottawa, ON


**CUSHMAN &  
WAKEFIELD**  
Ottawa

SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	OVERALL VACANCY RATE	YTD LEASING ACTIVITY (SF)	CURRENT NET OVERALL ABSORPTION (SF)	YTD NET OVERALL ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG. NET RENT*	OVERALL WEIGHTED AVG. ADD. RENT	OVERALL WEIGHTED AVG. GROSS RENT
Kanata	56	3,260,076	5.6%	54,129	48,495	48,495	22,000	10,944	\$8.82	\$5.24	\$14.06
Bell's Corners	12	382,019	0.0%	0	0	0	0	0	n/a	n/a	n/a
Morrison/Queensview	9	415,519	23.2%	0	0	0	0	0	\$9.30	\$5.18	\$14.48
Woodward/Carling	23	540,800	6.5%	26,052	23,655	23,655	0	0	\$8.31	\$6.64	\$14.95
Ottawa Centre	27	795,276	5.1%	3,200	3,200	3,200	0	0	\$11.85	\$4.32	\$16.17
Ottawa South	11	695,111	14.4%	0	0	0	0	0	\$7.79	\$4.85	\$12.64
West Merivale	26	544,478	6.1%	6,245	2,794	2,794	0	0	\$9.00	\$4.68	\$13.68
East Merivale	27	639,693	3.7%	0	(14,695)	(14,695)	0	0	\$ 9.64	\$5.44	\$15.08
Colonnade	22	634,309	2.2%	0	(146)	(146)	0	0	\$9.50	\$5.85	\$15.35
Rideau Heights	27	639,204	3.0%	3,230	(4,594)	(4,594)	0	0	\$10.04	\$7.08	\$17.12
<b>West Ottawa Totals</b>	<b>240</b>	<b>8,546,485</b>	<b>6.4%</b>	<b>92,856</b>	<b>58,709</b>	<b>58,709</b>	<b>22,000</b>	<b>10,944</b>	<b>\$9.19</b>	<b>\$5.34</b>	<b>\$14.53</b>
South Walkley	13	325,180	1.4%	0	0	0	0	0	\$7.50	\$4.95	\$12.45
Ottawa Business Park	29	1,394,140	11.2%	13,084	13,084	13,084	0	0	\$8.70	\$5.00	\$13.70
Coventry/Belfast	48	1,760,250	6.0%	4,514	9,852	9,852	0	0	\$8.78	\$6.22	\$15.00
Cyrville	63	2,234,837	10.9%	68,931	35,420	35,420	0	0	\$8.49	\$4.99	\$13.48
Sheffield	60	3,043,681	3.4%	5,731	13,252	13,252	0	0	\$8.33	\$4.67	\$13.00
Sheffield/Lancaster	20	1,185,844	7.3%	2,903	(59,884)	(59,884)	0	0	\$9.08	\$5.86	\$14.94
Stevenage/Belgreen	57	2,054,378	2.4%	4,990	(14,394)	(14,394)	0	0	\$8.29	\$5.14	\$13.43
South Gloucester/Albion	15	392,234	2.2%	0	0	0	0	0	\$9.00	\$5.54	\$14.54
Queensway	25	920,465	14.8%	0	400	400	0	0	\$ 8.92	\$4.83	\$13.75
Orleans	16	529,473	14.6%	0	(10,000)	(10,000)	30,000	15,000	\$8.50	\$3.69	\$12.19
<b>East Ottawa Totals</b>	<b>346</b>	<b>13,840,482</b>	<b>7.0%</b>	<b>100,153</b>	<b>(12,270)</b>	<b>(12,270)</b>	<b>30,000</b>	<b>15,000</b>	<b>\$8.58</b>	<b>\$5.05</b>	<b>\$13.63</b>
<b>OTTAWA TOTALS</b>	<b>586</b>	<b>22,386,967</b>	<b>6.8%</b>	<b>193,009</b>	<b>46,439</b>	<b>46,439</b>	<b>52,000</b>	<b>25,944</b>	<b>\$8.77</b>	<b>\$5.16</b>	<b>\$13.93</b>

\*Rental rates reflect asking \$psf/year

## Key Lease Transactions Q1 2016

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
1670 Comstock Road	45,000	Groupe Touchette Inc.	New Lease	Cyrville

## Key Sales Transactions Q1 2016

PROPERTY	SF	SELLER/BUYER	PRICE / \$PSF	SUBMARKET
1556 Michael Street	6,300	1270632 Ontario Inc./9483381 Canada Inc.	\$1,370,000 / \$217	Sheffield

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