



VIEWPOINT *GREEN*

OTTAWA *GREEN* OFFICE MARKET REPORT 2Q12



**CUSHMAN &
WAKEFIELD®**

OTTAWA

Green Real Estate Practice Group

GREEN VIEWPOINT

GREEN MARKET UPDATE

GENIVAR MOVES INTO NEW LEED SILVER TARGETED HEADQUARTERS AT 2611 QUEENSVIEW DRIVE. Occupying approximately 50,000 square feet of office space, the new building is set to serve as Genivar's new Ottawa headquarters, and illustration of their commitment to sustainability. With the building now ready to accept tenants, an additional 36,000 square feet are now available for tenants of all sizes. A second phase is also planned, which can accommodate an additional 60,000 square feet of sustainable office space. For more information about leasing space at 2611 Queensview drive, contact Cushman & Wakefield Ottawa's Green Real Estate Practice Group.

Both overall and direct vacancy in the green market remained stable through the second quarter of 2012, with overall vacancy dropping by one-tenth of a percent to 7.2% and direct vacancy rising one-tenth of a percent to 5.0%. Green leasing activity was up slightly from last quarter at 76,350 square feet and we saw positive absorption of 5,549 square feet. "Overall, the market was quiet in the second quarter," according the James McNeil, C&W Green Practice Lead, "we saw lackluster activity in both the green and traditional markets, however while activity was slow in the green market it remained positive. While the market always ebbs and flows and there are many factors that influence our market, overall the green market continues to out perform the traditional market."

GREEN MARKET OUTLOOK

As anticipated, demand was lackluster in both the traditional and green markets and we anticipate this trend to continue. As such, we forecast that vacancy will remain relatively stable throughout the remainder of the year. However, we are still waiting on the outcome of the Bank of Canada and Justice Department requirements, as the Bank ramps up to renovate its Sparks Street headquarters. Both requirements represent approximately 450,000 square feet of downtown office space.

Green inventory has stabilized this quarter, and we expect that there will be slight fluctuations quarter over quarter with modest growth at the end of 2012. The greatest growth we anticipate seeing over the next 12-18 months is in LEED for Existing Buildings: Operations and Maintenance Certifications, as buildings upgrade their current certification levels.

2611 QUEENSVIEW DRIVE

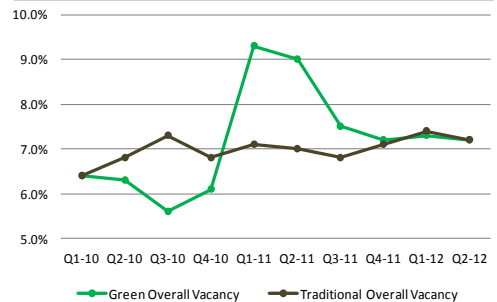


GREEN VIEWPOINT

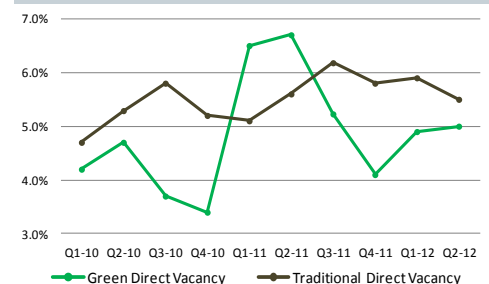
"With more and more sustainable product hitting the market, it is really giving tenants an opportunity to create healthier, more productive work environments for their employees and ultimately add value to their bottom line. 2611 Queensview is a great example of that, providing a LEED targeted option for the suburban market."

-Scott Brooker, Sales Representative
C&W Ottawa Green Real Estate Practice Group

OVERALL VACANCY



DIRECT VACANCY



GREEN VIEWPOINT

GREEN HIGHLIGHTS

SIGNIFICANT GREEN CONSTRUCTION COMPLETIONS

Building	LEVEL TARGETED	MAJOR TENANT	COMPLETION
2611 Queensview Drive	LEED Silver	GENIVAR	09/12

SIGNIFICANT GREEN PROJECTS UNDER CONSTRUCTION

Building	LEVEL TARGETED	MAJOR TENANT	COMPLETION
395 Terminal Avenue	LEED CS	PWGSC	01/13
150 Elgin Street	LEED Gold	TBD	01/14
90 Elgin Street	LEED Gold	PWGSC	Late 2014

OTTAWA GREEN MARKET STATISTICS – Q2 2012, by Certification Level

Certification Level	No. of Buildings	Inventory (sf)	Overall Vacancy Rate	Direct Vacancy Rate	Q2 Leasing Activity (sf)	Weighted Average Asking Net Rental Rate	Weighted Average Gross Rental Rate
LEED Gold†	4	1,496,180	21.8%	12.6%	0	\$28.00	\$52.95
LEED Silver	1	221,317	12.3%	12.3%	0	\$19.00	\$37.43
LEED Certified	1	150,000	25.7%	0%	0	-	-
BES† 4	3	776,000	2.9%	0.9%	0	\$28.00	\$53.18
BES† 3	24	5,738,867	6.4%	5.1%	16,081	\$25.88	\$49.80
BES† 2	32	4,378,814	6.6%	5.7%	60,269	\$21.39	\$41.36
Total Green Market	62*	11,739,998*	7.2%	4.8%	76,350	\$23.51	\$43.95

†150 Slater Street certification pending, *Buildings with dual certification included once in total market statistics

OTTAWA GREEN MARKET STATISTICS – Q2 2012, by Market/Submarket

Market/Submarket	No. of Buildings	Inventory (sf)	Overall Vacancy Rate	Direct Vacancy Rate	Q2 Leasing Activity (sf)	Q2 Absorption (sf)	Weighted Gross Rental Rate
Downtown Core†	30	8,274,950	6.8%	4.6%	33,702	(3,951)	\$49.38
Byward Market	1	81,075	0%	0%	2,679	2,679	\$0
Gloucester	6	792,492	4.0%	3.9%	8,435	3,590	\$34.91
Ottawa East	3	348,071	8.0%	8.0%	0	0	\$35.63
Kanata	13	1,412,553	8.1%	7.2%	25,596	17,252	-
Ottawa West	3	274,397	16.7%	16.7%	0	(7,359)	\$34.97
Nepean	6	556,460	11.2%	0.8%	5,938	(6,662)	\$29.07
Total Green Market	62*	11,739,998*	7.2%	5.0%	76,350	5,549	\$43.95

†150 Slater Street certification pending, *Buildings with dual certification included once in total market statistics

TEAM PROFILE



James McNeil , RPA ,LEED AP
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With 25 years experience in commercial real estate James McNeil is one of the most experienced & competent commercial realtors in the Ottawa market. He is recognized internationally as a leading expert in green buildings and sustainable workplaces. James specializes in Tenant Representation for office, industrial and retail clients, office leasing, facilities dispositions and the marketing and leasing of LEED certified buildings. As a leading advocate of green buildings and their effects on climate change and the greater economy, James is a keynote speaker and regularly consulted and quoted by local and national media on green buildings and related issues. James is the Past President of the Ottawa Chapter Canada Green Building Council and a Director of the Ottawa Chamber of Commerce Environment Committee .



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Scott is an internationally recognized expert in the field of green commercial real estate. He has been quoted in various publications on the topic and is a green real estate contributor for Monster Commercial. He sits on the CaGBC-ORC Existing Buildings Committee. He holds a Bachelor of Commerce Degree in International Business from Dalhousie University & the Copenhagen School of Business School. He is focused on driving sustainable value for his clients. As a founding member of the Cushman & Wakefield Ottawa Green Real Estate Practice Group he provides clients with sustainable real estate solutions that create value for their overall operations.

LinkedIn Group:

[OTTAWA GREEN BUILDINGS AND SUSTAINABLE WORKPLACES](#)

Twitter: <http://www.twitter.com/CWOGreen>



Green Real Estate Practice Group
Aligning Green Tenants with Green Buildings
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ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield was founded in 1917. Today the firm has 231 offices throughout the globe in 58 countries. C&W employs 13,000 talented professionals who create, optimize, and protect value for clients in every region of the world. We assist clients in every stage of the real estate process, representing them in buying, selling, financing, leasing, managing, valuing assets, providing strategic planning and research, portfolio analysis, site selection, and space location, among other advisory services.

ABOUT THE OTTAWA GREEN REAL ESTATE PRACTICE GROUP

The Cushman & Wakefield Ottawa Green Real Estate Practice Group is the only brokerage that has evaluated the level of sustainability of all office buildings in the National Capital Region. We track all of Ottawa's green buildings, the availability of leased space in these buildings and the overall growth of the green market, providing clients with qualitative and quantitative metrics of features that reduce operating costs, reduce tenant's capital requirements for both initial and ongoing leasehold improvements, as well as design features that specifically increase employee productivity and reduce absenteeism. We integrate sustainability into the traditional commercial leasing process

ABOUT THE BETTER BUILDINGS BREAKFAST SERIES

It's important to create a more sustainable Ottawa CWO GREPG along with RENX.ca host the Better Buildings Breakfast Series which is an opportunity for to learn about sustainable buildings and network with peers in the green real estate sector. The breakfasts serve an exciting line up of speakers, leaders in real estate, with informative presentations about how to create a sustainable built environment.

CONTACTS

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Cushman & Wakefield Ottawa is a proud member of the Canada Green Building Council