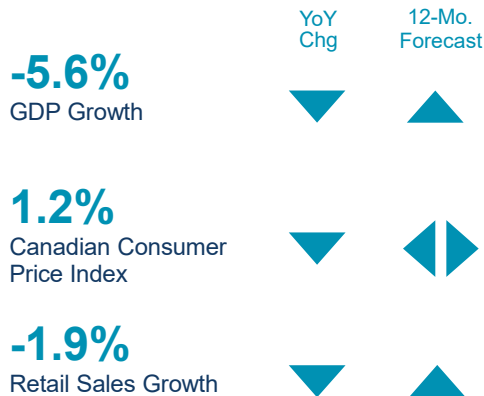


Source: Statistics Canada/Moody's Analytics  
NCR: Ottawa-Gatineau

#### CANADIAN ECONOMIC INDICATORS 2020



Source: Statistics Canada/Moody's Analytics

#### ECONOMY

The National Capital Region (NCR) benefits from the presence of the federal government, often insulating it from dips in the economy. While this still remains true as Ottawa-Gatineau's GDP will not drop as much as the national level due to growth within public administration, it is still projected to fall by 5.7% in 2020, the first decline since 1996. The economy is set to rebound in the coming years, with average growth of 2.1% annually from 2022 to 2024. Despite a boost from the area's largest industry, the NCR is not immune to the impacts of the COVID-19 pandemic. Consumer-driven sectors that were beginning to bounce back in the third quarter of 2020 have had to revert to more stringent lockdown measures, in a pre-emptive response to a projected spike in cases from holiday gatherings.

Source: Conference Board of Canada

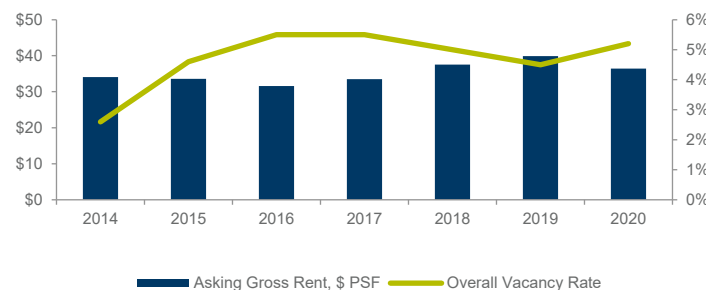
#### DEMAND

Ottawa's retail market has remained relatively stable over the course of 2020 despite the pandemic. While businesses have managed to stay afloat during the first 9 months of lockdown, with a brief reprieve in the summer, Ottawa has once again been required to return to stricter guidelines with cases rising throughout Ontario and Quebec. 2021 will be telling for the retail market as not all local businesses will be immune to the prolonged lull in consumer traffic. While Ottawa's overall vacancy saw no change from the first half of 2020, neighbourhood mall vacancy rose to 6.0% and regional malls to 4.9%, rising by 140 and 70 basis points respectively. The Ottawa retail market experienced negative overall absorption of 140,788 square feet in the last half of 2020. It is expected that once the economy rebounds, this space will quickly be absorbed back into the market.

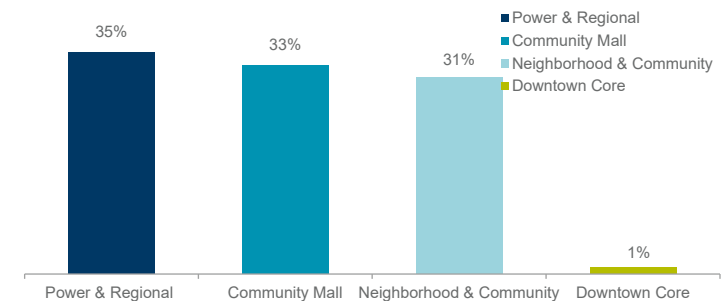
#### PRICING

In the face of uncertainty within the retail market, vacancy rates have remained stable although gross rental rates declined from an average of \$40.14 per square foot (psf) in the first half of 2020 to \$36.43 psf in the second half of the year. This decline is particularly reflected in overall neighbourhood mall gross rental rates that declined to \$31.24 psf. It is unlikely that rates will lower significantly, although COVID-19 has created a favourable market for tenants seeking retail space.

#### GROSS RENT / VACANCY RATE



#### AVAILABILITY BROKEN OUT BY PRODUCT TYPE



MARKETS/SUBMARKETS	INVENTORY (SF)	TOTAL BUILDINGS	Q4 2020 VACANCY RATE	Q2 2020 VACANCY RATE	CURRENT NET OVERALL ABSORPTION (SF)	OVERALL ASKING RENT*
REGIONAL MALLS & LARGER POWER CENTRES	9,300,079	13	4.9%	4.6%	-20,642	N/A
COMMUNITY MALLS & SMALLER POWER CENTRES	8,097,497	39	5.2%	5.0%	-25,682	\$39.07
DOWNTOWN CORE	728,047	21	1.8%	2.8%	7,268	\$46.93
Ottawa East	480,083	14	5.5%	6.3%	3,771	\$27.56
Gloucester	397,321	14	14.2%	13.0%	-4,779	\$29.65
Orleans	834,064	21	9.6%	2.1%	-61,786	\$27.76
Ottawa South	1,020,134	28	3.3%	2.1%	-12,277	\$40.50
Kanata / Stittsville	1,452,815	31	5.4%	3.2%	-38,254	\$34.22
Bell's Corners	337,360	10	9.1%	13.6%	9,927	\$31.61
Nepean (Merivale Road Area)	657,301	19	5.5%	10.7%	34,241	\$35.90
Nepean / Other / Barrhaven	740,491	19	1.1%	1.1%	112	\$38.49
Ottawa West / Westboro	676,937	26	6.9%	2.5%	-32,687	\$34.53
NEIGHBOURHOOD MALLS TOTAL	6,596,506	182	6.0%	4.6%	-101,732	\$31.24
OTTAWA TOTALS	24,722,129	255	5.2%	5.2%	-140,788	\$36.43

\*Rental rates reflect full service asking

### KEY SALES TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
1217-1225 Wellington St 98 Hinton Ave N	Ottawa West	Named Individuals / 1217 Wellington Street Inc	6,000	\$6,960,000 / \$1,160
364 Rideau Street	Central	Corwin Mortgage Capital Inc / B&E Estate Holdings Inc	N/A	\$700,000
1616 Merivale Road	Nepean	Donbart Holdings Ltd / Named Individuals	N/A	\$3,025,000

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