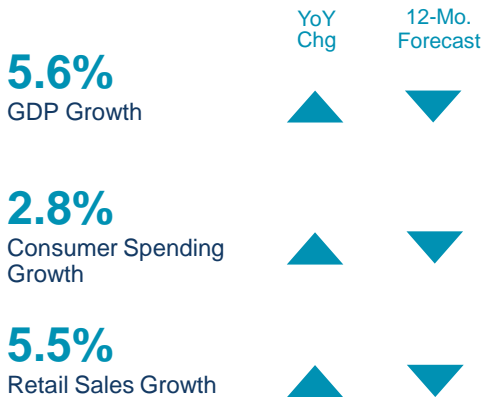


Source: Statistics Canada/Moody's Analytics
NCR: Ottawa-Gatineau

ECONOMIC INDICATORS 2021



Source: Moody's Analytics

ECONOMY

As more stringent lockdown measures were implemented by various provincial governments in the spring of 2021, retail sales fell in eight provinces in May with Ontario seeing retail sales declining by 2.1% compared to April. With restrictions remaining in place for the majority of May, it has been a difficult spring for retailers. Curbside alternatives have helped many stores stay afloat during the lockdown periods; however, it has not been enough to trump the loss of revenue generated from in-store shopping. The lack of alternative spending on entertainment and travel over the past year and a half has resulted in consumers spending more heavily on retail items. Economic indicators including GDP growth, consumer spending, and retail sales all showcase significant upticks year-over-year, providing light at the end of the tunnel for retailers.

Source: Statistics Canada

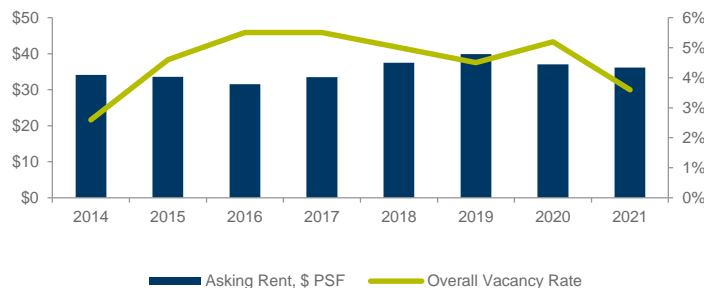
DEMAND

The retail market saw some recovery in the first six months of 2021 with overall vacancy in the Ottawa area at 3.6%, down from 5.2% posted in the second half of 2020. All market segments contributed positively to the dip in vacancy. The overall Ottawa area held strong with close to 252K square feet (sf) of positive absorption, with community malls and smaller power centres accounting for nearly half of that total with 104K sf. Neighbourhood malls were not far behind with 93K sf, with the strongest demand seen in the Kanata / Stittsville with 22K sf of positive absorption.

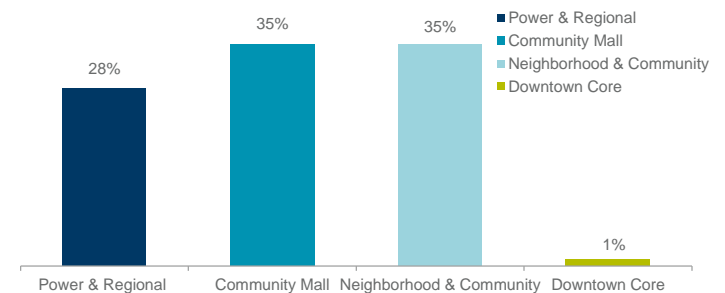
PRICING

Considering the tough spring endured by retailers, overall rental rates had remained relatively unchanged, currently sitting at \$36.11 per square foot (psf) gross compared to the last half of 2020 which posted \$36.43 psf. Community malls and smaller power centres saw rates decline from \$39.07 psf to \$36.87 psf. The neighbourhood malls and downtown core saw an uptick in asking rates, with Orleans and Bells Corners the only markets in the neighbourhood mall segment to see a slight decrease in rents. COVID-19 has been the key factor in creating a favourable market for tenants seeking retail space, however with retail operations back in full swing, those market conditions may be coming to an end.

GROSS ASKING RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



OTTAWA

Retail Q2 2021

CUSHMAN &
WAKEFIELD

MARKETS/SUBMARKETS	INVENTORY (SF)	TOTAL BUILDINGS	Q2 2021 VACANCY RATE	Q4 2020 VACANCY RATE	CURRENT NET OVERALL ABSORPTION (SF)	OVERALL ASKING RENT*
REGIONAL MALLS & LARGER POWER CENTRES	9,300,079	13	2.7%	4.9%	48,993	N/A
COMMUNITY MALLS & SMALLER POWER CENTRES	8,097,497	39	3.9%	5.2%	103,941	\$36.87
DOWNTOWN CORE	728,047	21	1.0%	1.8%	6,299	\$50.84
Ottawa East	480,083	14	4.4%	5.5%	5,476	\$32.88
Gloucester	397,321	14	11.2%	14.2%	11,834	\$34.34
Orleans	834,064	21	8.4%	9.6%	9,595	\$26.78
Ottawa South	1,020,134	28	3.0%	3.3%	4,091	\$40.61
Kanata / Stittsville	1,452,815	31	3.9%	5.4%	21,743	\$37.62
Bell's Corners	337,360	10	7.5%	9.8%	5,504	\$30.78
Nepean (Merivale Road Area)	657,301	19	3.9%	5.5%	13,953	\$37.01
Nepean / Other / Barrhaven	740,491	19	0.6%	1.1%	3,522	N/A
Ottawa West / Westboro	676,937	26	5.4%	6.9%	16,889	\$43.13
NEIGHBOURHOOD MALLS TOTAL	6,596,506	182	4.8%	6.0%	92,607	\$33.69
OTTAWA TOTALS	24,722,129	255	3.6%	5.2%	251,840	\$36.11

*Rental rates reflect full service asking

NATHAN SMITH, BROKER

Senior Vice President

+1 613 236 7777 info@cwottawa.com

Independently Owned and Operated / A Member of the Cushman & Wakefield Alliance

©2021 All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

cushmanwakefield.com