

	YoY Chg	12-Mo. Forecast
2.0% Vacancy Rate	▼	■
668,570 Net Absorption, SF	▲	▲
\$11.70 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS Q4 2021

	YoY Chg	12-Mo. Forecast
576K Ottawa Employment	▲	▲
4.0% Ottawa Unemployment Rate	▼	▼
5.9% Canadian Unemployment Rate	▼	▼

Source: Statistics Canada

ECONOMY

Ottawa continues to position itself as a prominent distribution hub for industrial tenants, offering access to major highways and proximity to Montreal and Toronto. While Ottawa is increasingly on the radar of tenants, there is a struggle to find quality space, resulting from the lack of new inventory in the market and a driving demand that does not seem to let up. The market is seeing no lull when it comes to land listings, with a built-up pipeline already in place for upcoming developments, and developers continue to look for new opportunities in the region with hopes of more land opening up. The National Capital Business park, currently under construction, is delivering a much-needed supply of inventory to the market. The park released a plan for a 1 million square feet of industrial space, which continues to fill up quickly as phases progress. The pandemic has continued its positive affect on the industrial market with the boost in ecommerce, and tenants looking to secure space are required to act quickly in today's market as transactions continue to move at a fast pace.

Source: Conference Board of Canada

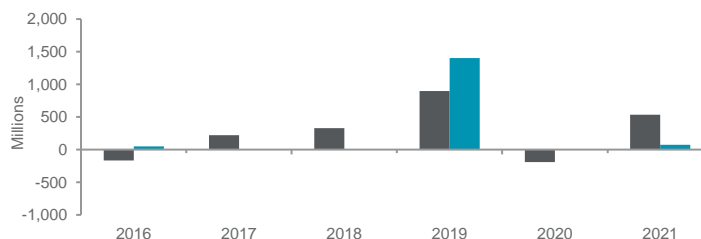
SUPPLY AND DEMAND: Vacancy Continues to Plummet

Vacancy plummeted to an all-time low in the fourth quarter of 2021, reporting an astonishing 2% overall, down 250 basis points (bps) from the previous quarter. Further, the western market posted vacancy of 1.5%, with the eastern market slightly higher at 2.4% vacancy overall. Driving this shift was a 487k-square foot (sf) decrease in direct vacancy, coupled with a slight decrease of 71k sf in sublet space from the previous quarter. Absorption skyrocketed in the latter half of 2021, recording a positive 617k sf, a dramatic improvement from 84k sf of negative absorption in the early half of the year. The top-performing submarkets that were instrumental in overall absorption this quarter were both located in the eastern market. Sheffield with 306k sf, and Stevenage/Belgreen with 192k sf, contributed a total of 498k sf positive absorption.

PRICING: Continued Strength

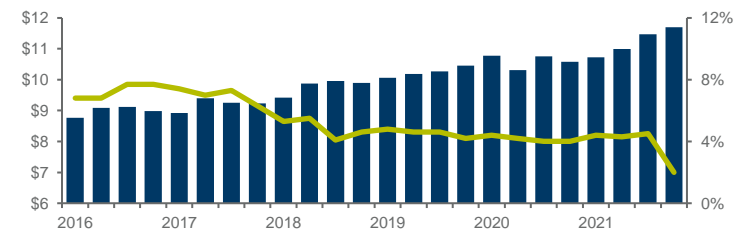
The Ottawa industrial market rental rates continued to push record highs resulting from limited supply and growing demand for quality space. Overall, the Ottawa market posted a net asking rent of \$11.70 per square foot (psf) in the fourth quarter, climbing steadily since the first quarter of the year. Rental rates have consistently been in the double digits since the first quarter of 2019 (\$10.06 psf). The western market (\$18.95 psf) showcased the most aggressive gross rental rates, with Kanata (\$23.19 psf) as the top contributor to the uptick. The eastern market (\$16.33 psf) trails behind, reporting the highest rates within the Ottawa Business Park (\$20.80psf). As Ottawa continues to grow its position as a distribution hub it is unlikely rates will decrease.

SPACE DEMAND / DELIVERIES



■ Net Absorption, SF ■ Construction Completions, SF

OVERALL VACANCY & ASKING NET RENT



■ Asking Net Rent, \$ PSF — Vacancy Rate

Industrial Q4 2021

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT	OVERALL WEIGHTED AVG ADD. RENT	OVERALL WEIGHTED AVG GROSS RENT
Kanata	3,507,264	76,905	2.2%	-7,039	-19,078	0	0	\$15.00	\$8.19	\$23.19
Bell's Corners / Southwest Ottawa	402,019	0	0.0%	0	20,000	2,710,966	20,000	N/A	N/A	N/A
Morrison/Queensview	415,519	0	0.0%	0	0	0	0	N/A	N/A	N/A
Woodward/Carling	568,513	0	0.0%	19,980	24,952	0	0	N/A	N/A	N/A
Ottawa Centre	853,382	39,376	4.6%	-10,607	-36,176	0	0	\$10.28	\$5.85	\$16.13
Ottawa South	709,160	0	0.0%	0	5,149	0	0	N/A	N/A	N/A
West Merivale	599,829	0	0.0%	14,853	3,035	0	0	N/A	N/A	N/A
East Merivale	657,693	1,960	0.3%	2,180	6,884	0	0	N/A	N/A	N/A
Colonnade	660,505	8,753	1.3%	-1,169	77,171	0	0	\$12.18	\$7.22	\$19.40
Rideau Heights	687,364	9,123	1.3%	2,035	12,669	0	0	\$13.00	\$8.75	\$21.75
WEST OTTAWA TOTALS	9,061,248	136,117	1.5%	42,077	94,606	2,710,966	20,000	\$12.02	\$6.93	\$18.95
South Walkley	530,727	60,000	11.3%	10,000	10,000	0	0	\$10.00	\$0.00	\$10.00
Ottawa Business Park	1,393,870	132,718	9.5%	23,581	-63,806	0	0	\$10.00	\$10.80	\$20.80
Coventry/Belfast	1,811,009	0	0.0%	4,500	32,149	0	0	N/A	N/A	N/A
Cyrville	2,225,621	51,843	2.3%	-6,518	6,729	0	0	\$12.00	\$6.50	\$18.50
Sheffield	2,955,631	20,039	0.7%	305,639	242,659	0	0	\$13.00	\$4.27	\$17.27
Sheffield/Lancaster	1,233,080	70,000	5.7%	46,482	-18,787	0	0	N/A	N/A	N/A
Stevenage/Belgreen	2,271,414	0	0.0%	191,787	190,023	0	55,940	N/A	N/A	N/A
South Gloucester/Albion	1,487,234	0	0.0%	0	0	0	0	N/A	N/A	N/A
Queensway	920,465	26,278	2.9%	28,522	23,770	0	0	N/A	N/A	N/A
Orleans	614,067	3,900	0.6%	22,500	16,033	0	0	\$9.75	\$0.00	\$9.75
EAST OTTAWA TOTALS	15,443,118	364,778	2.4%	626,493	438,770	0	55,940	\$11.52	\$4.81	\$16.33
OTTAWA TOTALS	24,504,366	500,895	2.0%	668,570	533,376	2,710,966	75,940	\$11.70	\$5.83	\$17.53

KEY LEASE TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
2001 Bantree Street	Sheffield	PCL/ED Joint Venture	243,755	Direct
2480 Walkley Road	Ottawa Business Park	Canadian Appliance Source	50,000	Direct
1100-1101 Polytek Street	Queensway	Canada Cartage	25,000	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
1151 Parisien Street	Queensway	Desjardins / Parkit Enterprise Inc	75,000	13,250,000 / \$176.66

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