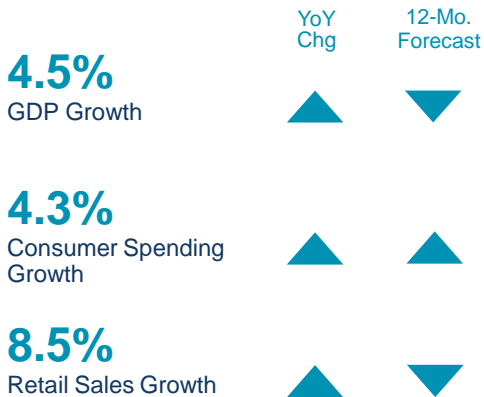


Source: Statistics Canada/Moody's Analytics
NCR: Ottawa-Gatineau

CANADIAN ECONOMIC INDICATORS 2021(F)



Source: Moody's Analytics

ECONOMY

While all retailers were hoping for a brighter start to 2022, the year kicked off with another lockdown brought on by the rapid spread of the Omicron variant. The pandemic has aided in the boom of ecommerce, with many brick-and-mortar retailers trying to match the trends as they continue to offer options for consumers to buy online and pick up in-store. With the vaccine mandate now in place for truck drivers, it is forecasted that a significant number of drivers will halt cross-border trips. This disruption will impact supply chains and drive-up freight costs, resulting in significant effects on both ecommerce operations and brick and mortar retailers.

Source: Statistics Canada

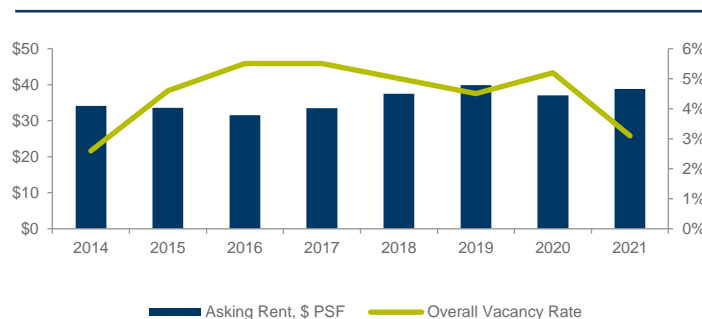
DEMAND

The retail market quickly harnessed opportunities for recovery as restrictions were lifted between the third and fourth quarters of 2021, with retailers desperately trying to recoup for lost time. The overall retail vacancy rate is currently 3.1%, an increase of 50 basis points (bps) from the first half of 2021. All market segments, aside from the downtown core, reported decreases in vacancy compared to six months prior. Although it was the only market segment to see negative absorption in the second half of 2021, the downtown core only reported a minor increase in vacancy of 30 bps. Absorption, while still positive, has trended lower in the overall Ottawa market, posting 119k square feet of positive absorption, nearly half of the recorded absorption posted in the first half of 2021. Neighbourhood malls accounted for 66% of the overall absorption.

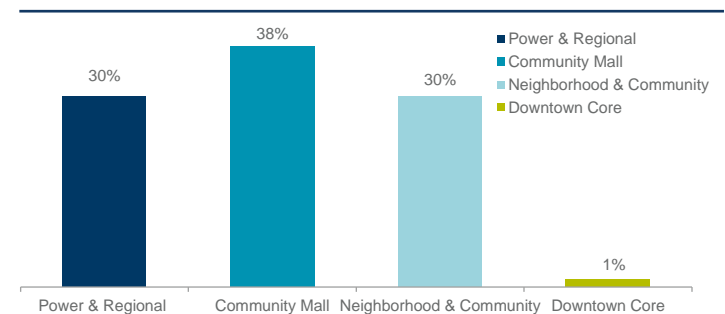
PRICING

Despite retailers suffering from yoyo"ing" restrictions, overall rental rates slightly increased from the first half of 2021. The overall Ottawa asking rent sits at \$38.83 per square foot (psf) gross, an increase of \$2.72 psf compared to the first half of 2021. Regional malls, community malls, downtown core, and neighbourhood malls, collectively reported figures that contributed positively to the uptick in rental rates from those posted 6 months ago. The largest shift was reported in the Downtown Core, accounting for a hike of \$4.81 psf.

GROSS ASKING RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



OTTAWA

Retail Q4 2021

CUSHMAN & WAKEFIELD

| MARKETS/SUBMARKETS | INVENTORY (SF) | TOTAL BUILDINGS | Q4 2021 VACANCY RATE | Q2 2021 VACANCY RATE | CURRENT NET OVERALL ABSORPTION (SF) | OVERALL ASKING RENT* |
|--|-------------------|-----------------|----------------------|----------------------|-------------------------------------|----------------------|
| REGIONAL MALLS & LARGER POWER CENTRES | 9,300,079 | 13 | 2.5% | 2.7% | 21,004 | \$46.14 |
| COMMUNITY MALLS & SMALLER POWER CENTRES | 8,097,497 | 39 | 3.6% | 3.9% | 21,678 | \$37.34 |
| DOWNTOWN CORE | 728,047 | 21 | 1.3% | 1.0% | -2,502 | \$55.65 |
| Ottawa East | 507,602 | 16 | 4.0% | 4.4% | 718 | \$30.94 |
| Gloucester | 397,321 | 14 | 12.5% | 11.2% | -4,913 | \$34.21 |
| Orleans | 834,064 | 21 | 5.0% | 8.4% | 28,045 | \$27.63 |
| Ottawa South | 1,020,134 | 28 | 1.5% | 3.0% | 13,765 | \$71.05 |
| Kanata / Stittsville | 1,452,815 | 31 | 1.7% | 3.9% | 31,521 | \$34.21 |
| Bell's Corners | 337,360 | 10 | 5.4% | 7.5% | 7,072 | \$30.71 |
| Nepean (Merivale Road Area) | 668,236 | 20 | 5.1% | 3.9% | -11,485 | \$35.25 |
| Nepean / Other / Barrhaven | 740,491 | 19 | 0.5% | 0.6% | 791 | \$32.50 |
| Ottawa West / Westboro | 689,960 | 27 | 3.6% | 5.4% | 13,733 | \$44.94 |
| NEIGHBOURHOOD MALLS TOTAL | 6,647,983 | 186 | 3.5% | 4.8% | 79,247 | \$34.46 |
| OTTAWA TOTALS | 24,773,606 | 259 | 3.1% | 3.6% | 119,427 | \$38.83 |

*Rental rates reflect full service asking

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