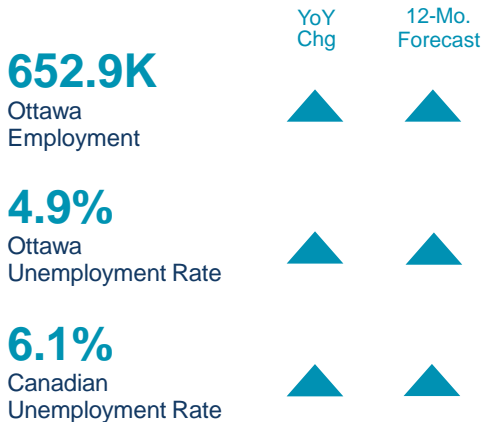


**ECONOMIC INDICATORS  
Q1 2024**



Source: Statistics Canada

**ECONOMY**

In its latest Labour Force Survey, Statistics Canada is reporting virtually no change in Canadian employment in March 2024 compared to last month, while the unemployment rate ticked up by 30 basis points (bps) to 6.1%. Over the course of the last 12 months the employment rate - which is the component of the population aged 15 and older who are employed - has decreased by 90 bps as employment growth throughout the country (approximately 1.6%) has been outpaced by growth in the population aged 15 and older in the labour force survey (3.2%). Specifically, Ottawa experienced slightly different conditions in March, as while there was population growth, overall employment decreased slightly from last month. The unemployment rate sits at 4.9%, and while this is an increase from last month, as well as from March 2023, it remains one of the lowest rates in the country.

Source: Statistics Canada

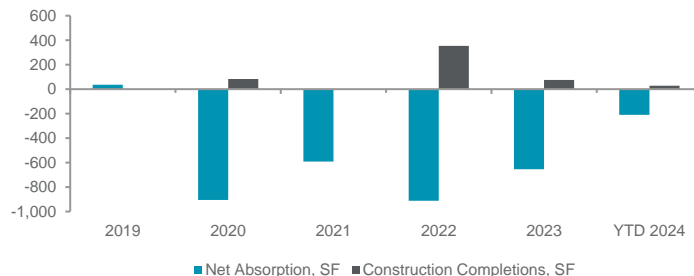
**DEMAND – Overall Vacancy Remained Stable**

The Ottawa office market continued to see stability in the overall vacancy rate with a decline – albeit slight – by 10 bps from last quarter to reach 12.1%. This ranks Ottawa as having the second tightest vacancy in comparison to the other major Canadian markets this quarter, only behind Vancouver. These stable market conditions were witnessed across all markets and classes this quarter as vacancy either declined slightly or remained unchanged from last quarter. Although the overall market did continue to experience negative absorption this quarter, declining to 200k square feet (sf), it was not widespread throughout the market and was primarily driven by new vacancy in the Suburban Class A market. The Central Class A market on the other hand continued to hold steady, as vacancy has remained unchanged at 10.9% for the third consecutive quarter and has posted two consecutive quarters of positive absorption. This market may see some softening as 2024 continues as approximately 212k sf of new vacancy is projected to arrive by the end of the year; however, the impact on the Central Class A market will be dependent on if the vacancy does in fact come on the market and also if demand will be strong enough to balance out this new vacancy.

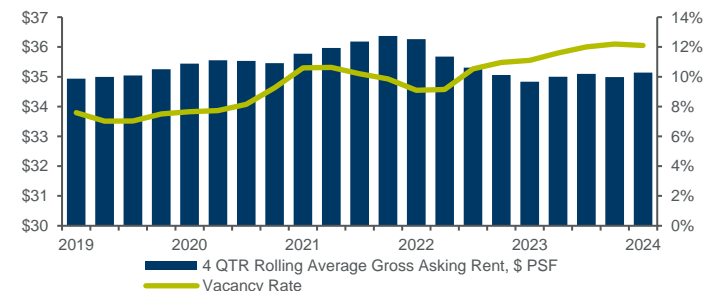
**PRICING – Little Movement in Net Asking Rates**

The direct asking net rental rate in Ottawa has held remarkably steady despite the challenged market conditions, as landlords have not necessarily been looking to drop their posted face rates but rather have been focusing on offering inducements and/or periods of free rent to entice tenants to lease space in their properties. While the net rate did increase from last quarter to \$17.48 per square foot (psf) this was primarily due to weighted average calculations and not indicative of pricing increasing. While the gross rate did increase more substantially to \$35.62 psf this quarter, this was the result of upticks in the taxes and operating costs that generally occur with the beginning of a new year.

**SPACE DEMAND / DELIVERIES**



**OVERALL VACANCY & GROSS DIRECT ASKING RENT**



**MARKET STATISTICS**

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Downtown Core	18,238,806	303,085	1,672,172	10.8%	-251	-251	140,883	-	\$40.36	\$49.70
Centretown	1,154,025	19,353	186,471	17.8%	-43,919	-43,919	22,097	-	\$32.52	n/a
Lowertown / Sandy Hill	1,486,452	23,174	225,946	28.9%	-14,493	-14,493	9,277	-	\$36.19	\$43.37
Glebe / Main	255,845	0	22,768	8.9%	1,832	1,832	7,392	-	\$33.95	n/a
Central Dispersed	274,411	0	90,871	33.1%	0	0	0	-	n/a	n/a
<b>CENTRAL AREA TOTALS</b>	<b>20,786,045</b>	<b>345,612</b>	<b>2,198,228</b>	<b>12.2%</b>	<b>-56,831</b>	<b>-56,831</b>	<b>179,649</b>	<b>-</b>	<b>\$39.11</b>	<b>\$48.92</b>
Ottawa West	9,408,831	174,745	750,478	9.8%	-101,308	-101,308	251,635	-	\$30.96	\$36.16
Ottawa Deep West	6,826,220	149,276	752,154	13.2%	-62,060	-62,060	146,361	72,000	\$27.78	\$27.61
<b>SUBURBAN WEST TOTALS</b>	<b>16,235,051</b>	<b>324,021</b>	<b>1,502,632</b>	<b>11.3%</b>	<b>-163,368</b>	<b>-163,368</b>	<b>397,996</b>	<b>72,000</b>	<b>\$29.92</b>	<b>\$30.58</b>
Ottawa South	496,830	4,103	79,374	16.8%	-24,221	-24,221	32,661	-	\$36.74	\$36.74
Ottawa East	5,818,444	25,449	772,796	13.7%	35,379	35,379	56,092	-	\$34.09	\$34.81
<b>TOTAL SUBURBAN TOTALS</b>	<b>22,550,325</b>	<b>353,573</b>	<b>2,354,802</b>	<b>12.0%</b>	<b>-152,210</b>	<b>-152,210</b>	<b>486,749</b>	<b>72,000</b>	<b>\$31.77</b>	<b>\$33.09</b>
<b>OTTAWA TOTALS</b>	<b>43,336,370</b>	<b>699,185</b>	<b>4,553,030</b>	<b>12.1%</b>	<b>-209,041</b>	<b>-209,041</b>	<b>666,398</b>	<b>72,000</b>	<b>\$35.62</b>	<b>\$40.24</b>

**KEY LEASE TRANSACTIONS Q1 2024**

PROPERTY	SUBMARKET	Tenant	DEAL TYPE	SF
500 Palladium Drive	Ottawa Deep West	Thales Canada	Direct	127,334
3755 Riverside Drive	Ottawa South	Purecolo Inc.	Direct	15,265
2 Gurdwara Road	Ottawa West	Capital Cardiology Inc.	Direct	7,717
377 Dalhousie Street	Lowertown / Sandy Hill	4te Interior Design	Direct	3,486

**KEY SALES TRANSACTIONS Q1 2024**

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$PSF
181 Queen Street	Downtown Core	Morguard / Federal Government	270,543	\$125,307,000 / \$463
9 Gurdwara Road	Ottawa West	Care Canada / Theberge Homes	24,000	\$32,750,000 / \$136
219 Colonnade Road	Ottawa West	n/a / 219 Colonnade Inc.	8,000	\$15,750,000 / \$197

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