

## OTTAWA INDUSTRIAL

### Economic Indicators

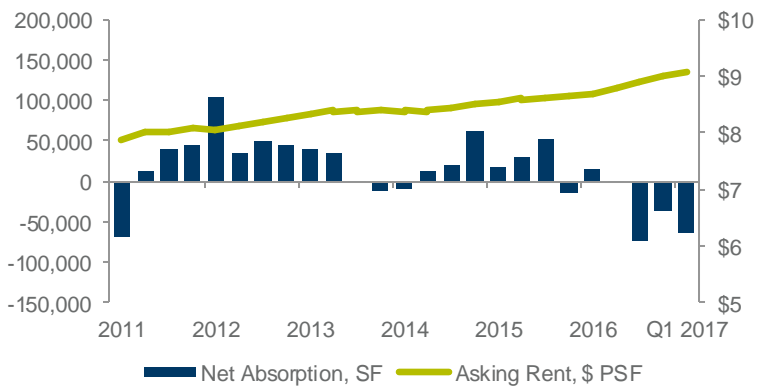
	Q1 16	Q1 17	12-Month Forecast
Ottawa Employment	k	k	▲
Ottawa Unemployment	%	%	■
Canada Unemployment	%	%	▼

### Market Indicators (Overall)

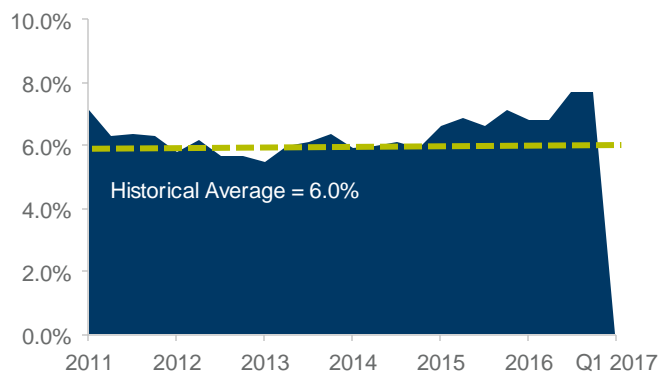
	Q1 16	Q1 17	12-Month Forecast
Overall Vacancy	%	%	■
Net Absorption (sf)			▼
Under Construction (sf)			▼
Average Asking Rent	\$	\$	■

\*Rental rates reflect net asking \$psf/year

### Overall Net Absorption/Overall Asking Rent 4Q TRAILING AVERAGE



### Overall Vacancy



## Economy

Statistics Canada reported that there were 400 net new jobs created in Ottawa in November 2016, but with the size of the labour force increasing by approximately 1,200, the unemployment rate rose slightly to 6.0%. The public administration sector saw the largest gains in November, adding approximately 4,900 jobs in the Ottawa-Gatineau region. Nearly all of these jobs were within the federal government and employment now sits at 139,200; the highest level since mid-2012. The Conference Board of Canada is projecting GDP growth of 1.7% in 2016; accelerating to 2.2% in 2017. In the new year the region's economy is anticipated to benefit from a few different factors – an expansion of the public administration sector, a strong non-residential construction sector, and a boost in tourism due to Canada's 150<sup>th</sup> birthday celebrations.

## Market Overview

Although there was movement in both Suburban East and Suburban West vacancy this quarter, the overall vacancy for the city remained unchanged from Q3 at 7.7%. Although a few notable blocks of new availability arrived on the market in submarkets throughout the city, absorption did rebound from last quarter, reaching 28,000 square feet (sf). This total was solely generated by activity in the western submarkets, as the eastern submarkets continue to see large blocks of new availability arrive to market. One of the significant drivers of the negative absorption in the Eastern submarkets this quarter was RONA vacating 2400 Sheffield which placed 58,000 sf on the market. Another contributing factor were two pockets of new availability located at 1100 Polytek, totaling 25,000 sf. While the pace of transactions has remained steady, the majority of the activity has been focused in smaller transactions; largely under 5,000 sf, while larger spaces have proven more difficult to lease. This has contributed to both negative absorption figures through the year, along with vacancy edging upwards, as the larger spaces that have become available have languished on the market for lengthy amounts of time, acting as a drag on the overall market. That being said the availability of good quality space with high ceilings in desirable locations continues to remain scarce. This coupled with little industrial product available to purchase and well located, serviced development land in short supply, have kept asking rates high, averaging close to \$9.00 per square foot (psf); one of the highest averages in the entire country.

## Outlook

It is anticipated that there will be no significant change in the industrial market in the near-term with both little new competitive supply and continued lack of quality product to purchase. Approximately 100,000 sf of space is set to arrive on the market in the next six months, including two blocks of over 20,000 sf. However that being said vacancy will likely decline next quarter due to a significant transaction that firmed very late this quarter, therefore it will be reflected in the Q1 2017 release.

MARKETBEAT

# Ottawa, ON

Industrial Q1 2017



SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	OVERALL VACANCY RATE	YTD LEASING ACTIVITY (SF)	CURRENT NET OVERALL ABSORPTION (SF)	YTD NET OVERALL ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG. NET RENT*	OVERALL WEIGHTED AVG. ADD. RENT	OVERALL WEIGHTED AVG. GROSS RENT
Kanata	58	3,307,953	%				0	0	\$	\$	\$
Bell's Corners	12	382,019	%				0	0	\$	\$	\$
Morrison/Queensview	9	415,519	%				0	0	\$	\$	\$
Woodward/Carling	23	540,800	%				0	0	\$	\$	\$
Ottawa Centre	27	795,276	%				0	0	\$	\$	\$
Ottawa South	11	695,111	%				0	0	\$	\$	\$
West Merivale	26	544,478	%				0	0	\$	\$	\$
East Merivale	27	639,693	%				0	0	\$	\$	\$
Colonnade	22	634,309	%				0	0	\$	\$	\$
Rideau Heights	27	655,655	%				0	0	\$	\$	\$
<b>West Ottawa Totals</b>	<b>243</b>	<b>8,610,813</b>	<b>%</b>				<b>0</b>	<b>0</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
South Walkley	13	325,180	%				0	0	n/a	n/a	n/a
Ottawa Business Park	29	1,394,140	%				0	0	\$	\$	\$
Coventry/Belfast	48	1,783,609	%				0	0	\$	\$	\$
Cyrville	63	2,234,837	%				0	0	\$	\$	\$
Sheffield	59	2,991,265	%				0	0	\$	\$	\$
Sheffield/Lancaster	20	1,185,844	%				0	0	\$	\$	\$
Stevenage/Belgreen	57	2,092,378	%				0	0	\$	\$	\$
South Gloucester/Albion	15	392,234	%				0	0	\$	\$	\$
Queensway	25	920,465	%				0	0	\$	\$	\$
Orleans	18	602,257	%				0	0	\$	\$	\$
<b>East Ottawa</b>	<b>347</b>	<b>13,922,209</b>	<b>%</b>				<b>0</b>	<b>0</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>OTTAWA TOTALS</b>	<b>590</b>	<b>22,533,022</b>	<b>%</b>				<b>0</b>	<b>0</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

\*Rental rates reflect asking \$psf/year

## Key Lease Transactions Q1 2017

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
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## Key Sales Transactions Q1 2017

PROPERTY	SF	SELLER/BUYER	PRICE / \$PSF	SUBMARKET
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