

## Industrial Q1 2021

	YoY Chg	12-Mo. Forecast
<b>4.4%</b> Vacancy Rate	▲	▲
<b>-116,646</b> Net Absorption, SF	▼	▼
<b>\$10.72</b> Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

### ECONOMIC INDICATORS Q1 2021

	YoY Chg	12-Mo. Forecast
<b>587.5K</b> Ottawa Employment	▲	▲
<b>6.3%</b> Ottawa Unemployment Rate	▲	▼
<b>7.5%</b> Canadian Unemployment Rate	▼	▼

Source: Statistics Canada

### ECONOMY

Lockdown measures became less restrictive, albeit short-lived, as Ottawa moved into the red zone in the Ontario provincial framework in March. Despite COVID-19 precautions, Ottawa projects a healthy outlook for 2021 fuelled by strength within the high-tech and construction sectors. Ottawa-Gatineau's public administration sector is set to cool as large-scale government growth comes to an end with the focus turning to deficit containment. Ottawa benefits from a diverse economy and expected growth in other services will act to counterweight the modest outlook within public administration. The construction industry is forecast to have a strong performance throughout 2021 with a combination of strong residential and commercial investment. Stage 2 of the LRT project to extend south and west of the city is underway with completion slated for 2022 and 2024, respectively. The LeBreton Flats redevelopment project is also scheduled to begin after several delays with the construction of a new central library.

Source: Conference Board of Canada

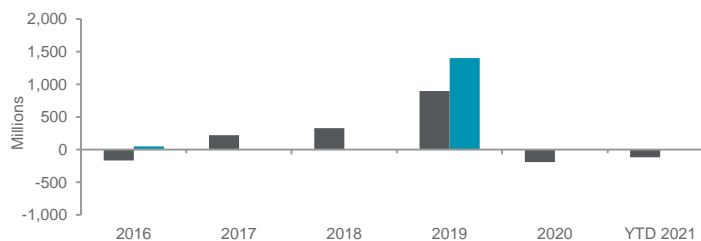
### SUPPLY AND DEMAND

Ottawa industrial's overall vacancy rose slightly by 40 basis points from last quarter to 4.4%. The West and East Ottawa submarket vacancy rates are currently sitting at 2.6% and 5.5%, respectively. Despite the slight increase in vacancy this quarter, this is still a historical low rate for the Ottawa industrial market. The overall market saw 116,646 square feet (sf) of negative absorption in the first quarter of 2021. The bulk of this space comes from vacancy within the Sheffield/Lancaster submarket, with the Museum of Science and Technology leasing 70,000 sf at 2421 Lancaster Road. The new speculative construction at Walkley and Conroy Road that is set to commence construction in the near future indicates healthy and strong demand within the industrial market, as historically construction has predominantly been build-to-suits. The new warehouse is set for completion the third quarter of 2022.

### PRICING

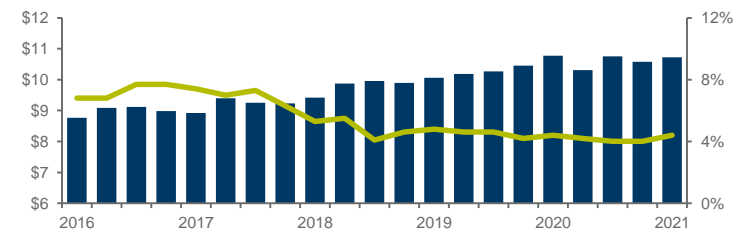
Asking net rents have remained relatively unchanged since last quarter. West Ottawa's asking rates of \$11.13 per square foot (psf) sits slightly higher than East Ottawa at \$10.57 psf. The overall industrial market is currently showing an asking net rent of \$10.72 psf, down \$0.05 year-over-year. New additions to the market may cause rates to rise by increasing the overall average.

### SPACE DEMAND / DELIVERIES



■ Net Absorption, SF ■ Construction Completions, SF

### OVERALL VACANCY & ASKING NET RENT



■ Asking Net Rent, \$ PSF — Vacancy Rate

## Industrial Q1 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	3,410,597	66,517	2.0%	-8,690	-8,690	0	0	\$12.00	\$7.00	\$19.00
Bell's Corners / Southwest Ottawa	382,019	0	0.0%	0	0	2,800,000	0	\$0.00	\$0.00	\$0.00
Morrison/Queensview	415,519	0	0.0%	0	0	0	0	\$0.00	\$0.00	\$0.00
Woodward/Carling	568,513	24,952	4.4%	0	0	0	0	\$9.50	\$8.48	\$17.98
Ottawa Centre	853,382	6,400	0.7%	-3,200	-3,200	0	0	\$10.00	\$6.04	\$16.04
Ottawa South	709,160	8,899	1.3%	-3,750	-3,750	0	0	\$9.48	\$4.45	\$13.93
West Merivale	599,829	3,035	0.5%	0	0	0	0	\$10.00	\$5.39	\$15.39
East Merivale	657,693	8,676	1.3%	168	168	0	0	\$11.25	\$5.36	\$16.61
Colonnade	660,505	89,342	13.5%	-2,283	-2,283	0	0	\$11.23	\$6.39	\$17.62
Rideau Heights	687,364	24,075	3.5%	-2,283	-2,283	0	0	\$12.63	\$7.99	\$20.62
<b>WEST OTTAWA TOTALS</b>	<b>8,944,581</b>	<b>231,896</b>	<b>2.6%</b>	<b>-21,173</b>	<b>-21,173</b>	<b>2,800,000</b>	<b>0</b>	<b>\$11.13</b>	<b>\$6.63</b>	<b>\$17.76</b>
South Walkley	530,727	70,000	13.2%	0	0	0	0	\$10.00	\$0.00	\$10.00
Ottawa Business Park	1,387,099	68,912	5.0%	0	0	0	0	\$9.06	\$5.17	\$14.23
Coventry/Belfast	1,811,009	14,934	0.8%	17,215	17,215	0	0	\$12.00	\$6.97	\$18.97
Cyrville	2,225,440	77,106	3.5%	-18,534	-18,534	0	0	\$11.09	\$5.75	\$16.84
Sheffield	2,955,631	297,240	10.1%	-34,542	-34,542	0	0	\$11.00	\$4.93	\$15.93
Sheffield/Lancaster	1,233,080	127,410	10.3%	-76,197	-76,197	0	0	\$10.97	\$5.72	\$16.69
Stevenage/Belgreen	2,214,338	153,146	6.9%	-19,063	-19,063	0	0	\$11.74	\$5.47	\$17.21
South Gloucester/Albion	1,487,234	0	0.0%	0	0	0	0	\$0.00	\$0.00	\$0.00
Queensway	920,465	14,400	1.6%	35,648	35,648	0	0	\$9.00	\$6.96	\$15.96
Orleans	614,067	19,933	3.2%	0	0	0	0	\$11.65	\$9.57	\$21.22
<b>EAST OTTAWA TOTALS</b>	<b>15,379,090</b>	<b>843,081</b>	<b>5.5%</b>	<b>-95,473</b>	<b>-95,473</b>	<b>0</b>	<b>0</b>	<b>\$10.57</b>	<b>\$5.54</b>	<b>\$16.11</b>
<b>OTTAWA TOTALS</b>	<b>24,323,671</b>	<b>1,074,977</b>	<b>4.4%</b>	<b>-116,646</b>	<b>-116,646</b>	<b>2,800,000</b>	<b>0</b>	<b>\$10.72</b>	<b>\$5.85</b>	<b>\$16.57</b>

### KEY LEASE TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
436 Hazeldean Road	Kanata	Rogers Communications Inc	34,527	Direct
2421 Lancaster Road	Sheffield	Federal Government of Canada	30,516	Direct
2766 Fenton Road	South Gloucester/Albion	GlassCell Isofab Inc	22,600	Renewal

\*Renewals not included in leasing statistics

### KEY SALES TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
110 Bentley Avenue	Nepean	WPG Holdings / Bentley 110 Ottawa Inc	72,565	\$10,575,000 / \$146
125 Colonnade Road	Nepean	Wales Properties Ltd / Access Self Storage Inc	56,700	\$12,000,000 / \$212

### Nathan Smith, Broker

Senior Vice President

Managing Director

+1 613 236 7777 / [info@cwottawa.com](mailto:info@cwottawa.com)

### A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

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](http://cushmanwakefield.com)