

YoY Chg 12-Mo. Forecast

**4.0%**

Vacancy Rate



**-124,626**

Net Absorption, SF



**\$10.58**

Asking Rent, PSF



Overall, Net Asking Rent

### ECONOMIC INDICATORS Q4 2020

YoY Chg 12-Mo. Forecast

**558.2K**

Ottawa Employment



**6.6%**

Ottawa Unemployment Rate



**8.6%**

Canadian Unemployment Rate



Source: Statistics Canada

### ECONOMY

The National Capital Region (NCR) benefits from the presence of the federal government, often insulating it from dips in the economy. While this still remains true as Ottawa-Gatineau's GDP will not drop as much as the national level due to growth within public administration, it is still projected to fall by 5.7% in 2020, the first decline since 1996. The economy is set to rebound in the coming years, with average growth of 2.1% annually from 2022 to 2024. Despite a boost from the area's largest industry, the NCR is not immune to the impacts of the COVID-19 pandemic. Consumer-driven sectors that were beginning to bounce back in the third quarter of 2020 have had to revert to more stringent lockdown measures, in a pre-emptive response to a projected spike in cases from holiday gatherings.

Source: Conference Board of Canada

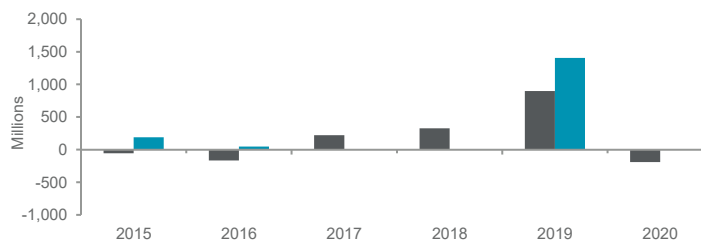
### SUPPLY AND DEMAND

The COVID-19 pandemic has had little impact on Ottawa's industrial market. In fact, overall vacancy has decreased since the first quarter of 2020 by 40 basis points to 4.0% in the fourth quarter. The Ottawa West submarkets are seeing extremely low availability of 2.6%, while the Ottawa East submarkets are at a slightly higher rate of 4.9%. The overall industrial market had 190,247 square feet (sf) of negative absorption in the fourth quarter. This was primarily driven by just over 104,000 sf of available space at 100 Legacy Road and multiple availabilities at Lancaster Road, located in the Stevenage/Belgreen and Sheffield/Lancaster submarkets respectively. E-commerce and distribution facilities continues to boost Ottawa's new supply, particularly towards its outer boroughs, making these areas more attractive to developers. Ottawa is set to be a prime distribution hub due to its ideal location as the city is in close proximity to both Montreal and Toronto. Development buzz in the rural area of Vars and the suburb of Barrhaven located southwest of Ottawa will expand the city's industrial market into the fringe areas of the city in 2021.

### PRICING

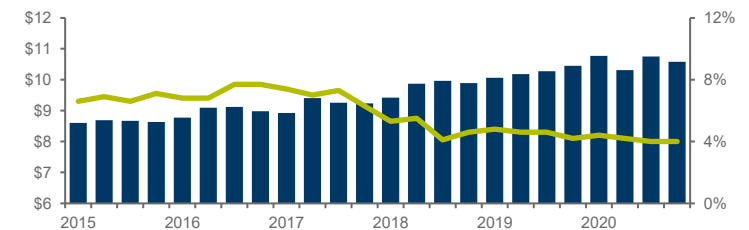
Throughout 2020, Ottawa's industrial market has remained unaffected by the COVID-19 pandemic. This extends to the industrial market's net rates, as they have continued to rise as we head into 2021. Over the course of the year, asking net rents have increased by 13 cents per square foot since the fourth quarter of 2019 and are expected to rise as demand drives pricing.

### SPACE DEMAND / DELIVERIES



■ Net Absorption, SF ■ Construction Completions, SF

### OVERALL VACANCY & ASKING NET RENT



■ Asking Net Rent, \$ PSF — Vacancy Rate

## Industrial Q4 2020

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	57,827	1.7%	-13,651	-45,627	0	0	\$12.00	\$6.84	\$18.84
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	5,683	0	0	\$0.00	\$0.00	\$0.00
Woodward/Carling	568,513	24,952	4.4%	-10,812	424	0	0	\$9.50	\$8.48	\$17.98
Ottawa Centre	853,382	22,369	2.6%	3,200	75,194	0	0	\$10.00	\$6.77	\$16.77
Ottawa South	709,160	5,149	0.7%	2,250	17,250	0	0	\$9.48	\$4.39	\$13.87
West Merivale	599,829	3,035	0.5%	0	15,625	0	0	\$10.00	\$5.39	\$15.39
East Merivale	657,693	8,844	1.3%	-8,844	16,788	0	0	\$0.00	\$0.00	\$0.00
Colonnade	660,505	85,924	13.0%	10,188	-52,170	0	0	\$11.08	\$6.52	\$17.60
Rideau Heights	687,364	21,792	3.2%	-7,482	-15,289	0	0	\$14.76	\$8.30	\$23.06
<b>WEST OTTAWA TOTALS</b>	<b>8,944,581</b>	<b>229,892</b>	<b>2.6%</b>	<b>-25,151</b>	<b>17,878</b>	<b>2,800,000</b>	<b>0</b>	<b>\$11.16</b>	<b>\$6.80</b>	<b>\$17.96</b>
South Walkley	530,727	70,000	13.2%	-70,000	-70,000	0	0	\$10.00	\$0.00	\$10.00
Ottawa Business Park	1,387,099	68,912	5.0%	-15,025	-15,648	0	0	\$9.06	\$5.60	\$14.66
Coventry/Belfast	1,811,009	32,149	1.8%	28,131	27,856	0	0	\$10.00	\$6.34	\$16.34
Cyrville	2,225,440	58,572	2.6%	59,834	92,348	0	0	\$10.29	\$6.10	\$16.39
Sheffield	2,955,631	262,698	8.9%	3,739	10,487	0	0	\$11.71	\$5.11	\$16.82
Sheffield/Lancaster	1,233,080	51,213	4.2%	0	-112,348	0	0	\$10.38	\$5.81	\$16.19
Stevenage/Belgreen	2,214,338	134,083	6.1%	-104,305	-104,404	0	0	\$11.79	\$4.78	\$16.57
South Gloucester/Albion	1,487,234	0	0.0%	0	0	0	0	\$0.00	\$0.00	\$0.00
Queensway	920,465	50,048	5.4%	-3,499	-43,007	0	0	\$10.33	\$6.92	\$17.25
Orleans	614,067	19,933	3.2%	1,650	6,591	0	0	\$11.65	\$9.57	\$21.22
<b>EAST OTTAWA TOTALS</b>	<b>15,379,090</b>	<b>747,608</b>	<b>4.9%</b>	<b>-99,475</b>	<b>-208,125</b>	<b>0</b>	<b>0</b>	<b>\$10.38</b>	<b>\$5.67</b>	<b>\$16.05</b>
<b>OTTAWA TOTALS</b>	<b>24,323,671</b>	<b>977,500</b>	<b>4.0%</b>	<b>-124,626</b>	<b>-190,247</b>	<b>2,800,000</b>	<b>0</b>	<b>\$10.58</b>	<b>\$5.95</b>	<b>\$16.53</b>

### KEY LEASE TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1165 Kenaston Street	Sheffield	Federal Government	35,000	Direct
1165 Kenaston Street	Sheffield	Boone Plumbing	26,539	Direct

\*Renewals not included in leasing statistics

### KEY SALES TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
416 McArthur Avenue	Ottawa East	Named Individuals / Numbered Company	6,000	\$1,000,000 / \$167
2575 Delzotto Avenue	Gloucester	Basbros Properties / Numbered Company	22,500	\$2,925,000 / \$130

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