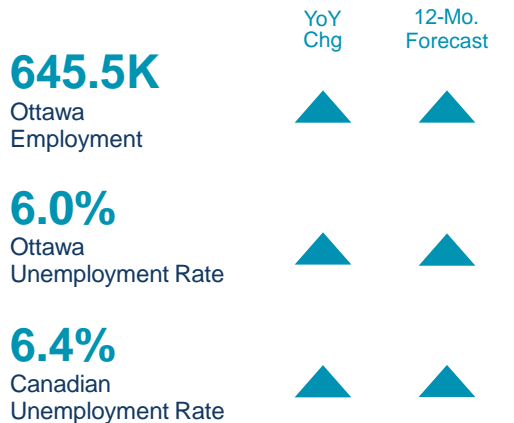


(Direct Asking Rent, All Property Classes)

ECONOMIC INDICATORS Q2 2024



Source: Statistics Canada

ECONOMY

The Canadian unemployment rate, the portion of the population aged 15 and older who are unemployed, reached 6.4% in June 2024 and has risen by 110 basis points (bps) year-over-year (YOY). Employment in transportation and warehousing fell by 12,000 in June, following a 21,000 decline in May. However, accommodation and food services employment rose by 17,000, marking the third consecutive monthly increase and totaling 54,000 since March. In Ottawa, the unemployment rate reached 6.0% in June, reflecting an increase of 50 bps compared to the month before. The continued population growth of 3,500 in May offset 97.2% of the total increase in unemployment count.

Source: Statistics Canada

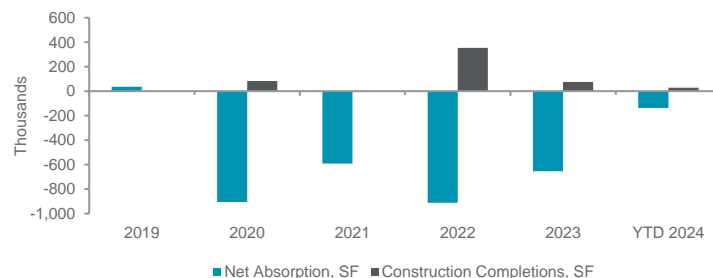
The Overall Vacancy Rate Decreases

The Ottawa office market recorded a slight decline in its overall vacancy rate to 11.8%, primarily due to a 50-bps reduction in the vacancy rate in the overall suburban market compared to last quarter. This ranks Ottawa as having the third tightest vacancy in comparison to the other major Canadian markets this quarter. With the Bank of Canada's recent 25 bps interest rate cut, a positive shift in the real estate market is anticipated. These preliminary encouraging signs are reflected in the percentage of overall vacant space that is available for sublease within the Central Business District (CBD) market, which is now at 11.5%, a significant decrease of 380 bps from the previous quarter. Meanwhile, the Ottawa office market reached its first positive overall absorption since the second quarter of 2022. The positive absorption in the CBD Class A market this quarter was driven by an increasing number of Class B and C tenants seeking to upgrade to Class A buildings for better amenities, facilities, and locations, highlighting the current trend of flight to quality.

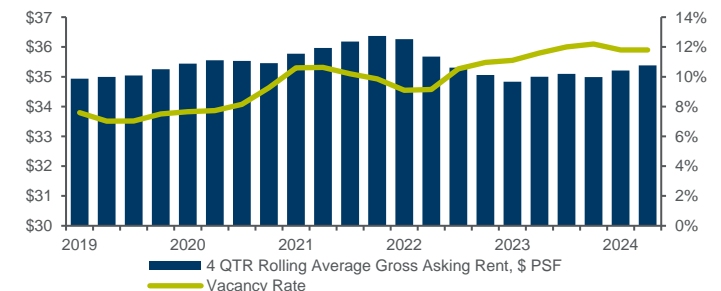
Little Movement in Net Asking Rates

The direct net asking rent in the Ottawa office market was \$17.61 per square foot (psf) in the second quarter of 2024, remaining remarkably steady compared to previous quarters. Despite the challenging market conditions, rather than dropping their posted face rates, landlords have been focusing on offering inducements and periods of free rent to entice tenants to lease space in their properties. Additionally, an increasing number of landlords have been offering model suites and turn-key spaces, which are highly popular among tenants due to their easy accessibility.

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) (YTD)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Downtown Core	18,250,806	222,027	1,704,135	10.6%	46,155	48,844	314,691	-	\$39.92	\$49.93
Centretown	1,124,079	19,353	210,564	20.5%	-27,087	-68,012	65,366	-	\$31.29	n/a
Lowertown/Sandy Hill	897,589	23,174	216,437	26.7%	7,644	-4,984	22,666	-	\$41.77	\$43.12
Glebe/Main	261,587	0	29,455	11.3%	-9,327	-7,425	16,108	-	\$33.95	n/a
Central Dispersed	274,411	0	90,867	33.1%	0	4	0	-	n/a	n/a
CENTRAL AREA TOTALS	20,808,472	264,554	2,251,458	12.1%	17,385	-31,573	418,831	-	\$39.46	\$48.77
Ottawa West	9,430,610	157,780	732,768	9.4%	3,205	-76,094	388,711	-	\$31.64	\$36.03
Ottawa Deep West	6,840,615	156,980	737,501	13.1%	-33,252	-94,354	301,979	72,000	\$26.14	\$25.97
SUBURBAN WEST TOTALS	16,271,225	314,760	1,470,269	11.0%	-30,047	-170,448	690,690	72,000	\$29.85	\$30.24
Ottawa South	496,830	0	56,028	11.3%	27,449	3,228	36,764	-	\$36.74	\$36.74
Ottawa East	5,896,632	64,821	705,407	13.1%	-6,126	60,698	103,425	-	\$34.97	\$35.96
TOTAL SUBURBAN TOTALS	22,664,687	379,581	2,231,704	11.5%	-8,724	-106,522	830,879	72,000	\$31.86	\$33.10
OTTAWA TOTALS	43,473,159	644,135	4,483,162	11.8%	8,661	-138,095	1,249,710	72,000	\$35.88	\$40.13

KEY LEASE TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	TENANT	DEAL TYPE*	SF
360 Albert Street	Central Ottawa	Public Services and Procurement Canada	Renewal	36,478
955 Green Valley Crescent	Ottawa West	Undisclosed	Renewal	23,932
350 Albert Street	Central Ottawa	Canadian Commercial Corporation	Direct	21,343
46 Elgin Street	Central Ottawa	Earnscliffe Strategy Group	Renewal	15,799

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
1600 Carling Avenue	Ottawa West	Manulife / The Regional Group	183,272	\$27,000,000 / \$147
1601 Telesat Court	Ottawa East	Morguard / 15675294 Canada Inc	199,152	\$16,100,000 / \$81
106 Colonnade Road	Ottawa West	Crown Property / Alsmi Properties Inc	37,283	\$5,700,000 / \$153

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