



MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
4.4% Vacancy Rate	▲	▲
77K YTD Net Absorption, SF	▬	▲
\$15.01 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▼

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
658K Ottawa Employment	▲	▲
6.5% Ottawa Unemployment Rate	▲	▲
6.6% Country Unemployment Rate	▲	▬

Source: Statistics Canada

ECONOMY

In August 2024, the unemployment rate in Canada rose to 6.6%, up 20 basis points (bps) from the previous quarter. The largest month-over-month employment growth occurred in the educational services sector, with 27,000 new jobs created at the start of the academic year. However, overall employment saw little change, as gains in part-time positions were largely offset by a decrease in full-time work. In July, the International Monetary Fund (IMF) ranked Canada as the fastest-growing G7 economy for 2025 in its revised World Economic Outlook, attributing this to cooling inflation and the normalizing monetary policy.

SUPPLY AND DEMAND

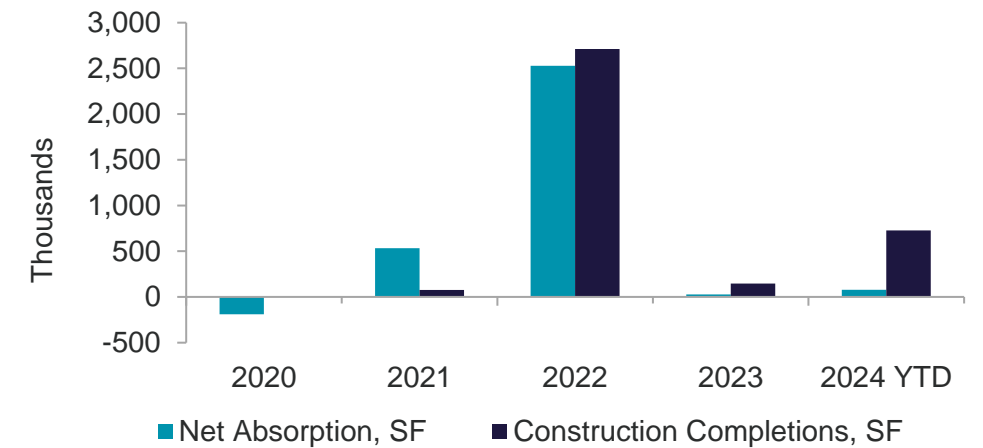
The Ottawa industrial market recorded a continued uptick in the overall vacancy rate, increasing by 90 bps from the previous quarter to reach 4.4% in Q3 2024. The Suburban West market posted a 160-bps increase in vacancy, rising from 2.8% to 4.4%, as this market accounted for over 198k square feet (sf) of new vacant space in Q3 2024. The primary driver behind this increase was the completion of 405 Huntmar Drive, which added 230k sf of warehouse and distribution space to Ottawa's industrial inventory.

In Q3 2024 leasing activity totaled 403k sf, a remarkable 149.3% increase from last quarter. Rosefellow's under-construction project at 115 Journeyman Street, one of the largest speculative industrial properties ever built in Ottawa, was fully leased to a single tenant in July 2024, contributing over 248k sf to the total leasing activity.

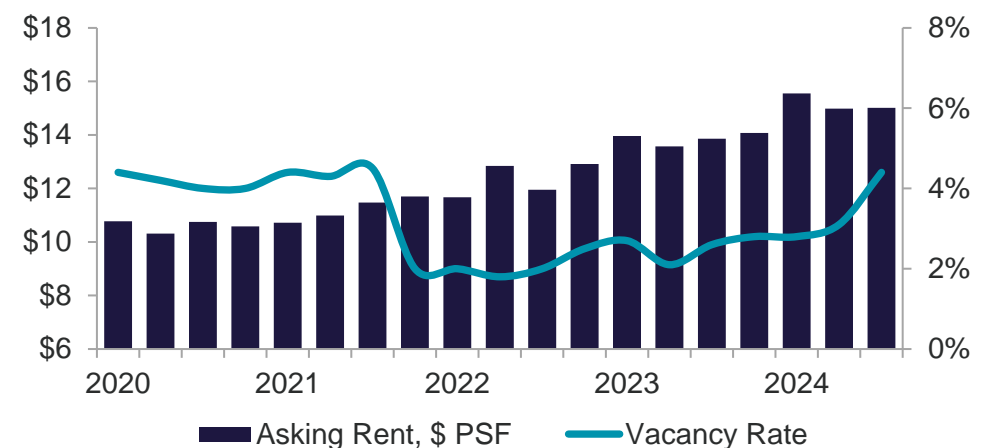
PRICING

The average direct net asking rent in Ottawa's industrial market increased by \$0.47 per square foot (psf) from last quarter to \$15.01 psf. Despite a slight decline of \$0.27 psf in the Suburban East market, the Suburban West and Ottawa South markets recorded increases of \$1.82 psf and \$2.57 psf, respectively.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

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)	DIRECT WEIGHTED AVG NET RENT	DIRECT WEIGHTED AVG ADD. RENT	DIRECT WEIGHTED AVG GROSS RENT
Colonnade/Rideau Heights	966,562	27,992	2.9%	-3,272	20,142	0		\$14.33	\$6.96	\$21.29
Ottawa West Dispersed	4,708,779	150,250	3.2%	-26,905	-42,136	0		\$15.24	\$8.85	\$24.09
Barrhaven	2,763,232	4,500	0.2%	0	-4,500	289,431		\$15.00	\$5.17	\$20.17
Kanata North	937,184	0	0.0%	0	16,655	0		N/A	N/A	N/A
Kanata South	678,000	10,424	1.5%	0	3,236	0		\$15.00	\$8.42	\$23.42
Stittsville	866,826	296,059	34.1%	0	-3,000	248,498	230,247	\$17.52	\$6.13	\$23.65
Deep West Dispersed	409,354	8,080	1.9%	0	-5,000	0		\$16.00	\$13.00	\$29.00
WEST OTTAWA TOTALS	11,329,937	497,305	4.4%	-30,177	-14,603	537,929	230,247	\$15.59	\$8.27	\$23.86
Hunt Club Corridor	277,280	27,945	10.1%	4,572	-17,945	0		\$15.00	\$6.66	\$21.66
Ottawa South Dispersed	492,326	19,441	3.9%	-19,441	-19,441	71,365		\$18.00	\$4.25	\$22.25
SOUTH OTTAWA TOTALS	769,606	47,386	6.2%	-14,869	-37,386	71,365	0	\$17.57	\$4.60	\$22.17
Hawthorne/Stevenage	2,702,616	168,375	6.2%	-2,490	163,096	0		\$17.31	\$6.44	\$23.76
Gloucester	1,029,818	12,769	1.2%	6,098	27,868	0		\$9.00	\$6.85	\$15.85
Orleans	521,475	31,682	6.1%	0	-1,465	0		\$12.38	\$5.93	\$18.31
Ottawa Business Park	1,325,558	103,865	7.8%	19,581	-26,298	92,000		\$10.88	\$11.21	\$22.09
Vanier / St. Laurent / Industrial	1,819,560	79,532	4.4%	-31,422	-32,544	0		\$17.34	\$7.49	\$24.83
Sheffield / Michael	7,080,442	288,148	4.1%	-103,364	9,148	0		\$13.39	\$6.16	\$19.55
Ottawa East Dispersed	1,420,462	10,448	0.7%	0	-10,448	0		\$15.32	\$8.50	\$23.82
EAST OTTAWA TOTALS	15,899,931	694,819	4.4%	-111,597	129,357	92,000	0	\$14.72	\$6.81	\$21.53
OTTAWA TOTALS	27,999,474	1,239,510	4.4%	-156,643	77,368	701,294	230,247	\$15.01	\$7.02	\$22.03

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
115 Journeyman Street	Stittsville	Auto Shack	248,498	Direct
1071 Ages Drive	Hawthorne / Stevenage	Advanced Business Interiors	44,578	Direct
5977 Hazeldean Road	Stittsville	Undisclosed	34,869	Direct
501 Palladium Drive	Kanata South	Lockheed Martin	23,024	Renewal*

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
1419-1427 Michael Street	Sheffield / Michael	MAS Realty Inc/1000958499 Ontario Inc	11,127	\$2,765,000 / \$248
6786 Hiram Drive	Ottawa South Dispersed	M Scapillati Flooring Inc/2403139 Ontario Inc	9,700	\$4,100,000 / \$423
856 Clyde Avenue	Ottawa West Dispersed	Tuscarora Futurities Ltd/TH Capital Corp	4,967	\$2,000,000 / \$403

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