



MARKET FUNDAMENTALS

	YOY Chg	Outlook
5.4% Vacancy Rate	▲	▼
81K YTD Net Absorption SF	▲	▲
\$16.24 Asking Net Rent PSF <i>(Overall, Net Asking Rent)</i>	▲	▼

ECONOMIC INDICATORS

	YOY Chg	Outlook
673K Ottawa Employment	▲	▲
5.9% Ottawa Unemployment Rate	▲	▲
6.7% Canada Unemployment Rate <i>Source: Statistics Canada</i>	▲	▬

ECONOMY

In December 2024, Canada's unemployment rate increased to 6.7%, rising by 10 basis points (bps) from the previous quarter, reflecting persistent economic challenges. Despite the educational services sector posting the highest month-over-month employment gains, overall employment remained largely unchanged. Meanwhile, Ottawa's unemployment rate fell to 5.9%, a 60-basis point (bps) decline from the prior quarter, representing its first drop in 2024.

SUPPLY AND DEMAND

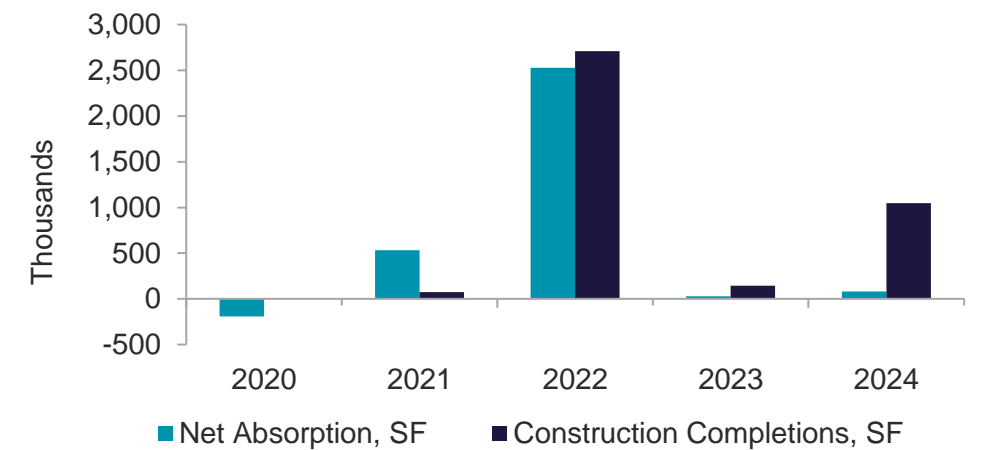
The overall vacancy rate in Ottawa's industrial market continued its upward trend witnessed throughout 2024, reaching 5.4% in the final quarter. The Suburban South market recorded a sharp increase in vacancy, climbing 750 bps from 6.2% to 13.7%. This was primarily driven by the delivery of 130 Warehouse Street, which added 71k square feet (sf) of vacant space to the industrial inventory. Additionally, the completion of 115 Journeyman Street contributed to a rise in the Suburban West market's vacancy rate, which reached 6.0% in Q4 2024. Despite being fully leased to a single tenant in July 2024, this 248k-sf property will not be occupied until 2025, which influenced the year-end vacancy figures.

Leasing activity in the Ottawa industrial market totaled 123k sf in Q4 2024, marking a notable slowdown from last quarter. The Ottawa West Dispersed market had a significant drop, with leasing activity decreasing by 470 bps, from 47k sf to 24k sf. Following a surge in leasing activity in Stittsville earlier this year, driven by the lease of 115 Journeyman Street, activity in the submarket plummeted to just 3k sf in Q4 2024. Meanwhile, Broccolini filed a proposal to construct a 3.1-million-sf fulfillment centre in Barrhaven, poised to become the largest facility of its kind in the Ottawa region. Despite the influx of new supply catering to larger tenants, the smaller-bay industrial market remains constrained, with tight conditions unlikely to ease in the near term.

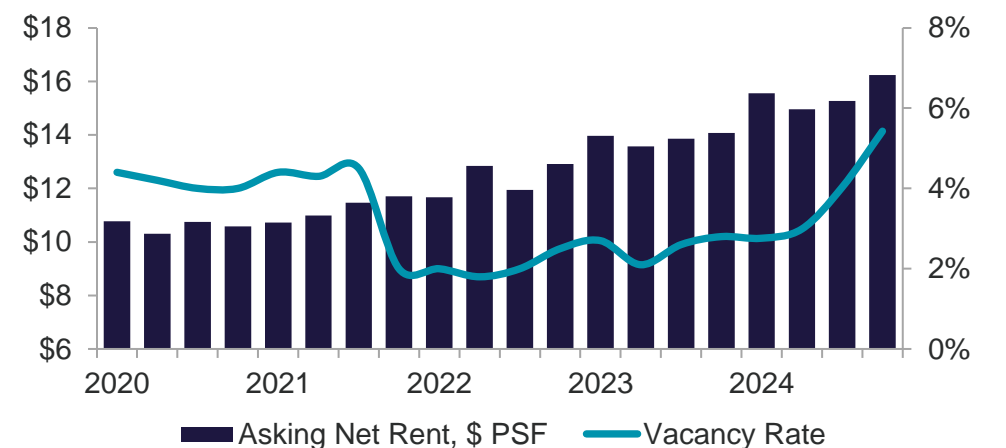
PRICING

The average direct net asking rent in Ottawa's industrial market rose to \$16.24 per square foot (psf) in Q4 2024, reflecting an overall increase from the prior quarter. The Suburban South market; however, saw a \$0.75 decline, bringing its rate to \$16.82 psf. Conversely, both the Suburban West and Suburban East markets recorded increases, with asking rents reaching \$17.23 psf and \$15.25 psf, respectively.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING NET 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	31,547	3.3%	-3,555	16,587	0		\$15.95	\$8.22	\$24.17
Ottawa West Dispersed	4,708,779	90,775	1.9%	50,929	17,339	0		\$15.47	\$8.72	\$24.19
Barrhaven	2,778,232	39,500	1.4%	-35,000	-39,500	289,431		\$16.33	\$5.91	\$22.23
Kanata North	937,184	24,560	2.6%	-24,560	-7,905	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	1,115,324	494,745	44.4%	49,812	46,812	0	248,498	\$17.95	\$4.73	\$22.68
Deep West Dispersed	409,354	8,080	2.0%	0	-5,000	0		\$16.00	\$13.00	\$29.00
WEST OTTAWA TOTALS	11,593,435	699,631	6.0%	37,626	31,569	289,431	248,498	\$17.23	\$5.79	\$23.02
Hunt Club Corridor	277,280	24,735	8.9%	3,210	-14,735	0		N/A	N/A	N/A
Ottawa South Dispersed	563,691	90,806	16.1%	0	-19,441	0	71,365	\$16.82	\$4.64	\$21.46
SOUTH OTTAWA TOTALS	840,971	115,541	13.7%	3,210	-34,176	0	71,365	\$16.82	\$4.64	\$21.46
Hawthorne/Stevenage	2,702,616	184,128	6.8%	-59,753	147,343	0		\$17.39	\$6.30	\$23.69
Gloucester	1,029,818	18,201	1.8%	-7,432	22,436	0		\$9.00	\$6.85	\$15.85
Orleans	521,475	43,261	8.3%	-11,579	-13,044	0		\$13.25	\$6.54	\$19.80
Ottawa Business Park	1,325,558	95,581	7.2%	-18,907	-18,014	92,000		\$16.00	\$5.87	\$21.87
Vanier / St. Laurent / Industrial	1,819,560	78,025	4.3%	-17,235	-49,779	0		\$16.93	\$7.49	\$24.41
Sheffield / Michael	7,080,442	255,586	3.6%	32,314	41,710	0		\$13.09	\$5.98	\$19.07
Ottawa East Dispersed	1,420,462	46,737	3.3%	-46,737	-46,737	0		\$14.39	\$5.38	\$19.77
EAST OTTAWA TOTALS	15,899,931	721,519	4.5%	-129,329	83,915	92,000	0	\$15.25	\$6.26	\$21.51
OTTAWA TOTALS	28,334,337	1,536,691	5.4%	-88,493	81,308	381,431	319,863	\$16.24	\$5.90	\$22.14

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1255 Humber Place	Sheffield / Michael	Undisclosed	15,433	Direct
700 Industrial Avenue	Vanier / St. Laurent / Industrial	Undisclosed	13,481	Direct
2760-2770 Sheffield Road	Sheffield / Michael	Undisclosed	12,650	Direct

KEY SALES TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
2215 Gladwin Crescent	Sheffield / Michael	9182071 Canada Inc & 10064963 Canada Inc / KS 2215 Gladwin Inc	214,104	\$36,800,000 / \$172
373 Coventry Road	Vanier / St. Laurent / Industrial	Raxil Real Estate Inc / 373 Coventry Road Ltd	69,696*	\$7,350,000 / NA
2636 Mac Street 2678 Mac Street	Hunt Club Corridor	Mic Mac Realty (Ottawa) Ltd / Mac St Inc	236,095*	\$5,200,000 / NA
31 Antares Drive	Colonnade / Rideau Heights	2812205 Ontario Inc / White Hawk Developments Corp	13,572	\$4750,000 / \$350

*Land Area

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