



# VIEWPOINT *GREEN*

OTTAWA *GREEN* OFFICE MARKET REPORT | Q2 2011



**CUSHMAN &  
WAKEFIELD**®

OTTAWA  
Green Real Estate Practice Group

# GREEN VIEWPOINT

## GREEN MARKET OVERVIEW

Overall Green Market vacancy dropped slightly to 9% in the second quarter, while direct vacancy went up by 0.2% to 6.7%. In the Brown market, overall vacancy came down ever so slightly to 7%, while direct vacancy ticked up to 5.6% after three straight quarters of decline. Absorption in the green market came into positive territory in the second quarter, with 52,094 square feet of positive absorption led by strong leasing activity of 94,872 square feet. Leasing activity was especially strong in Kanata, mainly due to two large deals in excess of 35,000 square feet at 2500 Solandt Road and 750 Palladium Drive.

The overall Green inventory dropped slightly from last quarter to 8.26 million square feet, as a number of buildings are undergoing recertification under the BOMA BEST program. BOMA BEST requires recertification every three years. 250 Albert Street, managed by Morguard, was added to the Green Inventory this quarter. 250 Albert was certified BOMA BEST Level 3 and is a 14 storey, 185,000 square foot, class-A building. It is occupied primarily by the International Development and Research Centre (IDRC).

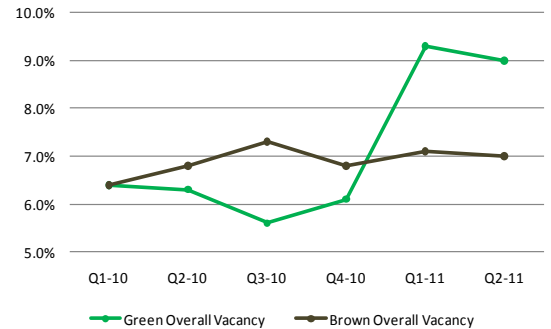
## GREEN BUILDING NEWS

Construction continues at Ottawa's newest LEED-Gold targeted office building, 150 Slater Street. The lobby has been completed, and Export Development Canada has begun the process of moving employees into the second through fifth floors. The space has been designed to maximize workforce efficiency, and forward-thinking concepts, such as hoteling. Each of EDC's floors features a terminal, which employees can also access online, that allows employees to select their workstation based on what project they are working on, who they are working with, or simply how close it is to a window. The system is designed to maximize worker comfort and productivity, providing employees the ability to select the work area that best suits them. EDC currently is marketing approximately 80,00 square feet for sublease on the 6<sup>th</sup>, 7<sup>th</sup>, and 8<sup>th</sup> floors, which will be available November 2011.

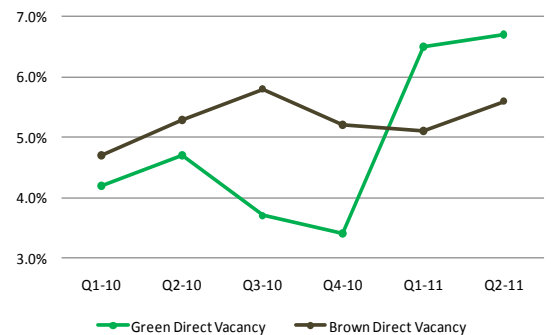
Interested in leasing space at 150 Slater Street? Scan the barcode with the QR Reader on your mobile device.



### OVERALL VACANCY



### DIRECT VACANCY



## GREEN HIGHLIGHTS

### SIGNIFICANT Q2-2011 GREEN LEASING TRANSACTIONS

Building	LEVEL	TENANT	sf
2500 Solandt Road	BOMA BEST 2	Irdeto	36,863
750 Palladium Drive	BOMA BEST 2	-	38,210

### SIGNIFICANT GREEN PROJECTS UNDER CONSTRUCTION

Building	LEVEL TARGETED	MAJOR TENANT	COMPLETION
150 Slater Street	LEED-GOLD CS	EXPORT DEVELOPMENT CANADA	11/11

# GREEN VIEWPOINT

## OTTAWA GREEN REAL ESTATE MARKET OUTLOOK

We anticipate vacancy to hold steady into the third quarter, before heading back down starting in the fourth quarter of 2011. We expect activity in the market to remain strong throughout the year and into 2012 as tenants explore the Green opportunities in the market as leases roll-over.

The Green inventory will likely increase over the next 6-12 months as several buildings recertify under the BOMA BESt program, and as new certifications come on stream. We are still awaiting the certifications of several LEED buildings in the CBD, most notable are 180 Kent Street (LEED-NC), Sun Life Financial Centre at 99 Bank Street and 50 O'Connor Street and 275 Slater Street (both LEED-EB:OM), all of which have made their submissions to the CaGBC.

### GREEN VIEWPOINT

"It's amazing to see the evolution of 150 Slater Street, which will surely be a new landmark building for Ottawa. Both architecturally and environmentally, it is setting the bar for sustainable design and construction in the city."

-Scott Brooker, Sales Representative  
C&W Ottawa Green Real Estate Practice Group

## OTTAWA GREEN MARKET STATISTICS – Q2 2011, by Certification Level

Certification Level	No. of Buildings	Inventory (sf)	Overall Vacancy Rate	Direct Vacancy Rate	Q2 Leasing Activity (sf)	Weighted Average Asking Net Rental Rate	Weighted Average Gross Rental Rate
LEED Gold†	2	459,000	5.0%	5.0%	3,000	\$26.00	\$44.81
LEED Certified	1	150,000	31%	0%	0	-	-
BESt 3	19	4,198,405	8.2%	6.6%	34,021	\$26.02	\$49.59
BESt 2	27	3,454,582	9.6%	7.4%	57,851	\$15.46	\$32.35
<b>Total Green Market</b>	<b>50</b>	<b>8,261,987</b>	<b>9.0%</b>	<b>6.7%</b>	<b>94,872</b>	<b>\$24.22</b>	<b>\$46.35</b>

† 180 Kent certification pending

## OTTAWA GREEN MARKET STATISTICS – Q2 2011, by Market/Submarket

Market/Submarket	No. of Buildings	Inventory (sf)	Overall Vacancy Rate	Direct Vacancy Rate	Q2 Leasing Activity (sf)	Q2 Absorption (sf)	Weighted Average Gross Rental Rate
Downtown Core	15	4,370,013	7.0%	5.6%	35,252	4,272	48.07
Byward Market	2	130,755	5.8%	5.8%	2,336	0	\$40.53
Gloucester	6	792,491	2.9%	4.0%	0	0	\$34.39
Kanata	13	1,562,553	12.7%	10.8%	83,725	67,892	-
Ottawa West	7	914,314	11.6%	8.6%	1,769	(21,676)	\$35.84
Nepean	5	491,860	18.8%	6.9%	0	1,606	\$29.07
<b>Total Green Market</b>	<b>50</b>	<b>8,261,987</b>	<b>9.0%</b>	<b>6.7%</b>	<b>94,872</b>	<b>52,094</b>	<b>\$46.35</b>

## TEAM PROFILE



James McNeil  
Associate Vice President\*  
Green Real Estate Practice Lead  
Tel: 613-780-1567  
[jmcneil@cwottawa.com](mailto:jmcneil@cwottawa.com)

James is the Past President of the Ottawa Chapter Canada Green Building Council and a Director of the Ottawa Chamber of Commerce Environment Committee. James is uniquely positioned to align your real estate with your business objectives of creating a sustainable workplace. James has received the Leadership in Business Award from Earth Day Ottawa for his commitment to the environment and was nominated as Corporate Citizen of the Year by the Kanata Chamber of Commerce. He has lectured on leasing and market-related topics to industry stakeholders. James holds the designation of Real Property Administrator (RPA) and is a LEED Accredited Professional (LEED AP).



Scott Brooker  
Sales Representative  
Green Real Estate Practice Group  
Tel: 613-780-1582  
[sbrooker@cwottawa.com](mailto:sbrooker@cwottawa.com)

Scott is an internationally recognized expert in the field of green commercial real estate. He has been quoted in various publications on the topic and is a green real estate contributor for Monster Commercial. He sits on the CaGBC-ORC Existing Buildings Committee and is a founding member of the Better Buildings Breakfast Series. He holds a Bachelor of Commerce Degree in International Business from Dalhousie University & the Copenhagen School of Business School. He is focused on driving sustainable value for his clients. As a founding member of the Cushman & Wakefield Ottawa Green Real Estate Practice Group he provides clients with sustainable real estate solutions that create value for their overall operations.

LinkedIn Group:

[OTTAWA GREEN BUILDINGS AND SUSTAINABLE WORKPLACES](#)

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<http://www.twitter.com/CWOGreen>



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## ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield was founded in 1917. Today the firm has 231 offices throughout the globe in 58 countries. C&W employs 13,000 talented professionals who create, optimize, and protect value for clients in every region of the world. We assist clients in every stage of the real estate process, representing them in buying, selling, financing, leasing, managing, valuing assets, providing strategic planning and research, portfolio analysis, site selection, and space location, among other advisory services.

## ABOUT THE OTTAWA GREEN REAL ESTATE PRACTICE GROUP

Cushman & Wakefield Ottawa's Green Real Estate Practice Group works with organizations who have made a commitment to sustainable business operations. We assist them in navigating Ottawa's commercial real estate landscape to find workplace solutions that align with their environmental commitments and contribute to sustainable bottom lines.

Our team provides corporate tenants and building owners with the expertise to understand and evaluate the benefits and cost savings of buildings designed with sustainable high performance design features.

Our value proposition is our ability to assist organizations in matching real estate solutions to their quest to go green.

## CONTACTS

Cushman & Wakefield Ottawa  
99 Bank St. Suite 700  
Ottawa, Ontario, K1P 6B9

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James McNeil	Scott Brooker
Associate Vice President*	Sales Representative
Green Real Estate Practice Lead	Green Real Estate Practice Group
Tel: 613-780-1567	Tel: 613-780-1582
Cel: 613-668-7738	Cel: 613.866-6780
<a href="mailto:jmcneil@cwottawa.com">jmcneil@cwottawa.com</a>	<a href="mailto:sbrooker@cwottawa.com">sbrooker@cwottawa.com</a>

\*Sales Representative



Cushman & Wakefield Ottawa is a proud member of the Canada Green Building Council