

MARKET FUNDAMENTALS

	YOY Chg	Outlook
12.3% Vacancy Rate	▬	▼
-11K YTD Net Absorption SF	▲	▲
\$36.45 Asking Gross Rent PSF <small>(Overall, All Property Classes)</small>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
691K Ottawa Employment	▲	▲
6.8% Ottawa Unemployment Rate	▲	▬
7.1% Canada Unemployment Rate	▲	▬

Source: Statistics Canada

ECONOMY

In August 2025, Canada’s unemployment rate continued to rise, reaching 7.1%. This marks an increase of 50 basis points (bps) since the start of the year and the highest level since May 2016 (excluding the pandemic years of 2020 and 2021). Employment losses were concentrated in professional, scientific, and technical services, while construction posted the largest gains.

Ontario posted the sharpest employment decline in August, shedding 26,000 jobs. Its unemployment rate edged down slightly to 7.8%, though it remained 70 bps above the national average. In contrast, Ottawa’s unemployment rate stood at 6.8%, 30 bps below the national figure.

SUPPLY AND DEMAND

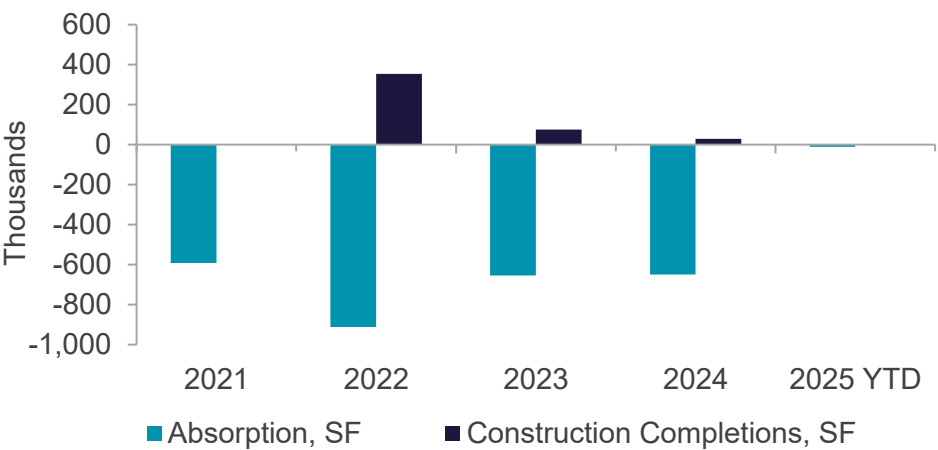
Ottawa’s overall office vacancy rate held steady at 12.3% in Q3 2025. In the Central market, vacancy declined across all submarkets, bringing the total vacancy rate to 13.6%. The CBD Class A segment led the improvement, recording a quarter-over-quarter (QOQ) 100-bps drop to 11.5%, its lowest level since Q1 2024. Conversely, the Suburban market recorded a QOQ vacancy increase from 10.5% to 11.1%. While the Suburban South and East markets posted modest declines in vacancy, Suburban West recorded negative absorption of 222k square feet (sf) this quarter, pulling year-to-date overall Suburban absorption down to negative 125k sf.

Leasing activity slowed in Q3 2025, totaling 354k sf. The Central market gained momentum, with Class A space accounting for 108k sf. However, Suburban leasing activity dropped 43% QOQ to 186k sf. The decline was driven largely by the Class B segment, which fell from 109k sf in Q2 2025 to 33k sf this quarter.

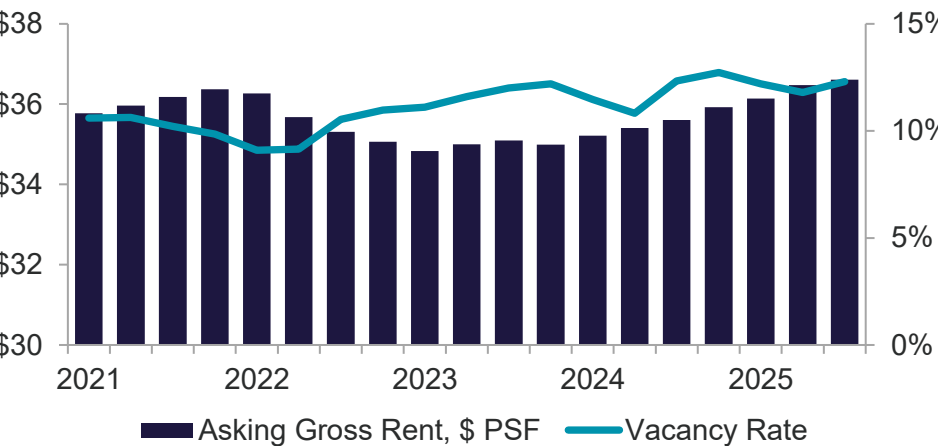
PRICING

Ottawa’s average direct asking net rent in Q3 2025 decreased slightly to \$17.56 per square foot (psf), while the overall additional rent edged down to \$18.89 psf. In the Central market, the overall direct asking net rent remained stable at \$19.29 psf. Meanwhile, the Suburban market recorded a modest QOQ decline from \$15.60 psf to \$15.47 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING GROSS RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Downtown Core	18,202,354	300,490	1,923,431	12.2%	-14,140	177,093	377,355	0	\$40.83	\$49.55
Centretown	1,137,653	17,683	211,801	20.2%	8,331	-52,036	23,186	0	\$32.36	\$35.29
Lowertown/Sandy Hill	968,263	13,001	241,442	26.3%	7,975	-14,986	44,740	0	\$35.51	\$43.58
Glebe/Main	255,845	3,381	24,841	11.0%	4,410	4,069	31,209	0	\$33.73	N/A
Central Dispersed	286,251	0	90,867	31.7%	0	0	0	0	N/A	N/A
CENTRAL AREA TOTALS	20,850,366	334,555	2,492,382	13.6%	6,576	114,140	476,490	0	\$39.56	\$48.94
Ottawa West	9,515,100	50,977	855,211	9.5%	-121,293	-67,700	307,154	0	\$33.64	\$35.13
Ottawa Deep West	6,745,708	155,361	783,809	13.9%	-100,784	-73,833	285,709	72,000	\$29.34	\$29.40
SUBURBAN WEST TOTALS	16,260,808	206,338	1,639,020	11.3%	-222,077	-141,533	592,863	72,000	\$31.66	\$31.86
Ottawa South	450,018	0	47,246	10.5%	9,807	11,534	30,629	0	\$37.14	\$37.14
Ottawa East	5,760,582	87,119	507,077	10.3%	14,232	5,330	139,300	0	\$36.49	\$37.50
TOTAL SUBURBAN TOTALS	22,471,408	293,457	2,193,343	11.1%	-198,038	-124,669	762,792	72,000	\$32.70	\$33.00
OTTAWA TOTALS	43,321,774	628,012	4,685,725	12.3%	-191,462	-10,529	1,239,282	72,000	\$36.45	\$39.44

*Rental rates reflect full service asking. Gross rent including operating costs and taxes.

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	DEAL TYPE
979 Bank Street	Glebe / Main	Field Effect	19,278	New Deal
150 Elgin Street	CBD	Accenture	16,417	Sublease
112 Kent Street	CBD	TEKsystems	11,475	New Deal
1600 Carling Avenue	Ottawa West Dispersed	Bird Construction	12,989	Expansion
200 Laurier Avenue West	CBD	Undisclosed	9,537	New Deal

KEY SALES TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
329 March Road	Kanata North	329 March Road Inc / March Road Properties Inc	187,744*	\$11,535,000 / N/A
362 Terry Fox Drive	Kanata North	Wesley Clover International Corp / Santec Canada Corp	127,630*	\$6,599,999 / N/A
4275 Innes Road	Orleans	2107851 Ontario Inc / 1001185759 Ontario Inc	41,818*	\$7,375,000/ N/A

*Land Area

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