MARKETBEAT
Ottawa
INDUSTRIAL Q3 2025

CUSHMAN & WAKEFIELD
Ottawa

MARKET FUNDAMENTALS

	YOY Chg	Outlook
5.8% Vacancy Rate	▲	▲
-243K YTD Net Absorption SF	▼	▲
$16.67 Asking Net Rent PSF	▲	▲

(Overall, Net Asking Rent)

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

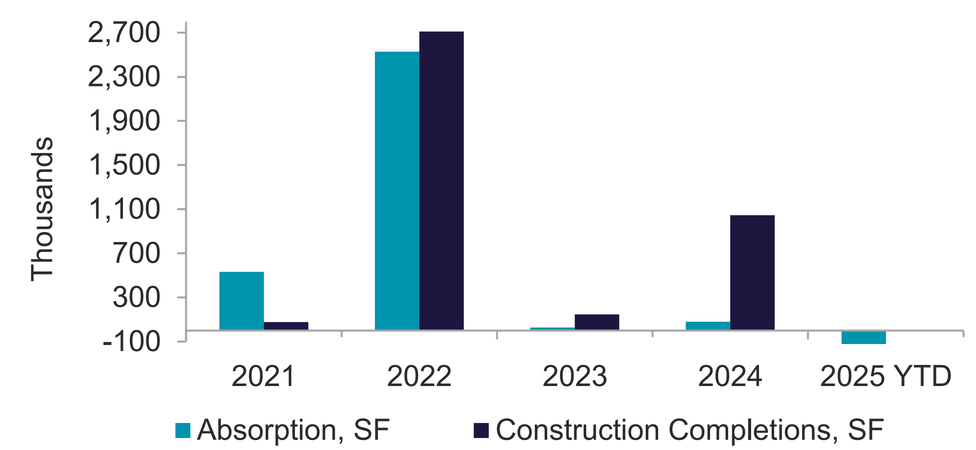
Ottawa's overall industrial vacancy rate rose to 5.8% in Q3 2025, the highest level since the pandemic. The Ottawa South market posted a sharp increase, climbing from 11.8% to 25.5% quarter-over-quarter (QOQ) following 116k square feet (sf) of sublease space hitting the market at 400 Hunt Club Road. In Suburban West, Kanata North contributed 35k sf of new vacant space, pushing vacancy to 6.7%. Meanwhile, new medium-bay availabilities on Innes Park Way and Kenaston Street doubled total vacant space in the Sheffield / Michael submarket to 462k sf, raising its vacancy rate to 6.5%.

Leasing activity totaled 103k sf in Q3 2025, extending the downward trend seen throughout 2025. Suburban West posted a slight gain, rising from 38k to 45k sf QOQ, while Suburban East slowed sharply, falling 70% to 57k sf. While the Sheffield / Michael submarket continued to have the highest leasing activity total of all submarkets within Suburban East, leasing volume there dropped significantly QOQ from 85k sf to 27k sf.

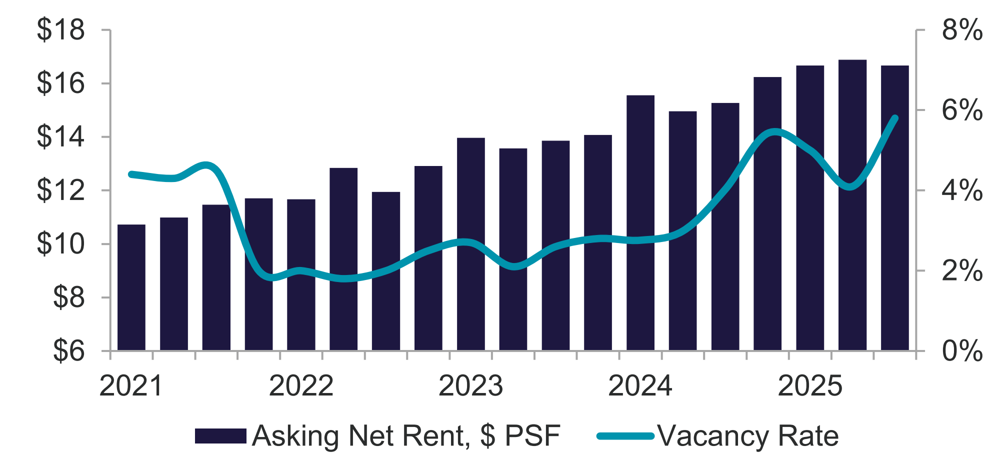
PRICING

The average direct asking net rent edged down to $16.67 per square foot (psf) in Q3 2025, while additional rent ticked up to $6.34 psf. The Suburban East market recorded a $0.27 psf increase in asking net rent, reaching $16.26 psf, while Suburban West and South both saw slight declines to $17.19 psf and $16.50 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	21,060	2.2%	9,228	11,924	0	0	$15.73	$7.19	$22.92
Ottawa West Dispersed	4,708,779	130,954	2.8%	-41,505	-29,948	0	0	$14.68	$8.91	$23.59
Barrhaven	2,778,232	37,250	1.3%	2,250	2,250	3,100,000	0	$16.94	$5.95	$22.89
Kanata North	937,184	62,980	6.7%	-38,420	-38,420	48239	0	N/A	N/A	N/A
Kanata South	678,000	13,330	2.0%	2,928	3,356	0	0	$15.00	$12.37	$27.37
Stittsville	1,215,678	346,822	28.5%	-10,221	147,923	0	0	$17.99	$4.63	$22.62
Deep West Dispersed	409,354	3,080	0.8%	0	0	0	0	N/A	N/A	N/A
WEST OTTAWA TOTALS	11,693,789	615,476	5.3%	-75,740	97,085	3,148,239	0	$17.19	$5.76	$22.95
Hunt Club Corridor	279,956	116,416	41.6%	-116,416	-91,681	0	0	N/A	N/A	N/A
Ottawa South Dispersed	455,691	71,365	15.7%	0	0	0	0	$16.50	$4.75	$21.25
SOUTH OTTAWA TOTALS	735,647	187,781	25.5%	-116,416	-91,681	0	0	$16.50	$4.75	$21.25
Hawthorne/Stevenage	2,702,169	108,564	4.0%	5,871	-929	202,642	0	$17.60	$5.88	$23.48
Gloucester	1,030,386	81,028	7.9%	-54,354	-58,143	0	0	$13.86	$8.66	$22.52
Orleans	521,475	0	0.0%	0	41,796	0	0	N/A	N/A	N/A
Ottawa Business Park	1,325,558	95,108	7.2%	6,587	-13,903	0	0	$16.18	$7.51	$23.69
Vanier / St. Laurent / Industrial	1,819,560	52,739	2.9%	-6,354	2,536	0	0	$16.13	$7.82	$23.94
Sheffield / Michael	7,138,163	461,740	6.5%	-248,748	-218,232	0	0	$16.29	$7.24	$23.53
Ottawa East Dispersed	1,432,012	50,183	3.5%	-1,238	-1,238	0	0	$15.00	$5.26	$20.26
EAST OTTAWA TOTALS	15,969,323	849,362	5.3%	-298,236	-248,113	202,642	0	$16.26	$7.01	$23.27
OTTAWA TOTALS	**28,398,759**	**1,652,619**	**5.8%**	**-490,392**	**-242,709**	**3,350,881**	**0**	**$16.67**	**$6.34**	**$23.01**

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
3254 Hawthorne Road	Hawthorne / Stevenage	Undiclosed	10,637	Sublease
2191 Thurston Drive	Ottawa Business Park	Garda	6,535	New Deal
2600 Sheffield Road	Sheffield / Michael	Undiclosed	6,400	New Deal
146 Colonnade Road	Colonnade / Rideau Heights	Positive Mind Wellness Inc	4,240	New Deal

KEY SALES TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF*	PRICE / $ PSF
2181 & 2183 Thurston Drive	Ottawa Business Park	Regalon Holdings Inc / 17121296 Canada Inc	91,476	$5,900,000 / N/A
3150 Hawthorne Road	Hawthorne / Stevenage	Melvin Hartman Enterprises Ltd / 3150 Hawthorne Ottawa Ltd	88,427	$7,476,234 / N/A
1730 Bantree Street	Sheffield / Michael	969308 Ontario Inc / Graybar Canada Ltd	59,677	$7,900,000 / N/A
1240 Kenaston Street	Sheffield / Michael	Miller Carmichael Properties Inc / Gravel Real Estate Holdings Inc	40,946	$5,675,000 / N/A

**Land Area*

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