



MARKET FUNDAMENTALS

	YOY Chg	Outlook
5.3% Vacancy Rate	▲	▲
88K YTD Net Absorption SF	▲	▼
\$16.75 Asking Net Rent PSF <i>(Overall, Net Asking Rent)</i>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
677K Ottawa Employment	▼	▲
6.8% Ottawa Unemployment Rate	▲	▲
6.7% Canada Unemployment Rate	▲	▲

Source: Statistics Canada

ECONOMY

In February 2026, Canada’s unemployment rate rose by 20 basis points (bps) from last month to 6.7%, while national employment declined by 84,000 jobs. Ontario’s unemployment rate remained steady at 7.6%, 10 bps higher both year-over-year (YOY) as well as month-over-month. Ottawa’s labour market showed improvement compared to the previous quarter, with the unemployment rate falling to 6.8%. However, the outlook remains challenging. Between February 2025 and February 2026, Ottawa recorded the largest employment decline in Ontario, losing 30,500 jobs. This downturn reflects both global economic pressures and the ongoing risk of job reductions in federal services, a key concern given that the public sector accounts for nearly a quarter of employment in the city.

SUPPLY AND DEMAND

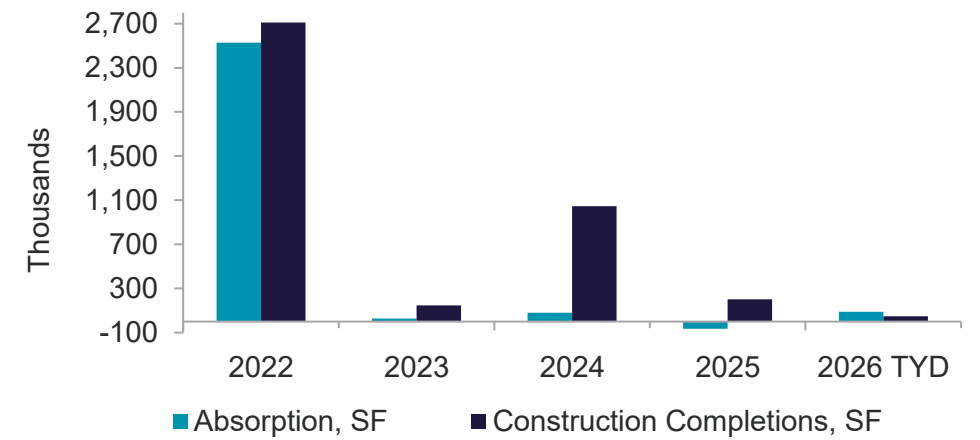
In Q1 2026, Ottawa’s overall industrial vacancy rate declined 60 bps from last quarter to 5.3%. While the Ottawa South market remained unchanged, both Suburban West and Suburban East posted notable decreases. Vacancy in Suburban West fell 40 bps quarter-over-quarter (QOQ) to 5.5% in Q1 2026, with no submarkets recording increases, as vacancy declined to 3.8% in the Colonnade/Rideau Heights submarket and 2.8% in Ottawa West Dispersed. In Suburban East, vacancy dropped 70 bps QOQ to 4.3%, driven by declines in Gloucester, Sheffield/Michael, and Ottawa East Dispersed. Gloucester recorded the most significant change, with vacancy falling QOQ from 7.0% to 2.7%.

Leasing activity declined to 157k square feet (sf) in Q1 2026, reversing the rebound from the previous quarter. Suburban West recorded an increase of nearly 31k sf, supported by stronger activity in the Deep West area, including Kanata and Stittsville. The largest decline occurred in Suburban East, where leasing activity in the Sheffield/Michael submarket fell from 157k sf to 43k sf QOQ, bringing total Suburban East leasing activity to 68k sf in Q1 2026.

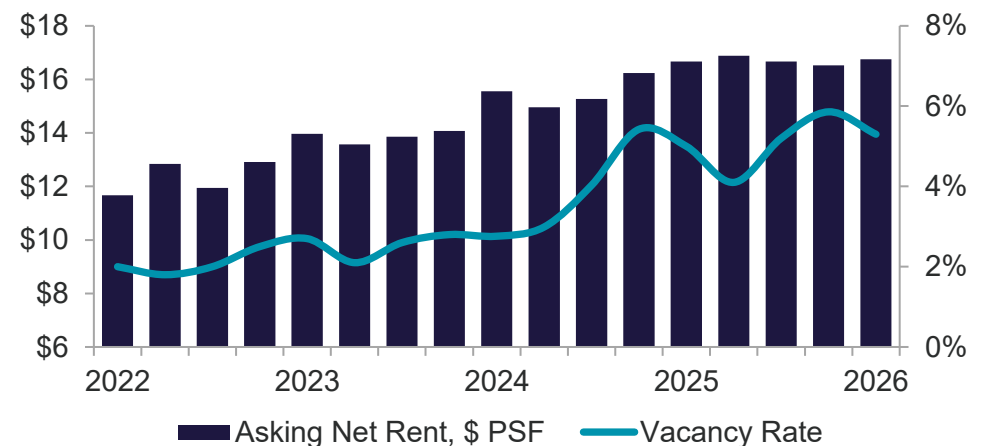
PRICING

Ottawa’s overall average direct net asking rent continued to rise in Q1 2026, reaching \$16.75 per square foot (psf). In contrast, the overall average additional rent declined for the second consecutive quarter to \$5.97 psf, the lowest level since Q4 2024. Both Suburban West and Suburban East recorded increases in net asking rents, rising to \$17.27 psf and \$16.34 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	36,608	3.8%	11,362	11,362	0	0	\$16.33	\$8.05	\$24.38
Ottawa West Dispersed	4,720,683	133,147	2.8%	11,921	11,921	0	0	\$14.67	\$7.66	\$22.33
Barrhaven	2,778,232	35,000	1.3%	2,250	2,250	3,100,000	0	\$17.00	\$6.00	\$23.00
Kanata North	985,423	61,762	6.3%	48,130	48,130	0	48,239	N/A	N/A	N/A
Kanata South	678,000	9,996	1.5%	3,334	3,334	0	0	\$15.00	\$12.37	\$27.37
Stittsville	1,215,768	365,604	30.1%	-22,189	-22,189	0	0	\$17.97	\$4.57	\$22.54
Deep West Dispersed	409,354	3,080	0.8%	0	0	0	0	N/A	N/A	N/A
WEST OTTAWA TOTALS	11,754,022	645,197	5.5%	54,808	54,808	3,100,000	48,239	\$17.27	\$5.45	\$22.72
Hunt Club Corridor	279,956	116,416	41.6%	0	0	0	0	N/A	N/A	N/A
Ottawa South Dispersed	456,296	71,365	15.6%	0	0	0	0	\$16.50	\$4.75	\$21.25
SOUTH OTTAWA TOTALS	736,252	187,781	25.5%	0	0	0	0	\$16.50	\$4.75	\$21.25
Hawthorne/Stevenage	2,904,811	160,142	5.5%	-9,015	-9,015	0	0	\$17.84	\$5.79	\$23.63
Gloucester	1,030,386	28,221	2.7%	6,442	6,442	0	0	\$13.50	\$10.54	\$24.04
Orleans	521,475	0	0.0%	0	0	0	0	N/A	N/A	N/A
Ottawa Business Park	1,325,558	120,796	9.1%	-1,895	-1,895	0	0	\$16.12	\$6.91	\$23.03
Vanier / St. Laurent / Industrial	1,819,560	44,392	2.4%	-1,027	-1,027	0	0	\$16.01	\$8.01	\$24.02
Sheffield / Michael	7,163,857	289,291	4.0%	19,165	19,165	84,000	0	\$16.14	\$7.00	\$23.14
Ottawa East Dispersed	1,432,912	57,123	4.0%	19,631	19,631	0	0	\$14.38	\$4.72	\$19.10
EAST OTTAWA TOTALS	16,198,559	699,965	4.3%	33,301	33,301	84,000	0	\$16.34	\$6.57	\$22.91
OTTAWA TOTALS	28,688,833	1,532,943	5.3%	88,109	88,109	3,184,000	48,239	\$16.75	\$5.97	\$22.72

KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
130 Bentley Avenue	Ottawa West Dispersed	Undisclosed	65,272	Renewal*
103 Schneider Road	Kanata North	Dominion Dynamics	21,567	New Deal
2495 Lancaster Road	Sheffield / Michael	Canadian Blood Services	21,000	New Deal
200 Terence Matthews Crescent	Kanata South	Calian	19,389	New Deal

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
2770 Trim Road	Orleans	2090123 Ontario Inc / 2642380 Ontario Inc	436,471*	\$3,900,000 / N/A
2550 Delzotto Avenue	Ottawa South Dispersed	14173694 Canada Inc / F & A Maintenance Ltd	55,321*	\$3,550,000 / N/A
2966 & 2978 Carp Road	Ottawa West Dispersed	York-Hop Corp / Carp Cheer Gym Inc	15,000	\$4,650,000 / \$310
126 Iber Road	Stittsville	3093735 Canada Inc / Laperriere Collision Ltd	7,960	\$3,650,000 / \$459

*Land Area

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