

MARKET FUNDAMENTALS

	YOY Chg	Outlook
12.5% Vacancy Rate	▲	▼
-42.5K YTD Net Absorption SF	▲	▲
\$36.56 Asking Gross Rent PSF <small>(Overall, All Property Classes)</small>	▲	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
713.5 K Ottawa Employment	▲	▲
5.5% Ottawa Unemployment Rate	▲	▼
6.7% Canada Unemployment Rate	▲	▲

Source: Statistics Canada

ECONOMY

In March 2025, Canada’s unemployment rate remained unchanged from the previous quarter at 6.7%. National employment declined by 33,000, with Ontario accounting for 28,000 job losses—the province’s first significant decline since December 2023. Despite this, Ottawa’s labour market strengthened, as the unemployment rate dropped 40 basis points (bps) to 5.5% in Q1 2025, accompanied by a gain of 40,500 jobs.

SUPPLY AND DEMAND

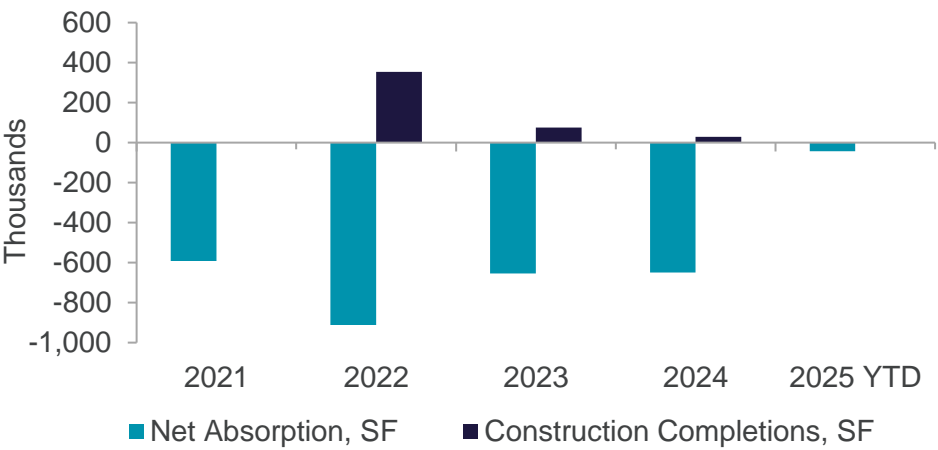
The overall vacancy rate in Ottawa slightly declined to 12.5% in Q1 2025. The Central Class A market recorded a 90-bps quarter-over-quarter (QOQ) drop, decreasing from 13.9% to 13.0%. Vacancy rates declined across all classes in the Central Business District, with the Class A market witnessing an 85k square feet (sf) reduction in vacant space, bringing its vacancy rate from 13.0% last quarter to 12.3%. In contrast, the Centretown Class B market posted a sharp 990 bps increase in vacancy to 25.2%, primarily due to 60k sf of newly available space at 400 Cooper Street. Meanwhile, the overall Suburban Class B market recorded a 160-bps decline, bringing vacancy down from 11.6% to 10.0% QOQ.

Leasing activity in the Ottawa office market totaled 458k sf in Q1 2025, an increase of 72k sf from the end of 2024. The Central market contributed 179k sf to the overall total, with all its submarkets posting gains. The CBD Class A market recorded 113k sf of leasing activity—more than double the previous quarter’s total. While leasing activity in the overall Suburban market declined by 27k sf, the Suburban Class A segment posted a notable increase, contributing 183k sf of the total 279k sf leased in Q1 2025.

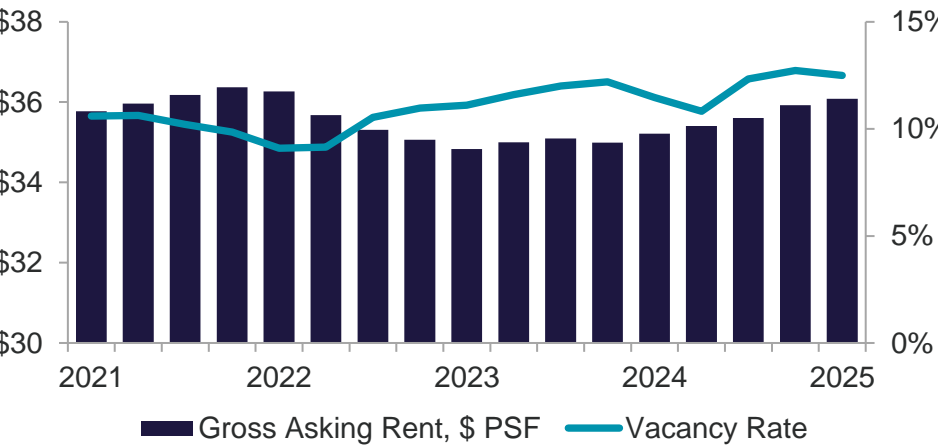
PRICING

The overall average direct net asking rent in Ottawa increased slightly QOQ, reaching \$17.64 per square foot (psf). The Central Class A market posted a \$0.31 psf increase, settling at \$24.64 psf. Meanwhile, the Suburban Class A market posted a slight \$0.07 psf decline from last quarter, bringing its average net asking rent to \$15.65 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	18,306,442	271,426	2,035,923	12.6%	95,541	95,541	152,076	0	\$40.76	\$49.23
Centretown	1,137,653	12,110	241,724	22.3%	-76,386	-76,386	9,721	0	\$32.13	N/A
Lowertown/Sandy Hill	918,212	13,751	224,506	25.9%	1,200	1,200	11,791	0	\$36.21	\$43.61
Glebe/Main	255,845	1,362	29,152	11.9%	1,777	1,777	5,054	0	\$34.20	N/A
Central Dispersed	286,251	0	90,867	31.7%	0	0	0	0	N/A	N/A
CENTRAL AREA TOTALS	20,904,403	298,649	2,622,172	14.0%	22,132	22,132	178,642	0	\$39.49	\$48.58
Ottawa West	9,563,675	141,402	735,803	9.2%	18,701	18,701	157,812	0	\$32.01	\$35.78
Ottawa Deep West	6,745,708	118,742	798,509	13.6%	-51,914	-51,914	88,494	72,000	\$25.91	\$25.55
SUBURBAN WEST TOTALS	16,309,383	260,144	1,534,312	11.0%	-33,213	-33,213	246,306	72,000	\$30.10	\$30.29
Ottawa South	450,018	0	77,794	17.3%	-19,014	-19,014	20,822	0	\$37.47	\$37.47
Ottawa East	5,691,134	74,821	537,131	10.7%	-12,426	-12,426	11,942	0	\$36.64	\$37.87
TOTAL SUBURBAN TOTALS	22,450,535	334,965	2,149,237	11.1%	-64,653	-64,653	279,070	72,000	\$32.29	\$33.42
OTTAWA TOTALS	43,354,938	633,614	4,771,409	12.5%	-42,521	-42,521	457,712	72,000	\$36.56	\$41.17

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

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	DEAL TYPE
160 Elgin Street	CBD	Undisclosed	62,000	New Deal
319 McRae Avenue	Ottawa West Dispersed	CIRA	25,400	Sublease
21 Fitzgerald Road	Ottawa West Dispersed	ADGA	21,327	New Deal
450 March Road	Kanata North	Pleora Technologies	17,650	New Deal
35 Fitzgerald Road	Ottawa West Dispersed	BrokerLink	11,921	New Deal

KEY SALES TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
115 Walgreen Road	Stittsville	Egis Canada Ltd / Thomas Cavanagh Construction Ltd	113,692*	\$3,750,000 / N/A
2733 Lancaster Road	Sheffield / Michael	2733 Properties Inc / 273 Lancaster Road Inc	69,696*	\$5,790,000 / N/A
303 Legget Drive	Kanata North	303 Legget Property Management Corp / Zimino Corporation	94,961*	\$3,475,000 / N/A

*Land Area

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