

MARKET FUNDAMENTALS

	YOY Chg	Outlook
13.9% Vacancy Rate	▲	▼
-1.05M YTD Net Absorption SF	▼	▲
\$35.99 Asking Gross Rent PSF <small>(Overall, All Property Classes)</small>	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
691K Ottawa Employment	▲	▲
7.4% Ottawa Unemployment Rate	▲	▼
6.4% Canada Unemployment Rate	▼	▲

Source: Statistics Canada

ECONOMY

In August 2026, Canada’s unemployment rate declined to 6.4%, 20 basis points (bps) lower than the previous quarter and 50 bps below the level recorded in August 2025. Ontario’s unemployment rate also edged down to 6.9%, representing a 90-bps year-over-year decline. In contrast, Ottawa’s labour market softened, with the unemployment rate rising to 7.4%. Employment in Ottawa declined by 9,200 in August, contributing to a 100-bps decrease in the employment rate from July 2026 to 62.1%.

SUPPLY AND DEMAND

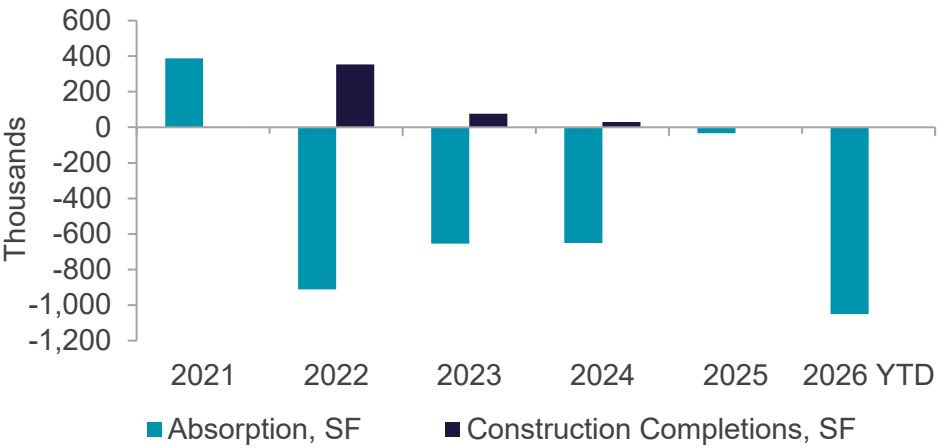
In Q3 2026, Ottawa’s overall office vacancy rate increased to 13.9%, with both the Central and Suburban markets recording quarter-over-quarter increases to 14.6% and 13.4%, respectively. In the overall Central market, the CBD vacancy rate remained relatively stable at 13.0%, as a 40-bps decline in Class B vacancy offset an increase in the Class C segment. In the Suburban market, overall vacancy increased by 70 bps, although Class A and Class C vacancy rates improved to 12.5% and 12.9%, respectively. Despite the increase in overall vacancy, Ottawa’s overall net absorption improved notably, from negative 459,359 square feet (sf) in Q2 2026 to negative 170,973 sf in Q3 2026, supported by an improvement in Suburban absorption from negative 373,531 sf last quarter to negative 143,277 sf.

Leasing activity remained strong in Q3 2026, reaching 479,734 sf across the city. The Central market recorded a significant increase in leasing activity, rising from 168,802 sf to 225,781 sf, with Class A leasing activity nearly doubling from 87,776 sf to 157,027 sf and accounting for approximately 70% of total Central market leasing activity. In contrast, leasing activity in the Suburban market declined from Q2 2026 to 253,953 sf, with the decrease in the Class A segment accounting for most of the overall decline, while Class B and Class C segments recorded increases in leasing activity from last quarter.

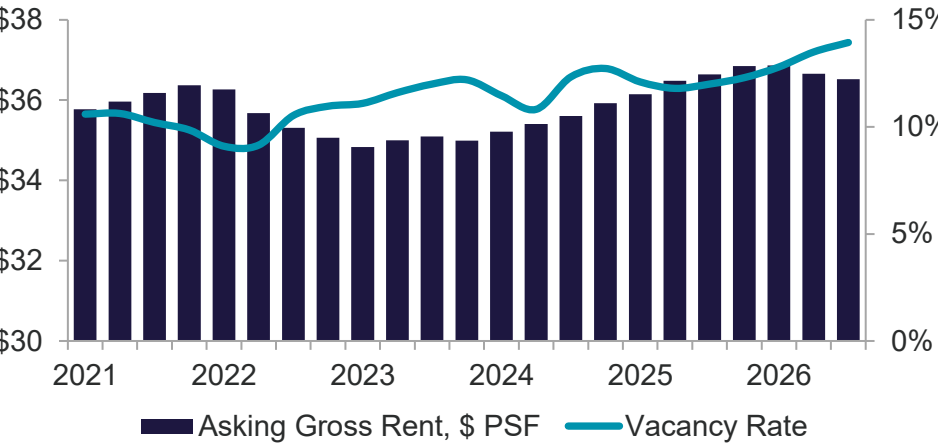
PRICING

Ottawa’s overall average direct net asking rent decreased slightly to \$17.33 per square foot (psf) in Q3 2026. With the overall average additional rent declining to \$18.66 psf, the overall average gross rent settled at \$35.99 psf, marking the first time since Q1 2025 that the average gross rent has fallen below \$36.00 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	18,064,457	318,778	2,024,596	13.0%	-9,593	-197,071	393,637	0	\$40.75	\$48.04
Centretown	1,077,240	12,110	271,839	26.4%	-11,464	-67,201	11,913	0	\$33.17	\$35.87
Lowertown/Sandy Hill	968,263	8,250	215,409	23.1%	1,765	5,810	40,122	0	\$36.14	\$43.88
Glebe/Main	255,845	0	68,240	26.7%	-8,404	-40,719	23,924	0	\$32.14	N/A
Central Dispersed	286,251	0	90,867	31.7%	0	0	0	0	N/A	N/A
CENTRAL AREA TOTALS	20,652,056	339,138	2,670,951	14.6%	-27,696	-299,181	469,596	0	\$39.66	\$47.65
Ottawa West	9,387,783	33,781	1,155,289	12.7%	-26,616	-315,865	474,678	0	\$33.87	\$36.17
Ottawa Deep West	6,725,820	113,291	785,548	13.4%	28,478	-28,095	234,782	0	\$29.46	\$29.54
SUBURBAN WEST TOTALS	16,113,603	147,072	1,940,837	13.0%	1,862	-343,960	709,460	0	\$31.96	\$32.15
Ottawa South	450,018	0	54,759	12.2%	-10,641	-5,558	9,163	0	\$34.37	\$34.37
Ottawa East	6,113,488	38,085	850,345	14.5%	-134,498	-401,752	55,766	0	\$33.42	\$34.91
TOTAL SUBURBAN TOTALS	22,677,109	185,157	2,845,941	13.4%	-143,277	-751,270	774,389	0	\$32.44	\$33.08
OTTAWA TOTALS	43,329,165	524,295	5,516,892	13.9%	-170,973	-1,050,451	1,243,985	0	\$35.99	\$38.60

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

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	DEAL TYPE
340 Albert Street	Central Business District	Workplace Safety and Insurance Board	37,586	New Deal
350 Albert Street	Central Business District	Defence Construction Canada	33,961	New Deal
53 Auriga Drive	Colonnade / Rideau Heights	Anastasia Machan Psychotherapy & Wellness Services Inc.	21,895	New Deal
495 March Road	Kanata North	Work Away Offices	17,936	New Deal

KEY SALES TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
131 Queen Street	Central Business District	Morguard Corporation / His Majesty the King in right of Canada	305,210	\$148,170,000 / \$485
1900 City Park Drive	Gloucester	City Park CBP GP Inc City Park Limited Partnership / 1900 City Park GP Inc	93,200	\$12,000,000 / \$129
747 Silver Seven Road Units 30-35	Kanata South	2839694 Ontario Corporation / Cosa-Nova Fashions Ltd	21,481	\$14,725,000 / \$685

NATHAN SMITH, BROKER

Executive Vice President

Managing Director

Tel: +1 613 236 7777

info@cwottawa.com

YICHEN SHI

Research Analyst

Tel: +1 613 236 7777

yshi@cwottawa.com

Independently Owned and Operated / A Member of the Cushman & Wakefield Alliance

©2026 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield (“CWK”). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK’s securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.