



MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.4% Vacancy Rate	▲	▼
183K YTD Net Absorption SF	▼	▲
\$16.75 Asking Net Rent PSF <small>(Overall, Net Asking Rent)</small>	▲	▼

ECONOMIC INDICATORS

	YOY Chg	Outlook
708K Ottawa Employment	▲	▲
5.6% Ottawa Unemployment Rate	▼	▲
7.0% Canada Unemployment Rate <small>Source: Statistics Canada</small>	▲	▲

ECONOMY

In May 2025, Canada’s unemployment rate edged up to 7.0%. The wholesale and retail trade sector recorded the largest gain in employment, adding 42,000 jobs, while the public administration sector shed 32,000 jobs.

The Ontario unemployment rate stood at 7.9% in May. Despite the rise in unemployment rates across most of the largest census metropolitan areas, Ottawa’s unemployment rate posted a slight year-over-year decline, down to 5.6%, 140 basis points (bps) lower than the national average.

SUPPLY AND DEMAND

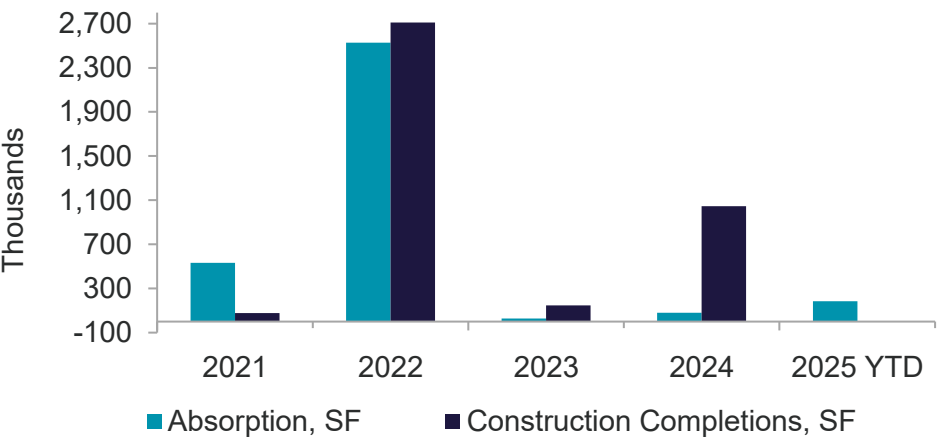
Following a slight decline in Q1 2025, Ottawa’s overall industrial vacancy rate continued its downward trend in Q2 2025, settling at 4.4%. All major markets recorded positive absorption as well as quarter-over-quarter (QOQ) declines in vacancy. The overall Suburban West market posted a notable decrease in vacancy to 4.8%, driven by 158k square feet (sf) of positive absorption in Stittsville. In the overall Ottawa South market, the Ottawa South Dispersed submarket was the primary contributor to the vacancy decline, from 13.7% to 11.8% quarter-over-quarter (QOQ). Meanwhile, the overall Suburban East market—Ottawa’s largest industrial market—posted vacancy of 3.8%, due to an 8.0% decline in vacancy and 42k sf of positive absorption in Orleans.

Overall leasing activity totaled 228k sf in Q2 2025, a notable decline from the previous quarter. The Suburban West market recorded 38k sf—down 46% from Q1 2025—with activity concentrated in Colonnade/Rideau Heights, Ottawa West Dispersed, and Barrhaven. In contrast, the Deep West area, including Kanata and Stittsville, saw reduced QOQ leasing. The Suburban East market accounted for 190k sf of overall leasing in the market, with Hawthorne/Stevenage and Sheffield/Michael remaining key industrial hubs, despite slightly lower activity compared to last quarter.

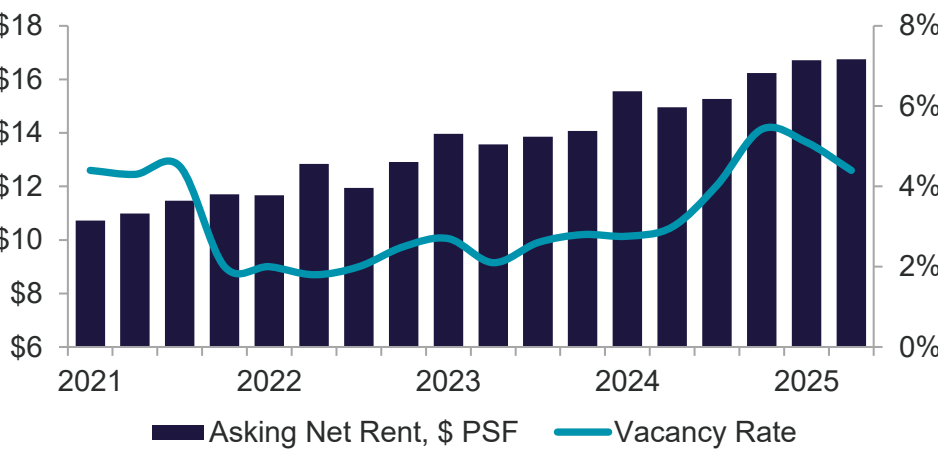
PRICING

The average direct asking net rent increased slightly to \$16.75 per square foot (psf) in Q2 2025, while additional rent edged down to \$6.03 psf. The Suburban West market posted a \$0.20 psf increase in asking net rent, reaching \$17.34 psf. The Suburban South and Suburban East markets recorded slight declines to \$16.57 psf and \$15.99 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	30,288	3.1%	2,696	-243	0	0	\$15.49	\$8.41	\$23.90
Ottawa West Dispersed	4,708,779	110,310	2.3%	-6,043	-22,901	0	0	\$15.40	\$8.99	\$24.39
Barrhaven	2,778,232	39,500	1.4%	0	0	-	0	\$16.88	\$5.95	\$22.83
Kanata North	937,184	27,494	2.9%	0	-2,934	0	0	\$14.00	\$11.59	\$25.59
Kanata South	678,000	16,258	2.4%	428	-5,834	0	0	\$15.00	\$12.37	\$27.37
Stittsville	1,215,678	336,601	27.7%	158,144	158,144	0	0	\$17.97	\$4.58	\$22.54
Deep West Dispersed	409,354	3,080	0.8%	0	0	0	0	N/A	N/A	N/A
WEST OTTAWA TOTALS	11,693,789	563,531	4.8%	155,225	126,232	0	0	\$17.34	\$5.68	\$23.02
Hunt Club Corridor	277,280	24,735	8.9%	0	0	0	0	N/A	N/A	N/A
Ottawa South Dispersed	563,691	74,615	13.2%	16,191	16,191	0	0	\$16.57	\$4.73	\$21.29
SOUTH OTTAWA TOTALS	840,971	99,350	11.8%	16,191	16,191	0	0	\$16.57	\$4.72	\$21.29
Hawthorne/Stevenage	2,702,616	129,610	4.8%	-6,800	54,518	201,963	0	\$17.62	\$5.83	\$23.45
Gloucester	1,029,818	26,674	2.6%	-3,789	-8,473	0	0	\$12.72	\$7.15	\$19.86
Orleans	521,475	0	0.0%	41,796	41,796	0	0	N/A	N/A	N/A
Ottawa Business Park	1,325,558	101,730	7.7%	-20,525	-29,730	0	0	\$15.88	\$7.78	\$23.66
Vanier / St. Laurent / Industrial	1,819,560	60,143	3.3%	-4,868	-463	0	0	\$16.61	\$8.53	\$25.14
Sheffield / Michael	7,096,546	231,383	3.3%	12,125	-14,583	0	0	\$15.53	\$6.90	\$22.44
Ottawa East Dispersed	1,432,012	48,945	3.4%	0	-2,208	0	0	\$15.00	\$5.19	\$20.19
EAST OTTAWA TOTALS	15,927,585	598,485	3.8%	17,939	40,857	201,963	0	\$15.99	\$6.79	\$22.78
OTTAWA TOTALS	28,462,345	1,261,366	4.4%	189,355	183,280	201,963	0	\$16.75	\$6.03	\$22.78

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1000 Logistics Private	Hawthorne / Stevenage	Undisclosed	35,915	New Deal
1000 Logistics Private	Hawthorne / Stevenage	Undisclosed	30,056	New Deal
2105 Bantree Street	Sheffield / Michael	DG MacDonald Moving & Storage	28,230	New Deal
2405 St. Laurent Boulevard	Ottawa Business Park	Allen-Vanguard	20,675	Renewal*

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
285 West Hunt Club Road	Ottawa West Dispersed	Piscidelle Nepean Inc / 16671551 Canada Inc	168,577*	\$6,490,000 / N/A
1621 Michael Street	Sheffield / Michael	Hudson Property Holdings Inc Three Fathom Holdings Inc Hudson Fathom Properties / 1621 Michael Inc	85,813*	\$4,600,000 / N/A
75 Auriga Drive	Ottawa West Dispersed	2416493 Ontario Inc / 561265 Ontario Ltd	60,984*	\$3,400,000 / N/A
1740 Bank Street	Ottawa East Dispersed	Giseleco Inc / Irelando Inc	29,620*	\$2,800,000 / N/A

*Land Area

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