

Greater Ottawa Area Industrial Market Report

Q4 2020



Net Absorption

This Quarter

167k SF

Previous Quarter

-439k SF

12-Month Absorption

↓ -755k SF

5-Year Annual Average

↑ 20k SF

Availability

This Quarter

2.6%

Year-over-Year

↑ 55 bps

Asking Net Rent

This Quarter*

\$10.87 PSF

Year-over-Year

↑ 5.8%

*weighted average

Development

Under Construction

2.8M SF

New Supply

97k SF

MARKET OUTLOOK

Q4 2020 saw significant positive absorption in line with the general trend of industrial space across the country. Several large deals contributed to the absorption, and activity was focused almost exclusively on the east end where large pockets of space exist. Notwithstanding a moderate increase in availability over the past 12 months, the amount of space on the market is half that which was available at the end of 2016.

Low vacancy is reflected in the asking net rates, which have increased nearly 6% over the past 12 months. The net rates are within \$0.50 PSF of the 10-year high experienced in early 2019 (\$11.35 PSF). Ottawa also remains one of the most expensive markets in Canada, behind only Vancouver for asking net rates.

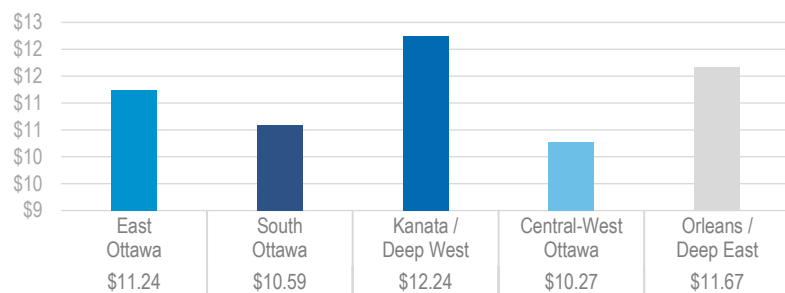
The continued growth and success of companies in the e-commerce and logistics sectors is bolstering the performance of the industrial market, but this could also mask struggles faced by experiential or traditional showroom/warehouse tenants.

Preparations for an immediate rollout of the COVID-19 vaccine will require commercial industrial space with restrictive storage requirements and ease-of-access concerns (accessible locations). With Ottawa's low vacancy, this could put a short-term upward pressure on our already high net rental rates, creating new opportunities for logistics companies and landlords with space that could suit the needs of authorities.

Market Overview

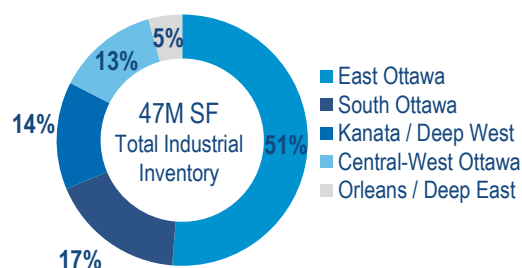
01 Rental Rates by Market

Weighted Average Asking Net Rates (\$PSF)



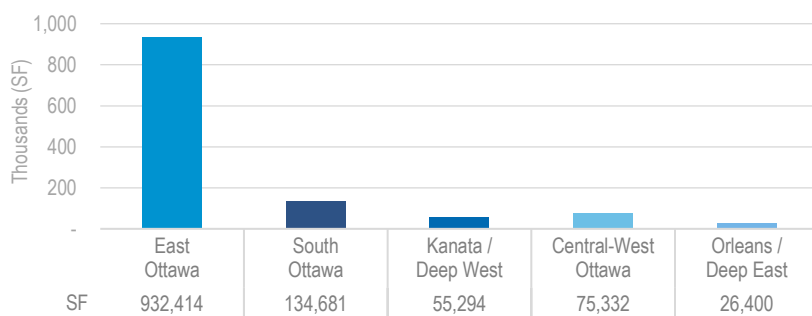
02 Inventory by Market

Q4 2020



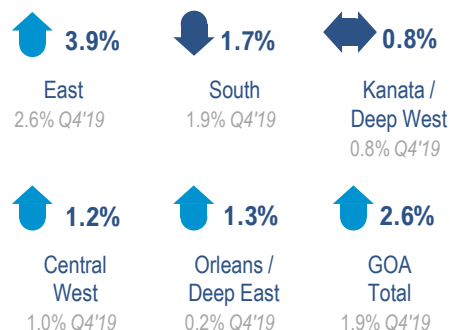
03 Available Space by Market

By Total Square Feet



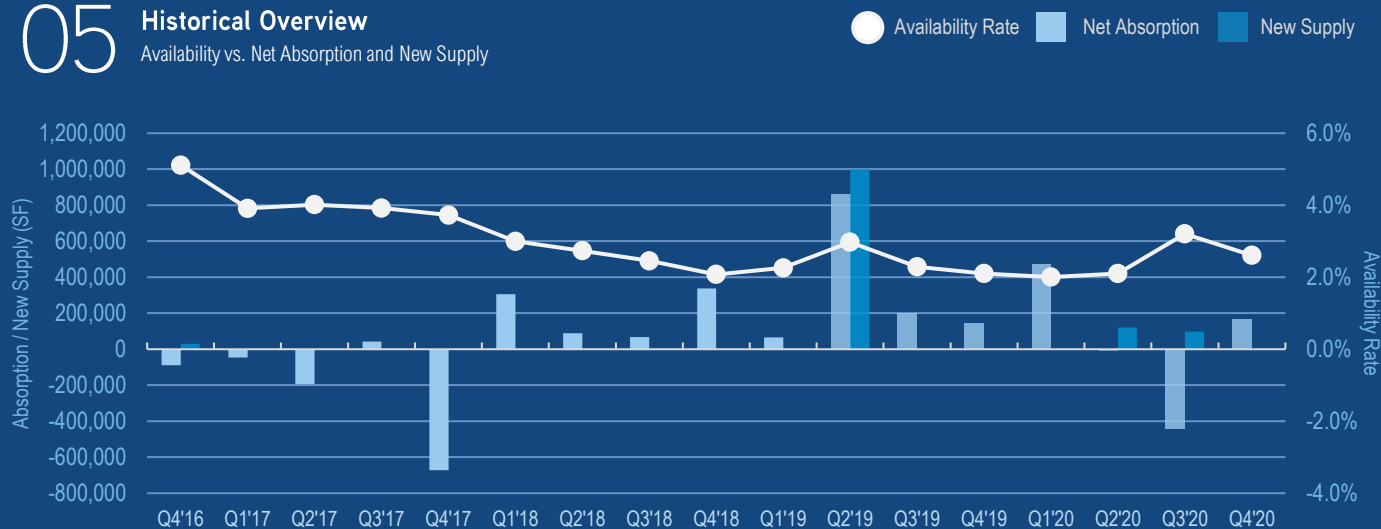
04 Availability Rate by Market

Q4 2019 – Q4 2020



05 Historical Overview

Availability vs. Net Absorption and New Supply



Greater Ottawa Area

Market Statistics

Market	Total Inventory (SF)	Total Available Space (SF)	Availability Rate	Direct Availability (SF)	Sublease Availability (SF)	Net Absorption (SF)	New Supply (SF)	Under Construction (SF)	Wgt. Avg. Asking Net Rent (\$PSF)	Wgt. Avg. Asking Additional Rent (\$PSF)
East	24,099,118	932,414	3.9%	751,696	180,718	127,857	0	0	\$11.24	\$5.12
South	8,158,032	134,681	1.7%	134,681	0	28,25	0	2,853,000	\$10.59	\$5.97
Kanata / Deep West	6,521,442	55,294	0.8%	45,518	9,776	2,700	0	0	\$12.24	\$6.01
Central West	6,168,737	75,332	1.2%	63,798	11,534	7,729	0	0	\$10.27	\$8.06
Orleans / Deep East	2,048,768	26,400	1.3%	26,400	0	0	0	0	\$11.67	\$3.69
GOA Total	46,996,097	1,224,121	2.6%	1,022,093	202,028	166,540	0	2,853,000	\$10.87	\$5.22

Notable Lease Transactions

Transaction Type	Address	Submarket	Size (SF)
Lease	1165 Kenaston Street	East	61,539
Lease	1230 Old Innes Road	East	21,170
Lease	1275 Humber Place	East	20,000
Lease	69 Auriga Drive	South	19,189
Lease	1161 Parisien Street	East	18,562
Lease	2370 Walkley Road	East	16,848

Notable Sale Transactions

Transaction Type	Purchaser	Address	Submarket	Price	Size (SF)
Sale	Manulife Financial	2105 Bantree Street	East	\$11,500,000	108,000
Sale	Gadar Sportswear	1120 Morrison Drive	Central West	\$4,150,000	26,772
Sale	Mastermind Event Rentals	2591 Carp Road	Kanata / Deep West	\$1,450,000	11,000

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