

Q1 2021

Ottawa

Industrial Market Report

Net Absorption

This Quarter	Previous Quarter
274k SF	167k SF
12-Month Absorption	5-Year Quarterly Avg.
-5.0k SF	5.1k SF

Availability

This Quarter	Year-over-Year
2.3%	▲ 28 bps

Asking Net Rent

This Quarter*	Year-over-Year
\$10.87 PSF	▲ 2.51%

Development

Under Construction	New Supply
2.9M SF	20k SF

*Weighted Average
Colliers Macaulay Nicolls Inc.

Market Outlook

Vacancy and availability rates decreased in the first quarter of 2021, reversing the trend experienced in 2020. Despite a slight increase in space on the market last year, demand remains high from occupiers in the distribution sector which is driving the low availability of space in Ottawa and in markets across the country.

Due in part to limited availability, asking rates are also high and rising in Ottawa, reaching \$11.30 per square foot in Q1 2021. This represents an increase of 4.0% quarter-over-quarter and 6.6% year-over-year. This places Ottawa among the most expensive industrial markets in the country, behind only Victoria at \$15.61 per square foot and Vancouver at \$14.09 per square foot.

Speculative development is also starting to pick up, with several projects across the city in the early stages of planning and pre-construction. The recent increase in the number of ongoing projects should be

attributed to high levels of demand, increasing rents, and recent successes of other projects. Despite high land prices and construction costs, as well as limited availability of traditionally sought-after industrial land, developers are confident that the fundamental economics of these projects make sense given the likelihood of leasing the space quickly and for high rates, which is partially due to their location relative to a 400-series highway. This could help ease some of the current supply issues that tenants face when looking to enter the Ottawa market, or when growing their presence, and allow for more unrestricted growth in Ottawa's industrial sectors.

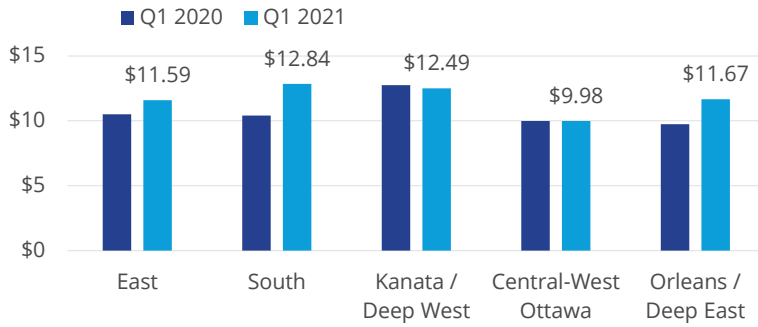
Notable developments along these lines include Avenue31's National Capital Business Park, Colonnade Bridgeport's Dealership Drive project, and Manulife's development on St. Laurent and Conroy.

Accelerating success.

Market Overview

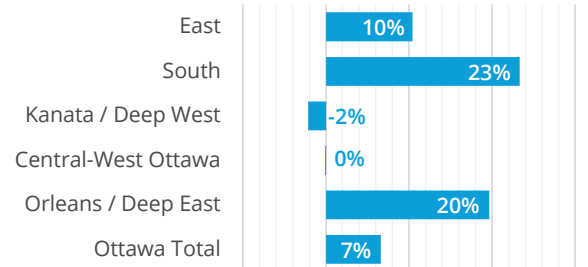
01 Rental Rates by Market

Weighted Average Asking Net Rent (PSF)



02 Rental Rate Growth*

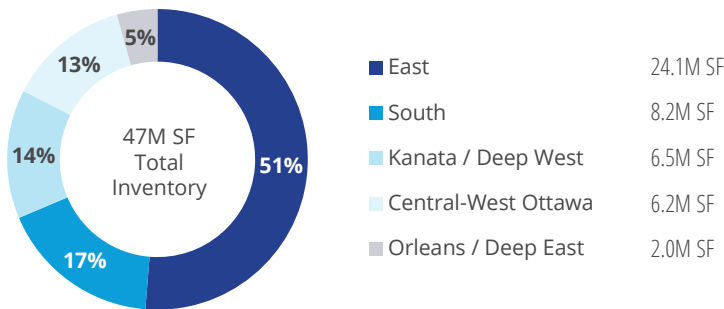
By Market | Q1 2020 – Q1 2021



*Weighted Average Asking Net Rent

03 Inventory Breakdown

By Market | Q1 2021



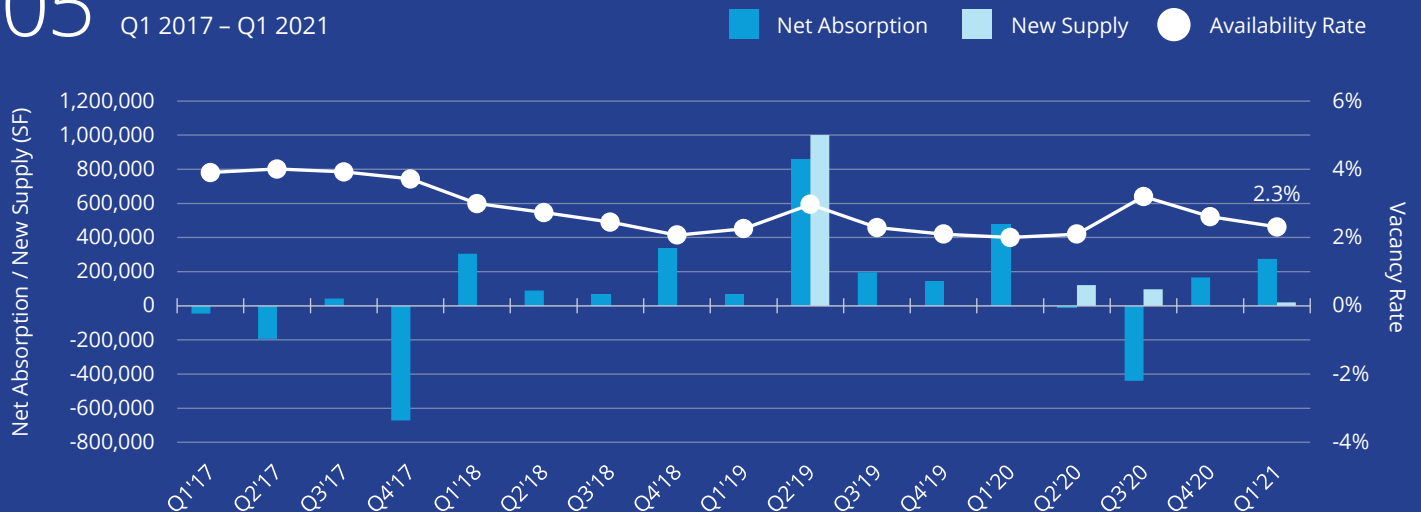
04 Availability Rate by Market

Q1 2020 – Q1 2021

East	3.8%	▲	from 2.9% Q1'20
South	0.5%	▼	from 1.7% Q1'20
Kanata / Deep West	0.5%	▼	from 0.8% Q1'20
Central-West Ottawa	1.2%	▲	from 1.0% Q1'20
Orleans / Deep East	1.3%	▲	from 0.2% Q1'20
Ottawa Total	2.3%	▲	from 2.0% Q1'20

05 Historical Overview and Forecast

Q1 2017 – Q1 2021



Market Statistics & Transaction Highlights

Market	Total Inventory (SF)	Total Vacant Space (SF)	Vacancy Rate	Direct Available Space (SF)	Sublease Available Space (SF)	Total Available Space (SF)	Availability Rate	Net Absorption (SF)	New Supply (SF)	Under Construction (SF)	Wgt. Avg. Asking Net Rent (PSF)
East	24,099,118	691,567	2.9%	781,352	132,157	913,509	3.8%	169,242	0	55,940	\$11.59
South	8,158,032	25,194	0.3%	37,994	0	37,994	0.5%	90,441	20,000	2,853,000	\$12.84
Kanata / Deep West	6,521,442	31,876	0.5%	22,100	9,776	31,876	0.5%	12,767	0	0	\$12.49
Central West	6,168,737	41,557	0.7%	58,360	17,034	75,394	1.2%	1,865	0	0	\$9.98
Orleans / Deep East	2,048,768	26,400	1.3%	26,400	0	26,400	1.3%	0	0	0	\$11.67
Ottawa Total	46,996,097	816,594	1.7%	926,206	158,967	1,085,173	2.6%	274,315	20,000	2,908,940	\$11.30

Notable Lease Transactions

Tenant	Building Name / Address	Market	Lease Type	Size (SF)
Amazon	Amazon Fulfillment Centre YOW3	Kanata/Deep West	Head Lease	2,800,000
MultiCraft Imports Inc.	201 Innes Park Way	East	Renewal	33,513
Boyd Moving & Storage	899 Ages Drive	East	Head Lease	24,300
Viral Clean	2477 Kaladar Avenue	East	Expansion	17,500
Crown Worldwide	2370 Walkley Road	East	Renewal	15,000
Lloyd Douglas Solutions	302 Legget Drive	Kanata/Deep West	Head Lease	12,500

Notable Sales Transactions

Building Name / Address	Market	Size (SF)	Sale Price	Purchaser	Purchaser Profile
209 Westbrook Road & 120 Walgreen Road	Kanata/Deep West	40,263	\$13,160,635	Mini Mall Storage Properties	User
125 Colonnade Road	South	56,700	\$12,000,000	Access Self Storage	User
110 Bentley Avenue	South	72,565	\$10,575,000	Bentley 110 Ottawa Inc.	Private Investor
5515 Canotek Road (Units 19-36)	East	19,922	\$3,998,000	Jetcole Holdings	Private Investor
5459 Canotek Road	East	28,800	\$3,900,000	5459 Canotek Holdings	Private Investor
165 Colonnade Road	South	21,375	\$3,500,000	Larsson Property Holdings	Private Investor

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For more information on the Ottawa Industrial Market, please contact:

Warren Wilkinson

Managing Director,
Ottawa
+1 613 683 2207
warren.wilkinson@colliers.com

Roelof van Dijk

Senior Director, National
Research & Analytics | Canada
+1 416 798 0991
roelof.vandijk@colliers.com

Leo Lee

Director, National
Research Operations | Canada
+1 416 620 2839
leo.lee@colliers.com

Report Author:

Kyle Walters

Research Analyst
+1 613 683 2228
kyle.walters@colliers.com

Report Contributor:

Florentina Satmari

Market Data Coordinator
+1 416 791 7250
florentina.satmari@colliers.com

Colliers Canada | Ottawa
Colliers Macaulay Nicolls Inc.
340 Albert Street, Suite 930
Ottawa, ON, K1R 7Y6
+1 613 567 8050



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