

Occupier's Guide

2019 saw a year long decrease in vacancy rate to close Q4 of 2019. The most active sub-markets in the city continue to be the CBD and West End. In Kanata, pockets of space above 20,000SF continue to be limited in quantity. Occupiers are being forced to take a proactive/creative approach to their real estate requirements.

As we transition into 2020, occupiers can expect the market to remain relatively similar. That being said, some large pockets of space returning to market in the CBD may cause the market to experience some slight deviation in favour of the occupier.

Looking to the future, multiple mixed-use developments are expected throughout the city's sub-markets. These developments are expected to host a mix of residential, commercial and retail spaces.

Rental and Vacancy Rates

Submarket/Building Class	Base Rental Rate	Vacancy Rate Percentage	Change from Previous Quarter
Greater Ottawa			
Overall	\$18.08	3.8%	-0.6%
Class A	\$21.72	9.1%	+1.1%
Class B	\$16.47	2.9%	-0.6%
Downtown Core			
Overall	\$20.44	5.2%	-0.2%
Class A	\$24.96	7.1%	+0.3%
Class B	\$16.47	3.5%	-0.4%
Suburban West			
Overall	\$15.07	4.1%	-0.3%
Class A	\$16.13	5.2%	-0.3%
Class B	\$15.38	4.3%	-0.3%
Suburban East			
Overall	\$15.22	5.3%	-0.4%
Class A	\$16.32	23.8%	-5.0%
Class B	\$14.83	4.3%	-0.2%



Vacancy
3.8%



Average Rent
\$18.08/SF



Net Absorption SF
200,463 SF

Notable Transactions

Transaction Type	Size	Submarket	Use
Lease	90,000 SF	Ottawa West	Office
Lease	89,500 SF	CBD	Office
Lease	83,300 SF	Ottawa South	Office
Lease	55,000 SF	Fringe Core	Office
Lease	53,119 SF	Ottawa East	Industrial

Occupier's Perspective



The shift in Government space will have a large effect on the increasing availability rate. This will be seen predominantly in the CBD.



Occupier's looking to save on construction costs should evaluate sublet opportunities or space with an existing build out.



East-end space has seen an increase in activity with the City of Ottawa's Confederation Line now operational.

Market Trends



Class A Downtown Space

With the anticipation of more class A space coming back to market in 2020. Class A Landlord's will likely be forced into competition amongst one another to secure occupiers.

New Co-Working Opportunities

The CBD has seen a number of new co-working options surface over the past few months. Both iQ Office (222 Queen St.) & Spaces (66 Slater St.) present new opportunities for firms looking to move away from a traditional office Lease.

Employee Retention

Employee retention remains a main driver for company's in search of new space. Many companies are compromising on higher rental rates and a flight to quality in order to provide their staff with a more engaging work environment.