



Cresa Ottawa

Market Insight Report 2025

Ottawa Overview

Q4 2025



Market Overview

Ottawa’s office market weakened further in Q4 2025, with vacancy rising into the 12%–13% range and availability reaching 14.5%–15.3% as several large federal and private-sector blocks returned to market. Net absorption remained negative, falling between –240,000 SF and –374,000 SF, reflecting continued space efficiency planning and hybrid work’s lasting influence.

Even with softer fundamentals, average net asking rents held stable at \$17–\$17.75 PSF, while Downtown Class A assets maintained premium positioning in the \$20–\$24 PSF range. The market also saw notable supply removal as aging buildings advanced toward residential conversion, helping offset rising vacancy and supporting long-term stability.

Submarket performance varied: East Ottawa showed modest improvement, South Ottawa absorbed over 150,000 SF of new vacancy, and Kanata remained a standout, tightening to 10.6% vacancy due to strong technology and defence-sector leasing. Across the city, occupiers are increasingly targeting turnkey, amenity-rich Class A space, reinforcing a clear divide between modern assets and older inventory facing repositioning pressure.

Submarket Movement

Vacancy Rate	QOQ Change	Direct Asking Net Rent (\$/SF)	Submarket
13.3%	-0.1% ▼	\$19.73	Central Business District (CBD)
21.9%	-0.4% ▼	\$17.11	Centretown-Byward
8.4%	-1.3% ▼	\$16.01	East Central
16.7%	+6.3% ▲	\$17.61	Tunneys Pasture
12.4%	+1.8% ▲	\$15.81	West Central
10.6%	-3.7% ▼	\$13.78	Kanata

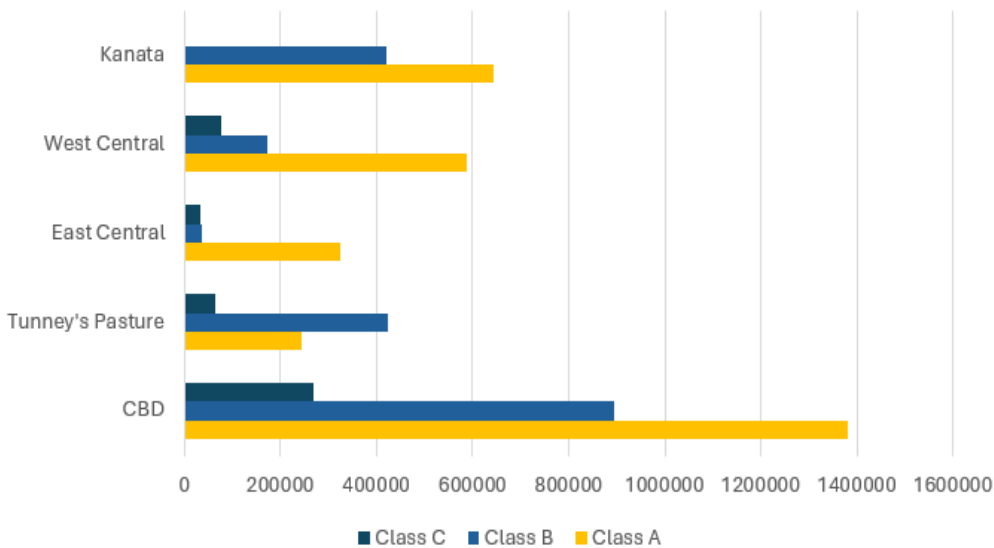
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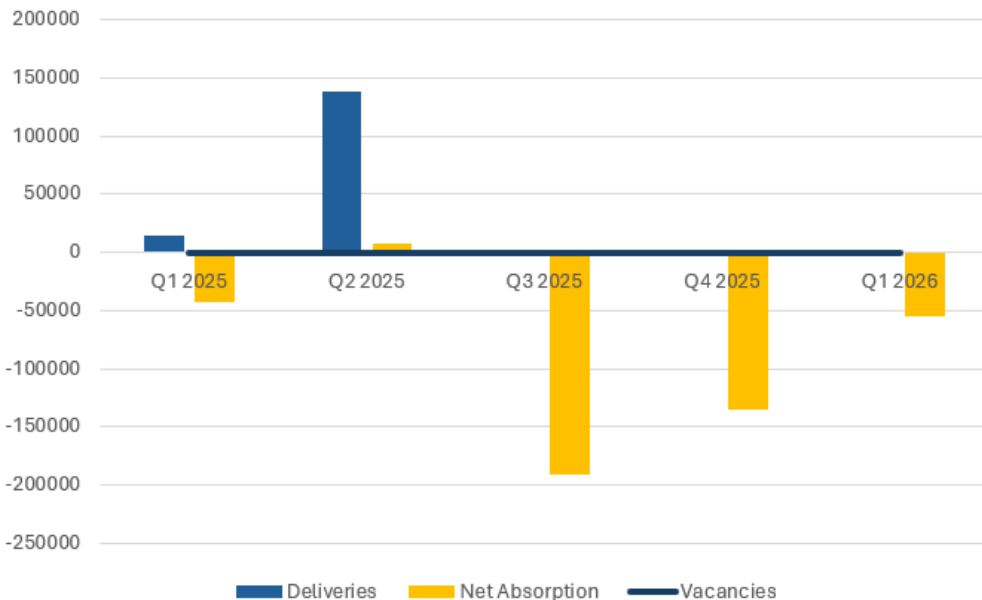
The Occupier's Perspective

Number of Availabilities

Number of Availabilities



New Construction and Absorption



1. Incentives Rise as Vacancy Deepens

Ottawa's office vacancy climbed to 13.2%, with overall net absorption at -240,227 SF, keeping downward pressure on landlords as large federal move-outs expanded downtown availability. To stay competitive, owners increasingly rely on enhanced inducements—turnkey suites, improved TI packages, and flexible deal structures—particularly in Class A assets where demand remains most stable.

2. Turnkey & Pre-Built Space Demand Accelerates

With high construction costs and long build-out timelines, occupiers continued shifting toward model suites, subleases, and move-in ready spaces to reduce upfront capital and accelerate occupancy. Total market availability reached 15.3%, reflecting greater tenant preference for speed, cost certainty, and functional layouts amid slower decision making.

3. Fringe & Suburban Nodes Strengthen Relative Position

Select suburban areas outperformed the core, led by Kanata, where vacancy tightened to 10.6% supported by significant tech and defence leases, including 46,311 SF at 425 Legget and 22,000 SF at 3000 Solandt.

Fringe Core assets also remained competitive due to lower occupancy costs and improved accessibility, while central downtown locations continued to absorb major federal vacancies, widening the gap between modern, well-located buildings and older stock.

About Cresa Ottawa

For more than 16 years, Cresa Ottawa has served as an objective, stable business partner to commercial tenants. We join our clients' teams, working to align their business plans and their real estate needs, increase their productivity, and consistently save them money — results that have earned us numerous industry awards along the way. Our team of real estate advisors, project managers, strategic planners, analysts, and space planners listen to occupiers' needs, meticulously research market conditions, firmly negotiate terms, and manage the design and construction of projects to customize the best possible occupancy solutions.

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