



Cresa Ottawa

# Industrial Market Insight Report 2026

# Ottawa Overview

Q1 2026



## Market Overview

Ottawa’s industrial market remained tight in Q1 2026, with overall vacancy declining to 2.5% and availability easing to 3.4%, reflecting the continued shortage of functional industrial space across the region. Net absorption totaled 66,060 SF, highlighting steady occupier demand despite a more cautious leasing environment and slower decision-making among some tenants.

Pricing fundamentals remained resilient, supported by limited supply and constrained tenant options. Average asking net rents in the Submarkets noted below decreased modestly to \$16.75 PSF, signaling a transition toward a more balanced growth phase rather than weakening fundamentals. Small- and mid-bay space remained highly competitive, with tenants prioritizing efficiency and immediate occupancy, while landlords continued to benefit from strong demand for well-located product.

Supply-side constraints continued to shape market dynamics. While development activity remains elevated, the majority of space under construction is pre-leased, limiting near-term impacts on availability. Ongoing land scarcity, rising construction costs, and selective redevelopment pressures are expected to reinforce Ottawa’s long-term industrial supply imbalance.

Submarket performance was generally stable. East and South Ottawa recorded modest absorption and declining vacancy, while Central-West remained exceptionally tight with vacancy near historic lows. Kanata/Deep West experienced limited short-term fluctuations following new deliveries but continued to benefit from technology, defence, and flex-space demand. Across the market, limited relocation options are driving higher renewal activity as occupiers choose to remain in place amid scarce alternatives.

## Submarket Movement

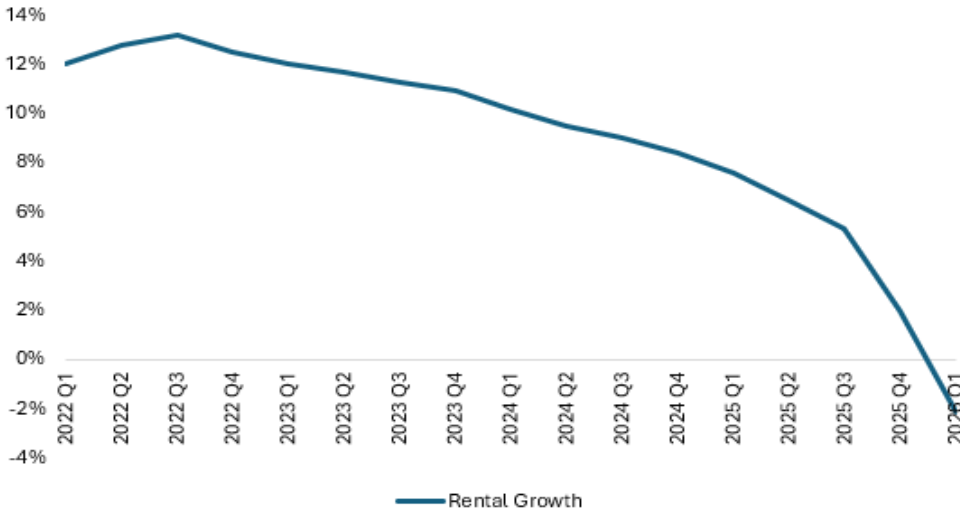
Availability Rate	QOQ Change	Vacancy Rate	Direct Asking Rent (\$/SF)	Submarket
4.2%	+1.1%	3.5%	\$17.95	West
3.6%	-0.1%	2.7%	\$16.26	East
0.4%	-0.4%	0.3%	\$14.47	Central
3.4%	-0.6%	2.2%	\$16.55	South
3.4%	-0.1%	2.5%	\$16.75	Overall

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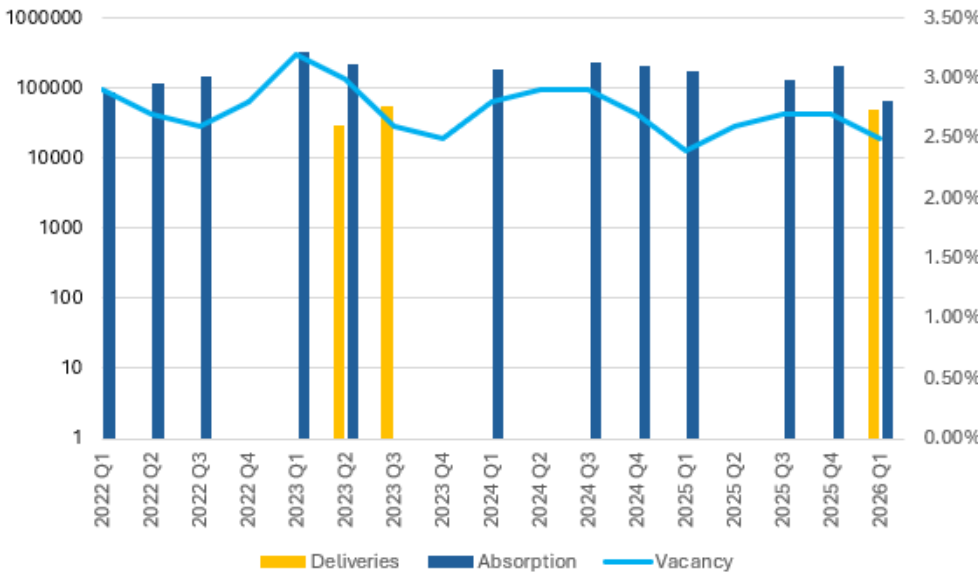
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## The Occupier's Perspective

### Rental Growth



### New Construction and Absorption



#### 1. Landlord Pricing Power Persists Amid Tight Conditions

Despite early signs of stabilization, Ottawa's industrial market remains fundamentally undersupplied, keeping landlord expectations elevated. With vacancy holding at 2.5% and limited functional availability across most submarkets, landlords continue to pursue strong net rents and structured escalation clauses, particularly for well-located small- and mid-bay product. To manage cost exposure, tenants should prioritize term flexibility, renewal rights, and early termination or expansion options where available to preserve longer-term optionality.

#### 2. Increased Landlord Participation Reflects Competitive Leasing Environment

Landlord engagement in tenant RFP processes increased in Q1 2026 as competition for scarce industrial space intensified. With tenant options constrained and few viable alternatives, landlords are responding selectively but remain disciplined on deal terms. This heightened engagement signals a shift toward more proactive lease structuring, requiring tenants to compete more directly for quality space while leveraging timing and certainty to secure favourable concessions.

#### 3. Tenants Should Act Strategically in a Supply-Constrained Market

While leasing activity has become more deliberate amid economic uncertainty, supply constraints continue to favour landlords. Tenants are best positioned by advancing requirements early, maintaining flexibility on location and format, and remaining open to renewal-led strategies. Where limited choice exists, speed to decision, flexibility on term, and alignment with landlord objectives remain critical to achieving favourable outcomes on pricing and lease structure.

## 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.

### + Follow Us

Check out our social media channels to stay up to date on current market trends and availability.



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