



Greater Ottawa industrial market report

Q3 2024

**AVISON
YOUNG**

Greater Ottawa market fundamentals

2.3%

total vacancy rate
up by 0.7% since Q3 2023

295K

square feet (sf) available for sale in
13 buildings across greater Ottawa

\$23.57

average gross asking rent per
square foot (psf)
**includes \$8.25 psf
of average additional rent**

1.1M

sf vacant, including
111,652 sf of vacant sublet space

16K

net sf absorption
year to date

550K

sf under construction /
pre-leasing **16 projects**

Greater Ottawa industrial market trends

01

High demand amid limited supply

Ottawa's industrial market remains fundamentally stable. Small-bay warehouses of 10,000 sf and under continue to generate strong interest from industrial tenants. For example, well-established areas, like the industrial parks in the West End, offer limited choices, often in older buildings with lower clear heights and tight loading areas. Despite their physical and functional obsolescence, base rents in these buildings remain high, and are expected to escalate over the lease term, propelled by the lack of supply in this segment of the market.

02

New build success: high demand and premium rates

New construction projects introduced on the market are seeing reasonable success, with rental rates reaching high starting points in the range of \$16.50 to \$19.00 psf. These projects offer best-in-class features including higher clear heights, multiple docks, exterior charging stations, provision for drive-in doors, etc.

There is strong demand for space from nontraditional uses as well. These include private sports facilities, clubs or associations, and church-related activities. All are looking for clean facilities with wide open spaces, ample parking, and an easy accessibility.

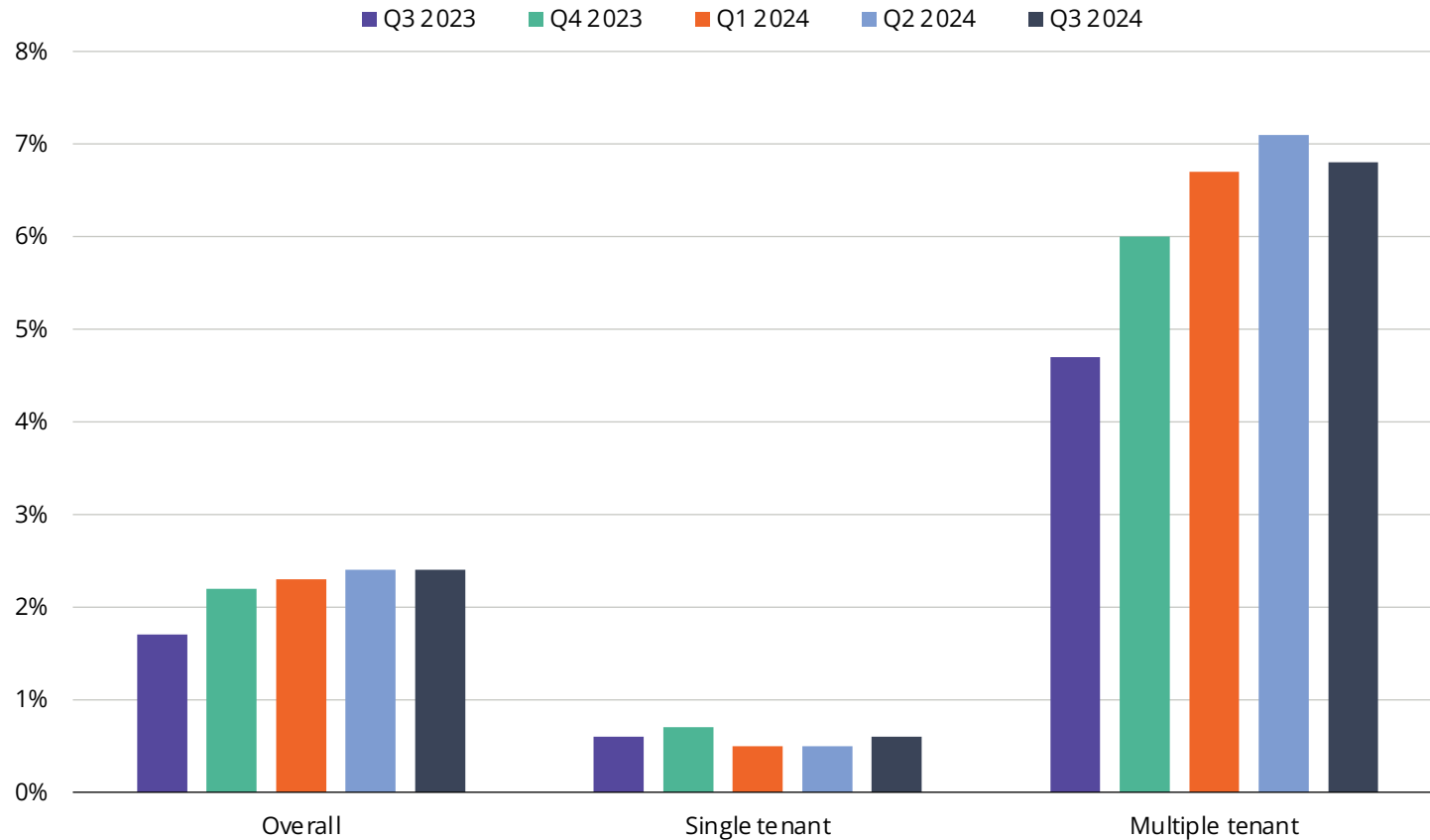
03

Renewed demand for small acreage amid strong prices

As interest rates begin to decrease, there is a renewed interest in land acquisition, predominantly in the range of 10 acres and under, with the most common requests being in the range of 1 to 3 acres. Smaller acreage remains difficult to find inside the Greenbelt, with listing prices remaining strong. Asking rates for industrial land with city servicing is typically within the \$1.2 to \$1.5 million range, as typical building sizes on these smaller lots remaining between 10,000 to 25,000 sf – the demand of which is all owner-user driven. Asking prices drop considerably outside the Greenbelt, as travel distance becomes farther, amenities are fewer, and city water and sewer services are unavailable.

Greater Ottawa industrial market indicators

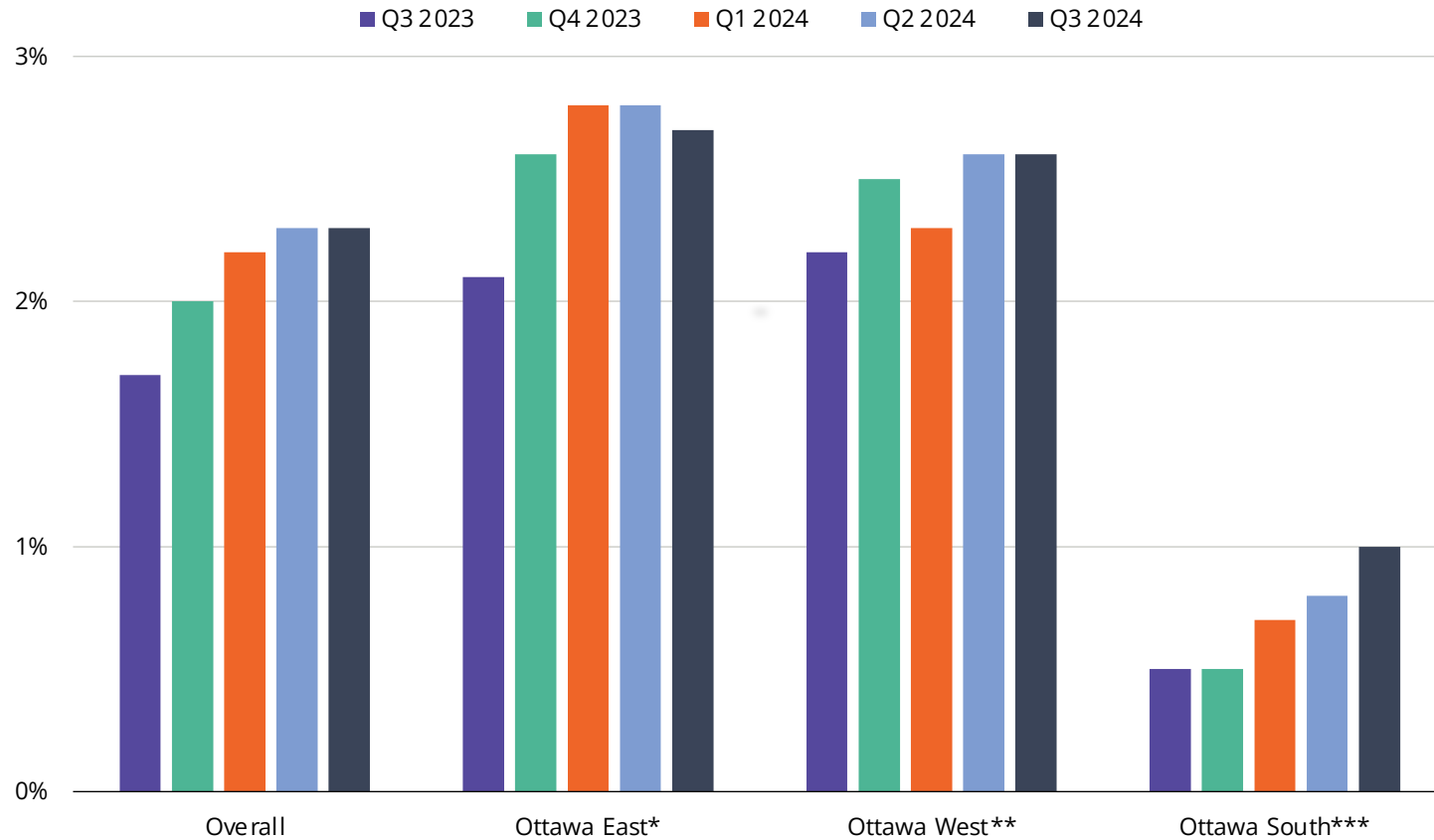
Vacancy rate by property type



Vacancy rates for multi-tenant industrial properties have experienced a slight decline, with a decrease of 0.3% from Q2 2024.

Greater Ottawa industrial market indicators

Vacancy rate by market



Vacancy rates across all markets remain above 2%, except Ottawa South, where it is notably lower, sitting at 1%.

*Ottawa East includes the following Municipalities: Cumberland, Gloucester, Orleans, Ottawa East

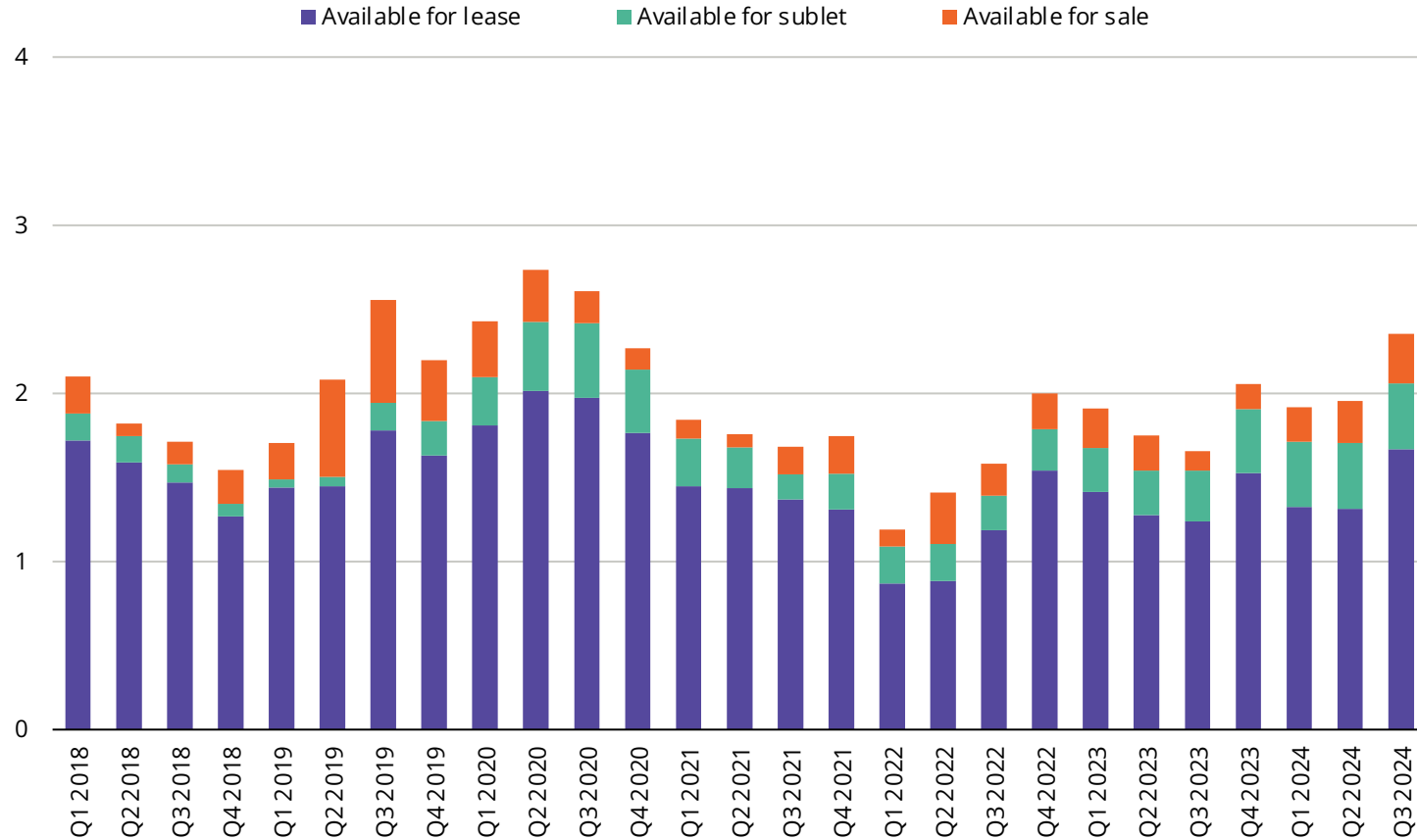
**Ottawa West includes the following Municipalities: Goulbourn, Kanata, Ottawa West

***Ottawa South includes the following Municipalities: Nepean, Osgoode, Rideau, West Carleton

Source: AVANT by Avison Young

Greater Ottawa industrial market indicators

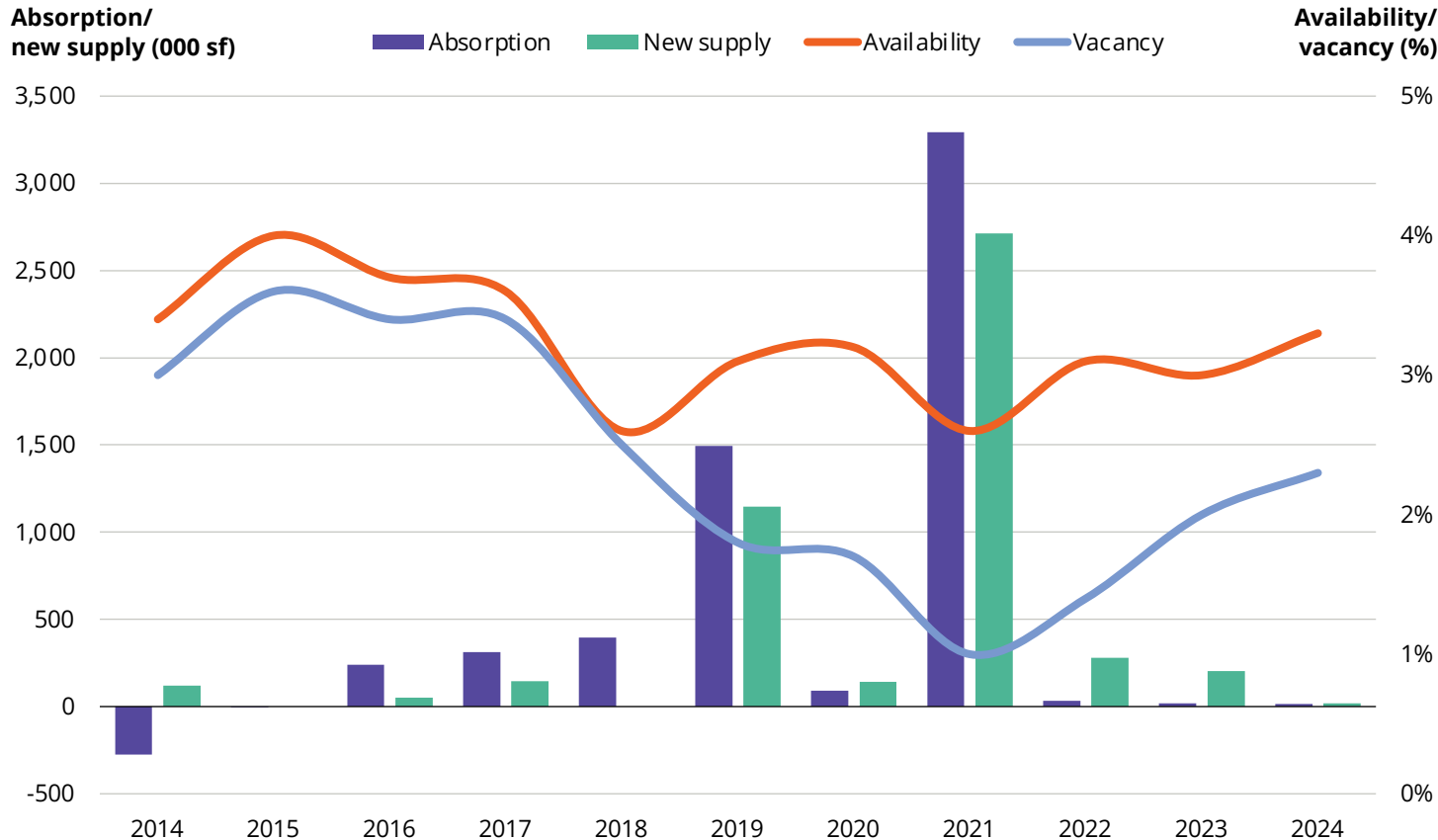
Available for sale and lease (msf)



The availability of industrial properties for sale has risen by 15% since Q2 2024, reflecting a growing inventory in the market.

Greater Ottawa industrial market indicators

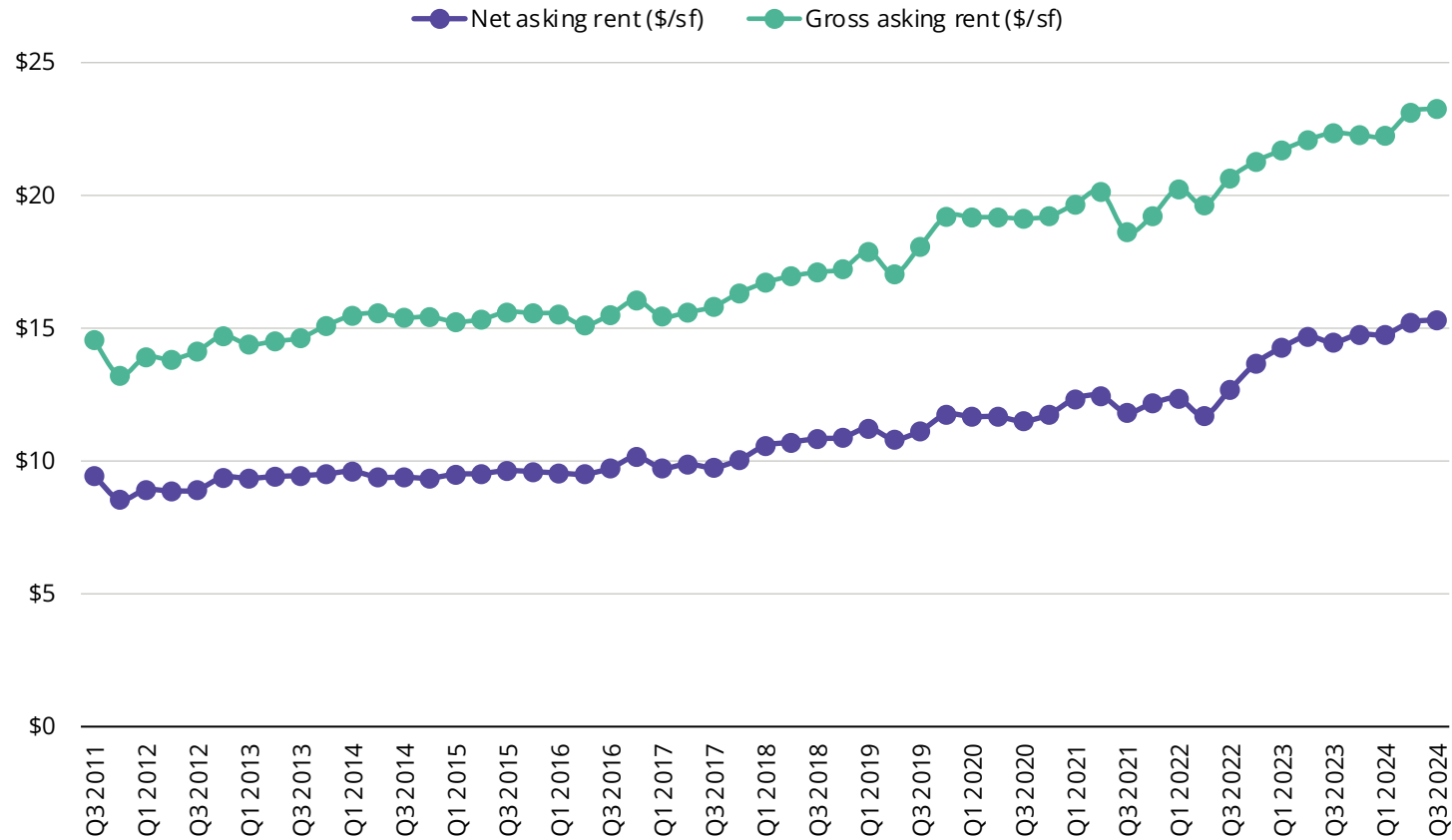
Historic industrial market trends



The limited supply since 2022 is expected to stabilize vacancy and availability rates in the industrial market over the next 12 months.

Greater Ottawa industrial market indicators

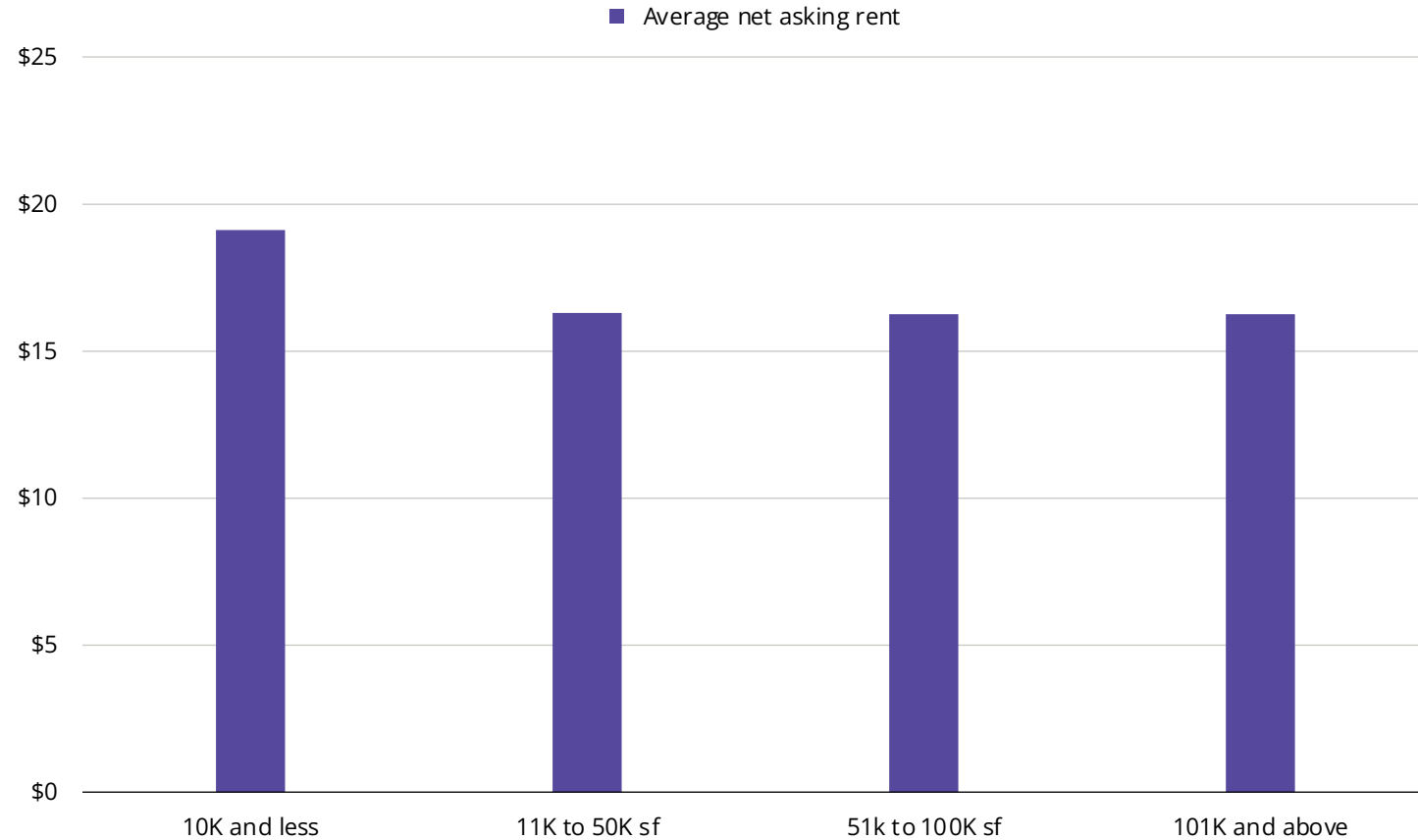
Average asking rents (psf)



Average net asking rents are on the rise, alongside ongoing increases in additional rental costs.

Greater Ottawa industrial market indicators

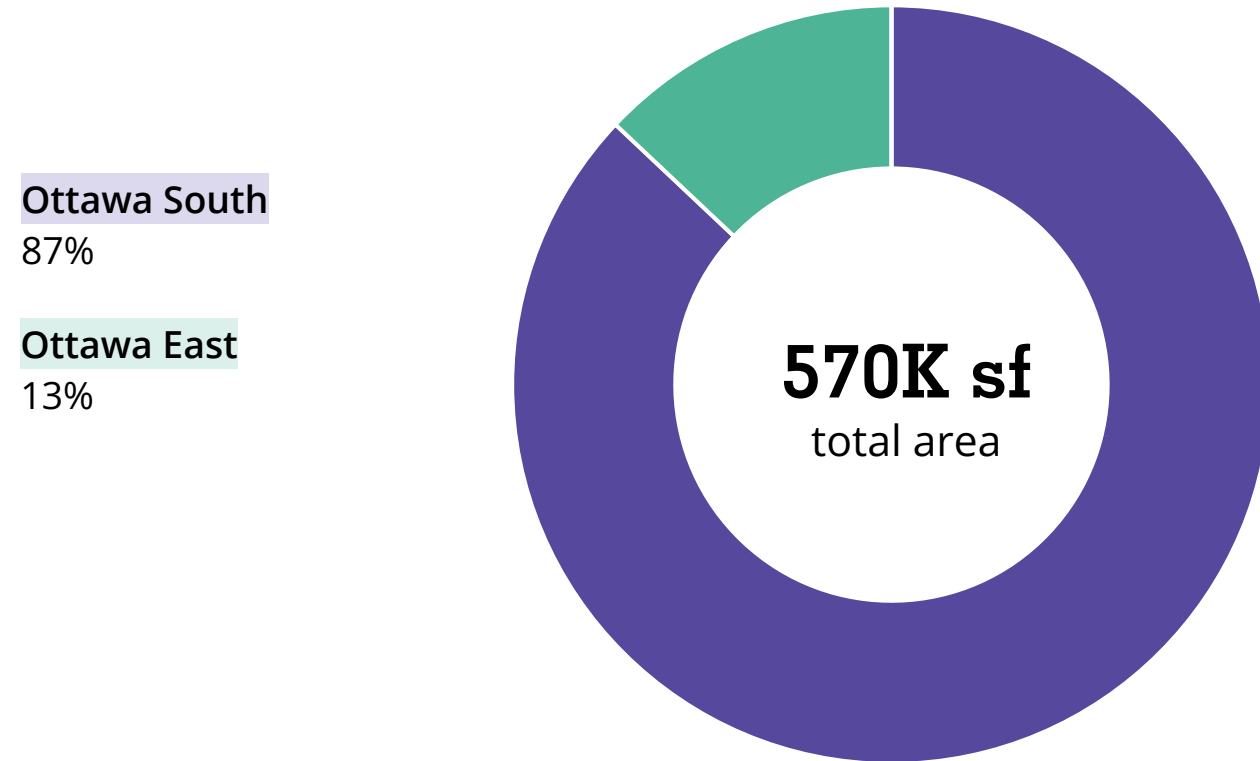
Net asking rents by building size range (psf)



Average asking rents remain consistent across properties of varying sizes.

Greater Ottawa industrial developments

Under construction activity by sector



Four projects are currently under construction, most of which are located in Ottawa South.

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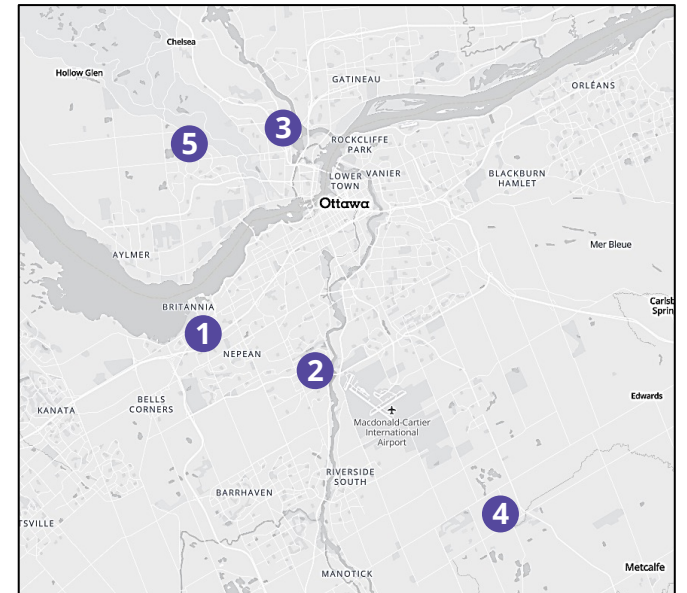
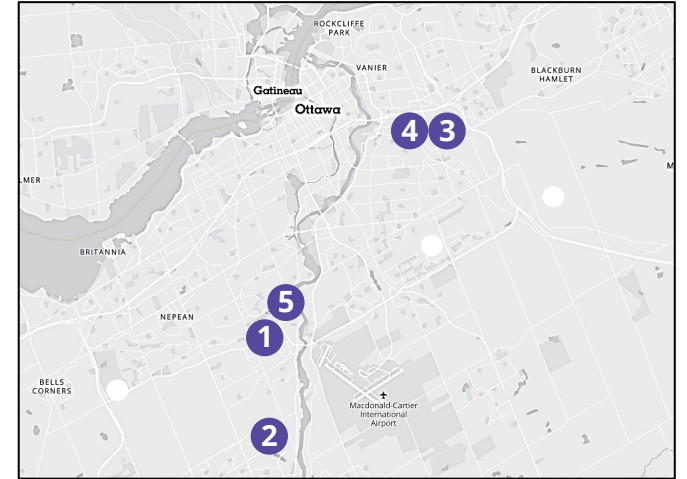
Greater Ottawa industrial market activity

Leasing opportunity on the market

Address	Owner/manager	Listing date	Available space (sf)	For lease/for sale
1. 110 Bentley Avenue	Oakview Capital	Sep 2024	38,822	For lease
2. 2 Bill Leathem Drive	Private Investor	Oct 2024	35,000	For lease
3. 1117 - 1141 Newmarket Street	Crown Property Management	Sep 2024	19,667	For lease
4. 700 Industrial Avenue	Metcalfe Realty Company Limited	Sep 2024	18,229	For lease
5. 146 Colonnade Road	Epic Investment Services	Oct 2024	14,382	For lease

Industrial building transactions

Address	Sale date	Sale price	Space size (sf)	Buyer
1. 2655 Queensview Drive	Aug 2024	\$7.6M	30,123	Westrich Pacific Corp - Developer
2. 31 Antares Drive	Oct 2024	\$4.75M	13,572	White Hawk Developments Corp.
3. 35 Adrien-Robert Street	Aug 2024	\$4.6M	11,371	Private Investor
4. 6786 Hiram Drive	Aug 2024	\$4.1M	9,700	2403139 Ontario Inc.
5. 595 Vernon Street	Aug 2024	\$3.5M	16,135	15982812 Canada Inc.



Greater Ottawa industrial market statistics

	Existing inventory (sf)	Total vacancy (%)	Vacancy (sf)	Available for sale (sf)	Q3 2024 net absorption (sf)	YTD 2024 net absorption (sf)
Ottawa East*	28,891,426	2.7	783,353	136,460	17,149	(43,106)
Ottawa West**	9,247,135	2.6	240,600	64,723	(3,459)	(8,125)
Ottawa South***	12,661,521	1	124,639	94,193	2,310	12,558
Greater Ottawa	50,840,082	2.3	1,148,592	295,376	16,000	(38,673)



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Source: Altus Data Studio

For more market insights and information visit **avisonyoung.ca**

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