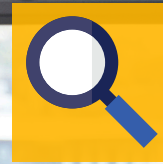


Ottawa Office

2023 Market Insight Report



Q3 2023

cresa 

Market overview



Supply

54,526,877 SF



Vacancy

11.4%



Asking Net Rent

\$17.22 SF



Net Absorption

101,245 SF

Arrows Indicate Quarter Over Quarter Change



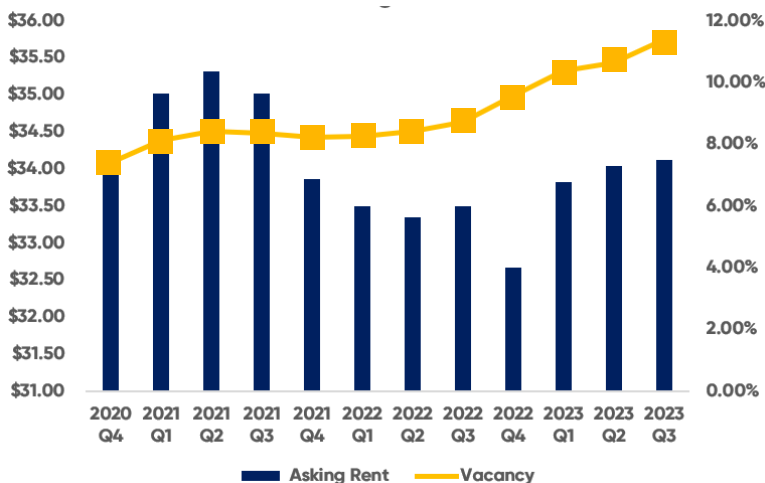
130 Slater Street | Photography: Costar

Market trends

In the most recent quarter, Ottawa's office market witnessed another increase in vacancy rates, now at 11.4%. Additionally, the slow pace of return-to-office policies and a noticeable decrease in building attendance have further contributed to the elevated vacancy and availability in the office market. However, the silver lining for tenants in this scenario is the steady asking net rent of \$17.22 per square foot, combined with an increasing array of incentives being offered by landlords. Enhanced tenant improvements, favourable

lease terms like rent-free periods, and turnkey spaces have become more commonplace, presenting a golden opportunity for companies to secure premium office spaces under favorable terms. To counterbalance the challenges in the office market, investors are creatively diversifying their portfolios by acquiring office properties (360 Laurier Ave West and 130 Slater Street) and converting them into residential rentals, a response to the urban area's limited rental supply.

Historical rent & vacancy



“ For businesses considering a change, now is the time to either seize these attractive leasing opportunities or strategically sublease their current spaces in a ‘flight to quality’. In such a market, having a commercial real estate brokerage that champions tenants’ interests is invaluable. It’s not just about finding space; it’s about leveraging the current market dynamics to secure the best possible space for your business. ”

Market movement

Notable transactions

Tenant	Address	Size (SF)	Type
Syntronic R & D	340 Terry Fox Drive	68,913	Renewal
The Ottawa Hospital	1145 Hunt Club Road	13,900	Renewal
Union of Taxation Employees	271-277 Bank Street	11,300	Head Lease

Investment sales

Address	Buyer	Price	Size (SF)
66 Slater Street	Katasa Groupe	\$57,000,000	261,815
100 Herzberg Road	Conestoga College Institute	\$19,850,000	106,000
360 Laurier Avenue West	InterRent REIT	\$17,500,000	107,000
130 Slater Street	Katasa Groupe	\$15,500,000	123,323
9 Auriga Drive	Jennings Developments	\$6,000,000	30,912
31 Auriga Drive	Jennings Developments	\$3,100,000	29,338



66 Slater Street | Photography: Costar



100 Herzberg Road | Photography: Costar

Submarket Movement

Submarket	Market Size (SF)	Vacancy (%)	Asking Base Rent	Net Absorption
CBD	16,623,525	13.2%	\$19.60	- 66,288 SF
Centretown & Byward	8,611,335	11.8%	\$18.05	23,930 SF
Fringe-core	14,625,110	5.8%	\$15.43	- 72,288 SF
East	7,907,757	12.7%	16.6%	17,976 SF
Kanata	6,759,150	16.5%	\$14.28	- 4,575 SF

Occupier's Perspective

- Given the tenant-favourable market, companies nearing the end of their lease terms might consider early renewals. Locking in the current favourable rates and terms might be beneficial, especially if there's an anticipated shift in market dynamics in the mid to long term.
- With the rise of the hybrid model, the premium once associated with CBD offices may be diminishing. Tenants might find better value in looking at properties in fringe-core submarkets like Westboro or Hintonburg, where rates might be more competitive without sacrificing connectivity or amenities.
- With the evolving office dynamics and unpredictability of space requirements, tenants have an opportunity to negotiate more flexible lease structures. These might include shorter lease terms, break clauses, or rights to expand or contract space as business needs change.

About Cresa Ottawa

For more than 30 years, Cresa 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.

Our Services

At Cresa, we offer an integrated suite of real estate services to clients across a wide range of industries. Regardless of location, we provide the very best talent the industry has to offer, lending our unique insight and professional expertise to help reduce costs and further enhance your business operations.

- Transaction Management
- Project Management
- Lease Administration

Our full suite of integrated services allows us to offer customized, end-to-end real estate solutions. From site selection and workplace strategy to construction and move management, our team of experts is here to help you every step of the way.

Our Team



Martin Aass
Broker of Record
Managing Principal
+1 613 298-4966
maass@cresa.com



Zack Coakeley
Principal,
Sales Representative
+1 613 797-9224
zcoakeley@cresa.com



Daniel Marques
Principal,
Sales Representative
+1 613 894-4663
dmarques@cresa.com



Lukas Samson
Advisor,
Sales Representative
+1 226 218-9435
lsamson@cresa.com



Jasmine Begin
Advisor,
Sales Representative
+1 613 818-3555
jbegin@cresa.com



Lynn Owen
Principal, Project Management
+1 613 302-7277
lowen@cresa.com



Emma Smith
Administrative
Assistant
+1 613 688-7200
esmith@cresa.com

Report Author



Kim Xia
Business Manager
+1 613 688-7200
kxia@cresa.com

Social



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

Cresa is in Your Corner.

CresaPartners Ottawa Realty Inc.,
Brokerage

1750 Courtwood Crescent, Suite 204
Ottawa, ON K2C 2B5
+1 613 688-7200

cresa.com/ottawa