MARKETBEAT OTTAWA
OFFICE Q2 2026

CUSHMAN & WAKEFIELD
Ottawa

MARKET FUNDAMENTALS

	YOY Chg	Outlook
13.7% Vacancy Rate	▲	▼
-947K YTD Net Absorption SF	▼	▲
$36.60 Asking Gross Rent PSF *(Overall, All Property Classes)*	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
700K Ottawa Employment	▼	▲
6.1% Ottawa Unemployment Rate	▲	▲
6.6% Canada Unemployment Rate	▼	▲

Source: Statistics Canada

ECONOMY

In May 2026, Canada's unemployment rate decreased by 10 basis points (bps) from February to 6.6%, while employment grew by 88,000, marking the first increase since November 2025. Ontario added 42,000 jobs in May, representing a second consecutive month of employment growth. Ottawa also continued to see labour market improvement, with its unemployment rate declining to 6.1%, extending the downward trend observed since the beginning of 2026.

SUPPLY AND DEMAND

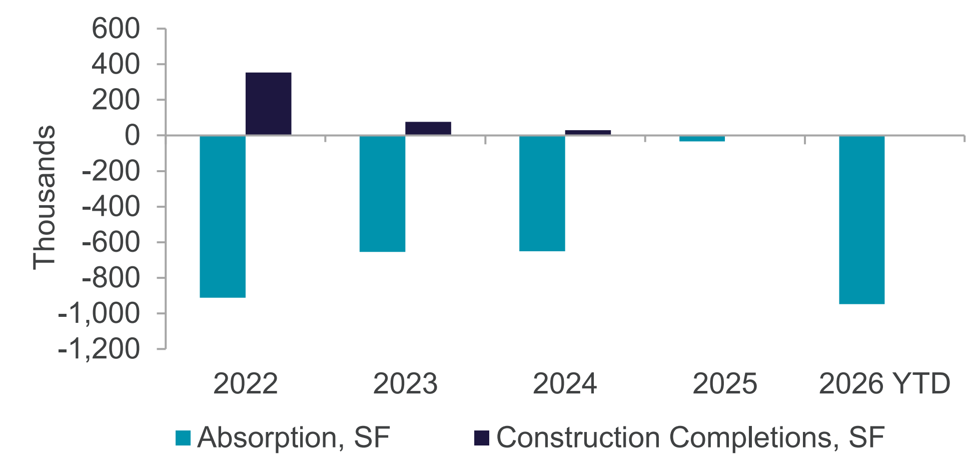
Ottawa's overall office vacancy rate increased slightly to 13.7% in Q2 2026, continuing its upward trend. The Central market showed signs of improvement quarter-over-quarter (QOQ), with vacancy rates declining across all asset classes, bringing the overall Central vacancy rate down to 14.4%. Within the CBD, the Class A vacancy rate decreased to 12.3%. During the quarter, Metcalfe Realty announced repositioning plans for two Class B office buildings in its CBD portfolio, removing approximately 176,000 square feet (sf) from the office inventory. In contrast, the Suburban market recorded a notable increase in its vacancy rate, reaching 13.1%. The increase was primarily driven by 1601 Telesat Court, which had previously been designated for residential conversion but was returned to the office leasing market in Q2 2026, adding approximately 183,000 sf of vacant Class A space to the suburban market.

Despite rising vacancy, leasing activity remained strong in Q2 2026. Following a rebound in Q1 2026, total leasing activity increased further to 496,546 sf during the quarter and was concentrated in the Class A segment. The Central Class A market recorded 95,003 sf of leasing activity, while the Suburban Class A market posted 258,118 sf, representing a significant QOQ increase of 143,671 sf. The full impact of this leasing activity on market vacancy is expected to materialize over the coming months as tenants take occupancy of their new premises.

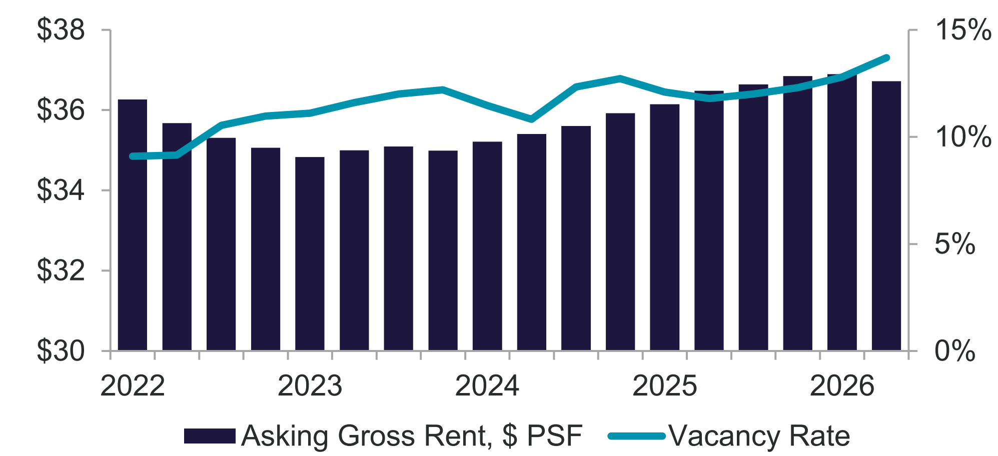
PRICING

Ottawa's overall average direct net asking rent declined slightly to $17.64 per square foot (psf) in Q2 2026. The overall average additional rent also decreased, falling to $18.97 psf. The Central market recorded an average direct net asking rent of $19.64 psf, while the Suburban market averaged $15.53 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING GROSS RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Downtown Core	18,061,457	297,267	2,030,401	12.9%	-52,042	-181,365	224,889	0	$41.66	$48.74
Centretown	1,077,240	12,110	260,375	25.3%	-10,257	-55,737	11,913	0	$33.15	$36.20
Lowertown/Sandy Hill	968,263	13,001	217,174	23.8%	2,357	-706	12,982	0	$35.59	$43.88
Glebe/Main	255,845	0	59,836	23.4%	-24,524	-32,315	1,258	0	$33.40	N/A
Central Dispersed	286,251	0	90,867	31.7%	0	0	0	0	N/A	N/A
CENTRAL AREA TOTALS	20,649,056	322,378	2,658,653	14.4%	-84,466	-270,123	251,042	0	$40.43	$48.34
Ottawa West	9,387,783	36,233	1,131,395	12.4%	-45,822	-294,423	286,460	0	$34.00	$36.37
Ottawa Deep West	6,725,820	116,335	785,982	13.4%	-68,170	-56,573	185,653	72,000	$29.91	$30.02
SUBURBAN WEST TOTALS	16,113,603	152,568	1,917,377	12.8%	-113,992	-350,996	472,113	72,000	$32.28	$32.71
Ottawa South	450,018	0	44,118	9.8%	7,869	5,083	7,869	0	$34.63	$34.63
Ottawa East	6,053,488	38,085	804,941	13.9%	-336,676	-331,348	32,646	0	$33.42	$34.88
TOTAL SUBURBAN TOTALS	22,617,109	190,653	2,766,436	13.1%	-442,799	-677,261	512,628	72,000	$32.87	$33.52
OTTAWA TOTALS	**43,266,165**	**513,031**	**5,425,089**	**13.7%**	**-527,265**	**-947,384**	**763,670**	**72,000**	**$36.60**	**$39.50**

Rental rates reflect full service asking. Gross rent including operating costs and taxes.

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	TENANT	SF	DEAL TYPE
365 March Road	Kanata North	Undisclosed	70,562	Sublease
1931-1935 Robertson Road	Ottawa West Dispersed	Undisclosed	65,850	New Deal
1145 Innovation Drive	Kanata North	PureLogic IT Solutions	28,862	New Deal
360 Albert Street	Central Business District	Undisclosed	14,573	New Deal

KEY SALES TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
1600 & 1630 Star Top Road	Sheffield / Michael	519719 Ontario Inc / His Majesty the King in right of Canada	307,207	$59,000,000 / $192
1525, 1545 & 1565 Carling Avenue	Ottawa West Dispersed	CR4 Carling Executive Park Inc / Carling Investments Inc	282,386	$53,000,000 / $188
415 Richmond Road	Ottawa West Dispersed	Berkley Westboro Commons Ltd Berkley Westboro Commons Limited Partnership / 1001474949 Ontario Inc	19,602*	$5,495,000 / N/A

*Land Area

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