

2025 closes on a positive quarter of net absorption despite availability uptick

▲ 4.9%
Availability Rate

▲ 152K
SF Net Absorption

▼ 3.5M
SF Under Construction

▼ \$16.66
PSF Net Asking Rental Rate

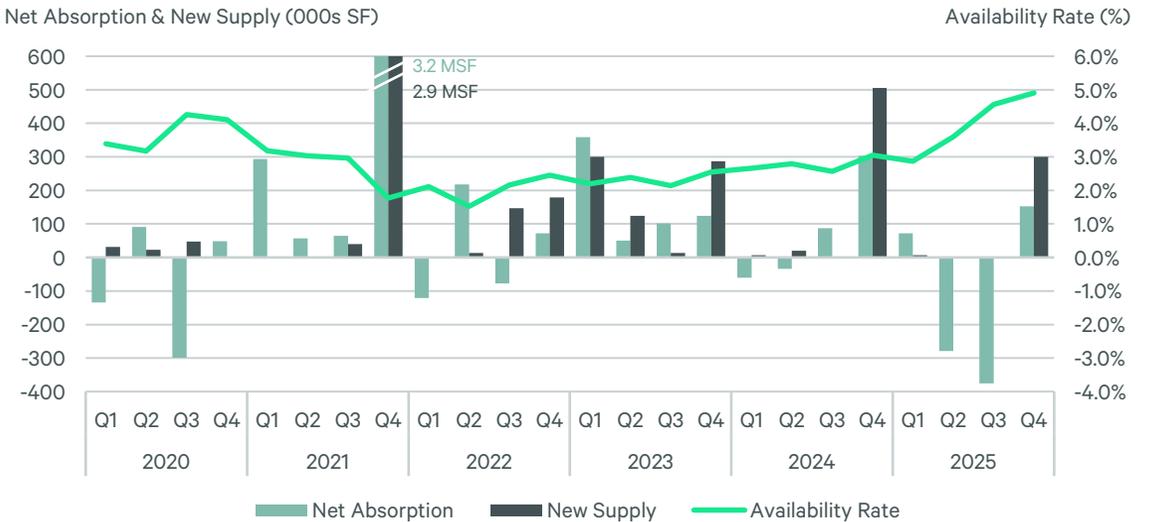
▼ \$323.16
PSF Average Asking Sale Price

Note: Arrows indicate change from previous quarter.

Market Summary

- In Q4 2025, the overall availability rate increased by 30 bps to 4.9%, driven upwards by the completion of Building D at the National Capital Business Park (NCBP) and introducing 76,000 sq. ft. of newly built industrial space to the market.
- Despite this, Ottawa recorded a positive net absorption of 152,000 sq. ft., driven primarily by the delivery of Distribution Stox’s pre-leased space at Building D in the NCBP and the Purolator’s new owner-occupied distribution facility this quarter. Net asking rents remained largely stable, posting a slight decline to \$16.66 per sq. ft. quarter-over-quarter.
- The construction pipeline remains active as a few owner-occupiers have started projects to expand their existing footprint. Spec builds have been limited, with most developers only proceeding when they have secured some level of pre-leasing.
- Uncertainty regarding the Canada-U.S. trade relations continue to be a relevant topic, although its impact on occupiers varies based on exposure to the tariffs. Relative to other industrial markets, Ottawa has shown resilience to the ongoing economic uncertainty due to its comparatively low reliance on tariff-sensitive sectors.

FIGURE 1: Industrial Market Fundamentals
Net Absorption & New Supply (000s SF)



Source: CBRE Research, Q4 2025.

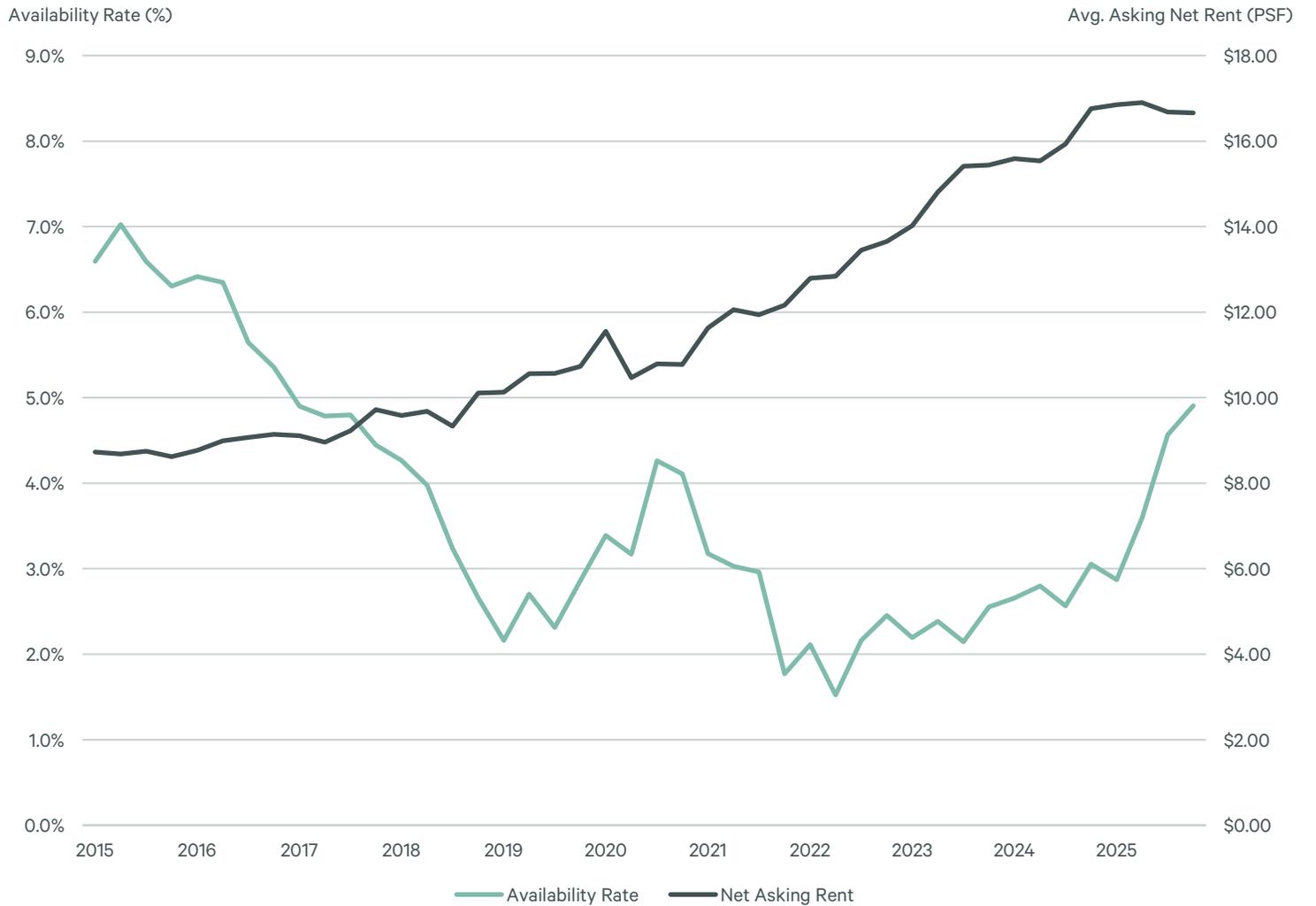
New industrial deliveries result in increased availabilities and positive net absorption

Closing out the year, the availability has increased by 30 bps from 4.6% to 4.9%. Available space in the market rose to 1.9 million sq. ft. due to an increase in direct vacancies and space for sale. This was mainly driven upwards by the completion of Building D at the National Capital Business Park (NCBP), introducing 76,000 sq. ft. of newly built industrial space to the market.

In spite of this, the market recorded a positive net absorption of 152,000 sq. ft., primarily due to Distribution Stox’s pre-leased space in the NCBP and Purolator’s new owner-occupied distribution facility being delivered this quarter. Excluding the effect of the new supply deliveries this quarter, the market observed a negative net absorption of 72,000 sq. ft. Net asking rents saw minimal change quarter-over-quarter, with a minor decrease to \$16.66 per sq. ft. this quarter.

Outside of the deliveries this quarter, the construction pipeline remains active as a few owner-occupiers have started new projects to expand their current footprint. Notable projects by owner occupiers include Amazon’s new distribution facility, the new Canadian North’s headquarters which abuts the Ottawa Airport, and Sunbelt Rental’s new equipment maintenance facility in the Deep West. Otherwise, most developers have continued to build on spec only if they have secured some level of pre-leasing, with only two active projects under construction being spec builds.

FIGURE 2: Historical Industrial Availability Rate and Net Asking Rent



Source: CBRE Research, Q4 2025.

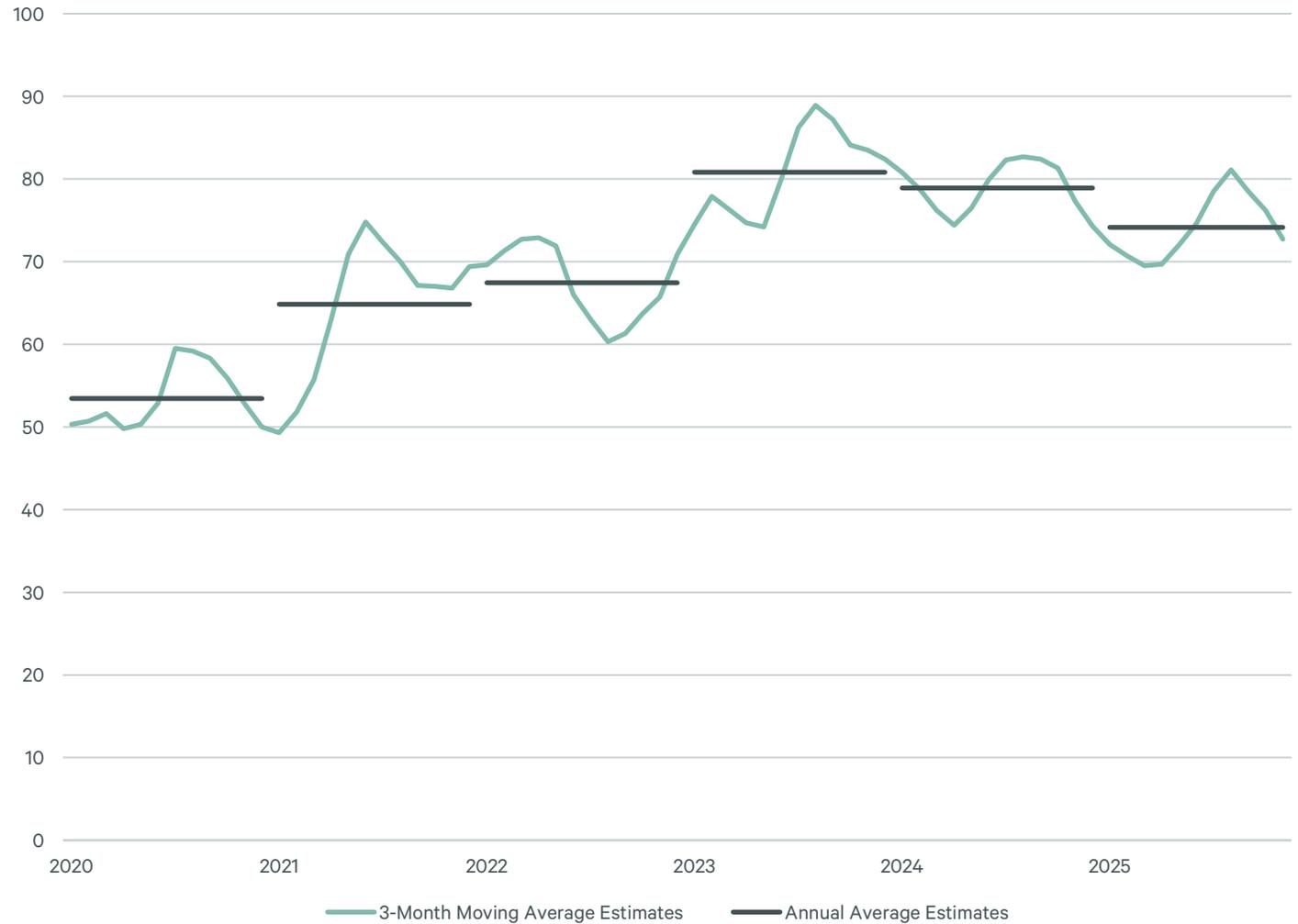
Market fundamentals remained resilient this year and is expected to persist into 2026

For the industrial market, 2025 was a year in which uncertainty seemed more prevalent than expected. Shifts in the economic and political landscape on a national and global level has led to more cautious decision-making among industrial tenants. Tariff uncertainty continues to be a relevant topic albeit to different degrees depending on occupier profile. Larger occupiers with less tariff exposure continue to be active in the market, maintaining operations and pursuing expansions while exercising prudence. Contrastingly, smaller occupiers facing greater exposure have needed to implement operational adjustments across their portfolios. While Ottawa’s industrial labor pool has generally been on the upwards trend since 2020, it experienced a slight decline in 2024 and 2025. Year-to-date, Ottawa recorded a negative net absorption of 430,000 sq. ft.

Despite this, when compared to other industrial markets, Ottawa has demonstrated resilience to the ongoing trade war, given its relatively low dependence on tariff-sensitive sectors. Sizeable industrial transactions continue to occur, although they may involve more complexity, time, or hesitancy. Furthermore, industrial owner-occupiers have continued to pursue construction projects to expand their footprint, showcasing their willingness to pursue growth and investment despite the broad uncertainty.

While availability has edged higher and tariff uncertainty remains a relevant concern, Ottawa’s industrial fundamentals remained stable and are expected to continue into 2026. CUSMA is set to be reviewed in mid-2026, setting the stage for potentially more clarity in the industrial market within the coming quarters.

FIGURE 3: Monthly Labor Estimates for Industrial Aggregate in Ottawa (Persons in Thousands)



Source: Statistics Canada, CBRE Research, Q4 2025.

Deep South

▲ 12.7% Availability Rate
 ▼ -12K SF Net Absorption
 ▲ 121K SF Under Construction
 ▼ \$14.81 PSF Net Asking Rental Rate

The Deep South observed a quarter-over-quarter increase in availability, going from 12.2% to 12.7%. Although 12,000 sq. ft. of negative net absorption was observed this quarter, the market has still ended 2025 with a year-to-date positive net absorption of 211,000 sq. ft. Minimal activity was recorded this quarter with the increase in availability attributed solely to some sale listings which appeared on the market. Average asking rents in the Deep South recorded a slight decrease to \$14.81 per sq. ft. Notably this quarter, Verdun Windows and Doors have started construction on a new 121,000 sq. ft. industrial facility within the Vars Industrial Park.

Cornwall Region

▲ 7.0% Availability Rate
 ▼ -412K SF Net Absorption
 ▶ 0 SF Under Construction
 ▼ \$8.68 PSF Net Asking Rental Rate

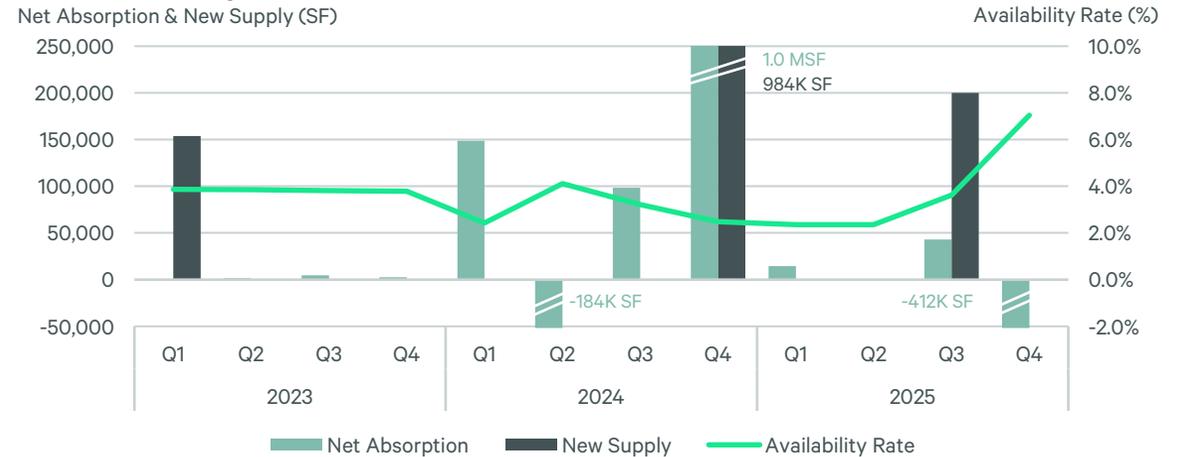
The Cornwall Region saw a significant uptick in quarter-over-quarter availability by 340 bps from 3.6% to 7.0%. This increase corresponds to a negative net absorption of 412,000 sq. ft., ending 2025 with a year-to-date negative net absorption of 355,000 sq. ft. The availability rate was driven upwards in large part by a new 492,000 sq. ft. sublisting at 3305 Loyalist Street, which was the facility for [Ridgewood Industries before they decided to shut down operations](#). Nonetheless, the negative net absorption was partially offset by a significant lease transaction of 133,000 sq. ft. at 700 Wallrich Avenue. Average asking rents in the Cornwall Region observed a quarter-over-quarter decrease from \$9.13 per sq. ft. to \$8.68 per sq. ft.

FIGURE 4: Deep South Market Fundamentals



Source: CBRE Research, Q4 2025.

FIGURE 5: Cornwall Region Market Fundamentals



Source: CBRE Research, Q4 2025.

FIGURE 6: Notable Industrial Projects Under Construction

Size (SF)	Address	Property Name	Market
3,100,000	99 Bill Leatham Drive / 2 Leikin Drive	Amazon Fulfillment Centre	Barrhaven
121,000	800 Burton Road	Verdun Windows and Doors Warehouse	Deep South
56,000	145 Thad Johnson Private	Canadian North Headquarters	Hunt Club/Walkley

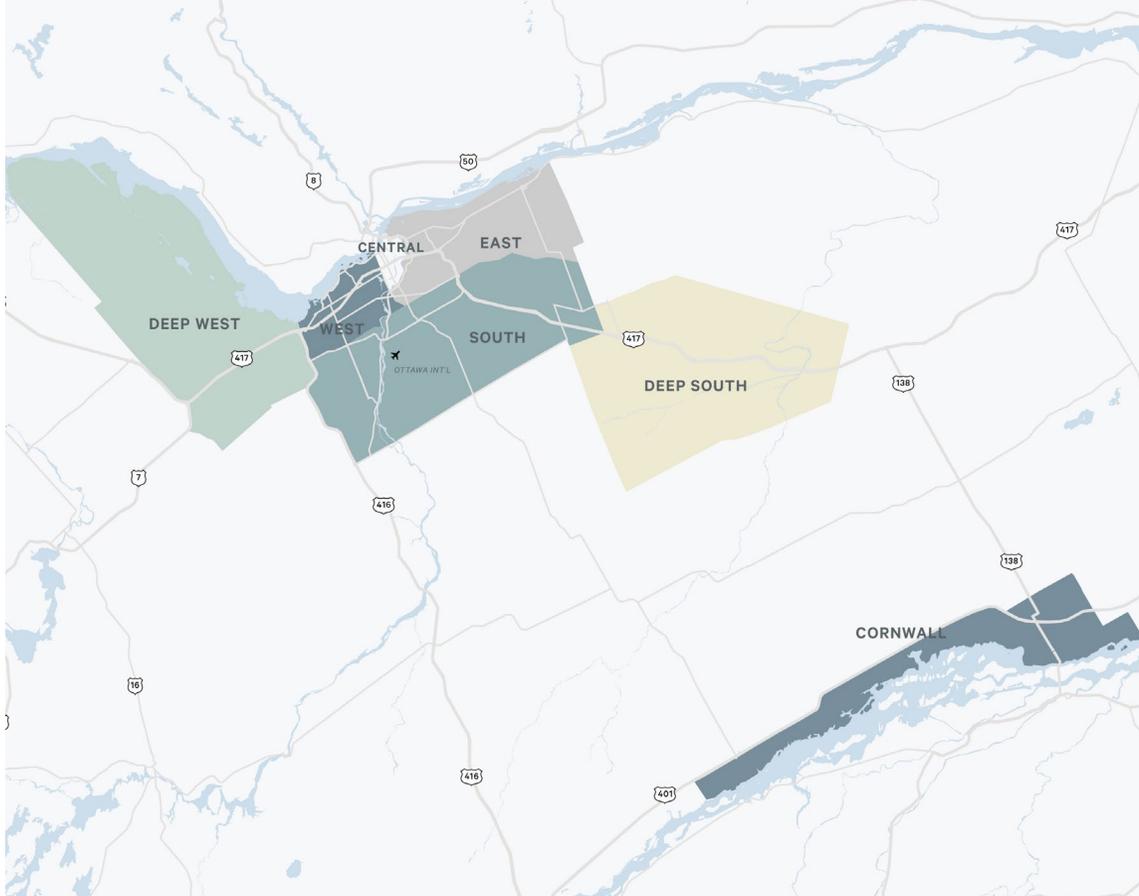
Source: CBRE Research, Q4 2025.

FIGURE 7: Q4 2025 Industrial Market Statistics

Submarket	Inventory (SF)	Availability Rate (%)	Vacancy Rate (%)	Space for Sale (SF)	Space for Lease (SF)	Sublease Space (SF)	Net Absorption (SF)	New Supply (SF)	Under Construction (SF)	Avg. Net Asking Rent (PSF)	Avg. TMI (PSF)
South	16,825,836	3.9%	2.5%	44,965	425,886	178,964	141,249	202,642	3,359,659	\$16.96	\$6.21
East	14,103,777	5.5%	4.0%	152,569	562,390	58,530	-66,848	0	0	\$16.06	\$7.02
West	1,806,429	1.9%	1.7%	0	31,194	3,200	-15,801	0	0	\$15.17	\$7.74
Deep West	6,230,116	7.3%	4.1%	126,294	255,421	72,354	93,744	97,026	94,522	\$17.38	\$5.70
TOTAL	38,966,158	4.9%	3.3%	323,828	1,274,891	313,048	152,344	299,668	3,454,181	\$16.66	\$6.44
Deep South	2,557,033	12.7%	11.2%	36,615	287,099	0	-11,691	0	121,226	\$14.81	\$4.47
Cornwall Region	12,045,140	7.0%	2.3%	0	280,556	567,736	-412,243	0	0	\$8.68	\$3.74

Source: CBRE Research, Q4 2025.

Market Area Overview



Survey Criteria

CBRE’s market report analyses industrial buildings of 5,000+ sq. ft. across the Ottawa market. CBRE assembles all information through telephone conversations and listings received from owners and members of the commercial real estate brokerage community.

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