CBRE

Lack of viable space proves to be a challenge for new deals as availability dips

▼ 4.1%
Availability Rate

▼ 156K
SF Net Absorption

▼ 3.4M
SF Under Construction

▲ $16.71
PSF Net Asking Rental Rate

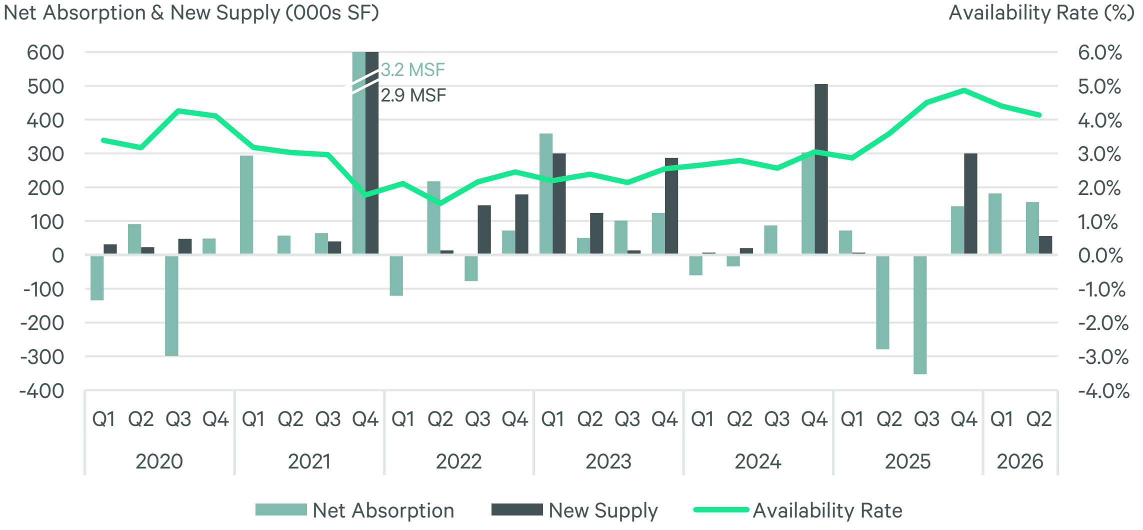
▼ $319.26
PSF Average Asking Sale Price

Note: Arrows indicate change from previous quarter.

Market Summary

- Ottawa's industrial market oversaw a continued decrease in availability rate, dropping 30 basis points (bps) from 4.4% to 4.1% and equating to 156,000 sq. ft. of positive net absorption. A significant portion of the space being taken off the market this quarter were owners choosing to retain their space rather than standard leasing activity.
- Finding viable space remained a challenge in Q2 2026 as more leasing activity continued, with many submarkets seeing availability rates below 1.0%. The shortage of space has resulted in net asking rents seeing an increase from $16.35 to $16.71 per sq. ft., returning to the similar levels seen at the end of 2025.
- The construction pipeline has seen some progress with the completion of the 57,000 sq. ft. facility at 145 Thad Johnson Private, serving as the Canadian North headquarters. Other projects currently underway are mostly design builds, with the lack of spec builds under construction putting a strain on the supply of leasable space.
- Recent government investments in sectors such as defense and AI could see an increase in demand for large-scale industrial spaces, particularly in tech hubs across the city.

FIGURE 1: Industrial Market Fundamentals



Source: CBRE Research, Q2 2026.

Availability drops as owners choose to retain space

Ottawa's industrial availability rate saw a moderate quarter-over-quarter decrease of 30 bps, dropping from 4.4% to 4.1% and equating to 156,000 sq. ft. of positive net absorption. A significant portion of the absorption was largely driven by owners choosing to retain their space rather than normal leasing activity, which can likely be attributed to the current lack of suitable alternatives.

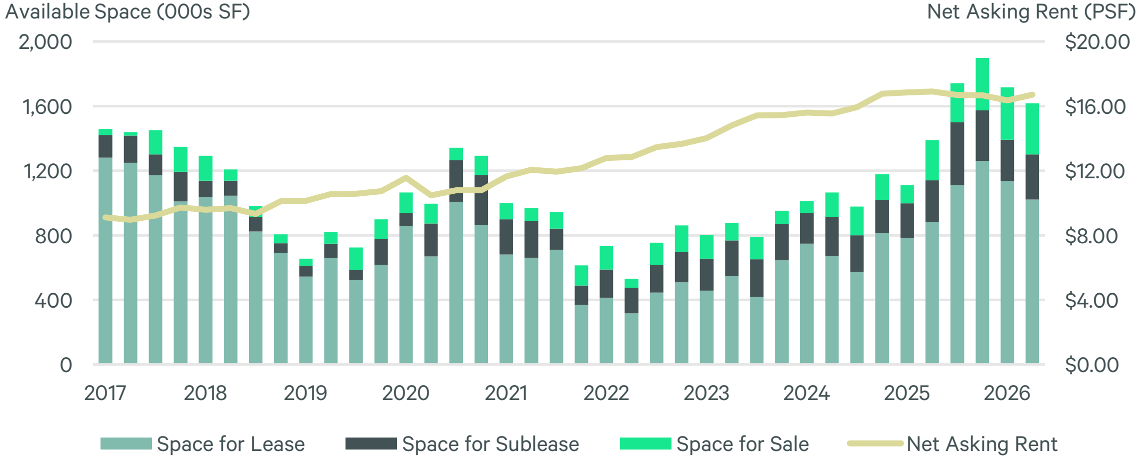
For businesses choosing to rent, the total available space for lease has been on the decline since its peak in Q4 2025. As such, net asking rents have seen a slow climb, raising by $0.36 to $16.71 per sq. ft this quarter. A notable vacancy this quarter includes Brytor International Moving vacating the 38,000 sq. ft. facility at 5499 Canotek Road.

The construction scene has seen some positive development with the completion of the 57,000 sq. ft. facility at 145 Thad Johnson Private, serving as the Canadian North headquarters adjacent to the Ottawa International Airport. Elevated construction costs have hampered the progress of new builds across Ottawa, with the lack of spec builds currently under construction constricting the incoming supply of viable space on the market. Many developers still await on the sideline to secure pre-leasing before committing to construction.

Vacant space beginning to concentrate into fewer submarkets

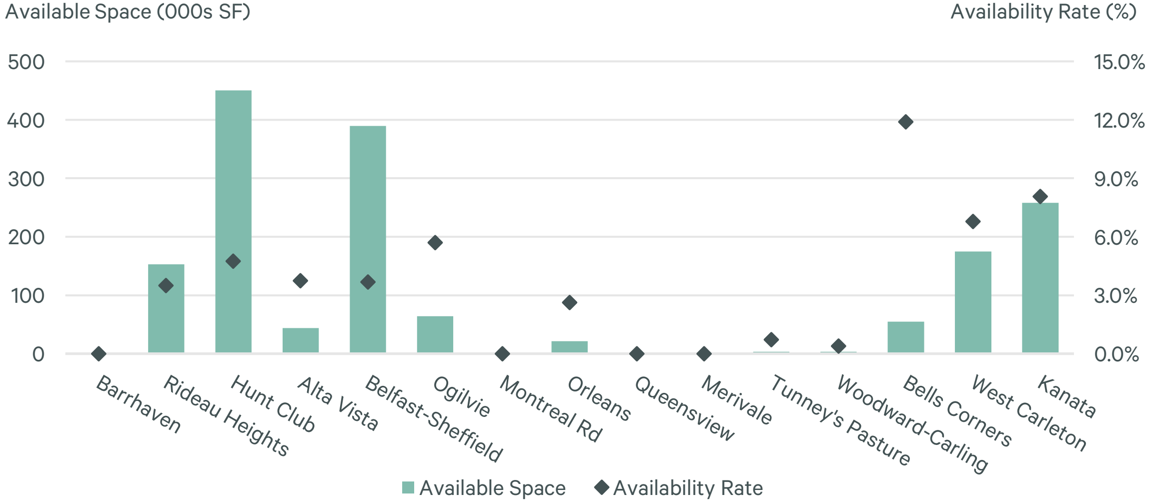
As 2026 continues, the further reduction of space has led to some submarkets having little to no space available on the market. Due to the removal of the 35,000 sq. ft. building at 2 Bill Leathem Drive from the market, Barrhaven has been the most recent submarket to hit 0.0% vacancy rate in Ottawa. Predictably, the largest amount of available space comes from the two largest submarkets of Belfast/Sheffield in the East and Hunt Club/Walkley in the South. On the other hand, the Deep West submarket has had relatively some of the highest availability rates, with the Bells Corners/Crystal Beach Submarket sitting at 11.9%.

FIGURE 2: Historical Availability Breakdown and Net Asking Rent



Source: CBRE Research, Q2 2026.

FIGURE 3: Available Space and Availability Rate by Submarket



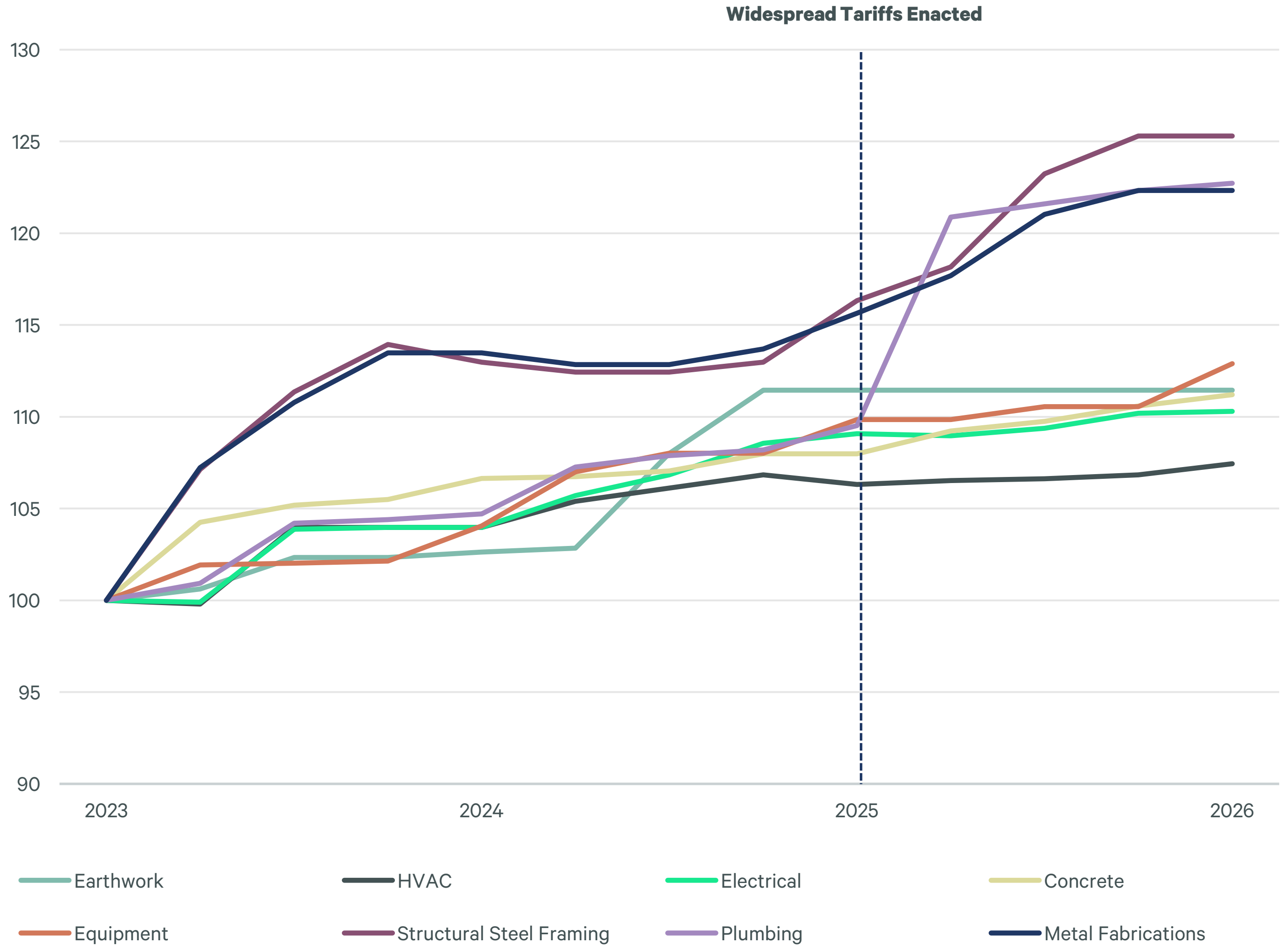
Source: CBRE Research, Q2 2026.

Elevated construction costs limiting supply of new builds amid CUSMA renegotiations

Headwinds surrounding tariffs have had a significant impact on the construction pipeline since the start of 2025. The subsequent uncertainly and supply chain disruptions caused by widespread tariffs have significantly increased construction costs for various sectors pivotal to spec build developers. Many industries have remained resilient to the impact of tariffs, largely due to the protections in CUSMA. However, in sectors that rely on products containing aluminum and other metals, such as copper and iron, the tariffs have caused industrial occupiers and developers to feel more uncertain in their business outlook. As a result, Ottawa's construction sector has been bottlenecked as the demand for new space has outweighed the current supply on the market.

With CUSMA renegotiations underway, both industrial owners and occupiers are hoping for a solution that encourages the development of new projects, promoting growth in a rapidly expanding industrial market in Ottawa. Although CUSMA is currently set to expire in 2036, joint reviews are held every year until its expiry should any country not agree to an extension.

FIGURE 4: Index for Various Costs Related to Construction for Industrial Buildings in the Ottawa Region (Q1 2023 = 100)



Source: Statistics Canada, CBRE Research, March 2026.

Deep South

▲ 14.0% Availability Rate

▲ 6K SF Net Absorption

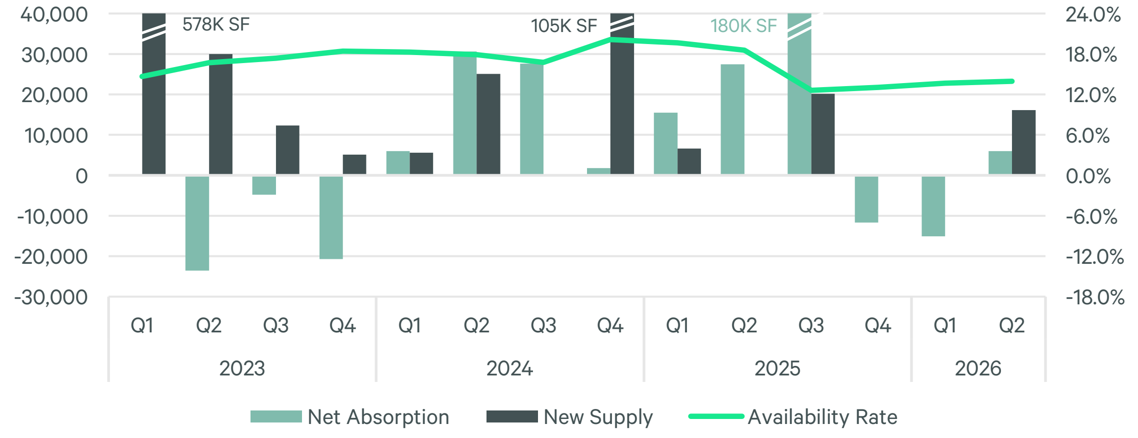
▲ 145K SF Under Construction

▶ $14.91 PSF Net Asking Rental Rate

The Deep South region saw notable activity as the availability rate experienced a quarter-over-quarter increase of 30 bps, going from 13.7% to 14.0%. Driving the vacancy upwards was the 34,000 sq. ft. building at 240 Enterprise Street being listed for sale. Despite the availability uptick, the region observed 6,000 sq. ft. of positive net absorption with help from the newly-built 16,000 sq. ft. building at 124 Warehouse Street being fully owner-occupied. Net asking rents have seen ample stability, remaining unchanged from Q1 2026. Local construction has seen some activity, with a new 24,000 sq. ft. build being added to the ongoing pipeline.

FIGURE 5: Deep South Market Fundamentals

Net Absorption & New Supply (SF)



Source: CBRE Research, Q2 2026.

Cornwall Region

▲ 8.0% Availability Rate

▼ -140K SF Net Absorption

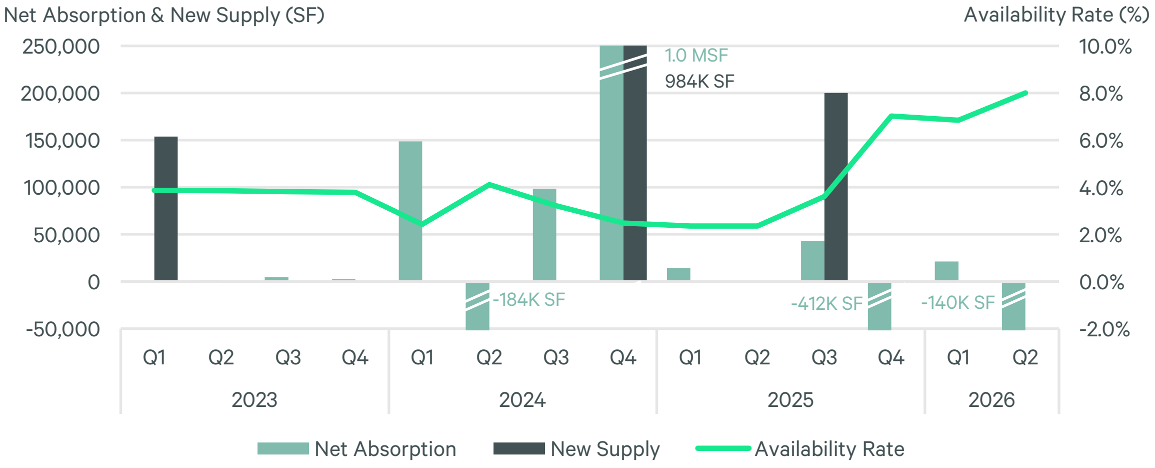
▶ 0 SF Under Construction

▲ $8.89 PSF Net Asking Rental Rate

Cornwall's industrial availability rate observed a quarter-over-quarter increase of 120 bps, rising from 6.8% to 8.0%. The availability rate can largely be attributed to 134,000 sq. ft. of space at 700 Wallrich Avenue coming onto the market. Net asking rents have seen a jump of $0.39 per sq. ft., going from $8.50 per sq. ft. to $8.89 per sq. ft., returning to similar levels seen during the latter half of 2025. The construction pipeline continues to remain empty as no new projects have begun in the region. However, preliminary site preparations have begun at Avenue 31's Camino Inland Port project located in Long Sault. No foundational work has been started, but this development promises to ultimately bring over 4.5 million sq. ft. of newly built industrial space to the market, significantly increasing the region's industrial footprint.

FIGURE 6: Cornwall Region Market Fundamentals

Net Absorption & New Supply (SF)



Source: CBRE Research, Q2 2026.

FIGURE 7: Notable Industrial Projects Under Construction

Size (SF)	Address	Property Name	Market
3,100,000	99 Bill Leathem Drive / 2 Leikin Drive	Amazon Fulfillment Centre	Barrhaven
121,000	800 Burton Road	Verdun Windows and Doors Warehouse	Deep South
48,000	151 Wescar Lane	Sunbelt Rentals	Goulbourn-West Carleton

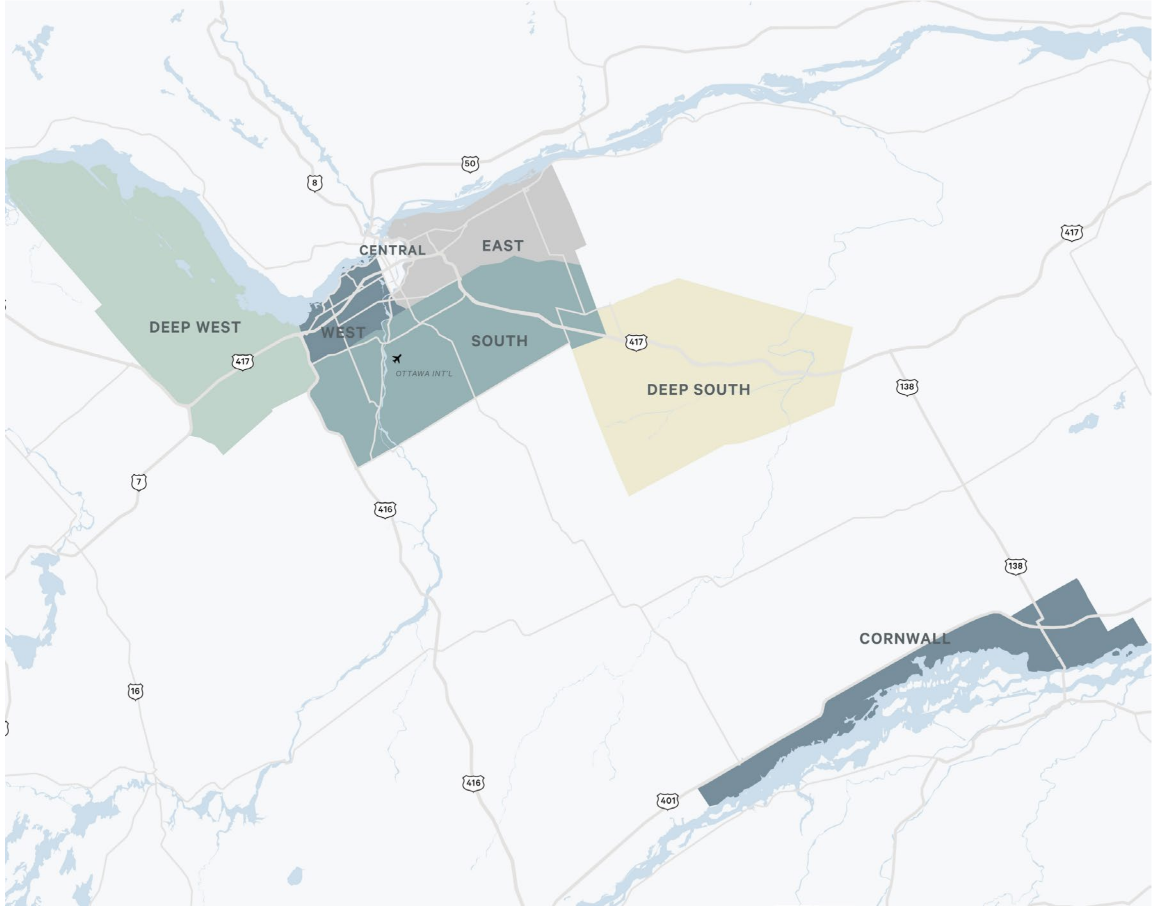
Source: CBRE Research, Q2 2026.

FIGURE 8: 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	16,895,989	3.6%	2.5%	6,150	429,217	167,949	130,939	56,295	3,326,311	$17.05	$6.95
East	14,124,865	3.7%	2.3%	154,225	324,002	41,037	43,903	0	0	$15.67	$6.94
West	1,806,429	0.4%	0.4%	0	6,439	0	5,757	0	0	$14.51	$8.87
Deep West	6,232,160	7.8%	4.2%	155,444	261,610	70,579	-24,467	0	110,840	$17.42	$5.01
TOTAL	**39,059,443**	**4.1%**	**2.6%**	**315,819**	**1,021,268**	**279,565**	**156,132**	**56,295**	**3,437,151**	**$16.71**	**$6.37**
Deep South	2,577,686	14.0%	11.0%	75,439	284,365	0	5,980	16,112	145,229	$14.91	$4.46
Cornwall	12,076,445	8.0%	3.2%	18,315	380,575	567,736	-139,597	0	0	$8.89	$2.46

Source: CBRE Research, Q2 2026.

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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