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National Market Snapshot

Q2 2021

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Q2 2021

Canada Office

Office | Industrial | Overview

Click the map markers or use the navigation bar below to find out more

	Market	Vacancy Rate	QoQ	Sublet as % of Vacancy	QoQ	Net Asking Rent (PSF)	QoQ
1	Victoria	7.3%	↑	7.1%	↑	$23.15	↑
2	Vancouver	6.5%	↑	31.4%	↓	$29.04	↑
3	Edmonton	18.8%	↑	15.6%	↑	$16.63	↑
4	Calgary	28.6%	↑	23.6%	↓	$14.16	↑
5	Saskatoon	18.7%	↑	5.5%	↓	$20.84	↓
6	Regina	17.3%	↑	3.2%	↓	$15.39	↓
7	Winnipeg	13.3%	↑	4.9%	↓	$14.33	↑
8	Waterloo	16.2%	↑	20.1%	↑	$15.11	↑
9	Toronto	8.0%	↑	22.3%	↓	$23.31	↑
10	Ottawa	9.6%	↑	13.4%	↓	$17.13	↑
11	Montréal	12.3%	↑	16.9%	↓	$17.83	↑
12	Halifax	14.4%	↓	3.5%	↔	$15.30	↓

Q2 2021

Canada Industrial

Office | **Industrial** | Overview

Click the map markers or use the navigation bar below to find out more

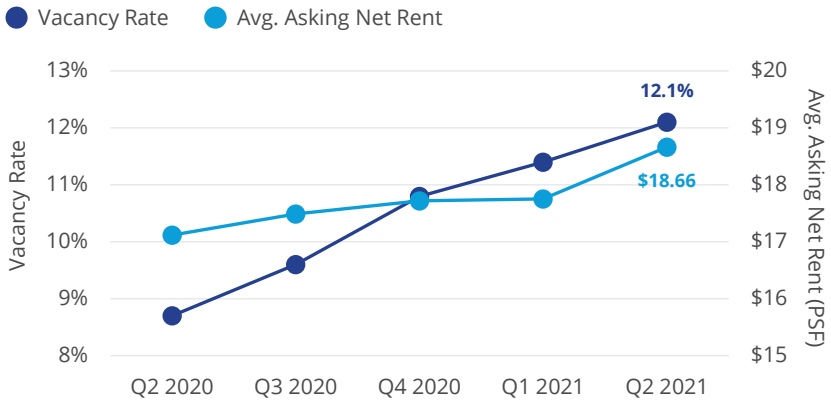
	Market	Vacancy Rate	QoQ	Sublet as % of Vacancy	QoQ	Net Asking Rent (PSF)	QoQ
1	Victoria	0.4%	↓	0.0%	↔	$15.65	↑
2	Vancouver	0.7%	↓	16.0%	↓	$14.88	↑
3	Edmonton	6.6%	↓	7.8%	↑	$9.52	↔
4	Calgary	5.1%	↓	16.2%	↑	$9.67	↑
5	Saskatoon	3.5%	↓	0.8%	↓	$11.59	↑
6	Regina	3.1%	↓	2.7%	↓	$10.65	↑
7	Winnipeg	3.4%	↓	7.8%	↑	$7.85	↑
8	Waterloo	1.6%	↓	20.1%	↑	$7.06	↑
9	Toronto	0.4%	↓	9.7%	↑	$11.33	↑
10	Ottawa	1.2%	↓	21.0%	↑	$11.41	↑
11	Montréal	1.1%	↓	2.3%	↓	$8.31	↑
12	Halifax	3.1%	↓	4.7%	↑	$9.32	↑

Q2 2021

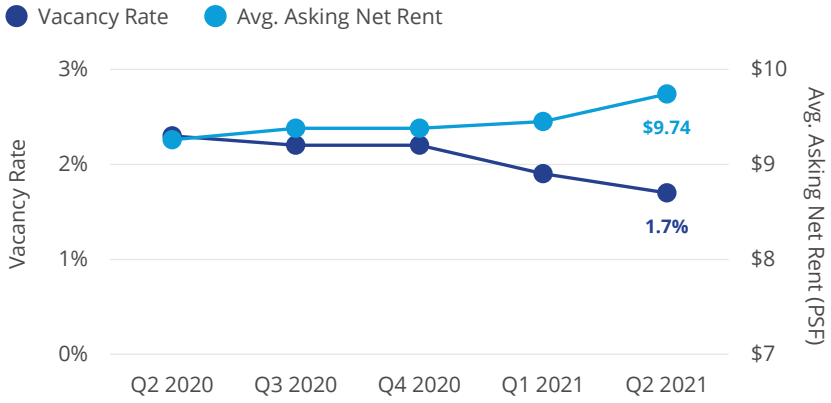
Canada Overview

Office | Industrial | **Overview**

Office Fundamentals



Industrial Fundamentals



Key Findings

- Most of Canada only recently began to reopen as lockdowns began to ease in the second half of Q2 2021. This and the vaccine rollout have resulted in optimism and have begun to reduce some of the uncertainty surrounding the return to the office. Most tenants and employees are still unsure of how things will look six months from now, however, most are touting a hybrid strategy, splitting time between home and the office. As a result, an increasing number of sublet offerings are being removed as tenants decide to keep their space on the anticipating they will need it later this year.

- Although net asking office rents continue to hold firm, as landlords prefer to negotiate on a net effective basis, the continued introduction of high quality and higher-priced space means that average rents increase in Q2 2021. This was compounded by a greater increase in downtown vacancy, which is now higher than suburban vacancy.

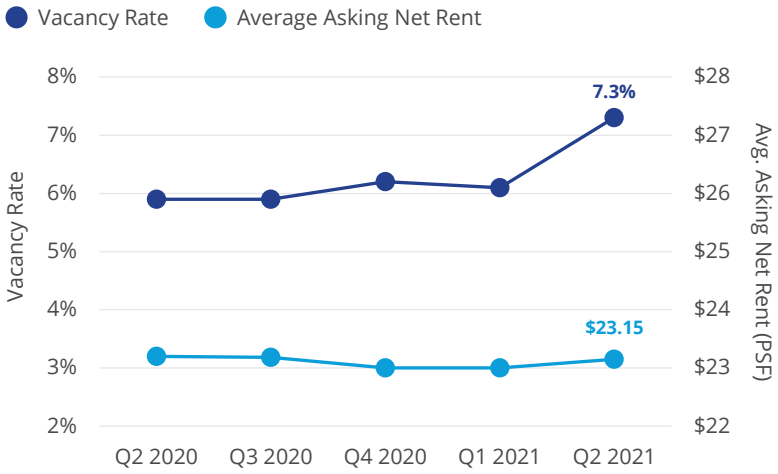
- Industrial markets across the country continue to experience strong demand. As a result, net absorption remains incredibly strong, vacancy rates are falling to unimaginable levels, and strong upward pressure persists on rents, sale prices and land prices. Industrial development activity remains strong, however, due to a shortage of available land and labour, it will be unlikely that developers will be able to keep pace with demand, resulting in a shortfall of industrial space for years to come.

Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	12.2%	↑	11.9%	↑	12.1%	↑	1.7%	↓
Total Vacancy (SF)	39,704,657	↑	36,789,610	↑	76,494,267	↑	33,182,963	↓
Direct Vacancy (SF)	30,743,641	↑	30,649,148	↑	61,392,789	↑	29,887,252	↓
Sublet Vacancy (SF)	8,961,016	↑	6,140,462	↓	15,101,478	↑	3,295,711	↑
Industrial Availability Rate	-		-		-		2.3%	↓
Industrial Available Space (SF)	-		-		-		45,234,181	↓
Avg. Asking Net Rent (PSF)	$18.64	↑	$16.88	↑	$18.66	↑	$9.74	↑
Net Absorption (SF)	-1,340,399	↑	-291,531	↑	-1,691,930	↑	12,843,495	↑
Net Absorption (SF) - YTD	-4,450,406		-2,909,794		-7,360,200		21,207,852	
New Supply (SF)	1,636,155	↑	824,182	↑	2,460,337	↑	10,156,576	↑
New Supply (SF) – YTD	1,693,621		1,499,424		3,193,045		13,806,927	
Under Construction (SF)	14,513,582	↑	6,228,461	↑	20,742,043	↑	26,502,853	↓

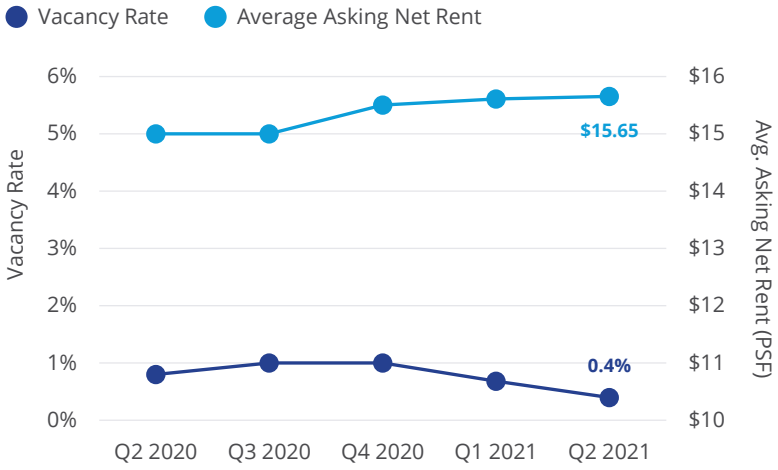
Q2 2021

Victoria Market

Office Fundamentals



Industrial Fundamentals



Key Findings

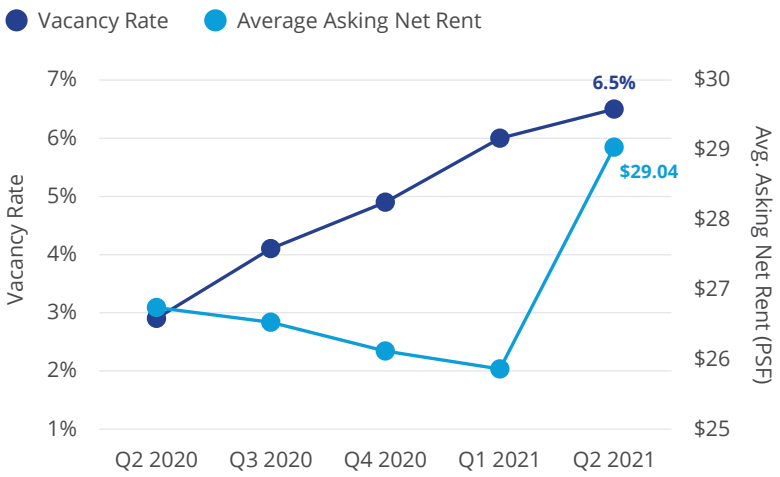
- Office vacancy across the Greater Victoria Area continued to increase as a result of both rising direct and sublet space. Downtown vacancy increased by 70 basis points (bps) quarter-over-quarter (QoQ) to 8%, while the suburbs saw a 170 bps increase to 6.2%. Despite rising vacancy, average net asking rents increased across the market, up $0.15 PSF QoQ to $23.15 PSF in Q2 2021.
- COVID-19 vaccinations and decreasing case numbers have created more certainty surrounding the return to office plan for many tenants, which will have a significant impact on the local market. Victoria could see a return to normalcy in the marketplace as early as the fall of 2021.
- The Greater Victoria industrial market remains incredibly competitive with vacancy levels remaining under 0.5%. With vacancy so tight, this has continued to put upward pressure on the average net asking rental rates, which are already the most expensive among markets tracked in Canada and continued to increase in Q2 2021.
- The lack of available space has resulted in increased development activity and plans. All of the Capital Regional District, with over 3,000,000 SF of inventory, is either planned, approved or under construction now.

Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	8.0%	↑	6.2%	↑	7.3%	↑	0.4%	↓
Total Vacancy (SF)	405,049	↑	236,981	↑	642,030	↑	35,932	↑
Direct Vacancy (SF)	377,438	↑	219,185	↑	596,623	↑	35,932	↑
Sublet Vacancy (SF)	27,611	↑	17,796	↑	45,407	↑	-	↔
Industrial Availability Rate	-		-		-		0.4%	↓
Industrial Available Space (SF)	-		-		-		35,932	↓
Avg. Asking Net Rent (PSF)	$24.92	↑	$22.17	↑	$23.15	↑	$15.65	↑
Net Absorption (SF)	-46,378	↓	-67,413	↓	-113,791	↓	51,044	↑
Net Absorption (SF) - YTD	-55,212		-46,940		-102,152		82,561	
New Supply (SF)	0	↔	0	↔	0	↔	24,066	↑
New Supply (SF) – YTD	0		0		0		27,666	
Under Construction (SF)	16,500	↔	257,971	↑	274,471	↑	100,000	↔

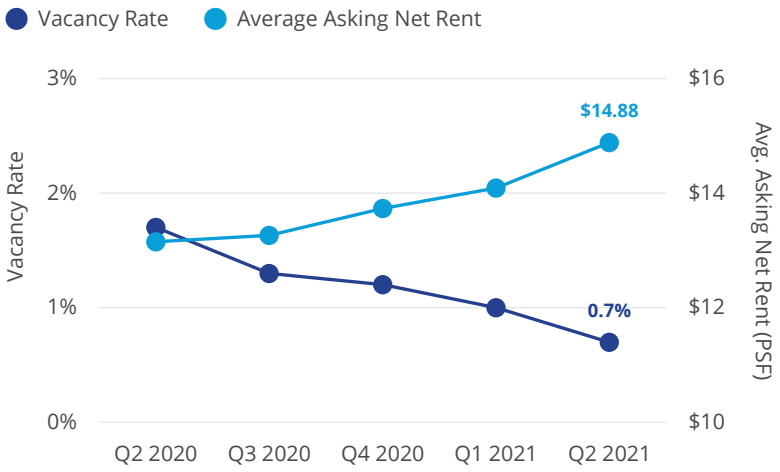
Q2 2021

Vancouver Market

Office Fundamentals



Industrial Fundamentals



Key Findings

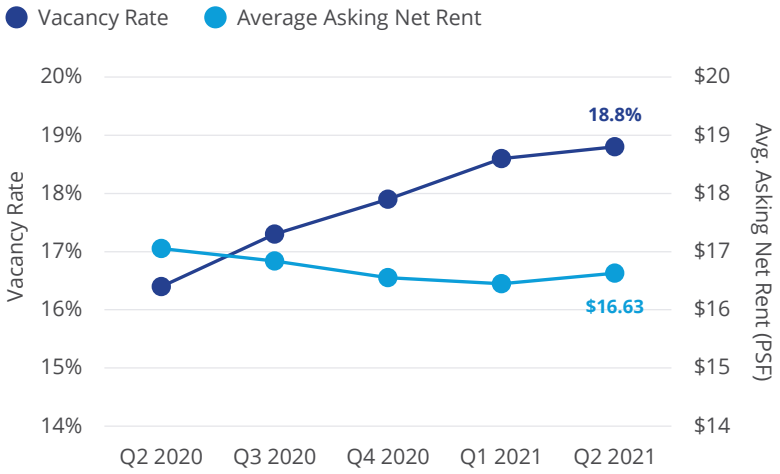
- Although asking net rents in the Greater Vancouver Area office market continue to hold firm, the continued introduction of high quality and higher-priced space means that the average continued to increase in Q2 2021. This was compounded by rising downtown vacancy and falling suburban vacancy. As such, net asking rents increased by 12%, even though vacancy increased from 6.0% to 6.5% QoQ.
- In Q2 2021 the GVA saw the delivery of just over 230,000 SF of Class A space, while both AAA/A classes continue to lead the way with the lowest vacancy rates as a result of a flight to quality and continued strong demand for good AAA/A space. Sublease space continues to make up around 30% of all available space.
- Industrial vacancy in the GVA is at a new all-time low while net rents hit an all-time high for the second consecutive quarter. Constrained land supply in the GVA coupled with strong demand is pushing new benchmarks for industrial land pricing.
- GVA industrial deal activity remained strong as this sector is highly sought after due to strong tailwinds from e-commerce and the ripple effect of reduced space in the market overall. Cap rates are being compressed due to the strong demand, but the GVA is still attractive to investors due to the high liquidity in the market and the prospect of future rent increases and appreciation in value.

Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	7.3%	↑	5.8%	↓	6.5%	↑	0.7%	↓
Total Vacancy (SF)	2,307,238	↑	2,376,938	↓	4,684,176	↑	1,425,754	↓
Direct Vacancy (SF)	1,435,169	↑	1,777,806	↑	3,212,975	↑	1,197,535	↓
Sublet Vacancy (SF)	872,069	↑	599,132	↓	1,471,201	↓	228,219	↑
Industrial Availability Rate	-		-		-			↓
Industrial Available Space (SF)	-		-		-			↓
Avg. Asking Net Rent (PSF)	$33.59	↑	$22.89	↑	$29.04	↑	$14.88	↑
Net Absorption (SF)	-303,067	↑	224,847	↑	-78,220	↑	1,207,222	↑
Net Absorption (SF) - YTD	-633,017		-68,222		-701239		2,165,910	
New Supply (SF)	27,717	↓	207,140	↑	234,857	↑	1,006,103	↑
New Supply (SF) – YTD	69,183		388,140		457,323		1,494,394	
Under Construction (SF)	3,899,955	↓	1,852,167	↑	5,752,122	↓	5,320,185	↑

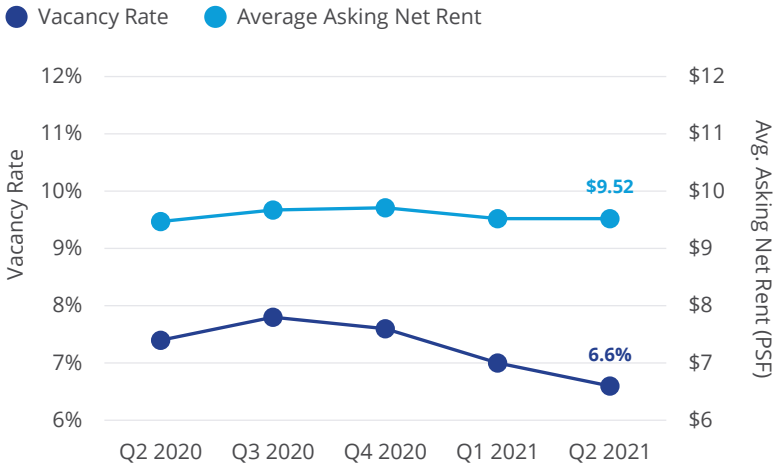
Q2 2021

Edmonton Market

Office Fundamentals



Industrial Fundamentals



Key Findings

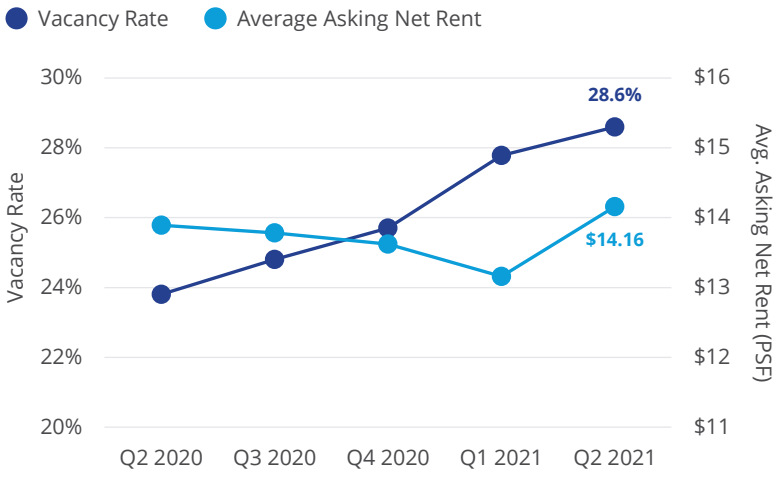
- The Edmonton office market reported negative net absorption of -41,935 SF in Q2 2021. Despite still being negative, it is significantly better than the past three quarters, all of which reported over -200,000 SF of negative net absorption. As such, the velocity of increasing vacancy rates has decreased dramatically.
- The number of sublease spaces added to the market was down significantly in Q2 2021, with less than five new subleases coming available during the quarter, and only one of these being over 10,000 SF (39,000 SF newly available at West Campus in the West End district).
- Industrial leasing activity in the Greater Edmonton Area remained strong throughout Q2 2021. Many large deals have been completed throughout the region, specifically in the Leduc / Nisku, Northwest, and Southeast submarkets. This has resulted in positive absorption for the fourth consecutive quarter.
- There is currently over 4.1 million SF of industrial space under construction in the Greater Edmonton Area, with the new Amazon Sortation Facility in Acheson accounting for 2.9 million SF of this total. This new facility demonstrates the impact that e-commerce is having on demand for Edmonton industrial space.

Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	17.2%	↑	21.3%	↑	18.8%	↑	6.6%	↓
Total Vacancy (SF)	3,160,596	↑	2,500,109	↑	5,660,705	↑	10,394,074	↓
Direct Vacancy (SF)	2,690,265	↑	2,085,334	↓	4,775,599	↑	9,579,517	↓
Sublet Vacancy (SF)	470,331	↓	414,775	↑	885,106	↑	814,557	↑
Industrial Availability Rate	-		-		-		9.5%	↑
Industrial Available Space (SF)	-		-		-		14,979,960	↑
Avg. Asking Net Rent (PSF)	$17.23	↑	$16.03	↓	$16.63	↑	$9.52	↔
Net Absorption (SF)	-22,488	↓	-19,447	↑	-41,935	↑	545,344	↓
Net Absorption (SF) - YTD	18,756		-264,929		-246,173		1,619,428	
New Supply (SF)	0	↔	0	↔	0	↔	15,500	↓
New Supply (SF) – YTD	0		0		0		606,429	
Under Construction (SF)	0	↔	30,000	↑	30,000	↑	4,157,967	↑

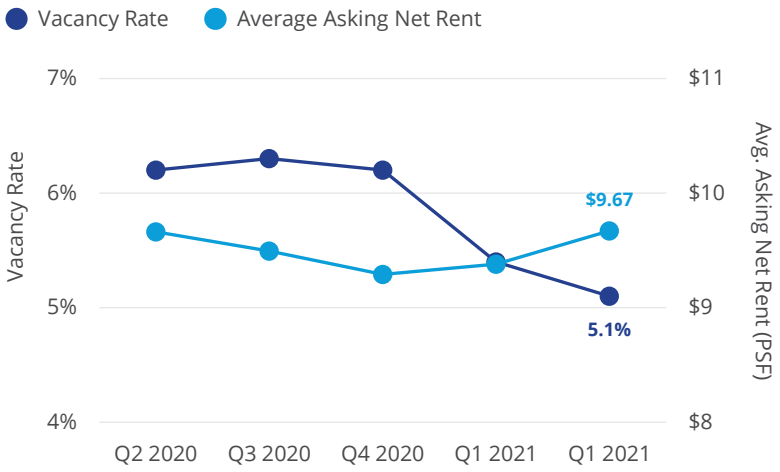
Q2 2021

Calgary Market

Office Fundamentals



Industrial Fundamentals



Key Findings

- The expansion of the tech industry in Calgary continues as more major tech companies such as Mphasis and mCloud commit to establishing their Canadian headquarters in the Calgary office market. Confidence in the tech sector also continues to grow with just under half the annual record for VC investment of $455 million in 2020 being achieved already in 2021 ($219 million).

- Organizations are beginning to focus on the intangible values an office brings, such as common areas, amenities, and overall workplace design, to entice employees back to the office. As such, some are willing to spend more to achieve this differentiation and are including employee engagement results in their buildouts / renovations. The physical location of spaces has become secondary to the benefits a specific office space can provide to an organization in many cases..

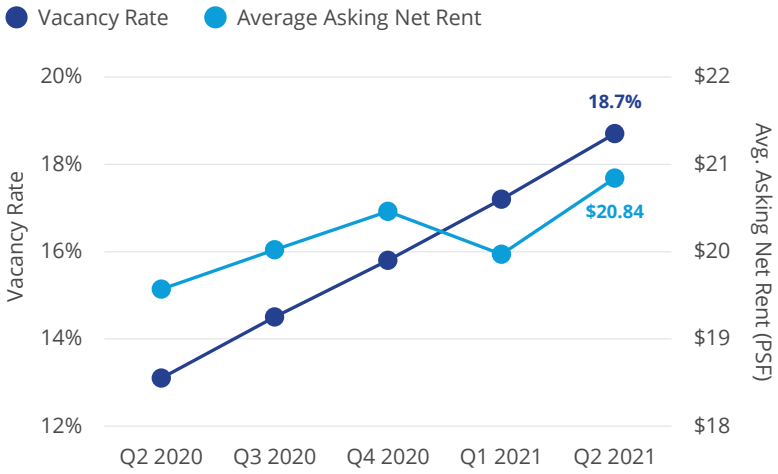
- On the industrial side, there has been an increase in land sales in Calgary and the surrounding markets as demand for large-format distribution space remains strong. Vacancy in the industrial market is trending downwards, which has put upward pressure on market net asking rental rates. However, this trend is expected to stabilize in the second half of 2021.

Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	32.1%	↑	23.2%	↑	28.6%	↑	5.1%	↓
Total Vacancy (SF)	14,146,589	↑	6,602,369	↑	20,748,958	↑	7,783,324	↓
Direct Vacancy (SF)	10,591,488	↑	5,256,110	↑	15,847,598	↑	6,524,147	↓
Sublet Vacancy (SF)	3,555,101	↑	1,346,259	↓	4,901,360	↑	1,259,177	↑
Industrial Availability Rate	-		-		-		9.0%	↓
Industrial Available Space (SF)	-		-		-		13,699,151	↓
Avg. Asking Net Rent (PSF)	$11.87	↑	$17.66	↑	$14.16	↑	$9.67	↑
Net Absorption (SF)	-386,393	↑	-177,143	↑	-563,536	↑	663,801	↓
Net Absorption (SF) - YTD	-1,701,873		-376,019		-2,077,892		2,117,656	
New Supply (SF)	0	↔	0	↓	0	↓	1,230,000	↑
New Supply (SF) – YTD	0		88,000		88,000		1,332,440	
Under Construction (SF)	0	↔	997,542	↔	997,542	↔	1,655,136	↓

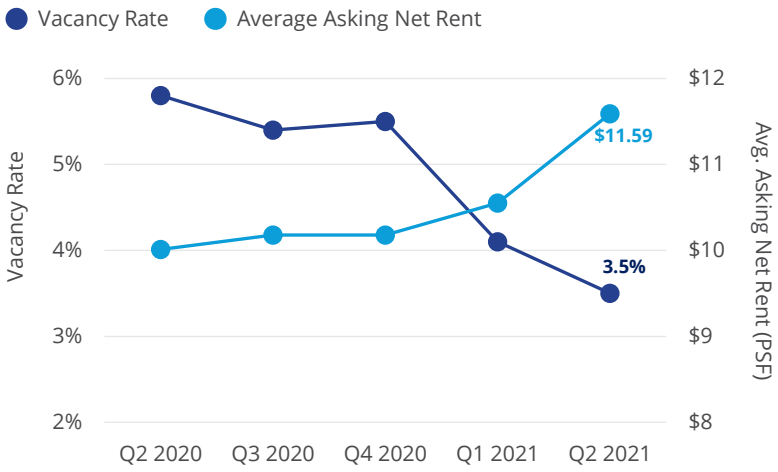
Q2 2021

Saskatoon Market

Office Fundamentals



Industrial Fundamentals



Key Findings

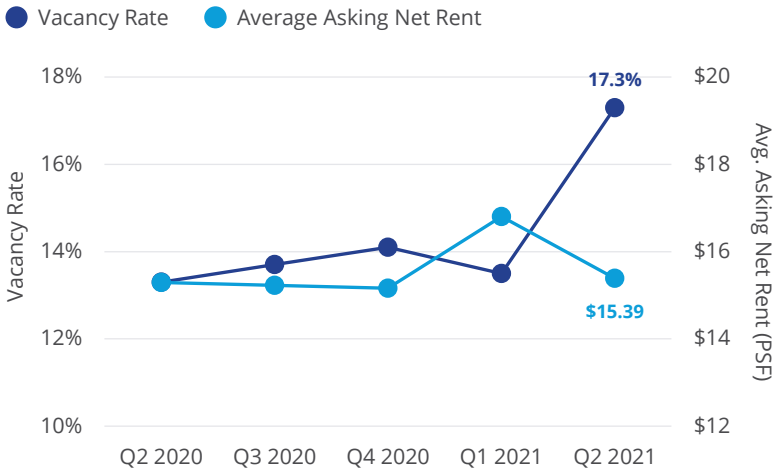
- Downtown office vacancy continues to rise from 17.2% to 22.7% from the previous quarter, while the suburban office market sees a modest decrease in vacancy from 13.2% to 12.7%. The downtown net average asking rent decreased slightly from $19.97 PSF to $19.64 PSF.
- Movement in the market overall is lateral with tenants seizing the opportunity to upgrade from existing space in the downtown business district to more desirable locations in either the suburban or downtown office market. The suburban office market, with its updated options and free parking advantages, remains an attractive option to tenants.
- The industrial market remains competitive yet relatively stable with a modest decrease in vacancy from 4.1% to 3.5% from the previous quarter while average net asking rent rose from $10.55 PSF to $11.59 PSF.
- In the first quarter of 2021, there is ample available land ready for development but with little construction occurring. Developers continue to experience supply challenges with both the cost of building materials rising and delivery times increasing.

Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	22.7%	↑	12.7%	↓	18.7%	↑	3.5%	↓
Total Vacancy (SF)	727,756	↑	396,246	↓	1,124,002	↑	844,938	↓
Direct Vacancy (SF)	680,188	↑	381,632	↓	1,061,820	↑	837,928	↓
Sublet Vacancy (SF)	47,568	↓	14,614	↑	62,182	↓	7,010	↓
Industrial Availability Rate	-		-		-		-	
Industrial Available Space (SF)	-		-		-		-	
Avg. Asking Net Rent (PSF)	$19.64	↓	$22.18	↑	$20.84	↓	$11.59	↑
Net Absorption (SF)	-113,253	↓	52,873	↑	-60,380	↑	173,791	↓
Net Absorption (SF) - YTD	-176,524		13,778		-162,746		427,465	
New Supply (SF)	0	↔	0	↔	0	↔	0	↔
New Supply (SF) – YTD	0		0		0		0	
Under Construction (SF)	206,828	↓	39,490	↑	246,318	↓	90,200	↑

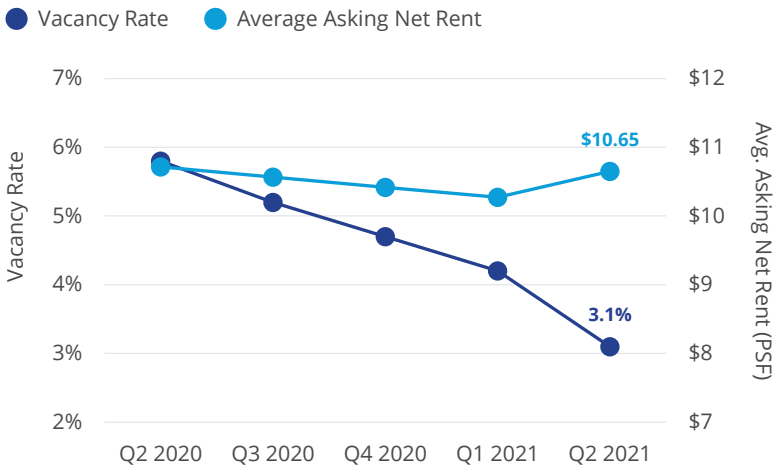
Q2 2021

Regina Market

Office Fundamentals



Industrial Fundamentals



Key Findings

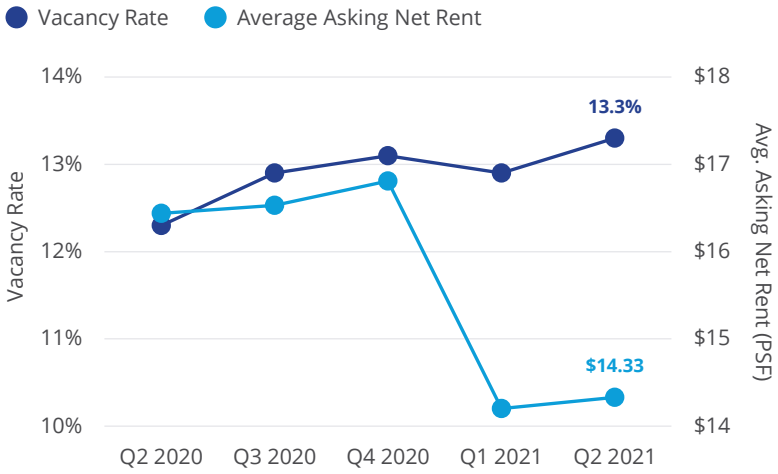
- Regina's office vacancy rates continued to trend upward, reaching just over 17% in Q2 2021. As a result, average net asking rental rates have dropped in an effort to bring in and keep tenants.
- The great debate on what the future of office looks like continues; although it appears many will return to the office, how that will look for many companies is still being determined. Any potential for speculative office developments has effectively been put on hold while office tenants determine their office needs and landlords deal with the existing vacancies.
- Regina's industrial market remained steady in Q2 2021, with net asking rental rates up only slightly. However, vacancy continued to drop, reaching 3.1%. Many landlords are aiming to fill existing vacancy, however, there were big agriculture projects announced to meet rising demand. There is heavy traffic in the industrial market with demand in this asset class picking up.
- It is expected that business parks in and around Regina will start filling up in the next couple of years, with strong existing demand from the warehousing and manufacturing sectors being the most likely suitors for these areas.

Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	17.7%	↑	15.6%	↑	17.3%	↑	3.1%	↓
Total Vacancy (SF)	803,461	↑	174,544	↑	978,005	↑	732,427	↓
Direct Vacancy (SF)	789,919	↑	157,138	↑	947,057	↑	712,427	↓
Sublet Vacancy (SF)	13,542	↓	17,406	↓	30,948	↓	20,000	↓
Industrial Availability Rate	-		-		-		-	
Industrial Available Space (SF)	-		-		-		-	
Avg. Asking Net Rent (PSF)	$15.35	↓	$15.53	↓	$15.39	↓	$10.65	↑
Net Absorption (SF)	-677,387	↓	430,505	↑	-246,882	↓	108,704	↓
Net Absorption (SF) - YTD	-658,909		442,669		-216,240		303,697	
New Supply (SF)	0	↔	0	↔	0	↔	0	↓
New Supply (SF) – YTD	0		0		0		56,970	
Under Construction (SF)	0	↔	0	↔	0	↔	36,475	↔

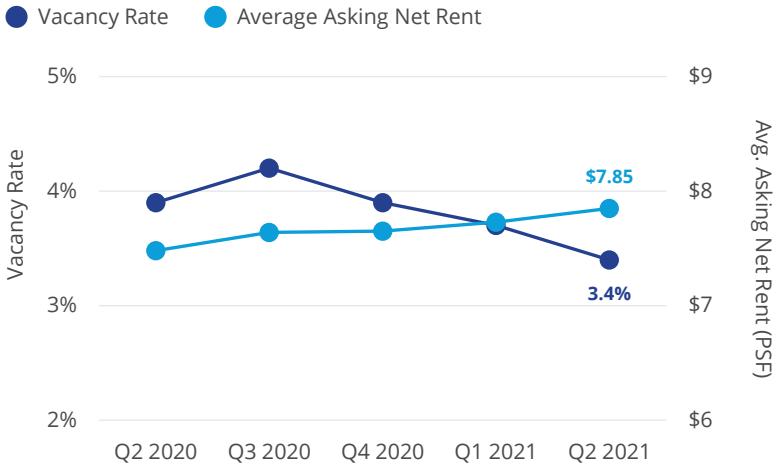
Q2 2021

Winnipeg Market

Office Fundamentals



Industrial Fundamentals



Key Findings

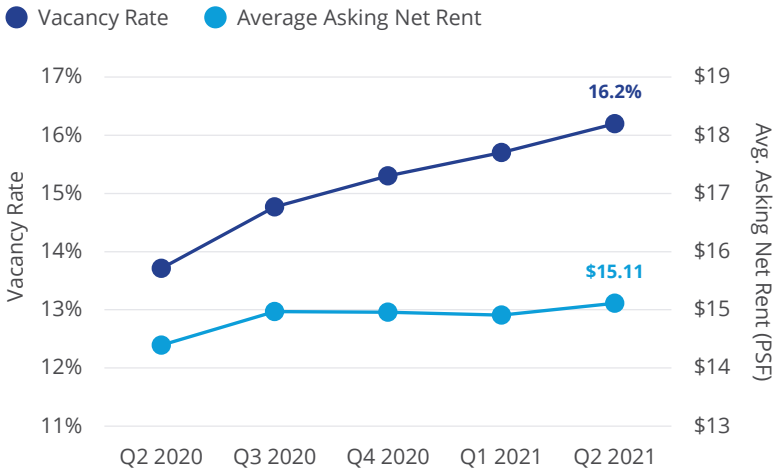
- As Manitoba slowly lifts its public health restrictions, tenant activity is increasing. Overall workplace strategy has been prioritized, with many analyzing requirements to look for efficiencies or workspace optimization for the reintegration of workforces back to the office.
- Winnipeg's Suburban vacancy rate continued to increase this quarter as more product came online. Adding to the complexity in the Suburban office market, asking rental rates are effectively equivalent to Downtown rates. This creates the dynamic for tenants to conduct a full market analysis versus sole sourcing in just one area of the city.
- The Winnipeg industrial market continues to experience high leasing and sales activity as a result of Winnipeg's diverse economic base. As a result, asking net rental rates continued the steady upward climb towards the $8.00 PSF mark.
- Demand for serviced industrial land and new construction has not been affected by the higher construction prices. St. Boniface Industrial Park in the East market has undergone some notable leasing activity, absorbing 150,000 SF over the last eight weeks of Q2 2021.

Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	13.5%	↓	12.6%	↑	13.3%	↑	3.4%	↓
Total Vacancy (SF)	1,639,957	↓	575,296	↑	2,215,253	↑	2,793,104	↓
Direct Vacancy (SF)	1,546,520	↓	559,756	↑	2,106,276	↑	2,576,290	↓
Sublet Vacancy (SF)	93,437	↔	15,540	↔	108,977	↔	216,814	↑
Industrial Availability Rate	-		-		-		-	
Industrial Available Space (SF)	-		-		-		-	
Avg. Asking Net Rent (PSF)	$14.43	↑	$14.03	↓	$14.33	↑	$7.85	↑
Net Absorption (SF)	2,417	↓	-32,163	↓	-29,746	↓	213,142	↓
Net Absorption (SF) - YTD	77,793		-89,787		-11,994		382,805	
New Supply (SF)	0	↔	0	↓	0	↓	0	↓
New Supply (SF) – YTD	0		140,000		140,000		12,000	
Under Construction (SF)	300,000	↔	53,750	↔	353,750	↔	448,190	↑

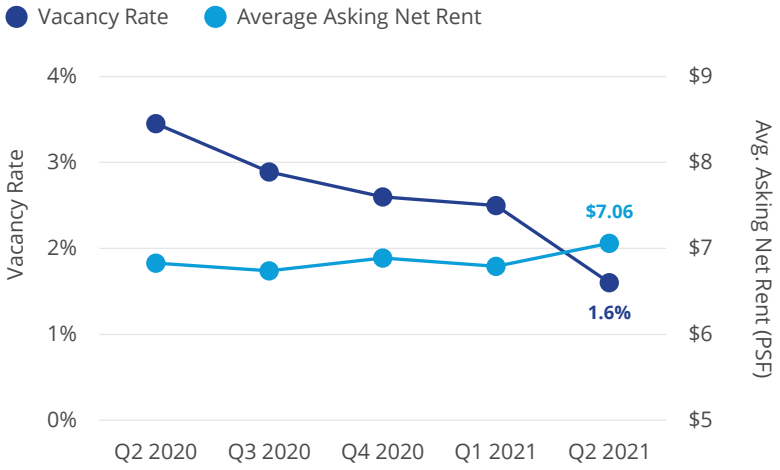
Q2 2021

Waterloo Market

Office Fundamentals



Industrial Fundamentals



Key Findings

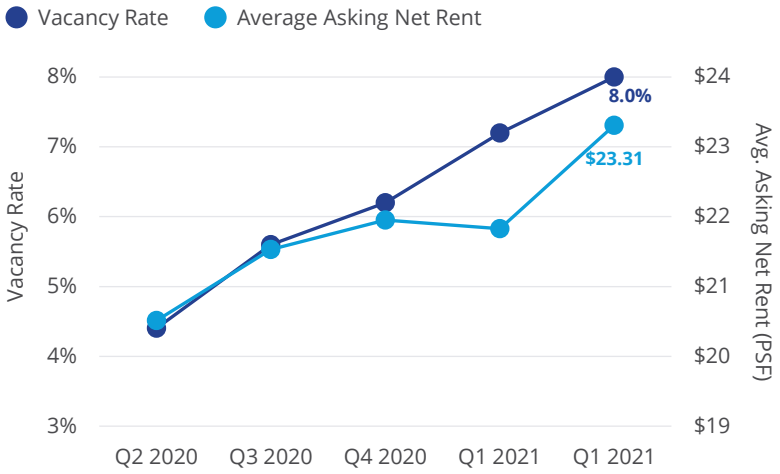
- Office vacancy remains elevated in both the Downtown and Suburban markets in the Greater Waterloo Region. Total office vacancy increased to 16.2% in Q2 2021, while Downtown vacancy fell to 19.4%. Despite this elevated vacancy, net asking rents continue to increase throughout the region.
- As vaccination rates increase throughout the region and the lockdown orders throughout the province are slowly relaxed, office vacancy is expected to drop with employees returning to the office. However, the current holding pattern shows that many businesses are still figuring out their post-pandemic options.
- The Greater Waterloo Region's industrial vacancy rate fell nearly a full percentage point QoQ, reaching a historic low of 1.6%. With very high demand and limited supply, peripheral and areas outside of the traditional Greater Waterloo Region are seeing increased demand.
- The low availability rate issue may be partially resolved in the next 16-20 months by over 2 million SF of new supply expected to be delivered, much of which is not pre-leased. This space will be primarily for users looking for 100,000 SF or more, however, average rents potentially be $10.00 PSF or more.

Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	19.4%	↓	14.3%	↑	16.2%	↑	1.6%	↓
Total Vacancy (SF)	1,014,642	↓	1,206,784	↑	2,221,426	↑	944,419	↓
Direct Vacancy (SF)	936,566	↓	838,932	↓	1,775,498	↓	754,450	↓
Sublet Vacancy (SF)	78,076	↓	367,852	↑	445,928	↑	189,969	↓
Industrial Availability Rate	-		-		-		2.3%	↓
Industrial Available Space (SF)	-		-		-		1,344,022	↓
Avg. Asking Net Rent (PSF)	$15.41	↑	$14.78	↑	$15.11	↑	$7.06	↑
Net Absorption (SF)	39,668	↑	-59,830	↓	-20,162	↑	209,316	↑
Net Absorption (SF) - YTD	-22,785		-100,834		-123,619		327,461	
New Supply (SF)	0	↔	0	↔	0	↔	0	↓
New Supply (SF) – YTD	0		0		0		40,000	
Under Construction (SF)	512,869	↑	25,000	↓	537,869	↑	267,875	↓

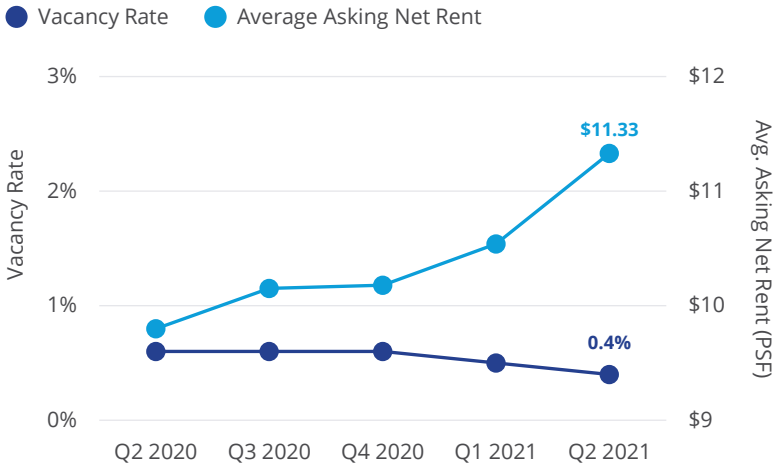
Q2 2021

Toronto Market

Office Fundamentals



Industrial Fundamentals



Key Findings

- CIBC Square was completed this quarter, resulting in positive net absorption partially due to some tenants currently having possession of both their new and existing spaces. Expect some increased vacancy and a drag on net absorption in the coming quarters as tenants complete their move-ins and give back some of their previous space.
- New office sublease space being listed continued to slow in Q2 2021, with more tenants deciding to take their listings off the market and keep the space. Turnkey programs and model suites also remain a popular choice for tenants with capital expenditure limitations. Net rents continue to hold firm, but the average increased due to high-quality space at higher rents coming available. Expect landlords to continue offering inducement packages, including larger free rent or out-of-term early occupancy periods.
- This was a historic quarter for the GTA's industrial market as overall availability dropped to an all-time low of 0.97%. Average net asking rents jumped the most since Q2 2019, up $0.79 PSF QoQ to $11.33 PSF, an all-time high. Furthermore, absorption and new supply are at the highest quarterly level in 15 years.
- So far in 2021, Microsoft has purchased 28 acres of land in Vaughan and a 145,000 SF property in Etobicoke. Heavier usage of applications like MS Teams and Office 365 has accelerated Microsoft's need to expand its services in Canada.

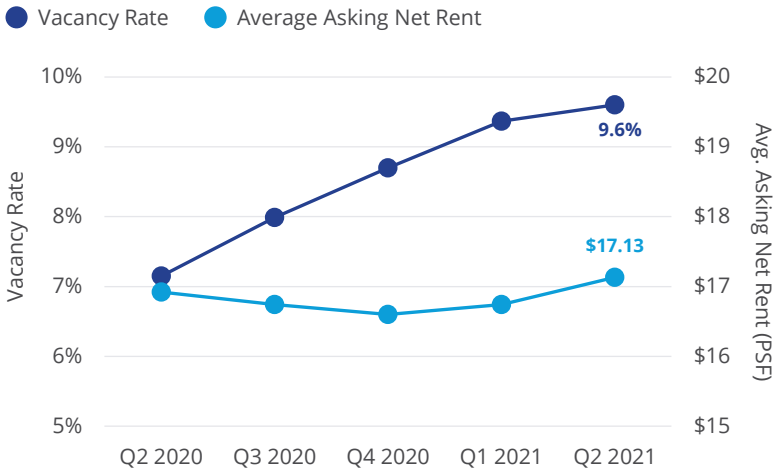
Statistics	Central* Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	6.1%	↑	9.7%	↑	8.0%	↑	0.4%	↓
Total Vacancy (SF)	7,465,729	↑	12,812,514	↑	20,278,243	↑	3,520,418	↓
Direct Vacancy (SF)	5,048,110	↑	10,715,209	↑	15,763,219	↑	3,178,906	↓
Sublet Vacancy (SF)	2,417,619	↑	2,097,305	↓	4,514,924	↑	341,512	↓
Industrial Availability Rate	-		-		-		1.0%	↓
Industrial Available Space (SF)	-		-		-		7,950,140	↓
Avg. Asking Net Rent (PSF)	$27.59	↑	$16.85	↑	$23.31	↑	$11.33	↑
Net Absorption (SF)	373,359	↑	-325,508	↑	47,851	↑	5,370,047	↑
Net Absorption (SF) - YTD	-473,821		-1,497,455		-1,971,276		8,378,012	
New Supply (SF)	1,620,036	↑	227,170	↓	1,847,206	↑	4,945,907	↑
New Supply (SF) – YTD	1,620,036		493,412		2,113,448		7,302,028	
Under Construction (SF)	8,385,428	↑	431,616	↓	8,817,044	↓	10,942,254	↓

**Central includes Downtown and Midtown*

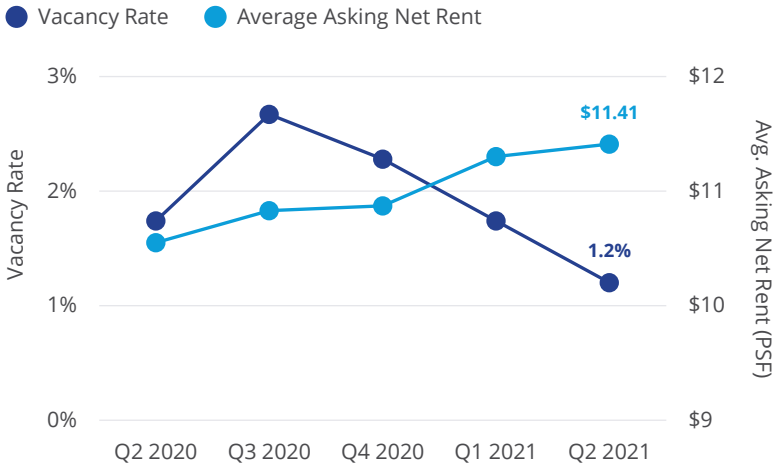
Q2 2021

Ottawa Market

Office Fundamentals



Industrial Fundamentals



Key Findings

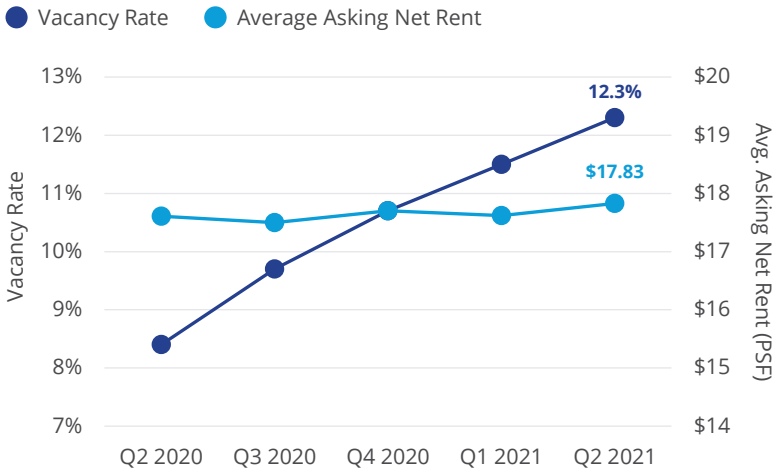
- Ottawa's office vacancy rate continued to rise in Q2 2021, however, there are signs of market conditions improving with an increase in leasing activity and the amount of sublease space available decreasing.
- Average office net asking rents remain stable, with many landlords preferring to negotiate instead on tenant inducements and terms. On the tenant side, many occupiers are seeking to "right-size", with some reducing their space by as much as 50%.
- Ottawa's industrial market continues to see strong demand from e-commerce and distribution players. As a result, Ottawa's industrial vacancy and availability rates continue to fall. New industrial development projects continue to get underway as a result of the very favourable market conditions: high demand, low vacancy, and rising rents.
- Amazon's YOW3 Fulfillment Centre at 222 Citigate Drive in Barrhaven was completed in Q2 2021. Amazon has also leased the entire 104,574 SF at 1000 Legacy Road, which they will occupy in Q4 2021. Avenue 31 broke ground on Building C at the National Capital Business Park in the East end of Ottawa with an estimated completion date of Q2 2022.

Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	8.5%	↓	10.5%	↑	9.6%	↑	1.2%	↓
Total Vacancy (SF)	1,551,082	↑	2,421,415	↑	3,972,497	↑	553,820	↓
Direct Vacancy (SF)	1,213,253	↑	2,226,878	↑	3,440,131	↑	437,786	↓
Sublet Vacancy (SF)	337,829	↓	194,537	↓	532,366	↓	116,034	↓
Industrial Availability Rate	-		-		-		2.3%	↔
Industrial Available Space (SF)	-		-		-		1,085,446	↑
Avg. Asking Net Rent (PSF)	$20.43	↑	$14.85	↓	$17.13	↑	$11.41	↑
Net Absorption (SF)	29,423	↑	-195,954	↓	-166,531	↑	3,062,774	↑
Net Absorption (SF) - YTD	-134,068		-308,156		-442,224		3,337,089	
New Supply (SF)	0	↔	0	↔	0	↔	2,800,000	↑
New Supply (SF) – YTD	0		0		0		2,820,000	
Under Construction (SF)	0	↔	825,662	↑	825,662	↑	255,940	↔

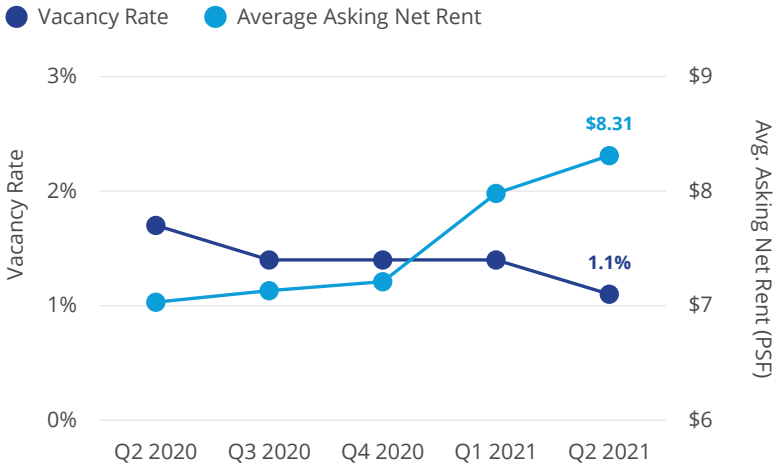
Q2 2021

Montréal Market

Office Fundamentals



Industrial Fundamentals



Key Findings

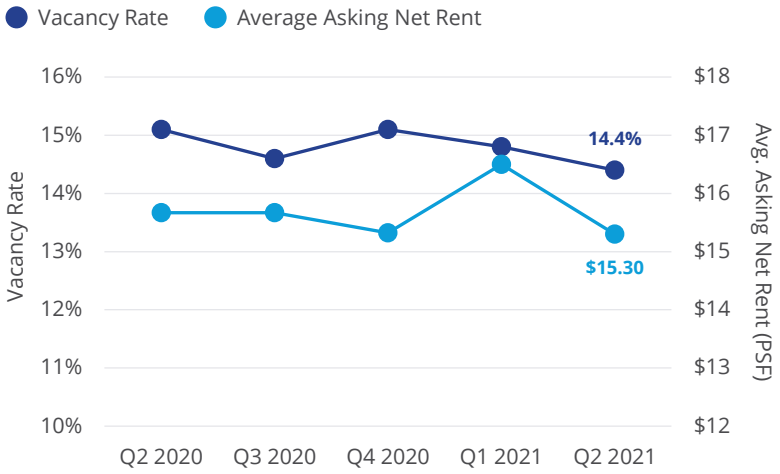
- The GMA's office sector showed signs of increasing transactional activity in Q2 2021, focused mainly on the South Shore, the West Island, and the East End. The South Shore saw nearly 22,000 SF of positive absorption, positive for the first time since Q3 2020, while vacancy in the West Island fell 80 bps QoQ.
- The suburbs are making up for the lack of appetite for Downtown office space, with new supply in the periphery. In the South Shore, the completion of 5025 Lapiniere provides an additional 167,300 SF to the market's growing inventory. And in the Mile-Ex, Fabrik8 delivered its 118,000 SF flexible co-working complex as Phase 1 of a two-part revitalization project.
- The lack of available industrial product and high demand has led the industrial availability rate to finally dip below 2.0% for the first time in Montreal's history. The North Shore and South Shore of Montreal are now seeing availability rates below 1.0%.
- Developers are currently racing to meet the demand for industrial space, and Montreal may see approximately 2.8 million SF of new spec product delivered to the market by Q1 2022. With rental rates at all-time highs, it's very common to see rental rates within the $9.50 to $12.00 PSF for new product.

Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	10.0%	↑	15.2%	↑	12.3%	↑	1.1%	↓
Total Vacancy (SF)	5,488,018	↑	6,593,653	↑	12,081,671	↑	3,892,109	↓
Direct Vacancy (SF)	4,499,460	↑	5,545,209	↑	10,044,669	↑	3,802,049	↓
Sublet Vacancy (SF)	988,558	↑	1,048,444	↓	2,037,002	↑	90,060	↓
Industrial Availability Rate	-		-		-		1.7%	↓
Industrial Available Space (SF)	-		-		-		6,139,530	↓
Avg. Asking Net Rent (PSF)	$20.08	↑	$15.61	↑	$17.83	↑	$8.31	↑
Net Absorption (SF)	-314,982	↑	-101,350	↑	-416,332	↑	1,202,772	↑
Net Absorption (SF) - YTD	-661,749		-570,710		-1,232,459		1,617,327	
New Supply (SF)	0	↔	389,872	↑	389,872	↑	135,000	↑
New Supply (SF) – YTD	0		389,872		389,872		135,000	
Under Construction (SF)	1,464,361	↔	1,242,904	↓	2,707,265	↓	3,228,631	↑

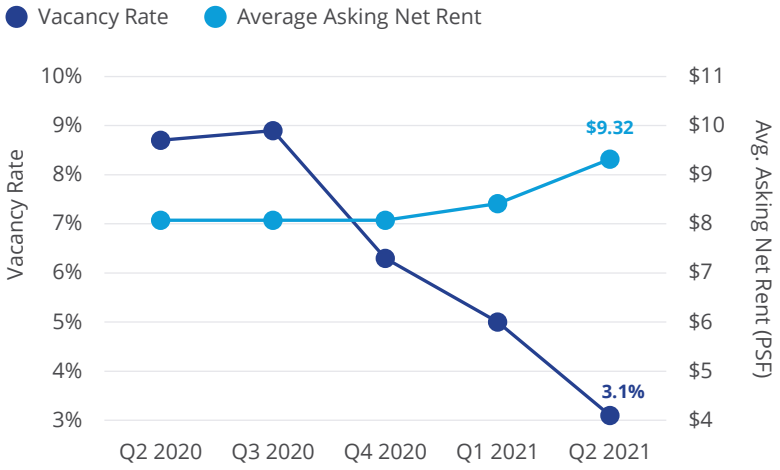
Q2 2021

Halifax Market

Office Fundamentals



Industrial Fundamentals



Key Findings

- Despite a challenging year, the Halifax office market vacancy rate continued its downward trajectory, decreasing slightly in Q2 2021. A sign that normalcy may be returning to the market as COVID-19 restrictions lift and the Atlantic provinces quickly approach a 70% vaccination rate.
- Although the Maritimes did not see a dramatic shift to work from home during the pandemic, vacancy rates did increase, and landlords remain competitive to attract tenants. There are two potential Downtown office developments, and both have commercial and residential elements to them.
- Demand for industrial space continues to flourish, leading to another decrease in vacancy from 5.0% to 3.1% this quarter. With the vacancy rate continuing to drop for the past four quarters, the average asking net rent has increased along the way. The $0.91 PSF QoQ increase to $9.32 PSF is indicative of the strong demand in the market, and a vital sign for the industrial market being competitive throughout 2021.
- Industrial leasing activity in the HRM area remained strong throughout the quarter, with many long-term deals completed in the region, specifically in the Burnside submarket and Bayers Lake submarkets.

Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	18.9%	↓	11.3%	↑	14.4%	↓	3.1%	↓
Total Vacancy (SF)	994,540	↓	892,761	↑	1,887,301	↓	262,644	↓
Direct Vacancy (SF)	935,265	↓	885,959	↑	1,821,224	↓	250,285	↓
Sublet Vacancy (SF)	59,275	↑	6,802	↓	66,077	↓	12,359	↔
Industrial Availability Rate	-		-		-		-	
Industrial Available Space (SF)	-		-		-		-	
Avg. Asking Net Rent (PSF)	$16.44	↓	$14.11	↓	$15.30	↓	$9.32	↑
Net Absorption (SF)	78,682	↑	-20,948	↓	57,734	↑	35,538	↓
Net Absorption (SF) - YTD	-28,997		-43,189		-72,186		448,441	
New Supply (SF)	0	↔	0	↔	0	↔	0	↔
New Supply (SF) – YTD	0		0		0		0	
Under Construction (SF)	0	↔	200,000	↑	200,000	↑	0	↔

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