

# INVESTMENT FORECAST

Industrial  
Ottawa

IPA  
INSTITUTIONAL  
PROPERTY  
ADVISORS

2026

## Well-Positioned but Under-Supplied Market Sustains Low Vacancy Rates

**Structural supply shortage reinforces fundamentals.** Ottawa's industrial sector softened last year, with the vacancy rate trending up to just above 3.0 per cent amid heightened trade risks. That said, no major projects were delivered during the year, which minimized supply-side pressures and helped to uphold healthy market fundamentals. While the One Canadian Economy Act could serve as a catalyst to boost investor and developer sentiment, Ottawa's low land availability, strict zoning bylaws and strong pre-leasing strategies are likely to continue constraining construction activity over the coming years. Nevertheless, the volume of space arriving this year will rise substantially, led by Amazon's new 3.1 million-square-foot Nepean fulfillment centre. This project highlights confidence in the metro's long-term logistics positioning, benefiting from its strategic location between Toronto, Montreal and the U.S. border, as well as from well-established highways and infrastructure links. Lower interest rates, coupled with greater clarity on trade policies, are expected to reinforce this demand tailwind, paving the way for a vacancy rate decline in 2026.

## INVESTMENT TRENDS

- Limited opportunities in Ottawa's industrial sector continued to constrain investment activity last year. Amid trade disruptions, small-bay assets accounted for the majority of dollar volume.
- Most sales were concentrated in logistics, while specialized industrial properties – including light manufacturing and niche facilities – also attracted buyer interest from owner-operators.

## 2026 Industrial Trends



**3.2 MILLION  
SQUARE FEET**

*will be completed*

### CONSTRUCTION:

Amazon's new distribution centre will drive completions to a record high. Other openings remain minimal, including a flex project delivering 33,000 square feet of industrial space at 145 Thad Johnson Pvt.



**20  
BASIS POINT**

*decrease in vacancy*

### VACANCY:

Vacancy will decline amid limited speculative developments. Demand continues to favour the metro's smaller facilities, which will help push the vacancy rate down to around 3.0 per cent by year-end.



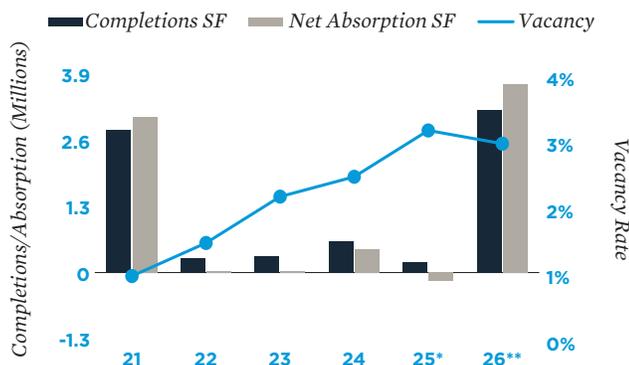
**2.0%  
INCREASE**

*in asking rent*

### RENT:

Rents are poised for another year of growth, supported by a low and tightening vacancy rate. With Ottawa's vacancy rate projected to be one of the lowest in Canada, rent growth is forecast to outpace the national average in 2026.

## Supply and Demand

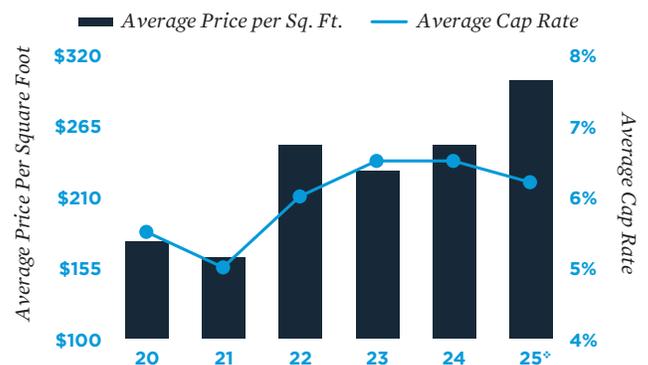


\* Estimate; \*\* Forecast; ◇ Trailing 12 months through 3Q

Sources: Altus Data Solutions; CoStar Group, Inc.; Statistics Canada

Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of February 2026. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Forecasts for employment and retail data are made during the first quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.

## Price and Cap Rate Trends



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