Ottawa Market Area Commercial Q1 2021 Statistics

Altus Group

OMA Property Transactions

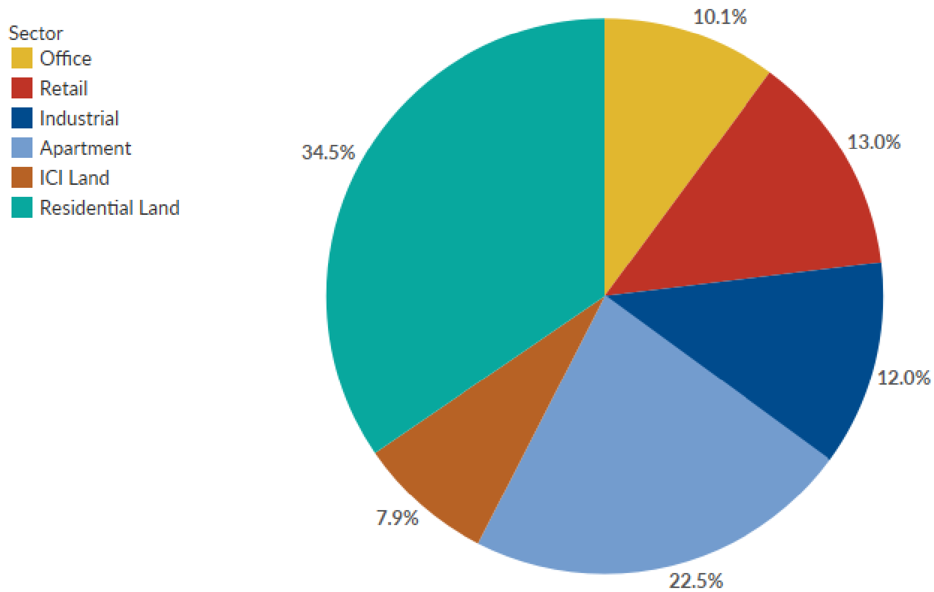
The Ottawa investment market continues to be impacted by the pandemic as transaction volumes in Q1 2021 were 4% below the same period in 2020.

The first quarter of 2021 saw both optimism, in the form of vaccinations, and caution, with further lockdowns and stay-at-home orders. Still, while government restrictions would suggest a slow quarter for real estate activity, the Ottawa commercial real estate market remained steadfast as savvy investors have seemingly taken advantage of the market uncertainty and low interest rates.

The quarter completed with a total investment volume of $420 million, which represented a decrease of 4% in comparison to the first quarter of 2020. Despite the slight dip in total investments, transaction activity continued at a torrid pace registering 92 transactions, which was an 11% increase over the same period last year.

A number of trends that we saw throughout 2020 continued into 2021 – namely the bid-ask gap between sellers and buyers, and strong performance in the residential land sector. Despite ongoing pandemic-related challenges, investors remain confident in the Ottawa market as evident with investment momentum carrying through from the end of 2020.

Q1 2021 Property Transactions - Total $ Volume by Sector



Source: Altus Group

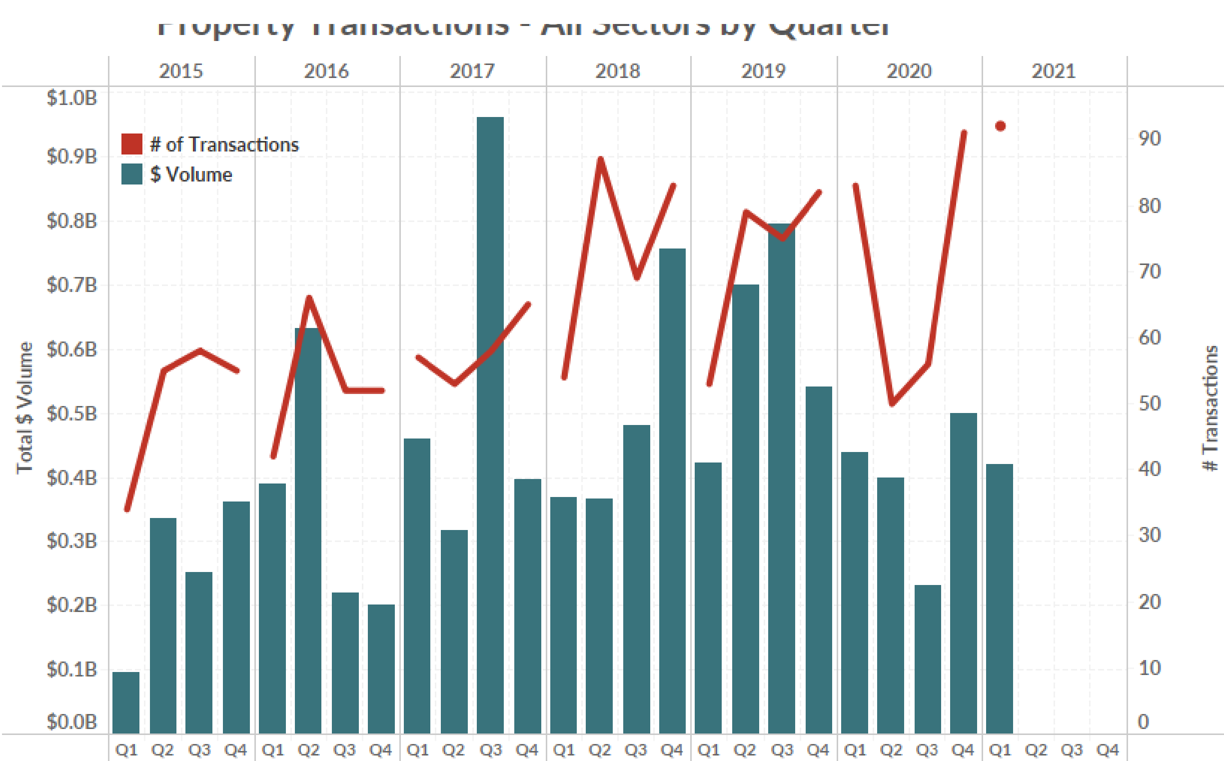
With the overall strong quarter, residential land and apartment assets led the way with a total investment volume of $145 million and $94 million respectively. These housing-related assets attest to the strong demand and continued growth of the city.

With much of the Ottawa workforce continuing to work from home, the immediate future and uncertainty of the office sector remains, with transactions totaling only $42 million, marking the third straight quarter of minimal office transactions.

The sector which saw the most substantial increases, growing more than five times in comparison to the same period last year, was industrial which registered $50 million in total investments. As demand for warehouse space increases to accommodate the population growth and the ever-increasing space required for e-commerce distribution, investors will continue to pursue quality industrial assets in the Ottawa market.

According to the Altus Group Investment Trends Survey, respondents echo this sentiment showing the most positive momentum shown was for single-tenant industrial, multi-tenant industrial and industrial land in the Ottawa market.

Despite the ongoing third wave in Q1 2021, commercial activity illustrated the optimism that many investors have towards the Ottawa market. Both buyers and sellers are still aware of the risks that exist, however, with each wave of the pandemic, they have become more comfortable with these risks and how they could play out amid current market conditions. Once again, the bid-ask gap persists as investors are looking to avoid paying top dollar for coveted real estate assets. Overall, the demand for quality properties across the Ottawa market remains strong.



Source: Altus Group

Notable Q1 Transactions:

Montford Manor, Ottawa – Apartment
This $44 million acquisition by Centurion Apartment REIT was a component of a larger apartment portfolio which consisted of one property in the Ottawa market as well as two properties located in the GTA. The four-building apartment portfolio was sold by Starlight Investments and had an overall sale price of $92 million. This transaction, at 550 Lang's Road, was the largest asset within this portfolio and also represented the largest transaction registered across all Ottawa asset classes in the first quarter.

Ottawa Central Station, Ottawa – Residential Land
Formerly operating as a Greyhound bus terminal, this vacant two-storey building located at 265 Catherine Street was acquired by Gatineau based developer Brigil. With a purchase price of $24 million and a site area of approximately 2.6 acres, the future intentions for this site will be a mixed-use development that will take advantage of the area which benefits from easy highway and transportation access.

2220 Walkley Road, Gloucester – Office
With an acquisition price of $18.3 million by Ottawa based Jennings Real Estate, this two-storey single tenant office building represented the largest office transaction seen in the quarter. The Scotiabank occupied property contains approximately 83,275 square feet and sits on nearly 7.4 acres of land.

110 Bentley Avenue, Nepean – Industrial
This fully occupied multi-tenant industrial building containing approximately 72,600 square feet was acquired for $10.6 million. The building has clear heights of 24 to 26 feet and is ideally located in Nepean with easy highway access to Highway 416 and Highway 417.

2440 Bank Street, Ottawa – Retail
This multi-building retail plaza ideally located in the high traffic Bank Street and Hunt Club Road intersection was acquired for $15.5 million, representing the largest retail transaction in Ottawa for the first quarter. The property consists of approximately 40,000 square feet of leasable area and sits on nearly 2.7 acres. At the time of sale, the property was approximately 97% occupied with tenancy made up of both national and local businesses.

Office Transactions

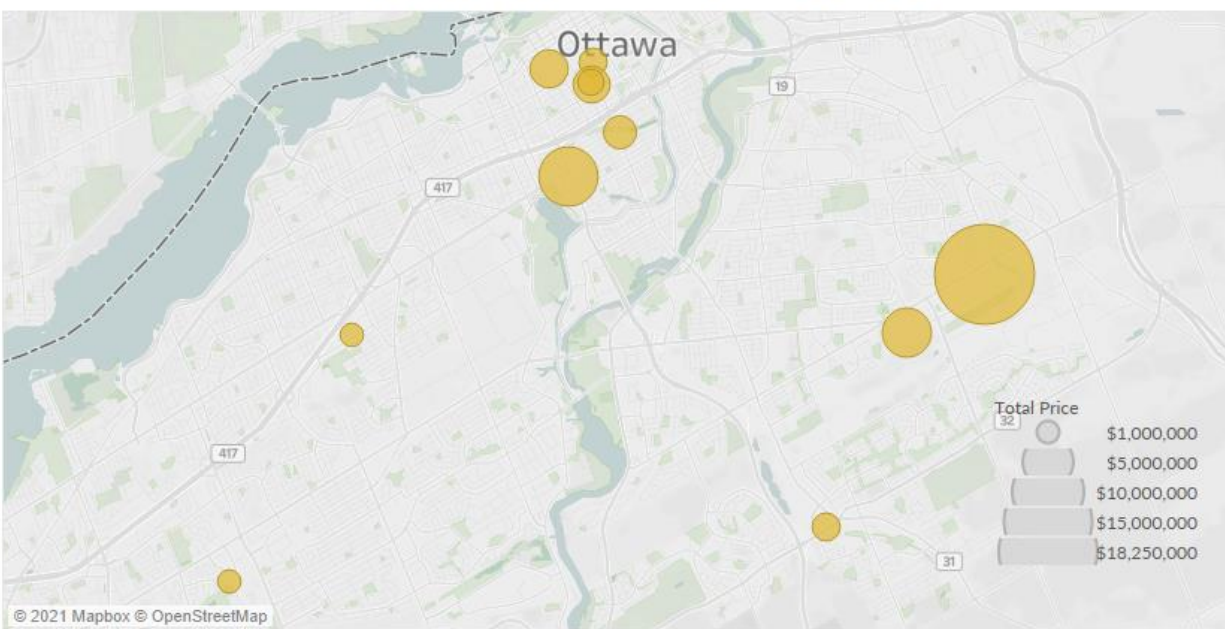
The office market, which has been hit particularly hard by the pandemic and the subsequent shift to remote work, continued to struggle in the first quarter of 2021 with sales volumes down 68% year-over-year.

	Q1 2021		Q1 2020		YTD - Avg $/SF
	$ Volume	#	$ Volume	#	
Cumberland					
Gloucester	$18.25M	1	$1.45M	1	$226
Goulbourn					
Kanata					
Nepean	$1.03M	1	$1.30M	1	$322
Osgoode					
Ottawa	$23.08M	9	$129.55M	10	$336
Rideau					
West Carleton					
Grand Total	$42.36M	11	$132.30M	12	$325

Office - Significant Transactions Q1 2021

First Address	Municipality	Total Price	Building Size	Price Per Sq. Foot
2220 Walkley Road	Gloucester	$18,250,000	80,608	$226
786 Bronson Avenue	Ottawa	$6,388,000	8,434	$757
2440 Don Reid Drive	Ottawa	$4,400,000	21,423	$205
275 Bay Street	Ottawa	$2,650,000	9,000	$294
21 Florence Street	Ottawa	$2,480,563	35,000	$200

Office Property Transactions - Q1 2021



Retail Transactions

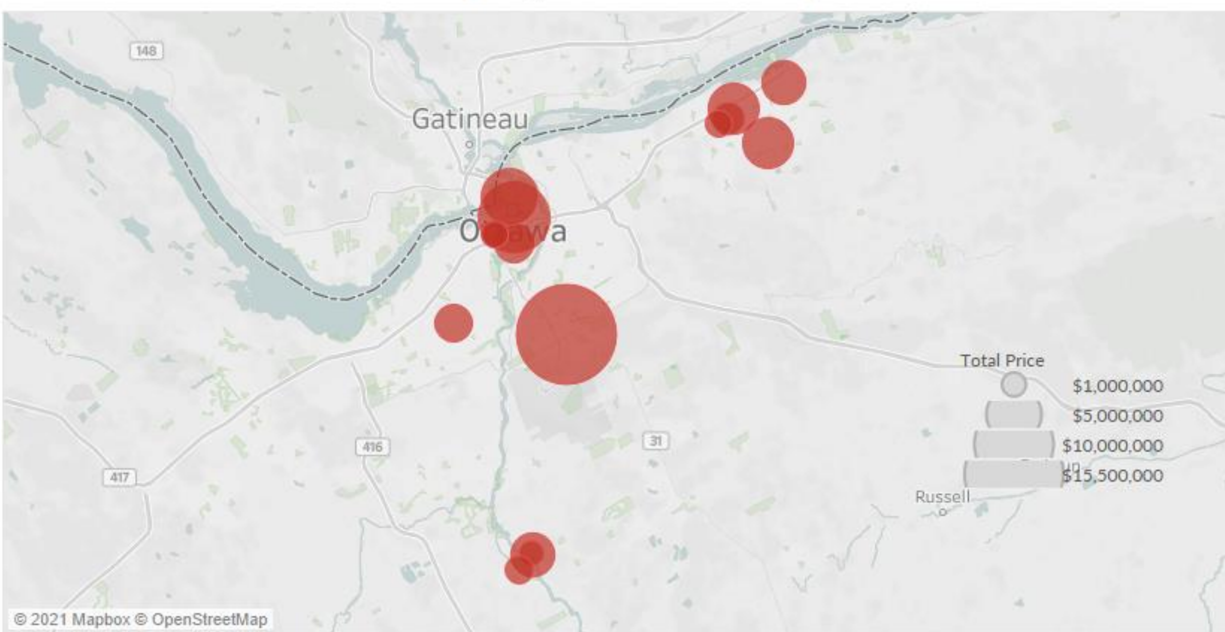
The retail sector, which had a challenging 2020 overall, saw investment volumes for Q1 2021 about on par with Q1 2020.

	Q1 2021		Q1 2020		YTD - Avg $/SF
	$ Volume	#	$ Volume	#	
Cumberland	$7.02M	2			$338
Gloucester	$10.79M	5	$2.70M	1	$391
Goulbourn					
Kanata			$8.70M	1	
Nepean	$2.20M	1	$18.40M	1	$453
Osgoode					
Ottawa	$33.16M	6	$25.05M	11	$405
Rideau	$1.25M	1			$170
West Carleton					
Grand Total	$54.42M	15	$54.85M	14	$379

Retail - Significant Transactions Q1 2021

First Address	Municipality	Total Price	Building Size	Price Per Sq. Foot
2440 Bank Street	Ottawa	$15,500,000	40,000	$388
277 Elgin Street	Ottawa	$8,000,000	21,969	$364
54 York Street	Ottawa	$5,000,000	11,931	$419
2026 Lanthier Drive	Cumberland	$4,020,000	17,683	$227
1129 Gabriel Street	Gloucester	$4,000,000	9,591	$417

Retail Property Transactions - Q1 2021



Industrial Transactions

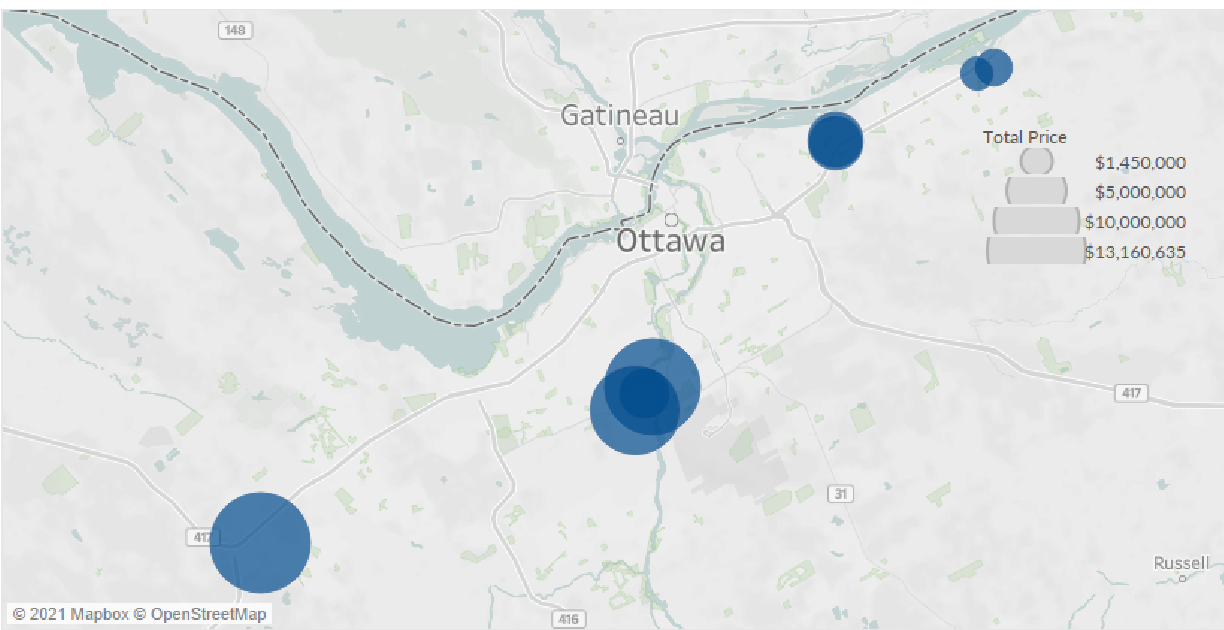
Industrial demand remains strong and the sector continues to attract investors. Sales volumes were up significantly in Q1 2021 compared to a relatively quiet Q1 2020.

	Q1 2021		Q1 2020		YTD - Avg $/SF
	$ Volume	#	$ Volume	#	
Cumberland	$3.20M	2			$195
Gloucester	$7.90M	2	$4.22M	1	$168
Goulbourn					
Kanata					
Nepean	$26.08M	3	$3.59M	2	$174
Osgoode					
Ottawa					
Rideau					
West Carleton	$13.16M	1	$1.79M	1	$327
Grand Total	$50.33M	8	$9.61M	4	$197

Industrial - Significant Transactions Q1 2021

First Address	Municipality	Total Price	Building Size	Price Per Sq. Foot
209 Westbrook Road	West Carleton	$13,160,635	40,263	$327
125 Colonnade Road	Nepean	$12,000,000	56,700	$212
110 Bentley Avenue	Nepean	$10,575,000	72,565	$146
5515 Canotek Road	Gloucester	$3,998,000	19,922	$201
5459 Canotek Road	Gloucester	$3,900,000	28,800	$135

Industrial Property Transactions - Q1 2021



Apartment Transactions

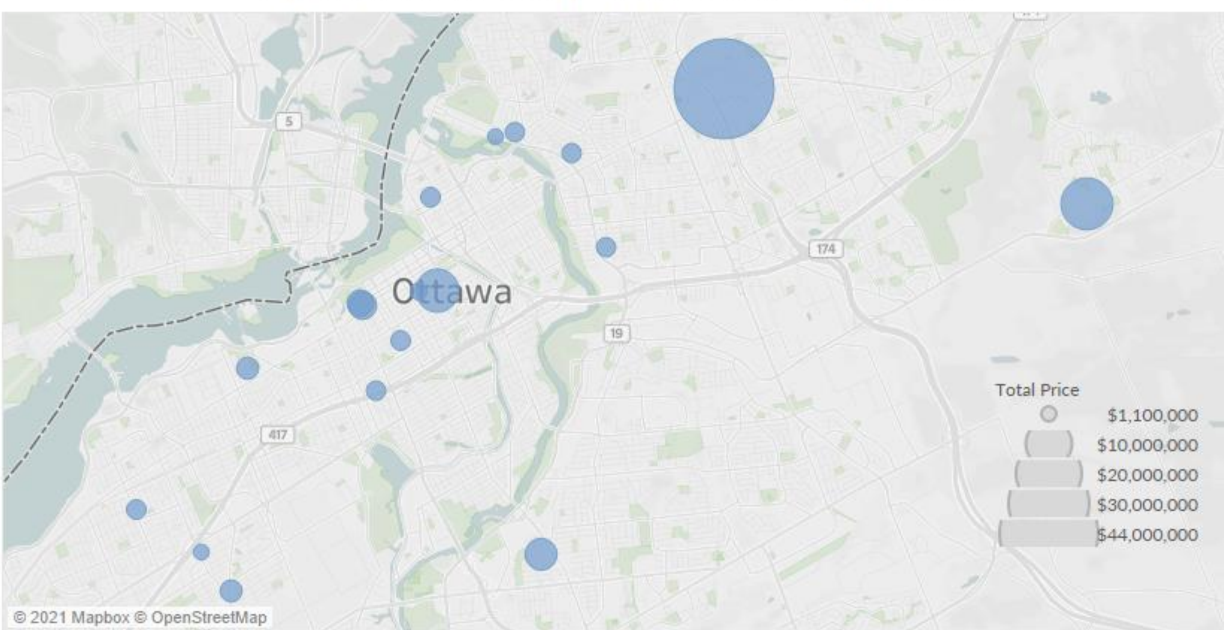
While investment in the multi-family sector in Q1 2021 was more than double Q1 2020, it was due in large part to a single $44 million transaction.

	Q1 2021		Q1 2020		YTD - Avg $/Unit
	$ Volume	#	$ Volume	#	
Cumberland			$1.60M	1	
Gloucester	$16.15M	4	$1.90M	1	$280,969
Goulbourn					
Kanata					
Nepean					
Osgoode					
Ottawa	$78.13M	14	$34.50M	15	$269,263
Rideau					
West Carleton					
Grand Total	$94.28M	18	$38.00M	17	$271,865

Apartment - Significant Transactions Q1 2021

First Address	Municipality	Total Price	Number of Units	Price Per Unit
550 Lang's Road	Ottawa	$44,000,000	171	$257,310
2530 Innes Road	Gloucester	$11,850,000	40	$296,250
201 Metcalfe Street	Ottawa	$8,200,000	36	$227,778
1162 Rockingham Avenue	Ottawa	$4,500,000	12	$375,000
467 Slater Street	Ottawa	$3,450,000	15	$230,000

Apartment Property Transactions - Q1 2021



ICI Land Transactions

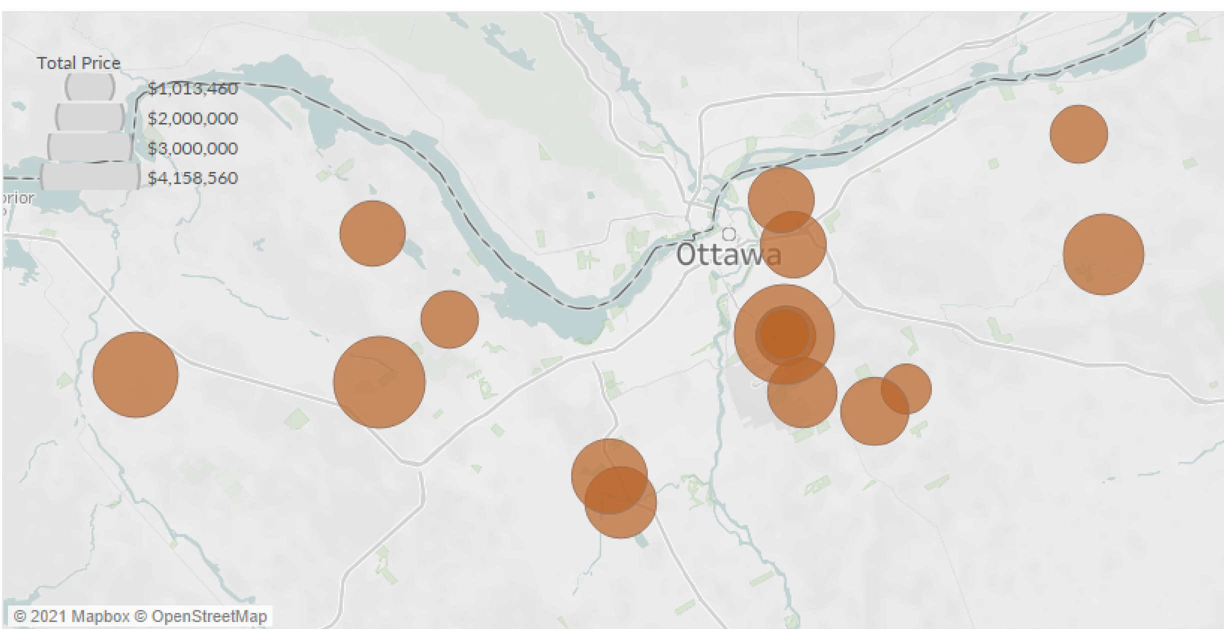
The ICI Land sector, which was a consistent performer in 2020, took a step back in Q1 2021, with overall activity down 56% from the previous year.

	Q1 2021		Q1 2020		YTD - Avg $/Acre
	$ Volume	#	$ Volume	#	
Cumberland	$4.06M	2			$12,263
Gloucester	$13.44M	7	$50.91M	6	$682,595
Goulbourn			$3.20M	2	
Kanata	$3.10M	2	$12.18M	4	$65,505
Nepean	$4.44M	2	$8.32M	2	$59,467
Osgoode					
Ottawa	$1.80M	1			
Rideau					
West Carleton	$6.45M	2	$1.20M	1	$11,655
Grand Total	$33.29M	16	$75.81M	15	$285,443

ICI Land - Significant Transactions Q1 2021

First Address	Municipality	Total Price	Lot Area	Price Per Acre
1470 Hunt Club Road	Gloucester	$4,158,560	2.732	$1,522,167
3248 Carp Road	West Carleton	$3,450,000	198.888	$17,346
Timmins Road	West Carleton	$3,000,000	503.068	$5,963
4348 Dunning Road	Cumberland	$2,685,113	289.118	$9,287
2857 Moodie Drive	Nepean	$2,340,800	29.318	$79,842

ICI Land Property Transactions - Q1 2021



Residential Land Transactions

As the residential markets have picked up early in 2021, so too does the residential land sector, which saw overall investment up 16% compared to Q1 2020.

	Q1 2021		Q1 2020		YTD - Avg $/Acre
	$ Volume	#	$ Volume	#	
Cumberland			$5.74M	2	
Gloucester	$10.89M	5			$169,704
Goulbourn	$27.62M	3	$20.89M	2	$205,768
Kanata	$11.39M	2			$517,297
Nepean	$13.30M	2			$826,868
Osgoode					
Ottawa	$76.74M	11	$98.30M	16	$2,151,694
Rideau					
West Carleton	$4.96M	1			$253,035
Grand Total	$144.90M	24	$124.94M	20	$518,290

Residential Land - Significant Transactions Q1 2021

First Address	Municipality	Total Price	Lot Area	Price Per Acre
265 Catherine Street	Ottawa	$24,000,000	2.556	Null
1321 Carling Avenue	Ottawa	$16,729,948	1.492	Null
6159 Flewellyn Road	Goulbourn	$14,116,864	46.269	$304,900
6000 Flewellyn Road	Goulbourn	$12,126,800	39.663	$305,746
1490 Merivale Road	Nepean	$12,000,000	15.337	$782,421

Residential Land Property Transactions - Q1 2021