

Q1 2026 Ottawa Commercial Real Estate Market Report

Multi-family | Office | Hotel | Retail | Industrial | Medical

Government-anchored demand, industrial scarcity, rental rebalancing and healthcare infrastructure define Ottawa's 2026 market position.

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Q1 2026 market dashboard

Ottawa is a segmented defensive market: office is policy-sensitive, industrial remains supply-constrained, rental housing is normalizing and medical demand is infrastructure-supported.

PURPOSE-BUILT RENTAL VACANCY

3.0%

CONDO RENTAL VACANCY

0.6%

OFFICE VACANCY

14.3% / 12.9%

OFFICE ASKING RENT

\$17.09 psf

INDUSTRIAL AVAILABILITY

4.4%

INDUSTRIAL VACANCY

2.5%

INDUSTRIAL ASKING RENT

\$16.35-\$16.75 psf

MEDICAL CLINIC COST

\$475-\$650 psf

Rental vacancy remains manageable but newer purpose-built buildings show higher lease-up risk. Office vacancy varies by provider methodology, but both CBRE and Colliers show elevated available space. Industrial is the clearest scarcity-driven asset class in the Ottawa market. Medical and healthcare-adjacent assets have a long-term public infrastructure tailwind.

Multi-family and office

Multi-family: rebalancing, not weakness

CMHC reported purpose-built rental vacancy of 3.0% and newer rental vacancy of 6.7%.

Condo rental vacancy remained tighter at 0.6%.

Underwriting should stress-test lease-up periods, affordability bands and concessions.

Office: policy support vs. vacancy pressure

CBRE reported 14.3% office vacancy; Colliers reported 12.9% vacancy and \$17.09 psf average net asking rent.

Federal return-to-office policy supports utilization but portfolio rationalization is still adding supply.

Quality, amenities, transit and federal adjacency matter more than generic office exposure.



Key implication: defensive demand does not eliminate asset-level selectivity. Income durability depends on location, tenant fit and capital expenditure discipline.

Industrial and retail



Industrial: tight and replacement-cost supported

Availability declined to 4.4% according to CBRE; Colliers reported 2.5% vacancy. Logistics, municipal, defence, technology and service-industrial users continue to compete for functional space. Small-bay supply remains especially constrained.

Retail: service-led and node-specific

Necessity-based and service-oriented retail is most defensive. Return-to-office and ByWard revitalization can help downtown traffic, but recovery is uneven. Retail should be planned as an amenity, daily-needs layer or medical/service component.



Hotel and medical

Hotel: operationally stable, margin-sensitive

National hotel RevPAR reached \$142.89 in 2025, but Ontario and Quebec trailed the national average.

Ottawa demand is supported by government, events, associations, tourism, healthcare and education.

Labour, insurance, taxes, energy and FF&E costs remain central to underwriting.

Medical: the strongest long-cycle demand story

The Ottawa Hospital New Campus anchors long-term healthcare, research and outpatient demand.

Medical clinic / treatment centre hard-cost benchmarks are \$475-\$650 psf in Ottawa.

Access, parking, elevators, mechanical systems and patient flow are key feasibility inputs.



Healthcare infrastructure creates demand beyond the hospital site: outpatient clinics, diagnostic services, allied health, wellness, pharmacy and medical retail all benefit from the broader ecosystem.

Notable Q1 2026 market signals

- Office** 1550 Carling and 59 Camelot return large former government spaces. Federal occupancy decisions remain a major supply-side force.
- Industrial** Group Touchette, City of Ottawa and Dominion Dynamics leasing activity shows functional industrial demand remains broad and active.
- Medical** The Ottawa Hospital New Campus is a 2.5M sf healthcare and research anchor on a 50-acre site.
- Retail** ByWard revitalization and return-to-office policy can support downtown foot traffic, but recovery remains uneven by block.

The most important Ottawa signals are not isolated sale events; they are occupier and policy signals that shape utilization, absorption and replacement-cost decisions. Government, healthcare and industrial occupiers should be treated as core demand anchors. Asset selection matters more than broad market exposure in 2026.

Ottawa construction-cost benchmarks

CONCRETE MULTI-FAMILY, 13-39 STOREYS

\$300-\$330 psf

OFFICE CLASS A, 5-30 STOREYS

\$290-\$380 psf

OFFICE CLASS A FITOUT

\$150-\$250 psf

RETAIL STRIP PLAZA

\$170-\$240 psf

SUITE HOTEL

\$290-\$380 psf

INDUSTRIAL WAREHOUSE

\$120-\$170 psf

MEDICAL CLINIC / TREATMENT CENTRE

\$475-\$650 psf

UNDERGROUND PARKING

\$200-\$280 psf

Cost ranges are preliminary hard-cost benchmarks only. Soft costs, land, financing, permits, development charges, GST/HST, contingencies, tenant incentives, FF&E and developer profit must be modeled separately.

2026 strategic implications

Multi-family

Stress-test lease-up, concessions and affordability.

Office

Focus on transit, amenities, federal adjacency and capex discipline.

Hotel

Underwrite labour, energy, taxes, insurance and seasonality.

Retail

Prioritize mixed-use nodes, daily-needs anchors and medtail/service uses.

Industrial

Favour functional small/mid-bay product, yard, power and access.

Medical

Plan for accessibility, parking, specialized fitout and patient flow.

Precedent view: Ottawa offers durable income opportunities when asset quality, tenant demand and replacement-cost logic align. The city is defensive, not passive; 2026 success depends on granular asset selection.

Source notes and limitations

Sources include the Precedent Vancouver report structure, CBRE Ottawa Q1 2026 office and industrial figures, Colliers Ottawa Q1 2026 office and industrial reports, IPA Ottawa multifamily commentary, CMHC Ottawa rental market data, Cushman & Wakefield lodging context, The Ottawa Hospital New Campus materials and the Altus Group 2026 Canadian Cost Guide.

Where public Ottawa-specific Q1 2026 data was not available, the report uses the nearest relevant public source and frames the conclusion qualitatively.

This presentation is for information only and is not investment, legal, tax, valuation, lending, construction or professional advice. Construction costs are hard-cost planning benchmarks and must be validated by qualified professionals for project-specific use.

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