

FIGURES | CANADA OFFICE | Q1 2022

Office market recovery continues: Western Canada reopens as Toronto sees flight-to-quality

▲ 16.3%

Vacancy Rate

▼ -1.9M

SF Net Absorption

▼ 14.7M

SF Under Construction

▲ \$22.00

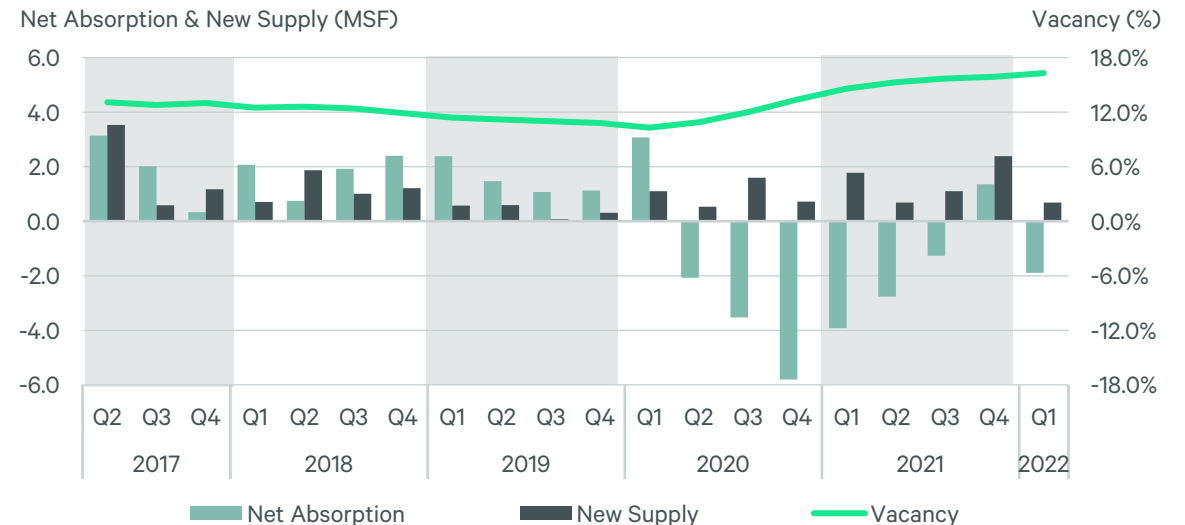
PSF Class A Net Asking Lease Rate

Note: Arrows indicate change from previous quarter.

Executive Summary

- Office vacancy continued to press upward after a brief reprieve at year-end, now 16.3%. The outlook is optimistic with many businesses set to more formally return to in-person work soon.
- Positive net absorption was recorded in five of 10 markets this quarter, predominantly in Western provinces following earlier reopening guidelines.
- Sublets currently account for 18.7% of vacant space or 3.0% of inventory. This is down from the market high of 22.2% of vacant space recorded a year ago in Q1 2021.
- Nationally, construction levels remained largely stable into the new year, decreasing slightly to 14.7 million sq. ft., 56.2% pre-leased.
- Tenant demand for modern offices has resulted in all projects underway in Winnipeg, Halifax and Waterloo Region 100% pre-leased.

FIGURE 1: National Office Supply & Demand



Source: CBRE Research, Q1 2022.

Gains and losses, uneven market dynamics cross-country

- Positive net absorption was recorded in five of 10 markets this quarter, however, the overall balance resulted in negative 1.9 million sq. ft. of net absorption, effectively undoing the gains recorded at the end of 2021. This is not unusual however, as quarters with a high volume of new supply are typically followed by quarters with weaker net absorption as tenants vacate old premises, leaving space to be backfilled.
- Despite this, market activity was robust over the quarter as overall market sentiment remain positive. Downtown cores have been reinvigorated by recent easing of lockdown measures. The outlook is optimistic with many businesses set to more formally return to in-person work soon.
- Markets that recorded positive net absorption include those with earlier provincial reopening guidelines in Western Canada, namely: British Columbia, Alberta and Manitoba.
- In Toronto, leasing activity was again above pre-pandemic levels this quarter, though givebacks from tenants moving into new builds resulted in a negative net balance.

FIGURE 2: Historical Change in Occupied Space, National Net Absorption (MSF)

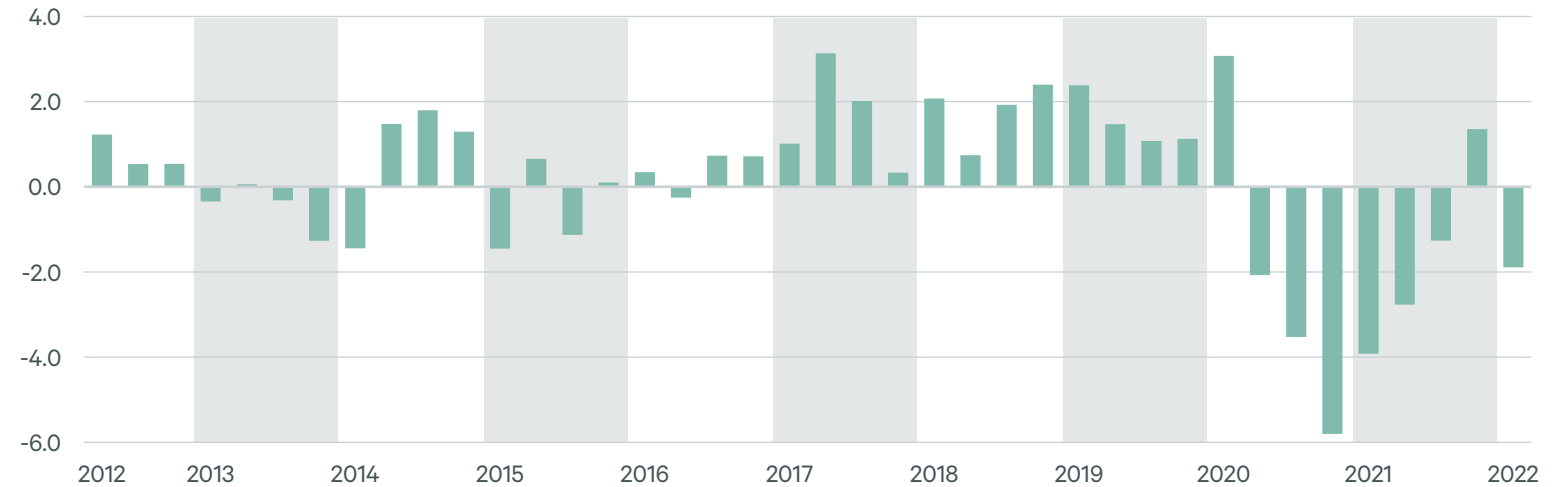
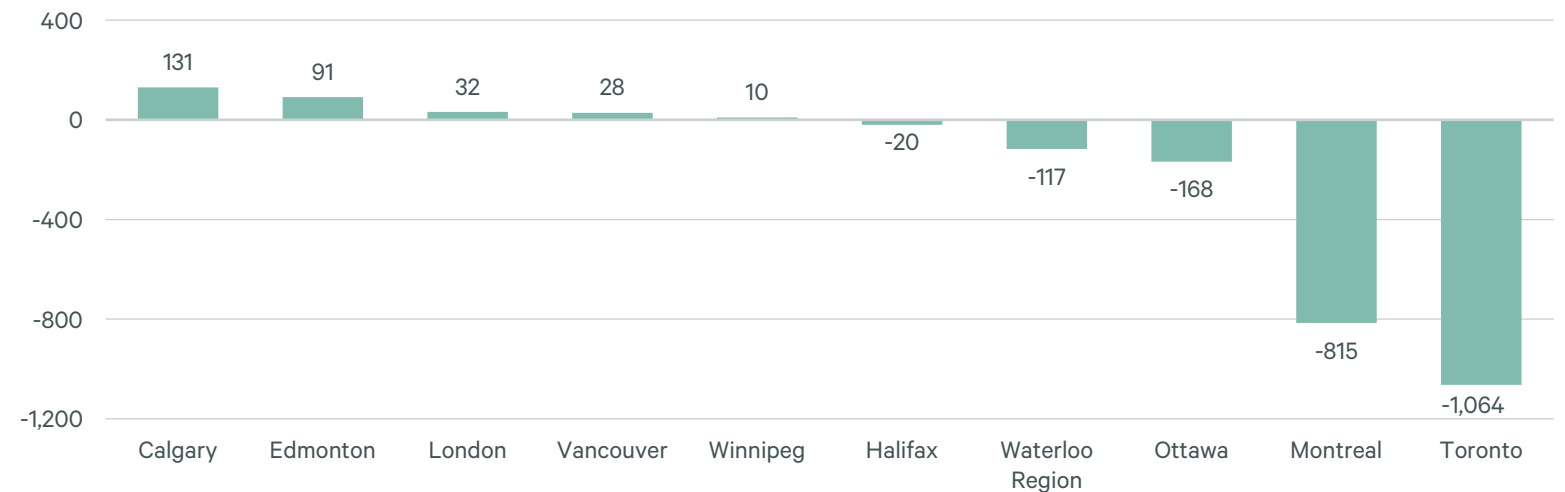


FIGURE 3: Net Absorption by Market (000's SF)



Source: CBRE Research, Q1 2022.

Sublets remain prevalent in major markets

- Slightly up quarter-over-quarter, sublease levels currently account for 18.7% of vacant space or 3.0% of inventory. In absolute terms however, sublet levels remain below the market high volume recorded in Q2 2021.
- A combination of high demand for quality-built out spaces and users retaining their space should continue to decrease sublet options over the year.
- Sublease levels remain historically elevated in Toronto, Montreal, Waterloo, London and Vancouver. Calgary meanwhile has seen sublet vacancy decrease for a fourth consecutive quarter, now equal to 5.9% of inventory compared to 7.0% a year prior.

FIGURE 4: National Vacant Sublet Space, Downtown vs Suburban (MSF)

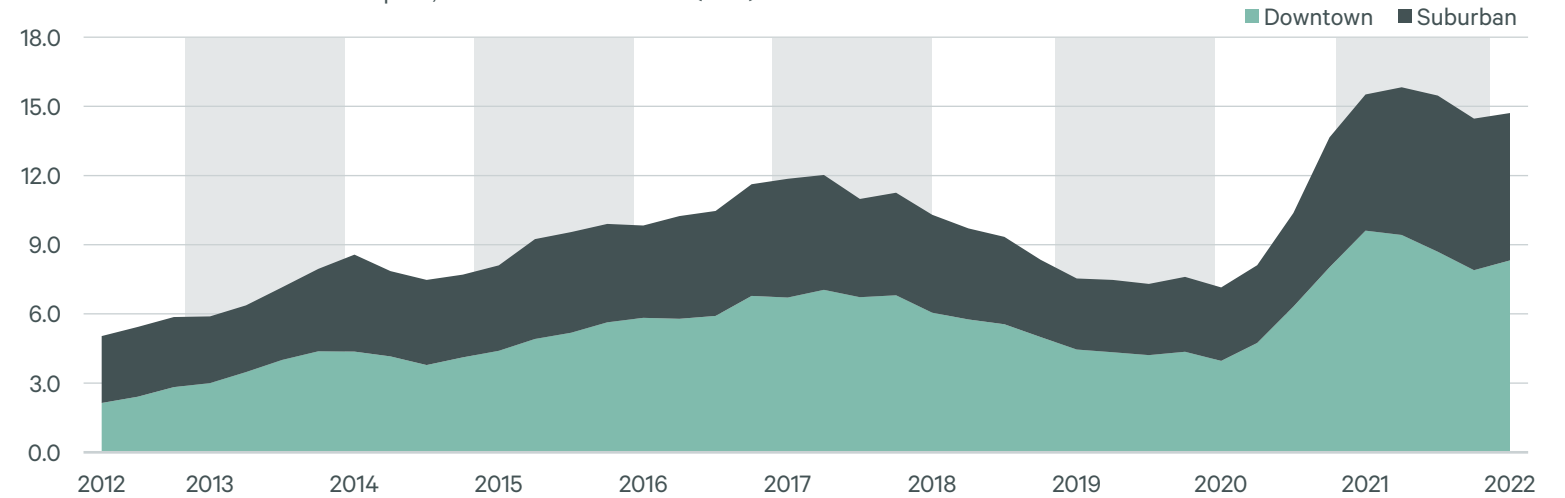
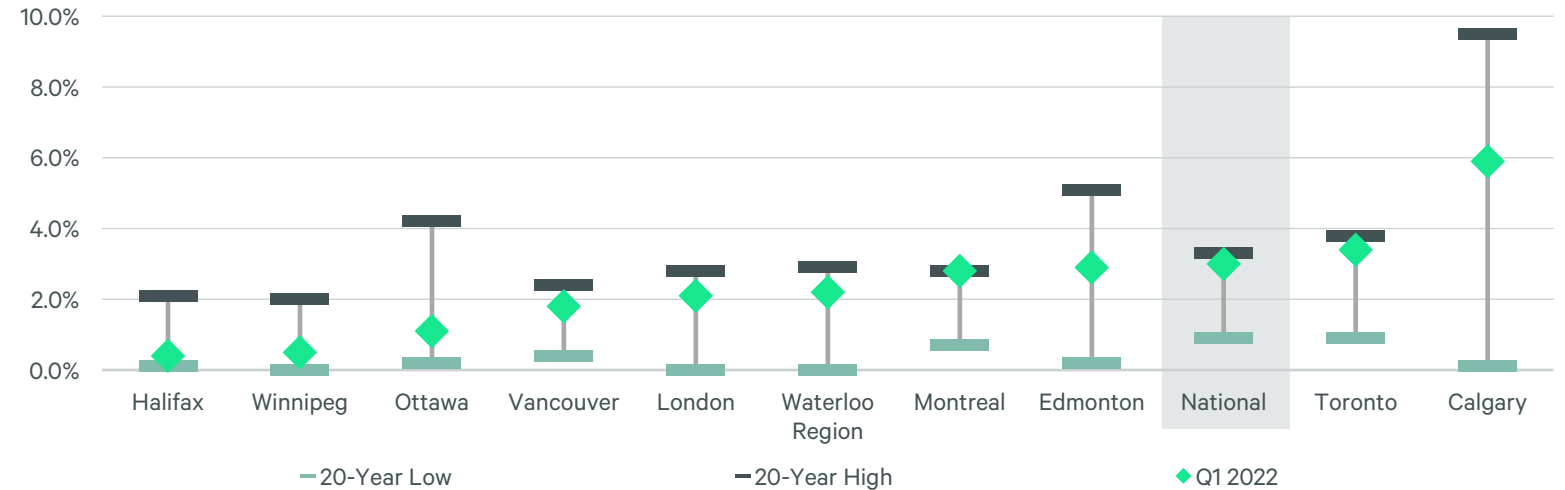


FIGURE 5: Sublease as % of Inventory by Market



Source: CBRE Research, Q1 2022.

Downtown vacancy now higher than in suburbs

- A first for the Canadian office market, downtown vacancy is currently higher than in the suburbs, albeit marginally.
- Despite a quarter of vacancy increases, office market conditions remain balanced in the downtown centres of Vancouver, Ottawa and Toronto. Here, tech demand has largely continued, and direct vacancy remains in the single digits. With high contractual occupancy rates, rental conditions are not expected to soften.
- Ottawa now outranks Toronto as the second tightest downtown market in North America, at 10.2% and 11.3%, respectively. Vancouver remains the tightest at 7.7%.
- Alberta markets also noted improvement downtown, with Calgary decreasing 40 basis points (bps) to 32.8%, and Edmonton holding steady at 21.1%. Meanwhile, Waterloo Region, Toronto and Montreal each saw increases to vacancy in excess of 100 bps.

FIGURE 6: National Downtown vs Suburban Vacancy Rate

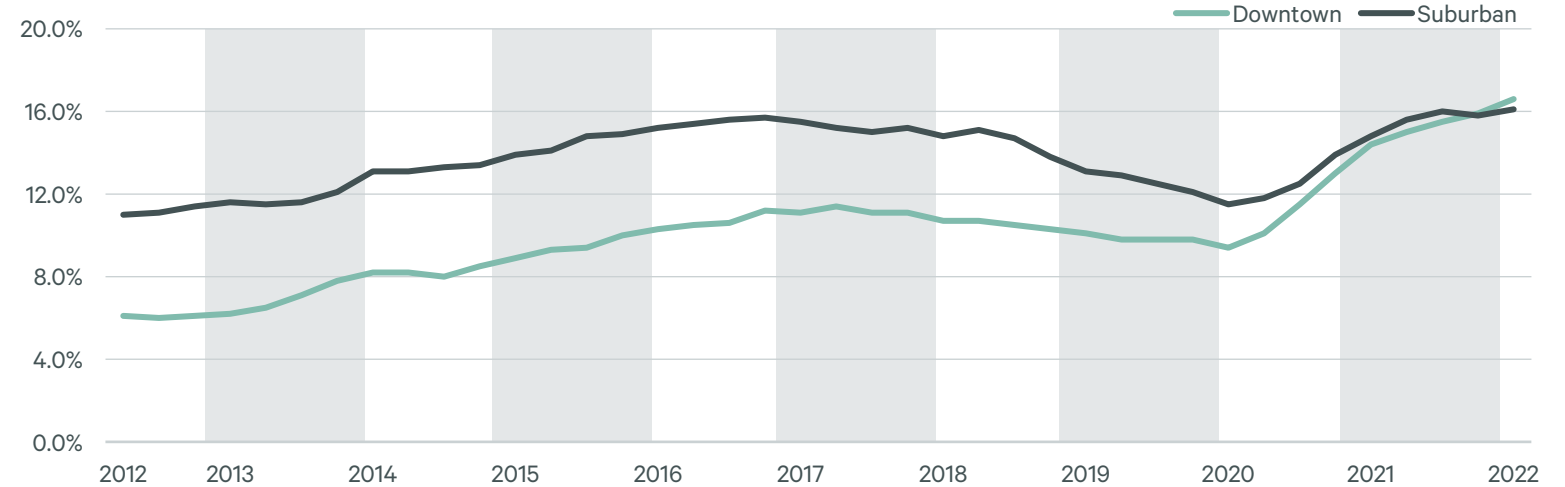
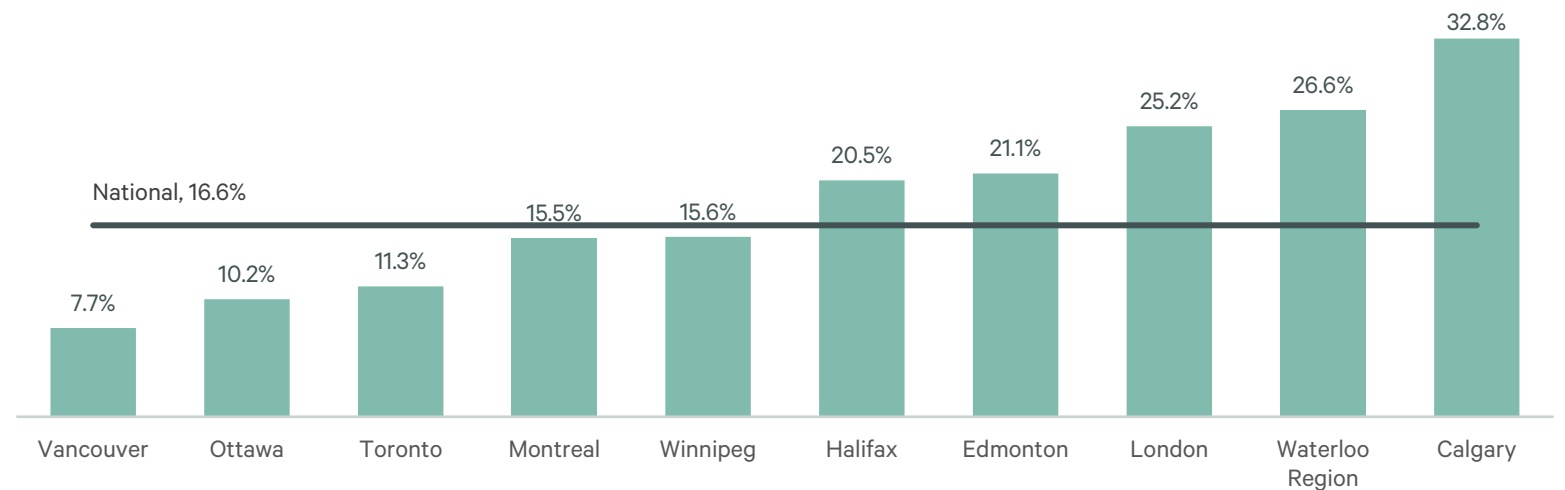


FIGURE 7: Downtown Vacancy by Market

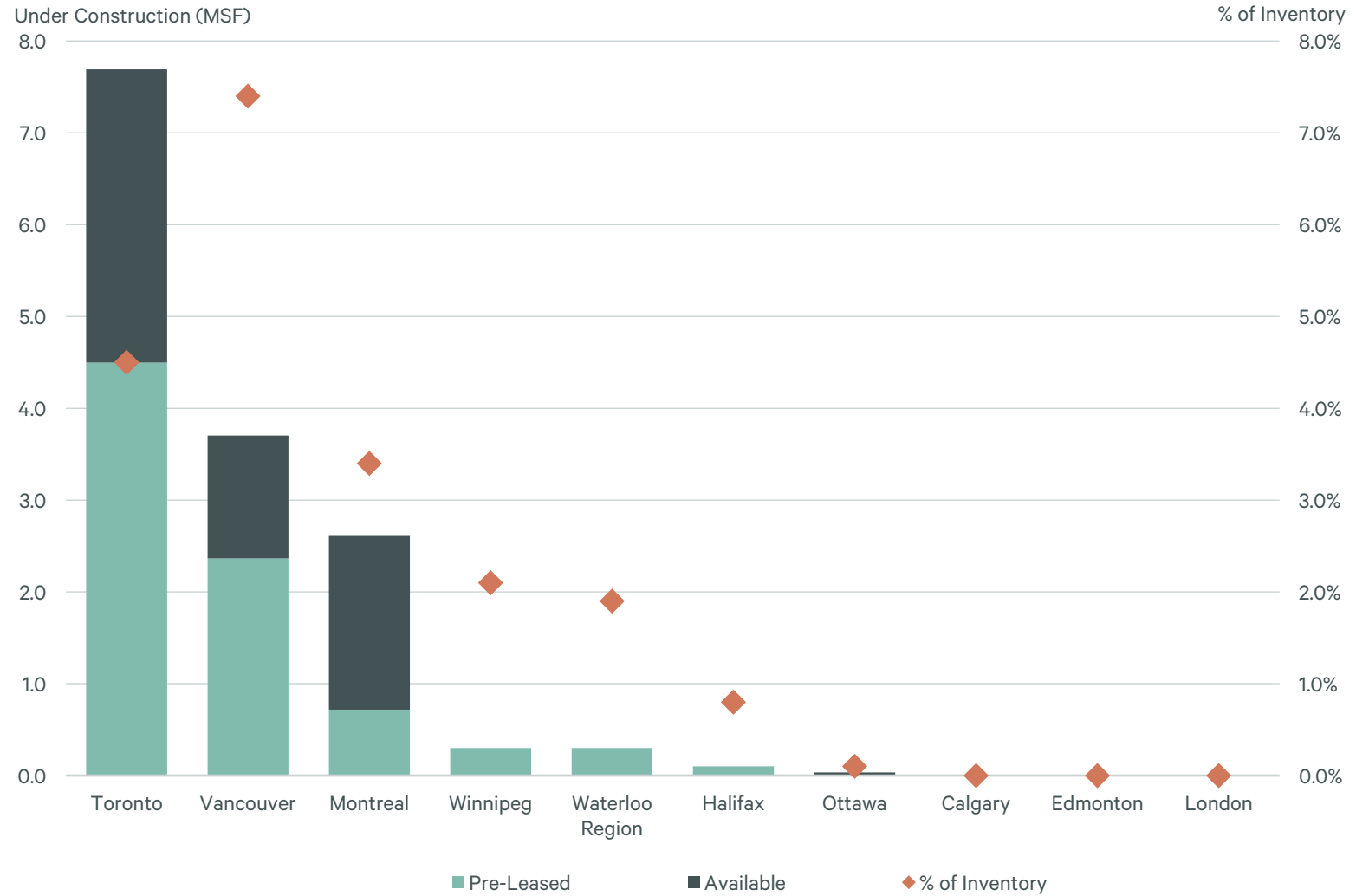


Source: CBRE Research, Q1 2022.

Development cycle continues to ease as limited projects kick-off in Q1

- Construction levels remained largely stable into the new year, decreasingly slightly to 14.7 million sq. ft., as nearly 686,000 sq. ft. was delivered this quarter 71.2% pre-leased.
- The current pipeline is over 56.2% pre-leased, with major markets comprising the bulk of current activity. This is led by Toronto, with the lion’s share of activity happening downtown.
- Elsewhere in Canada, tenant demand for modern facilities has resulted in all projects underway in Winnipeg, Halifax and Waterloo Region 100% pre-leased.

FIGURE 8: Under Construction by Market



Source: CBRE Research, Q1 2022.

FIGURE 9: Canadian Office Markets At A Glance

MARKET

Net Rentable Area

Vacancy Rate

Class A Net Rent (PSF)



Source: CBRE Research, Q1 2022.

FIGURE 10: Canadian Office Markets Statistics, Q1 2022

DOWNTOWN	VANCOUVER	CALGARY	EDMONTON	WINNIPEG	LONDON	WATERLOO	TORONTO	OTTAWA	MONTREAL	HALIFAX	NATIONAL
Net Rentable Area	24,921,293	43,098,155	16,045,040	9,950,827	4,766,661	4,941,027	93,017,533	18,909,918	45,425,372	5,331,061	266,406,887
Overall Vacancy Rate	7.7%	32.8%	21.1%	15.6%	25.2%	26.6%	11.3%	10.2%	15.5%	20.5%	16.6%
Direct Space	1,450,900	10,952,961	2,952,359	1,500,642	1,067,398	1,262,844	8,051,053	1,669,226	5,785,353	1,077,763	35,770,499
Sublet Space	458,806	3,196,946	437,730	51,604	131,494	52,124	2,452,409	263,743	1,262,053	13,503	8,320,412
Sublet of Vacant Space	24.0%	22.6%	12.9%	3.3%	11.0%	4.0%	23.3%	13.6%	17.9%	1.2%	18.9%
Class A Vacancy Rate	7.9%	27.5%	19.0%	14.4%	13.5%	27.2%	10.0%	6.9%	12.2%	26.6%	14.2%
Average Class A Net Rent (PSF)	\$46.28	\$15.46	\$21.05	\$19.27	\$15.53	\$27.09	\$35.31	\$22.94	\$25.50	\$19.42	\$25.12
Quarter Net Absorption	-106,685	63,334	-1,131	-25,320	44,899	-78,967	-604,155	-64,148	-730,263	-8,544	-1,510,980
Year-to-Date Net Absorption	-106,685	63,334	-1,131	-25,320	44,899	-78,967	-604,155	-64,148	-730,263	-8,544	-1,510,980
Quarter New Supply	0	0	0	0	0	0	515,954	0	0	0	515,954
Year-to-Date New Supply	0	0	0	0	0	0	515,954	0	0	0	515,954
Under Construction	2,916,547	0	0	300,000	0	300,000	6,985,595	34,384	624,577	0	11,161,103
SUBURBAN											
Net Rentable Area	24,910,594	26,044,433	10,037,106	4,083,333	1,605,465	10,868,829	77,818,999	22,591,987	30,825,012	7,525,788	216,311,546
Overall Vacancy Rate	6.2%	25.5%	21.5%	10.4%	8.0%	9.8%	19.0%	7.9%	16.9%	13.3%	16.1%
Direct Space	1,106,851	5,744,218	1,838,063	406,120	127,916	772,683	11,538,016	1,582,552	4,310,631	956,299	28,383,349
Sublet Space	439,705	896,084	316,994	17,464	0	297,218	3,284,499	212,112	883,664	43,141	6,390,881
Sublet of Vacant Space	28.4%	13.5%	14.7%	4.1%	0.0%	27.8%	22.2%	11.8%	17.0%	4.3%	18.4%
Class A Vacancy Rate	6.3%	21.3%	18.9%	N/A	N/A	8.0%	21.2%	8.5%	16.1%	21.9%	16.5%
Average Class A Net Rent (PSF)	\$29.55	\$19.03	\$17.96	N/A	N/A	\$17.28	\$18.01	\$15.71	\$16.31	\$15.97	\$18.11
Quarter Net Absorption	135,016	67,292	92,235	35,142	-13,077	-37,884	-459,991	-103,718	-84,783	-11,671	-381,439
Year-to-Date Net Absorption	135,016	67,292	92,235	35,142	-13,077	-37,884	-459,991	-103,718	-84,783	-11,671	-381,439
Quarter New Supply	0	0	0	0	0	69,963	0	0	0	100,000	169,963
Year-to-Date New Supply	0	0	0	0	0	69,963	0	0	0	100,000	169,963
Under Construction	786,890	0	0	0	0	0	705,759	0	1,995,324	100,000	3,587,973
TOTAL											
Net Rentable Area	49,831,887	69,142,588	26,082,146	14,034,160	6,372,126	15,809,856	170,836,532	41,501,905	76,250,384	12,856,849	482,718,433
Overall Vacancy Rate	6.9%	30.1%	21.3%	14.1%	20.8%	15.1%	14.8%	9.0%	16.1%	16.3%	16.3%
Direct Space	2,557,751	16,697,179	4,790,422	1,906,762	1,195,314	2,035,527	19,589,069	3,251,778	10,095,984	2,034,062	64,153,848
Sublet Space	898,511	4,093,030	754,724	69,068	131,494	349,342	5,736,908	475,855	2,145,717	56,644	14,711,293
Sublet of Vacant Space	26.0%	19.7%	13.6%	3.5%	9.9%	14.6%	22.7%	12.8%	17.5%	2.7%	18.7%
Class A Vacancy Rate	7.1%	25.5%	19.0%	14.4%	13.5%	12.8%	14.6%	7.8%	13.7%	24.4%	15.1%
Average Class A Net Rent (PSF)	\$39.42	\$16.55	\$20.21	\$19.27	\$15.53	\$23.07	\$28.15	\$18.23	\$21.65	\$17.98	\$22.00
Quarter Net Absorption	28,331	130,626	91,104	9,822	31,822	-116,851	-1,064,146	-167,866	-815,046	-20,215	-1,892,419
Year-to-Date Net Absorption	28,331	130,626	91,104	9,822	31,822	-116,851	-1,064,146	-167,866	-815,046	-20,215	-1,892,419
Quarter New Supply	0	0	0	0	0	69,963	515,954	0	0	100,000	685,917
Year-to-Date New Supply	0	0	0	0	0	69,963	515,954	0	0	100,000	685,917
Under Construction	3,703,437	0	0	300,000	0	300,000	7,691,354	34,384	2,619,901	100,000	14,749,076

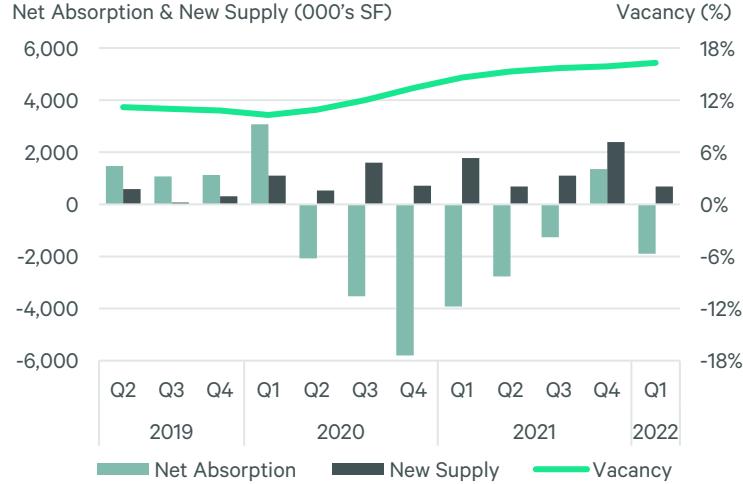
Source: CBRE Research, Q1 2022.

Canada

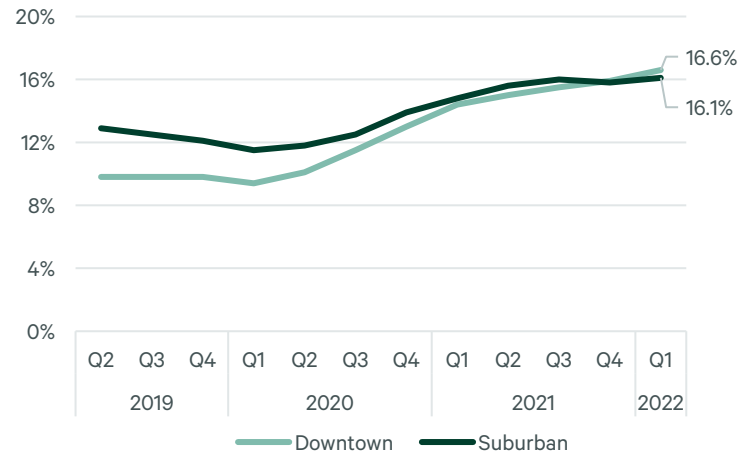
Office vacancy continued to press upward after a brief reprieve at year-end, now 16.3%. A first for the Canadian office market, suburban vacancy now sits lower than downtown, albeit marginally. The outlook is optimistic with many businesses set to more formally return to in-person work soon.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	266,406,887	216,311,546	482,718,433	▲
Overall Vacancy Rate	16.6%	16.1%	16.3%	▲
Direct Space	35,770,499	28,383,349	64,153,848	▲
Sublet Space	8,320,412	6,390,881	14,711,293	▲
Sublet % of Vacant	18.9%	18.4%	18.7%	▼
Class A Vacancy Rate	14.2%	16.5%	15.1%	▲
Avg. Class A Net Rent (PSF)	\$25.12	\$18.11	\$22.00	▲
Quarter Net Absorption	-1,510,980	-381,439	-1,892,419	▼
Quarter New Supply	515,954	169,963	685,917	▼
Under Construction	11,161,103	3,587,973	14,749,076	▼

METRO SUPPLY & DEMAND



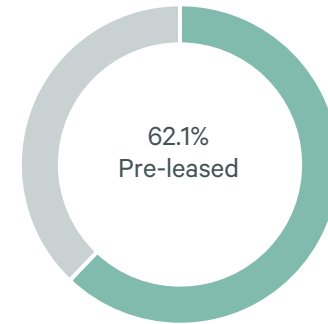
DOWNTOWN VS SUBURBAN VACANCY



UNDER CONSTRUCTION

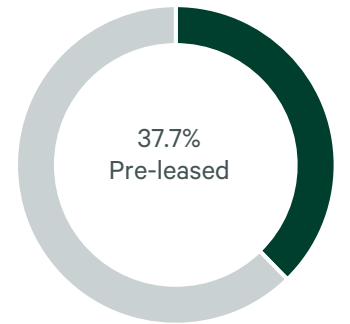
Downtown

11.2 MSF
4.2% of Inventory

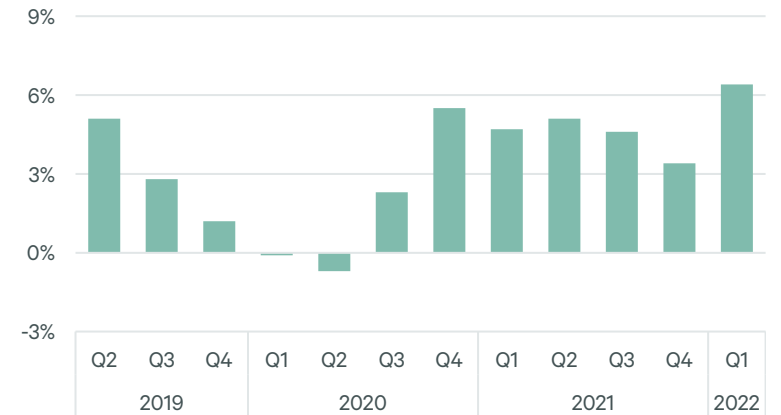


Suburban

3.6 MSF
1.7% of Inventory



METRO CLASS A RENT, Y-o-Y GROWTH

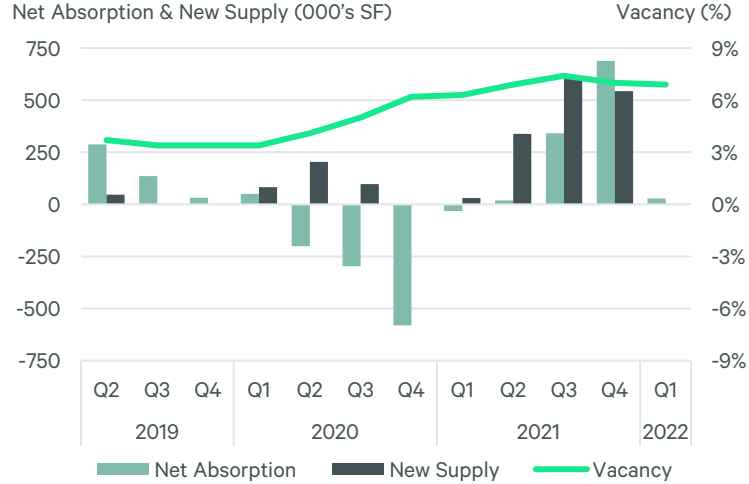


Vancouver

Improved fundamentals over the last two quarters has developers pushing to keep up with demand as 3.7 million sq. ft. is currently under construction. Although 63.9% of this product has been pre-leased, numerous offers are in play for significant blocks of space which could drive this rate up.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	24,921,293	24,910,594	49,831,887	◀▶
Overall Vacancy Rate	7.7%	6.2%	6.9%	▼
Direct Space	1,450,900	1,106,851	2,557,751	▼
Sublet Space	458,806	439,705	898,511	▲
Sublet % of Vacant	24.0%	28.4%	26.0%	▲
Class A Vacancy Rate	7.9%	6.3%	7.1%	▼
Avg. Class A Net Rent (PSF)	\$46.28	\$29.55	\$39.42	▲
Quarter Net Absorption	-106,685	135,016	28,331	▼
Quarter New Supply	0	0	0	▼
Under Construction	2,916,547	786,890	3,703,437	◀▶

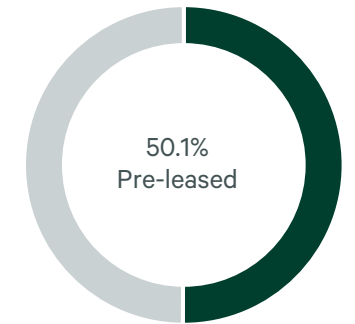
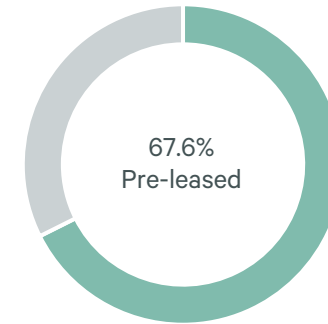
METRO SUPPLY & DEMAND



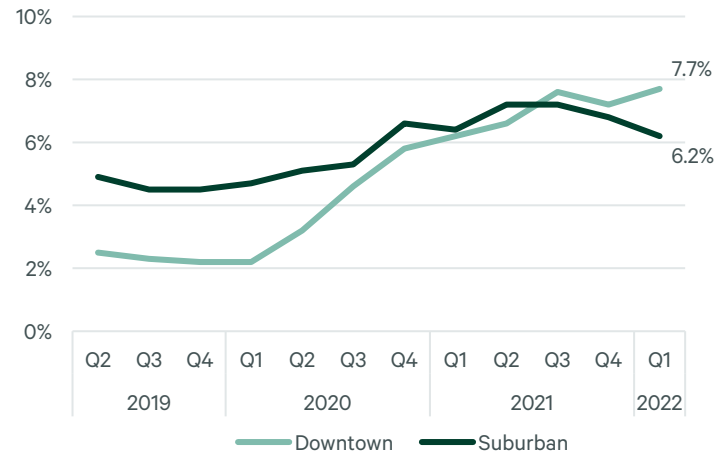
UNDER CONSTRUCTION

Downtown
2.9 MSF
11.7% of Inventory

Suburban
0.8 MSF
3.2% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH



Calgary

Activity has started to rebound in 2022 as improved market fundamentals are providing green shoots of optimism for the market. Moving forward, highly differentiated and best-in-class properties will see the highest demand.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	43,098,155	26,044,433	69,142,588	▼
Overall Vacancy Rate	32.8%	25.5%	30.1%	▼
Direct Space	10,952,961	5,744,218	16,697,179	▲
Sublet Space	3,196,946	896,084	4,093,030	▼
Sublet % of Vacant	22.6%	13.5%	19.7%	▼
Class A Vacancy Rate	27.5%	21.3%	25.5%	▼
Avg. Class A Net Rent (PSF)	\$15.46	\$19.03	\$16.55	▲
Quarter Net Absorption	63,334	67,292	130,626	▲
Quarter New Supply	0	0	0	▼
Under Construction	0	0	0	◀▶


METRO SUPPLY & DEMAND



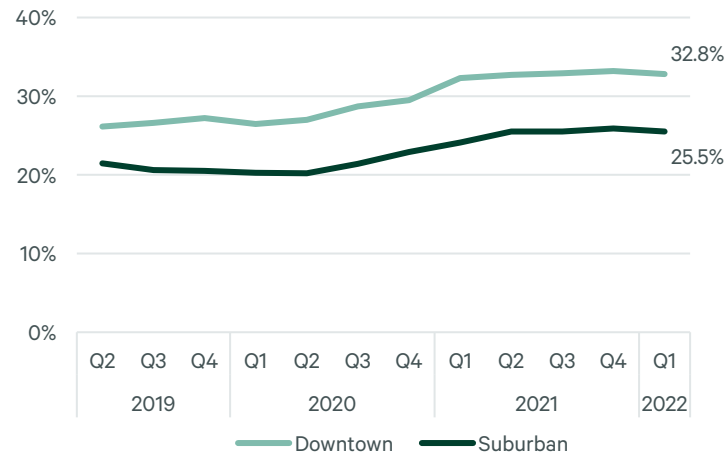
UNDER CONSTRUCTION

Downtown
0 MSF
0% of Inventory

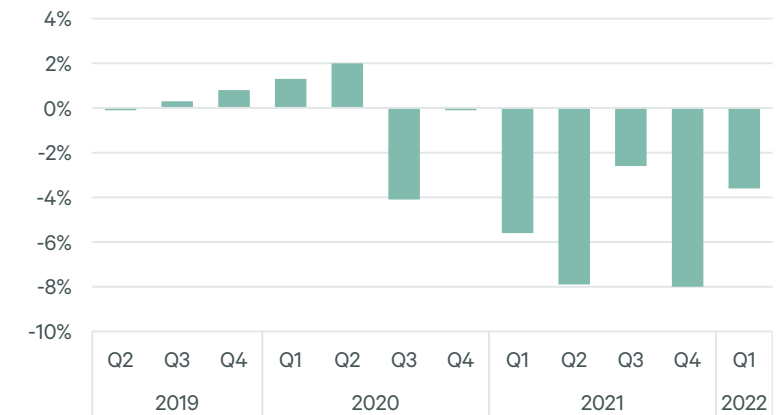
Suburban
0 MSF
0% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

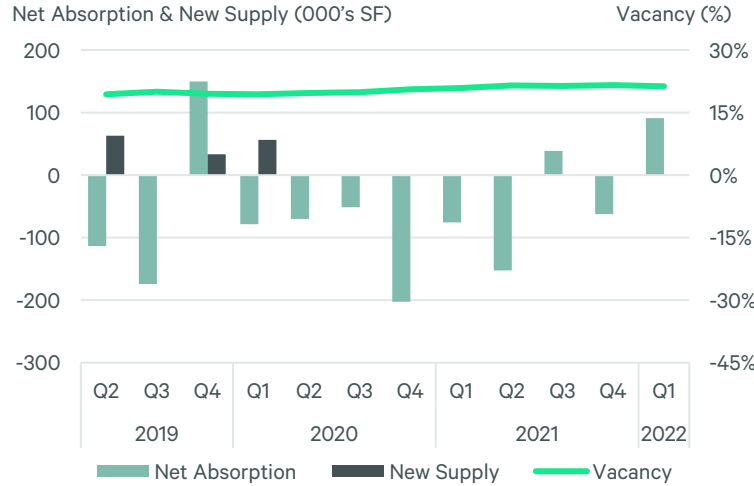


Edmonton

Tenants are reconsidering their space needs as they transition to hybrid work models and large downtown occupiers are expected to shed space in the near-term. Landlords are responding by incorporating hybrid concepts into suite designs to meet changing space utilization needs, a trend that is only expected to accelerate through the year.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	16,045,040	10,037,106	26,082,146	◀▶
Overall Vacancy Rate	21.1%	21.5%	21.3%	▼
Direct Space	2,952,359	1,838,063	4,790,422	▼
Sublet Space	437,730	316,994	754,724	▼
Sublet % of Vacant	12.9%	14.7%	13.6%	▼
Class A Vacancy Rate	19.0%	18.9%	19.0%	▼
Avg. Class A Net Rent (PSF)	\$21.05	\$17.96	\$20.21	▲
Quarter Net Absorption	-1,131	92,235	91,104	▲
Quarter New Supply	0	0	0	◀▶
Under Construction	0	0	0	◀▶

METRO SUPPLY & DEMAND

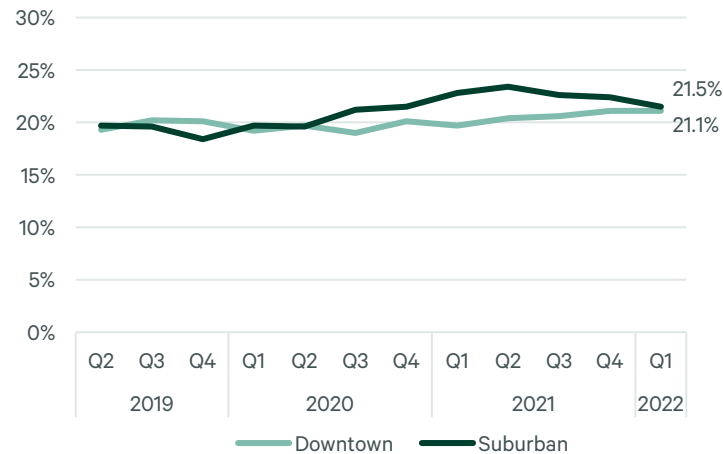


UNDER CONSTRUCTION

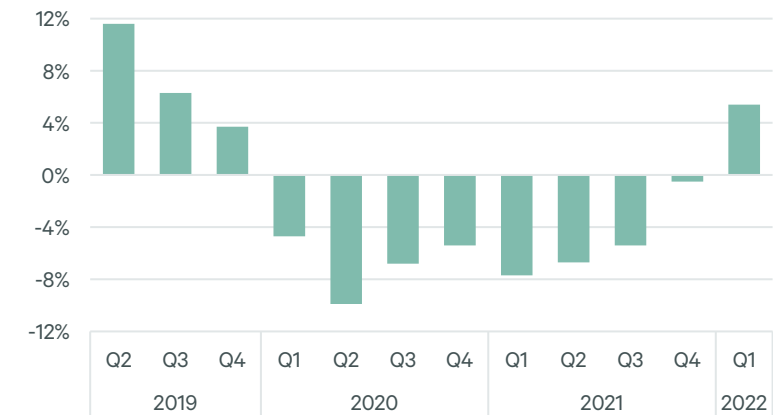
Downtown
0 MSF
0% of Inventory

Suburban
0 MSF
0% of Inventory

DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

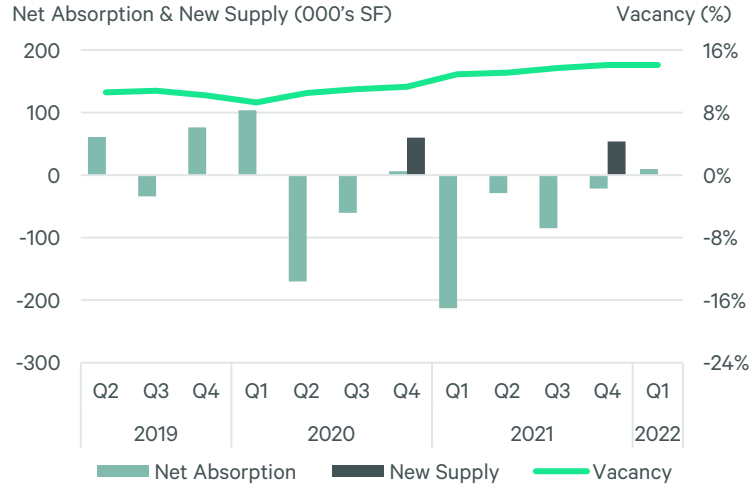


Winnipeg

Winnipeg’s office market remains stable with no signs pointing to either breakout or breakdown. The upcoming easing of COVID-19 restrictions has resulted in some positive leasing activity, however, as tenants roll out new workplace strategies, current momentum could shift the market towards a slowdown.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	9,950,827	4,083,333	14,034,160	◀▶
Overall Vacancy Rate	15.6%	10.4%	14.1%	◀▶
Direct Space	1,500,642	406,120	1,906,762	▼
Sublet Space	51,604	17,464	69,068	▲
Sublet % of Vacant	3.3%	4.1%	3.5%	▲
Class A Vacancy Rate	14.4%	N/A	14.4%	◀▶
Avg. Class A Net Rent (PSF)	\$19.27	N/A	\$19.27	▼
Quarter Net Absorption	-25,320	35,142	9,822	▲
Quarter New Supply	0	0	0	▼
Under Construction	300,000	0	300,000	◀▶

METRO SUPPLY & DEMAND



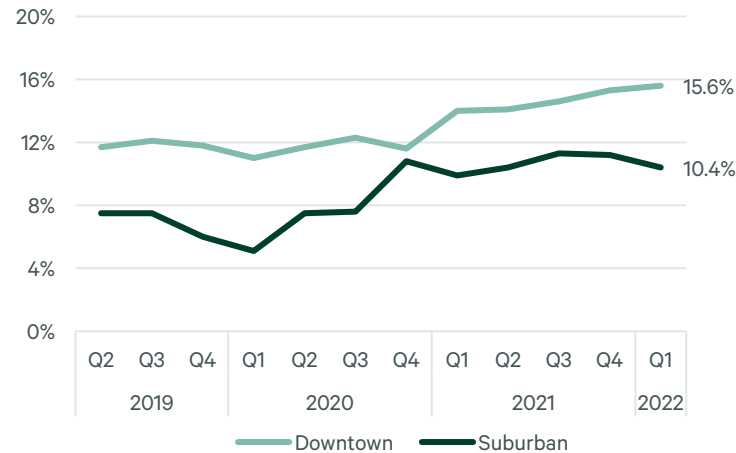
UNDER CONSTRUCTION

Downtown
0.3 MSF
3.0% of Inventory

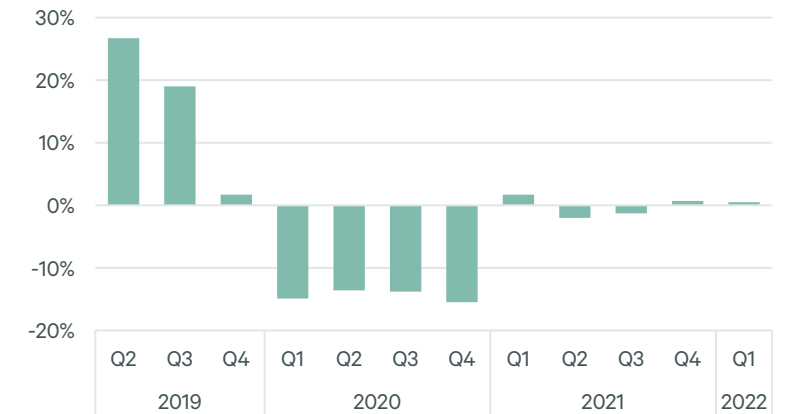
Suburban
0 MSF
0% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

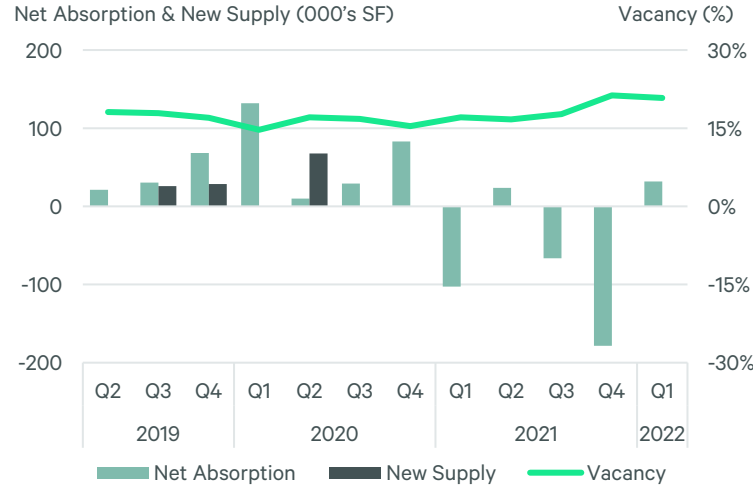


London

Overall vacancy in London decreased by 50 bps this quarter to 20.8%, with the majority of gains seen downtown. Office tenants appear more confident in carrying out return-to-office strategies and are beginning to make new space commitments. This is expected to pick up steam as pandemic restrictions ease further.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	4,766,661	1,605,465	6,372,126	◀▶
Overall Vacancy Rate	25.2%	8.0%	20.8%	▼
Direct Space	1,067,398	127,916	1,195,314	▼
Sublet Space	131,494	0	131,494	▲
Sublet % of Vacant	11.0%	0.0%	9.9%	▲
Class A Vacancy Rate	13.5%	N/A	13.5%	▲
Avg. Class A Net Rent (PSF)	\$15.53	N/A	\$15.53	▲
Quarter Net Absorption	44,899	-13,077	31,822	▲
Quarter New Supply	0	0	0	◀▶
Under Construction	0	0	0	◀▶

METRO SUPPLY & DEMAND



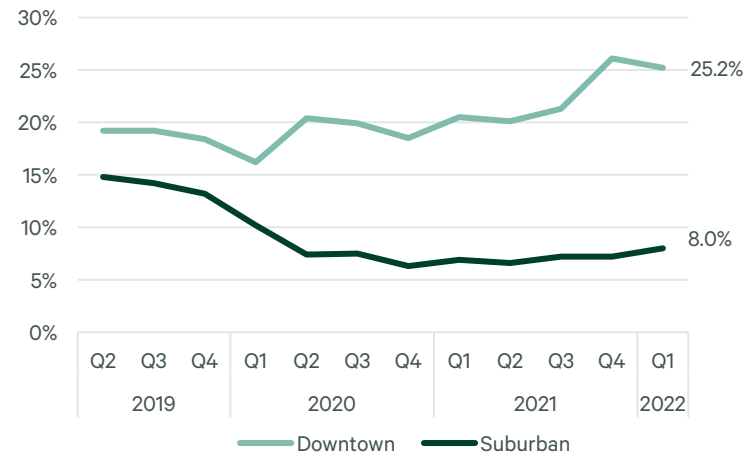
UNDER CONSTRUCTION

Downtown
0 MSF
0% of Inventory

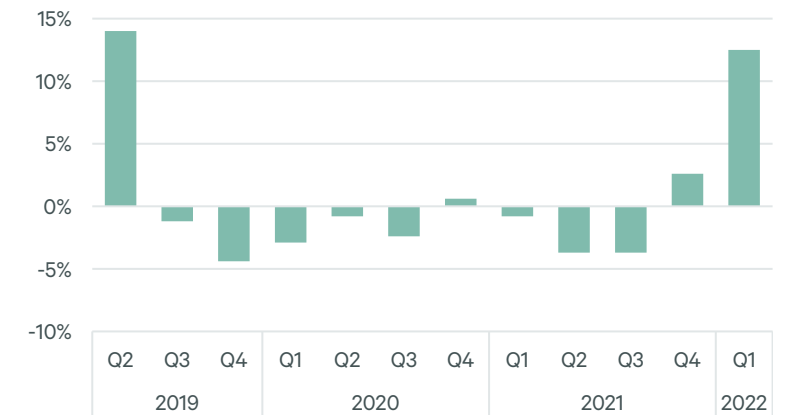
Suburban
0 MSF
0% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

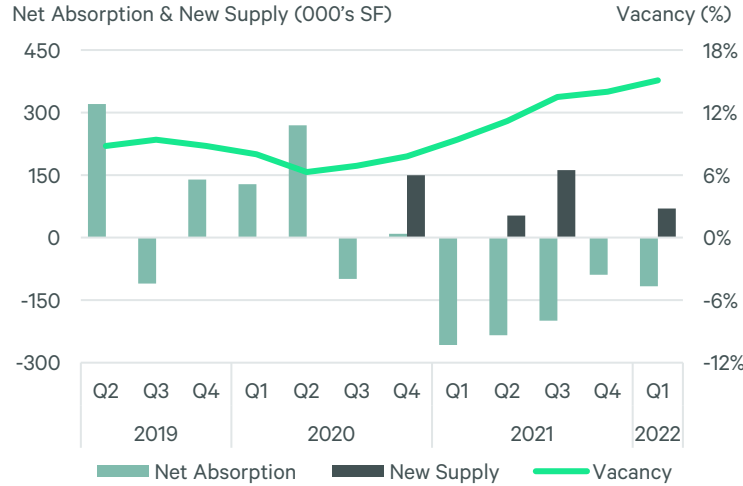


Waterloo Region

A greater emphasis is being placed on amenity options and increasing demand for higher quality office space. As such, tenants are taking down space in Class A assets, now 12.8% vacant, meanwhile more options have become available in lower-quality product, exhibiting that flight-to-quality is taking place.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	4,941,027	10,868,829	15,809,856	▲
Overall Vacancy Rate	26.6%	9.8%	15.1%	▲
Direct Space	1,262,844	772,683	2,035,527	▲
Sublet Space	52,124	297,218	349,342	▲
Sublet % of Vacant	4.0%	27.8%	14.6%	▲
Class A Vacancy Rate	27.2%	8.0%	12.8%	▼
Avg. Class A Net Rent (PSF)	\$27.09	\$17.28	\$23.07	▲
Quarter Net Absorption	-78,967	-37,884	-116,851	▼
Quarter New Supply	0	69,963	69,963	▲
Under Construction	300,000	0	300,000	▼

METRO SUPPLY & DEMAND



UNDER CONSTRUCTION

Downtown
0.3 MSF
6.1% of Inventory

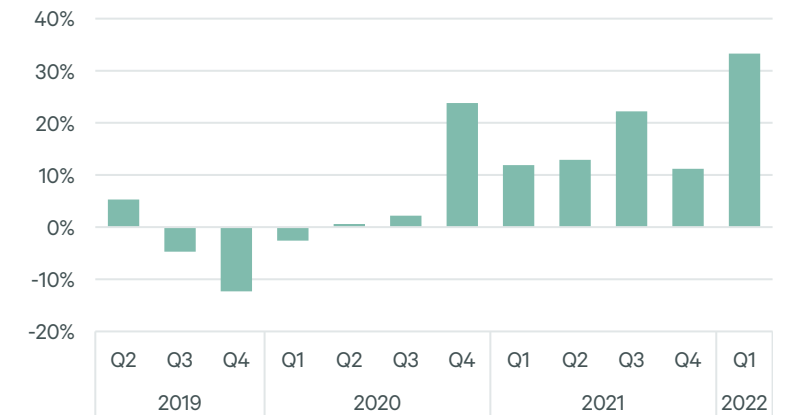
Suburban
0 MSF
0% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH



Toronto

Occupiers staked their claim on high-quality turnkey office space in Toronto as transactions and touring remained active and optimistic over the quarter. An influx of direct space shed by tenants moving into new builds however helped push overall vacancy upward, now 11.3% Downtown.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	93,017,533	77,818,999	170,836,532	▲
Overall Vacancy Rate	11.3%	19.0%	14.8%	▲
Direct Space	8,051,053	11,538,016	19,589,069	▲
Sublet Space	2,452,409	3,284,499	5,736,908	▲
Sublet % of Vacant	23.3%	22.2%	22.7%	▼
Class A Vacancy Rate	10.0%	21.2%	14.6%	▲
Avg. Class A Net Rent (PSF)	\$35.31	\$18.01	\$28.15	▲
Quarter Net Absorption	-604,155	-459,991	-1,064,146	▼
Quarter New Supply	515,954	0	515,954	▼
Under Construction	6,985,595	705,759	7,691,354	▼

METRO SUPPLY & DEMAND



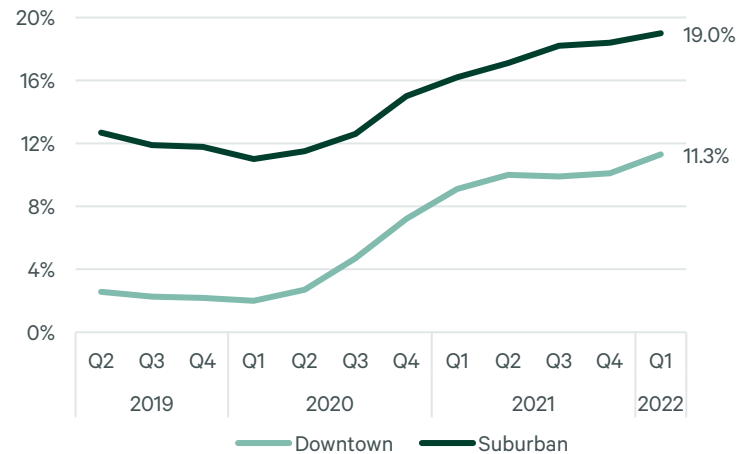
UNDER CONSTRUCTION

Downtown
7.0 MSF
7.5% of Inventory

Suburban
0.7 MSF
0.9% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

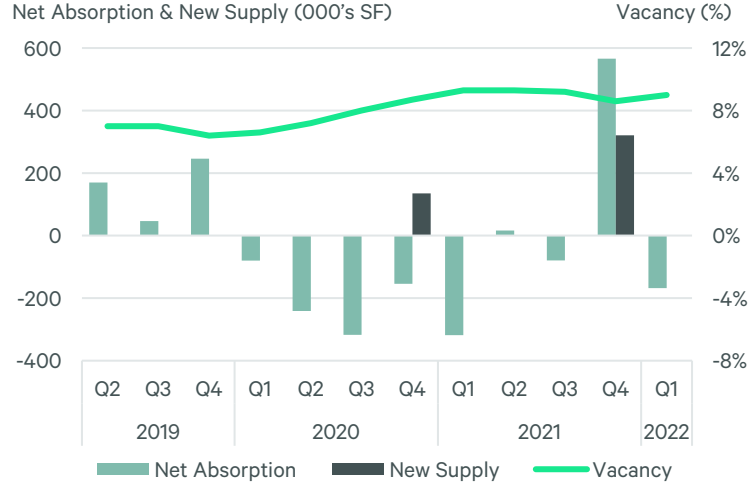


Ottawa

The Ottawa office market experienced a slow start to 2022 with the downtown negatively affected by the month-long ‘Freedom Convoy’ protest. Tepid leasing activity during this time resulted in an uptick of 40 bps to the overall vacancy rate, now 9.0%, as occupier decisions were put on pause.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	18,909,918	22,591,987	41,501,905	◀▶
Overall Vacancy Rate	10.2%	7.9%	9.0%	▲
Direct Space	1,669,226	1,582,552	3,251,778	▲
Sublet Space	263,743	212,112	475,855	▼
Sublet % of Vacant	13.6%	11.8%	12.8%	▼
Class A Vacancy Rate	6.9%	8.5%	7.8%	▲
Avg. Class A Net Rent (PSF)	\$22.94	\$15.71	\$18.23	▲
Quarter Net Absorption	-64,148	-103,718	-167,866	▼
Quarter New Supply	0	0	0	▼
Under Construction	34,384	0	34,384	◀▶

METRO SUPPLY & DEMAND



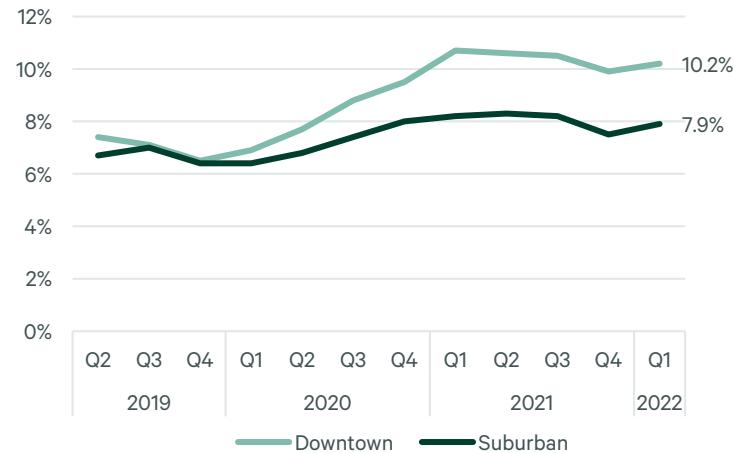
UNDER CONSTRUCTION

Downtown
34,000 SF
0.2% of Inventory

Suburban
0 MSF
0% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

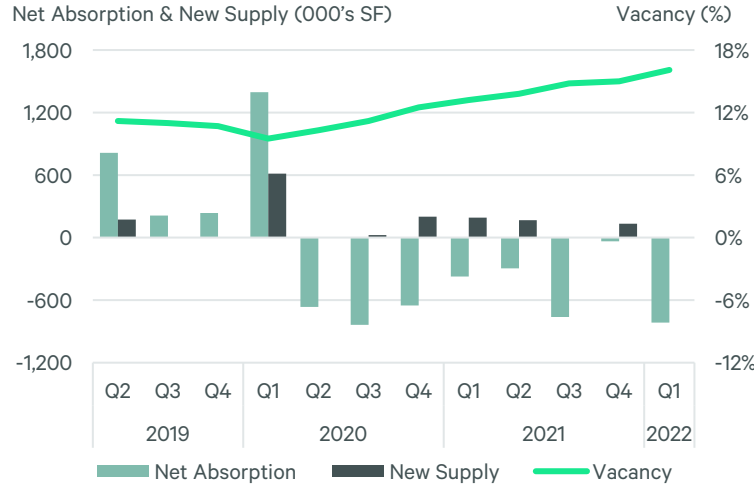


Montreal

815,000 sq. ft. of negative net absorption was recorded in Q1 2022, the second largest negative quarterly figure since the onset of the pandemic. The current labour shortage has placed additional pressure on the market, now 16.1% vacant, with most groups engaging in short-term deals until they are certain they have the employees to fill the space.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	45,425,372	30,825,012	76,250,384	◀▶
Overall Vacancy Rate	15.5%	16.9%	16.1%	▲
Direct Space	5,785,353	4,310,631	10,095,984	▲
Sublet Space	1,262,053	883,664	2,145,717	▲
Sublet % of Vacant	17.9%	17.0%	17.5%	▲
Class A Vacancy Rate	12.2%	16.1%	13.7%	▲
Avg. Class A Net Rent (PSF)	\$25.50	\$16.31	\$21.65	▲
Quarter Net Absorption	-730,263	-84,783	-815,046	▼
Quarter New Supply	0	0	0	▼
Under Construction	624,577	1,995,324	2,619,901	▲

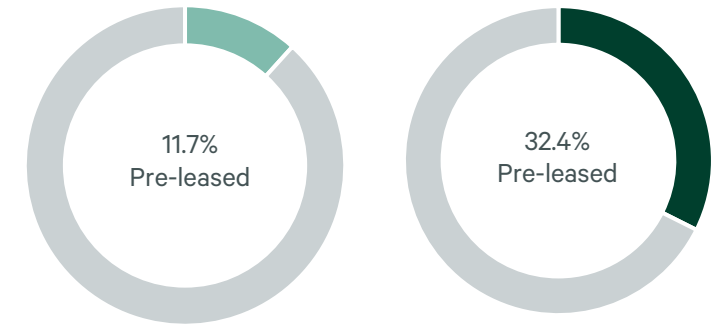
METRO SUPPLY & DEMAND



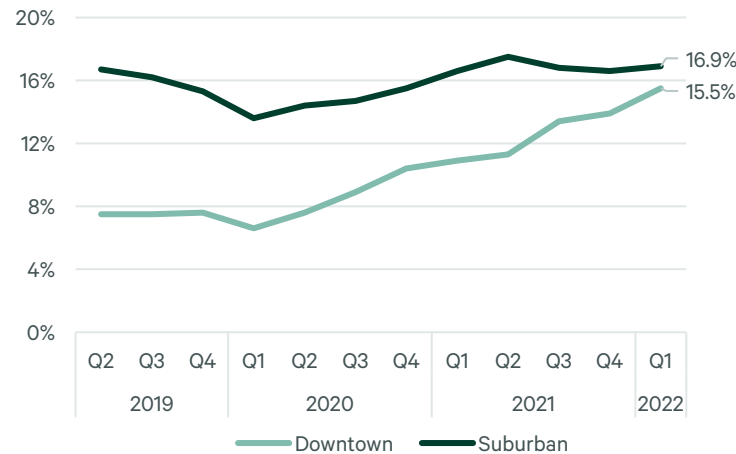
UNDER CONSTRUCTION

Downtown
0.6 MSF
1.4% of Inventory

Suburban
2.0 MSF
6.5% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

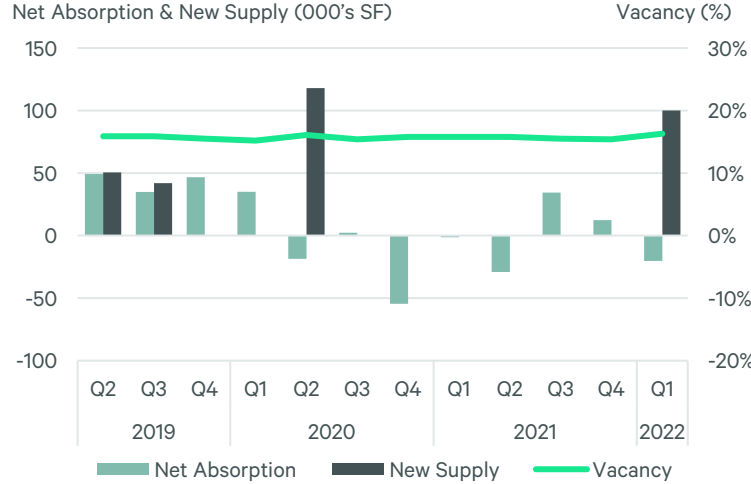


Halifax

The 54-year-old Centennial building is set to be converted into housing once the current office leases expire, taking 150,000 sq. ft. of outdated product out of downtown inventory. Tenants instead are gravitating toward modernized developments, as they cater to new workplace strategies, hybrid work and emerging tech talent.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	5,331,061	7,525,788	12,856,849	▲
Overall Vacancy Rate	20.5%	13.3%	16.3%	▲
Direct Space	1,077,763	956,299	2,034,062	▲
Sublet Space	13,503	43,141	56,644	▲
Sublet % of Vacant	1.2%	4.3%	2.7%	◄►
Class A Vacancy Rate	26.6%	21.9%	24.4%	▲
Avg. Class A Net Rent (PSF)	\$19.42	\$15.97	\$17.98	▼
Quarter Net Absorption	-8,544	-11,671	-20,215	▼
Quarter New Supply	0	100,000	100,000	▲
Under Construction	0	100,000	100,000	▼

METRO SUPPLY & DEMAND



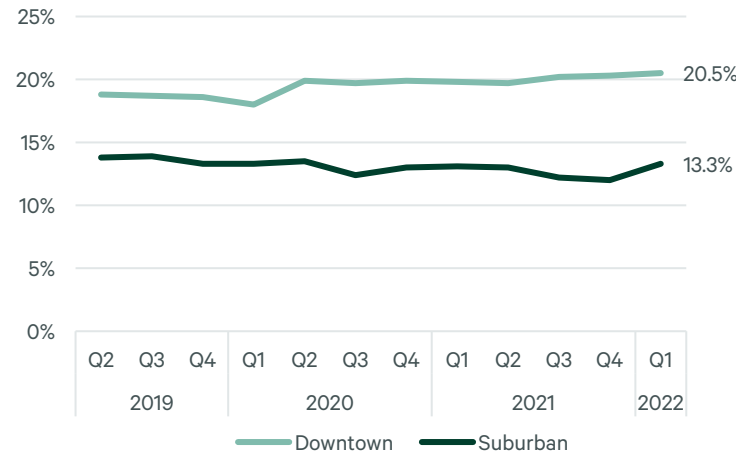
UNDER CONSTRUCTION

Downtown
0 MSF
0% of Inventory

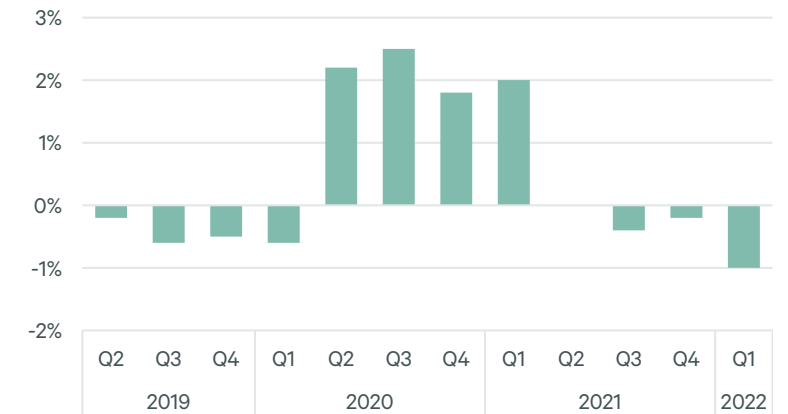
Suburban
0.1 MSF
1.3% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH



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