

FIGURES | CANADA OFFICE | Q2 2022

Office market steadying, with Vancouver and suburban markets leading the recovery

▲ 16.5%

Vacancy Rate

▲ -0.5M

SF Net Absorption

▲ 15.1M

SF Under Construction

▲ \$22.23

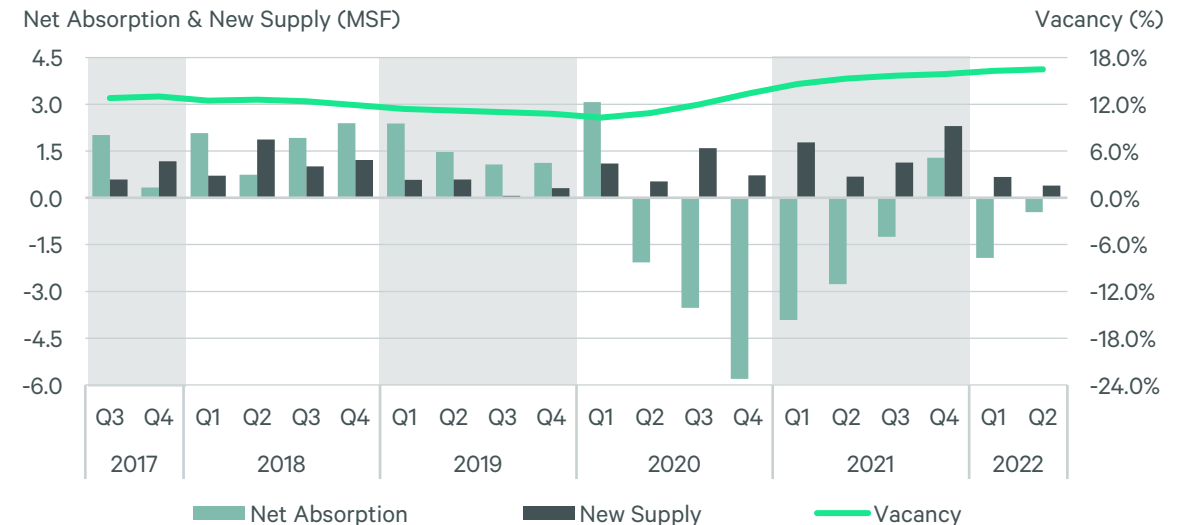
PSF Class A Net Asking Lease Rate

Note: Arrows indicate change from previous quarter.

Executive Summary

- Office market conditions are steadying following a challenging first quarter. With omicron concerns now largely abated, Vancouver and suburban markets are leading the office market’s protracted recovery.
- This recovery continues to be uneven, however. Downtown centres are increasingly lagging suburban markets, Toronto office conditions slipped as economic and tech-sector uncertainties heightened, and the national vacancy rate for downtown Class B office towers sits at 21.0% as occupiers rebuff commodity space.
- National sublet space retreated in Q2 and in absolute sq. ft. is at its lowest level since Q4 2020. Subleases currently account for 17.9% of total vacancy or 3.0% of total inventory.
- Construction levels increased in Q2, with over 15.1 million sq. ft. now underway nationally with a handful of projects kicking off in the suburbs of Vancouver and Calgary.

FIGURE 1: National Office Supply & Demand



Source: CBRE Research, Q2 2022.

Outsized impact from two markets in an otherwise quiet quarter

- 463,000 sq. ft. of negative net absorption was recorded this quarter as tenants continue to shuffle and return space to the market. This is a noticeable improvement however from the negative 1.9 million sq. ft. reported in Q1.
- The tech sector is having an outsized impact in two markets, and in very different ways. Tech users spurred activity in suburban Vancouver, taking down large blocks of space. On the other side of the country, however, Toronto saw a slow down with tenants putting new leasing on hold amidst heightening economic and tech-sector uncertainty.
- Excluding Toronto and Vancouver, national net absorption would have only been slightly negative at 82,000 sq. ft. Elsewhere across the country, the office market was relatively stable with seven markets recording less than 100,000 sq. ft. of net absorption (either positive or negative). Calgary experienced a moderately negative quarter, brought on by downsizing in the energy sector due to M&A activity.

FIGURE 2: National Net Absorption (MSF)

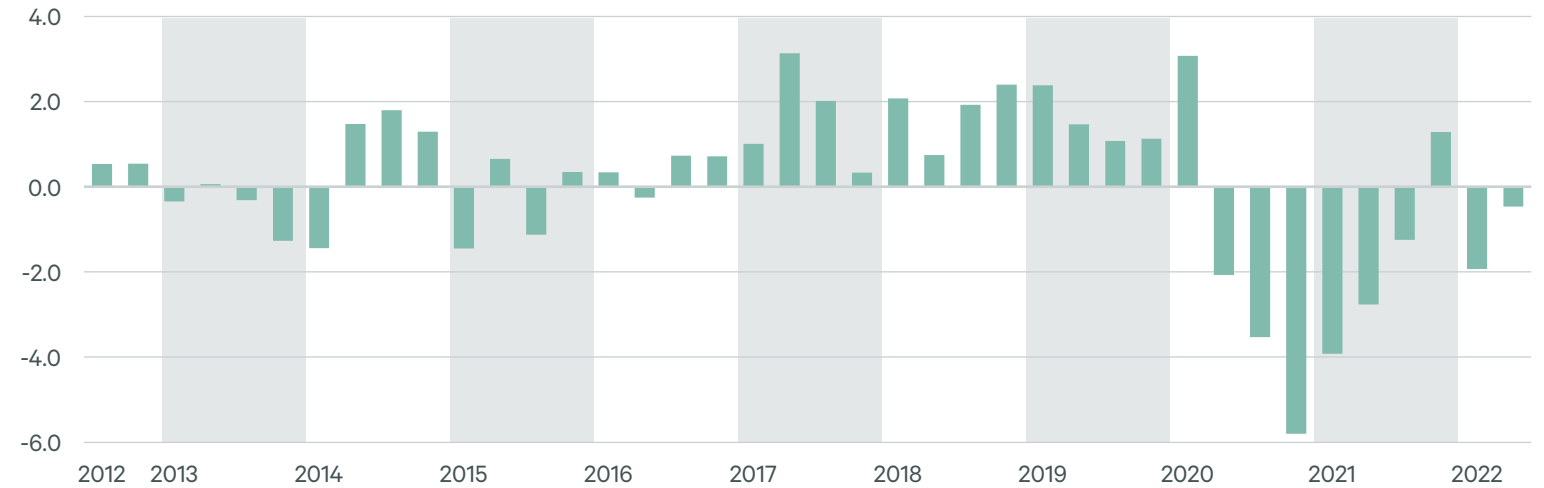
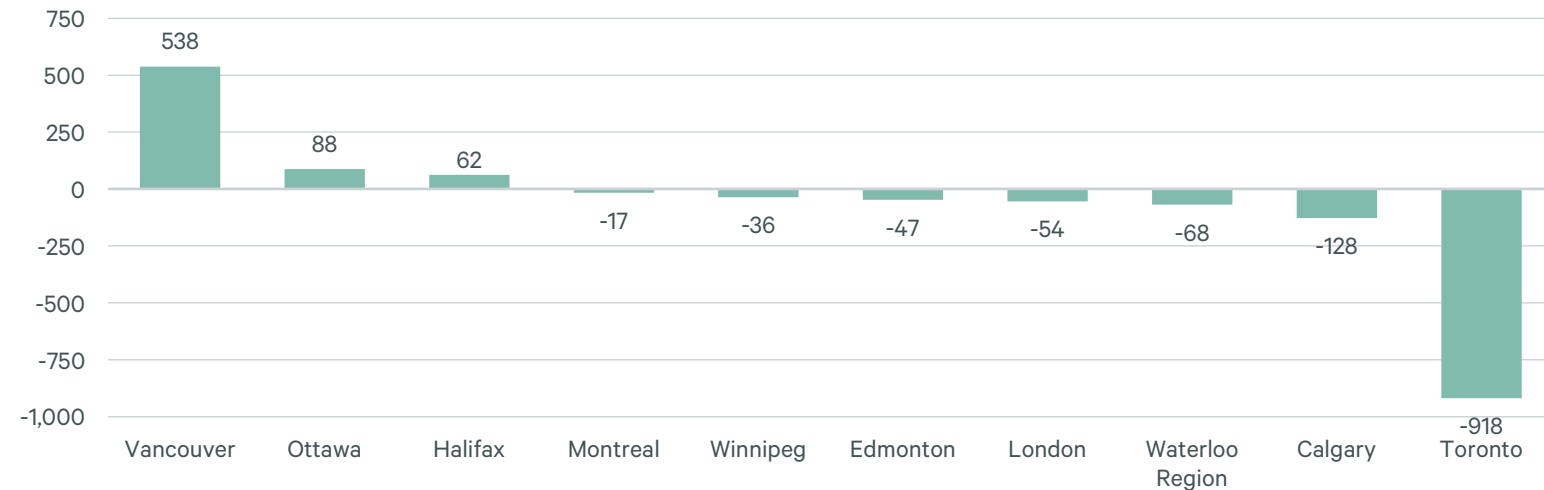


FIGURE 3: Net Absorption by Market (000's SF)



Source: CBRE Research, Q2 2022.

Sublet space, while still elevated, is in retreat

- National sublet space retreated in Q2 and in absolute sq. ft. is at its lowest level since Q4 2020. Subleases currently account for 17.9% of total vacancy or 3.0% of total existing office inventory.
- Occupiers continue to reclaim their sublet offerings as they prepare for return-to-office pushes. It is expected that this value will continue to decrease, with quality built-out spaces in high demand amidst surging fit-out costs.
- The largest quarterly decreases were seen in the western markets of Edmonton (-29.9%), Vancouver (-13.8%), and Calgary (-9.4%) which has seen sublet offerings decline for five consecutive quarters.
- In Toronto and Montreal, overall sublease levels have held at or near their 20-year highs.

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

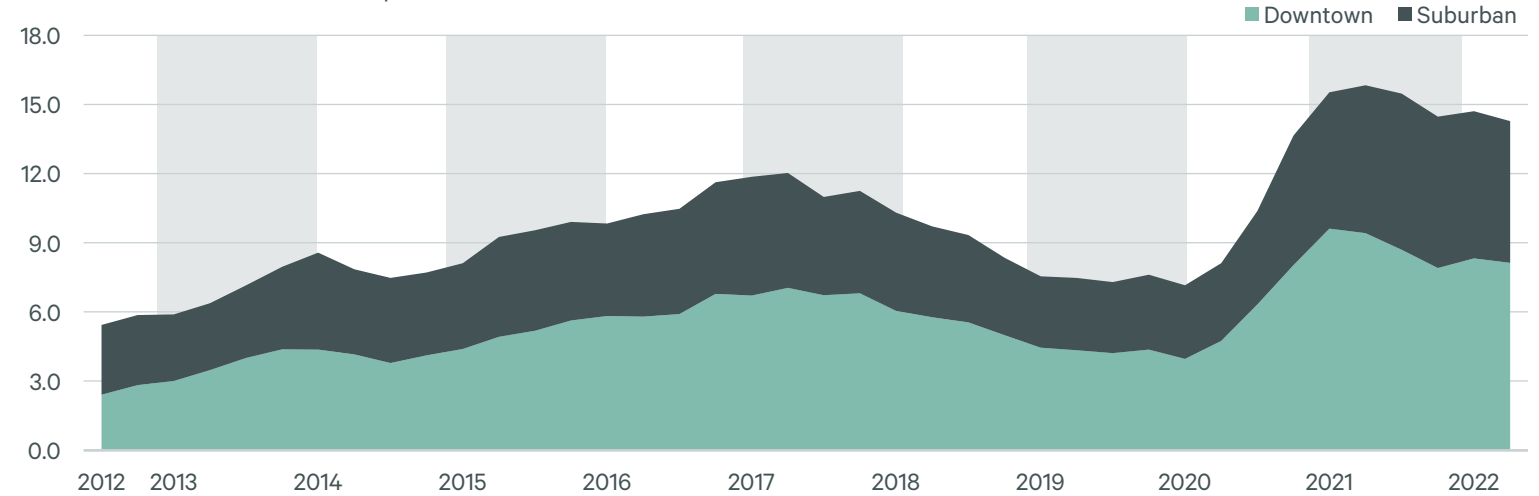
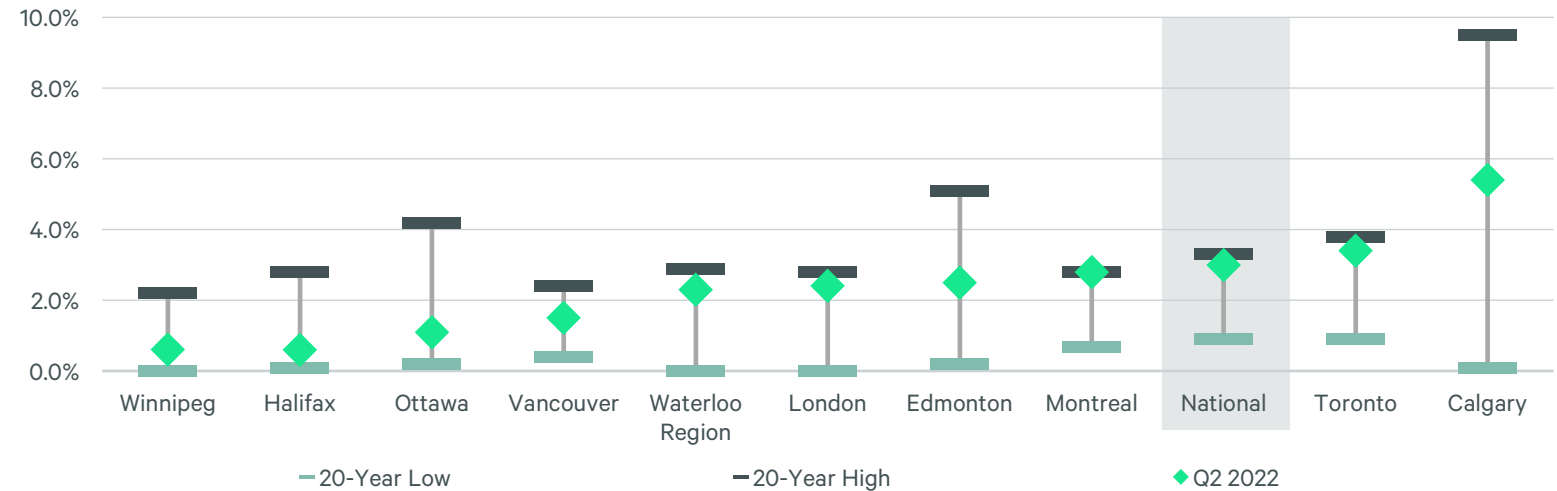


FIGURE 5: Sublease as % of Inventory by Market



Source: CBRE Research, Q2 2022.

Diverging contractual occupancy trends between downtown and suburbs

- While suburban markets noted improvement over the quarter, this was outstripped by softening downtown fundamentals that saw overall vacancy rise to 16.5%.
- This is the second consecutive quarter where the suburbs posted a lower national vacancy rate relative to downtown centres, something previously never seen in the Canadian office market. Widening the gap recorded in Q1, suburban national vacancy now sits 90 basis points (bps) below that of downtown.
- Seven of 10 markets saw tightening suburban vacancy, most often in larger magnitude to any improvements seen downtown. However, that is not to say that all downtown regions performed poorly.
- Half of all markets reported decreased vacancy downtown, including Halifax (-80 bps), Vancouver (-50 bps), Montreal (-20 bps) Ottawa (-20 bps), and Waterloo Region (-10 bps).

FIGURE 6: National Downtown vs Suburban Vacancy Rate

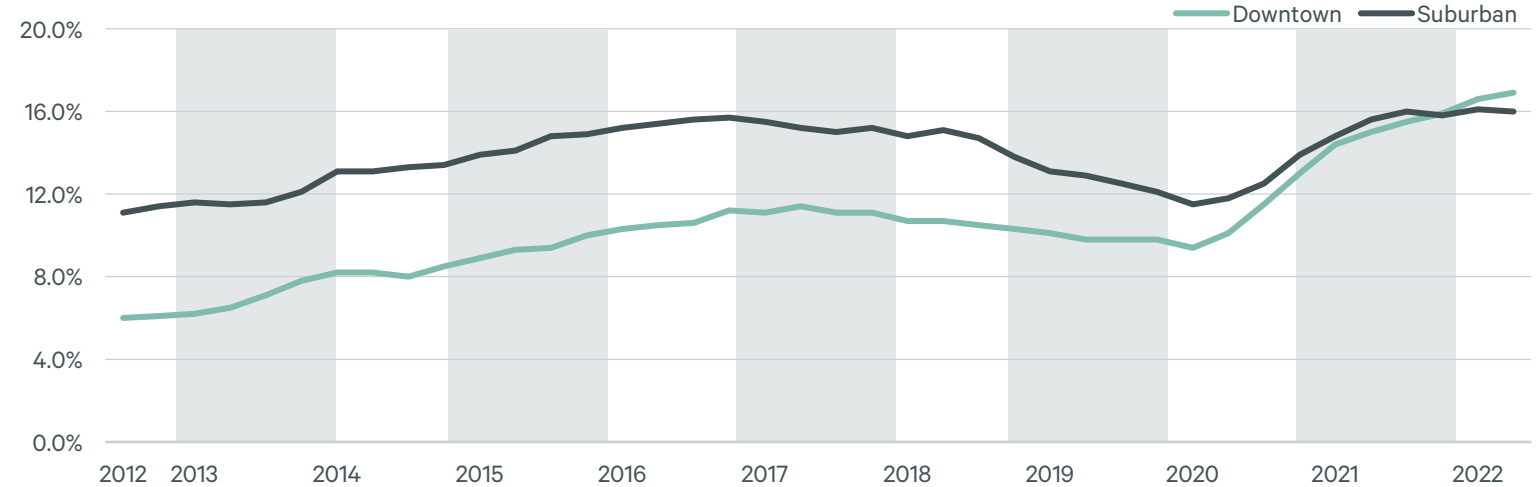
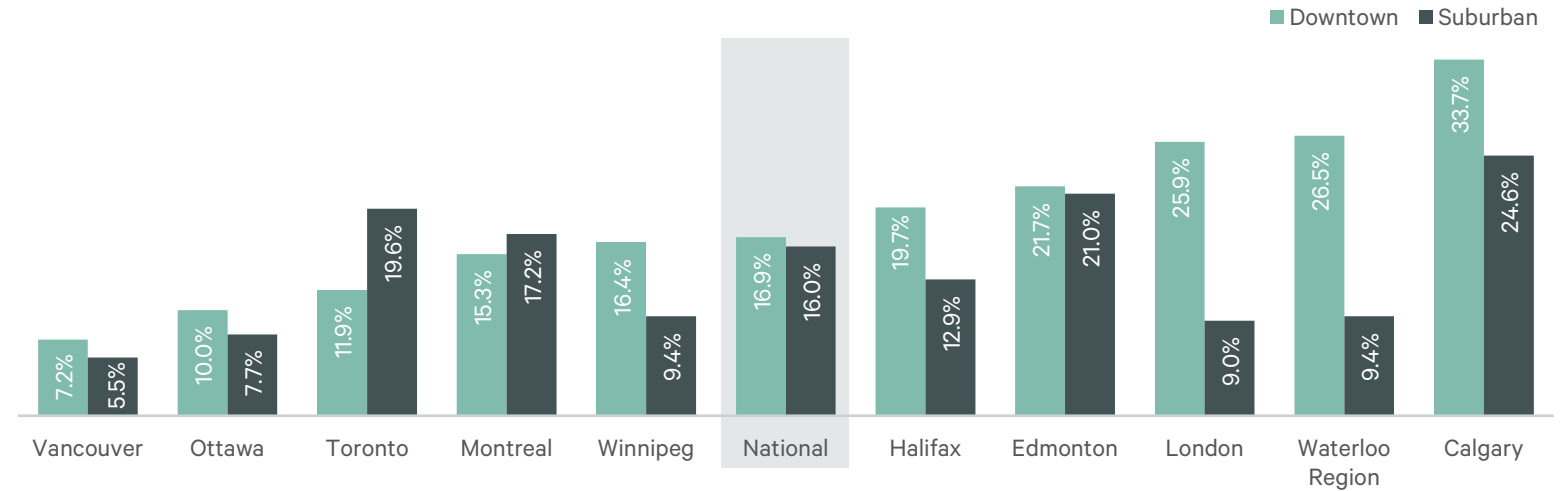


FIGURE 7: Downtown vs Suburban Vacancy by Market

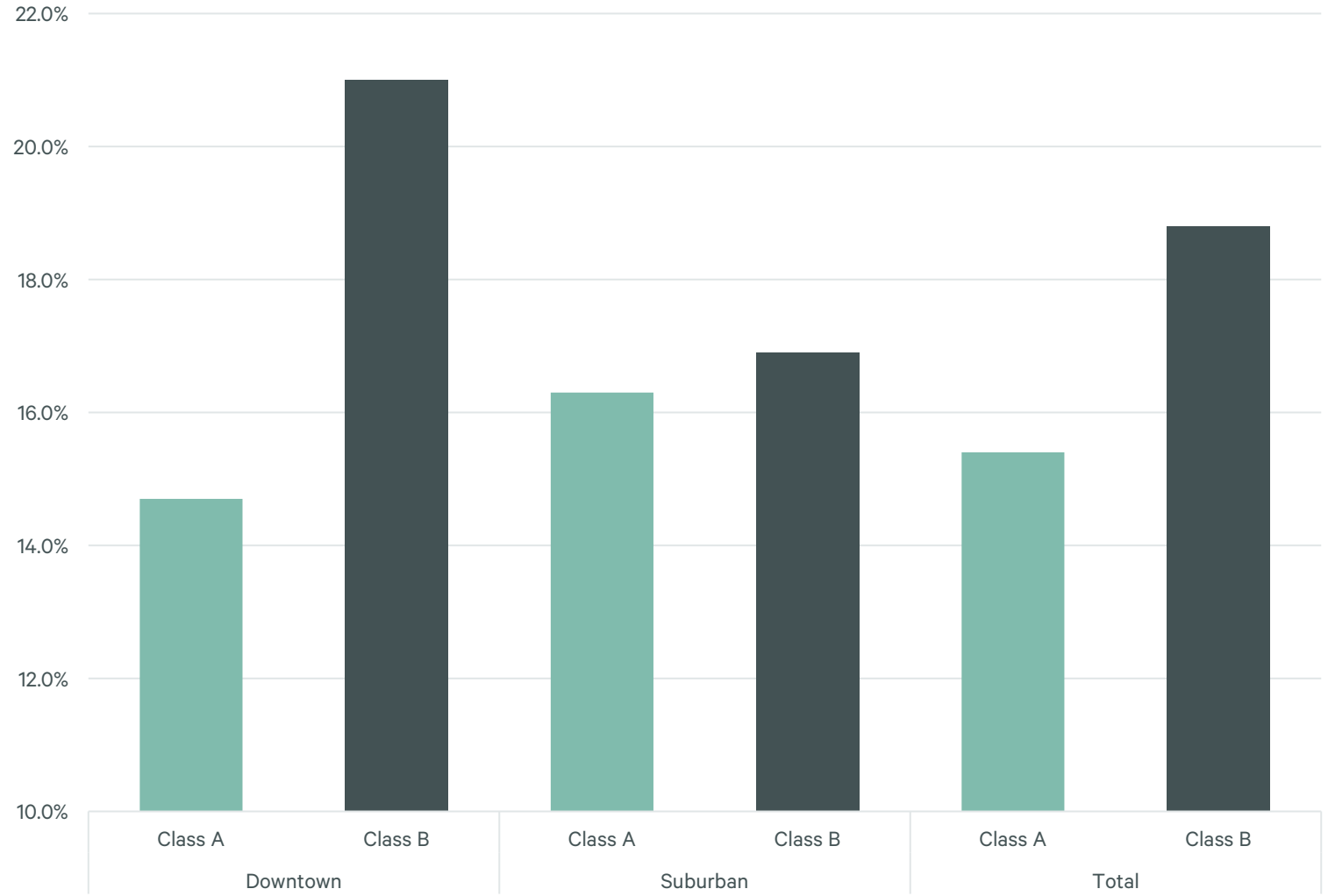


Source: CBRE Research, Q2 2022.

Commute times and quality office amenities increasingly a focus for occupiers

- Looking at vacancy by Class provides a glimpse at the different strategies downtown and suburban occupiers are using to draw employees back in-office. Of which, commute times play a large role.
- Downtown, Class A buildings have outperformed lower-quality or older-aged space with an average vacancy rate 6.3% lower than Class B. Occupiers understand that in order to overcome the drawback of a commute downtown, highly personalized space with quality amenities has become a cost of entry.
- In the suburbs, vacancy is on average lower than downtown. This holds true in all but two Canadian markets, exemplifying a growing preference for highway and public transit accessibility.
- Challenged by both commute times and weaker amenities, the Downtown Class B segment is finding itself increasingly impaired. Here, vacancy measures 21.0% as dated commodity office space becomes a relic of pre-pandemic times.

FIGURE 8: Class A vs B Office Vacancy – National Downtown, Suburban and Total

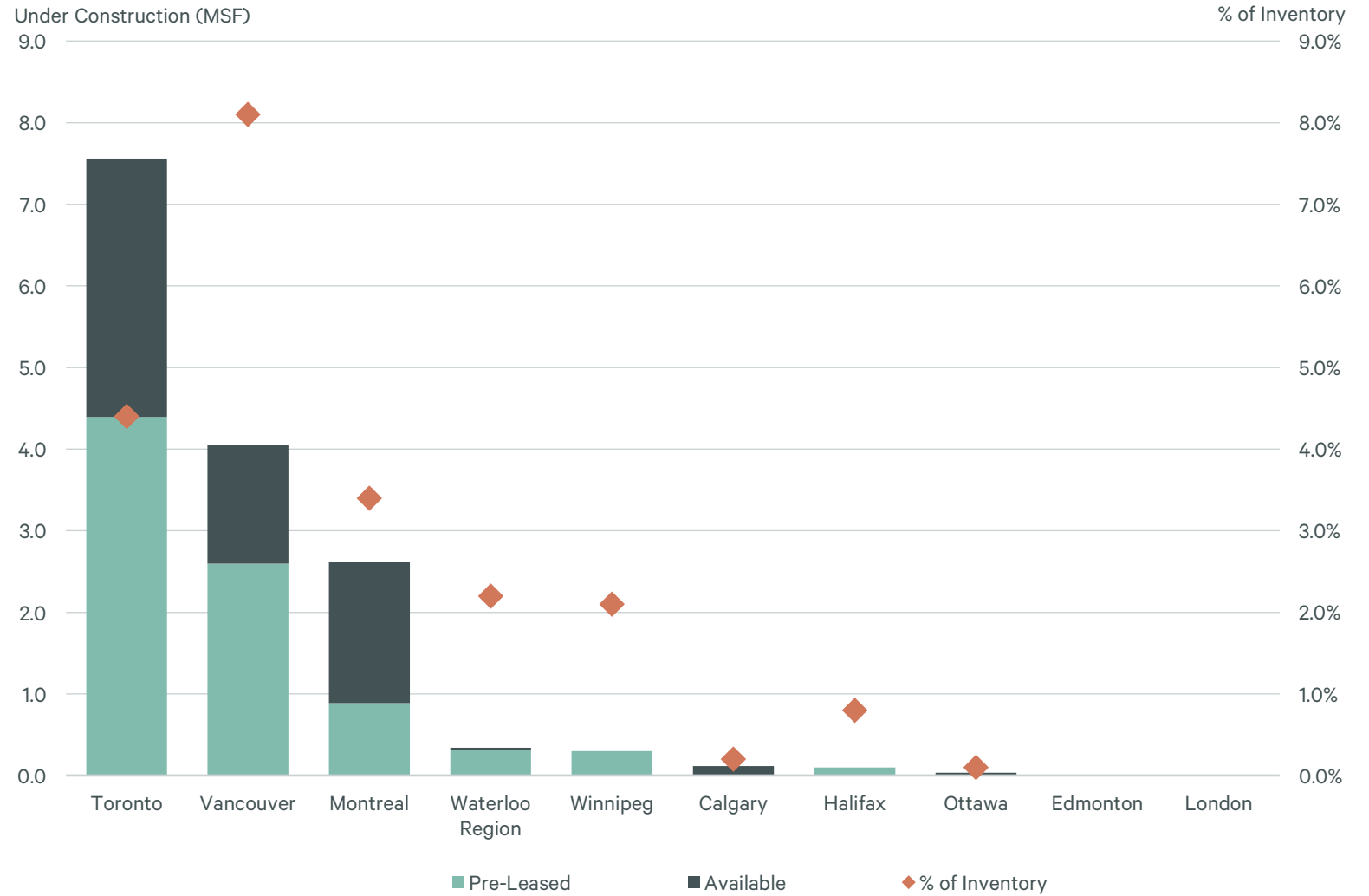


Source: CBRE Research, Q2 2022.

Development picks up with new projects underway in suburban markets

- Construction levels increased in Q2, with 6 projects totaling 835,000 sq. ft. newly underway. The reappearance of development activity is focused on the suburbs, with Vancouver and Calgary each seeing larger projects kick off this quarter.
- Vancouver is in a league of its own, where current construction activity will increase their office building stock by 8.1%. On the higher-end for balanced market conditions, it is also 64.1% pre-leased.
- Delivery dates for some projects have been pushed out amidst supply chain issues around sourcing and receiving building materials on time.
- The national office pipeline now measures over 15.1 million sq. ft., equal to 3.1% of existing national inventory. Pre-lease levels are also healthy at 56.8%.

FIGURE 9: Under Construction by Market



Source: CBRE Research, Q2 2022.

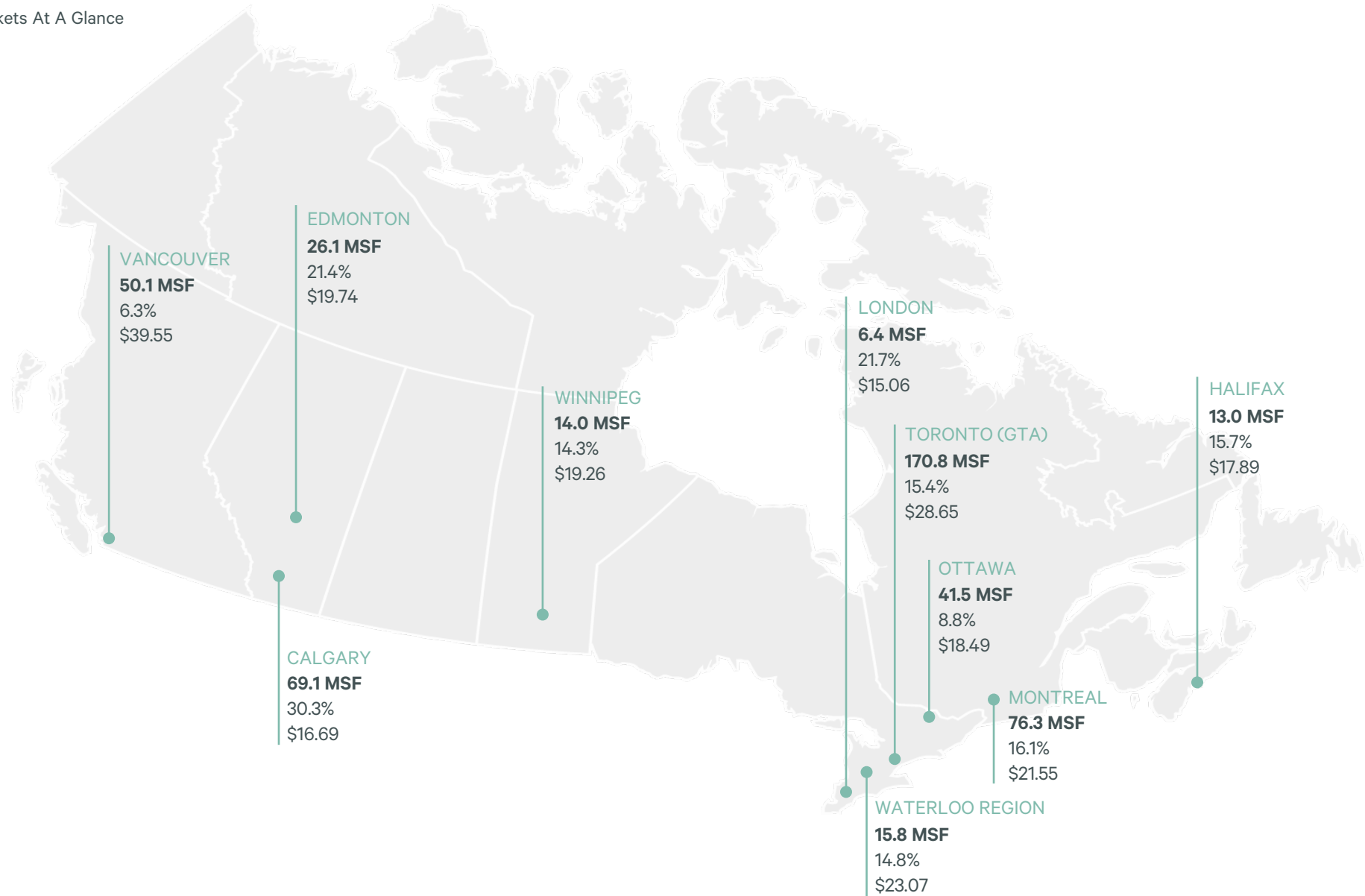
FIGURE 10: Canadian Office Markets At A Glance

MARKET

Net Rentable Area

Vacancy Rate

Class A Net Rent (PSF)



Source: CBRE Research, Q2 2022.

FIGURE 11: Canadian Office Markets Statistics, Q2 2022

DOWNTOWN	VANCOUVER	CALGARY	EDMONTON	WINNIPEG	LONDON	WATERLOO	TORONTO	OTTAWA	MONTREAL	HALIFAX	NATIONAL
Net Rentable Area	24,921,293	43,060,155	16,045,040	9,950,554	4,766,661	4,941,027	93,034,340	18,909,918	45,425,372	5,331,061	266,385,421
Overall Vacancy Rate	7.2%	33.7%	21.7%	16.4%	25.9%	26.5%	11.9%	10.0%	15.3%	19.7%	16.9%
Direct Space	1,328,992	11,605,886	3,063,859	1,573,905	1,095,411	1,251,425	8,534,972	1,648,993	5,742,035	1,026,311	36,871,789
Sublet Space	461,934	2,923,174	420,268	54,057	140,997	59,749	2,573,296	248,583	1,215,918	23,634	8,121,610
Sublet of Vacant Space	25.8%	20.1%	12.1%	3.3%	11.4%	4.6%	23.2%	13.1%	17.5%	2.3%	18.1%
Class A Vacancy Rate	7.2%	28.7%	19.6%	14.5%	14.8%	27.2%	10.6%	6.9%	12.7%	26.2%	14.7%
Average Class A Net Rent (PSF)	\$46.90	\$15.87	\$20.36	\$19.26	\$15.06	\$27.09	\$35.48	\$23.19	\$25.23	\$19.38	\$25.02
Quarter Net Absorption	118,780	-379,153	-94,038	-75,716	-37,516	3,794	-499,094	35,393	89,453	41,321	-796,776
Year-to-Date Net Absorption	12,095	-315,819	-95,169	-101,036	7,383	-75,173	-1,113,038	-28,755	-640,810	32,777	-2,317,545
Quarter New Supply	0	0	0	0	0	0	105,712	0	0	0	105,712
Year-to-Date New Supply	0	0	0	0	0	0	611,877	0	0	0	611,877
Under Construction	2,916,547	0	0	300,000	0	300,000	6,884,299	34,384	624,577	0	11,059,807
SUBURBAN											
Net Rentable Area	25,167,426	26,008,655	10,037,106	4,083,333	1,605,465	10,868,829	77,765,996	22,591,987	30,825,012	7,705,518	216,659,327
Overall Vacancy Rate	5.5%	24.6%	21.0%	9.4%	9.0%	9.4%	19.6%	7.7%	17.2%	12.9%	16.0%
Direct Space	1,072,284	5,602,146	1,885,518	360,348	135,286	726,212	11,966,318	1,520,760	4,377,395	939,658	28,585,925
Sublet Space	312,149	786,765	222,295	23,194	9,247	298,981	3,303,975	221,367	923,066	51,905	6,152,944
Sublet of Vacant Space	22.5%	12.3%	10.5%	6.0%	6.4%	29.2%	21.6%	12.7%	17.4%	5.2%	17.7%
Class A Vacancy Rate	5.2%	19.8%	17.9%	N/A	N/A	7.9%	21.8%	8.2%	16.4%	20.0%	16.3%
Average Class A Net Rent (PSF)	\$29.48	\$18.89	\$18.07	N/A	N/A	\$17.14	\$18.97	\$15.77	\$16.29	\$15.92	\$18.59
Quarter Net Absorption	418,955	251,391	47,244	40,042	-16,617	44,708	-419,057	52,537	-106,166	20,915	333,952
Year-to-Date Net Absorption	553,971	318,683	139,479	75,184	-29,694	6,824	-875,921	-51,181	-190,949	-20,486	-74,090
Quarter New Supply	256,832	0	0	0	0	0	31,848	0	0	0	288,680
Year-to-Date New Supply	256,832	0	0	0	0	69,963	31,848	0	0	100,000	458,643
Under Construction	1,135,708	118,000	0	0	0	40,474	674,855	0	1,995,324	100,000	4,064,361
TOTAL											
Net Rentable Area	50,088,719	69,068,810	26,082,146	14,033,887	6,372,126	15,809,856	170,800,336	41,501,905	76,250,384	13,036,579	483,044,748
Overall Vacancy Rate	6.3%	30.3%	21.4%	14.3%	21.7%	14.8%	15.4%	8.8%	16.1%	15.7%	16.5%
Direct Space	2,401,276	17,208,032	4,949,377	1,934,253	1,230,697	1,977,637	20,501,290	3,169,753	10,119,430	1,965,969	65,457,714
Sublet Space	774,083	3,709,939	642,563	77,251	150,244	358,730	5,877,271	469,950	2,138,984	75,539	14,274,554
Sublet of Vacant Space	24.4%	17.7%	11.5%	3.8%	10.9%	15.4%	22.3%	12.9%	17.4%	3.7%	17.9%
Class A Vacancy Rate	6.1%	25.8%	19.2%	14.5%	14.8%	12.8%	15.3%	7.6%	14.1%	23.2%	15.4%
Average Class A Net Rent (PSF)	\$39.55	\$16.69	\$19.74	\$19.26	\$15.06	\$23.07	\$28.65	\$18.49	\$21.55	\$17.89	\$22.23
Quarter Net Absorption	537,735	-127,762	-46,794	-35,674	-54,133	48,502	-918,151	87,930	-16,713	62,236	-462,824
Year-to-Date Net Absorption	566,066	2,864	44,310	-25,852	-22,311	-68,349	-1,988,959	-79,936	-831,759	12,291	-2,391,635
Quarter New Supply	256,832	0	0	0	0	0	137,560	0	0	0	394,392
Year-to-Date New Supply	256,832	0	0	0	0	69,963	643,725	0	0	100,000	1,070,520
Under Construction	4,052,255	118,000	0	300,000	0	340,474	7,559,154	34,384	2,619,901	100,000	15,124,168

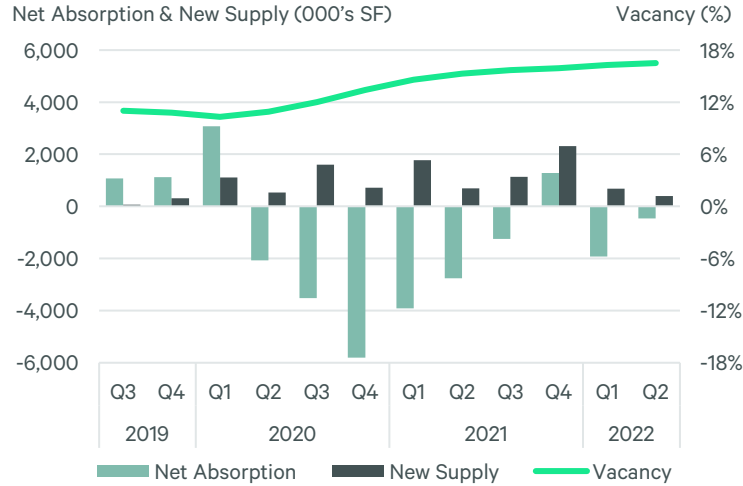
Source: CBRE Research, Q2 2022.

Canada

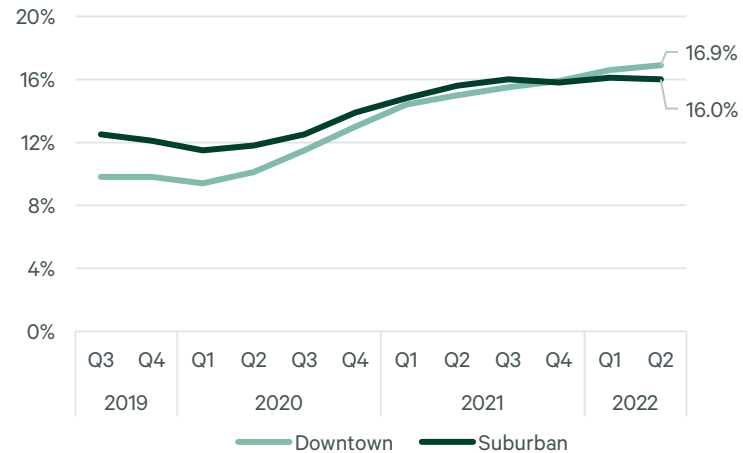
The national office market saw vacancy rise once again, now 16.5%. The suburbs saw noticeable improvement over the quarter, widening the gap to downtown performance, as occupiers look to improve employee commute times. Current economic uncertainty however could result in an uneven recovery through the end of the year.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	266,385,421	216,659,327	483,044,748	▲
Overall Vacancy Rate	16.9%	16.0%	16.5%	▲
Direct Space	36,871,789	28,585,925	65,457,714	▲
Sublet Space	8,121,610	6,152,944	14,274,554	▼
Sublet % of Vacant	18.1%	17.7%	17.9%	▼
Class A Vacancy Rate	14.7%	16.3%	15.4%	▲
Avg. Class A Net Rent (PSF)	\$25.02	\$18.59	\$22.23	▲
Quarter Net Absorption	-796,776	333,952	-462,824	▲
Quarter New Supply	105,712	288,680	394,392	▼
Under Construction	11,059,807	4,064,361	15,124,168	▲

METRO SUPPLY & DEMAND



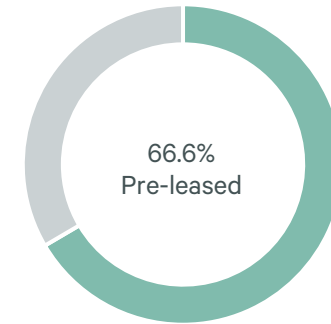
DOWNTOWN VS SUBURBAN VACANCY



UNDER CONSTRUCTION

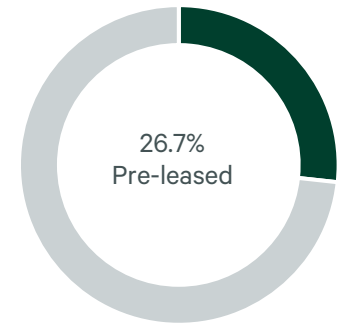
Downtown

11.1 MSF
4.2% of Inventory

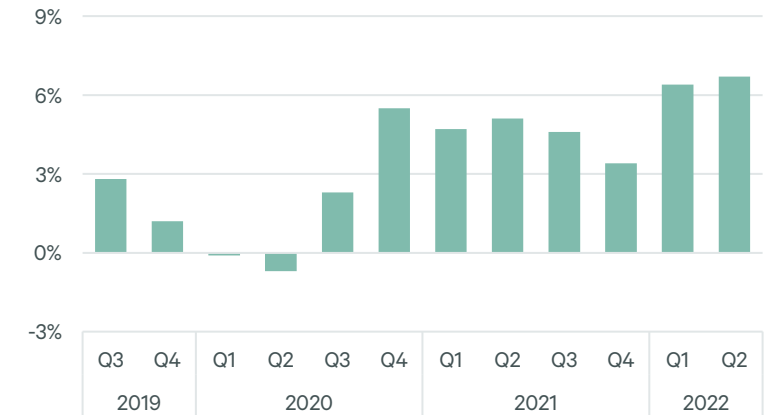


Suburban

4.1 MSF
1.9% of Inventory



METRO CLASS A RENT, Y-o-Y GROWTH

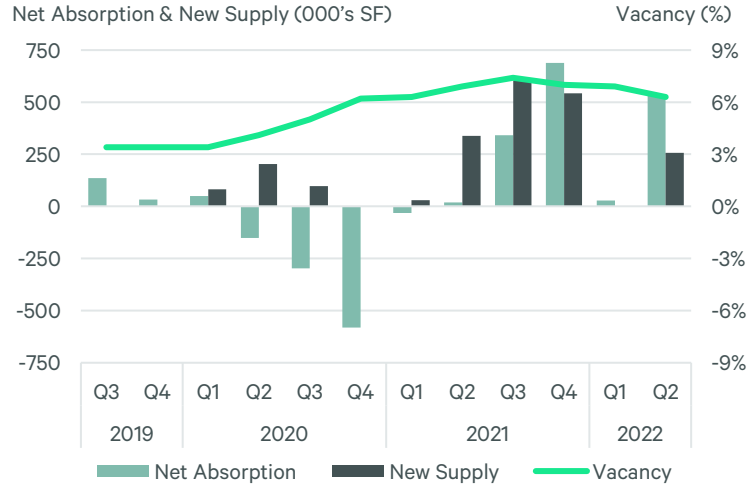


Vancouver

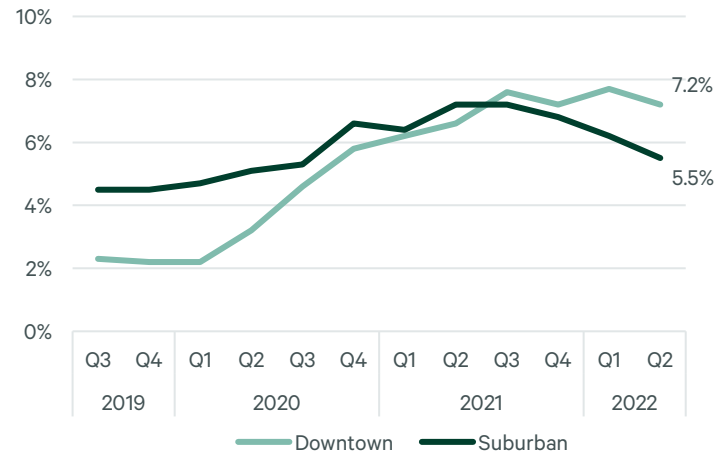
The Vancouver office market continued its impressive run as vacancy lowered to 6.3% in Q2. The suburbs have led this decrease, primarily from tech users leasing large blocks of space. Sustained demand for transit-oriented suburban locations with high parking accessibility could push vacancy to pre-pandemic lows in the near-term.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	24,921,293	25,167,426	50,088,719	▲
Overall Vacancy Rate	7.2%	5.5%	6.3%	▼
Direct Space	1,328,992	1,072,284	2,401,276	▼
Sublet Space	461,934	312,149	774,083	▼
Sublet % of Vacant	25.8%	22.5%	24.4%	▼
Class A Vacancy Rate	7.2%	5.2%	6.1%	▼
Avg. Class A Net Rent (PSF)	\$46.90	\$29.48	\$39.55	▼
Quarter Net Absorption	118,780	418,955	537,735	▲
Quarter New Supply	0	256,832	256,832	▲
Under Construction	2,916,547	1,135,708	4,052,255	▲

METRO SUPPLY & DEMAND



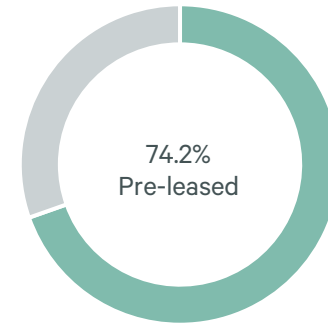
DOWNTOWN VS SUBURBAN VACANCY



UNDER CONSTRUCTION

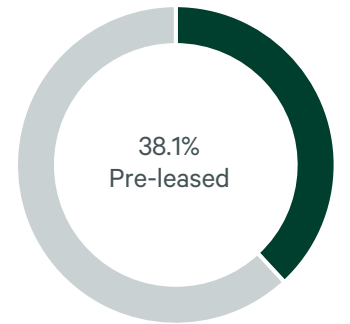
Downtown

2.9 MSF
11.7% of Inventory

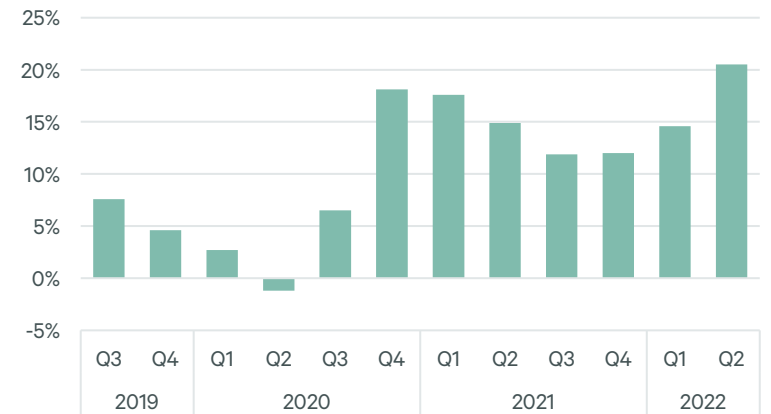


Suburban

1.1 MSF
4.5% of Inventory



METRO CLASS A RENT, Y-o-Y GROWTH

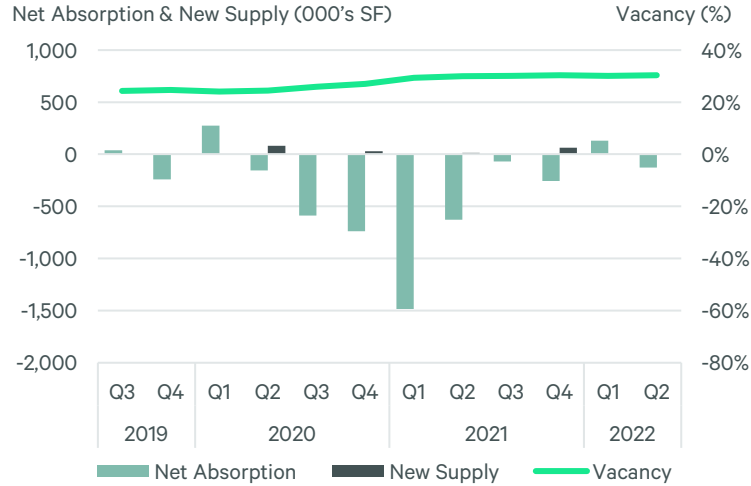


Calgary

Further consolidation in the energy sector has resulted in various consolidations and downsizings downtown as vacancy rose 90 bps in Q2 2022. The opposite story is playing out in the suburbs where vacancy decreased by 90 bps due to a combination of increased demand and tenants reclaiming sublet offerings.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	43,060,155	26,008,655	69,068,810	▼
Overall Vacancy Rate	33.7%	24.6%	30.3%	▲
Direct Space	11,605,886	5,602,146	17,208,032	▲
Sublet Space	2,923,174	786,765	3,709,939	▼
Sublet % of Vacant	20.1%	12.3%	17.7%	▼
Class A Vacancy Rate	28.7%	19.8%	25.8%	▲
Avg. Class A Net Rent (PSF)	\$15.87	\$18.89	\$16.69	▲
Quarter Net Absorption	-379,153	251,391	-127,762	▼
Quarter New Supply	0	0	0	◀▶
Under Construction	0	118,000	118,000	▲

METRO SUPPLY & DEMAND



UNDER CONSTRUCTION

Downtown

0 MSF
0% of Inventory

Suburban

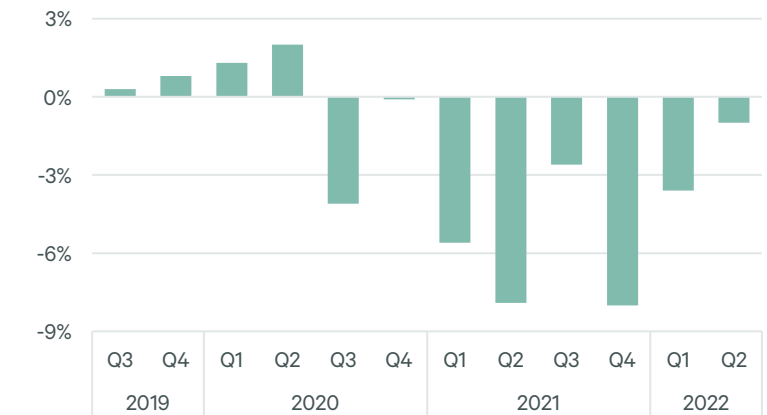
0.1 MSF
0.5% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

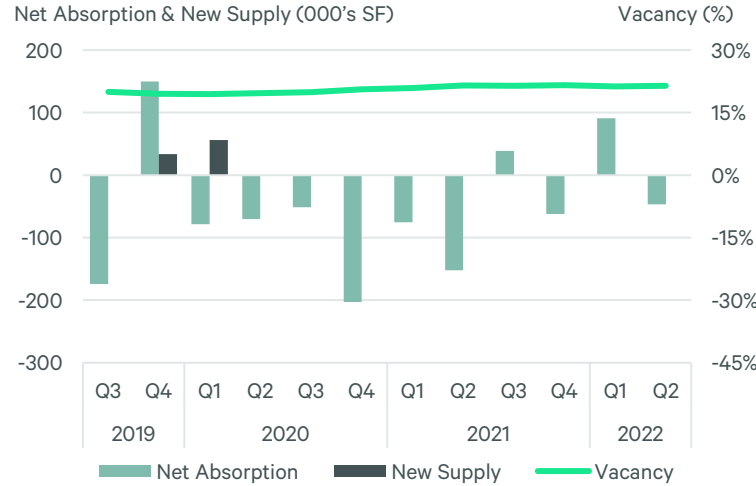


Edmonton

Larger tenants are implementing hybrid work models, resulting in several firms downsizing and bringing space back into the market. The suburban market continues to improve, however, marking a fourth quarter of positive net absorption. Recent activity has been driven by the education sector, offering various amenities such as ample parking.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	16,045,040	10,037,106	26,082,146	◀▶
Overall Vacancy Rate	21.7%	21.0%	21.4%	▲
Direct Space	3,063,859	1,885,518	4,949,377	▲
Sublet Space	420,268	222,295	642,563	▼
Sublet % of Vacant	12.1%	10.5%	11.5%	▼
Class A Vacancy Rate	19.6%	17.9%	19.2%	▲
Avg. Class A Net Rent (PSF)	\$20.36	\$18.07	\$19.74	▼
Quarter Net Absorption	-94,038	47,244	-46,794	▼
Quarter New Supply	0	0	0	◀▶
Under Construction	0	0	0	◀▶

METRO SUPPLY & DEMAND

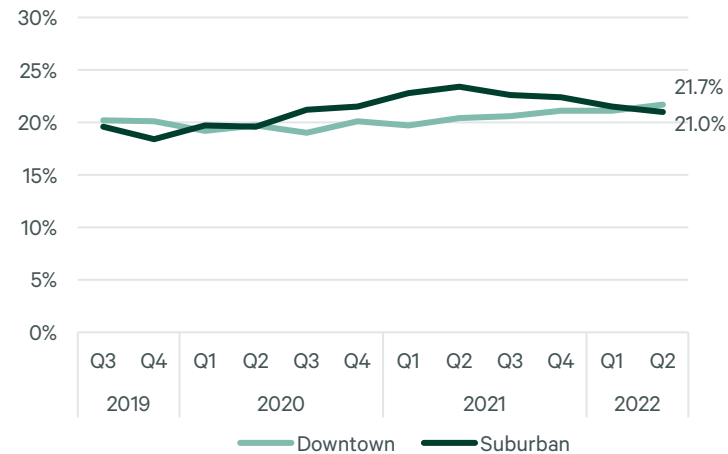


UNDER CONSTRUCTION

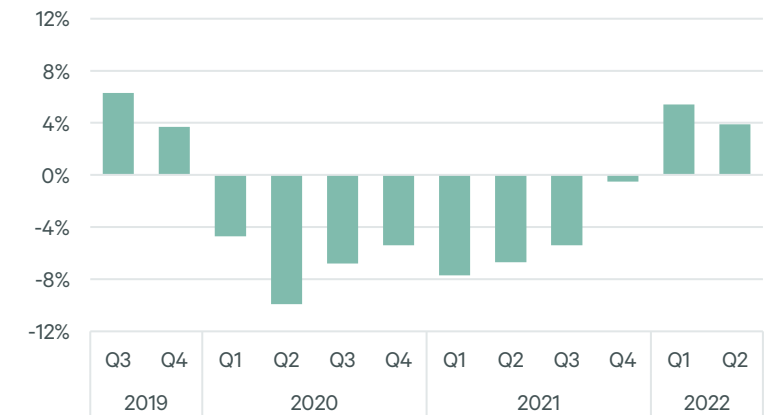
Downtown
0 MSF
0% of Inventory

Suburban
0 MSF
0% of Inventory

DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

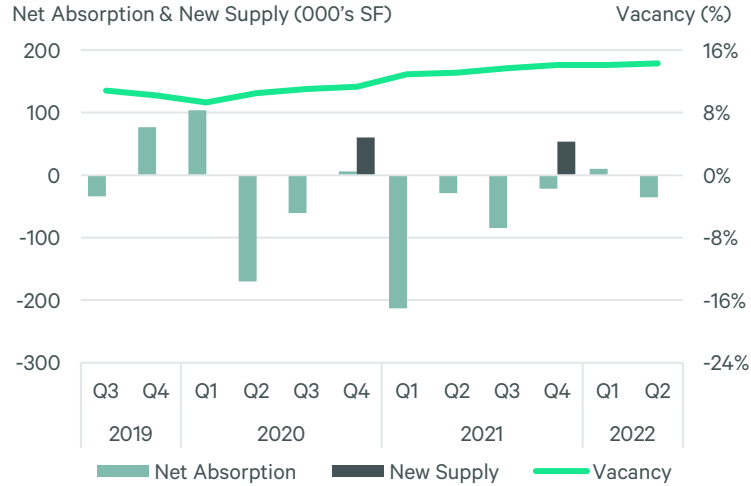


Winnipeg

The suburban office market continues to improve while observing stable conditions. Flex office space is seeing a turn for the positive from industrial users facing constrained supply, causing vacancy rates to drop 100 bps to 9.4%.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	9,950,554	4,083,333	14,033,887	▼
Overall Vacancy Rate	16.4%	9.4%	14.3%	▲
Direct Space	1,573,905	360,348	1,934,253	▲
Sublet Space	54,057	23,194	77,251	▲
Sublet % of Vacant	3.3%	6.0%	3.8%	▲
Class A Vacancy Rate	14.5%	N/A	14.5%	▲
Avg. Class A Net Rent (PSF)	\$19.26	N/A	\$19.26	▼
Quarter Net Absorption	-75,716	40,042	-35,674	▼
Quarter New Supply	0	0	0	◄►
Under Construction	300,000	0	300,000	◄►

METRO SUPPLY & DEMAND



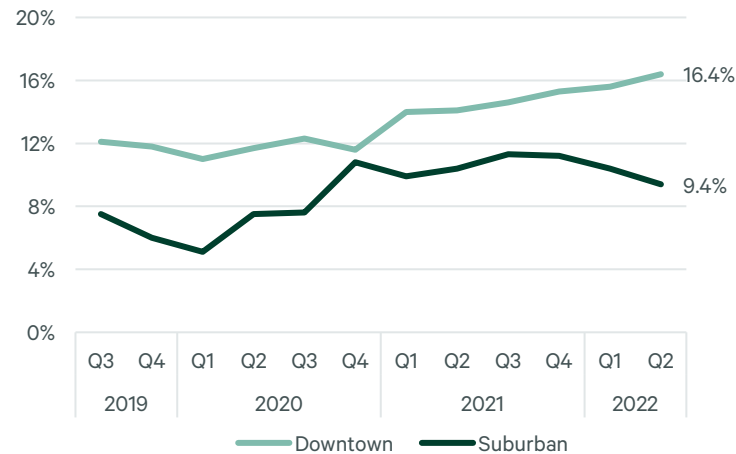
UNDER CONSTRUCTION

Downtown
0.3 MSF
3.0% of Inventory

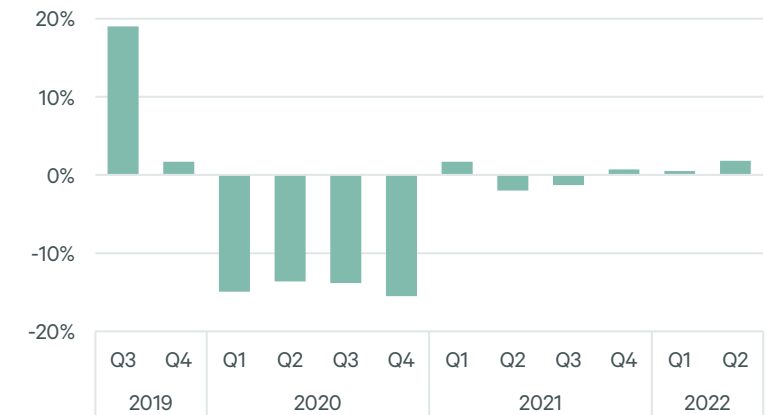
Suburban
0 MSF
0% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

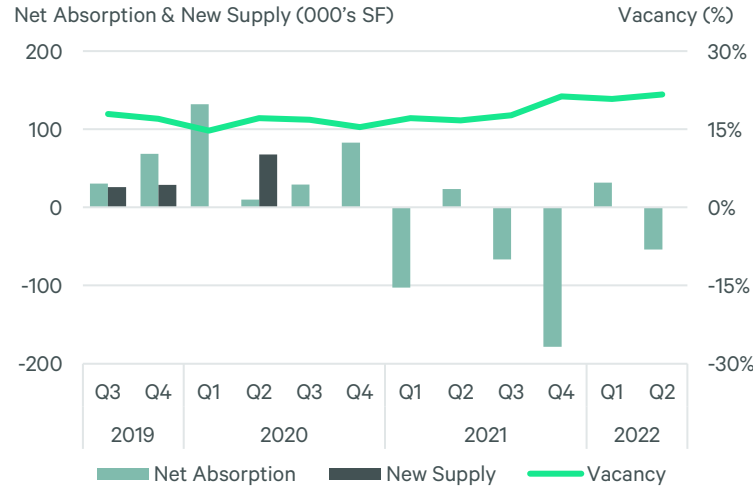


London

Downtown vacancy increased by 70 bps to 25.9%, while suburban vacancy edged higher by 100 bps over the quarter to 9.0%. Landlords in the core are beginning to see increased interest, especially from price-conscious prospective tenants hoping to lock in rents at lower than posted rates.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	4,766,661	1,605,465	6,372,126	◀▶
Overall Vacancy Rate	25.9%	9.0%	21.7%	▲
Direct Space	1,095,411	135,286	1,230,697	▲
Sublet Space	140,997	9,247	150,244	▲
Sublet % of Vacant	11.4%	6.4%	10.9%	▲
Class A Vacancy Rate	14.8%	N/A	14.8%	▲
Avg. Class A Net Rent (PSF)	\$15.06	N/A	\$15.06	▼
Quarter Net Absorption	-37,516	-16,617	-54,133	▼
Quarter New Supply	0	0	0	◀▶
Under Construction	0	0	0	◀▶


METRO SUPPLY & DEMAND



UNDER CONSTRUCTION

Downtown
0 MSF
0% of Inventory

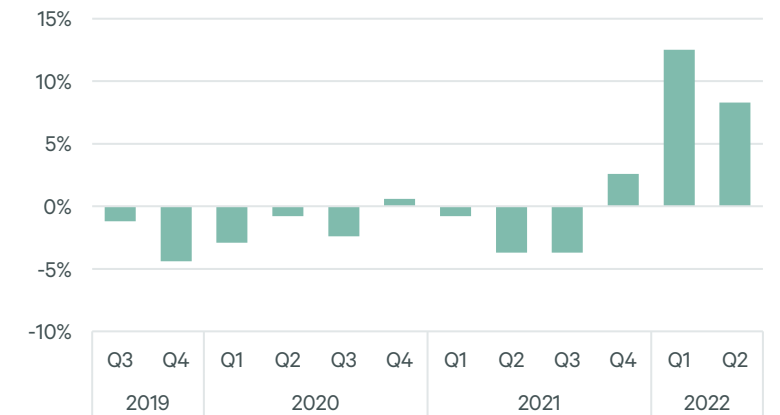
Suburban
0 MSF
0% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

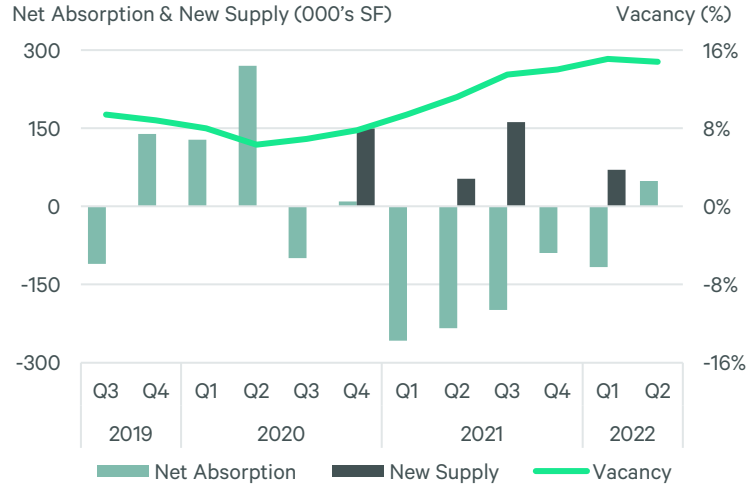


Waterloo Region

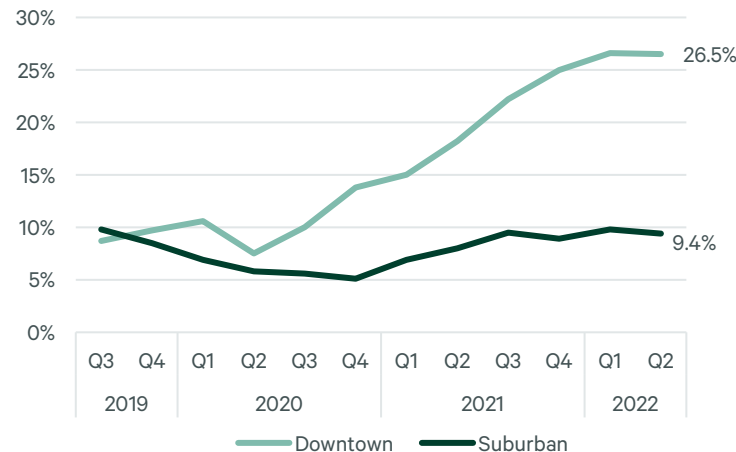
The Waterloo Region office market recorded positive net absorption for the first time since Q4 2020 due to an uptick in leasing activity led by the suburbs. Sublets remain prevalent, however, now representing 15.4% of overall vacancy, and are also predominately located in the suburbs.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	4,941,027	10,868,829	15,809,856	◀▶
Overall Vacancy Rate	26.5%	9.4%	14.8%	▼
Direct Space	1,251,425	726,212	1,977,637	▼
Sublet Space	59,749	298,981	358,730	▲
Sublet % of Vacant	4.6%	29.2%	15.4%	▲
Class A Vacancy Rate	27.2%	7.9%	12.8%	◀▶
Avg. Class A Net Rent (PSF)	\$27.09	\$17.14	\$23.07	◀▶
Quarter Net Absorption	3,794	44,708	48,502	▲
Quarter New Supply	0	0	0	▼
Under Construction	300,000	40,474	340,474	◀▶

METRO SUPPLY & DEMAND



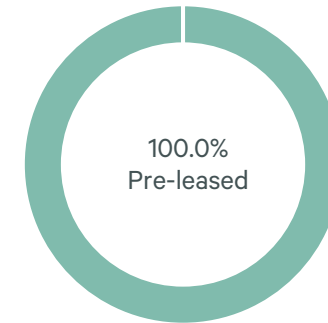
DOWNTOWN VS SUBURBAN VACANCY



UNDER CONSTRUCTION

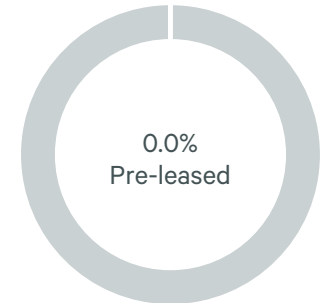
Downtown

0.3 MSF
6.1% of Inventory

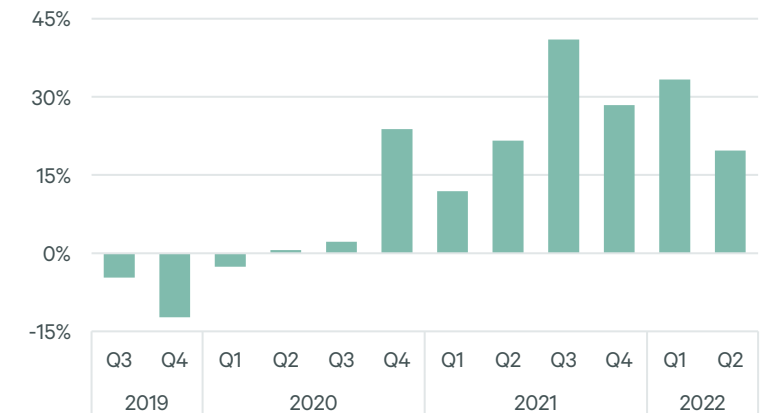


Suburban

40,000 SF
0.4% of Inventory



METRO CLASS A RENT, Y-o-Y GROWTH

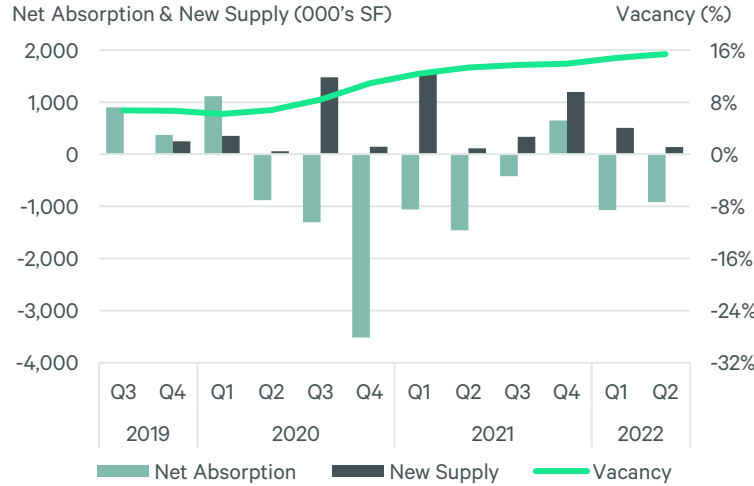


Toronto

Heightened economic and tech-sector uncertainty saw many Toronto tenants put new leasing on hold causing vacancy to creep up 60 bps downtown. Tenants that have stayed the course are using this pause to secure differentiated and personalized space over dated, commodity office space.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	93,034,340	77,765,996	170,800,336	▲
Overall Vacancy Rate	11.9%	19.6%	15.4%	▲
Direct Space	8,534,972	11,966,318	20,501,290	▲
Sublet Space	2,573,296	3,303,975	5,877,271	▲
Sublet % of Vacant	23.2%	21.6%	22.3%	▼
Class A Vacancy Rate	10.6%	21.8%	15.3%	▲
Avg. Class A Net Rent (PSF)	\$35.48	\$18.97	\$28.65	▲
Quarter Net Absorption	-499,094	-419,057	-918,151	▲
Quarter New Supply	105,712	31,848	137,560	▼
Under Construction	6,884,299	674,855	7,559,154	▼

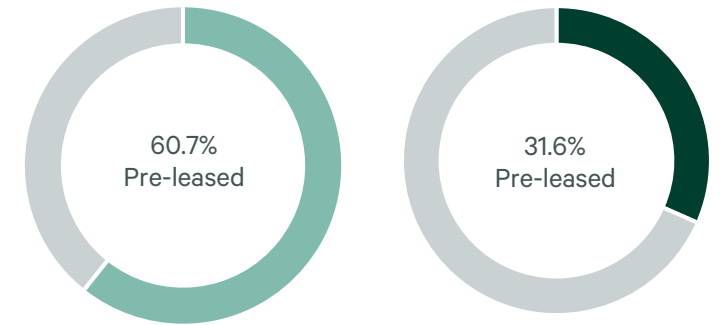
METRO SUPPLY & DEMAND



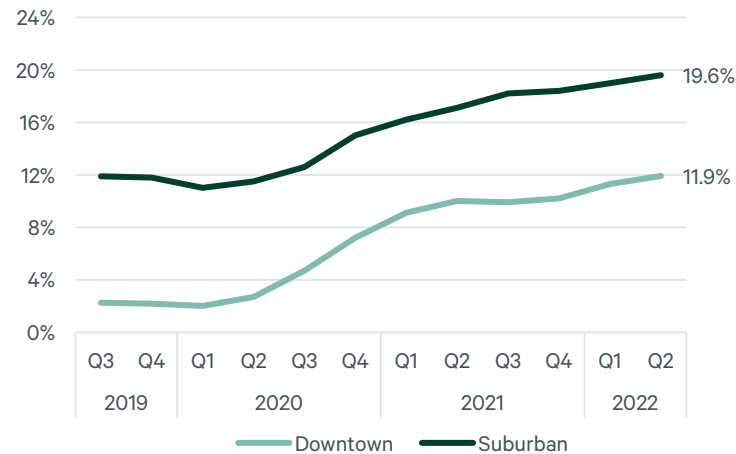
UNDER CONSTRUCTION

Downtown
6.9 MSF
7.4% of Inventory

Suburban
0.7 MSF
0.9% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

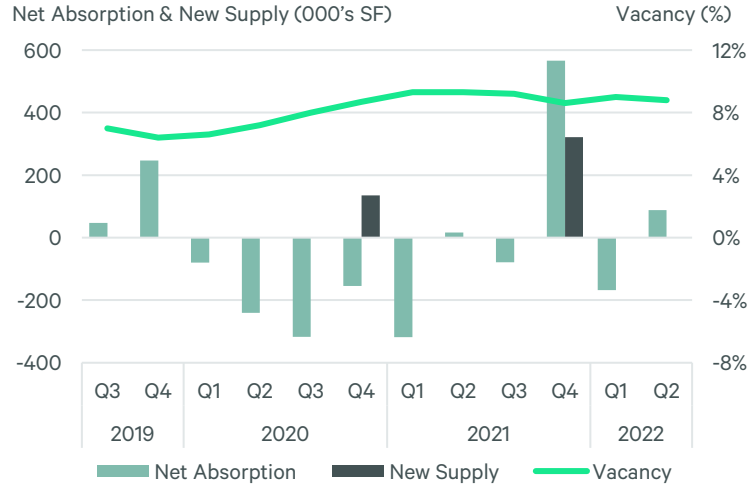


Ottawa

Sublease vacancy continues to decline since peaking in Q4 2020. Subleases currently comprise 12.9% of vacant space on the market, or 1.1% of total inventory. Although still above the 10-year average, the total square footage of options available has declined back to levels seen early in the pandemic.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	18,909,918	22,591,987	41,501,905	◀▶
Overall Vacancy Rate	10.0%	7.7%	8.8%	▼
Direct Space	1,648,993	1,520,760	3,169,753	▼
Sublet Space	248,583	221,367	469,950	▼
Sublet % of Vacant	13.1%	12.7%	12.9%	▲
Class A Vacancy Rate	6.9%	8.2%	7.6%	▼
Avg. Class A Net Rent (PSF)	\$23.19	\$15.77	\$18.49	▲
Quarter Net Absorption	35,393	52,537	87,930	▲
Quarter New Supply	0	0	0	◀▶
Under Construction	34,384	0	34,384	◀▶

METRO SUPPLY & DEMAND



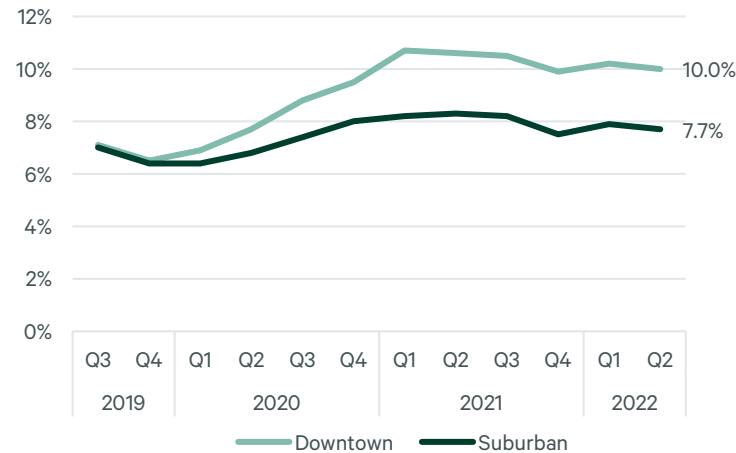
UNDER CONSTRUCTION

Downtown
34,000 SF
0.2% of Inventory

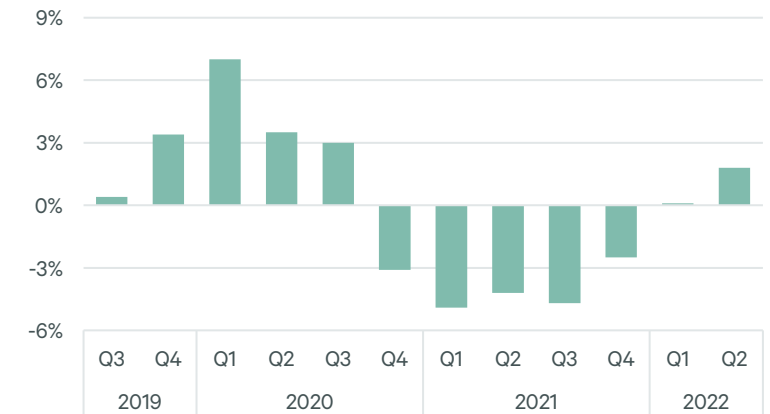
Suburban
0 MSF
0% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

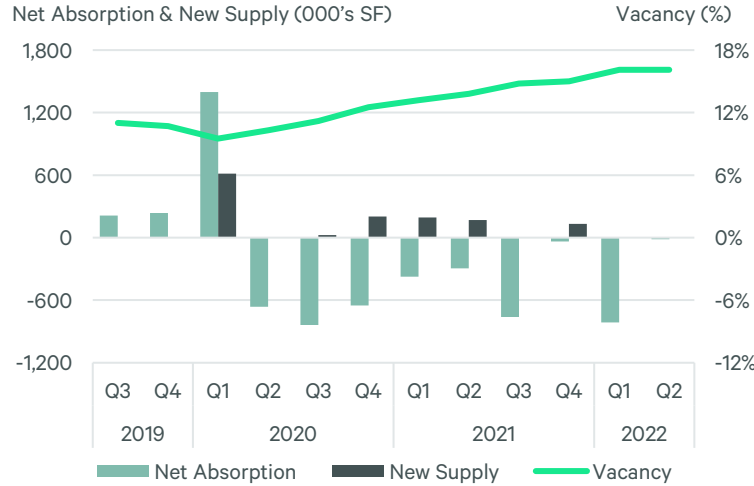


Montreal

Positive momentum was recorded downtown as vacancy decreased 20 bps with equal amounts of direct and sublet space coming off the market. The near-term outlook is mixed, however, as while executives are considering starting fresh in more enticing workspaces with high-quality amenities, they are also often opting to downsize.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	45,425,372	30,825,012	76,250,384	◀▶
Overall Vacancy Rate	15.3%	17.2%	16.1%	◀▶
Direct Space	5,742,035	4,377,395	10,119,430	▲
Sublet Space	1,215,918	923,066	2,138,984	▼
Sublet % of Vacant	17.5%	17.4%	17.4%	▼
Class A Vacancy Rate	12.7%	16.4%	14.1%	▲
Avg. Class A Net Rent (PSF)	\$25.23	\$16.29	\$21.55	▼
Quarter Net Absorption	89,453	-106,166	-16,713	▲
Quarter New Supply	0	0	0	◀▶
Under Construction	624,577	1,995,324	2,619,901	◀▶

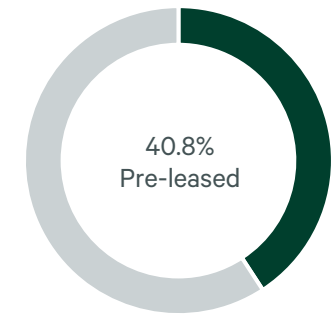
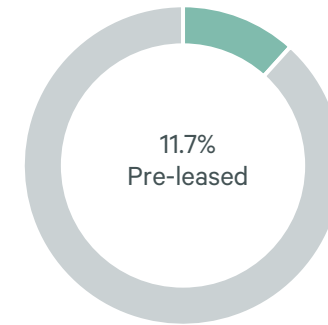
METRO SUPPLY & DEMAND



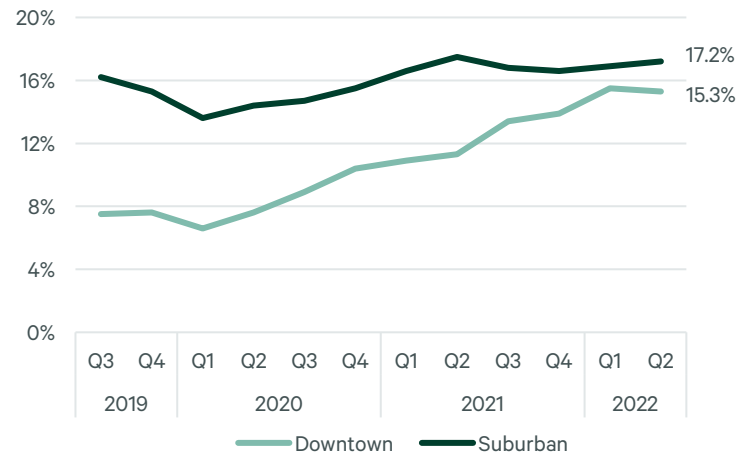
UNDER CONSTRUCTION

Downtown
0.6 MSF
1.4% of Inventory

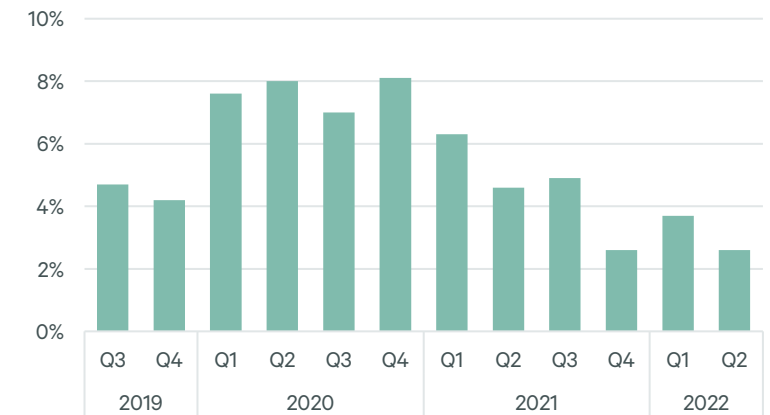
Suburban
2.0 MSF
6.5% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

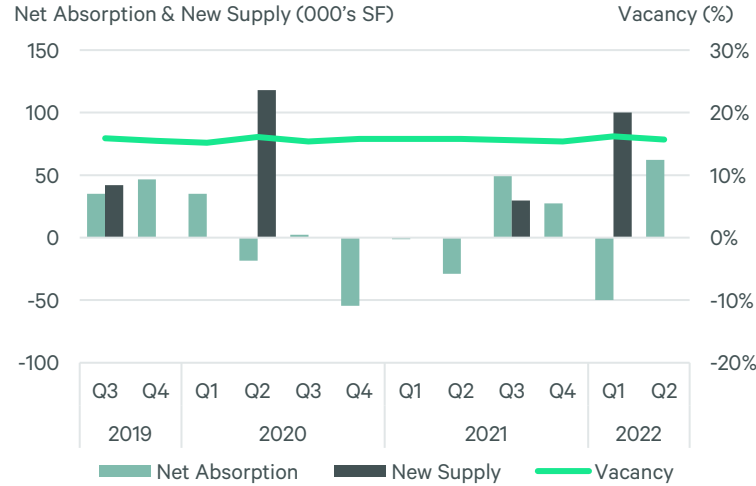


Halifax

The Halifax office market recorded a 50 bps decrease in vacancy to 15.7% with 62,000 sq. ft. of positive net absorption. Armour Group’s 100,000 sq. ft. Westway IV is fully pre-leased, highlighting that despite recent turbulence, there is still demand for office space – especially for well-amenitized supply in suburban nodes such as Bedford.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	5,331,061	7,705,518	13,036,579	▲
Overall Vacancy Rate	19.7%	12.9%	15.7%	▼
Direct Space	1,026,311	939,658	1,965,969	▼
Sublet Space	23,634	51,905	75,539	▲
Sublet % of Vacant	2.3%	5.2%	3.7%	▲
Class A Vacancy Rate	26.2%	20.0%	23.2%	▼
Avg. Class A Net Rent (PSF)	\$19.38	\$15.92	\$17.89	▼
Quarter Net Absorption	41,321	20,915	62,236	▲
Quarter New Supply	0	0	0	▼
Under Construction	0	100,000	100,000	◀▶

METRO SUPPLY & DEMAND



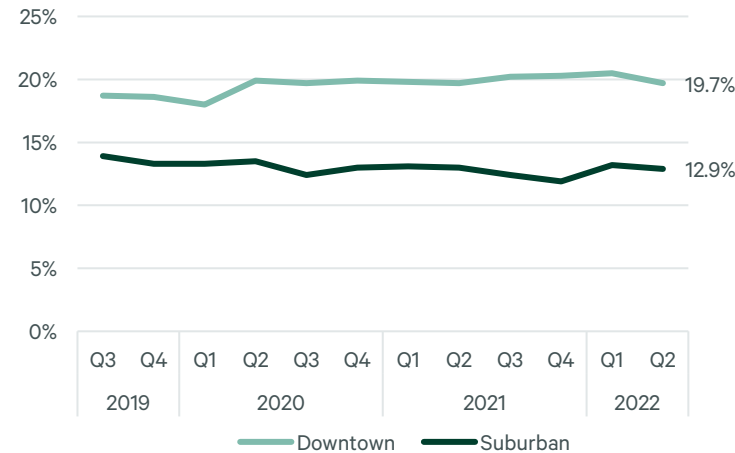
UNDER CONSTRUCTION

Downtown
0 MSF
0% of Inventory

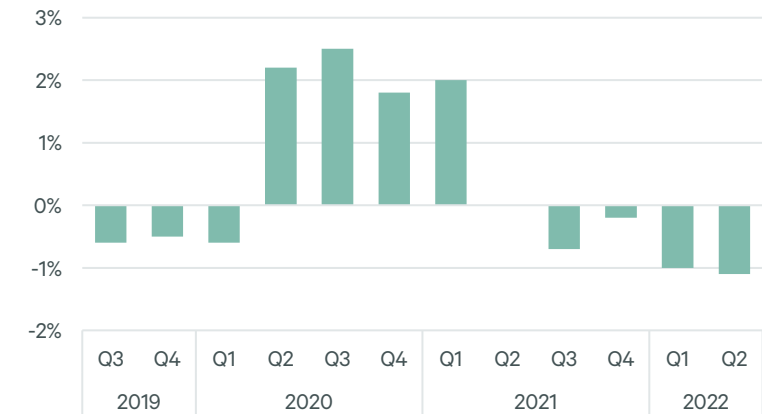
Suburban
0.1 MSF
1.3% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH



Contacts

Marc Meehan

Research Director
+1 647 943 4205
marc.meehan@cbre.com

Christina Cattana

Research Manager
+1 416 847 3255
christina.cattana@cbre.com

Evan Lee

Research Manager
+1 647 943 3654
evan.lee@cbre.com

Savannah Fidani

Research Coordinator
+1 647 943 4172
savannah.fidani@cbre.com

© Copyright 2022. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

