



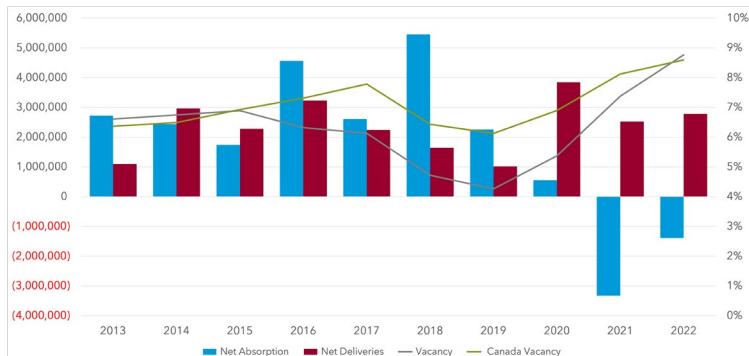
OFFICE MARKET OVERVIEW

WILL GEHRING, *Senior Vice President*

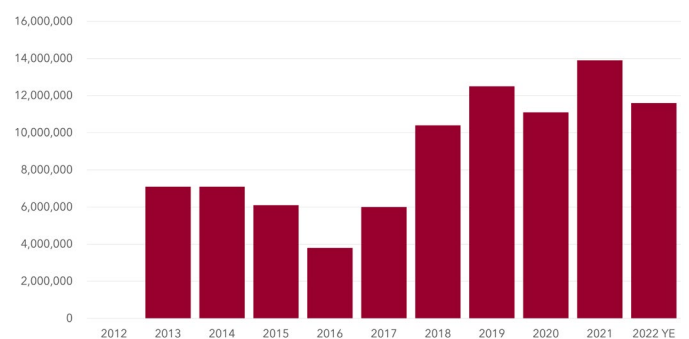
Coming on the heels of the lowest GTA office vacancy rate in recorded history at 4.3% in Q1 2020, the pandemic halted leasing activity in the Toronto market. New variants and lockdowns slowed recovery in the beginning of the year but activity picked up in the spring, paving the way for a slow recovery. Tenants in search of the ideal workplace model have adapted to one of two scenarios. Some have increased their footprint to accommodate a more distanced floor plan, others are expected to downsize under hybrid models with employee rotation. Despite the shock to market conditions over the last two years, Toronto's office market is still the most fundamentally robust across the country.

MARKET INDICATORS	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
▲ 12 Mo. Net Absorption SF	(1,322,079)	(1,603,596)	(2,027,710)	(2,114,286)	(3,326,659)
▲ Vacancy Rate	8.80%	8.50%	8.20%	7.80%	7.40%
▲ Avg NNN Asking Rate PSF	\$40.11	\$39.99	\$39.86	\$39.70	\$39.85
◀▶ SF Under Construction	11,600,000	11,600,000	12,300,000	13,200,000	13,900,000
◀▶ Inventory SF	288,000,000	288,000,000	287,000,000	286,000,000	285,000,000

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
100 Wynford Drive** Toronto, ON	444,898 SF	\$167,800,000* \$228.83 PSF	Oak Street Real Estate Capital H&R Real Estate Investment Trust	Class C
105 Moatfield Drive*** Toronto, ON	248,981 SF	\$60,858,130* \$244.43 PSF	Visionary Education Tech Hldgs Grp Inc/ Slate Asset Management	Class B
5770 Hurontario Street*** Mississauga, ON	241,562 SF	\$46,778,246* \$193.65 PSF	Kaneff Group of Companies Crown Realty Partners	Class B

4-Property Portfolio; * Part of Portfolio Sale

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
199 Bay Street Toronto, ON	190,971 SF	BCI	Facebook	Information
1 Adelaide Street East Toronto, ON	69,885 SF	OPTrust	OPTrust	Finance
901 King Street West Toronto, ON	59,025 SF	Crown Realty Partners	Undisclosed	Undisclosed

*All numbers shown are in Canadian dollars (CAD)

