



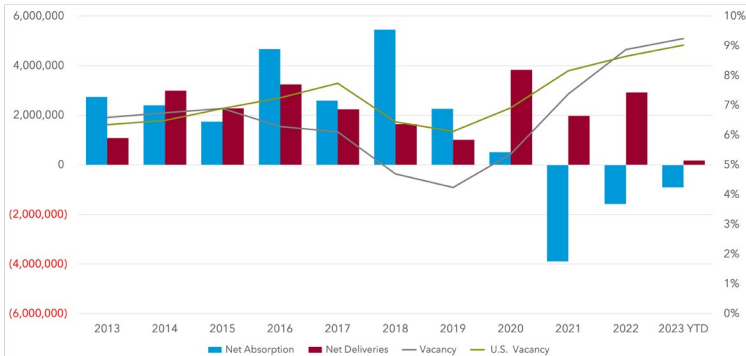
### OFFICE MARKET OVERVIEW

WILL GEHRING, *Senior Vice President*

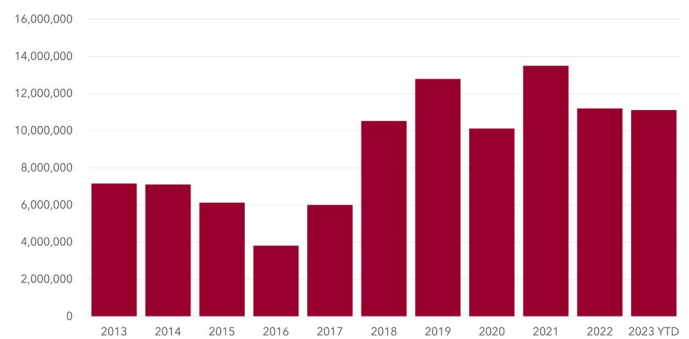
Toronto's office market is the largest in Canada with over 288 million square feet of current inventory in stock. Coming on the heels of the lowest GTA office vacancy rate in recorded history at 4.3% in Q1 2020, the pandemic halted leasing activity and now the market is in the process of recovery. Toronto's office market continues to find its footing as it moves through recovery. Office tenants formalized their plans for office utilization and finding the right-sized office is the aim for most companies. Some plan to increase their square footage to accommodate a more distanced floorplan or to add collaborative spaces within their offices to encourage office attendance, while others are expected to downsize to their square footage under hybrid models with employee rotation.

MARKET INDICATORS	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
▼ 12 Mo. Net Absorption SF	(2,101,080)	(1,576,258)	(3,198,112)	(3,657,172)	(2,706,030)
▲ Vacancy Rate	9.3%	8.9%	8.5%	8.2%	1.8%
▲ Avg NNN Asking Rate PSF	\$40.96	\$40.92	\$40.62	\$40.46	\$40.26
▼ SF Under Construction	11,116,390	11,200,196	12,397,699	12,976,473	12,844,523
▲ Inventory SF	287,994,098	287,820,292	286,583,741	285,677,839	285,844,093

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
100 New Park Place Vaughan, ON	365,000 SF	\$75,176,261 \$205.96 PSF	City of Vaughan SmartCentres Real Estate	Undisclosed
1908 Colonel Sam Drive Oshawa, ON	285,000 SF	Undisclosed	Ontario Power Generation General Motors of Canada	Undisclosed
720 Bay Street Toronto, ON	247,743 SF	\$135,000,000 \$544.92 PSF	Alexandria Real Estate Equities Dream Office Real Estate Invest	Undisclosed

\*All numbers shown are in Canadian dollars (CAD)

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5600 Cancross Court Mississauga, ON	75,000 SF	Undisclosed	Federated Agencies Limited	Undisclosed
151 Yonge Street Toronto, ON	33,516 SF	Undisclosed	Citco	Undisclosed
68-70 Claremont Street Toronto, ON	30,000 SF	Undisclosed	Undisclosed	Undisclosed

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