

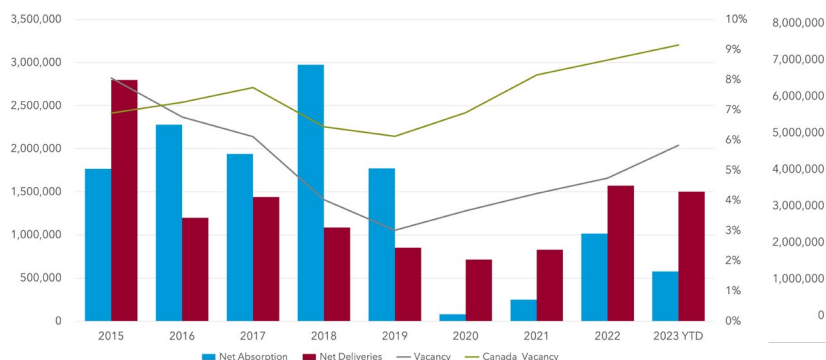
OFFICE MARKET OVERVIEW

MACYN SCHOLZ, *Director of Research*

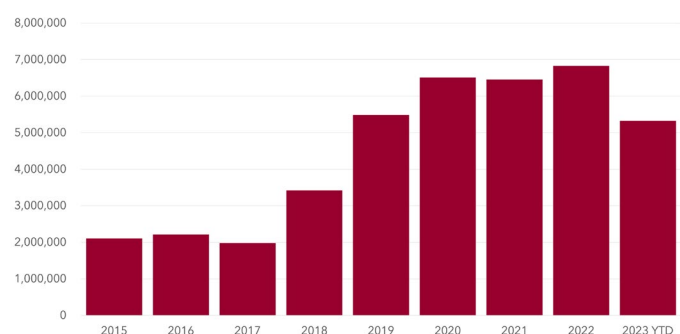
Q2 of 2023 saw the vacancy rate in Metro Vancouver climb even higher throughout the quarter, hitting over 10% in the downtown core. While the amount of sublease space on the market came down, this indicates that mostly headlease space is now contributing to the increase in vacancies. Some tenants could be experiencing a delay between when the market felt the effects of a soft recession and initiating a cost-cutting approach. We expect to see vacancies increase further over 2023, specifically downtown, as headlease and sublease space continues to hit the market. However, the fundamentals remain strong and there is confidence that the Vancouver office market will bounce back in the coming years.

MARKET INDICATORS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
▼ 12 Mo. Net Absorption SF	1,308,043	1,350,216	1,016,018	421,868	614,849
▲ Vacancy Rate	5.40%	5.25%	4.74%	4.96%	4.63%
▲ Avg NNN Asking Rate PSF	\$45.23	\$45.00	\$45.32	\$45.28	\$45.20
▼ SF Under Construction	5,325,258	5,591,917	6,830,011	6,953,683	6,459,905
▲ Inventory SF	96,174,595	96,082,132	94,672,772	94,378,317	94,248,119

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2688 Shell Road, Units 138, 143, 238, 243 Richmond, BC	4,194 SF	\$2,250,000* \$536.00 PSF	1224102 BC Ltd. 1231843 BC Ltd.	Class B
15315 66th Avenue, Units 205, 211, 212 Surrey, BC	4,086 SF	\$1,818,263* \$445.00 PSF	1404339 BC Ltd. 1152414 BC Ltd.	Class B
9547 152nd Street Unit 113 Vancouver, BC	3,992 SF	\$2,000,000* \$501.00 PSF	Sandol Fellowship Church 0793872 BC Ltd.	Class C

*All numbers shown are in Canadian dollars (CAD)

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
101 Smithe Street Vancouver, BC	30,000 SF	Undisclosed	Canadian College of Technology and Business	Education
555 Robson Street Vancouver, BC	27,362 SF	GWL Realty Advisors	Kaseya	Technology
550 Burrard Street Vancouver, BC	9,813 SF	BentallGreenOak	Mott Macdonald Canada	Engineering

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