



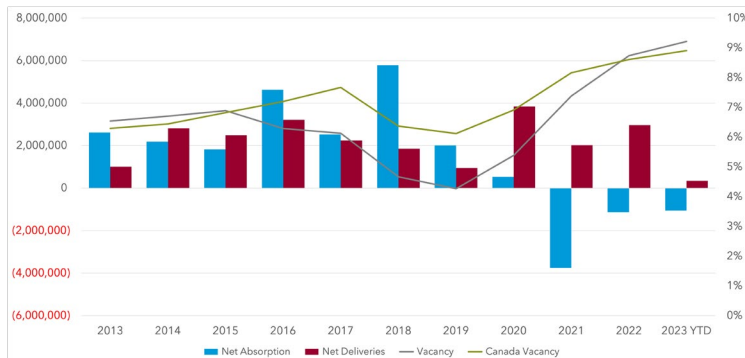
OFFICE MARKET OVERVIEW

WILL GEHRING, *Senior Vice President*

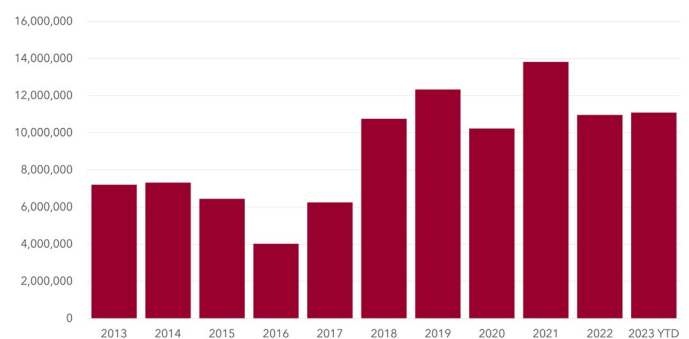
Toronto's office market remains in a state of flux, grappling with challenges akin to other North American cities. Despite employers summoning employees back to the office, downtown foot traffic is still below pre-pandemic levels. The GTA office market overall reflects the continuation of the reassessment of workspace requirements, negative office absorption predominantly in the downtown core and sublet space opportunities on the incline. The suburban office market on the other hand continue to show lower vacancy rates than downtown sub-markets where a substantial increase in new office supply has pushed vacancies higher.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▲ 12 Mo. Net Absorption SF	(1,064,338)	(1,259,182)	(1,372,654)	(1,132,770)	(2,557,522)
▼ Vacancy Rate	9.2%	9.5%	9.1%	8.7%	8.4%
▲ Avg NNN Asking Rate PSF	\$40.40	\$40.25	\$40.24	\$40.20	\$40.12
▲ SF Under Construction	10,546,516	10,227,580	10,153,373	10,465,669	11,657,833
▼ Inventory SF	40,364,823	40,461,764	39,287,925	37,204,712	35,054,793

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
250 Front Street West** Toronto, ON	1,282,769 SF	\$248,000,000 \$193.33 PSF	KDDI Canada, Inc. Allied Properties Real Estate Inv. Tr.	Class A
2235 Sheppard Avenue East*** Toronto, ON	342,781 SF	\$66,418,174 \$193.76 PSF	Groupe Mach Dorsay Development Corporation	Class A
2225 Sheppard Avenue East** Toronto, ON	328,927 SF	\$52,480,877 \$159.55 PSF	Groupe Mach Dorsay Development Corporation	Class A

*All numbers shown are in Canadian dollars (CAD) ** Part of a 3-Property Portfolio

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
79 Wellington Street West Toronto, ON	164,187 SF	Cadillac Fairview, Ontario Pension Board	Torys	Offices of Lawyers
100 Commerce Valley Drive West Markham, ON	49,648 SF	100cvdw, Inc.	Undisclosed	Undisclosed
33 Green Belt Drive Toronto, ON	49,200 SF	OTT Financial Group	Undisclosed	Undisclosed

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