

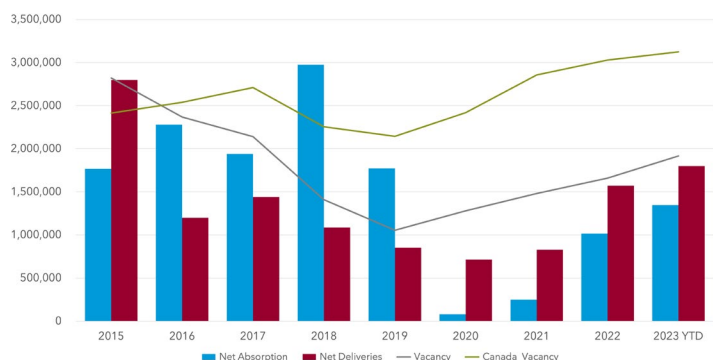
OFFICE MARKET OVERVIEW

MACYN SCHOLZ, *Director of Research*

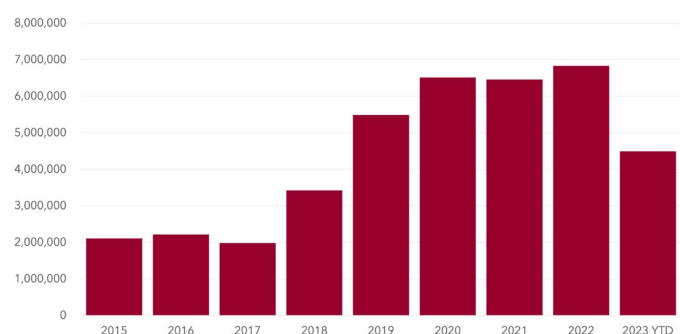
After hiking the policy interest rate in July to 5% and holding in September, another increase is possible from the Bank of Canada as inflation rose this quarter to 4%. Vacancy in Vancouver inched up again, reaching 12% in the downtown core. However, Vancouver remains much tighter than other major office markets in North America. This quarter, Amazon welcomed the first employees to the Post's South Tower. The Post is touted as the largest office building in Metro Vancouver, thus the occupation of it in this market is significant. Average lease rates ticked up in Q3, demonstrating that despite vacant inventory being up, landlords are reluctant to decrease rents and will often give concessions elsewhere.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▲ 12 Mo. Net Absorption SF	1,909,854	1,308,043	1,350,216	1,016,018	421,868
▲ Vacancy Rate	5.63%	5.40%	5.25%	4.74%	4.96%
▲ Avg NNN Asking Rate PSF	\$44.76	\$44.57	\$44.59	\$44.57	\$44.03
▼ SF Under Construction	4,493,191	5,325,258	5,591,917	6,830,011	6,953,683
▲ Inventory SF	97,078,037	96,174,595	96,082,132	94,672,772	94,378,317

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
211 Columbia St. and 80 Powell St. Vancouver, BC	26,826 SF	\$11,500,000 \$429.00 PSF	Pursuit Capital Cypria Developments Ltd.	Class C
896 Cambie St. and 111 Smithe St. Vancouver, BC	22,033 SF	\$17,000,000 \$772.00 PSF	Nonni Property Group Petrina Enterprises, Inc.	Class C
8419 160th Street Surrey, BC	15,410 SF	\$12,300,000 \$798.00 PSF	Sukhi Bath Motors Puglia Holdings Ltd.	Class C

*All numbers shown are in Canadian dollars (CAD)

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1055 Dunsmuir Street Vancouver, BC	17,667 SF	Hudson Pacific Properties	Undisclosed	Undisclosed
885 W. Georgia Street Vancouver, BC	14,889 SF	Cadillac Fairview	Charest Reporting	Legal
1133 Melville Street Vancouver, BC	13,948 SF	Oxford Properties	Cedar Coast	Real Estate

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