



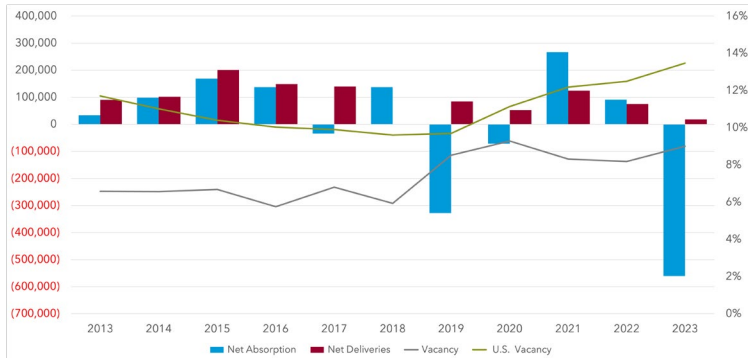
OFFICE MARKET OVERVIEW

CHAD BROCK, *Managing Principal*

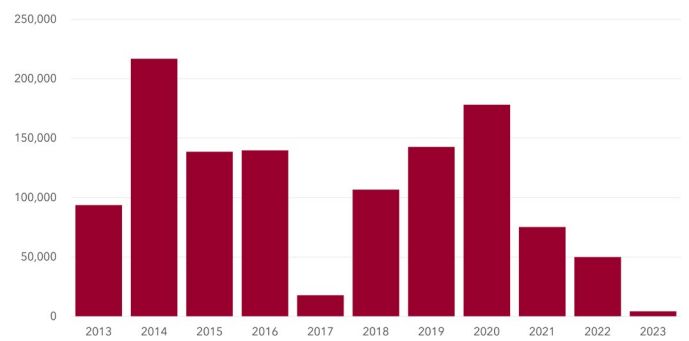
Vancouver has one of the lowest office vacancies in North America but is still feeling the effects of 12% vacancy in the downtown core in Q4. For the first time in two decades there is a tenant's market here, which makes it a great time for lessees to evaluate their lease and take advantage. Although landlords are reluctant to decrease rates, they are highly motivated to provide other concessions in lease negotiations, improve their buildings, and offer amenities where possible. Even with high vacancies and lower demand, class A space continues to dominate the market. There is a flight to quality happening, and a need for superior space that encourages workers back to the office.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▼ 12 Mo. Net Absorption SF	(561,000)	(179,000)	(247,000)	(681,241)	(108,993)
▲ Vacancy Rate	9.00%	8.70%	9.20%	14.06%	5.99%
▼ Avg NNN Asking Rate PSF	\$23.40	\$24.12	\$24.36	\$23.64	\$23.64
▼ SF Under Construction	4,382	13,993	9,611	50,000	50,000
▲ Inventory SF	16,246,282	16,082,343	16,037,568	15,966,788	15,966,788

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1300 18th Street Bakersfield, CA	105,513 SF	\$10,000,000 \$190.00 PSF	County of Kern Community Action Partnership	Class B
1400 Forum Way Bakersfield, CA	45,305 SF	\$8,300,000 \$183.00 PSF	KC Electrical Journeyman Chevron Corp.	Class B
901 Tower Way Bakersfield, CA	26,602 SF	\$3,860,000 \$145.00 PSF	KC Board of Education Crox LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
The Atrium-5001 E Commercenter Dr. Bakersfield, CA	12,722 SF	Linmar LLC	Kern Regional Center	Healthcare/ Government
1011 17th Street Bakersfield, CA	6,720 SF	Sauguaro Investors LLC	Inclusion Film Workshop	Film / TV Education
300 Truxtun Avenue Bakersfield, CA	4,582 SF	McGlassen	Undisclosed	Medical

