



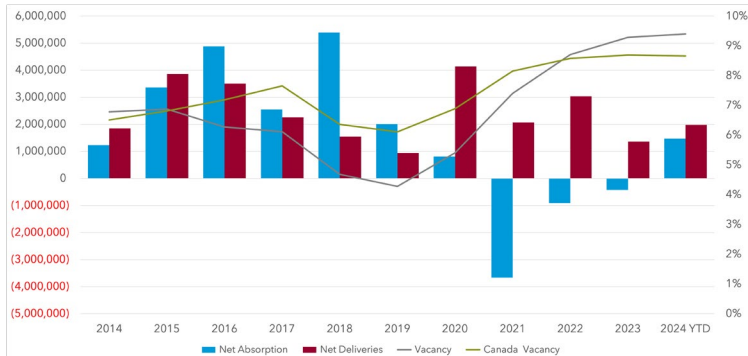
### OFFICE MARKET OVERVIEW

WILL GEHRING, *Senior Vice President*

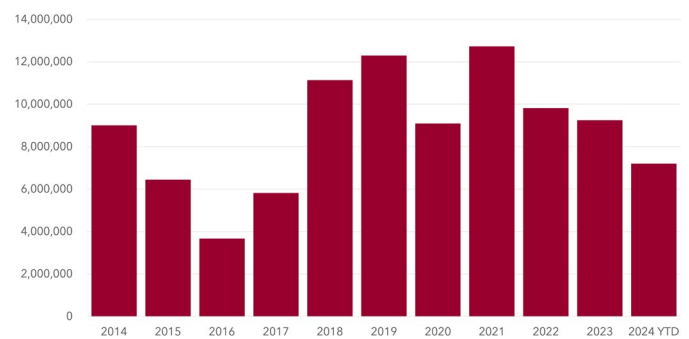
Toronto's office market continues to grapple with the rise of hybrid work, evident in Downtown Toronto's foot traffic remaining 47% below pre-pandemic levels as of December 2023. Post-pandemic, office demand weakens, doubling vacancy rates since 2020 with downtown sublease space increasing, as major corporations favor modern developments over traditional buildings. Available office space now exceeds the 5-year average, reaching 42.2 million SF. Investment activity has declined, with no major downtown transactions since 2021. Pricing data indicates discounts compared to pre-pandemic levels, coupled with rising cap rates due to a higher interest rate environment.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▲ 12 Mo. Net Absorption SF	2,011,524	(422,529)	(1,290,413)	(1,381,336)	(1,262,371)
◀ ▶ Vacancy Rate	9.3%	9.3%	9.4%	9.5%	9.1%
▲ Avg NNN Asking Rate PSF	\$40.01	\$39.92	\$39.78	\$39.53	\$39.51
▼ SF Under Construction	7,203,018	9,247,331	9,642,625	9,560,122	9,497,223
▲ Inventory SF	288,494,719	286,513,678	285,866,778	285,593,530	285,504,527

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
180 Duncan Mill Road Toronto, ON	145,037 SF	\$28,100,000* 193.74 PSF	Kingo Investments Parallax Investment Corporation	Class A
2655 N. Sheridan Way** Mississauga, ON	101,338 SF	\$16,465,402* \$162.48 PSF	Crown Realty Partners Slate Asset Management	Class B
2695 N. Sheridan Way** Mississauga, ON	56,984 SF	\$9,134,598* \$160.30 PSF	Crown Realty Partners Slate Asset Management	Class B

\*All numbers shown are in Canadian dollars (CAD) \*\* Part of a 2-Property Portfolio Ssle

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
195 The West Mall Toronto, ON	160,709 SF	Slate Asset Management	Undisclosed	Undisclosed
16 York Street Toronto, ON	56,252 SF	Cadillac Fairview/ Ontario Pension Board	Undisclosed	Undisclosed
1940 Eglinton Avenue East Toronto, ON	22,911 SF	Madison Group	Strides Toronto	Offices of Mental Health Practitioners

