



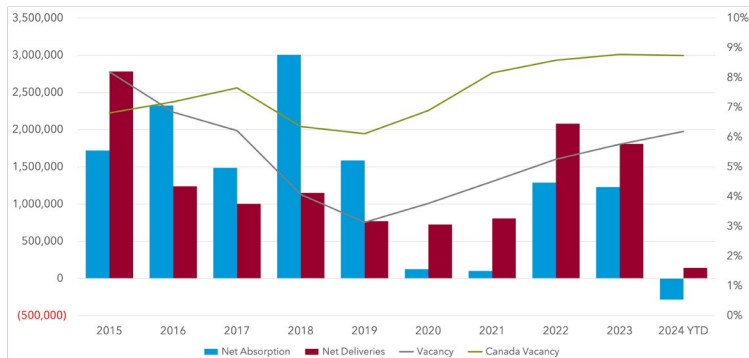
OFFICE MARKET OVERVIEW

MASON TAYKANDY, *Research Coordinator*

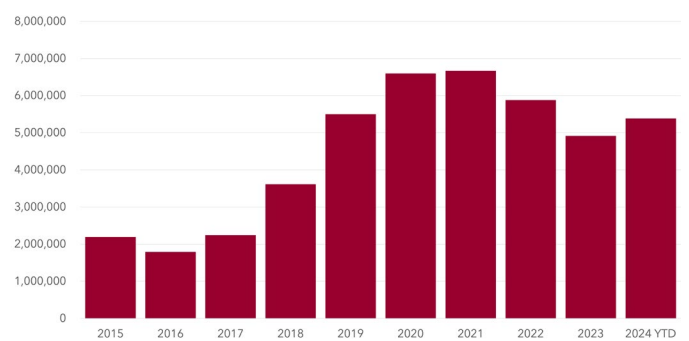
The Vancouver office market faces notable shifts and challenges going into 2024. Downtown vacancy rates are sitting at 12%, indicative of changing demand and tenant preferences. Bonnis Properties' decision to suspend a 17-storey project on Granville Street reflects this, as well as the struggle for developers with high costs and interest rates. This quarter, Westbank sold majority interest in Deloitte Summit to Allied Properties REIT, highlighting a significant ownership transfer in one of Downtown's most prominent office buildings. A trend towards smaller, amenity-rich spaces, particularly in the tech sector, is evident. However, a 40% drop in YoY office sales volume signals cautious investor sentiment.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▼ 12 Mo. Net Absorption SF	397,212	1,229,962	1,673,859	1,113,668	1,367,715
▲ Vacancy Rate	6.22%	5.76%	5.91%	5.67%	5.67%
▼ Avg NNN Asking Rate PSF	\$44.51	\$44.53	\$44.35	\$44.37	\$44.55
▲ SF Under Construction	5,388,369	4,915,677	4,898,155	4,971,183	4,998,149
▲ Inventory SF	96,242,032	96,099,532	96,064,139	95,378,487	95,259,144

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1758 West 8th Avenue Vancouver, BC	6,207 SF	\$8,600,000* \$1,385.53 PSF	McLean Group ECOMsquare	Class B
13402 104 Avenue Surrey, BC	6,278 SF	\$7,000,000* \$1,115.00 PSF	Undisclosed H.I.S. Canada Holdings, Inc.	Class B
2626 Croydon Drive Surrey, BC	4,900 SF	\$3,645,000* \$743.88 PSF	Harness Holdings, Inc. GV BT Holdings, Inc.	Class B

*All numbers shown are in Canadian dollars (CAD)

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
855 Homer Street Vancouver, BC	23,185 SF	CRS Group of Companies	Undisclosed	Undisclosed
4621 Canada Way Burnaby, BC	19,657 SF	Crestpoint Real Estate Investments Ltd.	Scott Construction	Construction
733 Seymour Street Vancouver, BC	15,400 SF	Canada Life	Undisclosed	Undisclosed

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2023 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com