



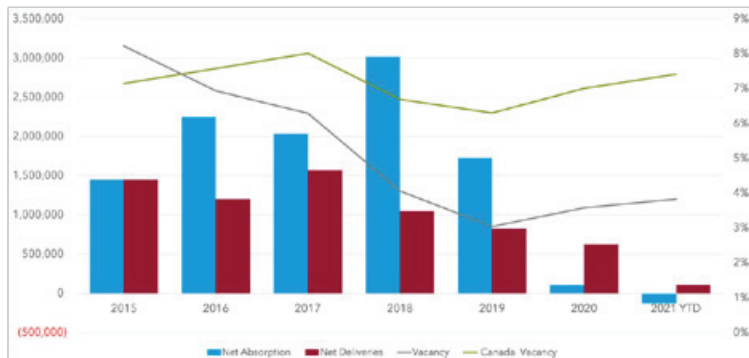
### OFFICE MARKET OVERVIEW

MACYN SCHOLZ, *Research Coordinator*

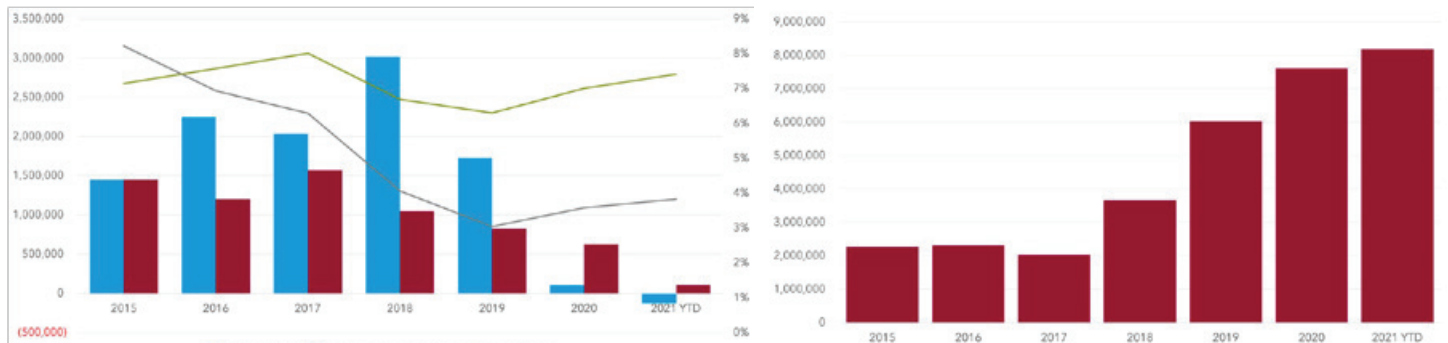
Weak leasing activity paired with small blocks of new construction coming to market have caused negative absorption in Metro Vancouver's office sector for the first time in five years. Yet asking rates have held relatively firm, as landlords bet on a quick recovery back to pre-pandemic levels. Sale volume for 2020 reached \$595 million, only 35% of the three-year average of \$1.7 billion. The largest purchase of the year, 375 Water Street, was negotiated before the pandemic commenced. Some are concerned by the 8.2 M SF of new construction that is now underway, however 66% is already pre-leased. Despite slowing down, Metro Vancouver remains one of the top office markets in North America.

| MARKET INDICATORS       | Q1 2021      | Q4 2020      | Q3 2020      | Q2 2020      | Q1 2020      |
|-------------------------|--------------|--------------|--------------|--------------|--------------|
| ▼ Net Absorption SF     | (42,801)     | 103,982      | 535,760      | 870,159      | 1,031,651    |
| ▲ Vacancy Rate          | 3.76%        | 3.58%        | 3.40%        | 3.18%        | 2.82%        |
| ▼ Avg NNN Asking Rate   | \$44.15 PSF  | \$44.22 PSF  | \$43.92 PSF  | \$43.84 PSF  | \$43.52 PSF  |
| ▲ SF Under Construction | 8,181,142 SF | 7,604,725 SF | 7,356,977 SF | 6,852,263 SF | 6,310,369 SF |
| ▲ Inventory SF          | 92,715,568   | 92,577,510   | 92,444,456   | 92,307,593   | 91,859,662   |

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF            | SIZE       | SALE PRICE                     | BUYER / SELLER   | BUILDING CLASS |
|--|------------|--------------------------------|--|----------------|
| 13575 Commerce Parkway<br>Richmond, BC | 906,400 SF | \$218,000,000<br>\$240.00 PSF  | Peterson Investment Group<br>GWL Realty Advisors, Inc.     | Class A        |
| 375 Water Street<br>Vancouver, BC      | 175,470 SF | \$225,000,000<br>\$1,282.00PSF | Allied Properties REIT<br>Landing Holdings Ltd             | Class B        |
| 1077 Great Northern Way<br>Burnaby, BC | 119,844 SF | \$103,000,000<br>\$859.45 PSF  | Low Tide Properties Ltd.<br>Crestpoint Real Estate Inv Ltd | Class A        |

| TOP LEASE TRANSACTIONS BY SF         | SIZE       | LANDLORD                                | TENANT                        | TENANT INDUSTRY       |
|--------------------------------------|------------|---|-------------------------------|-----------------------|
| 400 W Georgia<br>Vancouver, BC       | 119,000 SF | Undisclosed                             | Amazon                        | Retailers/Wholesalers |
| 1380 Burrard Street<br>Vancouver, BC | 88,362 SF  | BentallGreenOak<br>(Canada) Ltd Ptnrshp | Lululemon Athletica           | Apparel               |
| 550 Burrard Street<br>Vancouver, BC  | 86,000 SF  | BentallGreenOak<br>(Canada) Ltd Ptnrshp | Fasken Martineau DuMoulin LLP | Law Firm              |

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