



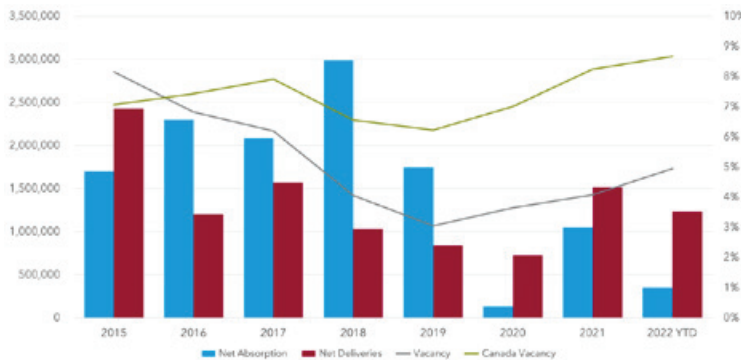
OFFICE MARKET OVERVIEW

MACYN SCHOLZ, *Research Coordinator*

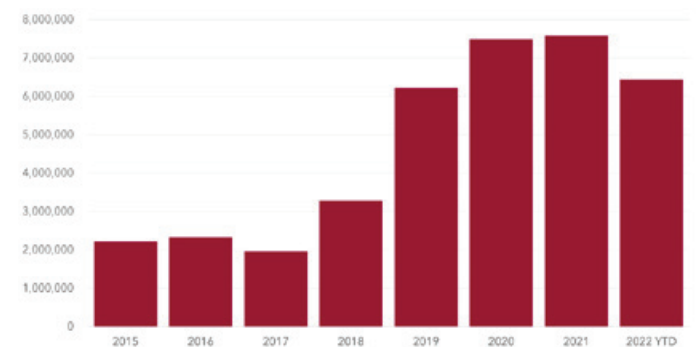
The first quarter of 2022 saw the end of the Omicron wave of the pandemic, and subsequently all restrictions start to lift. Although return to office plans have been delayed, employees are still gradually returning. The expectation is that the vacancy rate will continue to climb in 2022 due to the delivery of large office buildings with vacant space but that leasing activity will pick up again later in the year or in 2023. Demonstrating further confidence in this sector is the construction start of 1166 West Pender - the first office building to begin construction since the pandemic, which will be a AAA class building adding 344,000 SF to the market.

MARKET INDICATORS	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
▲ 12 Mo. Net Absorption SF	1,311,066	1,048,995	1,058,441	974,629	67,052
▲ Vacancy Rate	4.82%	4.08%	3.79%	3.48%	3.82%
▼ Avg NNN Asking Rate PSF	\$44.52	\$44.75	\$44.48	\$44.34	\$44.24
▼ SF Under Construction	6,735,453	7,582,720	7,361,566	7,701,947	8,049,282
▲ Inventory SF	96,604,312	95,585,976	95,363,555	94,983,174	94,231,327

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
13737 96 Avenue Surrey, BC	21,844 SF	\$19,480,000 \$892.00 PSF	The University of British Columbia Lark Group	Class B
65 Richmond Street New Westminster, BC	18,800 SF	\$7,140,000 \$380.00 PSF	Revolution Infrastructure Inc. Royal Crown Chateau Holdings Inc.	Class B
13798 94A Avenue Surrey, BC	11,770 SF	\$5,200,000 \$441.80 PSF	New Asia Group Charlton Enterprises Ltd	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
200 Granville Street Vancouver, BC	39,587 SF	Cadillac Fairview	Colliers	Real Estate
1133 Melville Street Vancouver, BC	30,169 SF	Oxford Properties Group	Undisclosed	Undisclosed
320 Granville Street Vancouver, BC	26,719 SF	Bosa Commercial	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 2021 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com