



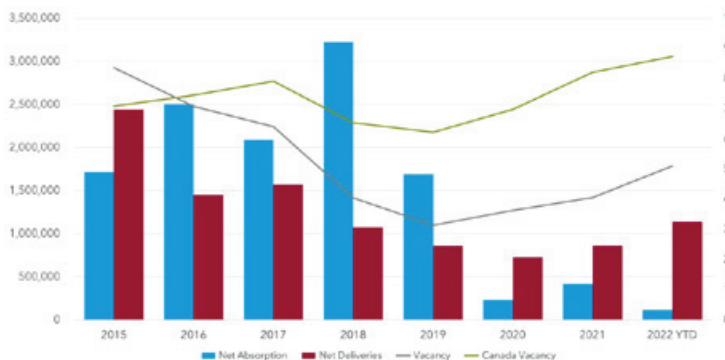
OFFICE MARKET OVERVIEW

MACYN SCHOLZ, *Director of Research*

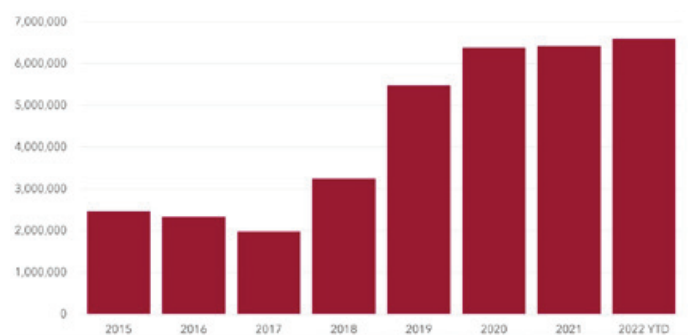
After Q3 of 2022 saw more interest rate increases and even higher inflation than the previous quarter, lease and sale activity for office space began to slow down. Purchasers may no longer be able to afford office sales, and tenants may now be more reluctant to commit to a lease with the looming forecast of recession. However, as tech still drives our office market, full floor plates are still in demand. Most of these have been coming from new builds. More pre-leases are expected as high-quality office buildings get closer to completion. But as these new buildings are delivered, vacancy expected to increase due to a slowdown of leasing activity - especially in downtown Vancouver.

MARKET INDICATORS	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
▼ 12 Mo. Net Absorption SF	137,871	637,655	582,931	312,839	351,573
▲ Vacancy Rate	4.97%	4.70%	4.43%	4.06%	3.77%
▲ Avg NNN Asking Rate PSF	\$45.17*	\$44.64*	\$44.31*	\$44.52*	\$44.24*
▼ SF Under Construction	6,599,232	6,748,087	6,925,174	7,314,492	7,072,388
▲ Inventory SF	97,827,557	97,609,356	97,058,625	96,465,336	96,221,865

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4730 Imperial Street Burnaby, BC	13,671 SF	\$6,150,000* \$449.86 PSF	Kingsway Curtains Ltd. Office Employees' Building Ltd	Class B
6928 Pearson Way unit 385 & 450 Richmond, BC	8,157 SF	\$8,260,000* \$1,013 PSF	1331206 B.C. Ltd. CBE Property Holding Ltd.	Class A
1930 Pandora Street unit 306 Vancouver, BC	3,430 SF	\$3,933,000* \$1,147 PSF	Scarab Digital Go2 Productions	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1066 West Hastings Street Vancouver, BC	47,084 SF	Oxford Properties	Undisclosed	Undisclosed
410 West Georgia Street Vancouver, BC	43,473 SF	Westbank	Undisclosed	Undisclosed
1523 West 3rd Avenue Vancouver, BC	29,617 SF	Undisclosed	Lululemon	Apparel

*All numbers shown are in Canadian dollars (CAD)

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