Starting 2025 on a positive note with first quarter of improved downtown vacancy since Q1 2020

▼ 18.7%
Vacancy Rate

▼ -366K
SF Net Absorption

▼ 3.2M
SF Under Construction

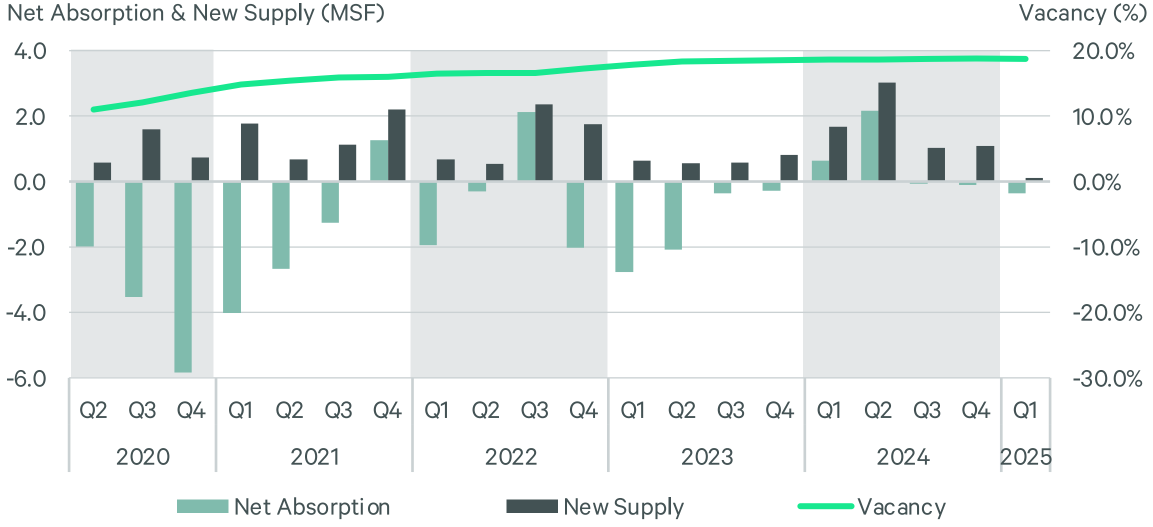
▲ $26.25
PSF Average Class A Net Rent

Note: Arrows indicate change from previous quarter.

Executive Summary

- National net absorption remained in negative territory for a third quarter, however, the magnitude was relatively flat compared to prior quarters with seven markets reporting under 100,000 sq. ft. of absorption, either positive or negative.
- Downtown vacancy decreased for the first time since Q1 2020. Five cities noted improved conditions, with the greatest tightening in Winnipeg and Vancouver. Trophy and Class A product continues to be the most in-demand; trophy vacancy has averaged 11.0% over the last two years.
- Sublets have fallen to their lowest level since Q3 2020, currently down 20.2% from peak in Q2 2023. On a year-over-year basis, all but three markets are reporting lower sublet vacancy.
- Construction activity continues to thin with only one project completion in Q1 and no starts. Over a third of the remaining pipeline is part of mixed-use developments that offer a combination of residential and/or retail space.
- Over 587,000 sq. ft. of space came out of inventory in Q1 for conversion in Montreal, Edmonton and Calgary with an overall 10 bps impact on vacancy.

FIGURE 1: National Office Supply & Demand



Source: CBRE Research, Q1 2025.

Muted start to the year in majority of markets

- National net absorption remained in negative territory for a third quarter, however, the magnitude was relatively flat compared to prior quarters and had an effectively neutral impact on the overall market.
- Muted activity was noted at the start of 2025 across seven markets, each reporting less than 100,000 sq. ft. of net absorption, either positive or negative.
- The streak of positive net absorption has ended in Calgary and Edmonton, both posting negative net absorption for the first time in seven and six quarters, respectively. Calgary in particular was impacted downtown by the exit of Chevron from the market.
- Softer market conditions were additionally noted in Montreal and Ottawa, the former of which had an influx of sublet space enter the market this quarter.
- Vancouver was the only city to post significant positive net absorption, driven by activity in trophy buildings.

FIGURE 2: Historical National Net Absorption (MSF)

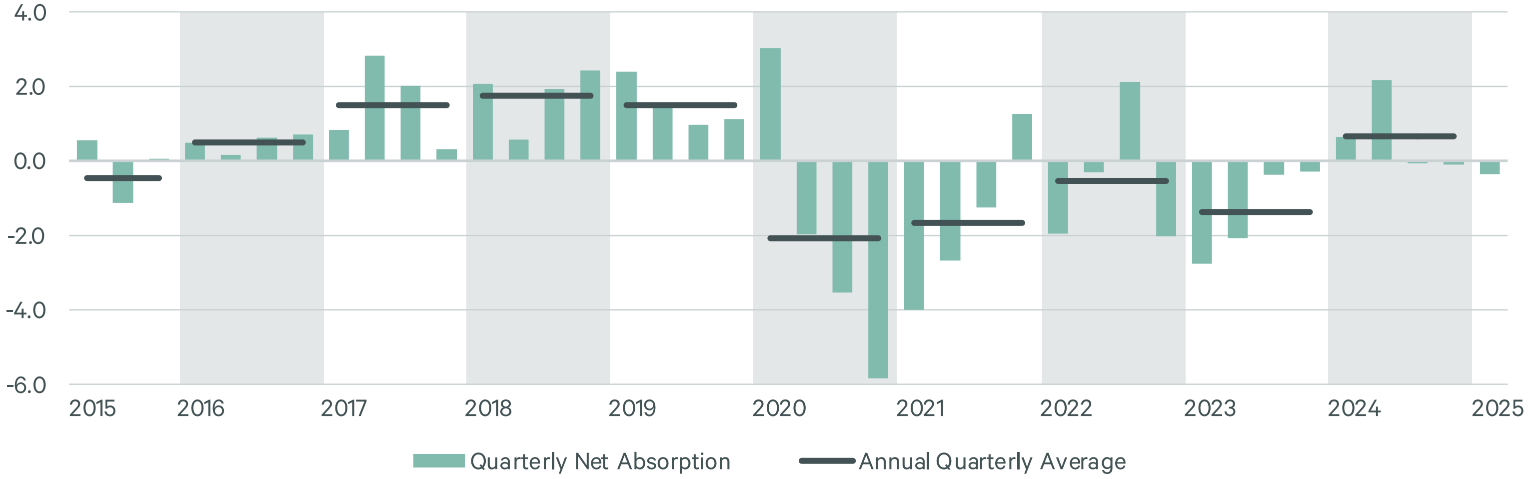
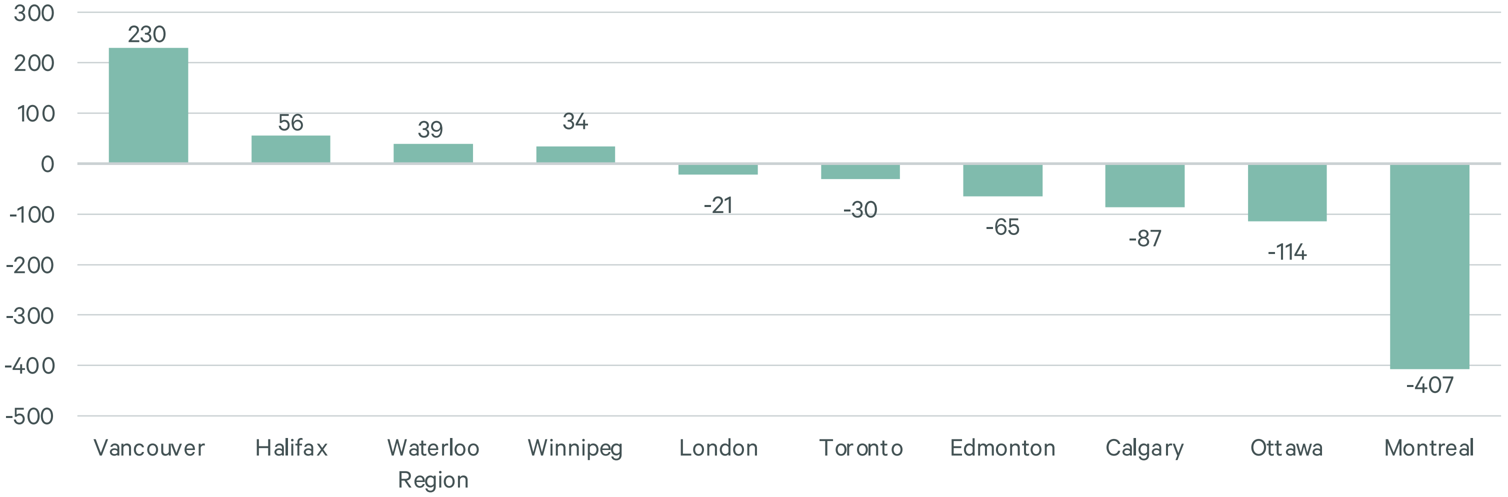


FIGURE 3: Quarter Net Absorption by Market (000's SF)

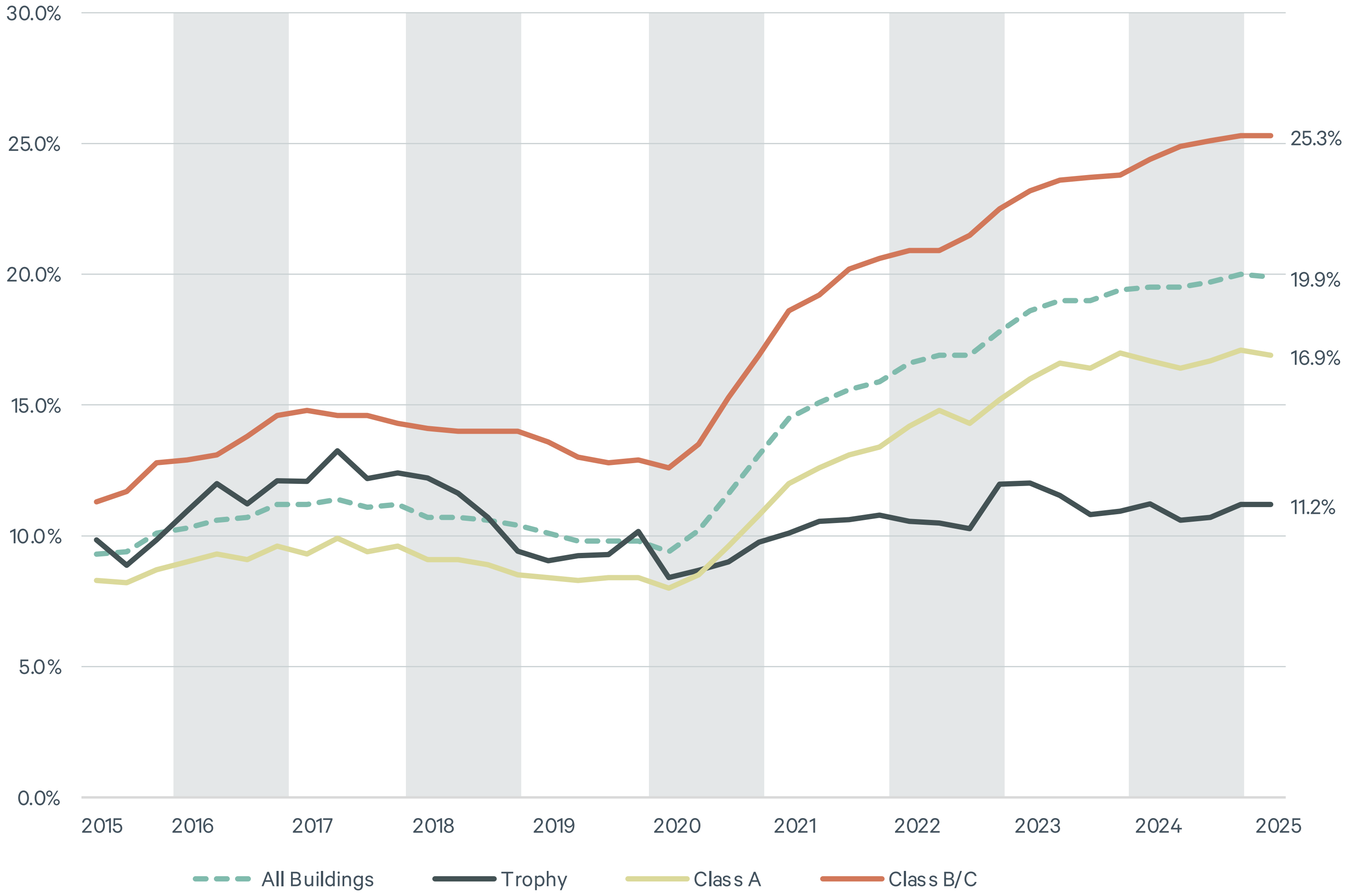


Source: CBRE Research, Q1 2025.

Trophy buildings continue to outperform

- Trophy and Class A office assets continue to outperform the remainder of the downtown market with a spread of 1,410 basis points (bps) between overall Class A and Class B/C product.
- Overall A was the only segment to report declining vacancy this quarter with six markets reporting improved or stable conditions amongst their Class A inventory.
- Trophy, best-in-class product, has remained the most stable relative to other tiers with vacancy averaging around 11.0% over the last two years.
- This continued strong performance reflects tenant preferences for quality or well-appointed office buildings.

FIGURE 4: National Downtown Vacancy by Segment



Trophy series includes top-tier properties in Vancouver, Calgary, Toronto and Montreal.
Source: CBRE Research, Q1 2025.

Positive note for downtown market

- Downtown office vacancy has decreased for the first time since Q1 2020. While just 10 bps, this is a positive turn for the segment which has struggled amid challenging conditions.
- New supply has been a major contributor to this narrative. This was a rare quarter however in which no new supply was delivered to influence the market. Instead, over 400,000 sq. ft. of mostly vacant, obsolete space fell out of inventory for conversion or demolition, along with other product which has turned owner-occupied and aided in improving conditions.
- Five cities reported declining vacancy this quarter, both downtown and suburban. Winnipeg and Vancouver saw the largest decreases downtown, meanwhile Calgary and Halifax saw the greatest suburban improvements.
- Overall national office vacancy followed downtown and decreased 10 bps in Q1. This marks six quarters in which vacancy has held in a narrow 20 bps range.

FIGURE 5: National Downtown vs Suburban Vacancy Rate

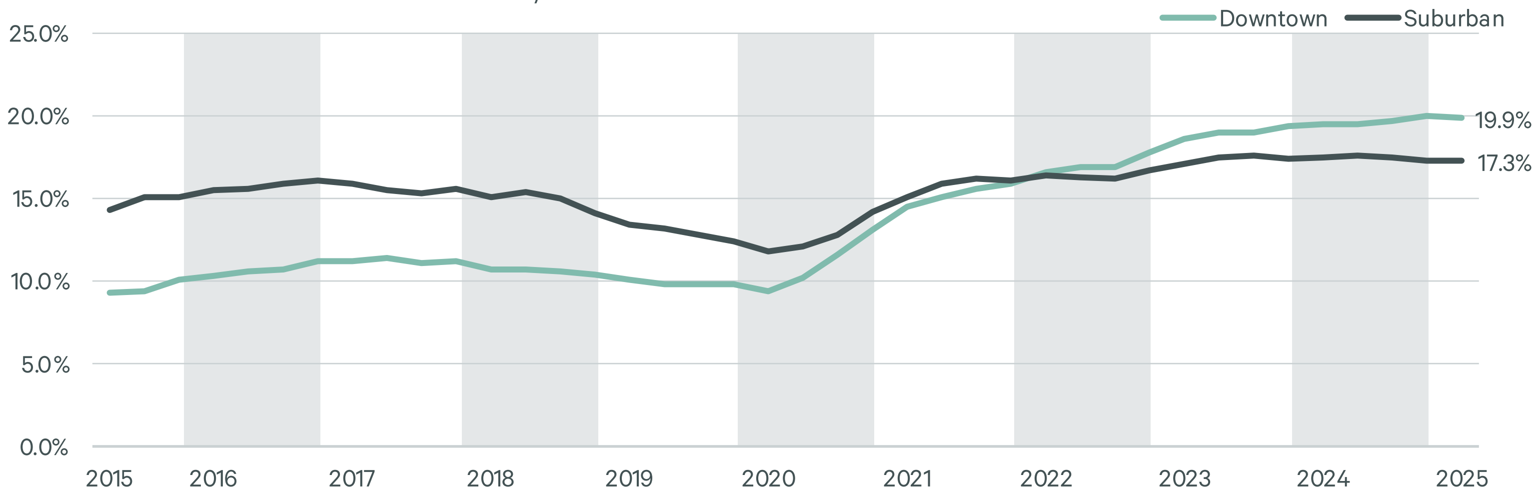


FIGURE 6a: Downtown Vacancy Rate by Market

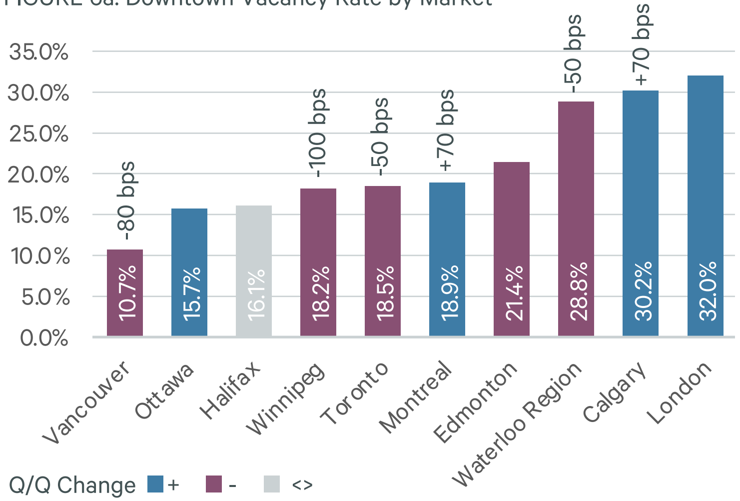
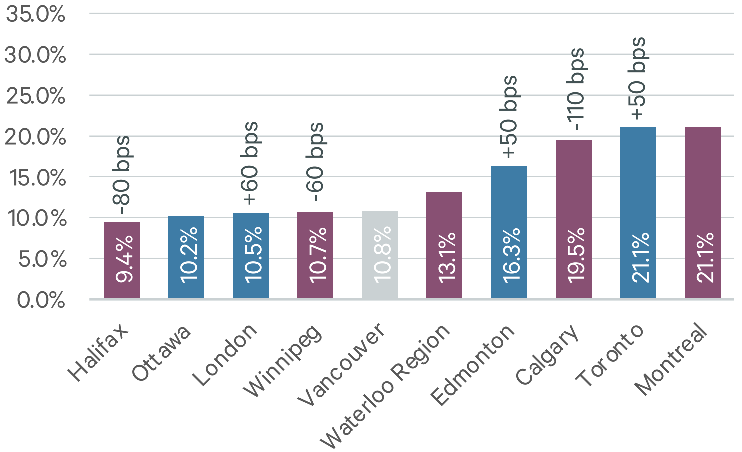


FIGURE 6b: Suburban Vacancy Rate by Market



Source: CBRE Research, Q1 2025.

Sublets approaching early pandemic-stage quarters

- Sublet space has fallen to its lowest level since Q3 2020, currently totalling to 13.6 million sq. ft. and equal to 2.8% of total office inventory. This seven-quarter run of declining sublet vacancy has seen space decrease by 20.2% from its peak in Q2 2023.

- The pace of space coming off the market has ramped up over the last three quarters with 852,000 sq. ft removed in Q1. This is the single largest quarterly decrease in sublets since Q4 2021.

- Five markets had their sublet vacancy decrease, most notably in Toronto and Vancouver, driving the national decline. Montreal meanwhile noted the only meaningful increase, 60% of which came from technology tenants.

- On a year-over-year basis, all but three markets are reporting lower sublet vacancy rates, including Toronto (-90 bps), Ottawa (-50 bps), Halifax, Vancouver and Calgary (-40 bps each).

- Sublet space continues to experience a mix of leasing activity from tenants looking for turnkey opportunities as well as listings expiring and transferring to direct.

FIGURE 7: National Vacant Sublet Space – Suburban vs Downtown (MSF)

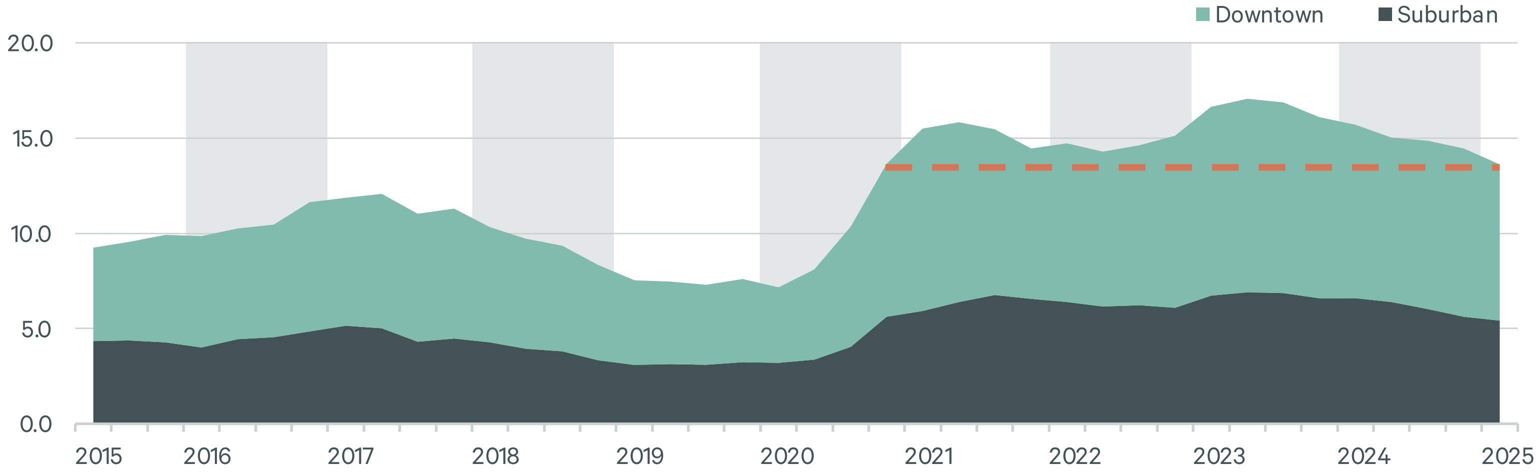
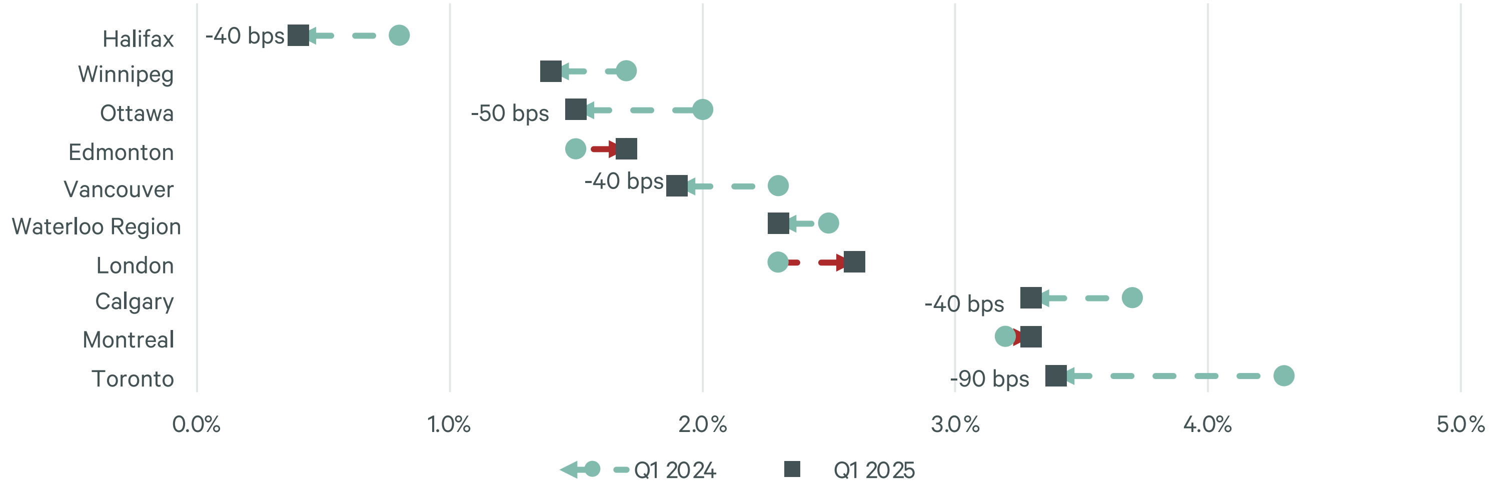


FIGURE 8: Year-over-Year Change in Sublet Space as a % of Inventory by Market



Source: CBRE Research, Q1 2025.

Thinning office construction

- A total 3.2 million sq. ft. of office product is under construction nationally, equal to 0.6% inventory. While virtually unchanged from last quarter, the active pipeline has continued to thin and remains at its lowest level in over 20-years.
- Over half of the number of office projects that remain under construction are part of mixed-use developments offer a combination of residential and/or retail space. On a square footage basis these properties represent over a third of total construction.
- The active pipeline is currently 52.5% pre-leased. Pre-leasing levels remained under 50% for most of 2024 and have improved in recent quarters due to the delivery of vacant space. New leasing activity among these properties has been noted as well, albeit is limited and at this stage of the development cycle are being secured closer to fixturing/ occupancy dates.
- Outside of Toronto, Vancouver and Montreal, all markets are building less than 75,000 sq. ft. a piece with no pre-leasing in place.

FIGURE 9: National Office Inventory Under Construction (MSF)

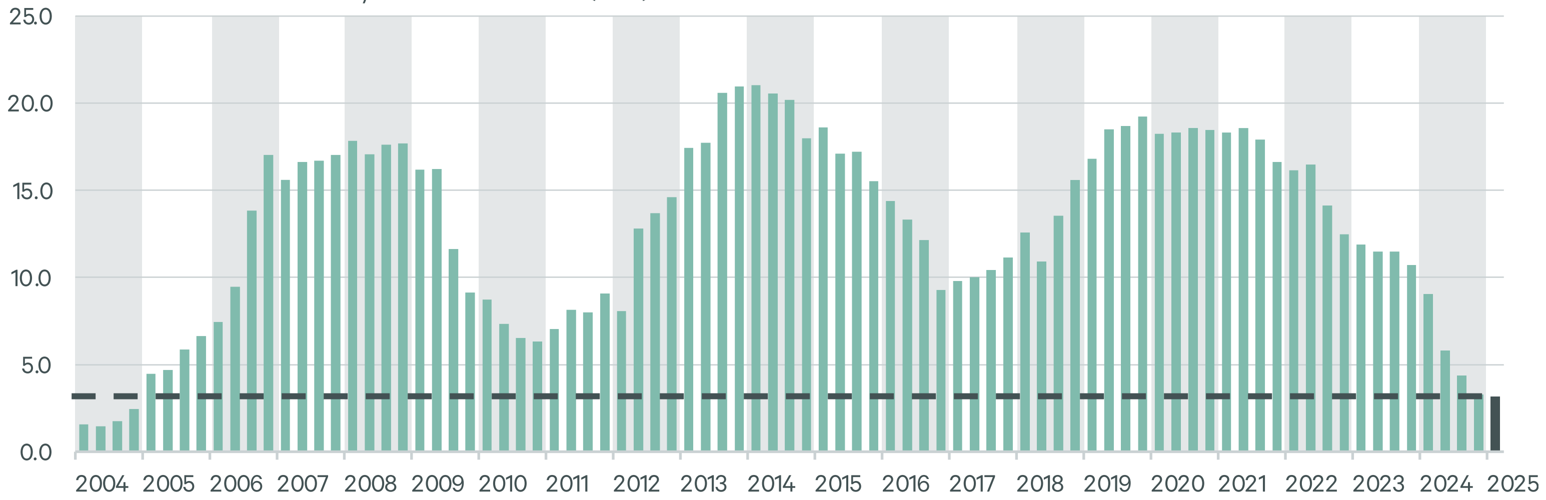
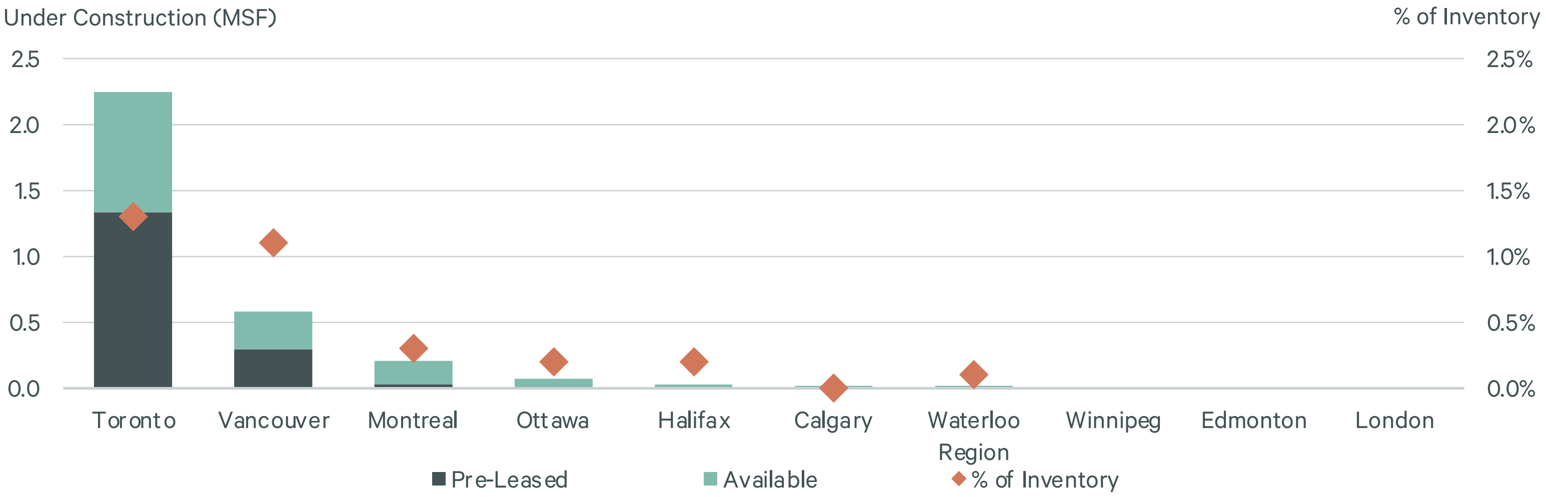


FIGURE 10: Under Construction by Market



Source: CBRE Research, Q1 2025.

Quiet quarter for starts & deliveries

- Q1 2025 marks the third consecutive quarter where no new competitive office projects commenced construction. Increasingly limited projects have moved forward over the last few years, a trend that is not expected to reverse in the short to medium term despite tenant preferences for premium product.
- Just one building delivered this quarter in Toronto at 5250 Yonge St. With no pre-leasing in place, the developer is considering all options including non-office uses that compliment the other components of this mixed-use project.
- Looking ahead, over 400,000 sq. ft. of new supply is anticipated for delivery next quarter across Vancouver and Toronto and is currently only 20.2% pre-leased.

FIGURE 11: National Office Construction Starts (MSF)

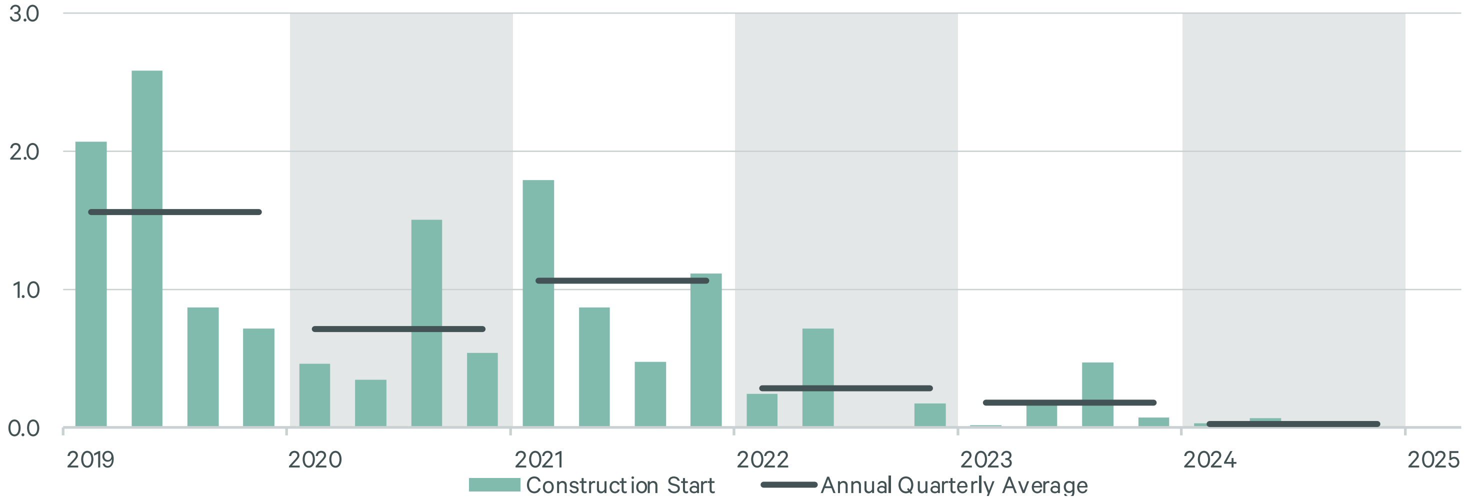
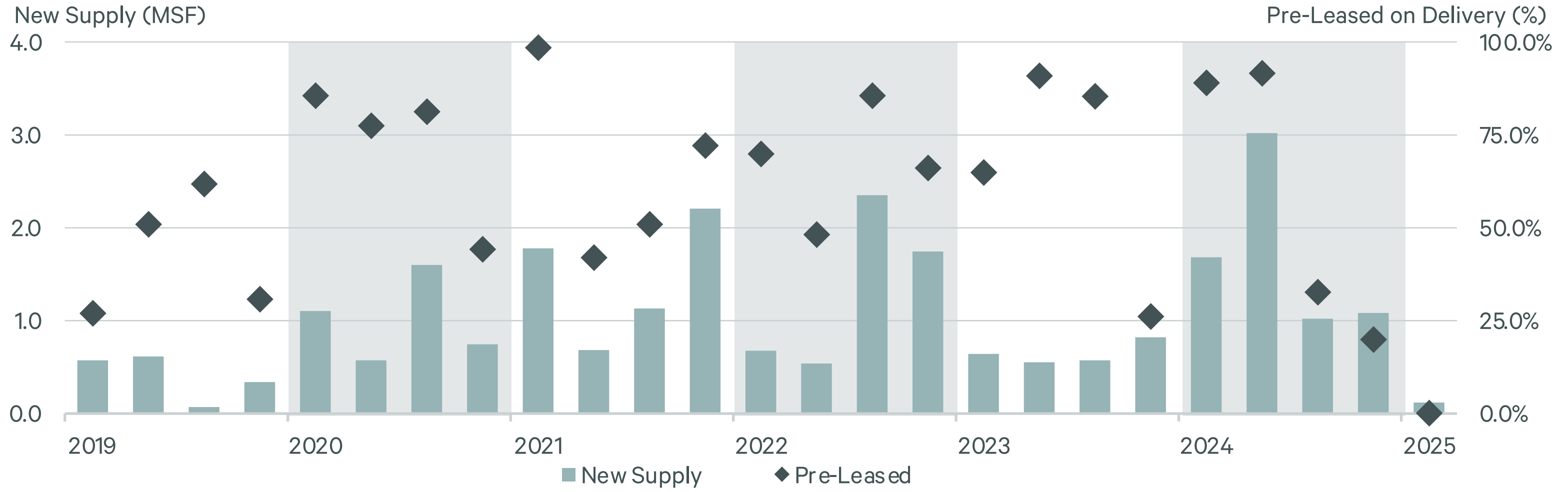


FIGURE 12: National Office New Supply Deliveries



Source: CBRE Research, Q1 2025.

Conversions pipeline remains active

- Office conversions continue to see obsolete office buildings fall out of existing competitive inventory as owners look for ways to reposition their assets. 587,000 sq. ft. of conversions (either active or planned) came out of inventory this quarter in Montreal, Edmonton and Calgary. These properties had an overall 10 bps impact on vacancy.

- A cumulative 5.7 million sq. ft. of former office product has fallen out of inventory due to conversion since 2021, equal to 1.2% of inventory. Over the same time period, the latest development cycle has injected 4.3% of modern office space to national inventory through new supply.

- Office-to-residential conversion projects continue to comprise the majority of activity, spurred on by the need for more housing in urban centres. This is followed by life sciences facilities, exclusively taking place in Montreal, and education uses (university/college institutions or charter schools).

FIGURE 13: Office Conversions by Quarter Removed From Inventory

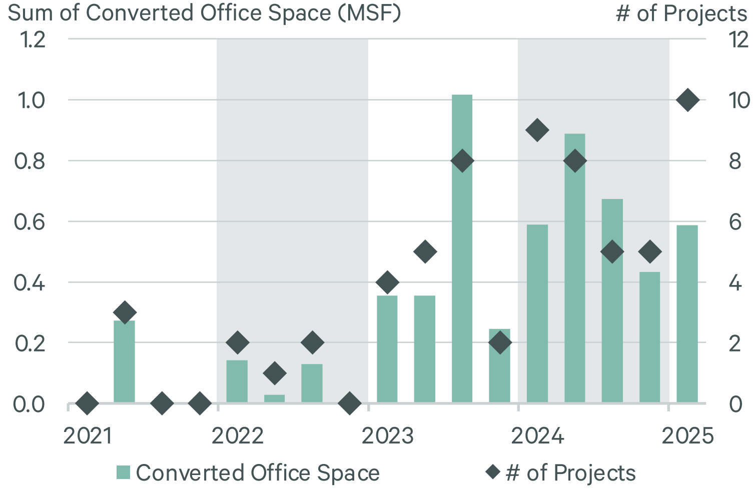


FIGURE 14: Cumulative Sum of Converted Office Buildings (MSF)

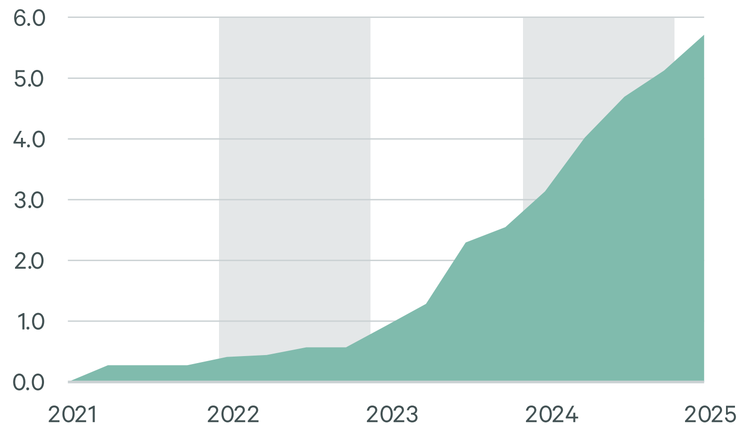


FIGURE 15: Share of Office Conversions by Market (2021 – Q1 2025)

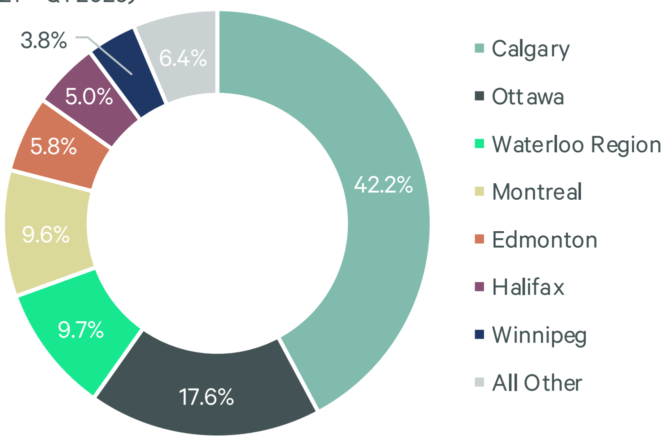
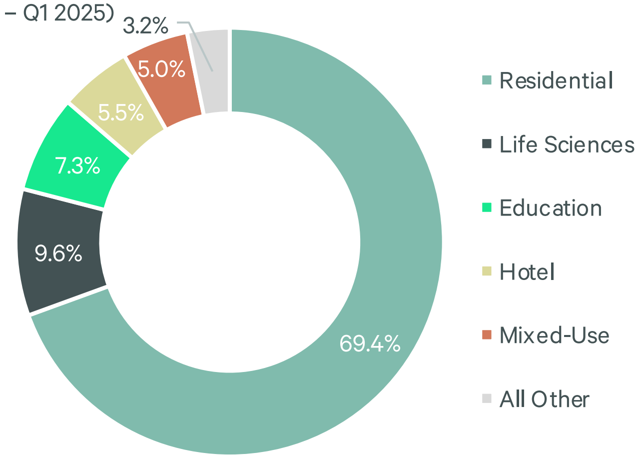


FIGURE 16: Share of Office Conversions by New Property Type (2021 – Q1 2025)

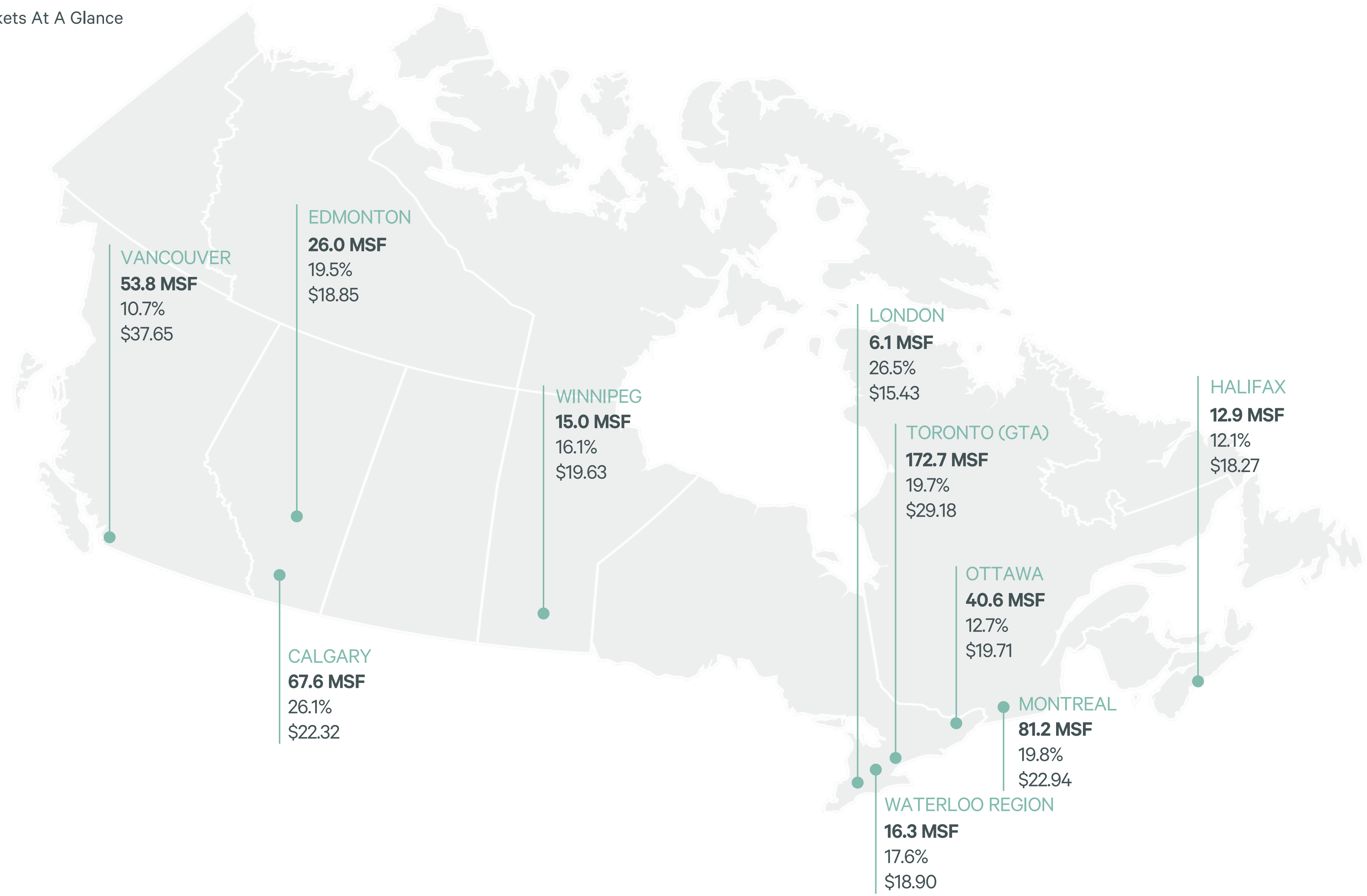


Totals only include conversion projects and exclude demolitions.
Source: CBRE Research, Q1 2025.

FIGURE 17: Canadian Office Markets At A Glance

MARKET

Net Rentable Area
Overall Vacancy Rate
Average Class A Net Rent (PSF)



Source: CBRE Research, Q1 2025.

FIGURE 18: Canadian Office Markets Statistics, Q1 2025

DOWNTOWN	VANCOUVER	CALGARY	EDMONTON	WINNIPEG	LONDON	WATERLOO	TORONTO	OTTAWA	MONTREAL	HALIFAX	NATIONAL
Net Rentable Area	27,796,802	41,735,655	16,222,556	10,788,423	4,578,225	4,717,364	95,482,772	18,260,444	47,123,691	5,181,618	271,887,550
Overall Vacancy Rate	10.7%	30.2%	21.4%	18.2%	32.0%	28.8%	18.5%	15.7%	18.9%	16.1%	19.9%
Direct Space	2,540,274	10,678,774	3,125,598	1,783,557	1,307,434	1,311,536	14,263,841	2,554,833	7,529,049	830,480	45,925,376
Sublet Space	445,179	1,906,956	341,733	176,832	155,797	45,038	3,437,970	309,460	1,391,790	2,318	8,213,073
Sublet % of Vacant Space	14.9%	15.2%	9.9%	9.0%	10.6%	3.3%	19.4%	10.8%	15.6%	0.3%	15.2%
Class A Vacancy Rate	8.6%	24.6%	22.3%	14.9%	19.9%	19.2%	16.2%	13.4%	15.0%	15.3%	16.9%
Average Class A Net Rent (PSF)	$43.80	$23.37	$19.02	$19.63	$15.43	$26.47	$35.94	$23.90	$26.14	$19.30	$30.24
Quarter Net Absorption	219,989	-348,388	-42,724	3,892	-11,548	27,287	247,234	-31,753	-328,688	1,203	-263,496
Year-to-Date Net Absorption	219,989	-348,388	-42,724	3,892	-11,548	27,287	247,234	-31,753	-328,688	1,203	-263,496
Quarter New Supply	0	0	0	0	0	0	0	0	0	0	0
Year-to-Date New Supply	0	0	0	0	0	0	0	0	0	0	0
Under Construction	29,386	0	0	0	0	0	2,044,887	0	208,515	0	2,282,788
SUBURBAN											
Net Rentable Area	25,978,106	25,852,935	9,788,021	4,183,955	1,559,529	11,603,178	77,180,209	22,342,370	34,056,211	7,699,588	220,244,102
Overall Vacancy Rate	10.8%	19.5%	16.3%	10.7%	10.5%	13.1%	21.1%	10.2%	21.1%	9.4%	17.3%
Direct Space	2,200,491	4,730,651	1,491,850	410,269	161,441	1,196,501	13,851,389	2,000,017	5,936,134	676,928	32,655,671
Sublet Space	593,464	313,502	100,613	36,036	2,579	323,618	2,442,780	287,895	1,250,936	49,950	5,401,373
Sublet % of Vacant Space	21.2%	6.2%	6.3%	8.1%	1.6%	21.3%	15.0%	12.6%	17.4%	6.9%	14.2%
Class A Vacancy Rate	12.0%	18.5%	14.8%	N/A	N/A	18.6%	24.4%	10.2%	18.5%	13.6%	18.7%
Average Class A Net Rent (PSF)	$32.60	$19.94	$18.19	N/A	N/A	$16.38	$19.11	$15.47	$18.34	$16.89	$20.31
Quarter Net Absorption	10,032	261,461	-21,983	30,067	-9,893	11,230	-277,434	-82,129	-78,609	54,707	-102,551
Year-to-Date Net Absorption	10,032	261,461	-21,983	30,067	-9,893	11,230	-277,434	-82,129	-78,609	54,707	-102,551
Quarter New Supply	0	0	0	0	0	0	118,944	0	0	0	118,944
Year-to-Date New Supply	0	0	0	0	0	0	118,944	0	0	0	118,944
Under Construction	553,408	20,688	0	0	0	17,000	202,662	72,000	0	30,000	895,758
TOTAL											
Net Rentable Area	53,774,908	67,588,590	26,010,577	14,972,378	6,137,754	16,320,542	172,662,981	40,602,814	81,179,902	12,881,206	492,131,652
Overall Vacancy Rate	10.7%	26.1%	19.5%	16.1%	26.5%	17.6%	19.7%	12.7%	19.8%	12.1%	18.7%
Direct Space	4,740,765	15,409,425	4,617,448	2,193,826	1,468,875	2,508,037	28,115,230	4,554,850	13,465,183	1,507,408	78,581,047
Sublet Space	1,038,643	2,220,458	442,346	212,868	158,376	368,656	5,880,750	597,355	2,642,726	52,268	13,614,446
Sublet % of Vacant Space	18.0%	12.6%	8.7%	8.8%	9.7%	12.8%	17.3%	11.6%	16.4%	3.4%	14.8%
Class A Vacancy Rate	10.3%	22.6%	20.2%	14.9%	19.9%	18.7%	19.5%	11.6%	16.3%	14.5%	17.6%
Average Class A Net Rent (PSF)	$37.65	$22.32	$18.85	$19.63	$15.43	$18.90	$29.18	$19.71	$22.94	$18.27	$26.25
Quarter Net Absorption	230,021	-86,927	-64,707	33,959	-21,441	38,517	-30,200	-113,882	-407,297	55,910	-366,047
Year-to-Date Net Absorption	230,021	-86,927	-64,707	33,959	-21,441	38,517	-30,200	-113,882	-407,297	55,910	-366,047
Quarter New Supply	0	0	0	0	0	0	118,944	0	0	0	118,944
Year-to-Date New Supply	0	0	0	0	0	0	118,944	0	0	0	118,944
Under Construction	582,794	20,688	0	0	0	17,000	2,247,549	72,000	208,515	30,000	3,178,546

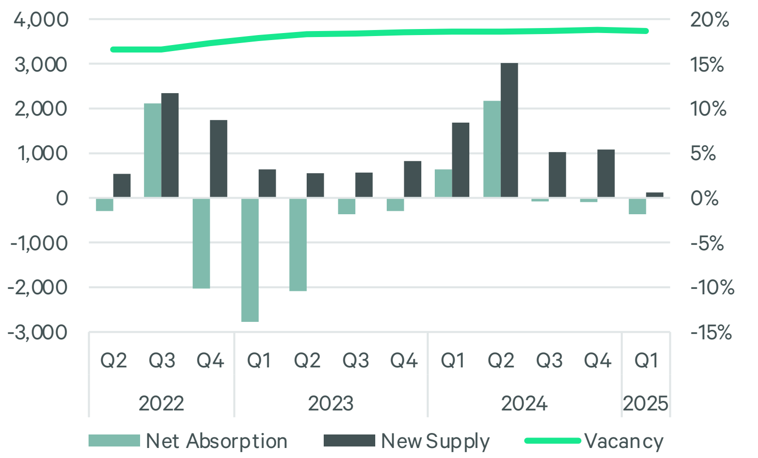
Source: CBRE Research, Q1 2025.

Canada

Overall office vacancy decreased by 10 bps at the start of 2025, marking six quarters in which it has remained in a narrow 20 bps range. Positive indicators include sublets and construction reaching recent or historic record-lows and downtown vacancy improving for the first time since Q1 2020.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	271,887,550	220,244,102	492,131,652	▼
Overall Vacancy Rate	19.9%	17.3%	18.7%	▼
Direct Space	45,925,376	32,655,671	78,581,047	▲
Sublet Space	8,213,073	5,401,373	13,614,446	▼
Sublet % of Vacant	15.2%	14.2%	14.8%	▼
Class A Vacancy Rate	16.9%	18.7%	17.6%	▼
Avg. Class A Net Rent (PSF)	$30.24	$20.31	$26.25	▲
Quarter Net Absorption	-263,496	-102,551	-366,047	▼
Quarter New Supply	0	118,944	118,944	▼
Under Construction	2,282,788	895,758	3,178,546	▼

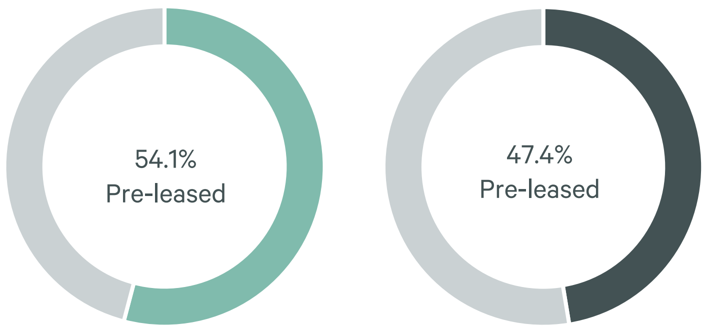
METRO SUPPLY & DEMAND



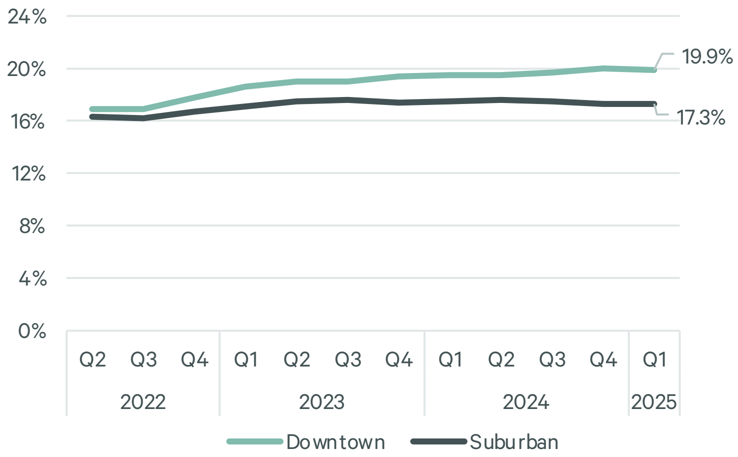
UNDER CONSTRUCTION

Downtown
2.3 MSF
0.8% of Inventory

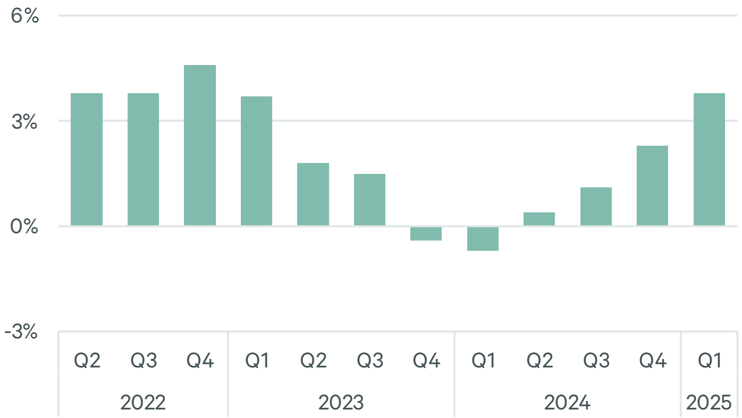
Suburban
0.9 MSF
0.4% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

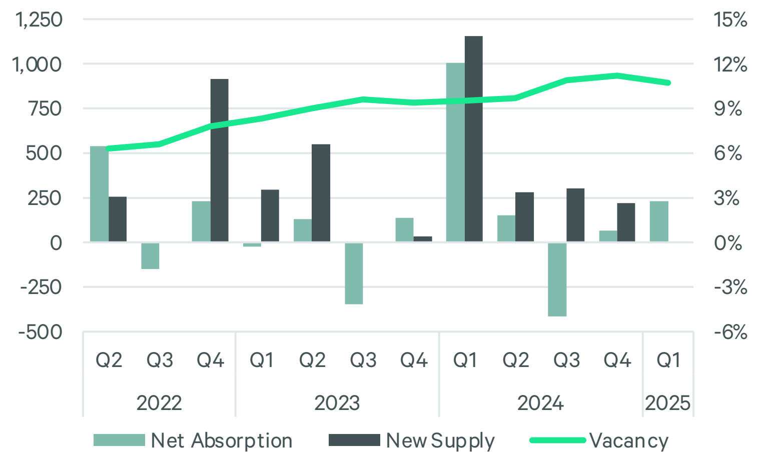


Vancouver

Q1 2025 marks the first time since Q2 2021 that the downtown vacancy rate is lower than in the suburbs, indicating that demand is starting to catch up with new supply. The decline in downtown was largely driven by Class AAA & A space, which reported its lowest vacancy rate since Q3 2022. With minimal new supply on the horizon, demand continues to apply downward pressure on premium quality assets.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	27,796,802	25,978,106	53,774,908	◀▶
Overall Vacancy Rate	10.7%	10.8%	10.7%	▼
Direct Space	2,540,274	2,200,491	4,740,765	▲
Sublet Space	445,179	593,464	1,038,643	▼
Sublet % of Vacant	14.9%	21.2%	18.0%	▼
Class A Vacancy Rate	8.6%	12.0%	10.3%	▼
Avg. Class A Net Rent (PSF)	$43.80	$32.60	$37.65	▼
Quarter Net Absorption	219,989	10,032	230,021	▲
Quarter New Supply	0	0	0	▼
Under Construction	29,386	553,408	582,794	◀▶

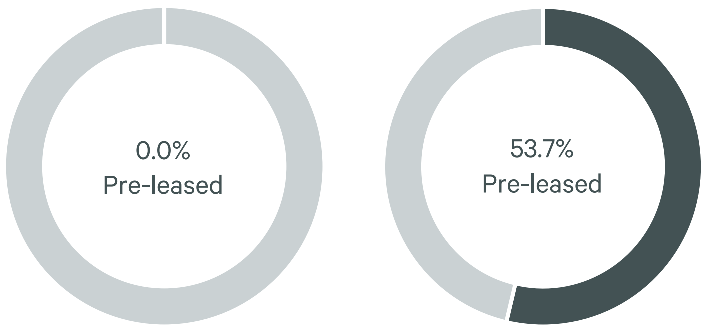
METRO SUPPLY & DEMAND



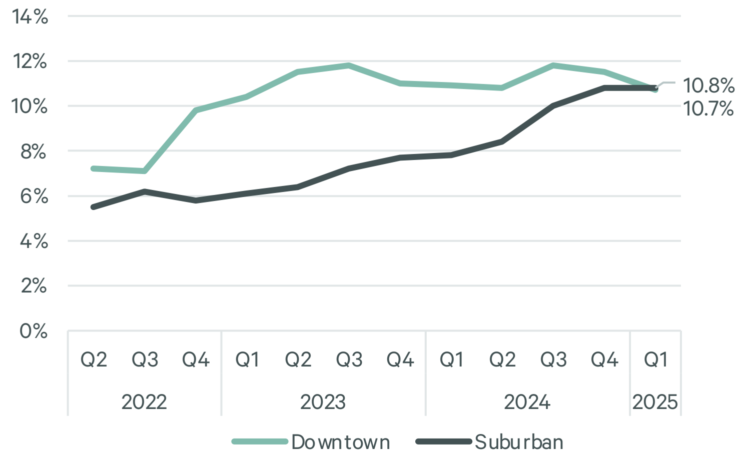
UNDER CONSTRUCTION

Downtown
29,000 SF
0.1% of Inventory

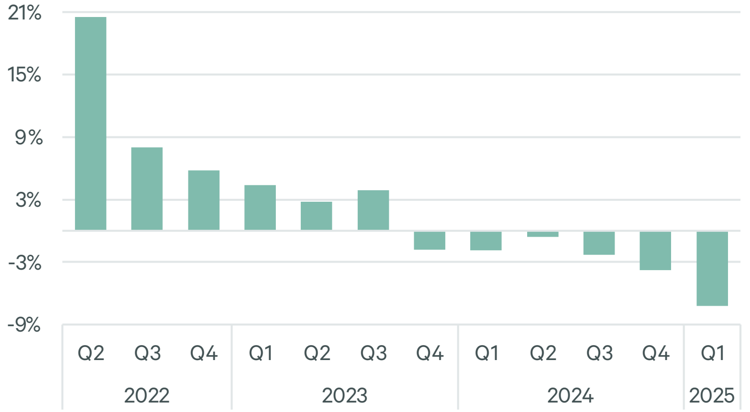
Suburban
553,000 SF
2.1% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH



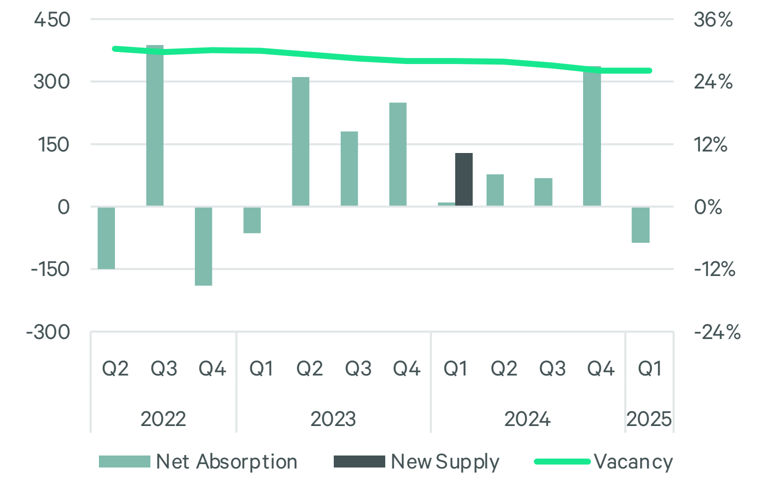
Calgary

Tariff threats being imposed on Alberta's energy exports could pose a hindrance to downtown Calgary's office occupancy growth in the short-to-medium term. The downtown tenant base is overwhelmingly made up of energy and energy-adjacent tenants and uncertainty in the industry could lead to reduced revenues and spending or the possible market exit of some U.S.-based companies.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	41,735,655	25,852,935	67,588,590	▲
Overall Vacancy Rate	30.2%	19.5%	26.1%	◀▶
Direct Space	10,678,774	4,730,651	15,409,425	▲
Sublet Space	1,906,956	313,502	2,220,458	▼
Sublet % of Vacant	15.2%	6.2%	12.6%	▼
Class A Vacancy Rate	24.6%	18.5%	22.6%	▼
Avg. Class A Net Rent (PSF)	$23.37	$19.94	$22.32	▲
Quarter Net Absorption	-348,388	261,461	-86,927	▼
Quarter New Supply	0	0	0	◀▶
Under Construction	0	20,688	20,688	◀▶

METRO SUPPLY & DEMAND

Net Absorption & New Supply (000's SF)

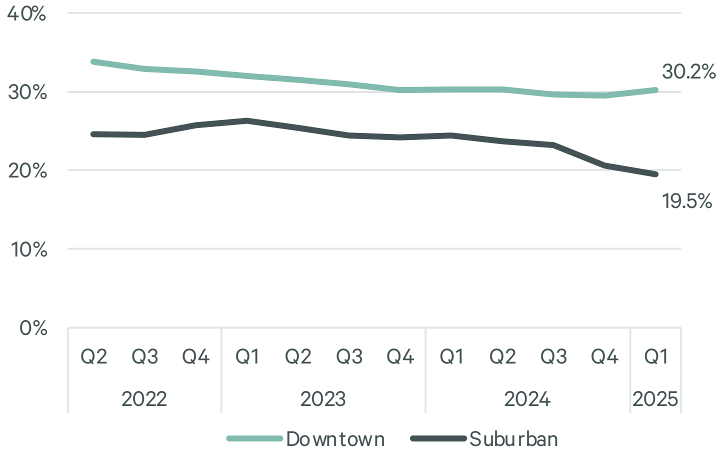


UNDER CONSTRUCTION

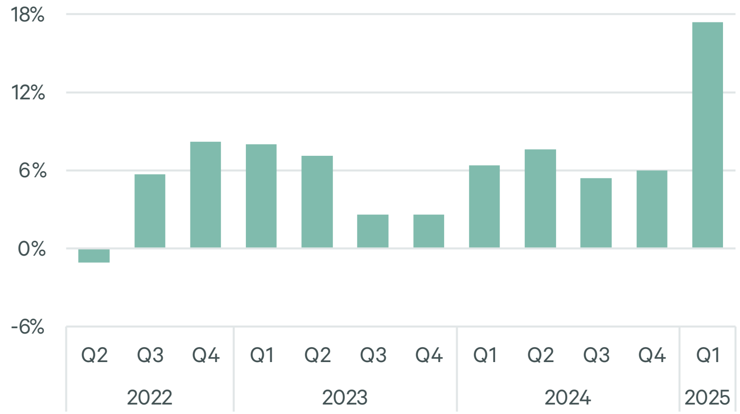
Downtown
0 SF
0% of Inventory

Suburban
21,000 SF
0.1% of Inventory

DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

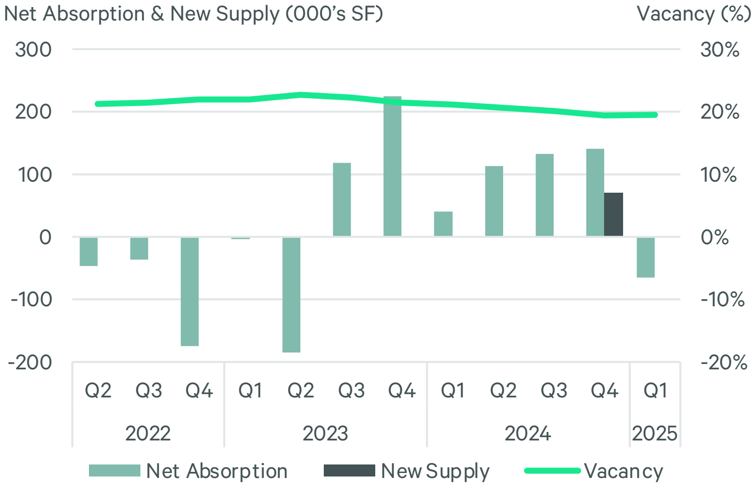


Edmonton

The Edmonton market began 2025 with 65,000 sq. ft. of negative net absorption. While marking the end of a six-quarter run of positive net absorption, two buildings slated for conversion reduced the downtown inventory by 127,000 sq. ft. and aided in keeping vacancy stable at 19.5%. There has been renewed interest in office sales across the city as private investors look to take advantage of attractive pricing.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	16,222,556	9,788,021	26,010,577	▼
Overall Vacancy Rate	21.4%	16.3%	19.5%	▲
Direct Space	3,125,598	1,491,850	4,617,448	▼
Sublet Space	341,733	100,613	442,346	▲
Sublet % of Vacant	9.9%	6.3%	8.7%	▲
Class A Vacancy Rate	22.3%	14.8%	20.2%	▲
Avg. Class A Net Rent (PSF)	$19.02	$18.19	$18.85	▲
Quarter Net Absorption	-42,724	-21,983	-64,707	▼
Quarter New Supply	0	0	0	▼
Under Construction	0	0	0	◀▶

METRO SUPPLY & DEMAND

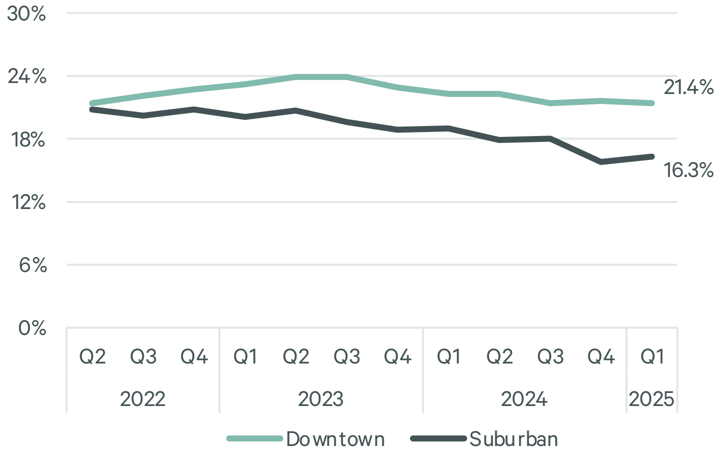


UNDER CONSTRUCTION

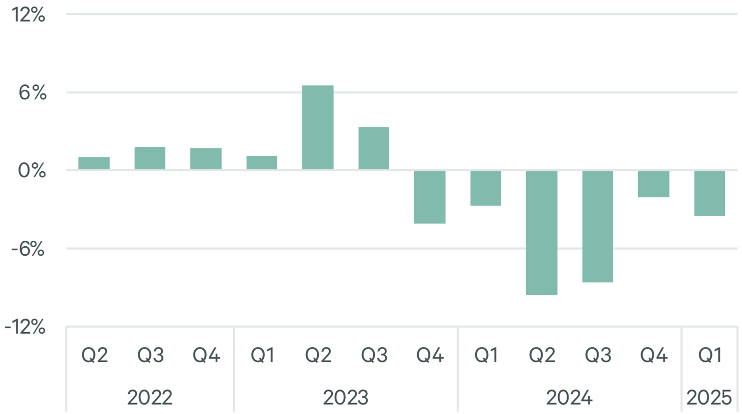
Downtown
0 SF
0% of Inventory

Suburban
0 SF
0% of Inventory

DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

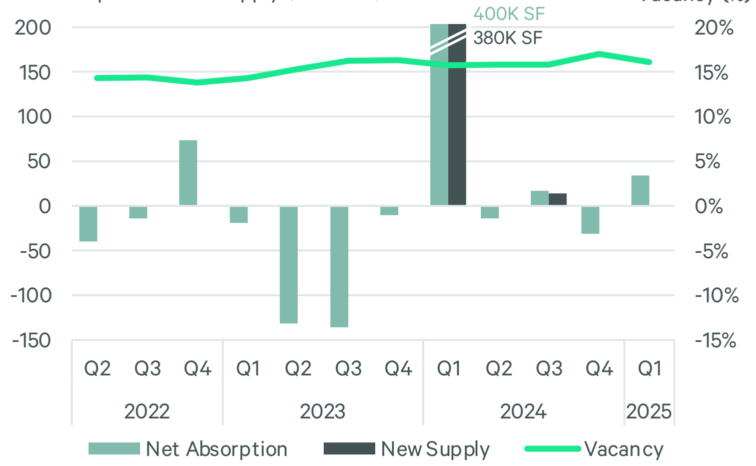


Winnipeg

The Winnipeg downtown office market saw a 100 bps decrease in vacancy in Q1 2025, largely due to a 360 bps drop in Class B vacancy, which now sits at 21.2%. This significant decline was mainly a result of the Manitoba Metis Federation occupying several vacant floors in their newly acquired building at 333 Main Street. In contrast, Class A and Class C product experienced negative net absorption.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	10,788,423	4,183,955	14,972,378	▲
Overall Vacancy Rate	18.2%	10.7%	16.1%	▼
Direct Space	1,783,557	410,269	2,193,826	▼
Sublet Space	176,832	36,036	212,868	▲
Sublet % of Vacant	9.0%	8.1%	8.8%	▲
Class A Vacancy Rate	14.9%	N/A	14.9%	▲
Avg. Class A Net Rent (PSF)	$19.63	N/A	$19.63	▲
Quarter Net Absorption	3,892	30,067	33,959	▲
Quarter New Supply	0	0	0	◀▶
Under Construction	0	0	0	◀▶

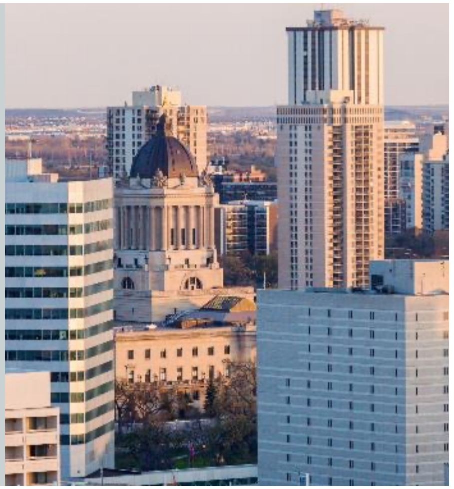
METRO SUPPLY & DEMAND



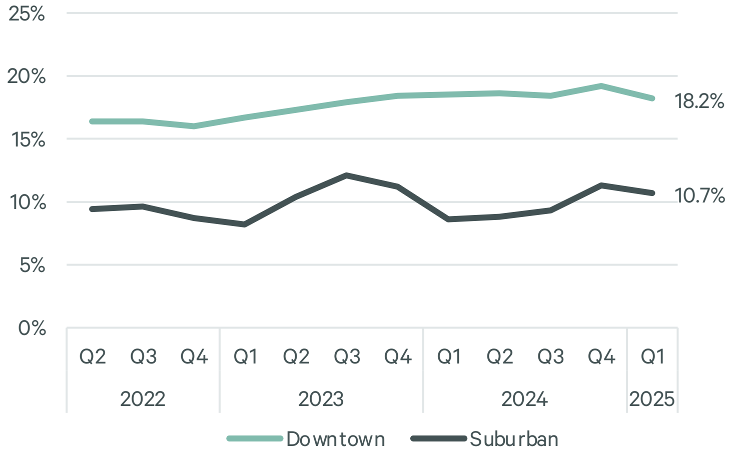
UNDER CONSTRUCTION

Downtown
0 SF
0% of Inventory

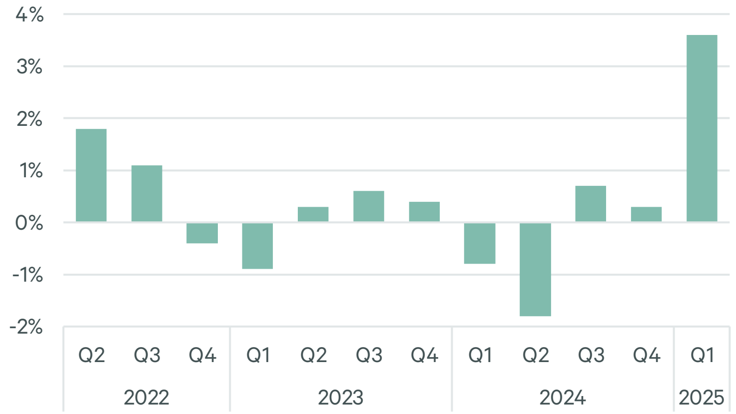
Suburban
0 SF
0% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

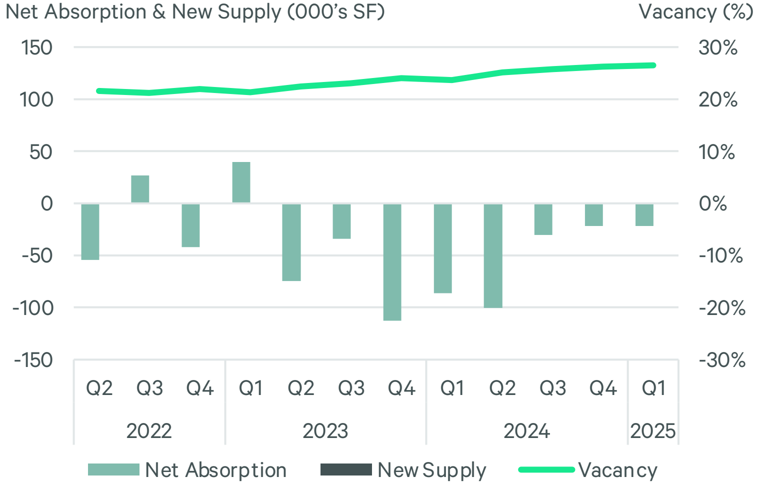


London

The office market has continued to struggle with eight consecutive quarters of negative net absorption, the majority of which has stemmed from the downtown posting a cumulative 448,000 sq. ft. of negative net absorption since Q2 2023. As suburban deals increase and push up pricing in the area, it is possible that downtown space may become more attractive, potentially reversing this trend.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	4,578,225	1,559,529	6,137,754	◀▶
Overall Vacancy Rate	32.0%	10.5%	26.5%	▲
Direct Space	1,307,434	161,441	1,468,875	▲
Sublet Space	155,797	2,579	158,376	◀▶
Sublet % of Vacant	10.6%	1.6%	9.7%	▼
Class A Vacancy Rate	19.9%	N/A	19.9%	◀▶
Avg. Class A Net Rent (PSF)	$15.43	N/A	$15.43	◀▶
Quarter Net Absorption	-11,548	-9,893	-21,441	▲
Quarter New Supply	0	0	0	◀▶
Under Construction	0	0	0	◀▶

METRO SUPPLY & DEMAND

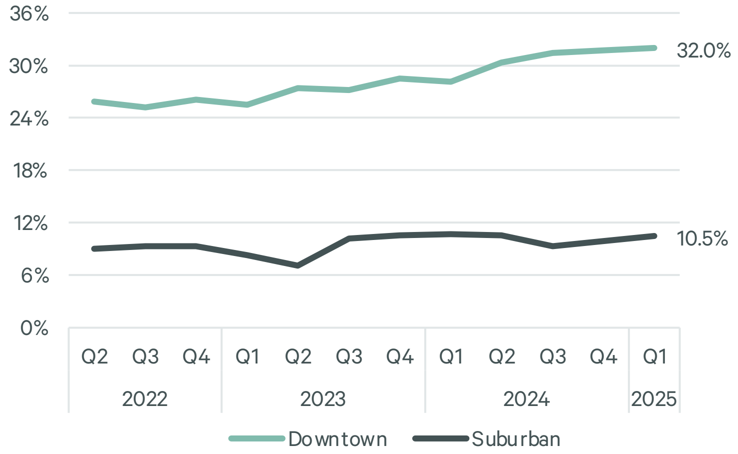


UNDER CONSTRUCTION

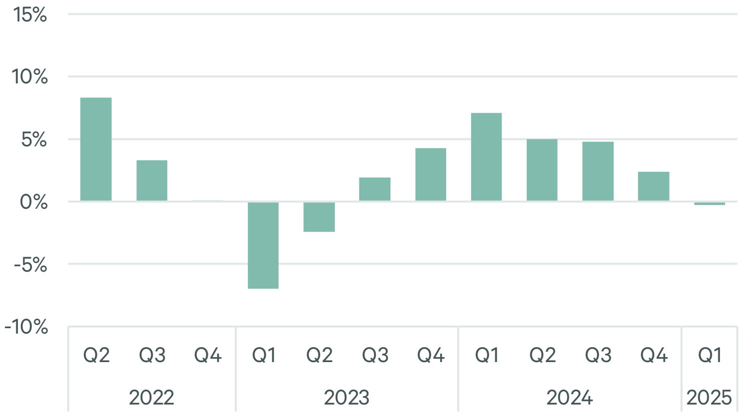
Downtown
0 SF
0% of Inventory

Suburban
0 SF
0% of Inventory

DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

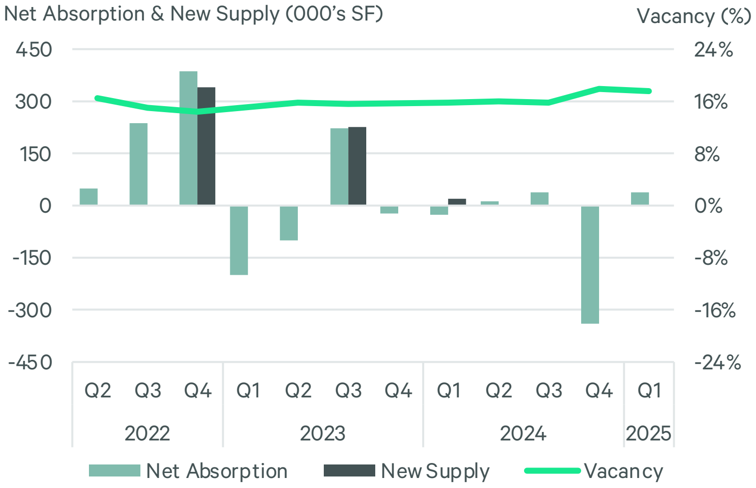


Waterloo Region

After reaching a nearly seven-year high in Q4 2024, the Waterloo Region office market has shown modest improvement with approximately 39,000 sq. ft. of positive net absorption this quarter, bringing the vacancy rate to 17.6%. Market conditions remained stable due to steady demand for office space in the region. Notably, the suburban node experienced positive quarterly net absorption for the first time since Q2 2024.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	4,717,364	11,603,178	16,320,542	◀▶
Overall Vacancy Rate	28.8%	13.1%	17.6%	▼
Direct Space	1,311,536	1,196,501	2,508,037	▲
Sublet Space	45,038	323,618	368,656	▼
Sublet % of Vacant	3.3%	21.3%	12.8%	▼
Class A Vacancy Rate	19.2%	18.6%	18.7%	◀▶
Avg. Class A Net Rent (PSF)	$26.47	$16.38	$18.90	▼
Quarter Net Absorption	27,287	11,230	38,517	▲
Quarter New Supply	0	0	0	◀▶
Under Construction	0	17,000	17,000	◀▶

METRO SUPPLY & DEMAND

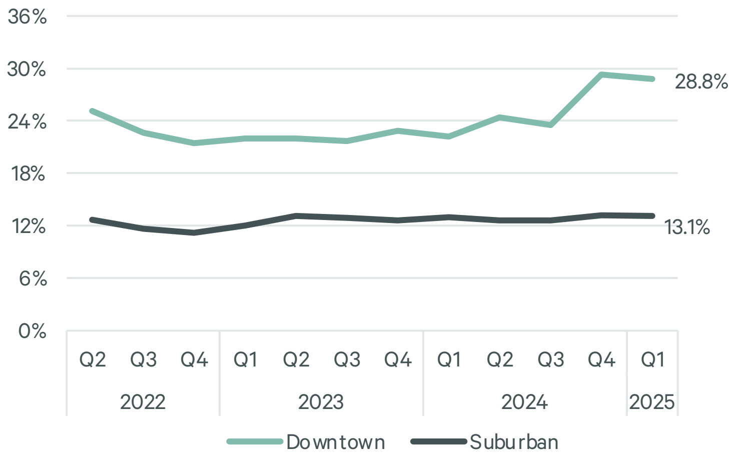


UNDER CONSTRUCTION

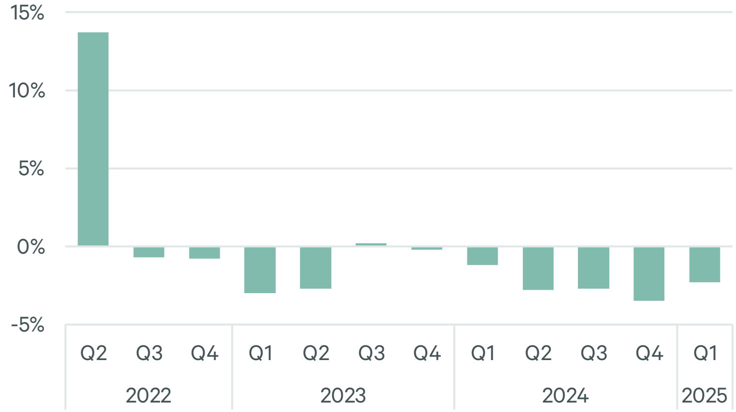
Downtown
0 SF
0% of Inventory

Suburban
17,000 SF
0.1% of Inventory

DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH



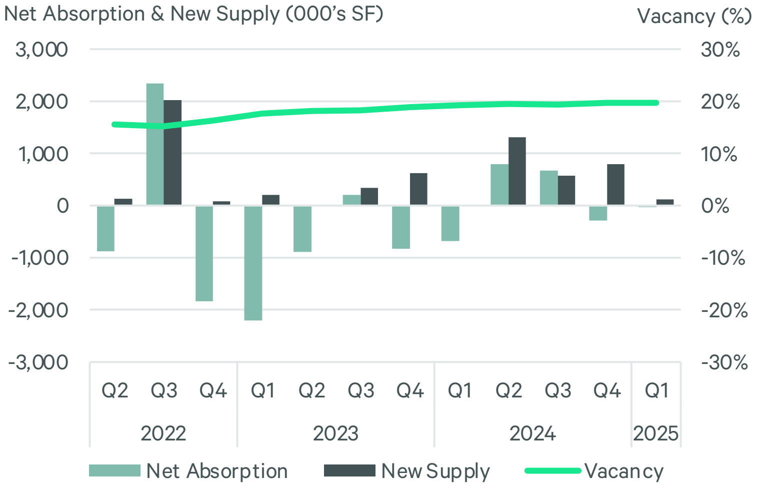
Toronto

Downtown office vacancy declined 50 bps in Q1, marking the first substantial improvement the market experienced since before 2020 as healthy leasing activity occurred at the start of the year. Market momentum is positive heading into Q2, reflected in a rebound to average asking rates and declining sublease space, which is at its lowest point since Q4 2022.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	95,482,772	77,180,209	172,662,981	▼
Overall Vacancy Rate	18.5%	21.1%	19.7%	◀▶
Direct Space	14,263,841	13,851,389	28,115,230	▲
Sublet Space	3,437,970	2,442,780	5,880,750	▼
Sublet % of Vacant	19.4%	15.0%	17.3%	▼
Class A Vacancy Rate	16.2%	24.4%	19.5%	◀▶
Avg. Class A Net Rent (PSF)	$35.94	$19.11	$29.18	▲
Quarter Net Absorption	247,234	-277,434	-30,200	▲
Quarter New Supply	0	118,944	118,944	▼
Under Construction	2,044,887	202,662	2,247,549	▼

*Downtown is reflective of Central submarkets, inclusive of Midtown.

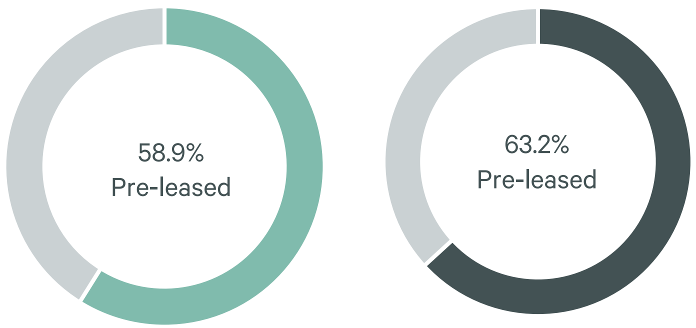
METRO SUPPLY & DEMAND



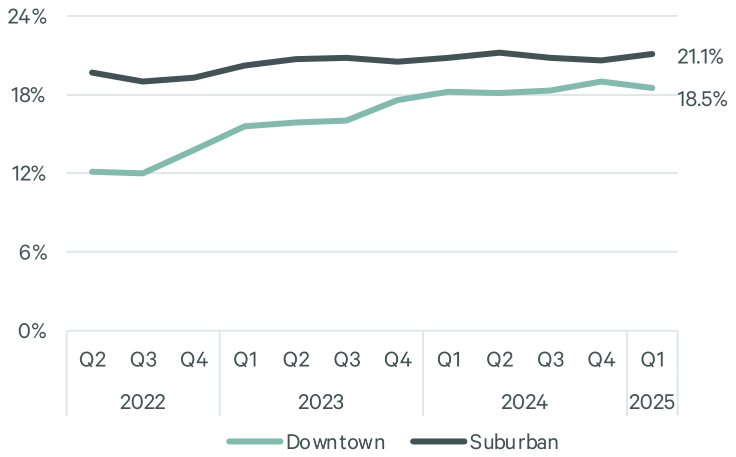
UNDER CONSTRUCTION

Downtown
2.0 MSF
2.1% of Inventory

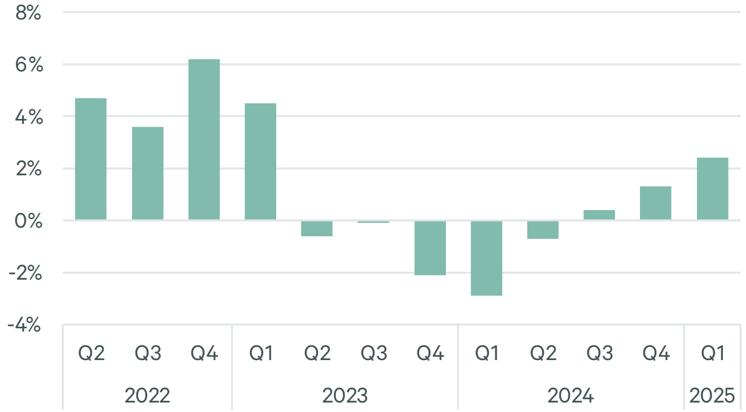
Suburban
203,000 SF
0.3% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH



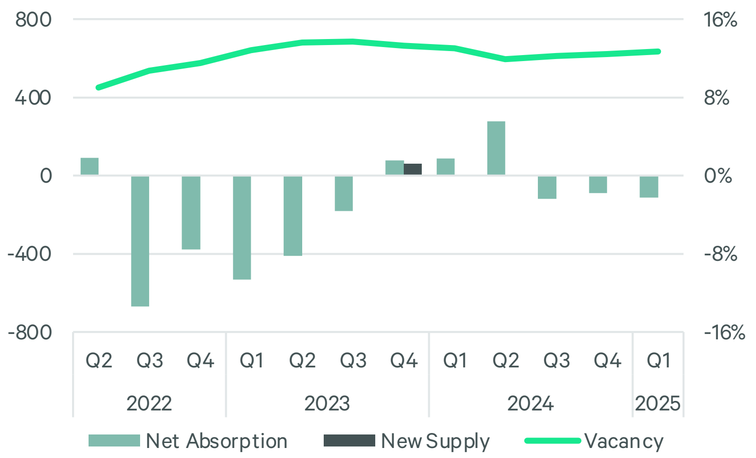
Ottawa

Office market conditions experienced minor softening as vacancy increased from 12.4% to 12.7% at the start of 2025. Despite the potentially challenging political landscape, the market remained in a stable position with asking rents in a holding pattern, while a gradual mix of new listings and shadow vacancies became active.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	18,260,444	22,342,370	40,602,814	▲
Overall Vacancy Rate	15.7%	10.2%	12.7%	▲
Direct Space	2,554,833	2,000,017	4,554,850	▲
Sublet Space	309,460	287,895	597,355	▲
Sublet % of Vacant	10.8%	12.6%	11.6%	▲
Class A Vacancy Rate	13.4%	10.2%	11.6%	▲
Avg. Class A Net Rent (PSF)	$23.90	$15.47	$19.71	◀▶
Quarter Net Absorption	-31,753	-82,129	-113,882	▼
Quarter New Supply	0	0	0	◀▶
Under Construction	0	72,000	72,000	◀▶

*Downtown is reflective of Central submarkets, inclusive of CBD and surrounding region.

METRO SUPPLY & DEMAND

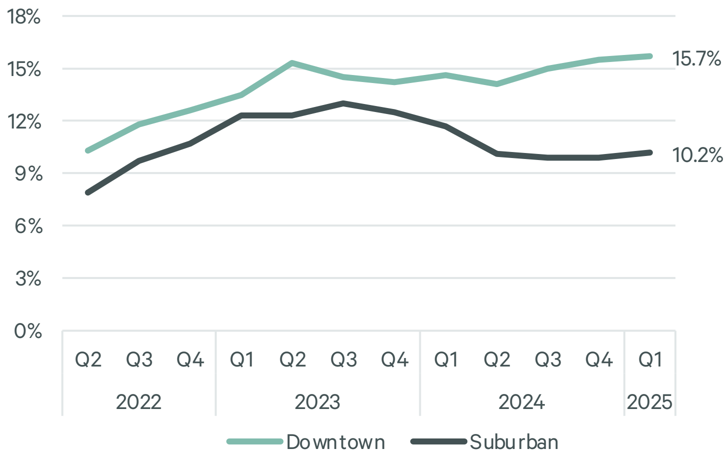


UNDER CONSTRUCTION

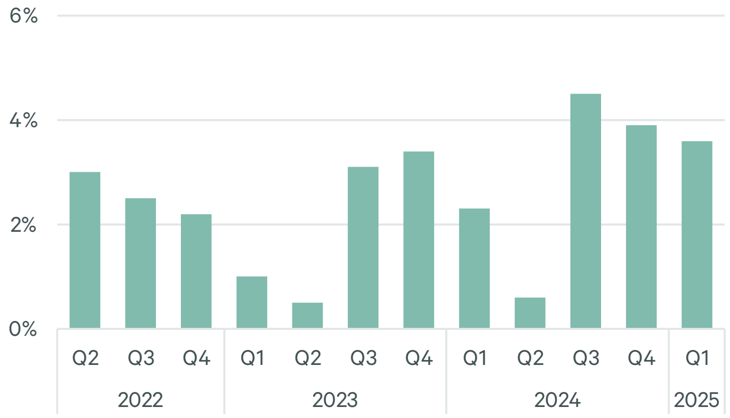
Downtown
0 SF
0% of Inventory

Suburban
72,000 SF
0.3% of Inventory

DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

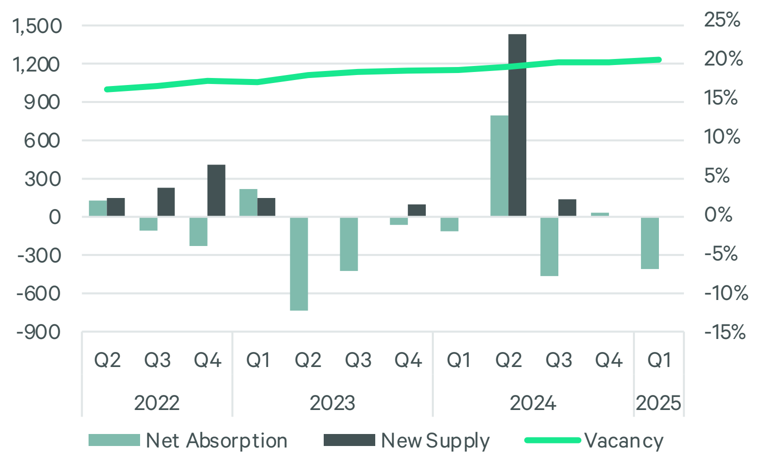


Montreal

The GMA office market has continued to slow, although most prominently downtown which accounted for the majority of negative net absorption this quarter. Excluding Midtown, the suburbs meanwhile would have had a positive quarter. This is the inverse of the 2024 trend in which downtown drove demand for absorption. However, it is not anticipated for the suburbs to outperform downtown for the entirety of 2025.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	47,123,691	34,056,211	81,179,902	▼
Overall Vacancy Rate	18.9%	21.1%	19.8%	▲
Direct Space	7,529,049	5,936,134	13,465,183	▲
Sublet Space	1,391,790	1,250,936	2,642,726	▲
Sublet % of Vacant	15.6%	17.4%	16.4%	▲
Class A Vacancy Rate	15.0%	18.5%	16.3%	▲
Avg. Class A Net Rent (PSF)	$26.14	$18.34	$22.94	▲
Quarter Net Absorption	-328,688	-78,609	-407,297	▼
Quarter New Supply	0	0	0	◀▶
Under Construction	208,515	0	208,515	◀▶

METRO SUPPLY & DEMAND

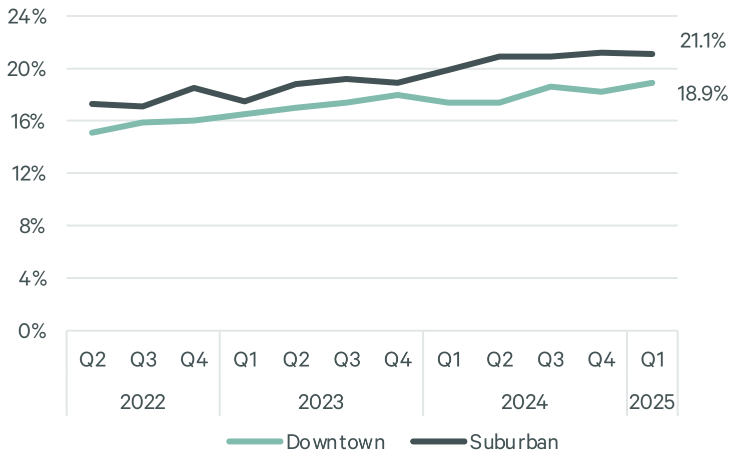


UNDER CONSTRUCTION

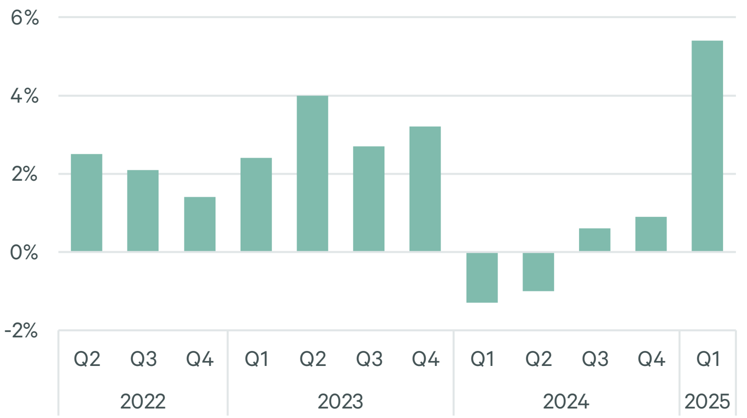
Downtown
209,000 SF
0.4% of Inventory

Suburban
0 SF
0% of Inventory

DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

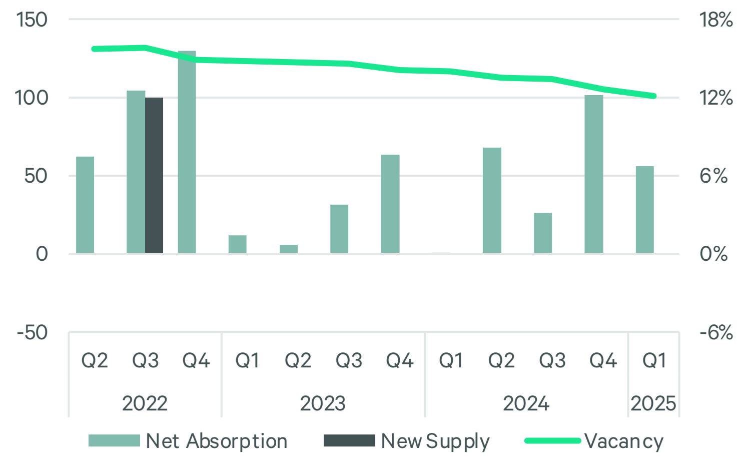


Halifax

The Halifax office market experienced a strong start to 2025, recording 56,000 sq. ft. of positive net absorption. The suburban submarket led this activity, with a particularly strong performance amongst Class B assets as commute times and demographic shifts continue to influence real estate decisions. Given high construction costs, tenants are looking to exploit built out space to help minimize costs.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	5,181,618	7,699,588	12,881,206	▲
Overall Vacancy Rate	16.1%	9.4%	12.1%	▼
Direct Space	830,480	676,928	1,507,408	▼
Sublet Space	2,318	49,950	52,268	▼
Sublet % of Vacant	0.3%	6.9%	3.4%	▼
Class A Vacancy Rate	15.3%	13.6%	14.5%	▼
Avg. Class A Net Rent (PSF)	$19.30	$16.89	$18.27	▼
Quarter Net Absorption	1,203	54,707	55,910	▼
Quarter New Supply	0	0	0	◀▶
Under Construction	0	30,000	30,000	◀▶

METRO SUPPLY & DEMAND

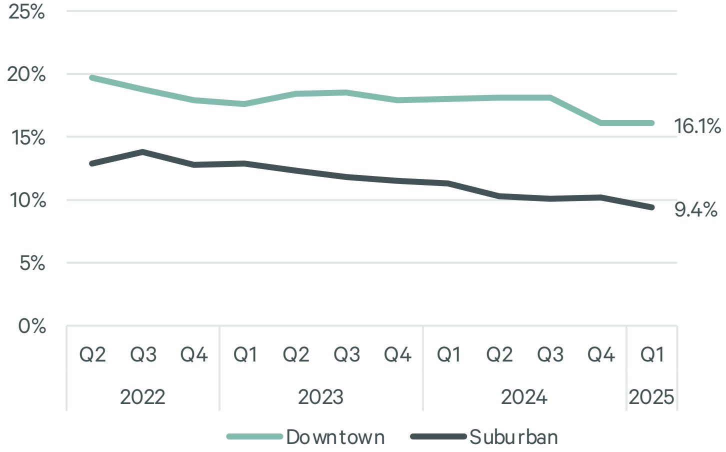


UNDER CONSTRUCTION

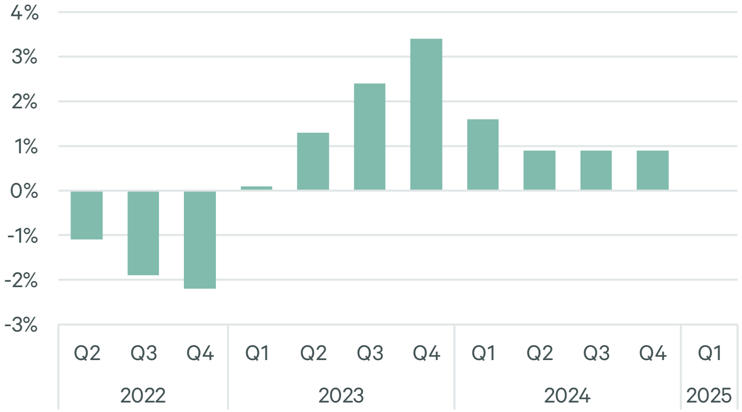
Downtown
0 SF
0% of Inventory

Suburban
30,000 SF
0.4% of Inventory

DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH



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Definitions

Net Rentable Area (NRA): The total office area (sq. ft.) of competitive building(s) in the market.
Overall Vacancy Rate: Total Vacant Space divided by the NRA. Calculated as a percent.
Total Vacant Space: The sum of Direct and Sublet Space that can be immediately occupied, typically including up to 90 days following quarter close.
Direct Space: Space offered for lease directly by the building owner or landlord.
Sublet Space: Space offered for lease indirectly by a tenant.
Sublet % of Vacant Space: Total Sublet Space divided by the Total Vacant Space. Calculated as a percent.
Class A Vacancy Rate: Total Vacant Space divided by the NRA in Class A properties. Considered the best-quality space that competes for the market's premier office users and commands the highest relative rents. Calculated as a percent.
Class A Average Asking Net Rent: A calculated average of marketed Class A rents that excludes additional costs (real property taxes and other building operating costs), weighted by corresponding vacant space. National average is weighted by NRA.
Net Absorption: The change in Occupied Space from one quarter to the next as a measure of market activity. Includes Pre-leased space upon delivery as New Supply.
Occupied Space: Total inventory of the building(s) not considered vacant.
New Supply: Space delivered to the market from the completion of newly constructed competitive building(s).
Under Construction: The expected total office area of new competitive buildings(s) actively undergoing development.
Pre-leased: Space that has been leased in a building that is Under Construction.