

Nearly all markets reporting vacancy below post-2020 peaks, with Toronto leading the recovery

▼ 18.4%

Vacancy Rate

▲ 1.1M

SF Net Absorption

▼ 2.6M

SF Under Construction

▼ \$26.20

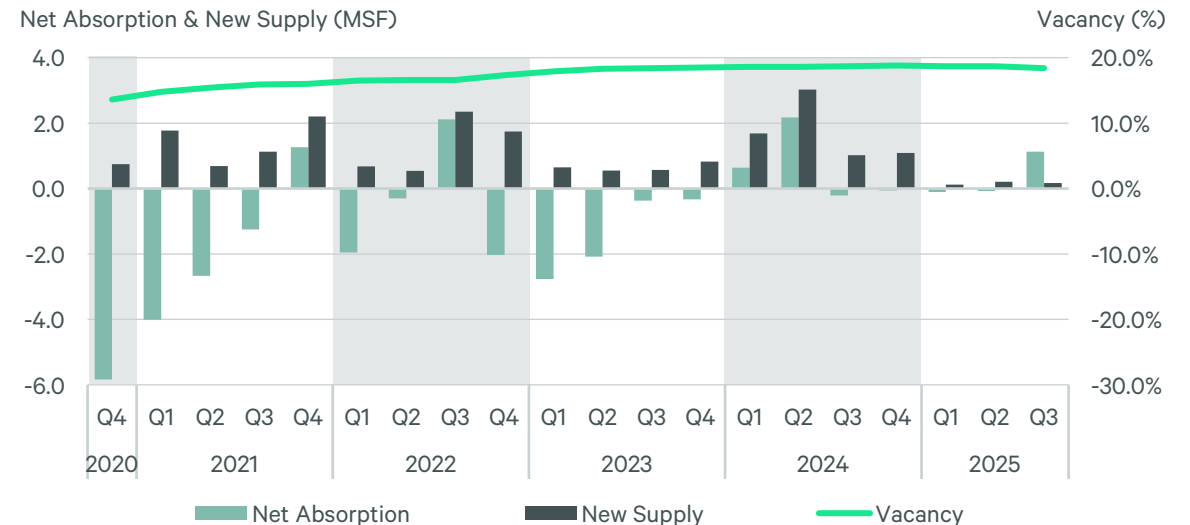
PSF Average Class A Net Rent

Note: Arrows indicate change from previous quarter.

Executive Summary

- The Canadian office market shows signs of recovery, with the majority of markets seeing vacancy rates below pandemic-era highs. Downtown Trophy/Class A assets continue to boast strong performance highlighting tenant demand for high-quality spaces.
- Toronto saw a firm rebound this quarter, largely driven by strong leasing in existing space. With 1.6 million sq. ft. of net absorption recorded in the GTA, it is evident that Canada's largest office market is driving the national trend.
- Falling for a ninth consecutive quarter, sublet space is down 27.8% from its peak in Q2 2023. Overall sublet vacancy fell in four cities this quarter, while in Calgary it continues to rise.
- Construction activity has lowered to 2.6 million sq. ft. The pipeline continues to thin thanks to deliveries and is on track to report just 2.2 million sq. ft. of new supply in 2025, the lowest annual total in Canada since 2019. It is likely conditions are nearing a point where some planned projects may become viable once again due to demand for premium product.
- Nearly 1.0 million sq. ft. of space was removed for office conversion projects in Q3, helping moderate vacancy in markets such as Calgary, Ottawa and Edmonton.

FIGURE 1: National Office Supply & Demand



Source: CBRE Research, Q3 2025.

Standout quarter of activity in one market outshines the rest

- National net absorption came in on positive territory for the first time since Q2 2024 despite only four markets posting positive market activity in Q3.
- Toronto had an outsized impact on the overall reporting 1.6 million sq. ft. of net absorption. With no new supply this quarter, all activity took place in existing product and signals a firm rebound in the market, in particular downtown.
- Montreal, Ottawa and Vancouver meanwhile noted slowing with each recording over 100,000 sq. ft. of negative net absorption. As has been the trend of late, larger blocks of space have become vacant overshadowing other activity.
- Given the recent levels of activity and along with the expected delivery of pre-leased new supply next quarter, it is likely that 2025 will see the realization of back-to-back years of positive net absorption. Among other activity, expect some stabilization in markets where occupiers continue to rationalize their portfolios around the latest return-to-office push.

FIGURE 2: Historical National Net Absorption (MSF)

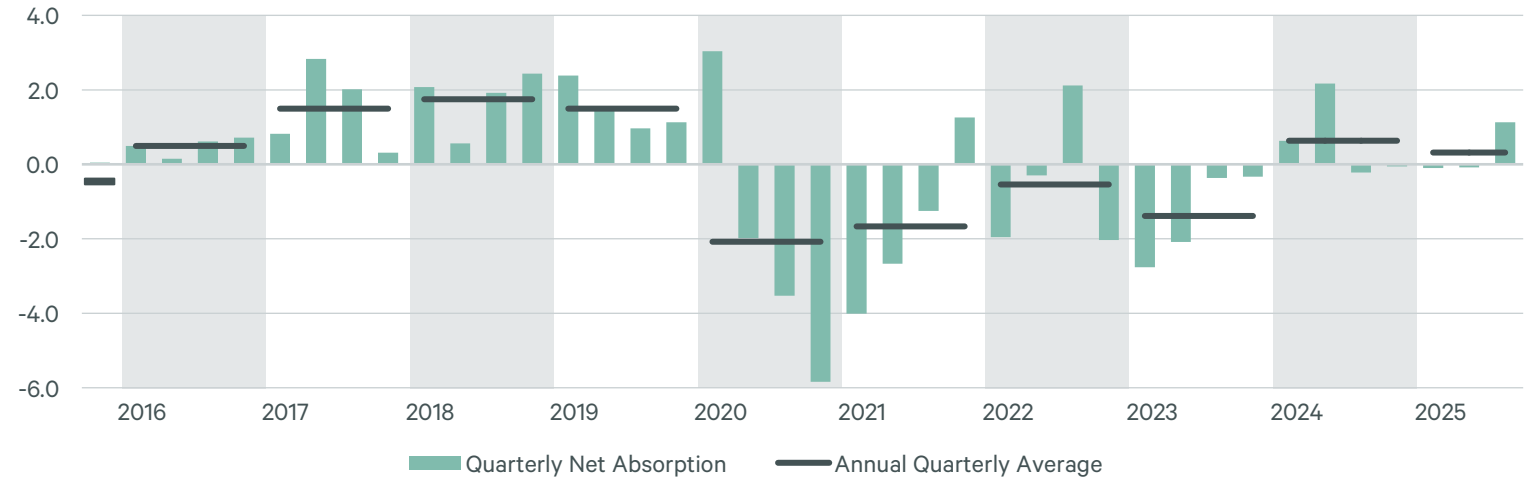
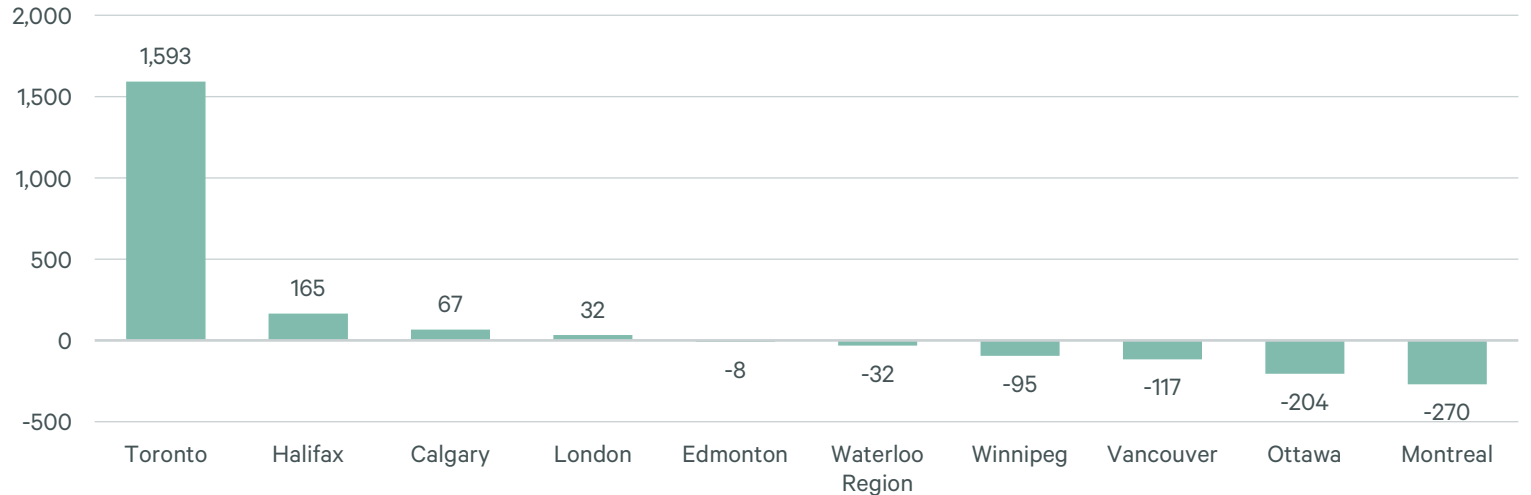


FIGURE 3: Quarterly Net Absorption by Market (000's SF)

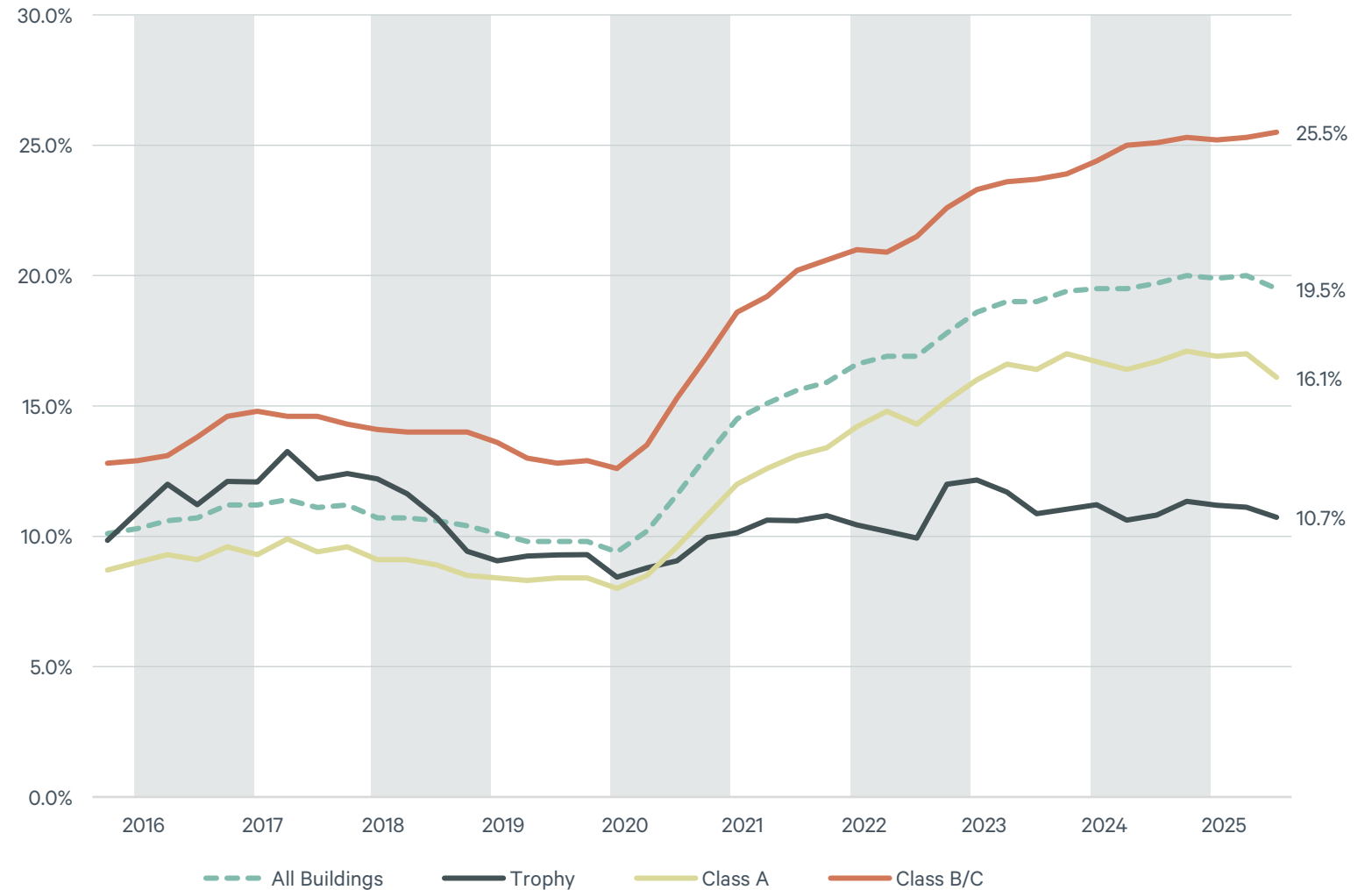


Source: CBRE Research, Q3 2025.

Tenant spotlight on downtown Class A/Trophy assets

- Flight-to-quality reached a new fever pitch in Q3 as downtown Class A vacancy declined by 90 basis points (bps) nationally, the largest quarterly decrease amongst this segment on record since 2008.
- This was led by Toronto with a 250 bps tightening, along with four other markets which noted improving downtown Class A fundamentals (Winnipeg and Halifax, both -100 bps; Ottawa, -60 bps; and Edmonton, -10 bps).
- Trophy assets, the top-tier within Class A, have reported declining vacancy for three consecutive quarters further exhibiting strength of these properties.
- Lower quality Class B/C assets meanwhile continue to experience rising vacancy. The widening gap to Class A underscores tenant preferences for high-quality space.

FIGURE 4: National Downtown Vacancy by Segment



Trophy series includes top-tier properties in Vancouver, Calgary, Toronto and Montreal. Class A is inclusive of trophy segment.
 Source: CBRE Research, Q3 2025.

Markets begin cresting the vacancy peak

- Both the downtown and suburban vacancy rates noted a marked improvement nationally this quarter declining by 50 bps and 20 bps, respectively. This is the largest quarterly tightening downtown, nationally, since Q3 2011.
- Five cities reported decreasing downtown vacancy in Q3 2025. Calgary and Ottawa saw improvement thanks to office-to-residential conversions. Leasing activity in downtown Toronto meanwhile resulted in a 150 bps drop in vacancy with numerous transactions being recorded over 50,000 sq. ft.
- In suburban areas, six cities reported declines and was led by Halifax (-150 bps), Edmonton (-110 bps) and Calgary (-80 bps). Suburban Calgary again benefited from the removal of office inventory for conversion.
- It is becoming clear that the office market is moving toward a recovery across Canada. As evidenced by recent trends, and despite quarterly movements, all but two markets (Vancouver and Waterloo Region) are now reporting total vacancy below their respective pandemic-era (post-2020) highs.

FIGURE 5: National Downtown vs Suburban Vacancy Rate

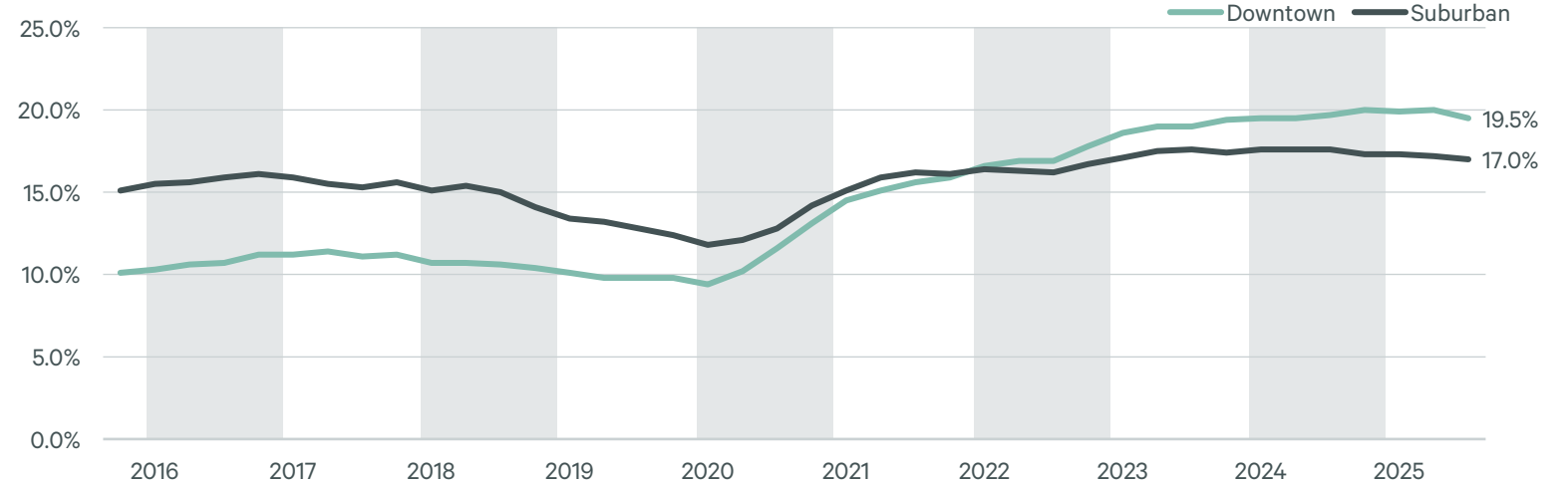


FIGURE 6a: Downtown Vacancy Rate by Market

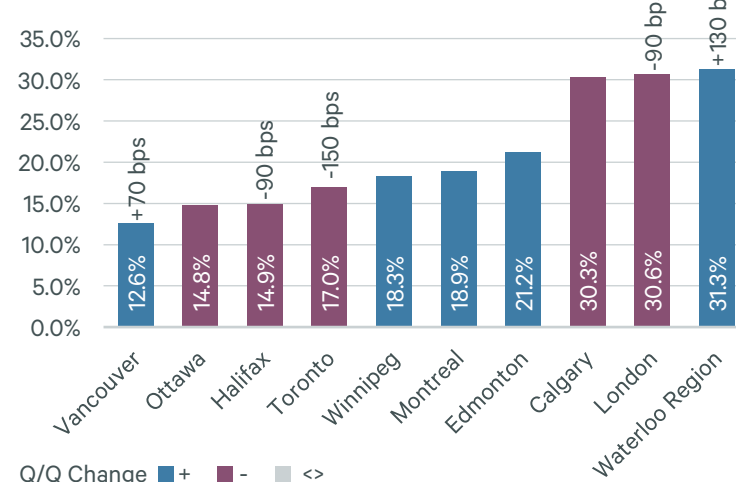
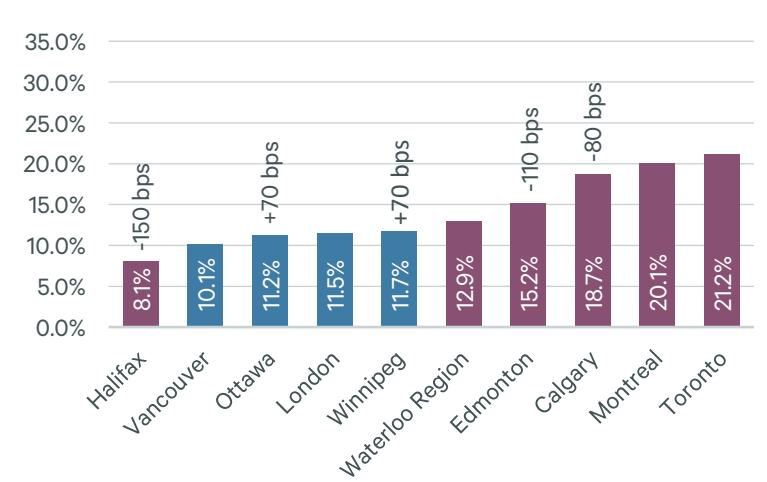


FIGURE 6b: Suburban Vacancy Rate by Market



Source: CBRE Research, Q3 2025.

Sublet space continues to improve

- Sublet space has declined for a ninth consecutive quarter, shedding an additional 279,000 sq. ft. in Q3 2025. Movement within this space has been due to a combination of transaction activity or space being reclaimed by the sublessor and increasingly, lease expirations coming due.
- While an overall decline of 27.8% has been noted from its peak in Q2 2023, sublease options are still prevalent. The 10-year average for sublet space pre-2020 was equal to 8.2 million sq. ft.
- On a per market basis, four Canadian cities saw sublet vacancies fall on a quarter-over-quarter basis, namely: Halifax (-57.7%), Ottawa (-16.8%), Edmonton (-16.8%), Montreal (-11.2%), and Toronto (-4.7%).
- M&A activity in Calgary’s energy sector continues to drive the rise in sublet space in this city and, on a year-over-year basis, is the only market to report a notable uptick.

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

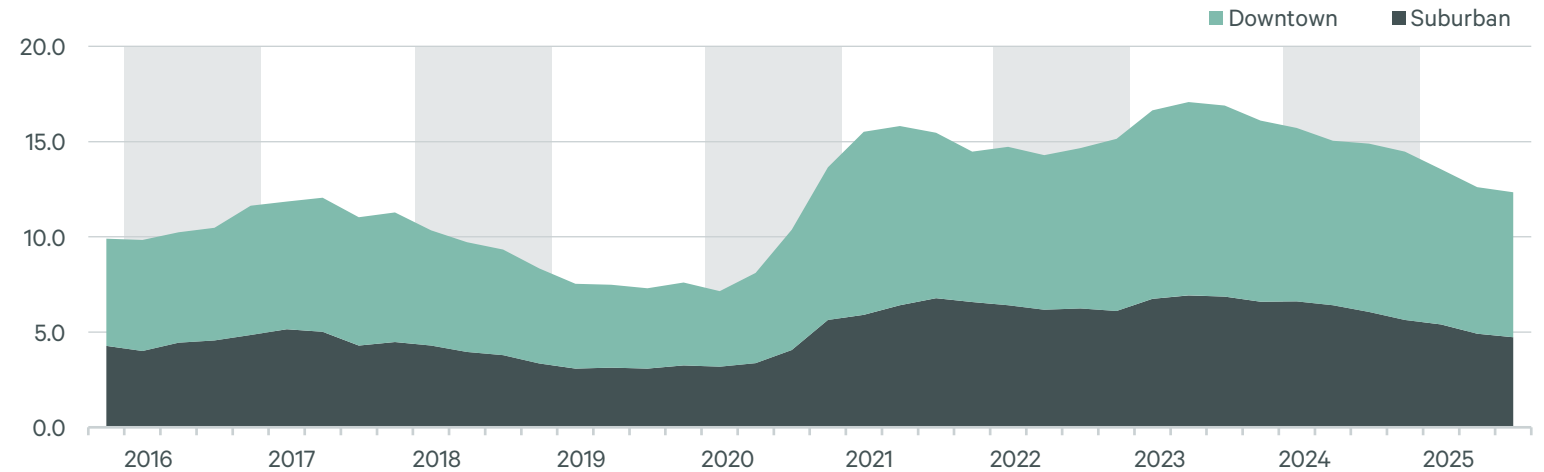
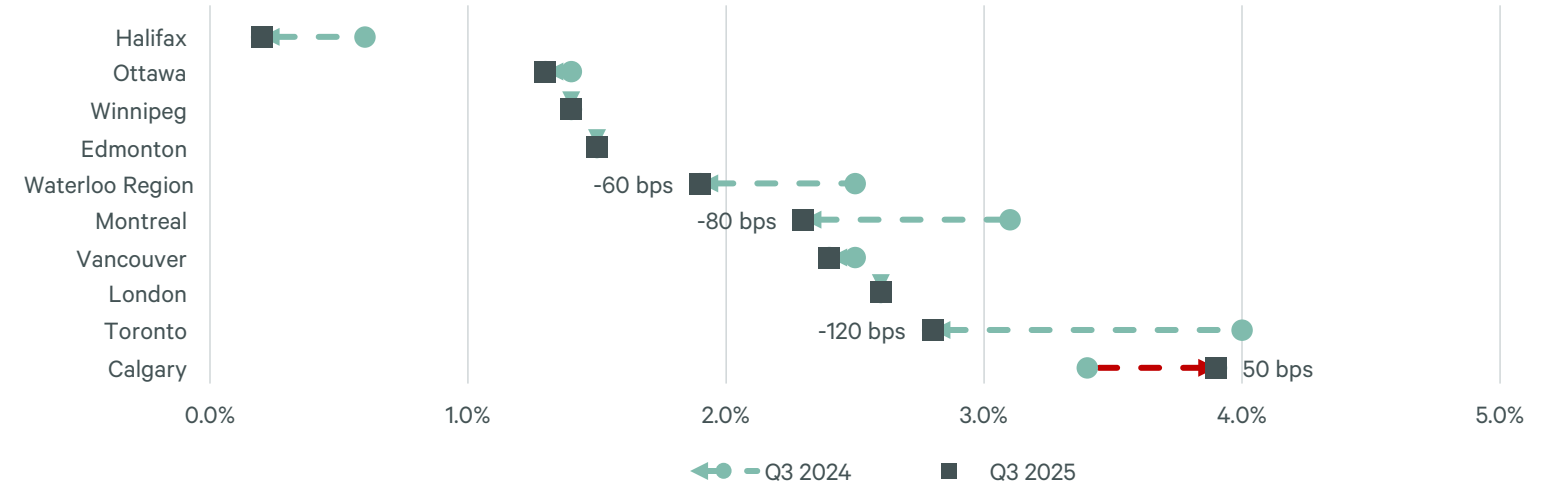


FIGURE 8: Year-over-Year Change in Sublet Space as a % of Inventory by Market



Source: CBRE Research, Q3 2025.

Construction pipeline holding at 20-year low

- Nationally, competitive office space under construction has fallen to 2.6 million sq. ft. This represents just 0.5% of total inventory, decreasing marginally in Q3 2025 due to completions in Vancouver. With no new projects breaking ground, the office construction pipeline remains at a 20-year low.
- Toronto continues to account for the majority of active development, with 79.0% of all space under construction. Outside of Toronto and Vancouver, all remaining markets have either one or no active office projects underway.
- Over 60% of all office construction has been pre-leased, however, there exists much variation among regional commitment levels. Markets such as Toronto, Vancouver and Waterloo Region boast pre-leasing rates exceeding 50%, meanwhile neither Ottawa, Halifax or Calgary have recorded any pre-leasing.

FIGURE 9: National Office Inventory Under Construction (MSF)

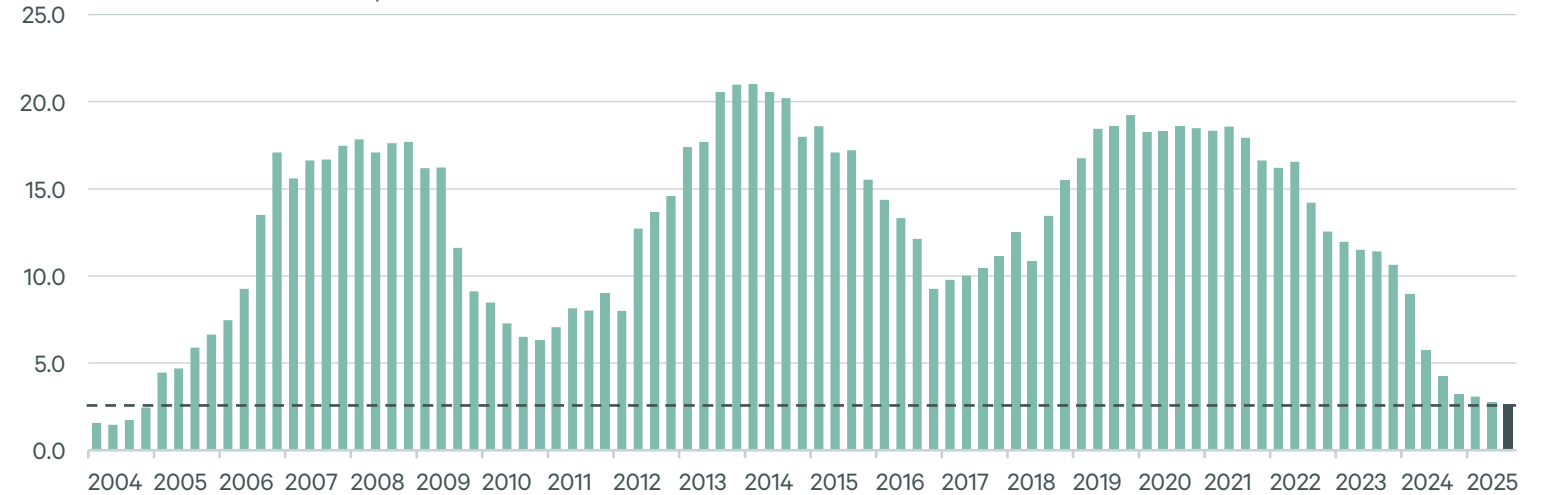
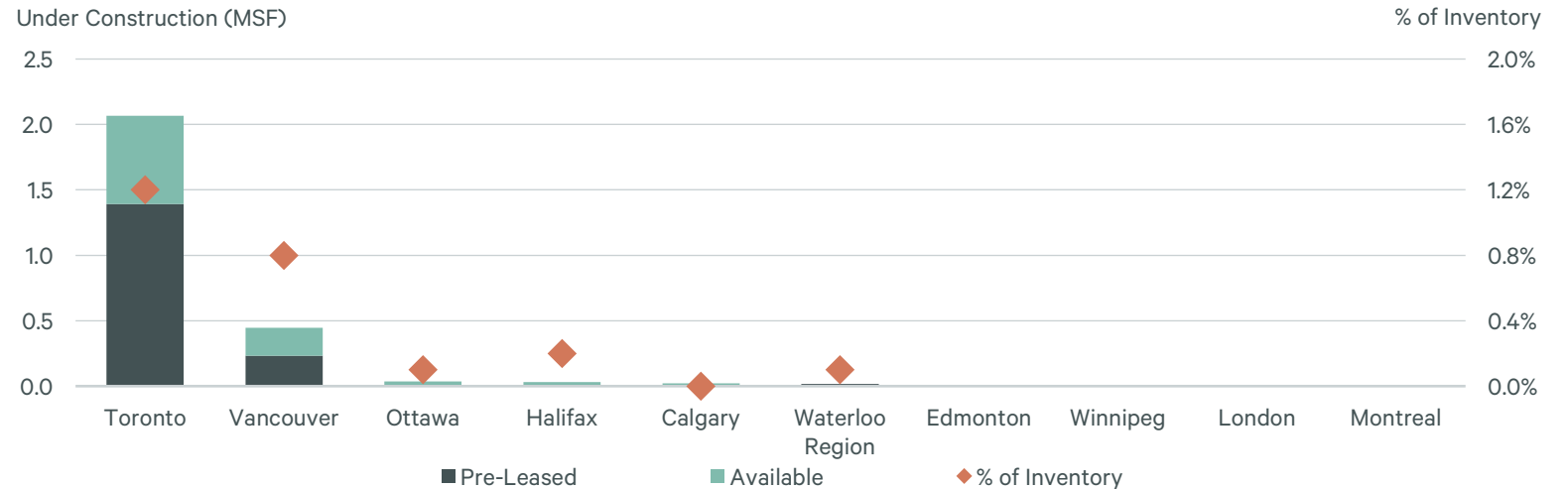


FIGURE 10: Under Construction by Market Under Construction (MSF)



Source: CBRE Research, Q3 2025.

New supply remains constrained despite demand for best-in-class

- No new office construction starts occurred yet again this quarter, marking no project commencements since Q2 2024. Given the recent rebound and levels of demand for premium product, some shelved projects could become viable once again.
- Vancouver was the only market to record new supply in Q3 2025, with three suburban projects delivering 166,000 sq. ft. in total. 55.3% of this new space was pre-leased.
- Although office deliveries have been quiet throughout 2025, nearly 1.7 million sq. ft. of new supply is expected in Q4. If realized, this significant addition of product would bump annual new supply to 2.2 million sq. ft. for 2025, resulting in the lowest annual total in Canada since 2019.
- The majority of new supply anticipated for Q4 2025 is attributed to CIBC Square Phase II in downtown Toronto. This marquee project totals 1.4 million sq. ft. and is nearly fully pre-leased.

FIGURE 11: National Office Construction Starts (MSF)

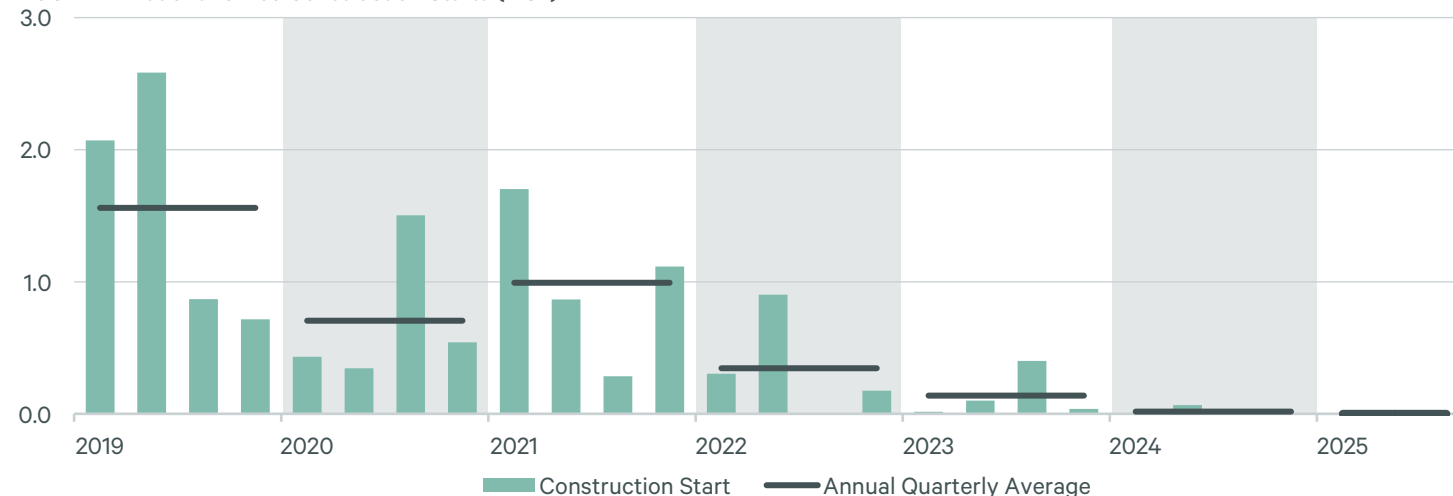
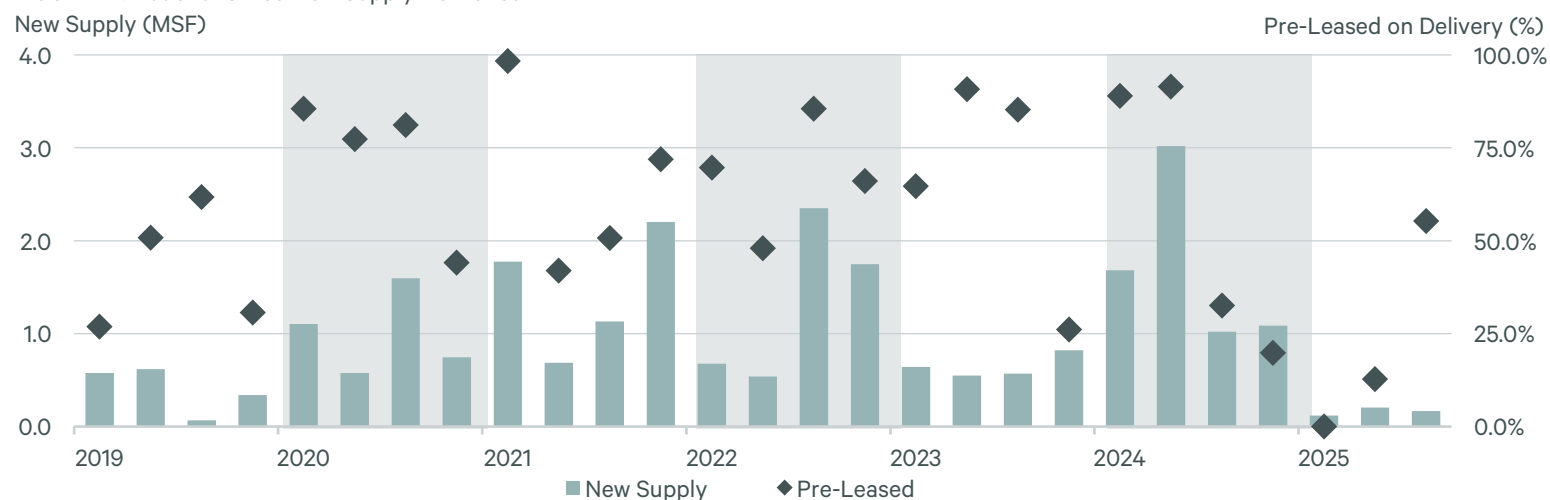


FIGURE 12: National Office New Supply Deliveries



Source: CBRE Research, Q3 2025.

Office conversions surge with record number of projects

- Q3 2025 saw a significant uptick in conversion activity with 10 projects amounting to over 991,000 sq. ft. of space removed from inventory.
- Office-to-residential projects continue to increase their share of total conversions, now representing 72.9% of all converted space. The only non-residential office conversion recorded this quarter is marked to become a charter school in the Calgary suburbs.
- The cumulative total of former office space removed from inventory since 2021 for conversion has now reached 6.8 million sq. ft. An additional 2.6 million sq. ft. has been demolished over this same period. Together, they have helped reduce inventory by 2.0%.
- Calgary continues to account for the largest share of projects, recording five building conversion new starts totaling over 500,000 sq. ft. in Q3 2025.
- Multiple partial building conversions were also recorded in Edmonton this quarter, with select floors in these buildings being kept as traditional office space.

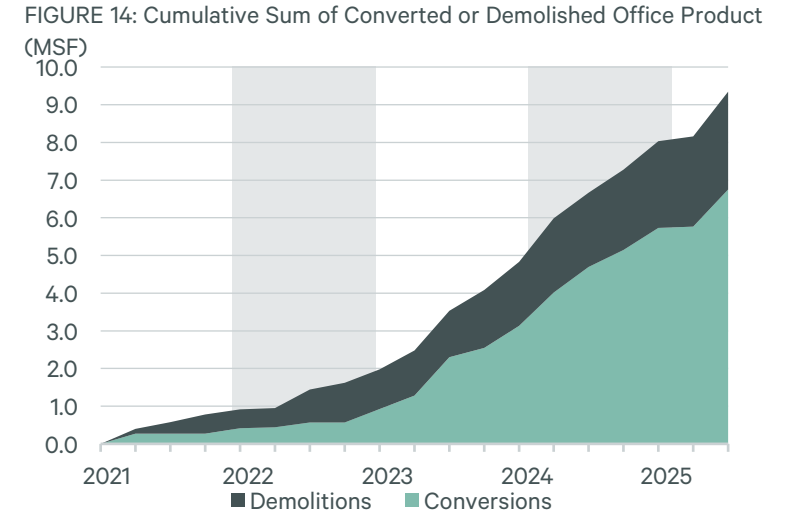
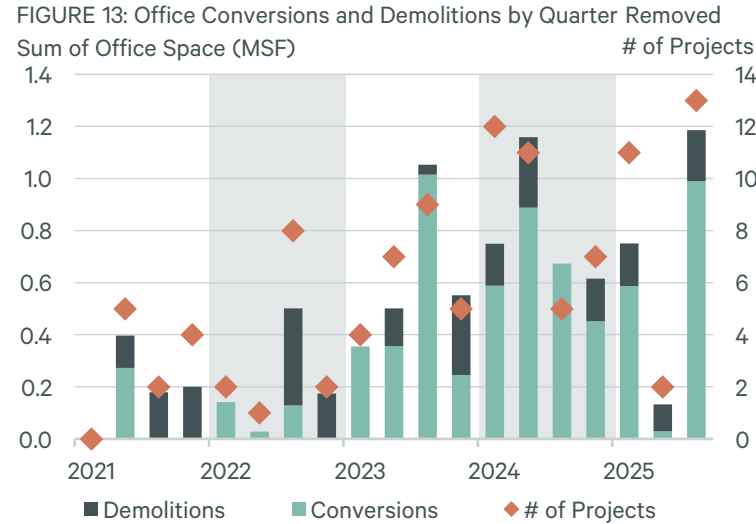


FIGURE 15: Share of Office Conversions by Market (2021 – Q3 2025)

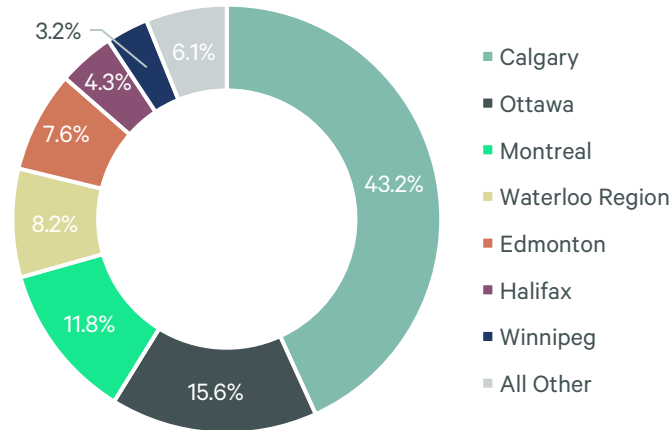
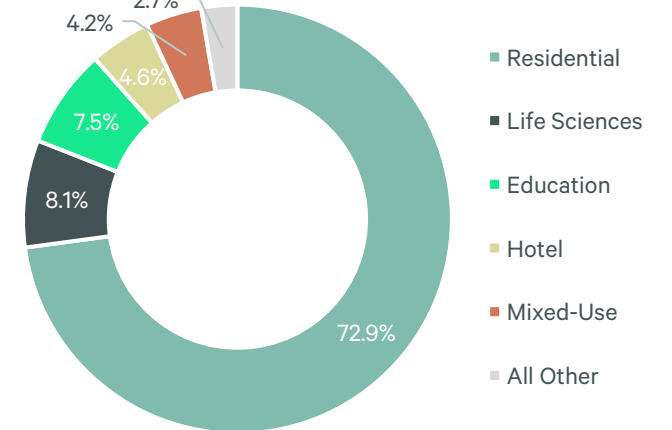


FIGURE 16: Share of Office Conversions by New Property Type (2021 – Q3 2025)



Figures 15 & 16 exclude demolitions.
Source: CBRE Research, Q3 2025.

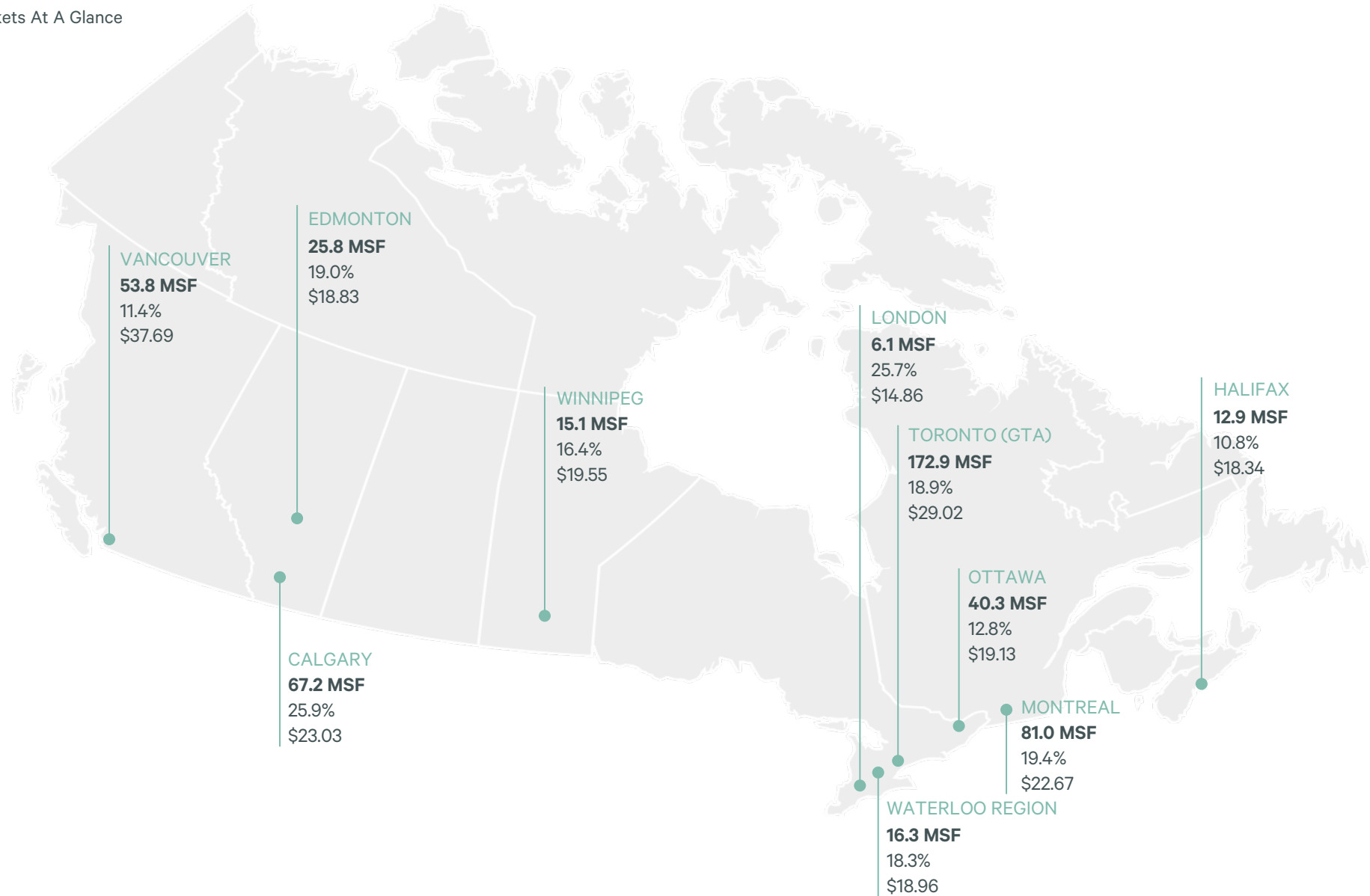
FIGURE 17: Canadian Office Markets At A Glance

MARKET

Net Rentable Area

Overall Vacancy Rate

Average Class A Net Rent (PSF)



Source: CBRE Research, Q3 2025.

FIGURE 18: Canadian Office Markets Statistics, Q3 2025

DOWNTOWN	VANCOUVER	CALGARY	EDMONTON	WINNIPEG	LONDON	WATERLOO	TORONTO	OTTAWA	MONTREAL	HALIFAX	NATIONAL
Net Rentable Area	27,849,847	41,508,506	16,038,357	10,788,423	4,529,480	4,717,364	95,477,580	18,034,350	47,273,691	5,181,618	271,399,216
Overall Vacancy Rate	12.6%	30.3%	21.2%	18.3%	30.6%	31.3%	17.0%	14.8%	18.9%	14.9%	19.5%
Direct Space	2,864,440	10,382,437	3,112,709	1,791,446	1,228,934	1,395,264	13,482,995	2,391,210	7,892,784	767,533	45,309,752
Sublet Space	651,535	2,195,069	288,931	180,798	155,797	83,438	2,722,182	276,175	1,041,109	3,695	7,598,729
Sublet % of Vacant Space	18.5%	17.5%	8.5%	9.2%	11.3%	5.6%	16.8%	10.4%	11.7%	0.5%	14.4%
Class A Vacancy Rate	9.5%	25.7%	22.2%	13.5%	18.6%	22.0%	13.7%	12.0%	15.1%	13.2%	16.1%
Average Class A Net Rent (PSF)	\$43.62	\$24.23	\$19.11	\$19.55	\$14.86	\$26.46	\$35.64	\$24.11	\$25.67	\$19.28	\$30.18
Quarter Net Absorption	-222,360	-59,519	-71,672	-61,687	42,831	-61,448	1,482,708	-62,289	-123,656	46,196	909,104
Year-to-Date Net Absorption	-305,033	-655,411	-71,161	-7,963	98,764	-94,841	1,738,997	34,796	-191,742	62,773	609,179
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	53,000	0	150,000	0	203,000
Under Construction	29,386	0	0	0	0	0	1,862,933	0	0	0	1,892,319
SUBURBAN											
Net Rentable Area	25,963,611	25,695,481	9,753,535	4,275,187	1,559,529	11,603,178	77,424,247	22,301,790	33,684,170	7,699,588	219,960,316
Overall Vacancy Rate	10.1%	18.7%	15.2%	11.7%	11.5%	12.9%	21.2%	11.2%	20.1%	8.1%	17.0%
Direct Space	1,973,624	4,386,582	1,401,278	463,906	174,717	1,275,397	14,226,173	2,262,774	5,898,445	597,231	32,660,127
Sublet Space	653,322	429,858	85,422	35,665	5,274	226,627	2,181,886	232,628	860,828	24,057	4,735,567
Sublet % of Vacant Space	24.9%	8.9%	5.7%	7.1%	2.9%	15.1%	13.3%	9.3%	12.7%	3.9%	12.7%
Class A Vacancy Rate	11.6%	17.9%	14.2%	N/A	N/A	17.5%	24.1%	12.0%	17.5%	10.1%	18.4%
Average Class A Net Rent (PSF)	\$32.27	\$20.05	\$17.79	N/A	N/A	\$16.52	\$19.23	\$15.57	\$18.03	\$17.09	\$20.29
Quarter Net Absorption	105,335	126,150	64,049	-32,875	-10,727	28,949	110,142	-142,152	-146,674	119,027	221,224
Year-to-Date Net Absorption	299,734	383,276	76,729	-23,199	-25,864	29,325	-204,308	-292,169	-65,381	160,297	338,440
Quarter New Supply	165,650	0	0	0	0	0	0	0	0	0	165,650
Year-to-Date New Supply	165,650	0	0	0	0	0	118,944	0	0	0	284,594
Under Construction	416,255	20,688	0	0	0	17,000	202,662	36,000	0	30,000	722,605
TOTAL											
Net Rentable Area	53,813,458	67,203,987	25,791,892	15,063,610	6,089,009	16,320,542	172,901,827	40,336,140	80,957,861	12,881,206	491,359,532
Overall Vacancy Rate	11.4%	25.9%	19.0%	16.4%	25.7%	18.3%	18.9%	12.8%	19.4%	10.8%	18.4%
Direct Space	4,838,064	14,769,019	4,513,987	2,255,352	1,403,651	2,670,661	27,709,168	4,653,984	13,791,229	1,364,764	77,969,879
Sublet Space	1,304,857	2,624,927	374,353	216,463	161,071	310,065	4,904,068	508,803	1,901,937	27,752	12,334,296
Sublet % of Vacant Space	21.2%	15.1%	7.7%	8.8%	10.3%	10.4%	15.0%	9.9%	12.1%	2.0%	13.7%
Class A Vacancy Rate	10.5%	23.2%	20.0%	13.5%	18.6%	18.6%	17.9%	12.0%	16.0%	11.7%	17.0%
Average Class A Net Rent (PSF)	\$37.69	\$23.03	\$18.83	\$19.55	\$14.86	\$18.96	\$29.02	\$19.13	\$22.67	\$18.34	\$26.20
Quarter Net Absorption	-117,025	66,631	-7,623	-94,562	32,104	-32,499	1,592,850	-204,441	-270,330	165,223	1,130,328
Year-to-Date Net Absorption	-5,299	-272,135	5,568	-31,162	72,900	-65,516	1,534,689	-257,373	-257,123	223,070	947,619
Quarter New Supply	165,650	0	0	0	0	0	0	0	0	0	165,650
Year-to-Date New Supply	165,650	0	0	0	0	0	171,944	0	150,000	0	487,594
Under Construction	445,641	20,688	0	0	0	17,000	2,065,595	36,000	0	30,000	2,614,924

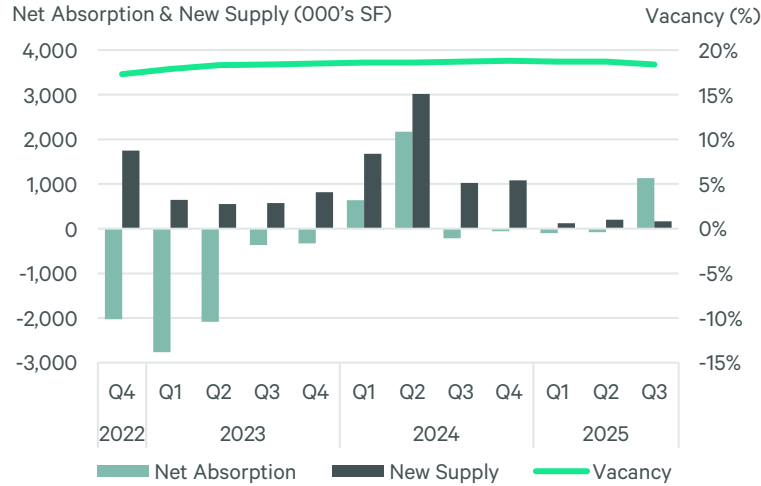
Source: CBRE Research, Q3 2025.

Canada

The national office market is showing signs of recovery as overall office vacancy lowered 30 bps this quarter. This was led by activity in downtown Toronto, however, with all but two markets now reporting vacancy below their respective pandemic-era highs.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	271,399,216	219,960,316	491,359,532	▼
Overall Vacancy Rate	19.5%	17.0%	18.4%	▼
Direct Space	45,309,752	32,660,127	77,969,879	▼
Sublet Space	7,598,729	4,735,567	12,334,296	▼
Sublet % of Vacant	14.4%	12.7%	13.7%	◄►
Class A Vacancy Rate	16.1%	18.4%	17.0%	▼
Avg. Class A Net Rent (PSF)	\$30.18	\$20.29	\$26.20	▼
Quarter Net Absorption	909,104	221,224	1,130,328	▲
Quarter New Supply	0	165,650	165,650	▼
Under Construction	1,892,319	722,605	2,614,924	▼

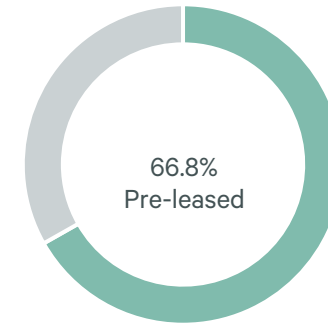
METRO SUPPLY & DEMAND



UNDER CONSTRUCTION

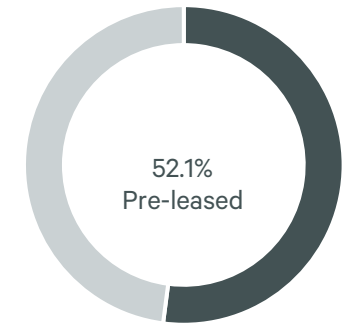
Downtown

1.9 MSF
0.7% of Inventory

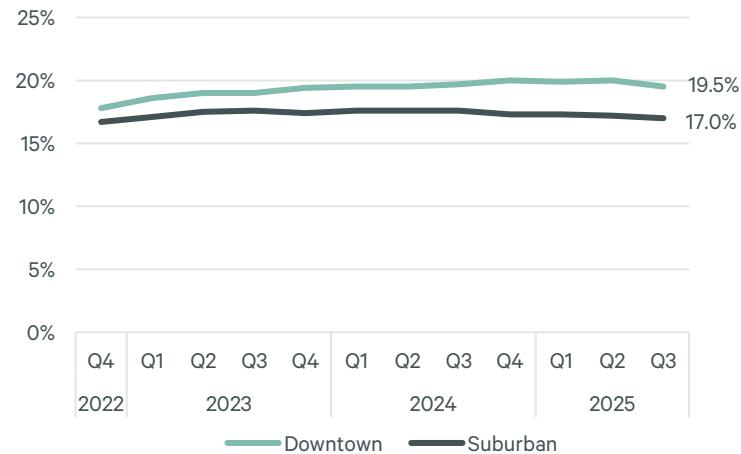


Suburban

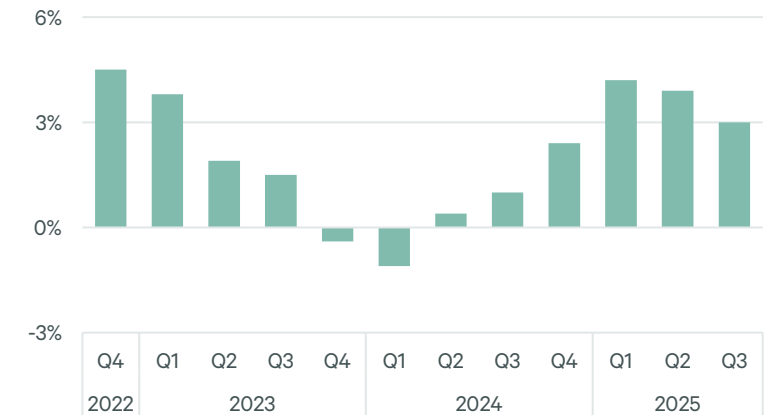
0.7 MSF
0.3% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

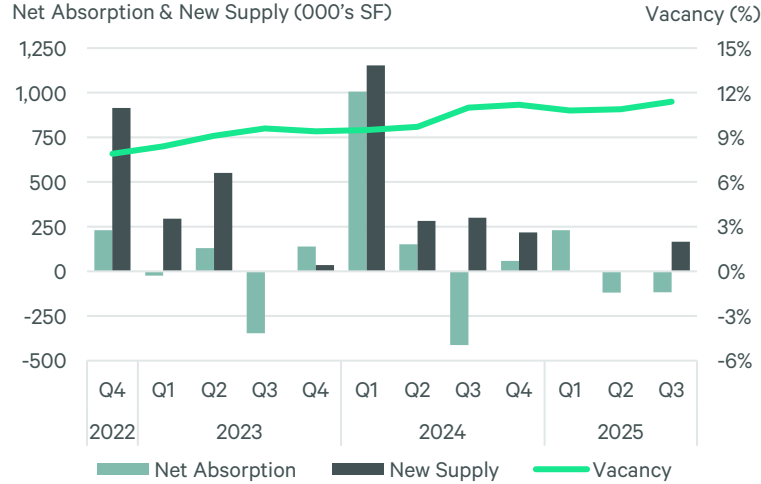


Vancouver

Vancouver's Class AAA/A office market is experiencing a transformation. Despite strong demand for premium space as evidenced by Lululemon's new 300,000 sq. ft. lease at The Pacific Center, shifts in tenant requirements are moderating the overall performance of this segment. Vacancy rates for high-quality office space are stabilizing in response to these countervailing forces.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	27,849,847	25,963,611	53,813,458	▲
Overall Vacancy Rate	12.6%	10.1%	11.4%	▲
Direct Space	2,864,440	1,973,624	4,838,064	▲
Sublet Space	651,535	653,322	1,304,857	▲
Sublet % of Vacant	18.5%	24.9%	21.2%	▲
Class A Vacancy Rate	9.5%	11.6%	10.5%	▲
Avg. Class A Net Rent (PSF)	\$43.62	\$32.27	\$37.69	▼
Quarter Net Absorption	-222,360	105,335	-117,025	▲
Quarter New Supply	0	165,650	165,650	▲
Under Construction	29,386	416,255	445,641	▼

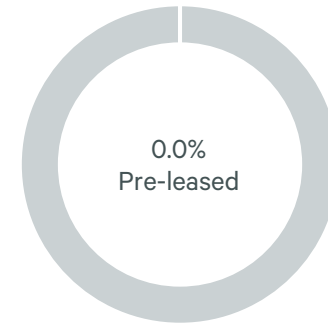
METRO SUPPLY & DEMAND



UNDER CONSTRUCTION

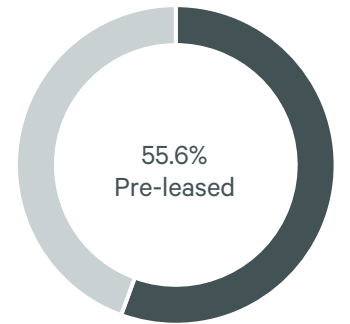
Downtown

30,000 SF
0.1% of Inventory

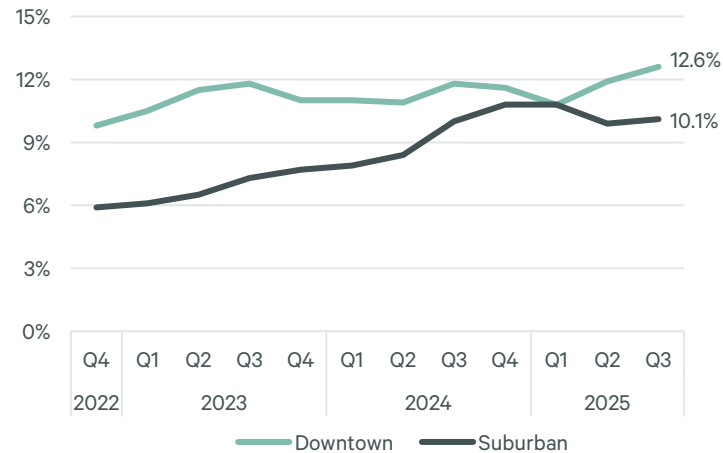


Suburban

0.4 MSF
1.6% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

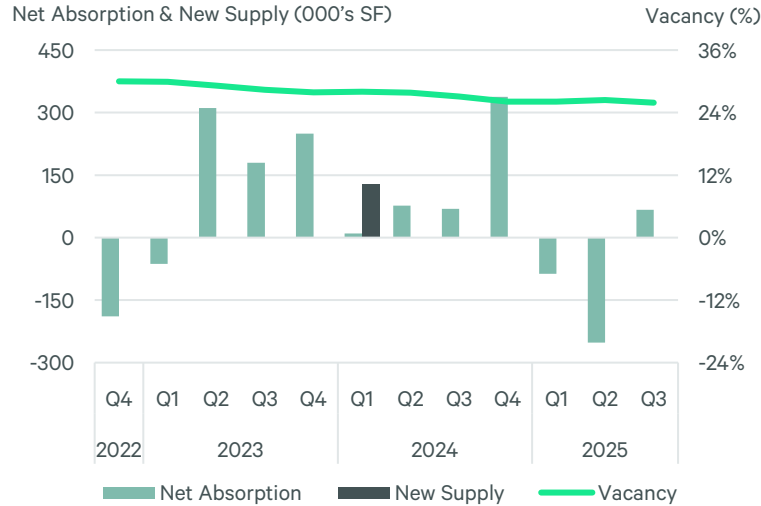


Calgary

Sublease space continues to increase downtown, reaching 2.2 million sq. ft., as the fallout of the Whitecap Resources merger with Veren Inc. saw over 120,000 sq. ft. come to market at Eighth Avenue Place. This is the highest level of sublease space available downtown since Q2 2023. Several other M&A deals are anticipated to close in the coming quarters, further amplifying the problem.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	41,508,506	25,695,481	67,203,987	▼
Overall Vacancy Rate	30.3%	18.7%	25.9%	▼
Direct Space	10,382,437	4,386,582	14,769,019	▼
Sublet Space	2,195,069	429,858	2,624,927	▲
Sublet % of Vacant	17.5%	8.9%	15.1%	▲
Class A Vacancy Rate	25.7%	17.9%	23.2%	▲
Avg. Class A Net Rent (PSF)	\$24.23	\$20.05	\$23.03	▲
Quarter Net Absorption	-59,519	126,150	66,631	▲
Quarter New Supply	0	0	0	◄►
Under Construction	0	20,688	20,688	◄►

METRO SUPPLY & DEMAND



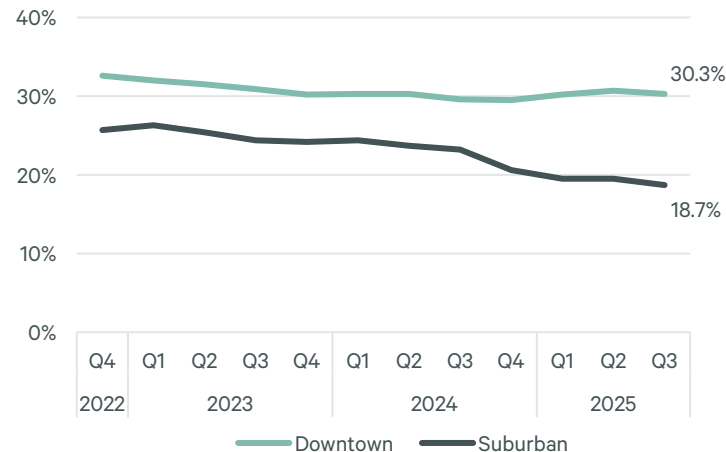
UNDER CONSTRUCTION

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

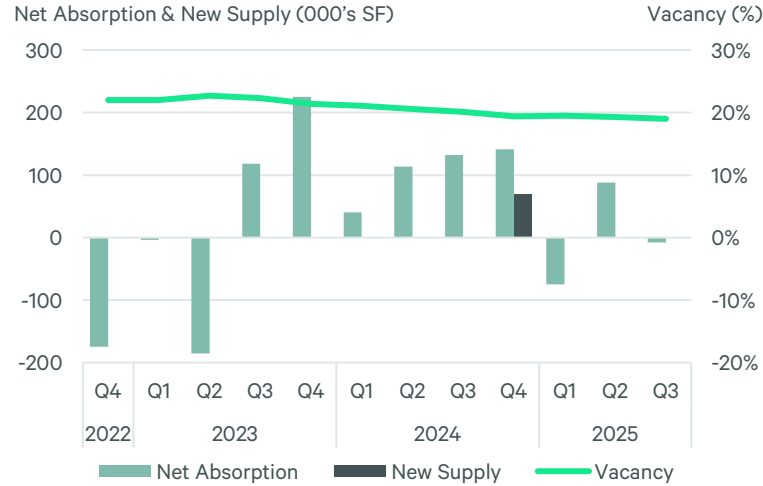


Edmonton

The tale of two markets continued this quarter with 64,000 sq. ft. of positive net absorption recorded in the suburban market and 72,000 sq. ft. of negative net absorption in the downtown market. Despite this negative net absorption, downtown vacancy remained relatively stable at 21.2%, largely due to the change in inventory from two office-to-residential conversions.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	16,038,357	9,753,535	25,791,892	▼
Overall Vacancy Rate	21.2%	15.2%	19.0%	▼
Direct Space	3,112,709	1,401,278	4,513,987	▼
Sublet Space	288,931	85,422	374,353	▼
Sublet % of Vacant	8.5%	5.7%	7.7%	▼
Class A Vacancy Rate	22.2%	14.2%	20.0%	▼
Avg. Class A Net Rent (PSF)	\$19.11	\$17.79	\$18.83	▲
Quarter Net Absorption	-71,672	64,049	-7,623	▼
Quarter New Supply	0	0	0	◄►
Under Construction	0	0	0	◄►

METRO SUPPLY & DEMAND

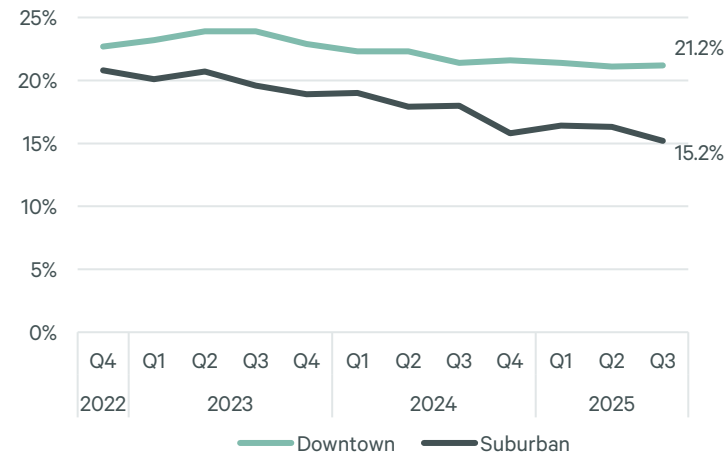


UNDER CONSTRUCTION

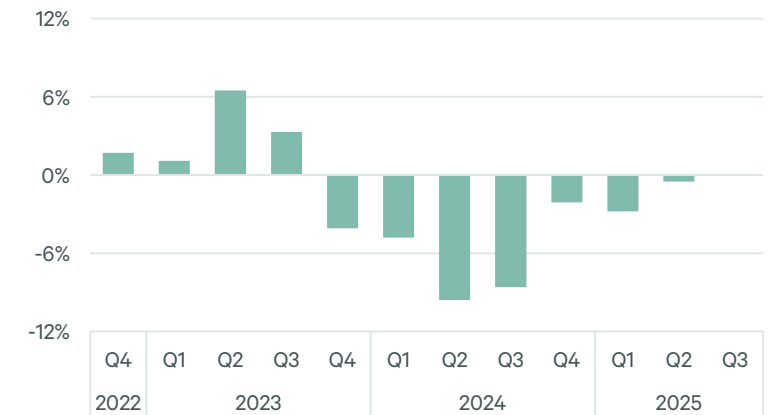
Downtown
0 SF
0% of Inventory

Suburban
0 SF
0% of Inventory

DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

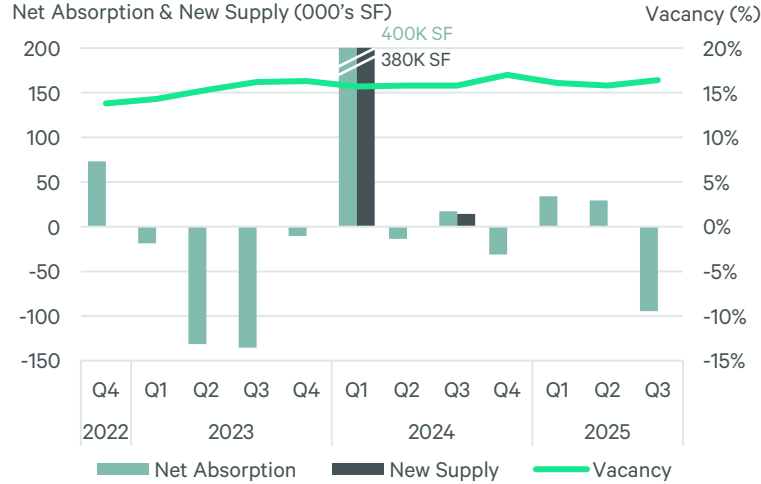


Winnipeg

Office leasing activity remained sluggish during Q3 2025. The overall office vacancy rate climbed to 16.4%, a 60 bps increase, reflecting 95,000 sq. ft. of negative net absorption. The Downtown Class C segment experienced the most significant rise in vacancy, increasing by nearly two percentage points quarter-over-quarter to 18.6%.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	10,788,423	4,275,187	15,063,610	▲
Overall Vacancy Rate	18.3%	11.7%	16.4%	▲
Direct Space	1,791,446	463,906	2,255,352	▲
Sublet Space	180,798	35,665	216,463	▲
Sublet % of Vacant	9.2%	7.1%	8.8%	▲
Class A Vacancy Rate	13.5%	N/A	13.5%	▼
Avg. Class A Net Rent (PSF)	\$19.55	N/A	\$19.55	▼
Quarter Net Absorption	-61,687	-32,875	-94,562	▼
Quarter New Supply	0	0	0	◄►
Under Construction	0	0	0	◄►

METRO SUPPLY & DEMAND

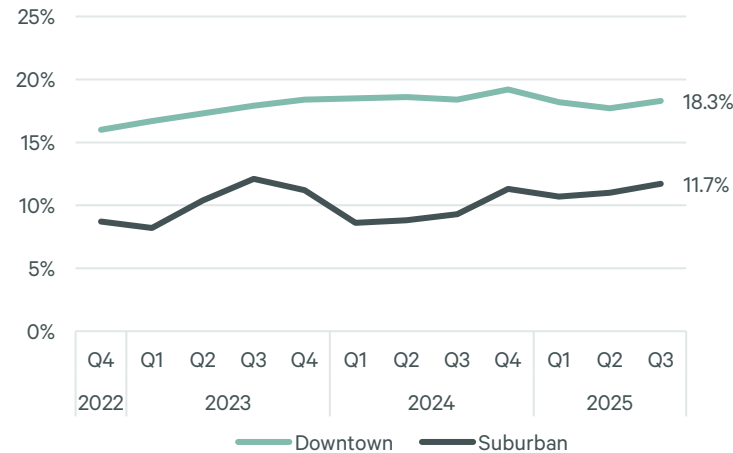


UNDER CONSTRUCTION

Downtown
0 SF
0% of Inventory

Suburban
0 SF
0% of Inventory

DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

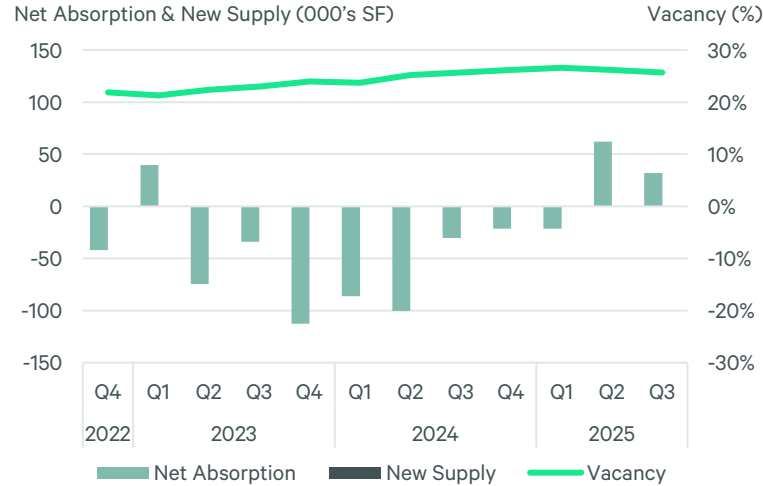


London

London’s overall vacancy rate has decreased for a second consecutive quarter, signaling optimism in the market. Core Class B space was the primary driver in Q3, recording its largest single quarter of absorption since Q4 2016. Office conversions continue to aid the core, with another project completing this quarter at 376 Richmond Street.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	4,529,480	1,559,529	6,089,009	◀▶
Overall Vacancy Rate	30.6%	11.5%	25.7%	▼
Direct Space	1,228,934	174,717	1,403,651	▼
Sublet Space	155,797	5,274	161,071	▲
Sublet % of Vacant	11.3%	2.9%	10.3%	▲
Class A Vacancy Rate	18.6%	N/A	18.6%	▲
Avg. Class A Net Rent (PSF)	\$14.86	N/A	\$14.86	▼
Quarter Net Absorption	42,831	-10,727	32,104	▼
Quarter New Supply	0	0	0	◀▶
Under Construction	0	0	0	◀▶


METRO SUPPLY & DEMAND



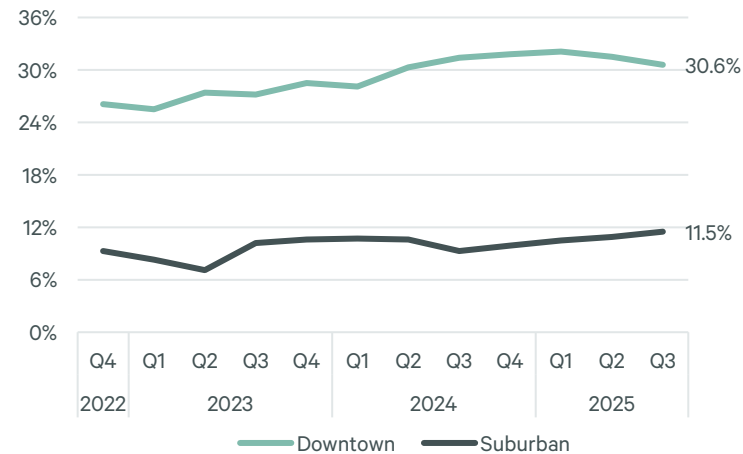
UNDER CONSTRUCTION

Downtown
0 SF
0% of Inventory

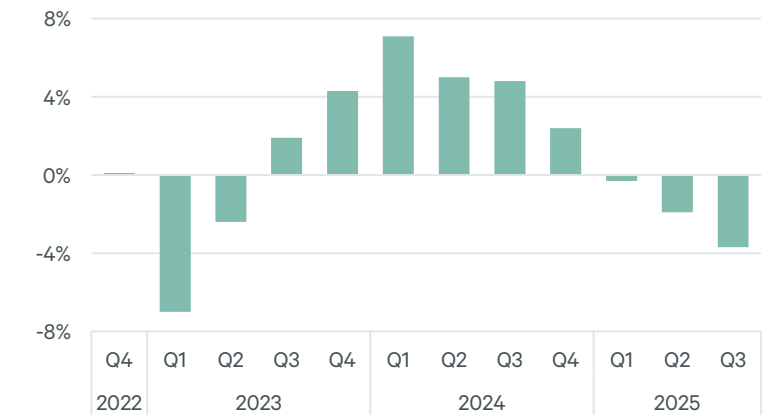
Suburban
0 SF
0% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

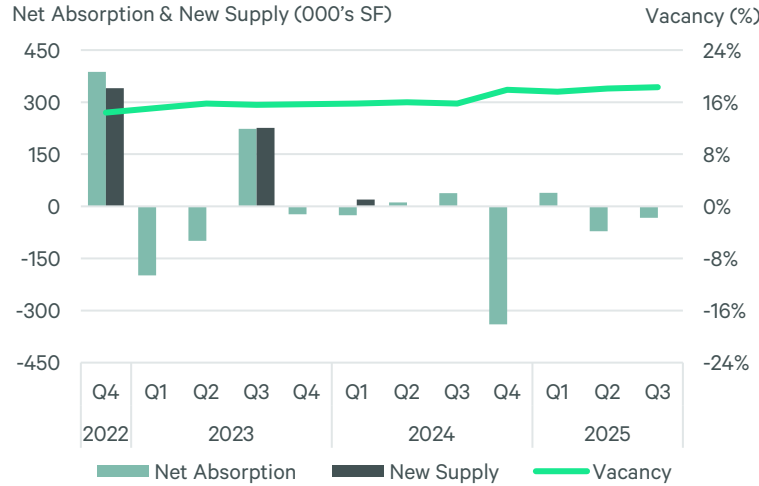


Waterloo Region

Overall market vacancy rose slightly this quarter to 18.3%, driven by contrasting submarket trends between suburban areas which decreased 30 bps to 12.9%, and core nodes which saw a considerable increase of 130 bps to 31.3% in Q3. Notably, the vacancy rate in the City of Waterloo dropped by 90 bps to 18.5% amid a significant reduction in Class B space.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	4,717,364	11,603,178	16,320,542	◀▶
Overall Vacancy Rate	31.3%	12.9%	18.3%	▲
Direct Space	1,395,264	1,275,397	2,670,661	▲
Sublet Space	83,438	226,627	310,065	▲
Sublet % of Vacant	5.6%	15.1%	10.4%	◀▶
Class A Vacancy Rate	22.0%	17.5%	18.6%	▲
Avg. Class A Net Rent (PSF)	\$26.46	\$16.52	\$18.96	▲
Quarter Net Absorption	-61,448	28,949	-32,499	▲
Quarter New Supply	0	0	0	◀▶
Under Construction	0	17,000	17,000	◀▶

METRO SUPPLY & DEMAND



UNDER CONSTRUCTION

Downtown

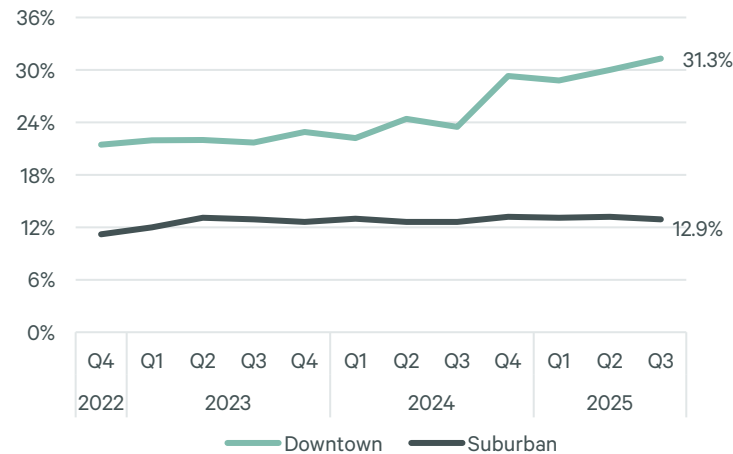
0 SF
0% of Inventory

Suburban

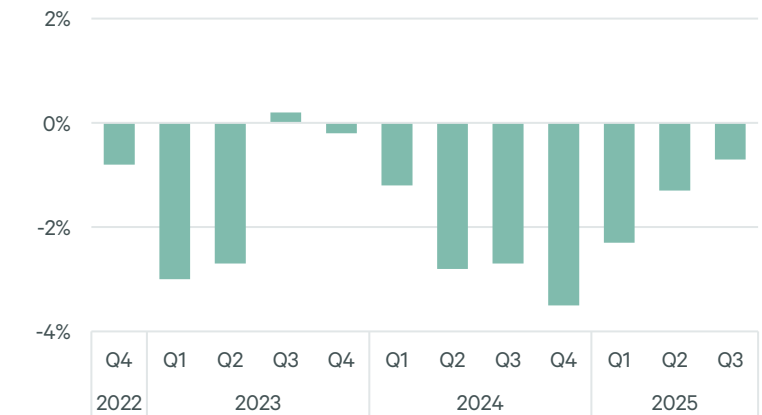
17,000 SF
0.1% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH



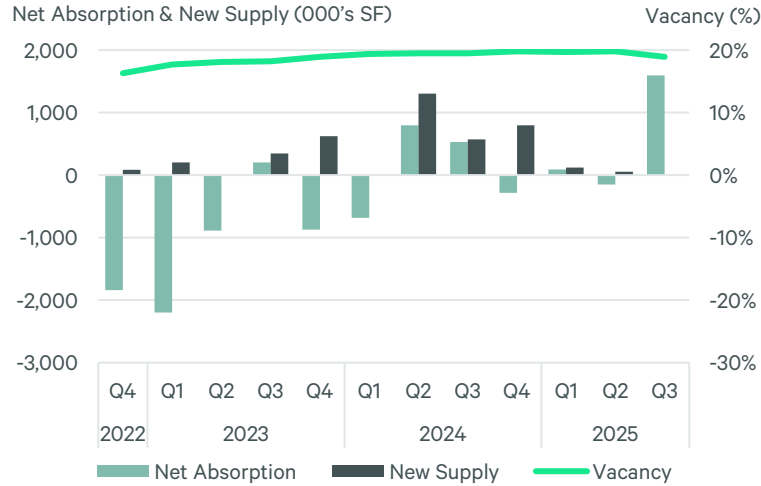
Toronto

Significant levels of leasing activity recorded over the summer months have resulted in one of the strongest single quarters of Toronto office fundamentals and, with no new supply, overall vacancy dropped 90 bps. Downtown Class A product was particularly hot as tenants with large mandates focused on best-in-class product. Demand remains robust going into year-end with the number of requirements mounting.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	95,477,580	77,424,247	172,901,827	▲
Overall Vacancy Rate	17.0%	21.2%	18.9%	▼
Direct Space	13,482,995	14,226,173	27,709,168	▼
Sublet Space	2,722,182	2,181,886	4,904,068	▼
Sublet % of Vacant	16.8%	13.3%	15.0%	◀▶
Class A Vacancy Rate	13.7%	24.1%	17.9%	▼
Avg. Class A Net Rent (PSF)	\$35.64	\$19.23	\$29.02	▼
Quarter Net Absorption	1,482,708	110,142	1,592,850	▲
Quarter New Supply	0	0	0	▼
Under Construction	1,862,933	202,662	2,065,595	◀▶

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

METRO SUPPLY & DEMAND



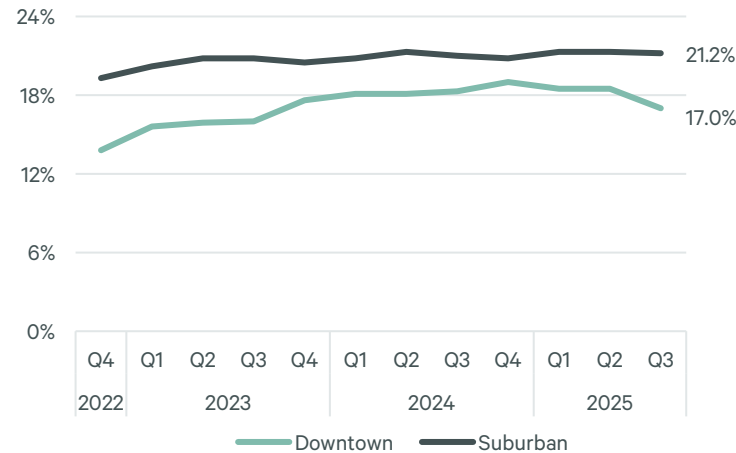
UNDER CONSTRUCTION

Downtown
1.9 MSF
2.0% of Inventory

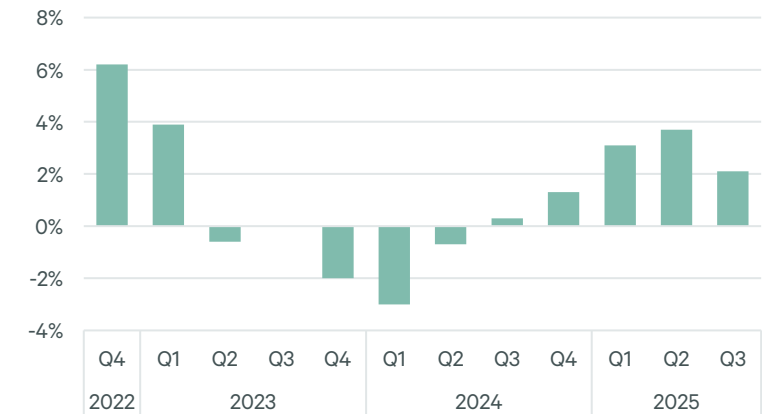
Suburban
0.2 MSF
0.3% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH



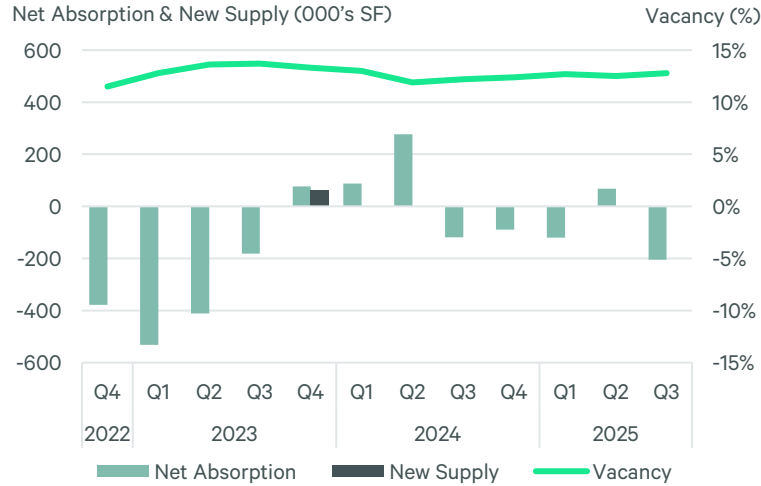
Ottawa

Ottawa recorded an uptick in vacancy this quarter, largely due to blocks of shadow vacancy coming to market in the suburban node. Two new office-to-residential conversion projects - 77 Metcalfe Street and 265 Carling Avenue - have been removed from active inventory. This raises Ottawa's total count of such projects since the pandemic to 14 and showcases how landlords are adapting to the shifting office landscape.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	18,034,350	22,301,790	40,336,140	▼
Overall Vacancy Rate	14.8%	11.2%	12.8%	▲
Direct Space	2,391,210	2,262,774	4,653,984	▲
Sublet Space	276,175	232,628	508,803	▲
Sublet % of Vacant	10.4%	9.3%	9.9%	◄►
Class A Vacancy Rate	12.0%	12.0%	12.0%	▲
Avg. Class A Net Rent (PSF)	\$24.11	\$15.57	\$19.13	▼
Quarter Net Absorption	-62,289	-142,152	-204,441	▼
Quarter New Supply	0	0	0	◄►
Under Construction	0	36,000	36,000	◄►

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

METRO SUPPLY & DEMAND



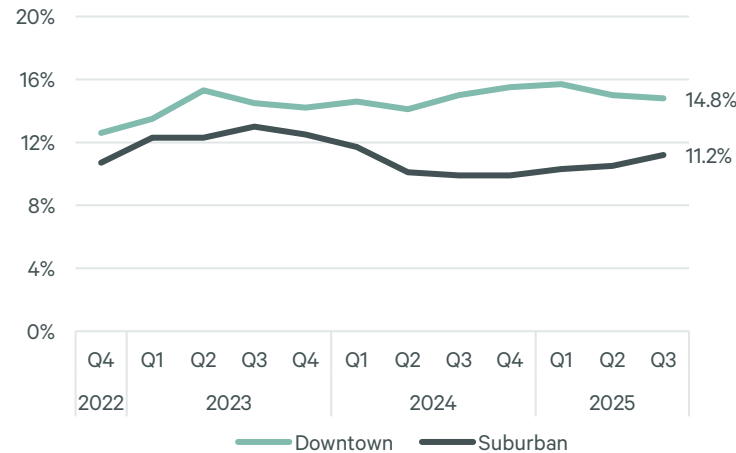
UNDER CONSTRUCTION

Downtown
0 SF
0% of Inventory

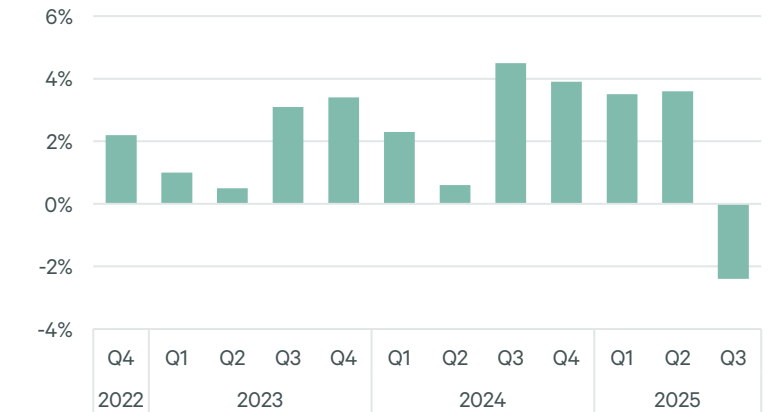
Suburban
36,000 SF
0.2% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

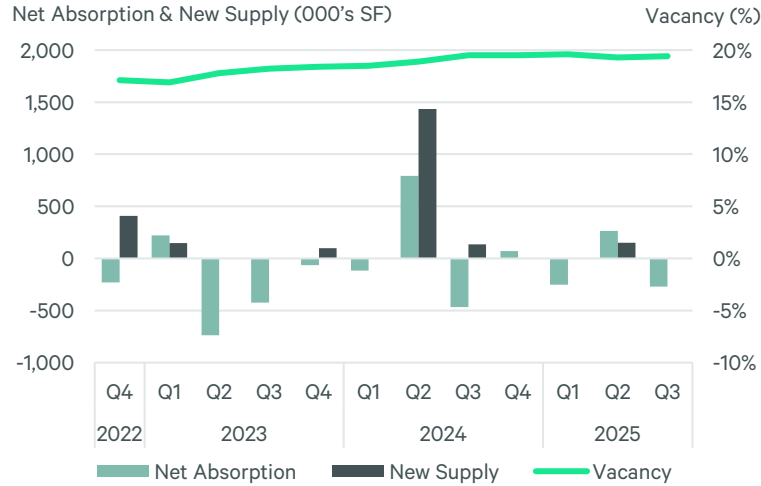


Montreal

Class AAA has maintained strong fundamentals with a 7.6% vacancy rate. Underscored by three consecutive quarters of positive absorption, flight-to-quality is driving rental rates upwards, currently gross \$67.35 per sq. ft. By comparison, downtown Class B has a vacancy rate of 24.6%, highlighting the bifurcated tenant demand.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	47,273,691	33,684,170	80,957,861	▼
Overall Vacancy Rate	18.9%	20.1%	19.4%	▲
Direct Space	7,892,784	5,898,445	13,791,229	▲
Sublet Space	1,041,109	860,828	1,901,937	▼
Sublet % of Vacant	11.7%	12.7%	12.1%	▼
Class A Vacancy Rate	15.1%	17.5%	16.0%	▲
Avg. Class A Net Rent (PSF)	\$25.67	\$18.03	\$22.67	▼
Quarter Net Absorption	-123,656	-146,674	-270,330	▼
Quarter New Supply	0	0	0	▼
Under Construction	0	0	0	◄►


METRO SUPPLY & DEMAND



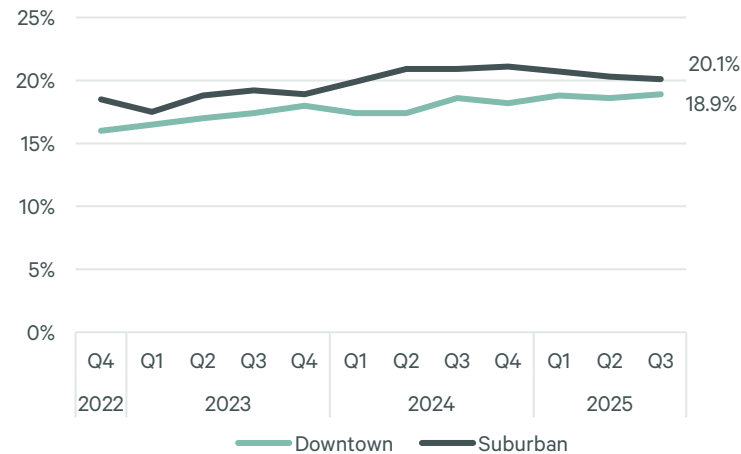
UNDER CONSTRUCTION

Downtown
0 SF
0% of Inventory

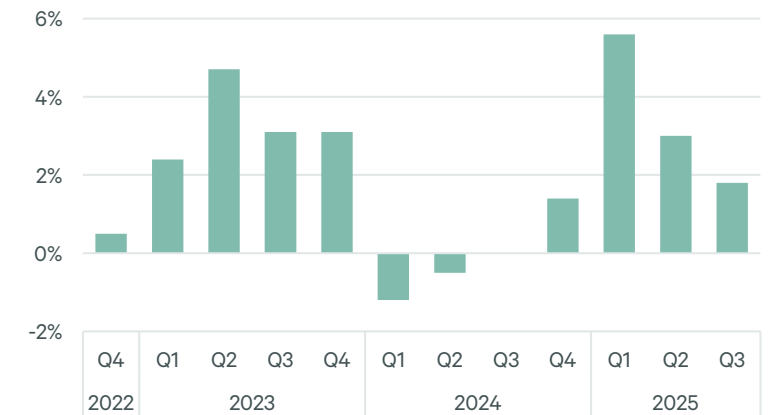
Suburban
0 SF
0% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

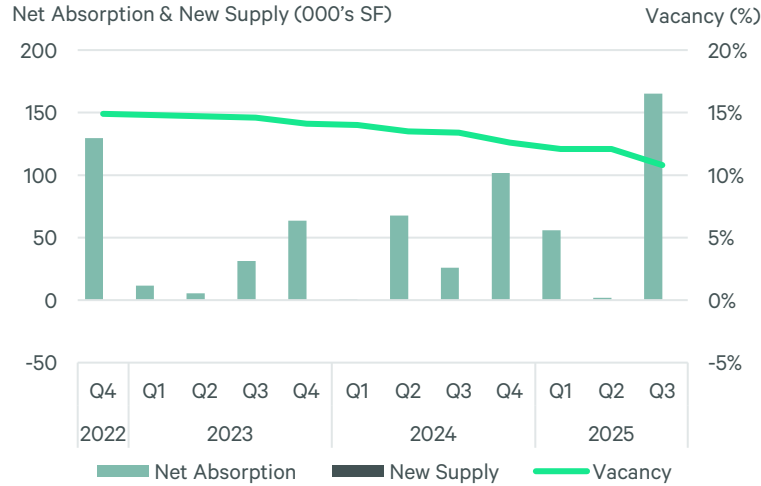


Halifax

The Halifax office market posted a strong Q3. The suburban submarket continues to outperform downtown, seeing 119,000 sq. ft. of net absorption this quarter. Flight-to-quality persists as Class A assets led the market with 98,000 sq. ft. of net absorption throughout the quarter, once again, predominantly in the suburbs.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	5,181,618	7,699,588	12,881,206	◀▶
Overall Vacancy Rate	14.9%	8.1%	10.8%	▼
Direct Space	767,533	597,231	1,364,764	▼
Sublet Space	3,695	24,057	27,752	▼
Sublet % of Vacant	0.5%	3.9%	2.0%	▼
Class A Vacancy Rate	13.2%	10.1%	11.7%	▼
Avg. Class A Net Rent (PSF)	\$19.28	\$17.09	\$18.34	▼
Quarter Net Absorption	46,196	119,027	165,223	▲
Quarter New Supply	0	0	0	◀▶
Under Construction	0	30,000	30,000	◀▶

METRO SUPPLY & DEMAND



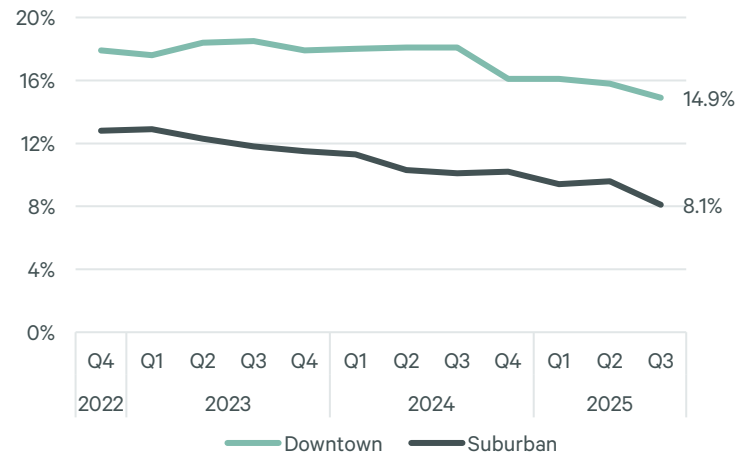
UNDER CONSTRUCTION

Downtown
0 SF
0% of Inventory

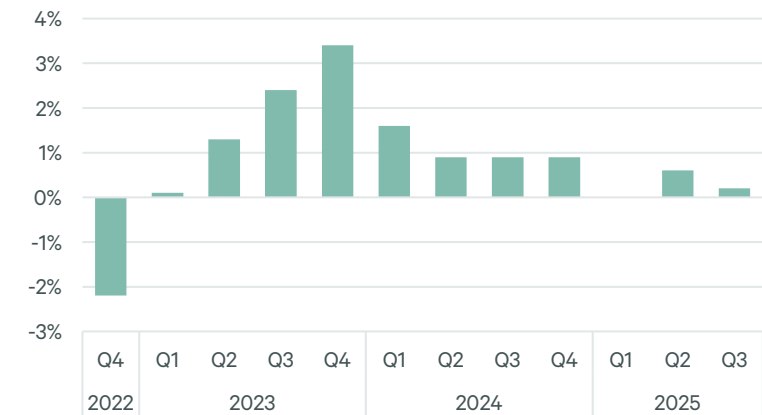
Suburban
30,000 SF
0.4% of Inventory



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.

Conversion: A building that changes its primary use to another, i.e. office to residential. The overall building structure is retained while extensive renovation/retrofitting work is carried out on the interior in the process.

Demolition: A building that has reached the end of its lifecycle and is torn down to make way for other development opportunities.