

Office market hits turning point, marked by two consecutive years of positive net absorption

▼ 18.0%

Vacancy Rate

▲ 1.3M

SF Net Absorption

▼ 2.8M

SF Under Construction

▼ \$26.10

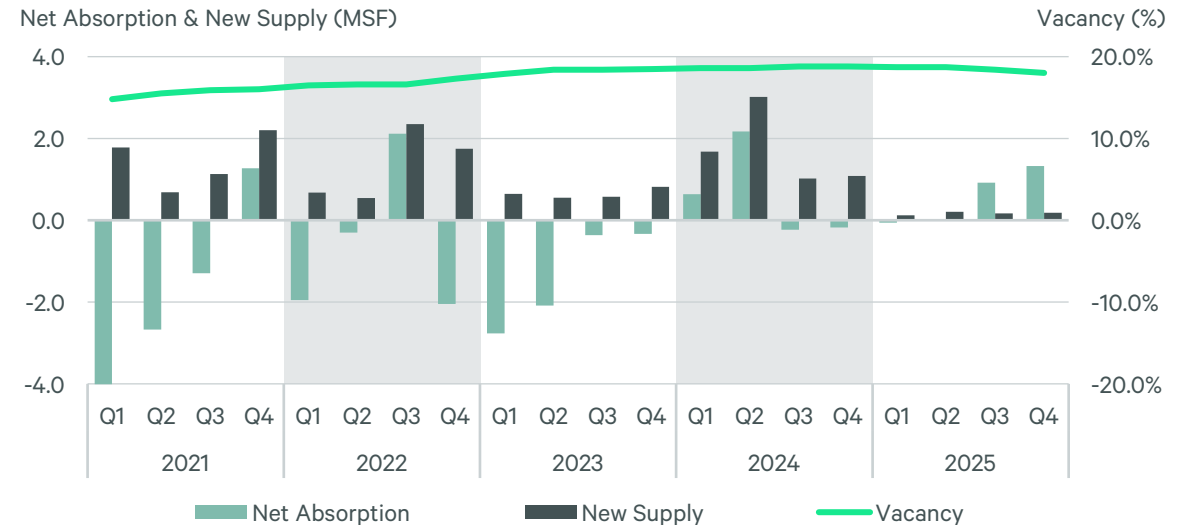
PSF Average Class A Net Rent

Note: Arrows indicate change from previous quarter.

Executive Summary

- Annual net absorption was positive for a second year in a row. Totalling to 2.2 million sq. ft., six markets ended the year in positive territory and was led by Toronto, primarily downtown.
- The office market hit a turning point in 2025 ending the year with two quarters of vacancy rate improvement. Downtown vacancy declined across all segments in Q4, although most sharply among Class A product which currently sits at its lowest level in the last three years.
- Sublease space has continued to fall. In total, a cumulative 3.2 million sq. ft. came off the market in 2025, more than in any year since 2005. This decrease has pushed the total of sublet space to 11.8 million sq. ft., which is on par with 2017 levels.
- The national office construction pipeline reached a floor in 2025, with record low starts and completions. The pipeline of new supply is expected to remain constrained with no meaningful new supply deliveries on the horizon beyond 2026.
- Over 1.0 million sq. ft. of office product was removed from inventory in Q4 as landlords continue to strategically reposition assets. Since 2021, conversions and demolitions have helped reduce inventory by 2.2%.

FIGURE 1: National Office Supply & Demand



Source: CBRE Research, Q4 2025.

Back-to-back years of positive net absorption

- Annual net absorption totalled 2.2 million sq. ft. across Canada in 2025. This is the second consecutive year of positive net absorption for the office market.
- On the whole, six markets ended the year in positive territory. This was led by Toronto with 2.7 million sq. ft. of net absorption, primarily downtown, where recent deal activity has been propelled by transactions over 50,000 sq. ft.
- Given the differing levels of absorption activity from the year, office market recovery is occurring at different stages across the country. Five markets reported under 100,000 sq. ft. of absorption, either positive or negative, suggesting stabilization is occurring in most places.
- Calgary and Ottawa reported the greatest market softening in 2025. Despite this negative net absorption, Calgary has seen their vacancy rate improve over 2024 from continued office-to-residential conversions.

FIGURE 2: Historical National Net Absorption (MSF)

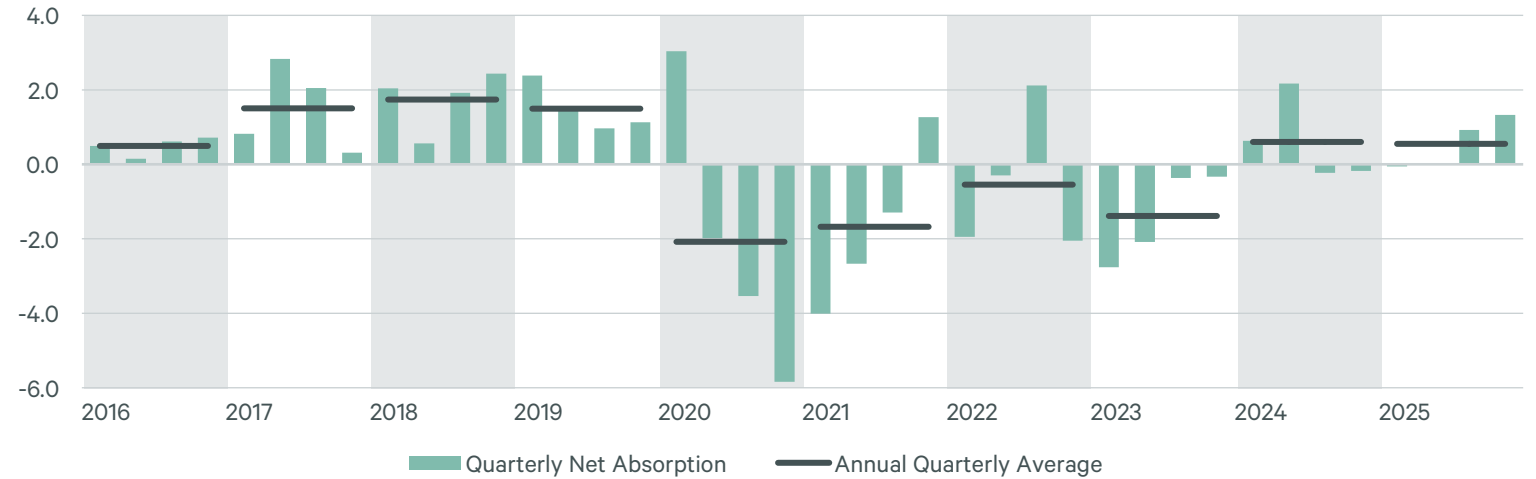
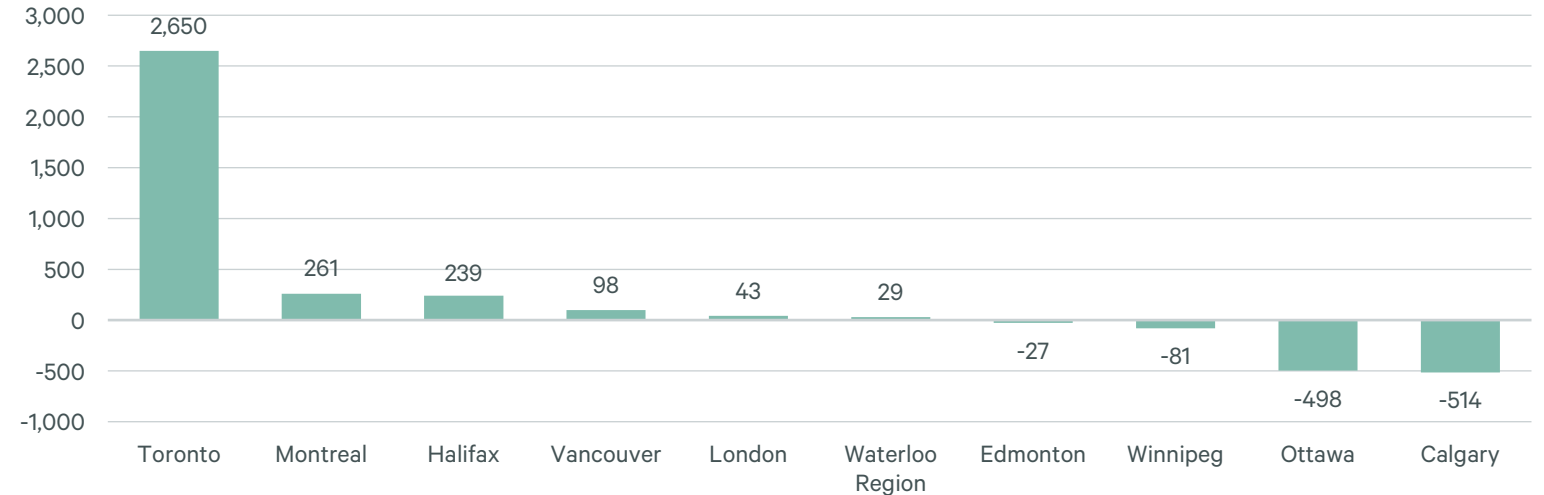


FIGURE 3: Annual Net Absorption by Market (000's SF)

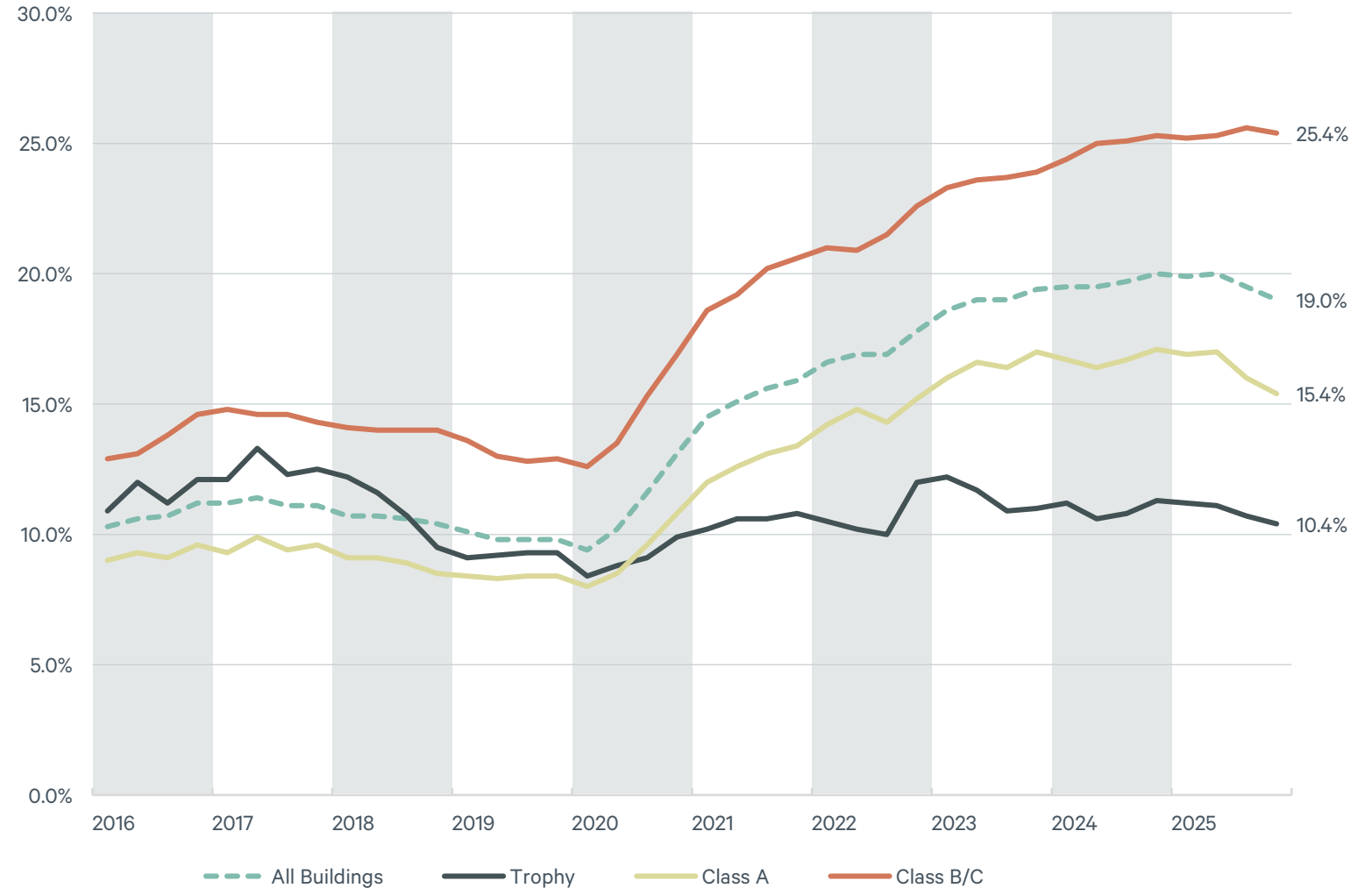


Source: CBRE Research, Q4 2025.

Emphasis on best-in-class product pushes Class A vacancy to three-year low

- Downtown vacancy declined across all segments in Q4. This is only the second time since 2020 where all product classes experienced national declines in the same quarter.
- Class A properties have continued to outperform the other segments, recording declining vacancy in seven of 10 markets this quarter. This was led by Toronto (-160 bps) and Montreal (-90 bps). National downtown Class A vacancy is currently at its lowest level in the three years.
- Trophy assets, the top-tier within Class A, have reported declining vacancy for four consecutive quarters. Excluding Calgary, all markets with product in this tier are reporting vacancy rates below 10.0%.
- The prioritization of best-in-class product has long been emphasised. However, with continued vacancy declines and an increasingly competitive environment for premium space, demand is expected to soon spillover to the next-best spaces. This trend is already being noted in Montreal.

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, Q4 2025.

Momentum building downtown led by growing RTO expectations

- The office market hit a turning point in 2025 ending the year with two quarters of vacancy rate improvement. National downtown vacancy declined by 50 bps for a second quarter; meanwhile a more gradual tightening has been taking place in the suburban market, down 30 bps in Q4.
- Declines downtown have been led by Toronto (-120 bps). Spurred into action from rising return-to-office (RTO) expectations, demand is spreading across industry groups and becoming more broad-based, supporting continued positive momentum. Montreal also noted a -100 bps tightening downtown this quarter.
- Continuing the trend in recent quarters, six cities reported declines in suburban vacancy, including Montreal (-80 bps), London (-70 bps) and Waterloo Region (-70 bps).

FIGURE 5: National Downtown vs Suburban Vacancy Rate

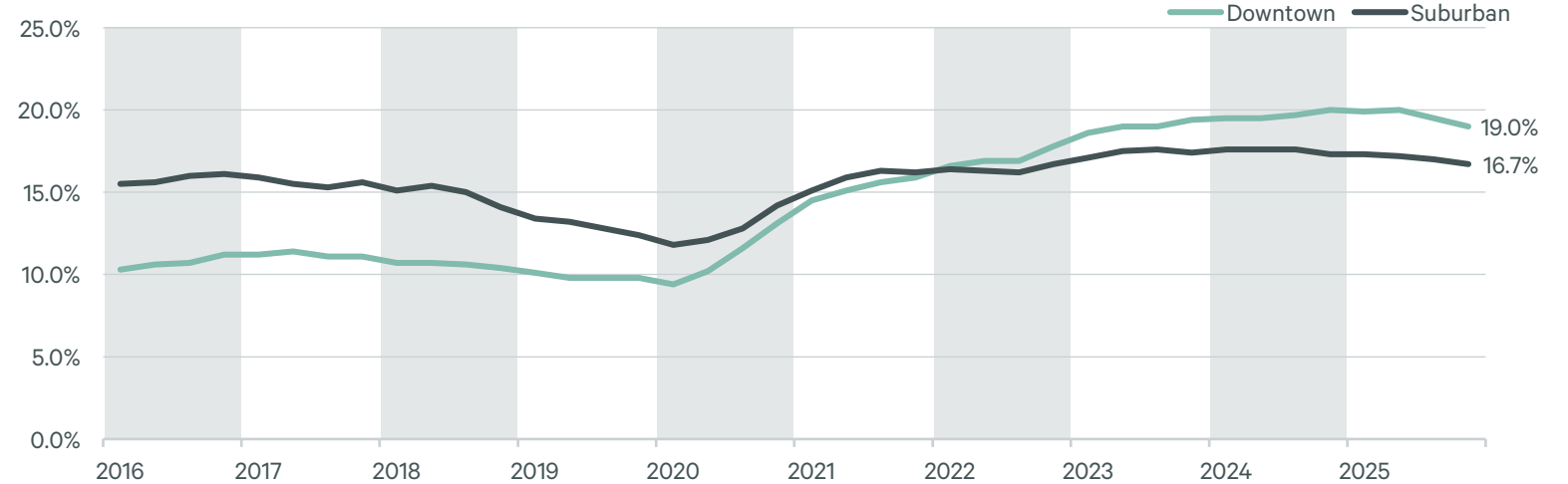


FIGURE 6a: Downtown Vacancy Rate by Market

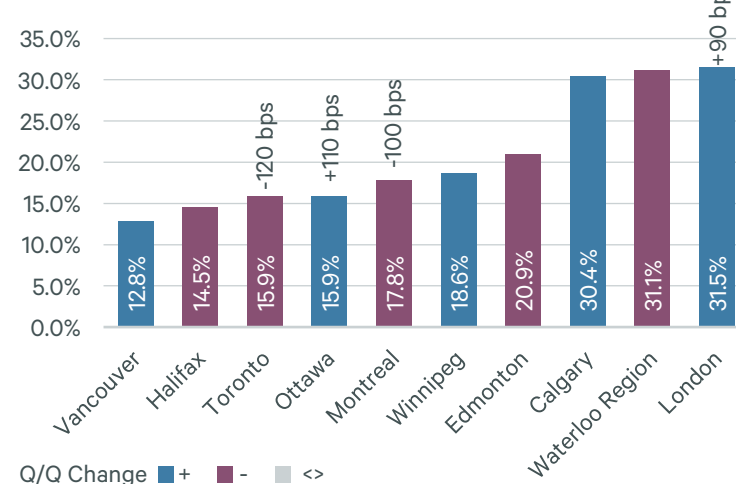
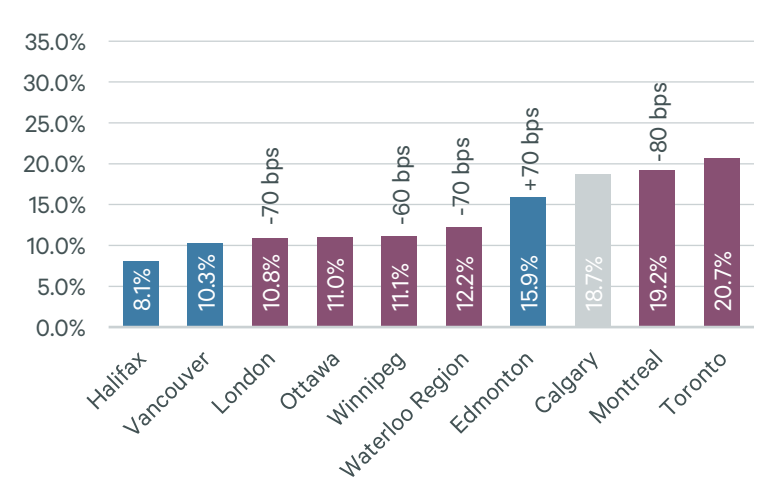


FIGURE 6b: Suburban Vacancy Rate by Market



Source: CBRE Research, Q4 2025.

Led by Toronto and Montreal, sublets decrease to 2017 levels

- Declining now for a 10th consecutive quarter, national sublease space lowered by a remarkable 1.0 million sq. ft. in Q4. In total, a cumulative 3.2 million sq. ft. of sublets came off the market in 2025, more than in any year since 2005.
- 11.4 million sq. ft. of sublet space remains on the market, which is on par with 2017 levels.
- Toronto and Montreal led the decrease this quarter while the majority of remaining markets effectively held stable on a square footage basis. On a year-over-year basis Waterloo Region also joins their ranks on a percentage basis.
- Calgary was the only city to see sublease space increase, related to M&A activity in the energy sector. This is the third quarter in a row where the market has seen sublets rise.
- At this stage in the market cycle, we are seeing a higher frequency of space being reclaimed by the sublessor as well as listings converting to direct space following in-place lease expiries.

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

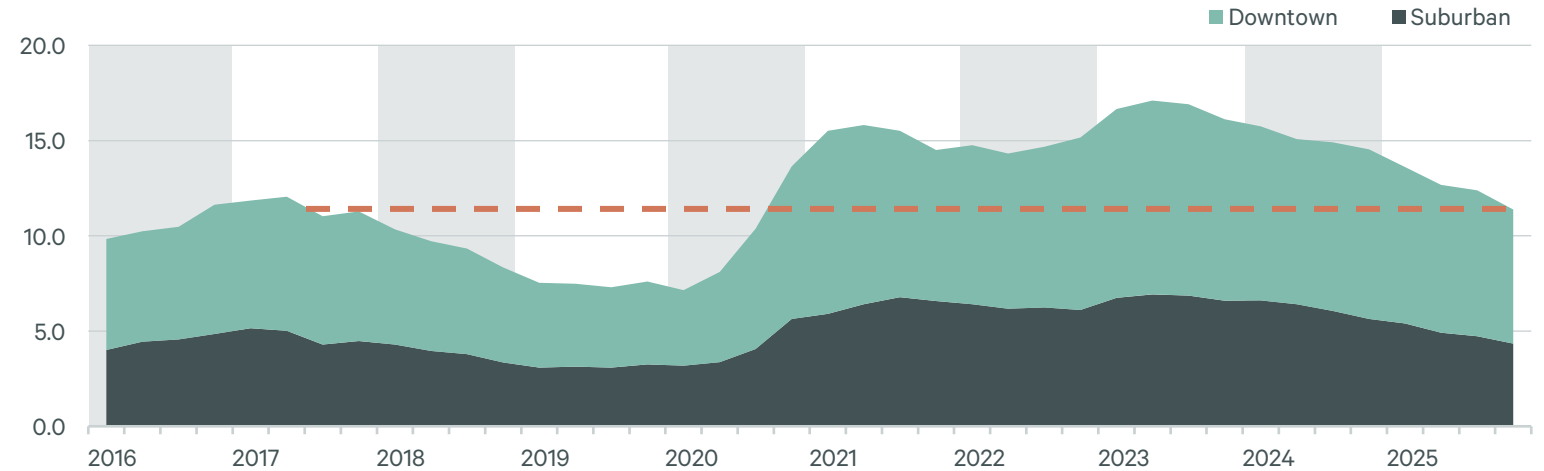
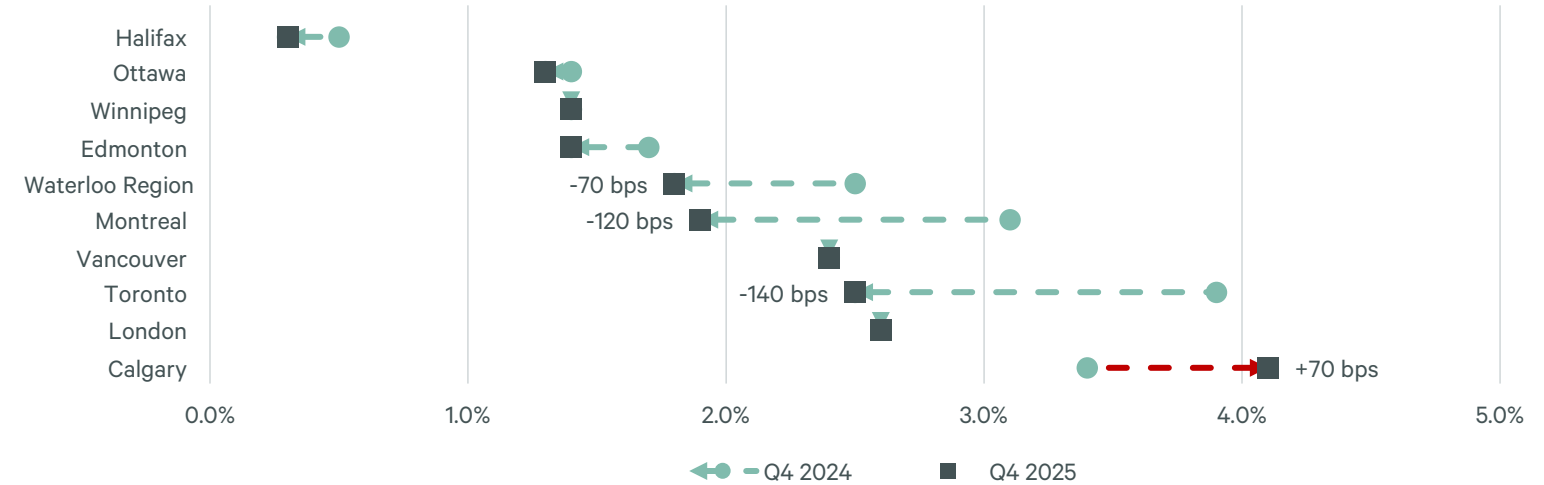


FIGURE 8: Year-over-Year Change in Sublet Space as a % of Inventory by Market



Source: CBRE Research, Q4 2025.

Office pipeline hovering at market low

- The national office construction pipeline reached a floor in 2025, hovering around the 3.0 million sq. ft. mark before ending the year at 2.8 million sq. ft.
- Overall, the total national pipeline is at present 69.4% pre-leased with all but one market reporting pre-leasing levels exceeding 20%.
- CIBC Square II remains as the only significant project in development. Finishing touches are being done at this fully pre-leased property and is now due for delivery in early 2026.
- Outside of Toronto, no meaningful product is being built downtown. The focus instead is on the suburbs and at very conservative levels with no more than three projects underway in each city.

FIGURE 9: National Office Inventory Under Construction (MSF)

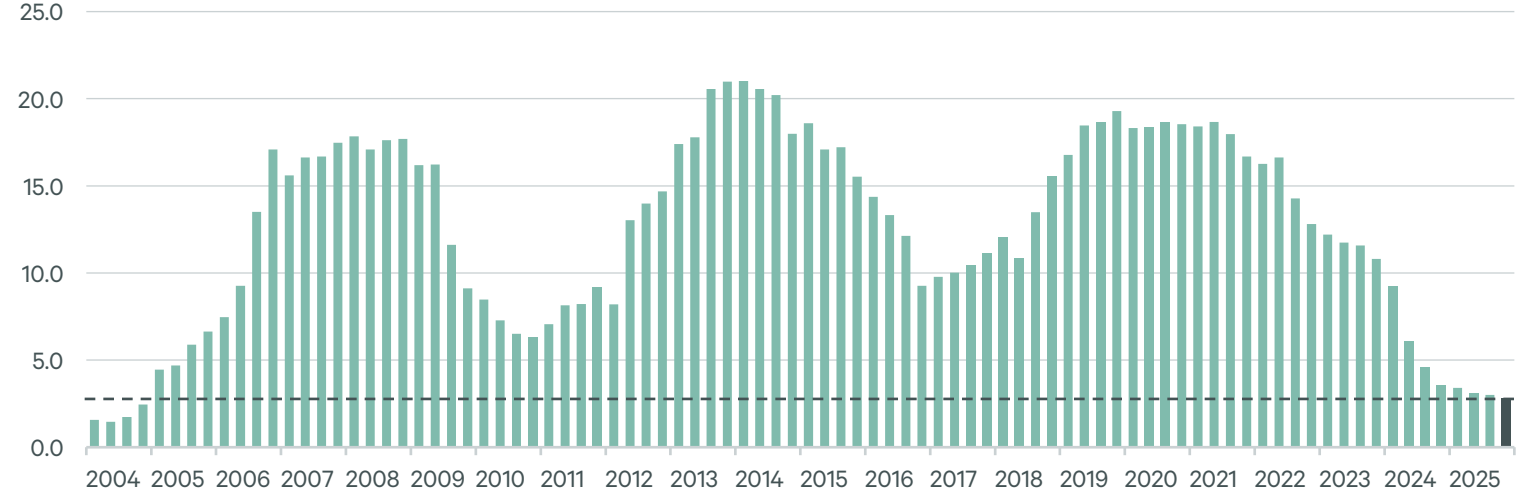
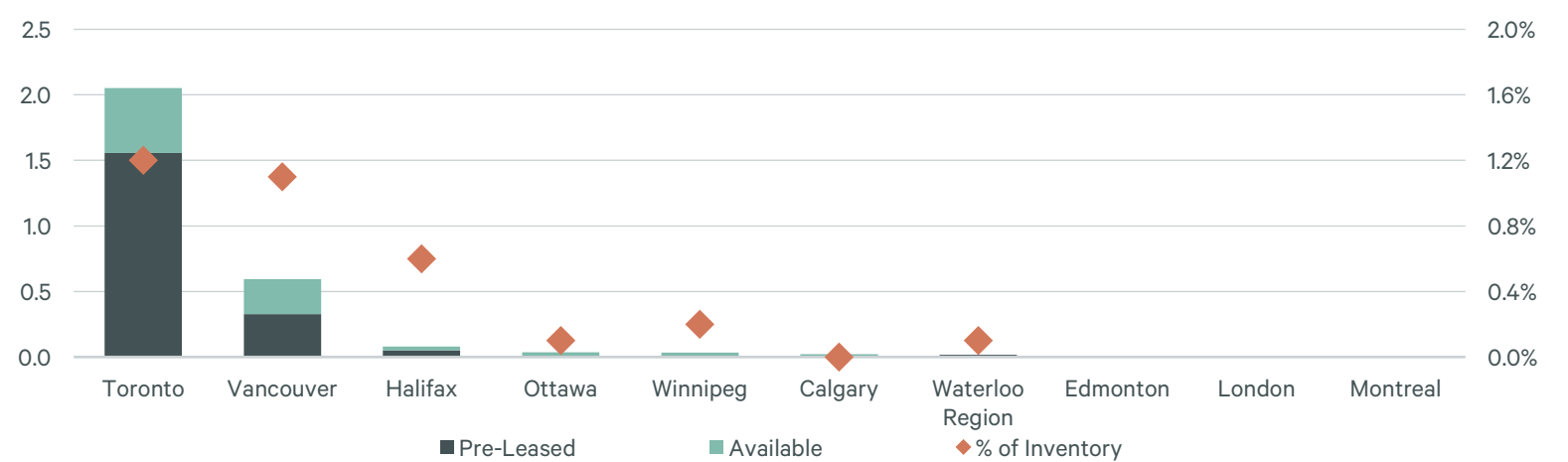


FIGURE 10: Under Construction by Market Under Construction (MSF)



Source: CBRE Research, Q4 2025.

Starts and deliveries reach new lows in 2025

- Two projects commenced construction in the last six months of 2025 totalling 83,000 sq. ft. in Halifax and Winnipeg. This is a new annual low for the country with only small-scale suburban projects kicking off in recent years.
- In total, 671,000 sq. ft. of new supply was completed over 2025 and is also one of the lowest annual totals in over 25 years. Just over half of this inventory was delivered in Vancouver.
- Despite fewer deliveries, much of the new supply completed this year remains vacant and has one of the lowest levels of pre-leasing upon delivery in a given year.
- Due to limited starts, the pipeline of new supply is expected to remain constrained. With no meaningful new supply deliveries on the horizon beyond 2026, demand is expected to trickle down to the next-best product tiers.

FIGURE 11: National Office Construction Starts (MSF)

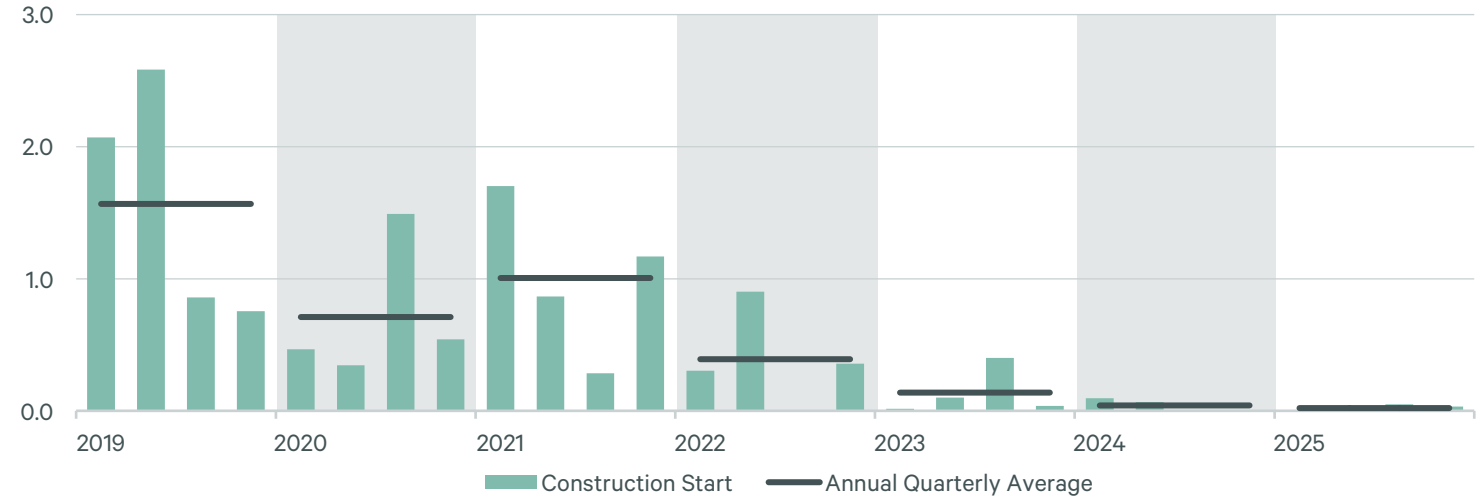
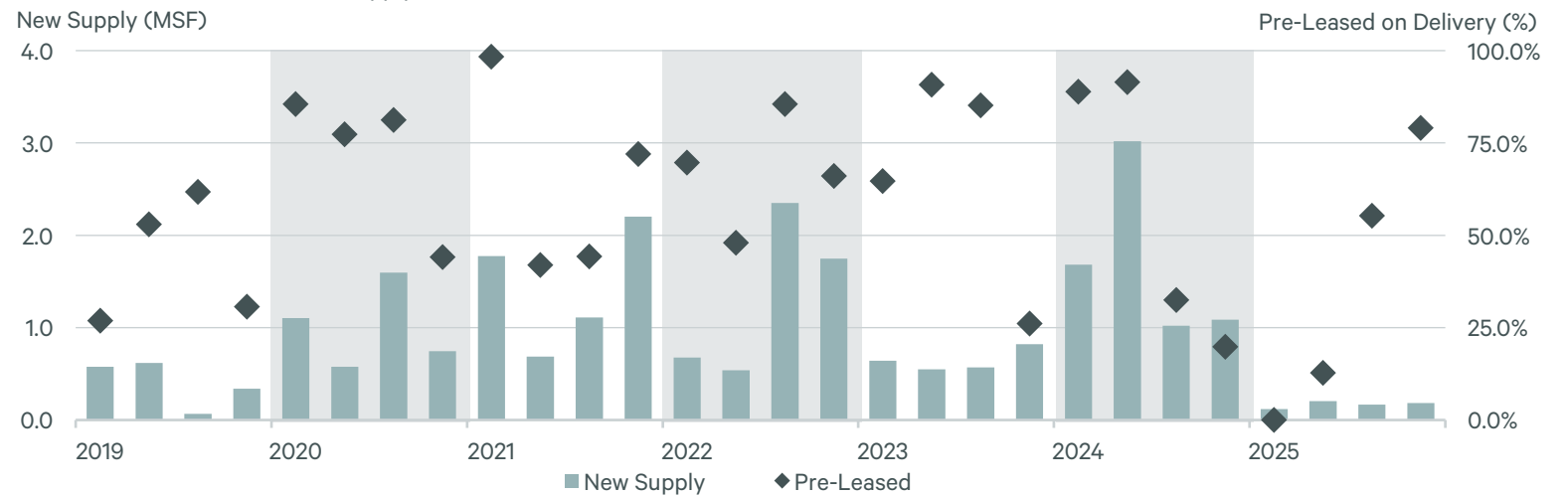


FIGURE 12: National Office New Supply Deliveries



Source: CBRE Research, Q4 2025.

Conversion activity remains strong to close out 2025

- Q4 2025 saw eight new conversion projects remove over 1.0 million sq. ft. of office product from inventory as landlords continue to strategically reposition dated assets.
- Building off last quarter’s momentum, H2 2025 concluded with over 2.0 million sq. ft. of total space removed for conversion, the largest sum of any half year on record.
- Accounting for two of the seven new conversion projects this quarter, Calgary continues to lead the major Canadian markets in total space converted and accounts for almost half of all office product removed from inventory.
- Office-to-residential projects remain the most common, with all seven conversions this quarter destined for residential use.
- Since 2021, conversion projects have removed a cumulative 7.8 million sq. ft. of former office space. An additional 2.6 million sq. ft. has been demolished over the same period. Together, they have helped reduce inventory by 2.2%.

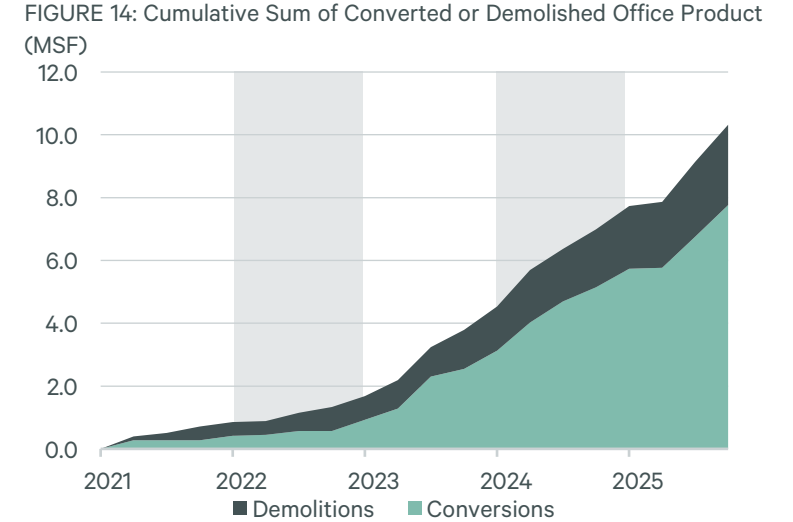
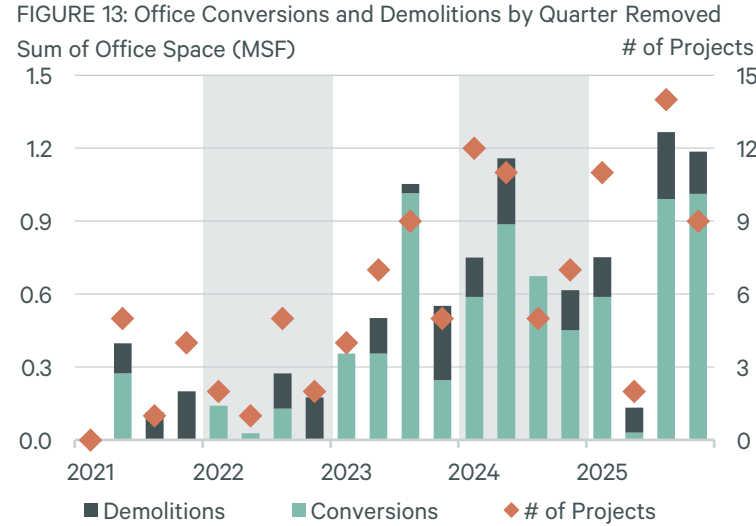


FIGURE 15: Share of Office Conversions by Market (2021 – 2025)

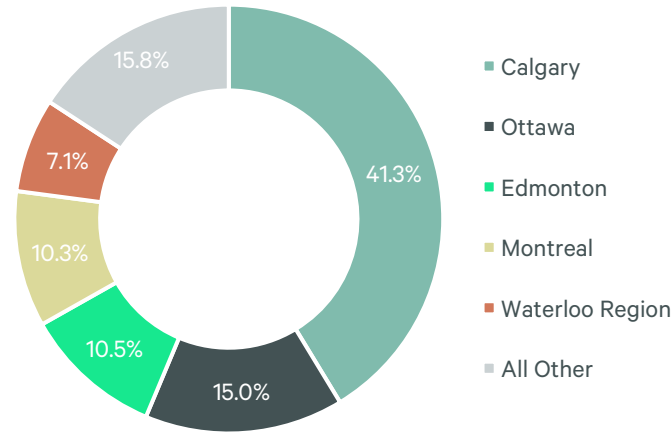
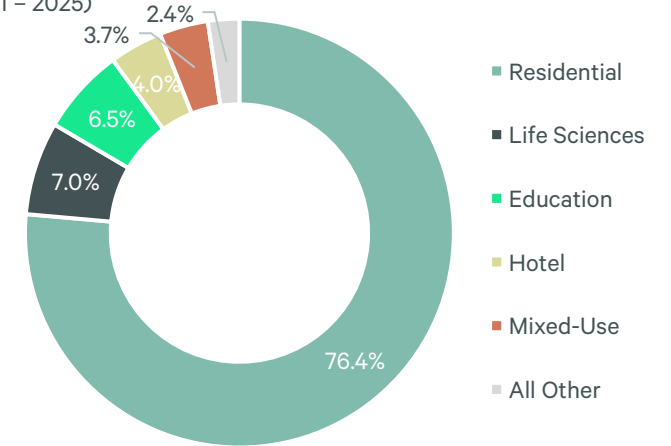


FIGURE 16: Share of Office Conversions by New Property Type (2021 – 2025)



Figures 15 & 16 exclude demolitions.
Source: CBRE Research, Q4 2025.

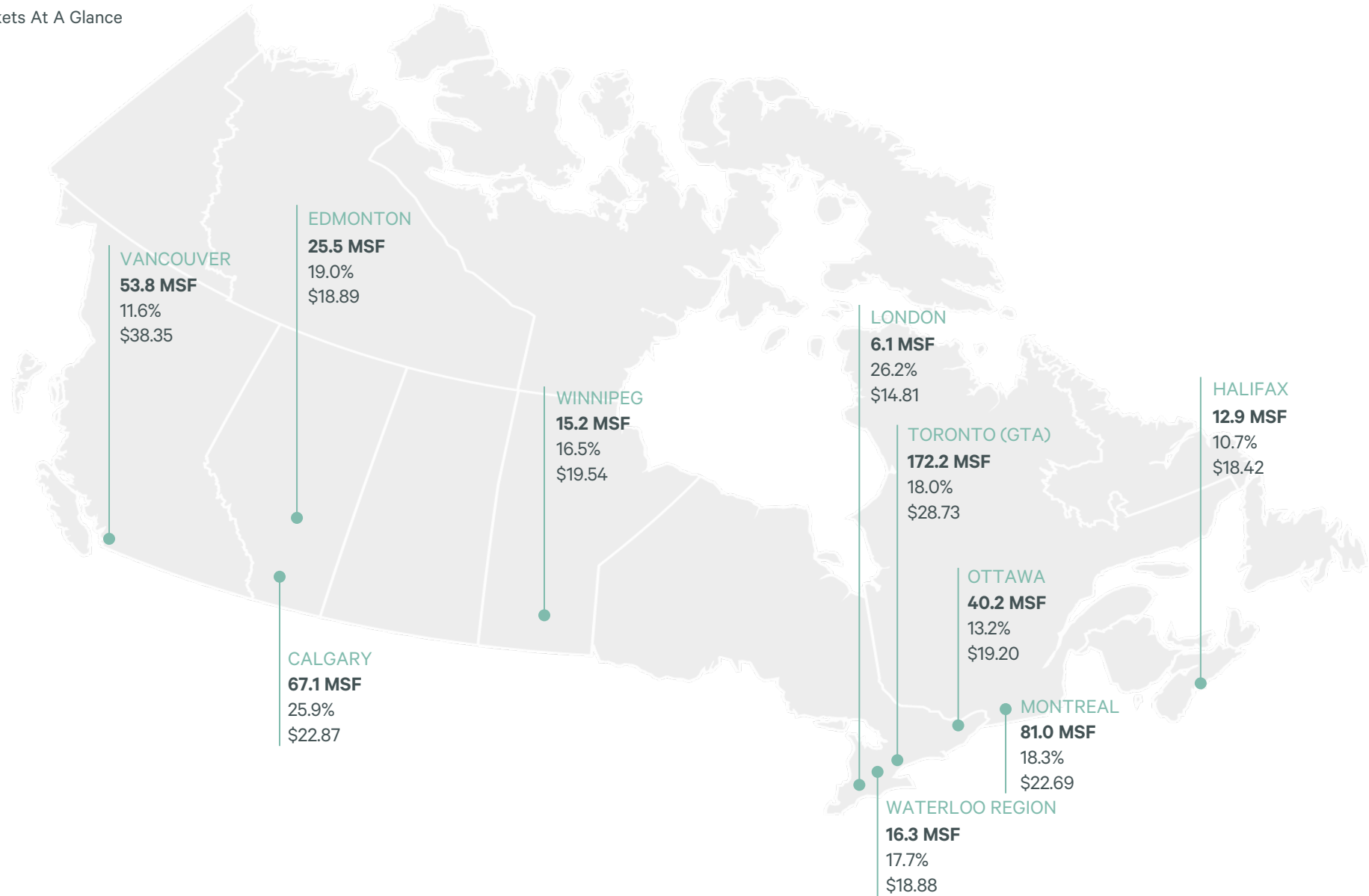
FIGURE 17: Canadian Office Markets At A Glance

MARKET

Net Rentable Area

Overall Vacancy Rate

Average Class A Net Rent (PSF)



Source: CBRE Research, Q4 2025.

FIGURE 18: Canadian Office Markets Statistics, Q4 2025

DOWNTOWN	VANCOUVER	CALGARY	EDMONTON	WINNIPEG	LONDON	WATERLOO	TORONTO	OTTAWA	MONTREAL	HALIFAX	NATIONAL
Net Rentable Area	27,849,847	41,407,588	15,763,512	10,902,178	4,529,480	4,717,364	95,215,893	18,034,820	47,273,691	5,181,618	270,875,991
Overall Vacancy Rate	12.8%	30.4%	20.9%	18.6%	31.5%	31.1%	15.9%	15.9%	17.8%	14.5%	19.0%
Direct Space	2,960,238	10,380,491	3,029,692	1,853,485	1,270,959	1,383,065	12,615,637	2,584,566	7,610,641	746,857	44,435,631
Sublet Space	593,884	2,189,913	261,619	179,257	155,797	83,438	2,488,674	285,134	783,955	5,191	7,026,862
Sublet % of Vacant Space	16.7%	17.4%	7.9%	8.8%	10.9%	5.7%	16.5%	9.9%	9.3%	0.7%	13.7%
Class A Vacancy Rate	9.3%	25.6%	21.9%	13.4%	19.8%	22.1%	12.1%	13.5%	14.2%	12.8%	15.4%
Average Class A Net Rent (PSF)	\$43.99	\$24.00	\$18.93	\$19.54	\$14.81	\$25.88	\$35.02	\$23.58	\$25.52	\$19.32	\$29.85
Quarter Net Absorption	-38,147	-260,247	31,572	-71,249	-42,025	12,199	1,010,944	-202,315	385,794	19,180	845,706
Year-to-Date Net Absorption	-343,180	-915,658	-39,589	-79,212	56,739	-82,642	2,651,418	-167,519	227,881	81,953	1,390,191
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	1,850,277	0	0	0	1,879,663
SUBURBAN											
Net Rentable Area	25,972,551	25,695,481	9,757,735	4,293,505	1,559,529	11,603,178	77,011,779	22,188,672	33,684,170	7,736,588	219,503,188
Overall Vacancy Rate	10.3%	18.7%	15.9%	11.1%	10.8%	12.2%	20.7%	11.0%	19.2%	8.1%	16.7%
Direct Space	1,951,706	4,224,791	1,467,256	449,563	162,724	1,211,926	14,232,470	2,205,050	5,730,416	595,075	32,230,977
Sublet Space	716,958	573,666	83,444	29,043	5,274	208,066	1,740,625	236,664	723,351	29,014	4,346,105
Sublet % of Vacant Space	26.9%	12.0%	5.4%	6.1%	3.1%	14.7%	10.9%	9.7%	11.2%	4.6%	11.9%
Class A Vacancy Rate	12.1%	17.5%	14.2%	N/A	N/A	17.2%	23.4%	11.3%	16.7%	9.5%	17.9%
Average Class A Net Rent (PSF)	\$33.20	\$20.00	\$18.75	N/A	N/A	\$16.54	\$19.44	\$15.46	\$18.12	\$17.19	\$20.55
Quarter Net Absorption	169,719	17,983	-64,000	20,965	11,993	82,032	188,344	-37,912	90,334	-2,801	476,657
Year-to-Date Net Absorption	440,956	401,259	12,729	-2,234	-13,871	111,357	-1,471	-330,081	32,772	157,496	808,912
Quarter New Supply	182,940	0	0	0	0	0	0	0	0	0	182,940
Year-to-Date New Supply	348,590	0	0	0	0	0	118,944	0	0	0	467,534
Under Construction	565,255	20,688	0	33,000	0	17,000	202,662	36,000	0	80,000	954,605
TOTAL											
Net Rentable Area	53,822,398	67,103,069	25,521,247	15,195,683	6,089,009	16,320,542	172,227,672	40,223,492	80,957,861	12,918,206	490,379,179
Overall Vacancy Rate	11.6%	25.9%	19.0%	16.5%	26.2%	17.7%	18.0%	13.2%	18.3%	10.7%	18.0%
Direct Space	4,911,944	14,605,282	4,496,948	2,303,048	1,433,683	2,594,991	26,848,107	4,789,616	13,341,057	1,341,932	76,666,608
Sublet Space	1,310,842	2,763,579	345,063	208,300	161,071	291,504	4,229,299	521,798	1,507,306	34,205	11,372,967
Sublet % of Vacant Space	21.1%	15.9%	7.1%	8.3%	10.1%	10.1%	13.6%	9.8%	10.2%	2.5%	12.9%
Class A Vacancy Rate	10.7%	22.9%	19.8%	13.4%	19.8%	18.4%	16.7%	12.2%	15.1%	11.2%	16.4%
Average Class A Net Rent (PSF)	\$38.35	\$22.87	\$18.89	\$19.54	\$14.81	\$18.88	\$28.73	\$19.20	\$22.69	\$18.42	\$26.10
Quarter Net Absorption	131,572	-242,264	-32,428	-50,284	-30,032	94,231	1,199,288	-240,227	476,128	16,379	1,322,363
Year-to-Date Net Absorption	97,776	-514,399	-26,860	-81,446	42,868	28,715	2,649,947	-497,600	260,653	239,449	2,199,103
Quarter New Supply	182,940	0	0	0	0	0	0	0	0	0	182,940
Year-to-Date New Supply	348,590	0	0	0	0	0	171,944	0	150,000	0	670,534
Under Construction	594,641	20,688	0	33,000	0	17,000	2,052,939	36,000	0	80,000	2,834,268

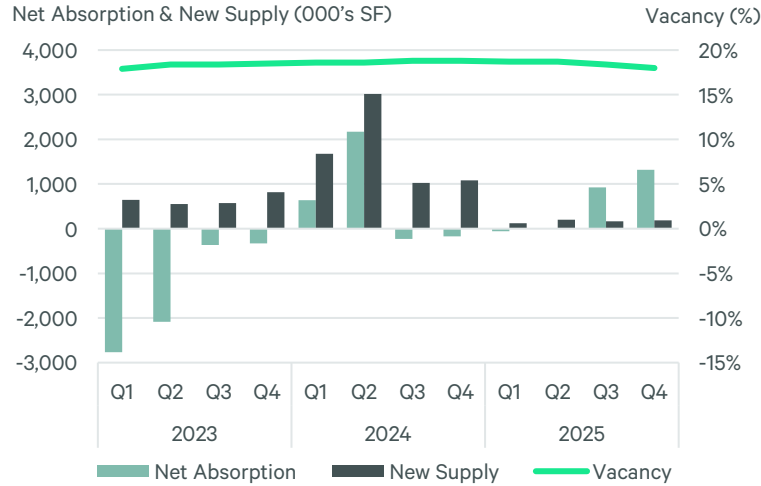
Source: CBRE Research, Q4 2025.

Canada

The Canadian office market reached a turning point in 2025 and capped off the year with two quarters of improving fundamentals. Toronto is leading this rebound, with more expected to follow in 2026. Class A vacancy has reached a three-year low, with demand expected to spill over to the next best spaces thanks to a limited development pipeline.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	270,875,991	219,503,188	490,379,179	▼
Overall Vacancy Rate	19.0%	16.7%	18.0%	▼
Direct Space	44,435,631	32,230,977	76,666,608	▼
Sublet Space	7,026,862	4,346,105	11,372,967	▼
Sublet % of Vacant	13.7%	11.9%	12.9%	▼
Class A Vacancy Rate	15.4%	17.9%	16.4%	▼
Avg. Class A Net Rent (PSF)	\$29.85	\$20.55	\$26.10	▼
Quarter Net Absorption	845,706	476,657	1,322,363	▲
Quarter New Supply	0	182,940	182,940	▲
Under Construction	1,879,663	954,605	2,834,268	▼

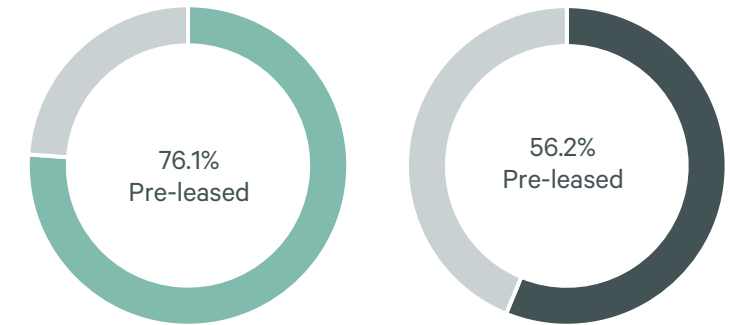
METRO SUPPLY & DEMAND



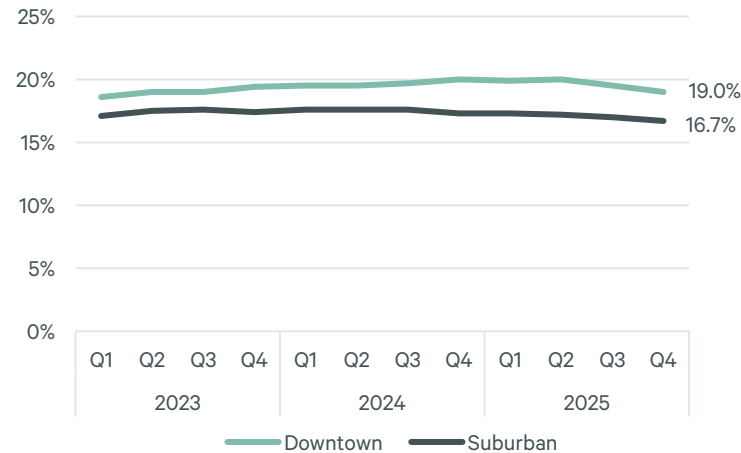
UNDER CONSTRUCTION

Downtown
1.9 MSF
0.7% of Inventory

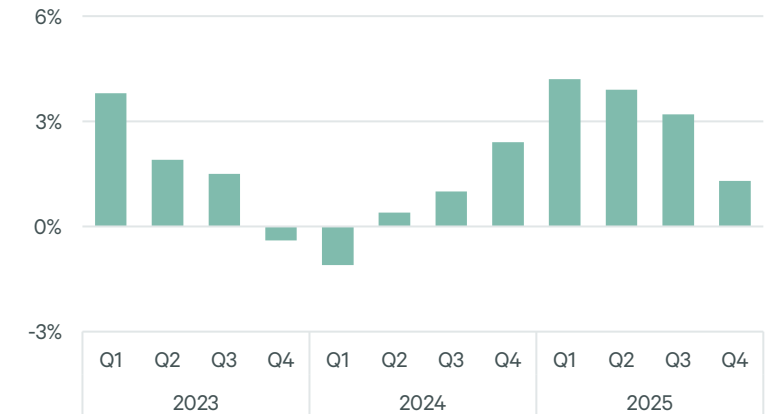
Suburban
1.0 MSF
0.4% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

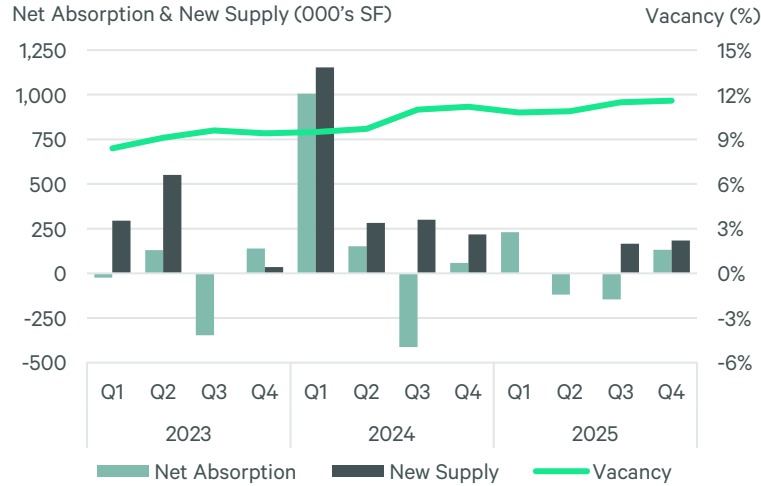


Vancouver

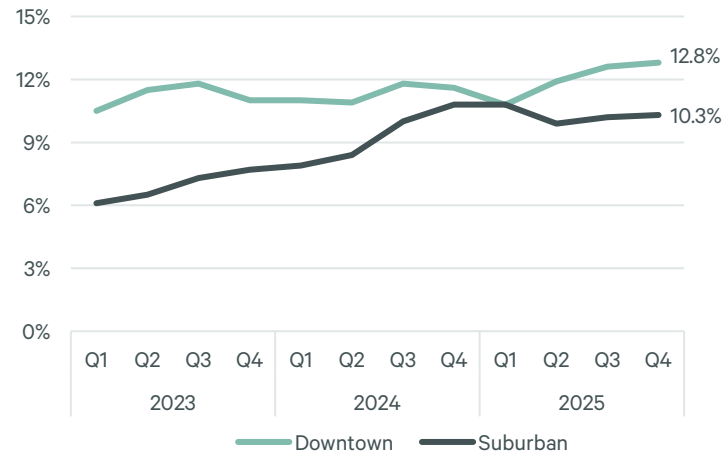
Large block Class AAA listings continue to reshape supply availability in the downtown office market. Spurred by recent tenant consolidation and downsizing, vacancy in this trophy segment has increased 150 bps from the start of the year, however, it remains as the product class with the lowest vacancy.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	27,849,847	25,972,551	53,822,398	▲
Overall Vacancy Rate	12.8%	10.3%	11.6%	▲
Direct Space	2,960,238	1,951,706	4,911,944	▲
Sublet Space	593,884	716,958	1,310,842	▲
Sublet % of Vacant	16.7%	26.9%	21.1%	◄►
Class A Vacancy Rate	9.3%	12.1%	10.7%	▲
Avg. Class A Net Rent (PSF)	\$43.99	\$33.20	\$38.35	▲
Quarter Net Absorption	-38,147	169,719	131,572	▲
Quarter New Supply	0	182,940	182,940	▲
Under Construction	29,386	565,255	594,641	▼

METRO SUPPLY & DEMAND



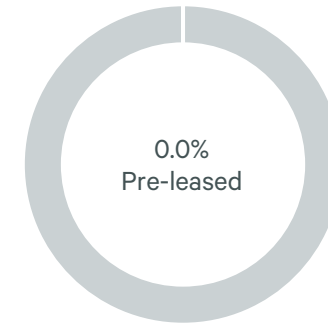
DOWNTOWN VS SUBURBAN VACANCY



UNDER CONSTRUCTION

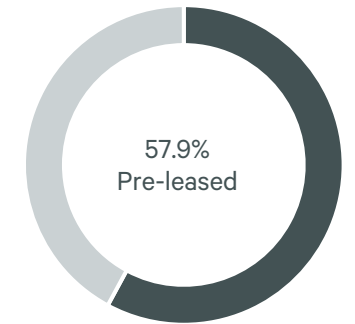
Downtown

29,000 SF
0.1% of Inventory

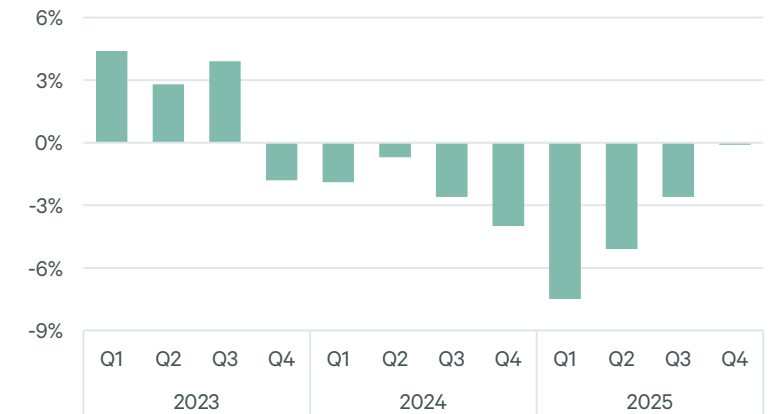


Suburban

0.6 MSF
2.2% of Inventory



METRO CLASS A RENT, Y-o-Y GROWTH

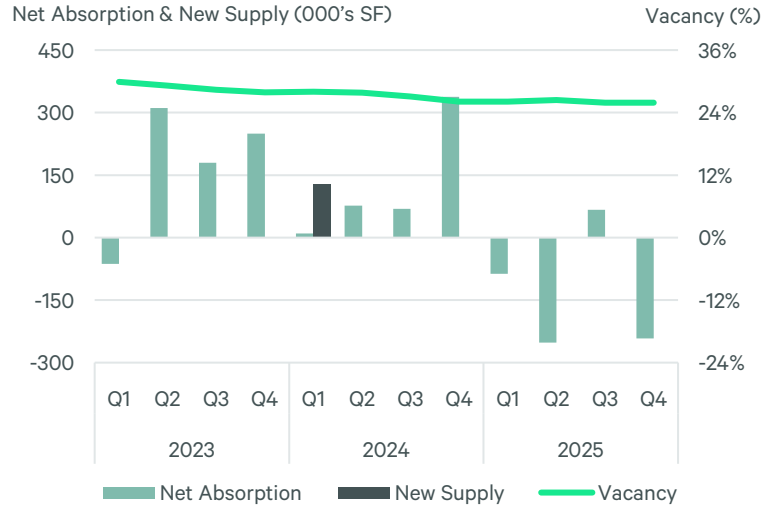


Calgary

The Downtown office market continues to be impacted by the follow-on effects of M&A transactions in the energy industry as consolidation and layoffs have led to the lowest recorded annual net absorption levels since 2021. M&A activity is expected to remain an issue continuing into 2026.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	41,407,588	25,695,481	67,103,069	▼
Overall Vacancy Rate	30.4%	18.7%	25.9%	◄►
Direct Space	10,380,491	4,224,791	14,605,282	▼
Sublet Space	2,189,913	573,666	2,763,579	▲
Sublet % of Vacant	17.4%	12.0%	15.9%	▲
Class A Vacancy Rate	25.6%	17.5%	22.9%	▼
Avg. Class A Net Rent (PSF)	\$24.00	\$20.00	\$22.87	▼
Quarter Net Absorption	-260,247	17,983	-242,264	▼
Quarter New Supply	0	0	0	◄►
Under Construction	0	20,688	20,688	◄►

METRO SUPPLY & DEMAND



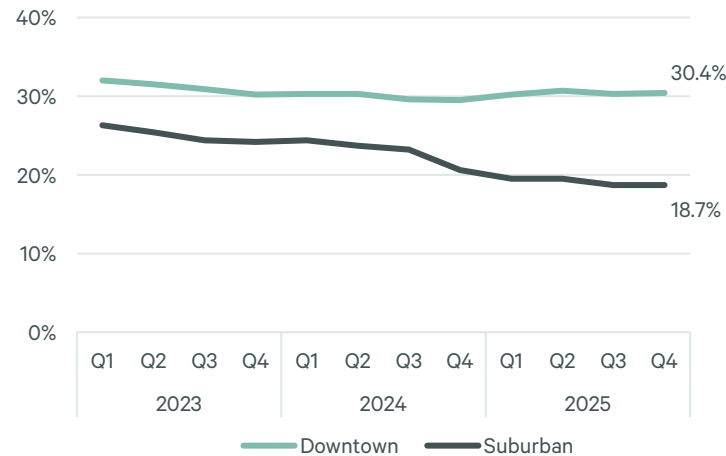
UNDER CONSTRUCTION

Downtown
0 SF
0% of Inventory

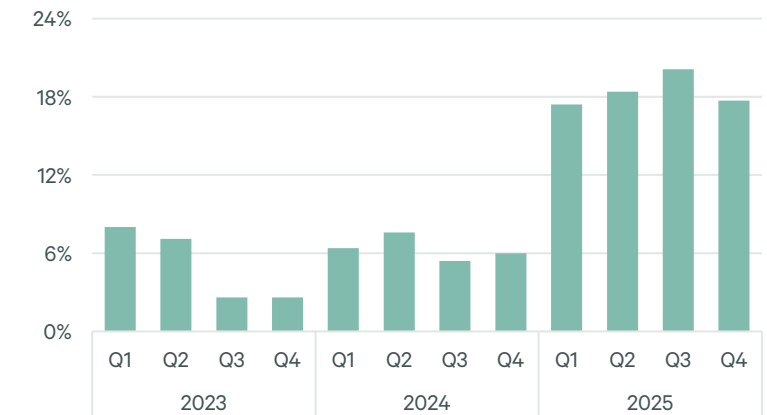
Suburban
21,000 SF
0.1% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

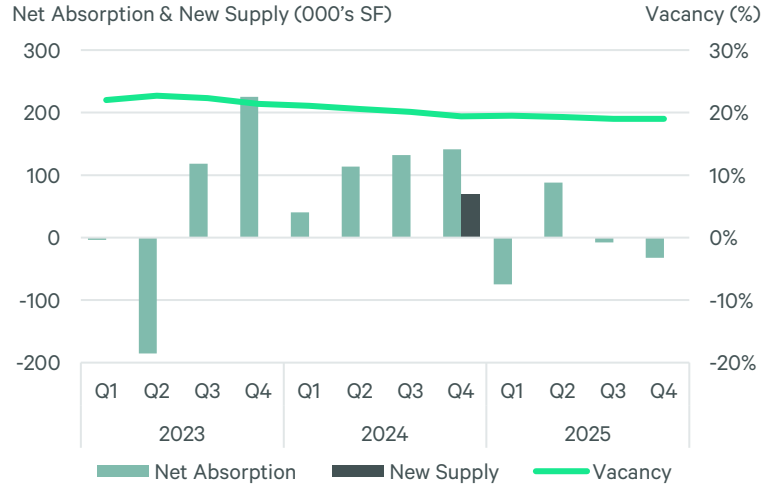


Edmonton

Edmonton finished the year with an overall office vacancy rate of 19.0%, down 40 bps from Q4 2024. Continued office-to-residential conversions are creating opportunities in the downtown core with tenants in these premises relocating into other large blocks of available contiguous space. Sublease space continues to subside, now representing only 7.1% of all vacant space across the city.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	15,763,512	9,757,735	25,521,247	▼
Overall Vacancy Rate	20.9%	15.9%	19.0%	◄►
Direct Space	3,029,692	1,467,256	4,496,948	▼
Sublet Space	261,619	83,444	345,063	▼
Sublet % of Vacant	7.9%	5.4%	7.1%	▼
Class A Vacancy Rate	21.9%	14.2%	19.8%	▼
Avg. Class A Net Rent (PSF)	\$18.93	\$18.75	\$18.89	▲
Quarter Net Absorption	31,572	-64,000	-32,428	▼
Quarter New Supply	0	0	0	◄►
Under Construction	0	0	0	◄►

METRO SUPPLY & DEMAND

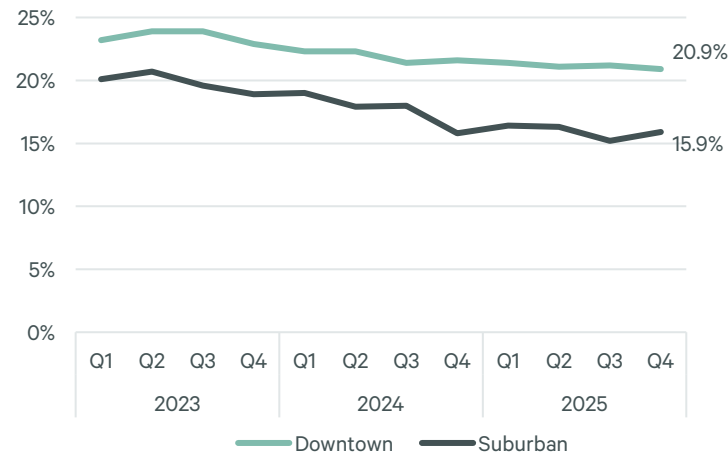


UNDER CONSTRUCTION

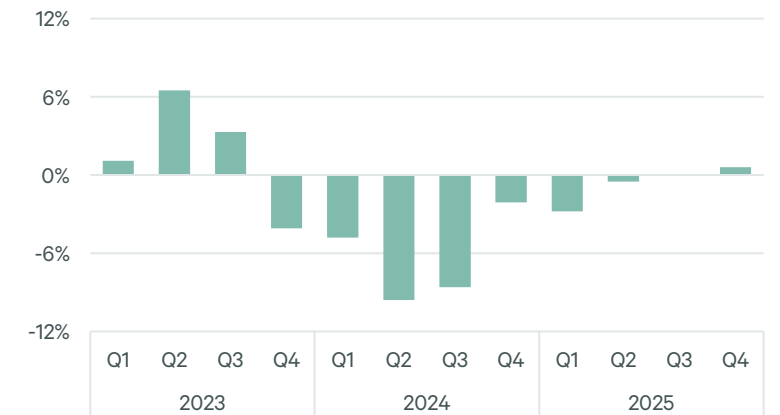
Downtown
0 SF
0% of Inventory

Suburban
0 SF
0% of Inventory

DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

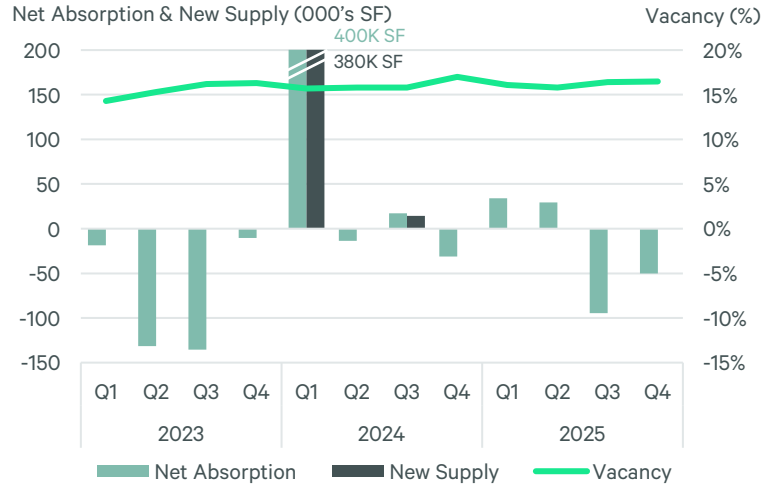


Winnipeg

Winnipeg's office market experienced little change on the surface, with overall vacancy rising by only 10 bps to 16.5%. The market is exhibiting bifurcation due to a flight-to-quality, however, as Downtown Class C product was the only source of negative net absorption this quarter.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	10,902,178	4,293,505	15,195,683	▲
Overall Vacancy Rate	18.6%	11.1%	16.5%	▲
Direct Space	1,853,485	449,563	2,303,048	▲
Sublet Space	179,257	29,043	208,300	▼
Sublet % of Vacant	8.8%	6.1%	8.3%	▼
Class A Vacancy Rate	13.4%	N/A	13.4%	▼
Avg. Class A Net Rent (PSF)	\$19.54	N/A	\$19.54	▼
Quarter Net Absorption	-71,249	20,965	-50,284	▲
Quarter New Supply	0	0	0	◄►
Under Construction	0	33,000	33,000	▲

METRO SUPPLY & DEMAND



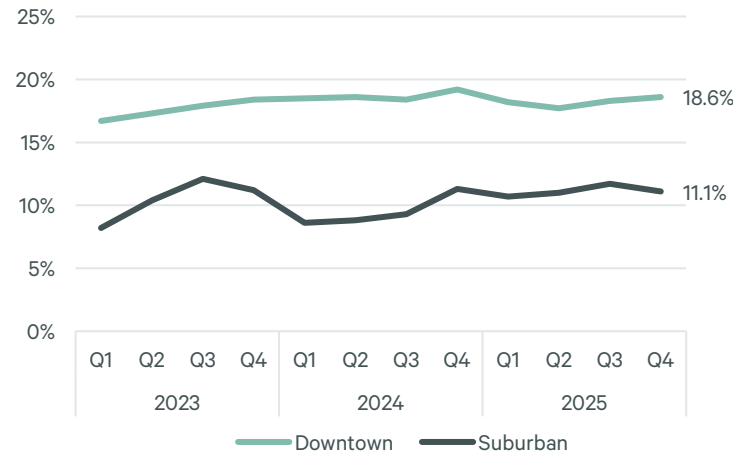
UNDER CONSTRUCTION

Downtown
0 SF
0% of Inventory

Suburban
33,000 SF
0.8% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

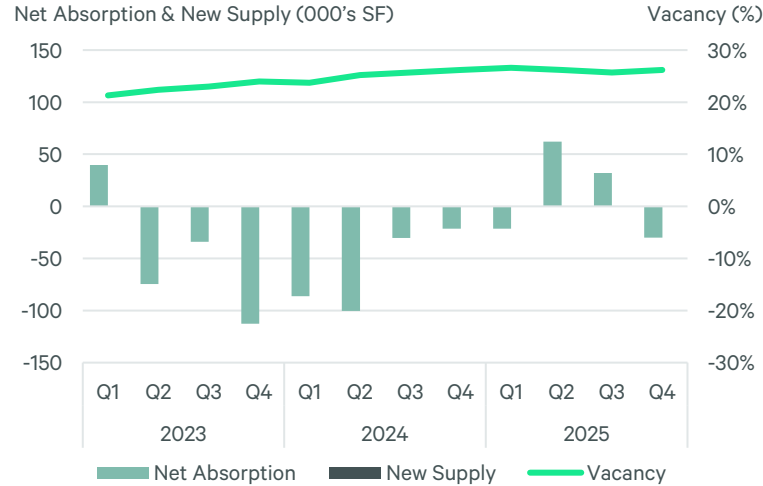


London

London's Q4 office market saw market dynamics shift from prior quarters, as the Core recorded an increase in vacancy rate for the first time since Q1 2025, while the Suburban market had its first and only quarter of positive net absorption in 2025.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	4,529,480	1,559,529	6,089,009	◀▶
Overall Vacancy Rate	31.5%	10.8%	26.2%	▲
Direct Space	1,270,959	162,724	1,433,683	▲
Sublet Space	155,797	5,274	161,071	◀▶
Sublet % of Vacant	10.9%	3.1%	10.1%	▼
Class A Vacancy Rate	19.8%	N/A	19.8%	▲
Avg. Class A Net Rent (PSF)	\$14.81	N/A	\$14.81	▼
Quarter Net Absorption	-42,025	11,993	-30,032	▼
Quarter New Supply	0	0	0	◀▶
Under Construction	0	0	0	◀▶


METRO SUPPLY & DEMAND



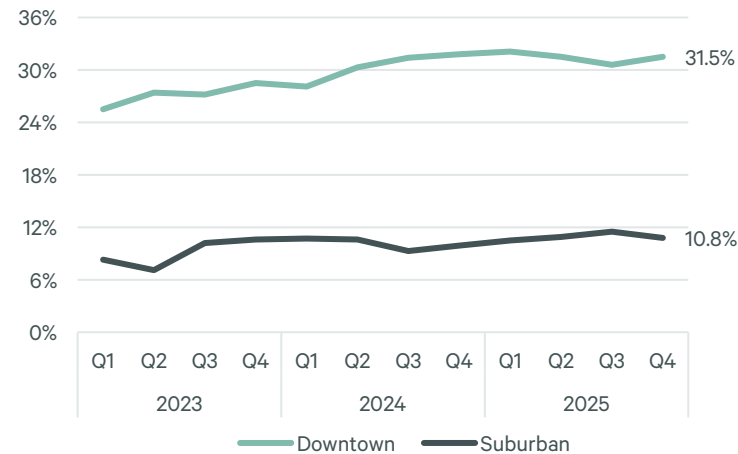
UNDER CONSTRUCTION

Downtown
0 SF
0% of Inventory

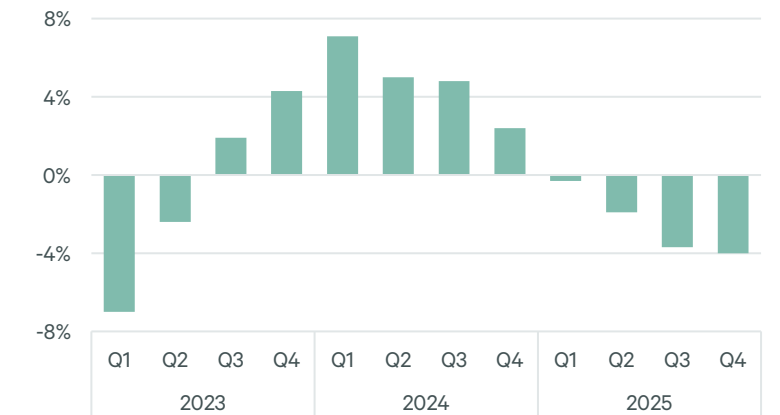
Suburban
0 SF
0% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

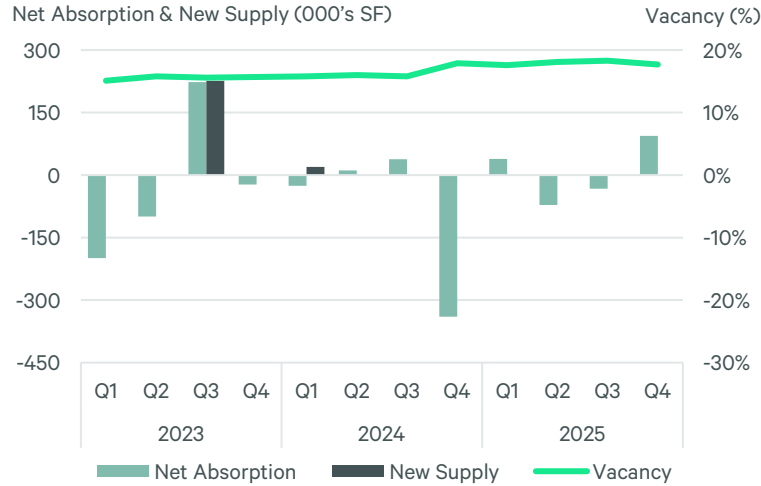


Waterloo Region

The Waterloo Region closed the year on a strong note with over 94,000 sq. ft. of positive net absorption in Q4, regaining momentum seen in early 2025. Suburban markets led the activity with 82,000 sq. ft. of positive net absorption as vacancy fell 70 bps to 12.2%, the lowest level since Q1 2023, while core vacancy settled to 31.1%.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	4,717,364	11,603,178	16,320,542	◀▶
Overall Vacancy Rate	31.1%	12.2%	17.7%	▼
Direct Space	1,383,065	1,211,926	2,594,991	▼
Sublet Space	83,438	208,066	291,504	▼
Sublet % of Vacant	5.7%	14.7%	10.1%	▼
Class A Vacancy Rate	22.1%	17.2%	18.4%	▼
Avg. Class A Net Rent (PSF)	\$25.88	\$16.54	\$18.88	▼
Quarter Net Absorption	12,199	82,032	94,231	▲
Quarter New Supply	0	0	0	◀▶
Under Construction	0	17,000	17,000	◀▶

METRO SUPPLY & DEMAND



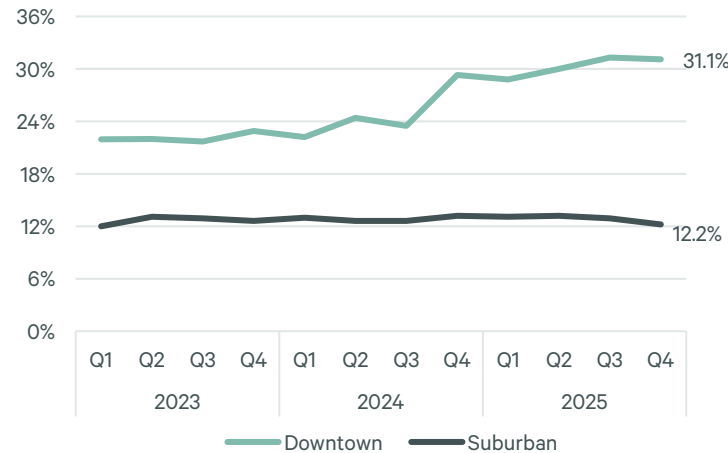
UNDER CONSTRUCTION

Downtown
0 SF
0% of Inventory

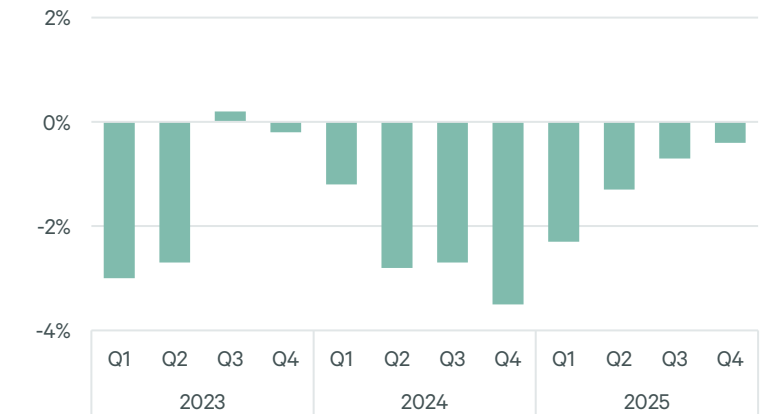
Suburban
17,000 SF
0.1% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH



Toronto

Robust leasing activity resulted in another 90 bps decrease in Toronto’s office vacancy. This marks back-to-back quarters of significant net absorption for the market, primarily downtown and with a focus on premium spaces. Several transactions took down large blocks of space, creating a competitive environment for the dwindling pool of spaces over 50,000 sq. ft. It is clear that the market has reached turning point and is poised for further acceleration in 2026.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	95,215,893	77,011,779	172,227,672	▼
Overall Vacancy Rate	15.9%	20.7%	18.0%	▼
Direct Space	12,615,637	14,232,470	26,848,107	▼
Sublet Space	2,488,674	1,740,625	4,229,299	▼
Sublet % of Vacant	16.5%	10.9%	13.6%	▼
Class A Vacancy Rate	12.1%	23.4%	16.7%	▼
Avg. Class A Net Rent (PSF)	\$35.02	\$19.44	\$28.73	▼
Quarter Net Absorption	1,010,944	188,344	1,199,288	▼
Quarter New Supply	0	0	0	◄►
Under Construction	1,850,277	202,662	2,052,939	▼

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

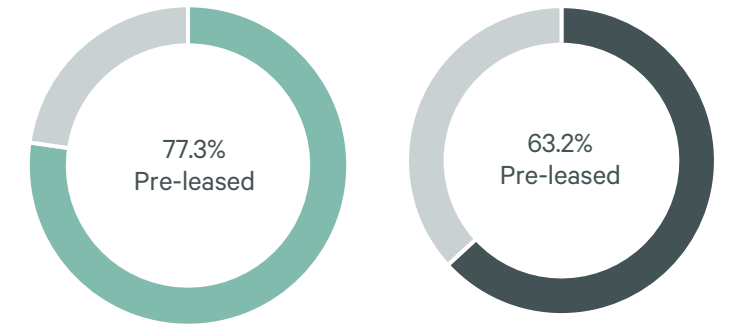
METRO SUPPLY & DEMAND



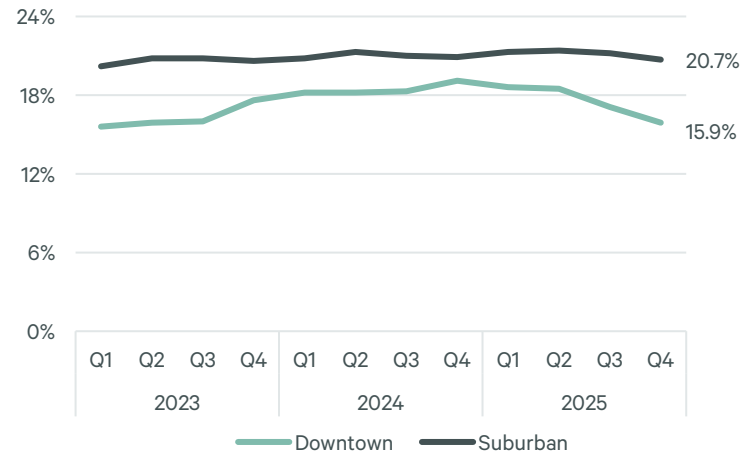
UNDER CONSTRUCTION

Downtown
1.9 MSF
1.9% of Inventory

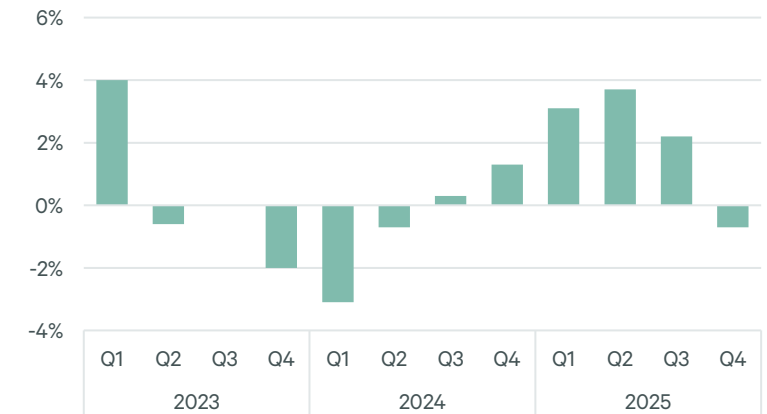
Suburban
0.2 MSF
0.3% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH



Ottawa

The Ottawa office market closed the year on a cautious note as overall vacancy climbed by 40 bps quarter-over-quarter to 13.2%. Despite recording 497,600 sq. ft. of negative net absorption over the year, market conditions are projected to rebound in 2026, supported by easing economic uncertainty, greater clarity on the federal government’s portfolio strategy, and the potential for Ottawa to mirror the momentum building in Toronto’s office sector.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	18,034,820	22,188,672	40,223,492	▼
Overall Vacancy Rate	15.9%	11.0%	13.2%	▲
Direct Space	2,584,566	2,205,050	4,789,616	▲
Sublet Space	285,134	236,664	521,798	▲
Sublet % of Vacant	9.9%	9.7%	9.8%	▼
Class A Vacancy Rate	13.5%	11.3%	12.2%	▲
Avg. Class A Net Rent (PSF)	\$23.58	\$15.46	\$19.20	▲
Quarter Net Absorption	-202,315	-37,912	-240,227	▼
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



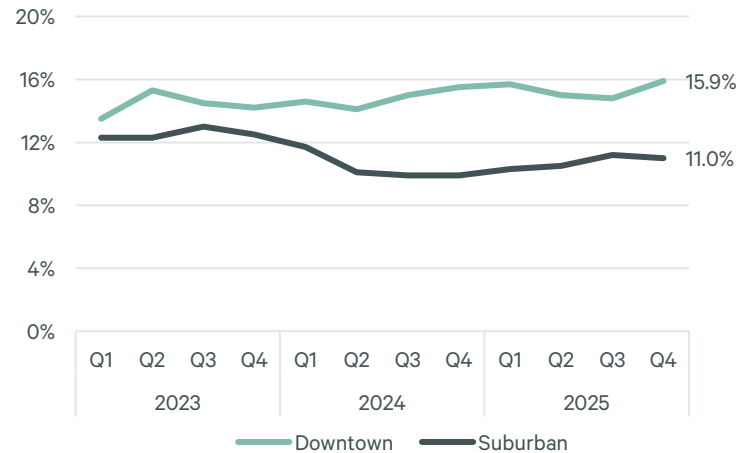
UNDER CONSTRUCTION

Downtown
0 SF
0% of Inventory

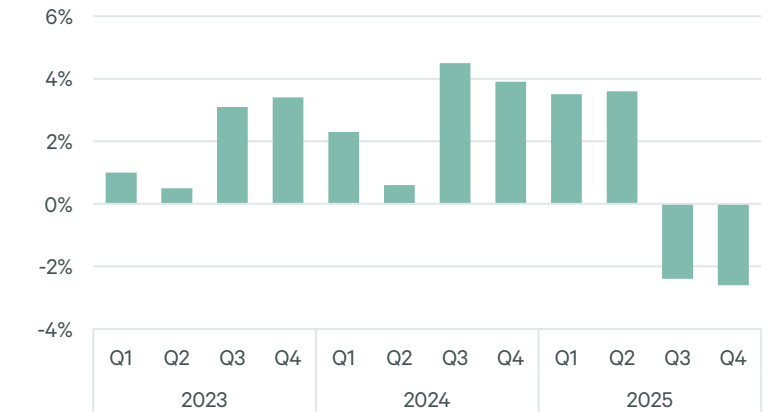
Suburban
36,000 SF
0.2% of Inventory



DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

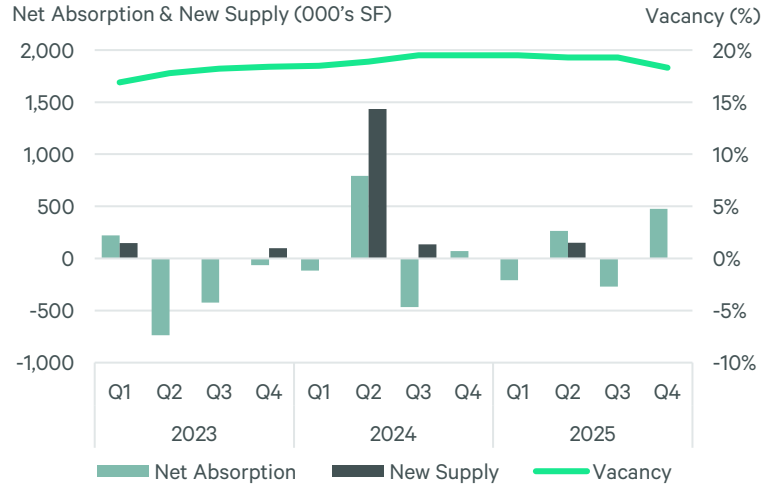


Montreal

The office market ended 2025 on a positive note as annual net absorption totalled 261,000 sq. ft. This is the second consecutive year of positive net absorption for the GMA. Downtown accounted for 228,000 sq. ft. of this annual total, highlighting the continued demand in best-in-class or centrally located product.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	47,273,691	33,684,170	80,957,861	◀▶
Overall Vacancy Rate	17.8%	19.2%	18.3%	▼
Direct Space	7,610,641	5,730,416	13,341,057	▼
Sublet Space	783,955	723,351	1,507,306	▼
Sublet % of Vacant	9.3%	11.2%	10.2%	▼
Class A Vacancy Rate	14.2%	16.7%	15.1%	▼
Avg. Class A Net Rent (PSF)	\$25.52	\$18.12	\$22.69	▲
Quarter Net Absorption	385,794	90,334	476,128	▲
Quarter New Supply	0	0	0	◀▶
Under Construction	0	0	0	◀▶

METRO SUPPLY & DEMAND

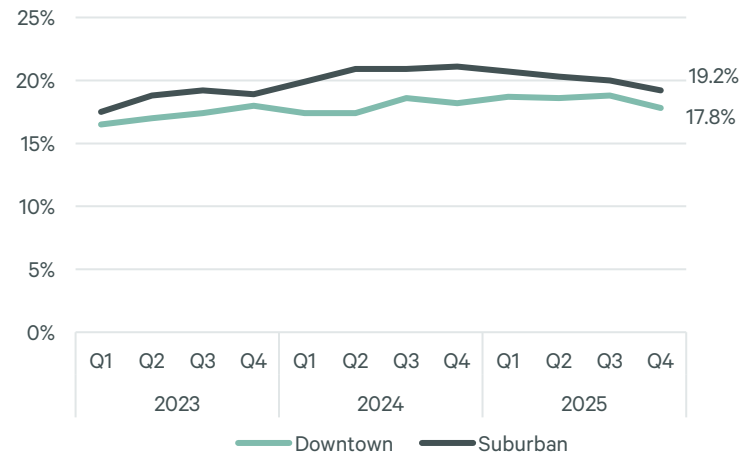


UNDER CONSTRUCTION

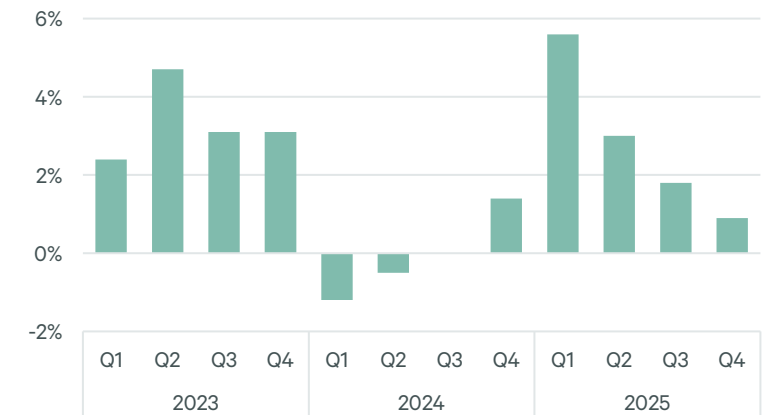
Downtown
0 SF
0% of Inventory

Suburban
0 SF
0% of Inventory

DOWNTOWN VS SUBURBAN VACANCY



METRO CLASS A RENT, Y-o-Y GROWTH

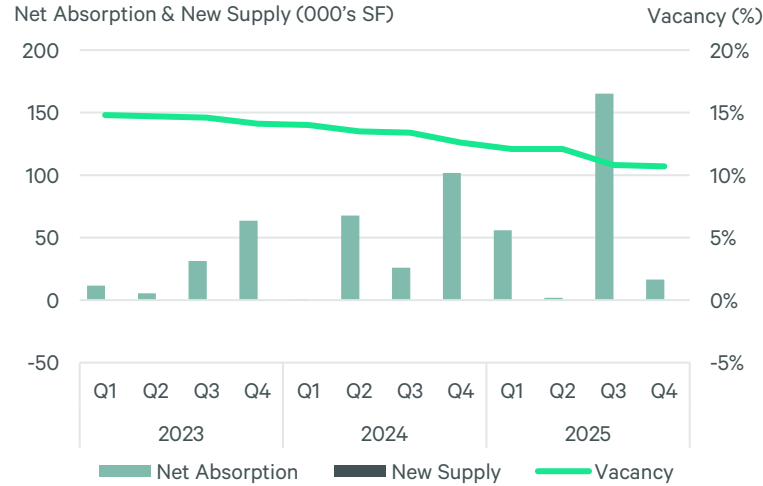


Halifax

The Halifax office market recorded its 15th consecutive quarter of positive momentum with 16,000 sq. ft. of net absorption in Q4 2025. The downtown submarket outpaced the suburbs for the second time this year, recording 19,000 sq. ft. of positive net absorption while 2,800 sq. ft. of negative net absorption was recorded in the suburbs.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	5,181,618	7,736,588	12,918,206	◀▶
Overall Vacancy Rate	14.5%	8.1%	10.7%	▼
Direct Space	746,857	595,075	1,341,932	▼
Sublet Space	5,191	29,014	34,205	▲
Sublet % of Vacant	0.7%	4.6%	2.5%	▲
Class A Vacancy Rate	12.8%	9.5%	11.2%	▼
Avg. Class A Net Rent (PSF)	\$19.32	\$17.19	\$18.42	▲
Quarter Net Absorption	19,180	-2,801	16,379	▼
Quarter New Supply	0	0	0	◀▶
Under Construction	0	80,000	80,000	◀▶

METRO SUPPLY & DEMAND



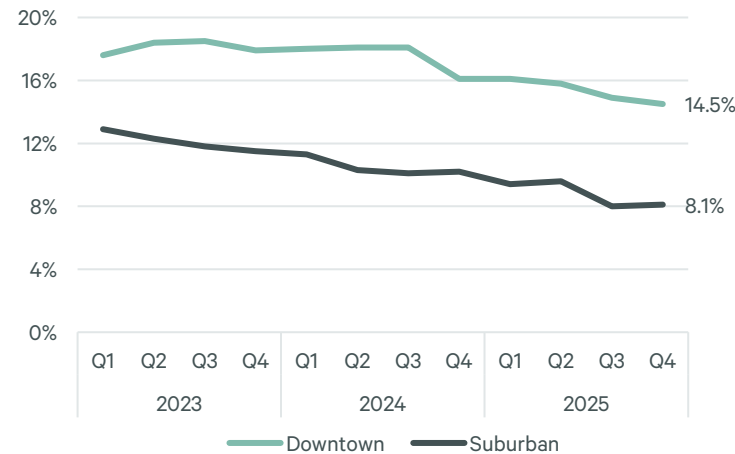
UNDER CONSTRUCTION

Downtown
0 SF
0% of Inventory

Suburban
80,000 SF
1.0% 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.