

MARKET FUNDAMENTALS

	YOY Chg	Outlook
11.4% Vacancy Rate	▲	▲
674K YTD Net Absorption, SF	▼	▼
\$53.64 Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▼	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.6M Vancouver Employment	▬	▲
6.3% Vancouver Unemployment Rate	▲	▬
6.7% Canada Unemployment Rate	▲	▬

Source: Statistics Canada

ECONOMY: GROWTH TO ACCELERATE BUT NEW RISKS EMERGE

British Columbia's economy is set to rebound in 2025 despite facing new challenges. Consumer confidence has started to recover from historical lows as interest rate cuts stimulate activity. The outlook is also brightening for key B.C. commodities - like liquified natural gas (LNG) - boding well for exports in the coming quarters. However, lower immigration targets and a riskier investment environment from proposed tariffs by the incoming U.S. administration pose risks to the outlook.

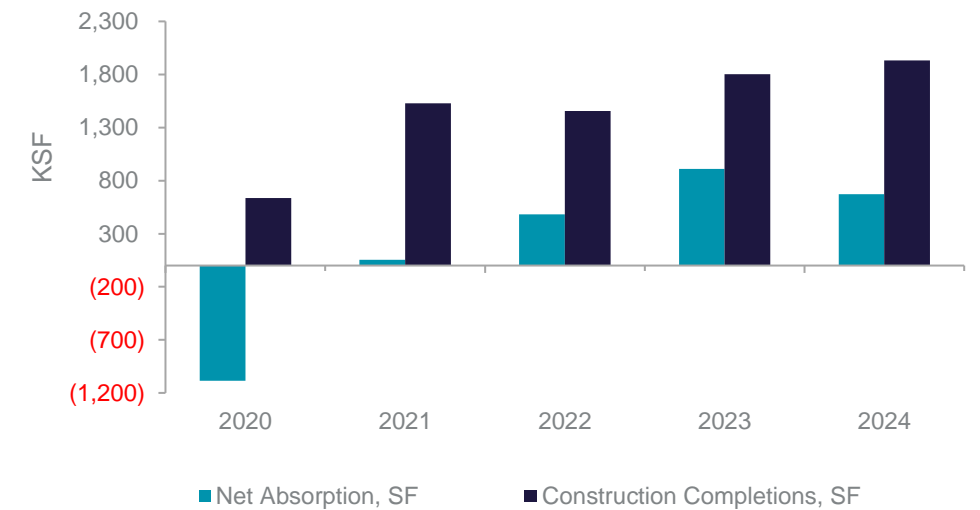
Source: RBC Economics

SUPPLY AND DEMAND: STABILITY WITH SOFTENING DEMAND

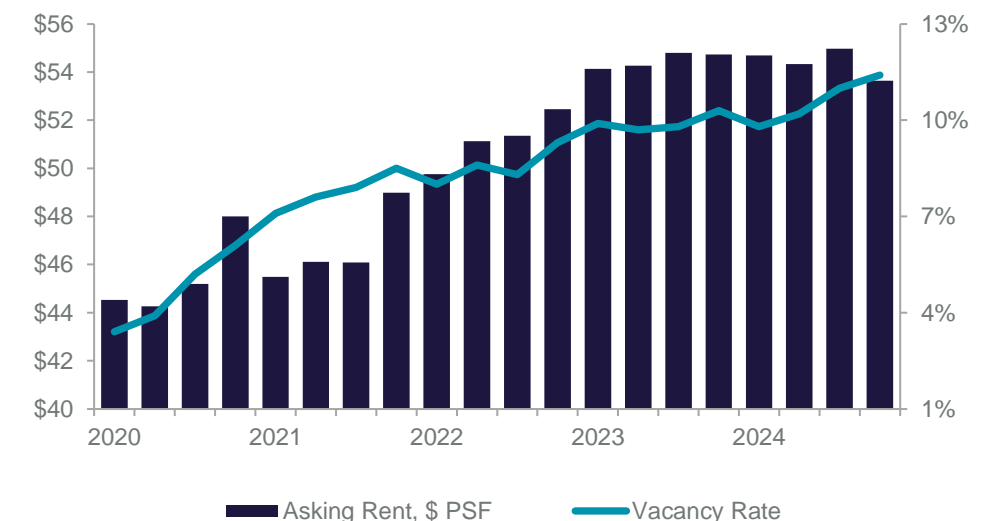
The Metro Vancouver market continued to demonstrate stability with no sharp fluctuations in the fourth quarter of 2024. However, the overall vacancy rate continued its recent upward trend increasing slightly to 11.4%, marking a modest 40 basis point (bps) rise compared to the previous quarter. Overall vacancy levels are now at their highest since the second quarter of 2015; though they still represent one of the lowest vacancy rates among North American markets with office inventories exceeding 70 million square feet (msf).

Absorption was negative for the second consecutive quarter, posting negative 184k square feet (sf) with more tenant move-outs than move-ins. Approximately 170k sf of vacant sublease space was added to the market this quarter and about 620k sf was added on a direct basis (some of this direct vacant space is a rollover of sublease space). On the other hand, several tenants including Industrial Light and Magic, Sage Software and ILSC Education Group, among others, took occupancy this quarter. With strong absorption totals in the first half of the year, overall absorption for 2024 remained positive at 674k sf. Tenant demand has adjusted as some companies, particularly in the education sector, are optimizing their space due to recent government immigration and student visa policies as well as the continuing hybrid work model. The financial sector remains resilient, with some expansions, such as TD Bank's recent expansion at 700 West Georgia, demonstrating an ongoing commitment to office space. While there were no significant new entrants to the market – most activity this quarter involved movement within the market - tech companies are holding steady at around 40% of all active tenant requirements, although this represents a 35% decrease from the market peak two-three years ago.

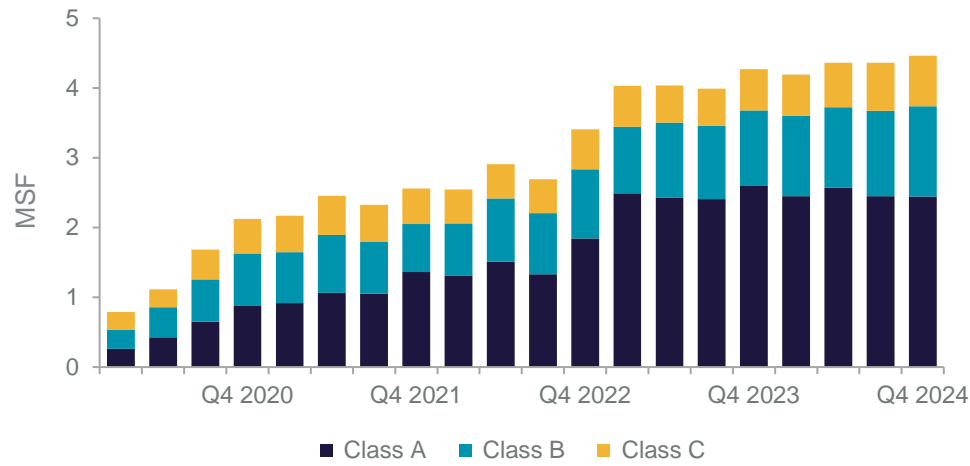
METRO VANCOUVER SPACE DEMAND / DELIVERIES



METRO VANCOUVER OVERALL VACANCY & ASKING RENT



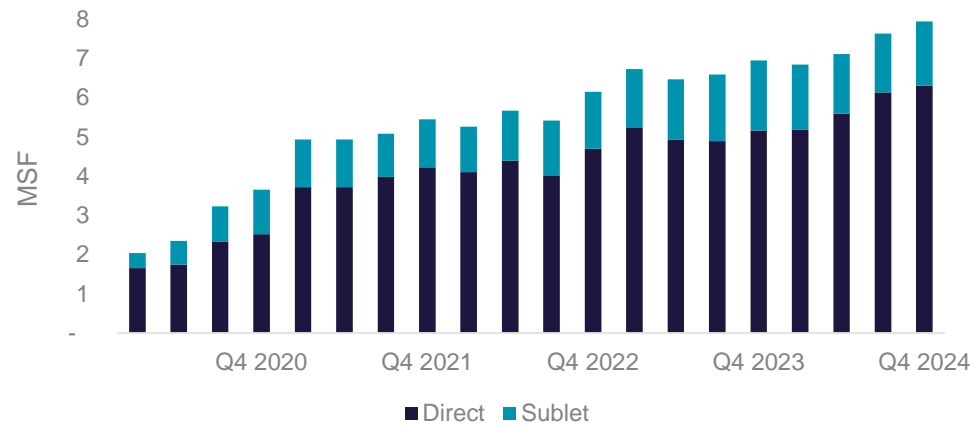
DOWNTOWN VACANT SPACE BY CLASS



SUPPLY: VACANCY INCREASED IN DOWNTOWN VANCOUVER

With pockets of vacant space remaining from the recent wave of new construction completions and an increase in sublease activity (notably TELUS’s new 59k-sf vacant sublease), the Downtown Vancouver vacancy rate increased to 14.4%; a 30 bps increase quarter-over-quarter (QOQ). This sustains a tenant’s market. This is the second consecutive quarter without the addition of a major office tower to the market, eliminating the threat of increased vacancy from new builds in the near future. Class A & AAA assets, which comprise 58% of the overall inventory, continue to have the highest levels of available and vacant space compared to Class B and C assets. The ongoing flight to quality trend, coupled with some tenant downsizing, is shaping the market. This is exemplified by Connor, Clark & Lunn signing an 80k-sf lease at the newly built B6 where they will relocate from another downtown location in the future.

METRO VANCOUVER DIRECT VS. SUBLEASE SPACE*

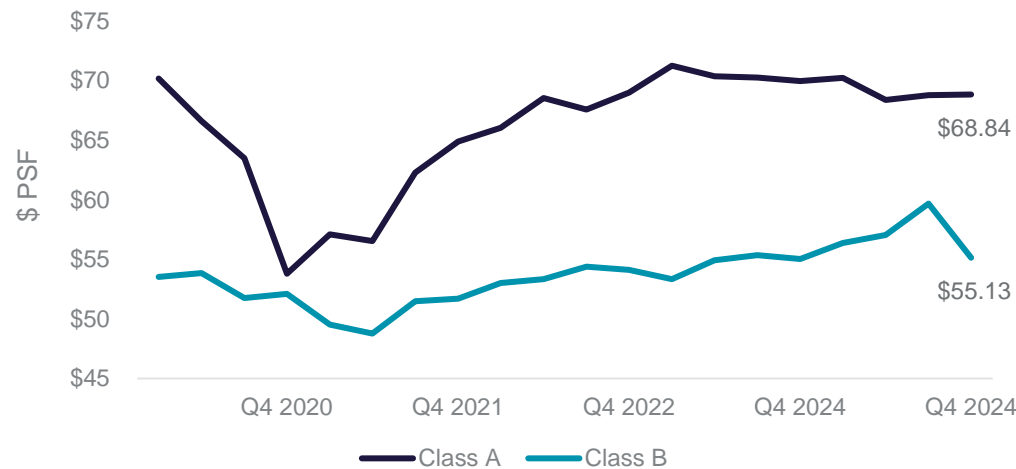


* Only includes available & vacant spaces

SUPPLY & DEMAND: METRO VANCOUVER SUBLEASE ACTIVITY & LEASE RENEWALS

After declining in the first three quarters of 2024, overall sublease activity in Metro Vancouver increased slightly in the fourth quarter, with overall vacant sublease space now accounting for 20.6% of all available and vacant space, up from 19.7% in the third quarter. Sublease activity in the Downtown Core also rose, reaching 21.4% of all available and vacant space, compared to 19.2% in the previous quarter. Downtown Vancouver accounted for 57% of the total available and vacant sublease space in Metro Vancouver, followed by Burnaby at 29%. There is potential for additional sublease space to hit the market in the coming year. On the demand side, several notable renewals were completed this quarter including AECOM (42k sf), Hub International (31k sf) and Boeing (26k sf). Although renewals are not included in office statistics, they indicate tenants’ ongoing commitment to office space.

DOWNTOWN GROSS ASKING RENT COMPARISON



PRICING: DECREASE IN OVERALL ASKING RENTS

Lower demand and elevated vacancy levels continued to exert downward pressure on asking rents in Downtown Vancouver. As a result, there was a moderate 3% decrease QOQ, with gross weighted average rents now averaging \$59.38 per square foot (psf), a 3% decrease year-over-year (YOY). Similarly, with reduced demand and elevated vacancy levels in some suburban markets, overall net asking rents in Metro Vancouver decreased by 4% QOQ and 4.4% YOY. Burnaby experienced the largest drop in overall gross asking rents among suburban markets, falling 1.8% QOQ. This is not surprising given it has the highest vacancy rate of 12.0% among all non-CBD markets. Additionally, landlords of higher-quality office properties, including those under construction, are offering significant tenant improvements to maintain higher asking rates. This has been a trend over the past six to eight quarters.

OUTLOOK

- There is potential for increased sublease activity and direct space coming available driven by direct rollovers and tenant downsizing with no new sizable entrants to the market. This could impact vacancy rates going forward.
- Despite overall negative absorption this quarter, new leasing activity rebounded with a 25% QOQ increase signaling positive momentum as we head into 2025.
- An anticipated rise in vacancy rates and uncertain market conditions could put downward pressure on asking rates, which have experienced a slight drop this quarter but remain strong overall.
- Continued upward pressure on tenant incentive packages is expected as landlords aim to secure commitment for longer-term leases amidst evolving market conditions.

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Downtown Core	26,730,700	798,517	2,937,687	14.0%	31,530	878,916	2,362,535	0	\$61.66	\$69.52
Yaletown	2,292,400	47,521	304,662	15.4%	-21,730	-82,797	232,118	29,600	\$52.46	\$63.68
Gastown/Railtown	1,965,022	64,443	310,591	19.1%	-24,308	-18,420	158,014	36,000	\$46.59	\$56.39
Downtown Vancouver	30,988,122	910,481	3,552,940	14.4%	-14,508	777,699	2,752,667	65,600	\$59.38	\$68.84
Broadway Corridor	6,126,999	82,097	540,318	10.2%	-35,334	-133,493	276,869	790,915	\$50.38	\$54.20
Mt. Pleasant	2,361,368	24,522	143,943	7.1%	-12,937	208,561	203,591	388,143	\$56.53	\$61.70
False Creek Flats	1,346,711	24,291	47,173	5.3%	-33,432	-36,632	189,658	358,015	\$43.01	N/A
Broadway Corr./Vancouver Periphery	9,835,078	130,910	731,434	8.8%	-81,703	38,436	670,118	1,537,073	\$51.31	\$56.44
Burnaby	12,238,316	465,467	998,414	12.0%	-29,911	-47,893	625,945	698,350	\$49.14	\$50.76
Richmond	5,094,183	74,793	486,120	11.0%	-1,602	-83,110	343,956	103,2425	\$34.95	\$35.07
North Shore	2,168,499	13,282	58,964	3.3%	-28,735	3,579	86,316	31,284	\$39.89	\$45.36
New Westminster	1,586,423	1,358	75,004	4.8%	14,855	18,009	60,495	101,251	\$48.19	\$48.09
Langley	1,720,231	4,009	64,641	4.0%	-3,692	16,954	68,991	0	\$46.87	\$50.84
Surrey	3,777,859	11,809	154,942	4.4%	-6,662	-1,338	130,479	483,799	\$48.96	\$54.27
South Surrey	1,465,117	24,940	97,461	8.4%	-8,036	-38,651	45,262	0	\$36.47	\$36.39
Surrey/South Surrey	5,242,976	36,749	252,403	5.5%	-14,698	-40,289	175,741	483,799	\$44.39	\$46.11
Tri Cities	939,081	0	80,386	8.6%	-23,658	-9,592	26,301	79,929	\$49.76	\$52.46
METRO VANCOUVER TOTALS	69,812,909	1,637,049	6,300,306	11.4%	-183,652	673,793	4,810,530	3,100,711	\$53.64	\$58.38

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1090 West Pender Street, B6	Downtown Core	Connor, Clark & Lunn Financial Group	80,000	Headlease
The Post, South Tower	Downtown Core	Sony	48,000	Headlease
3292 Production Way	Burnaby	AECOM	41,558	Renewal**
595 Burrard Street	Downtown Core	AtkinsRéalis	33,000	Headlease
13575 Commerce Parkway	Richmond	Boeing	26,350	Renewal**
1208 West Pender Street	Downtown Core	ILSC Education Group	20,072	Headlease
1090 West Pender Street, B6	Downtown Core	Shape	20,051	Sub-sublease

**Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	SELLER/ BUYER	SF	PRICE / \$ PSF
510 West Georgia Street	Downtown Core	TD Greystone/ Morguard Corporation (20% Ownership)	557,255	Confidential
4330 Kingsway/ 5945 Kathleen Avenue	Burnaby	Slate Asset Management/ City of Burnaby	250,865	\$65M/ \$259
1190-1192 Melville Street	Downtown Core	Reliance Properties/ 539948 BC Ltd	48,000	\$24M/ \$500
2030 Marine Drive	North Shore	0796071 BC Ltd/ Ailin Homes Ltd	26,259	\$12.8M/ \$486
Canada Way Business Park	Burnaby	Crestpoint/ Redstone Group (50% Ownership)	346,000	Confidential

SVETLANA LEBEDEVA

Research Manager

Tel: +1 604 608 5963

svetlana.lebedeva@cushwake.com

BRICE KEMP

Research Analyst

Tel: +1 604 640 5892

brice.kemp@cushwake.com

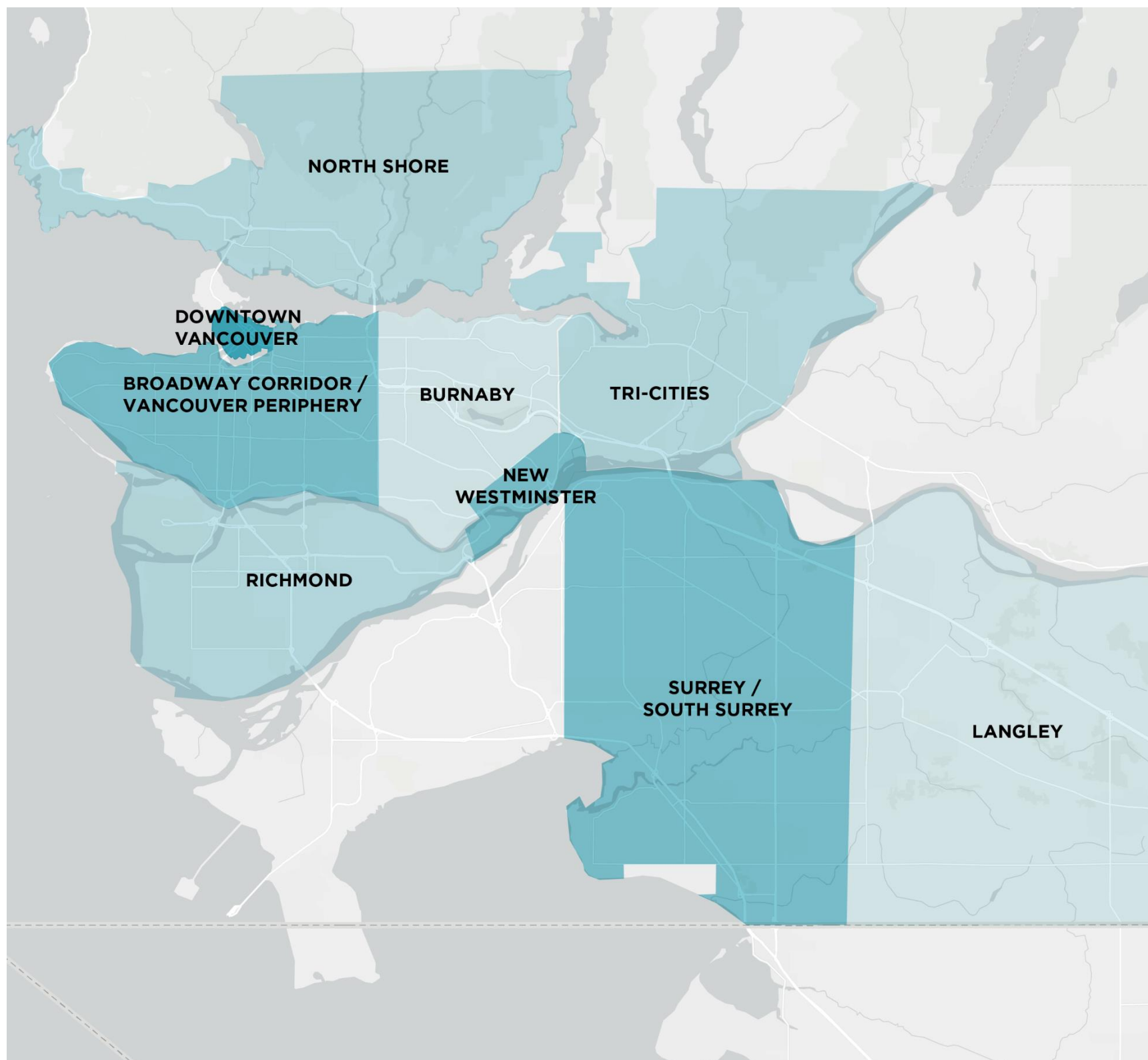
A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.

©2025 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield ("CWK"). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK's securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

OFFICE SUBMARKETS



SUBMARKET	INVENTORY	VACANCY	ASKING RENT	SUBLET
North Shore	2.1 MSF	3.3% ▼	\$39.89 ▲	18.4% ▲
Downtown Vancouver	30.9 MSF	14.4% ▲	\$59.38 ▼	20.4% ▼
Vancouver Periphery†	9.8 MSF	8.8% ▲	\$51.31 ▼	15.2% ▲
Burnaby	12.2 MSF	12.0% ▲	\$49.14 ▲	31.8% ▼
New Westminster	1.6 MSF	4.8% ▲	\$48.19 ▲	1.8% ▼
Tri-Cities	939 KSF	8.6% ▲	\$49.76 ▲	0% ▼
Richmond	5.1 MSF	11.0% ▲	\$34.95 ▲	13.3% ▼
Surrey / South Surrey	5.2 MSF	5.5% ▲	\$44.39 ▲	12.7% ▲
Langley	1.7 MSF	4.0% ▼	\$46.87 ▲	5.8% ▲

LEGEND

Total Inventory
 Q4 2024 Overall Vacancy Rate*
 Q4 2024 Weighted Average Gross Asking Rent**
 Q4 2024 Sublet Space as a % Total Vacant Space
 Arrows represent YOY change

†Includes Broadway Corridor, Mount Pleasant and False Creek Flats

*Direct and sublease; includes leased but not yet occupied space

**Asking rental rates do not take into account tenant inducements; based on all available direct and vacant space