

MARKETBEAT

LOCAL MARKETS

TORONTO, VANCOUVER,
CALGARY, MONTREAL



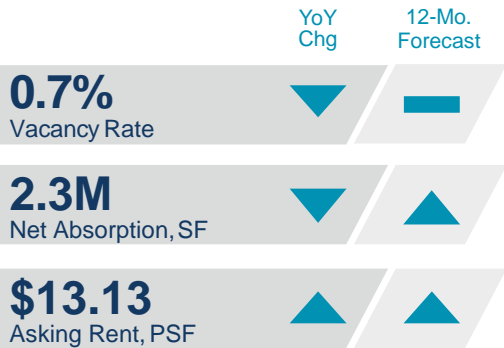
CUSHMAN &
WAKEFIELD

MARKETBEAT

TORONTO

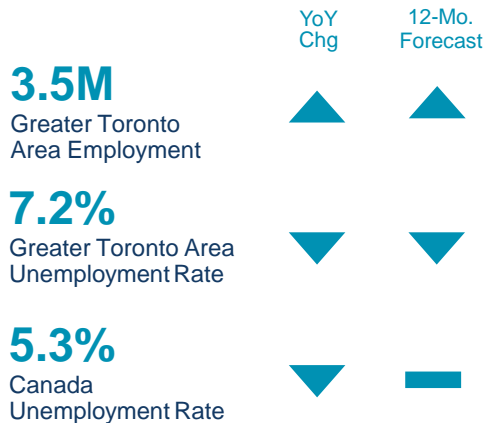
OFFICE & INDUSTRIAL
Q1 2022





Overall, Net Asking Rent

ECONOMIC INDICATORS Q1 2022



Source: Statistics Canada
March 2022

ECONOMY: Employment Growth

Canadian unemployment fell to 5.3% in March 2022, the lowest rate on record since data became available in 1976. Jobs increased in both the goods and services-producing sectors, with the greatest gains concentrated in Ontario and Quebec. With all capacity limits and proof-of-vaccination requirements lifted in Ontario and other provinces, new signs of life have returned to the GTA. Meanwhile, the GTA's red-hot housing market saw continued double-digit annual price increases, driving the average selling price to \$1.3 million (TREB).

SUPPLY AND DEMAND: Vacancy Bottomed Out

The GTA industrial market is off to another boom year. With no let up in demand against a chronic supply shortage, overall vacancy in the first quarter of 2022 remained at 0.7% -- the third consecutive quarter that vacancy remained under 1.0%. With 90% of new builds pre-leased before completion, the dire shortage of supply remained widespread across the major industrial markets and the number one challenge for occupiers and economic growth. While vacancy in the GTA West and Central markets remained unchanged quarter-over-quarter (QoQ) at 0.8% and 0.7% respectively, in GTA East vacancy fell by 20 basis points (bps) to 0.4%, making it the tightest industrial market. GTA North followed, dipping to another record low of 0.6%. Although at 2.3 million square feet (msf), overall absorption remained strong and in step with the three-year average of 2.3 msf, 83% (1.9 msf) was due to tenant occupancy in the quarter's 2.0 msf of new supply. The GTA West market accounted for over 40% of the quarter's absorption at 1.0 msf. With nonstop demand outpacing supply, developers are doing what they can to ease the supply crunch; as of this quarter, there was a near-record 16.9 msf in the construction pipeline for delivery over the next two years. This represents an expansion of 17.7% over the fourth quarter of 2021 -- about 46% over the first quarter of 2021 levels.

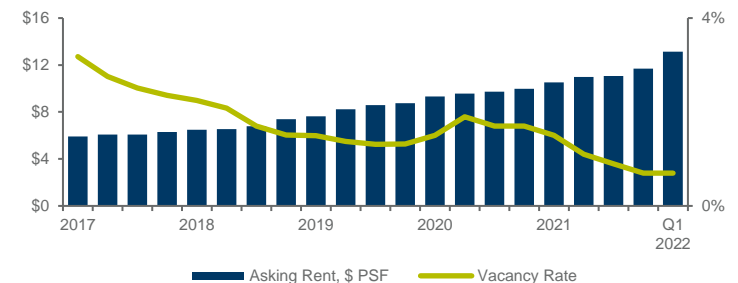
PRICING: Asking Rents Surged

The ongoing tight market conditions and aggressive competition for space pushed the average net asking rent for existing assets to another high to \$13.13 per square foot (psf) this quarter – a record increase of 12.2% QoQ. GTA West led the way with a record-breaking year-over-year jump of 32.7%, pushing the average rent in the market to \$14.20 psf. Meanwhile, demand for new facilities along with rising land prices and construction costs have pushed asking rents in new builds above \$15.00 psf in most markets.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q1 2022

GTA UNDER CONSTRUCTION



TOTAL UNDER CONSTRUCTION SF
16.9 MSF



TOTAL AVAILABLE SF
10.9 MSF

SPECULATIVE



TOTAL SF SPEC UNDER CONSTRUCTION
14.2 MSF



SPEC BUILDINGS ACCOUNT FOR
84% OF TOTAL CONSTRUCTION

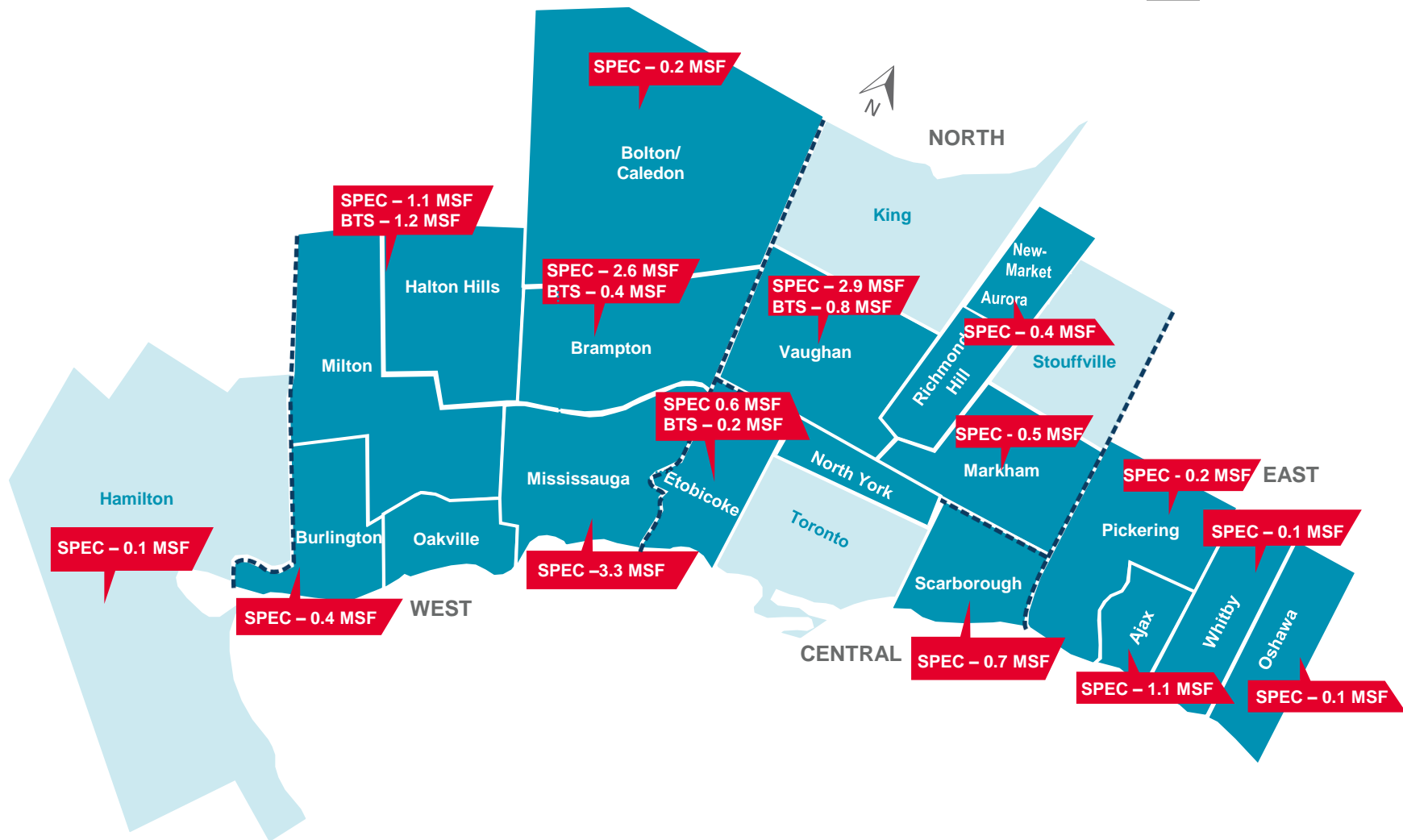
BUILD TO SUIT



2.7 MSF
TOTAL SF BTS UNDER CONSTRUCTION



BTS BUILDINGS ACCOUNT FOR
16% OF TOTAL CONSTRUCTION



Industrial Q1 2022

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD ADJUSTED OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT*	OVERALL WEIGHTED AVG TMI**	OVERALL WTD AVG ASKING SALE PRICE \$/SF
GTA Central	225,420,531	1,610,548	0.7%	497,792	497,792	1,576,491	458,140	\$12.50	\$4.01	\$344.72
GTA West	373,628,664	2,894,778	0.8%	1,017,515	1,017,515	9,199,498	1,015,837	\$14.20	\$4.86	\$416.79
GTA North	157,435,576	936,890	0.6%	701,299	701,299	4,639,097	563,788	\$12.76	\$4.60	n/a
GTA East	47,430,844	198,949	0.4%	93,136	93,136	1,458,263	0	\$9.83	\$3.88	n/a
SUBURBAN	578,495,084	4,030,617	0.7%	1,811,950	1,811,950	15,296,858	1,579,625	\$13.54	\$4.73	\$416.79
GTA TOTALS	803,915,615	5,641,165	0.7%	2,309,742	2,309,742	16,873,349	2,037,765	\$13.13	\$4.44	\$370.53
HAMILTON	52,553,447	613,875	1.2%	9,838	9,838	89,618	0	\$7.98	\$3.58	\$199.43

*Rental rates reflect weighted net asking \$psf/year.

** TMI – Taxes, Maintenance, Insurance

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
15 Bramalea Road	Mississauga	Syncreon	373,757	New Lease
759 Winston Churchill Boulevard	Brampton	Goodfood	218,097	New Lease
12366 Coleraine Drive – Ph. 1	Mississauga	DSV Solutions	208,815	New Lease

*Renewals not included in leasing statistics

KEY SALE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
8301 Keele Street	Vaughan	8301 Keele Street Holdings Inc. / Soneil Investments	275,000	\$59,590,000 / \$217
1120 Birchmount Road	Scarborough	New-Can Realty Ltd. / Pure Industrial Real Estate Trust	220,465	\$45,000,000 / \$204
1055 Clark Boulevard	Brampton	7298340 Canada Inc. / Soneil Investments	205,000	\$44,700,000 / \$218
250 Bowie Avenue	North York	1166 Caledonia Holdings Inc. / Hullmark	165,535	\$76,808,240 / \$464

KEY CONSTRUCTION COMPLETIONS 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
8465 Mount Pleasant Way	Milton	NFI Canada	328,873	BentallGreenOak (Canada) Limited Partnership
51 Mobis Drive, Building 1	Markham	Bolt Logistics	295,929	Berkshire Axis Development
12366 Coleraine Drive, Bldg E	Caledon	DSV Solutions	230,151	Boltcol Holdings South Inc. (HOOPP)

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Office Q1 2022

13.1%

Availability Rate

YoY Chg



12-Mo. Forecast



-600,900

Net Absorption, SF



\$48.44

Asking Gross Rent, PSF



ECONOMIC INDICATORS Q1 2022

3.5M

GTA Employment

YoY Chg



12-Mo. Forecast



7.2%

GTA Unemployment Rate



5.3%

Canada Unemployment Rate



ECONOMY: Steady Recovery

Employment in Ontario remained on an upward trajectory rising by 35,000 (0.5%) in March 2022. In the Greater Toronto Area (GTA), the number of jobs rose by 243,000 (7.3%) year-over-year. Gains took place across several sectors, including wholesale and retail trade, finance, insurance, real estate, rental and leasing, as well as accommodation and food services. Despite challenges posed by inflation and global uncertainty, GDP growth in 2022 is expected to remain in step with 2021 at 4.2% (Sources: Statistics Canada, RBC Economics).

SUPPLY/DEMAND: Spring Brings Greater Optimism

Downtown market activity continued to build on the positive momentum that began in the second half of 2021. New leasing soared to a three-year high of 1.3 million square feet (msf), marking the third consecutive quarter that totals exceeded 1.0 msf. As occupiers focused their efforts on luring employees back to the office, the flight to quality trend was further highlighted. Class A leasing accounted for 71% of the overall result - an increase from the quarterly average of 62% in the past year. Even though large block availabilities (50,000 sf+) are at the highest level in five years - 61 options compared to 13 with the end of 2017 - there were only three (3) premium space options above 200,000 sf, posing a further challenge for larger occupiers seeking quality options. Still, despite improving market dynamics, availability increased by 90 basis points (bps) quarter-over-quarter to hit a new high of 10.2%, breaking the double-digit ceiling for the first time in 17 years. This can be attributed to an uptick in direct space caused in part by displaced space left behind by tenants relocating into new builds and the addition of vacancy from the newly renovated 320 Bay Street.

Although office markets in the GTA suburbs have seen slower recovery, leasing activity climbed to 1.1 msf in the first quarter - a 40% increase over the fourth quarter of 2021. Class A leasing accounted for 66% of the total leasing - a slight increase over the three-year average of 61%. Similar to the dynamics downtown, new direct space continued to exert upward pressure on overall availability, which climbed by 100 bps to a 26-year high of 15.9%. Unlike the downtown where sublets are quickly declining, suburban sublets inched up modestly by 99,000 sf, pushing inventory back up to the pandemic peak of 3.2 msf.

PRICING: Rent Trends Stay the Course

Given the powerful attraction and scarcity of high-quality space downtown that support the changing needs of occupiers, asking rents in these assets remain on an upward trajectory. Meanwhile in the suburbs, average asking rents have remained flat throughout the pandemic with quarterly increases below one percent.

SPACE DEMAND / DELIVERIES



OVERALL AVAILABILITY & NET ASKING RENT



Office Q1 2022

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL Availability 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)*
Financial Core	35,429,177	1,021,028	2,994,982	11.3%	-138,156	-138,156	772,808	2,063,000	\$69.32	\$71.71
Downtown Fringe	43,369,859	1,201,874	2,790,112	9.2%	186,366	186,366	543,699	3,341,887	\$57.48	\$61.18
DOWNTOWN TOTALS	78,799,036	2,222,902	5,785,094	10.2%	48,210	48,210	1,316,507	5,404,887	\$64.38	\$68.14
Midtown	16,932,973	338,566	1,635,100	11.7%	-154,920	-154,920	177,303	364,397	\$48.39	\$51.47
CBD TOTALS	95,732,009	2,561,468	7,420,194	10.4%	-106,710	-106,710	1,493,810	5,769,284	\$61.55	\$66.10
GTA East	31,432,807	1,357,150	3,581,777	15.7%	-24,796	-24,796	383,227	368,061	\$32.42	\$34.57
GTA North	15,071,329	398,788	1,712,084	14.0%	-255,523	-255,523	145,131	199,606	\$40.26	\$40.75
GTA West	42,625,229	1,393,631	5,742,787	16.7%	-213,871	-213,871	581,722	179,681	\$33.57	\$35.14
SUBURBAN AREA TOTALS	89,129,365	3,149,569	11,036,648	15.9%	-494,190	-494,190	1,110,080	747,348	\$34.30	\$36.17
GTA TOTALS	184,861,374	5,739,147	18,428,732	13.1%	-600,900	-600,900	2,603,890	6,516,632	\$48.44	\$52.79

*Rental rates reflect gross asking \$psf/year

** Leasing activity excludes renewals

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE
100 Queens Quay East	Downtown South	Canada Goose	113,156	Headlease
1577 North Service Road East	Oakville	Siemens Canada Ltd	110,108	Renewal
3381 Steeles Avenue East	Hwy 404 / Steeles	Techtronic Industries Canada Inc.	65,742	Headlease
200 Bay Street (North Tower)	Financial Core	Tonal	52,620	Headlease
655 Bay Street	Downtown North	ILAC (International Language Academy of Canada)	32,265	Headlease
7077 Keele Street	Vaughan	Empire Communities Corp.	30,945	Headlease
160 Bloor Street East	Bloor & Yonge	Nexonia Technologies Inc	16,150	Headlease

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
525 University Avenue	Financial Core	Oxford Properties Group & CPPIB / Pontegadea Group	1,471,730	\$1.16 B / \$790
175 Bloor Street East	Bloor & Yonge	CREIT / Allied REIT	609,462	\$169 M / \$555
525 University Avenue	Downtown North	Choice REIT / Allied REIT	202,111	\$140 M / \$693
789 Don Mills Road	Don Mills & Eglinton	The Independent Order of Foresters / Menkes Developments	386,523	\$91.3 M / \$236
5600 & 5705 Cancross Court	Hurontario / Heartland	Artis REIT / KingSett Capital	143,877	\$35.5 M / \$247
4040 Finch Avenue East	Scarborough	2098147 Ontario Ltd. / Triple Net Properties Limited	75,893	\$9.2 M / \$121

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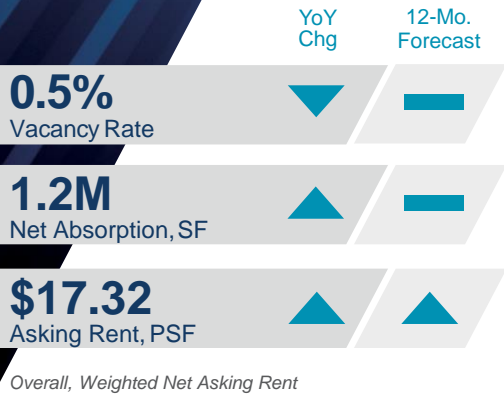
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MARKETBEAT

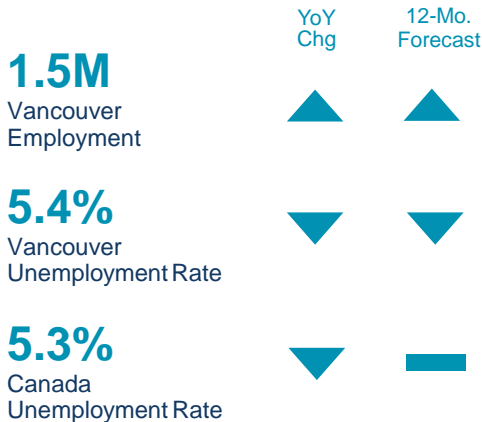
VANCOUVER

OFFICE & INDUSTRIAL
Q1 2022

Industrial Q1 2022



ECONOMIC INDICATORS Q1 2022



Source: Statistics Canada

ECONOMY: B.C. Economy still expected to grow amid several challenges

The British Columbia economy experienced a dynamic first quarter of the year. It is forecasted that B.C.'s real GDP growth will mirror the forecasted 2022 real GDP Canadian rate at 4.3%. Despite the easing of Covid-19 restrictions, few challenges such as soaring commodity prices, inflation at a three-decade high and the fallout from overseas turmoil may add a few elements of uncertainty to an otherwise optimistic pandemic rebound.

Source: RBC Economics

DEMAND: Vacancy rates continue historical decline

Throughout the past five quarters, the Metro Vancouver industrial market has experienced a new historical low in vacancy rates at 0.5%. The lack of available product and scarcity of developable land has led to a 13% rise (quarter-over-quarter) in net rental rates. Redevelopment projects for buildings with outdated and inefficient configurations has led to major developers acquiring strategic land sites throughout the region, namely Beedie Group's purchase of the Delco Site in Delta in the Tilbury market. A lack of suitable options is being felt by small to mid-size tenants looking for space in the 20,000 to 50,000-square foot (sf) range since strong covenants in global e-commerce and third-party logistics (3PL) continue to absorb industrial space at an accelerated rate - leading to further tightening of the Metro Vancouver Industrial market.

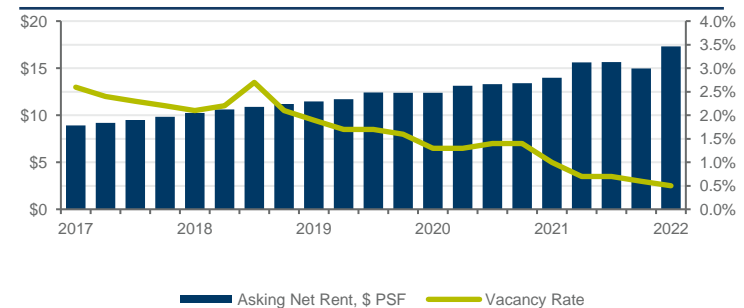
SUPPLY: Upcoming new product

There was approximately 1,055,461 million square feet of new supply added to the Metro Vancouver and Fraser Valley regions in the first quarter of 2022 at 290,695 sf and 764,766 sf, respectively. As the scarcity of developable land intensifies, several developers are looking to density their industrial uses by building vertically such as Wesgroup's Elevate development and Oxford's Big Bend projects will be setting this new industrial precedent. Notable completions this quarter included Conwest's Benchmark in Richmond (totaling 249,695 sf), Sunlife/BentallGreekOak's 188th Street Industrial Centre at 2929 & 2965 188th Street (343,000 sf), and Cedar Cedar Coast's Cedar Heights Business Centre at 3170 194th Street (109,098 sf).

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING NET RENT



Industrial Q1 2022

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	YTD LEASING ACTIVITY (SF)	OVERALL VACANCY RATE	YTD NET OVERALL ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG. NET RENT*	OVERALL WEIGHTED AVG. ADD. RENT
Abbotsford	5,588,150	361,941	0.6%	220,080	133,700	49,096	\$14.59	\$4.00
Delta	30,472,410	128,171	0.3%	3,468	605,659	14,448	\$15.58	\$5.14
Langley	16,264,176	3,865	0.3%	-22,202	327,398	-	\$16.31	\$3.88
Surrey	35,202,983	584,106	0.8%	695,690	2,276,198	701,222	\$15.77	\$5.35
TFN	938,540	-	0.0%	-	-	-	N/A	N/A
Burnaby	32,484,335	87,043	0.5%	51,876	1,317,748	-	\$17.44	\$8.82
Coquitlam	7,240,904	81,083	0.2%	-3,061	211,830	-	\$16.95	\$7.06
Maple Meadows	4,066,321	1,104,967	1.3%	-14,448	459,432	-	\$16.32	\$4.37
New Westminster	4,332,036	-	0.0%	-	-	-	N/A	N/A
North Shore	4,107,084	5,110	0.8%	-2,105	-	-	\$21.28	\$5.93
Port Coquitlam	8,448,584	97,979	0.1%	37,121	428,613	-	\$21.95	\$4.88
Port Moody	323,583	-	0.0%	-	-	-	N/A	N/A
Richmond	44,797,447	716,042	0.3%	253,666	1,489,937	249,695	\$17.13	\$5.31
Vancouver	27,152,716	45,688	0.9%	-11,603	693,592	41,000	\$23.91	\$8.74
METRO VANCOUVER	221,419,269	3,215,995	0.5%	1,208,482	7,944,107	1,055,461	\$17.32	\$5.95

*Rental rates reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	SIZE (SF)	TYPE*
2325 190 th Street	Surrey	Skechers USA	427,000	Headlease
Richmond Industrial Centre 8040 Zylmans Way	Richmond	Coca-Cola Canada Bottling Limited	208,900	Headlease
7990 Enterprise Street	Burnaby	Amgen	66,000	Renewal
18929 32 nd Avenue	Surrey	ICNT Logistics Inc.	27,554	Headlease
1725 Coast Meridian Road – Unit 1110	Port Coquitlam	Clever Quarters Inc.	22,458	Headlease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	VENDOR / PURCHASER	SIZE	PRICE/\$ PSF
7590, 7664, & 788 80 th Street (Land)	Delta	Cosulich Group Investments / Beedie Group	22.6 Ac	\$117,000,000 / \$5.18M/Ac
7233 Progress Way (Land)	Delta	Canadian Autoparts Toyota Inc. / Beedie Group	14.19 Ac	\$82,680,000 / \$5.8M/Ac
9800 Van Horne Way (Land)	Richmond	Pacific Bay Developments / Cedar Coast	9 Ac	\$59,980,000 / \$6.66M/Ac
5744 268 th Street	Langley	Eddi's Wholesale Garden Supplies Ltd / Kingsett Capital	155,580 sf	\$60,000,000 / \$385 psf
3115, 3149, & 3183 Norland Avenue	Burnaby	Nor Land Limited / Dalla Zanna Properties	35,253 sf	\$23,900,000 / \$678 psf

KEY CONSTRUCTION COMPLETIONS Q1 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
2929 & 2965 188 th Street	Surrey	NRI Distribution, D&H Canada, 18 Wheels Logistics	343,000	Sunlife / BentallGreenOak
3330 192 nd Street	Surrey	McKesson	233,000	Beedie
3239 & 3231 No. 6 Road	Richmond	Multiple Tenants	249,695	Conwest
3170 194 th Street	Surrey	Multiple Tenants	109,098	Cedar Coast

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YoY Chg 12-Mo. Forecast

8.2%
Vacancy Rate

117,187
Net Absorption, SF

\$49.73
Asking Rent, PSF

(Overall, All Property Classes)

ECONOMIC INDICATORS Q1 2022

YoY Chg 12-Mo. Forecast

1.5M
Vancouver Employment

5.4%
Vancouver Unemployment Rate

5.3%
Canada Unemployment Rate

Source: Statistics Canada

ECONOMIC OVERVIEW: Inflation and Costs Spiral as Economic Recovery Continues

B.C.'s economy is forecasted to grow by 3.8% in 2022. This represents a slight reduction from the previous forecast owing to global turmoil and rising inflation. Next year real GDP growth is projected to downshift to a more typical 2.6% expansion. Unemployment is comparatively low and B.C.'s labour market is tight. Higher inflation and labour scarcity will put upward pressure on wages, especially in the second half of the year. Source: Business Council of B.C.

SUPPLY AND DEMAND: Vacancy Rates Unchanged, for Now

With no new inventory added this quarter and no significant move ins/move outs, overall downtown Vancouver vacancy remained unchanged at 9.3% quarter-over-quarter. Aside from 601 West Hastings and 1280 Burrard that were added to the inventory last quarter, there are still very few contiguous direct large blocks (greater than 15,000 square feet (sf)) of Class A and AAA space available in the Downtown Core. The direct vacancy rate for Class A and AAA options in the Downtown Core remained at 6.3%. It is anticipated that overall vacancy will rise next quarter and is expected to fluctuate over the next six to seven quarters due to 3.4 million square feet (msf) of new inventory coming online (72% pre-leased), staggered tenant occupancy and "shadow" vacancy (space left behind as tenants move to new premises).

Despite the ongoing uncertainty in the post-Covid world, both Central and Suburban markets stayed active with multiple deals under negotiation, including some in buildings under construction. For example, Plenty of Fish negotiated a deal at the Stack, 1133 Melville (currently under construction) for 30,168 sf. Another transaction of note this quarter was Microsoft leasing yet another space at 939 Granville Street (63,000 sf) that is currently occupied by Deloitte, who are set to move into their new Class AAA space at 400 West Georgia next quarter. Microsoft's recent expansion comes as no surprise given our data analysis shows active tenant requirements in the technology sector have been dominant for the past 11 quarters - currently at 63% and totaling 1.2 msf out of 2.2 msf of all active tenant requirements. The technology sector remains strong and is anticipated to continue to dominate office growth.

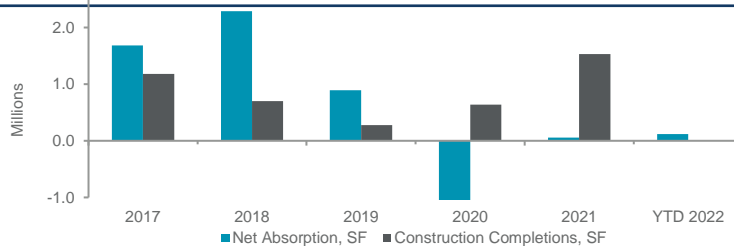
From the fourth quarter of 2021 to the first quarter of 2022, overall vacant sublease space remained unchanged at 22.5% of all available and vacant space in downtown Vancouver. The Broadway Corridor/Periphery markets saw a decrease in such space from 21.6% in the fourth quarter to 16.1% in the first quarter. Most suburban markets, except for Burnaby and Richmond, continued to have a very insignificant or non-existing sublease inventory.

Overall absorption for Metro Vancouver was positive for the third consecutive quarter registering 117,187 sf. Downtown Vancouver, after seeing positive absorption in the third and fourth quarters of 2021, registered negative 30,606 sf of absorption in the first quarter primarily due to a few Class B blocks of space becoming available and vacant.

PRICING: Asking Rates Increase, for Now

There was a slight increase in asking rates this quarter, particularly in higher class assets. For example, downtown Vancouver Class A & AAA space saw a 3.8% increase in asking net rents quarter-over-quarter. The Richmond market registered a 5.2% increase primarily due to a shortage of quality Class A space in the City Centre area (3.8% overall vacancy). Looking ahead, however, the anticipated surge of additional inventory with 8.9 msf currently under construction, of which 3.5 msf is in downtown Vancouver, combined with "shadow" vacancy and the uncertainty of post-pandemic effects, may put moderate downward pressure on asking rates, particularly on the lower-class assets. Higher quality assets (including new construction) are expected to continue to drive rates up in this asset class.

SPACE DEMAND / DELIVERIES

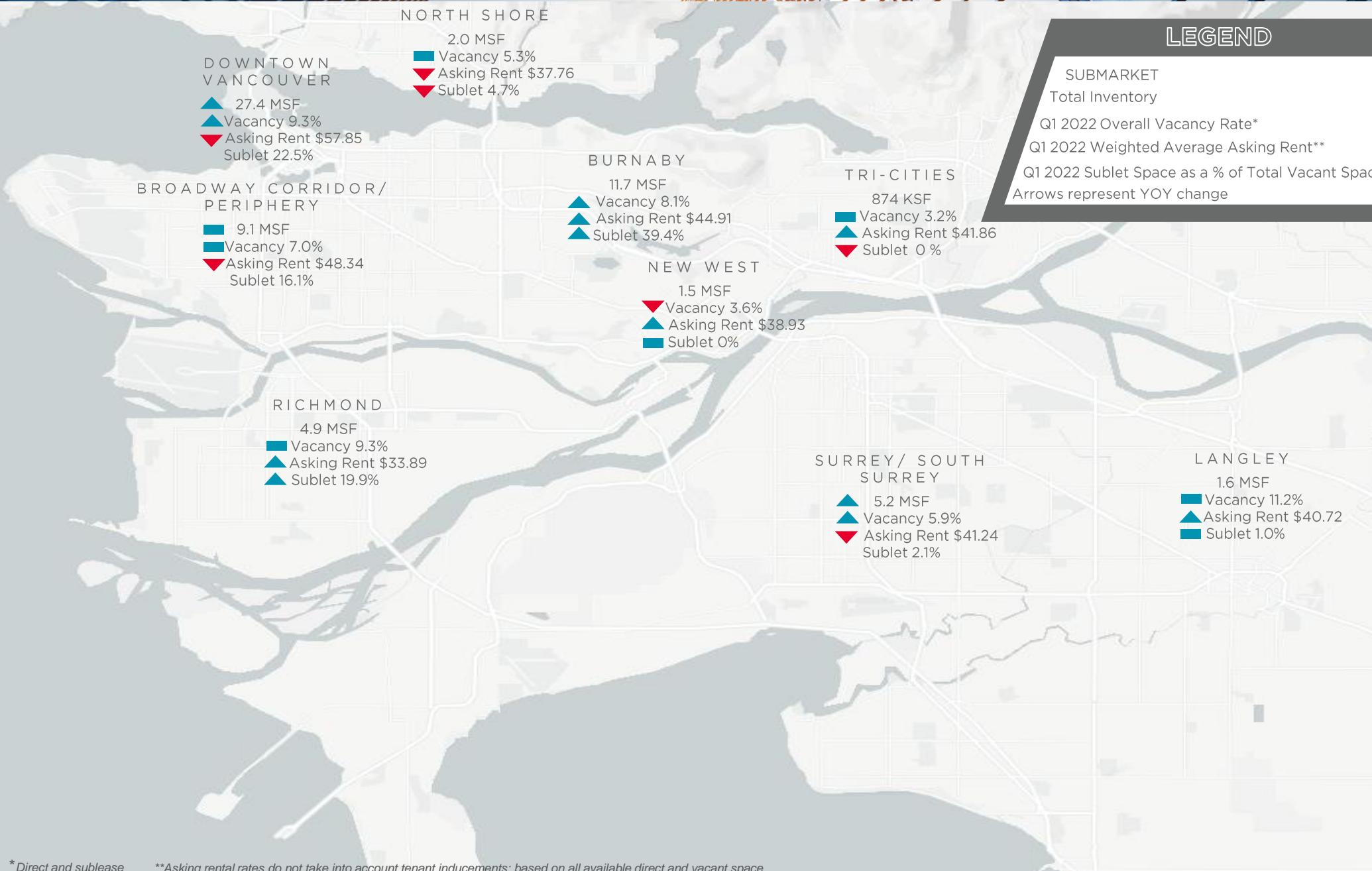


OVERALL VACANCY & ASKING RENT



VANCOUVER AREA

Office Q1 2022



LEGEND

SUBMARKET

- Total Inventory
- Q1 2022 Overall Vacancy Rate*
- Q1 2022 Weighted Average Asking Rent**
- Q1 2022 Sublet Space as a % of Total Vacant Space
- Arrows represent YOY change

*Direct and sublease

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

Office Q1 2022

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	23,471,958	476,912	1,603,090	8.9%	-59,869	-59,869	553,961	3,428,122	\$59.08	\$67.11
Yaletown	2,101,709	39,622	135,379	8.3%	20,833	20,833	62,085	22,863	\$53.73	\$60.97
Gastown/Railtown	1,813,822	56,504	231,192	15.9%	8,430	8,430	147,113	86,301	\$39.94	\$49.79
Downtown Vancouver	27,387,489	573,078	1,969,661	9.3%	-30,606	-30,606	763,159	3,537,286	\$57.85	\$66.03
Broadway Corridor	6,038,941	40,703	358,917	7.2%	24,397	24,397	73,387	560,000	\$48.92	\$54.96
Mt. Pleasant	1,895,535	23,310	144,502	8.9%	12,574	12,574	104,370	1,155,044	\$52.54	\$62.36
False Creek Flats	1,195,293	n/a	29,500	2.5%	15,293	15,293	n/a	946,840	\$42.41	\$43.50
Broadway Corr./Vancouver Periphery	9,129,769	101,941	532,919	7.0%	52,264	52,264	177,757	2,661,884	\$48.34	\$54.60
Burnaby	11,742,975	375,091	576,202	8.1%	9,784	9,784	150,221	1,547,725	\$44.91	\$48.47
Richmond	4,903,068	90,269	363,984	9.3%	-11,808	-11,808	149,880	749,688	\$33.89	\$33.55
North Shore	2,006,925	4,987	102,010	5.3%	-23,969	-23,969	30,196	31,700	\$37.76	\$38.97
New Westminster	1,515,896	n/a	54,504	3.6%	13,414	13,414	21,969	134,527	\$38.93	\$40.99
Langley	1,594,529	1,829	176,949	11.2%	50,921	50,921	28,097	92,324	\$40.72	\$41.77
Surrey	3,777,859	5,762	172,316	4.7%	40,197	40,197	35,575	0	\$41.23	\$46.40
South Surrey	1,381,578	650	126,837	9.2%	18,468	18,468	21,159	47,027	\$40.81	\$40.81
Surrey/South Surrey	5,159,437	6,412	299,163	5.9%	58,665	58,665	56,734	47,027	\$41.24	\$43.63
Tri Cities	874,339	0	28,296	3.2%	-1,478	-1,478	16,180	54,995	\$41.86	\$42.08
VANCOUVER TOTALS	64,314,427	1,153,567	4,103,678	8.2%	117,187	117,187	1,394,193	8,857,156	\$49.73	\$49.73

Renewals not included in leasing statistics

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
929 Granville Street	Vancouver	Microsoft	63,000	New Lease
1133 Melville Street	Vancouver	Plenty of Fish Media Inc	30,168	New Lease
1455 West Georgia Street	Vancouver	Nexii Building Solutions	20,654	Renewal
4720 Kingsway	Burnaby	RBC Dominion Securities Inc	13,611	New Lease
2050 Main Street	Vancouver	Royal Bank of Canada	13,191	Renewal
2925 Virtual Way	Vancouver	CWA Engineers Inc	12,416	Renewal
980 George Street	Vancouver	CarboNet Nanotechnologies Inc	11,986	New Lease

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/ \$ PSF
435 Columbia Street	New Westminister	Grosvenor/ Translink	45,617	\$17.2M/ \$377

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MARKETBEAT

CALGARY

OFFICE & INDUSTRIAL
Q1 2022



YoY Chg 12-Mo. Forecast

4.3%
Vacancy Rate



929K
Net Abs. YTD, SF



\$10.54
Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS Q1 2022

YoY Chg 12-Mo. Forecast

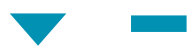
849K
Calgary, AB Employment



7.7%
Calgary, AB Unemployment Rate



5.3%
Canadian Unemployment Rate



Source: Statistics Canada

ECONOMY: Calgary Unemployment Rate Recovered to Pre-pandemic Level for First Time

Two years after plunging to record-low levels, geopolitical turmoil and supply shortages sent the price of oil soaring up 70% year-over-year in March 2022. The energy sector, which accounts for a quarter of Alberta's GDP, saw continued recovery and added 3,500 jobs to the Calgary labour force in the first quarter of 2022. Employment in the wholesale/retail trade sector increased by a net 12,200 jobs and the overall Calgary unemployment rate recovered to 7.7% — the lowest level recorded since January 2020.

SUPPLY: Record Activity and Reduced Supply Further Tighten Industrial Market

Industrial space remained in high demand with a total 2.9 million square feet (msf) of new leasing activity recorded in the first quarter of 2022. This was a 65% increase year-over-year (YOY) and the highest level on record for first quarter activity. While fewer new leases for over 100,000 square feet (sf) were completed, the number of transactions 10,000 to 40,000 sf surged by 70% quarter-over-quarter. Hopewell Development booked the largest deal of the quarter at Interlink Logistics Park 1A — Winners will be moving into the 584,556-sf distribution centre in Balzac when it is completed later this year.

Net absorption registered 929,025 sf as tenants took occupancy city-wide. Notably, Quadreal's Nose Creek Building B was completed at just under 90% leased, adding 237,930 sf of distribution space to the Northeast. As a result, the overall vacancy rate decreased 70 basis points to 4.3%. The rapid decline from a peak of 7.7% at year-end 2020 represents the steepest plunge since 2006, a trend which showed no sign of slowing. Half the remaining vacant supply had been recently leased or conditionally leased by quarter-end and the six-month expectation for new vacant supply was simultaneously at a record low.

Unmet demand continued to put upward pressure on net asking rents which increased \$0.44 per square foot (psf) from year-end 2021 to \$10.54 psf. The greatest increase was in the Southeast market where large-bay tenants with few options available leased remaining older spaces. With the lower-priced inventory leased up, the average rate surged by \$1.00 psf to \$11.35 psf. While landlords in the large-bay market were negotiating longer terms with sharper escalations and scarce tenant improvement allowances, smaller tenants could still find opportunities for attractive terms and rent incentives.

CAPITAL MARKETS: Calgary Market Offered Attractive Opportunities to Investors

With rising prices in Toronto and Vancouver, investors continued to turn to the Calgary market and sales activity proceeded at a rapid pace throughout the city. Some developers and REITs sought new opportunities with excess capital retained/gained through the COVID-19 pandemic. Those investors with smaller funds were motivated to buy condominiums and capitalize on low interest rates before anticipated increases. Industrial land was sold at a premium and a flurry of new construction projects were announced on both a built-to-suit and speculative basis. Delays in the supply chain were prolonging construction timeframes, and the flow of new supply was not expected to relieve acute shortages until well into 2023.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Note: Some historical data has been revised from what was originally reported for improved accuracy

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANCY (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD NEW LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT**	OVERALL WEIGHTED AVG ADD. RENT	OVERALL WEIGHTED AVG GROSS RENT
Northeast	50,712,834	2,636,287	5.2%	570,909	570,909	1,277,214	2,412,300	237,930	\$10.02	\$4.91	\$14.92
Southeast	62,450,767	2,679,927	4.3%	254,795	254,795	1,378,169	5,368,615	47,660	\$11.35	\$5.16	\$16.51
Central	22,344,073	534,980	2.4%	103,321	103,321	263,477	0	0	\$10.34	\$5.66	\$16.00
TOTAL	135,507,674	5,851,194	4.3%	929,025	929,025	2,918,860	7,780,915	285,590	\$10.54	\$5.09	\$15.63

Note: Rental rates reflect direct net asking \$psf/year weighted on vacant space

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE*
292190 Nose Creek Boulevard	Northeast	Winners	584,556	New Lease
10 Lowes Road	Northeast	Walmart Canada	430,000*	New Lease
5667 69 th Avenue SE	Southeast	McIntyre Group	169,257	New Lease
7504 30 th Street SE	Southeast	Confidential Tenant	138,518	Extension/Expansion
5625 61 st Avenue SE	Southeast	CWS Logistics	100,607	Renewal**

* Recorded in Q4 2021 statistics

** Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
401 to 403 33 rd Street NE	Northeast	Hungerford Properties / Clearview Industrial Fund	257,000	\$25,800,000 / \$100
4155 75 th Avenue SE	Southeast	Anthem United / APT Auto Parts	83,044	\$8,900,000 / \$107
3000 15 th Street NE	Northeast	Canfirst Capital Management / High Noon Investment	55,276	\$10,100,000 / \$182
3526 26 th Street NE	Northeast	Cansel Real Estate Holdings Inc. / MDG Computers Canada Inc.	53,245	\$5,400,000 / \$101

KEY CONSTRUCTION COMPLETIONS Q1 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
293029 James Jones Way	Northeast	Fenix Outdoor Canada Imports Inc. / Bolt Supply House Ltd.	237,930	QuadReal Property Group Limited
4767 27 th Street SE (Expansion)	Southeast	Conestoga Cold Storage	30,000	Conestoga Franchise Services Limited

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YoY Chg 12-Mo. Forecast

27.4%
Vacancy Rate



-279K
Net Abs. YTD, SF



\$14.86
Net Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q1 2022

YoY Chg 12-Mo. Forecast

849K
Calgary, AB Employment



7.7%
Calgary, AB Unemployment Rate



5.3%
Canadian Unemployment Rate



Source: Statistics Canada

ECONOMY: Energy Sector and Government Revenues Increase With Oil Prices

Two years after plunging to record-low levels, geopolitical turmoil and supply shortages sent the price of oil soaring up 70% year-over-year in March 2022. The energy sector, which accounts for a quarter of Alberta's GDP, saw continued recovery and added 3,500 jobs to the Calgary labour force in the first quarter of 2022. Overall, Calgary employment increased by approximately 15,000 jobs, however employment in the traditionally office-using sectors of finance, insurance, and real estate decreased by a combined 6,600.

DEMAND: Renewed Activity as Employees Return to the Office

The public health measures implemented to combat Alberta's fourth and fifth waves of COVID-19 were mostly removed as of March 2022, allowing all workers to return freely to workplaces and public spaces without capacity limits. As tenants welcomed employees back to the office and reconsidered space requirements, over 1.4 million square feet (msf) of new leasing activity was recorded city-wide — a 63.8% increase quarter-over-quarter and 51.9% above the 10-year historical average for first-quarter activity. Expansions and relocations of mid to large tenants drove demand for Class A space, especially within the energy and legal sectors. More than twice the number of transactions over 10,000 square feet (sf) were recorded than in the previous quarter. However, as these new leases are expected to take an average of one year to be realized in occupancy, relief to the overall vacancy rate is not expected in the short term.

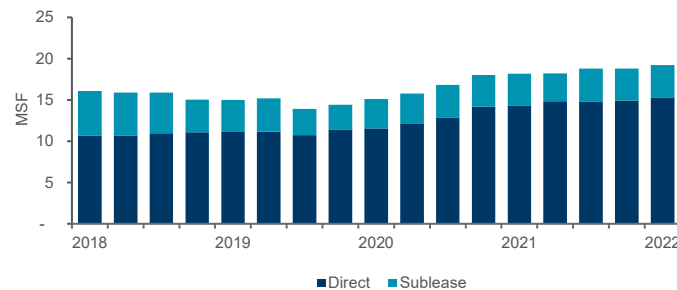
While tenants who weathered the economic downturn experienced renewed growth and opportunity, the effects of previously announced consolidations in the energy and financial sectors continued to hit Calgary's vacant office supply into the first quarter of 2022. Although increased demand for move-in-ready spaces helped offset vacant spaces entering the market, 278,952 sf of negative absorption was recorded. The overall vacancy rate climbed to 27.4% city-wide and 30.5% in Downtown Calgary. As tenants moved from large spaces in the North and South of the city, the Suburban vacancy rate reached a record 21.2%.

Amid downward pressure, overall asking rates decreased for the third consecutive quarter to \$14.86 per square foot (psf) — a modest \$0.04 psf dip from year-end 2021. In response to increased labour costs and rising inflation, some landlords shifted from offering expanded tenant improvement allowances to offering more comprehensive landlord's work.

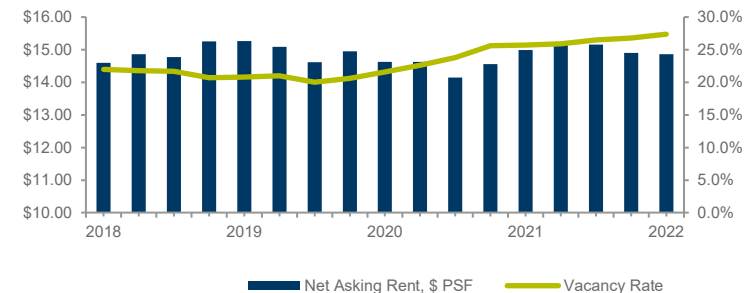
CONSTRUCTION: New Class A Office Completed at University District

Tenants moving to newly renovated spaces saw timeframes extend as ongoing supply-chain disruptions delayed build-out completions. Meanwhile, new inventory was delivered to the Calgary office market for the first time since the first quarter of 2021 when construction at University District's 'Block 23' and 'Central Block' finalized at the start of the year. Offering a combined 63,195 sf of Class A office space in Calgary's Northwest, developer University of Calgary Properties Group had pre-leased 14,335 sf by quarter-end.

DIRECT VS. SUBLEASE SPACE AVAILABILITY COMPARISON



OVERALL VACANCY & ASKING NET RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	FUTURE AVAILABILITY RATE**	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Central Core	20,676,628	1,473,273	3,979,331	26.4%	26.4%	-209,517	-209,517	445,090	0	\$13.69	\$16.79
East Core	16,338,699	936,998	3,243,891	25.6%	26.8%	13,614	13,614	261,779	0	\$18.63	\$19.95
West Core	7,146,787	842,336	3,013,902	54.0%	54.4%	55,402	55,402	104,063	0	\$11.09	\$14.70
DOWNTOWN SUBTOTAL	44,162,114	3,252,607	10,237,124	30.5%	31.1%	-140,501	-140,501	810,932	0	\$14.91	\$18.05
Beltline	6,509,256	229,263	1,382,594	24.8%	29.1%	6,211	6,211	156,086	0	\$13.58	\$15.14
TOTAL CENTRAL AREA	50,671,370	3,481,870	11,619,718	29.8%	30.8%	-134,290	-134,290	967,018	0	\$14.81	\$17.88
Northwest	2,354,838	12,247	351,166	15.4%	21.7%	14,800	14,800	17,579	0	\$19.84	\$25.14
Northeast	5,157,644	54,363	957,403	19.6%	18.0%	-120,996	-120,996	64,338	0	\$11.62	\$13.95
TOTAL NORTH AREA	7,512,482	66,610	1,308,569	18.3%	19.1%	-106,196	-106,196	81,917	0	\$13.59	\$17.45
Southeast	8,449,682	319,463	1,752,135	24.5%	25.5%	-128,022	-128,022	201,052	0	\$16.33	\$17.27
Southwest	3,403,938	35,840	628,318	19.5%	20.2%	89,556	89,556	155,255	0	\$13.56	\$15.00
TOTAL SOUTH AREA	11,853,620	355,303	2,380,453	23.1%	23.9%	-38,466	-38,466	356,307	0	\$15.61	\$16.75
TOTAL SUBURBAN AREA	19,366,102	421,913	3,689,022	21.2%	22.1%	-144,662	-144,662	438,224	0	\$15.05	\$16.89
CALGARY TOTALS	70,037,472	3,903,783	15,308,740	27.4%	28.4%	-278,952	-278,952	1,405,242	0	\$14.86	\$17.65

*Rental rates reflect direct net asking \$psf/year weighted on vacant space

**Future Availability rates reflect current vacant space plus space currently marketed space for lease (but not yet vacant) at the close of the quarter

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
TD Canada Trust Tower (427 7 th Avenue SW)	Central Core	Strathcona Resources	73,994	Expansion
Livingston Place South Tower (222 3 rd Avenue SW)	East Core	Tidewater Midstream & Infrastructure	68,808	Renewal*
Bankers Hall West Tower (888 3 rd Street SW)	Central Core	Canadian Natural Resources	61,655	New Lease
Bankers Hall West Tower (888 3 rd Street SW)	Central Core	Stikeman Elliott LLP	42,224	Renewal*
The Bow (500 Centre Street SE)	Central Core	Teck Resources	36,038	Expansion

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
Canadian Centre (833 4 th Avenue SW)	West Core	Artis REIT / PBA Group of Companies	156,402	\$12M / \$76.73
Glendeer Professional Building (1035 64 th Avenue SE)	Southwest	Zivot Group Inc / Mitchell Eye Centre	70,000	\$5.5M / \$78.57

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MARKETBEAT

MONTREAL

OFFICE & INDUSTRIAL Q1 2022



	YoY Chg	12-Mo. Forecast
1.6% Vacancy Rate	▼	▼
381K Net Absorption, SF	▲	▲
\$9.45 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS Q1 2022

	YoY Chg	12-Mo. Forecast
2.3M Montreal Employment	▲	▲
5.1% Montreal Unemployment Rate	▼	▼
5.3% Canada Unemployment Rate	▼	■

Source: Statistics Canada

ECONOMY: Recovery well underway

Despite a turbulent start to 2022, where provincial governments reinstated public health measures to contain the spread of the Covid-19 Omicron variant, the economic recovery is now well underway. The province of Quebec recently eased a variety of restrictions impacting high-touch service industries like accommodation and food services. This will play an important role in the province's recovery.

As the Bank of Canada is faced with a 30-year high inflation rate, which reached 5.7% in February 2022, they will have no choice but to eventually increase the overnight interest rate. However, with the ongoing geopolitical developments caused by the Russian invasion of Ukraine, it is anticipated that the Bank of Canada may move with greater caution than the market expects. Consumers and businesses are currently feeling the impact via increased energy and food prices. While the rapid increase in the cost of living will certainly impact consumer spending going forward, the economic recovery in Quebec is on track with GDP surpassing pre-pandemic levels.

SUPPLY & DEMAND: New supply tempers absorption

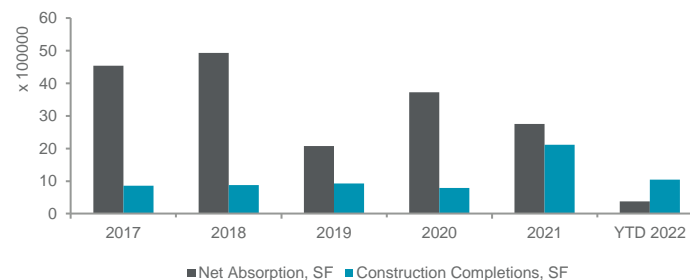
The positive absorption trend continued in the first quarter of 2022, with the Greater Montreal Area (GMA) now having recorded 23 consecutive quarters of positive absorption. While considerably less than the previous quarter, absorption figures were in line with the quarterly average seen over the last two years. The vacancy rate remained unchanged, staying firm at 1.6%. The effects of the considerable positive absorption were tempered by the completion and delivery of new-to-market space.

The GMA saw the delivery of 1.04 MSF of new supply in the first three months of 2022. While this is a most welcomed addition in the supply-constrained market, it does little to address the lack of available space, as the majority of the delivered space had been pre-leased prior to completion.

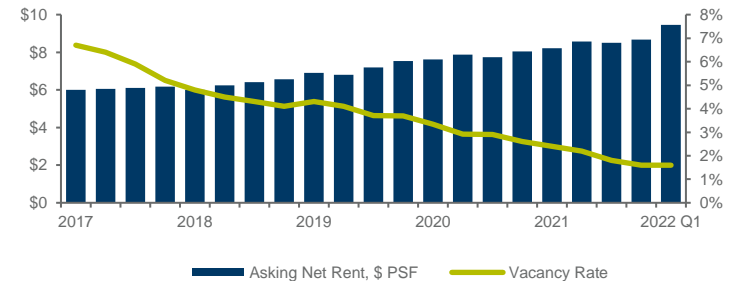
PRICING: Increasing with no slowdown in sight

The average net asking rent in the GMA has increased by approximately 9% over the last three months, closing the quarter at \$9.45 net per square foot (psf). What was once considered a "premium" rate of \$8.00 psf net is now seen as an affordable option for occupiers, with some landlords in Montreal's most in-demand submarkets quoting net rental rates upwards of \$12.00 psf. Upward pressure on rates is expected to persist as new product is delivered in the coming months.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CONSTR. (SF)	CONSTRUCTION COMPLETIONS QUARTER (SF)	YTD COMPLETIONS	OVERALL WEIGHTED AVG NET RENT	OVERALL WEIGHTED AVG ADDITIONAL RENT
Montreal Midtown North	45,499,335	1,358,344	3.0%	77,481	77,481	0	0	0	\$8.69	\$1.89
Montreal Midtown South	28,559,257	343,886	1.2%	-173,471	-173,471	0	0	0	\$9.25	\$1.43
Montreal East	70,455,540	798,831	1.1%	325,903	325,903	71,400	376,154	376,154	\$8.67	\$4.75
Laval	22,784,540	49,557	0.2%	16,000	16,000	558,710	0	0	\$10.66	\$4.90
North Shore Lanaudière	4,126,309	0	0.0%	3,142	3,142	0	0	0	N/A	N/A
North Shore Laurentides	5,766,597	18,548	0.3%	38,706	38,706	1,600,000	19,706	19,706	N/A	N/A
South Shore	27,747,315	282,862	1.0%	143,416	143,416	563,476	188,000	188,000	\$12.78	\$3.87
Lachine	21,153,541	851,511	4.0%	-5,722	-5,722	0	0	0	\$12.05	\$2.45
Saint-Laurent	65,607,999	868,902	1.3%	-218,990	-218,990	0	0	0	\$9.52	\$3.98
West Island	45,435,110	748,894	1.6%	36,503	36,503	0	325,000	325,000	\$12.95	\$1.00
Vaudreuil-Dorion	2,786,047	83,477	3.0%	138,413	138,413	246,270	132,000	132,000	\$9.00	\$5.36
MONTREAL TOTALS	339,921,517	5,404,812	1.6%	381,181	381,181	3,039,856	1,040,860	1,040,860	\$9.45	\$2.79

*Rental rates are in CAD and reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE
151 Reverchon Avenue	West Island	Nespresso	325,000	New Tenant
1757 Curé-Labelle Boulevard	Laval	Dollarama	200,000	New Tenant
12000 Helen Bristol Street	North-Shore Laurentides	Undisclosed	174,000	New Tenant
401 Marie-Curie Street (Expansion A)	Vaudreuil-Dorion	Cammionage CP	132,000	New Tenant
11250 Métropolitain Boulevard East	Montreal East	Balcan Innovations	128,000	New Tenant

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
7800 Transcanada Highway	West Island	3903001 Canada Inc / Summit II REIT	376,000	\$95,661,500 / \$254.00
1580 Eiffel Street	South Shore	Olymel SEC / Montez Corporation	186,278	\$58,500,000 / \$314.00
8550 Montview Road	Midtown North	Federal Construction Inc. / Brasswater & Forgestone Capital	234,093	\$42,000,000 / \$179.00

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KEY CONSTRUCTION COMPLETIONS Q1 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
151 Reverchon Avenue	West Island	Nespresso	325,000	Rosefellow
11250 Métropolitain Boulevard East	Montreal East	Balcan Innovations	276,154	Rosefellow
2455-2505 de la Métropole Street	South Shore	SOJAG	188,000	Brasswater

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16.1%
Vacancy Rate



-919 K
Net Absorption SF



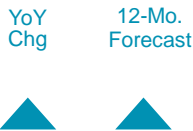
\$35.52
Gross Asking Rent PSF



(Overall All Property Classes)

ECONOMIC INDICATORS Q1 2022

2.3M
Montreal Employment



5.1%
Montreal Unemployment Rate



5.3%
Canada Unemployment Rate



Source: Statistics Canada

ECONOMY: Recovery well underway

Despite a turbulent start to 2022, where provincial governments reinstated public health measures to contain the spread of the Covid-19 Omicron variant, the economic recovery is now well underway. The province of Quebec recently eased a variety of restrictions impacting high-touch service industries like accommodation and food services. This will play an important role in the province's recovery.

As the Bank of Canada is faced with a 30-year high inflation rate, which reached 5.7% in February 2022, they will have no choice but to eventually increase the overnight interest rate. However, with the ongoing geopolitical developments caused by the Russian invasion of Ukraine, it is anticipated that the Bank of Canada may move with greater caution than the market expects. Consumers and businesses are currently feeling the impact via increased energy and food prices. While the rapid increase in the cost of living will certainly impact consumer spending going forward, the economic recovery in Quebec is on track with GDP surpassing pre-pandemic levels.

SUPPLY AND DEMAND: Negative absorption trend continues

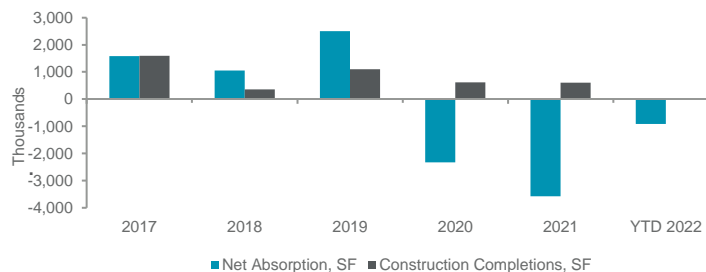
In the first quarter of 2022 total vacant space increased by 534,027 square feet (sf) in the Greater Montreal Area (GMA) compared to last quarter, in large part due to an increase in sublet space in the Suburban market. A large component of this sublet space - approximately 151k sf - was located in 100 Chemin de la Point-Nord, a Class A building. An additional block of Class A sublet space totaling 139k sf was located in 1360 Rene-Levesque West Boulevard. Overall sublet space available in the GMA is now approximately 2.9 million square feet (msf), up from 2.6 msf last quarter. The arrival of new vacancy without any notable uptick in demand resulted in the overall vacancy rate climbing to 16.1% in the first quarter of 2022, 50 basis points higher than last quarter.

The Greater Montreal Area experienced a slowdown in leasing activity compared to the previous quarter - particularly in the Suburban market. Overall activity does, however, remain above the historical 5-year average which is a positive indication that overall demand may be in the early stages of recovery. For the time being, however, overall absorption remained negative in the GMA this quarter as all classes in both Central and Suburban areas had negative absorption. There was a silver lining though as absorption was not as negative this quarter compared to the last quarter of 2021, improving by approximately 500k sf.

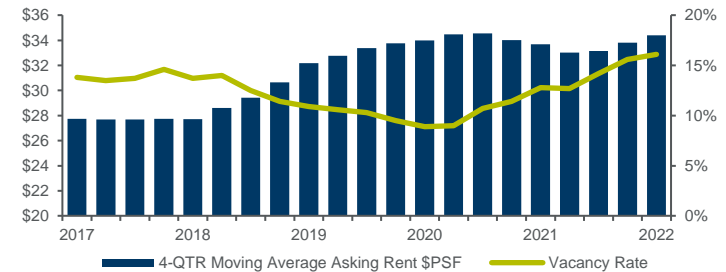
PRICING: Incentives pushing down NER's

As occupiers still face pandemic-induced uncertainty and reconsider their space needs, landlords continue to offer increased flexibility to tenants via tenant inducements and free rent in an attempt to lock in renewals and lease up vacant spaces. While asking face rates remained relatively stable, the increased incentives resulted in some downward movement in NER's. If vacancy continues to climb, landlords may have to reconsider their positions which can result in face rates beginning to soften.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Financial Core	22,061,570	419,250	3,077,601	15.9%	-19,299	-19,299	232,371	0	\$43.14	\$47.15
Downtown West	3,793,621	174,418	543,385	18.9%	-124,124	-124,124	5,587	99,062	\$35.02	\$45.18
Downtown East	8,924,285	256,777	743,840	11.2%	-138,701	-138,701	24,525	0	\$35.92	\$47.88
Downtown South	11,831,262	263,189	1,371,155	13.8%	-98,307	-98,307	148,763	1,480,000	\$49.72	\$52.66
Downtown Southwest	1,628,546	105,039	177,679	17.4%	10,257	10,257	15,168	148,618	\$33.00	\$35.00
Old Montreal	4,536,213	77,612	491,605	12.5%	13,021	13,021	47,621	0	\$36.23	N/A
Westmount	2,158,078	49,695	195,217	11.3%	-52,535	-52,535	29,615	0	\$31.41	N/A
Central Area	54,933,575	1,345,980	6,600,482	14.5%	-409,688	-409,688	503,650	1,727,680	\$42.59	\$48.76
Midtown East	3,226,821	69,269	354,564	13.1%	6,700	6,700	18,325	0	\$26.75	N/A
Midtown Central	6,544,518	312,316	738,260	16.1%	-72,026	-72,026	53,288	0	\$30.93	N/A
Midtown North	7,122,549	22,413	1,361,709	19.4%	-26,547	-26,547	16,460	0	\$15.83	\$29.36
Décarie CDN	3,055,691	56,552	462,115	17.0%	-24,555	-24,555	22,657	340,000	\$25.49	\$31.06
Midtown West	1,431,844	2,211	192,708	13.6%	-24,550	-24,550	17,345	0	\$19.50	N/A
Midtown South	1,097,479	116,767	44,078	14.7%	-4,016	-4,016	427	0	\$28.40	N/A
Île-des-Soeurs	1,423,649	202,784	43,668	17.3%	-208,986	-208,986	0	0	N/A	N/A
Saint-Laurent	7,318,004	424,233	1,348,943	24.2%	-25,623	-25,623	63,245	0	\$27.89	\$30.29
Midtown	31,220,555	1,206,545	4,546,045	18.4%	-379,603	-379,603	191,747	340,000	\$24.69	\$30.31
West Island	2,885,581	100,255	503,265	20.9%	25,387	25,387	23,918	0	\$26.32	\$31.69
East End	3,398,936	87,731	495,703	17.2%	-29,926	-29,926	3,854	0	\$22.28	N/A
Laval	4,413,157	110,936	690,157	18.2%	-105,096	-105,096	13,175	333,938	\$28.72	\$28.59
South Shore	5,645,492	80,284	702,716	13.9%	-20,156	-20,156	23,285	265,000	\$30.19	\$32.40
Suburbs	16,343,166	379,206	2,391,841	17.0%	-129,791	-129,791	64,232	598,938	\$27.71	\$31.49
Greater Montreal Area	102,497,296	2,931,731	13,538,368	16.1%	-919,082	-919,082	759,629	2,666,618	\$35.52	\$43.34

*Rental Rates reflect full service asking (Gross rent)

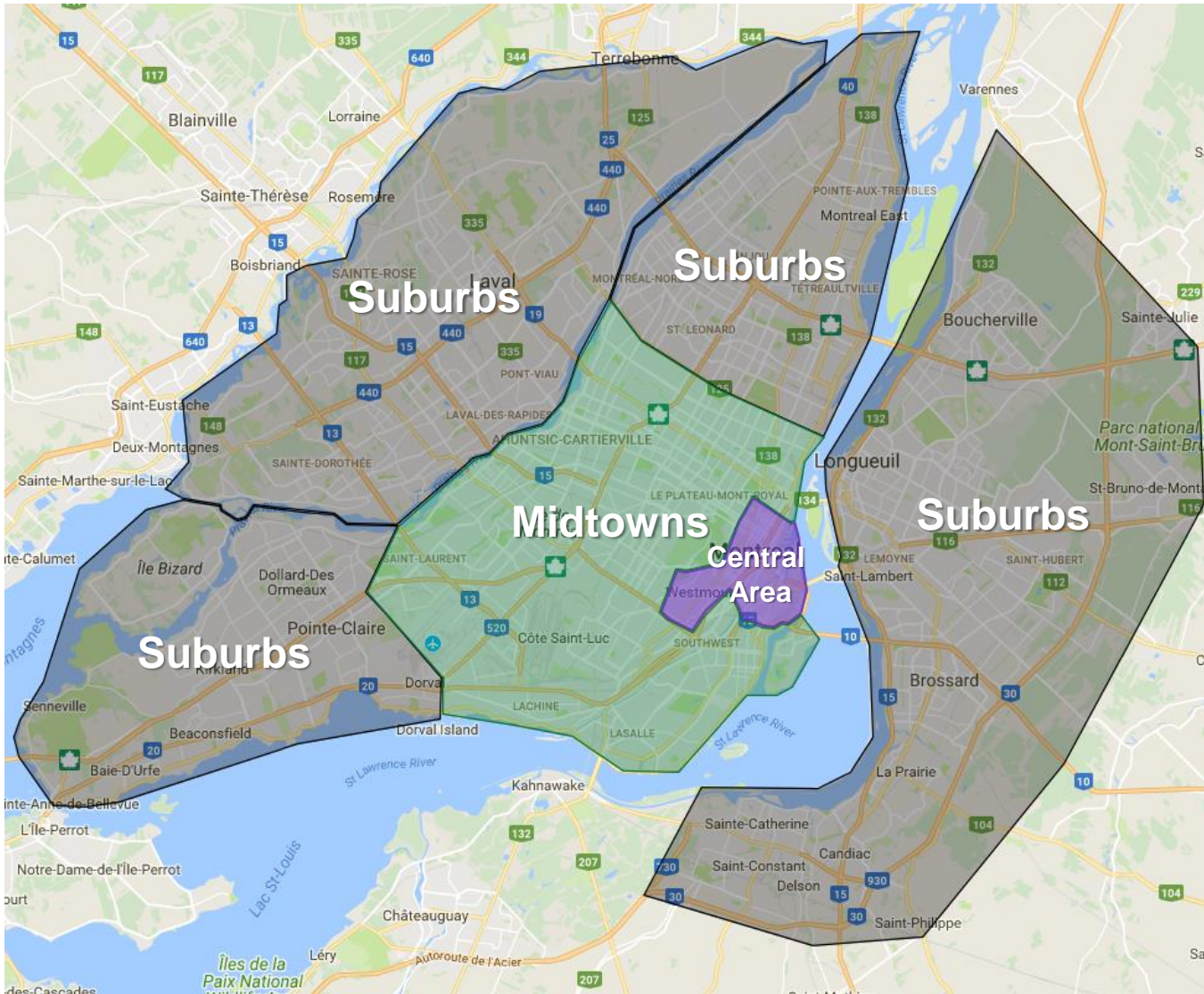
KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
400 Sainte-Croix avenue	Saint-Laurent	N/A	30,750	New Tenant
740 Notre-Dame Street West	Downtown South	N/A	23,510	Renewal
800 René-Lévesque Boulevard West	Financial Core	Economical Insurance	21,220	Renewal

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
2001 McGill College Avenue	Financial Core	Cominar REIT / Groupe Mach	510,000	\$203,000,000 / \$398.00
491 Viger Avenue West	Downtown South	Kevric Real Estate & PSP / Kevric Real Estate & Blackstone	230,000	\$147,000,000 / \$639.00
1100 Atwater Avenue	Downtown West	Kevric Real Estate & PSP / Blackstone & Kevric Real Estate	175,500	\$84,000,000 / \$477.00

OFFICE SUBMARKETS



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