

Downtown		
CLASS A		
18.7%	vacancy rate 18.6% in Q4 2022	↑
\$20.85	avg. net rent per sq. ft.	↔
\$18.01	avg. add'l rent per sq. ft.	↑
-2,344	sq. ft. of absorption in the quarter	↓
CLASS B		
15.0%	vacancy rate 16.2% in Q4 2022	↓
\$15.22	avg. net rent per sq. ft.	↔
\$14.71	avg. add'l rent per sq. ft.	↑
40,625	sq. ft. of absorption in the quarter	↑
CLASS C		
22.4%	vacancy rate 21.0% in Q4 2022	↑
\$12.76	avg. net rent per sq. ft.	↓
\$11.19	avg. add'l rent per sq. ft.	↑
-36,953	sq. ft. of absorption in the quarter	↑

Suburban		
CLASS B		
8.3%	vacancy rate 8.2% in Q4 2022	↑
\$15.47	avg. net rent per sq. ft.	↑
\$9.25	avg. add'l rent per sq. ft.	↑
-3,752	sq. ft. of absorption in the quarter	↑

Vacancy levels remained stable in Q1 2023, with overall market vacancy remaining at 15.8% behind strong leasing levels in the downtown Class B submarket, where vacancy fell by 120 basis points (bps) in the quarter.

Average net rental rates also saw little change this quarter, rising to \$16.13 per sq. ft., up from \$16.10 per sq. ft. in Q4 2022. The suburban Class B submarket recorded the most notable increase, rising from \$13.39 per sq. ft. to \$15.47 per sq. ft.

Notable news in the quarter included Wawanesa Insurance putting its building at 200 Main Street up for sale along with a nearby surface lot at 165 Fort Street. They are currently preparing to move into their new downtown tower at True North Square in 2024. This will be the third tower completed at True North Square and marks the only significant office construction project currently underway in the market. The fourth and fifth towers in the development, also underway, are the Sutton Place Hotel & Residences.

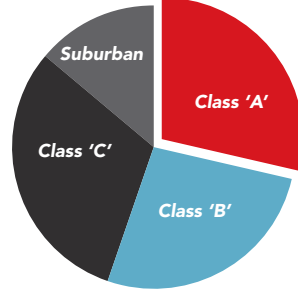
The real estate division of True North Sports and Entertainment has made public its interest in purchasing Portage Place Shopping Centre and the attached land ahead of a major redevelopment of the site. All three levels of government, along with the current mall owner, Vancouver's Peterson Group, have granted True North an option to purchase the site. True North has a one-year period to complete due diligence ahead of a potential purchase.

A significant number of tenants are considering relocations, yet the construction costs for tenant improvements continue to be a barrier.

### OUTLOOK

We expect to see vacancy rise in Q2 2023 due to pending new sublease vacancies coming to the market. It appears that tenants are beginning to move forward from their wait-and-see approach, and decisions are beginning to be made regarding long-term space requirements.

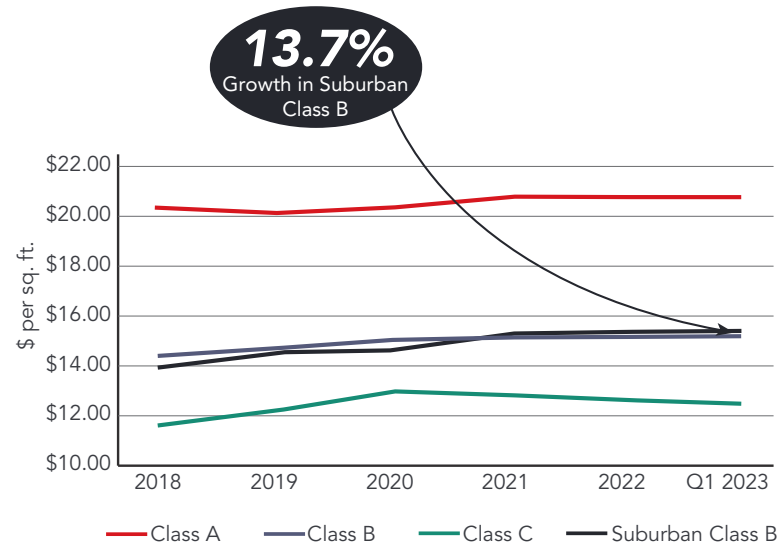
### VACANCY BREAKDOWN



### CONSTRUCTION



### AVG. ASKING NET RENT BY CLASS



### KEY MARKET INDICATORS

	<b>TOTAL INVENTORY</b>	<b>12.6M</b> (sq. ft.)
	<b>MARKET VACANCY</b>	<b>15.8%</b> (up from 14.8%)
	<b>DOWNTOWN VACANCY</b>	<b>18.4%</b> (up from 17.5%)
	<b>AVG. ASKING NET RENT</b>	<b>\$16.13</b> (per sq. ft.)
	<b>UNDER CONSTRUCTION</b>	<b>300,000</b> (sq. ft.)
	<b>ABSORPTION IN THE QUARTER</b>	<b>-2,424</b> (sq. ft.)

### MARKET VACANCY RATE VS AVERAGE NET RENT

