



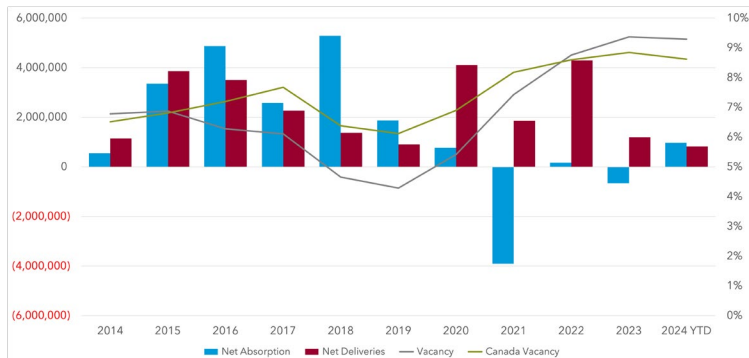
OFFICE MARKET OVERVIEW

WILL GEHRING, *Senior Vice President*

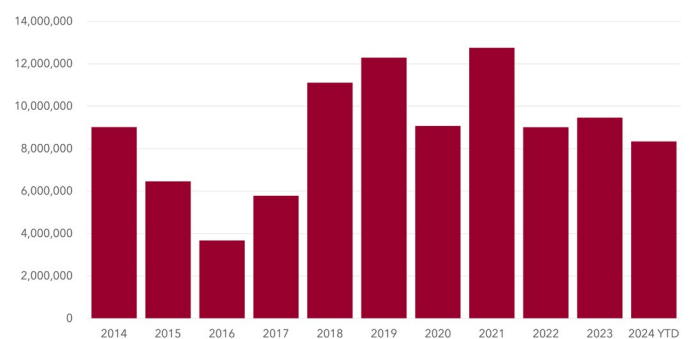
The Greater Toronto Area's office space market is undergoing adjustments, with annual rental growth figures proving misleading as landlords offer more incentives, effectively lowering net rents. Average lease terms have shortened compared to pre-pandemic levels, and sublets now make up a significant portion of available space, increasing since before the pandemic. The sales market has seen limited activity, making price assessments challenging. Should REITs need to sell properties, this could drive cap rates higher and further depress values due to increased vacancies and reduced rents. Despite these challenges, the market's adaptability and resilience continue to shape its evolution.

MARKET INDICATORS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
▲ 12 Mo. Net Absorption SF	2,484,578	370,540	(655,458)	(1,478,618)	(1,596,058)
▼ Vacancy Rate	9.2%	9.4%	9.4%	9.4%	9.6%
▲ Avg NNN Asking Rate PSF	\$40.89	\$40.48	\$40.35	\$40.16	\$39.80
▼ SF Under Construction	8,340,966	8,611,304	9,462,464	9,538,972	8,605,910
▲ Inventory SF	287,980,207	287,641,217	287,151,433	286,504,533	286,439,321

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
25 Dockside Drive Toronto, ON	479,437 SF	\$232,500,000* \$484.94 PSF	George Brown Coll & Halmont Prop H&R REIT	Class A
110 Sheppard Avenue East Toronto, ON	162,267 SF	\$29,000,000* \$178.72 PSF	Minett Capital Beneva	Class A
45 Sheppard Avenue East** Toronto, ON	130,307 SF	\$59,127,972* \$453.76 PSF	Byron Equities Crown Realty Partners	Class B

*All numbers shown are in Canadian dollars (CAD) ** Part of a 2-Property Portfolio Ssle

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
197 The West Mall Toronto, ON	107,078 SF	Slate Asset Management	Moneris Solutions	Financial Transactions Processing
302 Bay Street Toronto, ON	55,279 SF	London Property Corporation	iQ Offices	Lessors of Real Estate Property
75 Courtneypark Drive West Toronto, ON	38,500 SF	Soneil Group of Companies	Undisclosed	Undisclosed

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