



Colliers Canada

National Market Snapshot

Q4 2021

Accelerating success.



🇨🇦 Q4 2021

Canada Office

Office | Industrial | Overview



Click the map markers or use the navigation bar below to find out more

	Market	Vacancy Rate	QoQ	Sublet as % of Vacancy	QoQ	Net Asking Rent (PSF)	QoQ
1	Victoria	6.8%	↓	8.8%	↑	\$23.34	↑
2	Vancouver	5.9%	↓	28.8%	↑	\$32.41	↑
3	Edmonton	19.5%	↑	12.8%	↓	\$16.51	↓
4	Calgary	28.4%	↓	21.8%	↓	\$14.04	↑
5	Saskatoon	16.3%	↑	6.1%	↑	\$18.22	↓
6	Regina	17.5%	↑	1.5%	↑	\$16.20	↑
7	Winnipeg	13.2%	↑	4.0%	↓	\$14.85	↓
8	Waterloo	15.8%	↔	23.4%	↓	\$15.27	↑
9	Toronto	8.7%	↑	20.1%	↓	\$24.57	↑
10	Ottawa	10.0%	↑	20.2%	↑	\$16.67	↓
11	Montréal	13.5%	↑	17.7%	↑	\$19.47	↑
12	Halifax	15.0%	↑	6.7%	↑	\$15.04	↓

Canada

Victoria

Vancouver

Edmonton

Calgary

Saskatoon

Regina

Winnipeg

Waterloo

Toronto

Ottawa

Montréal

Halifax

🇨🇦 Q4 2021

Canada Industrial

Office | **Industrial** | Overview



Click the map markers or use the navigation bar below to find out more

	Market	Vacancy Rate	QoQ	Sublet as % of Vacancy	QoQ	Net Asking Rent (PSF)	QoQ
1	Victoria	0.1%	↓	0.0%	↔	\$16.47	↑
2	Vancouver	0.4%	↓	13.9%	↑	\$16.31	↑
3	Edmonton	5.4%	↓	5.7%	↓	\$9.35	↑
4	Calgary	4.1%	↓	16.1%	↑	\$8.31	↑
5	Saskatoon	2.7%	↓	1.5%	↑	\$12.31	↑
6	Regina	2.5%	↑	1.2%	↑	\$11.43	↑
7	Winnipeg	2.8%	↓	6.7%	↔	\$7.95	↓
8	Waterloo	0.9%	↓	32.6%	↑	\$8.54	↑
9	Toronto	0.3%	↓	0.0%	↓	\$12.66	↑
10	Ottawa	1.0%	↓	25.0%	↑	\$12.22	↑
11	Montréal	0.8%	↓	3.1%	↓	\$9.23	↑
12	Halifax	2.7%	↓	19.6%	↑	\$9.89	↑

Canada

Victoria

Vancouver

Edmonton

Calgary

Saskatoon

Regina

Winnipeg

Waterloo

Toronto

Ottawa

Montréal

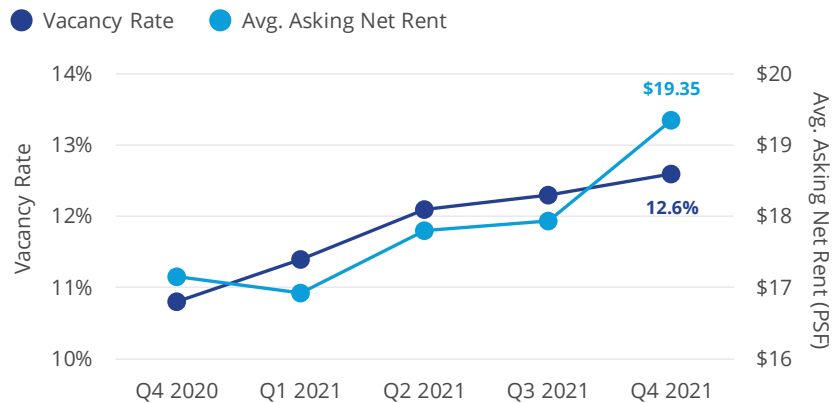
Halifax

🇨🇦 Q4 2021

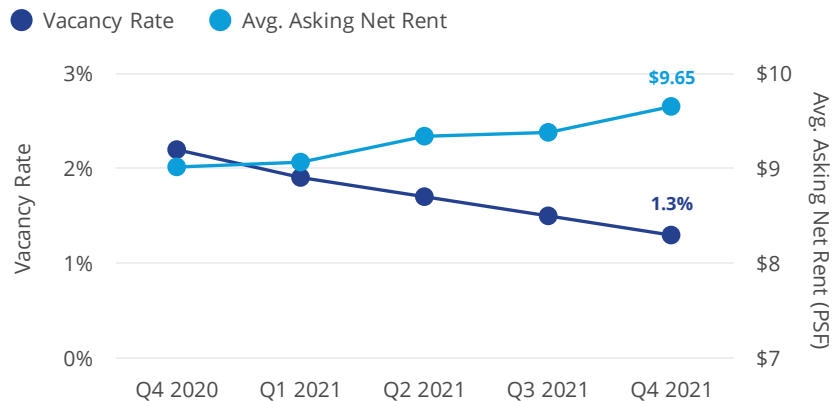
Canada Overview

Office | Industrial | Overview

Office Fundamentals



Industrial Fundamentals



Key Findings

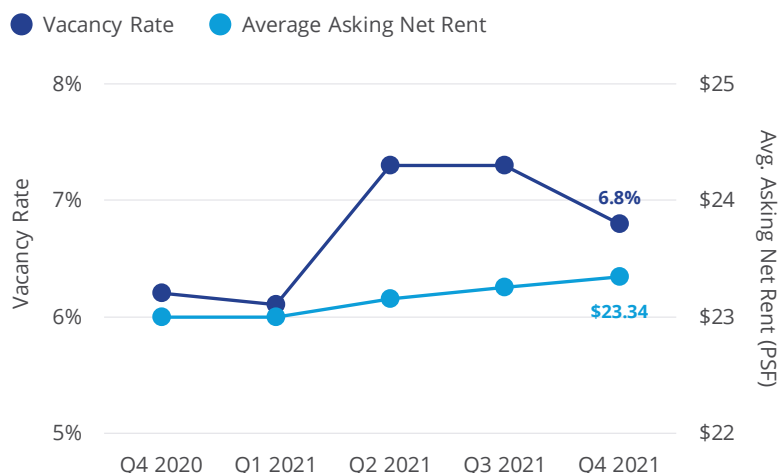
- The arrival of the Omicron variant in November is untimely, coming at a point when many companies had signalled a return to office at the start of 2022. Although not unexpected, COVID-19 case counts have elevated in the past few months and will slow down the pace of the return. The expanded eligibility of booster shots has been announced in key provinces to help curb the spread.
- Tenants in the main cities this quarter were drawn to a flight to quality, and in some cases, have used subleases to explore a move from Class B to Class A or higher. There are more reported subleases being taken off the market, but the volume of decline has slowed.
- Demand for industrial space remained exceptionally strong throughout 2021, with the sector experiencing another quarter of declining vacancy, pushing rental rates upwards in Q4 2021.
- Supply chain constraints have impacted the holiday season, with retailers unable to sell goods they don't have. A shift from a Just-in-Time to a Just-in-Case inventory strategy is expected to drive demand for industrial over the foreseeable future.

Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	13.3%	↑	12.0%	↑	12.6%	↑	1.3%	↓
Total Vacancy (SF)	42,227,077	↑	36,437,770	↓	78,664,847	↑	25,864,529	↓
Direct Vacancy (SF)	33,855,156	↑	30,138,817	↓	63,993,973	↑	21,154,989	↓
Sublet Vacancy (SF)	8,371,921	↓	6,298,953	↑	14,670,874	↓	2,236,982	↓
Industrial Availability Rate	-		-		-		2.2%	↓
Industrial Available Space (SF)	-		-		-		42,656,833	↓
Avg. Asking Net Rent (PSF)	\$19.45	↑	\$16.82	↓	\$19.35	↑	\$9.65	↑
Net Absorption (SF)	-110,883	↑	654,705	↓	543,822	↑	8,571,478	↑
Net Absorption (SF) - YTD	-6,303,282		-739,200		-7,042,482		39,442,654	
New Supply (SF)	1,456,382	↑	407,665	↓	1,864,047	↑	4,275,694	↑
New Supply (SF) - YTD	4,002,459		3,419,960		6,713,531		21,738,292	
Under Construction (SF)	13,544,351	↓	5,504,138	↓	19,048,489	↓	34,295,085	↑

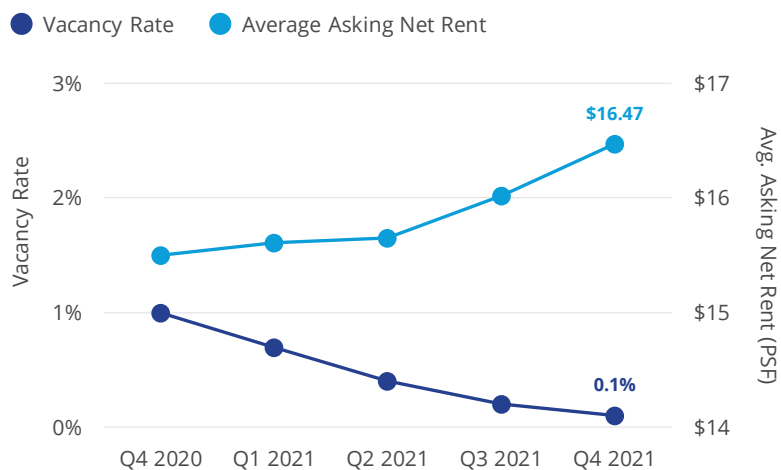
Q4 2021

Victoria Market

Office Fundamentals



Industrial Fundamentals



Key Findings

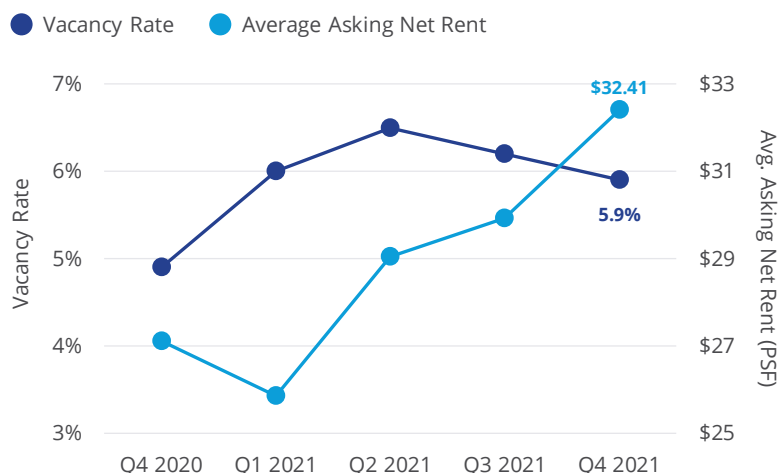
- Class A office space in both the downtown core and suburban markets continues to be highly sought after in Greater Victoria. New developments in both Esquimalt and Langford have seen plenty of interest as tenants continue to seek high quality office space.
- Investment in office buildings with strong and reliable tenants has been prevalent throughout 2021. Notably, buildings that have long-term government tenants have been targeted by institutional investors. Notable transactions included the sale of 1112 Fort Street for \$22 million, with a cap rate of just over 5%.
- Victoria's industrial market has remained incredibly tight as limited supply continues to put upward pressure on rental rates. The vacancy rate is expected to remain low, currently at 0.1%, until new supply is introduced to the market in the second half of 2023.
- Due to the limited supply, there has been increased interest in new build strata warehousing, notably in the Westshore where several new developments are in the pre-selling phase and have broken ground on construction. The rising cost of construction has been an issue for developers throughout 2021.

Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	6.6%	↓	7.1%	↓	6.8%	↓	0.1%	↓
Total Vacancy (SF)	330,014	↓	276,713	↓	606,727	↓	6,994	↓
Direct Vacancy (SF)	309,052	↓	244,546	↓	553,598	↓	6,994	↓
Sublet Vacancy (SF)	20,962	↓	32,167	↑	53,129	↑	0	↔
Industrial Availability Rate	-		-		-		-	
Industrial Available Space (SF)	-		-		-		-	
Avg. Asking Net Rent (PSF)	\$25.01	↑	\$22.29	↑	\$23.34	↑	\$16.47	↑
Net Absorption (SF)	29,011	↓	18,096	↓	47,107	↓	13,508	↓
Net Absorption (SF) - YTD	17,877		7,892		25,769		123,162	
New Supply (SF)	0	↔	0	↓	0	↓	0	↔
New Supply (SF) - YTD	0		103,189		103,189		27,666	
Under Construction (SF)	16,500	↔	199,394	↑	215,894	↑	636,131	↑

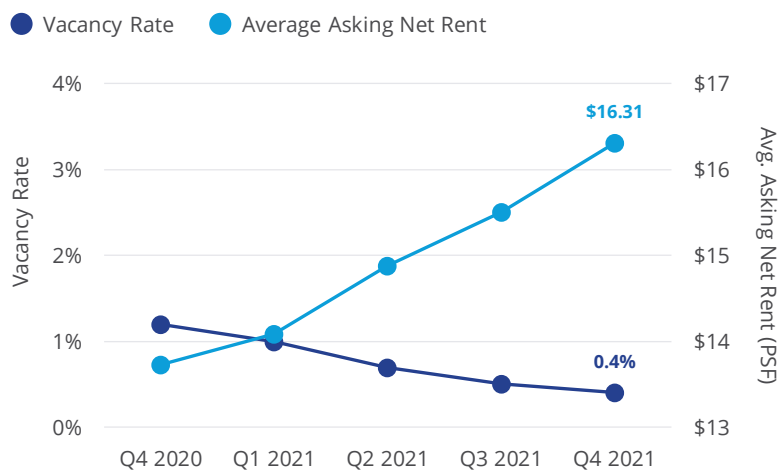
Q4 2021

Vancouver Market

Office Fundamentals



Industrial Fundamentals



Key Findings

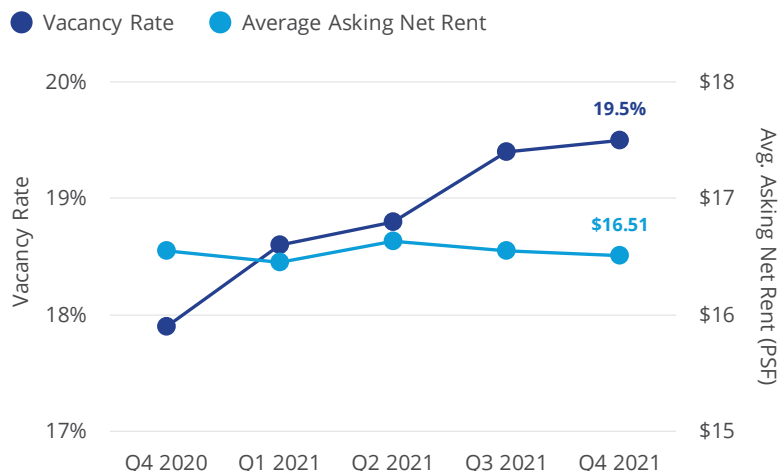
- Office vacancy has continued to trend downward throughout 2021 and Q4 is no exception, as tenants have either returned to the office in some capacity or plan to be back at the beginning of the new year.
- Office rents have continued to increase throughout the pandemic, shedding light on the strength and competitiveness of the Greater Vancouver office market. There continues to be demand for high quality space from tenants with the sublease market providing additional access to quality space that wouldn't be normally available in the market.
- For the fourth consecutive quarter, the GVA industrial market set a record low for vacancy and a record high for weighted average asking net rent. For the sixth consecutive quarter there were no vacancies of either bulk or logistics space. Furthermore, for the third consecutive quarter there were no vacancies larger than 50,000 square feet.
- Innovation from developers is occurring to meet these market conditions with various new forms of industrial development emerging, such as stacked industrial (both small and large bay), mixed-use with industrial on the ground floor and strata becoming increasingly common.

Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	6.5%	↓	5.3%	↓	5.9%	↓	0.4%	↓
Total Vacancy (SF)	2,077,941	↓	1,793,845	↓	3,871,786	↓	796,810	↓
Direct Vacancy (SF)	1,501,434	↑	1,255,879	↓	2,757,313	↓	685,928	↓
Sublet Vacancy (SF)	576,507	↓	537,966	↑	1,114,473	↓	110,882	↑
Industrial Availability Rate	-	-	-	-	-	-	2.7%	↑
Industrial Available Space (SF)	-	-	-	-	-	-	5,919,625	↑
Avg. Asking Net Rent (PSF)	\$38.76	↑	\$23.91	↑	\$32.41	↑	\$16.31	↑
Net Absorption (SF)	281,408	↑	178,152	↓	459,560	↓	1,627,830	↑
Net Absorption (SF) - YTD	-176,006	-	661,890	-	485,884	-	4,997,943	-
New Supply (SF)	227,714	↑	100,000	↓	327,714	↓	1,373,476	↑
New Supply (SF) - YTD	296,897	-	1,030,678	-	1,327,575	-	3,209,192	-
Under Construction (SF)	3,825,764	↓	2,281,140	↓	6,106,904	↓	6,359,370	↑

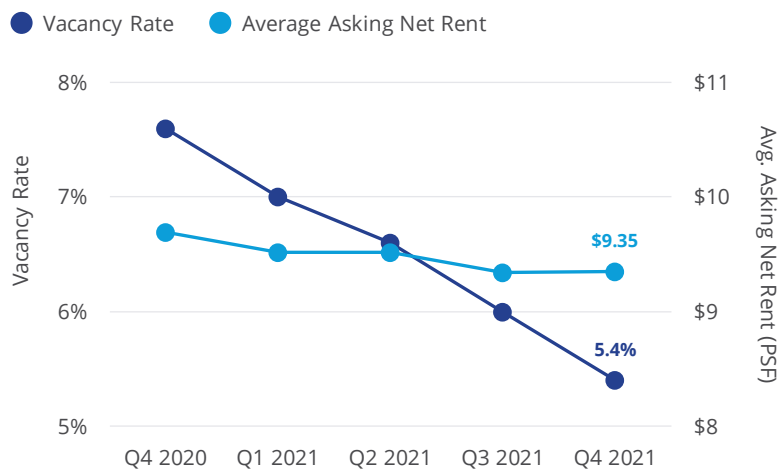
Q4 2021

Edmonton Market

Office Fundamentals



Industrial Fundamentals



Key Findings

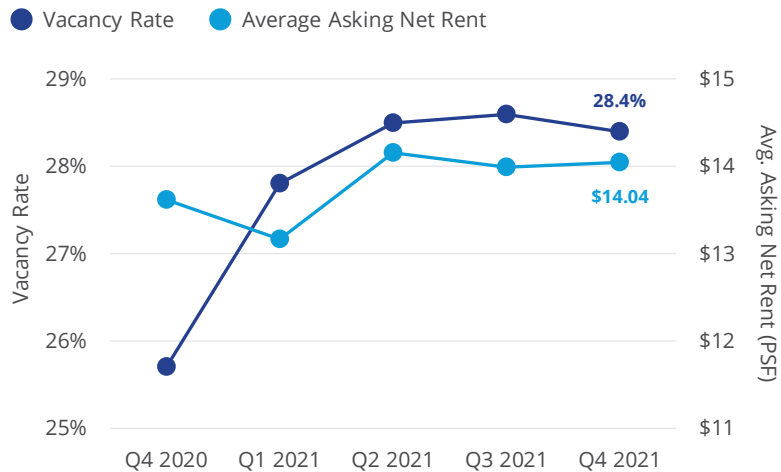
- With many companies planning a return to office in January 2022, the Edmonton office market has started to show signs of recovery, including an increase in the number of lease transactions being completed and a decrease in the amount of sublease space available as tenants anticipate needing their space heading into the new year.
- The two largest spaces added to the market this quarter (both approximately 20,000 square feet) were due to large scale consolidations that likely would have occurred even without the COVID-19 pandemic. Average asking rental rates in the downtown core and the suburban districts have remained stable since the beginning of 2021.
- Demand for industrial warehousing and distribution space has been strong throughout the year. Tenants are continuing to look towards the outskirts of the city and the surrounding submarkets of Leduc / Nisku and Acheson to be closer to transportation hubs and major arterial roadways.
- Over 750,000 square feet of industrial space was completed in Q4 2021. With an additional 4 million expected to be completed by the end of 2022, Edmonton is in a healthy position to meet the continuing demand in the asset class.

Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	18.3%	↑	21.4%	↓	19.5%	↑	5.4%	↓
Total Vacancy (SF)	3,357,103	↑	2,538,447	↓	5,895,550	↑	8,554,780	↓
Direct Vacancy (SF)	2,967,604	↑	2,175,739	↑	5,143,343	↑	8,067,305	↓
Sublet Vacancy (SF)	389,499	↓	362,708	↓	752,207	↓	487,475	↓
Industrial Availability Rate	-	-	-	-	-	-	7.4%	↓
Industrial Available Space (SF)	-	-	-	-	-	-	11,776,582	↓
Avg. Asking Net Rent (PSF)	\$16.95	↑	\$15.90	↓	\$16.51	↓	\$9.35	↑
Net Absorption (SF)	-63,021	↑	24,632	↓	-38,389	↓	1,582,659	↑
Net Absorption (SF) - YTD	-172,029	-	-136,941	-	-308,970	-	4,795,854	-
New Supply (SF)	0	↔	4,962	↓	4,962	↓	762,167	↑
New Supply (SF) - YTD	0	-	198,124	-	198,124	-	1,472,769	-
Under Construction (SF)	0	↔	30,000	↔	30,000	↔	4,149,536	↓

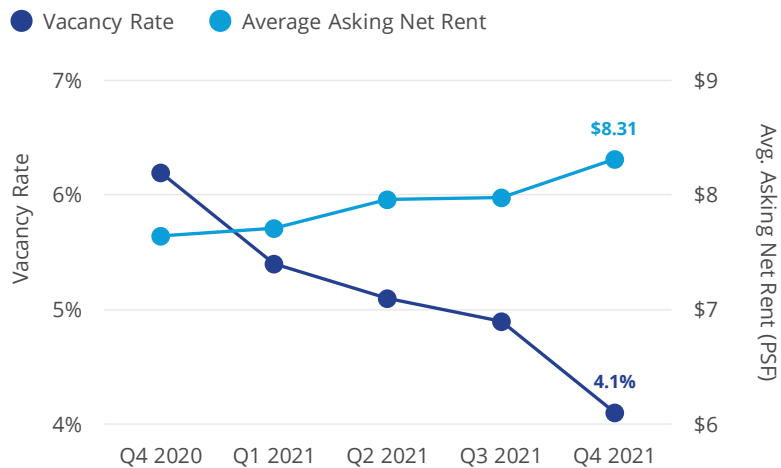
Q4 2021

Calgary Market

Office Fundamentals



Industrial Fundamentals



Key Findings

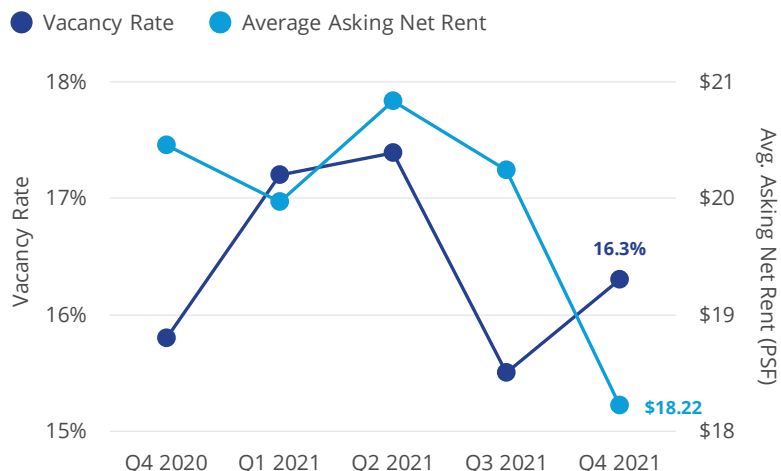
- Office market activity was strong through Q4 2021 with tour and option evaluations holding steady. Current logistical challenges for building materials procurement and construction have increased lead times for build outs, leading to growing attractiveness of move-in ready suites.
- Office tenants are picking up on the conversation around a flight to quality and are looking to upgrade their existing office spaces. The downtown core is beginning to be viewed more as a hub for interconnectivity not only for energy, but for technology and other industries.
- Continued demand for industrial space, combined with the competitive landscape of the Montreal, Toronto, and Vancouver markets, has prompted many large users to look to the Calgary market. This has resulted in a decrease in vacancy and heightened deal activity, placing upward pressure on net rental rates.
- Significant under construction and planned industrial developments are proceeding, suggesting confidence in the sector. There is currently a total of 7.3 million square feet of space under construction with 33% expected to be completed by the first half of 2022. The demand for mid-bay space is likely to result in more expansion in this segment compared to previous construction cycles.

Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	31.9%	↓	23.0%	↓	28.4%	↓	4.1%	↓
Total Vacancy (SF)	14,092,559	↓	6,572,852	↓	20,665,411	↓	6,380,935	↓
Direct Vacancy (SF)	10,855,315	↑	5,310,177	↓	16,165,492	↑	5,356,361	↓
Sublet Vacancy (SF)	3,237,244	↓	1,262,675	↓	4,499,919	↓	1,024,574	↓
Industrial Availability Rate	-		-		-		7.9%	↓
Industrial Available Space (SF)	-		-		-		12,163,628	↓
Avg. Asking Net Rent (PSF)	\$12.00	↑	\$17.41	↓	\$14.04	↑	\$8.31	↑
Net Absorption (SF)	45,625	↑	147,966	↑	193,591	↑	1,305,353	↑
Net Absorption (SF) - YTD	-1,647,843		-293,533		-1,941,376		5,150,420	
New Supply (SF)	0	↔	0	↓	0	↓	150,827	↑
New Supply (SF) - YTD	0		112,199		112,199		1,581,467	
Under Construction (SF)	0	↔	997,542	↔	997,542	↔	7,300,000	↑

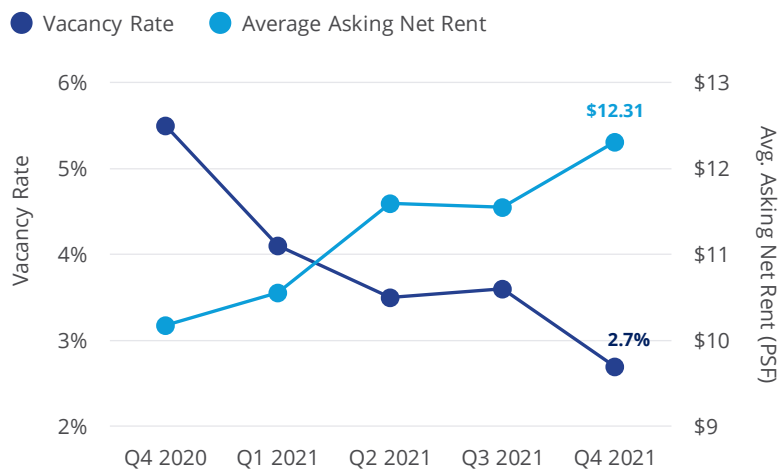
Q4 2021

Saskatoon Market

Office Fundamentals



Industrial Fundamentals



Key Findings

- Overall vacancy in the Saskatoon office market increased from 15.8% in Q4 2020 to 16.3% in Q4 2021 due to downtown market conditions albeit offset by a strong suburban office market where vacancy declined nominally from 9.2% in Q3 2021 to 9.0% in Q4 2021.
- The development at River Landing has been tenanted much more quickly than expected. The East Tower is already 87% leased, while only two floors of available space remain at Nutrien tower. Once River Landing is fully tenanted, the expectation is that movement will be seen within the remaining buildings as tenants can upgrade their current space to an optimal quality site with updated amenities in the Central Business District.
- We are now seeing the impacts of e-commerce in the Saskatoon industrial market, particularly for last mile tenants providing delivery services for companies like Amazon or FedEx. Warehousing and distribution space for these types of tenants is contributing to the demand for space.
- Although more construction is happening in Saskatoon in Q4, the current development level is not enough to meet the demand. The rising cost of construction, uncertainty in timelines, and availability of skilled labour are the primary concerns impacting development in the market.

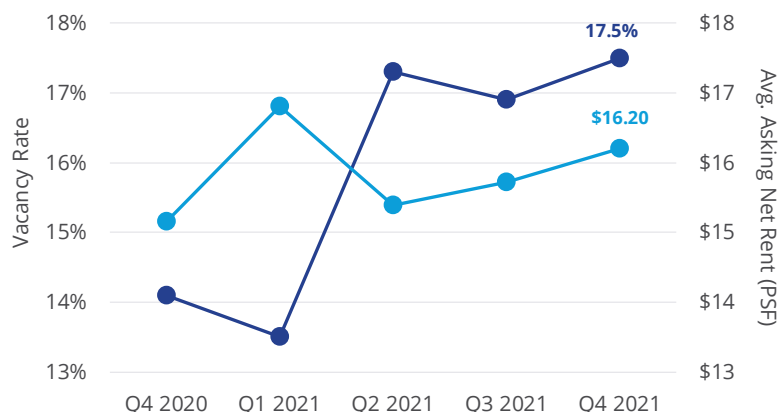
Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	24.2%	↑	9.0%	↓	16.3%	↑	2.7%	↓
Total Vacancy (SF)	760,503	↑	305,454	↓	1,065,957	↑	649,853	↓
Direct Vacancy (SF)	708,247	↑	292,368	↓	1,000,615	↑	639,843	↓
Sublet Vacancy (SF)	52,256	↑	13,086	↑	65,342	↑	10,010	↓
Industrial Availability Rate	-	-	-	-	-	-	-	-
Industrial Available Space (SF)	-	-	-	-	-	-	-	-
Avg. Asking Net Rent (PSF)	\$16.81	↓	\$21.55	↑	\$18.22	↓	\$12.31	↑
Net Absorption (SF)	-79,759	↓	8,319	↓	-71,440	↓	223,149	↑
Net Absorption (SF) - YTD	-272,183	-	89,956	-	-182,227	-	622,546	-
New Supply (SF)	222,692	↑	0	↓	222,692	↑	11,040	↑
New Supply (SF) - YTD	222,692	-	2,852	-	225,544	-	11,040	-
Under Construction (SF)	34,200	↓	36,638	↔	70,838	↓	93,200	↑

Q4 2021

Regina Market

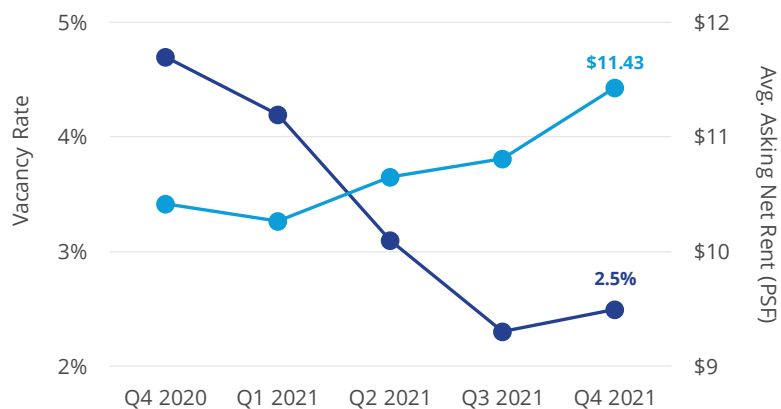
Office Fundamentals

● Vacancy Rate ● Average Asking Net Rent



Industrial Fundamentals

● Vacancy Rate ● Average Asking Net Rent



Key Findings

- Regina's office sector stabilized over 2021, after the volatility experienced during the pandemic in 2020. There is a return to the office, although the new COVID-19 variant could lead to greater uncertainty amongst office employers on how to best alleviate employee safety concerns.
- There is a lack of leasing deal velocity in Q4 2021, as the majority of employers in the market have rolled out flexible work accommodation for workers leaving the need for additional office space unnecessary. There's been a small uptick in vacancy with 18.3% of downtown offices remaining vacant.
- With industrial development projects underway, pressure on the warehousing and distribution sector is expected to ease in the first half of 2022. Rental rates have surpassed the \$11.00 mark, reaching \$11.43 per square foot.
- Due to the protracted recovery of supply chain challenges, construction costs continue to remain relatively high which will sustain upward pressure on lease rates. With plenty of land inventory at the market's disposal, Regina remains a prime location for growth.

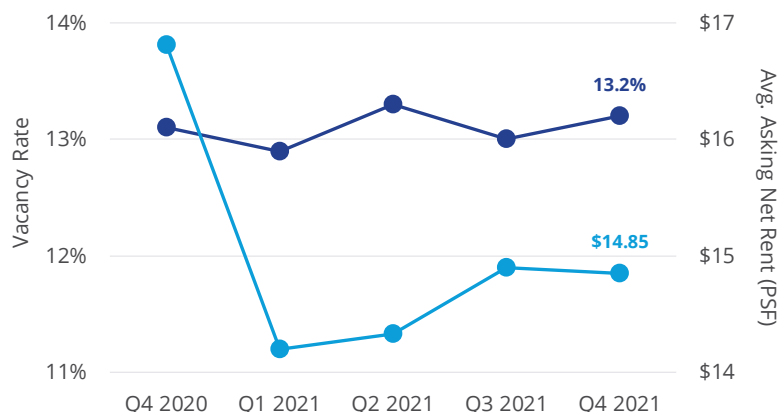
Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	18.3%	↑	14.5%	↑	17.5%	↑	2.5%	↑
Total Vacancy (SF)	812,971	↑	168,835	↑	981,806	↑	616,270	↑
Direct Vacancy (SF)	804,948	↑	161,867	↑	966,815	↑	608,770	↑
Sublet Vacancy (SF)	8,023	↑	6,968	↑	14,991	↑	7,500	↑
Industrial Availability Rate	-		-		-		-	
Industrial Available Space (SF)	-		-		-		-	
Avg. Asking Net Rent (PSF)	\$16.18	↑	\$16.23	↑	\$16.20	↑	\$11.43	↑
Net Absorption (SF)	-20,507	↓	-9,809	↓	-30,316	↓	-36,922	↓
Net Absorption (SF) - YTD	-668,419		436,214		-232,205		419,854	
New Supply (SF)	0	↔	0	↔	0	↔	0	↔
New Supply (SF) - YTD	0		0		0		0	
Under Construction (SF)	0	↔	27,531	↑	27,531	↑	105,000	↑

Q4 2021

Winnipeg Market

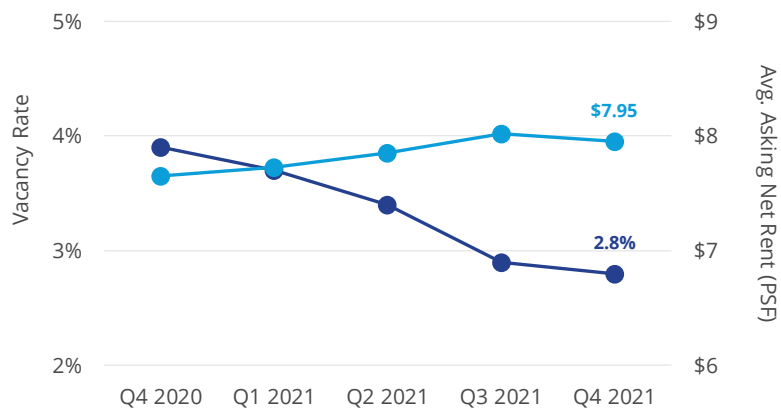
Office Fundamentals

● Vacancy Rate ● Average Asking Net Rent



Industrial Fundamentals

● Vacancy Rate ● Average Asking Net Rent



Key Findings

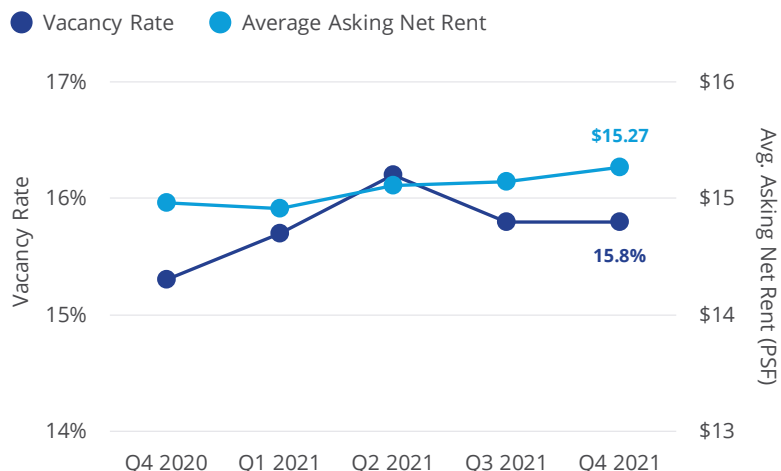
- The Winnipeg office market remains active, with a growing number of RFPs and active tenants searching for space to ramp up the return to office in the new year.
- 2021 saw much needed new supply added to the suburban office market, in particular the Southwest quadrant with over 190,000 square feet total added this year. Vacancy this quarter increased by 80 basis points to 13.2%.
- A continuance of strong leasing activity in the industrial market has pushed a steady decline in vacancy to 2.8% in Q4 2021. Net absorption was close to 170,000 square feet this quarter with asking rental rates just off their all-time high at \$7.95 per square foot.
- Industrial developments are continuing rapidly, as strong investor interest is helping fuel demand for new developments. New supply totalling just over 80,000 square feet was completed in the Northwest market in Q4 2021, with nearly 25% of the space already pre-leased. The remaining balance of the building is expected to be leased in Q1 2022.

Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	14.0%	↑	11.0%	↓	13.2%	↑	2.8%	↓
Total Vacancy (SF)	1,715,407	↑	509,860	↓	2,225,267	↑	2,333,211	↓
Direct Vacancy (SF)	1,635,783	↑	500,538	↓	2,136,321	↑	2,176,207	↓
Sublet Vacancy (SF)	79,624	↓	9,322	↑	88,946	↓	157,004	↓
Industrial Availability Rate	-		-		-		-	
Industrial Available Space (SF)	-		-		-		-	
Avg. Asking Net Rent (PSF)	\$14.77	↓	\$15.23	↓	\$14.85	↓	\$7.95	↓
Net Absorption (SF)	-33,620	↓	64,117	↑	30,497	↓	169,386	↓
Net Absorption (SF) - YTD	-20,083		-16,700		-36,783		1,364,372	
New Supply (SF)	0	↔	53,750	↑	53,750	↑	80,190	↓
New Supply (SF) - YTD	0		193,750		193,750		212,190	
Under Construction (SF)	300,000	↔	0	↓	300,000	↓	328,190	↔

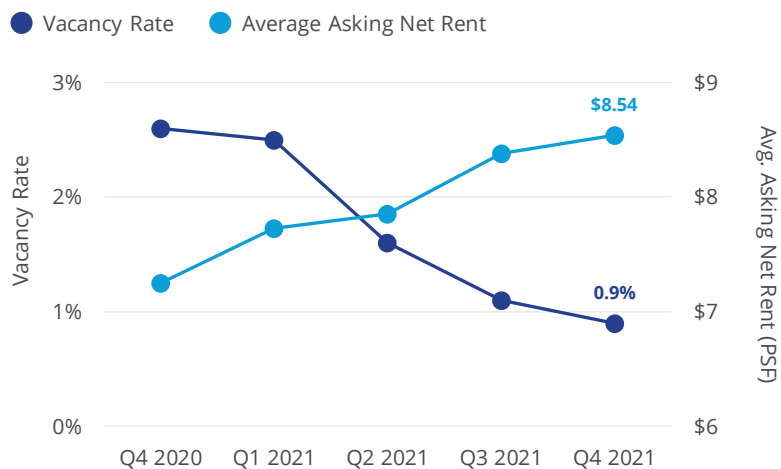
Q4 2021

Waterloo Market

Office Fundamentals



Industrial Fundamentals



Key Findings

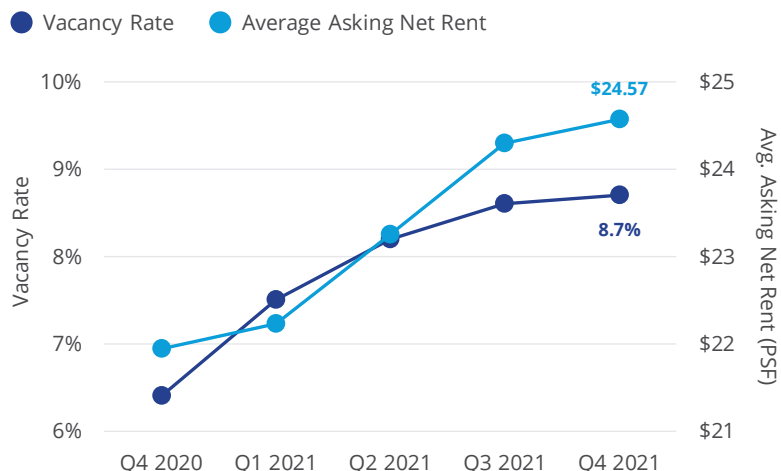
- The Waterloo office market held consistent this quarter with only slight negative absorption reported while maintaining a vacancy rate of 15.8%. The suburban market in particular continues to see positive absorption quarter-over-quarter.
- The office rental rate in the region continues to rise, reaching \$15.27 per square foot. This increase has been consistent throughout the past 12 months despite the variance in vacancy. Many office tenants have indicated a return to office in the first half of 2022 but the outlook remains uncertain with the emergence of Omicron variant.
- Waterloo Region continues to set new record industrial rental rates driven by strong demand and limited new supply. The average asking net rent has now reached \$8.54 per square foot with vacancy dipping below 1% for the first time.
- Over 700,000 square feet is currently under construction in the Kitchener and Cambridge markets. This addition of inventory will help add much needed new supply in the region and combat higher levels of demand from existing and prospective occupiers.

Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	22.0%	↑	12.0%	↓	15.8%	↔	0.9%	↓
Total Vacancy (SF)	1,132,811	↑	1,010,791	↓	2,143,602	↑	550,146	↓
Direct Vacancy (SF)	1,050,040	↑	590,894	↓	1,640,934	↑	370,649	↓
Sublet Vacancy (SF)	82,771	↓	419,897	↑	502,668	↓	179,497	↔
Industrial Availability Rate	-	-	-	-	-	-	1.4%	↓
Industrial Available Space (SF)	-	-	-	-	-	-	860,060	↓
Avg. Asking Net Rent (PSF)	\$15.54	↓	\$14.79	↑	\$15.27	↑	\$8.54	↑
Net Absorption (SF)	-85,552	↓	81,357	↓	-4,195	↓	111,905	↓
Net Absorption (SF) - YTD	-140,954		95,159		-45,795		721,734	
New Supply (SF)	0	↓	0	↔	0	↓	0	↔
New Supply (SF) - YTD	52,994		0		52,994		40,000	
Under Construction (SF)	480,350	↔	25,000	↔	505,350	↔	753,212	↑

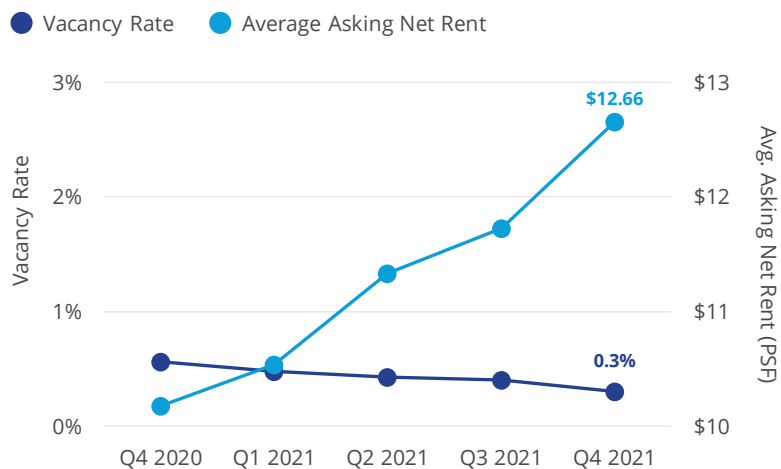
Q4 2021

Toronto Market

Office Fundamentals



Industrial Fundamentals



Key Findings

- Further loosening of restrictions in Q4 2021 resulted in greater economic and office leasing activity, with much optimism resulting in increased tours and positivity to the office outlook. It remains to be seen if the emergence of the Omicron variant will alter this trajectory.
- Most leasing activity has been driven from the FIRE & PSTS sectors, whose strong employment growth and return to office strategies are expected to ramp up throughout Q1 2022. Deals continue to favour shorter lease terms especially in smaller configurations. With the delivery of three notable projects in the Hive, the Exchange, and LCBO Tower, just over 1 million square feet of office space was delivered in Q4, while alone resulted in 720,000 square feet of positive absorption.
- A lack of industrial space in the GTA, highlighted by a 0.3% vacancy rate, continues to drive up asking net rental rates to further all-time highs. Actively marketed spaces are seeing multiple offers, highlighting the increasing importance of tenant covenants during the negotiation process.
- Landlords now prefer deal terms between 3 to 5 years compared to the traditional 10-year term because of how fast rents are increasing. Annual rent escalations are starting at the 5% range versus the 2% to 4% range seen previously.

Statistics	Central* Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	7.1%	↑	10.3%	↑	8.7%	↑	0.3%	↓
Total Vacancy (SF)	8,345,048	↑	13,540,213	↑	21,885,261	↑	2,472,558	↓
Direct Vacancy (SF)	6,128,427	↑	11,367,811	↑	17,496,238	↑	2,336,366	↓
Sublet Vacancy (SF)	2,216,621	↓	2,172,402	↑	4,389,023	↓	136,192	↓
Industrial Availability Rate	-	-	-	-	-	-	0.7%	↔
Industrial Available Space (SF)	-	-	-	-	-	-	6,016,272	↑
Avg. Asking Net Rent (PSF)	\$28.00	↑	\$16.86	↑	\$24.57	↑	\$12.66	↑
Net Absorption (SF)	793,495	↑	-42,372	↑	751,123	↑	2,341,292	↓
Net Absorption (SF) - YTD	-670,351	-	-1,525,471	-	-2,195,822	-	13,663,938	-
New Supply (SF)	1,005,976	↑	0	↓	1,005,976	↑	1,674,766	↓
New Supply (SF) - YTD	2,720,988	-	802,136	-	3,523,124	-	11,540,094	-
Under Construction (SF)	7,423,176	↓	358,680	↑	7,781,856	↓	10,216,952	↑

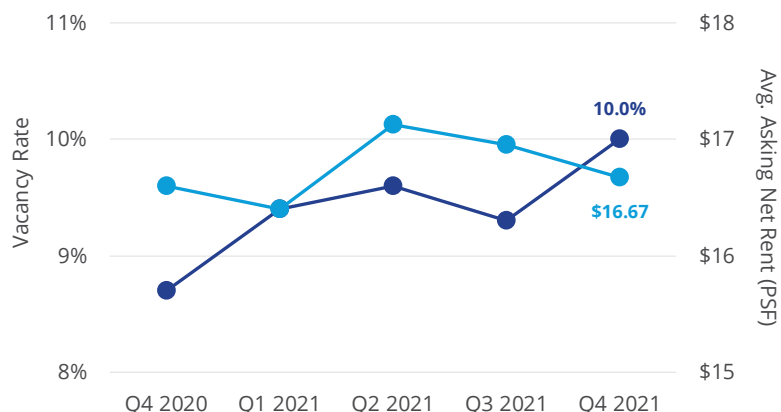
*Central includes Downtown and Midtown

Q4 2021

Ottawa Market

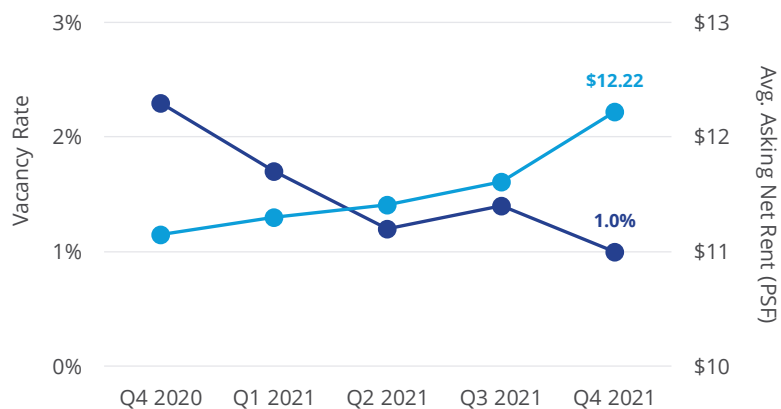
Office Fundamentals

● Vacancy Rate ● Average Asking Net Rent



Industrial Fundamentals

● Vacancy Rate ● Average Asking Net Rent



Key Findings

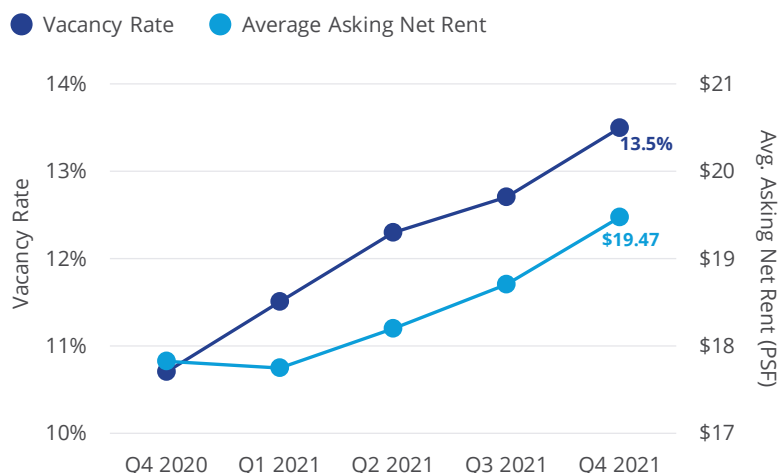
- Ottawa's office market continues to adapt to the new realities of the hybrid work environment. Downtown office tenants continue to optimize their office premises and, in some cases, are taking the opportunity to move from Class B to Class A buildings. This has resulted in Class B vacancy rates increasing to 17.2%.
- The Federal Government has given notice to some of their landlords that they won't renew some of their downtown office buildings as leases expire, which has pushed the Class C availability up to 28.3%.
- Ottawa's industrial market continues to see strong demand from e-commerce and distribution tenants with new entrants from the United States, as well as other areas of Ontario and Canada. Industrial development activity continues with several new projects announced, while the availability of vacant industrial land has become increasingly scarce.
- Strong industrial leasing activity in Q4 2021 pushed the overall vacancy rate to 1.0% and the overall availability rate down to 1.4%. As a result of the scarcity of available space, average asking net rental rates continue to rise, reaching a new record high of \$12.22 per square foot.

Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	10.1%	↑	10.0%	↑	10.0%	↑	1.0%	↓
Total Vacancy (SF)	1,834,355	↑	2,379,462	↑	4,213,817	↑	445,732	↓
Direct Vacancy (SF)	1,253,429	↑	2,108,286	↑	3,361,715	↑	334,132	↓
Sublet Vacancy (SF)	580,926	↑	271,176	↑	852,102	↑	111,600	↓
Industrial Availability Rate	-	-	-	-	-	-	1.4%	↓
Industrial Available Space (SF)	-	-	-	-	-	-	652,685	↓
Avg. Asking Net Rent (PSF)	\$19.16	↓	\$15.16	↓	\$16.67	↓	\$12.22	↑
Net Absorption (SF)	-292,914	↓	162,248	↑	-130,666	↓	189,600	↑
Net Absorption (SF) - YTD	-417,341	-	1,941	-	-415,400	-	3,501,117	-
New Supply (SF)	0	↔	248,953	↑	248,953	↑	0	↓
New Supply (SF) - YTD	0	-	268,144	-	268,144	-	2,875,940	-
Under Construction (SF)	0	↔	377,537	↓	377,537	↓	244,801	↑

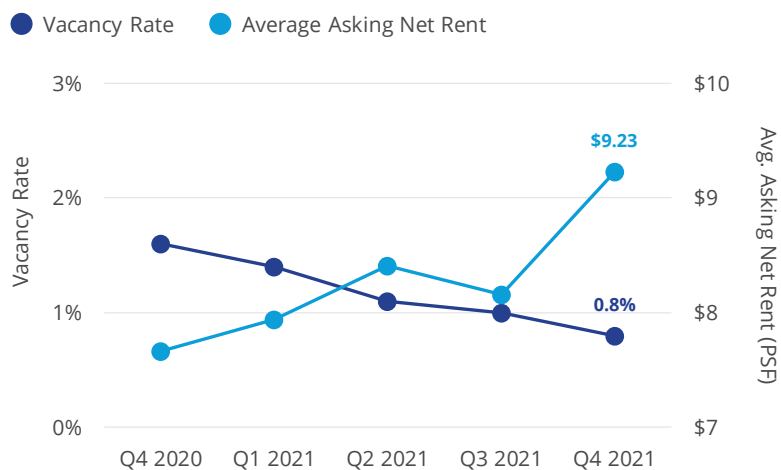
Q4 2021

Montréal Market

Office Fundamentals



Industrial Fundamentals



Key Findings

- Despite being one of the first industry sectors to vacate offices during the start of COVID-19, tech companies emerged as prospective tenants dominating the search for office space during the second half of 2021. Nearly 20% of space sought out for relocation or the expansion of business operations came from gaming studios exclusively.
- Cominar divested its portfolio of mixed commercial assets among Blackstone, Groupe Mach and Canderel in what will likely be the largest transaction of the upcoming year once finalized by February of 2022. Groupe Mach will be taking over a large proportion of the portfolio's office properties while Blackstone adds 150 industrial buildings to its existing portfolio.
- Scarcity of available industrial space and slow delivery for speculative builds has meant landlords are increasingly asking for high rents and shorter terms (three years in some instances). Double-digit rents will likely be the new normal for upcoming new supply.
- Land transactions remain highly competitive, resulting in developers pushing investment mainly to the South Shore for Industrial development. Nine out of 16 land transactions since September 2021 have been in the South Shore.

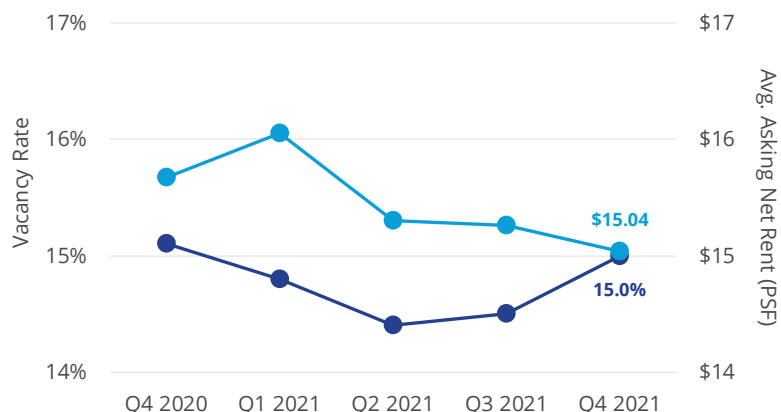
Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	12.5%	↑	14.7%	↓	13.5%	↑	0.8%	↓
Total Vacancy (SF)	6,863,992	↑	6,448,976	↓	13,312,968	↑	2,826,381	↓
Direct Vacancy (SF)	5,653,871	↑	5,299,831	↓	10,953,702	↑	2,737,497	↓
Sublet Vacancy (SF)	1,210,121	↑	1,149,145	↑	2,359,266	↑	88,884	↓
Industrial Availability Rate	-		-		-		1.5%	↔
Industrial Available Space (SF)	-		-		-		5,277,469	↓
Avg. Asking Net Rent (PSF)	\$22.58	↑	\$15.53	↓	\$19.47	↑	\$9.23	↑
Net Absorption (SF)	-800,845	↓	43,478	↓	-757,367	↓	1,037,334	↑
Net Absorption (SF) - YTD	-2,030,515		-51,294		-2,081,809		3,747,123	
New Supply (SF)	0	↔	0	↓	0	↓	223,228	↓
New Supply (SF) - YTD	0		708,888		708,888		767,934	
Under Construction (SF)	1,464,361	↔	990,676	↔	2,455,037	↔	3,890,477	↓

Q4 2021

Halifax Market

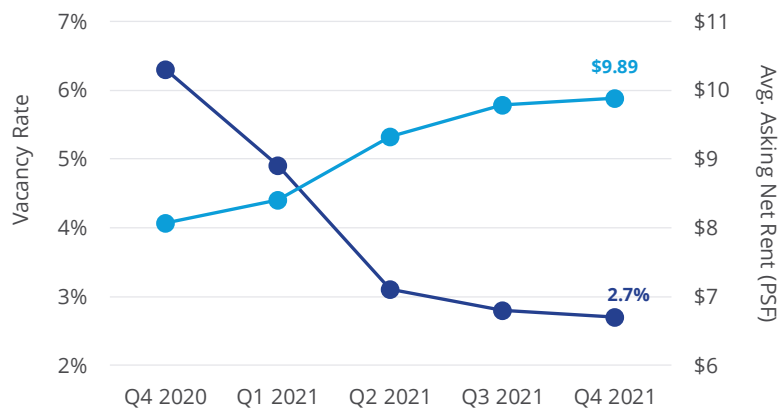
Office Fundamentals

● Vacancy Rate ● Average Asking Net Rent



Industrial Fundamentals

● Vacancy Rate ● Average Asking Net Rent



Key Findings

- While Halifax's office market saw increased vacancy across both the downtown and suburban markets in Q4, the overall rate of 15% is still very much in line with previous quarters.
- Office asking net rent across markets appears to hold steady, however tenants expect inducement packages such as tenant allowances or early occupancy out-of-term.
- The debate over full capacity space requirements is still ongoing, even though many tenants have made their back-to-work decisions. The emergence of the Omicron variant in Canada may yet alter this debate in some capacity.
- High demand for industrial properties continues in Halifax across various size configurations and locations. With limited new supply expected to be added to the market in 2022, the scarcity of options are leading tenants to reconsider their leasing strategy.
- As developers are unable to keep up with demand for the foreseeable future, industrial vacancy is expected to remain low with rents set to continue to increase.

Statistics	Downtown Office	QoQ	Suburban Office	QoQ	Total Office	QoQ	Total Industrial	QoQ
Vacancy Rate	20.1%	↑	11.5%	↑	15.0%	↑	2.7%	↓
Total Vacancy (SF)	1,055,600	↑	892,322	↑	1,947,922	↑	227,393	↓
Direct Vacancy (SF)	987,006	↑	830,881	↑	1,817,887	↑	182,837	↓
Sublet Vacancy (SF)	68,594	↓	61,441	↑	130,035	↑	44,556	↑
Industrial Availability Rate	-		-		-		-	
Industrial Available Space (SF)	-		-		-		-	
Avg. Asking Net Rent (PSF)	\$15.79	↓	\$14.13	↑	\$15.04	↓	\$9.89	↑
Net Absorption (SF)	-35,431	↓	-21,479	↓	-56,910	↓	9,850	↓
Net Absorption (SF) - YTD	-105,435		-8,313		-113,748		338,057	
New Supply (SF)	0	↔	0	↔	0	↔	0	↔
New Supply (SF) - YTD	0		0		0		0	
Under Construction (SF)	0	↔	200,000	↔	200,000	↔	175,164	↔

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