

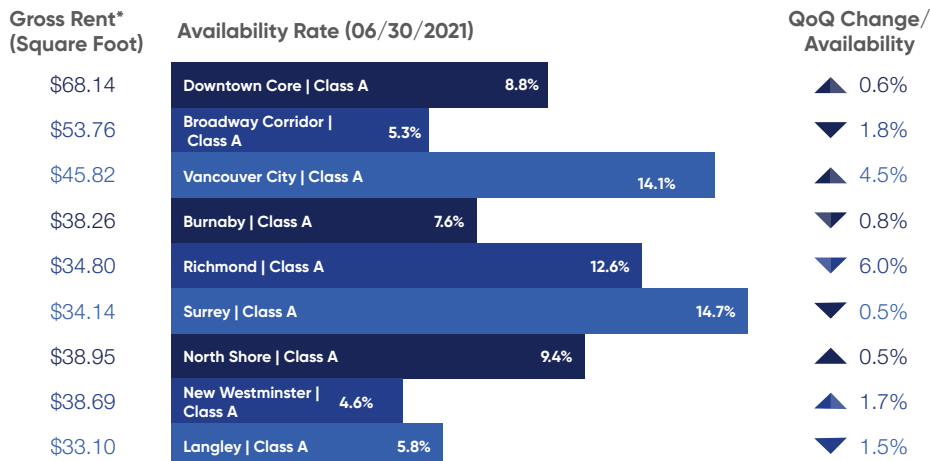
# Market Report

## Overview

Second-quarter statistics show the Metro Vancouver office market reawakened after a 15-month hiatus. Deal and tour activity registered a noticeable uptick relative to recent quarters, leaving office landlords feeling a bit better, all things considered. With the relaxation of Public Health Orders, and with most businesses welcoming staff and customers alike back into the office, a sense of normalcy has begun to return to the office space market, providing relief for all. Sublease space looks to have peaked in Q1 with a sizable drop in Q2. All indications suggest further declines going forward as new sublease space coming to market slowed to a trickle, and a healthy take up of sublease space already available to lease. And not surprisingly, rents showed signs of firming.



## Rental and Availability Rates



\*Class A average asking rent CAD QoQ [quarter-over-quarter]

## Recent Transactions (Q2 2021)

Occupier	Size	Submarket	Type	Address
1 Electronic Arts	119,844 SF	False Creek Flats	New	1077 Great Northern Way
2 Workday	27,362 SF	Downtown	Prelease	601 W. Hastings Street
3 Skybox Labs	21,941 SF	Burnaby	Sublet	2025 Willingdon Avenue
4 BDC	16,701 SF	Downtown	Prelease	1133 Melville Street
5 Odium Brown	8,584 SF	Langley	New	19933 88th Avenue

## Occupier's Perspective

With many offices reopening, the shift from WFH to once again working in the office has no doubt begun, but the velocity and intensity by businesses varies greatly.

Many tenants appear to have taken the view, while many of their employees may be periodically absent from the office, an office location is still a must have.

Office rents now look to have bottomed and in certain buildings are creeping up, but occupiers are generally still seeing more flexibility and concessions from landlords.

## Market Trends



After nearly a two year hiatus, two new office towers secured preleases, a sign of more confidence, and a big boost for those invested in downtown office real estate.

With a modest drop in the availability rate, peak vacancy for this market cycle may now be in the rear view mirror, although any further declines are far from certain.

Sublease space looks to have peaked, with a sizeable drop in the 2nd quarter as few new subleases were added, and a healthy take up of sublets already on the market.