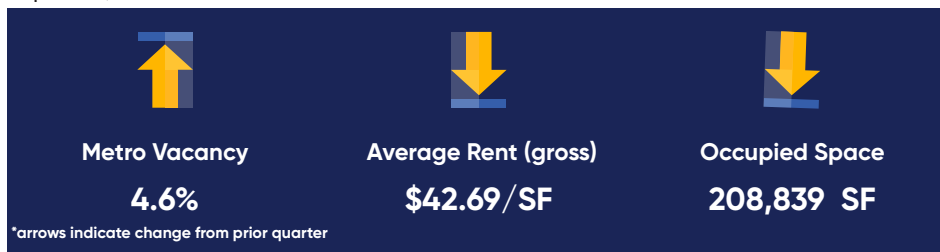


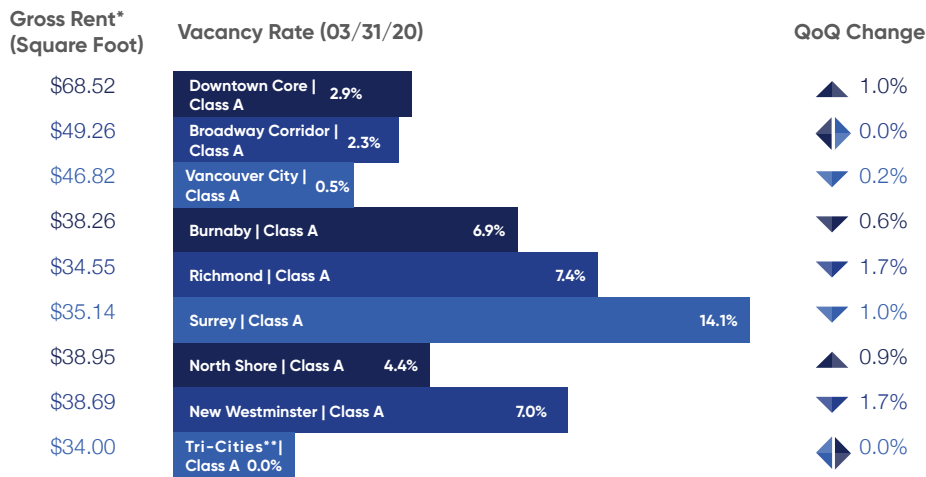
# Market Report

## Overview

Vancouver's office market, like every other office market in the world, was blindsided by COVID-19, a true black swan event. With the world's largest work from home experiment unfolding late in the quarter, available office statistics do not accurately account for the seismic change in office leasing dynamics that has occurred. As most office workers are operating from home, the future of office buildings has now been called into question, at least in the short term. With so many unknowns, any projections would barely be worth stating, but what is undeniable is the status quo is no longer the case. What the future holds will be the subject of subsequent reports, but for now all that can be said is all bets are off.



## Rental and Vacancy Rates



\*Class A average asking rent CAD \*\* Coquitlam, Port Coquitlam, Port Moody QoQ [quarter-over-quarter]

## Recent Transactions

Occupier	Size	Submarket	Type	Address
1 Amazon	119,000 SF	Downtown Core	Sublease	400 West Georgia Street
2 Traction Guest	17,460 SF	Burnaby	New	3292 Production Way
3 Benchmark Botanics	10,033 SF	Richmond	New	3600 Lysander Lane
4 Peter Kiewit Sons	9,781 SF	Burnaby	New	4350 Still Creek Drive
5 CopperTree Analytics	12,397 SF	Surrey	New	5455 152nd Street

## Think Beyond Space

## Occupier's Perspective



In a matter of weeks, the office market landscape did a complete "180", with many tenants now taking a long hard look at their future real estate needs.



A near paralysis in leasing activity is likely to nudge vacancy rates higher in the short term. However, in the long term, vacant space [both direct and sublease] is expected to increase substantially.



Every real estate decision will now be made looking through the lens of COVID-19 and social distancing.

## Market Trends



**Demand for office space is expected to drop sharply for the foreseeable future** as every company, and every business, self-evaluates their space needs going forward.

**Many businesses will likely adopt a hybrid approach** [a mix of office and working from home] when allowed to bring workers back to the office.

**Reconfiguring space to allow greater social distancing** will be a focus in the near term, with employers very sensitive to their employee's health and wellbeing.