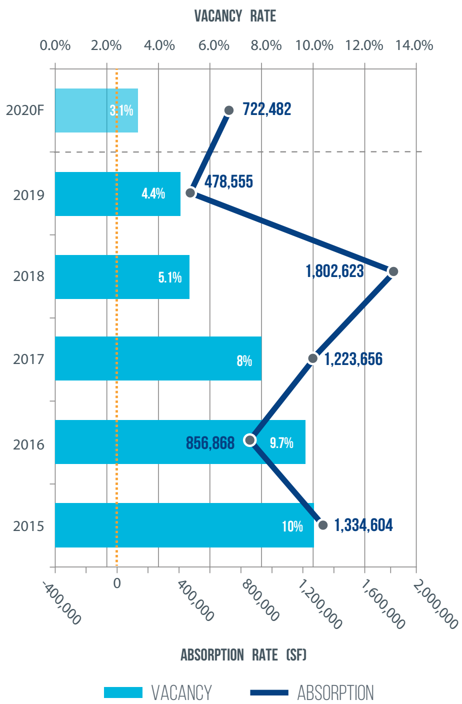
Year-End 2019 Office Market Report

Metro Vancouver, BC

METRO VANCOUVER
VACANCY & ABSORPTION TRENDS



12-month projection based on 10-year average absorption and known net absorption in new inventory

Record low vacancy and severe supply crunch mark critical juncture in office market evolution

Metro Vancouver's office market reached a critical juncture in 2019 as demand from global technology firms took root and reshaped not only the scale and design of the next wave of downtown office towers, but also highlighted the range of economic, social and political impediments contributing to a region that increasingly appears to be becoming a victim of its own success. The next two years will prove to be crucial to Metro Vancouver's transformation into a truly world-class office market as severe supply constraints across the region temporarily limit deal velocity, hamper absorption and potentially impact expansion/relocation plans of both existing businesses and those considering establishing a presence in the market. These conditions also triggered the emergence of not one but two development cycles in the downtown core – a first for the city – in order to meet anticipated demand.

Vacancy in the 51.8-million-square-foot (msf) regional market fell to 4.4% from 5.1% a year earlier and 8% just 24 months ago. The lowest regional vacancy on record is 4.3%, recorded at mid-year 2019, and that metric is forecasted to drop significantly lower in 2020. (The previous record low of 4.7% was set at year-end 2007.)

After four years of strong annual absorption registered in Metro Vancouver (averaging more than 1.3 msf per year), annual absorption sunk to 489,840 sf in 2019, the lowest since 2014. This reduction in absorption is largely attributable to a lack of available space, which hindered deal activity in virtually all Metro Vancouver office markets.

Vacancy in downtown Vancouver may be the most high-profile example (2.6%), but similarly tight market conditions exist in Vancouver-Broadway (4%), Burnaby (6.3%), Surrey (5.2%) and even the North Shore (7.4%). New Westminster and Richmond were the only two balanced office markets remaining in Metro Vancouver in 2019. For the first time on record, vacancy in each Metro Vancouver office market was less than 10% at year-end 2019.

These conditions triggered the largest development cycle in the history of Metro Vancouver, which will start delivering new buildings primarily in the Downtown and Vancouver-Broadway continued on back page

METRO VANCOUVER OFFICE VACANCY SUMMARY (YEAR-END 2019)

DISTRICT	INVENTORY (SF)	HEAD LEASE VACANCY (SF)	SUBLEASE VACANCY (SF)	TOTAL VACANCY (SF)	VACANCY RATE (%)	12-MONTH ABSORPTION (SF)
Downtown	22,784,125	508,739	91,080	599,819	2.6%	66,803
Yaletown	2,074,372	22,979	43,519	66,498	3.2%	-29,471
Vancouver-Broadway	7,328,387	259,386	36,026	295,412	4.0%	178,920
Burnaby	9,318,790	377,553	209,253	586,806	6.3%	126,411
Richmond	4,215,800	280,103	34,101	314,204	7.5%	-734
Surrey	2,906,607	150,267	0	150,267	5.2%	47,111
New Westminster	1,688,572	161,067	0	161,067	9.5%	59,131
North Shore	1,450,898	102,086	5,110	107,196	7.4%	41,669
TOTAL	**51,769,328**	**1,862,180**	**419,089**	**2,281,269**	**4.4%**	**489,840**

VACANCY RATE DECEMBER 31, 2019 4.4%
VACANCY RATE JUNE 30, 2019 4.3%

Absorption (demand) ↑ | Vacancy (supply) ↔ | Rental Rates ↗

DOWNTOWN

Downtown vacancy remains near record low

VACANCY TRENDS

Downtown office vacancy remained historically tight in 2019, slipping to 2.6% at year-end 2019 from 2.9% a year earlier; however, vacancy was up from the 2% recorded at mid-year 2019. This temporary increase in vacancy in the back half of 2019 was largely attributable to **Deloitte** vacating five floors in **Bentall 4** (four of which were subsequently leased by **Shopify** in early 2020) and **Richardson GMP** vacating 34,140 sf in **Bentall 5** (which had been leased by **Slack** at mid-2019). Vacancy in class A buildings remained virtually unchanged from mid-year 2019 while class B vacancy decreased substantially. Class C vacancy increased slightly in this period due to a periodic update to the statistical database. Downtown is expected to return to structural vacancy (+/- 2%) in 2020, a condition where there is effectively no functionally vacant space at a given time. Vacancy in class B buildings dropped by half to 1.4% at year-end 2019 from 2.8% a year earlier, which would indicate that supply constraints in class AAA and A buildings and corresponding rent increases may be forcing demand down market to class B availabilities. Overall deal velocity in 2019 was lower when compared with recent years but remained reasonably strong despite supply constraints in existing inventory. Some tenants likely sought short-term solutions in co-working facilities given the market's supply constraints but many may transition to more traditional leasehold tenancies when opportunities emerge. A significant number of lease extensions, some well in advance of contractual lease expiries, occurred in 2019 as tenants responded to sustained supply constraints, upward pressure on net rental rates or in conjunction with addressing other space requirements. There has been virtually no "in-fill" leasing activity – one floor or less – in new developments yet, which suggests developers remain focused on multi-floor tenant prospects. Sublease space only accounted for 15% of overall vacancy downtown. Given supply constraints and ongoing increases in rental rates, landlords seemed more inclined to exercise contractual rights of termination to take direct control of sublease offerings and then lease out the premises at prevailing market rates. There are no large contiguous blocks of office space available outside of prelease options. Competition for prelease commitments is expected to intensify through 2020 among the various new developments, particularly those with minimal prelease commitments.

MORE THAN
5 MSF
OF NEW
DEVELOPMENT

RECENT LEASE DEALS - YEAR-END 2019 (>10,000 SF)

TENANT	BUILDING	SF
Amazon (expansion)	The Post (South & North Tower)	704,000
Stantec (renewal/expansion)	111 Dunsmuir Street	74,000
Shopify	Bentall 4	72,000
Colliers International	B6	41,000
PI Financial	Vancouver Centre 2	40,000
DMCL (renewal/expansion)	1140 West Pender Street	43,000
Fluor Canada (renewal/expansion)	1185 West Georgia Street	37,300
Powerex Corp. (renewal)	Park Place	36,540
Teekay Shipping (renewal)	Bentall 5	35,330
U.S. Consulate General (renewal)	1095 West Pender Street	35,000
Charest Reporting	HSBC Building	28,200
Richards Buell Sutton LLP (extension)	401 West Georgia Street	26,400
Hatch Engineering (renewal)	Oceanic Plaza	23,870
Procurify	717 West Pender Street	22,000
RBC Dominion Securities (renewal)	Park Place	20,150
Reportex (renewal/expansion)	925 West Georgia Street	19,000
Nexii Building Solutions	1455 West Georgia Street	17,930
Investors Group (expansion)	Park Place	17,380
Toronto-Dominion Bank (expansion)	TD Tower	16,830
Sony Pictures Imageworks (renewal)	TD Tower	16,400
MNP LLP (expansion)	MNP Tower	16,220
Vancouver Fraser Port Authority	Oceanic Plaza	15,200
Fairleigh Dickinson University	89 West Georgia Street	14,900
Neurio (sublease)	555 Robson Street	13,670
Plotkin Health (sublease)	1177 West Hastings Street	11,370
Ausenco (sublease)	1050 West Pender Street	11,140

ABSORPTION TRENDS

Annual absorption fell to 66,803 sf in 2019, a substantial decline from the 879,147 sf recorded in 2018 and the lowest recorded since 2014 when there was negative annual absorption of 304,835 sf. While **TD Bank** absorbed more than 16,800 sf at **TD Tower** at 700 West Georgia and **Trulioo** occupied more than 11,300 sf at 1177 West Hastings, substantial vacancies created by Deloitte and Richardson GMP as well as **Steelhead LNG** vacating more than 14,000 sf at 1075 West Georgia weighed heavily on overall absorption. However, the majority of Deloitte's space was subsequently leased to Shopify and Slack leased Richardson GMP's space. Both companies will occupy their respective spaces in 2020. Meanwhile, Deloitte has shifted its operations into co-working space while it awaits completion of the **Deloitte Summit** building scheduled for year-end 2020.

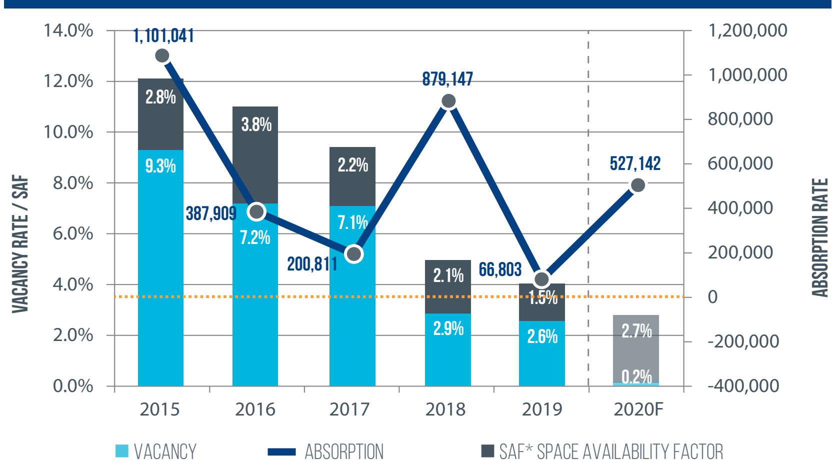
SPACE AVAILABILITY FACTOR

The space availability factor, or SAF, refers to head lease space or sublease space that is being marketed but is not physically vacant, and new supply that is near completion and available for lease. SAF was 1.5% at year-end 2019, down from 2.1% recorded 12 months earlier. Combined with vacant space, the amount of space being marketed for lease in the downtown core is 4.1% (or approximately 980,000 sf). The lowest overall availability rate on record occurred at year-end 2007 (3.5% or 681,330 sf).

NEW CONSTRUCTION

There is more than 5 msf of new office space (either under construction or in the development permit process) proposed for Downtown Vancouver by 2024, which represents the largest

VACANCY WITH SPACE AVAILABILITY FACTOR (SAF) AND ABSORPTION



12-month projection based on 5-year average absorption and known net absorption in new inventory, and 10-year average SAF.

cycle in the city's history. Approximately 61% (2.29 msf) of new downtown office space currently under construction (3.74 msf) to mid-2023 had been preleased by year-end 2019, including **Amazon** taking the remainder of **The Post** (704,000 sf) in the largest office lease deal in Vancouver history. More than 305,000 sf of strata office space has also been sold in new downtown buildings delivering through 2021. Only four downtown options that deliver before 2022 remain available for lease: **The Offices at Burrard Place** (located in Downtown South), **Bosa Waterfront Centre** (which is 55% stratified) and 601 West Hastings, none of which had prelease commitments at year-end 2019, and **Vancouver Centre II**, which is 48% preleased. New supply in 2022 also remains constrained with the only space for prelease available at 980 Granville Street and **The Stack**, which was 39% preleased at year-end 2019. **The Seymour** will offer more than 50,000 sf of strata office when it is delivered in 2022. New supply in 2023 is limited primarily to **B6**, which was 48% preleased at year-end 2019; and 625 West Hastings, which is the only building with a scheduled completion date that was still in for permitting at year-end 2019. Other downtown projects that remain in permitting include 601 West Pender and 1166 West Pender, 720 Beatty Street and 555 West Cordova Street. These developments are likely to deliver in 2024.

MARKET FORECAST

Expect upward pressure on net effective rents for space in existing buildings to continue due to near-term supply constraints. The differential in net effective rates between new developments and existing class AAA buildings is expected to continue to narrow in 2020 as the market rapidly returns to structural vacancy (+/- 2%) with no meaningful relief likely until 2022. However, some developers with minimal or no prelease commitments may start to offer more favourable lease terms through 2020 to secure commitments and generate leasing momentum. Supply constraints will remain a challenge for tenants, but is increasingly challenging for landlords as well. Future availabilities generated by tenants who make prelease commitments may lead building owners to take proactive measures and take control of those availabilities in order to minimize risks/costs associated with those future vacancies. Building owners will also continue to engage existing tenants with lease expiries between 2022 and 2024 in extension discussions/negotiations to mitigate vacancy risk, particularly those tenants with near-term lease requirements. Outside of a macro-economic or geopolitical event (or dramatic reversal by Amazon), current fundamentals will prevail until at least 2022. As a result, developers will likely announce commitments to build into the next development cycle (2024 to 2025).

VACANCY TO HIT NEW RECORD LOW IN 2020

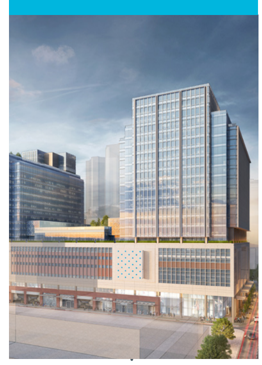
DEVELOPER	BUILDING	SF	PRELEASE SF	PRELEASE %	COMPLETION
Westbank	Creative Space @ Vancouver House, 1461 & 1462 Granville Street (two buildings)	90,000 (office)	90,000	100%	Q1 2020
Bosa Properties/ Arpeg Holdings	1575 West Georgia Street	45,346 (office)	Strata	72% sold	Q1 2020
Oxford Properties	402 Dunsmuir Street	147,000	147,000	100%	Q1 2020
Rendition Developments	Bench, 353 Railway Street (I-4 zoning)	26,772	Strata	0% sold	Q1 2020
Low Tide Properties	155 Water Street	75,000 (office)	75,000	100%	Q4 2020
Westbank/Allied REIT	Deloitte Summit building, 410 West Georgia Street	353,000	295,950	84%	Q4 2020
Reliance Properties/ Jim Pattison Developments	The Offices at Burrard Place, 1281 Hornby Street (mixed use)	99,000 (office podium)	Strata	100% sold	Q1 2021
Reliance Properties/ Jim Pattison Developments	The Offices at Burrard Place, 1290 Burrard Street (mixed use)	133,000 (office tower)	0	0%	Q1 2021
PCI Group / Greystone	601 West Hastings Street	215,000	0	0%	Q3 2021
Niels Bendtsen	411 Railway Street (I-4 zoning)	111,930	10,000	9%	Q3 2021
Bosa Developments	Bosa Waterfront Centre, 320 Granville Street	374,790 (45% for lease)	Lease/Strata*	55% sold	Q4 2021
GWL Realty Advisors	Vancouver Centre II, 733 Seymour Street	377,000	182,000	48%	Q4 2021
Bonnis Properties	980 Granville Street	51,480 (office)	0	0%	Q2 2022
Bonnis Development	The Seymour, 600 Robson Street & 809 Seymour Street	56,782 (office)	Strata	11% sold	Q2 2022
Oxford Properties	The Stack, 1133 Melville Street	532,000 (office)	207,000	39%	Q2 2022
QuadReal Property Group	The Post, 349 West Georgia Street (mixed-use)	South tower: 510,000 North tower: 560,000	1.07 msf plus podium	100%	Q3 2022/ Q2 2023
Asia Standard Americas	1438 Robson Street	29,190 (office)	0	0%	Q1 2023
Uptown Property Group	625 West Hastings Street	120,000	0	0%	Q2 2023
BentallGreenOak	B6, 1090 West Pender Street	534,000	258,000	48%	Q2 2023
Omicron / Rendition Developments	*Maker Exchange, 488 Railway Street (I-4 zoning)*	*152,000*	-	-	*Awaiting prelease commitment*
Reliance Properties	*1166 West Pender Street*	*348,930*	*0*	*0%*	*Proposed*
Reliance Properties	*601 West Pender Street*	*398,500*	*0*	*0%*	*Proposed*
Westbank	*720 Beatty Street*	*580,000 (office)*	*0*	*0%*	*Proposed*
Cadillac Fairview	*The Crystal at Waterfront Square, 555 West Cordova Street*	*335,000 (office)*	*0*	*0%*	*Proposed*
FDG Properties	*117-131 Water Street*	*68,576 (office)*	*0*	*0%*	*Proposed*
PCI Group	*1025 West Georgia Street*	*76,000*	*0*	*0%*	*Proposed*
Austeville Properties	*450 West Georgia Street*	*375,554*	*0*	*0%*	*Proposed*
Aquilini Development and Construction	*Aquilini Centre East, 777 Pat Quinn Way*	*69,300 (office)*	-	-	*Proposed*
Canadian Metropolitan Properties	*750 Pacific Boulevard (Plaza of Nations)*	*TBD (office)*	-	-	*Proposed*

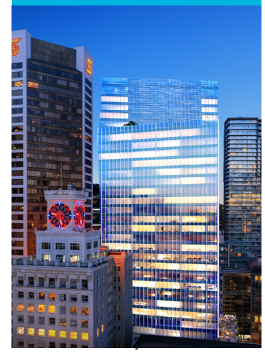
**The building contains 45% lease space and 55% strata space. The strata space is 100% sold. No preleasing had been completed by year-end 2019.*

CLASS	INVENTORY	HEAD LEASE VACANCY (SF)	SUBLEASE VACANCY (SF)	TOTAL VACANCY (SF)	TOTAL VACANCY (%)	12-MONTH ABSORPTION (SF)	SAF (SF)	SAF (%)	NET RENTAL RATE RANGE (PSF)	GROSS OCCUPANCY COST (PSF)
AAA	4,980,576	159,873	22,262	182,135	3.7%	-51,654	83,116	1.7%	$38 - $72	$58 - $97
A	8,180,469	84,505	44,261	128,766	1.6%	27,565	145,180	1.8%	$32 - $60	$51 - $84
B	6,639,398	74,521	19,104	93,625	1.4%	89,028	76,131	1.1%	$28 - $45	$43 - $67
C	2,983,682	189,840	5,453	195,293	6.5%	1,864	37,417	1.3%	$25 - $35	$37 - $53
Total	**22,784,125**	**508,739**	**91,080**	**599,819**	**2.6%**	**66,803**	**341,844**	**1.5%**	-	-

DOWNTOWN DEVELOPMENT TIMELINE

	CREATIVE SPACE, 1461 & 1462 GRANVILLE STREET	1575 WEST GEORGIA STREET	402 DUNSMUIR STREET	155 WATER STREET	DELOITTE SUMMIT BUILDING, 410 WEST GEORGIA STREET
					
	Q1 2020	Q1 2020	Q1 2020	Q4 2020	Q4 2020
DEVELOPER	Westbank	Bosa Properties/Arpeg Holdings	Oxford Properties	Low Tide Properties	Westbank/Allied REIT
STOREYS	5	3 floors in mixed-use building	9	7	24
OFFICE SF	90,000	45,346 (strata)	147,000	75,000	353,000
TENANTS	90,000 sf - Global University Systems Canada	32,649 sf - Arpeg Holdings & co-working operator	147,000 sf - Amazon	75,000 sf - Microsoft	119,320 sf - Spaces 117,000- Deloitte Canada 44,630 sf - Apple 15,000 sf - Northeastern University
OCCUPANCY	100%	72% sold	100%	100%	84%

	980 GRANVILLE STREET	THE SEYMOUR, 600 ROBSON STREET & 809 SEYMOUR STREET	THE STACK, 1133 MELVILLE STREET	THE POST, 349 WEST GEORGIA STREET	B6, 1090 WEST PENDER STREET
					
	Q2 2022	Q2 2022	Q2 2022	Q3 2022/Q2 2023	Q2 2023
DEVELOPER	Bonnis Properties	Bonnis Development	Oxford Properties	QuadReal Property Group	BentallGreenOak
STOREYS	3 floors in mixed-use building	13	36	17 (south tower) / 18 (north tower)	32
OFFICE SF	51,480	56,782 (strata)	532,000	1,070,000 + podium (60,000)	534,000
TENANTS	No tenants at this time	6,496 sf - Bonnis Properties	80,000 sf - Blake, Cassels & Graydon 66,000 sf - DLA Piper 60,000 sf - EY Canada	1,130,000 sf - Amazon	170,000 sf - WeWork 47,000 sf - BentallGreenOak 41,000 sf - Colliers
OCCUPANCY	0%	11% sold	39%	100%	48%

	THE OFFICES AT BURRARD PLACE, 1290 BURRARD STREET	THE OFFICES AT BURRARD PLACE, 1281 HORNBY STREET	601 WEST HASTINGS STREET	BOSA WATERFRONT CENTRE, 320 GRANVILLE STREET	VANCOUVER CENTRE II, 733 SEYMOUR STREET
					
	Q1 2021	Q1 2021	Q3 2021	Q4 2021	Q4 2021
DEVELOPER	Reliance Properties / Jim Pattison Developments	Reliance Properties / Jim Pattison Developments	PCI Group / Greystone	Bosa Development	GWL Realty Advisors
STOREYS	13	7-storey podium (3 floors)	25	30	33
OFFICE SF	133,000	99,000 (strata)	215,000	206,134 (strata) / 168,655	377,000
TENANTS	No tenants at this time	Sold (phases 1 & 2 - 99,000 sf)	No tenants at this time	26,800 - Bosa Development Approx. 55% of the building has been sold as strata office space; no prelease commitments currently	105,000 sf - Kabam Inc. 40,000 sf - PI Financial 37,000 sf - B2Gold
OCCUPANCY	0%	100% sold	0%	100% sold / 0%	48%

PROPOSED DOWNTOWN DEVELOPMENTS

1166 WEST PENDER STREET

DEVELOPED BY
RELIANCE PROPERTIES

STOREYS / OFFICE AREA
32 /348,930 SF

This redevelopment of an existing office building will involve the construction of a new 32-storey building with 348,930 sf of office space. Approval of the development permit application is anticipated in the first quarter of 2020 with demolition expected to start in the third quarter of 2020. The existing building is occupied until June 2020. Construction of the building is scheduled for completion in early 2024. No prelease commitments were confirmed by year-end 2019.

601 WEST PENDER STREET

DEVELOPED BY
RELIANCE PROPERTIES

STOREYS / OFFICE AREA
29 / 398,500 SF

The rezoning application for this project was submitted in fall 2019. The application calls for 398,500 sf of office space in a 29-storey mixed-use development that would replace the existing six-storey parkade currently on the site. The new building would include retail space at grade with the top two floors of the tower set aside as amenity space for the building's occupants. A construction timeline has not been provided.

THE CRYSTAL AT WATERFRONT SQUARE, 555 WEST CORDOVA STREET

DEVELOPED BY
CADILLAC FAIRVIEW

STOREYS / OFFICE AREA
26 / 335,000 SF

After years of delay, Cadillac Fairview's development permit application for The Crystal at Waterfront Square, a 26-storey, 380,000-sf office tower was resubmitted in late 2019 after the initial design generated substantial public criticism in 2015. If approved in May 2020 and market conditions support proceeding, construction could break ground in late 2020/early 2021 with the building being delivered in early 2024.

ROYAL CENTRE, 1025-1055 WEST GEORGIA STREET

DEVELOPED BY
PCI GROUP

STOREYS / OFFICE AREA
5 / 76,000 SF

A development permit application was filed in July 2019 to redevelop the existing bank building at 1025 West Georgia and replace it with a five-storey commercial building with four floors of office space totalling 76,000 sf above retail space at grade. The application also seeks to make alterations and additions to the existing lobby of 1055 West Georgia as well as alterations to the existing retail mall, which will be the developer's initial focus.

720 BEATTY STREET

DEVELOPED BY
WESTBANK

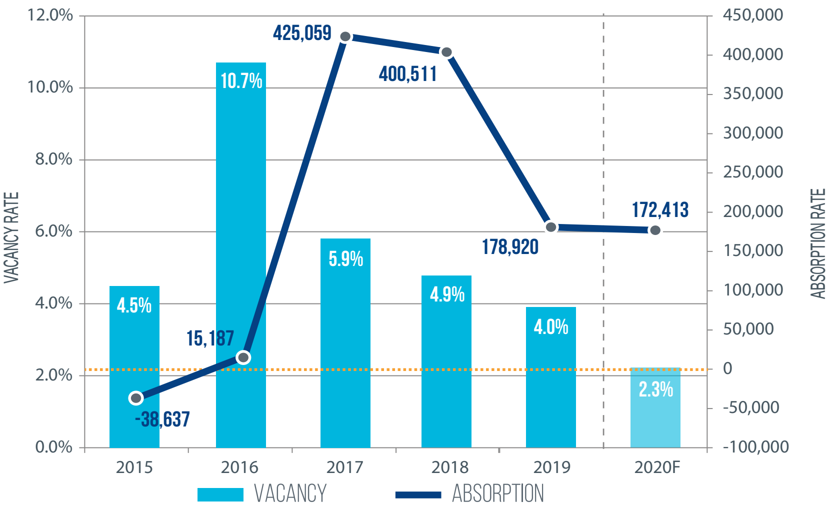
STOREYS / OFFICE AREA
17 / 580,000 SF

An updated rezoning application was filed with the City in December 2018 and the UDP supported the building design in April 2019. The proposed 580,000-sf building would include 17 floors of office space for lease as well as minimal retail at grade. The building would be one of the largest office buildings in terms of square footage in Vancouver. While a delivery date was not confirmed at year-end 2019, early 2024 had been originally proposed.

VANCOUVER-BROADWAY

Vacancy likely to hit record low in 2020

VACANCY AND ABSORPTION (OVERALL)



12-month projection based on 10-year average absorption and known net absorption in new inventory

VACANCY TRENDS

Overall vacancy slipped to 4% at year-end 2019 from 4.9% a year earlier – the lowest vacancy rate recorded in Vancouver-Broadway since mid-year 2015. Demand remained strong in 2019 with activity focused on small-pocket space due to a lack of larger opportunities with just seven buildings with availabilities that could accommodate tenants seeking more than 10,000 sf. Deal velocity slowed in 2019 due to a lack of options even as a number of traditional downtown tenants began exploring the market as a result of even tighter vacancy conditions downtown. Vacancy in the core Vancouver-Broadway corridor submarket rose to 5.6% from 2.8% a year earlier, due primarily to an increase in the number of smaller class B vacancies. Significant new tenants included **WeWork** occupying 2015 Main Street, **Relic Entertainment** moving into the **Nickel** at 285 West 5th Avenue, **Royal Pacific Realty** moving into 1200 West 73rd and the **BCSPCA** taking occupancy in **DHX Media's** former space at 1256 East 6th Avenue. Vacancy in the peripheral Vancouver-Broadway market dropped precipitously to 1.9% at year-end 2019 from 7.2% at year-end 2018, due primarily to tenants occupying new buildings that had been delivered vacant in late 2018 and early 2019.

ABSORPTION TRENDS

Annual absorption of 178,920 sf in 2019 marked the fourth straight year of positive absorption in the Vancouver-Broadway office market. Much of the absorption recorded since 2017 was due to the occupancy of new space, particularly in Mount Pleasant, along Great Northern Way and in South Vancouver. Strong levels of absorption occurred primarily in class A space throughout the Vancouver-Broadway market, which helped offset substantial negative absorption recorded in class B buildings, including **Westport** and **Gener8** vacating space at 1750 West 75th Avenue and 138 East 7th Avenue, respectively. The pending demolition of 5780 Cambie also resulted in multiple small tenants vacating the building. Deal velocity slowed in 2019 due to a lack of options. Annual absorption in the core Vancouver-Broadway corridor submarket was negative 12,589 sf in 2019 largely due to the combination of smaller class B vacancies. Outside of Mount Pleasant, new office construction in the core submarket was largely limited to the delivery of 988 West Broadway in 2018, which had been occupied by **Industrial Alliance**. Annual absorption of 191,509 sf in the peripheral Vancouver-Broadway market was largely driven by the occupancy of recently completed buildings.

NEW CONSTRUCTION

Most new construction in the Vancouver-Broadway market is located in three nodes: Mount Pleasant, the emerging City Hall District and the False Creek Flats. Most new office development in these nodes includes light industrial flex space as required by zoning regulations. Developments in Mount Pleasant including **The Beltline Off Broadway**, **The Yukon**, **The Workshop**, 2131 Manitoba Street, 150-170 West 4th Avenue, **Main Alley**, **Focal on 3rd**, 205 West 5th Avenue, 151 West 5th Avenue and **HOUSS** all include a combination of office and light industrial flex space. While Mount Pleasant has typically been home to most of the recent strata office development in the market, new strata offerings are increasingly common with projects such as 1308 Adanac Street, **Archetype** and **Oakridge** proposed outside of Mount Pleasant. Developments in the City Hall District, including 510 West Broadway (fully leased to the **City of Vancouver**), **CityLink** and 425 West 6th Avenue on the western edge of Mount Pleasant are all primarily office use. Projects located on or near the False Creek Flats include 339 and 375 East 1st Avenue, 2102 Keith Drive, **The Onyx** and Archetype at 220 East 1st Avenue, which features strata office and industrial space as well as rental residential uses, along with **Lululemon Athletica's** build-to-suit head office, which had its rezoning application approved January 30, 2020. Oakridge's emergence as a new office node includes strata office and medical space offered at Oakridge along with new nearby mixed-use developments at 5740 and 5812-5844 Cambie Street that include office space for lease.

VACANCY TO ACHIEVE RECORD-LOW RATE IN 2020

MARKET FORECAST

Rental rates increased across the board in 2019 and that trend is expected to continue through 2020, particularly in class A buildings. Landlords remain bullish and are viewing the historically tight vacancy situation downtown as a factor in their lease considerations. Despite delivery of multiple developments within the next 12 to 18 months, there is limited availability until late 2021 as much of the inventory delivered in the next 12 months is preleased. Vacancy is anticipated to continue to decline to historic lows in 2020. Deal velocity is likely to remain constrained for the next 18 months with few options for those tenants without preleases to consider.

NOTABLE LEASE DEALS - YEAR-END 2019

TENANT	BUILDING	SF
WeWork	M2 Main Alley	70,000
Damon Motors	708 Powell Street	11,090
CADmakers 3D Printing Company Inc.	1256 East 6th Avenue	6,020
BC SPCA	1256 East 6th Avenue	5,345
AbCellera Biologics Inc. (sublease)	2512 Yukon Street	4,940
Essa Technologies	2695 Granville Street	4,130

Mount Pleasant Employment Area (I-1, I-1A Zoning)

Office vacancy declined to 7.2% at year-end 2019 in Mount Pleasant – down from 9.2% a year earlier but up significantly from 3% at mid-year 2019. The increase in vacancy came from the addition of both sublease and head lease space to the market in the back half of 2019. With no major office leases completed since mid-year 2019 and with the majority of new construction not coming to market until mid to late 2021, deal velocity was highly constrained. With the exception of WeWork occupying 2015 Main Street (an existing building that was renovated) and SEGA occupying the new Nickel building, activity involving mid- to large-sized tenants remained limited in 2019. Vacancy is expected to continue to tighten in 2020 despite slowing deal velocity as there are no new projects delivering space for lease until late 2020 and early 2021. This gap in the delivery of new space has placed upward pressure on rental rates, which had continued to rise through 2019 and are expected to continue to creep up in 2020. At or near-record-low vacancy in the Downtown and Vancouver-Broadway markets is another factor driving demand and rental rate escalation in Mount Pleasant. As there are several projects under construction in the area and demand remains healthy – as evidenced by the ongoing success of strata office/light industrial projects such as HOUSS, The Yukon and The Beltline Off Broadway – deal velocity is expected to resume by mid-2020 as more space with closer occupancy dates comes to market. Annual absorption remained positive in 2019 but the amount of positive absorption in 2020 is likely to be less due to a gap in new development being delivered in 2020.

DEVELOPER	BUILDING	SF	PRELEASE %	COMPLETION
Rendition Developments	The Beltline Off Broadway, 234 & 248 West 8th Avenue	32,898 (office/light industrial)	Strata: 89% sold	Q1 2020
Pacific Crown Management Ltd.	510 West Broadway	41,260 (office)	100%	Q4 2020
Chard Development	The Yukon, 2238 Yukon Street	54,490 (office/light industrial)	Strata: 55% sold	Q4 2020
Mondivan	The Workshop, 161 East 4th Avenue	55,011 (office/light industrial)	10%	Q4 2020
Vanlux Development	CityLink, 525 West 8th Avenue	62,657 (office)	0%	Q1 2021
Wesgroup Properties	2131 Manitoba Street	48,030 (office/light industrial)	100%	Q1 2021
Westbank / Hootsuite	Main Alley (M2), 114 East 4th Avenue	170,543 (office/light industrial)	81%	Q1 2021
Conwest Group	HOUSS, 63 West 6th Avenue	47,165 (office/light industrial)	Strata: 30% sold*	Q2 2021
Union Allied Capital Corp.	1308 Adanac Street	55,160 (office/light industrial)	Strata: 18% sold	Q2 2021
Cressey Development	425 West 6th Avenue	163,000 (office)	19%	Q3 2021
TG Group of Companies	Focal on 3rd, 107 East 3rd Avenue	22,659 (office/light industrial)	Lease & Strata: 0%	Q3 2021
Triovest	339 East 1st Avenue	144,000	0%	Q1 2022
Rize Alliance	The Onyx, 1296 Station Street	271,500 (office)	0%	Q2 2022
Rendition Developments	205 West 5th Avenue	24,585 (office/light industrial)	Strata: 0%	Q2 2022
Dayhu Group	150-170 West 4th Avenue & 2004 Columbia Street	128,000 (office/light industrial)	0%	Q2 2022
BentallGreenOak	2102 Keith Drive	168,000	~33%	Q3 2022
QuadReal Property Group / Hungerford Properties	Archetype, 220 East 1st Avenue	99,000 (office/creative industrial)	Strata: 0%	Q4 2022
Westbank / Hootsuite	Main Alley (M4), 110 East 5th Avenue	167,013	0%	Q4 2022
Strand Development	302, 328 & 336 West 2nd Avenue	56,317	Lease/sale	Q1 2023
Onni Group	375 East 1st Avenue	129,207 (office/high-tech industrial)	0%	Q2 2023
PCI Group	1465-1489 Broadway	67,200 (office)	0%	Q3 2023
QuadReal Property Group / Westbank	660 & 668 West 41st Avenue (phase one of Oakridge Centre redevelopment)	175,440 (office/medical)	Strata: 76% sold	Q2 2024
QuadReal Property Group	*Broadway Tech Centre, 3030 East Broadway (five buildings)*	*962,300*	*0%*	*Awaiting prelease*
Champion Development Group	*151 West 5th Avenue*	*54,770 (office/light industrial)*	*0%*	*Awaiting prelease*
Lululemon Athletica	*1980 Foley Avenue*	*511,448 (office) (build to suit)*	*100%*	*In permitting*
The Molnar Group	*2710 Kaslo Street*	*125,717*	*0%*	*Proposed*
Formwerks Boutique Properties	*234 West 3rd Avenue*	*55,116 (office/light industrial)*	*Lease/sale*	*Proposed*
Polygon Homes	*5740 Cambie Street*	*66,800 (office)*	*0%*	*Proposed*
Gryphon Development	*6409, 6434, 6459 & 7487 Cambie Street*	*27,286 (office)*	*0%*	*Proposed*
Vivagrand Developments	*5812-5844 Cambie Street*	*100,000 (office)*	*0%*	*Proposed*
CRS Group of Companies	*2395 Cambie Street*	*TBD*	*0%*	*Proposed*

**Vendor option February 2020*

NEW PROJECTS BY 2022 18

NEW SF BY 2022 **1,754,971**

CURRENTLY PRELEASED **28%**

CORE

CLASS	INVENTORY	HEAD LEASE VACANCY (SF)	SUBLEASE VACANCY (SF)	TOTAL VACANCY (SF)	TOTAL VACANCY (%)	12-MONTH ABSORPTION (SF)	AVERAGE NET RENTAL RATE (PSF)	GROSS OCCUPANCY COST (PSF)
A	2,233,551	45,547	10,220	55,767	2.5%	27,636	\$24 - \$48	\$40 - \$67
B	1,453,968	134,072	25,806	159,878	11.0%	-89,583	\$20 - \$39	\$29 - \$53
C	538,132	21,309	0	21,309	4.0%	49,358	\$16 - \$23	\$35 - \$43
Total	**4,225,651**	**200,928**	**36,026**	**236,954**	**5.6%**	**-12,589**	**-**	**-**

PERIPHERY

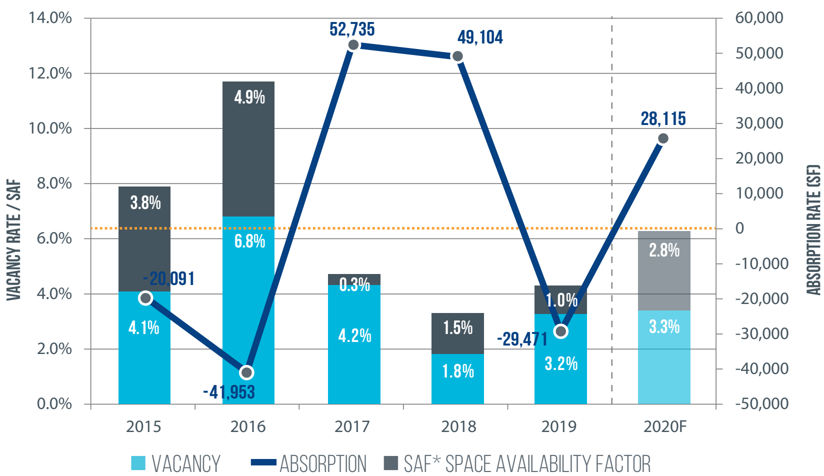
CLASS	INVENTORY	HEAD LEASE VACANCY (SF)	SUBLEASE VACANCY (SF)	TOTAL VACANCY (SF)	TOTAL VACANCY (%)	12-MONTH ABSORPTION (SF)	AVERAGE NET RENTAL RATE (PSF)	GROSS OCCUPANCY COST (PSF)
A	2,360,726	14,013	0	14,013	0.6%	198,870	\$24 - \$38	\$46 - \$62
B	657,159	41,407	0	41,407	6.3%	-20,038	\$16 - \$35	\$25 - \$50
C	84,851	3,038	0	3,038	3.6%	12,677	\$15 - \$24	\$28 - \$39
Total	**3,102,736**	**58,458**	**0**	**58,458**	**1.9%**	**191,509**	**-**	**-**

OVERALL

CLASS	INVENTORY	HEAD LEASE VACANCY (SF)	SUBLEASE VACANCY (SF)	TOTAL VACANCY (SF)	TOTAL VACANCY (%)	12-MONTH ABSORPTION (SF)	AVERAGE NET RENTAL RATE (PSF)	GROSS OCCUPANCY COST (PSF)
A	4,594,277	59,560	10,220	69,780	1.5%	226,506	\$24 - \$48	\$40 -\$67
B	2,111,127	175,479	25,806	201,285	9.5%	-109,621	\$16 - \$39	\$25 - \$53
C	622,983	24,347	0	24,347	3.9%	62,035	\$15 - \$24	\$28 - \$43
Total	**7,328,387**	**259,386**	**36,026**	**295,412**	**4.0%**	**178,920**	**-**	**-**

Vacancy spikes due to sudden departure of VFX studio

VACANCY AND ABSORPTION



12-month projection based on 10-year average absorption and 10-year average SAF

VACANCY TRENDS

Vacancy spiked to 3.2% at year-end 2019 from 1.8% a year earlier, due to the sudden and unexpected departure of the VFX and animation studio, **Moving Picture Co. (MPC)**, in December 2019. Vacancy had hit a record low of 0.4% at mid-year 2019 with deal velocity being severely constrained due to limited supply. Vacancy is expected to tighten early in 2020, with any space that comes available tending to lease up quickly. The vast majority of sublease space available in Yaletown (42,000 sf) was located in MPC's former space at 1132 Hamilton Street.

ABSORPTION TRENDS

Negative annual absorption of negative 29,471 sf in 2019 marked the first time negative annual absorption had been recorded in Yaletown since 2016. The departure of MPC was largely responsible for the swing to negative annual absorption in 2019, although smaller spaces had also come back at 1040 Hamilton Street and 1120 Hamilton Street, respectively, as well as at 1148 Homer Street. Absorption is anticipated to return to positive territory by mid-year 2020 as demand for office space in Yaletown remains strong with competing bids to lease space when it comes available becoming more commonplace.

SPACE AVAILABILITY FACTOR

The space availability factor (SAF) refers to head lease and/or sublease space that is being marketed, but is not physically vacant. The SAF fell to 1% (21,101 sf) at year-end 2019 from 1.5% (30,957 sf) a year earlier. Hence, the amount of available space currently being marketed at year-end 2019 (occupied and vacant) in Yaletown is 4.2%, or approximately 87,599 sf . The lowest SAF on record, 3,742 sf or 0.2%, occurred at mid-year 2018.

NEW CONSTRUCTION

Boffo Developments' mixed-use project, **The Smithe**, at 225 Smithe Street (formerly 885 Cambie Street), will deliver 31,000 sf of new office space located over three floors in the podium of a 27-storey condo tower. The renovation and restoration of 1290 Homer Street will offer up to 28,252 sf of office space on four floors after a three-storey addition is built atop the heritage building. The redevelopment, dubbed **Yaletown Square**, is scheduled for completion in the first quarter of 2021.

TECK RESOURCES LEASED ALMOST 21,800 SF AT **1028-1030 HAMILTON STREET**

MARKET FORECAST

Rental rates rose through 2019 and a slight escalation in rates is anticipated to continue into 2020. The market will remain tight with little relief in the immediate future as demand for quality space in this competitive market will remain strong. Deal velocity is anticipated to pick up slightly in 2020 as the limited availabilities that came up in the back half of 2019 are leased, which should also result in a return to positive absorption. Yaletown remains one of the most popular office markets in the region despite the popularity of new up-and-coming office nodes in Mount Pleasant and Crosstown. A large outflow of tenants from Yaletown to these new hip precincts has not occurred with just **Relic Entertainment** and **Slack** relocating outside the market in 2019.

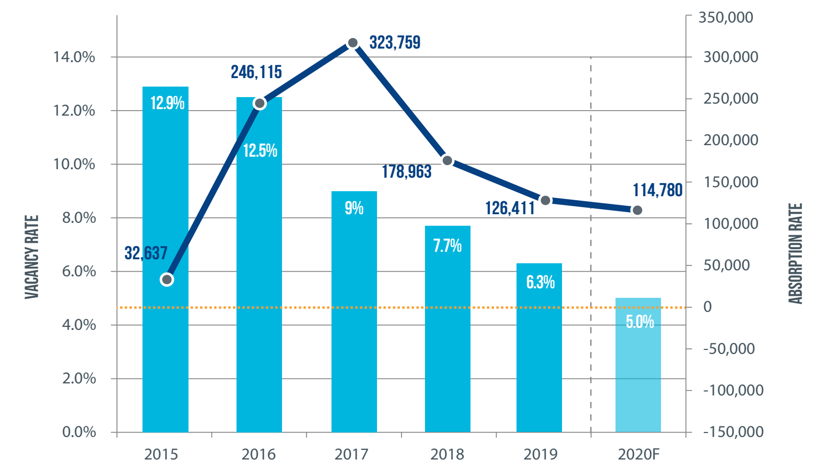
NOTABLE LEASE DEALS - YEAR-END 2019

TENANT	BUILDING	SF
Teck Resources	1028-1030 Hamilton Street	21,750
Ingenuity Studios	1120 Hamilton Street	5,500
Archiact (sublease)	858 Beatty Street	5,400
Form Body Labs	1152 Mainland Street	3,490

DEVELOPER	BUILDING	SF	PRELEASE SF	PRELEASE %	COMPLETION
Boffo Developments	The Smithe, 225 Smithe Street	31,000	0	0%	Q3 2020
Private developer	Yaletown Square, 1290 Homer Street (renovation & 3-storey addition)	28,252 (office); 17,115 (addition)	0	0%	Q1 2021

CLASS	INVENTORY	HEAD LEASE VACANCY (SF)	SUBLEASE VACANCY (SF)	TOTAL VACANCY (SF)	TOTAL VACANCY (%)	12-MONTH ABSORPTION (SF)	SAF (SF)	SAF (%)	AVERAGE NET RENTAL RATE (PSF)	GROSS OCCUPANCY COST (PSF)
A	576,938	0	42,000	42,000	7.3%	-30,715	1,712	0.3%	$39.50 - $43	$58.50 - $61.75
B	1,025,357	10,419	0	10,419	1.0%	-3,411	18,028	1.8%	$32 - $35	$49.50 - $52.25
C	472,077	12,560	1,519	14,079	3.0%	4,655	1,361	0.3%	$25.50 - $28.50	$41 - $44
Total	**2,074,372**	**22,979**	**43,519**	**66,498**	**3.2%**	**-29,471**	**21,101**	**1.0%**	-	-

VACANCY AND ABSORPTION



12-month projection based on 10-year average absorption and known net absorption in new inventory

VACANCY TRENDS

Vacancy slipped to 6.3% from 7.7% a year earlier, marking the lowest annual vacancy rate recorded in the Burnaby office market since 2008. Many Burnaby tenants continued to expand or relocate within the market in 2019, which contributed to the decline in vacancy. While strong demand for office space located on or near rapid transit remained consistent, availability was severely limited, which led to many groups considering leasing space in more traditional business parks that are not directly on transit. Deal volume remained elevated in 2019 with many larger tenants renewing while smaller user groups leased up available space at a steady pace. While lease options remained in some business parks, the number of options was dwindling. Half of the total sublease vacancy in Metro Vancouver is located in Burnaby with most of that sublease space located in **Telus'** former headquarters at 3777 Kingsway.

ABSORPTION TRENDS

Annual absorption of 126,411 sf in 2019 marked the sixth year in a row that positive annual absorption was recorded in Burnaby's office market. While the amount of office space absorbed has been declining annually since peaking in 2017, the decrease has been due to a lack of available options in the market and not a decline in demand. A lack of new supply has further contributed to the reduction in annual absorption. The majority of notable deals completed in 2019 will not commence until mid-2020.

NEW CONSTRUCTION

New supply remains severely constrained in Burnaby with the only new office space being delivered in 2020 at **The Amazing Brentwood**, which has been preleased by **WeWork**. **Belford Properties** will deliver 67,000 sf of strata office space in early 2021 followed by **Shape Properties' The City of Lougheed** development in mid-2022, which includes just 21,000 sf of office. Subsequent phases of The Amazing Brentwood and The City of Lougheed scheduled in 2023 and beyond will offer substantially more office space as part of the developments.

VACANCY SET TO DECLINE FURTHER IN 2020

MARKET FORECAST

Net rental rates increased in 2019 and will continue to do so in 2020 as demand for office space in Burnaby remains strong. Near-record-low vacancy in Vancouver and limited options in other surrounding markets have led groups to increasingly consider locating in Burnaby. Tenants who have typically only leased space on a head lease basis are increasingly willing to entertain long-term subleases due to the frequently more attractive economics of sublease space. Absorption will likely stabilize in 2020 as vacancy continues to tighten and deal velocity is constrained due to a lack of options and limited availability.

NOTABLE LEASE DEALS - YEAR-END 2019

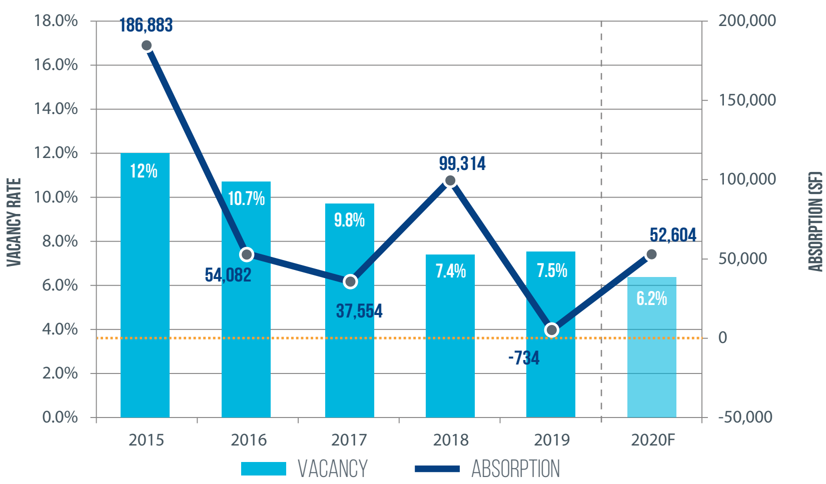
TENANT	BUILDING	SF
Traction on Demand (renewal)	2700 Production Way	50,000
BC Hydro (renewal & expansion)	4710 Kingsway	32,210
WorleyParsons (renewal)	4321 Still Creek Drive	29,190
Rise People (sublease)	3777 Kingsway	25,300
BMO (renewal)	4710 & 4730 Kingsway	25,000
TransLink	4555 Kingsway	22,065
Investors Group	4730 Kingsway	22,000
Orbis Client Services (renewal)	4710 Kingsway	21,000
Provincial Health Services (sublease)	SOLO District	20,620
Clio	4621 Kingsway	19,660
PerfectMind (renewal)	4333 Still Creek Drive	18,410
Alexander College (renewal)	4603 Kingsway	17,300
Huawei Technologies	4321 Still Creek Drive	15,680
PCRM (renewal & expansion)	4601 Canada Way	14,620
Ricoh Canada	4621 Canada Way	14,080
Skybox Labs	1901 Rosser Avenue	10,470
BPCPA	4946 Canada Way	9,600

DEVELOPER	BUILDING	SF	PRELEASE SF	PRELEASE %	COMPLETION
Shape Properties	The Amazing Brentwood (phase 1)	77,000 (office)	77,000	100%	Q4 2020
Belford Properties	The Centre at Sun Towers, 4458 Beresford Street	67,000 (office)	Strata	90% sold	Q1 2021
Shape Properties	The City of Lougheed (phase 1)	21,000 (office)	0	0%	Q3 2022
Shape Properties	The Amazing Brentwood (phase 2)	300,000 (office)	0	0%	Q4 2023
Onni Group	Gilmore Place (phase 1)	80,500 (office)	0	0%	Q2 2024
Onni Group	*Gilmore Place (phase 2)*	*695,614 (office)*	*0*	*0%*	*Proposed*
Blackwood Partners	*3100 Production Way (two office towers)*	*340,777 (office)*	*0*	*0%*	*Proposed*
Beedie	*3133 Sumner Avenue*	*111,779 (office)*	*0*	*0%*	*Proposed*
Kingswood Capital	*Discovery Place Business Park, 3555 Gilmore Way*	*50,000*	*0*	*0%*	*Awaiting prelease*

CLASS	INVENTORY	HEAD LEASE VACANCY (SF)	SUBLEASE VACANCY (SF)	TOTAL VACANCY (SF)	TOTAL VACANCY (%)	12-MONTH ABSORPTION (SF)	AVERAGE NET RENTAL RATE (PSF)	GROSS OCCUPANCY COST (PSF)
A	6,368,081	245,410	184,289	429,699	6.7%	102,260	$19 - $34	$34 - $48
B	2,081,671	127,924	7,417	135,341	6.5%	4,983	$16 - $24	$30 - $42
C	869,038	4,219	17,547	21,766	2.5%	19,168	$14 - $20.50	$23 - $31
Total	**9,318,790**	**377,553**	**209,253**	**586,806**	**6.3%**	**126,411**	-	-

Market rents remain lowest in Metro Vancouver

VACANCY AND ABSORPTION



12-month projection based on 10-year average absorption and known net absorption in new inventory

VACANCY TRENDS

Office vacancy in Richmond remained stable at 7.5% at year-end 2019. Vacancy was 7.4% a year earlier. Richmond was the only market in Metro Vancouver where vacancy remained largely unchanged in 2019. Tenants were attracted to the market in 2019 due to reasonable lease rates and limited options elsewhere in Metro Vancouver. Many of the deals completed in the first half of 2019 came into occupancy by the end of 2019 and helped offset tenant relocations that occurred later in the year. **Virogin Biotech** occupied 15,680 sf at 135111 Commerce Parkway while **T&T Supermarket** vacated 12,512 sf at 6651 Fraserwood Place. **Apple** vacated 9,122 sf at 10851 Shellbridge Way while **Touchstone Family Services** occupied 10,700 sf at 3011 Viking Way. While **AGS Foods** subleased and occupied 14,965 sf of flex office space at 13560-13566 Maycrest Way, the **Richmond Chamber of Commerce** (2,950 sf) and **VersaCold** (7,050 sf) occupied space in 13888 Wireless Way.

ABSORPTION TRENDS

Slight negative annual absorption of minus 734 sf reflected the balanced nature of Richmond's office market in 2019. It also marked the first time negative annual absorption had been recorded in Richmond since year-end 2010. Large blocks of space remain available but there are fewer options compared with 12 to 18 months ago. Most existing tenants often have expansion options available, which has contributed to maintaining market stability as growth can often be accommodated without triggering a relocation.

NEW CONSTRUCTION

While the timing of the delivery of office space at **Yuanheng's ViewStar** development is unclear, the first phase of **Chunghwa Investments' Bridgeport Business Centre** is scheduled to deliver 130,000 sf of strata office space by the end of 2020. Construction is also underway on **Keltic Canada's The Paramount**, a 12-storey office building that is proposed to be completed by mid-2022 and offer 103,560 sf of strata office space. **South Street Development Group's Atmosphere** development will offer 132,900 sf of office space for lease in an 11-storey building, which was purchased by **CIBT Education Group** in a forward sale.

ANNUAL VACANCY REMAINS UNCHANGED SINCE 2018

MARKET FORECAST

Rental rates were stable in 2019 and will likely remain so throughout most of Richmond in 2020. Office space along the No. 3 Road corridor is able to command slightly higher rents along with class A space in select Richmond business parks, but these rates are expected to remain the same in 2020 in an effort to continue to attract new tenants and retain existing ones. In addition, landlords are still providing competitive inducements. Existing tenants will continue to be able to expand in 2020 while Richmond remains the only core market in Metro Vancouver with options for new tenants of all sizes.

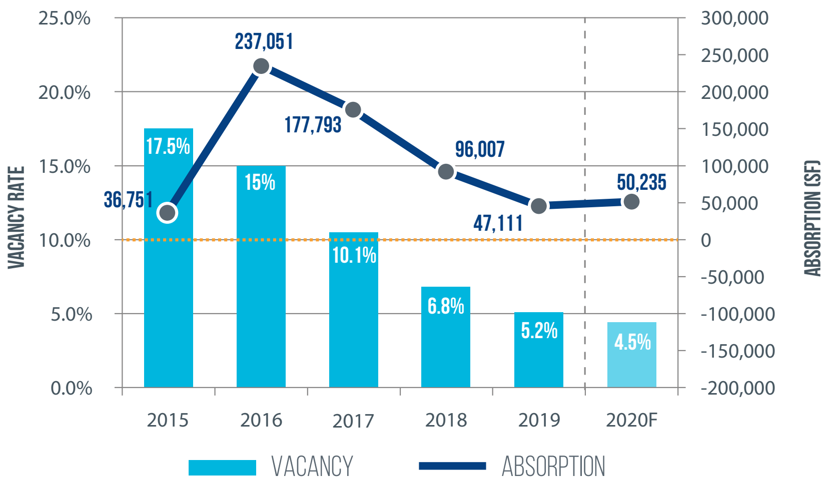
NOTABLE LEASE DEALS - YEAR-END 2019

TENANT	BUILDING	SF
Sierra Wireless (renewal)	13811 Wireless Way	99,800
Horton Trading Ltd.	11120 Horseshoe Way	4,480
Manulife	Crestwood Corporate #6	3,860
Ellis Don (expansion)	Crestwood Corporate #7	3,000
Richmond Chamber of Commerce	13888 Wireless Way	2,950
Apollo Sign & Millwork Ltd.	Crestwood Corporate #6	2,650
Cryopeak Solutions Corp.	13351 Commerce Parkway	2,410

DEVELOPER	BUILDING	SF	PRELEASE SF	PRELEASE %	COMPLETION
Yuanheng Seaview Developments	ViewStar, 3031-3351 No. 3 Road, 8151 Capstan Way & 8051/8100 River Road	205,141 (office - second phase)	NA	NA	Under construction
Chunghwa Investments	Bridgeport Business Centre (phase 1), 9466 Beckwith Road	130,000 (office)	Strata	29% sold	Q4 2020
Keltic Canada Development Ltd.	The Paramount, 6340 No. 3 Road	103,560 (office)	Strata	NA	Q2 2022
South Street Development Group	GEC Richmond, 7960 Alderbridge Way (part of Atmosphere development)	132,900 (office)	10,000	7.5%	Q3 2022
Townline Ventures	*5591, 5631, 5651 and 5671 No. 3 Road*	*77,740 (office)*	*0*	*0%*	*Proposed*
Park Village Investments & Grand Long Holdings Canada	*8071 & 8091 Park Road*	*58,780 (office)*	*0*	*0%*	*Proposed*
Vanhome Properties Inc.	*9080, 9086, 9100 & 9180 Odlin Road and 4420 & 4440 Garden City Road*	*48,000 (office)*	*0*	*0%*	*Proposed*
New Continental Properties	*8320, 8340 & 8440 Bridgeport Road and 8311 & 8351 Sea Island Way*	*50,527*	*0*	*0%*	*Proposed*
CIBT Education Group Inc.	*GEC CyberCity, 7760, 7780, 7800, 7810, 7820 and 7840 River Road*	*150,000 (office)*	*0*	*0%*	*Proposed*
Bene (No. 3) Development Ltd.	*4700 No. 3 Road*	*64,965 (office)*	*0*	*0%*	*Proposed*
Vanprop Investments	*Lansdowne Centre (redevelopment)*	*TBD*	*0*	*0%*	*Proposed*

CLASS	INVENTORY	HEAD LEASE VACANCY (SF)	SUBLEASE VACANCY (SF)	TOTAL VACANCY (SF)	TOTAL VACANCY (%)	12-MONTH ABSORPTION (SF)	AVERAGE NET RENTAL RATE (PSF)	GROSS OCCUPANCY COST (PSF)
A	2,895,256	241,027	34,101	275,128	9.5%	-41,576	$17.75 - $20	$30 - $33
B	972,346	33,179	0	33,179	3.4%	21,240	$15 - $16	$28.50 - $30
C	348,198	5,897	0	5,897	1.7%	19,602	$14.50 -$16	$22.50 - $24
Total	**4,215,800**	**280,103**	**34,101**	**314,204**	**7.5%**	**-734**	-	-

VACANCY AND ABSORPTION



12-month projection based on 10-year average absorption and known net absorption in new inventory

VACANCY TRENDS

Office vacancy slid to 5.2% at year-end 2019 – down markedly from 6.8% just a year earlier and reaching its lowest point since year-end 2010 (2.5%). Vacancy has been declining steadily since 2014 when it peaked at 23.2%. Ongoing demand and limited availability in Surrey led to moderate deal flow in 2019 with several noteworthy occupancies, including the **Canada Revenue Agency**, **Vancouver Career College** and **Westland Insurance** all contributing to the decline in vacancy. Landlords increasingly have an upper hand in negotiations with tenants in Surrey as vacancy continues to tighten and minimal large-block opportunities available. Surrey is one of two markets in Metro Vancouver where there was no sublease availability at year-end 2019.

ABSORPTION TRENDS

Annual absorption in 2019 slipped to 47,111 sf from 96,007 sf in 2018 as the number of available options dwindled and new supply remained constrained. After a slow start to the year, absorption was primarily located in class A properties in the second half of 2019, including tenancies in phase A of **King George HUB** (20,500 sf), 14928 56th Avenue (9,300 sf), 5455 152nd Street (9,490 sf) and 7327 137th Street (5,570 sf). Moderate absorption was also noted in class B properties, primarily 15225 104th Avenue (6,570 sf). Overall demand for office space in Surrey has resulted in more than 550,000 sf of net positive absorption recorded from 2016 to 2019.

NEW CONSTRUCTION

Delivery of **The Professional Centre @ South Point** was pushed back to mid-2020 and was 51% preleased at year-end 2019. The development will represent the first new office space constructed for lease since **Gateway Place** was completed in the first half of 2017. **PCI Group's** King George HUB development is scheduled for completion by the end of 2021 and is 33% preleased by **Spaces** (52,000 sf). **Lark Group's** newest strata office tower, **CityCentre3**, will deliver in early 2021 and was 50% available at year-end 2019. **Blackwood Partners' Tower 2 at Central City** has yet to break ground but is aiming for completion in the second half of 2023. **Century Group** has proposed **Holland Parkside,** which would include a 10-storey, 170,625-sf office building as part of the mixed-use development.

RENTAL RATES TO RISE AS VACANCY REMAINS TIGHT

MARKET FORECAST

Rental rates are expected to continue to climb in 2020 due to tightening vacancy and limited availability, particularly for those tenants seeking large-block options. The delivery of TPC @ South Point by mid-2020 will likely moderate further substantial declines in vacancy, but it is not anticipated that it will reverse the downward trend. With no other new supply for lease coming online until 2021 and the absence of sublease availabilities in the Surrey market, tenants will likely face rental-rate increases upon renewal or face limited relocation options.

NOTABLE LEASE DEALS - YEAR-END 2019

TENANT	BUILDING	SF
Spaces	King George HUB (phase B)	52,000
Canada Revenue Agency	CityCentre3	35,000
Sangha Tone CPA	19933 88th Ave, Langley	10,000
Westland Insurance	5455 152nd Street	9,490
Smythe CPA	19933 88th Ave, Langley	7,000
Amur Financial Group	10524 King George Boulevard	6,480

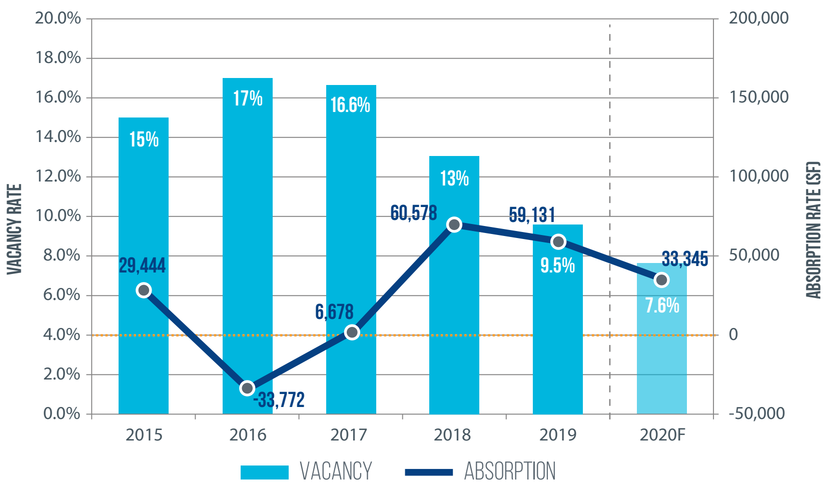
DEVELOPER	BUILDING	SF	PRELEASE SF	PRELEASE %	COMPLETION
Avondale Development / Monark Group	The Professional Centre @ South Point, 3231 152nd Street	71,780	34,333	51%	Q2 2020
Croydon Drive Development LLP	Southpointe99 (phase 2), 15303 31 Avenue	50,000	50,000	100%	Q2 2020
PCI Group	FWCU Building, 19933 88th Avenue, Langley	107,000 (office)	79,500	74%	Q1 2020
Lark Group	CityCentre3, 13761 96th Avenue	119,500 (office)	Strata/Lease	50%	Q1 2021
Maple Leaf Homes/Kooner Construction	Cambridge Business Centre, 15315 66th Avenue	80,000	Strata	NA	Q2 2021
PCI Group	King George HUB at the Stations (phase B), 9900 King George Boulevard (office/retail)	160,000 (office)	52,000	33%	Q4 2021
Blackwood Partners	*Tower 2 at Central City, 10145 King George Boulevard*	*514,000 (office)*	*0*	*0%*	*Proposed*
Landview Construction	*GTC Professional Building, 10189 153rd Street*	*100,550*	*0*	*0%*	*Proposed*
Century Group	*Holland Parkside, 9905 King George Boulevard*	*170,635*	*0*	*0%*	*Proposed*

CLASS	INVENTORY	HEAD LEASE VACANCY (SF)	SUBLEASE VACANCY (SF)	TOTAL VACANCY (SF)	TOTAL VACANCY (%)	12-MONTH ABSORPTION (SF)	AVERAGE NET RENTAL RATE (PSF)	GROSS OCCUPANCY COST (PSF)
A	2,074,968	67,082	0	67,082	3.2%	52,104	\$28 - \$38	\$45 - \$55
B	626,010	67,739	0	67,739	10.8%	-4,993	\$20 - \$25	\$34 - \$39
C	205,629	15,446	0	15,446	7.5%	0	\$14 - \$18	\$27 - \$31
Total	**2,906,607**	**150,267**	**0**	**150,267**	**5.2%**	**47,111**	-	-

NEW WESTMINSTER

Lone moderately priced office market in Metro Vancouver

VACANCY AND ABSORPTION



12-month projection based on 10-year average absorption and known net absorption in new inventory

QUEEN'S COURT AT **625 AGNES STREET** OFFERS RARE PROXIMITY TO SKYTRAIN

MARKET FORECAST

The upward pressure on rental rates registered in 2019 is expected to continue through 2020 as vacancy is predicted to continue to tighten as options dwindle. Office vacancy throughout the region is at or approaching record-lows in virtually all markets and forcing tenants to increasingly consider options outside of more traditional office nodes, which will likely benefit the market and help boost the muted leasing transaction volume that has characterized recent years. New Westminster is increasingly the last centrally located office market in Metro Vancouver where tenants can find options with moderate rental rates and that are also located on or near SkyTrain rapid transit.

VACANCY TRENDS

Office vacancy dropped to 9.5% at year-end 2019, down substantially from 13% a year earlier, and was the lowest vacancy rate recorded in the New Westminster market since year-end 2013 (9.3%). While New Westminster has had the highest office vacancy rate in Metro Vancouver since 2016 (and continues to hold that distinction), a number of noteworthy tenants occupied office space in the back half of 2019, including **Fraser Health** in **Latitude Uptown** and **Yorkville University** at 88 6th Street. New Westminster remains the only balanced office market in Metro Vancouver with small- and large-block options still available for tenants. New Westminster is one of two markets in Metro Vancouver where there was no sublease availability at year-end 2019.

ABSORPTION TRENDS

Positive annual absorption of 59,131 sf in 2019 – down slightly from 60,578 sf in 2018 – marked the third year in a row that New Westminster's office market recorded positive absorption. The lion's share of absorption in 2019 was due to the absorption of 26,260 sf by Fraser Health and 24,330 sf by Yorkville University in the last six months of the year. **Panago Pizza Inc.'s** occupation of 10,000 sf in the **Anvil Centre** in the first half of the year was largely offset by the departure of **Vancouver International College** from 14,800 sf in the **Royal Bank Building** at 628 Sixth Avenue.

NEW CONSTRUCTION

Proposed construction of new office space in New Westminster remains limited. The podium of **Wesgroup's Building 7** in the **Brewery District** will include 35,000 sf of office on floors 2 and 3 with 15,000 sf of retail at grade. Construction is expected to commence in the first half of 2020 and complete in mid-2023. **QuadReal Property Group** is currently working through rezoning and development permit applications for its revamped **Sapperton Green** mixed-use development near the Braid Street SkyTrain station, which now includes a 200,000-sf office building and two mid-rise residential towers with retail on the ground floor. Permit approvals pending, construction could be complete by year-end 2023.

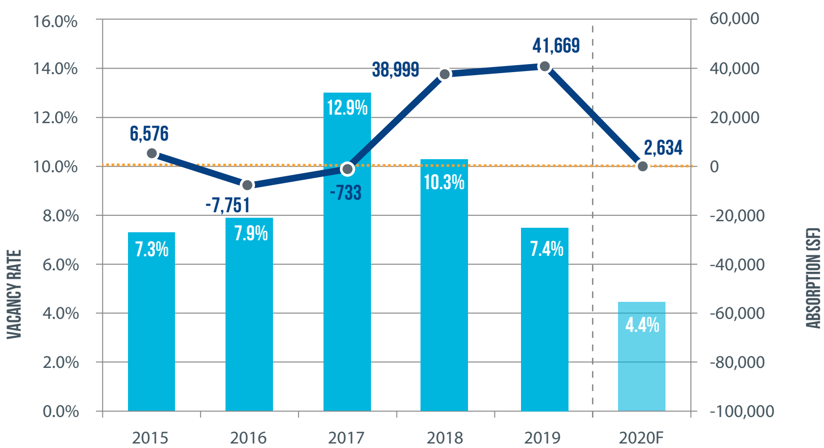
NOTABLE LEASE DEALS - YEAR-END 2019

TENANT	BUILDING	SF
Douglas College	625 Agnes Street	6,000
Speed Shift Media	960 Quayside Drive	5,000
AdPerfect	Anvil Centre	4,000
CollectCents	625 Agnes Street	3,400

DEVELOPER	BUILDING	SF	PRELEASE SF	PRELEASE %	COMPLETION
Wesgroup Properties	Building 7 @ Brewery District, 268 Nelson's Court	35,000	0	0%	Q3 2023
QuadReal Property Group	*97 Braid Street (near Braid Street SkyTrain station) part of Sapperton Green mixed-use redevelopment site*	*200,000*	*0*	*0%*	*Proposed*

CLASS	INVENTORY	HEAD LEASE VACANCY (SF)	SUBLEASE VACANCY (SF)	TOTAL VACANCY (SF)	TOTAL VACANCY (%)	12-MONTH ABSORPTION (SF)	AVERAGE NET RENTAL RATE (PSF)	GROSS OCCUPANCY COST PSF)
A	780,114	74,627	0	74,627	9.6%	22,650	$26 - $34	$41 - $49
B	700,684	71,939	0	71,939	10.3%	36,481	$16 - $22	$31 - $37
C	207,774	14,501	0	14,501	7.0%	0	$13 - $16	$23 - $28
Total	**1,688,572**	**161,067**	**0**	**161,067**	**9.5%**	**59,131**	-	-

VACANCY AND ABSORPTION



12-month projection based on 10-year average absorption and known net absorption in new inventory

VACANCY TRENDS

Strong office leasing activity pushed vacancy down to 7.4% at year-end 2019 – a significant decline from the 10.3% recorded just one year earlier. Additional factors contributing to the decline included a lack of new supply and the pending demolition of the Northmount medical buildings, which is causing tenants to relocate to other buildings on the North Shore. The expansion of existing businesses as well as new tenants entering the North Vancouver market elevated deal velocity in 2019. Businesses seeking space in Central and Lower Lonsdale have very limited options. Sublease vacancy was minimal in 2019, while preleasing activity in **The Lonsdale**, the only new office supply for lease being delivered until at least 2022, remained steady.

ABSORPTION TRENDS

Annual absorption of 41,669 sf in 2019 marked the most annual absorption recorded on the North Shore since 2007 and the second year in a row with annual absorption in excess of 38,000 sf. The absorption of 80,668 sf during the past 24 months was the result of one of the strongest North Shore office leasing markets of the past 15 years. While **Acciona Canada** occupied 12,410 sf at 980 West 1st Street and **Seymour Health Centre** occupied 22,390 sf at 221 West Esplanade, tenants continued to vacate space at the Northmount medical buildings and generate negative absorption.

NEW CONSTRUCTION

The Lonsdale, which has 13,890 sf of office space in the podium of a mixed-use development, is 60% preleased and is scheduled for delivery in mid-2020. **Millennium Central Lonsdale**, which will be built on the site of the former Northmount medical buildings, features a 26-storey residential tower as well as a five-storey mixed-use building with 34,000 sf of office space on the second and third floors. The project is set for completion in late 2023. **Darwin's** re-branded mixed-use development, which includes the five-storey **The Offices at Lonsdale Square**, will offer 70,000 sf of strata office space when completed in 2021. The **Silver Harbour Seniors' Activity Centre** will be located on the second floor.

DARWIN'S NEW STRATA OFFICE PROJECT IN CENTRAL LONSDALE - **THE OFFICES AT LONSDALE SQUARE**

MARKET FORECAST

Upward pressure on rental rates started to manifest in 2019 and will continue into 2020 as a result of reduced vacancy and no new supply, which will result in increasingly limited options for tenants. Vacancy will drop substantially in 2020 due largely to the demolition of the Northmount medical buildings and the removal of the two buildings from inventory. Deal velocity is likely to slow in 2020 as the lack of options constrains leasing activity, which will likely translate into a fairly rapid decline in the annual absorption recorded during 2020.

NOTABLE LEASE DEALS - YEAR-END 2019

TENANT	BUILDING	SF
Seymour Health Centre (new & expansion)	221 West Esplanade	22,390
Acciona Canada	980 West 1st Street	12,410
Dakeryn Industries	224 West Esplanade	6,940
Lakes, Whyte LLP	1308 Lonsdale Avenue	6,030
Quay Property Management	132 West Esplanade	4,170
Pakage Apparel (renewal)	980 West 1st Street	3,930
Corporate Traveller (renewal)	221 West Esplanade	3,010
North Shore Smile	138 East 13th Street	2,995

DEVELOPER	BUILDING	SF	PRELEASE SF	PRELEASE %	COMPLETION
Hollyburn Properties	The Lonsdale, 1301-1333 Lonsdale Avenue	13,890	8,400	60%	Q2 2020
Darwin Properties	The Offices at Lonsdale Square	70,000 (office)	Strata	26% sold	Q2 2021
Millennium Development	Millennium Central Lonsdale, 123-145 East 13th Street	34,000 (office)	0	0%	Q4 2023
Concert Properties	*801, 889 & 925 Harbourside Drive and 18 Fell Avenue*	*TBD*	*0*	*0%*	*Proposed*
The Tsleil-Waututh Nation & Darwin Properties	*North Shore Innovation District, 2420 Dollarton Highway*	*TBD*	*0*	*0%*	*Proposed*

CLASS	INVENTORY	HEAD LEASE VACANCY (SF)	SUBLEASE VACANCY (SF)	TOTAL VACANCY (SF)	TOTAL VACANCY (%)	12-MONTH ABSORPTION (SF)	AVERAGE NET RENTAL RATE (PSF)	GROSS OCCUPANCY COST (PSF)
A	871,813	47,167	0	47,167	5.4%	49,655	$24 - $35	$40 - $50
B	481,395	46,698	5,110	51,808	10.8%	-7,392	$17 - $23	$26 - $38
C	97,690	8,221	0	8,221	8.4%	-594	$15 - $19	$24 - $33
Total	**1,450,898**	**102,086**	**5,110**	**107,196**	**7.4%**	**41,669**	-	-

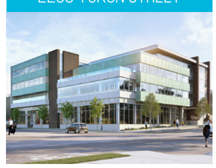
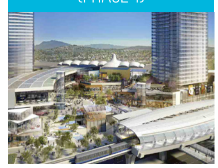
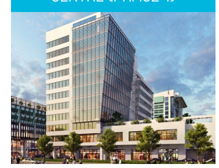
SUBURBAN DEVELOPMENT TIMELINE (TO Q1 2021)



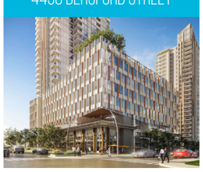



	THE BELTLINE OFF BROADWAY, 240-260 WEST 8TH AVENUE	FWCU BUILDING, 19933 88TH AVENUE	SOUTHPOINTE 99 (PHASE 2) 15303 31ST AVENUE	THE LONSDALE, 1301-1333 LONSDALE AVENUE	TPC @ SOUTHPOINT, 3231 152ND STREET	THE SMITHE, 225 SMITHE STREET
	Q1 2020	Q1 2020	Q2 2020	Q2 2020	Q2 2020	Q3 2020
CITY	Vancouver-Broadway	Langley	Surrey	North Shore	Surrey	Yaletown
DEVELOPER	Rendition Developments	PCI Group	Croydon Drive Development LLP	Hollyburn Properties	Avondale Development/ Monark Group	Boffo Developments
STOREYS	4	6	4	1 floor	4	3 floors
OFFICE SF	32,898	105,000	50,000	13,890	71,780	31,000
OFFICE TENANTS	Strata	62,500 sf - First West Credit Union 10,000 sf - Sangha Tone CPA 7,000 sf - Smythe CPA	50,000 sf- GroupHEALTH	6,100 sf - Dr. Fashid Shabazi 2,300 sf - Dr. Shahin Nabi (ENT)	16,634 sf, 2,160 sf & 1,200 sf - Undisclosed tenants 10,496 sf - Sideways Holding Inc. 7,203 sf - Medical tenant	No tenants at this time
OCCUPANCY	89% sold	74%	100%	60%	51%	0%




	THE WORKSHOP, 161 EAST 4TH AVENUE	510 WEST BROADWAY	THE YUKON, 2238 YUKON STREET	THE AMAZING BRENTWOOD (PHASE 1)	BRIDGEPORT BUSINESS CENTRE (PHASE 1)	VIEWSTAR, 3031-3351 NO. 3 ROAD
	Q4 2020	Q4 2020	Q4 2020	Q4 2020	Q4 2020	Q4 2020
CITY	Vancouver-Broadway	Vancouver-Broadway	Vancouver-Broadway	Burnaby	Richmond	Richmond
DEVELOPER	Mondivan	Pacific Crown Management	Chard Development	Shape Properties	Chunghwa Investments	Yuanheng Seaview Developments
STOREYS	7	7	4	Podium (tower 3)	11	11
OFFICE SF	55,011	41,262	54,492	77,000	130,000	205,141
OFFICE TENANTS	5,483 sf - Mondivan	41,262 sf - City of Vancouver	Strata	77,000 sf - WeWork	Strata	No tenants at this time
OCCUPANCY	10%	100%	55% sold	100%	29% sold	0%






	THE CENTRE AT SUN TOWERS, 4458 BERSFORD STREET	2131 MANITOBA STREET	CITYCENTRE 3, 13775 96TH AVENUE	MAIN ALLEY (M2) 114 EAST 4TH AVENUE	YALETOWN SQUARE, 1290 HOMER STREET	CITYLINK, 525 WEST 8TH AVENUE
	Q1 2021	Q1 2021	Q1 2021	Q1 2021	Q1 2021	Q1 2021
CITY	Burnaby	Vancouver-Broadway	Surrey	Vancouver-Broadway	Yaletown	Vancouver-Broadway
DEVELOPER	Belford Properties	Wesgroup Properties	Lark Group	Westbank / Hootsuite	Private developer	Vanlux Development
STOREYS	4 floors in podium	4	10	8	3 floors (addition)	8
OFFICE SF	67,000	48,030	119,500	170,543	17,115	62,657
OFFICE TENANTS	Strata	48,030 sf - AbCellera Biologics	Strata	70,000 sf - WeWork 67,300 sf - Zymeworks	No tenants at this time	No tenants at this time
OCCUPANCY	90% sold	100%	50% sold	81%	0%	0%

BC ECONOMIC OUTLOOK MUTED IN 2020 AS HEADWINDS PERSIST

SPECIAL FEATURE

While British Columbia is expected to lead Canadian provinces in terms of GDP growth in 2020, that growth will be moderate following a slowdown in 2019 as weak global economic growth, trade uncertainty and a lacklustre Canadian economic outlook continue to hinder the province's performance, according to the **Business Council of British Columbia** (BCBC), **Conference Board of Canada** and **Central 1 Credit Union**.

According to the Conference Board of Canada's *Autumn 2019 Metropolitan Outlook Report*, BC's economy is projected to grow by 2.6% in 2020, which would keep BC among the top three provinces in terms of growth in 2020 thanks in large part to its strong labour markets and employment gains in the province's service sector. The report also indicates that Vancouver will continue to be one of the country's top-performing metropolitan-area economies. With a weak housing market tempering BC's economy, according to the Conference Board of Canada, projects such as **LNG Canada's** liquefied natural gas terminal and the **Trans Mountain Pipeline** expansion will provide a boost to the province's fortunes.

Central 1 Credit Union's *Economic Analysis of British Columbia (Vol. 39, Issue 6): BC Economic Forecast Update 2019-2022* released in December 2019 forecasted provincial GDP growth of 3% in 2020 after slowing to 2.1% in 2019 as a result of the province's export-related headwinds and declining retail spending. Weak global economic growth, trade uncertainty and a soft Canadian growth profile will remain factors impacting BC's economy in 2020 and 2021. Weak export activity has been a drag on the BC economy with the crisis in the province's forestry industry and declines in mining exports two key contributing factors. Retail spending underperformed in 2019, according to Central 1 Credit Union, and is expected to grow by less than 1% in 2020 – the lowest since 2009.

However, a strong labour market, government spending and growth in professional services – specifically in the high-tech sector – has driven up building investment in 2019, especially in Metro Vancouver, and that will continue in 2020, reported Central 1 Credit Union. "Non-residential permits rose 35% during the first three quarters [of 2019], driven by gains in commercial office towers, and government investments."

Central 1 Credit Union forecasts that BC's economy will remain "moderately strong" in 2020 and exceed the national growth rate. "A weak global economic environment and downturn in the forestry sector will continue to hamper exports, with growth of only one per cent annually through 2021. Growth in service exports, particularly in technology services, and non-commodity goods will continue to provide support given a favourable Canadian dollar and low-interest-rate environment."

Major project investments underpin BC's growth forecast, according to Central 1. "The ramping up of construction on the $40-billion Shell-led LNG Canada project near Kitimat and the associated pipelines over the next five years will support the capital investment cycle, although a portion will be offset by imports of equipment and pipes required for the project. Other ongoing projects include the BC Hydro Site C dam; hospital and school construction; and various public works projects which will add to this upward cycle in infrastructure spending."

The BCBC had originally forecast BC's economy to grow by 2.2% in 2020, but in its Q1 2020 *BC Economic Review and Outlook* report, the organization downgraded its forecast for 2020 to 2% citing "several economic indicators are weakening and collectively point to a softer outlook for near-term growth."

The province's economic expansion was unlikely to fall to less than 2% in 2020 and "will be good enough to outpace most other provinces, supported by large increases in the population and non-residential construction activity," according to the BCBC. "BC's diversified economy also helps, with tourism, film and television, transportation services and other service exports continuing to expand at a healthy clip."

The BCBC also cut its 2021 forecast to 2.3% from 2.4%.

"In spite of the downgrades, we judge the BC economy to be resilient," writes the BCBC. "Population growth, the stabilization of the residential real estate market after two years of turbulence and price drops, buoyant non-residential construction, a list of sizable engineering projects, the fall in mortgage interest rates – given these factors it is hard to imagine real GDP growth falling much below 2%, short of a major slump."

"The BC economy could even surprise on the upside, especially in 2021. That said, the widespread and concomitant deterioration in many current indicators points to a further softening of the near-term outlook."

ECONOMIC OUTLOOK FOR BRITISH COLUMBIA*

2018
2.4%

2019
1.8%

2020F
2%

2021F
2.3%

*Real GDP growth; estimated and forecasted

Source: Business Council of British Columbia

continued from page 1

markets in 2020 through 2023. The absence of vacant new supply delivered to the market in 2018/19 led to the highly constrained market conditions that will likely persist into 2022. Approximately 61% (2.29 msf) of new downtown office space currently under construction (3.74 msf) to mid-2023 was preleased at year-end 2019, including **Amazon** taking the remainder of **The Post** (704,000 sf) in the largest office lease deal in Vancouver history. More than 305,000 sf of strata office space was sold in new downtown office buildings delivering through 2021. This upsurge in demand has prompted planning for a second downtown development cycle that would kick off in 2024 and likely run through 2025. Market conditions will clearly determine whether this second development cycle materializes in 2024, but developers are positioning themselves to have projects in the pipeline ready to commence should ongoing demand exhaust the new supply being delivered in the next 36 months.

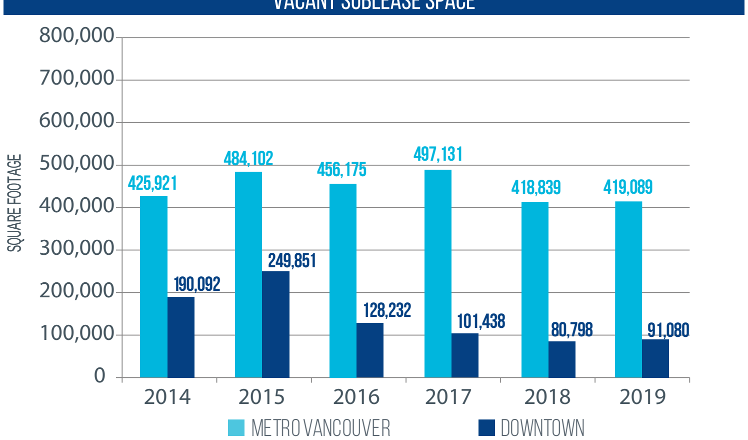
A similar scenario is unfolding in the Vancouver-Broadway market with more than 1.1 msf of new space for lease under construction and set for delivery by 2022. Approximately 28% of the space is preleased; however, the figure is expected to rise quickly as ongoing lease negotiations are completed in early 2020. More than 217,000 sf of new strata space has been presold (56%) in new office and office/light industrial buildings completing through 2024.

Supply issues in other Metro Vancouver office markets remain acute, particularly in Burnaby, which only has 98,000 sf of new office space for lease and 67,000 sf of strata coming online through 2022. New supply in Richmond through 2022 remains largely limited to strata office. Much of the new office space under construction in Surrey is preleased/presold through 2022, while markets such as New Westminster and the North Shore have little to no new office space delivering in the next 24 to 36 months.

At year-end 2019, there was just 328,009 sf available for sublease outside Downtown Vancouver, while Downtown sublease space totalled 91,080 sf for a total of 419,089 sf or 18.4% of the overall vacancy region-wide – up from 15.9% a year earlier. Burnaby continues to have the most sublease vacancy in Metro Vancouver with a single building making up 32% of the region's total sublease vacancy. There is more sublease vacancy in 3777 Kingsway in Burnaby than in Vancouver-Broadway, Yaletown, Richmond and on the North Shore combined.

The next 12 to 18 months will be defined by record-low vacancy and escalating rental rates as Metro Vancouver (and Vancouver in particular) undergoes the growing pains of emerging on the world stage as a legitimate destination for global technology firms and professional services providers. While the market was unmistakably tilted in favour of landlords and building owners at year-end 2019, this dynamic will slowly begin to shift back towards equilibrium as developers increasingly compete with each other to secure prelease commitments to build leasing momentum in their respective projects. Absorption will be highly constrained in 2020 with few tenants able to expand in existing buildings and no meaningful amount of new supply coming on stream until 2021. This unprecedented shift in market dynamics will intensify through 2020 as the region grapples with its new status as an emergent global technology hub. ■

VACANT SUBLEASE SPACE



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