

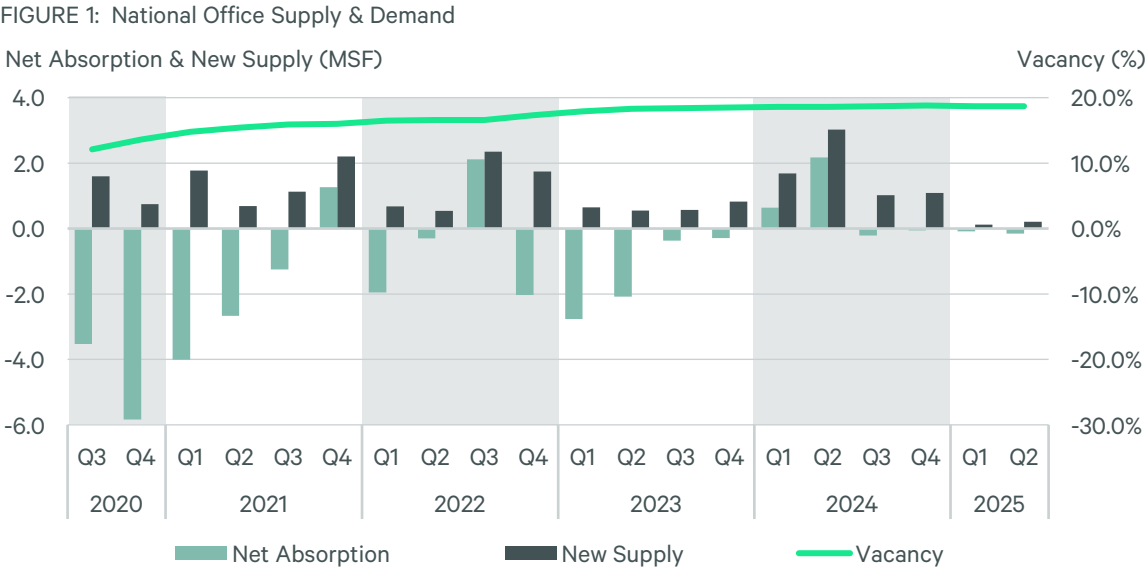
# Office market reaches plateau, aided by declining sublet and limited construction levels



Note: Arrows indicate change from previous quarter.

## Executive Summary

- Recent levels of national net absorption have had a negligible impact on the overall market as vacancy has held in a tight 20 basis point (bps) range for the last year and a half, signaling a plateau.
- Trophy and best-in-class product continue to outperform the remainder of the market with back-to-back quarters of improving vacancy. Commanding the highest rental rates, it is evident that tenants are willing to pay for quality product.
- Modest demand downtown resulted in declining vacancy in six markets. Overall, levels of activity in Montreal and Edmonton were counterbalanced by large block vacancies that came to market this quarter in Calgary, Toronto and Vancouver.
- Sublet space continues to decline and is down 26.1% from the peak noted two years prior. Overall, sublet vacancy fell in six cities this quarter.
- Construction has stalled at 2.8 million sq. ft. with only 203,000 sq. ft. of new supply in Q2 2025. This quarter also marks one consecutive year of no starts and two years since any meaningful projects have commenced.



Source: CBRE Research, Q2 2025.

## Six markets on positive ground

- Four quarters of near-negligible net absorption has had a normalizing effect on the market as vacancy has held in a tight 20 bps range for the last year and a half, signaling a plateau.
- The current uncertain economic environment, however, could see this plateau be more protracted than it otherwise would have been before moving into recovery.
- Six cities reported positive absorption this quarter, led by Montreal and Edmonton. In a reversal from last quarter, activity in these two markets completely counteracted negative results from Q1 and on a year-to-date basis are now on positive ground.
- Calgary, Toronto, and Vancouver meanwhile reported the largest losses and pushed the Canadian total into slightly negative territory. Each market had significant blocks of space become vacant from the energy, insurance, and education sectors, respectively, that hindered overall performance.

FIGURE 2: Historical National Net Absorption (MSF)

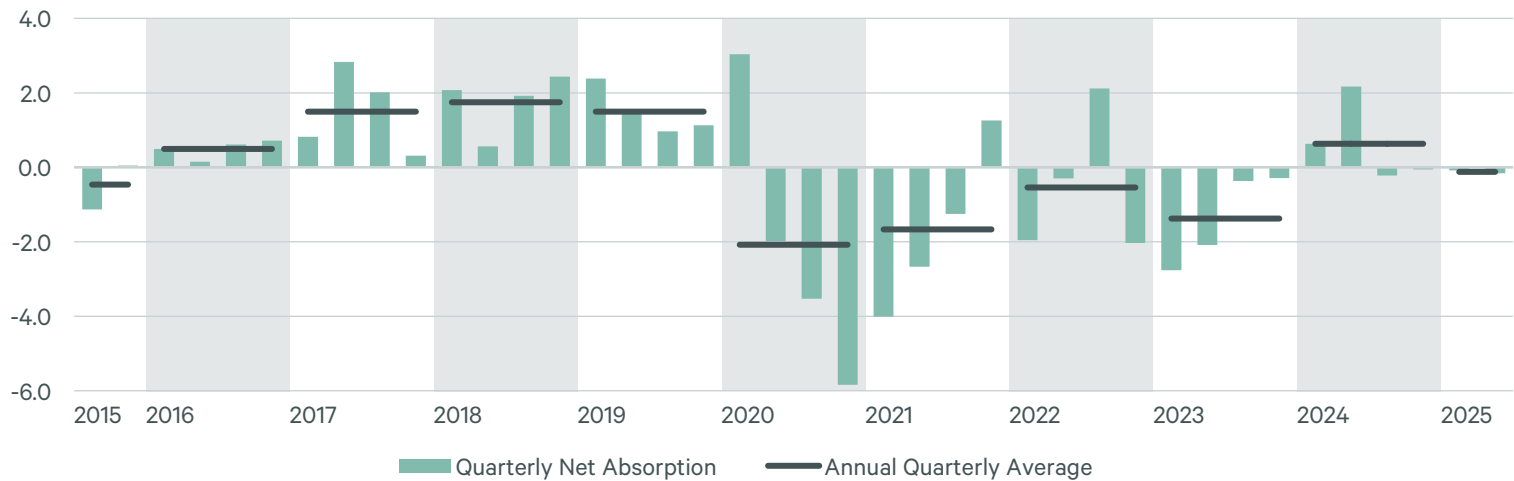
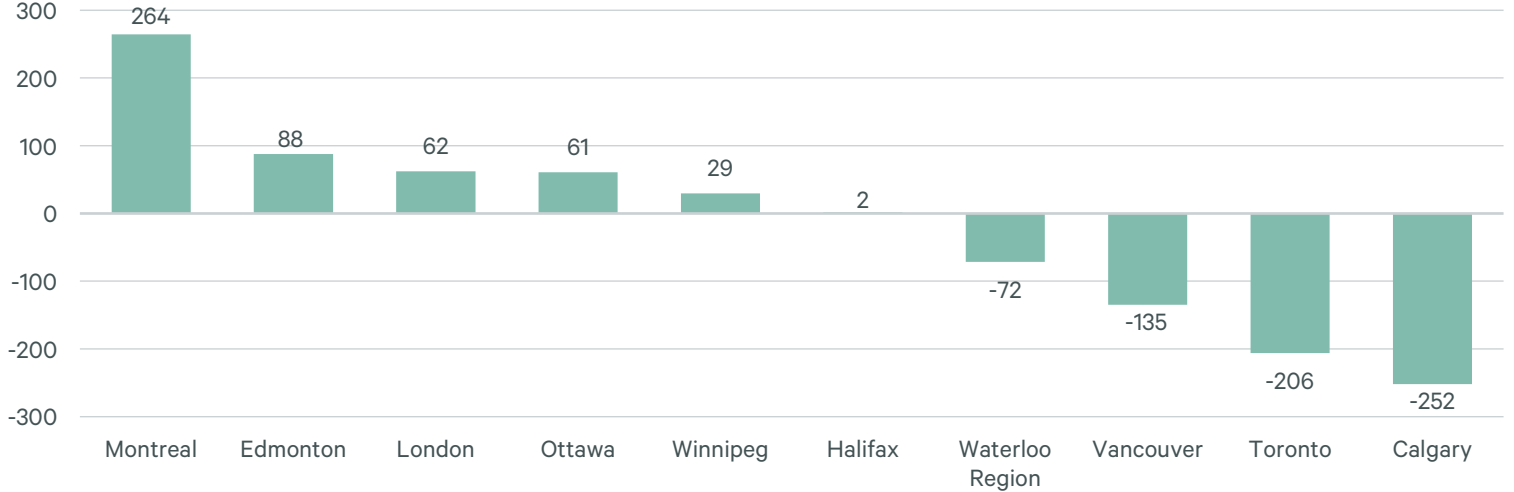


FIGURE 3: Quarter Net Absorption by Market (000's SF)

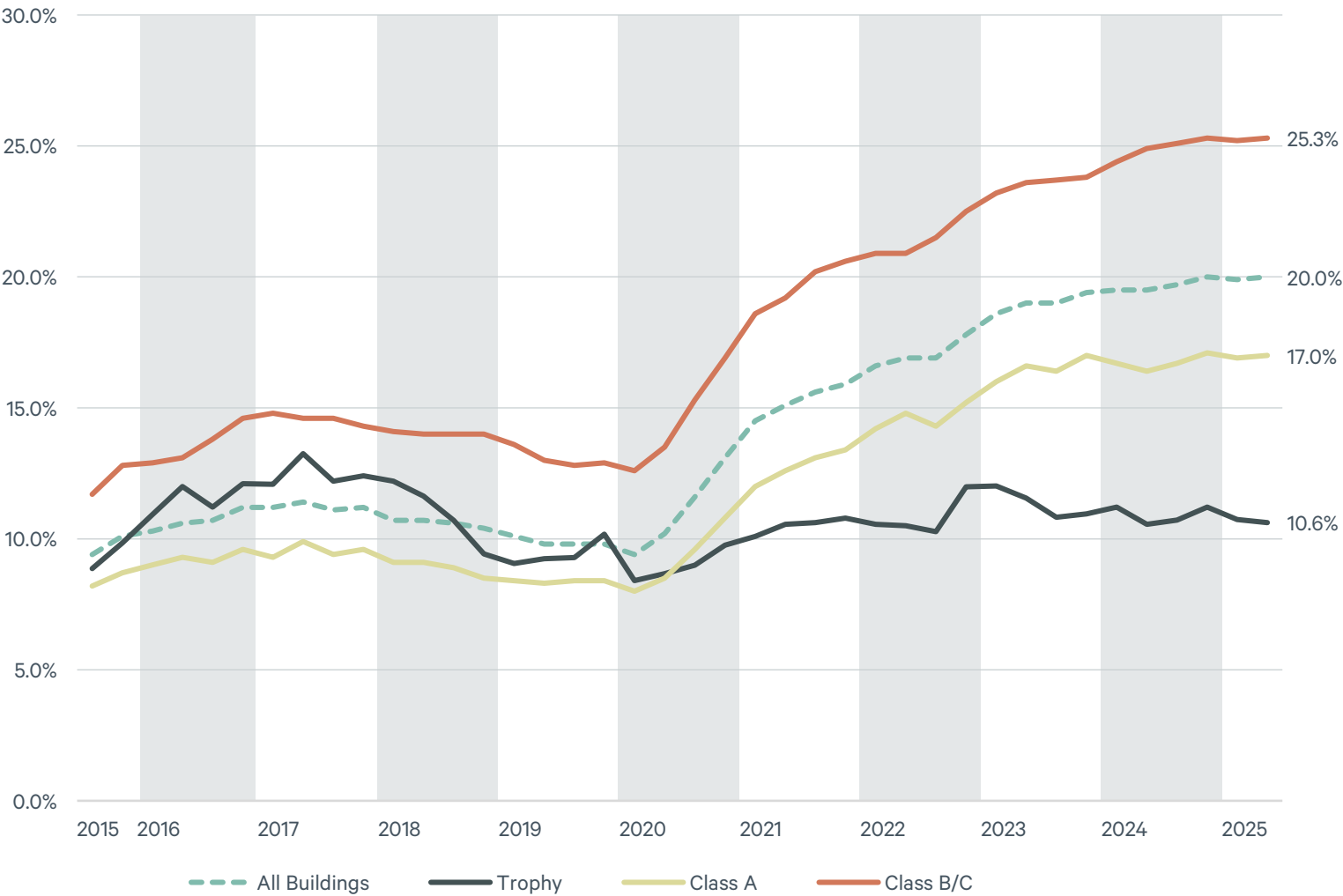


Source: CBRE Research, Q2 2025.

## Tenant preferences spotlight trophy buildings

- Trophy and Class A office assets continue to outperform the remainder of the downtown market with a spread of 1,470 bps between overall Class A and Class B/C product.
- The trophy segment, comprised of properties in Vancouver, Calgary, Toronto, and Montreal, posted improved vacancy for back-to-back quarters. The remainder of the market meanwhile slowed, albeit a minor 10 bps in both overall A and B/C Class categories.
- Best-in-class product has remained the most stable relative to other tiers with vacancy averaging around 11.0% in trophy assets over the last two years.
- Continued strong performance in this segment reflects tenant preferences for quality or well-appointed office buildings. Commanding the highest rates, it is evident that tenants are willing to pay a premium for best-in-class space.

FIGURE 4: National Downtown Vacancy by Segment



Trophy series includes top-tier properties in Vancouver, Calgary, Toronto and Montreal. Class A is inclusive of trophy segment.  
Source: CBRE Research, Q2 2025.

# Vacancy tapering off into a plateau

- National downtown and suburban vacancy has effectively plateaued having not moved by more than 10 bps over the last three quarters.
- Downtown office vacancy experienced a minor uptick of 10 bps this quarter despite six cities experiencing declining rates. The most notable of which was Ottawa with -70 bps.
- Instead, major markets like Vancouver and Calgary impacted the overall downtown rate with increases of 120 bps and 50 bps, respectively, to 11.9% and 30.7%. Toronto meanwhile held steady at 18.5%.
- The inverse played out in suburban areas as six cities noted increased vacancy. National suburban vacancy decreased 10 bps overall, thanks to Vancouver (-90 bps) and Montreal (-40 bps).
- Of the market moves this quarter, no city cited the ongoing trade war as the primary cause, although economic uncertainty has started to creep in, leading some groups to pause.

FIGURE 5: National Downtown vs Suburban Vacancy Rate

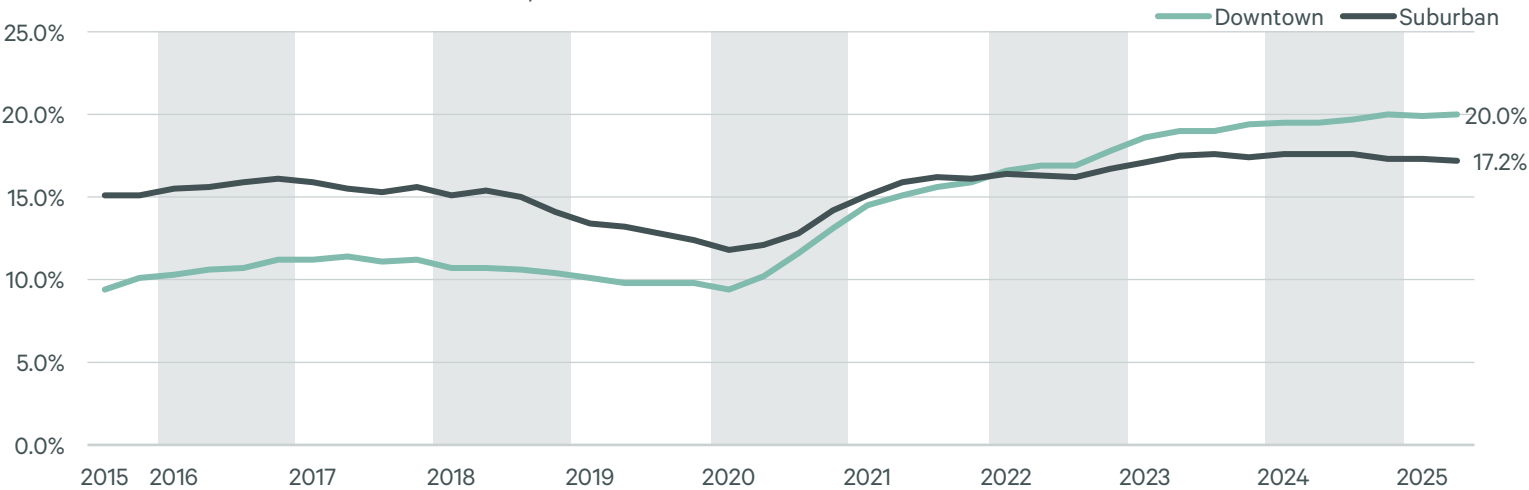


FIGURE 6a: Downtown Vacancy Rate by Market

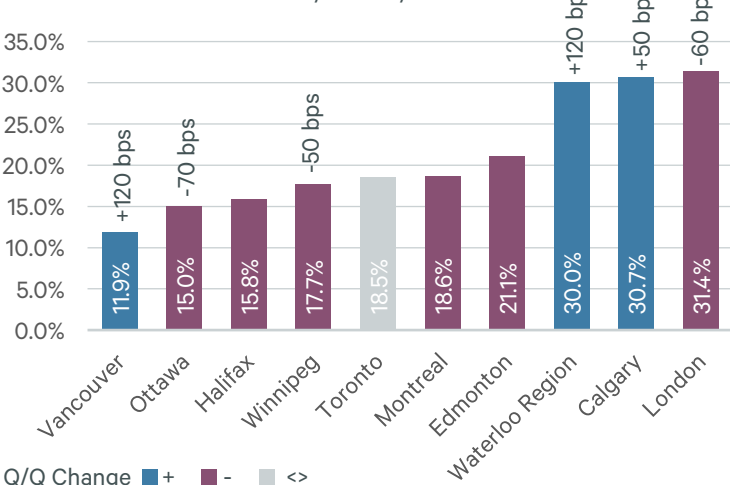
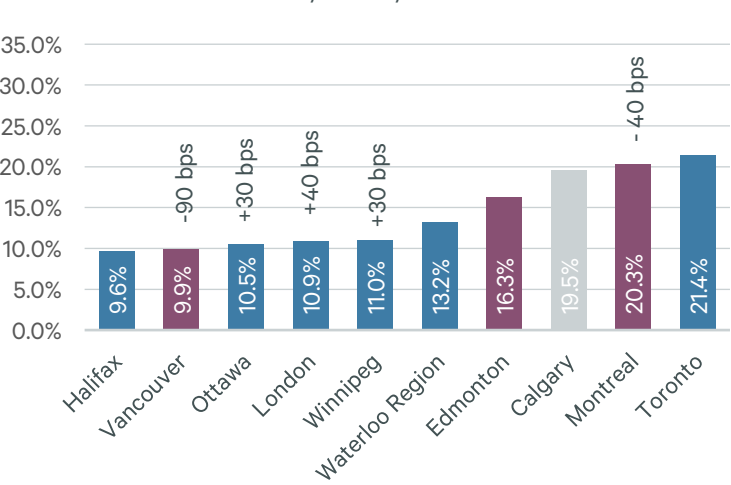


FIGURE 6b: Suburban Vacancy Rate by Market



Source: CBRE Research, Q2 2025.

## Sublet space continues precipitous decrease

- Space for sublease has declined for an eighth consecutive quarter, now totaling 12.6 million sq. ft. Compared against the Q2 2024 total, this represents a 16.2% decrease year-over-year and an astounding 26.1% decline from the peak two years prior.
- On a per market basis, six Canadian cities saw sublet vacancies fall in Q2 2025, with the biggest quarterly decreases on a percentage basis occurring in Montreal and Waterloo Region (16.9% and 16.8%, respectively) and in Toronto on a square footage basis (-740,000 sq. ft.).
- Since Q2 2024, only three markets have seen a rise in total sublet space, with the largest increase recorded in Calgary, up 9.2% year-over-year. M&A in the energy sector being a main contributor to this increase.
- AstraZeneca recently executed one of the largest new leases this year in a 250,000 sq. ft. suburban Toronto sublet. Sublease space remains attractive for occupiers looking for turnkey suites or those looking to take advantage of lower-cost opportunities.

FIGURE 7: National Vacant Sublet Space – Suburban vs Downtown (MSF)

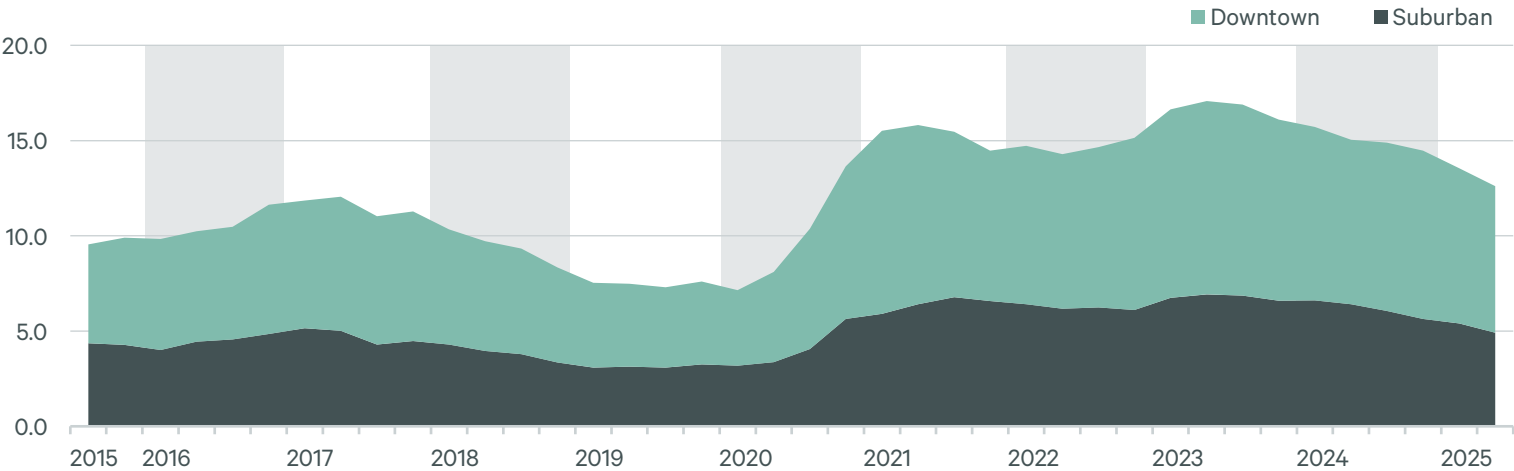
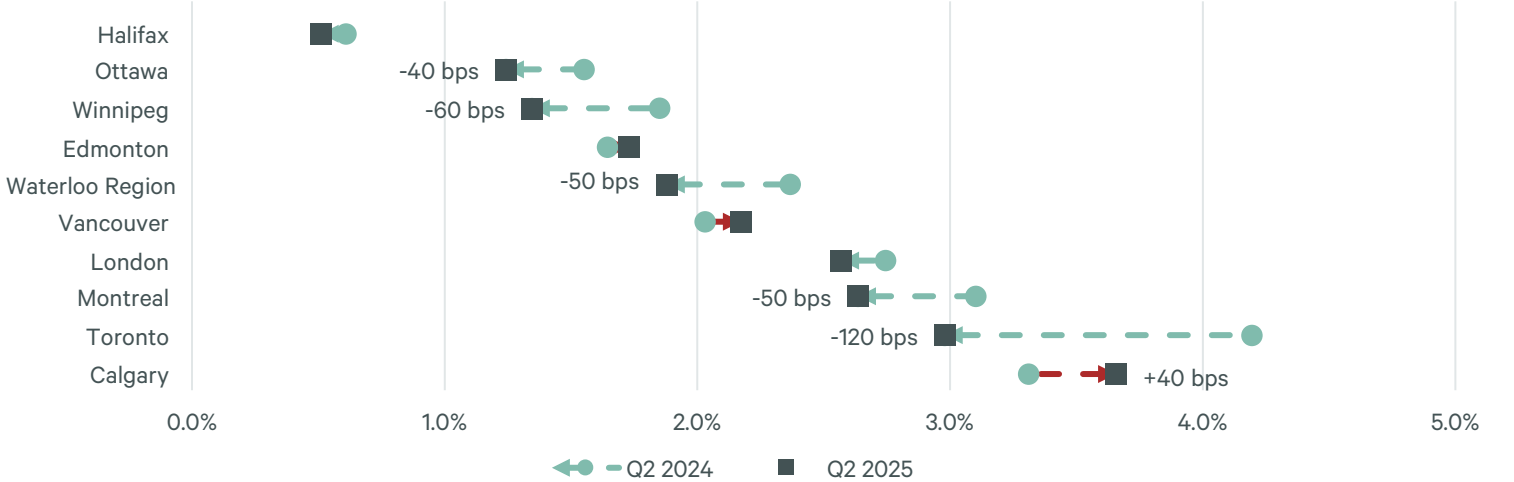


FIGURE 8: Year-over-Year Change in Sublet Space as a % of Inventory by Market



Source: CBRE Research, Q2 2025.

## Office construction stalls at 20-year low

- Q2 2025 reported a total of 2.8 million sq. ft. of competitive office product under construction. This represents a slight decrease from last quarter following completions in Toronto and Montreal. With new development stalled, the office construction pipeline remains at a 20-year low.
- The majority of active construction is located in Toronto and followed by Vancouver. All other markets account for a combined 140,000 sq. ft. (4.9% of all projects). Multiple markets including Edmonton, Winnipeg, London and Montreal have no active developments.
- On a national level, 56.6% of all office construction has been pre-leased. However, this is largely due to significant pre-leasing in Toronto (62.2%) and Vancouver (50.0%). As of Q2 2025, no pre-leasing has been recorded in every other market.

FIGURE 9: National Office Inventory Under Construction (MSF)

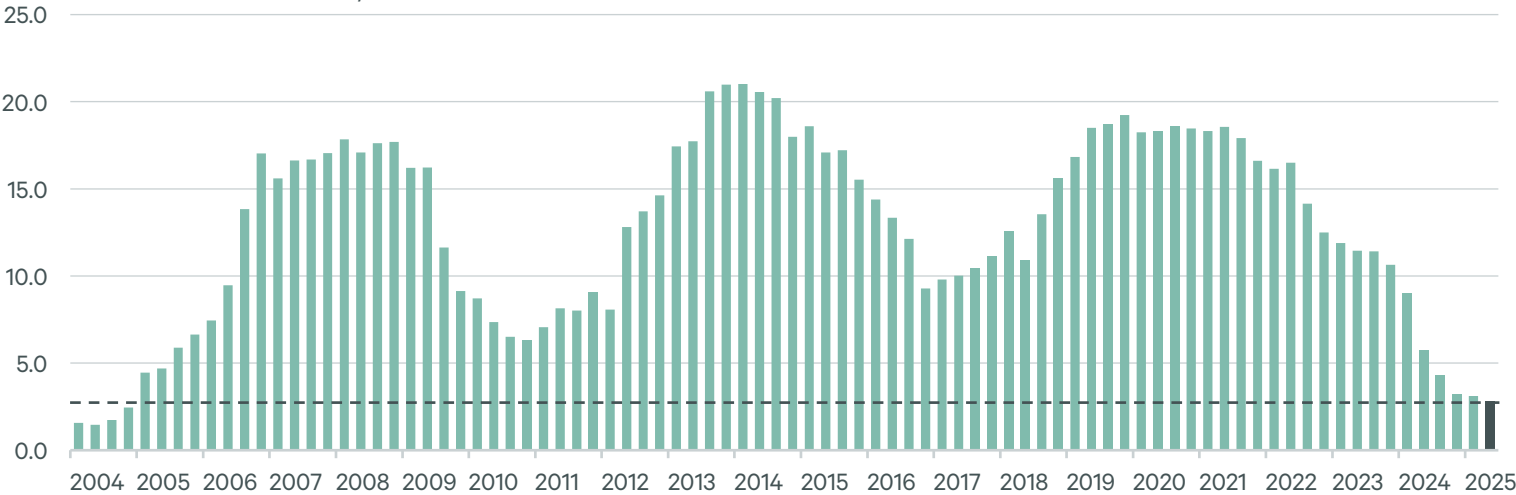
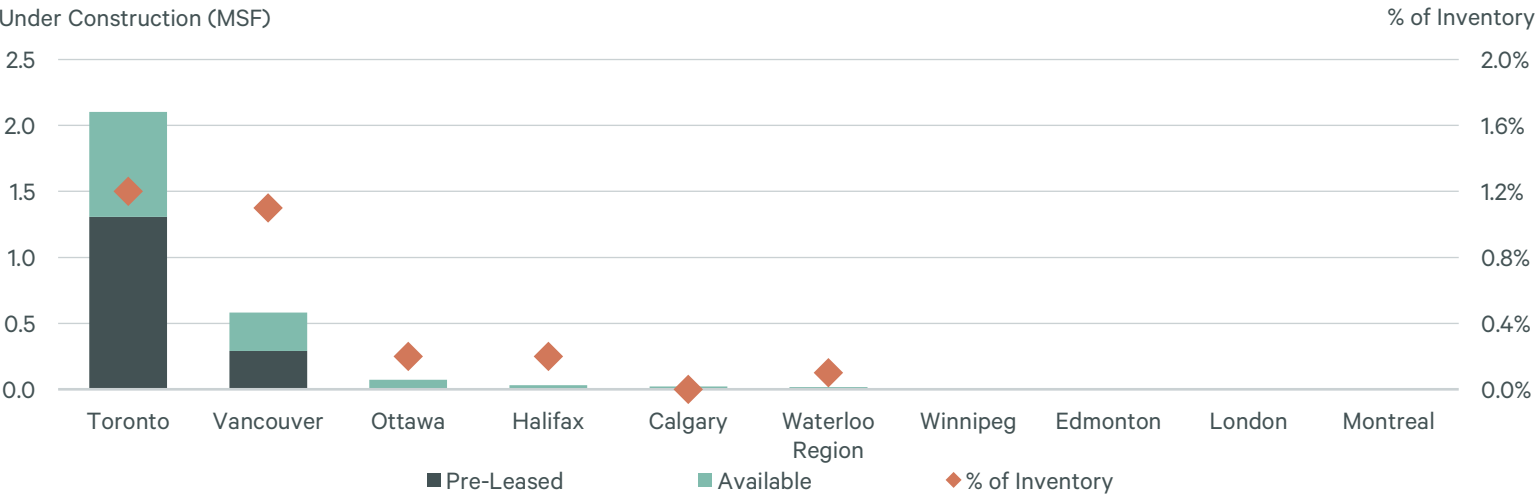


FIGURE 10: Under Construction by Market Under Construction (MSF)



Source: CBRE Research, Q2 2025.

## Construction starts hit a one-year drought

- Office construction once again reported no new project commencements, marking one consecutive year of no starts and two years since anything larger than 100,000 sq. ft. kicked off.
- 203,000 sq. ft. of new office space was delivered across two projects this quarter in Montreal and Toronto. The most notable completion being 150,000 sq. ft. at 160 King Street in Montreal, none of which was pre-leased.
- Among active construction projects, over 2.2 million sq. ft. of office product is expected to deliver by the end of 2025, with the majority of new space attributed to CIBC Square Phase II in downtown Toronto.
- While the office construction pipeline is expected to remain limited, tenant demand will be focused on recently completed or improved product before spilling over to lower-quality Class A or even B assets.

FIGURE 11: National Office Construction Starts (MSF)

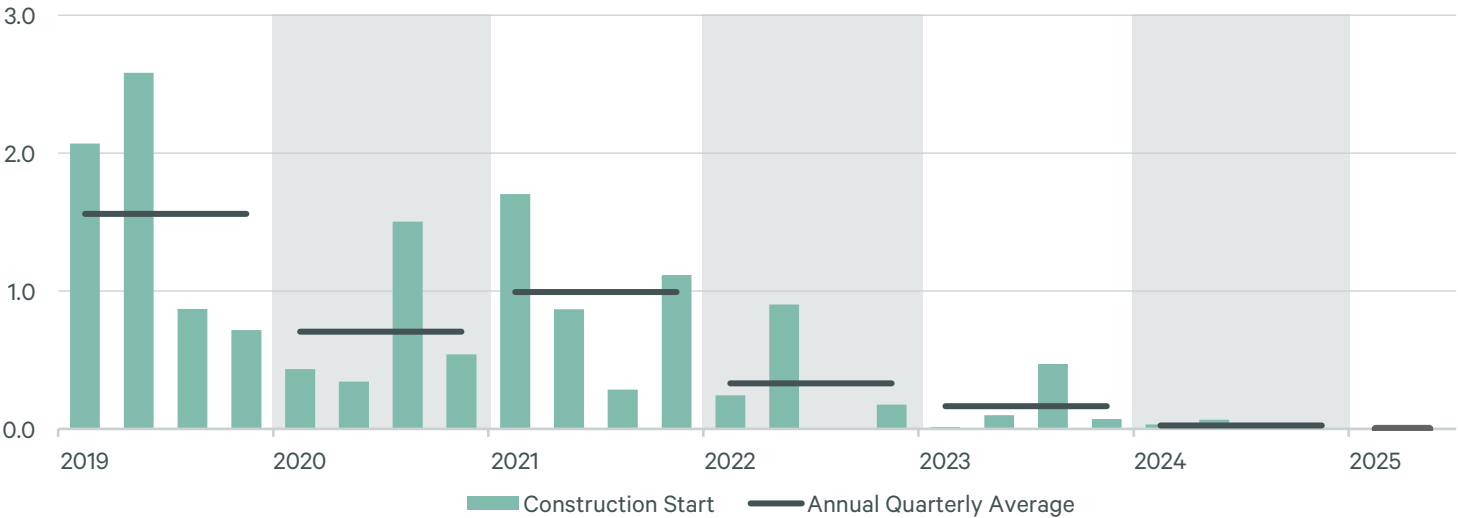
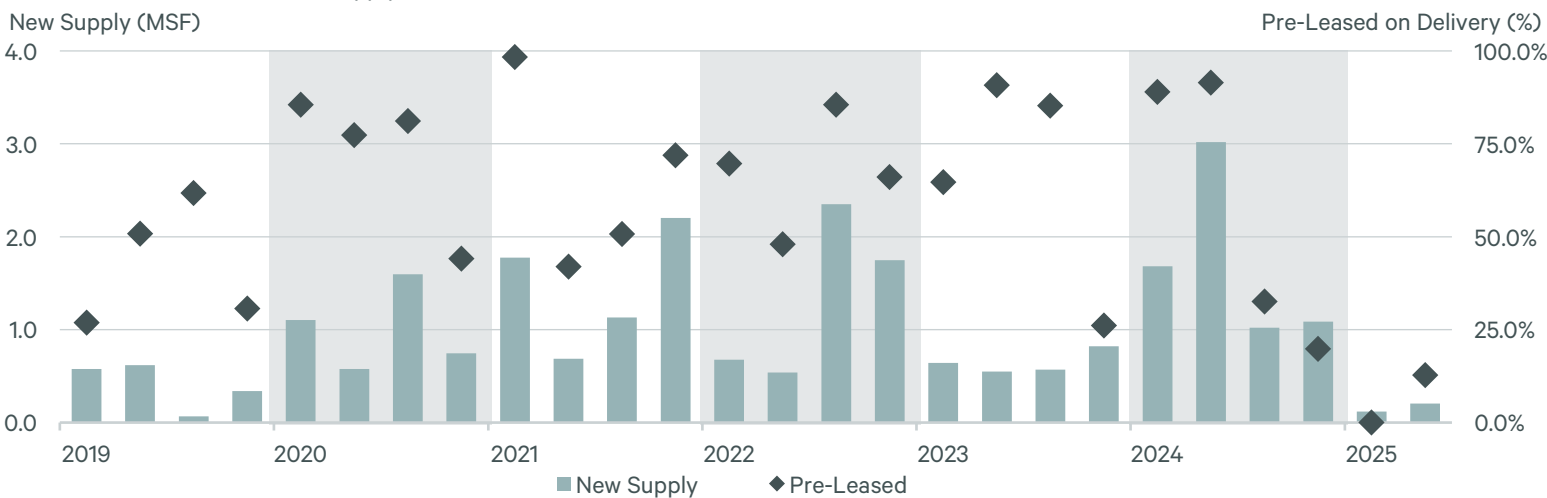


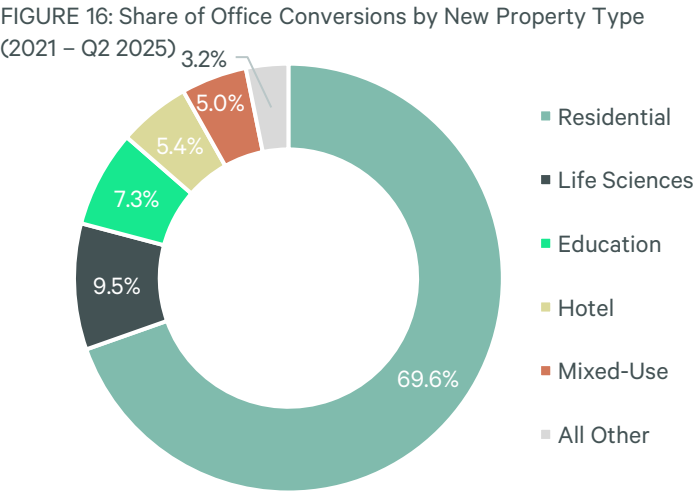
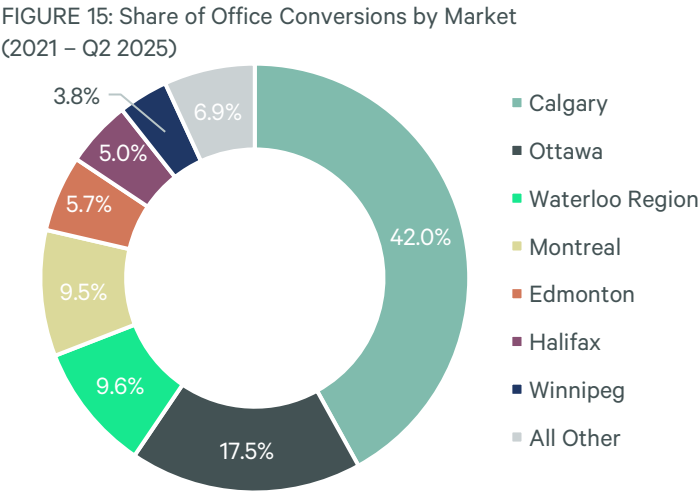
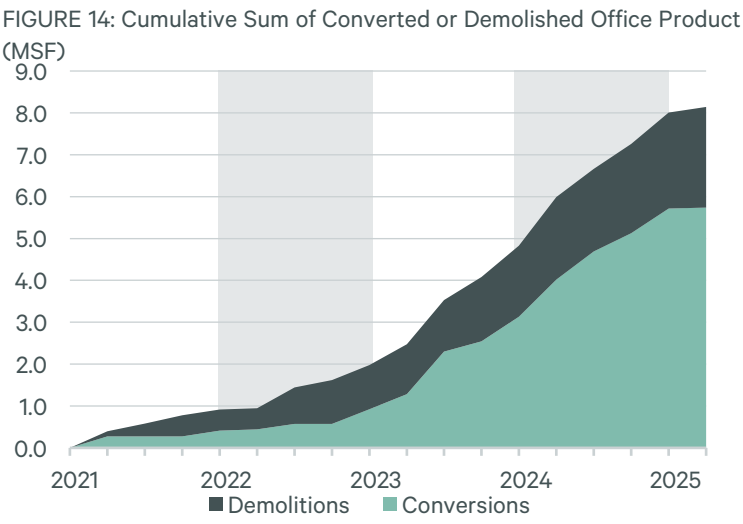
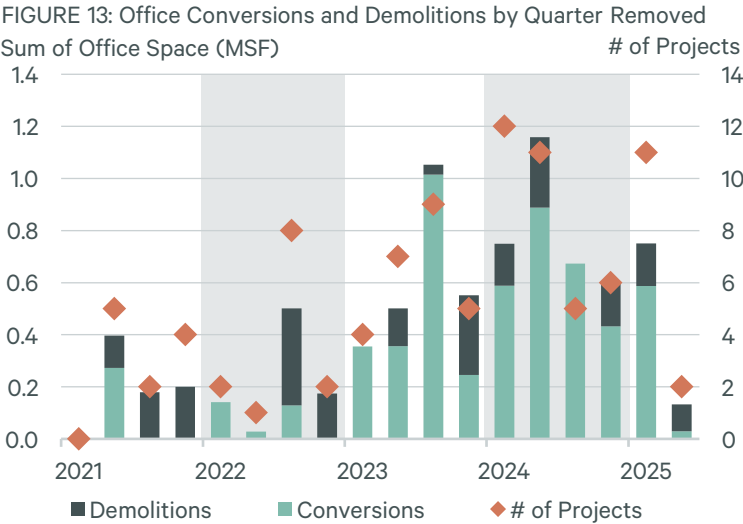
FIGURE 12: National Office New Supply Deliveries



Source: CBRE Research, Q2 2025.

## Conversions progress with many more planned

- The sole conversion project recorded this quarter saw nearly 30,000 sq. ft. of vacant office space marked for transformation into a 41-unit residential complex in London’s core.
- Despite this light quarter, conversions are still very much a part of the conversation in improving downtown areas with many projects in the planning stages. A handful of which are anticipating to move forward in the latter half of the year.
- Since 2021, a cumulative 5.7 million sq. ft. of former office product has been removed from inventory related to conversions. An additional 2.4 million sq. ft. has been demolished for other property types over this same time period. Together, they have helped reduce inventory by 1.7%.
- Office-to-residential conversions continue to comprise the majority of activity. Life sciences account for the second largest share, however are exclusively occurring in Montreal where there is demand for lab space.
- Calgary leads the major Canadian markets in total space converted, followed by Ottawa. Both cities have been early adopters of this trend.



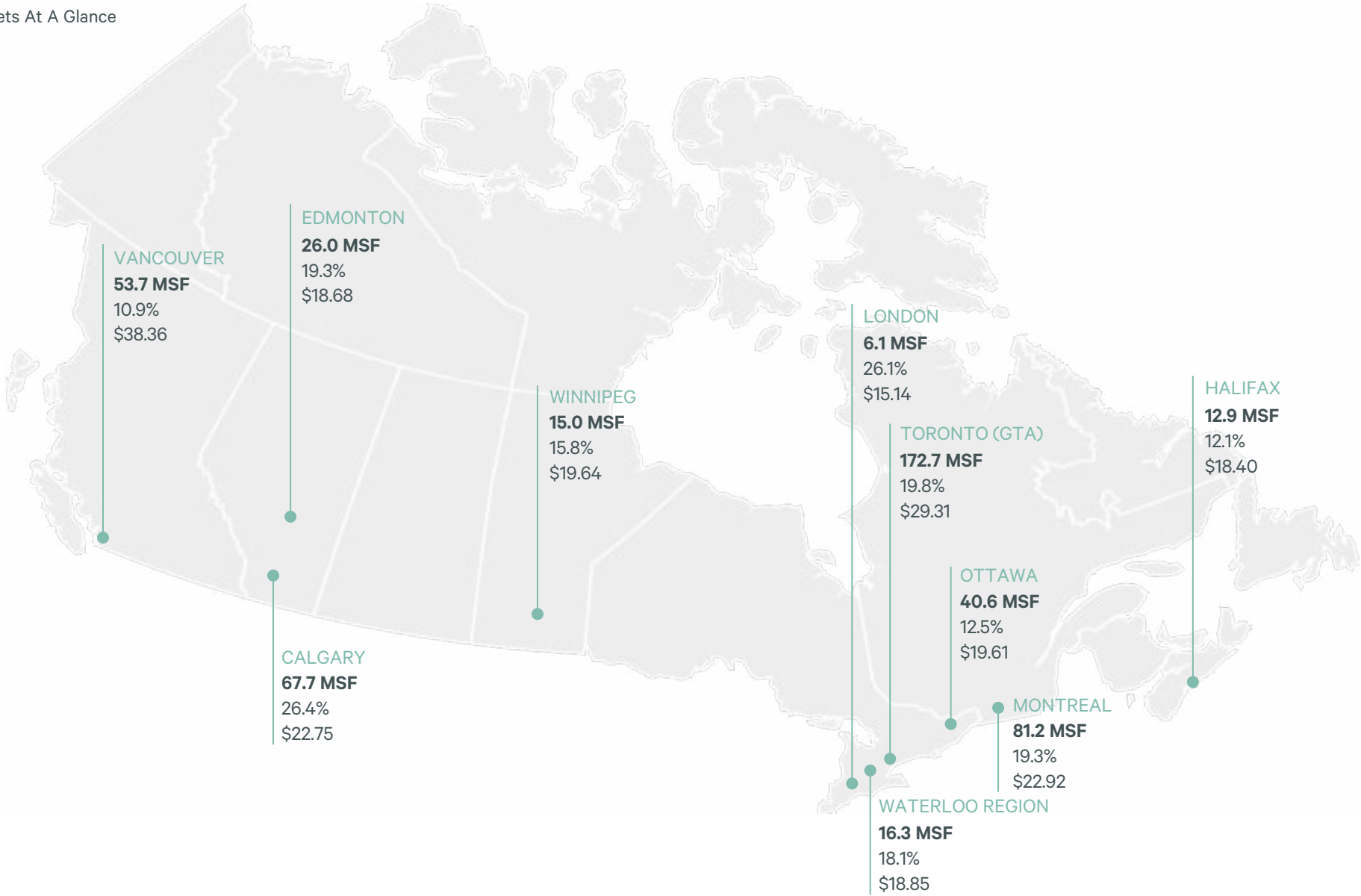
Figures 15 & 16 exclude demolitions.  
Source: CBRE Research, Q2 2025.



FIGURE 17: Canadian Office Markets At A Glance

MARKET

**Net Rentable Area**  
Overall Vacancy Rate  
Average Class A Net Rent (PSF)



Source: CBRE Research, Q2 2025.

FIGURE 18: Canadian Office Markets Statistics, Q2 2025

DOWNTOWN	VANCOUVER	CALGARY	EDMONTON	WINNIPEG	LONDON	WATERLOO	TORONTO	OTTAWA	MONTREAL	HALIFAX	NATIONAL
Net Rentable Area	27,809,346	41,798,235	16,222,556	10,788,423	4,548,580	4,717,364	95,459,471	18,260,444	47,273,691	5,181,618	272,059,728
Overall Vacancy Rate	11.9%	30.7%	21.1%	17.7%	31.4%	30.0%	18.5%	15.0%	18.6%	15.8%	20.0%
Direct Space	2,760,315	10,755,196	3,083,560	1,737,148	1,271,765	1,372,216	14,804,902	2,487,226	7,573,483	817,424	46,663,235
Sublet Space	544,351	2,078,038	340,536	173,409	155,797	45,038	2,882,983	248,229	1,236,754	0	7,705,135
Sublet % of Vacant Space	16.5%	16.2%	9.9%	9.1%	10.9%	3.2%	16.3%	9.1%	14.0%	0.0%	14.2%
Class A Vacancy Rate	9.6%	25.4%	22.3%	14.5%	15.4%	19.2%	16.2%	12.6%	14.9%	14.2%	17.0%
Average Class A Net Rent (PSF)	\$44.32	\$23.87	\$18.97	\$19.64	\$15.14	\$26.47	\$36.04	\$24.05	\$26.02	\$19.45	\$30.38
Quarter Net Absorption	-319,213	-247,504	43,235	49,832	67,481	-60,680	-70,709	128,838	195,602	15,374	-197,744
Year-to-Date Net Absorption	-99,224	-595,892	511	53,724	55,933	-33,393	256,289	97,085	-68,086	16,577	-316,476
Quarter New Supply	0	0	0	0	0	0	53,000	0	150,000	0	203,000
Year-to-Date New Supply	0	0	0	0	0	0	53,000	0	150,000	0	203,000
Under Construction	29,386	0	0	0	0	0	1,899,887	0	0	0	1,929,273
SUBURBAN											
Net Rentable Area	25,915,742	25,883,617	9,813,642	4,245,281	1,559,529	11,603,178	77,213,282	22,350,290	33,960,451	7,699,588	220,244,600
Overall Vacancy Rate	9.9%	19.5%	16.3%	11.0%	10.9%	13.2%	21.4%	10.5%	20.3%	9.6%	17.2%
Direct Space	1,943,929	4,651,354	1,488,956	437,902	168,160	1,269,314	14,265,214	2,099,482	5,980,551	674,716	32,979,578
Sublet Space	622,702	397,134	109,376	28,794	1,104	261,659	2,260,837	256,318	904,379	65,599	4,907,902
Sublet % of Vacant Space	24.3%	7.9%	6.8%	6.2%	0.7%	17.1%	13.7%	10.9%	13.1%	8.9%	13.0%
Class A Vacancy Rate	11.2%	17.8%	14.5%	N/A	N/A	17.5%	24.7%	10.4%	17.3%	13.5%	18.4%
Average Class A Net Rent (PSF)	\$32.36	\$20.00	\$17.55	N/A	N/A	\$16.37	\$19.33	\$15.50	\$18.24	\$17.05	\$20.33
Quarter Net Absorption	184,367	-4,335	44,681	-20,391	-5,244	-10,854	-135,310	-67,888	68,668	-13,437	40,257
Year-to-Date Net Absorption	194,399	257,126	12,680	9,676	-15,137	376	-359,807	-150,017	81,293	41,270	71,859
Quarter New Supply	0	0	0	0	0	0	0	0	0	0	0
Year-to-Date New Supply	0	0	0	0	0	0	118,944	0	0	0	118,944
Under Construction	553,408	20,688	0	0	0	17,000	202,662	72,000	0	30,000	895,758
TOTAL											
Net Rentable Area	53,725,088	67,681,852	26,036,198	15,033,704	6,108,109	16,320,542	172,672,753	40,610,734	81,234,142	12,881,206	492,304,328
Overall Vacancy Rate	10.9%	26.4%	19.3%	15.8%	26.1%	18.1%	19.8%	12.5%	19.3%	12.1%	18.7%
Direct Space	4,704,244	15,406,550	4,572,516	2,175,050	1,439,925	2,641,530	29,070,116	4,586,708	13,554,034	1,492,140	79,642,813
Sublet Space	1,167,053	2,475,172	449,912	202,203	156,901	306,697	5,143,820	504,547	2,141,133	65,599	12,613,037
Sublet % of Vacant Space	19.9%	13.8%	9.0%	8.5%	9.8%	10.4%	15.0%	9.9%	13.6%	4.2%	13.7%
Class A Vacancy Rate	10.4%	22.9%	20.2%	14.5%	15.4%	17.9%	19.6%	11.3%	15.8%	13.9%	17.6%
Average Class A Net Rent (PSF)	\$38.36	\$22.75	\$18.68	\$19.64	\$15.14	\$18.85	\$29.31	\$19.61	\$22.92	\$18.40	\$26.34
Quarter Net Absorption	-134,846	-251,839	87,916	29,441	62,237	-71,534	-206,019	60,950	264,270	1,937	-157,487
Year-to-Date Net Absorption	95,175	-338,766	13,191	63,400	40,796	-33,017	-103,518	-52,932	13,207	57,847	-244,617
Quarter New Supply	0	0	0	0	0	0	53,000	0	150,000	0	203,000
Year-to-Date New Supply	0	0	0	0	0	0	171,944	0	150,000	0	321,944
Under Construction	582,794	20,688	0	0	0	17,000	2,102,549	72,000	0	30,000	2,825,031

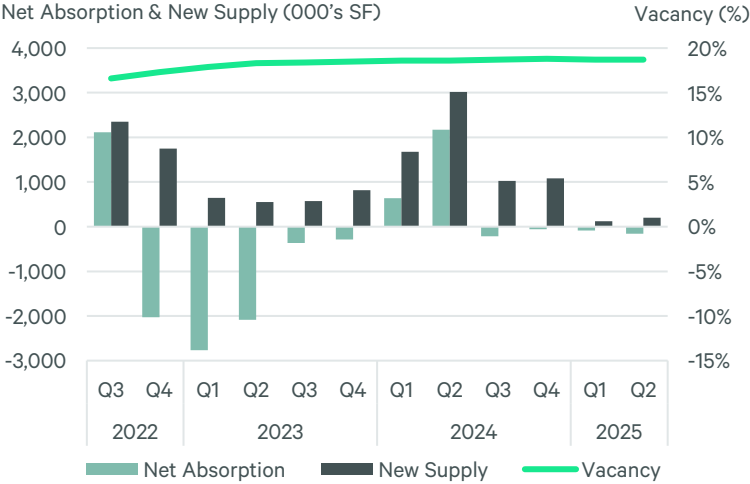
Source: CBRE Research, Q2 2025.

# Canada

The national office market has reached a plateau with minimal market movement recorded over the last four quarters. Dwindling levels of construction and sublets are alleviating additional market pressures. Conversions, while minimal this quarter, are also playing a role in balancing conditions in the most challenged downtown areas.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	272,059,728	220,244,600	492,304,328	▼
Overall Vacancy Rate	20.0%	17.2%	18.7%	◄►
Direct Space	46,663,235	32,979,578	79,642,813	▲
Sublet Space	7,705,135	4,907,902	12,613,037	▼
Sublet % of Vacant	14.2%	13.0%	13.7%	▼
Class A Vacancy Rate	17.0%	18.4%	17.6%	◄►
Avg. Class A Net Rent (PSF)	\$30.38	\$20.33	\$26.34	▲
Quarter Net Absorption	-197,744	40,257	-157,487	▼
Quarter New Supply	203,000	0	203,000	▲
Under Construction	1,929,273	895,758	2,825,031	▼

## METRO SUPPLY & DEMAND



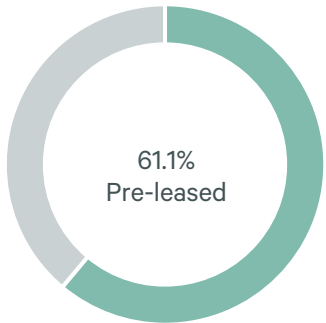
## DOWNTOWN VS SUBURBAN VACANCY



## UNDER CONSTRUCTION

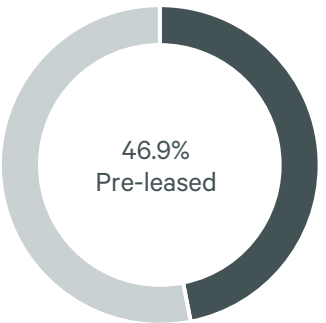
### Downtown

1.9 MSF  
0.7% of Inventory

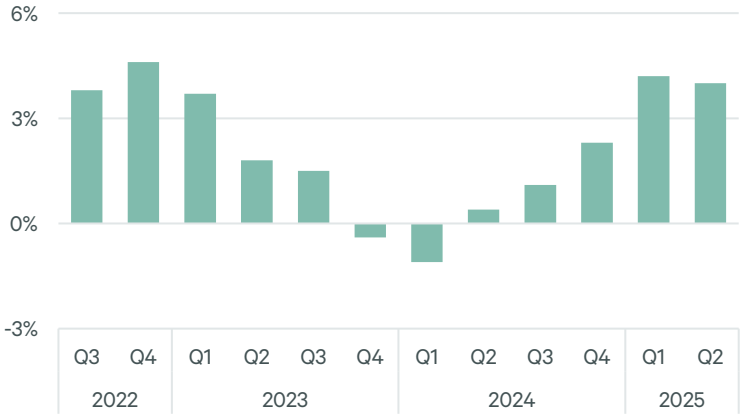


### Suburban

0.9 MSF  
0.4% of Inventory



## METRO CLASS A RENT, Y-o-Y GROWTH

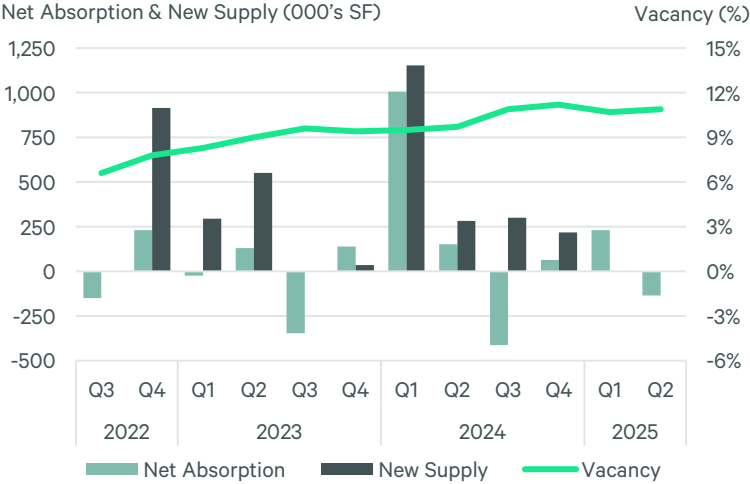


# Vancouver

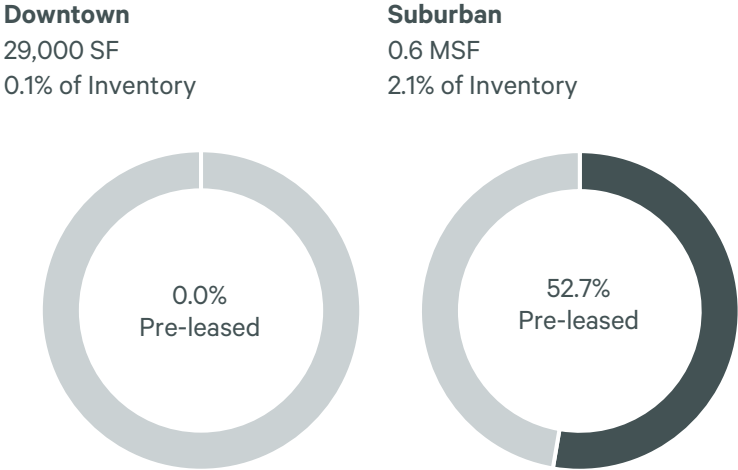
Downtown vacancy now exceeds the suburbs once again. Reversing the gains noted last quarter, almost 100,000 sq. ft. of Class AAA sublet space was reintroduced downtown, primarily from an education provider. An additional 71,000 sq. ft. of direct space became available at a newly renovated heritage building. Suburban vacancy meanwhile contracted in nearly every class.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	27,809,346	25,915,742	53,725,088	▼
Overall Vacancy Rate	11.9%	9.9%	10.9%	▲
Direct Space	2,760,315	1,943,929	4,704,244	▼
Sublet Space	544,351	622,702	1,167,053	▲
Sublet % of Vacant	16.5%	24.3%	19.9%	▲
Class A Vacancy Rate	9.6%	11.2%	10.4%	▲
Avg. Class A Net Rent (PSF)	\$44.32	\$32.36	\$38.36	▲
Quarter Net Absorption	-319,213	184,367	-134,846	▼
Quarter New Supply	0	0	0	◄►
Under Construction	29,386	553,408	582,794	◄►

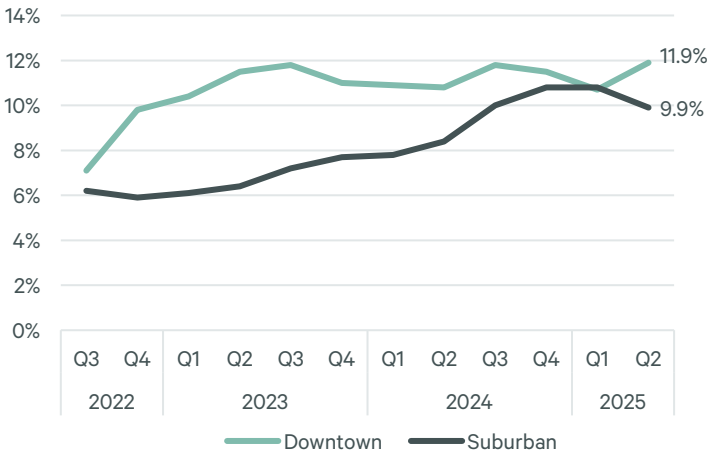
## METRO SUPPLY & DEMAND



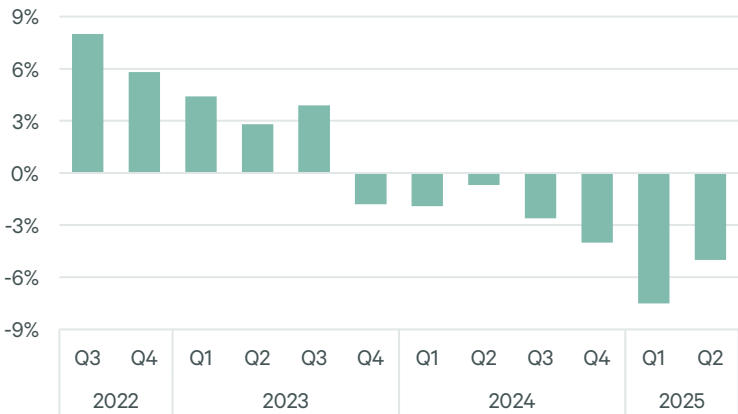
## UNDER CONSTRUCTION



## DOWNTOWN VS SUBURBAN VACANCY



## METRO CLASS A RENT, Y-o-Y GROWTH

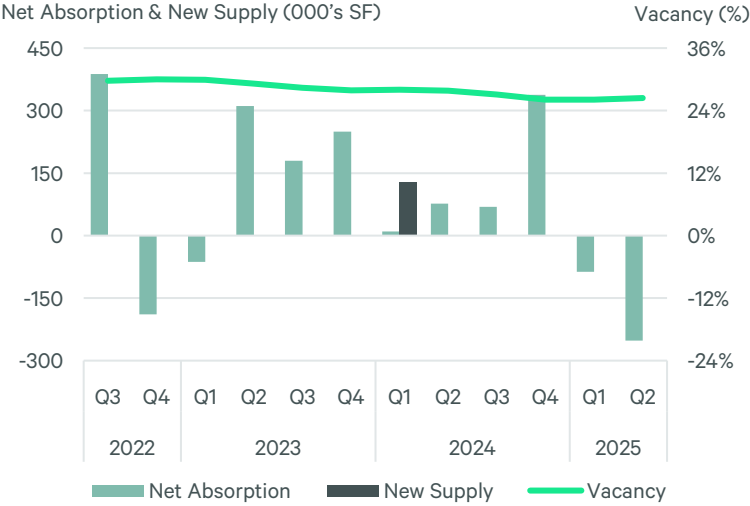


# Calgary

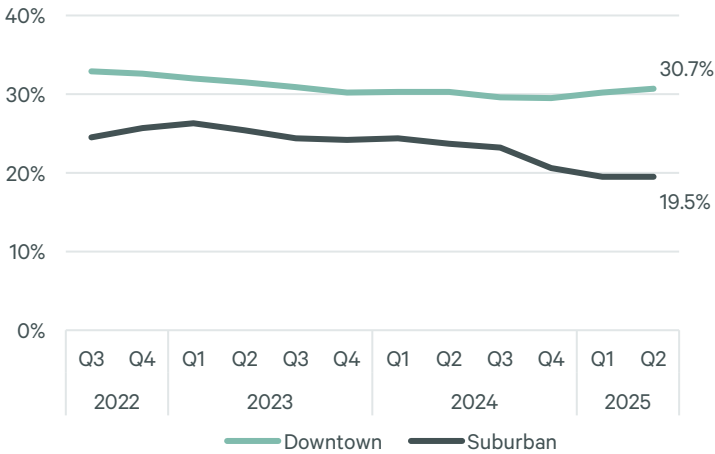
Mergers and acquisitions in the energy sector continue to add space to the sublease market, with Vermilion Energy’s acquisition of Westbrick Energy adding nearly 40,000 sq. ft. in Q2 2025. Whitecap Resources’ merger with Veren Inc. is expected to add a notable amount of sublease space to the market next quarter.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	41,798,235	25,883,617	67,681,852	▲
Overall Vacancy Rate	30.7%	19.5%	26.4%	▲
Direct Space	10,755,196	4,651,354	15,406,550	▼
Sublet Space	2,078,038	397,134	2,475,172	▲
Sublet % of Vacant	16.2%	7.9%	13.8%	▲
Class A Vacancy Rate	25.4%	17.8%	22.9%	▲
Avg. Class A Net Rent (PSF)	\$23.87	\$20.00	\$22.75	▲
Quarter Net Absorption	-247,504	-4,335	-251,839	▼
Quarter New Supply	0	0	0	◀▶
Under Construction	0	20,688	20,688	◀▶

## METRO SUPPLY & DEMAND



## DOWNTOWN VS SUBURBAN VACANCY



## UNDER CONSTRUCTION

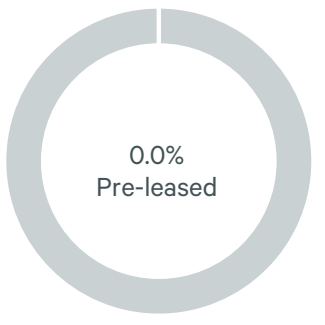
### Downtown

0 SF  
0% of Inventory

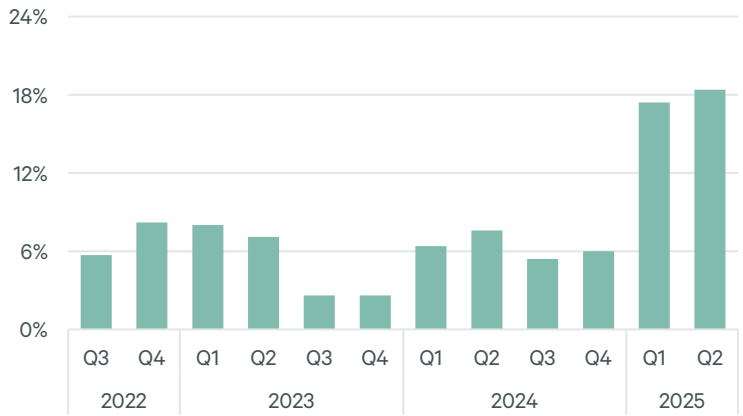


### Suburban

21,000 SF  
0.1% of Inventory



## METRO CLASS A RENT, Y-o-Y GROWTH

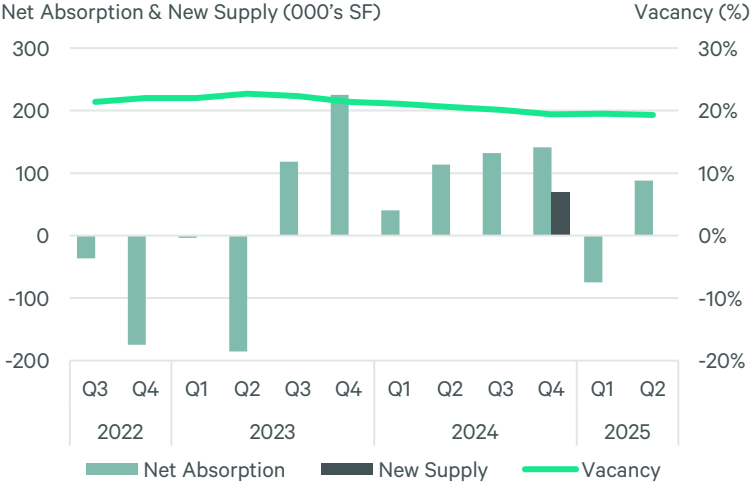


# Edmonton

The Edmonton market demonstrated a rebound in Q2 2025 as net absorption returned to positive territory this quarter. Small to mid-sized tenants continue to drive the Edmonton market. However, high construction costs and overall market uncertainty are prompting tenants to renew and expand their existing spaces rather than incur the expensive build-out costs associated with relocating.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	16,222,556	9,813,642	26,036,198	▲
Overall Vacancy Rate	21.1%	16.3%	19.3%	▼
Direct Space	3,083,560	1,488,956	4,572,516	▼
Sublet Space	340,536	109,376	449,912	▲
Sublet % of Vacant	9.9%	6.8%	9.0%	▲
Class A Vacancy Rate	22.3%	14.5%	20.2%	◀▶
Avg. Class A Net Rent (PSF)	\$18.97	\$17.55	\$18.68	▲
Quarter Net Absorption	43,235	44,681	87,916	▲
Quarter New Supply	0	0	0	◀▶
Under Construction	0	0	0	◀▶

## METRO SUPPLY & DEMAND

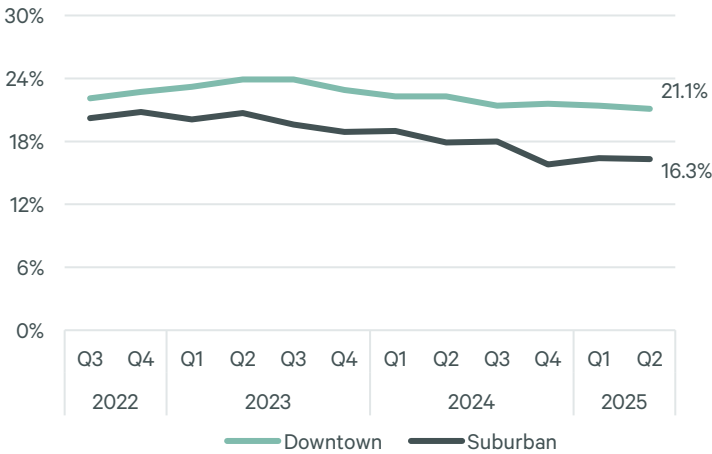


## UNDER CONSTRUCTION

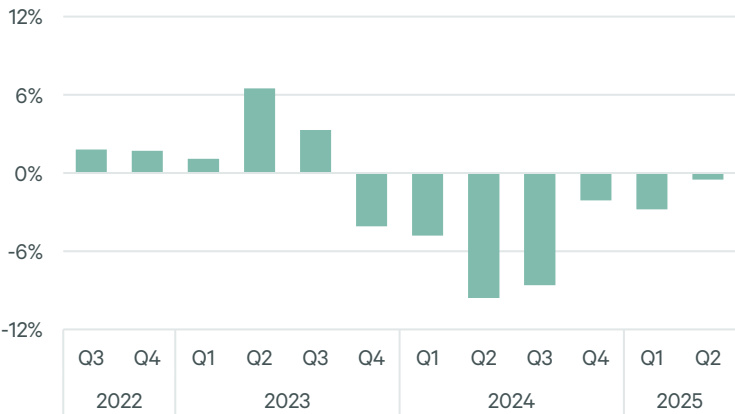
Downtown  
0 SF  
0% of Inventory

Suburban  
0 SF  
0% of Inventory

## DOWNTOWN VS SUBURBAN VACANCY



## METRO CLASS A RENT, Y-o-Y GROWTH

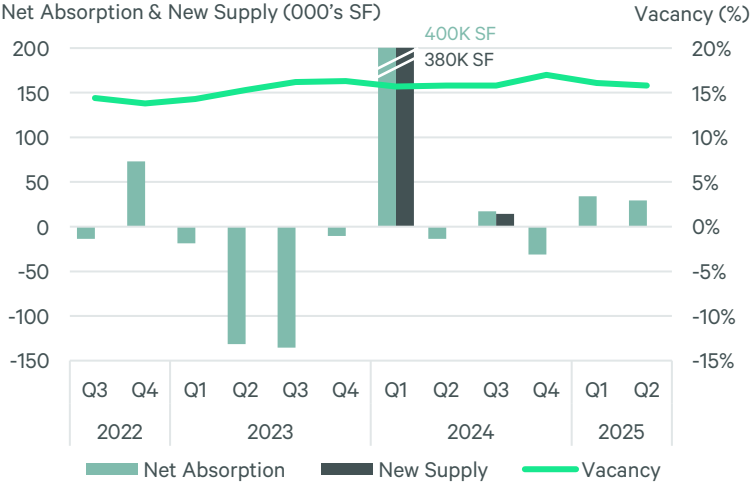


# Winnipeg

The downtown office market continues to rebound as businesses begin to understand their in-office work schedules. Remote work is less prevalent than during the pandemic's peak, leading to increased in-office days and increased office net absorption. Consequently, downtown vacancy rates have decreased by 50 bps, reaching a two-year low of 17.7%.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	10,788,423	4,245,281	15,033,704	▲
Overall Vacancy Rate	17.7%	11.0%	15.8%	▼
Direct Space	1,737,148	437,902	2,175,050	▼
Sublet Space	173,409	28,794	202,203	▼
Sublet % of Vacant	9.1%	6.2%	8.5%	▼
Class A Vacancy Rate	14.5%	N/A	14.5%	▼
Avg. Class A Net Rent (PSF)	\$19.64	N/A	\$19.64	▲
Quarter Net Absorption	49,832	-20,391	29,441	▼
Quarter New Supply	0	0	0	◀▶
Under Construction	0	0	0	◀▶

## METRO SUPPLY & DEMAND

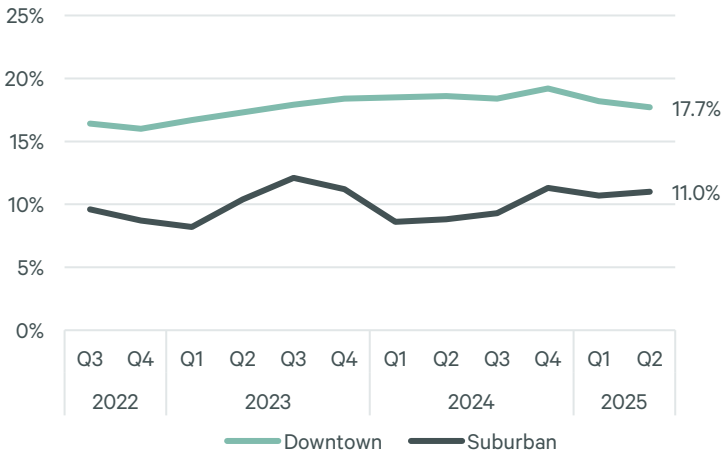


## UNDER CONSTRUCTION

Downtown  
0 SF  
0% of Inventory

Suburban  
0 SF  
0% of Inventory

## DOWNTOWN VS SUBURBAN VACANCY



## METRO CLASS A RENT, Y-o-Y GROWTH

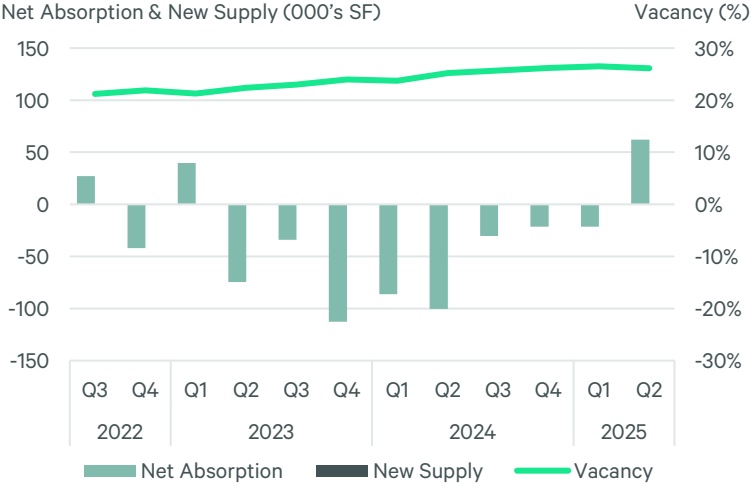


# London

Q2 2025 saw the London office market report positive net absorption for the first time in two years with the majority of activity stemming from Class A product this quarter. Multiple office-to-residential projects are planned for the coming quarters and should help moderate the elevated vacancy rate seen in the London Core over the past four years.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	4,548,580	1,559,529	6,108,109	▼
Overall Vacancy Rate	31.4%	10.9%	26.1%	▼
Direct Space	1,271,765	168,160	1,439,925	▼
Sublet Space	155,797	1,104	156,901	▼
Sublet % of Vacant	10.9%	0.7%	9.8%	▲
Class A Vacancy Rate	15.4%	N/A	15.4%	▼
Avg. Class A Net Rent (PSF)	\$15.14	N/A	\$15.14	▼
Quarter Net Absorption	67,481	-5,244	62,237	▲
Quarter New Supply	0	0	0	◄►
Under Construction	0	0	0	◄►

## METRO SUPPLY & DEMAND



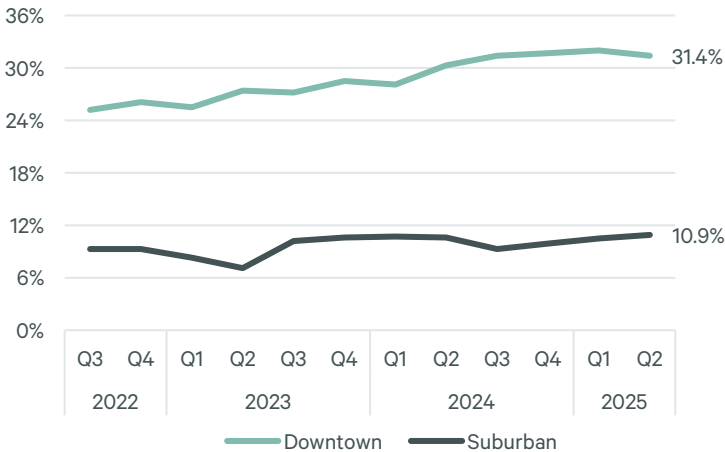
## UNDER CONSTRUCTION

Downtown  
0 SF  
0% of Inventory

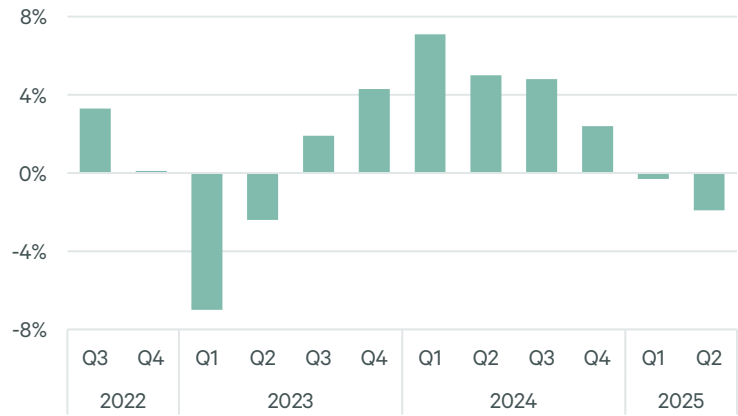
Suburban  
0 SF  
0% of Inventory



## DOWNTOWN VS SUBURBAN VACANCY



## METRO CLASS A RENT, Y-o-Y GROWTH



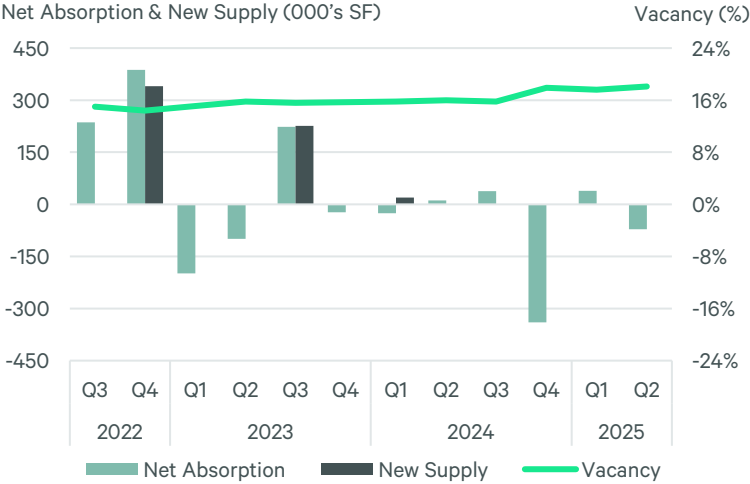


# Waterloo Region

Modest rises in vacancy were noted across most property classes this quarter although most predominantly in Class RC product. Suburban Class A meanwhile was the only segment to record a decline of 110 bps to 17.5% driven by strong demand for turn-key office space in Waterloo and Cambridge.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	4,717,364	11,603,178	16,320,542	◀▶
Overall Vacancy Rate	30.0%	13.2%	18.1%	▲
Direct Space	1,372,216	1,269,314	2,641,530	▲
Sublet Space	45,038	261,659	306,697	▼
Sublet % of Vacant	3.2%	17.1%	10.4%	▼
Class A Vacancy Rate	19.2%	17.5%	17.9%	▼
Avg. Class A Net Rent (PSF)	\$26.47	\$16.37	\$18.85	▼
Quarter Net Absorption	-60,680	-10,854	-71,534	▼
Quarter New Supply	0	0	0	◀▶
Under Construction	0	17,000	17,000	◀▶

## METRO SUPPLY & DEMAND



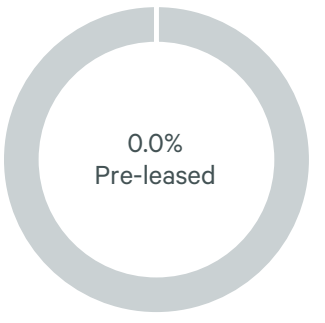
## UNDER CONSTRUCTION

### Downtown

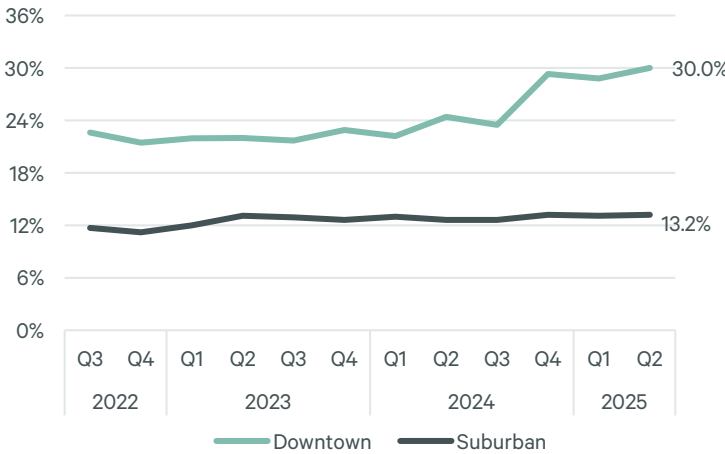
0 SF  
0% of Inventory

### Suburban

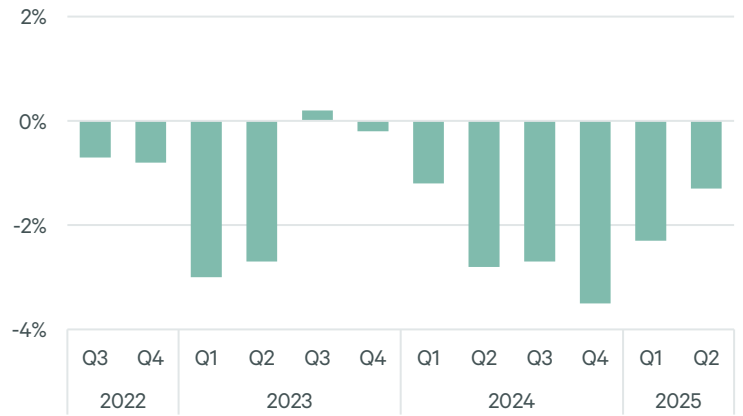
17,000 SF  
0.1% of Inventory



## DOWNTOWN VS SUBURBAN VACANCY



## METRO CLASS A RENT, Y-o-Y GROWTH



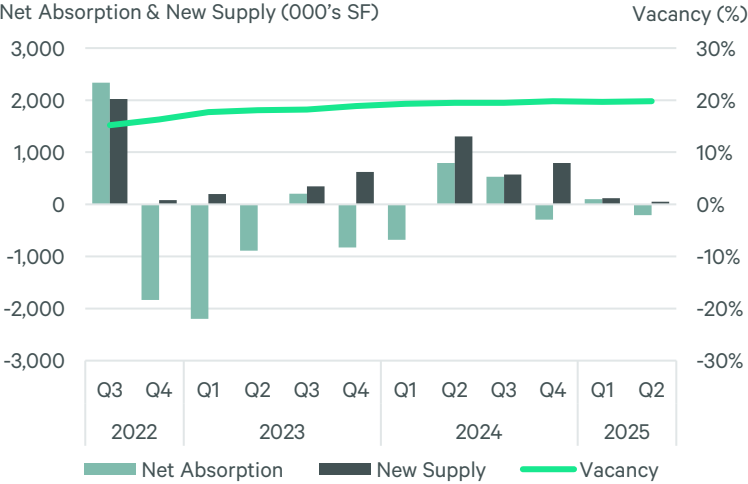
# Toronto

Downward momentum in Downtown Toronto abated as vacancy held this quarter at 18.5%. Leasing activity remained robust, however the reintroduction of large block vacancies dampened enthusiasm. Increasingly large users such as BMO and Scotiabank are mandating official return-to-office policies which should further boost building occupancy rates.

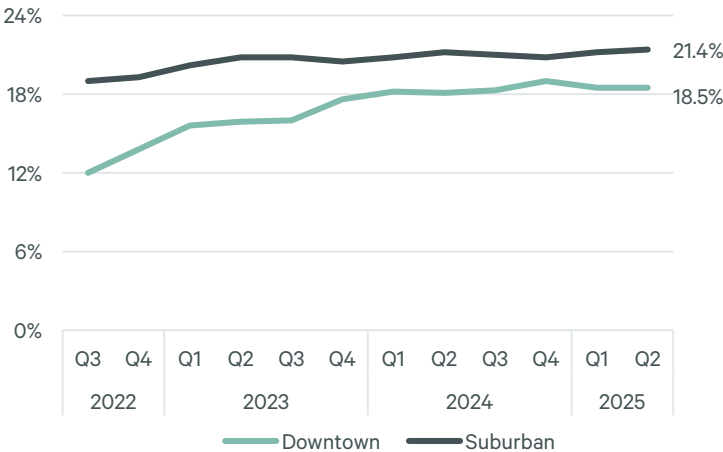
MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	95,459,471	77,213,282	172,672,753	▼
Overall Vacancy Rate	18.5%	21.4%	19.8%	▲
Direct Space	14,804,902	14,265,214	29,070,116	▲
Sublet Space	2,882,983	2,260,837	5,143,820	▼
Sublet % of Vacant	16.3%	13.7%	15.0%	▼
Class A Vacancy Rate	16.2%	24.7%	19.6%	◀▶
Avg. Class A Net Rent (PSF)	\$36.04	\$19.33	\$29.31	▲
Quarter Net Absorption	-70,709	-135,310	-206,019	▼
Quarter New Supply	53,000	0	53,000	▼
Under Construction	1,899,887	202,662	2,102,549	▼

\*Downtown is reflective of Central submarkets, inclusive of Midtown.

## METRO SUPPLY & DEMAND



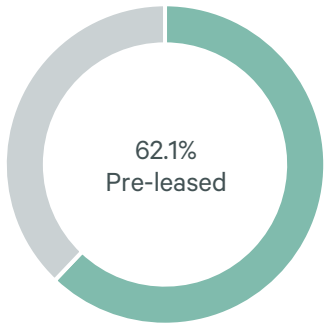
## DOWNTOWN VS SUBURBAN VACANCY



## UNDER CONSTRUCTION

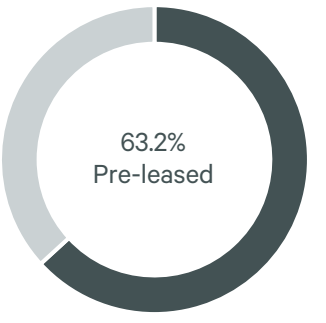
### Downtown

1.9 MSF  
2.0% of Inventory



### Suburban

0.2 MSF  
0.3% of Inventory



## METRO CLASS A RENT, Y-o-Y GROWTH



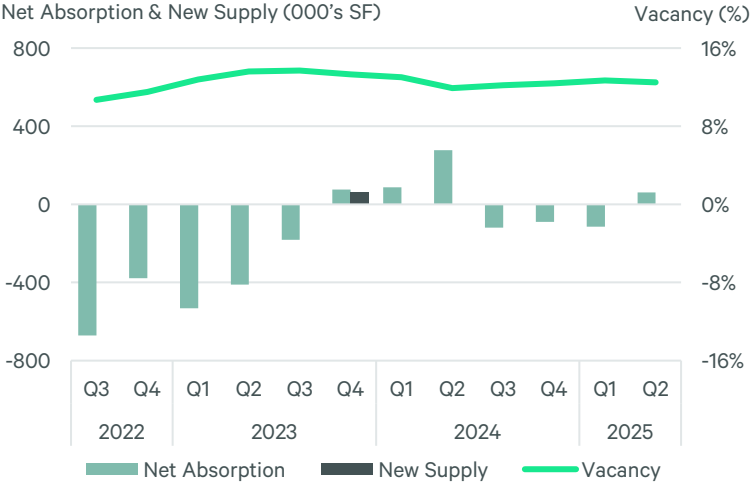
# Ottawa

The Ottawa office market saw a marginal improvement in overall vacancy, decreasing from 12.7% to 12.5% quarter-over-quarter. Uncertainty regarding the economic landscape continued to obfuscate occupier decision making, although demand still exists for mid to large-sized space, as observed in the core and in Kanata.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	18,260,444	22,350,290	40,610,734	◀▶
Overall Vacancy Rate	15.0%	10.5%	12.5%	▼
Direct Space	2,487,226	2,099,482	4,586,708	▲
Sublet Space	248,229	256,318	504,547	▼
Sublet % of Vacant	9.1%	10.9%	9.9%	▼
Class A Vacancy Rate	12.6%	10.4%	11.3%	▼
Avg. Class A Net Rent (PSF)	\$24.05	\$15.50	\$19.61	▼
Quarter Net Absorption	128,838	-67,888	60,950	▲
Quarter New Supply	0	0	0	◀▶
Under Construction	0	72,000	72,000	◀▶

\*Downtown is reflective of Central submarkets, inclusive of CBD and surrounding region.

## METRO SUPPLY & DEMAND



## UNDER CONSTRUCTION

### Downtown

0 SF  
0% of Inventory

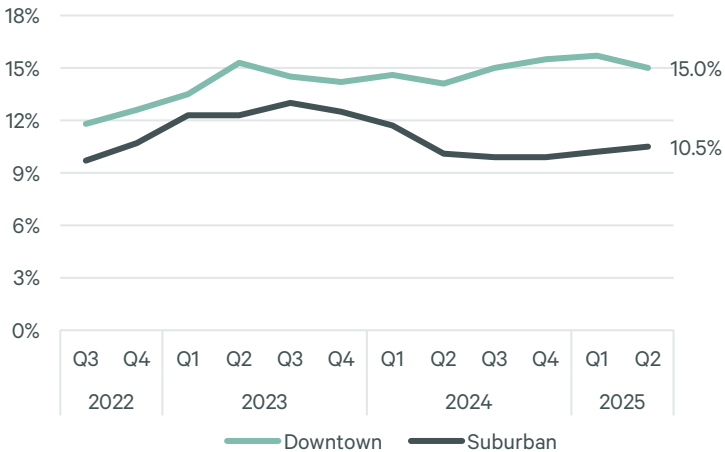


### Suburban

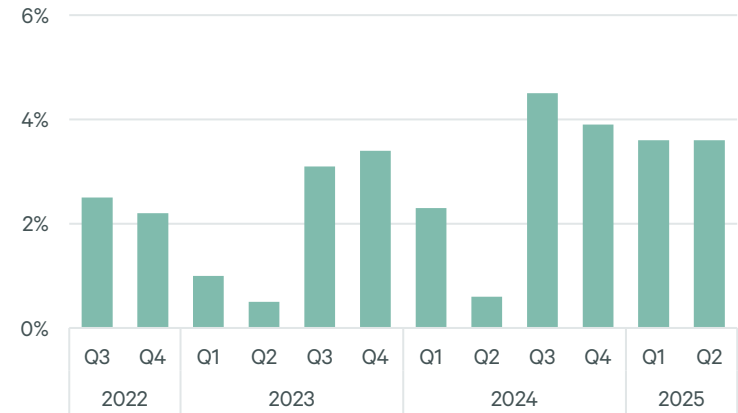
72,000 SF  
0.3% of Inventory



## DOWNTOWN VS SUBURBAN VACANCY



## METRO CLASS A RENT, Y-o-Y GROWTH



# Montreal

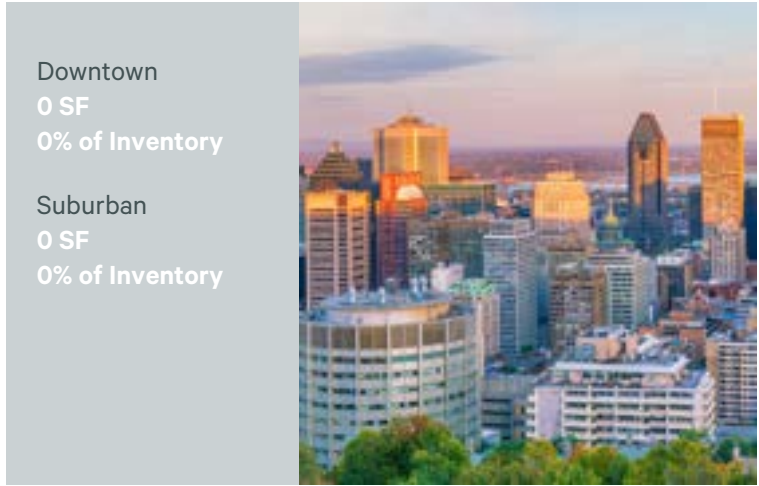
The Greater Montreal Area registered 264,000 sq. ft. of positive net absorption in Q2 2025. Downtown was the main driver of activity with 196,000 sq. ft. absorbed. The most notable transaction this quarter was from PwC Canada who will be relocating from 1250 Rene-Levesque to 1 Place Ville Marie.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	47,273,691	33,960,451	81,234,142	▲
Overall Vacancy Rate	18.6%	20.3%	19.3%	▼
Direct Space	7,573,483	5,980,551	13,554,034	▲
Sublet Space	1,236,754	904,379	2,141,133	▼
Sublet % of Vacant	14.0%	13.1%	13.6%	▼
Class A Vacancy Rate	14.9%	17.3%	15.8%	▼
Avg. Class A Net Rent (PSF)	\$26.02	\$18.24	\$22.92	▼
Quarter Net Absorption	195,602	68,668	264,270	▲
Quarter New Supply	150,000	0	150,000	▲
Under Construction	0	0	0	▼

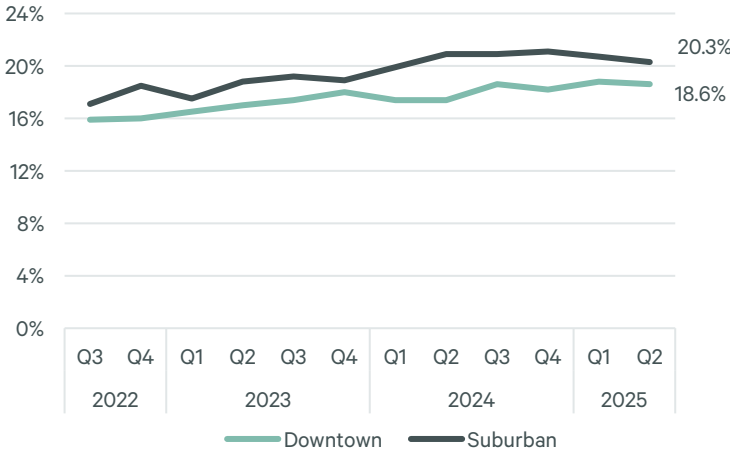
## METRO SUPPLY & DEMAND



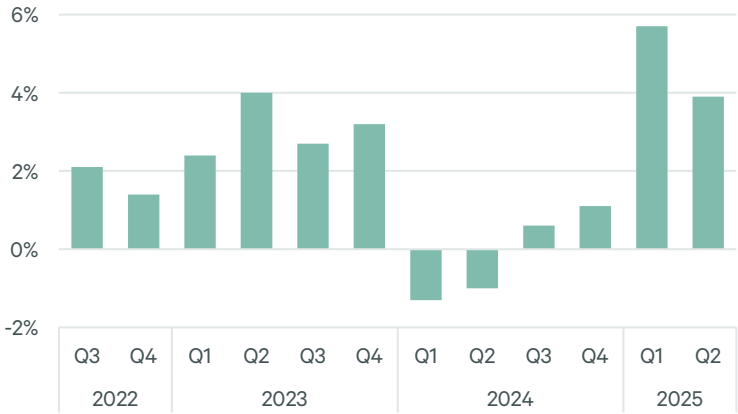
## UNDER CONSTRUCTION



## DOWNTOWN VS SUBURBAN VACANCY



## METRO CLASS A RENT, Y-o-Y GROWTH

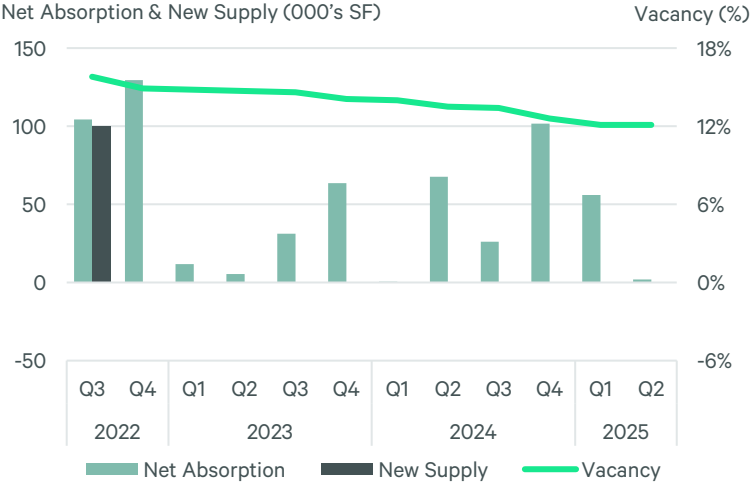


# Halifax

The Halifax office market experienced a relatively muted Q2 2025, recording 1,900 sq. ft. of positive net absorption. The flight-to-quality trend continues to materialize as tenants are trading older space for newer buildings with better infrastructure. Accordingly, the only building class to see positive net absorption on the quarter was Class A with 27,000 sq. ft. of net absorption across the market.

MARKET STATS	DOWNTOWN	SUBURBAN	TOTAL	Q/Q
Net Rentable Area	5,181,618	7,699,588	12,881,206	◀▶
Overall Vacancy Rate	15.8%	9.6%	12.1%	◀▶
Direct Space	817,424	674,716	1,492,140	▼
Sublet Space	0	65,599	65,599	▲
Sublet % of Vacant	0.0%	8.9%	4.2%	▲
Class A Vacancy Rate	14.2%	13.5%	13.9%	▼
Avg. Class A Net Rent (PSF)	\$19.45	\$17.05	\$18.40	▲
Quarter Net Absorption	15,374	-13,437	1,937	▼
Quarter New Supply	0	0	0	◀▶
Under Construction	0	30,000	30,000	◀▶

## METRO SUPPLY & DEMAND



## UNDER CONSTRUCTION

### Downtown

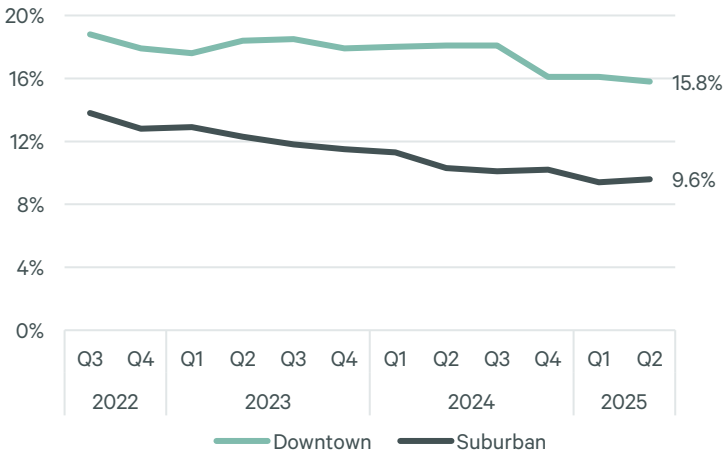
0 SF  
0% of Inventory

### Suburban

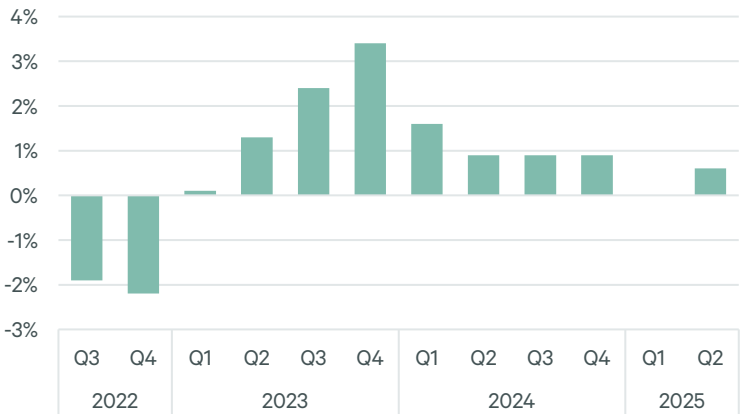
30,000 SF  
0.4% of Inventory



## DOWNTOWN VS SUBURBAN VACANCY



## METRO CLASS A RENT, Y-o-Y GROWTH



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Definitions

<b>Net Rentable Area (NRA):</b> The total office area (sq. ft.) of competitive building(s) in the market.	<b>Class A Average Asking Net Rent:</b> A calculated average of marketed Class A rents that excludes additional costs (real property taxes and other building operating costs), weighted by corresponding vacant space. National average is weighted by NRA.
<b>Overall Vacancy Rate:</b> Total Vacant Space divided by the NRA. Calculated as a percent.	<b>Net Absorption:</b> The change in Occupied Space from one quarter to the next as a measure of market activity. Includes Pre-leased space upon delivery as New Supply.
<b>Total Vacant Space:</b> The sum of Direct and Sublet Space that can be immediately occupied, typically including up to 90 days following quarter close.	<b>Occupied Space:</b> Total inventory of the building(s) not considered vacant.
<b>Direct Space:</b> Space offered for lease directly by the building owner or landlord.	<b>New Supply:</b> Space delivered to the market from the completion of newly constructed competitive building(s).
<b>Sublet Space:</b> Space offered for lease indirectly by a tenant.	<b>Under Construction:</b> The expected total office area of new competitive buildings(s) actively undergoing development.
<b>Sublet % of Vacant Space:</b> Total Sublet Space divided by the Total Vacant Space. Calculated as a percent.	<b>Pre-leased:</b> Space that has been leased in a building that is Under Construction.
<b>Class A Vacancy Rate:</b> Total Vacant Space divided by the NRA in Class A properties. Considered the best-quality space that competes for the market’s premier office users and commands the highest relative rents. Calculated as a percent.	