

# National Market Update



AVISON  
YOUNG

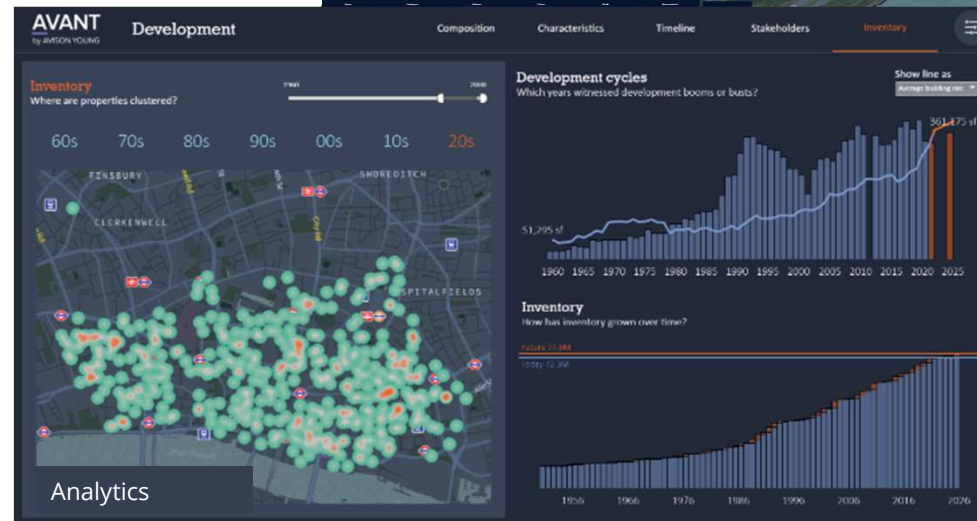
# Avant: Overview

## An expanding and evolving data analytics ecosystem that meshes real estate with real estate-adjacencies

AVANT makes key market data more accessible and understandable, allowing clients to make informed, strategic decisions and realize the full potential of their real estate.

### *Our approach:*

- Grounded in a data-first and data-always mindset
- Wrapped around human, modern and digestible technology
- Focused on making cities and our clients' real estate strategies more transparent, efficient and productive
- Vitality Index in Realtime



**AVANT**  
by AVISON YOUNG

# Cities on top of US/Canada Vitality Index



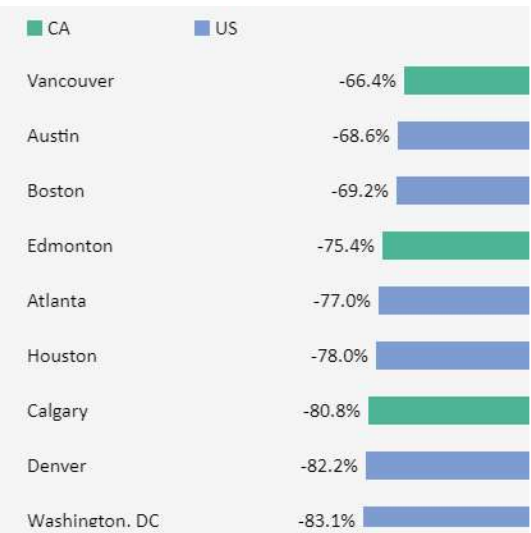
## The Vitality Index

Measuring the pace of our return to downtowns, updated daily

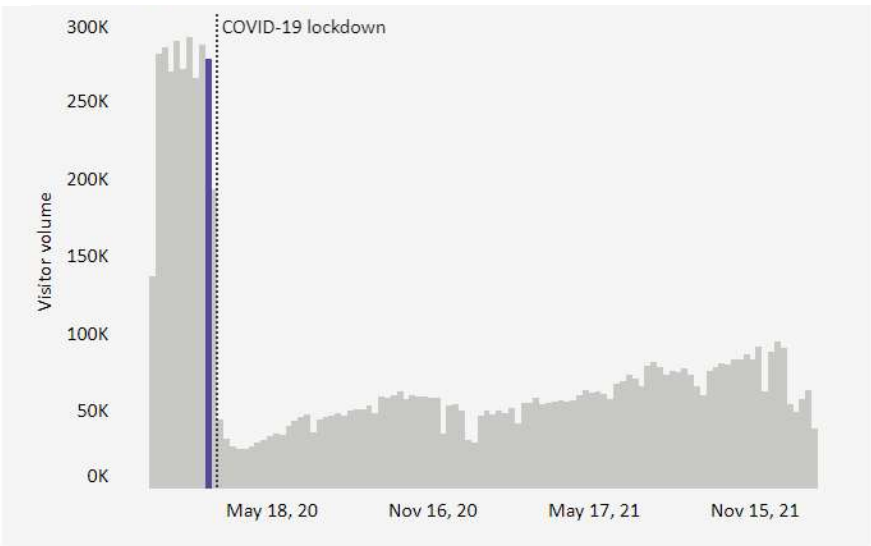
Return-to-office efforts (Average weekday visitor volume)  
as of January 17, 2022 are -85.9% since [March 2, 2020](#)

### Comparison of return-to-office efforts

How has visitor volume changed by Cities?



### Average weekday visitor volume



Source: AVANT by Avison Young, Orbital Insight (2021)  
Weekday foot traffic for representative full-building office occupiers only  
U.S. data is available from June 2, 2019 to present and Canada data is available from January 1, 2020 to present



# Toronto ranking last



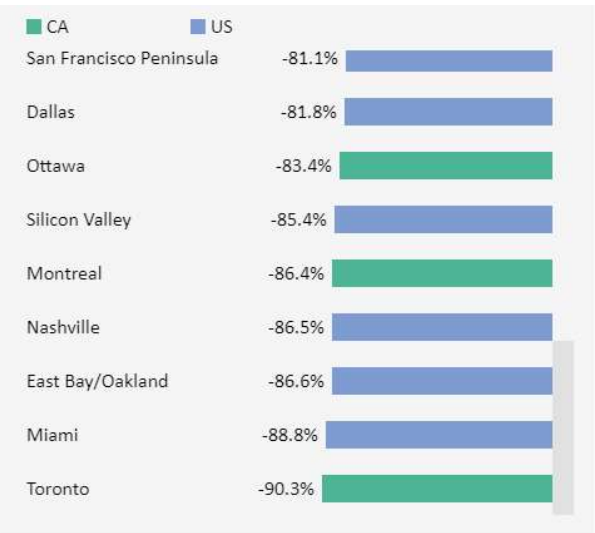
## The Vitality Index

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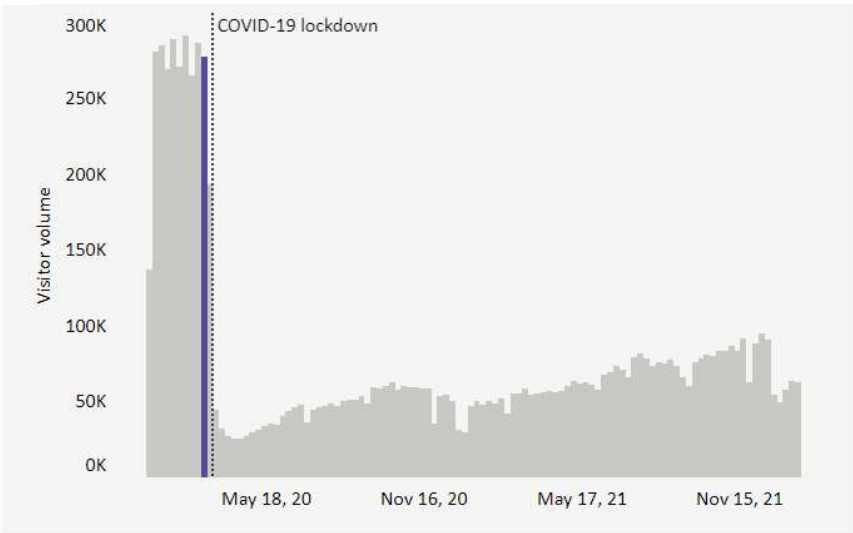
Return-to-office efforts (Average weekday visitor volume)  
as of January 17, 2022 are -77.5% since [March 2, 2020](#)

Choose a reference date  
[March 2, 2020](#)

Comparison of return-to-office efforts  
How has visitor volume changed by Cities?



## Average weekday visitor volume



Source: AVANT by Avison Young, Orbital Insight (2021)

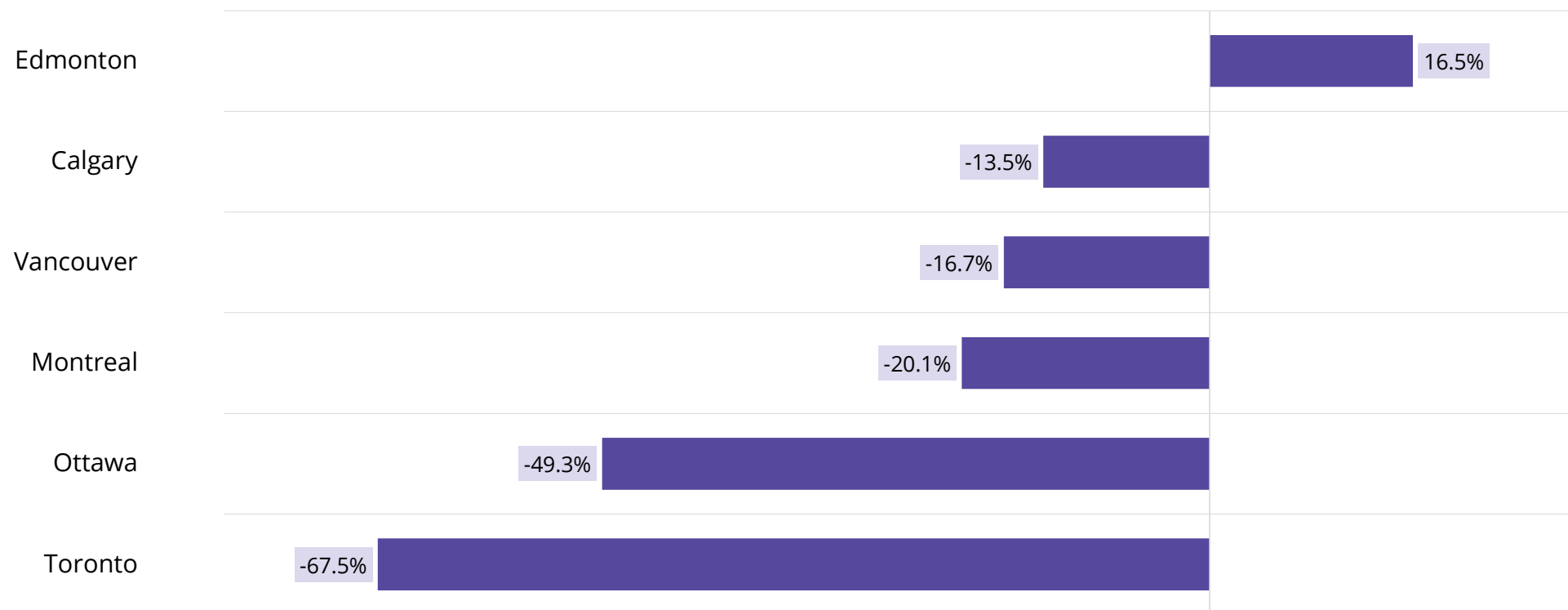
Weekday foot traffic for representative full-building office occupiers only

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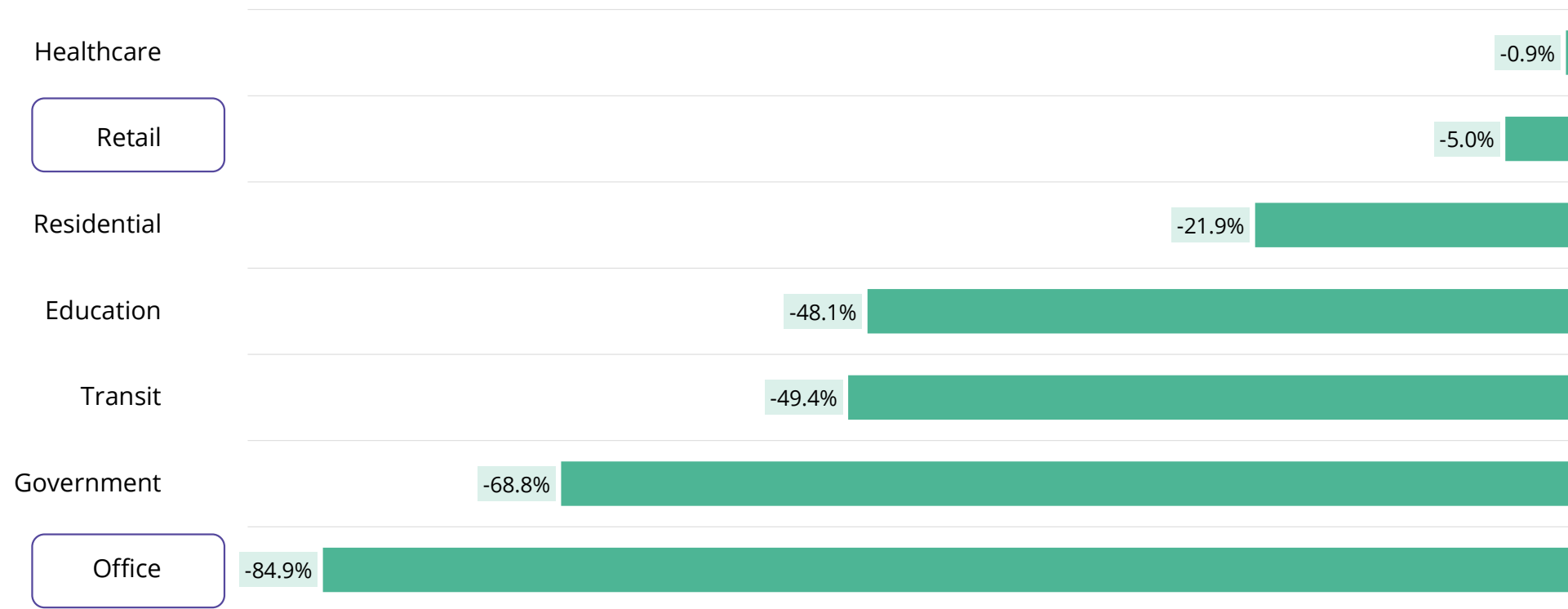
# Canada Vitality Index

Measuring visitor volumes across representative locations in cities,  
week of January 10, 2022 vs. week of January 13, 2020



# Canada Vitality Index

Measuring visitor volumes across representative destinations,  
week of January 10, 2022 vs. week of January 13, 2020

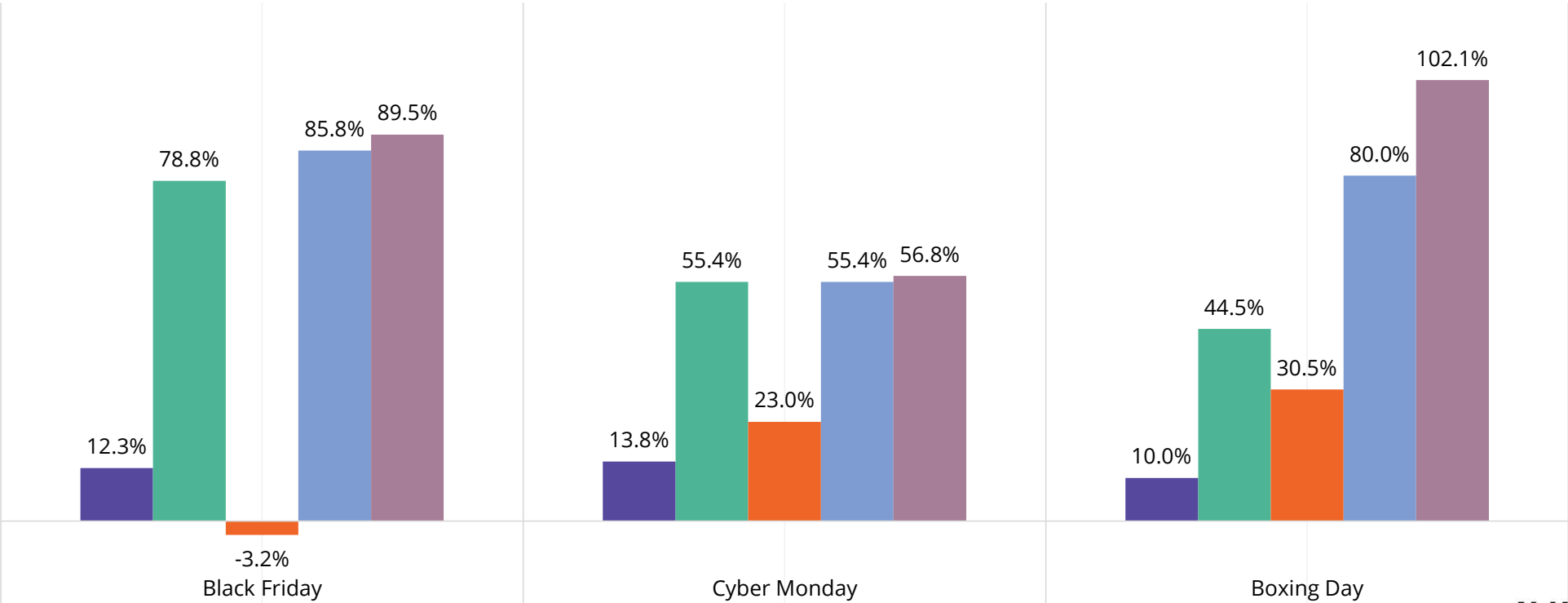




# Canada Retail Vitality Index

Year-over-year change in visitor volumes across Canadian holidays, 2020 to 2021

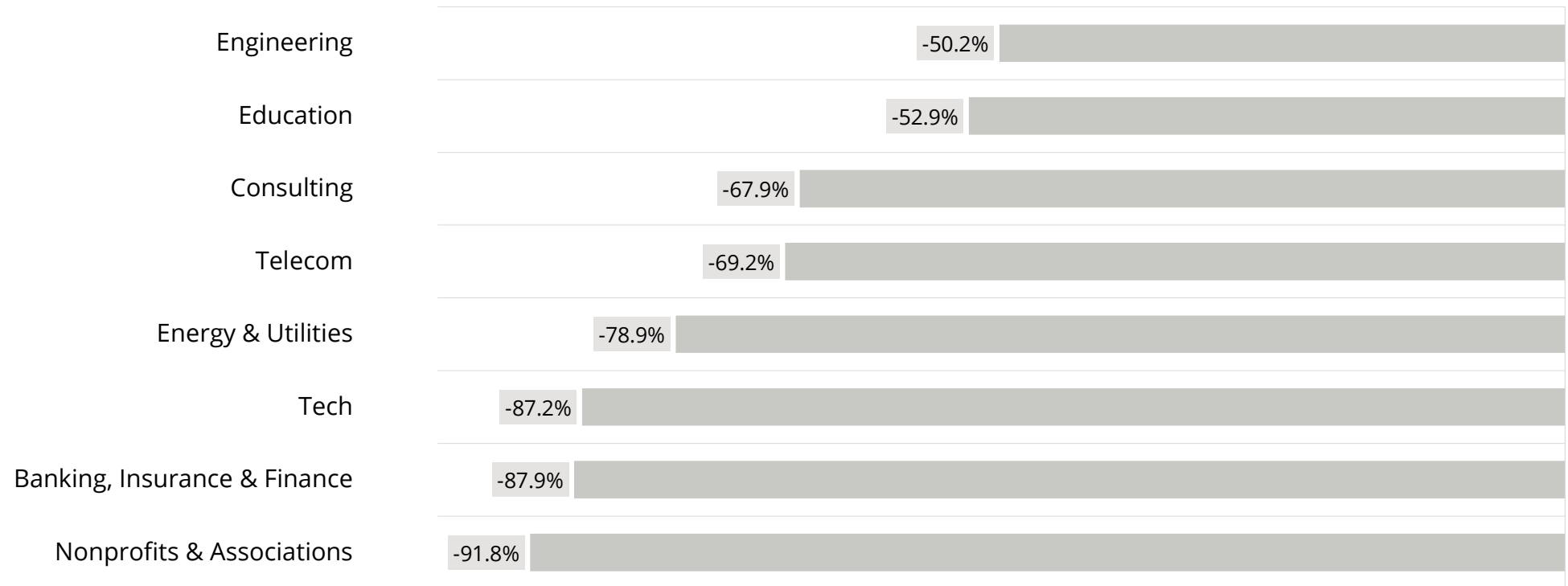
Big-box   Local   Online   Retail corridor   Shopping center



Note: Representative retail locations. Online measured by foot traffic at last-mile distribution centers.  
Source: Orbital Insight, AVANT by Avison Young

# Canada Office Vitality Index

Office visitor volumes by leading office-occupying industry,  
week of January 10, 2022 vs. week of January 13, 2020



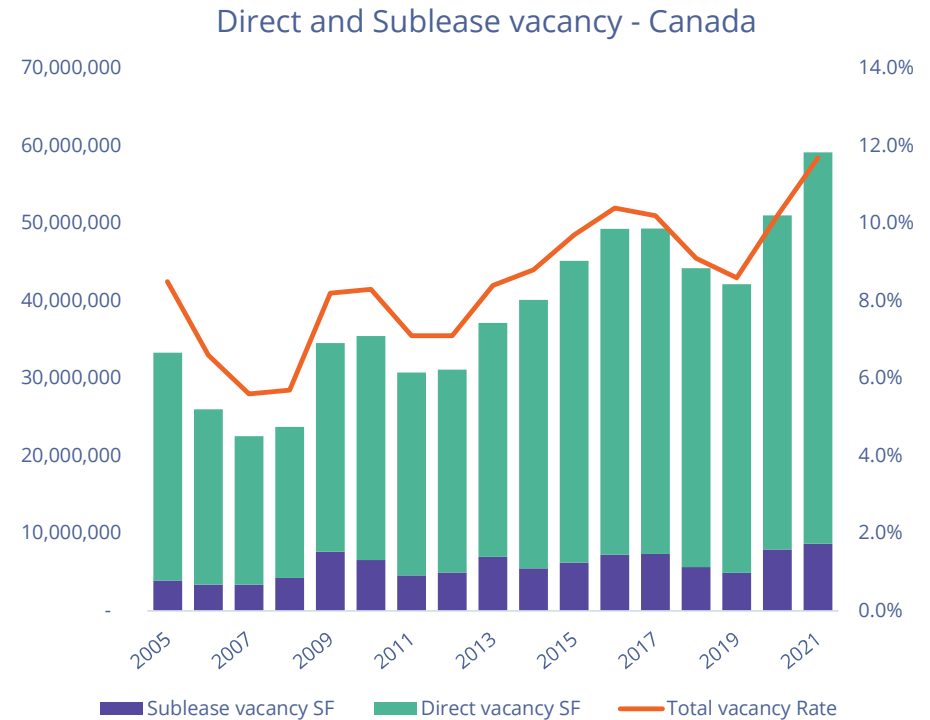


# Canada office availability rate

# 11.7%

**Canada's 6 Major Markets (VECTOM) at unprecedented vacancy levels**

The pandemic ended a cycle of demand growth and vacancy rate decline, which skyrocketed from 8.6% in 2019 to 10.2% in 2020 and 11.7% in 2021. Unlike the US, the office market in Canada was not impacted as much by the 2008 financial crisis and 2009 recession.



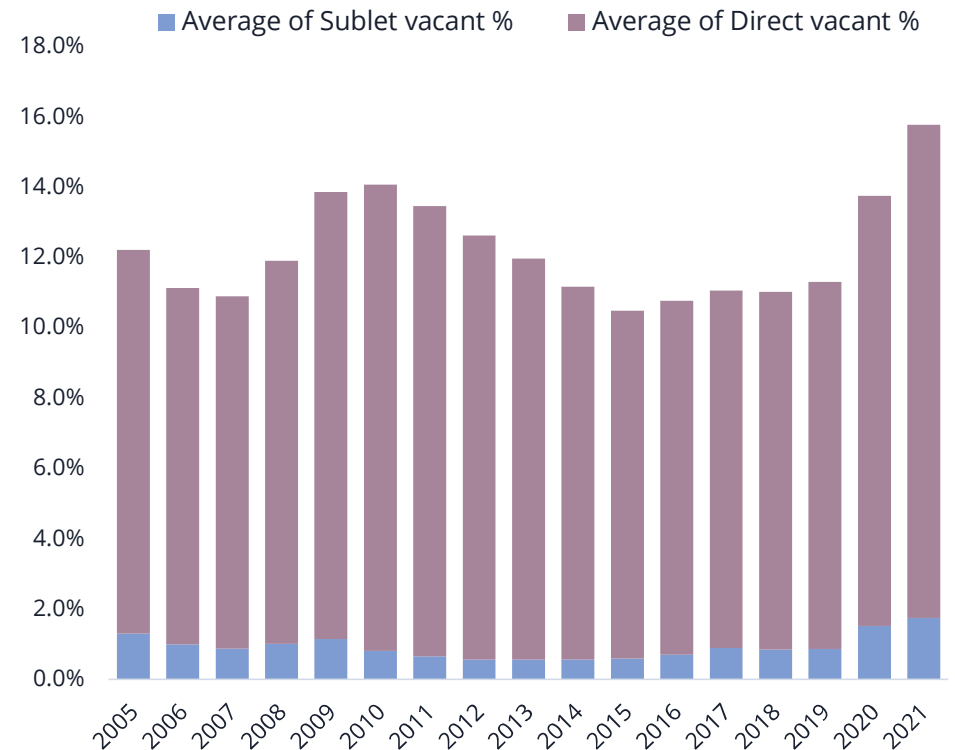
Source: AVANT by Avison Young  
VECTOM - Altus Data Studio

# U.S. office availability rate

# 15.8%

## U.S. gateway cities office availability peaks since the onset of the pandemic

Direct and sublease availability rates spiked following the pandemic, ending a nearly one-decade streak of declining availability in throughout the U.S. office market. The sublease availability rate compared to total vacancy of 11.1% in 2021 is almost twice the rate of 7.7% reported in 2019.



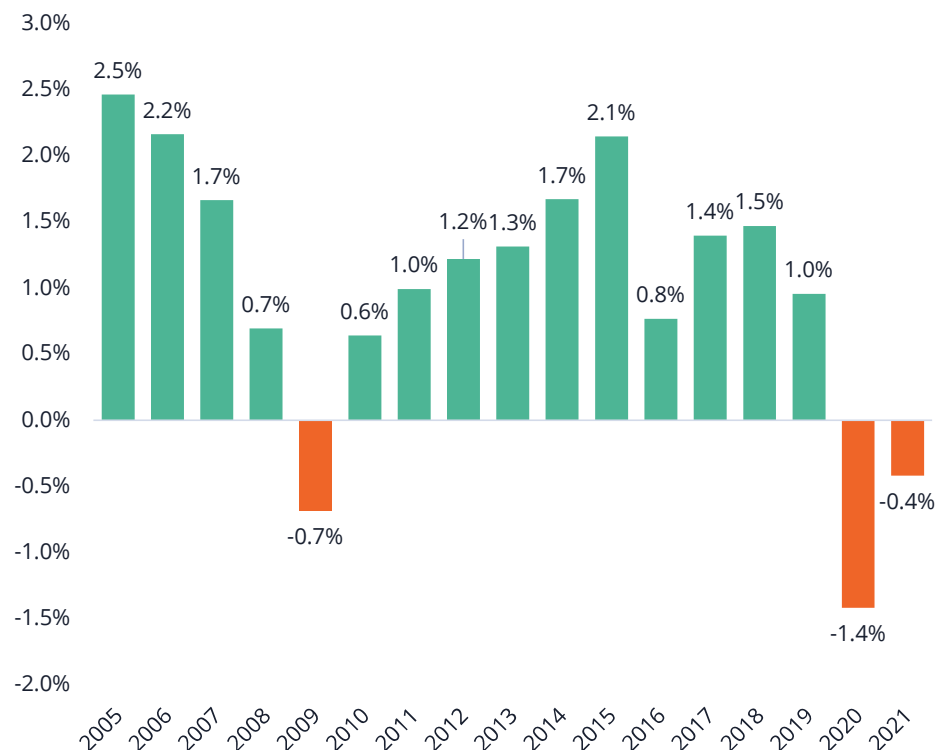
Source: AVANT by Avison Young  
US Gateway Cities

# U.S. net absorption as a percentage of inventory

## -0.4%

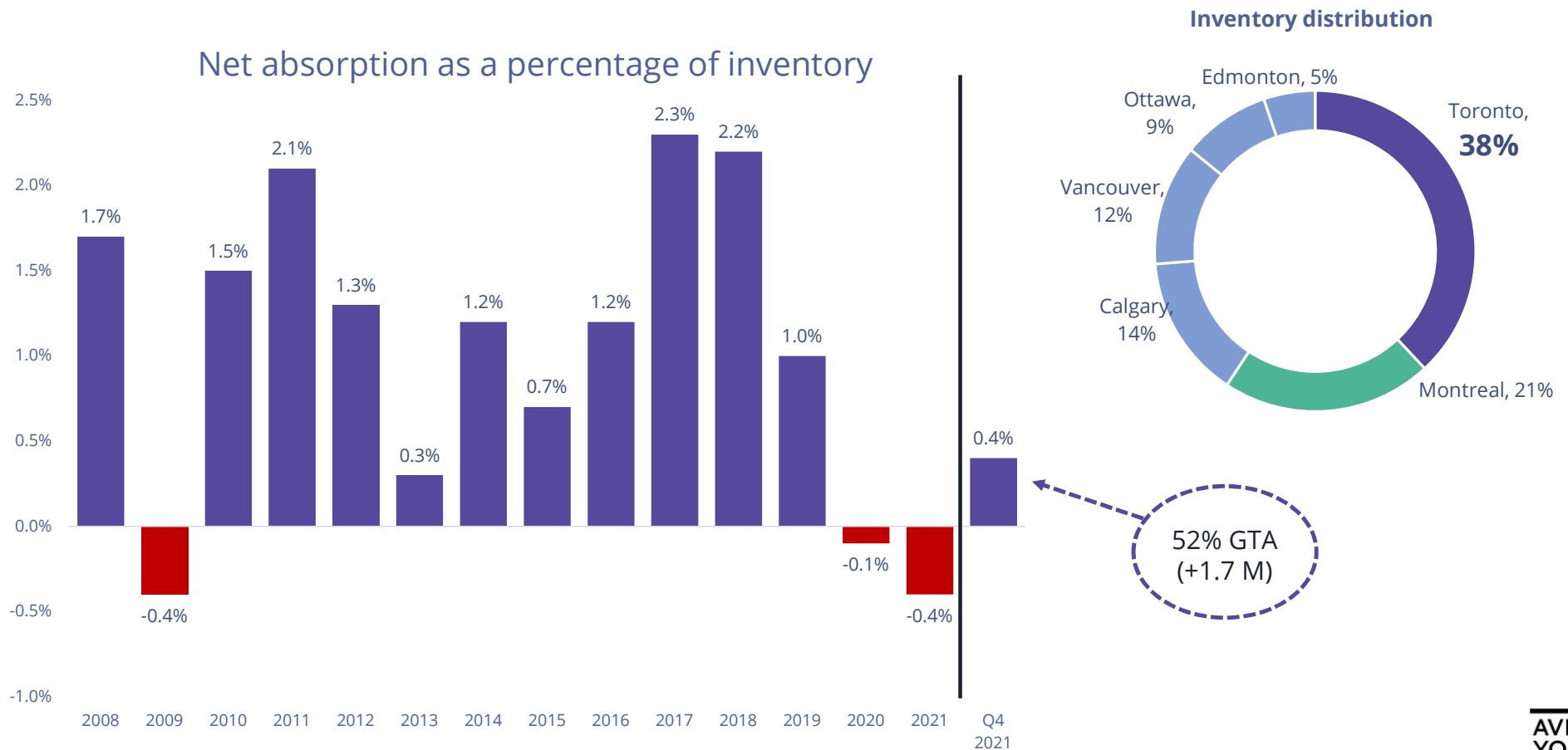
### Net absorption as a percentage of inventory

Net absorption is beginning to trend upwards, totaling -26 msf in 2021 after reaching record lows of almost -42 msf in 2020. Positive absorption can be contributed to more office occupiers begin to navigate their medium- and long-term space needs with more conviction, with return-to-office efforts serving as one of the first steps in that process.



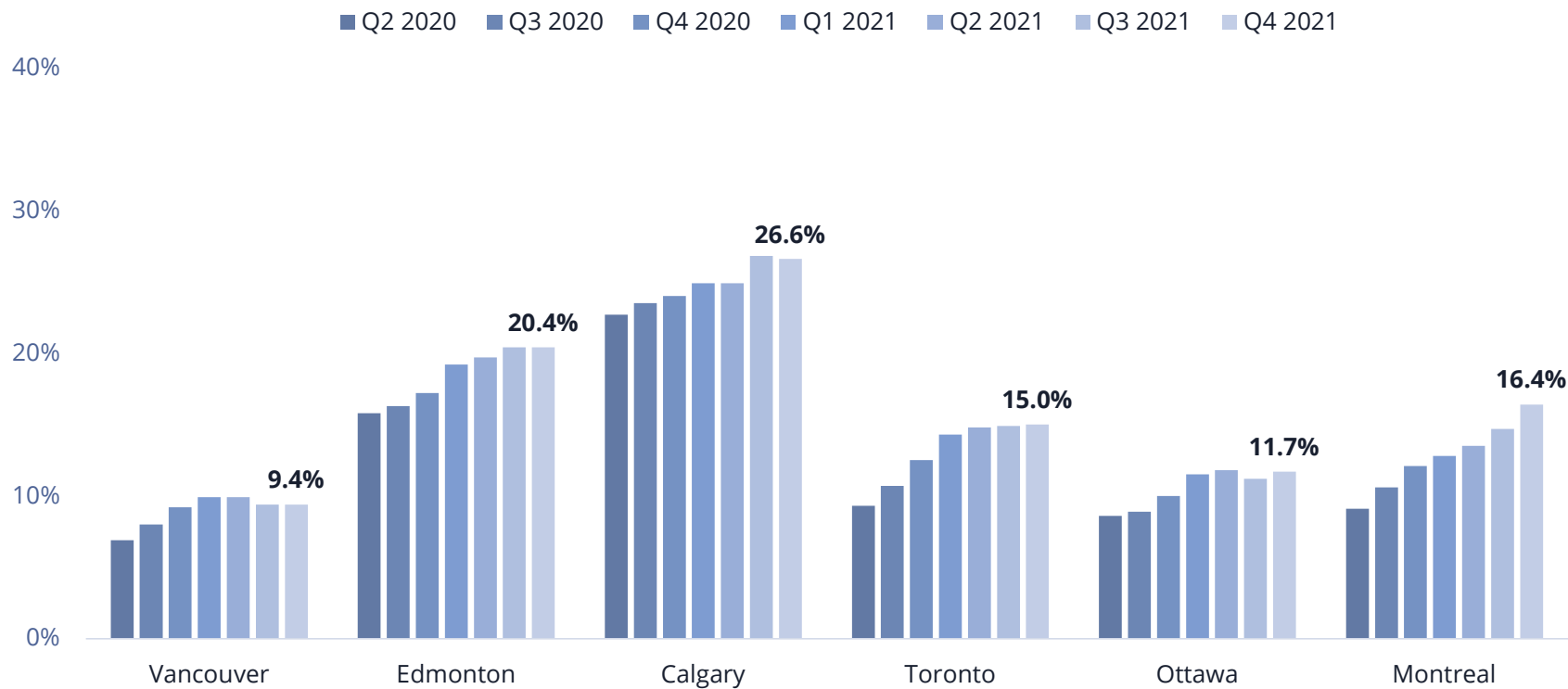
Note: Absorption is measured as the year-over-year change in occupied square feet. US Gateway Cities  
Source: AVANT by Avison Young

# Q4 2021 recorded first positive absorption since start of pandemic



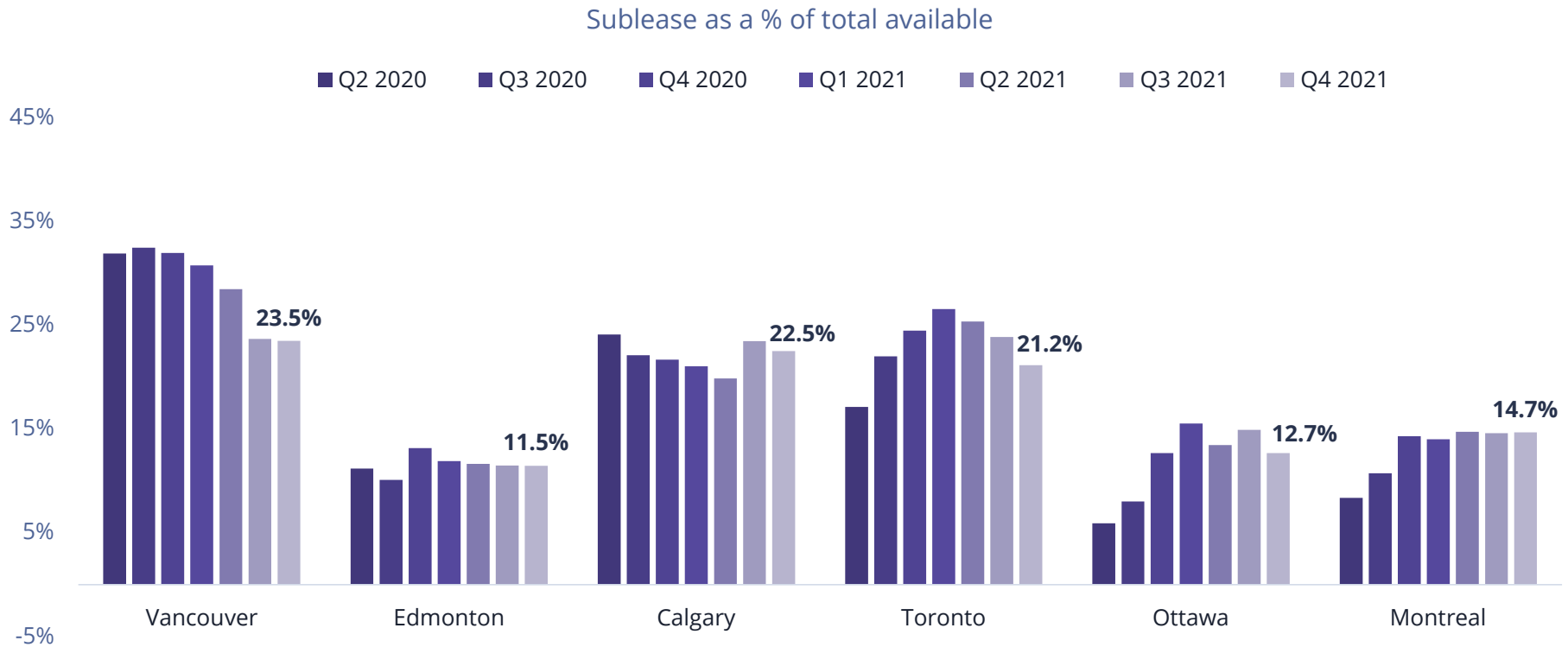
# Availability rates stabilizing in most office markets

Total available rates – Major markets



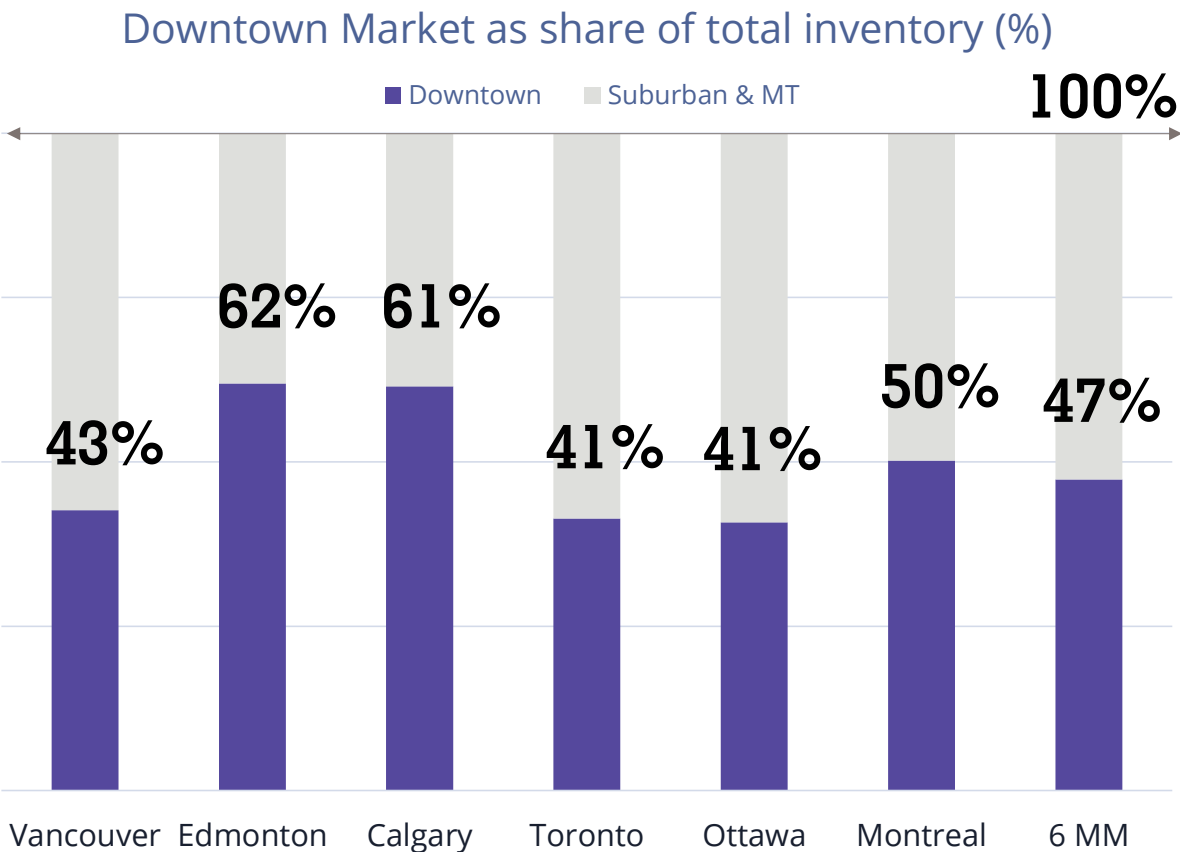
(Source: Altus Data Studio)

# Sublease levels seems to have peaked



Note: VECTOM Markets  
Source: AVANT by Avison Young

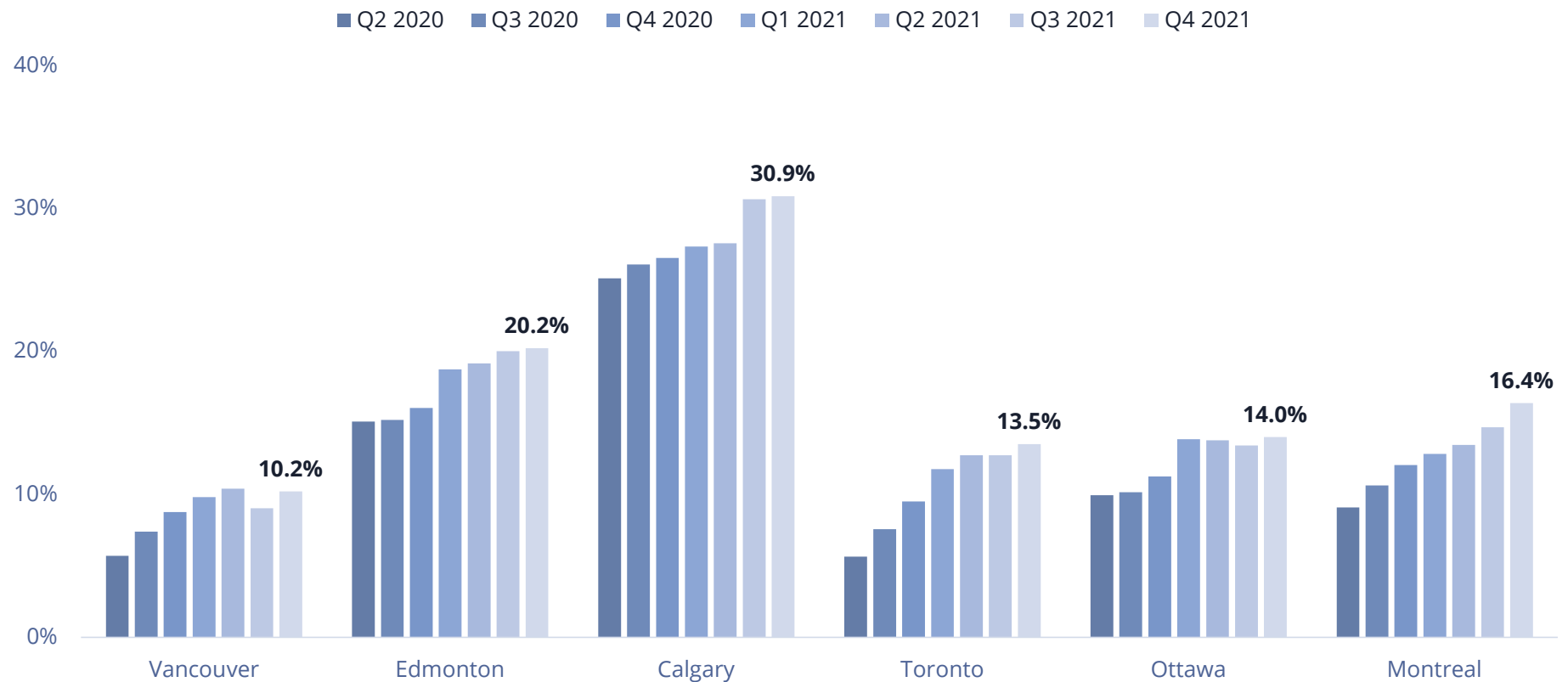
# Almost half of all office inventory located downtown





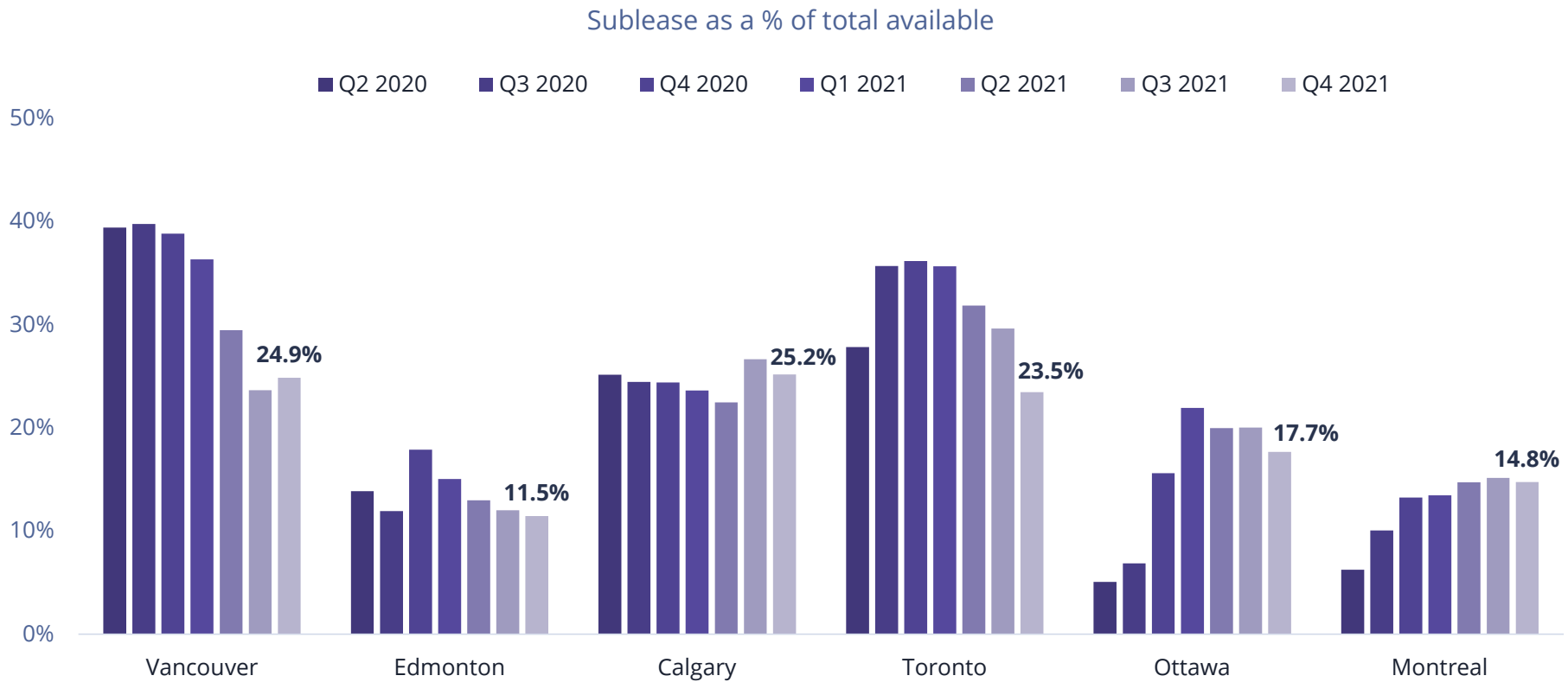
# But still up in many downtown markets

Available rates - Major Downtown Office Markets





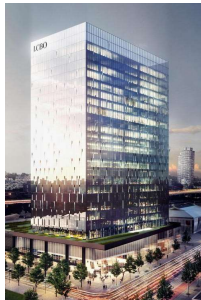
(Source: Altus Data Studio)

# Share of sublease decreasing downtown



Note: VECTOM Markets  
Source: AVANT by Avison Young


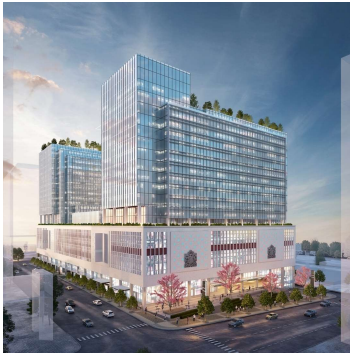
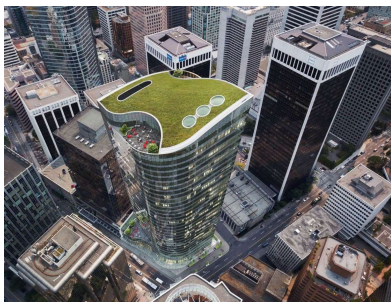
# Bold projects delivered during the pandemic

	16 York Street	CIBC Square 81 Bay Street	LCBO Tower 100 Queens Quay East
			
	Q3-20	Q4-20	Q4-21
Square Footage:	878,937 sf	1,482,489 sf	646,971 sf
Percent Leased:	84%	100%	73%
Storeys:	32	49	26
Developer:	Cadillac Fairview/OPB	Ivanhoe Cambridge/Hines	Menkes Developments Ltd./Trioest/Greystone

Over 8.5 M  
additional sf  
to be  
delivered by  
2025



# More to come in major CBDs

	The Stack 1133 Melville	The Post North & South Towers Dunsmuir & West Georgia	B6 1090 West Pender St.
			
	2022	2023	2024
Square Footage:	540,000 sf	525,656 sf	1.1 M sf
Percent Leased:	43%	43%	100%
Storeys:	36	32	19/22
Developer:	Oxford Properties	QuadReal	BentallGreenOak

**AVISON  
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## PRESS RELEASES

First shovel at groundbreaking for National Bank's new head office, at 800 Saint-Jacques Street West in Montreal

Montreal, 7 November 2018 -



Sketch of National Bank's new head office that will be located at 800 Saint-Jacques Street West in Montreal

2023

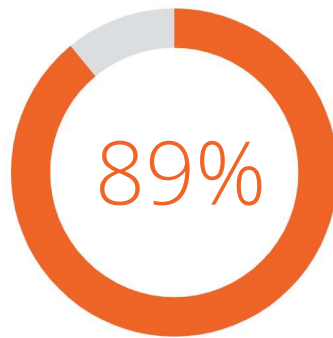
Montreal  
Downtown South  
1 M sf  
36 floors

**Bringing workers  
back to the  
office...?**

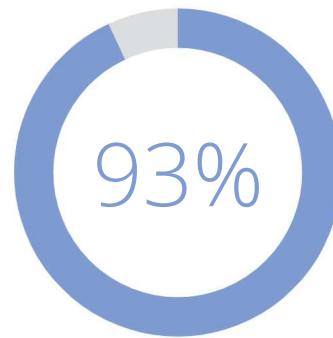
THE X FACTOR

# Remote work actually works

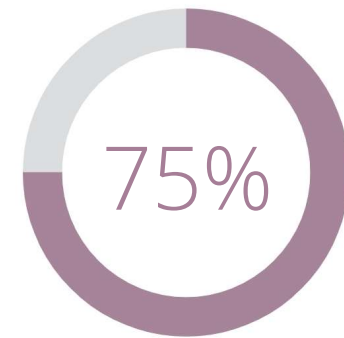
In addition to driving productivity, remote working also seems to be positively impacting employee experience and satisfaction. Our 2020-2021 Avison Young data reveals that:



of survey respondents felt that their home environment enables them to work productively.



of survey said that they work effectively with managers and colleagues from their home office.



of survey respondents felt that they were able to maintain a healthy work-life balance while working from home.

## THE X FACTOR

# Implementing your X-Factor

Survey respondents also outlined which activities they would prefer to participate in in-person at the office rather than at home or at a different virtual location:

Team building

**70%**



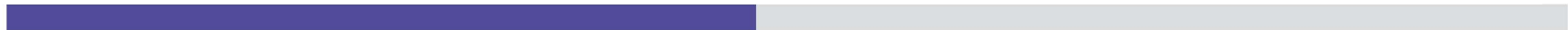
Corporate social events

**68%**



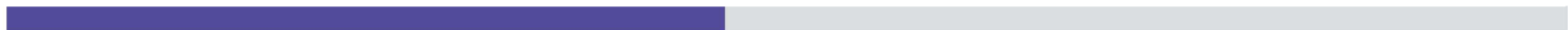
Work requiring special or technical equipment

**48%**



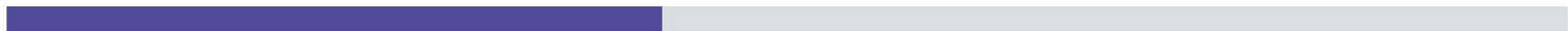
Training and development

**46%**



Formal department and/or team meetings

**42%**

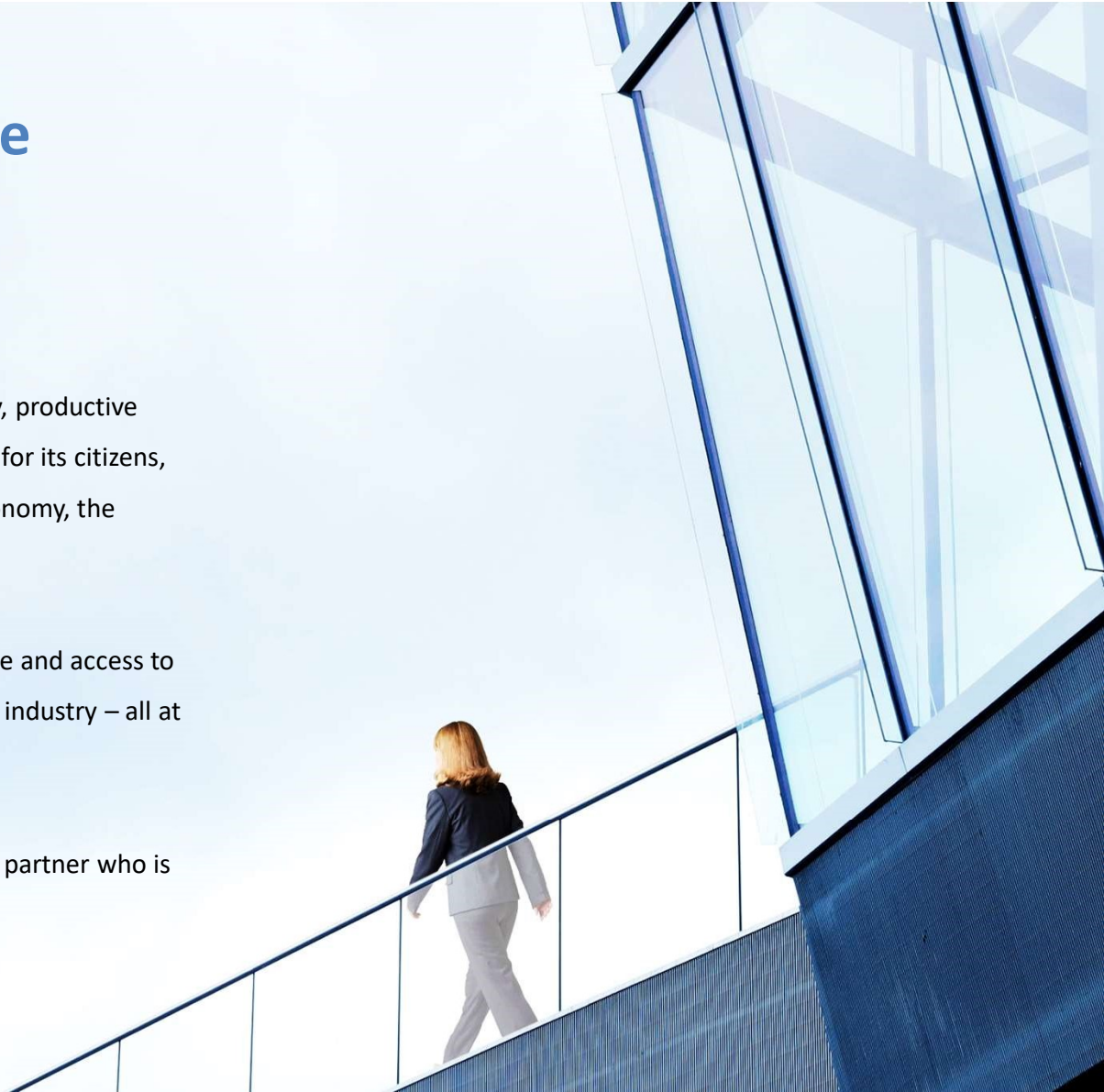


# At Avison Young, we believe in creating positive impact wherever we go.

There is a vital role for commercial real estate to create healthy, productive workplaces for employees, cities that are centres of prosperity for its citizens, and built spaces and places that create a net benefit to the economy, the environment and the community.

Our nimble, agile team has global insight, local market expertise and access to some of the smartest technology in the commercial real estate industry – all at the ready to work on creating your competitive advantage.

As a private company, you will collaborate with an empowered partner who is invested in your success as much as you are.







Thank you.

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