

Availability declines for second consecutive quarter as demand strengthens

► 5.0%

Vacancy Rate

▼ 5.8%

Availability Rate

▲ 1.1M

SF Net Absorption

▲ 3.1M

SF Under Construction

▼ \$18.87

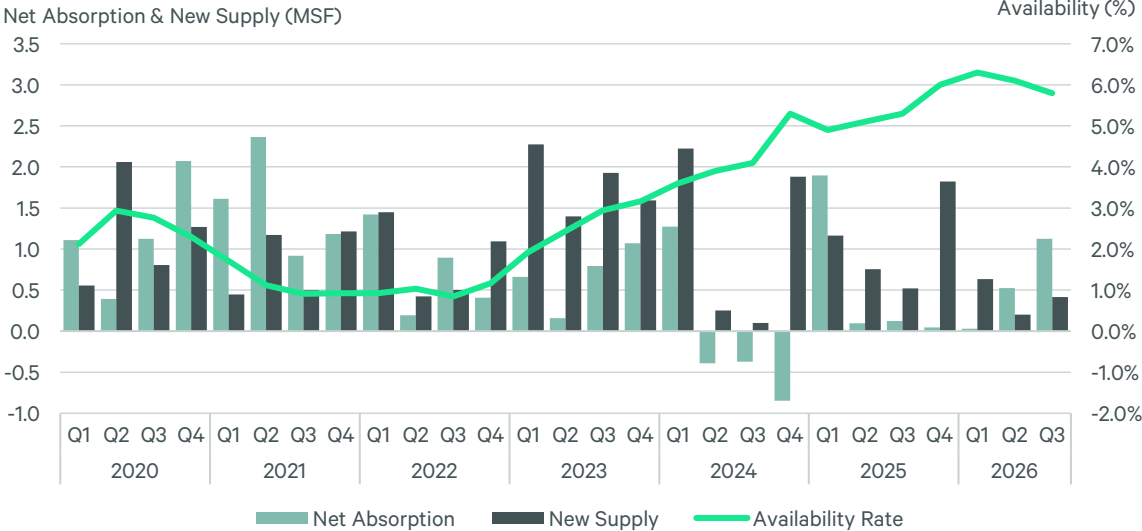
PSF Net Asking Lease Rate

Note: Arrows indicate change from previous quarter.

OVERVIEW

- Metro Vancouver recorded a second consecutive quarter of declining availability, decreasing by 30 basis points (bps) quarter-over-quarter. The vacancy rate meanwhile remained unchanged at 5.0%. Market activity has continued to gain momentum throughout the year, with net absorption reaching 1.1 million sq. ft. in Q3, reflecting strengthening demand in certain segments across the market.
- The average asking lease rate continued its gradual softening trend, marking the 13th consecutive quarter of decline as it settled to \$18.87 per sq. ft. This represents a 1.4% decrease quarter-over-quarter and a 5.0% decline year-over-year.
- Both the sale and leasing markets continue to undergo price adjustments, with many properties transacting at rates significantly below both their original asking prices from a year ago and their current marketed rates.
- A total of 414,000 sq. ft. of new supply was delivered during the quarter, nearly all of which was speculative, bringing year-to-date deliveries to approximately 1.2 million sq. ft. An additional 3.1 million sq. ft. remains under construction, with roughly 1.1 million sq. ft. scheduled for delivery by year-end.

FIGURE 1: Metro Vancouver Supply & Demand



Source: CBRE Research, Q3 2026.

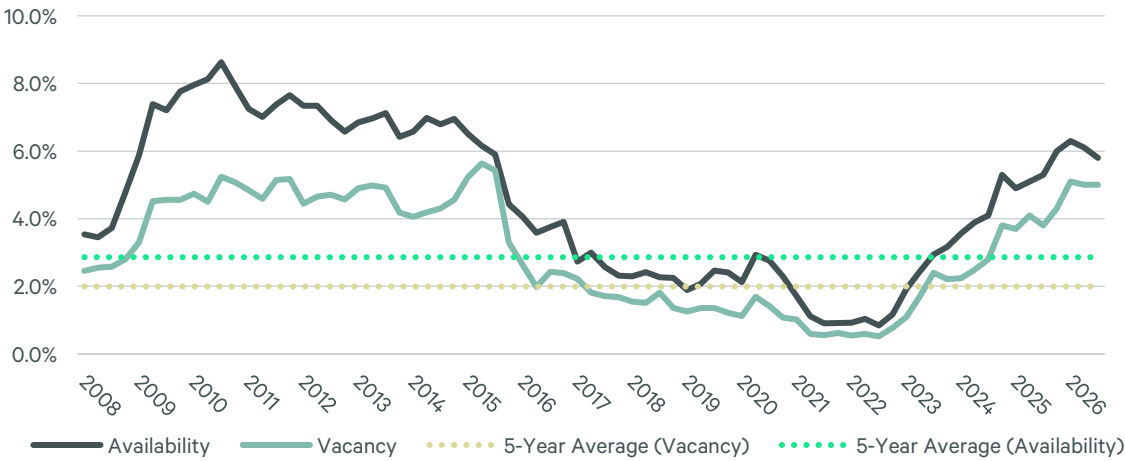
Leasing activity remains strong amidst uncertainty

Metro Vancouver's industrial market recorded a second consecutive quarter of improving fundamentals in Q3 2026, as the availability rate declined 30 bps quarter-over-quarter to 5.8%, while the vacancy rate remained unchanged at 5.0%. Leasing momentum continued to build throughout the year, driving net absorption to 1.1 million sq. ft. during the quarter, more than double the level recorded in Q2 and the strongest quarterly absorption figure since the first quarter of last year. The sustained reduction in available inventory highlights a meaningful improvement in tenant demand, particularly as occupiers continue to absorb existing vacant space across several major submarkets.

Demand was broad-based across the region, with Richmond, Delta, Vancouver, and Maple Ridge/Pitt Meadows posting the strongest occupancy gains during the quarter. The market continues to benefit from a relatively limited supply of large-format industrial opportunities, resulting in heightened competition for quality space and contributing to the ongoing decline in available inventory. While economic uncertainty from renewed concerns surrounding U.S. trade and tariff policy remains a consideration for occupiers, leasing activity has steadily accelerated through 2026, signaling growing confidence among industrial users.

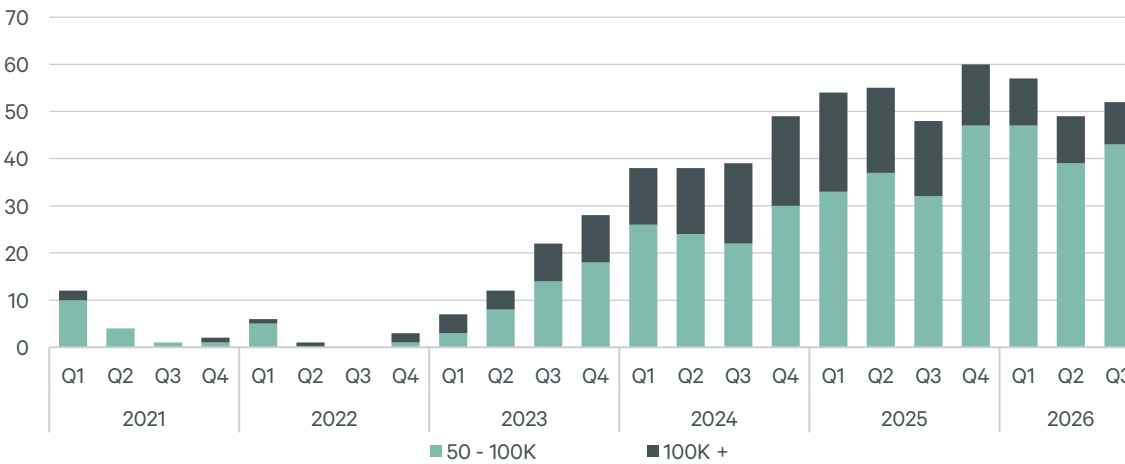
Market conditions continued to diverge on either side of the Fraser River through Q3 2026. Markets north of the Fraser recorded a 40 bps decline in availability and a 20 bps decrease in vacancy, reflecting tightening market conditions and improving occupancy levels. In contrast, markets south of the Fraser experienced a 30 bps decline in availability, while vacancy increased by 20 bps. Rental rate adjustments were more pronounced in core markets, where average asking lease rates declined 8.6% year-over-year, compared with a more modest 1.1% decrease south of the Fraser. While market fundamentals improved across the region, these trends highlight the differing supply and demand dynamics that continue to shape industrial market performance on either side of the Fraser River.

FIGURE 2: Availability vs. Vacancy (%)



Source: CBRE Research, Q3 2026.

FIGURE 3: Large Format Availabilities (Count of Listings)



Source: CBRE Research, Q3 2026.

Lease rates continue to adjust

Average asking lease rates continued their gradual downward adjustment in Q3, declining to \$18.87 per sq. ft., representing a 1.4% decrease from the previous quarter and a 5.0% decline year-over-year. This marks the thirteenth consecutive quarter of rental rate declines, although the pace of correction remains modest compared to the sharper reductions experienced throughout 2024 and 2025. Landlords across the region continue to respond to elevated tenant choice by offering more competitive pricing and additional inducements to secure commitments.

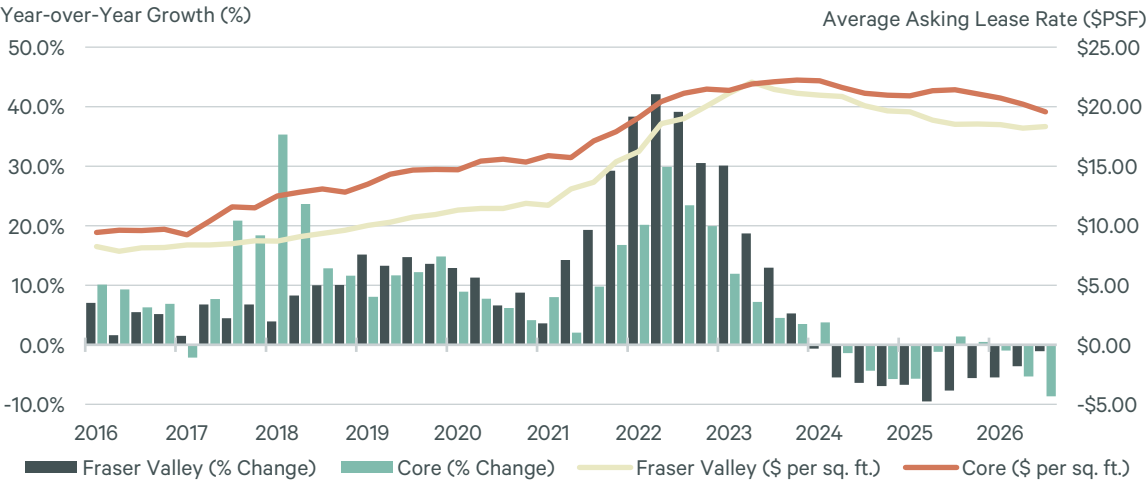
The pricing adjustment is evident across both the leasing and investment markets. Many assets continue to transact at values materially below both original asking prices from a year ago and current marketed pricing. As buyers and tenants maintain a disciplined approach to decision-making, transaction pricing continues to reflect a market that is still recalibrating following the rapid appreciation experienced during the previous cycle. Despite these adjustments, recent improvements in leasing fundamentals suggest pricing may be approaching a period of greater stability as available inventory continues to trend downward.

Development pipeline remains below historic average

A total of 414,000 sq. ft. of new industrial supply was delivered during Q3 2026, bringing year-to-date completions to approximately 1.2 million sq. ft. Nearly all deliveries during the quarter were speculative developments, adding to available inventory but being largely offset by strong tenant demand and positive absorption. Total industrial inventory in Metro Vancouver expanded to 226.1 million sq. ft. by quarter-end.

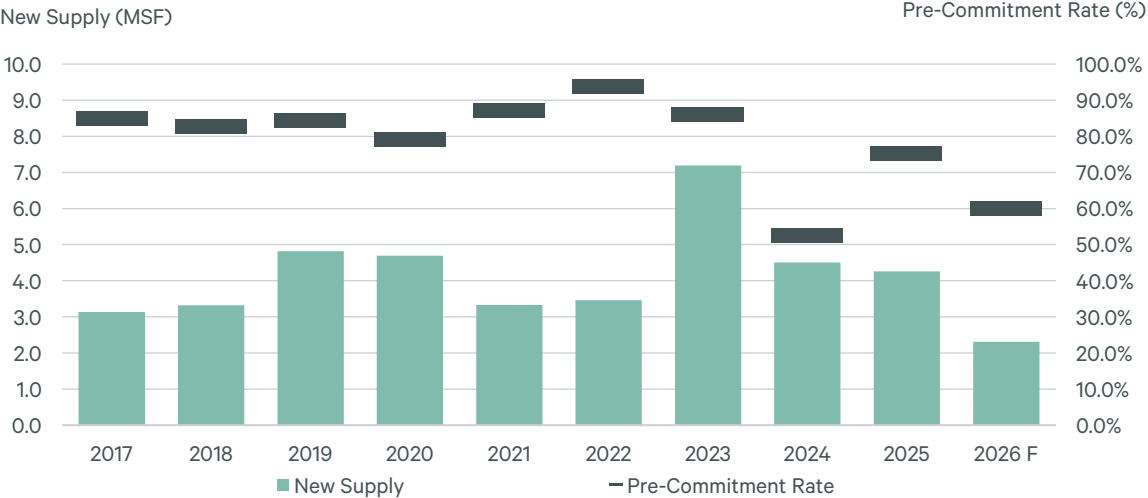
Development activity remains relatively restrained compared to historical levels. Approximately 3.1 million sq. ft. remains under construction across Metro Vancouver, with roughly 1.1 million sq. ft. expected to be delivered before year-end. Speculative projects account for approximately half of the active pipeline, with just over 400,000 sq. ft. of speculative space anticipated to complete by the end of 2026. Overall, about 61.0% of the construction pipeline has already been pre-committed, helping limit future supply risk and supporting longer-term market fundamentals.

FIGURE 4: Average Asking Lease Rate Growth (Year-over-year)



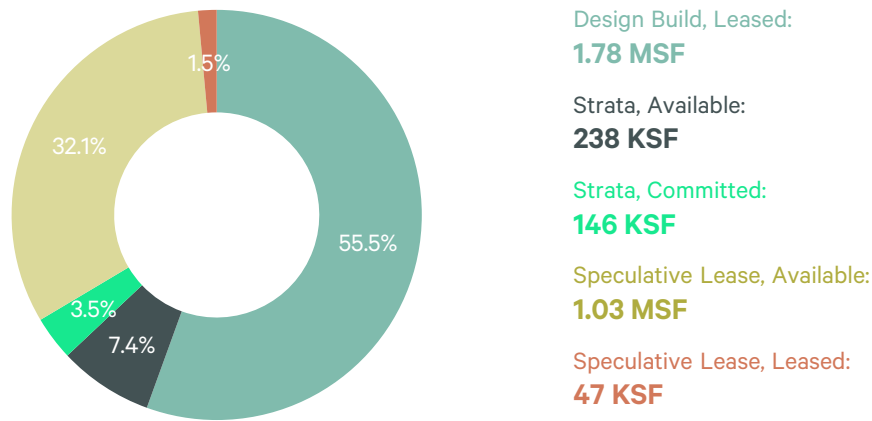
Source: CBRE Research, Q3 2026.

FIGURE 5: Industrial Annual New Supply & Precommitment Rate (%)



Source: CBRE Research, Q3 2026.

FIGURE 6: Under Construction Inventory by Property Type (Total SF)



Source: CBRE Research, Q3 2026.

FIGURE 8: Total Development Activity by Construction Phase (MSF)



Source: CBRE Research, Q3 2026.

FIGURE 7: Significant Lease Transactions

Size (SF)	Tenant	Address	Submarket	Industry	Deal Type
411,417	Confidential	18111 Blundell Road	Richmond	Confidential	New Lease
113,608	Valhalla Packing and Distribution	7848 & 7861 82nd Street	Delta	Other Services	New Lease
89,724	Cascadia Windows Ltd.	5350 275th Street	Langley	Manufacturing	Renewal
74,800	Titan GMS Limited Partnership	18802 96 Avenue	Surrey	Distribution	Renewal
69,404	A-1 Bags & Supplies Inc.	2275 Douglas Road	Burnaby	Wholesale	New Lease

Source: CBRE Research, Q3 2026.

FIGURE 9: Significant Sale Transactions

Size	Price (\$ M)	Address	Submarket	Purchaser	Vendor
18.89 acres (Land exchange)	\$83.4	2750 194A Street & 19165 39 th Ave	Surrey	Wesgroup	City of Surrey
85,351	\$16	8335 Winston Street	Burnaby	Beedie Group	Eland Properties
37,065	\$14.5	5245 185A Street	Surrey	TSR Management Ltd.	5265 185-A Street Holdings Ltd.
34,560	\$11.8	13369 72nd Avenue	Surrey	1593681 B.C. Ltd.	Private Investor
20,054	\$8.8	15374 103A Avenue	Surrey	1588233 B.C. Ltd.	Shaldaro Holdings Ltd.

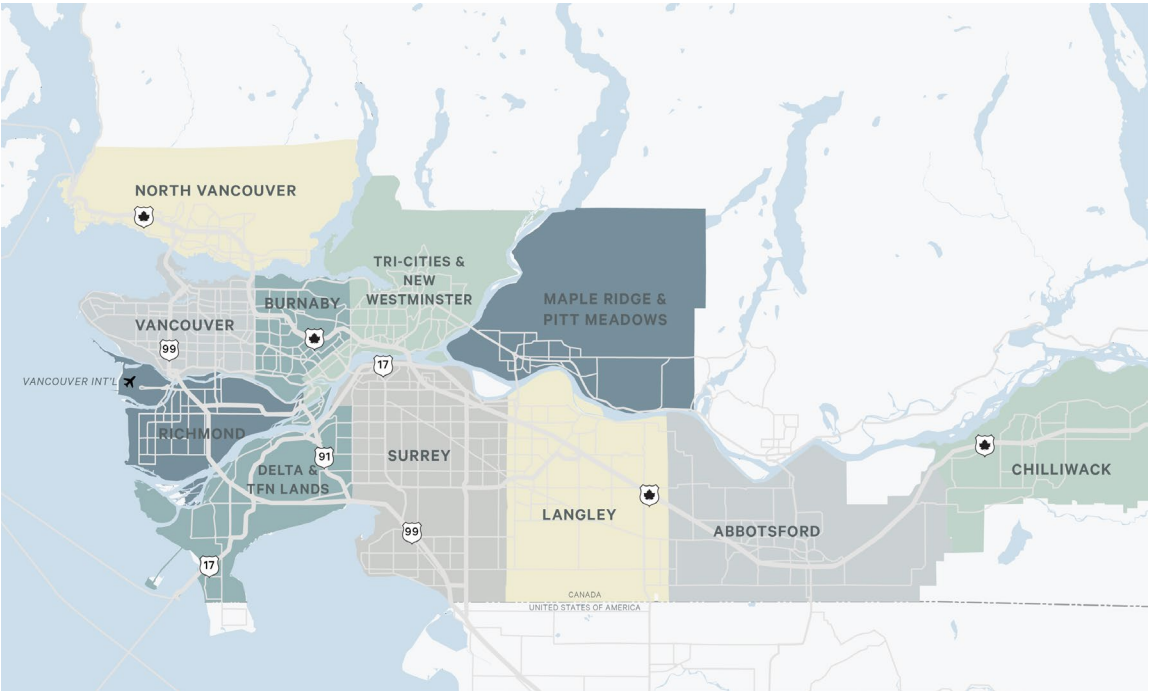
Source: CBRE Research, Altus Data Studio, Q3 2026.

FIGURE 10: Q3 2026 Vancouver Industrial Market Statistics

	Inventory (SF)	Availability Rate (%)	Vacancy Rate (%)	Net Absorption (SF)	New Supply (SF)	Under Construction (SF)	Net Asking Rent (PSF)	T&O (PSF)	Gross Rent (PSF)
Vancouver	25,373,589	6.9%	5.9%	100,659	123,382	120,000	\$20.33	\$9.64	\$29.97
Burnaby	32,969,173	6.6%	5.3%	-25,705	127,151	182,252	\$19.39	\$6.93	\$26.32
Richmond	38,797,504	3.7%	3.3%	483,962	0	162,400	\$18.63	\$5.95	\$24.58
Tri-Cities/NW	20,468,573	5.5%	4.2%	97,476	24,493	219,210	\$19.80	\$6.72	\$26.52
Delta/TFN Lands	29,275,792	5.0%	4.8%	380,512	0	187,780	\$17.91	\$6.50	\$24.41
Surrey	43,909,631	6.0%	5.4%	-68,471	52,140	1,800,884	\$18.97	\$5.84	\$24.81
Langley	16,264,503	7.9%	7.4%	39,597	0	52,200	\$18.77	\$4.87	\$23.64
Maple Ridge & Pitt Meadows	5,089,114	7.8%	7.0%	122,423	0	194,773	\$16.85	\$5.00	\$21.85
Abbotsford	8,579,020	7.8%	7.1%	-56,885	86,479	136,000	\$16.74	\$5.30	\$22.04
North Vancouver	5,377,904	1.8%	1.6%	49,638	0	0	\$22.08	\$9.93	\$32.01
Metro Vancouver	226,104,803	5.8%	5.0%	1,123,206	413,645	3,055,499	\$18.87	\$6.60	\$25.47
Chilliwack	5,324,648	0.5%	0.5%	44,702	10,979	185,000	\$15.00	\$5.89	\$20.89

Source: CBRE Research, Q3 2026.

Market Area Overview



Definitions

Available sq. ft.: Space in a building, ready for occupancy within 60 days; can be occupied or vacant. Availability Rate: Total Available sq. ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available footage. Inventory: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied sq. ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied sq. ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant sq. ft. divided by the total Building Area. Vacant sq. ft.: Space that can be occupied within 30 days.

Survey Criteria

Includes all industrial buildings Greater Vancouver. Under Construction: buildings which have begun construction as evidenced by site excavation or foundation work.

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