

Automotive properties dominate industrial sales volume in 2025

▼ 5.4%

Availability Rate

▶ 0

SF Under Construction

▼ \$18.53

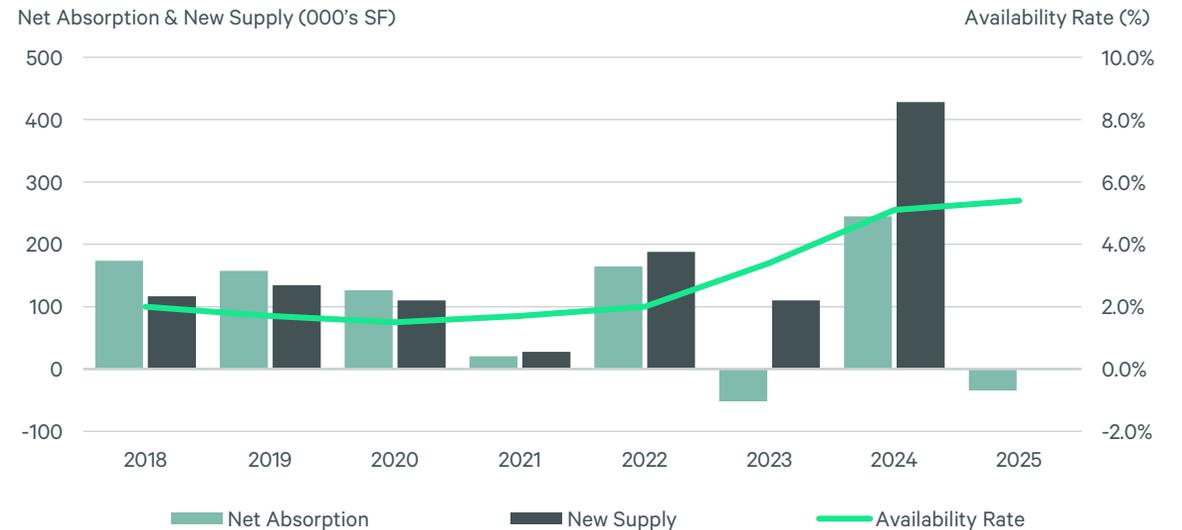
PSF Net Asking Lease Rate

Note: Arrows indicate change from previous quarter.

Market Summary

- Greater Victoria’s industrial availability was recorded at 5.4%, supported by 49,000 sq. ft. of positive absorption. The Westshore outperformed the other submarkets with a substantial 490 basis point (bps) quarterly drop in availability. Average net rents declined 6.5% year-over-year to \$18.53 per sq. ft. but are expected to remain stable into next year.
- The Rock Bay area in Victoria proper saw increased availability in small to mid-sized warehouses as occupiers adopted a more cautious position amid tariff pressures and local area challenges. However, demand for centrally located industrial space remains steady with tenants seeking spaces offering yard space, security, and parking.
- Westshore strata sales strengthened in the fourth quarter with units trading between \$300 and \$415 per sq. ft. The majority of freestanding industrial sales in 2025 were concentrated in the Rock Bay area and were configured for auto-sales or repair uses. Industrial land demand also accelerated towards the end of the year with the Victoria Core remaining highly competitive despite limited available supply.

FIGURE 1: Greater Victoria Supply & Demand
Net Absorption & New Supply (000's SF)



Source: CBRE Research, Q4 2025.

Greater Victoria overview

The Greater Victoria industrial market saw availability decline by 50 bps to 5.4%, supported by 49,000 sq. ft. of positive net absorption. By submarket, availability stood at 4.1% in both the Victoria Core and the Peninsula, and 10.8% in the Westshore. Availability in the Victoria Core and Peninsula rose by 50 bps and 80 bps, respectively, largely due to increased listings in the Rock Bay and Keating Cross Road areas. In contrast, the Westshore recorded a 490 bps drop in availability, driven by strong industrial strata sales momentum in the fourth quarter.

The average net asking rent reached \$18.53 per sq. ft., a 6.5% year-over-year decrease but in line with anticipated softening. Submarket rent averages were \$18.75 per sq. ft. in the Victoria Core, \$19.25 per sq. ft. in the Peninsula, and \$18.05 per sq. ft. in the Westshore. Net rents are expected to remain stable over the coming year, assuming no major external pressures or a further trade conflict.

Growing availability in the Rock Bay area

Leasing activity remained subdued as occupiers adopted a cautious approach amid tariff concerns and broader economic uncertainty. Throughout the year, warehouse options with yard space and large freestanding industrial buildings were in particularly short supply. In contrast, availability increased among small to mid-sized warehouses in the Rock Bay area, likely influenced by tariff pressures on Greater Victoria’s automobile sector and growing concerns around social disorder in the area.

Despite these challenges, tenant demand for centrally located space remains strong. Prospective tenants are also increasingly prioritizing enhanced security features such as perimeter fencing when considering the Rock Bay area. Within the new industrial strata projects in the Westshore, leasing demand has been strongest for larger units that offer multiple loading doors and ample parking. Active tenants in the market are also reducing excess office space to manage operating costs and are expected to take advantage of softening rents and improved negotiating leverage into next year.

FIGURE 2: Notable Industrial Developments

Size (Acres)	Project Name	Submarket	Estimated Completion	Developer
29.2*	Terra	Langford	Build-to-suit	Beedie
17.1*	Langford Heights	Langford	Build-to-suit	Bastion & Strand

*Land Size
Source: CBRE Research, Q4 2025.

FIGURE 3: Notable Lease Transactions

Size (SF)	Tenant	Address	Submarket	Deal Type
10,831	Confidential	2-1759 Sean Heights	Central Saanich	Direct
9,655	Confidential	203C-650 Allandale Road	Colwood	Direct
8,924	Confidential	204C-650 Allandale Road	Colwood	Direct

Source: CBRE Research, Q4 2025.

FIGURE 4: Notable Sales Transactions

Address	Submarket	Purchaser	Building Size (SF)	Price (\$M)
103-111 – 834 McCallum Road	Langford	Design Properties	19,000	\$7.9
322 John Street	Victoria	Private Investor	10,465	\$4.3
107-1250 Chidlow Connector Road	Langford	Private Investor	8,040	\$3.6
1081 Dunford Avenue	Langford	Private Investor	4,141	\$2.5
831 Shamrock Street	Saanich	Private Investor	3,972	\$2.3

Source: CBRE Research, Q4 2025.

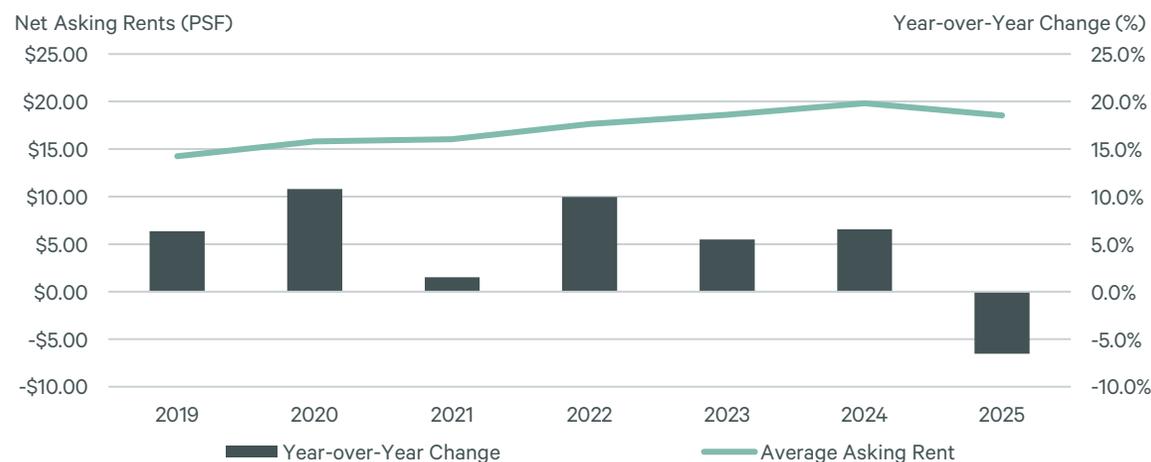
Westshore strata product gains momentum while demand for industrial land accelerating

Newly built industrial strata developments in the Westshore continued to gain momentum with strong absorption recorded toward year-end. One notable transaction sold included five contiguous units totaling 19,000 sq. ft. at IntraUrban Cornerstone Three and sold for \$415 per sq. ft. Other new strata units were trading between \$300 and \$350 per sq. ft. Resale activity has softened as investor-owned units face leasing challenges while developer-delivered units remain attractive to owner-occupiers.

In the freestanding industrial segment, investment properties sold for an average of \$425 per sq. ft., while owner-occupier buildings achieved an average of \$445 per sq. ft. Most freestanding sales were under 10,000 sq. ft., concentrated in the Rock Bay area, and primarily associated with auto-sales or repair uses. The elevated volume of auto-related transactions may have been influenced by trade war related impacts.

Demand for industrial land accelerated toward the end of the year and is expected to strengthen further into next year. Available industrial land remains concentrated in the Westshore, where asking prices average approximately \$3.75 million per acre. In contrast, industrial land in the Victoria Core remains highly constrained and competitive due to sustained demand. Central locations continue to be prioritized by industrial users, particularly distributors requiring substantial yard space for equipment storage, inventory, or fleet operations.

FIGURE 5: Greater Victoria Average Net Asking Rents & Year-over-Year Change



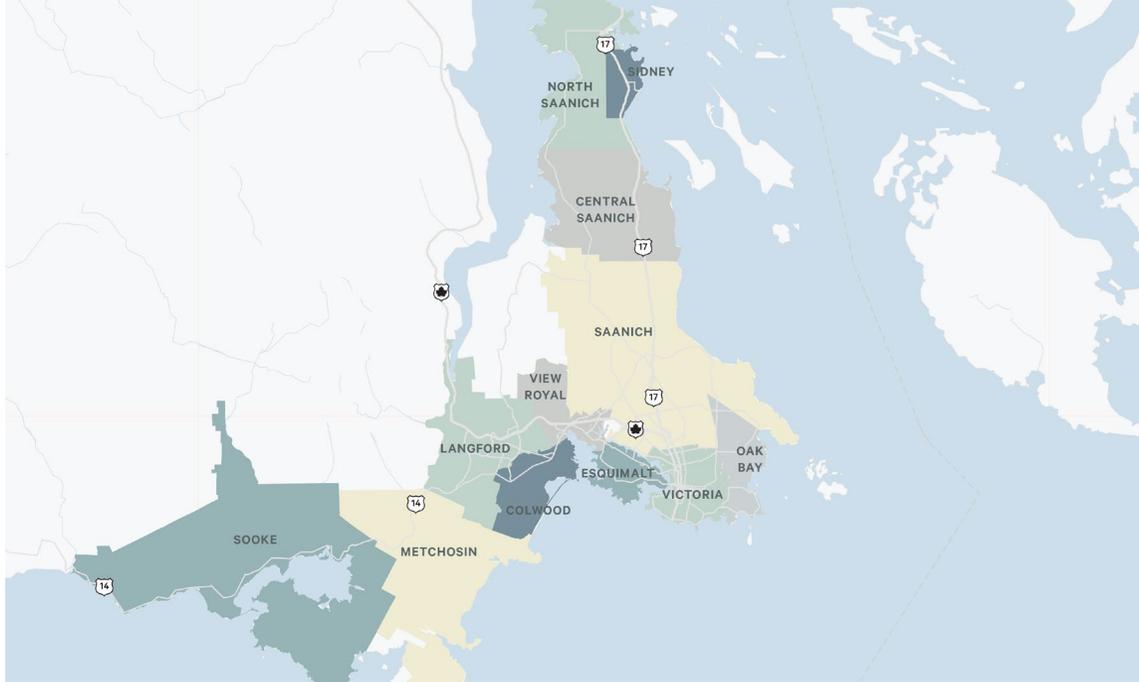
Source: CBRE Research, Q4 2025.

FIGURE 6: Greater Victoria Industrial Statistics Summary

Submarket	Inventory (SF)	Availability Rate (%)	Vacancy Rate (%)	New Supply (YTD)	Under Construction (SF)	Average Net Asking Rent (PSF)	Average Additional Rent (PSF)
Victoria Core	6,039,949	4.1%	3.5%	-	-	\$18.75	\$8.34
Peninsula	2,292,969	4.1%	3.1%	-	-	\$19.25	\$5.76
Westshore	2,036,900	10.8%	10.8%	-	-	\$18.05	\$6.83
Greater Victoria	10,369,818	5.4%	4.9%	-	-	\$18.53	\$7.28

Source: CBRE Research, Q4 2025.

Market Area Overview



Definitions

Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. **Building Area:** The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. **Net Lease Rate:** Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a **Vacancy Rate:** Total Vacant sq. ft. divided by the total Building Area. **Vacant sq. ft.:** Space that can be occupied within 30 days.

Submarket Map

CBRE defines the Victoria Core market as Saanich, Victoria, Esquimalt, and Oak Bay; The Peninsula market as Central Saanich, Sidney, and North Saanich; and the Westshore market as View Royal, Langford, Colwood, Metchosin, and Sooke.

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