

Conditions shift toward gradual market stabilization

▲ 4.6%
Vacancy Rate

▲ 6.0%
Availability Rate

▼ 44K
SF Net Absorption

▼ 2.0M
SF Under Construction

▼ \$19.64
PSF Net Asking Lease Rate

Note: Arrows indicate change from previous quarter.

OVERVIEW

- Metro Vancouver’s overall availability rate has continued its upward trajectory, increasing by 70 basis points (bps) quarter-over-quarter to reach 6.0%. This rise is primarily attributed to heightened listing activity for properties between 50,000 and 100,000 sq. ft.
- Vacancy rates continue to fluctuate and have risen 80 bps quarter-over-quarter, attributed to heightened listing activity for properties between 50,000 and 100,000 sq. ft. as well as rolling vacancies on formerly available properties.
- Average asking lease rates across Metro Vancouver have continued to decline, ending the year at \$19.64 per sq. ft.—a 2.2% decrease year-over-year.
- New supply deliveries for 2025 totaled just under 4.3 million sq. ft., with nearly half of this inventory built-to-suit, indicating a significant slowdown in speculative development.
- Looking ahead, the development pipeline continues to thin, with only 2.1 million sq. ft. expected to complete in 2026, of which just 1.3 million sq. ft. is speculative.

FIGURE 1: Metro Vancouver Supply & Demand



Source: CBRE Research, Q4 2025.

The current landscape and forward outlook

2024 presented significant challenges for the Metro Vancouver industrial market, as it registered net negative absorption for the first time in over a decade. This shift led to availability and vacancy rates reaching levels not observed in an equally extended period. The deterioration in market fundamentals was driven in part by heightened political and economic uncertainty.

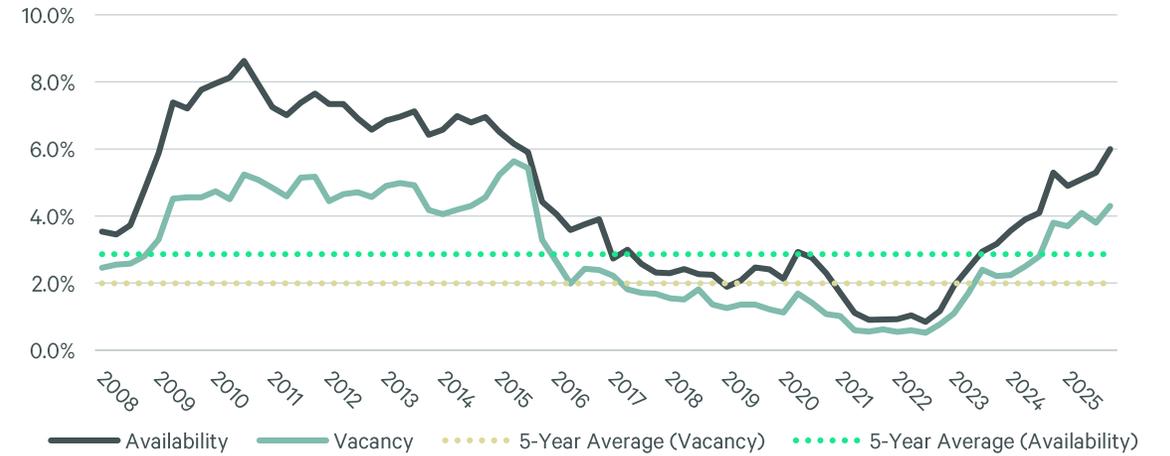
In 2025, absorption reversed course, concluding the year with a net positive 2.3 million sq. ft. Certain size segments are beginning to experience renewed demand, debt costs have declined, and the supply pipeline has contracted considerably. Nonetheless, several factors warrant consideration.

Despite positive absorption at year-end, the majority of this activity was attributable to pre-commitments within the 2025 new supply deliveries. Notably, Bridge Studios' completion of a new 1.0 million sq. ft. facility accounted for a significant portion of this absorption, supplemented by numerous other build-to-suit projects that collectively brought the annual total to just under 2.0 million sq. ft. Currently, there is just under 2.0 million sq. ft. under construction, of which 728,000 sq. ft. is designated as build-to-suit. On the speculative side, 65.0% of the 1.3 million sq. ft. presently under construction remains available.

At a more granular level, there are presently no speculative lease projects larger than 100,000 sq. ft. under construction, resulting in a notable void within the large-format market. Looking ahead, and considering this gap, the Metro Vancouver market continues to offer a limited number of quality availabilities amid rising demand from larger occupiers.

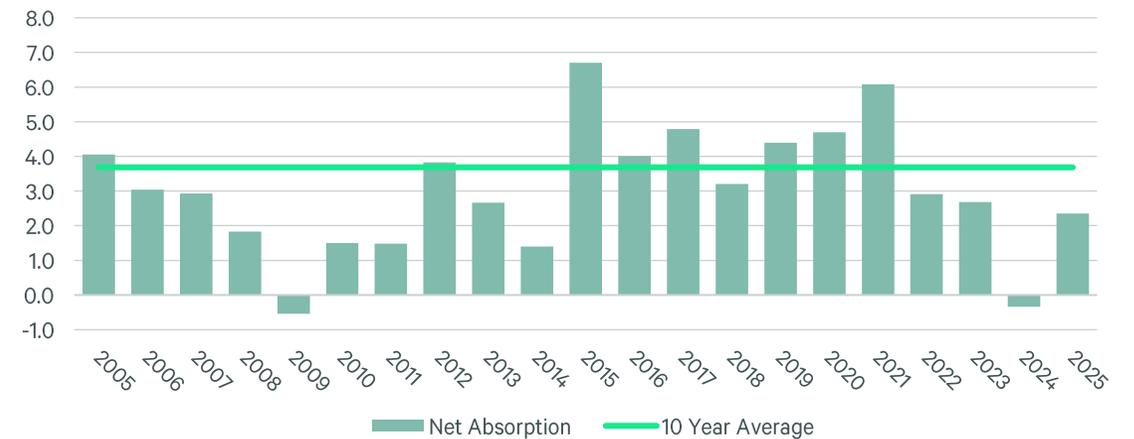
As activity in the large-format segment recovers, small to mid-bay inventory is anticipated to encounter ongoing competition. The oversupply of the past two years has left a substantial volume of this inventory yet to be absorbed, much of which comprises speculative strata developments on land acquired over the previous decade. With the construction pipeline now at its lowest point in the past ten years, market fundamentals suggest a gradual recovery in this segment as excess inventory is absorbed and businesses adjust their real estate requirements.

FIGURE 2: Availability vs. Vacancy (%)



Source: CBRE Research, Q4 2025.

FIGURE 3: Annual Net Absorption (MSF)



Source: CBRE Research, Q4 2025.

Flight to quality among large format inventory

At the close of the year, the proportion of total sublease availability relative to overall market availability remained steady at 14.4%, reflecting a net increase of 10 bps quarter-over-quarter. The distribution of listings within the sublease market continues to be heavily weighted toward larger format inventory (contiguous spaces exceeding 50,000 sq. ft.), which now constitute 60.0% of all sublease inventory. When including headlease offerings, large-format availability recorded a net quarterly rise in listings, reaching a high of 60 in Q4 2025. This availability is predominantly concentrated in listings ranging from 50,000 to 100,000 sq. ft., with 47 such listings currently on the market. In contrast, inventory exceeding 100,000 sq. ft. has contracted for the third consecutive quarter and now totals 13, marking a substantial decline from the 21 listings noted at the beginning of the year.

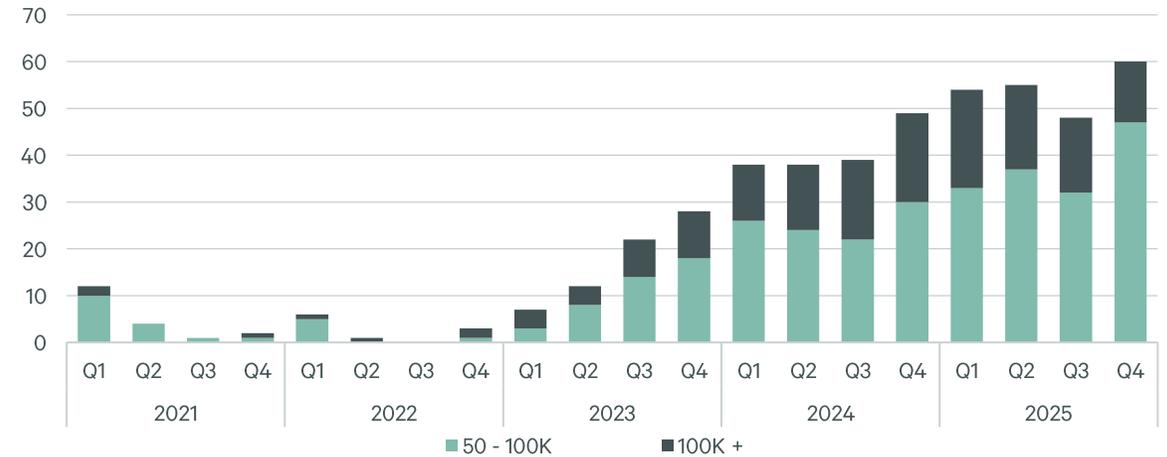
In an environment characterized by elevated availability rates, these offerings present occupiers with the opportunity to refine their real estate strategies by absorbing premium space at rental rates below prevailing conditions when market vacancy and availability rates were persistently at historic lows.

Bifurcated regional lease rates

For the tenth consecutive quarter, the average asking lease rates in Metro Vancouver continued their downward trend, reaching \$19.64 per sq. ft. On an annualized basis, this represents a 2.2% decline. However, on a quarterly basis, the overall market experienced a 1.2% decrease, which is consistent with the average rate of decline observed over the previous nine quarters.

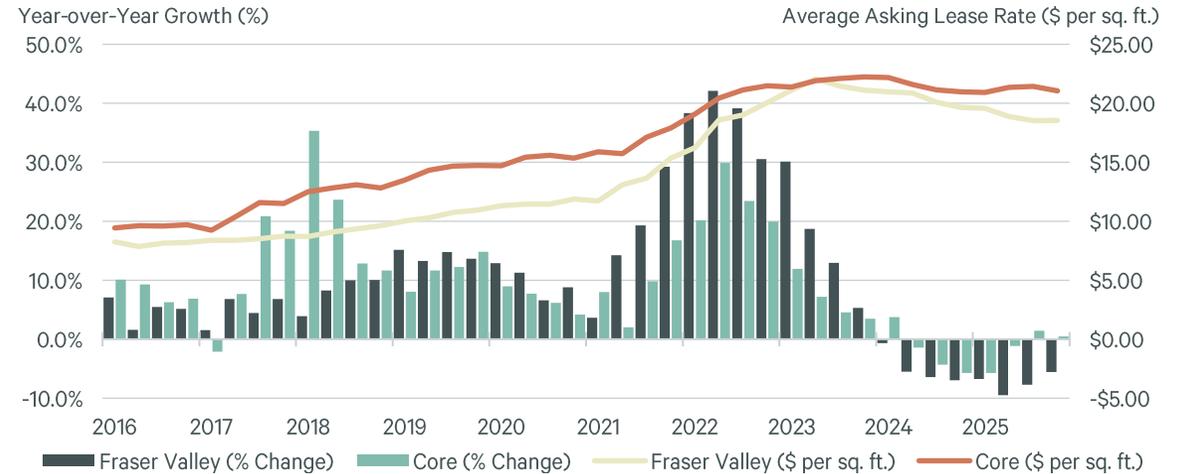
The recorded overall averages for markets north and south of the Fraser River continue to demonstrate divergent performance. Markets situated closer to the urban core are beginning to exhibit signs of stabilization at \$21.06 per sq. ft., in contrast to the ongoing declines witnessed in markets south of the Fraser River which currently sit at \$18.55 per sq. ft. Aggregated markets north of the Fraser River have posted two consecutive quarters of annualized lease rate growth, at 1.4% and 0.5%, respectively. Conversely, markets south of the Fraser River registered an annualized decline of 5.6%, an improvement compared to the 7.7% decrease reported in Q3 2025.

FIGURE 4: Large Format Availabilities (Count of Listings)



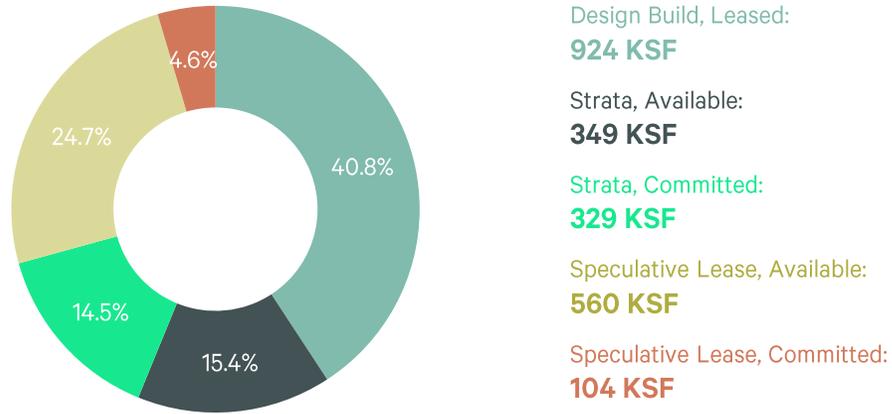
Source: CBRE Research, Q4 2025.

FIGURE 5: Average Asking Lease Rate Growth (Year-over-year)



Source: CBRE Research, Q4 2025.

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



Source: CBRE Research, Q4 2025.

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



Source: CBRE Research, Q4 2025.

FIGURE 7: Significant Lease Transactions

Size (SF)	Tenant	Address	Submarket	Industry	Deal Type
109,883	Goodcang Logistics	8151 Churchill Street	Delta	Logistics	New Lease
102,815	Hillebrand Gori Canada Inc	7555 Beedie Way	Delta	Food-Beverage	New Lease
79,874	Walmart	620 Audley Boulevard	Delta	Retail/Wholesale	Extension
78,759	Riverbend Distribution Ltd.	927 Derwent Way	Delta	Logistics	New Lease
71,763	Cascades Canada ULC	1700 No. 6 Road	Richmond	Manufacturing	Extension

Source: CBRE Research, Q4 2025.

FIGURE 9: Significant Sale Transactions

Size	Price (\$ M)	Address	Submarket	Purchaser	Vendor
129,700	\$34.0	2551 Viking Way	Richmond	Viva Pharmaceuticals	GEA Canada Inc.
4.5 acres	\$22.1	8050 92nd Street	Delta	Fraser Delta Investments Inc.	Inland Industries Ltd.
42,297	\$20.6	1658 Industrial Avenue	Port Coquitlam	1658 Industrial Holdings Ltd.	0984390 BC Ltd.
5.7 acres	\$17.0	12090 104th Avenue	Surrey	1555836 BC Ltd.	1046089 BC Ltd.
26,745	\$14.0	12487 82nd Avenue	Surrey	Arcotech Holdings Ltd.	1347063 BC Ltd.

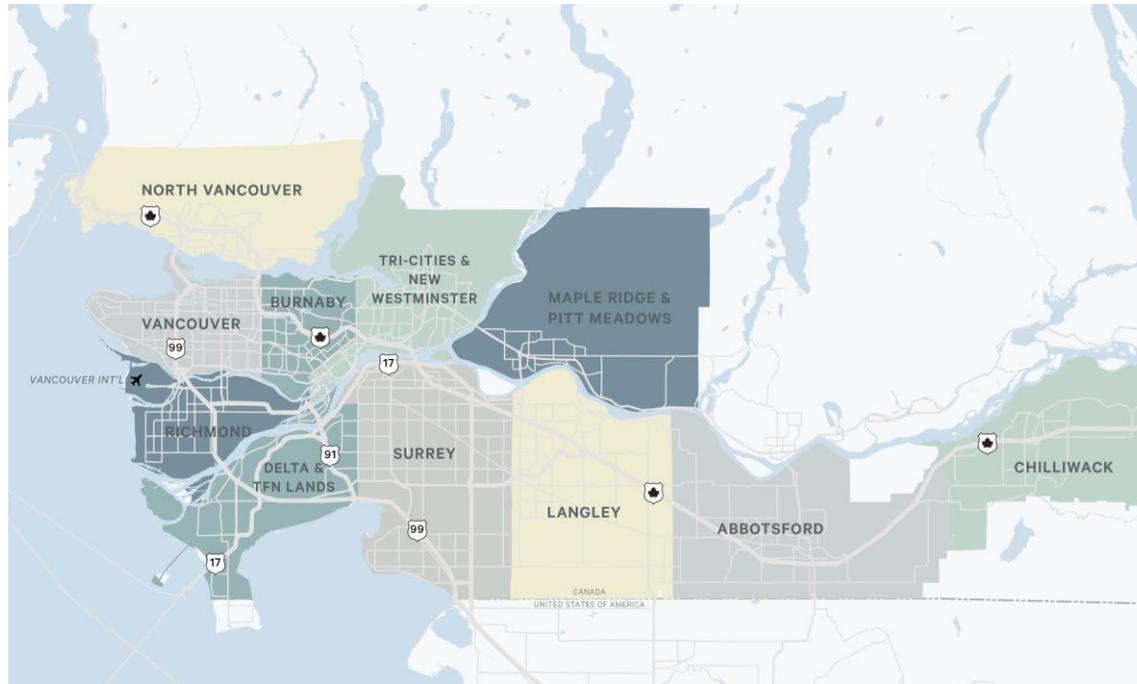
Source: CBRE Research, Altus Data Studio, Q4 2025.

FIGURE 10: Q4 2025 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	25,148,397	7.5%	5.5%	-239,384	39,470	345,192	\$20.94	\$9.04	\$29.98
Burnaby	32,695,064	4.9%	4.2%	793,082	1,000,000	453,385	\$20.37	\$6.72	\$27.09
Richmond	38,643,915	5.2%	3.7%	-197,677	92,841	153,589	\$21.57	\$5.84	\$27.41
Tri-Cities/NW	20,260,214	6.0%	3.9%	-403,976	0	416,185	\$21.31	\$6.92	\$28.23
Delta/TFN Lands	29,275,792	6.2%	5.0%	776,470	688,321	0	\$18.82	\$5.64	\$24.46
Surrey	43,751,842	6.1%	5.0%	-299,384	0	453,789	\$19.49	\$5.57	\$25.06
Langley	16,264,503	6.0%	3.3%	-171,626	0	0	\$17.34	\$5.34	\$22.68
Maple Ridge & Pitt Meadows	5,089,114	12.8%	11.0%	-60,728	0	0	\$17.28	\$4.89	\$22.17
Abbotsford	8,352,478	7.0%	5.4%	-108,279	0	156,074	\$16.86	\$5.43	\$22.29
North Vancouver	5,377,904	3.2%	2.6%	-44,988	0	0	\$21.30	\$9.42	\$30.72
Metro Vancouver	224,859,223	6.0%	4.6%	43,510	1,820,632	1,978,214	\$19.64	\$6.27	\$25.91
Chilliwack	5,313,669	1.3%	0.6%	14,739	0	195,979	\$15.32	\$5.48	\$20.80

Source: CBRE Research, Q4 2025.

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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