

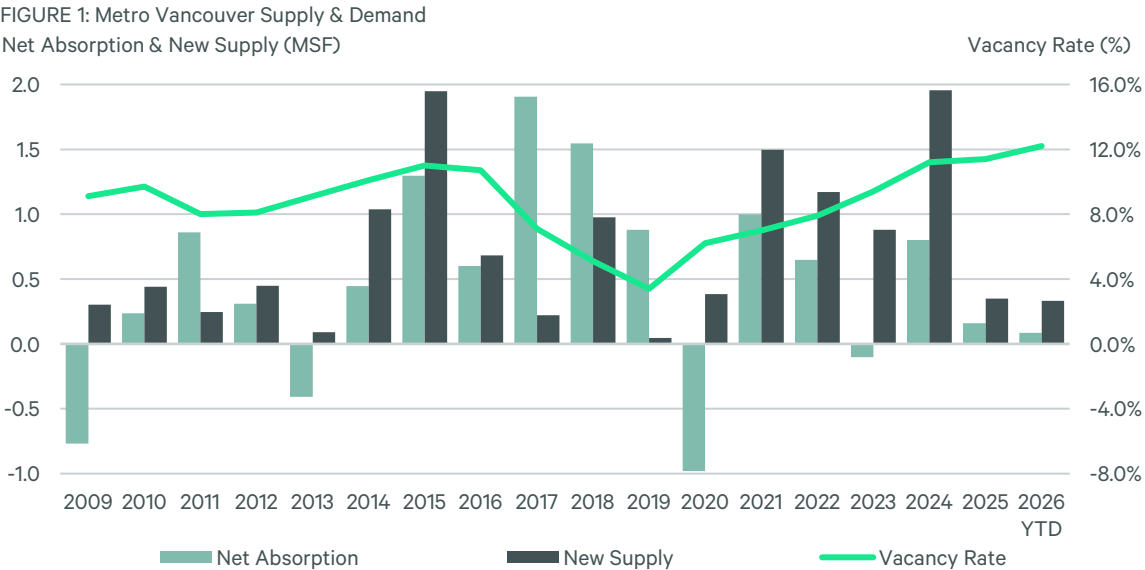
As expected, consolidation leaves two large blocks of space vacant Downtown



Note: Arrows indicate change from previous quarter.

Overview

- The Metro Vancouver office market recorded an increase in vacancy of 50 basis points (bps), bringing the overall rate to 12.2% in Q3 2026. This was led by the downtown market which posted a 90 bps increase, while suburban vacancy edged up by just 10 bps.
- Two large downtown blocks of future available space were officially vacated this quarter due to consolidation within the technology sector, pushing downtown vacancy to its highest level in over 22 years. It is anticipated that these spaces will take time to absorb and hinges on reduced economic uncertainty, though recent infrastructure announcements may help spur demand more quickly.
- The suburban market continues to outperform the downtown core, maintaining a lower vacancy rate. This marks the sixth consecutive quarter in which downtown vacancy has exceeded suburban vacancy.
- The bifurcation in vacancy between Downtown Class AAA & A and Class B & C narrowed from 950 bps to 820 bps in Q3 2026, related to the rise in Class AAA/A vacancy. This marks the first time in 10 quarters where the gap in vacancy narrowed between the two segments.



Source: CBRE Research, Q3 2026.

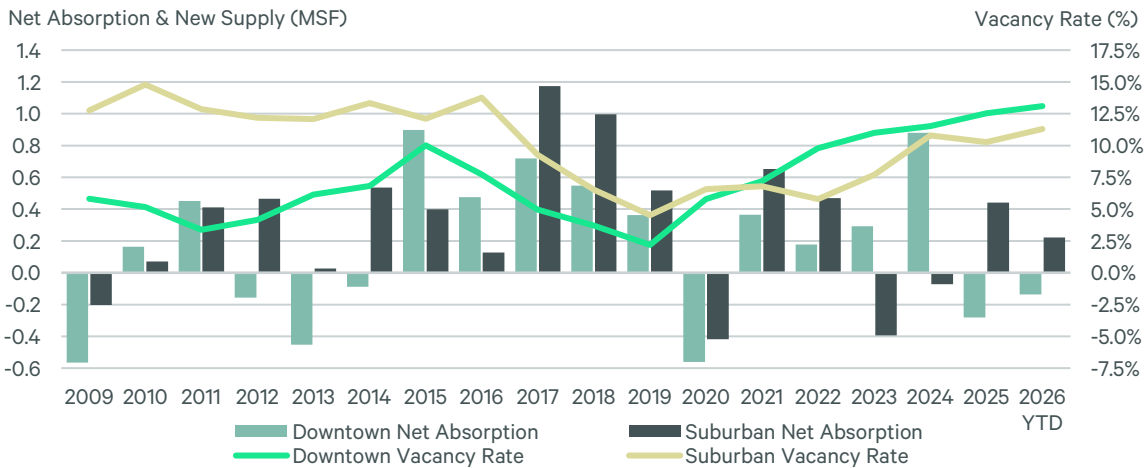
The current office vacancy landscape in Metro Vancouver

The overall downtown office vacancy rate increased by 90 bps quarter-over-quarter to 13.1%, while year-over-year the rate increased by a more moderate 50 bps. Downtown Class AAA vacancy saw a substantial quarter-over-quarter increase of 280 bps, reaching 10.5%, while Class A vacancy decreased by 20 bps to 9.1%. This marks the fifth consecutive quarter of declining Class A vacancy, bringing the rate to its lowest level since Q4 2022. The sharp quarter-over-quarter rise in Class AAA vacancy was driven by two large blocks of space that became vacant following Amazon's consolidation into The Post. One of the vacancies is a headlease at Telus Garden (510/520 West Georgia Street), totaling to 160,000 sq.ft. and the other is a sublease at The Exchange (475 Howe Street), totaling to 90,000 sq.ft. These listings were previously included in the availability rate; however, because they were not physically vacant, they did not contribute to the vacancy rate until this quarter.

Despite the recent large block vacancies downtown and the overall elevated vacancy rate environment, the stage is being set for a shortage of premium office space. Current market rents are not high enough to provide the required revenue to offset the costs of building a new office tower, resulting in no new supply anticipated until 2032 at the earliest. There was 3.8 million sq.ft. of new supply planned in 2025 but that amount has since dwindled to 1.4 million sq.ft. due to projects being put on hold or repositioned to other uses. The most recent example of this was the planned 32-storey office tower at 1166 West Pender Street that has a new rezoning application for residential condo and hotel space. The lack of new supply of premium office space coupled with a business environment on the cusp of being more conducive to strong demand will result in upward pressure to rental rates in the near to medium term.

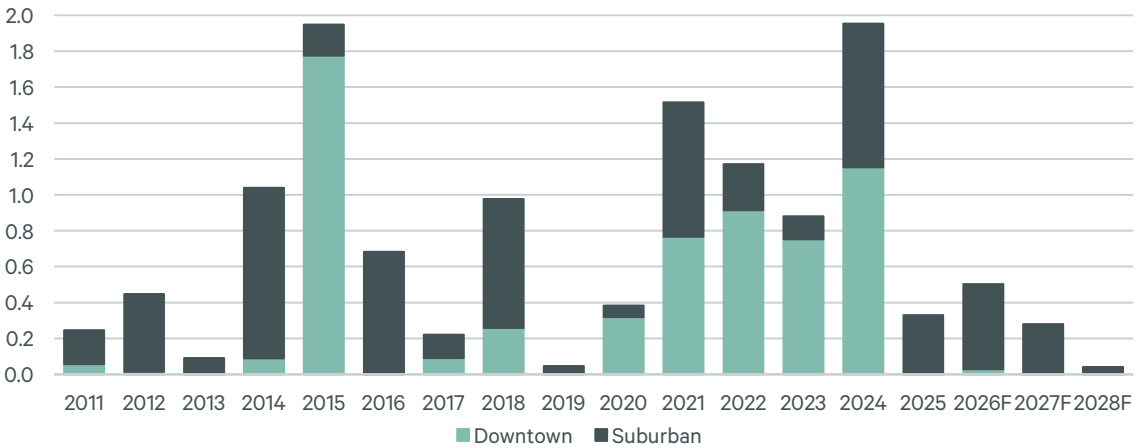
The suburban market was relatively subdued in activity this quarter with vacancy increasing slightly by 10 bps quarter-over-quarter. This follows a more active Q2 2026, when several large blocks of space came to market, driving suburban vacancy up 190 bps from Q1 2026. One of the primary drivers of that increase, The Boot (3777 Kingsway, Burnaby), formally launched marketing with a revised listing size of 290,595 sq.ft., creating 55,000 sq.ft. of positive absorption. Additional positive absorption was driven by a lease of 17,265 sq.ft. at Wesgroup's Brewery District - Building 7 in New Westminster, the largest new suburban lease this quarter. Partially offsetting this activity, 1441 Creekside Drive in the Broadway Corridor returned to the market, adding 65,786 sq. ft. of vacant space (the largest new vacancy in the suburban market this quarter).

FIGURE 2: Regional Supply & Demand



Source: CBRE Research, Q3 2026.

FIGURE 3: Regional New Supply Deliveries Forecast (MSF)



Source: CBRE Research, Q3 2026.

Upcoming new supply

While no office developments are currently underway downtown, nor anticipated in the near term, the suburban market has several projects in the pipeline. Oakridge's Northeast Office tower (NEO) is expected to deliver 170,000 sq. ft. of office space in Q4 2026 and is currently 20.0% pre-leased to RBC. This will be followed by Wesgroup's Brewery District - Building 8 in New Westminster, a 96,000 sq. ft. project slated for completion in Q1 2027 that is fully pre-leased to Fraser Health. In Burnaby, SOLO District Phase 4 is scheduled to deliver 183,617 sq. ft. in Q3 2027 and remains 100.0% available. Looking further ahead, Richmond's YH Plaza is expected to add 42,000 sq. ft. of office space upon its anticipated completion in Q4 2028.

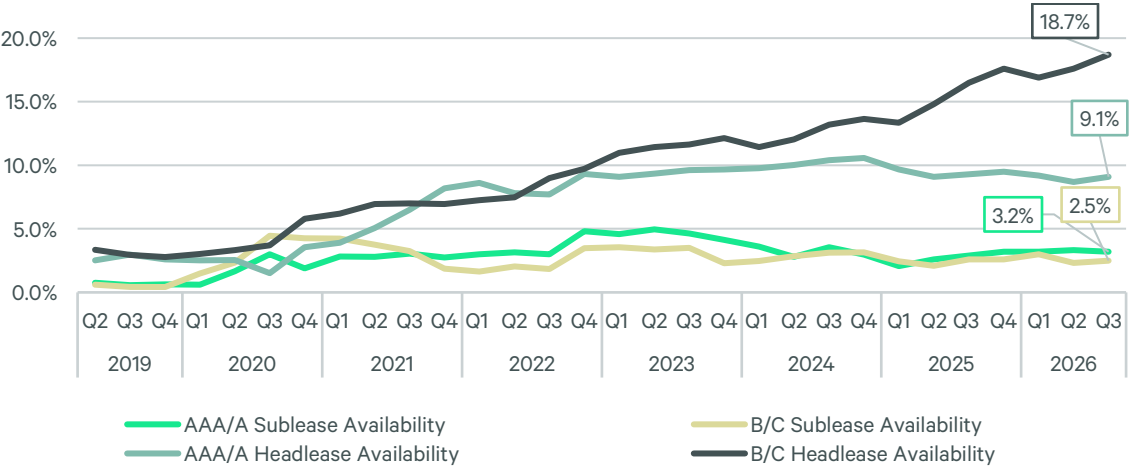
Downtown availability rates

While downtown Class AAA/A vacancy increased by 140 bps quarter-over-quarter, availability rose by just 30 bps. This was largely driven by the large block listings from Amazon's consolidation transitioning from available to vacant status. Class AAA/A headlease availability remains relatively stable and below the Q4 2024 peak of 10.6%, despite a 40 bps increase this quarter. One contributor to this quarter-over-quarter increase was the 28,573 sq. ft. full-floor listing at 858 Beatty Street, which impacts availability, but not vacancy given it is occupied until Nov. 1, 2027. Meanwhile, Class B/C headlease availability continues to climb, reaching new highs.

Downtown office sublease activity

Downtown sublease vacancy increased by 19,390 sq.ft. quarter-over-quarter to 595,872 sq. ft., slightly above the five-year average of 591,764 sq.ft. Quarter-over-quarter increases were recorded in Class AAA (56,460 sq. ft.) and Class B (4,402 sq. ft.) with decreases in Class A (-10,852 sq. ft.) and Class C (-37,659 sq. ft.). Despite the addition of 90,017 sq. ft. of Class AAA sublease vacancy at the Exchange (475 Howe Street), the quarterly increase was below this amount, indicating an otherwise positive amount of absorption. The Class C decrease is primarily attributed to 626 W Pender St. (53,823 sq.ft.) changing to available, but not vacant. Sublease space as a ratio of overall vacancy sits at 16.4%, well below the five-year average of 24.3% and the high of 42.8% in Q2 2020.

FIGURE 4: Downtown Availability Rates



Source: CBRE Research, Q3 2026.

FIGURE 5: Notable Metro Vancouver Lease Transactions

Size (SF)	Tenant	Address	Submarket	Industry	Deal Type
54,085	Klohn Crippen Berger Ltd.	2955 Virtual Way	Broadway Corridor	Engineering	Direct
22,300	Fluor Canada Ltd.	1133 Melville Street	CBD	Engineering	Direct
21,205	Crius Financial Services Corporation	4720 Kingsway	Burnaby	Financial Services	Renewal
17,828	Confidential	274 Nelson's Court	New Westminster	Business Services	Direct
16,853	Conseil scolaire francophone de la Colombie Britannique	10760 Shellbridge Way	CBD	Education	Direct

Source: CBRE Research, Q3 2026.

FIGURE 8a: Vancouver Office Market Statistics

	Class	Total Buildings	Inventory (SF)	Vacancy Rate (%)	Net Absorption (SF)	YTD Net Absorption (SF)	New Supply (SF)	Under Construction (SF)	Net Asking Rent (PSF)	T&O (PSF)
Downtown Vancouver	AAA	22	8,711,449	10.5%	-246,163	-177,709	-	-	\$47.50	\$26.03
	A	40	7,844,662	8.9%	14,665	74,659	-	-	\$39.71	\$25.53
	B	55	6,908,541	20.5%	-23,029	-57,659	-	-	\$32.13	\$22.51
	C	77	4,309,434	13.9%	15,163	24,407	-	-	\$24.53	\$19.58
		194	27,774,086	13.1%	-239,364	-136,302	-	-	\$35.19	\$23.28
Broadway Corridor	AAA	15	1,726,829	13.9%	8,012	69,995	-	170,000	\$39.95	\$25.22
	A	29	1,877,928	6.9%	16,292	200,061	-	-	\$35.36	\$22.73
	B	34	1,686,154	16.9%	-76,255	-77,027	-	-	\$29.37	\$20.17
	C	38	849,886	13.3%	-40,906	-41,580	-	-	\$23.67	\$20.62
		116	6,140,797	12.5%	-92,857	151,449	-	170,000	\$32.72	\$22.21
Burnaby	AAA	14	2,634,126	13.1%	-9,863	210,412	-	183,617	\$35.98	\$20.41
	A	30	2,836,642	16.7%	12,537	52,228	-	-	\$34.33	\$18.31
	B	36	2,934,973	18.0%	24,649	-272,443	-	-	\$23.32	\$21.74
	C	22	864,679	5.1%	694	-5,102	-	-	\$22.26	\$20.86
		102	9,270,420	15.0%	28,017	-14,905	-	183,617	\$29.39	\$20.56
Richmond	AAA	21	1,776,082	8.4%	6,734	49,370	-	-	\$22.56	\$15.37
	A	24	1,567,642	4.9%	-5,000	-12,692	-	42,000	\$21.04	\$13.19
	B	19	526,886	10.6%	16,853	17,890	-	-	\$16.29	\$19.08
	C	7	199,849	7.1%	0	-10,233	-	-	\$14.95	\$15.57
		71	4,070,459	7.3%	18,587	44,335	-	42,000	\$20.61	\$15.52

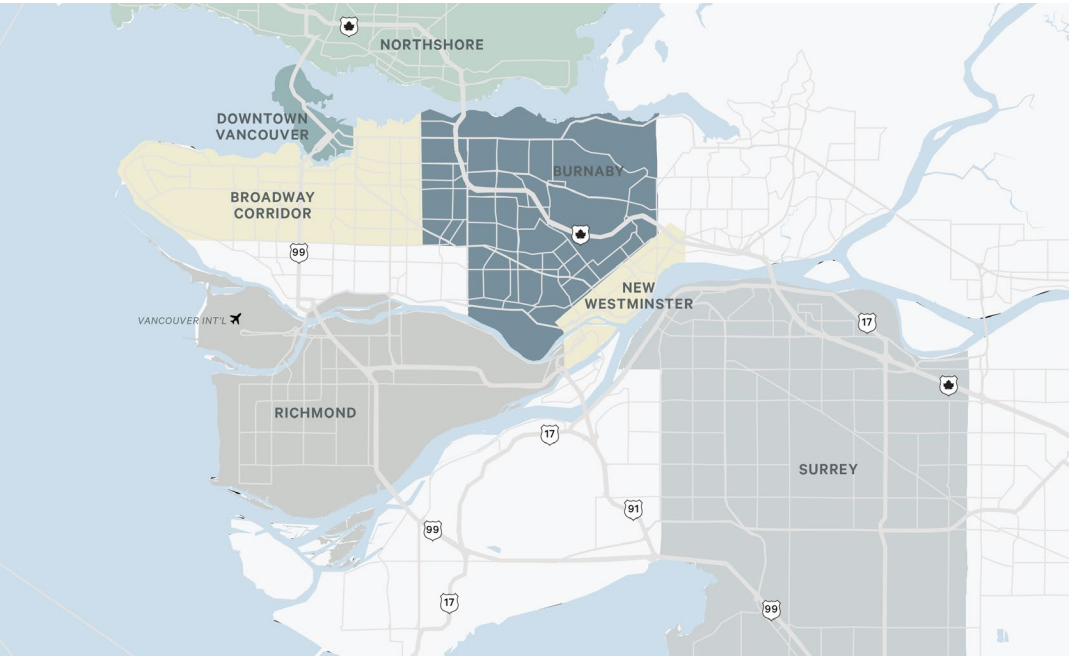
Source: CBRE Research, Q3 2026.

FIGURE 8b: Vancouver Office Market Statistics

	Submarket	Class	Total Buildings	Inventory (SF)	Vacancy Rate (%)	Net Absorption (SF)	YTD Net Absorption (SF)	New Supply (SF)	Under Construction (SF)	Net Asking Rent (PSF)	T&O (PSF)
North Shore		A	14	821,041	3.3%	1,610	-4,878	-	-	\$28.10	\$19.97
		B	17	752,877	2.2%	0	2,946	-	-	\$22.04	\$11.94
		C	11	236,929	0.0%	0	0	-	-	\$22.00	\$16.00
			42	1,810,847	2.4%	1,610	-1,932	-	-	\$25.78	\$16.90
Surrey		A	23	2,410,694	5.8%	13,466	41,697	-	-	\$37.78	\$20.34
		B	22	1,051,399	27.2%	-12,350	-5,058	-	-	\$28.31	\$13.18
		C	12	238,403	7.9%	-3214	-18,749	-	-	\$18.00	\$12.97
			57	3,700,496	12.0%	-2,098	17,890	-	-	\$30.75	\$15.35
New Westminister		A	8	635,394	3.5%	20,802	22,383	-	96,000	\$38.89	\$15.12
		B	14	615,296	4.3%	6,032	1,832	-	-	\$22.11	\$17.38
		C	10	275,766	0.7%	0	531	-	-	\$9.12	\$25.88
			32	1,526,456	3.3%	26,834	24,746	-	96,000	\$28.99	\$16.71
Total Suburban		AAA	50	6,137,037	12.0%	4,883	329,777	-	353,617	\$34.24	\$20.82
		A	128	10,149,341	8.6%	59,707	298,799	-	138,000	\$33.50	\$18.94
		B	142	7,567,585	15.9%	-41,071	-331,860	-	-	\$25.64	\$18.76
		C	100	2,665,512	7.2%	-43,426	-75,133	-	-	\$20.17	\$19.59
			420	26,519,475	11.3%	-19,907	221,583	-	491,617	\$29.32	\$19.40
Metro Vancouver		AAA	72	14,848,486	11.1%	-241,280	152,068	-	353,617	\$40.17	\$23.15
		A	168	17,994,003	8.7%	74,372	373,458	-	138,000	\$36.70	\$22.33
		B	197	14,476,126	18.1%	-64,100	-389,519	-	-	\$29.22	\$20.83
		C	177	6,974,946	11.3%	-28,263	-50,726	-	-	\$23.34	\$19.58
			614	54,293,561	12.2%	-259,271	85,281	-	491,617	\$32.50	\$21.51

Source: CBRE Research, Q3 2026.

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 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. Vacancy Rate: Total vacant sq. ft. divided by the total building area. Vacant sq. ft.: Space that can be occupied within 30 days. Availability: All current and future marketed lease availabilities in existing inventory. Full floor: a floor over 8,000 sq. ft.

Survey Criteria

Includes all competitive office buildings in Greater Vancouver. Under construction refers to buildings which have begun construction as evidenced by site excavation or foundation work.

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