CBRE

BC Hydro acquisition sets industrial land benchmark in the Westshore

▶ 6.0%
Availability Rate

▶ 0K
SF Under Construction

▲ $19.08
PSF Net Asking Lease Rate

Note: Arrows indicate change from previous quarter.

Market Summary

- Industrial availability held flat at 6.0% quarter-over-quarter, although submarket performance continued to diverge. Availability increased 80 basis points (bps) in the Victoria Core, largely due to increased sublease opportunities, while the Peninsula and Westshore submarkets tightened by 140 bps and 60 bps, respectively.
- Average net asking rent across Greater Victoria reached $19.08 per sq. ft., surpassing the $19.00 per sq. ft. threshold for the first time since Q4 2024. By submarket, average rents were recorded at $19.90 per sq. ft. in the Victoria Core, $19.71 per sq. ft. in the Peninsula, and $17.74 per sq. ft. in the Westshore.
- Industrial land activity this quarter was marked by BC Hydro's 21.7-acre acquisition at Langford Heights establishing a key benchmark. Two new industrial land opportunities emerged in the Westshore, including 9.5 acres at Langshire Lands and 10.0 acres at Centre Mountain Business Park.
- Industrial strata demand improved as remaining Westshore inventory narrowed, highlighted by Pacific Ridge Business Park selling out this quarter. Since 2025, new industrial strata supply in the Westshore has transacted at an average of $367.57 per sq. ft.

FIGURE 1: Greater Victoria Supply & Demand

Source: CBRE Research, Q2 2026.

Greater Victoria overview

The Greater Victoria industrial market held steady this quarter with overall availability unchanged at 6.0%. Beneath the stable headline figure, performance continued to vary by submarket. Availability in the Victoria Core increased 80 bps, reflecting additional turnover and increased sublease availability, while the Peninsula and Westshore recorded availability declines of 140 bps and 60 bps, respectively. Sublease availability became a more notable component of the Victoria Core market, rising from 5.8% to 16.1% of available space, primarily across Rock Bay/Midtown and in the Royal Oak Industrial Park.

Limited freestanding industrial supply further contributed to reduced market turnover with few options available for owner-occupiers seeking acquisition opportunities or tenants looking for lease space. Elevated build-out costs also made relocation less attractive, prompting many occupiers to renew or extend existing leases and further tightening the supply of functional space available to active users.

The Victoria Core and Peninsula reported year-over-year rent growth of 6.4% and 5.7%, respectively, supported by constrained functional supply and steady demand for established industrial locations. The Westshore recorded a 3.2% decline in average asking rents as the market continued to absorb new supply delivered in 2024, with more competitive pricing helping to support leasing activity. Overall, Greater Victoria's average net asking rent reached $19.08 per sq. ft., exceeding the $19.00 per sq. ft. mark for the first time since Q4 2024. Submarket rents remained highest in the Victoria Core at $19.90 per sq. ft., followed by the Peninsula at $19.71 per sq. ft. and the Westshore at $17.74 per sq. ft.

FIGURE 2: Notable Planned Industrial Developments

Land Size (Acres)	Project Name	Submarket	Estimated Completion	Developer
29.2	Terra	Langford	Build-to-suit	Beedie
16.8	Langford Heights	Langford	Build-to-suit	Bastion & Strand
9.4	Langshire Lands	Langford	Build-to-suit	Private Investors
10.0	Centre Mountain BP	Langford	Build-to-suit	Sc'ianew First Nation

Source: CBRE Research, Q2 2026.

FIGURE 3: Notable Lease Transactions

Size (SF)	Tenant	Address	Submarket	Deal Type
15,200	Worldpac	103-109 – 834 McCallum Road	Langford	Direct
13,453	ICONIX Waterworks	751 Enterprise Crescent	Saanich	Direct
11,954	Confidential	302 & 303-1779 Sean Heights	Central Saanich	Direct

Source: CBRE Research, Q2 2026.

FIGURE 4: Notable Sales Transactions

Address	Submarket	Purchaser	Building Size (SF)	Price ($M)
800 Viewfield Road	Esquimalt	Fawcett Furniture and Mattress	27,741	$8.8
961 Dunford Avenue	Langford	Private Investor	19,954	$4.6
509 Ellice Street	Victoria	Private Investor	5,965	$3.0
927 Dunford Avenue	Langford	Private Investor	5,706	$2.2

Source: CBRE Research, Q2 2026.

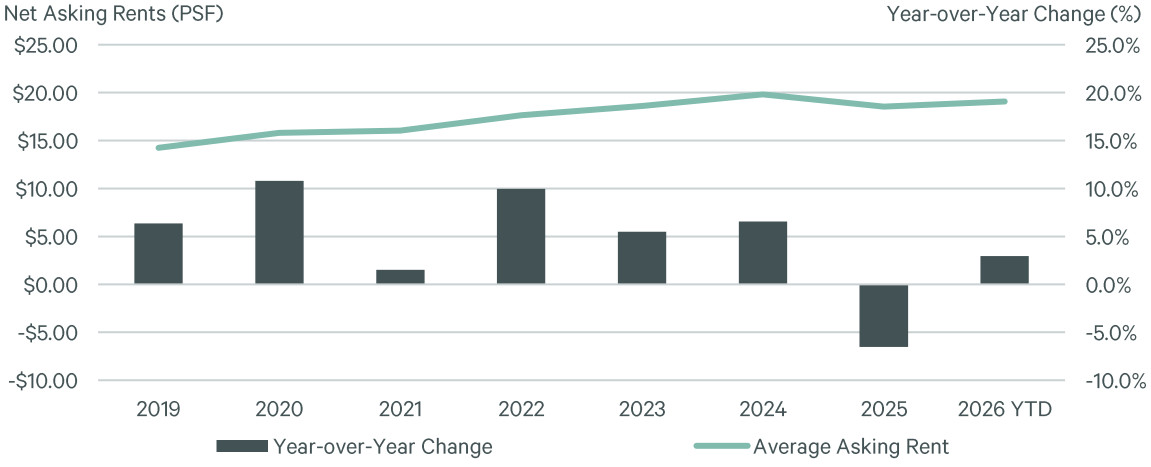
BC Hydro acquire 22 acres at Langford Heights

Industrial land remained one of the most challenged segments of the Greater Victoria commercial real estate market in 2026. BC Hydro's net effective acquisition of approximately 19.0 usable acres at $2.8 million per acre established a meaningful benchmark, while several new industrial land opportunities were listed to market including 9.4 acres at Langshire Lands and 10.0 acres at Centre Mountain Business Park. These new listings joined existing opportunities at Langford Heights and Terra, increasing the number of options available to purchasers. However, transaction activity remained subdued relative to the peak conditions recorded in 2021 and 2022. The primary constraint remained development feasibility. Softer lease rates in the Westshore, following the delivery of new supply in 2024, had not supported the rents required to justify new construction. Until demand rebuilds and financing and construction costs stabilize, new industrial development and land transactions are expected to remain limited, with many developers and owner-users continuing to take a cautious approach to acquisition and underwriting.

Pacific Ridge Business Park sell out highlights improving buyer confidence

Industrial strata demand strengthened as the market continued to absorb the influx of new supply delivered to the Westshore in 2024. While early activity was tempered by higher borrowing costs, broader market volatility, and tariff uncertainty, buyer confidence improved as pricing became more defined and remaining inventory narrowed. Pacific Ridge Business Park has since fully sold out, underscoring renewed demand for ownership opportunities among owner-occupiers and select investors. Across both presale and resale listings, current sale availability averaged $401.92 per sq. ft., with Westshore Business Park at $339.44 per sq. ft., IntraUrban Cornerstone at $393.00 per sq. ft., and Wildcat Industrial at $436.88 per sq. ft. With only a limited number of developer-held units remaining, some vendors were willing to consider further price adjustments to support final absorption. From 2025 to present, completed sales of new industrial strata in the Westshore averaged $367.57 per sq. ft., with project-level averages of $311.39 per sq. ft. at Westshore Business Park, $363.53 per sq. ft. at Pacific Ridge Business Park, $393.72 per sq. ft. at IntraUrban Cornerstone, and $416.69 per sq. ft. at Wildcat Industrial.

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



Source: CBRE Research, Q2 2026.

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	5.4%	4.7%	0	0	$19.90	$9.96
Peninsula	2,292,969	3.3%	2.3%	0	0	$19.71	$6.79
Westshore	2,036,900	11.0%	11.0%	0	0	$17.74	$6.90
Greater Victoria	**10,369,818**	**6.0%**	**5.4%**	**0**	**0**	**$19.08**	**$8.45**

Source: CBRE Research, Q2 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 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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