CBRE

Availability declines as leasing activity gains momentum

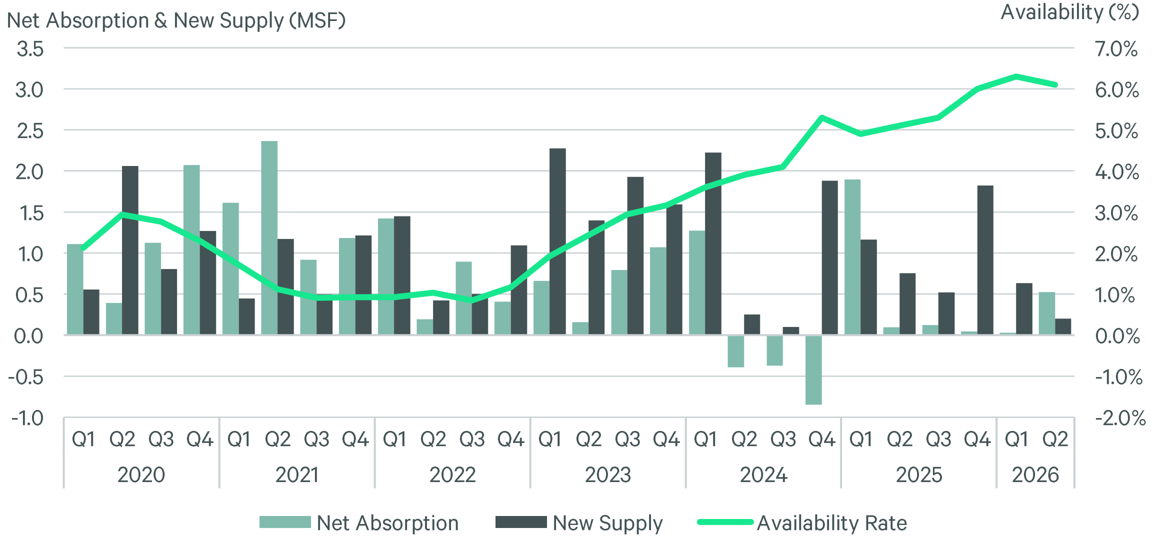
5.0%	6.1%	526K	2.9M	$19.14
▼ Vacancy Rate	▼ Availability Rate	▲ SF Net Absorption	▲ SF Under Construction	▼ PSF Net Asking Lease Rate

Note: Arrows indicate change from previous quarter.

OVERVIEW

- Metro Vancouver's availability declined by 20 basis points (bps) and vacancy fell by 10 bps this quarter, breaking a four-quarter trend of steady increases. This shift can be largely attributed to leasing activity in large-bay spaces, particularly within the 50,000–100,000 sq. ft. range.
- Recent positive absorption has been driven primarily by the take-up of existing available supply, rather than the pre-commitment activity that has historically underpinned leasing performance. This trend may persist in the near term, as new supply, especially large-format units, remains limited.
- Average asking rates appear to be on final approach to a floor, settling at $19.14 per sq. ft., down 3.9% year-over-year. Momentum has softened considerably, with the latest quarter-over-quarter dip of just under 2% suggesting the market is in its last leg of descent.
- Currently, 2.9 million sq. ft. are under construction, with just under 60% pre-committed. Nearly half of the active construction volume consists of build to suit projects.

FIGURE 1: Metro Vancouver Supply & Demand



Source: CBRE Research, Q2 2026.

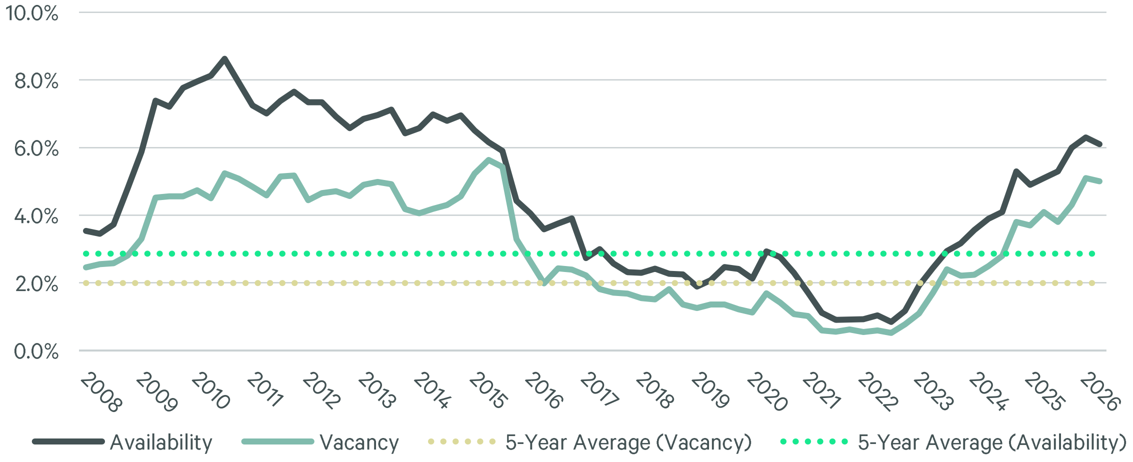
The current landscape and forward outlook

Metro Vancouver's industrial market showed its first meaningful improvement in fundamentals after four consecutive quarters of softening, with both availability and vacancy contracting during Q2 2026. The overall availability rate declined 20 bps quarter-over-quarter to 6.1%, while vacancy fell 10 bps to 5.0%, marking a reversal from the steady increases recorded throughout 2025 and early 2026. Positive net absorption reached 526,168 sq. ft., a significant improvement from the modest 30,788 sq. ft. recorded in Q1. The shift was driven largely by leasing activity in larger format product, particularly in the 50,000–100,000 sq. ft. segment, which experienced a notable reduction in available inventory. Importantly, absorption was primarily generated through occupancy of existing vacant space rather than pre-commitments to new development, reflecting renewed demand against a backdrop of limited large-bay supply.

Total available inventory declined to 13.8 million sq. ft. from 14.2 million sq. ft. in Q1. Relative to other North American markets, Vancouver has a limited inventory of large-format opportunities, and continued supply constraints have supported leasing activity in this segment. With relatively little speculative large-bay product expected to be delivered in the near term, future absorption is expected to be driven largely by tenants occupying existing inventory rather than newly delivered space.

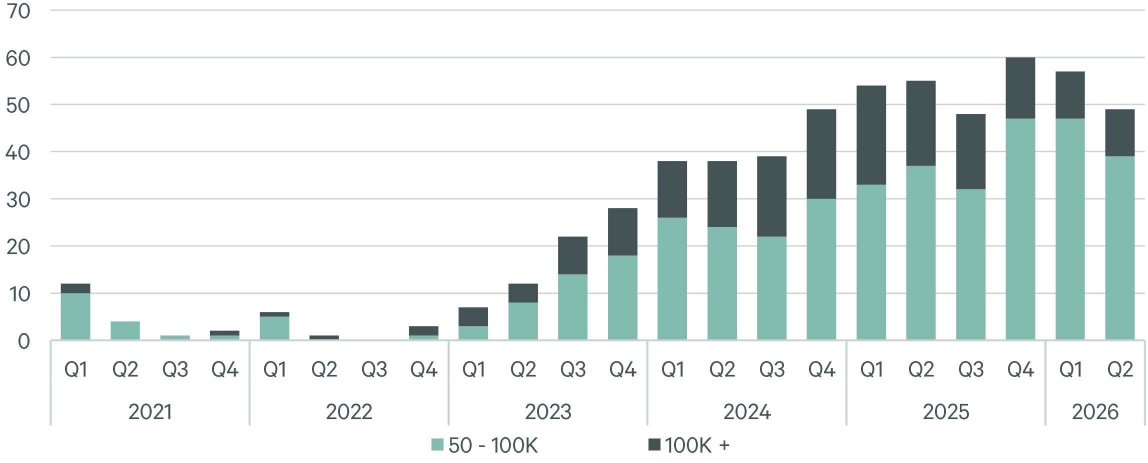
Performance remained notably uneven across the region. Markets north of the Fraser River experienced the strongest improvement in fundamentals, with availability declining 20 bps and vacancy falling 40 bps during the quarter. Nevertheless, average asking lease rates in these urban-oriented markets decreased 5.3% year-over-year as recently delivered inventory and tenant choice continued to weigh on pricing. South of the Fraser River, availability remained unchanged while vacancy increased 20 bps. Asking lease rates also declined, though at a more moderate pace of 3.6% annually. These trends reinforce the increasingly segmented nature of the market, where tenant demand and pricing power vary considerably by location and product type.

FIGURE 2: Availability vs. Vacancy (%)



Source: CBRE Research, Q2 2026.

FIGURE 3: Large Format Availabilities (Count of Listings)



Source: CBRE Research, Q2 2026.

Lease rates show early signs of stabilization

Average asking lease rates continued to decline in Q2 2026, falling to $19.14 per sq. ft., down 3.9% from one year ago. However, the pace of correction continues to moderate. Quarterly rent growth softened by less than 2%, suggesting the market may be approaching the latter stages of its pricing adjustment cycle. Landlords have largely recalibrated expectations in response to elevated availability levels, while continued leasing activity has helped limit further downward pressure on rates. Although rents remain below their recent highs, current pricing appears increasingly stable relative to the sharper declines experienced throughout 2024 and 2025. At the same time, landlords are increasingly utilizing leasing inducements to attract tenants and secure commitments.

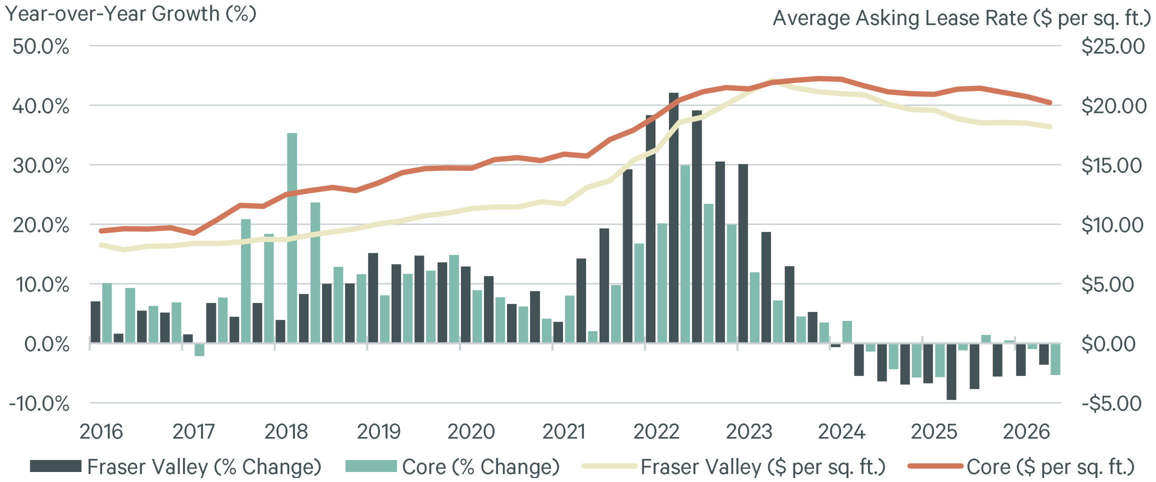
Sale prices continued to adjust downward in Q2 2026, falling approximately 8% year-over-year. The average asking sale price reached $450 per sq. ft., well below the market peak of roughly $680 per sq. ft. recorded in 2022. Overall, values have declined by nearly 34% from peak levels, reflecting the ongoing price correction across the market.

Limited new supply underpins stabilization

Development activity remains subdued relative to historical standards, helping reinforce the market's longer-term supply constraints. Just under 200,000 sq. ft. of new industrial supply was delivered during Q2 2026, bringing year-to-date completions to approximately 832,000 sq. ft. Total inventory increased marginally to 225.7 million sq. ft., while active construction rose to 2.9 million sq. ft. across Metro Vancouver.

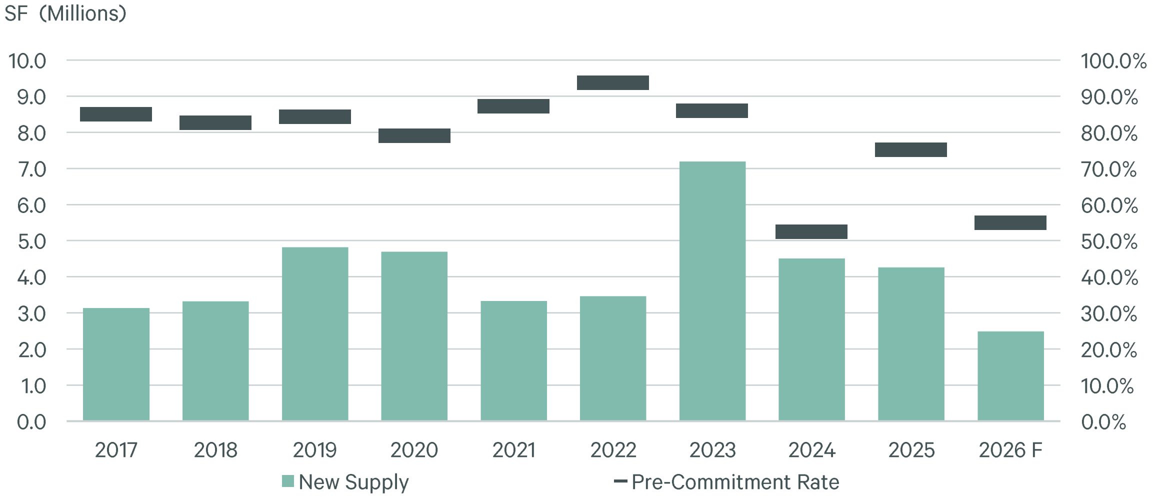
Approximately 59% of all space currently under construction is pre-committed. Of the roughly 1.8 million sq. ft. of committed space currently under construction, 1.6 million sq. ft. is attributable to build-to-suit developments. Meanwhile, the speculative construction pipeline totals approximately 1.5 million sq. ft., of which only 16% has been pre-committed. Looking ahead, 2026 is shaping up to be a comparatively light year for new industrial deliveries. Approximately 1.5 million sq. ft. of additional space is expected to complete during the second half of the year, with roughly 1.0 million sq. ft. already pre-leased.

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



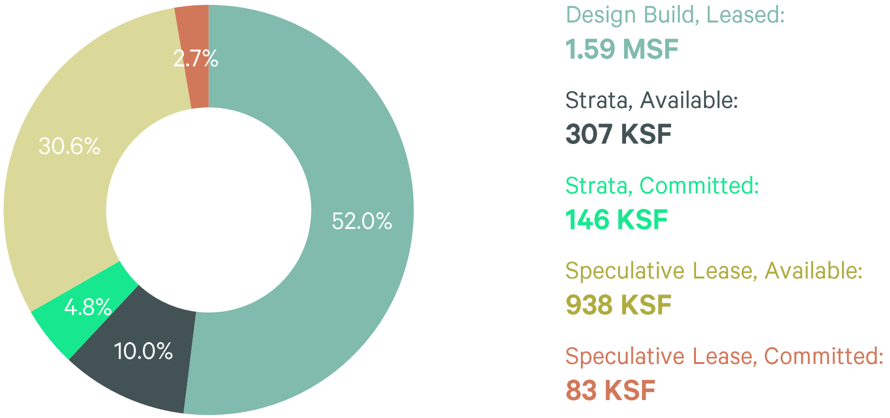
Source: CBRE Research, Q2 2026.

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



Source: CBRE Research, Q2 2026.

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



Source: CBRE Research, Q2 2026.

FIGURE 7: Significant Lease Transactions

Size (SF)	Tenant	Address	Submarket	Industry	Deal Type
171,875	Toyota Canada Inc	19030 20 Avenue	Surrey	Automotive	New Lease
162,750	S+S Activewear	1005 Derwent Way	Delta	Wholesale	New Lease
81,716	Spicers Canada ULC.	2500 Vauxhall Place	Richmond	Distribution	Extension
81,235	Big Box Outlet	30315 Blueridge Drive	Abbotsford	Retail	New Lease
80,487	Food Process Solutions	12751 Vulcan Way	Richmond	Other Services	New Lease

Source: CBRE Research, Q2 2026.

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

Source: CBRE Research, Q2 2026.

FIGURE 9: Significant Sale Transactions

Size	Price ($ M)	Address	Submarket	Purchaser	Vendor
40,560	$16	5400 Minoru Boulevard	Richmond	1580052 B.C. Ltd.	Jiatai Realty Inc.
18,406	$12	Unit 200, 14666 64th Avenue	Surrey	1571781 B.C. Ltd.	642897 B.C. Ltd.
26,095	$11.9	19159 33rd Avenue	Surrey	CPBC Enterprises Ltd.	NWSM Holdings Ltd.
22,737	$11.6	Unit 101, 6680 152A Street	Surrey	1133629 B.C. Ltd.	Surreal Properties Inc.
26,400	$11.2	44200 Progress Way	Chilliwack	44200 Progress Way Holdings Ltd.	1200846 B.C. Ltd.

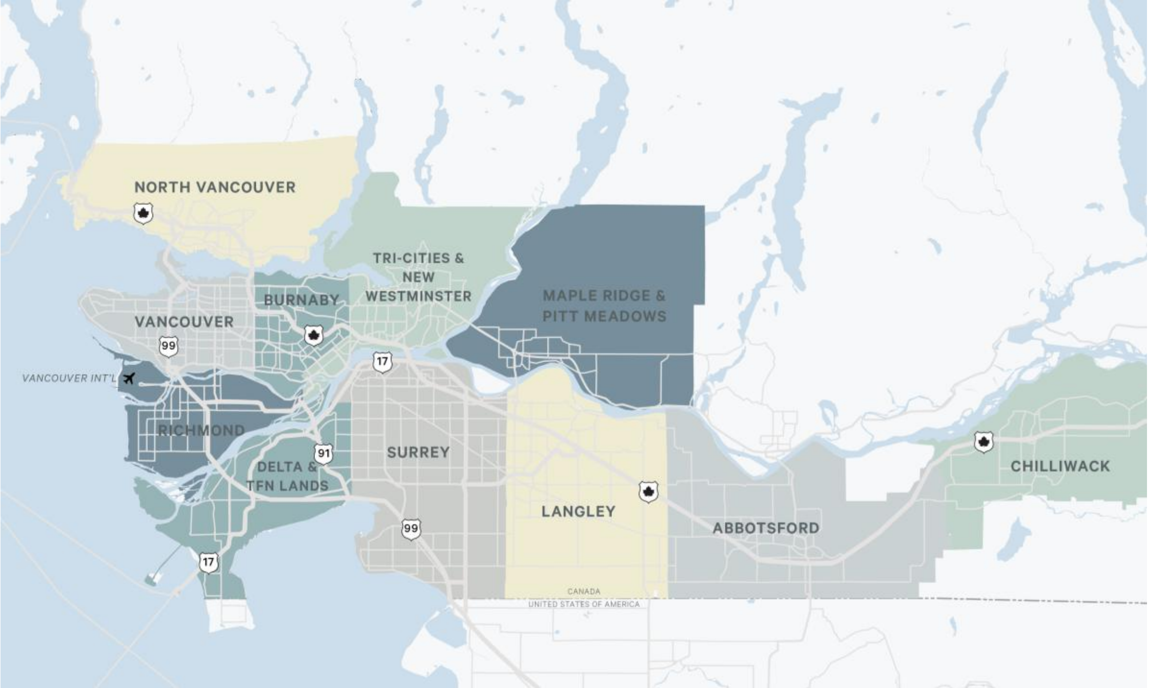
Source: CBRE Research, Altus Data Studio, Q2 2026.

FIGURE 10: Q2 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	25,250,207	6.9%	5.5%	248,651	101,810	243,382	$20.10	$9.32	$29.42
Burnaby	32,842,022	6.2%	5.0%	-247,409	0	283,899	$19.80	$6.93	$26.73
Richmond	38,797,504	5.0%	4.1%	303,618	0	162,400	$20.74	$5.78	$26.52
Tri-Cities/NW	20,444,080	5.9%	4.2%	181,835	97,313	219,210	$20.11	$6.96	$27.07
Delta/TFN Lands	29,275,792	6.3%	5.5%	103,594	0	0	$17.84	$6.21	$24.05
Surrey	43,857,491	5.7%	4.7%	-131,707	0	1,762,254	$18.78	$5.69	$24.47
Langley	16,264,503	8.2%	6.5%	-279,145	0	52,200	$18.85	$4.94	$23.79
Maple Ridge & Pitt Meadows	5,089,114	10.2%	8.9%	139,106	0	0	$16.67	$4.88	$21.55
Abbotsford	8,492,541	6.2%	5.5%	180,890	0	157,479	$16.48	$5.34	$21.82
North Vancouver	5,377,904	2.8%	2.0%	26,735	0	0	$21.10	$11.48	$32.58
Metro Vancouver	**225,691,158**	**6.1%**	**5.0%**	**526,168**	**199,123**	**2,880,824**	**$19.14**	**$6.39**	**$25.53**
Chilliwack	5,324,648	1.4%	0.6%	10,979	10,979	185,000	$15.32	$5.48	$20.80

Source: CBRE Research, Q2 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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