

# Suburban market continues to outperform the Downtown core

▼ 10.8%

Vacancy Rate

▲ 495K

SF Net Absorption

▼ 614K

SF Under Construction

▲ \$31.88

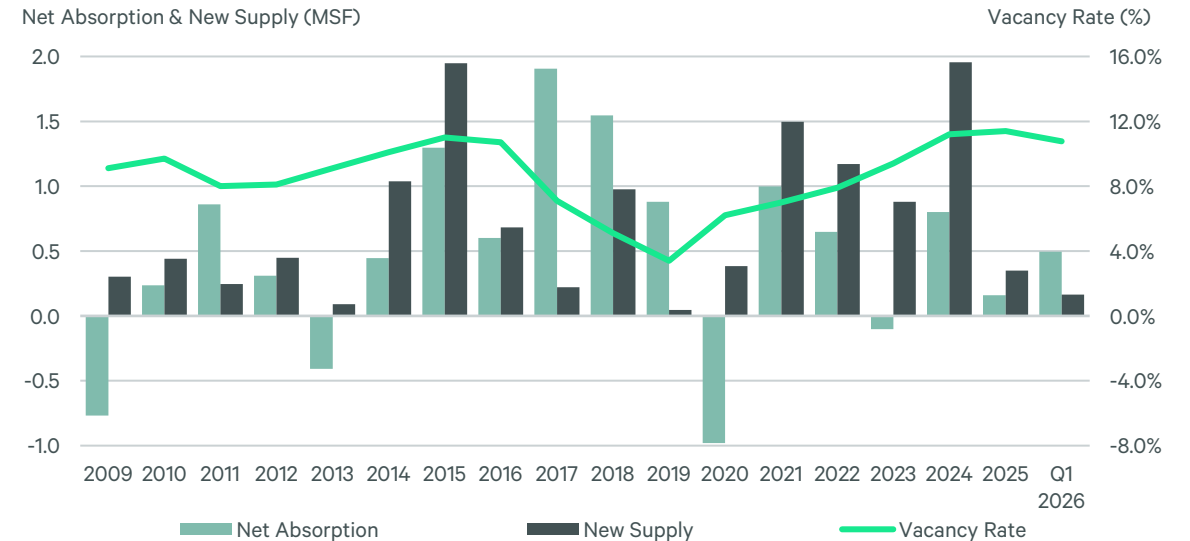
PSF Avg. Asking Rental Rate

Note: Arrows indicate change from previous quarter.

## Overview

- The Metro Vancouver office market recorded a quarter-over-quarter decline in vacancy of 60 basis points (bps), bringing the overall vacancy rate to 10.8% in Q1 2026. Vacancy decreased across both the suburban and downtown core markets; however, the suburban market posted the strongest improvement, with vacancy falling 120 bps to 9.1%, compared to a more modest 20 bps decline in the downtown core reaching 12.3%.
- The suburban market continues to outperform the downtown core, with Q1 2026 marking the fourth consecutive quarter in which downtown vacancy exceeded suburban vacancy. A notable lease transaction during the quarter contributed to the decline in suburban vacancy, pushing it to its lowest level since Q2 2024.
- The bifurcation in vacancy between Downtown Class AAA & A and Class B & C inventory continued to widen in Q1 2026, marking the fourth consecutive quarter of increasing divergence between the two segments. Vacancy in the combined Class B & C inventory segment increased 390 bps year-over-year to 18.0%. In contrast, Class AAA & A recorded a 20 bps year-over-year decline in vacancy to 8.4% this quarter.

FIGURE 1: Metro Vancouver Supply & Demand  
Net Absorption & New Supply (MSF)



Source: CBRE Research, Q1 2026.

## The current office vacancy landscape

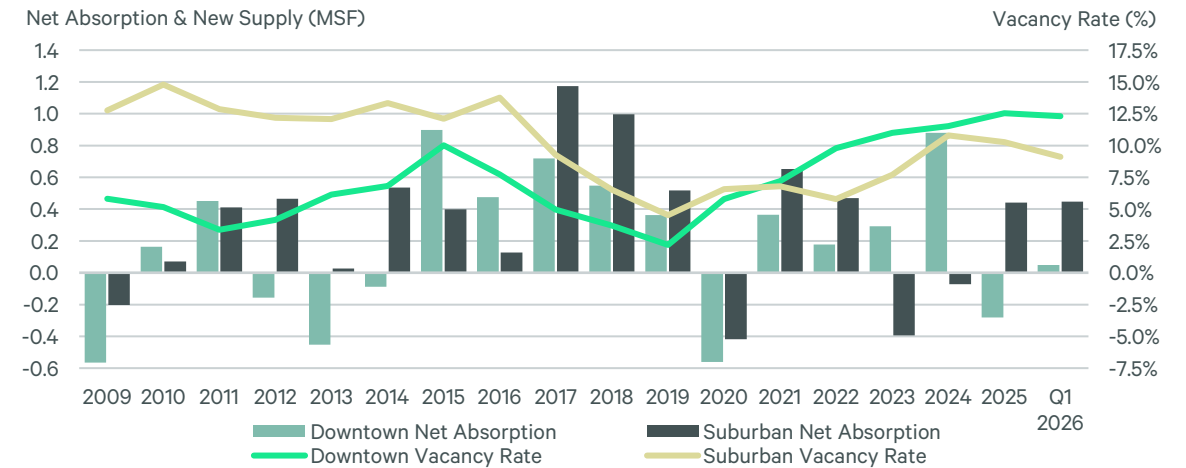
The Downtown office market recorded a modest quarter-over-quarter decline in overall vacancy of 20 bps to 12.3%; however, year-over-year vacancy rose 150 bps. Class AAA vacancy improved more meaningfully, decreasing 70 bps quarter-over-quarter to 7.7% but increased slightly year-over-year by 10 bps. The year-over-year increase in Class AAA vacancy was mainly driven by large blocks of space coming to market in 2025. A significant portion of this large-block availability stems from Amazon’s planned consolidation into The Post.

The quarter-over-quarter decline in Class AAA vacancy was driven by Ascenda School of Management leasing three floors of lower bank space totaling 49,105 sq. ft. at 400 West Georgia Street (Deloitte Summit). Class A vacancy also improved, declining 30 bps quarter-over-quarter and 40 bps year-over-year. The quarter-over-quarter decrease in Class A vacancy was similarly impacted by a sizable transaction: LayerZero leasing 32,311 sq. ft. across four floors at 1021 West Hastings Street.

In contrast, both Class B and Class C space experienced increases in vacancy on a quarter-over-quarter and year-over-year basis. Class B vacancy recorded the largest year-over-year increase among all class segments, rising 500 bps. This increase was significantly impacted by the delivery of two recently renovated Class B buildings listed vacant in 2025 (929 Granville Street and 510 West Hastings Street). The modest 20 bps quarter-over-quarter increase in Class B vacancy points to this quarter’s significant leasing activity, offsetting new listing activity. Notable transactions included the City of Vancouver leasing four floors totaling 42,925 sq. ft. at 1125 Howe Street; HH Angus leasing approximately 10,000 sq. ft. at 505 Burrard Street, alongside Citifund leasing the remaining space on the second floor (approximately 3,000 sq. ft.); and Raymond James leasing the sixth floor (14,005 sq. ft.) at 1045 Howe Street.

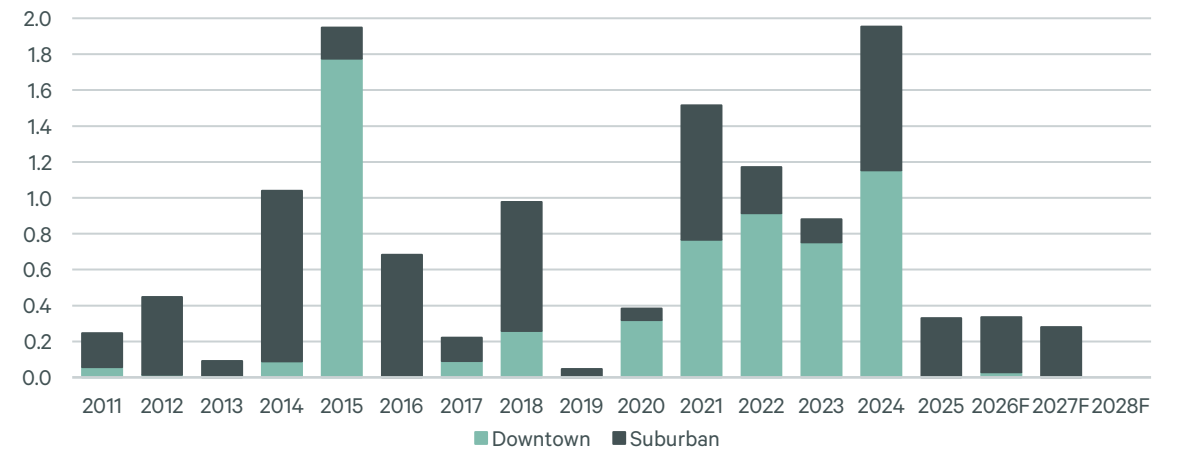
The Suburban market vacancy decreased quarter-over-quarter (110 bps) and year-over-year (170 bps). The largest driver for the quarter-over-quarter decline was the absorption of Fortinet’s sublease of 175,546 sq. ft. at 2910 Virtual Way (Broadway Tech Centre) by Electronic Arts (EA). In addition, Infosys leased 49,532 sq.ft. at 2920 Virtual Way (Broadway Tech Centre). Further suburban lease activity included E-comm 911 leasing 28,497 sq.ft. at King George Hub in Surrey and Infoblox expanding in Metrotower I, taking the 15<sup>th</sup> floor (10,978 sq.ft.).

FIGURE 2: Regional Supply & Demand



Source: CBRE Research, Q1 2026.

FIGURE 3: Regional New Supply Deliveries Forecast (MSF)



Source: CBRE Research, Q1 2026.

## Downtown office availability

Downtown Class AAA & Class A sublease availability remained effectively unchanged quarter-over-quarter at 3.2% (532,860 sq. ft.), well below the Q2 2023 peak of 5.0% (765,153 sq. ft.). This total includes Amazon’s 89,827 sq. ft. sublease listing at 475 Howe Street (The Exchange), which is currently being marketed but will not be physically vacant until May 2026. Class AAA & A headlease availability declined 30 bps quarter-over-quarter to 9.2% but remains above the five-year average of 8.4%. This figure includes the 160,000 sq. ft. previously occupied by Amazon at Telus Garden, which is currently being marketed but will not be physically vacant until July 1, 2026. Taken together, Telus Garden, The Exchange, and B6 account for 23 full floors of Class AAA space out of 57 full floors currently available (an increase of seven floors year-over-year).

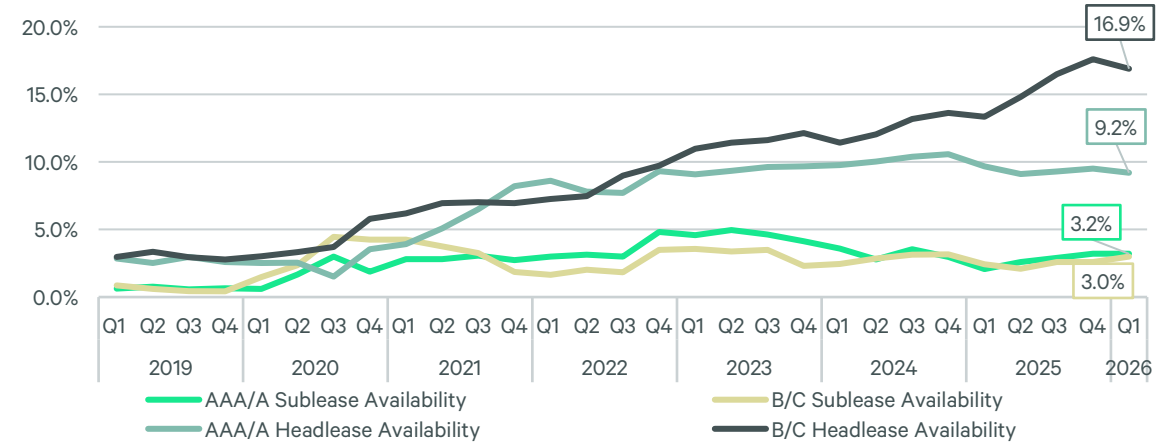
Apart from 837 Beatty Street delivering 29,386 sq.ft. in Q2 2026, there is no new supply until 2031 at the earliest. Given existing gross leasing activity, the remaining large blocks of space are in a limited window of opportunity for tenants to be able to secure this type of space Downtown. Furthermore, when considering high bank space with views, options become very limited.

Class B and Class C headlease availability declined quarter-over-quarter following three consecutive quarters of increases. This shift reflects recent leasing activity involving larger blocks of Class B space, which continue to offer a compelling value proposition in the current elevated vacancy environment. At the same time, the rollover of expiring Class B and Class C subleases into headlease availability persists. Class B and Class C sublease availability increased 40 bps quarter-over-quarter to 3.0%, though this level remains only 10 bps above the five-year average.

## Downtown office sublease vacancy

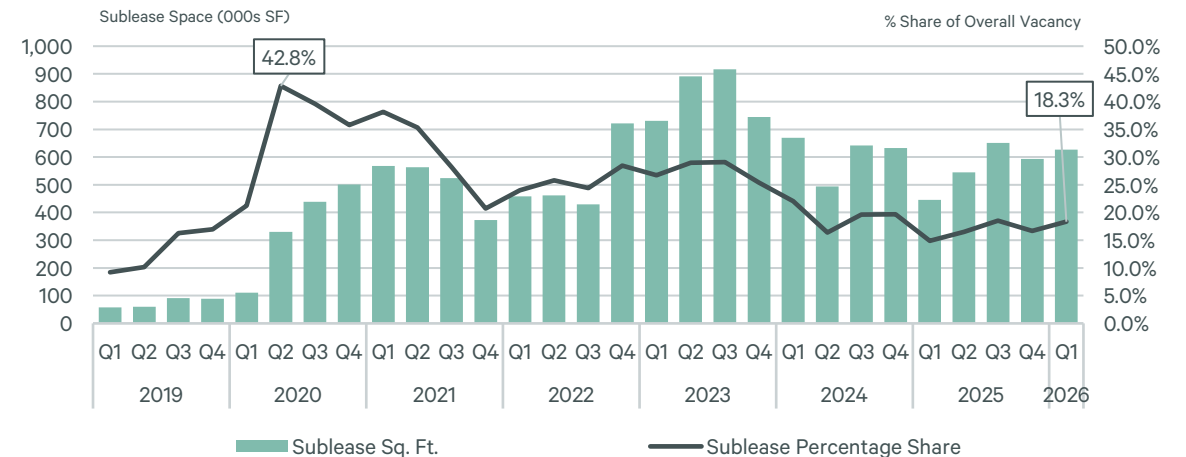
Downtown sublease vacancy rose quarter-over-quarter to 626,333 sq. ft., slightly above the five-year average. Increases were recorded across all classes except Class A (-6,433 sq. ft.). Year-over-year, sublease vacancy increased by 181,154 sq. ft., driven by growth in Class AAA (+143,936 sq. ft.) and Class C (+77,385 sq. ft.), partially offset by a decline in Class B sublease vacancies (-43,089 sq. ft.). Current notable sublease vacancies include 86,689 sq.ft. at B6 and 87,799 sq.ft. at Telus Garden.

FIGURE 4: Downtown Availability Rates



Source: CBRE Research, Q1 2026.

FIGURE 5: Downtown Historical Sublease Vacancy



Source: CBRE Research, Q1 2026.

## Downtown gross lease activity rebounds

The Metro Vancouver office market experienced 1.34 million sq. ft. of gross leasing activity in Q1 2026, up from 862,000 sq. ft. in the previous quarter. The Downtown market accounted for 40.0% (536,000 sq. ft.) of the total, down quarter-over-quarter from 45.0% (389,748 sq. ft.). Of the 1.3 million sq. ft. of total activity recorded in Metro Vancouver, 1.2 million sq. ft. were direct deals, and 130,000 sq. ft. were sublease transactions.

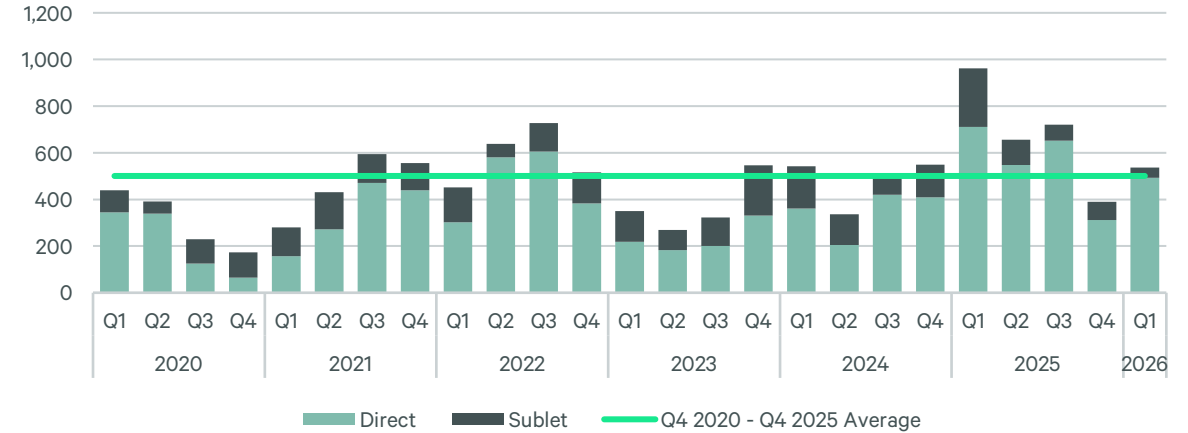
The amount of gross lease activity in Q1 2026 points to an office market that is resilient – the relatively elevated vacancy rate downtown is not due to a lack of leasing activity, but rather the proportion of listed sq. ft. to gross lease activity. Especially encouraging is that this amount of gross leasing activity is occurring in an economy with significant amounts of uncertainty.

## Net asking rents reflect available listings

Higher-bank Class AAA space is increasingly scarce, resulting in a growing share of inferior inventory, which is reflected in asking rates. Downtown overall net asking rents remained largely stable quarter-over-quarter, edging down slightly by -3.0% to \$35.66 per sq. ft., and declining moderately by -2.5% year-over-year. While select spaces are being marketed with elevated tenant inducement packages, overall inducements are expected to remain more measured and relatively stable.

For the suburban market, the overall net asking rent also remained largely stable quarter-over-quarter, declining by a moderate -2.8% to \$29.59 per sq. ft.; however, year-over-year the overall net asking rent slightly increased by 1.6%. There is a significant amount of new supply for lease set to deliver from the Oakridge Park development: 180,000 sq. ft. of space (18.9% pre-leased) will deliver in Q2 2026. In addition, the B12 building will deliver 125,000 sq. ft. (53.6% pre-leased) in Q4 2026. Once completed, these listing will put upward pressure on the overall suburban asking net lease rates and lease rates for Class AAA in the Broadway Corridor market in particular.

FIGURE 6: Downtown Gross Leasing Activity (000s SF)



Source: CBRE Research, Q1 2026.

FIGURE 7: Notable Metro Vancouver Lease Transactions

Size (SF)	Tenant	Address	Submarket	Industry	Deal Type
175,546	Electronic Arts (EA)	2910 Virtual Way (Broadway Tech)	Burnaby	Technology	Direct
51,600	City of Vancouver	1125 Howe Street	CBD	Government	Direct
49,105	Ascenda School of Management	400 West Georgia Street (Deloitte Summit)	CBD	Education	Direct
32,331	LayerZero	1021 West Hastings Street	CBD	Technology	Direct
14,005	Raymond James	1045 Howe Street	CBD	Financial Services	Direct

Source: CBRE Research, Q1 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)
<b>Downtown Vancouver</b>	AAA	22	8,726,910	7.7%	65,073	65,073	-	-	\$48.02	\$26.58
	A	39	7,815,062	9.3%	20,272	20,272	-	29,386	\$41.11	\$25.93
	B	55	6,908,541	20.0%	-26,128	-26,128	-	-	\$33.48	\$22.81
	C	77	4,309,434	14.7%	-10,843	-10,843	-	-	\$24.37	\$19.66
		<b>193</b>	<b>27,759,947</b>	<b>12.3%</b>	<b>48,374</b>	<b>48,374</b>	<b>-</b>	<b>29,386</b>	<b>\$35.66</b>	<b>\$23.52</b>
<b>Broadway Corridor</b>	AAA	14	1,587,829	11.5%	-13,120	-13,120	-	305,000	\$37.80	\$23.93
	A	29	1,877,928	8.2%	176,090	176,090	164,255	-	\$34.43	\$20.29
	B	34	1,686,154	8.2%	68,917	68,917	-	-	\$29.35	\$19.71
	C	38	849,886	8.7%	-2,709	-2,709	-	-	\$22.76	\$18.98
		<b>115</b>	<b>6,001,797</b>	<b>9.2%</b>	<b>229,178</b>	<b>229,178</b>	<b>164,255</b>	<b>305,000</b>	<b>\$32.43</b>	<b>\$21.11</b>
<b>Burnaby</b>	AAA	14	2,634,126	12.5%	225,862	225,862	-	183,617	\$35.80	\$20.10
	A	30	2,836,642	18.5%	814	814	-	-	\$34.58	\$17.77
	B	36	2,934,973	10.3%	-44,139	-44,139	-	-	\$23.99	\$19.90
	C	22	864,679	5.2%	-5,796	-5,796	-	-	\$21.80	\$21.11
		<b>102</b>	<b>9,270,420</b>	<b>13.0%</b>	<b>176,741</b>	<b>176,741</b>	<b>-</b>	<b>183,617</b>	<b>\$31.58</b>	<b>\$19.35</b>
<b>Richmond</b>	AAA	21	1,776,082	9.4%	32,413	32,413	-	-	\$19.23	\$14.44
	A	24	1,567,642	4.4%	-4,616	-4,616	-	-	\$21.91	\$13.55
	B	19	526,886	14.0%	0	0	-	-	\$16.35	\$18.39
	C	7	199,849	1.5%	1,089	1,089	-	-	\$14.95	\$15.56
		<b>71</b>	<b>4,070,459</b>	<b>7.6%</b>	<b>28,886</b>	<b>28,886</b>	<b>-</b>	<b>-</b>	<b>\$19.09</b>	<b>\$15.21</b>

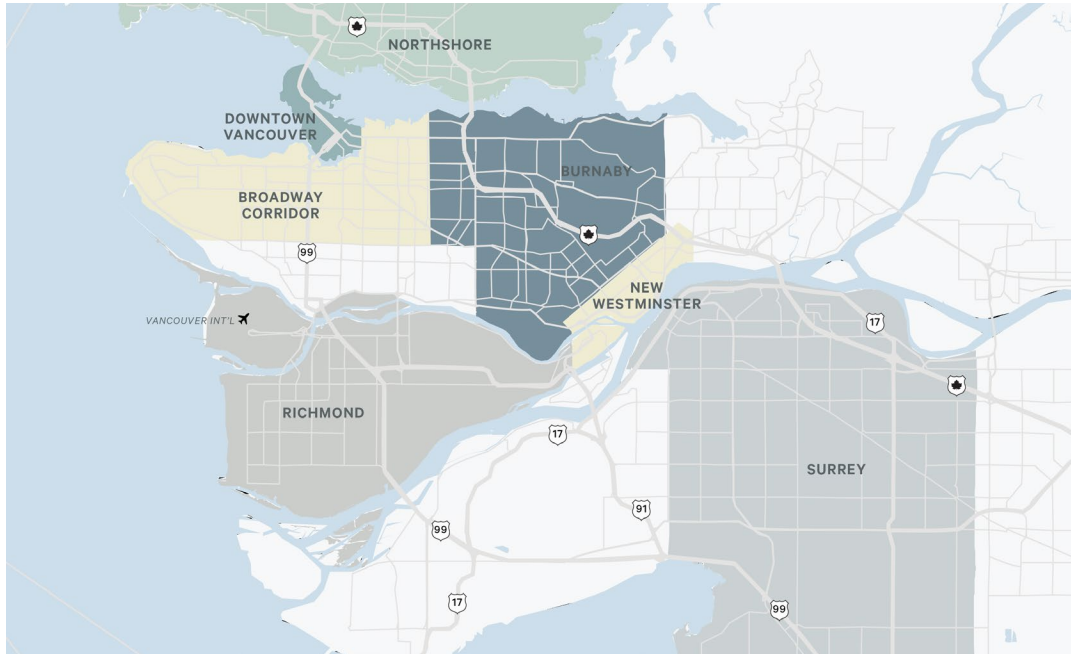
Source: CBRE Research, Q1 2026.

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)
<b>North Shore</b>	A		14	821,041	3.0%	-2,707	-2,707	-	-	\$28.49	\$20.31
	B		17	752,877	2.2%	2,946	2,946	-	-	\$22.14	\$11.22
	C		11	236,929	0.0%	0	0	-	-	\$22.00	\$16.00
			<b>42</b>	<b>1,810,847</b>	<b>2.3%</b>	<b>239</b>	<b>239</b>	<b>-</b>	<b>-</b>	<b>\$25.94</b>	<b>\$16.66</b>
<b>Surrey</b>	A		23	2,410,694	6.3%	29,760	29,760	-	-	\$38.23	\$20.43
	B		21	807,730	5.9%	-9,830	-9,830	-	-	\$22.41	\$16.26
	C		12	238,403	5.4%	-12,960	-12,960	-	-	\$18.00	\$12.97
		<b>56</b>	<b>3,456,827</b>	<b>6.1%</b>	<b>6,970</b>	<b>6,970</b>	<b>-</b>	<b>-</b>	<b>\$32.77</b>	<b>\$18.84</b>	
<b>New Westminister</b>	A		8	635,394	6.8%	1,581	1,581	-	96,000	\$39.00	\$15.94
	B		14	615,296	4.2%	2,683	2,683	-	-	\$22.11	\$15.37
	C		10	275,766	0.9%	0	0	-	-	\$10.17	\$23.12
		<b>32</b>	<b>1,526,456</b>	<b>4.7%</b>	<b>4,264</b>	<b>4,264</b>	<b>-</b>	<b>96,000</b>	<b>\$32.87</b>	<b>\$16.04</b>	
<b>Total Suburban</b>	AAA		49	5,998,037	11.3%	245,155	245,155	-	488,617	\$31.96	\$19.59
	A		128	10,149,341	9.5%	200,922	200,922	164,255	96,000	\$33.97	\$18.29
	B		141	7,323,916	8.2%	20,577	20,577	-	-	\$23.69	\$18.35
	C		100	2,665,512	5.2%	-20,376	-20,376	-	-	\$19.74	\$18.46
			<b>418</b>	<b>26,136,806</b>	<b>9.1%</b>	<b>446,278</b>	<b>446,278</b>	<b>164,255</b>	<b>584,617</b>	<b>\$29.59</b>	<b>\$18.74</b>
<b>Metro Vancouver</b>	AAA		71	14,724,947	9.2%	310,228	310,228	-	488,617	\$38.01	\$22.22
	A		167	17,964,403	9.4%	221,194	221,194	164,255	125,386	\$36.66	\$21.17
	B		196	14,232,457	14.0%	-5,551	-5,551	-	-	\$27.38	\$20.03
	C		177	6,974,946	11.1%	-31,219	-31,219	-	-	\$21.48	\$18.91
			<b>611</b>	<b>53,896,753</b>	<b>10.8%</b>	<b>494,652</b>	<b>494,652</b>	<b>164,255</b>	<b>614,003</b>	<b>\$31.88</b>	<b>\$20.54</b>

Source: CBRE Research, Q1 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.

## Contacts

### Scott Sutherland

Senior Research Analyst  
scott.sutherland@cbre.com

### Tyler Bains

Research Director  
+1 604 662 5135  
tyler.bains@cbre.com

For media related inquires:

### Carly Clements

Senior Marketing Manager  
carly.clements@cbre.com