

# Greater Vancouver Area Industrial Insight

Q4 2024

Quarterly absorption was positive for the first time since Q4 2023, while vacancy reached 3.6%.





# Greater Vancouver Area

- Vacancy and availability rates have each increased by 10 basis points to 3.6% and 4.7%, respectively. Despite these increases, Metro Vancouver remains one of the tightest industrial markets in Canada.
- Quarterly net absorption was 459K sf which is the first positive absorption of the year. 2024 net absorption was -1.0 million sf.
- Average direct asking net rent decreased by 1.6% q-o-q and reduced by 4.5% y-o-y.

The Metro Vancouver industrial market showed signs of balancing in Q4, with vacancy and availability each rising 10 basis points q-o-q. This is the slowest rate of increase for vacancy since Q1 2023, indicating that we may be nearing the peak. Sublease availability decreased from 2 million to 1.7 million, which is a 15% decrease q-o-q. A notable sublease transaction this quarter was a 138,844 sf deal at 7200 Nelson Road to a logistics company. Additionally, notable direct deals included Beedie leasing a 113,457 sf building at 7595 Lowland Drive to an appliance distribution company.

Quarterly net absorption was positive for the first time this year at 459K sf, mainly due to an increase in deal volumes from Q3 and tenants giving back less space. Demand for small and mid-bay listings has remained relatively strong, as well as a slight uptick in demand for large bay options. Large block availabilities with lease rates of \$20.00 psf and below were a contributing factor to Q4's decrease in the direct asking rate.

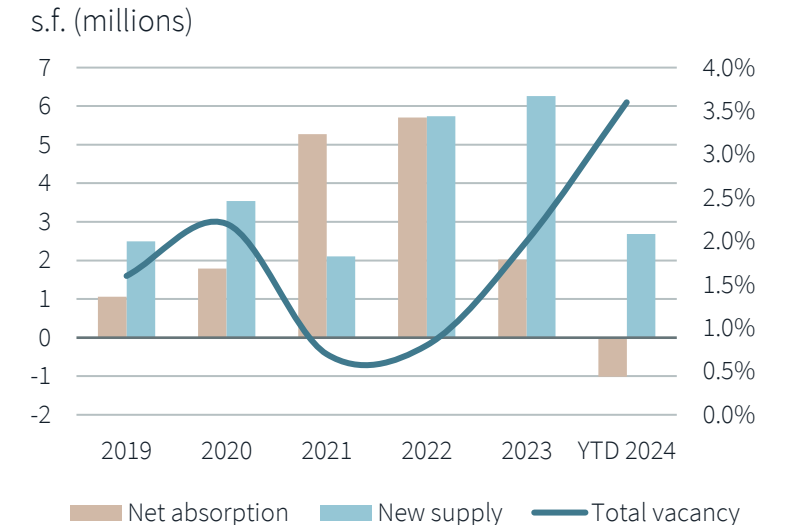
High development costs and shifting market conditions has continued to impact the construction pipeline, reflected in Q4's completions of 732K sf. The total yearly completions were 2.7 million sf, which is a marked decrease from 2023's 6.2 million sf in new supply. Of the quarterly completions, 30% was pre-committed, continuing the trend of new supply outweighing user demand. Landlords are offering demising options in both ongoing construction projects and newly finished properties to accommodate small and mid-bay demand.

### Outlook

Market dynamics are anticipated to stabilize, with the rate of vacancy and availability increasing at a slower pace throughout 2025. The extent of interest rate cuts may influence new developments, such as 1.5 million sf in strata anticipated to deliver in the next year. Market sentiment remains strong, as positive absorption and resilient supply chain fundamentals serve as favourable markers in the current landscape.

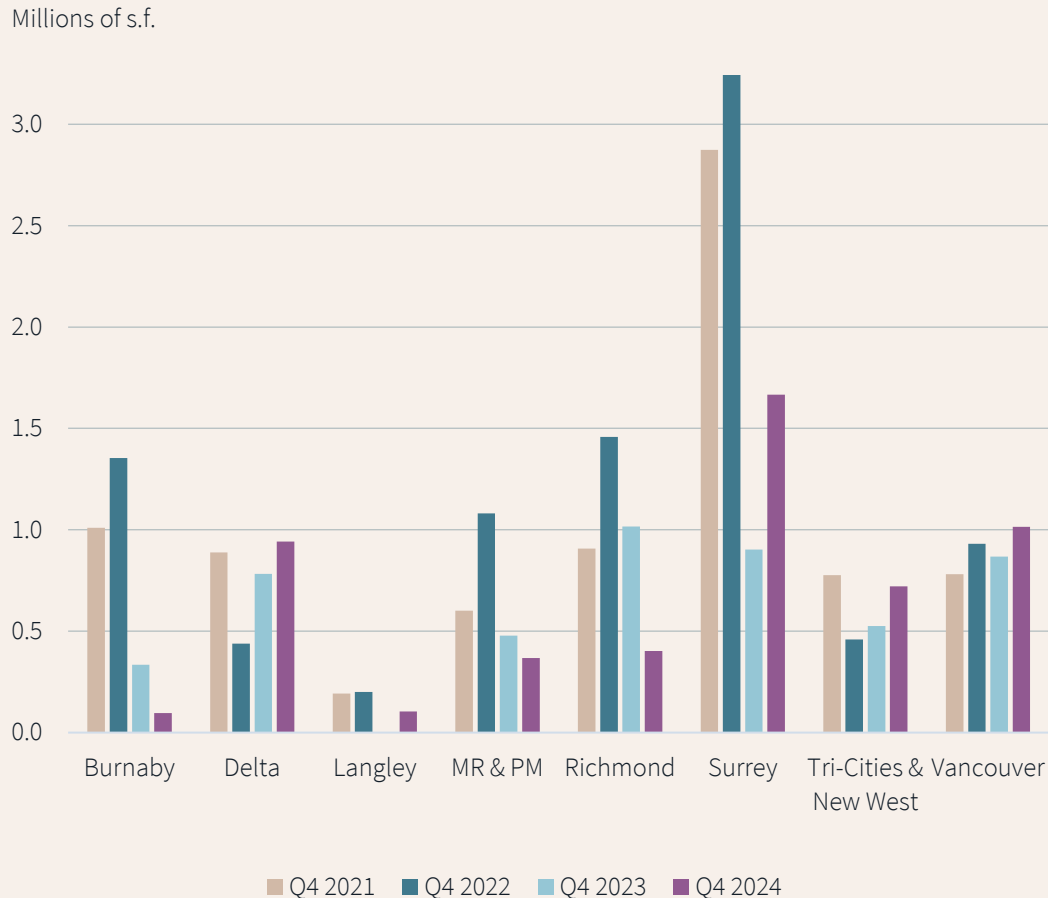
Fundamentals		Forecast
YTD net absorption	-1,015,480 s.f.	↑
Under construction	5,312,464 s.f.	↓
Preleased	31.2%	↓
YTD deliveries	2,687,887 s.f.	↑
Total vacancy	3.6%	↑
Total availability	4.7%	↑
Average asking rent	\$20.66 p.s.f.	↓
Concessions	Rising	↑

### Historical supply and demand trends



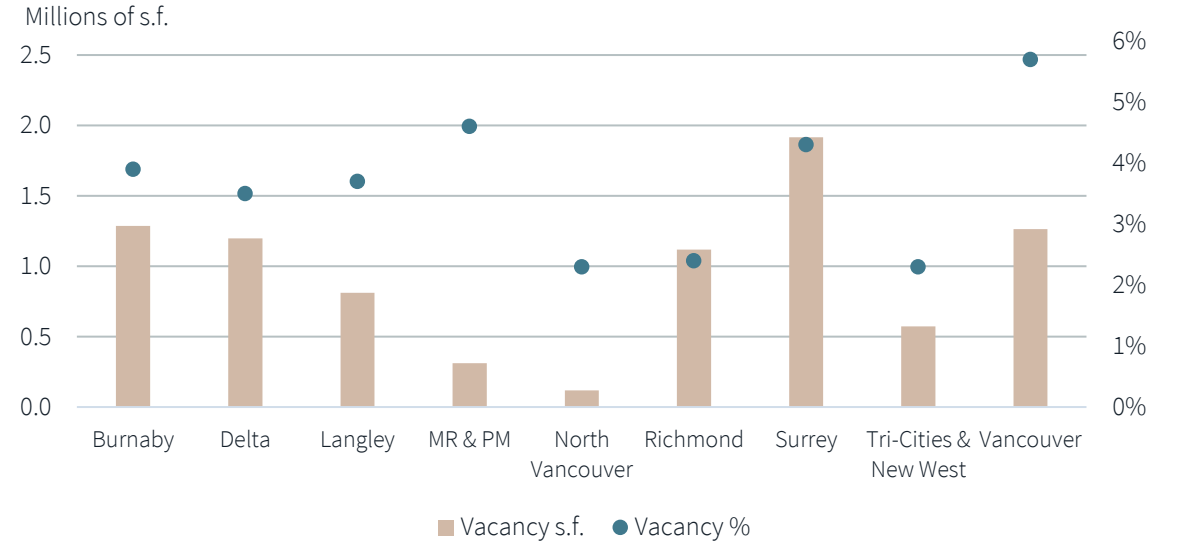


### Under Construction by Submarket

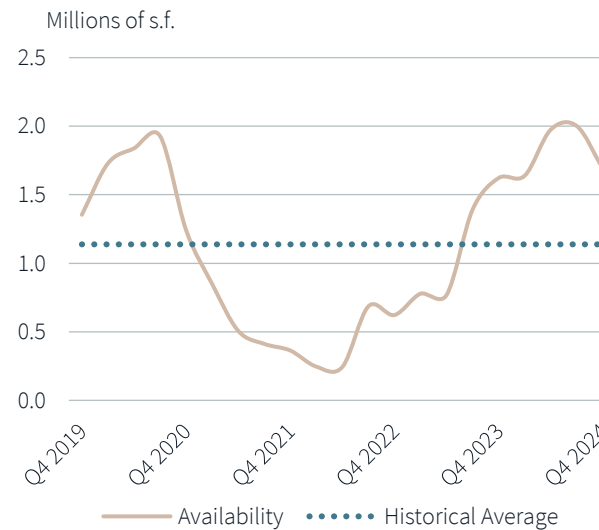


\*1.3 million s.f. from 3131 Lake City Way, Burnaby excluded from Q4 2024

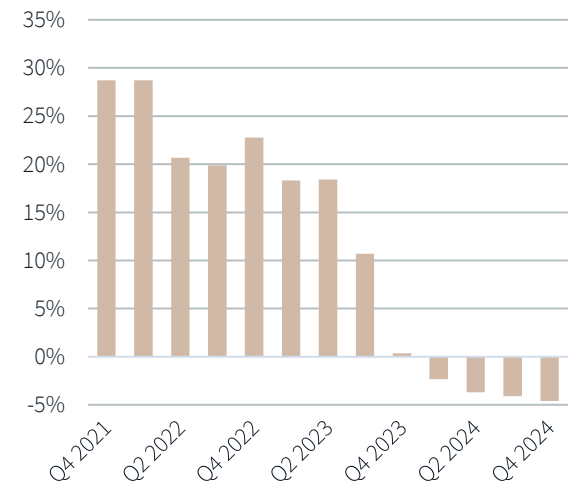
### Vacancy by Submarket



### Sublease Availability



### Year-over-Year Rent Growth



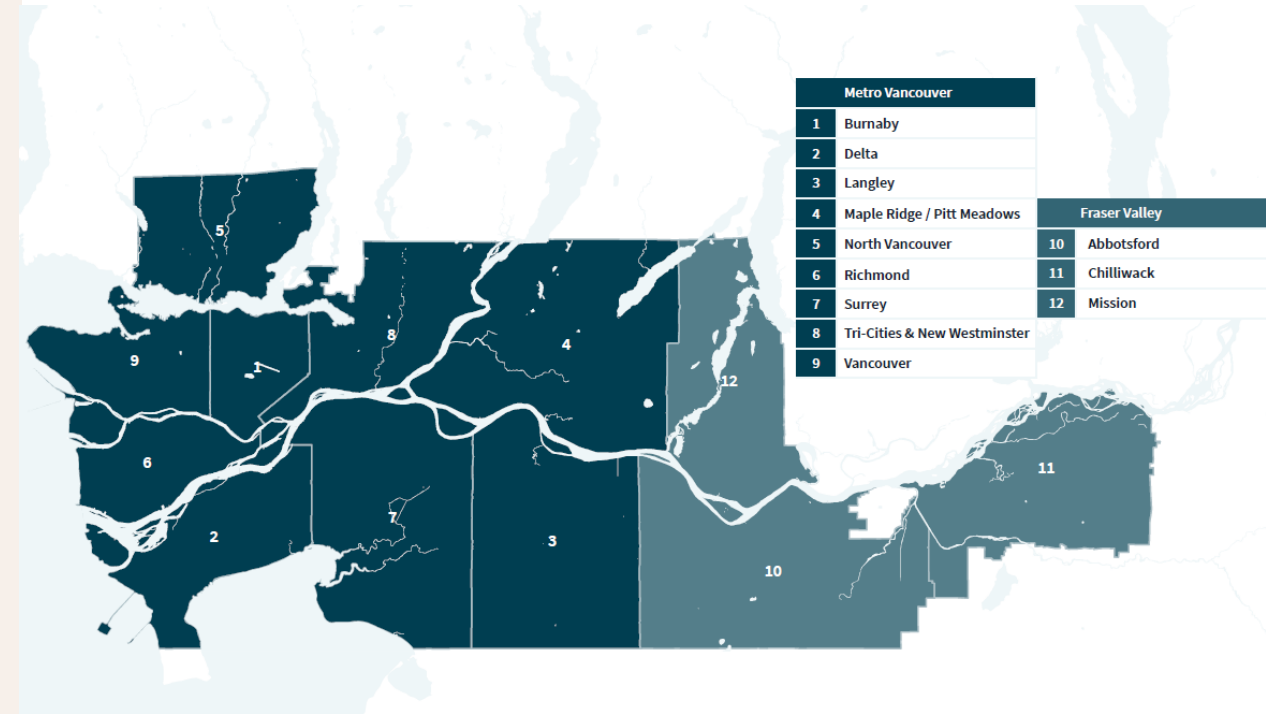
**Notable lease transactions**

Tenant	Address	Submarket	Class	Size (s.f.)	Type
General Motors	27475 58 Crescent	Langley	B	162,000	Renewal
Acrocargo Express	7200 Nelson Road	Richmond	B	138,844	Sublease
Pacific Specialty Brands	7595 Lowland Drive	Burnaby	B	113,457	New
Remco Distribution	7708 80 Street	Delta	B	91,564	New
Gemini Packaging Ltd.	12071 Jacobson Way	Richmond	B	85,123	Renewal

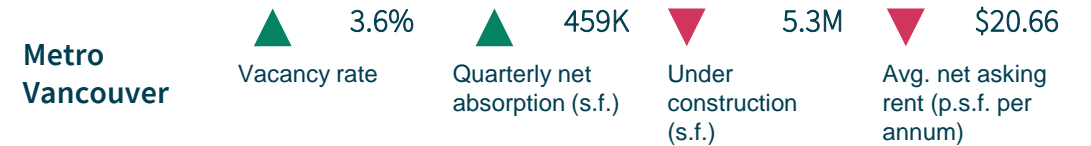
**Notable sale transactions**

Address	Price (\$M)	RBA (s.f.)	Price PSF	Buyer(s)	Seller(s)
9844 199A Street	\$34.0	45,674	\$743	FWP Real Estate Ltd.	C&S Ceramic Tile Distributors Ltd.
24 & 34 East 3 Avenue	\$12.2	4,700	\$2,596	Encorp Pacific	Private Investor
20104 Logan Avenue	\$11.4	25,377	\$448	Wal Properties Ltd.	Private Investor
970 SW Marine Drive	\$10.8	10,800	\$995	Private Investor	Kranz Investments Ltd.
2720 No. 5 Road	\$10.3	24,452	\$419	Long Holdings Inc.	Endeavor Holdings Ltd.

**Market map**



**Key metrics**





	Inventory (s.f.)	Quarterly net absorption (s.f.)	YTD total net absorption (s.f.)	YTD total net absorption (% of stock)	Total vacancy (%)	Total availability (%)	Average direct asking net rent (\$ p.s.f.)	Quarterly completions (s.f.)	YTD total completions (s.f.)	Under construction (s.f.)
Burnaby	33,054,532	47,973	-92,719	-0.3%	3.9%	5.1%	\$21.49	220,268	220,268	95,563
Delta	34,028,807	24,531	-165,416	-0.5%	3.5%	5.2%	\$19.10	0	528,179	942,465
Langley	21,739,910	109,719	-199,001	-0.9%	3.7%	4.7%	\$19.77	62,194	62,194	102,987
Maple Ridge & Pitt Meadows	6,746,705	77,448	-66,231	-1.0%	4.6%	5.6%	\$22.17	0	111,095	366,852
North Vancouver	5,153,801	-5,701	-4,358	-0.1%	2.3%	3.3%	\$22.45	0	0	0
Richmond	45,809,973	49,016	122,171	0.3%	2.4%	3.3%	\$21.86	89,904	802,954	402,566
Surrey	44,212,944	122,622	-66,085	-0.1%	4.3%	5.3%	\$19.33	200,096	710,028	1,665,786
Tri-Cities & New Westminster	24,434,116	7,880	-324,000	-1.3%	2.3%	3.1%	\$20.47	60,087	60,087	721,551
Vancouver	22,096,715	25,496	-219,841	-1.0%	5.7%	7.1%	\$22.57	99,051	193,082	1,014,694
<b>Metro Vancouver</b>	<b>237,277,503</b>	<b>458,984</b>	<b>-1,015,480</b>	<b>-0.4%</b>	<b>3.6%</b>	<b>4.7%</b>	<b>\$20.66</b>	<b>731,600</b>	<b>2,687,887</b>	<b>5,312,464</b>

	Inventory (s.f.)	Quarterly net absorption (s.f.)	Total vacancy (%)	Total availability (%)	Average direct asking net rent (\$ p.s.f.)	Quarterly completions (s.f.)	YTD total completions (s.f.)	Under construction (s.f.)
Abbotsford	12,069,651	71,616	4.5%	4.9%	\$18.39	83,409	426,457	281,162
Chilliwack	5,493,045	15,898	0.9%	0.9%	\$14.50	0	171,390	205,641
Mission	879,555	-17,019	9.5%	9.5%	\$16.36	0	0	0
<b>Fraser Valley</b>	<b>18,442,251</b>	<b>70,495</b>	<b>3.7%</b>	<b>3.9%</b>	<b>\$17.77</b>	<b>83,409</b>	<b>597,847</b>	<b>486,803</b>
<b>Metro Vancouver and Fraser Valley</b>	<b>255,719,754</b>	<b>529,479</b>	<b>3.6%</b>	<b>4.7%</b>	<b>\$20.47</b>	<b>815,009</b>	<b>3,285,734</b>	<b>5,799,267</b>



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