

Greater Vancouver Area Industrial Insight

Q1 2025

Demand for large bay warehouses increased despite tariff uncertainty.





Greater Vancouver Area

- Vacancy and availability rates have each increased by 30 basis points to 3.9% and 5.0%, respectively. This is the highest vacancy rate Metro Vancouver has seen in 10 years.
- Net absorption was positive for the second consecutive quarter with 908,243 s.f. year to date.
- Average direct asking net rent reduced by 4.4% y-o-y and increased by 0.2% q-o-q. This is the first time since Q4 2022 that there has been an increase in direct asking net rent.

In the first quarter of 2025, the Metro Vancouver industrial market experienced a slight softening while navigating policy uncertainties. This shift was reflected in the 30-basis point uptick of vacancy and availability rates. Additionally, sublease availability rose 3.6% q-o-q to 1.8 million s.f. Ambiguity surrounding trade policies has prompted tenants exposed to potential tariff impacts to adopt a cautious stance, delaying decisions and pushing back deals as they awaited clarity on future trade regulations.

Despite market uncertainty, there was strong underlying demand, particularly for Class A, large-bay distribution buildings. Consumer products and third-party logistics providers (3PLs) emerged as primary drivers of tenant demand. Notable transactions in the quarter included Heppel leasing 726,797 s.f. to IEM at 28th Avenue & 192 Street in Campbell Heights. Additionally, Conwest leased 202,646 s.f. to Intelcom at 8358 Nordel Way, with an anticipated Q3 2025 delivery. Some investors seized opportunities presented during this period of softened market conditions, aligning their strategies with

Vancouver's long-term growth prospects. Notable investment transactions this quarter include Prologis' acquisition of 9410 River Road from Hydro-Québec, totalling 289,000 s.f.

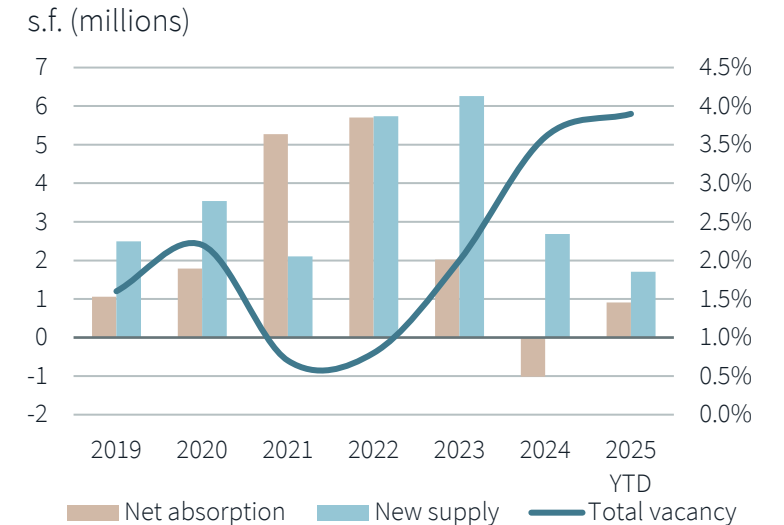
The under-construction pipeline decreased 19% q-o-q to 4.3 million s.f. This reduction stems from 1.7 million s.f. in quarterly completions, construction financing challenges, and Metro Vancouver's continued land scarcity which have significantly slowed new groundbreakings. The pre-committed rate for quarterly completions increased from 30% to 82% q-o-q, which contributed to the 908,243 s.f. of positive net absorption year to date.

Outlook

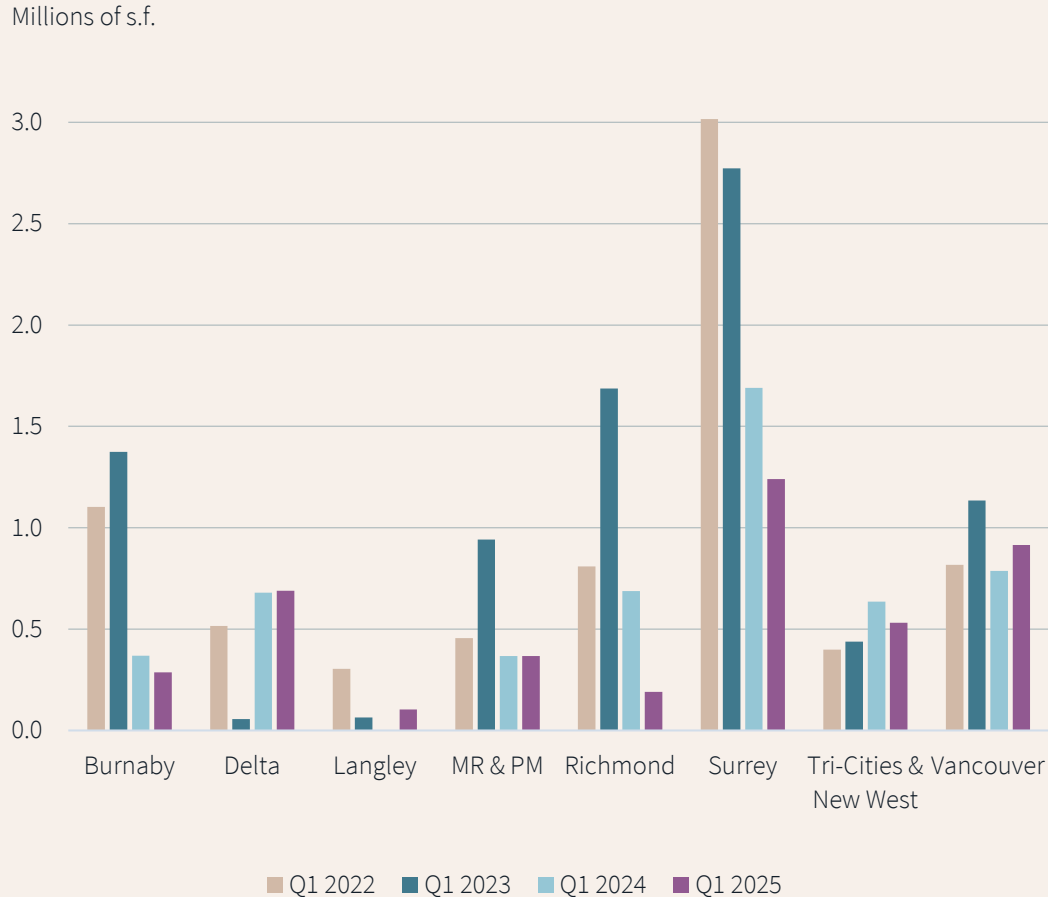
As policy uncertainties persist around tariffs and their potential impact on demand for warehoused product, some tenants may continue their "wait and see" approach. While the market showed some signs of caution, the strong pre-committed rate and an increase in demand for Class A space reflects strong underlying fundamentals.

Fundamentals		Forecast
YTD net absorption	908,243 s.f.	↑
Under construction	4,321,527 s.f.	↓
Preleased	37.0%	↑
YTD deliveries	1,704,623 s.f.	↑
Total vacancy	3.9%	↑
Total availability	5.0%	↑
Average asking rent	\$20.69 p.s.f.	↓
Concessions	Rising	↑

Historical supply and demand trends

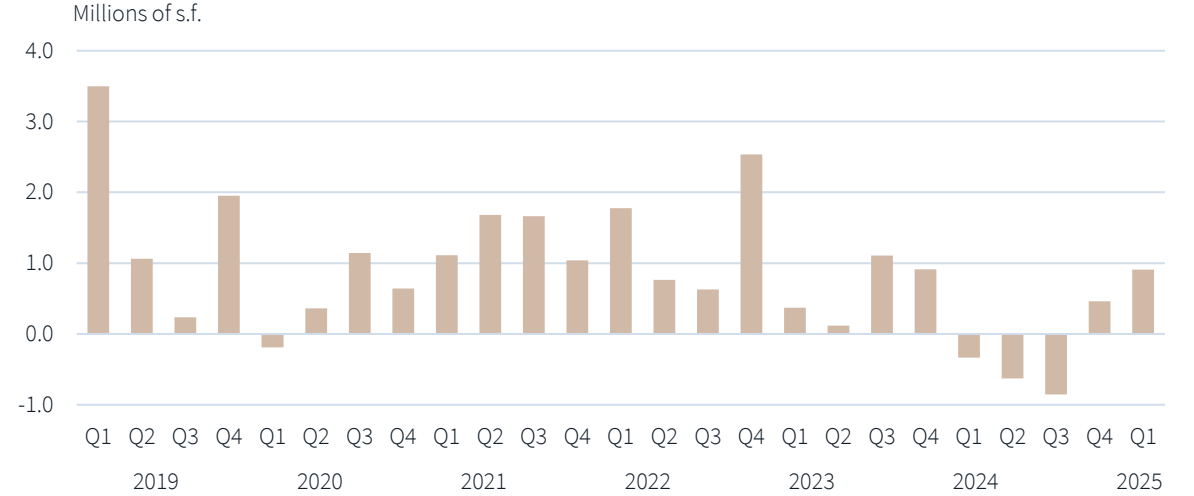


Under Construction by Submarket

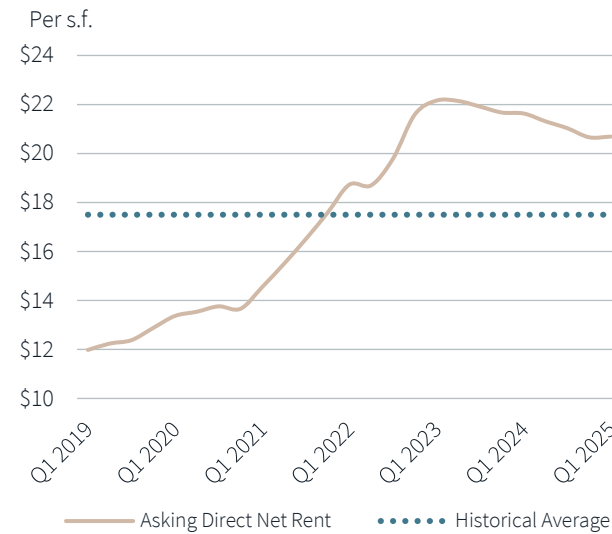


*1.3 million s.f. from 3131 Lake City Way, Burnaby excluded from Q1 2024 & Q1 2025

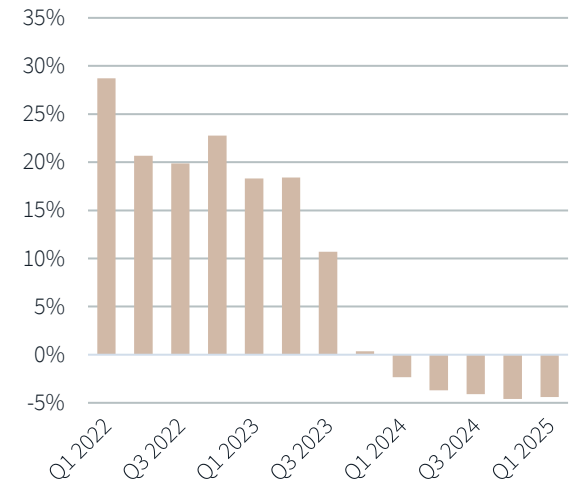
Historical Net Absorption



Average Asking Direct Net Rent



Year-over-Year Rent Growth



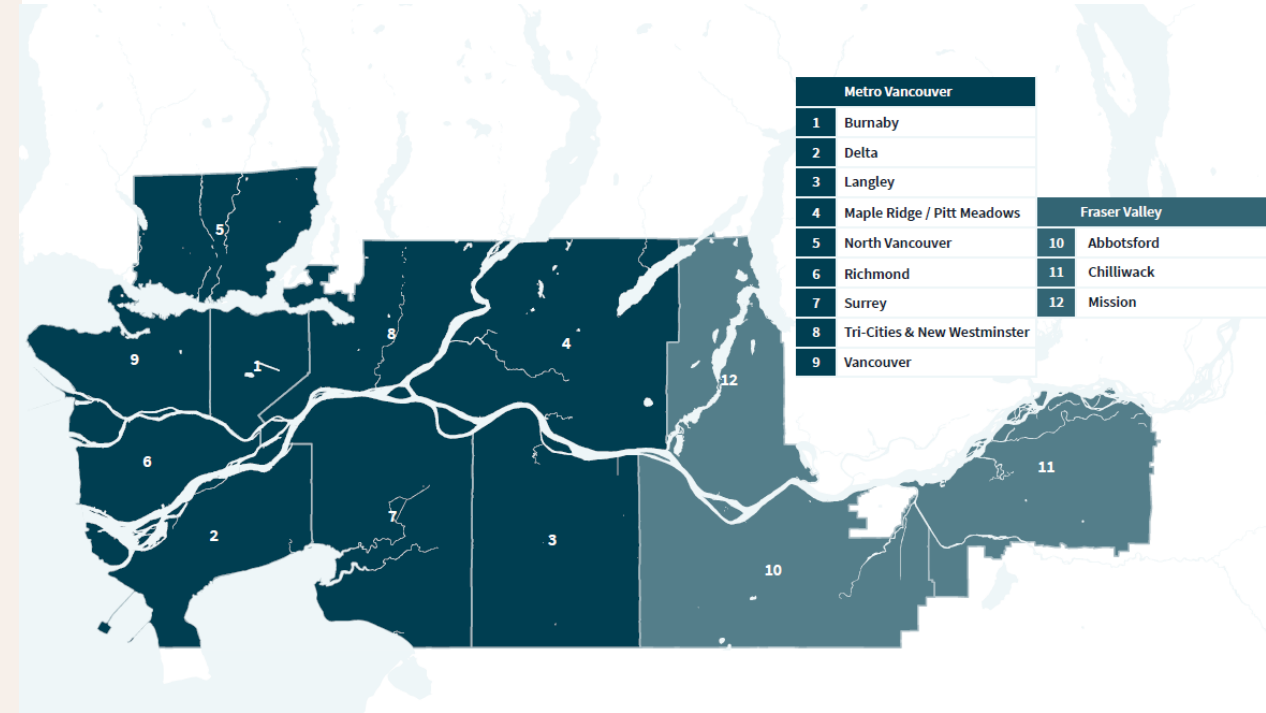
Notable lease transactions

Tenant	Address	Submarket	Class	Size (s.f.)	Type
IEM	28th Avenue & 192nd Street	Surrey	A	726,797	New
Intelcom	8358 Nordel Way	Delta	A	202,646	New
AccessSMT Ltd.	8041 132nd Street	Surrey	B	81,401	Expansion
SGS Canada Inc.	3260 Production Way	Burnaby	B	63,000	Renewal
GoodCang Logistics Canada Corp.	19159 22nd Avenue	Surrey	B	57,038	New

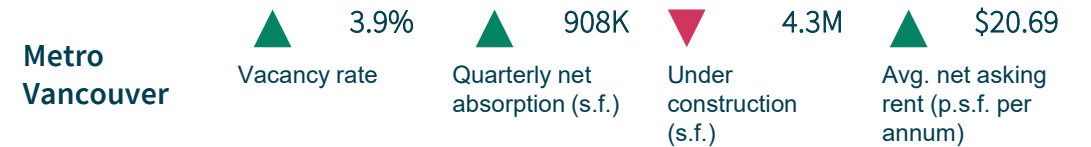
Notable sale transactions

Address	Price (\$M)	RBA (s.f.)	Price PSF	Buyer(s)	Seller(s)
9410 River Road	Undisclosed	289,000	N/A	Prologis	Hydro-Québec
1465 Kebet Way	\$38.7	92,224	\$419	C.J.A.D. Holdings Ltd.	Norco Management Inc.
7915 130th Street	\$26.0	35,126	\$739	1521378 B.C. Ltd.	Beedie
4590 Canada Way	\$24.5	33,000	\$742	Estruxture Data Centers	618703 B.C. Ltd.
1407 Kebet Way	\$20.0	40,321	\$496	Coquitlam Holdings Inc.	Private Investor

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	33,003,237	-34,739	-34,739	-0.1%	3.8%	6.0%	\$21.36	0	0	287,159
Delta	34,271,449	23,831	23,831	0.1%	4.2%	6.0%	\$19.20	254,028	254,028	688,437
Langley	21,760,197	-36,676	-36,676	-0.2%	4.0%	5.0%	\$19.89	0	0	102,987
Maple Ridge & Pitt Meadows	6,746,705	-34,502	-34,502	-0.5%	4.0%	8.2%	\$20.08	0	0	366,852
North Vancouver	5,154,659	-32,608	-32,608	-0.6%	2.9%	3.8%	\$21.93	0	0	0
Richmond	46,053,602	144,588	144,588	0.3%	2.6%	3.4%	\$21.80	212,649	212,649	189,917
Surrey	45,187,677	699,494	699,494	1.5%	4.9%	4.8%	\$18.91	970,419	970,419	1,240,012
Tri-Cities & New Westminster	24,612,937	107,205	107,205	0.4%	2.6%	3.4%	\$21.95	167,873	167,873	531,123
Vancouver	22,219,268	71,650	71,650	0.3%	5.9%	6.9%	\$22.88	99,654	99,654	915,040
Metro Vancouver	239,009,731	908,243	908,243	0.4%	3.9%	5.0%	\$20.69	1,704,623	1,704,623	4,321,527

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Abbotsford	12,094,432	20,875	4.4%	5.8%	\$18.70	0	0	281,162
Chilliwack	5,493,045	3,653	0.9%	0.0%		0	0	205,641
Mission	879,555	-3,634	9.9%	9.2%	\$16.36	0	0	174,958
Fraser Valley	18,467,032	20,894	3.6%	4.2%	\$18.42	0	0	661,761
Metro Vancouver and Fraser Valley	257,476,763	929,137	3.9%	5.0%	\$20.55	1,704,623	1,704,623	4,983,288



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