Greater Vancouver Area Industrial Market Dynamics

Q3 2025

Demand for class A warehousing drove positive absorption while the development pipeline contracted.

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- The Metro Vancouver and Fraser Valley vacancy rate has increased by 10 bps q-o-q to 4%, which is the highest vacancy since Q3 2015.
- Average direct asking net rent declined by 4% y-o-y and decreased by 2% q-o-q. This is the lowest asking rent since Q3 2022.
- The under-construction pipeline has reached the lowest level since Q3 2020, at 3.7 million s.f. Construction starts have slowed considerably from recent years peak activity, with space under development declining 34% y-o-y.

The Greater Vancouver Area's industrial market experienced a modest 10 bps vacancy increase to 4% quarter-over-quarter amid continued economic uncertainty. Despite this, absorption remained positive, recording 203,098 s.f., though performance diverged across building classes. Class A properties captured all positive absorption gains while lower-tier building classes experienced net contractions, underscoring the flight-to-quality trend as tenants continued to prioritize modern, well-located facilities. Additionally, sublease availability fell 6% from the previous quarter to 1.97 million s.f., which is a leading indicator that typically signals strengthening market fundamentals in oncoming quarters.

Market dynamics continued to be tenant-favoured, with extended marketing periods resulting in asking rents declining 4% from Q3 2024 to $19.94 p.s.f. Leasing momentum increased for large bay headlease deals, with 771,696 s.f. of new lease deals exceeding 50,000 s.f. completed during Q3. Year-to-date, leasing activity has been concentrated in 3PLs, logistics, and construction material industries.

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Notable headlease transactions included Beedie leasing 349,272 s.f. at 4449 Salish Sea Way to Pantos Logistics which is set for Q4 completion and Curmin Sales Limited leasing 132,000 s.f. at 7260 Winston Street to Shogun 2 Productions Canada Inc.

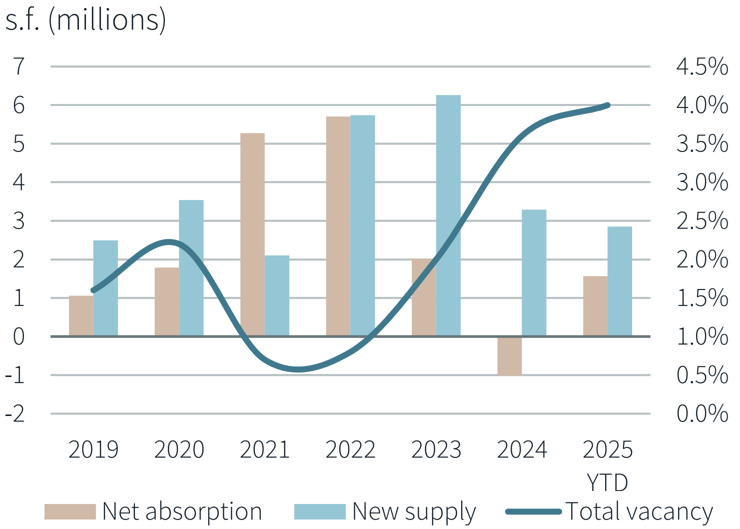
The construction pipeline continued to contract with 3.7 million s.f. under development, down 34% year-over-year. This decline resulted from 2.8 million s.f. of completions year-to-date paired with 527,434 s.f. of groundbreakings in 2025, reflecting developers' cautious approach to project starts.

Outlook

Looking ahead, supply-demand dynamics are expected to gradually stabilize, as the declining construction pipeline will create opportunity for the absorption of recently completed vacant space. Record trade volumes at the Port of Vancouver of over 85 million metric tonnes in the first half of 2025 reinforced Vancouver's position as a diversified trade gateway, driving continued logistics demand despite ongoing tariff uncertainties.

Fundamentals		Forecast
YTD net absorption	1,563,895 s.f.	↑
Under construction	3,694,445 s.f.	↓
Preleased	44%	↓
YTD deliveries	2,847,184 s.f.	↑
Total vacancy	4.0%	↑
Total availability	5.4%	↑
Average asking rent	$19.94 p.s.f.	↓
Concessions	Rising	↑

Historical supply and demand trends



*Data includes Fraser Valley starting in Q3 2024

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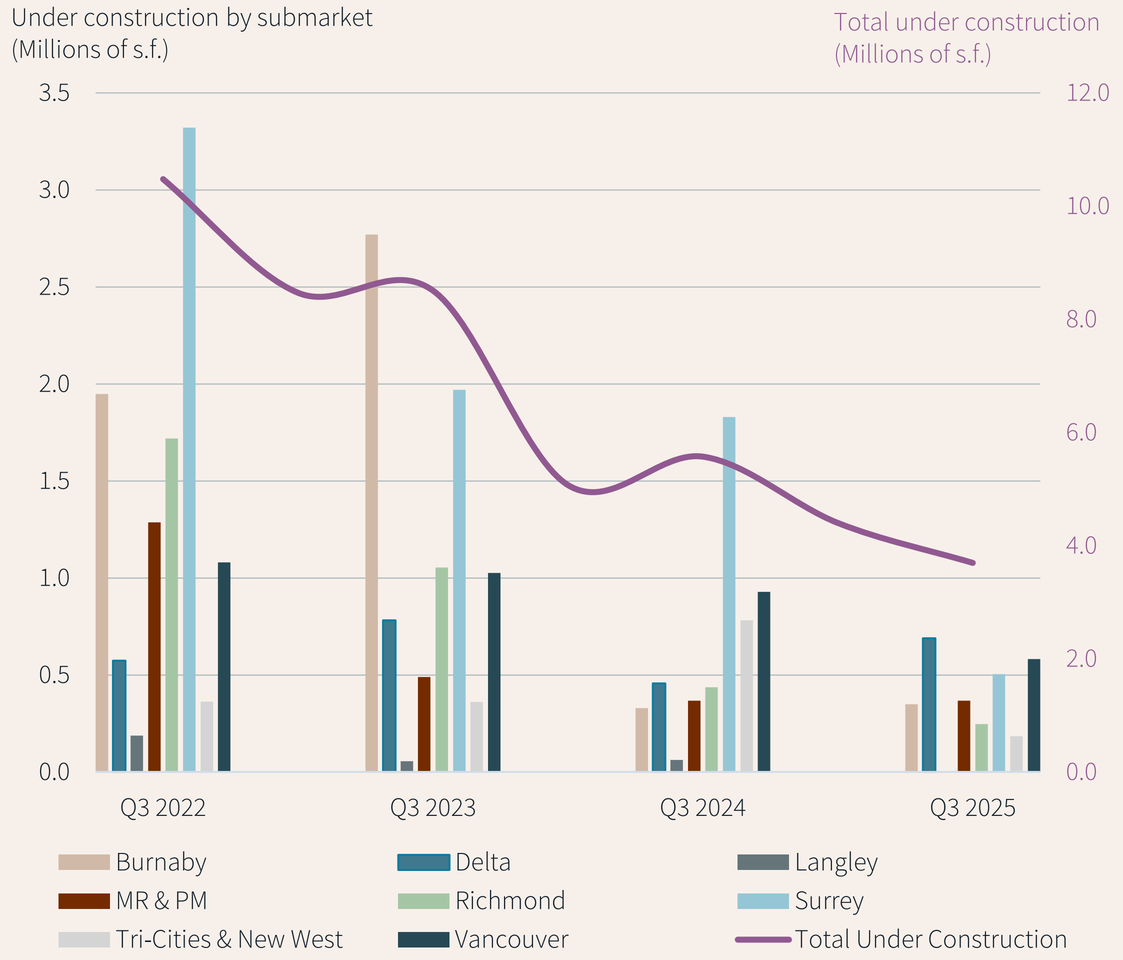
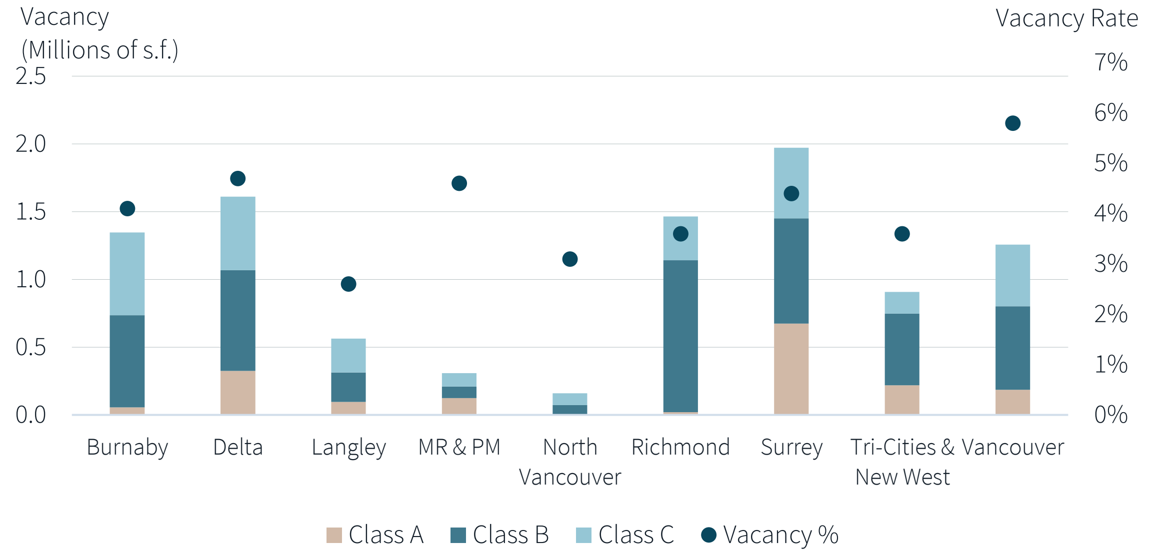
Under Construction by Submarket

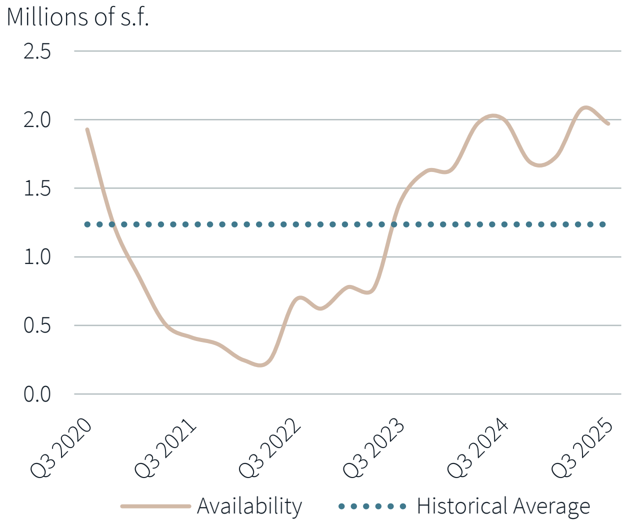


*1.3 million s.f. from 3131 Lake City Way, Burnaby excluded from Q3 2023 – Q3 2025

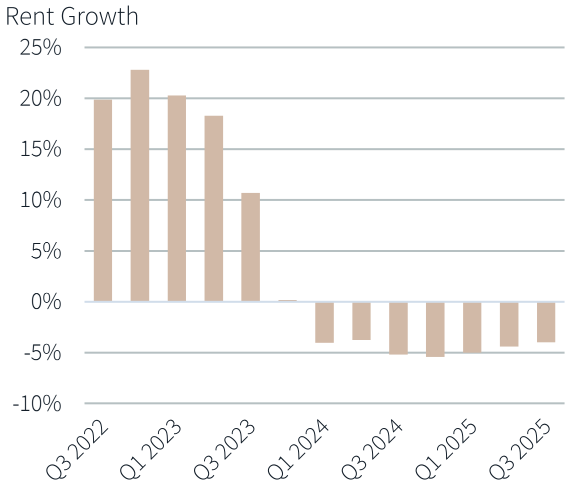
Vacancy by Submarket and Building Class



Sublease Availability



Year-over-Year Rent Growth



*Data includes Fraser Valley starting in Q3 2024

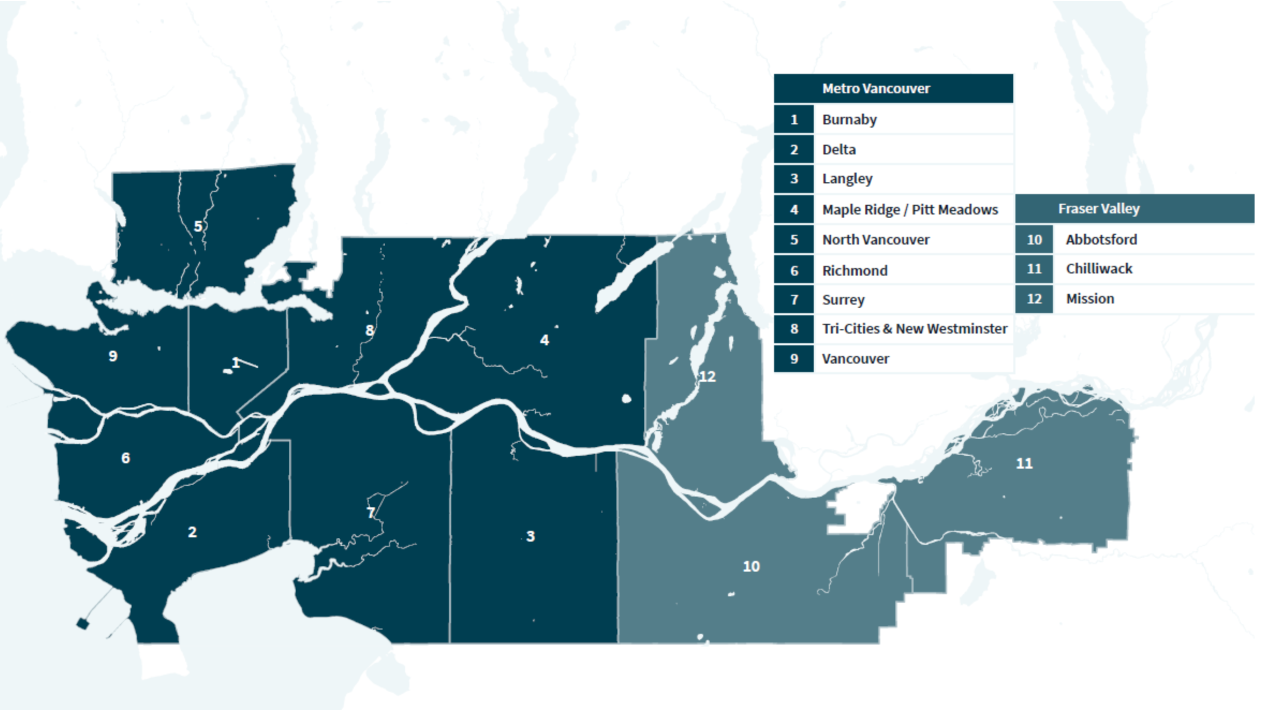
Notable lease transactions

Tenant	Address	Submarket	Class	Size (s.f.)	Type
Pantos Logistics Inc.	4449 Salish Sea Way	Delta	A	349,272	New
Shogun 2 Productions Canada Inc.	7260 Winston Street	Burnaby	B	132,000	New
D-Home International Logistics Ltd.	16111 Blundell Road	Richmond	A	123,669	New
XTL Distribution Inc.	7990 Hoskins Street	Delta	B	111,381	Extension
Cascadia Metals Ltd.	6705 Dennett Place	Delta	B	110,000	New

Notable sale transactions

Address	Price ($M)	RBA (s.f.)	Price PSF	Buyer(s)	Seller(s)
26680 Gloucester Way	$26.5	45,298	$585	TBM Holdco Ltd.	Benjamin Moore & Co., Limited
904 & 908 Cliveden Avenue	$22.0	69,137	$318	Big Mountain Foods	Yegre EB Ltd.
1900 Brigantine Drive	$20.4	37,848	$539	Polycrete Restorations Ltd.	Skeans Holdings Ltd.
15336 31st Avenue	$15.1	65,735	$229	PSG Storage 31st Ave Surrey BC Holdings Inc.	Iom Croydon Professional Centre Ltd.
7471 Vantage Way	$13.7	34,000	$404	1533851 B.C. Ltd.	Jamieson's Pet Food Distributors Ltd.

Market map



Key metrics

Greater Vancouver Area

▲ 4.0%	▼ 203K	▼ 3.7M	▼ $19.94
Vacancy rate	Quarterly net absorption (s.f.)	Under construction (s.f.)	Avg. net asking rent (p.s.f. per annum)

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	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	33,032,128	-95,046	-79,775	-0.2%	4.1%	6.0%	$20.42	0	29,190	348,292
Delta	34,269,295	-67,514	-160,503	-0.5%	4.7%	6.0%	$19.16	0	254,028	688,321
Langley	21,887,880	259,515	268,667	1.2%	2.6%	4.4%	$18.13	0	0	0
Maple Ridge & Pitt Meadows	6,744,464	7,377	-113,269	-1.7%	4.6%	9.3%	$19.17	0	0	366,852
North Vancouver	5,167,915	10,250	-41,120	-0.8%	3.1%	3.8%	$21.70	0	0	0
Richmond	46,081,712	-368,311	-228,261	-0.5%	3.6%	5.1%	$20.58	0	212,649	246,482
Surrey	45,519,064	460,924	1,195,777	2.6%	4.4%	5.3%	$18.47	262,438	1,326,535	503,921
Tri-Cities & New Westminster	25,021,586	-4,271	201,332	0.8%	3.6%	4.4%	$21.36	59,497	524,615	184,502
Vancouver	22,502,067	-55,564	318,615	1.4%	5.8%	7.6%	$21.95	100,137	375,081	581,031
Metro Vancouver	240,226,111	147,360	1,361,463	0.6%	4.1%	5.6%	$20.05	422,072	2,722,098	2,919,401
Abbotsford	12,238,434	47,505	148,230	1.2%	4.3%	4.6%	$17.98	77,969	125,086	156,300
Chilliwack	5,493,045	0	42,044	0.8%	0.2%	0.2%	$13.70	0	0	216,620
Mission	879,555	8,233	12,158	1.4%	8.1%	8.1%	$16.73	0	0	402,124
Fraser Valley	18,611,034	55,738	202,432	1.1%	3.3%	3.4%	$17.71	77,969	125,086	775,044
Metro Vancouver & Fraser Valley	258,837,145	203,098	1,563,895	0.6%	4.0%	5.4%	$19.94	500,041	2,847,184	3,694,445

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