

Greater Vancouver Area Industrial Market Dynamics

Q4 2025

Tenant-favoured market conditions continued as vacancy reached 4.3%.





Greater Vancouver Area

- Vacancy and availability rates have increased by 30 bps and 40 bps to 4.3% and 5.8%, respectively. This is the highest vacancy rate Vancouver has seen since Q2 2015.
- Quarterly net absorption was 289,001 s.f., bringing year-to-date net absorption to 1.7M s.f.
- The under-construction pipeline declined to a multi year low of 2.7M s.f. New development starts have slowed compared to the surge in previous years, with space under construction down 55% from Q4 2024.

Greater Vancouver Area's vacancy increased 30 basis points to 4.3% in Q4 as tenant-favoured market conditions continued. Vacant space within the 50,000-99,000 s.f. building size segment experienced the largest increase across all building segments. Large bay headleases over 50,000 s.f. declined to 337,904 s.f., down 56% from the previous quarter. However, notable headlease deals in Delta included Dayhu leasing 109,883 s.f. to Goodcang Logistics and Beedie leasing 102,815 s.f. to Hillebrand Gori. Leasing activity was driven primarily by third-party logistics providers and distribution companies seeking well-located, modern facilities to accommodate expanding supply chain requirements in Vancouver.

Heightened competition among landlords has strengthened tenant negotiating leverage, contributing to increased incentives such as increased free rent periods and flexible demising options. Average asking net rents declined 4.1% year-over-year to \$19.62 p.s.f., the lowest rates since Q2 2022, as listings stayed on the market for longer periods of time.

The construction pipeline continued to be a notable component of the market cooldown, decreasing 22% quarter-over-quarter as developers maintained a cautious approach to new project starts amid economic uncertainty. Quarterly completions totalled 1.1M s.f., with 243,737 s.f. vacant upon completion. Net absorption remained positive at 289,001 s.f., driven by sustained demand for well-located class A warehousing. Positive absorption gains included Pantos Logistics move into 4449 Salish Sea Way in Delta, which delivered during the quarter.

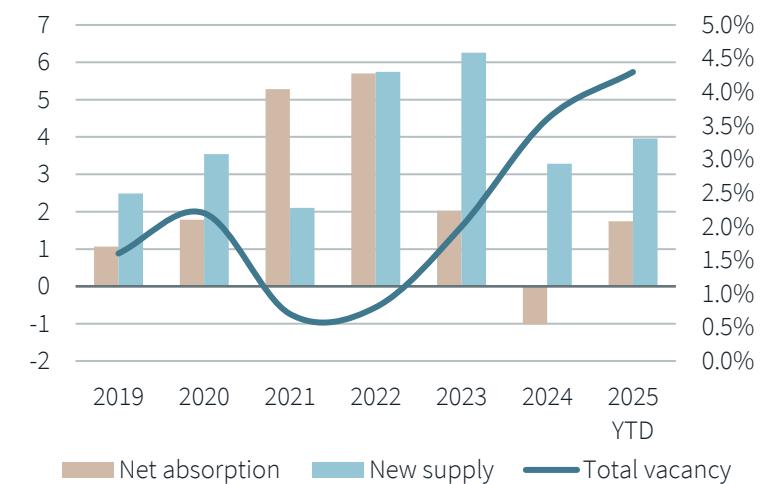
Outlook

Vancouver's industrial market may begin to shift toward more landlord-favorable conditions in the coming year, with active user requirements representing 81% of available existing inventory and under-construction product. The combination of reduced construction activity and sustained occupier demand is positioning the market for potential rebalancing in the coming quarters. Construction, machinery, materials and third-party logistics industries are anticipated to drive future industrial demand.

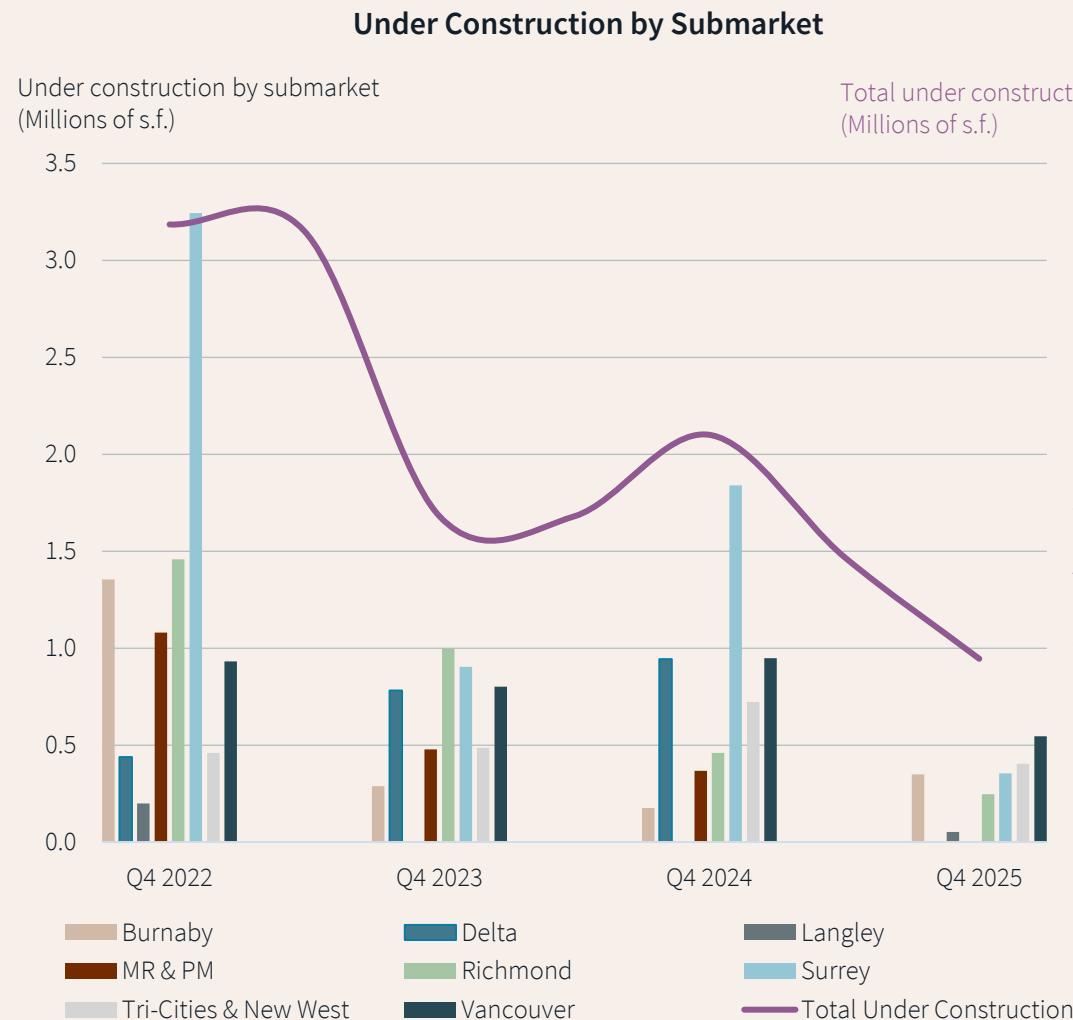
Fundamentals	Forecast
YTD net absorption	1,743,867 s.f. ↑
Under construction	2,729,267 s.f. ↓
Preleased	47% ↑
YTD deliveries	3,961,519 s.f. ↓
Total vacancy	4.3% ↑
Total availability	5.8% ↑
Average asking rent	\$19.62 p.s.f. ↓
Concessions	Rising ↑

Historical supply and demand trends

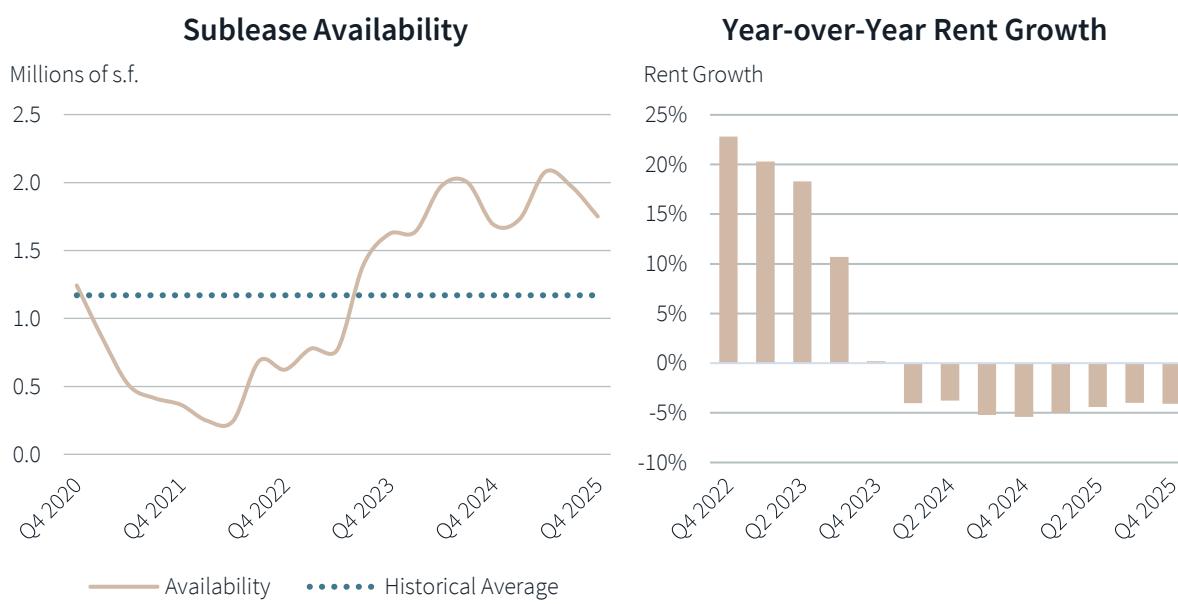
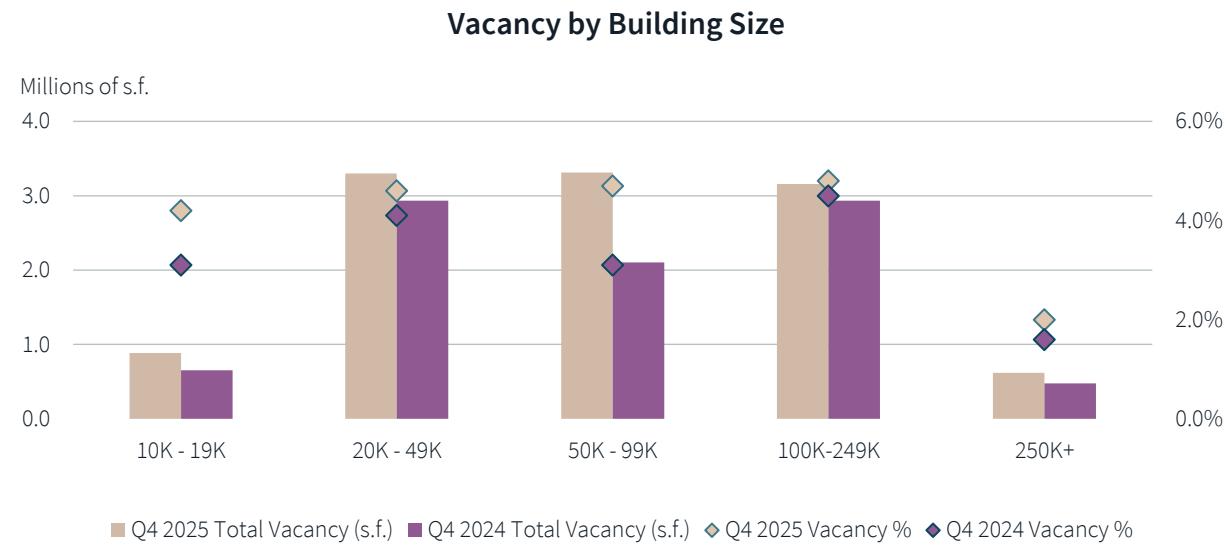
s.f. (millions)



*Data includes Fraser Valley starting in Q3 2024

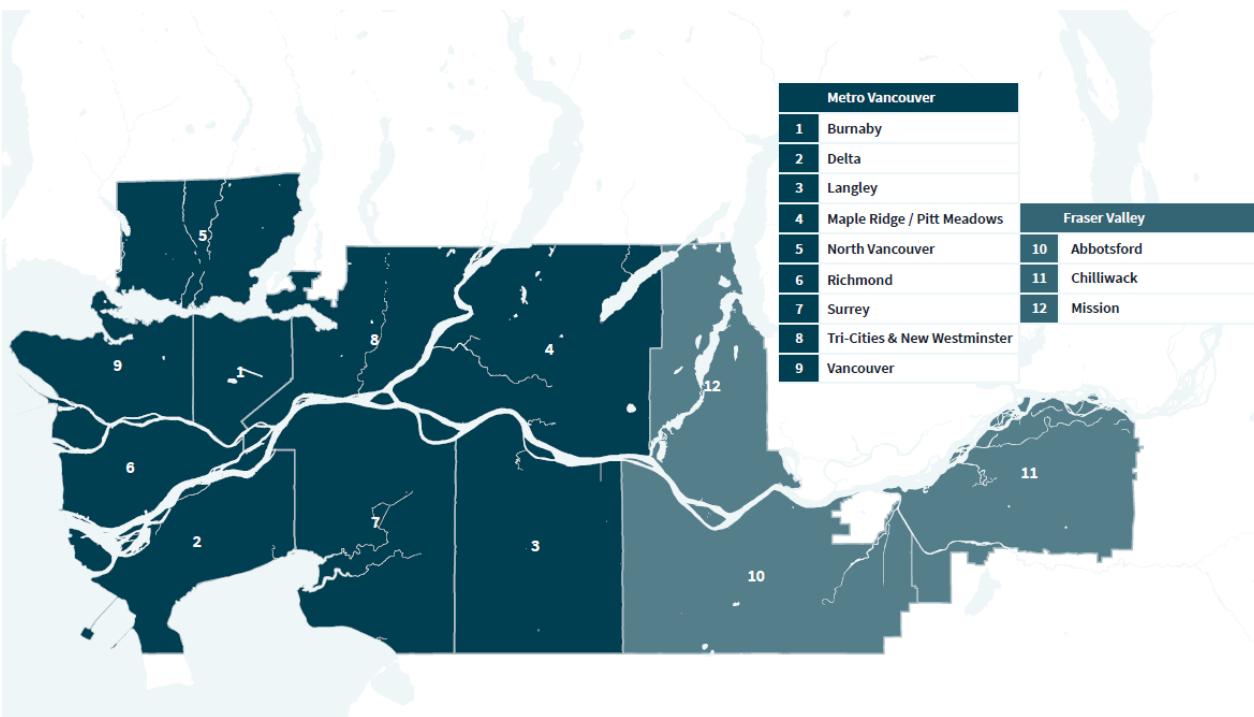


*1.0 million s.f. from 3131 Lake City Way, Burnaby excluded from Q3 2023 – Q3 2025



*Data includes Fraser Valley starting in Q3 2024

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Market map

Notable lease transactions

Tenant	Address	Submarket	Class	Size (s.f.)	Type
Goodcang Logistics	8151 Churchill Street	Delta	A	109,883	New
Hillebrand Gori Canada	7555 Beedie Way	Delta	A	102,815	New
Riverbend Distribution	927 Derwent Way	Delta	B	78,759	Sublease
Cascades Containerboard Packaging	1700 No. 6 Road	Richmond	C	71,763	Extension
National Cargo Services	13248 Worster Court	Richmond	B	64,383	Sublease

Notable sale transactions

Address	Price (\$M)	RBA (s.f.)	Price PSF	Buyer(s)	Seller(s)
2551 Viking Way	\$34.0	129,700	\$262	Viva Pharmaceuticals	GEA Canada Inc.
1658 Industrial Avenue	\$20.6	42,297	\$487	1658 Industrial Holdings Ltd.	0984390 B.C. Ltd.
12487 82nd Avenue	\$14.0	26,745	\$522	Arctech Holdings Ltd.	1347063 B.C. Ltd.
6600 Fraserwood Place	\$13.3	31,051	\$427	The Treadmill Factory	Sunlife Nutrition Inc.
12850 87th Avenue	\$12.6	24,850	\$507	1556519 B.C. Ltd.	0875519 B.C. Ltd.

Key metrics

Greater Vancouver Area	 4.3%	 289K	 2.7M	 \$19.62
Vacancy rate	Quarterly net absorption (s.f.)	Under construction (s.f.)	Avg. net asking rent (p.s.f. per annum)	



	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	33,013,181	-351,554	-455,226	-1.4%	5.2%	6.0%	\$20.42	-	29,190	348,292
Delta	34,958,371	422,009	261,506	0.7%	5.4%	5.8%	\$18.94	688,321	942,349	-
Langley	21,882,261	-6,945	261,722	1.2%	2.6%	6.0%	\$19.17	-	-	52,200
Maple Ridge & Pitt Meadows	6,744,496	-169,277	-282,546	-4.2%	7.1%	9.6%	\$18.02	-	-	-
North Vancouver	5,167,162	-10,241	-51,361	-1.0%	3.3%	2.9%	\$22.22	-	-	-
Richmond	46,089,595	134,174	-94,087	-0.2%	3.3%	5.0%	\$20.42	-	212,649	246,482
Surrey	45,717,966	136,608	1,322,555	2.9%	4.6%	5.8%	\$18.12	219,227	1,545,762	353,716
Tri-Cities & New Westminster	24,935,051	-21,846	92,827	0.4%	3.7%	5.3%	\$20.59	-	524,615	403,712
Vancouver	22,546,758	-69,086	260,886	1.2%	6.3%	8.6%	\$21.62	35,000	410,081	546,031
Metro Vancouver	241,054,841	63,842	1,316,276	0.5%	4.5%	5.9%	\$19.71	942,548	3,664,646	1,950,433
Abbotsford	12,308,781	129,769	277,999	2.3%	3.8%	5.6%	\$17.83	70,627	195,713	160,090
Chilliwack	5,594,205	98,161	140,205	2.5%	0.2%	0.2%	\$15.24	101,160	101,160	216,620
Mission	879,555	-2,771	9,387	1.1%	8.4%	6.7%	\$16.50	-	-	402,124
Fraser Valley	18,782,541	225,159	427,591	2.3%	3.0%	4.0%	\$17.67	171,787	296,873	778,834
Metro Vancouver & Fraser Valley	259,837,382	289,001	1,743,867	0.7%	4.3%	5.8%	\$19.62	1,114,335	3,961,519	2,729,267

**Research**

Vancouver

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