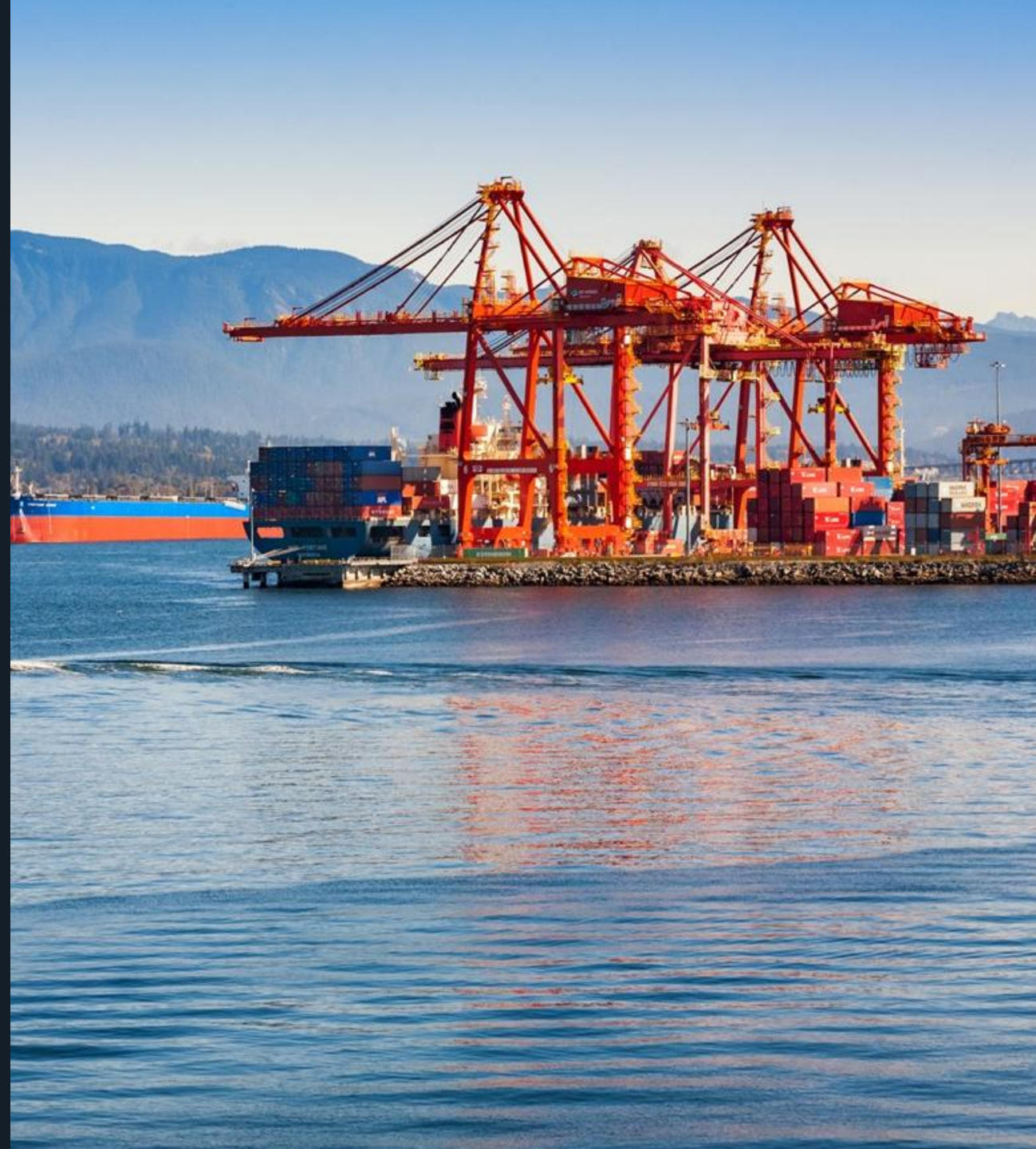


# Greater Vancouver Area Industrial Market Dynamics

Q1 2026

Vacancy reached 4.5% while the construction pipeline shifted towards build-to-suit





# Greater Vancouver Area

- The Metro Vancouver and Fraser Valley vacancy rate has increased by 20 bps q-o-q and 70 bps y-o-y to 4.5%, which is the highest vacancy since Q2 2015.
- Average direct asking net rent declined by 0.5% q-o-q and decreased by 4.9% y-o-y. This is the lowest asking rent since Q2 2022.
- The under-construction pipeline has decreased 37% y-o-y to 2.9 million s.f. 71% of new groundbreakings this quarter were build-to-suit, as challenges continued to limit speculative development.

Greater Vancouver Area's vacancy rose by 70 basis points y-o-y to 4.5%, marking the fourteenth consecutive quarter of increases. Net absorption totaled 394,160 s.f., driven by sustained demand for Class A and B warehousing. Large-bay leasing activity strengthened, with headlease and sublease deals over 50,000 s.f. up 92% q-o-q. Notable deals included a 214,844 s.f. sublease to D-Home Logistics at 18899 28th Avenue in Surrey, and Beedie leasing 132,927 s.f. to Rexel at 4449 Salish Sea Way in Delta. Investment activity gained momentum in Q1, highlighted by Groupe Montoni's acquisition of 5085 North Fraser Way from Dorigo Systems, totalling 106,100 s.f. Meanwhile, the strata market remained subdued, with average prices declining to sub-\$550 p.s.f., well below peak market levels.

Despite the overall increase in vacancy, availability for large-format product contracted, as existing and under-construction Class A space over 100,000 s.f. declined 75% y-o-y. This contraction signals a market divergence, where institutional users face supply constraints with increased competition for quality, large-format warehousing.

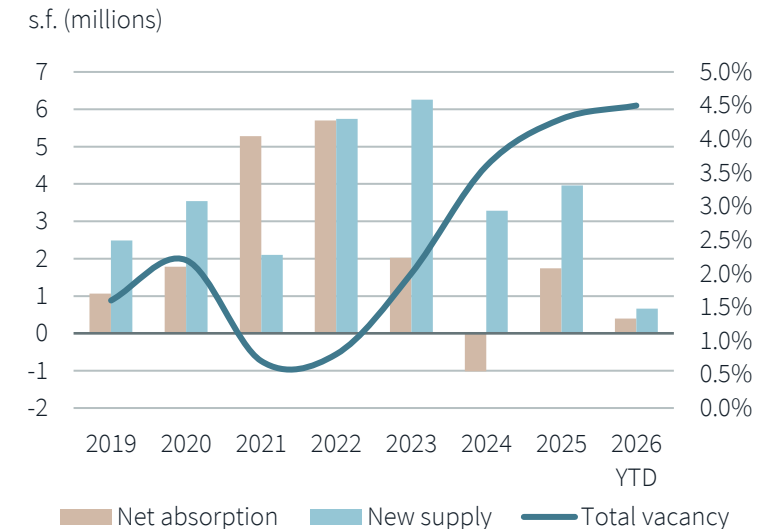
The construction pipeline contracted 37% year-over-year to 2.9 million s.f. Within the under-construction pipeline, build-to-suit developments now represent 54% of the pipeline, up from just 20% in Q1 2025. This shift reflects a strategic move away from speculative development, as rising development charges, elevated land and construction costs combined with negative rent growth have created barriers to speculative starts. As a result, many developers have continued their "wait and see" approach to groundbreakings that are not pre-committed.

### Outlook

Despite economic headwinds in 2025, the Port of Vancouver achieved record container volumes, processing 3.8 million TEUs, a 9% increase from 2024. The resilient port activity signals strong underlying demand for Vancouver logistics space. The limited construction pipeline indicates that the current tenant-favorable market is shifting toward more balanced conditions and potentially shifting towards landlord-favorable market in the large-format, class A segment.

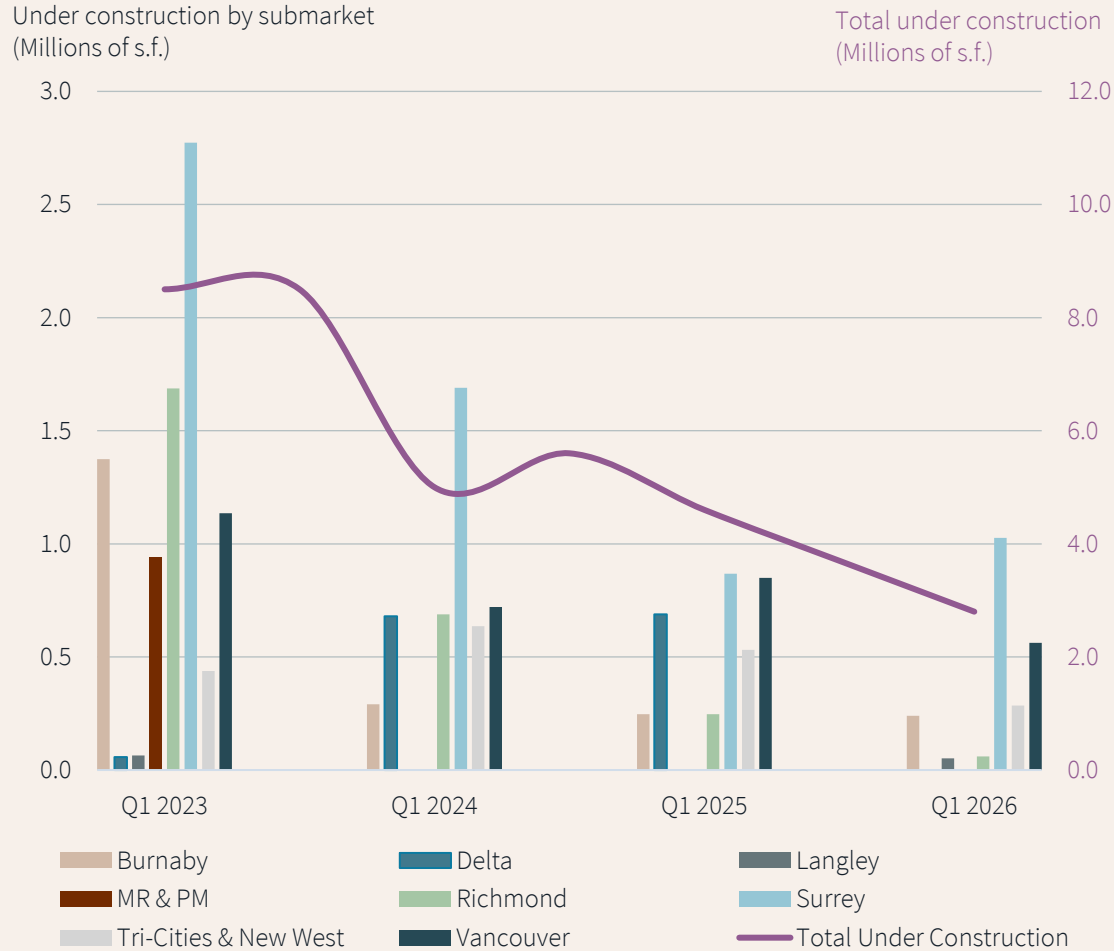
Fundamentals		Forecast
YTD net absorption	394,160 s.f.	↑
Under construction	2,895,989 s.f.	↓
Preleased	65%	↑
YTD deliveries	663,910 s.f.	↑
Total vacancy	4.5%	↑
Total availability	6.1%	↑
Average asking rent	\$19.54 p.s.f.	↓
Concessions	Rising	↑

### Historical supply and demand trends



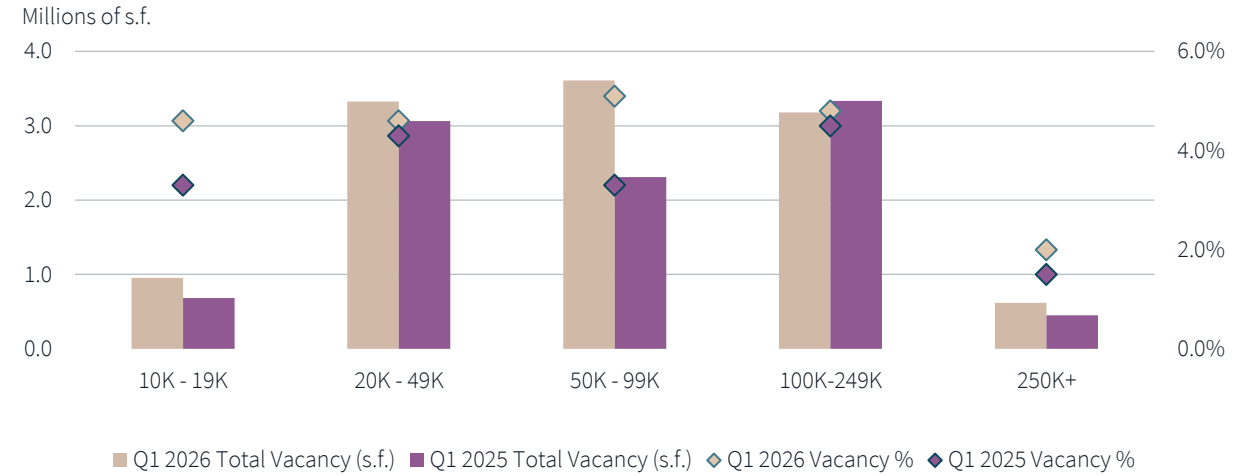
\*Data includes Fraser Valley starting in Q3 2024

### Under Construction by Submarket

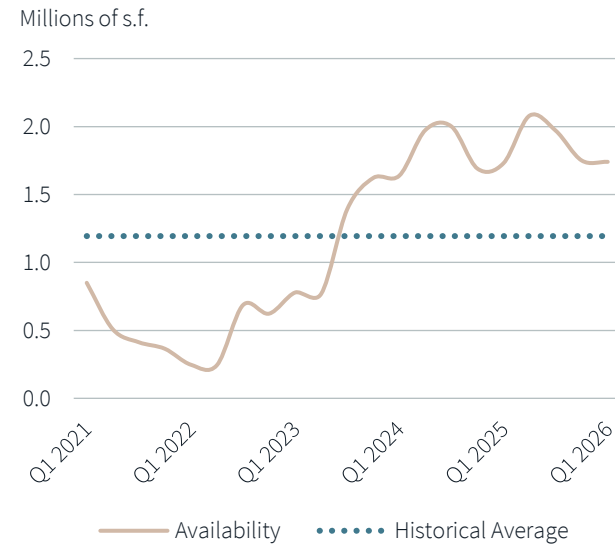


\*1.0 million s.f. from 3131 Lake City Way, Burnaby excluded from Q3 2023 – Q3 2025

### Vacancy by Building Size

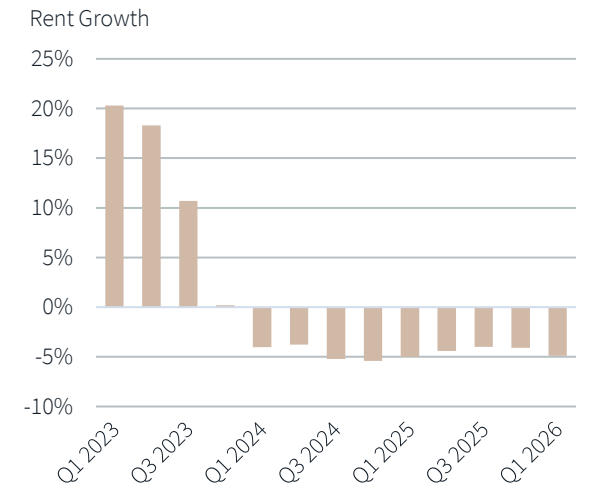


### Sublease Availability



\*Data includes Fraser Valley starting in Q3 2024

### Year-over-Year Rent Growth



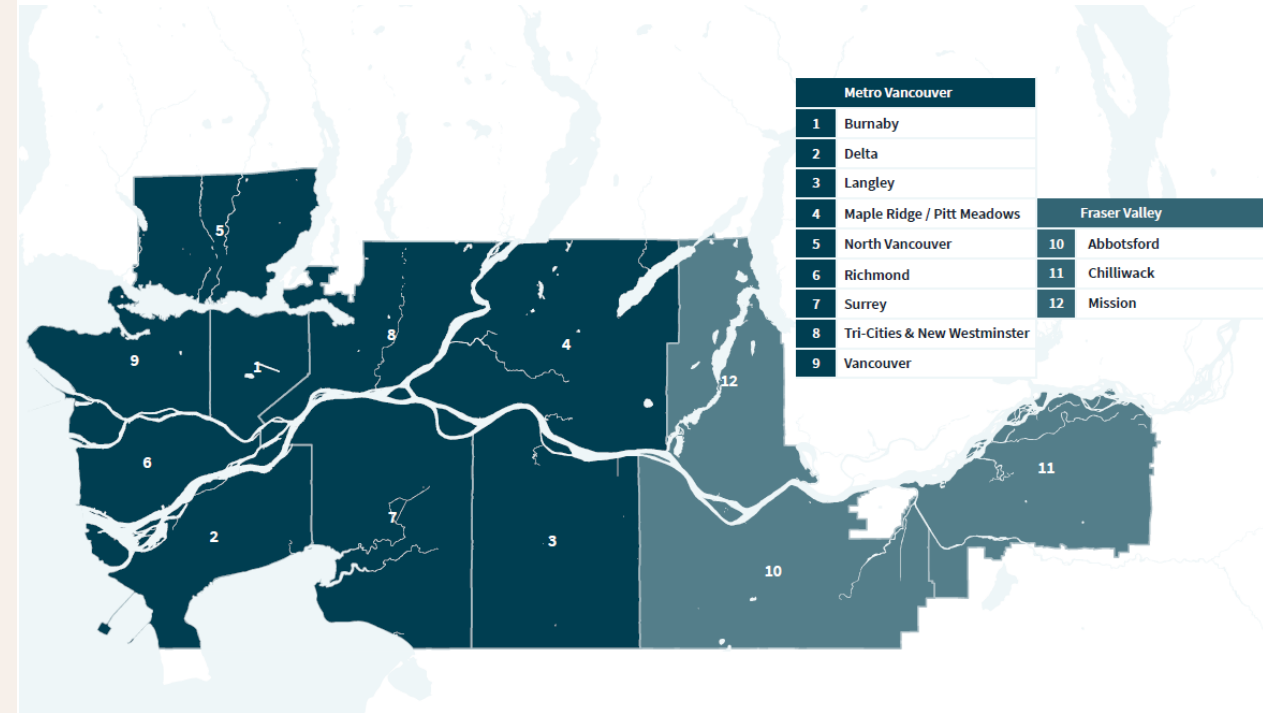
### Notable lease transactions

Tenant	Address	Submarket	Class	Size (s.f.)	Type
D-Home International Logistics	18899 28th Avenue	Surrey	A	214,844	Sublease
Rexel Canada Electrical	4449 Salish Sea Way	Delta	A	132,927	New
GetPaq	7510 Hopcott Road	Delta	B	103,415	New
ISW	2252 190th Street	Surrey	B	99,099	New
Saltworks Technologies	12291 Riverside Way	Richmond	B	74,042	New





### Notable sale transactions

Address	Price (\$M)	RBA (s.f.)	Price PSF	Buyer(s)	Seller(s)
5085 North Fraser Way	\$53.3	106,100	\$502	Groupe Montoni	Dorigo Systems
3300 Viking Way	\$43.0	173,025	\$249	Viking Way Holdings Corporation	Norampac Inc.
12140 86th Avenue	\$20.6	56,588	\$363	Trivan 86th Ave Holdings Ltd.	Shaldaro Holdings Ltd.
780 Derwent Way	\$19.3	60,501	\$319	Apex Paper International Inc.	Grosvenor Canada Limited
888 Malkin Avenue	\$11.8	17,100	\$690	888 Malkin Ave. Developments Ltd.	418754 B.C. Ltd.

### Market map



### Key metrics

<b>Greater Vancouver Area</b>	 4.5%	 394K	 2.9M	 \$19.54
	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	33,184,892	-88,989	-88,989	-0.3%	5.8%	7.1%	\$19.94	149,177	149,177	239,238
Delta	35,308,159	231,924	231,924	0.7%	4.9%	6.9%	\$18.58	-	-	-
Langley	21,873,258	-221,461	-221,461	-1.0%	3.6%	5.4%	\$19.54	-	-	52,200
Maple Ridge & Pitt Meadows	6,763,673	-42,783	-42,783	-0.6%	8.0%	7.6%	\$17.76	-	-	-
North Vancouver	5,167,162	33,347	33,347	0.6%	2.6%	3.1%	\$22.56	-	-	-
Richmond	46,281,432	155,789	155,789	0.3%	3.4%	4.7%	\$20.27	187,093	187,093	59,389
Surrey	45,742,797	39,269	39,269	0.1%	4.5%	5.9%	\$18.19	26,690	26,690	1,026,638
Tri-Cities & New Westminster	24,950,242	64,246	64,246	0.3%	3.8%	5.5%	\$19.99	86,553	86,553	284,975
Vancouver	22,547,901	-2,613	-2,613	0.0%	6.2%	8.3%	\$22.23	-	-	562,405
<b>Metro Vancouver</b>	<b>241,819,516</b>	<b>168,729</b>	<b>168,729</b>	<b>0.1%</b>	<b>4.6%</b>	<b>6.1%</b>	<b>\$19.65</b>	<b>449,513</b>	<b>449,513</b>	<b>2,224,845</b>
Abbotsford	12,343,846	134,229	134,229	1.1%	3.4%	6.0%	\$17.57	39,438	39,438	227,359
Chilliwack	5,594,205	2,250	2,250	-	0.2%	0.3%	\$21.36	-	-	216,620
Mission	1,054,514	88,952	88,952	8.4%	15.2%	17.2%	\$16.75	174,959	174,959	227,165
<b>Fraser Valley</b>	<b>18,992,565</b>	<b>225,431</b>	<b>225,431</b>	<b>1.2%</b>	<b>3.1%</b>	<b>5.0%</b>	<b>\$17.61</b>	<b>214,397</b>	<b>214,397</b>	<b>671,144</b>
<b>Metro Vancouver &amp; Fraser Valley</b>	<b>260,812,081</b>	<b>394,160</b>	<b>394,160</b>	<b>0.2%</b>	<b>4.5%</b>	<b>6.0%</b>	<b>\$19.54</b>	<b>663,910</b>	<b>663,910</b>	<b>2,895,989</b>



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