
2Q25

Vancouver Office Market Overview



NEWMARK

Greater Vancouver Office Market Observations

Metro Vancouver remained one of the tightest office markets in North America at mid-2025 as vacancy and availability remained largely stable with no new downtown development underway and limited new supply in the pipeline.

Tightening vacancy in the suburban markets, particularly Burnaby and Surrey, combined with near record lows in the smaller suburban markets offset increased vacancy in all three of Vancouver’s urban office submarkets.

A disconnect between tenants’ class A/B pricing expectations downtown and the overhead such buildings command in the suburbs may contribute to tenants exploring quality options more central to employees.

Class A vacancy has stabilized at ~10% as the bifurcation of the best from the rest during the well-documented flight to quality downtown reveals a segment of class A space that may not be viewed as favourably.



Office leasing decisions require clarity on long-term business needs. The potential impact of U.S. tariffs has injected significant uncertainty. As a result, some occupiers paused leasing decisions in 2Q25.

Regional absorption of more than 320k sf in first half of 2025, led by Burnaby (135k), the Tri-Cities (55k), Richmond (52k), Surrey (46k), the North Shore (34k) and New Westminster (27k), demonstrated substantial suburban demand.

New construction remained largely at a standstill in Downtown Vancouver at mid-2025, which continued to contribute to the rising risk of a shortage of class A space in the late 2020s given development timelines.

While achievable office rents downtown will likely play a larger role in determining when new construction kicks off, demand downtown needs to improve notably to provide the confidence needed to support the first new tower of the next development cycle.

News that lululemon will lease the 290,000-sf former downtown home of Microsoft and Sony Imageworks at 725 Granville Street marks one of the largest downtown deals done since Amazon confirmed its prelease of the Post’s second phase in 2022.

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Office Market Metrics



Greater Vancouver Office Market

Market Overview				
	Current Quarter	Prior Quarter	Year Ago	12- Month Forecast
Total Inventory (SF)	67.7M	67.1M	66.8M	↩
Total Vacancy Rate	9.3%	9.0%	10%	➡
Quarterly Net Absorption (SF)	50.2K	272.2K	28.5K	↩
Total Availability Rate	12.4%	12.3%	13.1%	➡
Deliveries (SF)	309K	59K	659K	➡
Under Construction (SF)	1.8M	2.0M	2.1M	⬇



Greater Vancouver Office Market/Submarket Statistics | 2Q25

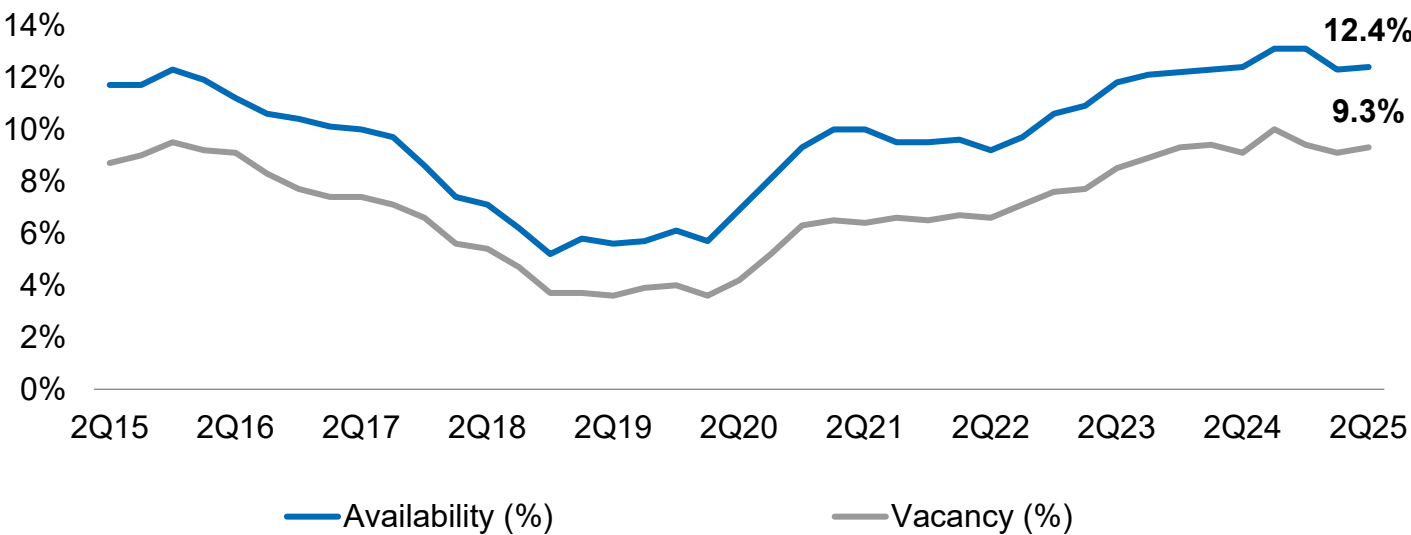
Market/Submarket Statistics – All Classes								
	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr Net Absorption (SF)	YTD Net Absorption (SF)	Direct Available Rate	Sublet Available Rate	All Classes Est. Direct Gross Rent (\$/SF)
Greater Vancouver	67,729,614	1,711,854	9.3%	50,288	322,477	10.1%	2.3%	C\$41.3
Downtown Vancouver	30,286,711	29,600*	12.2%	-174,005	-125,447	13.0%	2.3%	C\$46.1
Vancouver Broadway Corridor	6,146,812	172,328	10.9%	-88,642	-48,666	11.9%	3.9%	C\$48.9
Vancouver Periphery	4,961,616	501,026	9.2%	112,837	134,813	9.9%	2.8%	C\$43.2
Vancouver Total	41,395,139	702,954	11.6%	-149,810	-39,300	12.5%	2.6%	C\$46.1
Burnaby	10,740,028	26,000	7.2%	139,313	135,558	7.6%	3.4%	C\$35.0
Richmond	4,961,275	80,004	6.7%	-33,060	52,391	7.9%	1.2%	C\$31.9
Surrey	4,793,855	400,889	4.2%	3,721	46,527	4.3%	1.3%	C\$36.6
North Shore***	2,123,462	32,511	3.0%	16,565	33,921	3.5%	0.4%	C\$39.6
Langley	1,532,926	93,086	2.5%	5,620	10,572	3.8%	0.2%	C\$39.7
New Westminster	1,474,469	0	3.2%	16,054	27,746	4.3%	0.0%	C\$40.2
Tri-Cities**	635,983	0	8.6%	51,885	55,062	10.9%	0.0%	C\$29.0

Source: Newmark Research, Altus Data Studio
If market name is italic, please contact Newmark agent for detailed summary.
* Does not include 150 West Georgia Street (720 Beatty Street)
**The Tri-Cities consists of Port Moody, Coquitlam and Port Coquitlam, but due to its small size is not covered in this report.
*** The North Shore consists of the District and City of North Vancouver and West Vancouver

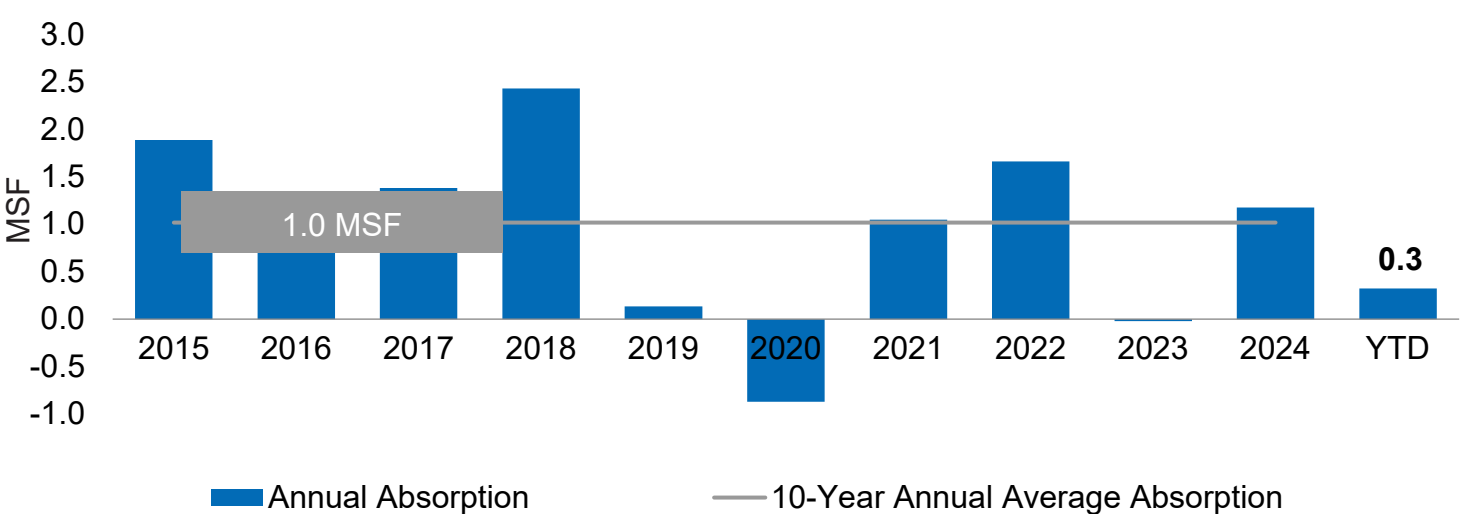
Greater Vancouver Area

Greater Vancouver remained one of North America’s tightest office markets with regional vacancy hitting 9.3% at mid-2025 – up 20 basis points (bps) year-over-year and 30 bps compared with the first quarter of the year. Availability remained virtually unchanged compared with both the previous quarter and year-over-year at 12.4%. Declines in suburban vacancy offset increases downtown and in both of Vancouver’s intraurban office submarkets: Broadway and the Periphery. The larger suburban markets of Burnaby, Richmond and Surrey recorded notable positive absorption and were supported with outsized contributions from the smaller suburban markets of the Tri-Cities, North Shore and New Westminster.

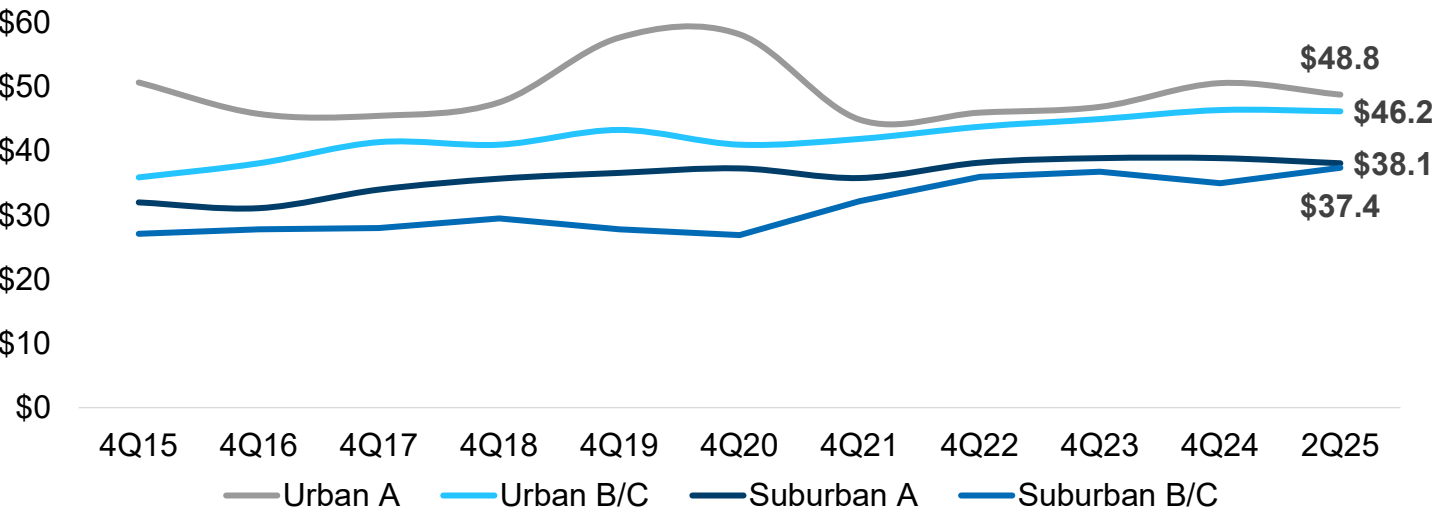
Overall Availability And Vacancy Rates – All Classes



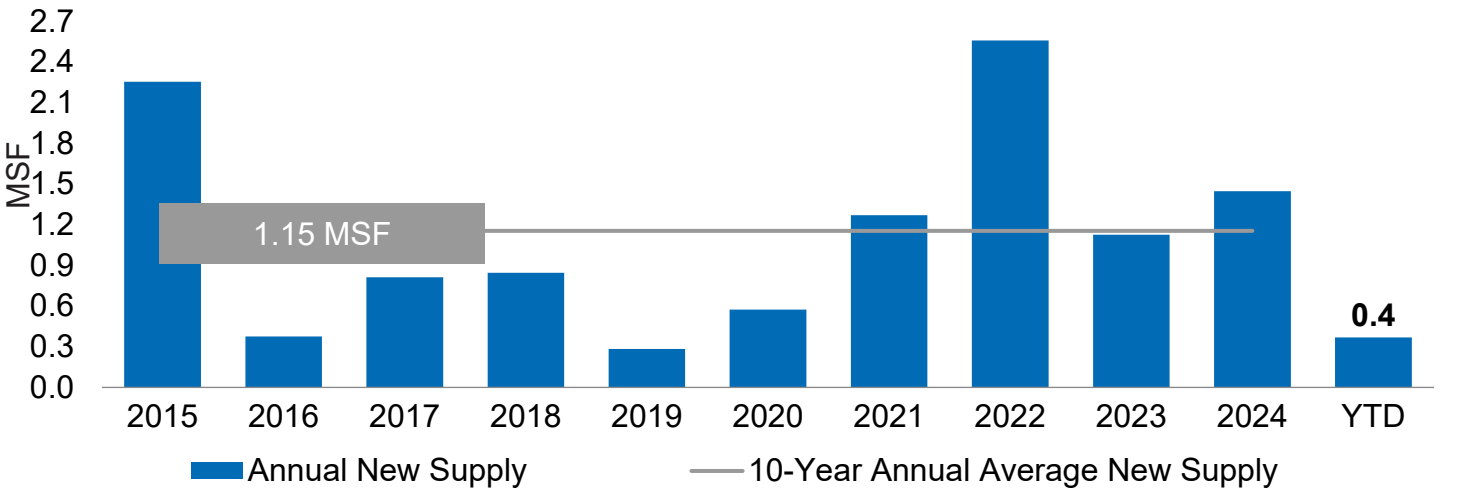
Annual Absorption – All Classes



Total Estimated Direct Gross Rent by Class (C\$/sf) – Urban/Suburban



New Construction Deliveries in Greater Vancouver

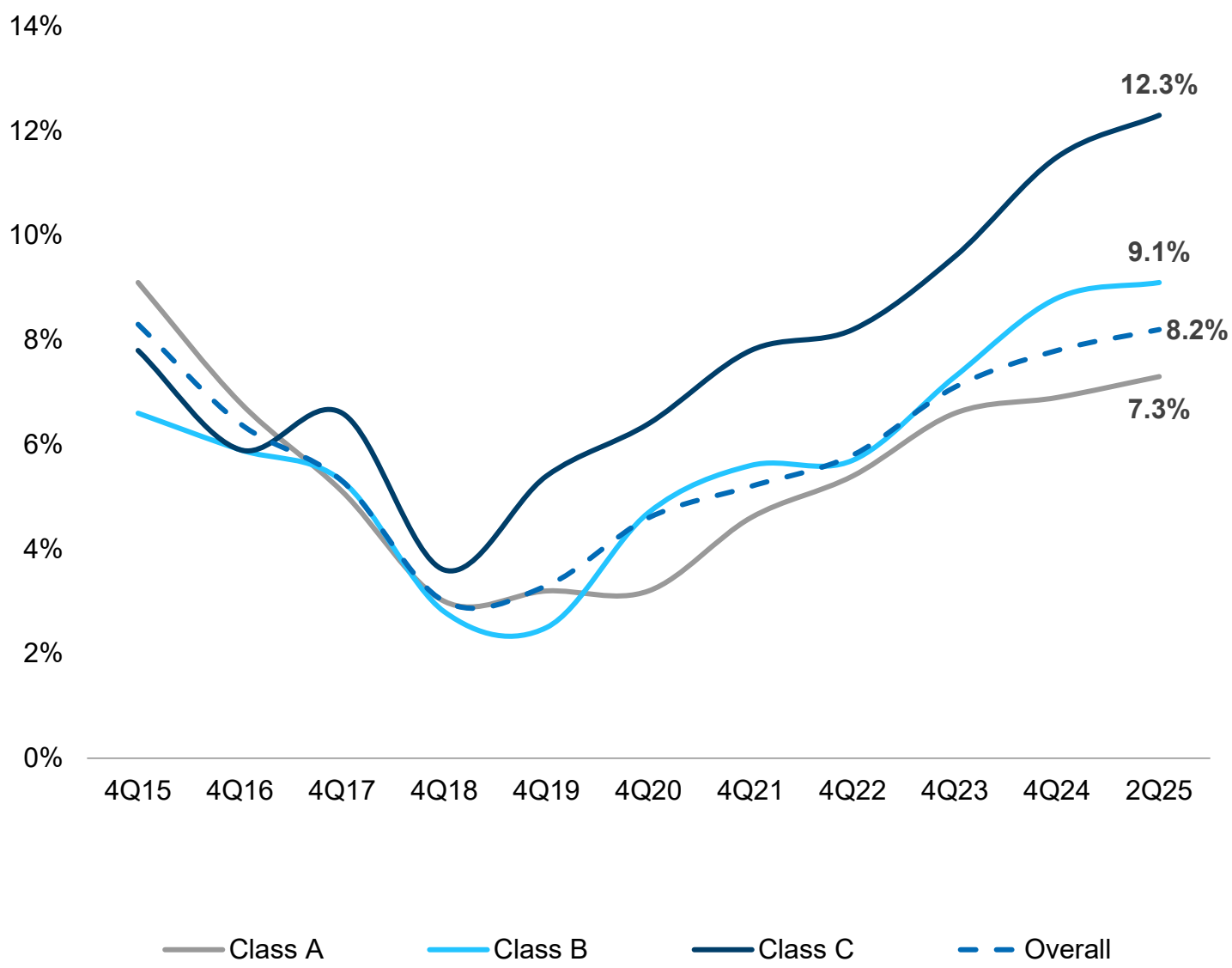


Source: Newmark Research, Altus Data Studio

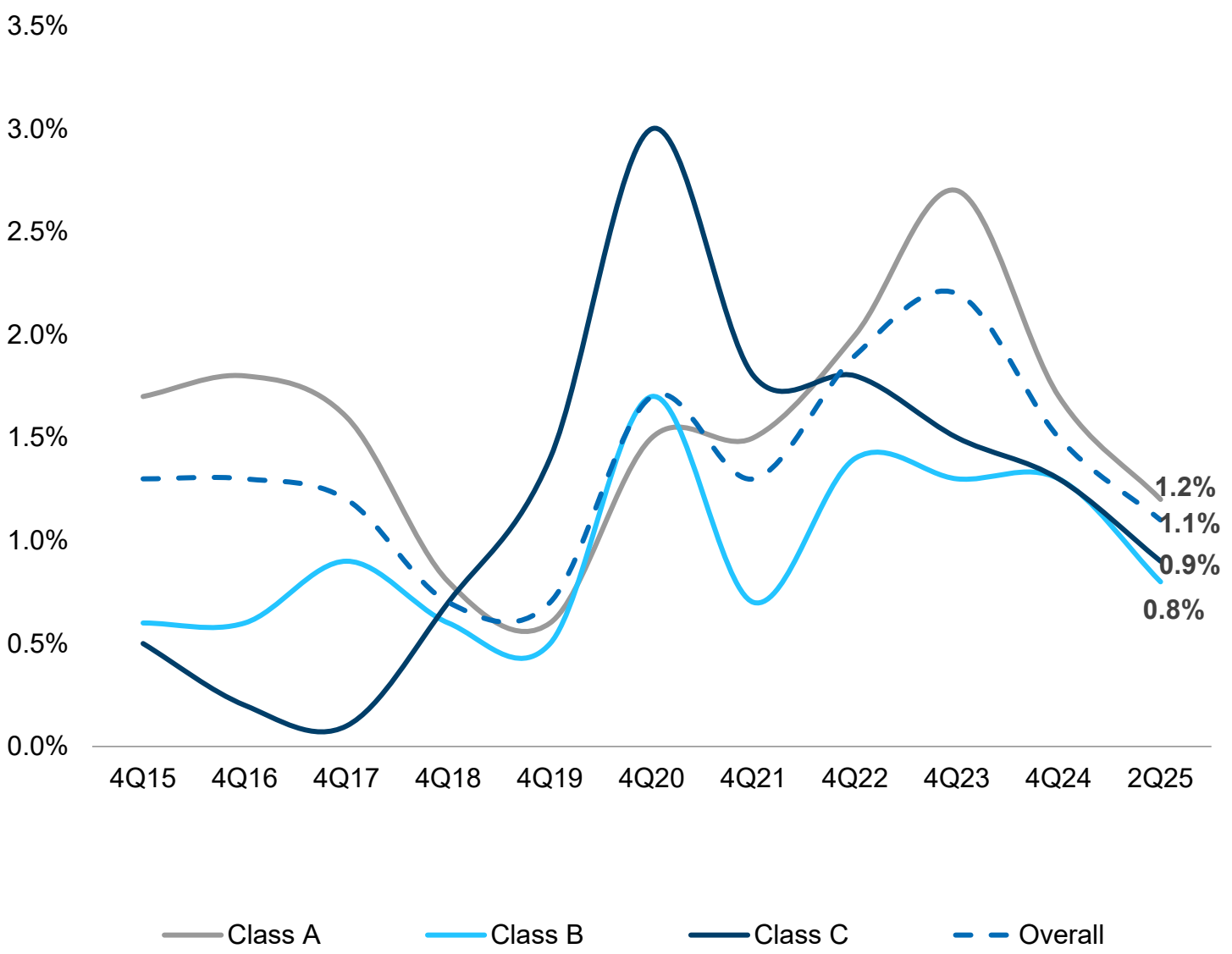
Regional Vacancy Likely Up Slightly On New Changes To Federal Immigration Policy

Regional vacancy in all classes rose slightly at mid-2025 and was partly attributable to the return of headlease and sublease space by educational providers in Vancouver that were likely a result of changes to Canadian federal immigration policy impacting foreign students. Class A vacancy remained tightest downtown and, in the suburbs, – where it declined even further in the second quarter of 2025 – it also contributed to a stabilization in class B vacancy as tenants sought out available space that met requirements at a lesser cost.

Regional Office Headlease Vacancy by Class – 2015 to 2025



Regional Office Sublease Vacancy by Class – 2015 to 2025

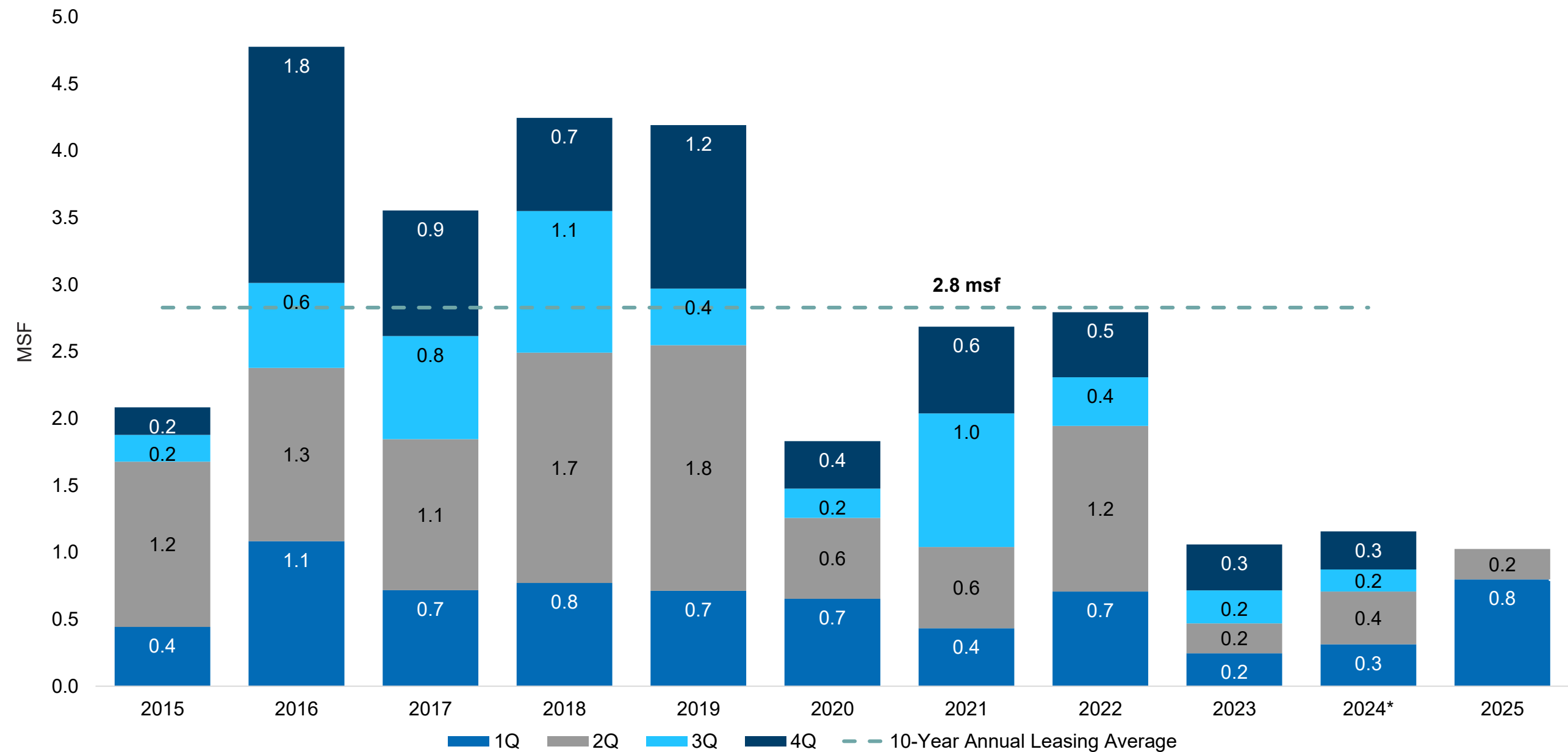


Source: Newmark Research, Altus Data Studio

Steep Decline In Second-Quarter Leasing Activity Offsets Historically Strong Start

Regional office leasing activity surged in the first half of 2025, but the vast majority of that took place in the first quarter with activity in the second quarter slowing to a trickle. Most new leasing activity took place in Vancouver with the largest deal in the region located downtown. Strengthening demand for new space amid an environment of tightening vacancy typical gives developers the confidence to proceed with proposed developments with preleasing historically serving as a further catalyst of office leasing activity, particularly downtown.

Estimated Total Leasing Activity in All Classes

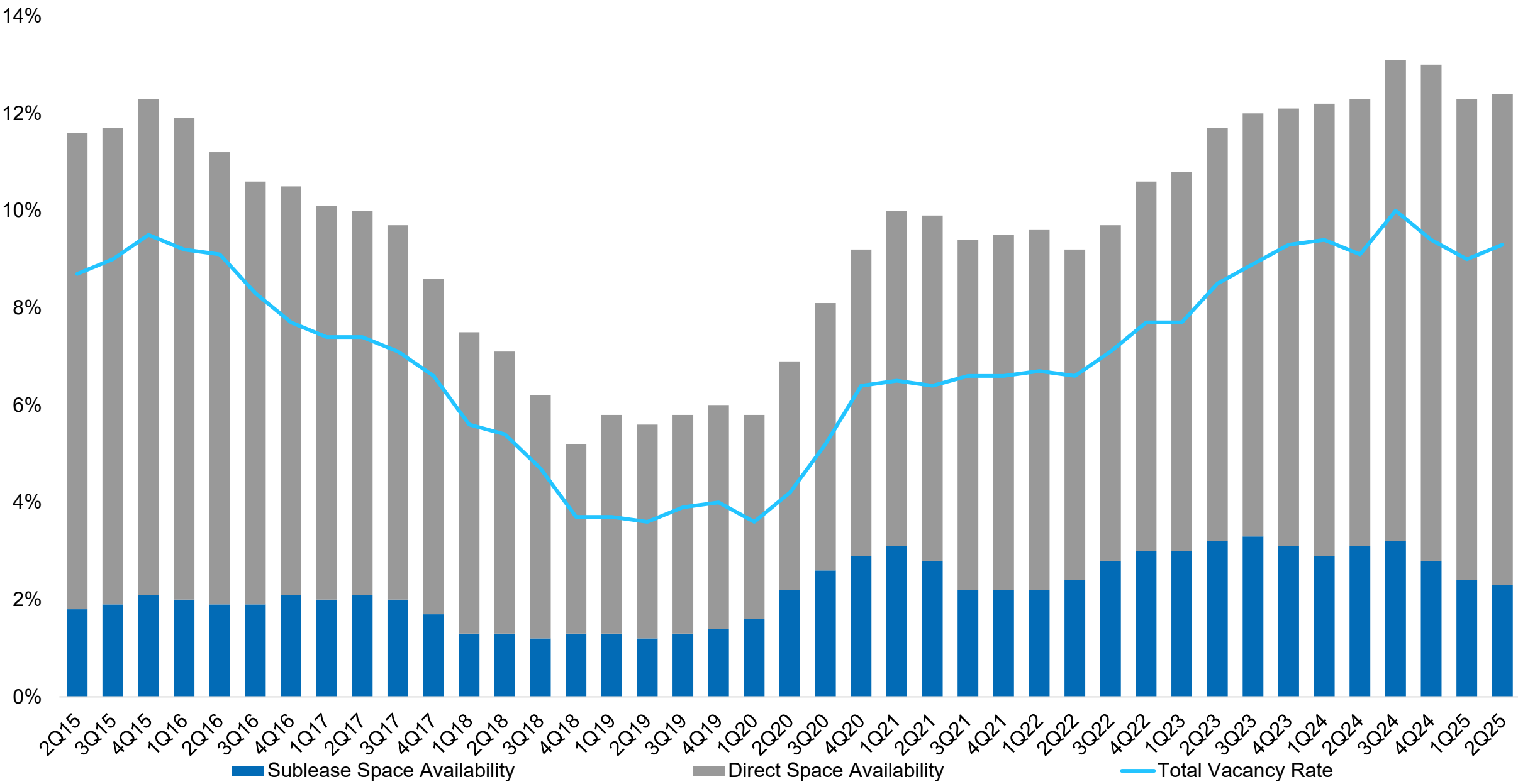


Source: Newmark Research, Altus Data Studio
*Based on Newmark's review of Q3 2024 leasing activity in downtown Vancouver, this data point represents an undercount of known class A activity.

Space Availability & Vacancy in Greater Vancouver Stabilizing As Demand Improves

Regional vacancy and availability remain at levels previously commonplace in the market prior to the period from mid-2017 to mid-2020 when a combination of strong demand and a lack of new supply pushed vacancy and availability to record North American lows. The three-year period preceding the arrival of COVID was not typical and led to rental rates achieving record highs. With virtually no downtown construction underway and limited suburban development, availability and vacancy are anticipated to continue stabilizing in 2025.

Available Space as Percent of Overall Market



Source: Newmark Research, Altus Data Studio

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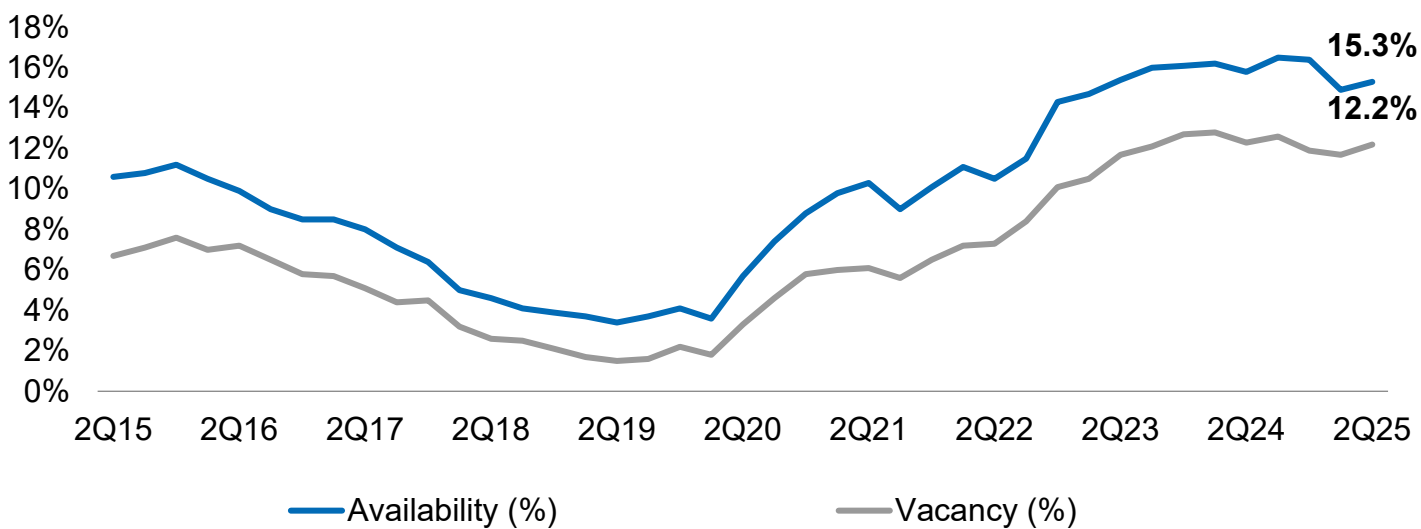
Downtown Vancouver



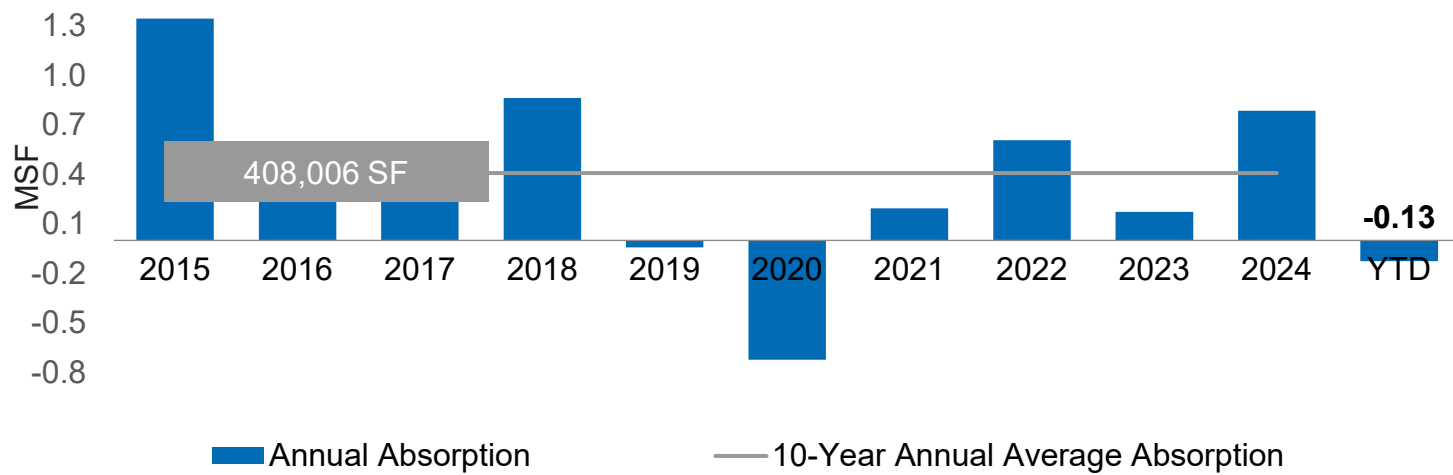
Downtown Vancouver (including Gastown & Yaletown)

Vacancy downtown landed at 12.2% at mid-2025, a 50-bps increase from the first quarter of the year but virtually unchanged from a year ago. Stabilized class A vacancy at ~10% may indicate some properties classified as class A may not be meeting tenant expectations as the flight to quality reveals inequities within the class A inventory. However, the uptick in class B vacancy may signal select tenants are losing interest in leasing such premises downtown and are considering outside the core for class A/B opportunities without the downtown premium as they seek to control their overhead by downsizing or reconfiguring their space to accommodate hybrid work arrangements in a centralized location for their employees.

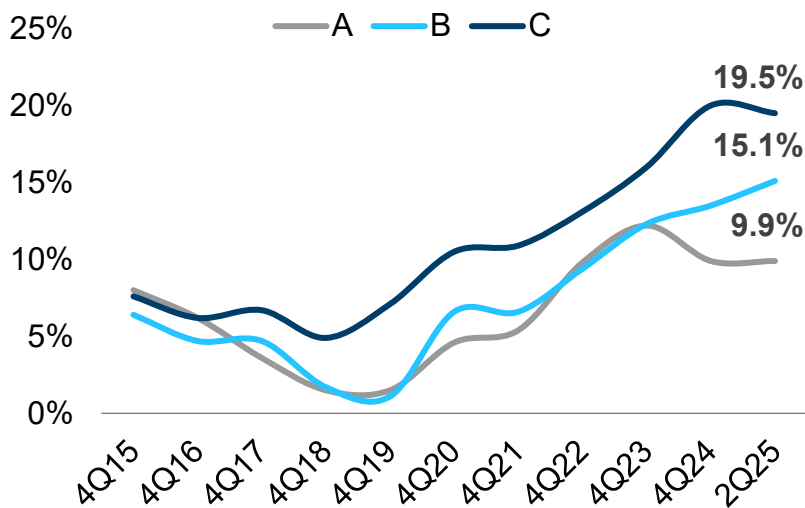
Overall Availability & Vacancy Rates – All classes



Annual Absorption – All classes



Vacancy by Class – 2015 to 2025



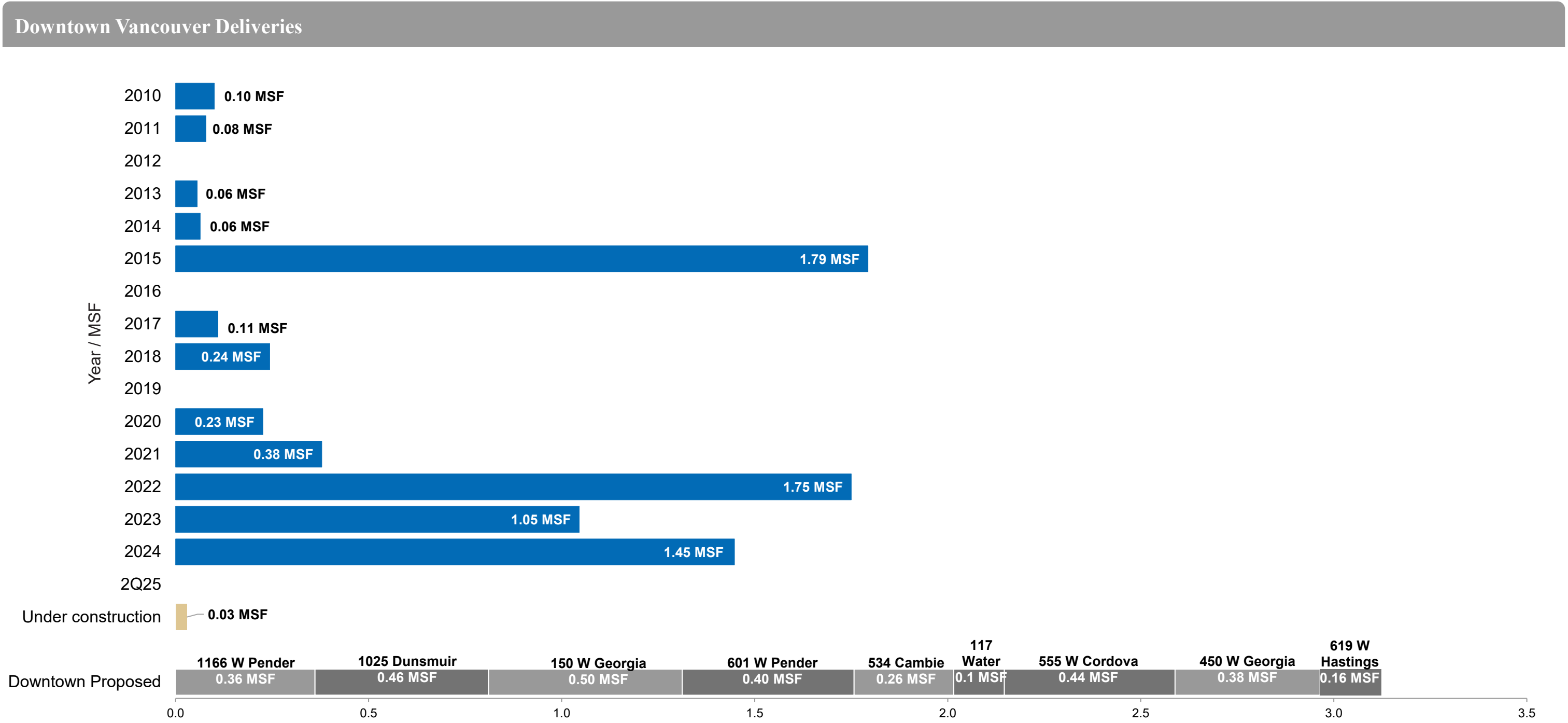
Second Quarter Deals

				
The Post 658 Homer Street	Bentall Centre 3 595 Burrard Street	Manulife Financial Tower 980 Howe Street	1177 West Hastings Street	1177 West Hastings Street
Telus Health	Autodesk	Hiive	Jim Pattison Development	Aplin Martin
90,000 SF	16,300 SF	15,930 SF	11,900 SF	11,520 SF
Direct New	Direct New	Sublease	Direct New	Direct New

Source: Newmark Research, Altus Data Studio, CoStar

Downtown Vancouver Construction Velocity Remains Paused Amid Rising Uncertainty

New office development in Downtown Vancouver remained in stasis in the first half of 2025 with just 29,500 sf under construction. A handful of proposed options indicate they are open to preleasing, but none have committed to building. A supply crunch of class A space in 2027+ seems increasingly likely as growing tenant demand continues to seek new supply as some of the remaining class A space – hovering at ~7% -- may not be meeting tenant expectations of what a class A property should include in terms of fit out and amenities.

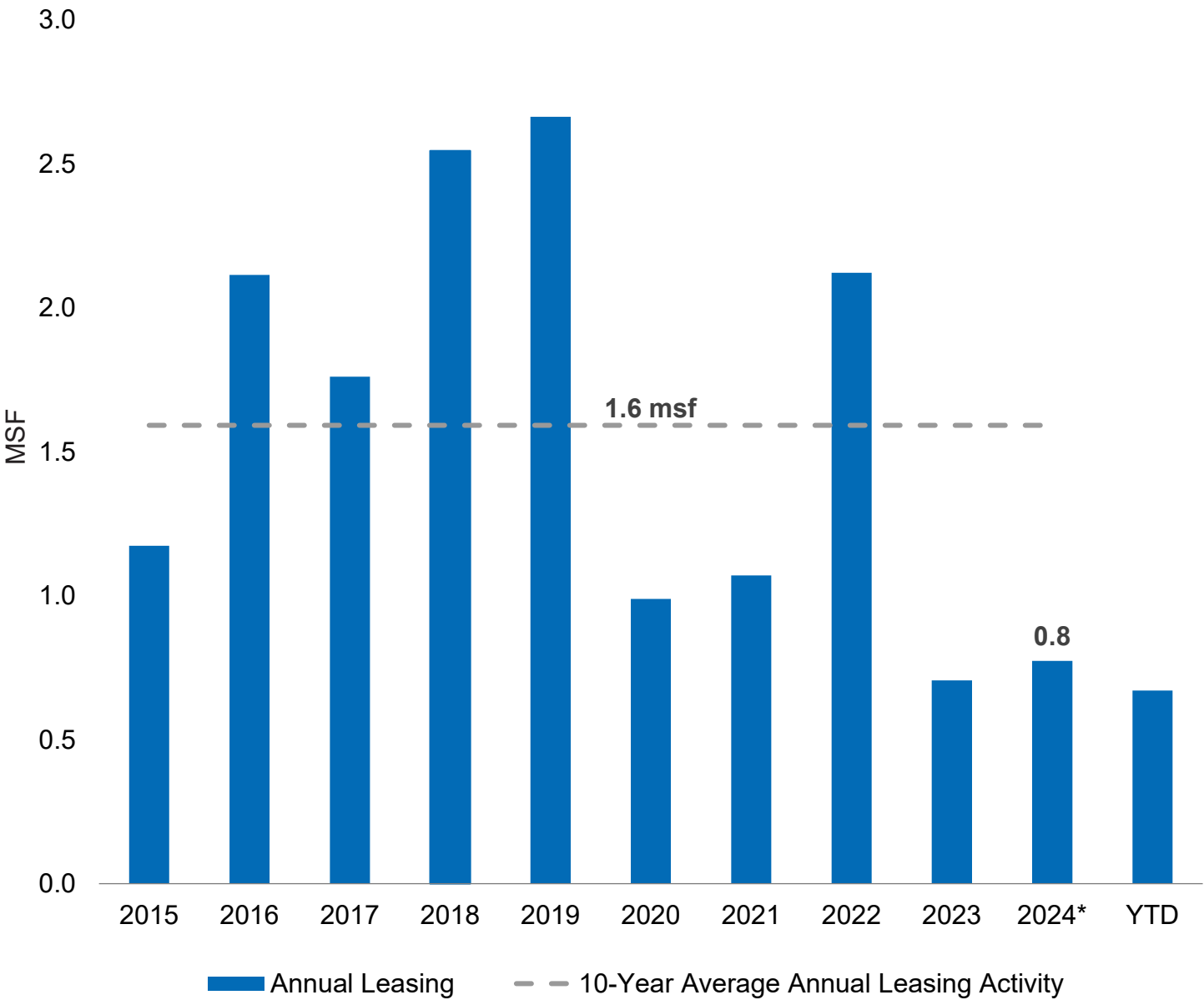


Source: Newmark Research, Altus Data Studio

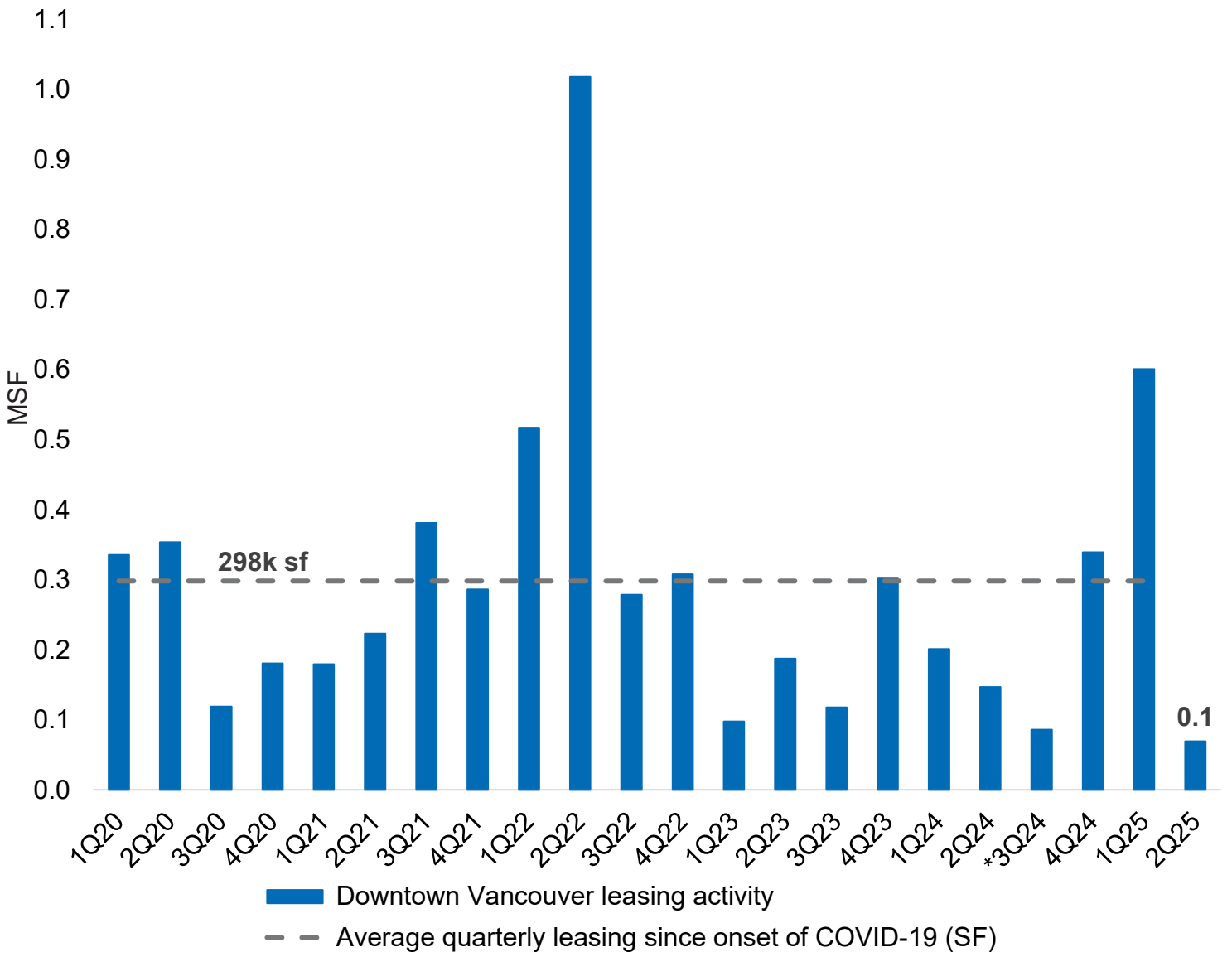
Downtown Vancouver Office Leasing Activity Slumps In Q2 After Strong Start

Downtown leasing volume slumped sharply in the second quarter of 2025 with just ~70k sf of space leased, a notable decline from the ~600k sf leased in the first quarter and the least amount of downtown space leased in a single quarter since the start of 2020. The lack of activity ended the rising office leasing momentum that had been recorded in the downtown core since the fourth quarter of 2024 as economic uncertainty and associated business concerns related to U.S. tariff threats led tenants to temporarily reconsider leasing decisions.

Annual Downtown Vancouver Leasing Activity – All classes



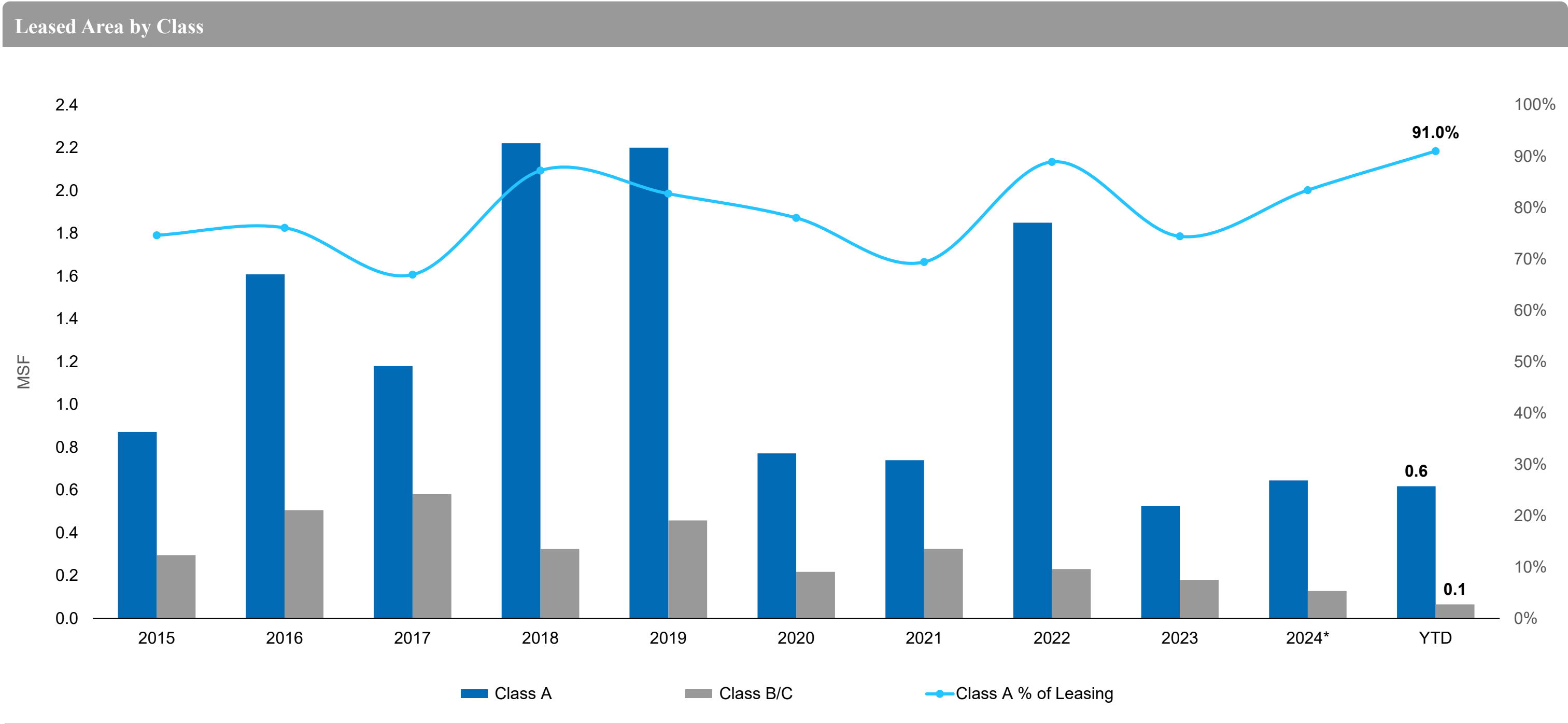
Downtown Vancouver Quarterly Leasing Activity – All classes



Source: Newmark Research, Altus Data Studio
*Based on Newmark’s review of Q3 2024 leasing activity in downtown Vancouver, this data point represents an undercount of known class A activity.

Class A Still Dominant Despite Decline | Downtown Vancouver Leasing Activity

More than ~600k sf of leasing activity in the first quarter of 2025 helped make up for an anemic second quarter involving just ~70k sf in terms of downtown office leasing. However, overall leasing activity for the first half of 2025 has matched or surpassed 2023 and 2024 but is unlikely to surpass 2022 unless a prelease announcement kicks off new office tower construction. Typically, when class A leasing as a percentage of overall leasing is as elevated as it was at mid-2025 (90%+), it is because proposed new supply has been preleased.



Source: Newmark Research, Altus Data Studio
*Based on Newmark’s review of Q3 2024 leasing activity in downtown Vancouver, this data point represents an undercount of known class A activity.

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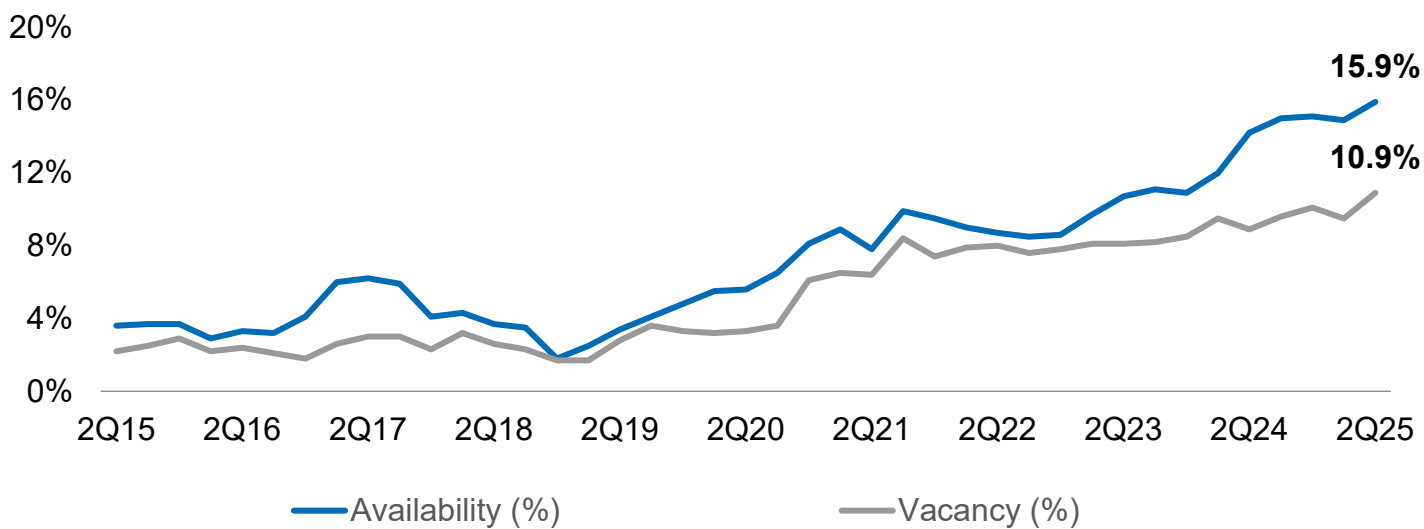
Vancouver Office Submarkets



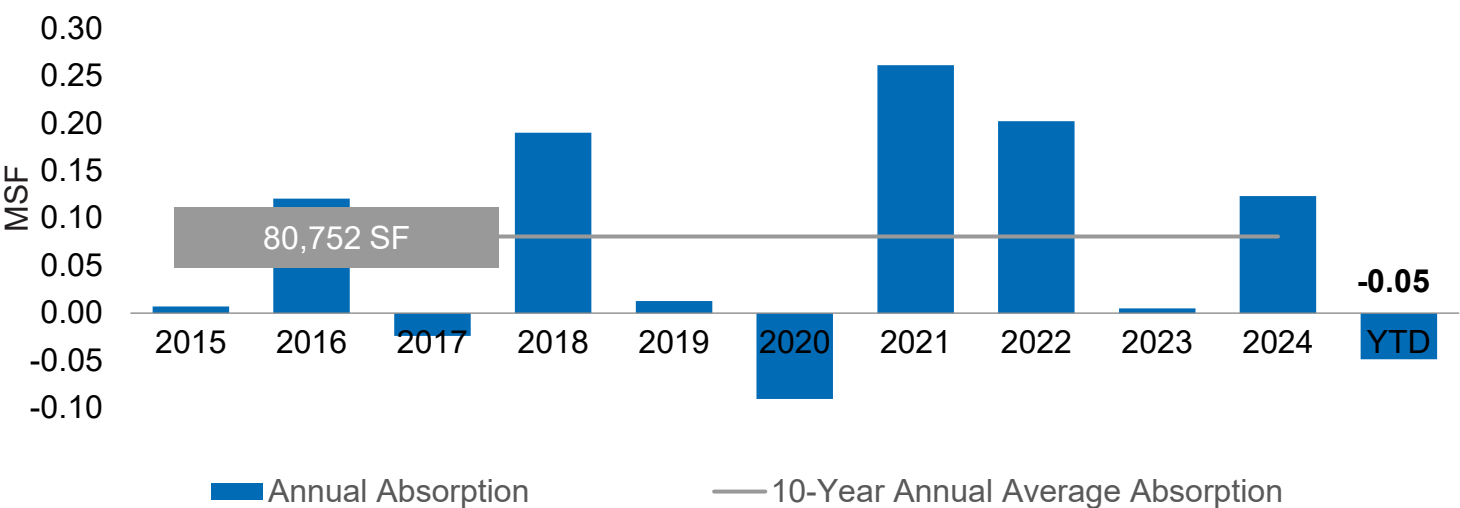
Vancouver – Broadway Corridor

Extensive redevelopment is redefining Vancouver’s 6.1-msf Broadway Corridor submarket as rapid transit line construction and residential development trigger notable changes to the area’s dated building inventory. The opening of the SkyTrain’s Broadway extension in 2027 should appeal to perspective tenants in 2025+. Newer supply in Mount Pleasant continued supporting much of the submarket’s leasing activity with negative absorption from rising vacancy in mostly older class C buildings in the submarket push availability to an all-time high.

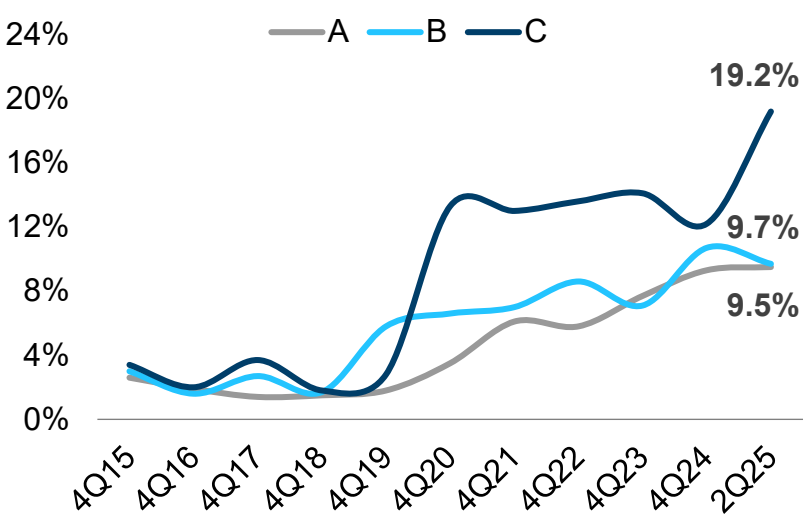
Overall Availability And Vacancy Rates – All Classes



Annual Absorption – All Classes



Vacancy by Class – 2015 to 2025



Second Quarter Deals

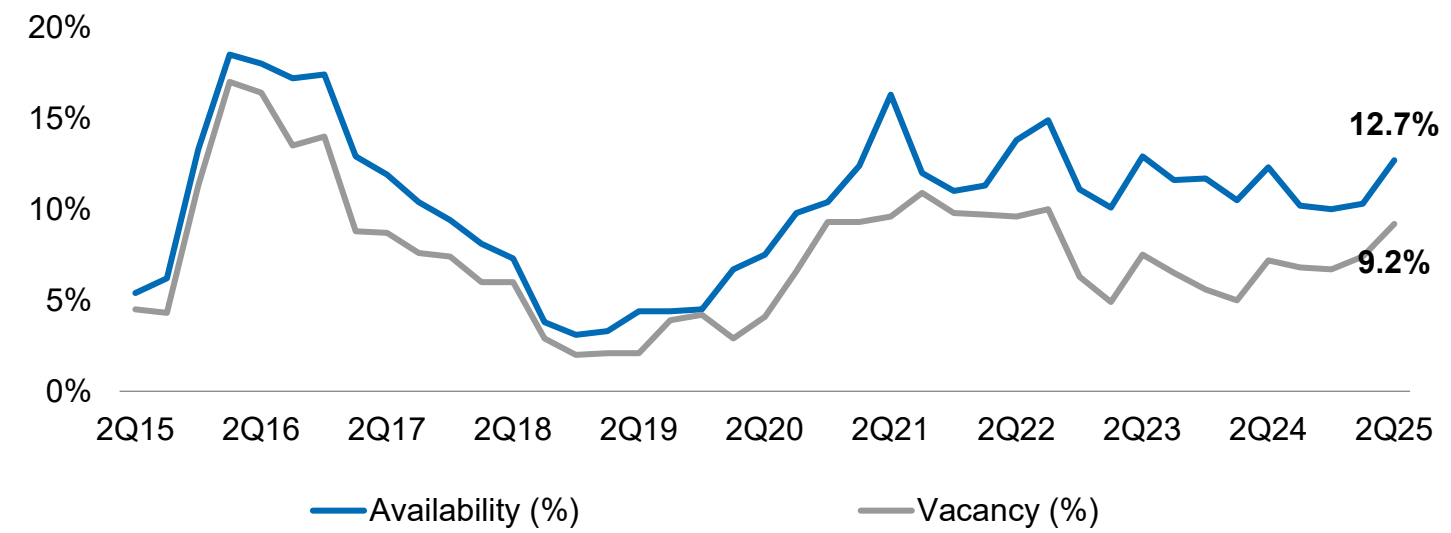
				
149 West 4th Avenue	68 West 5th Avenue	425 West 6th Avenue	7 East 6th Avenue	70-78 East 2nd Avenue
WildBrain Studios	Double Negative	Wylie Crump	SVN Architecture	Variation AI
46,790 SF	14,070 SF	11,675 SF	6,050 SF	1,940 SF
Direct New	Direct New	Direct New	Direct New	Direct New

Source: Newmark Research, Altus Data Studio, CoStar

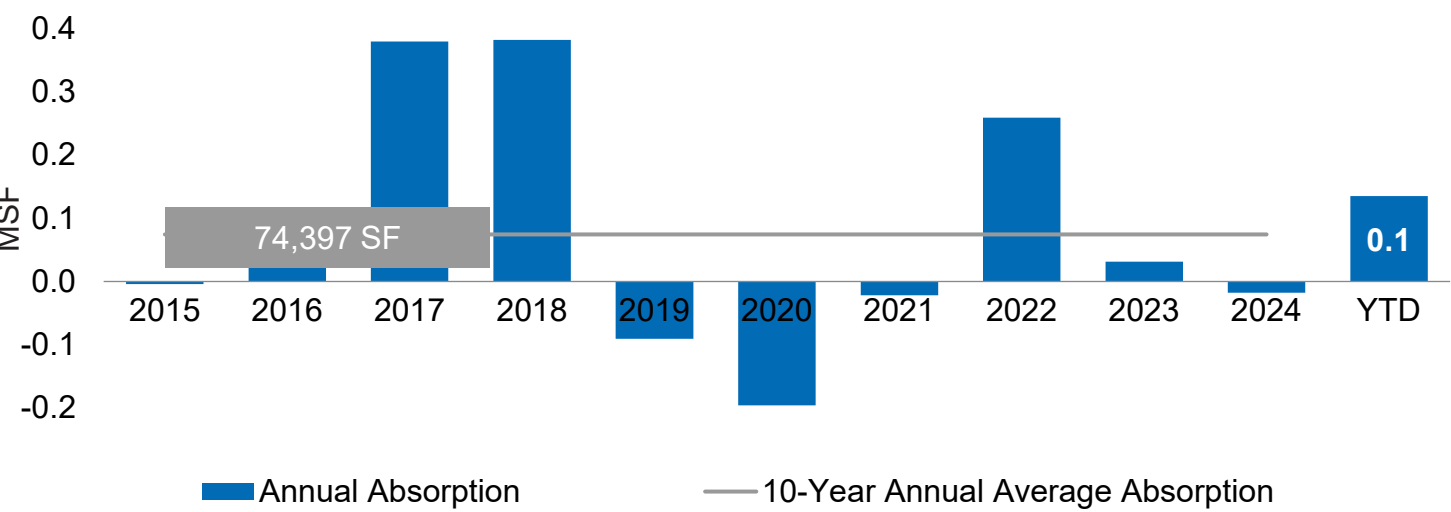
Vancouver – Periphery

Vancouver’s 5.0-msf periphery office submarket posted the lowest vacancy within the city proper at 9.2% even with an uptick in class A vacancy to 11% due to delivery of new supply. Meanwhile, class B vacancy slipped to 6.1%, the second lowest class B vacancy rate recorded in Metro Vancouver after Surrey. First-half 2025 absorption of ~135k sf was the second most in the region trailing only Burnaby. Most of the new office supply in Metro Vancouver currently under construction – ~501k sf in four projects – is in the Vancouver Periphery.

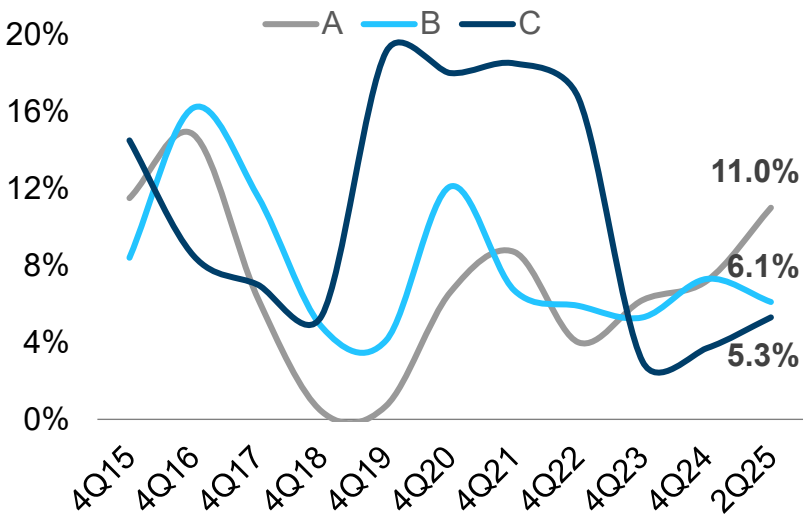
Availability And Vacancy Rates – All Classes



Annual Absorption – All Classes



Vacancy by Class – 2015 to 2025



Second Quarter Deals

				
355 Railway Street	343 Railway Street	2730-2750 Commercial Drive	2511 East Hastings Street	1285 Main Street
Haven Apparel	Undisclosed	Undisclosed	Undisclosed	6-Oh-4 Clothing
5,550 SF	3,800 SF	3,330 SF	1,700 SF	1,330 SF
Direct New	Direct New	Direct New	Direct New	Direct New

Source: Newmark Research, Altus Data Studio, CoStar

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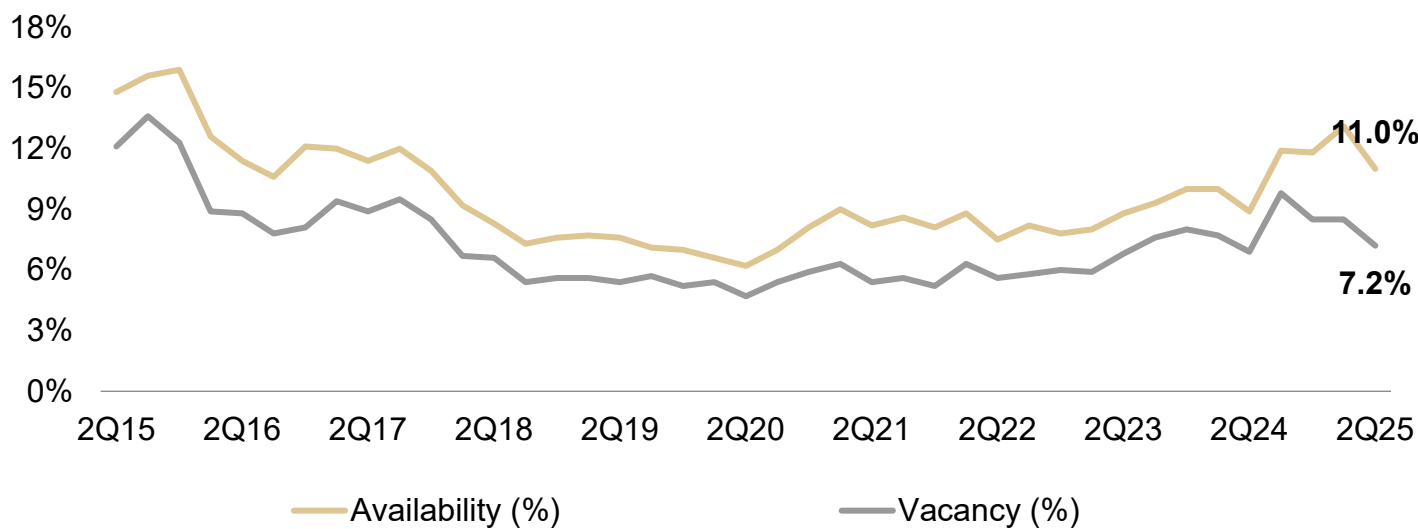
Greater Vancouver Office Markets



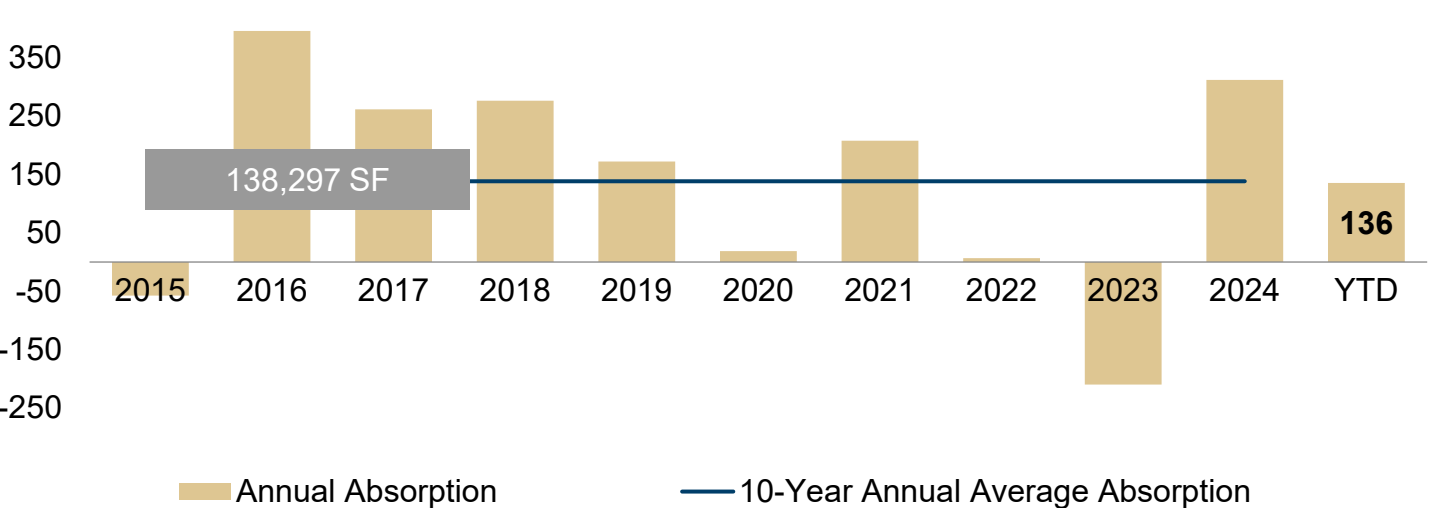
Burnaby, BC

Burnaby’s 10.7-msf office market – the second largest in Metro Vancouver – has been the most stable in the region since 2018. The sudden uptick in vacancy and availability at mid-2024 occurred when ~400k sf of new supply was delivered. However, vacancy then immediately declined and midway through 2025 had dropped to 7.2%, the tightest of the past 24 months. Burnaby not only led the region in terms of first-half 2025 absorption, but also was the primary contributor to the upsurge in suburban leasing activity

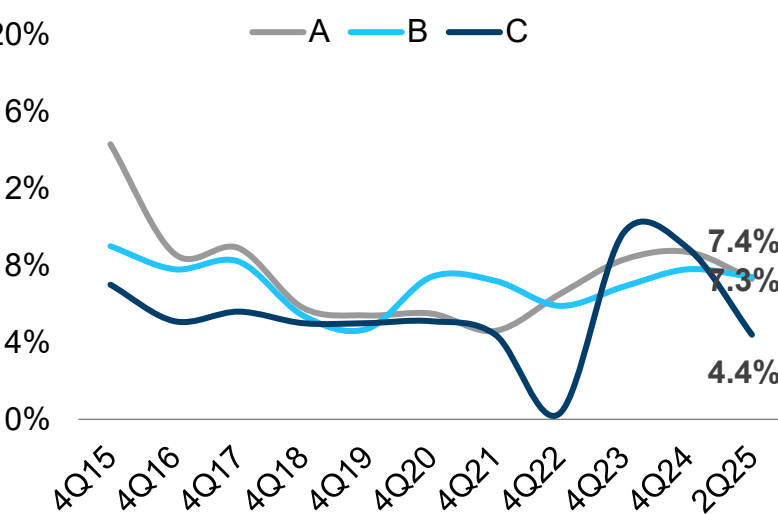
Availability And Vacancy Rates – All Classes



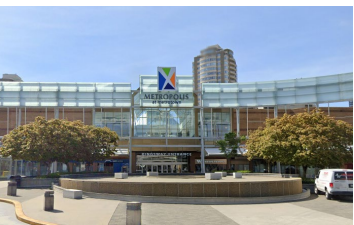


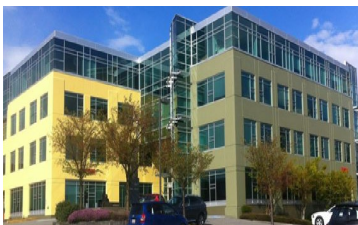

Annual Absorption – All Classes (Thousands of SF)



Vacancy by Class – 2015 to 2025



Second Quarter Deals

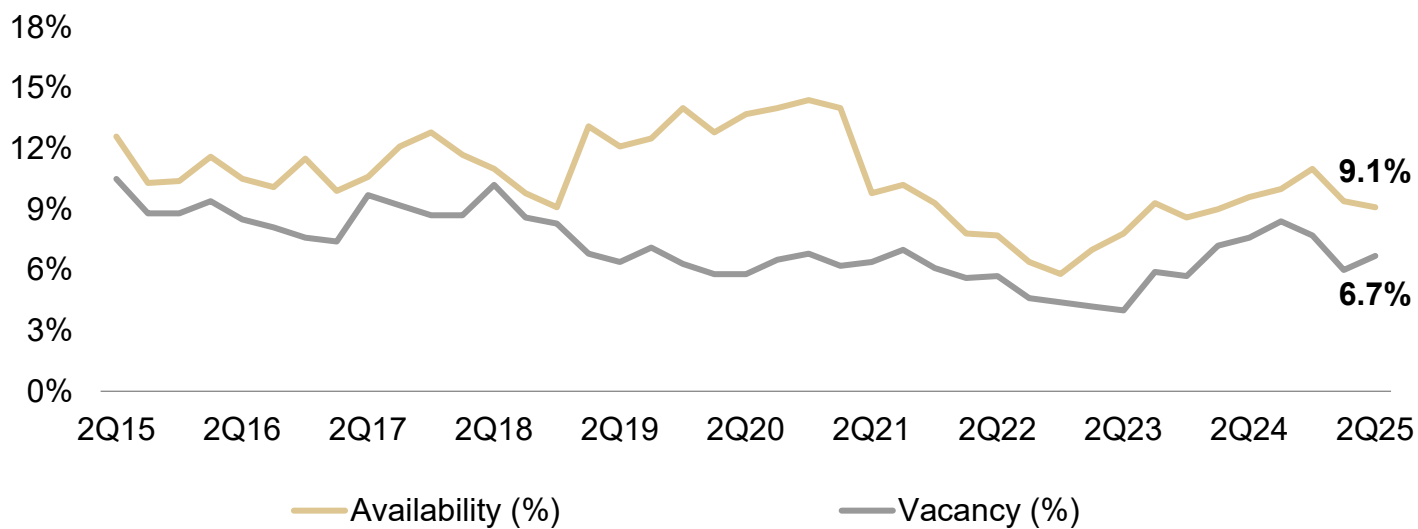
				
Metropolis at Metrotown 4800 Kingsway	Sperling Place II 6450 Roberts Street	Metrotower I 4710 Kingsway	3999 Henning Drive	Centre Point West 4789 Kingsway
ICBC	Modern Niagara	Remitly	ISL Engineering & Land Services	CCS Education & Vansky International Education
30,000 SF	11,460 SF	9,340 SF	7,110 SF	6,230 SF
Sublease	Direct New	Sublease	Renewal	Direct New

Source: Newmark Research, Altus Data Studio, CoStar

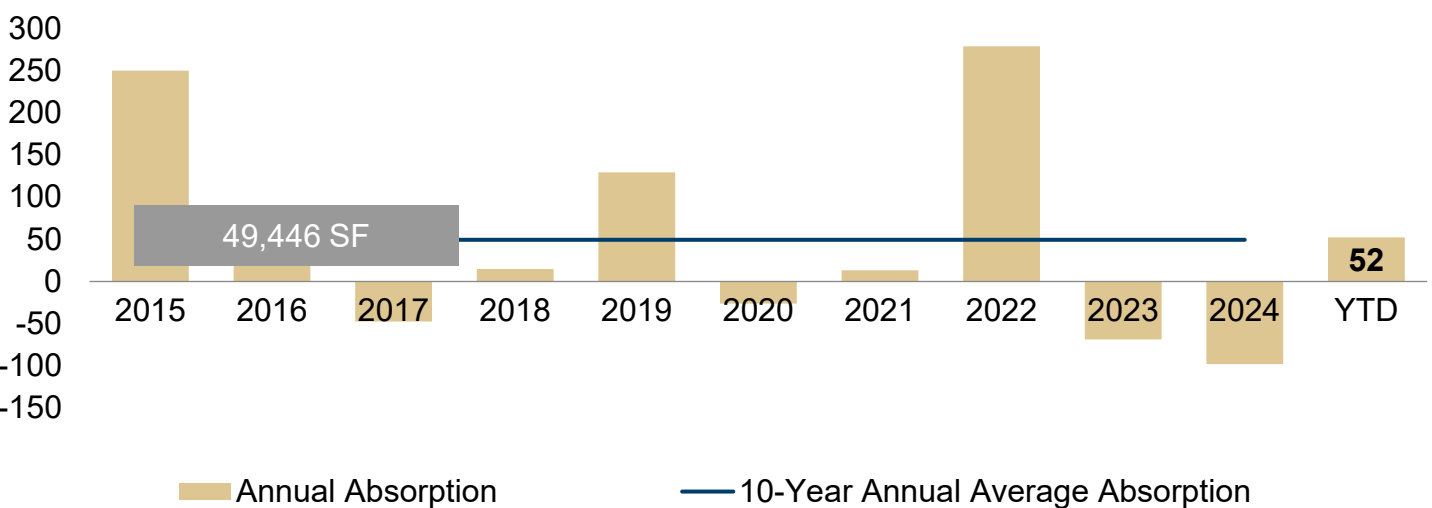
Richmond, BC

Vacancy in Richmond's 4.9-msf office market was 6.7% halfway through 2025, down 100 bps from the end of 2024 but up 70 bps quarter-over-quarter. Volatility since mid-2023 was the result of tenants in mostly class B premises downsizing, closing or relocating, a trend that persisted through 2024 and into the first half of 2025. With just 80,000 sf currently under construction, demand for space in class A and B properties saw positive absorption of more than 52k sf in the first half of 2025, already surpassing the 10-year annual average.

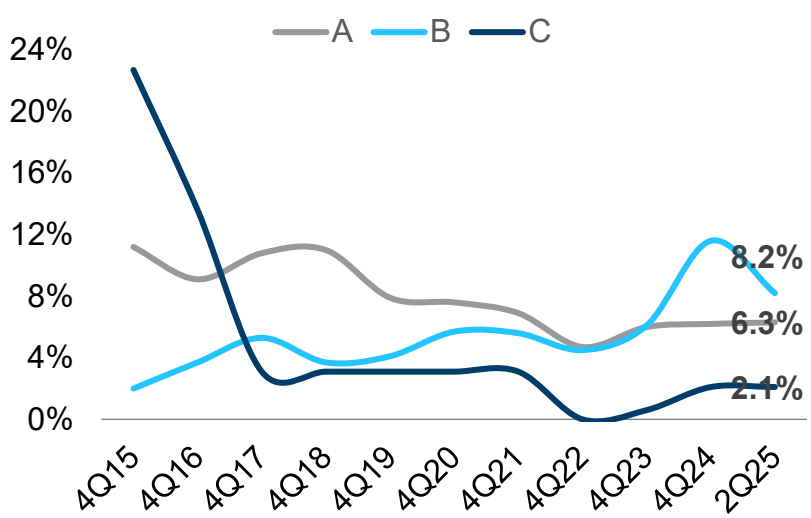
Availability And Vacancy Rates – All Classes





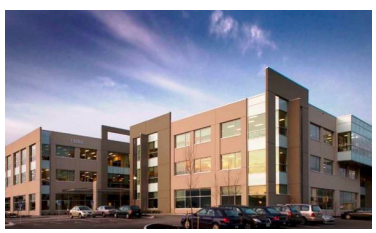

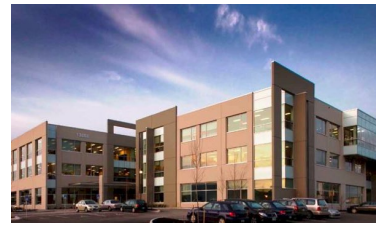
Annual Absorption – All Classes (Thousands of SF)



Vacancy by Class – 2015 to 2025



Second Quarter Deals

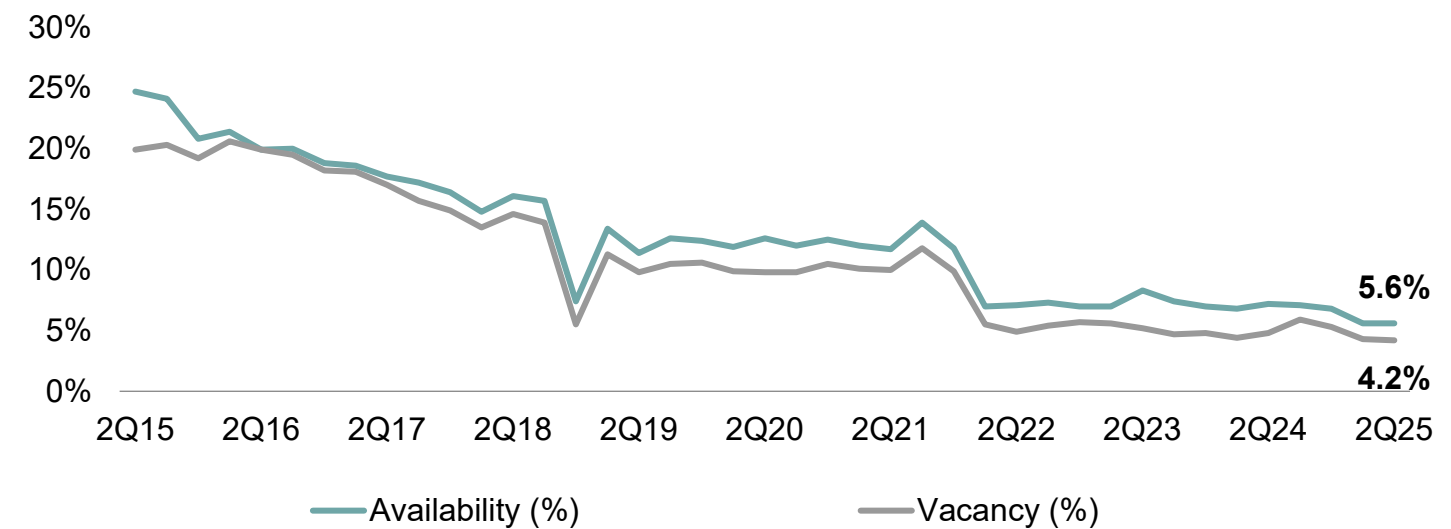
				
Brighthouse West 6011 Westminster Highway	5751 Cedarbridge Way	13888 Wireless Way	Crestwood Corporate Centre (Bldg. 5) 13571 Commerce Pkwy	13888 Wireless Way
Undisclosed	Alps Education	Aqua-Coast Engineering	Coastal International Language Institute Inc.	Alpha Pay
15,170 SF	6,700 SF	5,200	4,140 SF	3,500 SF
Direct New	Direct New	Direct New	Direct New	Direct New

Source: Newmark Research, Altus Data Studio, CoStar

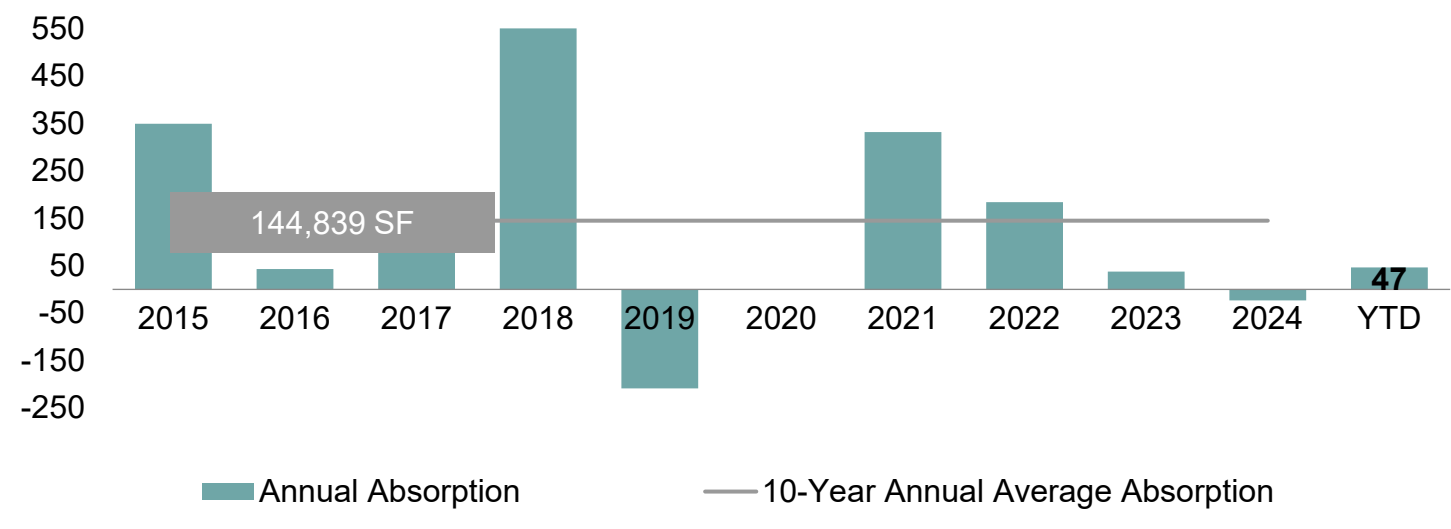
Surrey, BC

Vacancy in Surrey’s 4.7-msf office market fell to 4.2% at the mid-point of 2025, the lowest recorded vacancy since the end of 2000. A notable lack of options has stifled tenant activity with absorption remaining positive (but limited) halfway through 2025 as the majority of spaces leased are less than 5,000 sf. While substantial new supply is proposed, such as the 1.5-msf Centre Block mixed-use development that received its site preparation approvals in December 2024, just three developments totalling ~400k sf are under construction.

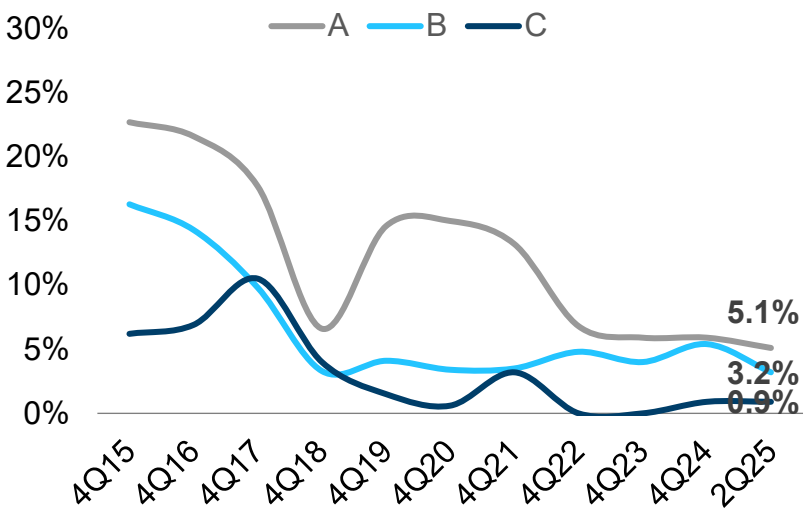
Availability And Vacancy Rates – All Classes



Annual Absorption – All Classes (Thousands of SF)



Vacancy by Class – 2015 to 2025



Second Quarter Deals

Surrey Central Business Park (Bldg. 5) 7485 130th Street	18860 24th Avenue	5577 153A Street	Benchmark Business Centre I 5455 152nd Street	17667 65A Avenue
DIVERSEcity Community Resources Society	Fairhome Manufacturing	Undisclosed	Undisclosed	Undisclosed
9,570 SF	4,160 SF	2,110 SF	2,070 SF	1,640 SF
Direct New	Direct New	Direct New	Direct New	Direct New

Source: Newmark Research, Altus Data Studio, CoStar

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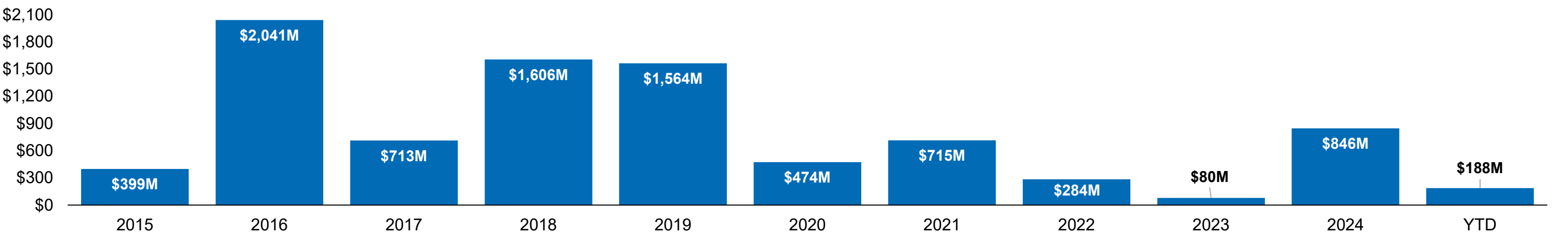
Office Sales Activity



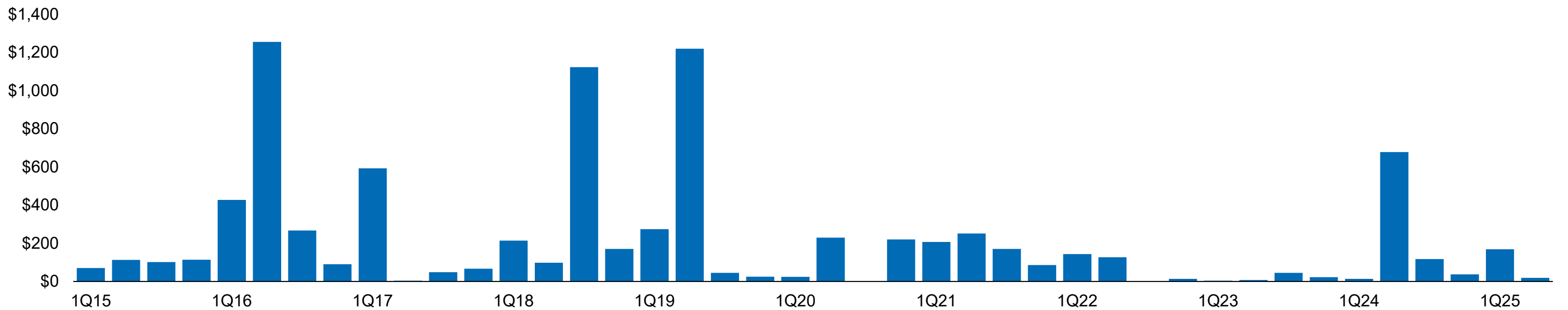
Vancouver Office Sales Volume Takeaways

Vancouver office sales* (excluding strata) generated ~\$188M in proceeds in the first half of 2025 from 11 office dispositions, including the \$70M sale of 1111 West Hastings for conversion into a new downtown hotel. The 12-storey property, which was built in 1966 and contained 95,800 sf of class B office space, will be converted into 180 rooms when it opens in 2029. The share sale price of 4321 Still Creek Drive in Burnaby, a 226,520-sf suburban office building that transacted in April 2025, has not been disclosed and is not part of the total.

Vancouver Annual Sales Volume (\$ in Millions)



Vancouver Quarterly Sales Volume (\$ in Millions)*

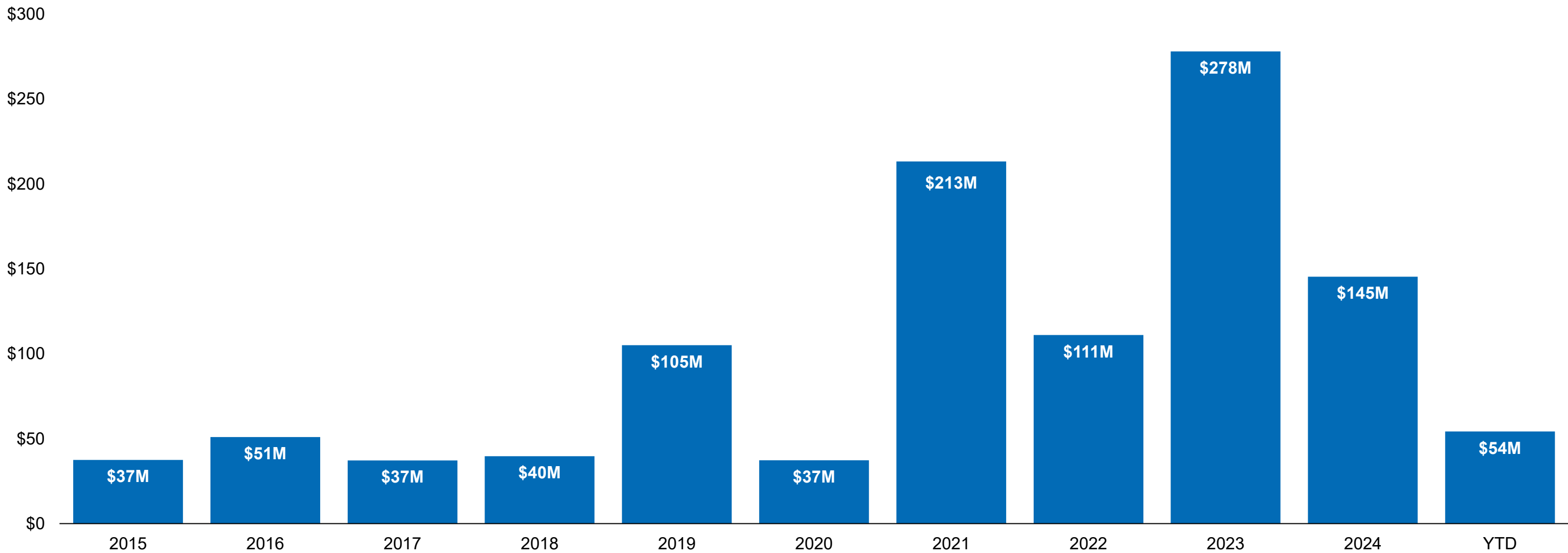


Source: Newmark Research, Altus Data Studio, CoStar
* Excluding non-arms transactions and select share sales where pricing was unavailable for certain asset sales that transacted in 2020, 2021, 2022 and 2025.

Vancouver Office Strata Sales Volume Takeaways

Vancouver strata office sales* amounted to ~\$54M in the first half of 2025, down notably from ~\$89M in the same period of 2024. Most transactions were the result of the completion of Marine Landing (19 sales) in 2025, which represented 56% of the total number of overall sales in the first half (34). While the majority of strata sale transactions occurred at Marine Landing, five sales at Bosa Waterfront Centre also transacted despite it having completed in 2023. The average strata office price achieved in Vancouver was \$857 psf at mid-2025.

Vancouver Strata Office Annual Sales Volume (\$ in Millions)



Source: Newmark Research, Altus Data Studio
* Excluding non-arms transactions

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Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at nmrk.com/insights.

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