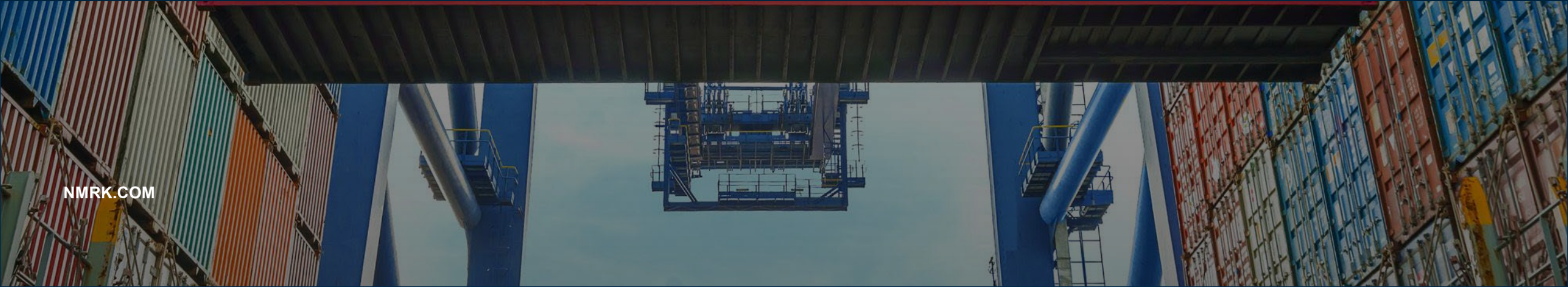




NEWMARK

Greater Vancouver Area Industrial Market Overview

2Q26



NMRK.COM

Newmark's Canadian Industrial Markets

Canada's industrial vacancy rate appears to have crested. After a prolonged loosening, it has compressed for two consecutive quarters – an early signal space is being absorbed rather than given back. Large-bay warehouse demand is leading the turn. Logistics users, quiet since the pandemic-era absorption run wound down, returned in the back half of last year with the strongest leasing stretch in years. This is uneven normalization, not a return to overheating. Tenants in markets that were tight pre-pandemic are still consolidating surplus space, and sublease availability remains elevated, concentrated in older Greater Toronto distribution product. Trade tension has not derailed the logistics story. Rail and port container volumes are rising, some operators route offshore goods through Canadian centres before forwarding south, and Ottawa's restraint on consumer-import tariffs continues to support demand for modern space. Specialized manufacturing is the clear soft spot, though it is largely owner-occupied and its weakness is less contagious than sentiment suggested. Supply is correcting, construction starts have pulled back to multi-year lows, rents are easing, and expectations of cap rate compression are being pushed further out.



Greater Vancouver Area (GVA) Industrial Market Observations

GVA industrial vacancy eased to 3.2% in 2Q26 from a year-end 2025 high of 3.3%, which was the highest since at least 2017 – while availability settled at 4.3%. The tightening cycle that bottomed near 0.5% in 2021 has clearly reversed, though the 1H26 improvement hints vacancy has crested.

Net absorption reached ~250K SF in 2Q26 and ~1.03 MSF in 1H26, more than double the ~477K SF recorded in all of 2025. The quarter fell ~155K SF below the five-year average of ~404K SF – a shortfall more than explained by a single ~260K SF give-back in Langley.

Sublease availability fell to ~1.49 MSF in 2Q26 from ~1.69 MSF in 1Q26 and a record ~2.42 MSF in 2Q25, the lowest reading since 1Q24. It stays ~33% above the ~1.12 MSF long-term average, and the overhang will weigh on rents and absorption until it clears.

Leasing totalled ~1.2 MSF in 2Q26 and ~2.9 MSF in 1H26 – down ~21% from 1H25 but an annualized ~5.9 MSF that still exceeds the 10-year average of ~5.4 MSF. Class A large-format tenants drive activity as a flight to quality keeps occupiers chasing newer, more efficient buildings.



Submarket performance diverged sharply in 2Q26. Maple Meadows posted the highest vacancy at 6.8%, followed by Burnaby and Vancouver at 4.1% and the Fraser Valley and Tri-Cities at 3.9%, while the North Shore (0.7%) and New Westminster (0.3%) remained the tightest.

A clear bifurcation defines the market. Scarce, modern large-format space – sought by 3PL providers and distribution users – commands record rents, while the broader market carries elevated vacancy and availability. Building size now dictates performance more than location.

Small- to mid-bay inventory remains the most challenged segment, holding the bulk of the market's vacancy and availability after oversupply delivered in 2024/25. These smaller building types face the longest path to recovery even as overall fundamentals begin to stabilize.

Space under construction totalled ~2.78 MSF in 2Q26, which was ~55% below the ~6.2 MSF peak of 2Q22. New construction was underway in Richmond (166K), Fraser Valley (217K), Vancouver (287K), Burnaby (350K) and Maple Meadows (367K) but most was in Surrey (~1.4M).

Investment volume slumped to ~C\$878M in 2025, the lowest since at least 2017, and 1H26 has produced only ~C\$361M – down ~19% year over year – with 2Q26's ~C\$123M the weakest quarter in a decade. Federal tax incentives should spur renewed industrial activity in 2027+.

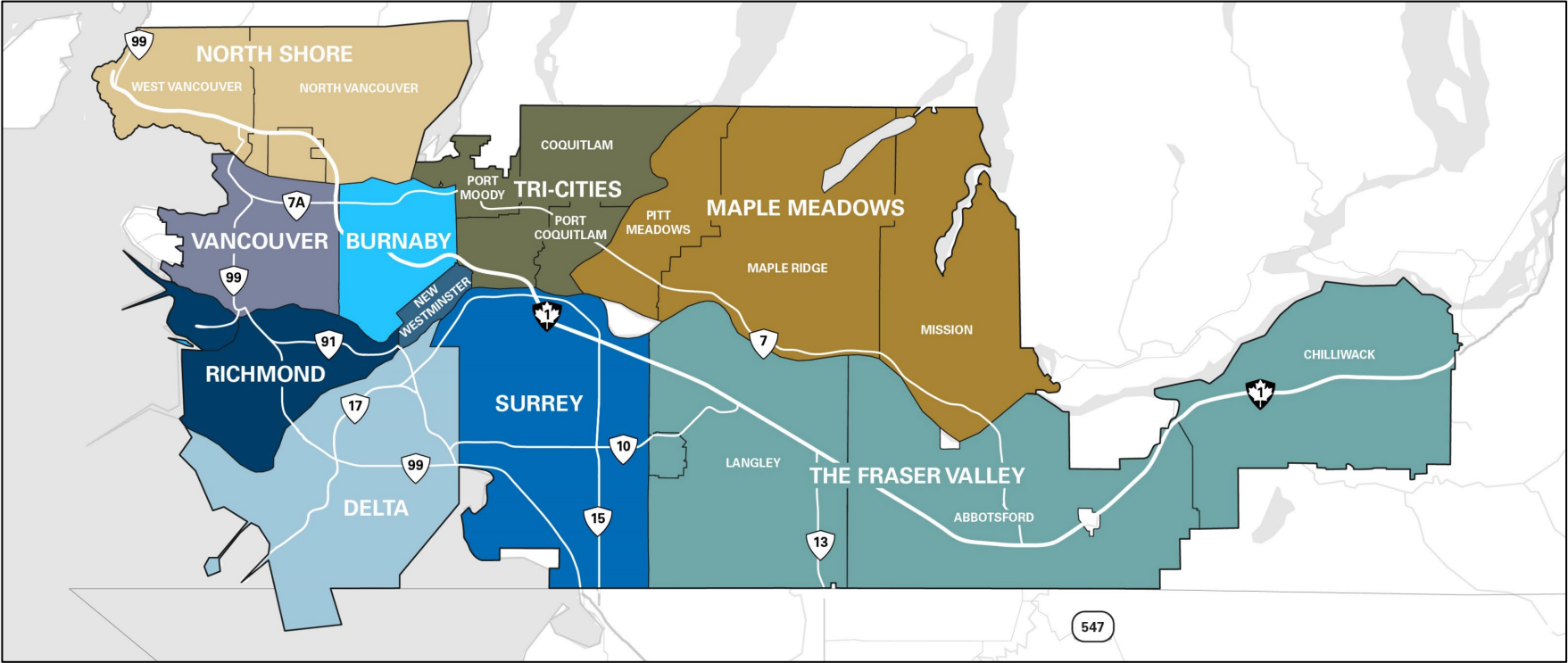
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GVA Industrial Market Metrics



GVA Industrial Metrics for Top Six Submarkets | 2Q26

	Richmond	Surrey	Burnaby	Delta	Vancouver	Fraser Valley
Inventory (MSF)	48.1	47.8	33.8	33.5	30.0	29.9
Total Vacancy	2.2%	2.3%	4.1%	3.1%	4.1%	3.9%
12-Month Rental Rate Change	5.2%	-4.2%	3.0%	-7.5%	12.6%	5.3%
Construction Pipeline (SF)	166K	1,397K	350K	0	287K	217K
Preleased %	71.9%	11.9%	0%	0%	100%	8.4%
Sublease Availability Rate	0.6%	0.6%	0.4%	0.4%	1.0%	0.5%
Total Estimated Direct Gross Rent (PSF) C\$	\$28.1	\$24.5	\$27.5	\$23.6	\$33.8	\$26.1



Source: Newmark Research, Altus Data Studio

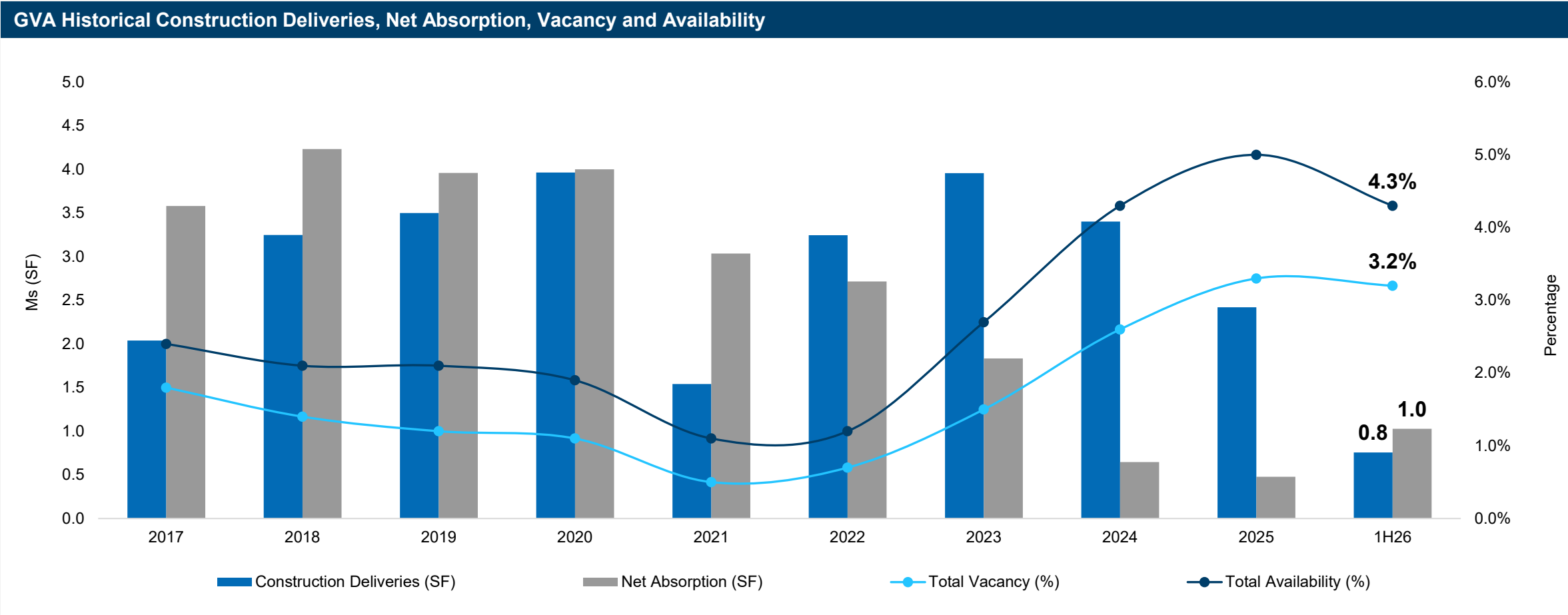
Greater Vancouver Area (GVA) Industrial Submarket Statistics | 2Q26

Submarket Statistics – All Classes										
	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr Net Absorption (SF)	YTD Net Absorption (SF)	Direct Available Rate	Sublease Availability Rate	Estimated Asking Rate (\$/SF)	Total Additional Rent (\$/SF)	Total Est. Direct Gross Rent (\$/SF)
Greater Vancouver Area (GVA)	257,053,769	2,783,485	3.2%	250,064	1,027,813	3.7%	0.6%	C\$20.0	C\$8.1	C\$28.1
Richmond, BC	48,093,089	165,900	2.2%	147,619	394,182	2.2%	0.6%	C\$20.6	C\$7.5	C\$28.1
Surrey, BC	47,812,764	1,397,227	2.3%	56,010	405,763	2.5%	0.6%	C\$18.4	C\$6.1	C\$24.5
Burnaby, BC	33,815,563	349,725	4.1%	-33,059	-20,871	5.7%	0.4%	C\$19.6	C\$7.9	C\$27.5
Delta, BC	33,465,662	0	3.1%	151,446	322,114	3.4%	0.4%	C\$17.8	C\$5.8	C\$23.6
Vancouver, BC	30,037,200	286,636	4.1%	-110,497	-5,401	4.6%	1.0%	C\$21.2	C\$12.6	C\$33.8
Fraser Valley (Abbotsford, Chilliwack, The Langleys)	29,917,437	217,145	3.9%	-191,735	-263,136	4.6%	0.5%	C\$19.7	C\$6.4	C\$26.1
Tri-Cities (Coquitlam, Port Coquitlam, Port Moody)	15,189,400	0	3.9%	17,648	-22,060	4.9%	0.9%	C\$22.0	C\$8.2	C\$30.2
Maple Meadows (Maple Ridge, Mission, Pitt Meadows)	7,127,715	366,852	6.8%	181,660	174,352	7.7%	0.6%	C\$17.6	C\$5.7	C\$23.3
North Shore (North Vancouver, West Vancouver)	6,674,548	0	0.7%	32,707	58,821	1.1%	0.0%	C\$23.2	C\$9.4	C\$32.6
New Westminster, BC	4,920,391	0	0.3%	-1,735	-15,951	0.3%	0.0%	C\$16.4	C\$9.5	C\$25.9

Source: Newmark Research, Altus Data Studio
If market name is italic, please contact Newmark agent for detailed summary.

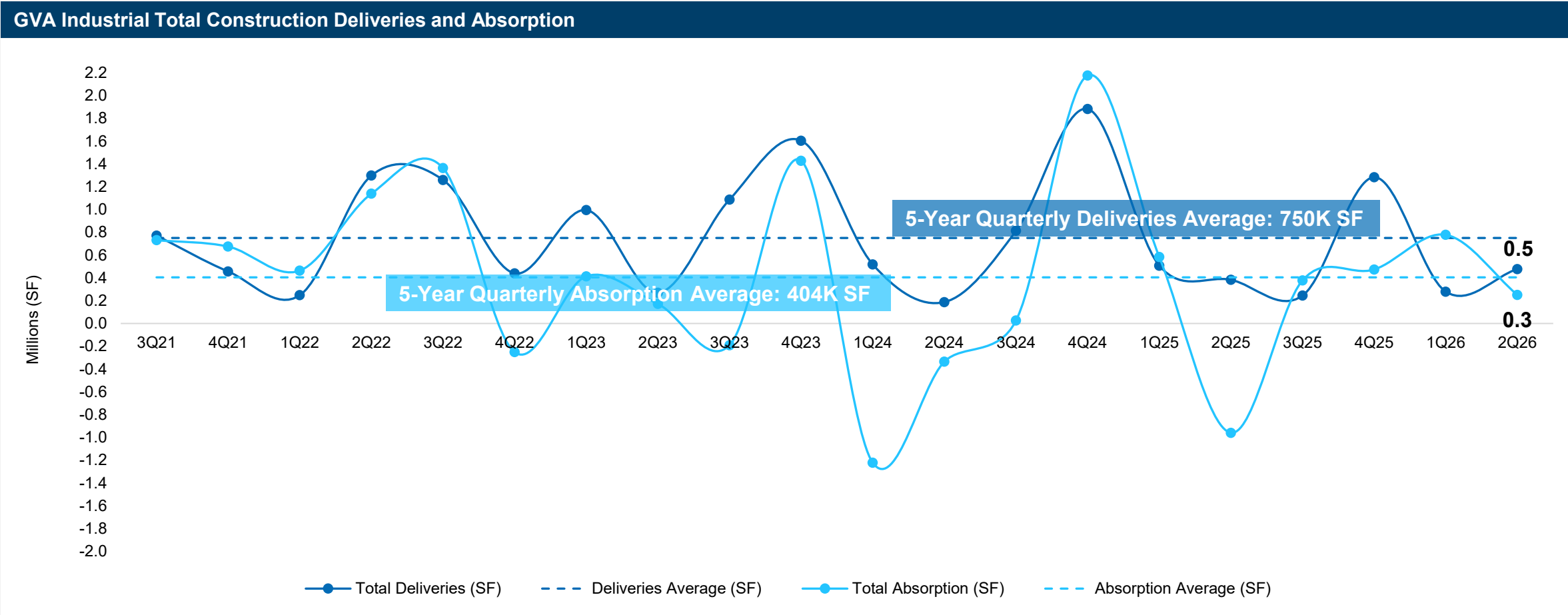
Demand Outpaces Sparse Supply As Vacancy And Availability Ease Through 1H26

Greater Vancouver’s cycle appears to have turned, though the second quarter tempered the trend. Net absorption reached ~1.03 MSF in 1H26 – more than double the ~477K SF recorded in all of 2025 – while deliveries of ~757K SF track to an annual total roughly matching 2021’s series low. That imbalance pulled total vacancy down to 3.2% from a year-end 2025 high of 3.3% and cut availability to 4.3% from 5.0%. Absorption of ~250K SF in 2Q26 followed ~778K SF in 1Q26, the moderation driven largely by a single ~260K SF give-back in Langley rather than broad-based weakness in the Greater Vancouver region.



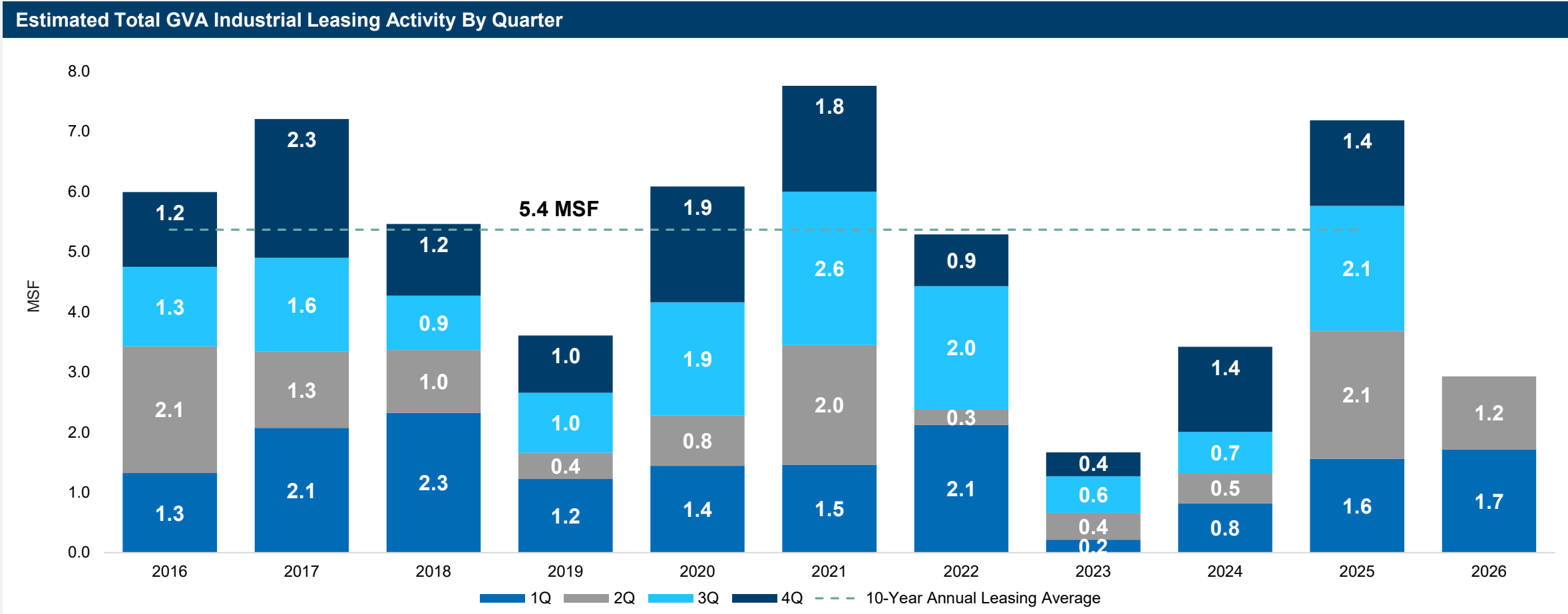
Absorption Cools Below Trend As Single Large Vacancy Offsets Regional Demand

Quarterly demand has been positive in five of the past six quarters, though the pace cooled sharply. Absorption of ~250K SF in 2Q26 followed ~778K SF in 1Q26, lifting 1H26 to ~1.03 MSF but leaving the second quarter below the five-year quarterly average of ~404K SF. Supply stayed restrained: deliveries of ~478K SF trailed the ~750K SF five-year average for a second consecutive quarter. First-half demand still comfortably outpaced completions, which is what pulled vacancy and availability lower. Demand is trending towards securing large new high-efficiency warehouse/logistics space, which remains limited. Availability of this building type is a leading constraint on demand more than other factors.



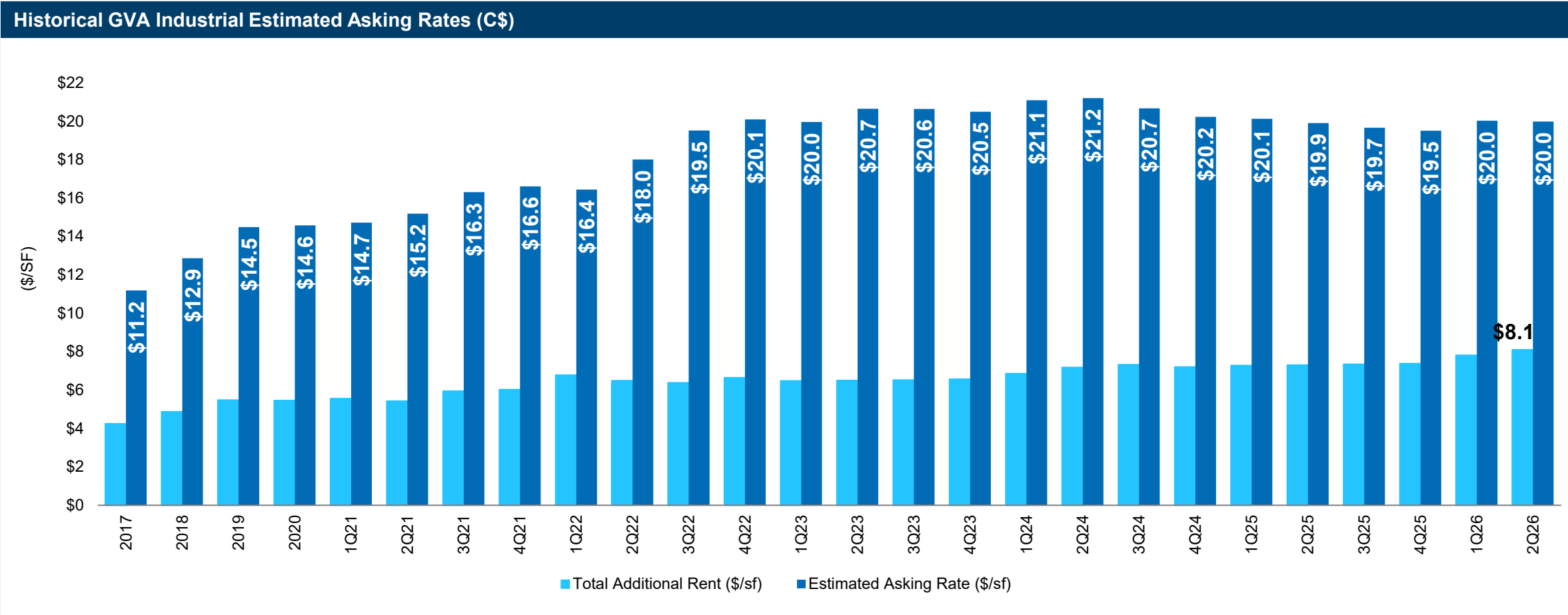
Leasing Cools From Strong Start But Holds Above 10-Year Average Pace

Regional leasing totalled ~2.9 MSF in 1H26 – an annualized pace of ~5.9 MSF that remains above the 10-year average of ~5.4 MSF – but momentum cooled as the year progressed. Second-quarter volume of ~1.2 MSF fell ~29% from the ~1.7 MSF of 1Q26 and trailed the ~2.1 MSF of 2Q25, leaving the first half ~21% behind 1H25. Activity is nonetheless more than double the depressed first halves of 2023 and 2024, when a post-COVID recalibration cut volumes to multi-year lows. With large-format options scarce and the pipeline only beginning to refill, the constraint on leasing is increasingly supply rather than occupier appetite.



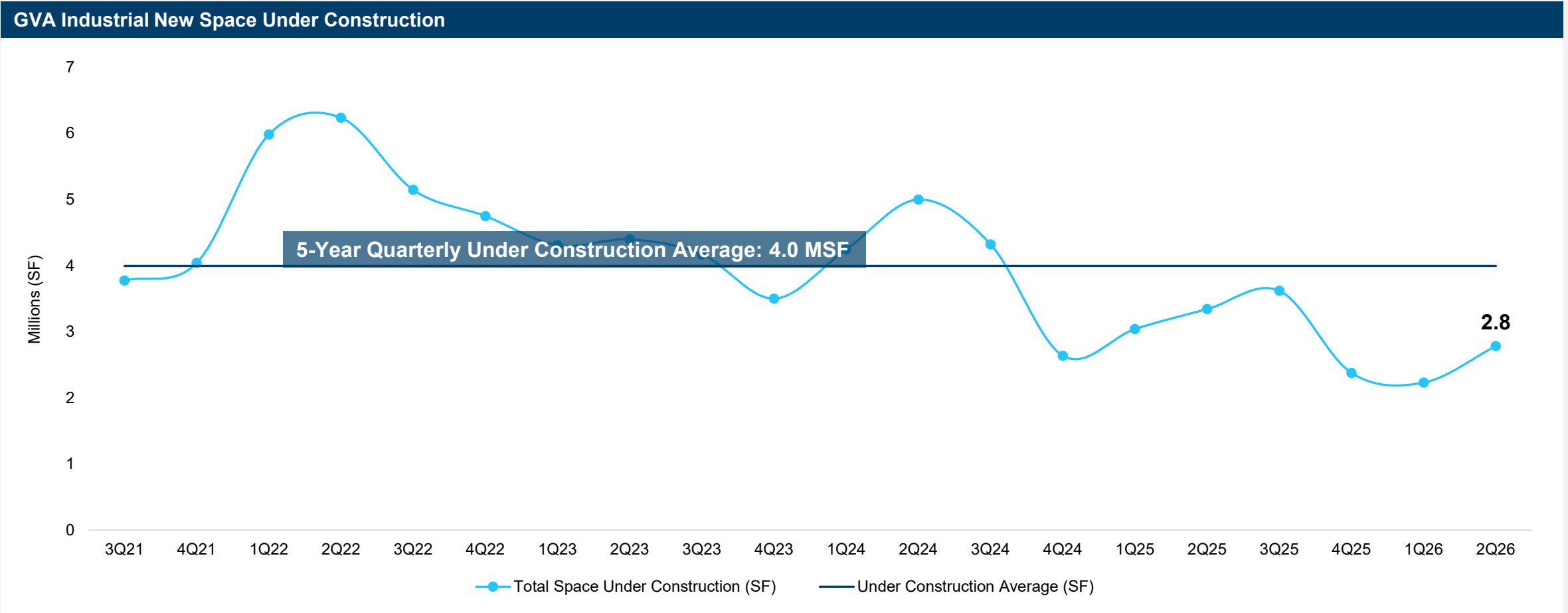
Net Rents Flatten Near C\$20 As Additional Rents Set Another Record High

Estimated asking net rents have flattened. After peaking near C\$21.2/SF at mid-2024, rates eased through 2025 to C\$19.5/SF, firmed to C\$20.02/SF in 1Q26 and held at C\$19.98/SF in 2Q26 – effectively unchanged for two quarters and ~6% below the cycle high. The stability is partly compositional: as small- and mid-bay space delivered in 2024/25 leased up and availability compressed to 4.3% from 5.0%, the remaining listed inventory skews toward scarce large-format product that carries a premium, holding the average without landlords repricing. Where concessions are being made, they are increasingly in free rent and TI allowances rather than face rates, so net effective rents are softer than the asking line implies.



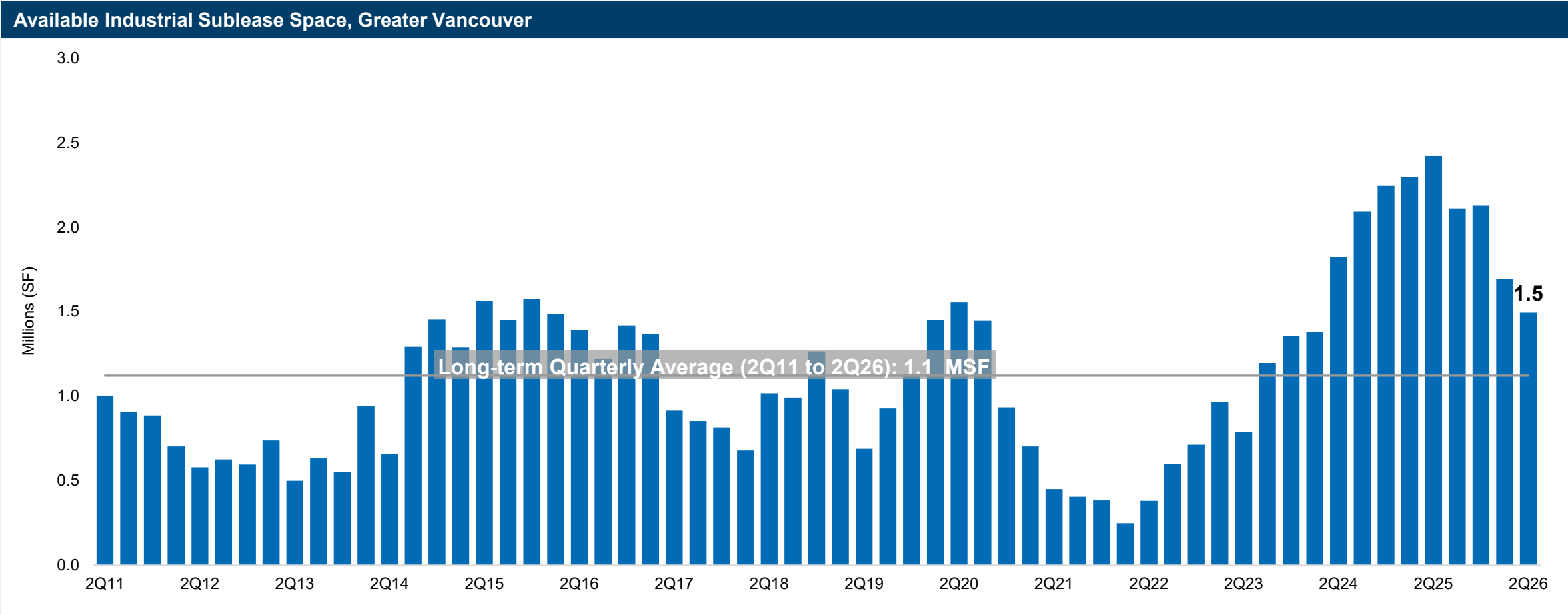
Construction Pipeline Edges Up After Hitting Lowest Total Of Past Five Years In 1Q26

The supply pipeline has stopped shrinking. Space under construction rose to ~2.78 MSF in 2Q26 from ~2.23 MSF in 1Q26 – the first quarterly increase since 3Q25 – yet remains ~55% below the ~6.2 MSF cyclical peak of 2Q22 and ~30% under the five-year quarterly average of ~4.0 MSF. Surrey still accounts for ~1.40 MSF, or roughly 50% of the regional total, with the construction of Latimer Lake Logistics Park 2 in Campbell Heights adding ~379K SF when completed in late 2027. The upswing is constructive, yet with completions below trend and first-half absorption above it, the region is still drifting toward a shortage of the modern large-format space occupiers want most.



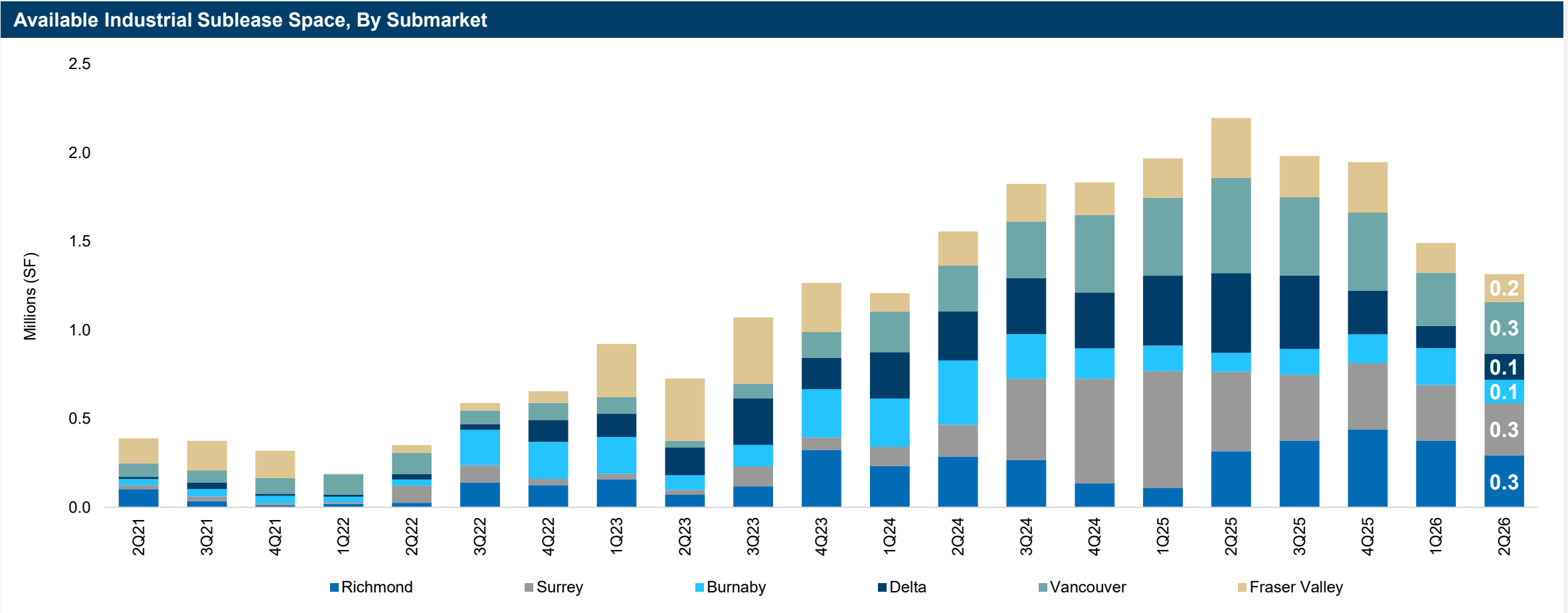
Sublease Space Falls To Lowest Point Since Early 2024 As Overhang Unwinds

Industrial sublease availability declined to ~1.5 MSF in 2Q26 from ~1.7 MSF in 1Q26 – a ~38% retreat from the record ~2.4 MSF of 2Q25 and the lowest reading since 1Q24. Space has now fallen in three of the past four quarters, confirming that mid-2025 marked the peak of an overhang building steadily since early 2022. At ~33% above the long-term quarterly average of ~1.1 MSF since 2011, however, the market is not yet clear. Closing that gap would take roughly two more quarters at the pace of the past year, and until it does, returned space will keep competing with direct availability in the small- to mid-bay segment.



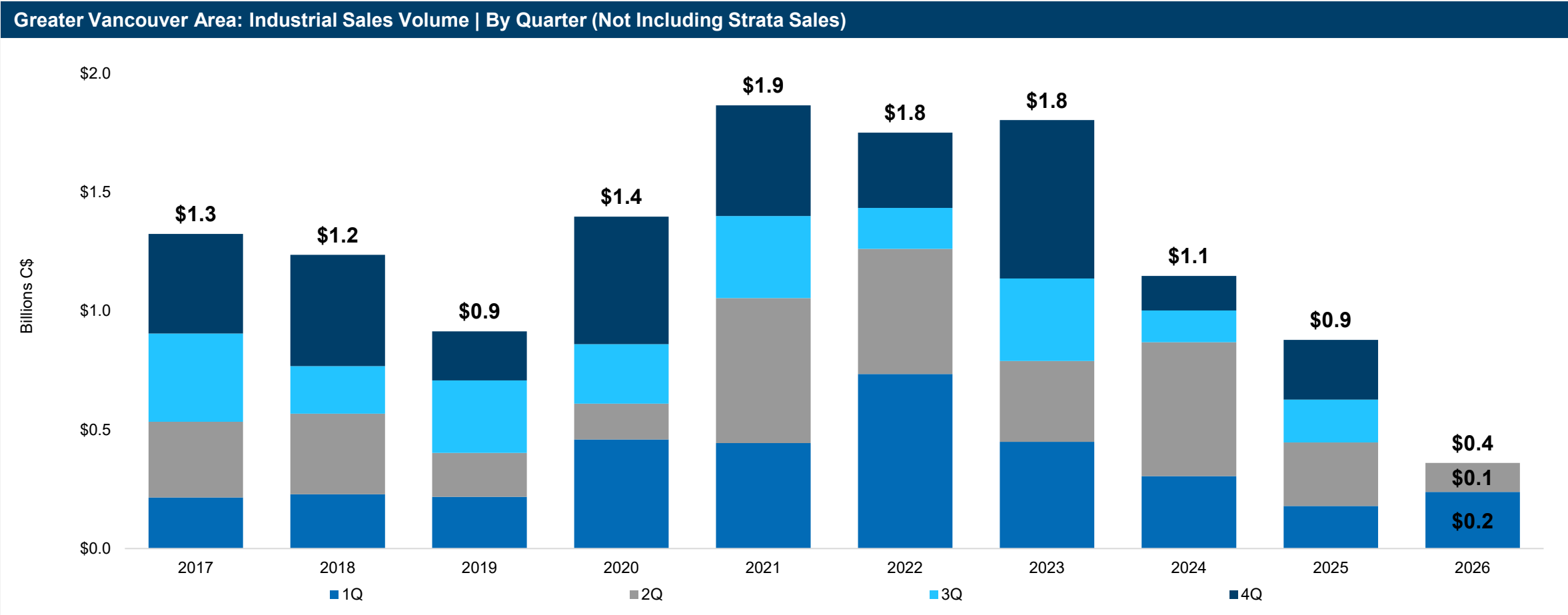
Sublease Retreat Broadens As Surrey, Richmond And Vancouver Submarkets Converge

The sublease retreat is now as broad-based as the build-up that preceded it. Surrey has fallen to ~295K SF from a peak of ~658K SF in 1Q25, a decline of ~55%, while Richmond eased to ~292K SF from ~440K SF at year-end 2025 and Vancouver slipped to ~291K SF from ~537K SF at mid-2025. The three largest contributors have converged near ~290K SF each. Burnaby dropped to ~132K SF, below its long-run average, and only Delta added space, rising modestly to ~147K SF, while the Fraser Valley slid to ~157K SF. Four of the six remain above their long-run averages, and the group still carries ~263K SF – about 25% – more sublease space than its historical norm.



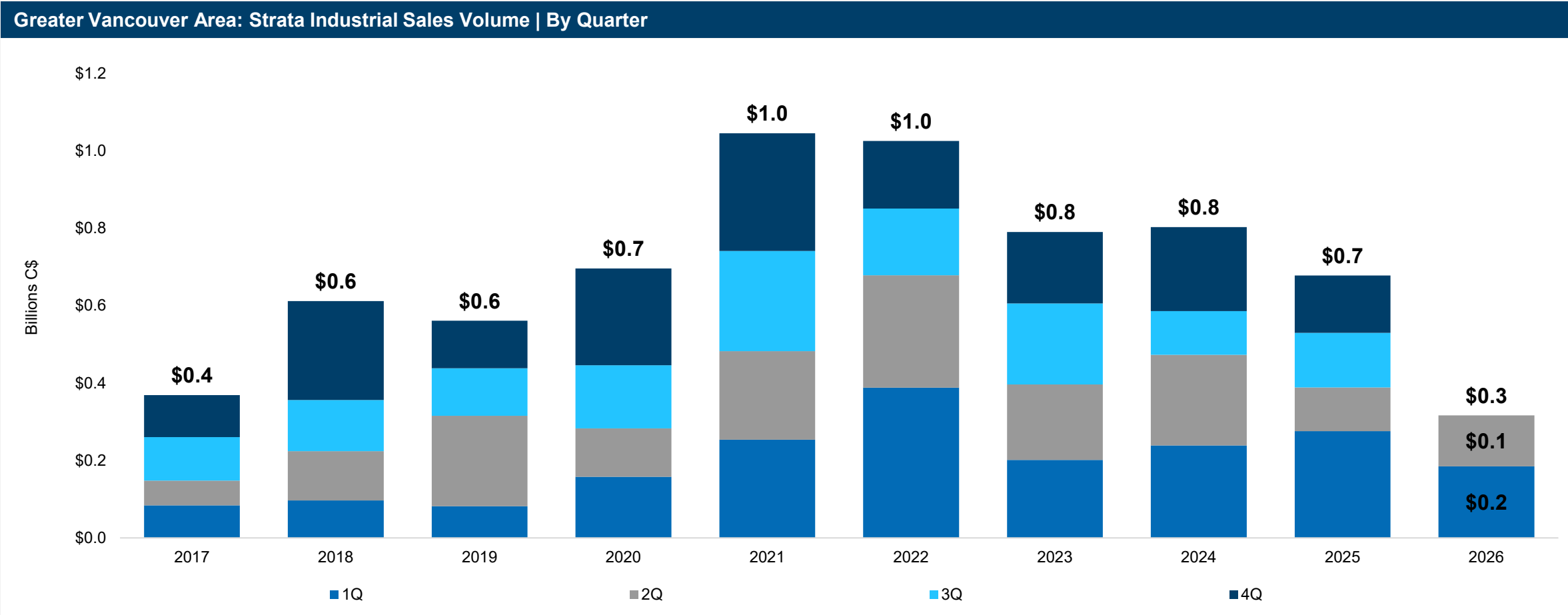
GVA Industrial Investment Slides To Its Weakest Quarter In A Decade As Deals Stall

Investment activity weakened materially in the second quarter of 2026. Volume of ~C\$123M in 2Q26 was the lowest quarterly total of the past decade, taking 1H26 to ~C\$361M – down ~19% from ~C\$447M in 1H25 and tracking to an annualized ~C\$721M that would fall below 2025’s ~C\$878M and mark a fresh ten-year low. Even with the Bank of Canada’s overnight rate at 2.25%, restrictive financing, unresolved tariff policy and a softer B.C. economic outlook amid diminishing employment prospects continue to widen bid-ask spreads. Improving occupancy fundamentals and federal tax incentives should draw capital back, but price discovery is clearly not finished.



GVA Strata Industrial Sales Retreat To ~C\$316M At Mid-2026, Lowest Since 1H20

Strata activity remained subdued through first-half 2026. Sales of ~C\$132M in 2Q26 took 1H26 to ~C\$316M, down ~19% from ~C\$389M in 1H25 and the weakest first half since 1H20. A second straight first-half decline leaves volume ~53% below the ~C\$678M peak of 1H22 and ~15% under the ten-year first-half average of ~C\$371M. The conditions that built Canada’s largest strata market – low rates, sub-1% vacancy, land scarcity and rising rents – have all reversed, returning volume to its 1H19 level. Demand has always been anchored by small- and mid-bay users, yet that is precisely where vacancy and availability are concentrated, leaving owner-occupiers with choice they have not had in a decade.



Source: Newmark Research, Altus Data Studio
Note: The retreat is concentrated in the first quarter, where volume fell ~33% against a strong 1Q25; second-quarter sales ran ~16% ahead of the same period last year.

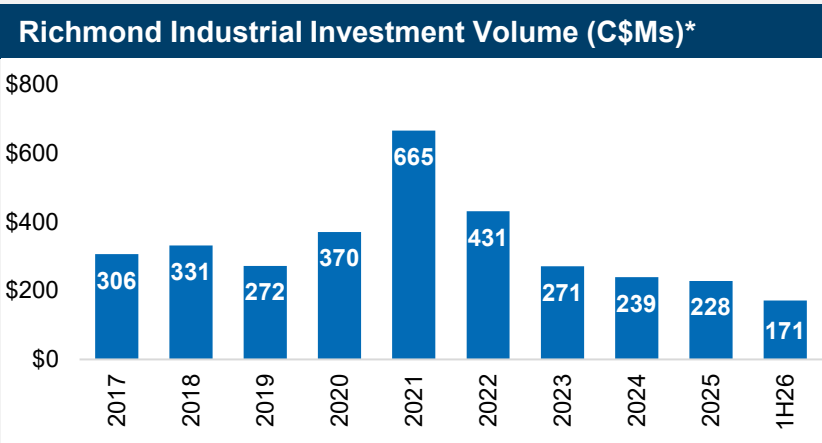
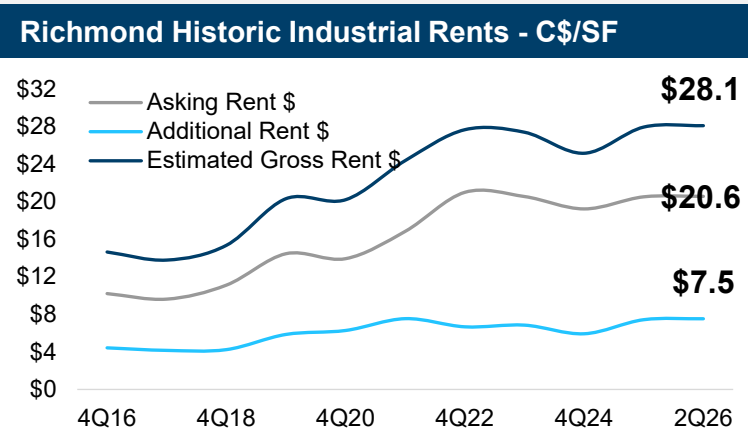
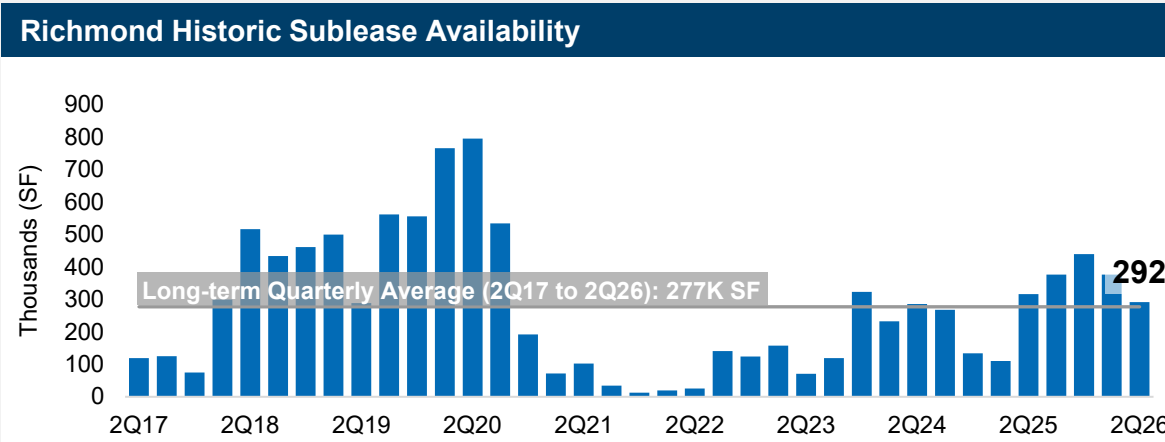
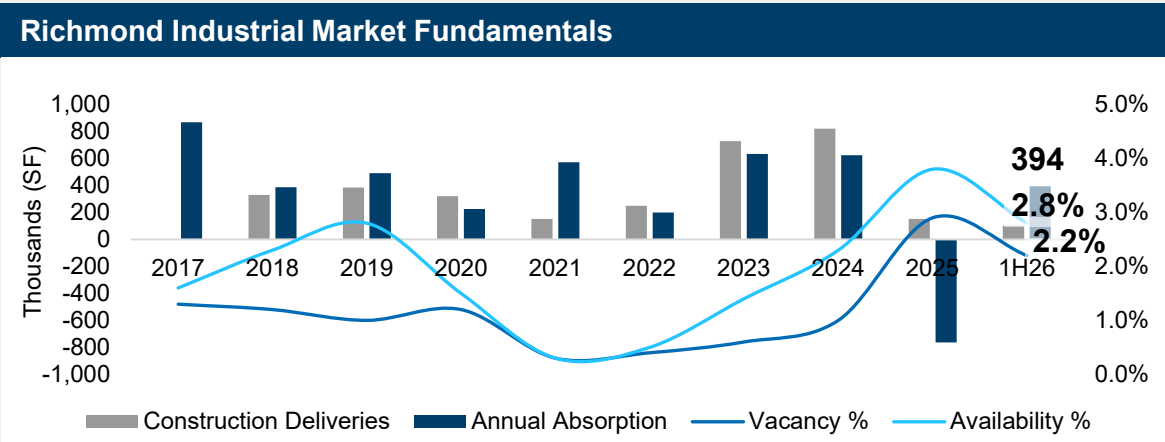
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GVA Industrial Submarket Snapshots



Richmond, BC

Richmond has staged the region’s sharpest absorption reversal. After surrendering ~762K SF in 2025 – the region’s worst annual result, driven largely by the vacancy of HBC’s former 411,000-SF distribution centre – the submarket absorbed ~394K SF in 1H26, cutting vacancy to 2.2% from 2.9% and availability to 2.8% from 3.8%. Sublease space eased to ~292K SF from ~440K SF at year-end 2025. Deliveries of ~102K SF added little, though ~166K SF remains under construction, and gross rents firmed to a record ~C\$28.1/SF on additional rent of ~C\$7.5/SF. Investment of ~C\$171M in 1H26 already represents ~75% of the 2025 total, signalling renewed conviction.

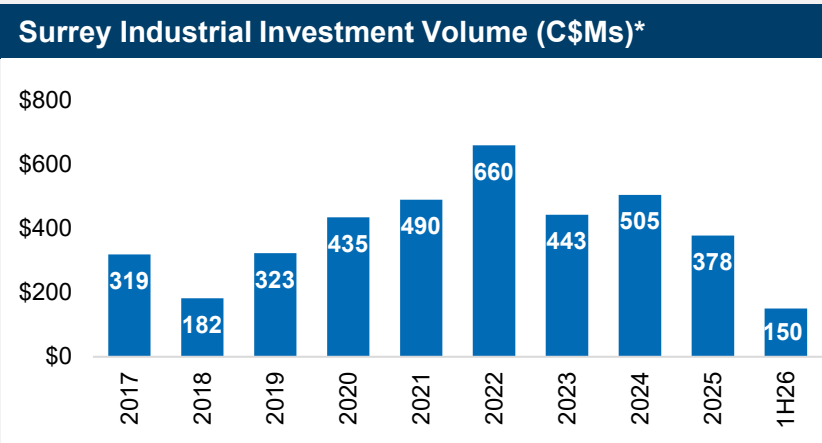
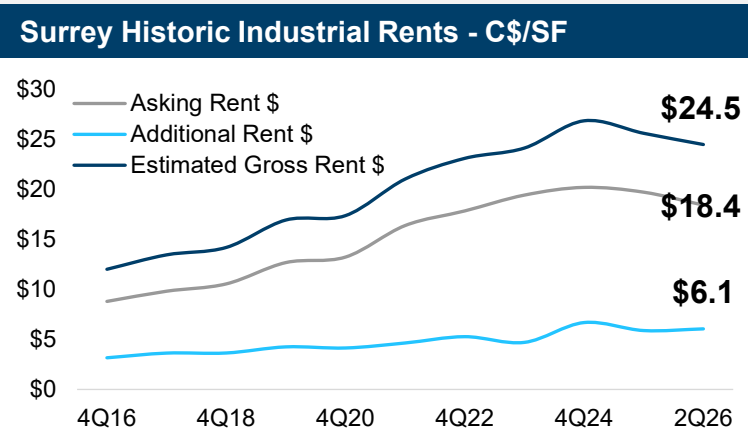
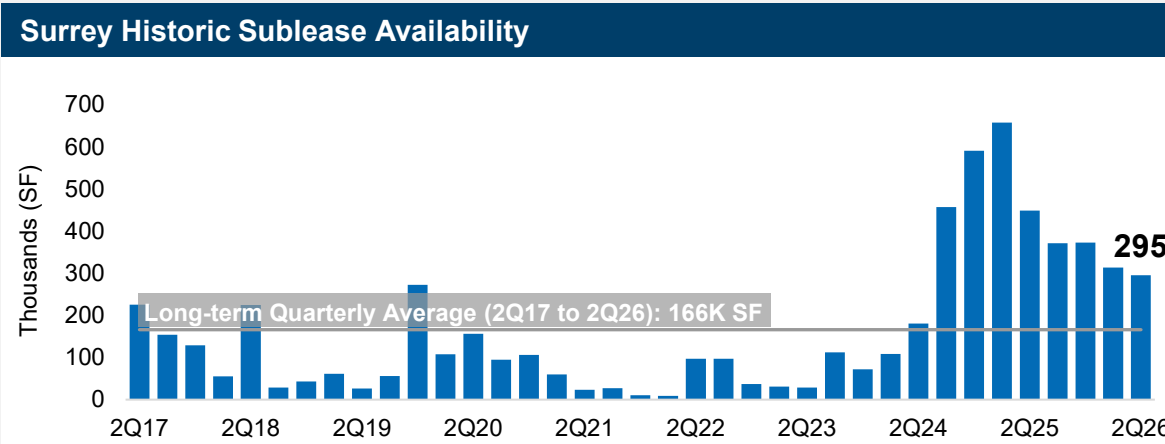
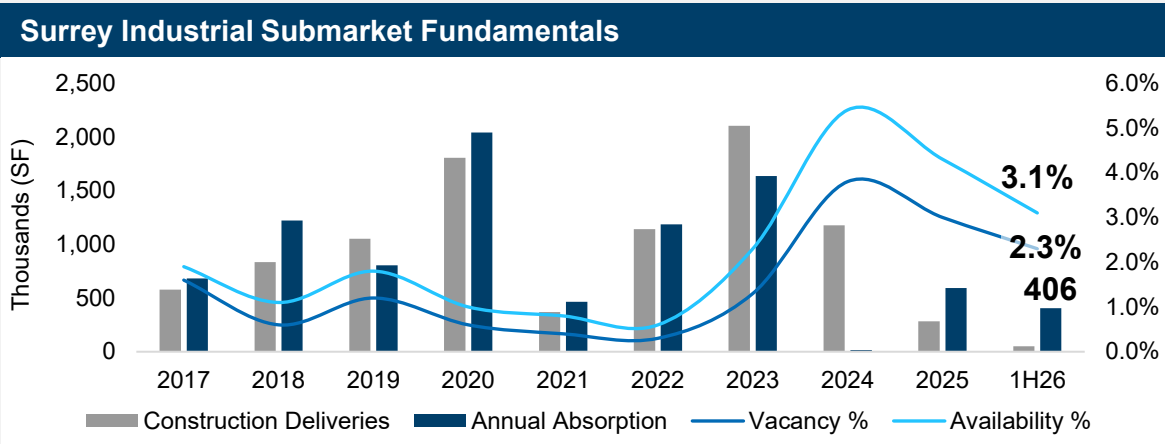


Second Quarter Deals

Tenant/Occupant	Building	Type	SF
Spicers Canada	2500 Vauxhall Place, Richmond	Renewal	81,720
FPS Food Process Solutions	12751 Vulcan Way, Richmond	Lease	80,490
National Cargo Services	13951 Bridgeport Rd, Richmond	Renewal	52,800
Undisclosed	4551 Agar Drive, Richmond	Sublease	42,300
Undisclosed	11911 No. 5 Road, Richmond	Lease	24,120

Surrey, BC

Surrey led the region again, absorbing ~406K SF in 1H26 with vacancy sliding to 2.3% from 3% at year-end 2025 while availability tightened to 3.1% from 4.3% in the same period. Sublease space fell to ~295K SF from a ~658K SF peak in 1Q25, though it stays well above the ~166K SF long-run average. Deliveries of just ~50K SF aided the tightening, but Surrey now carries ~1.4 MSF under construction – roughly 50% of the regional pipeline – and remains on track to surpass Richmond as the region’s largest submarket. Gross rents softened to ~C\$24.5/SF, a second consecutive annual decline, as landlords competed for tenants in the region’s most actively built market.

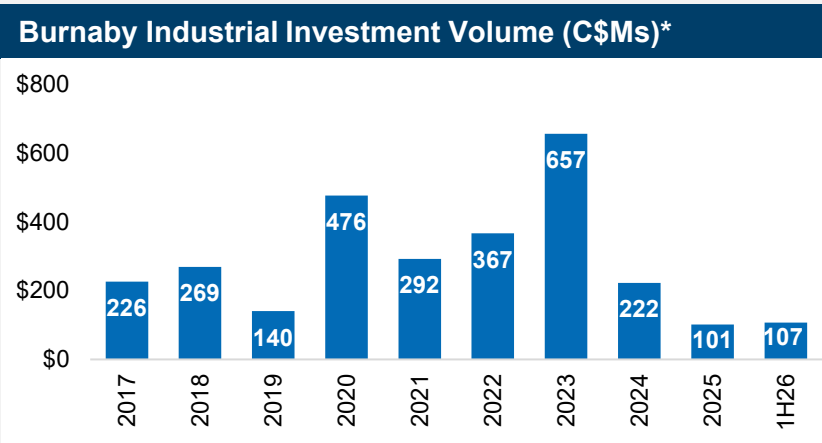
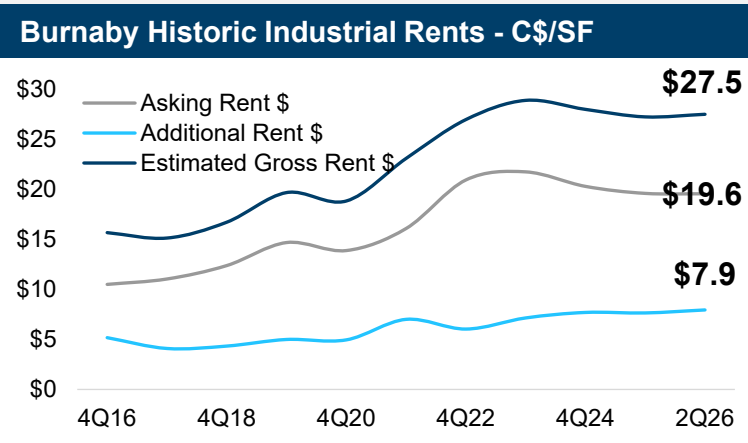
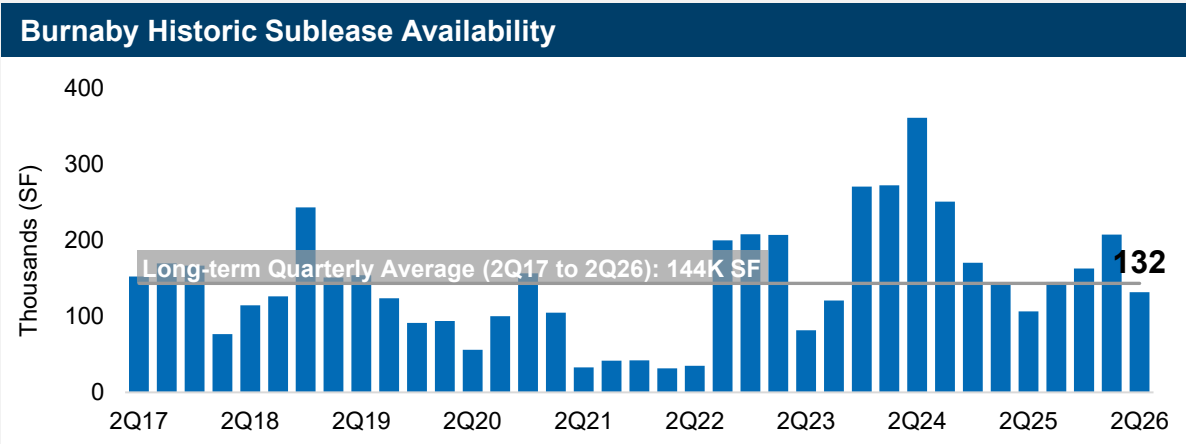
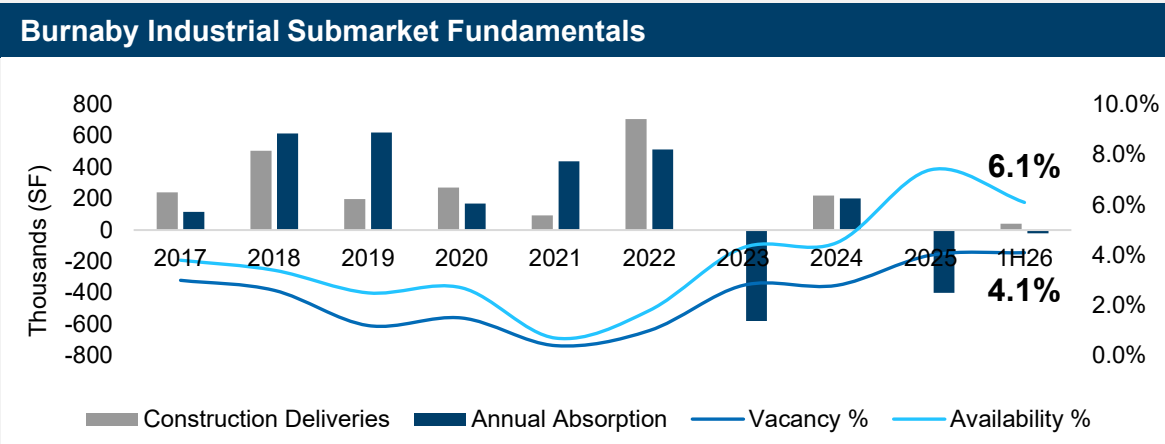


Second Quarter Deals

Tenant/Occupant	Building	Type	SF
Toyota Canada	19066-19084 20th Avenue, Surrey	Lease	171,880
S+S Industries	2945 190th Street, Surrey	Lease	67,000
ALS Canada	18800-18806 96th Avenue, Surrey	Lease	49,350
RWC Systems	17848 65A Avenue, Surrey	Lease	25,700
Inutr Health Products	3475 194th Street, Surrey	Lease	12,390

Burnaby, BC

Burnaby was one of the three core submarkets to give back space in 1H26, recording negative absorption of ~21K SF and lifting vacancy to 4.1%, tied with Vancouver for the most among the top six submarkets. Beneath that, conditions improved: availability retreated to 6.1% from 7.4% at year-end 2025 and sublease space fell to ~132K SF, below its ~144K SF average for the first time since mid-2025. Gross rents recovered to ~C\$27.5/SF on record additional rent of ~C\$7.9/SF, even as asking rents held ~10% under the 4Q23 peak. Investment of ~C\$107M in 1H26 has already surpassed all of 2025.

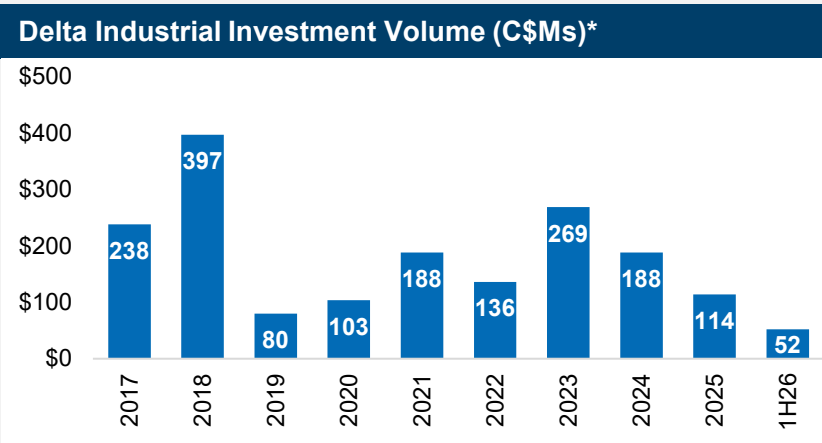
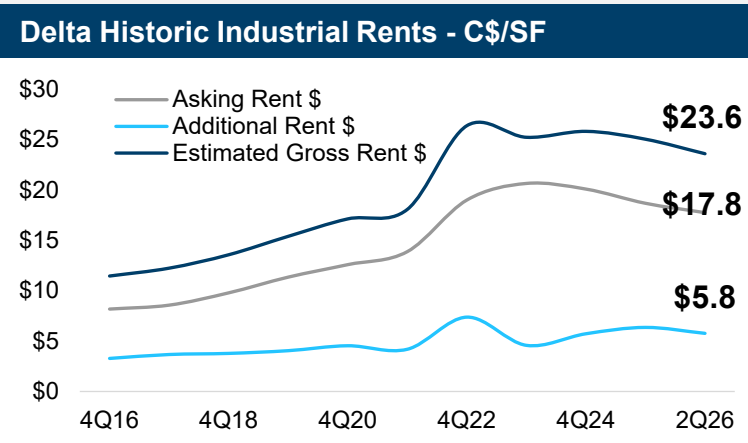
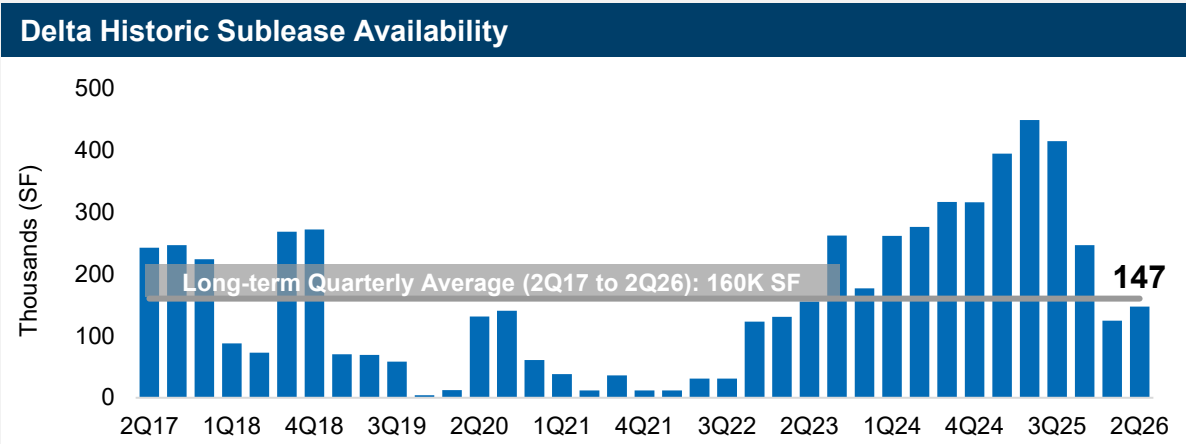
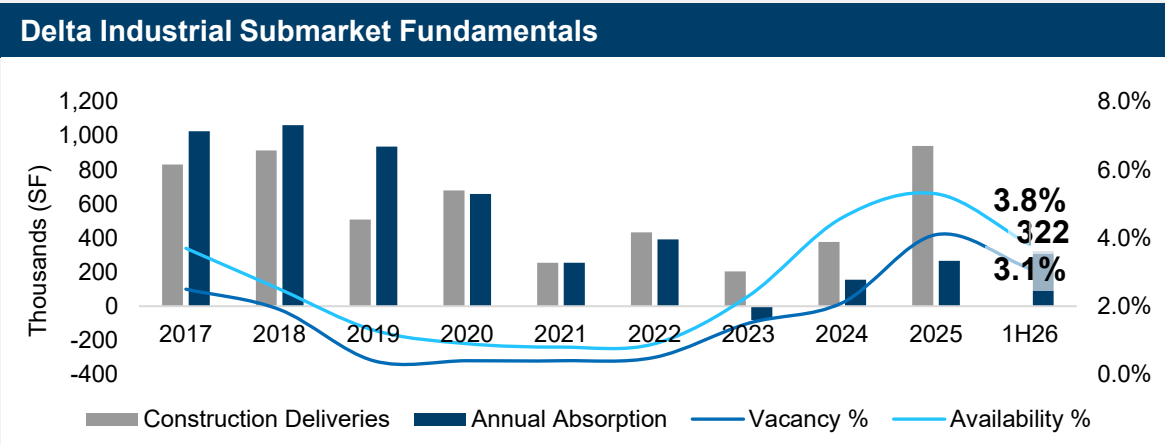


Second Quarter Deals

Tenant/Occupant	Building	Type	SF
A1 Bags & Supplies	2275 Douglas Road, Burnaby	Lease	69,400
Hotshot Coffee Sleeves	3767 & 3771 Marine Way, Burnaby	Lease	32,080
Pacific Pickleball	7307 Meadow Street, Burnaby	Lease	35,560
Sustainable Solutions	8131 Wiggins Street, Burnaby	Lease	29,470
Undisclosed	2984 Norland Avenue, Burnaby	Lease	22,440

Delta, BC

Delta compressed availability faster than any other core submarket. With no new deliveries in 1H26 and absorption of ~322K SF, vacancy fell to 3.1% from 4.1% at year-end 2025 and availability to 3.8% from 5.3%. Sublease space rose to ~147K SF, below its ~160K SF average and ~67% off the ~449K SF peak of 2Q25. Logistics and distribution users drawn to the port and transport infrastructure continue to anchor demand. Pricing has yet to follow: at ~C\$17.8/SF asking and ~C\$23.6/SF gross, Delta is the most affordable of the top six and asking rates are on track for a third straight annual decline.

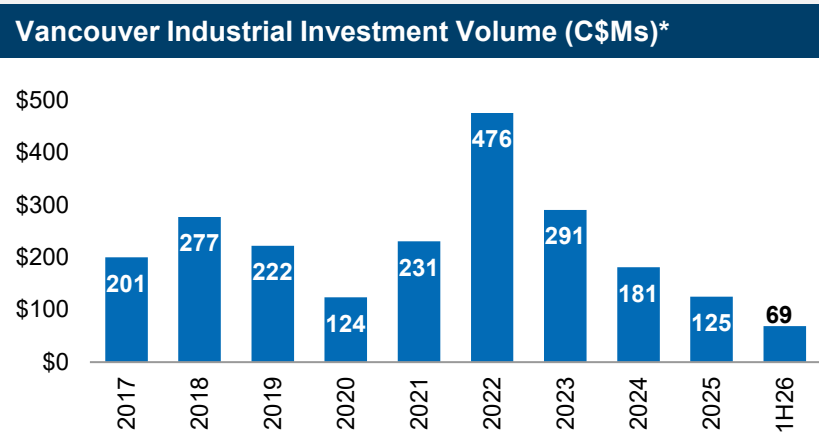
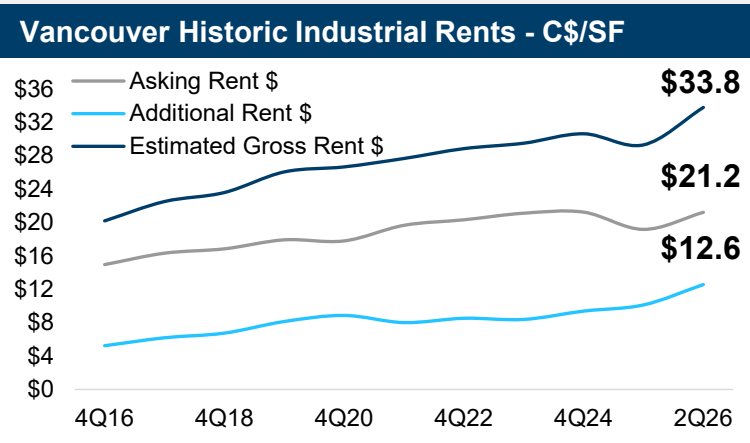
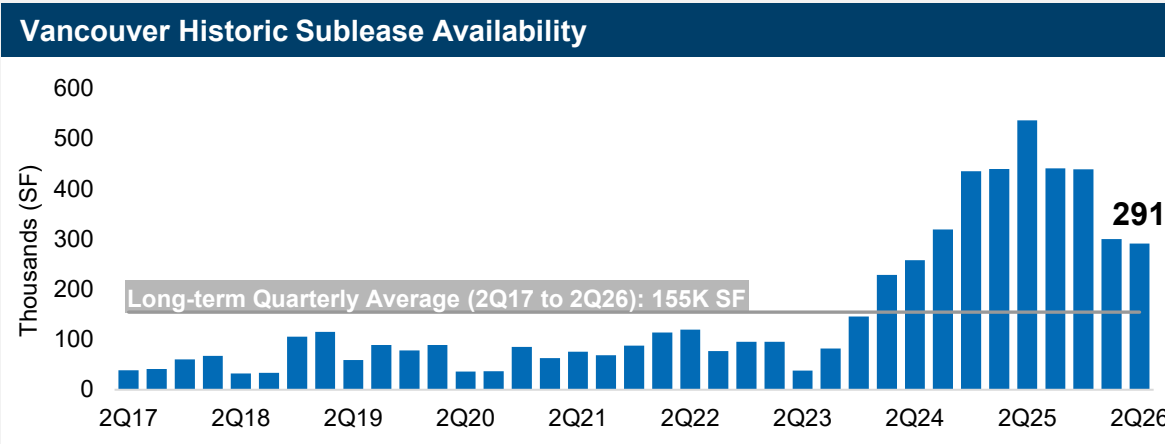
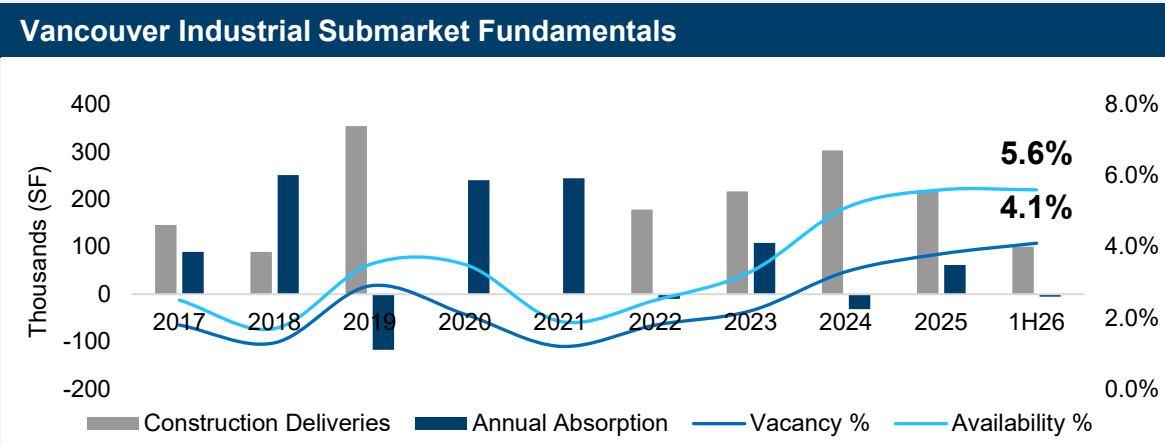


Second Quarter Deals

Tenant/Occupant	Building	Type	SF
S&S Activewear Canada	1005 Derwent Way, Delta	Lease	162,370
Zodiac Hurricane Technologies	7830 Vantage Way, Delta	Renewal	48,240
Undisclosed	766 Cliveden Place, Delta	Lease	35,610
Trafa Pharmaceutical	6755 Dennett Place, Delta	Lease	23,120
Ship Hero Logistics	1480-1498 Cliveden Avenue, Delta	Lease	15,680

Vancouver, BC

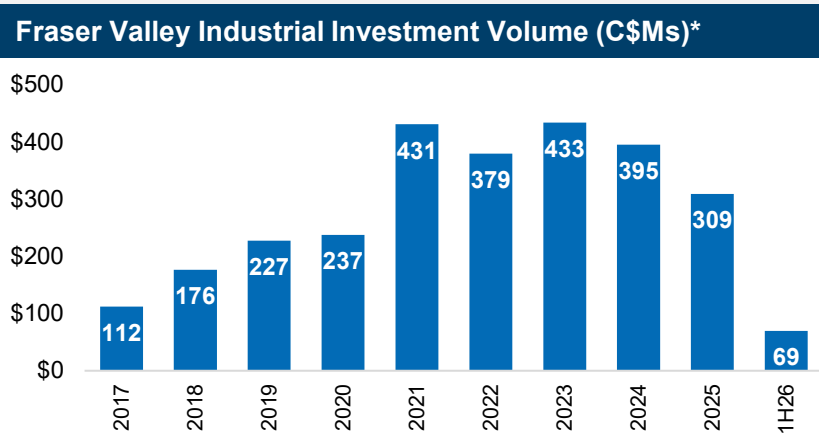
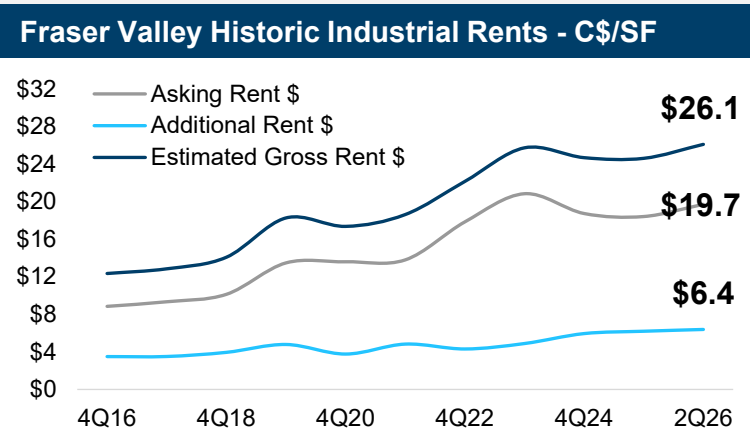
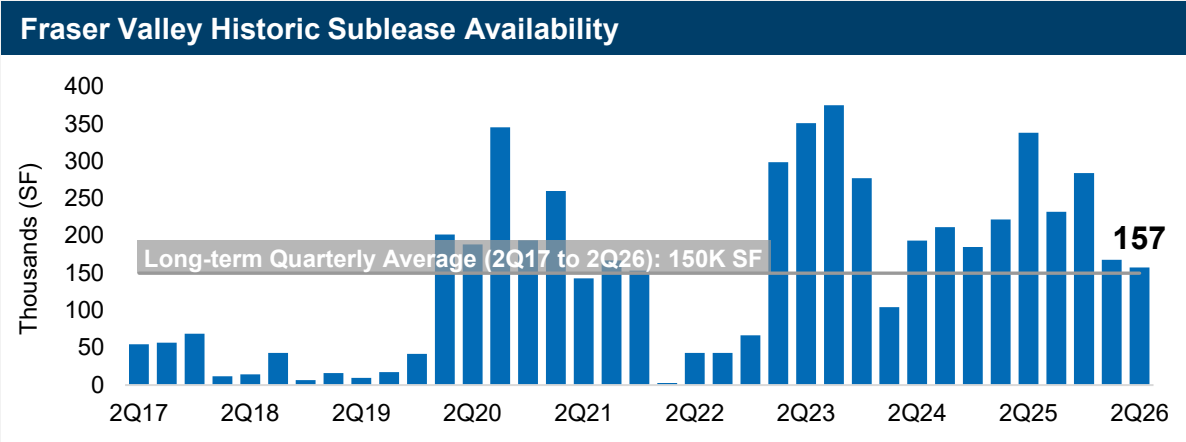
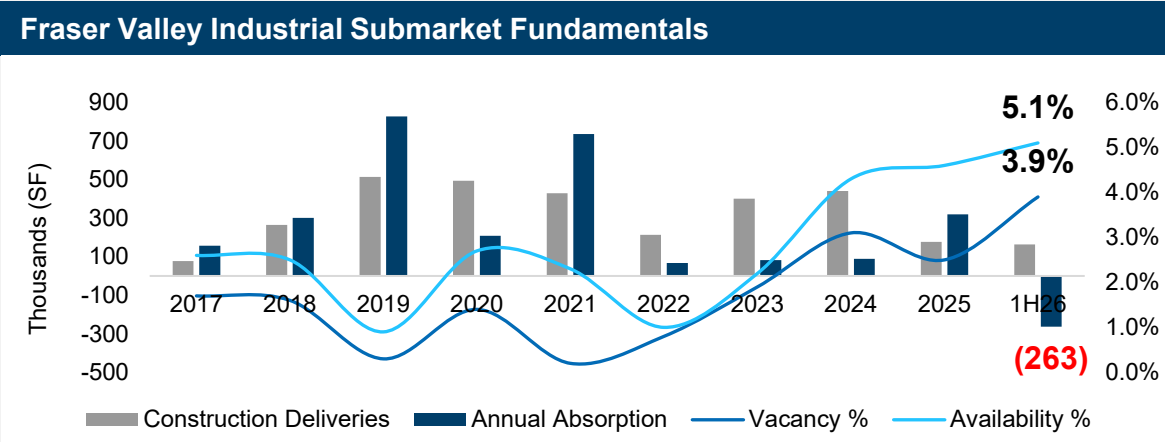
The City of Vancouver continues to price on scarcity even as occupancy softens. Redevelopment pressure left absorption at ~5K SF in 1H26, including a ~110K SF give-back in 2Q26, pushing vacancy to 4.1% – the highest in the past decade – with availability at 5.6%. The pipeline has rebuilt to ~287K SF across 8290 Ross Street, 908 Raymur Avenue and 505 Railway Street, a mix of build-to-suit, owner-occupier headquarters and small-bay space. Yet gross rents reached a record ~C\$33.8/SF, the region’s highest, propelled by additional rent of ~C\$12.6/SF, up ~24% from year-end 2025 as taxes and operating costs escalated. Sublease space eased to ~291K SF but remains nearly double its ~155K SF average.



Second Quarter Deals			
Tenant/Occupant	Building	Type	SF
General Store-All Mini Storage	1106 Southwest Marine Drive	Renewal	138,810
Undisclosed	3438 Lougheed Highway, Vancouver	Lease	24,160
Undisclosed	11 East 4th Avenue, Vancouver	Lease	19,080
PH7 Technologies	1313 East Pender Street, Vancouver	Lease	17,780
Sentrex Health	9040 Shaughnessy Street, Vancouver	Lease	12,900

The Fraser Valley (Abbotsford, Chilliwack & the Langleys)

The Fraser Valley reversed sharply in the second quarter. A ~263K SF give-back at 5827 274 Street in Langley drove negative absorption of ~192K SF in 2Q26, which together with a ~71K SF give-back in 1Q26 left 1H26 at ~-263K SF – a marked turn from the ~320K SF absorbed in 2025. That, with deliveries of ~163K SF, lifted vacancy to 3.9% from 2.5% at year-end 2025 and availability to 5.1% from 4.6%. Sublease space eased to ~157K SF, near its ~150K SF average and well off the ~375K SF peak of 3Q23. Rents nonetheless moved higher: gross rates rose ~6% to a record ~C\$26.1/SF, among the strongest gains in the top six. Investment of ~C\$69M tracks far below last year’s ~C\$309M.



Second Quarter Deals			
Tenant/Occupant	Building	Type	SF
Big Box Outlet Store	30315 Blueridge Drive, Abbotsford	Lease	81,240
SuperPet Nutrition (AFD Group)	5530 268th Street, Langley	Renewal	22,590
Pickling Racquet Club	5744 198 Street, Langley	Lease	19,180
Rona Fraser Valley Building Supplies	28728 Fraser Way, Abbotsford	Renewal	17,000
Redbull	31453 King Road, Abbotsford	Lease	14,120

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