

Greater Vancouver Area Industrial Market Overview

Newmark's Canadian Industrial Markets

Canada's national industrial market recalibration following the end of the COVID-19 pandemic has seen both supply and demand factors move towards a rebalancing of the market with conditions increasingly returning to those last seen in the late 2010s. Leasing volumes, particularly for logistics space, had been normalizing after recording significant growth during the pandemic as distribution demand, while weakening, remained a key leasing driver. While threats of U.S. tariffs represent a risk to Canadian supply chains (and range of industry sectors), national demand has remained resilient and on a solid footing. An overhang in supply of new speculative warehouse space remained a concern in Canada's major distribution markets.



Greater Vancouver Area (GVA) Industrial Market Observations

GVA industrial vacancy was stable at 3.0% at third-quarter 2025, which remained the highest level of vacancy recorded in the GVA since 2015. Vacancy had been rising since 2021.

Negative absorption of ~69k sf in the first nine months of 2025 marked an improvement with Q3 absorption of ~343k sf offsetting substantial negative absorption in the second quarter.

Sublease space availability reached ~2.1 msf at third-quarter 2025, which marked the second-highest amount recorded since 2008 when research coverage of the region was initiated.

GVA industrial leasing activity appeared to regain some of its earlier momentum in third-quarter 2025 after a temporary case of market paralysis in Q2 likely related to U.S. tariff threats.



Maple Ridge-Pitt Meadows had the highest industrial vacancy in the GVA at 6.2%, followed by Vancouver (4.0%), Delta (3.8%) and Burnaby (3.7%). The North Shore (1.8%) was the lowest followed by Richmond (2.2%).

While the shifting threat of U.S. tariffs may not have abated in third-quarter 2025, the potential repercussions and subsequent economic impacts are increasingly factored in by Canadian businesses that are making real estate decisions.

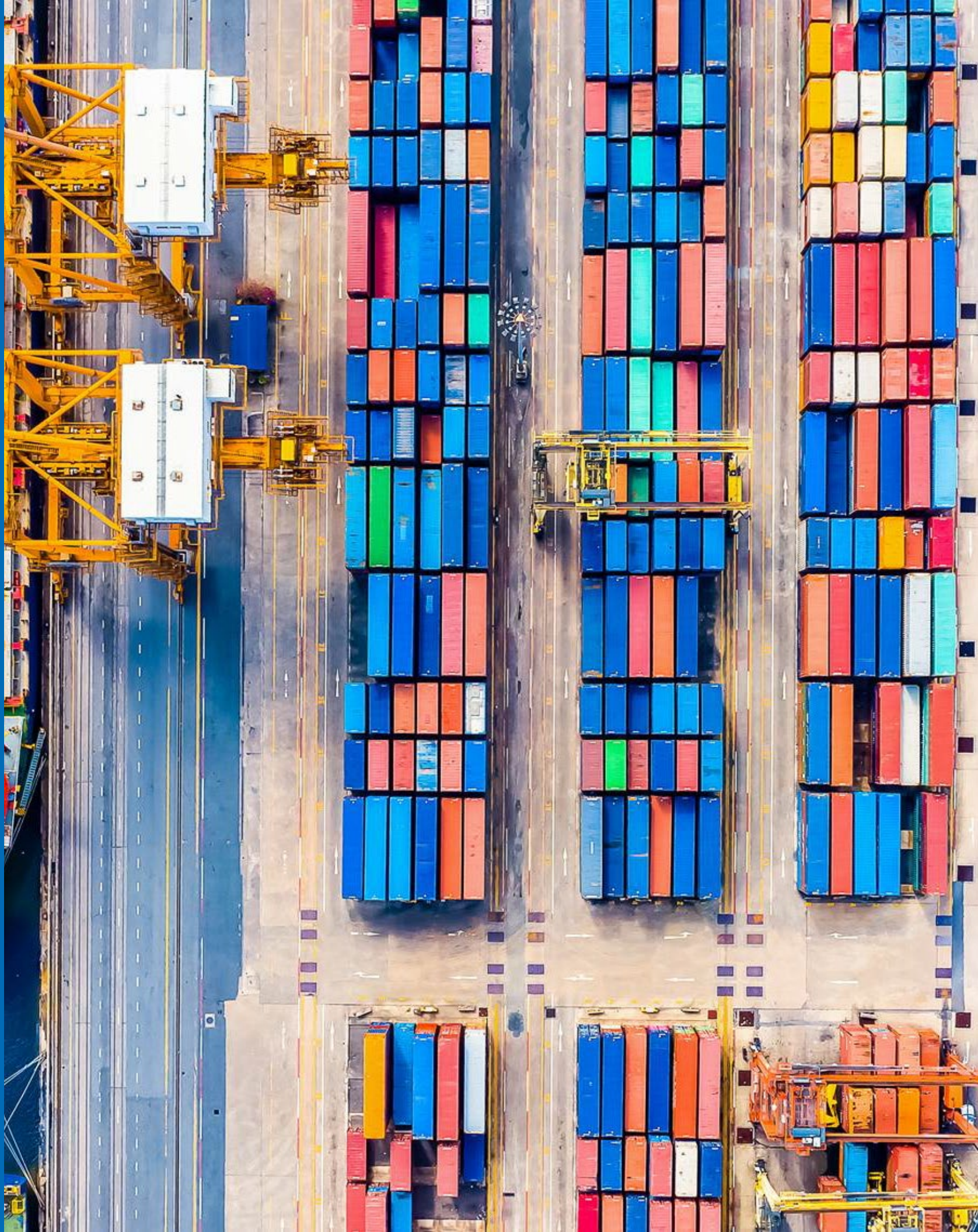
The flight to quality that has been manifesting in the GVA's industrial market will initiate a resumption in new supply breaking ground in 2026 despite the elevated vacancy generated by rising availability in inefficient class B and C buildings.

Industrial strata sale proceeds in the first nine months of 2025 are the lowest since 2020 in terms of overall dollar volume. Strata pricing has continued to decline thanks to low demand, which has led to fewer strata projects starting.

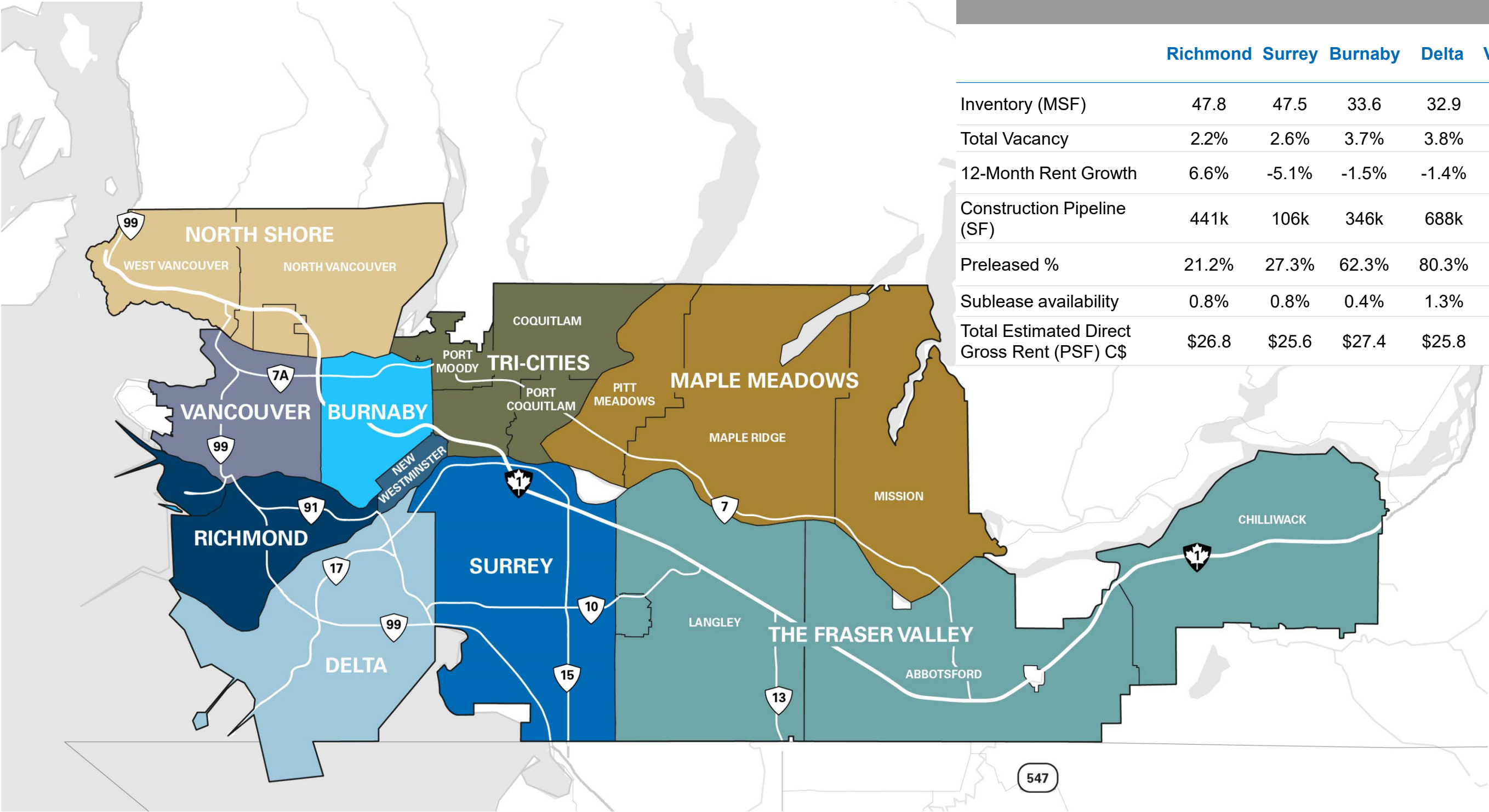
GVA industrial sale proceeds of ~C\$625M in the first nine months of 2025 will likely result in the lowest annual investment in more than a decade with quarterly industrial sales by dollar volume in steep decline since the third quarter of 2024.

3Q25

GVA Industrial Market Metrics



GVA Industrial Metrics for Top Six Submarkets | 3Q25



	Richmond	Surrey	Burnaby	Delta	Vancouver	Fraser Valley
Inventory (MSF)	47.8	47.5	33.6	32.9	30.1	29.4
Total Vacancy	2.2%	2.6%	3.7%	3.8%	4.0%	2.4%
12-Month Rent Growth	6.6%	-5.1%	-1.5%	-1.4%	-3.1%	1.6%
Construction Pipeline (SF)	441k	106k	346k	688k	158k	340k
Preleased %	21.2%	27.3%	62.3%	80.3%	52.9%	79%
Sublease availability	0.8%	0.8%	0.4%	1.3%	1.5%	0.8%
Total Estimated Direct Gross Rent (PSF) C\$	\$26.8	\$25.6	\$27.4	\$25.8	\$28.8	\$24.9

Source: Newmark Research

Greater Vancouver Area (GVA) Industrial Submarket Statistics | 3Q25

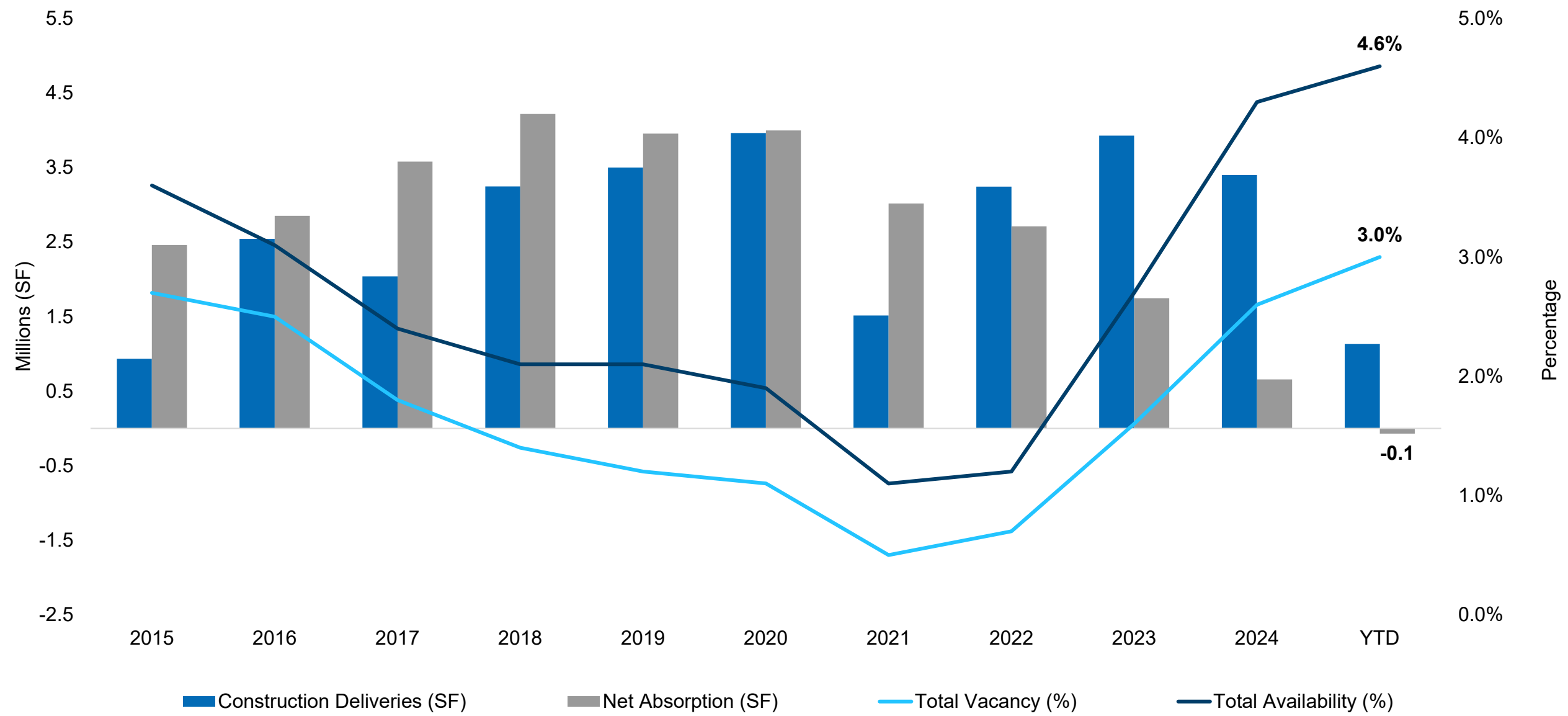
Submarket Statistics – All Classes										
	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr Net Absorption (SF)	Annual Net Absorption (SF)	Direct SF Available Rate	Sublet SF Available Rate	Estimated Asking Rate (\$/SF)	Total Additional Rent (\$/SF)	Total Est. Direct Gross Rent (\$/SF)
Greater Vancouver Area (GVA)	255,151,622	3,005,191	3.0%	343,360	-69,269	3.8%	0.8%	C\$19.7	C\$7.0	C\$26.7
Richmond, BC	47,850,230	441,043	2.2%	70,077	-618,868	2.4%	0.8%	C\$19.9	C\$6.9	C\$26.8
Surrey, BC	47,500,531	106,281	2.6%	469,965	800,578	3.0%	0.8%	C\$19.6	C\$6.0	C\$25.6
Burnaby, BC	33,624,708	346,798	3.7%	-354,693	-291,657	5.6%	0.4%	C\$20.5	C\$6.9	C\$27.4
Delta, BC	32,872,498	688,321	3.8%	-75,346	-320,521	4.9%	1.3%	C\$19.0	C\$6.8	C\$25.8
Vancouver, BC	30,137,293	158,470	4.0%	-68,580	-55,177	4.1%	1.5%	C\$19.8	C\$9.0	C\$28.8
Fraser Valley (Abbotsford, Chilliwack, The Langleys)	29,377,681	340,508	2.4%	406,207	194,311	3.3%	0.8%	C\$18.8	C\$6.1	C\$24.9
Tri-Cities (Coquitlam, Port Coquitlam, Port Moody)	14,952,894	87,192	3.4%	41,893	230,262	4.6%	0.6%	C\$20.2	C\$7.2	C\$27.4
Maple Meadows (Maple Ridge, Mission, Pitt Meadows)	6,685,505	757,280	6.2%	-134,850	-8,126	9.2%	0.2%	C\$18.2	C\$5.4	C\$23.6
North Shore (North Vancouver, West Vancouver)	6,584,495	0	1.8%	-17,500	-28,328	1.7%	0.4%	C\$21.7	C\$7.6	C\$29.3
New Westminster, BC	4,907,848	0	0.0%	0	26,517	0.4%	0%	*C\$19.5	*C\$9.4	*C\$28.9

Source: Newmark Research, Altus Data Studio
* Rental rate data limited from source; not updated since Q1 2025
If market name is italic, please contact Newmark agent for detailed summary.

Greater Vancouver Industrial Market Finding Footing Amid New Global Trade Realities

Greater Vancouver was still one of North America’s tightest industrial markets at third-quarter 2025 despite substantial shifts in market metrics. As vacancy remained near a 10-year high at 3.0% with availability at a 14-year-high of 4.6%, the disbelief and economic uncertainty from U.S. tariff threats that had amplified the ongoing market ‘hinge’ already underway as part of the market’s re-calibration to a post-pandemic global economy may be fading. While new supply has been limited so far in 2025 and negative absorption minimal, the year-over-year increases in vacancy and availability highlighting non-market factors that had a distortionary impact on market fundamentals may come to an end heading into early 2026.

GVA Historical Construction Deliveries, Net Absorption, Vacancy and Availability

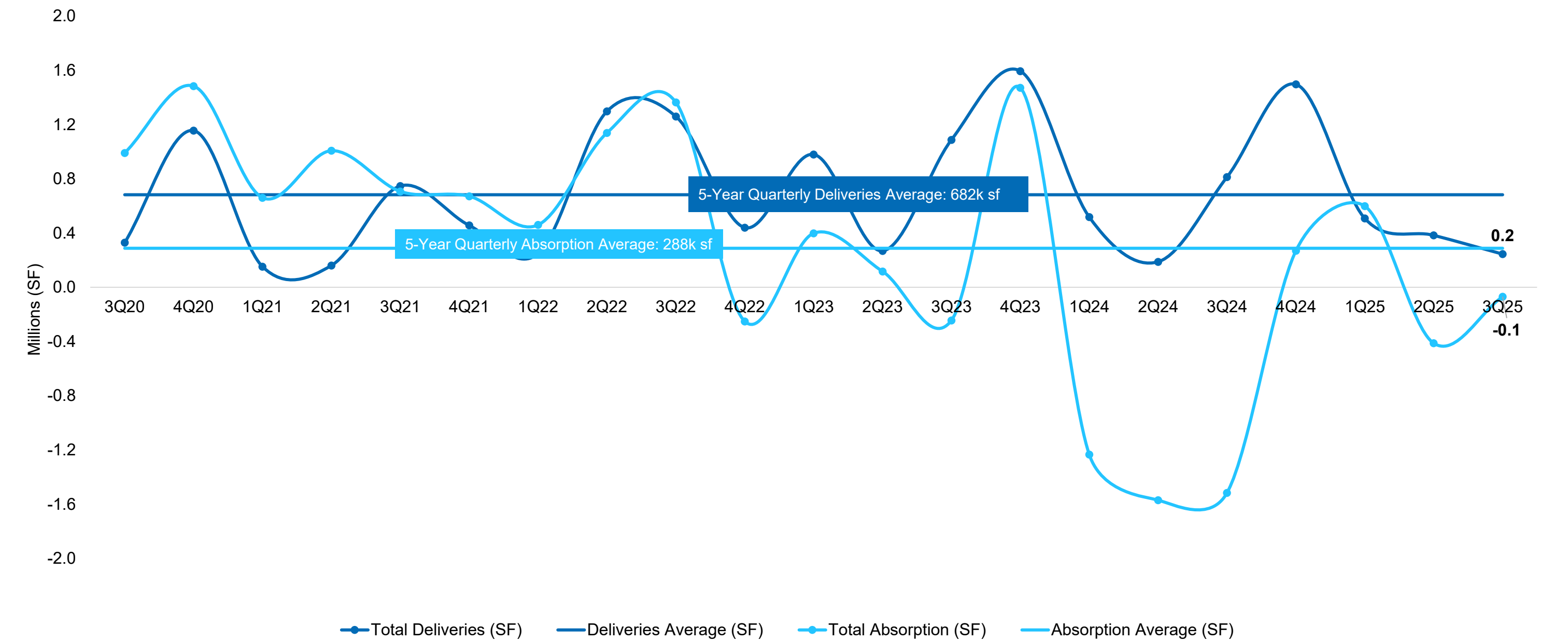


Source: Newmark Research, Altus Data Studio

Regional Absorption Recovering Amid Year of Economic Uncertainty And Volatility

Greater Vancouver registered positive absorption of ~343k sf in the third quarter of 2025 as industrial leasing activity improved, sublease availability declined, and tenants seemed increasingly unable to wait for the outcome of U.S.-Canada trade negotiations. Third-quarter positive absorption was primarily the result of activity in two submarkets – Surrey (470k) and the Fraser Valley (406k) – that almost offset a challenging second quarter that recorded negative absorption of ~1 msf. Annual absorption is likely to trend positively for 2025.

GVA Industrial Total Construction Deliveries and Absorption

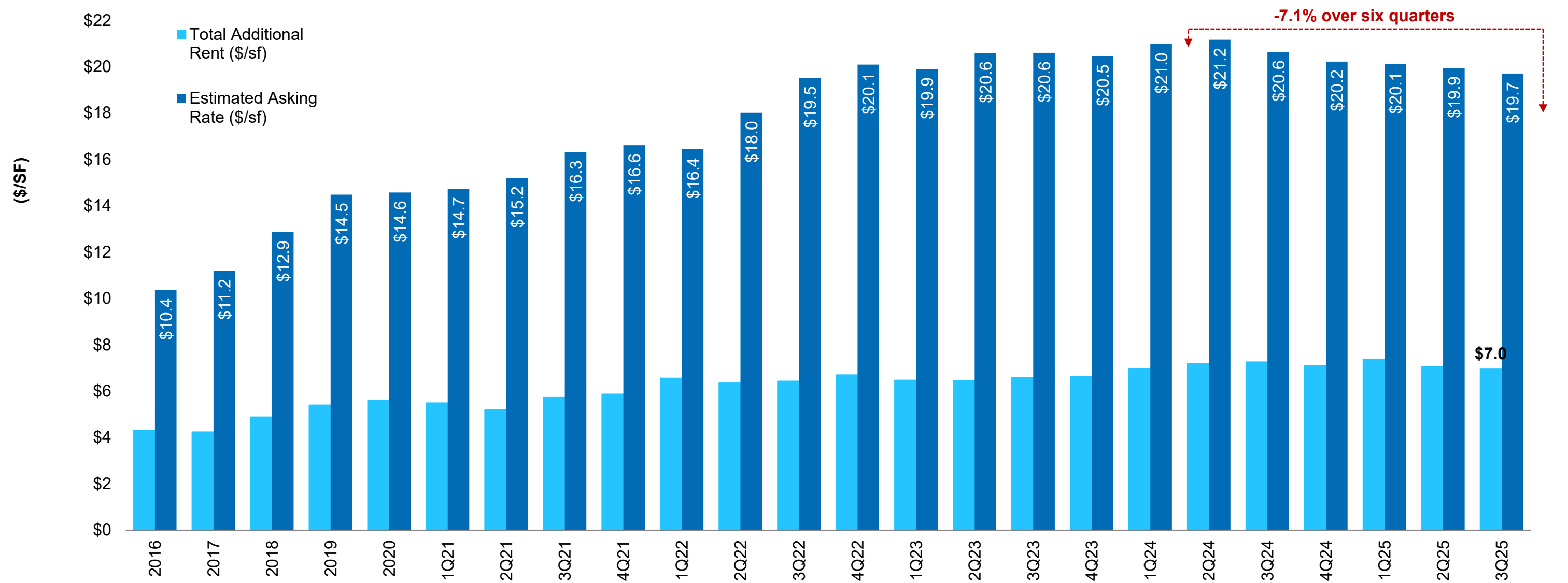


Source: Newmark Research, Altus Data Studio

GVA Asking Net Rents Stabilizing As No New Supply Limits Potential Rate Growth

Average asking net rents in GVA’s industrial market peaked at mid-2024 as the deterioration of market indicators such as availability, absorption and vacancy finally began to be reflected in rental rates. While rents had remained largely stable with slight upward pressure in 2023 and into 2024, rental rates finally came off in the back half of 2024. Moderating vacancy and elevated (but declining) sublease availability throughout the region combined with a lack of new supply may result in rents finding a new equilibrium by the end of 2026.

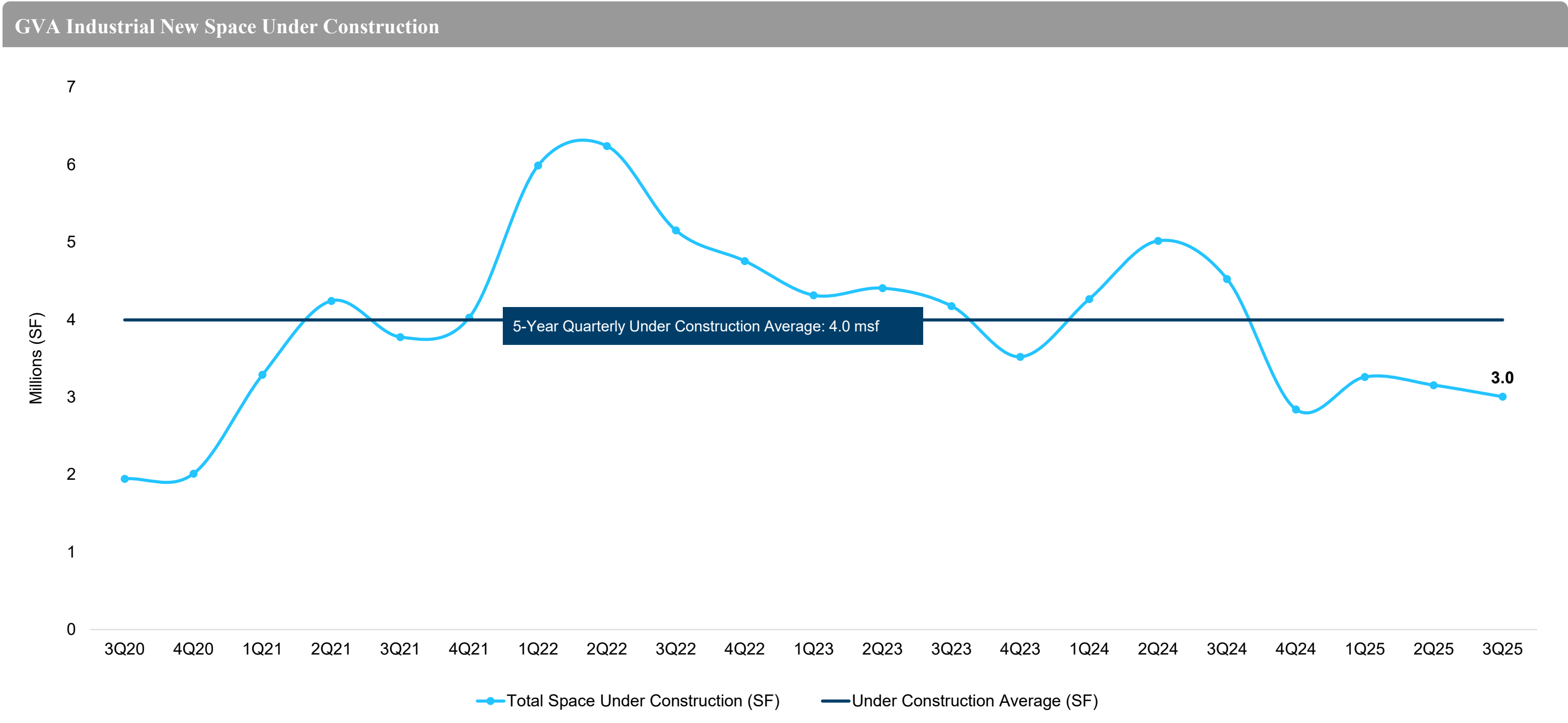
Historical GVA Industrial Estimated Asking Rates



Source: Newmark Research, Altus Data Studio

Amount Of New Space Under Construction Regionally Approaching Record Lows

The amount of space under construction at third-quarter 2025 in Greater Vancouver was well below the five-year quarterly average and was at its lowest point since 2020. A drop in the amount of new supply delivered in 2025/26 – combined with a likely softening in rents – will likely encourage the take up of the substantial amount of sublease space now being offered in most submarkets. While new supply in core submarkets had been typically absorbed quickly, near-record high levels of sublease availability may further limit delivery of new space.

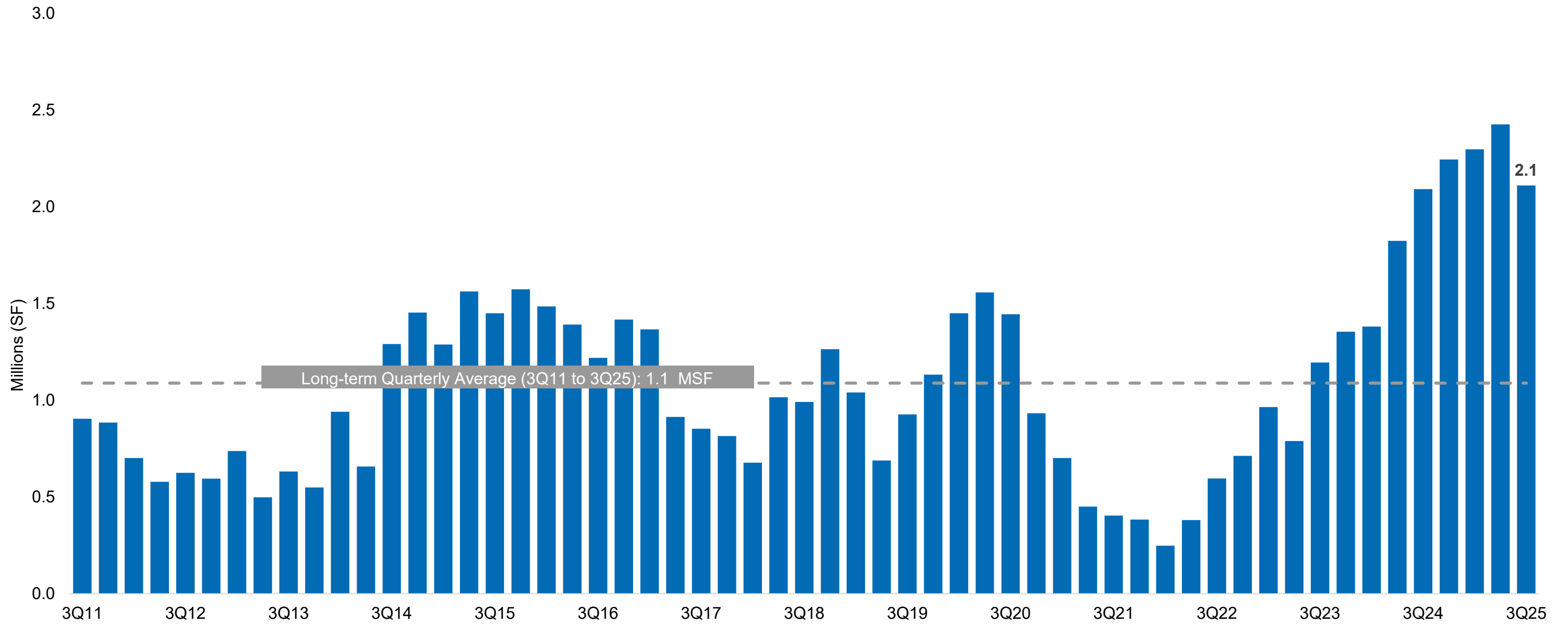


Source: Newmark Research, Altus Data Studio

Sublease Space Availability Likely Peaked In Greater Vancouver’s Industrial Market

Industrial sublease availability in Greater Vancouver was 2.1 msf through the third quarter of 2025, down from a record high at mid-2025 but virtually unchanged from a year earlier. Sublease availability has been on the rise since the start of 2022 but rapidly escalated in the back half of 2024 and to mid-2025. While this upward trend emerged prior to U.S. tariff threats, economic uncertainty has likely fuelled the rise in sublease availability along with new supply that was under construction through much of 2024 and is now being delivered.

Available Industrial Sublease Space, Greater Vancouver

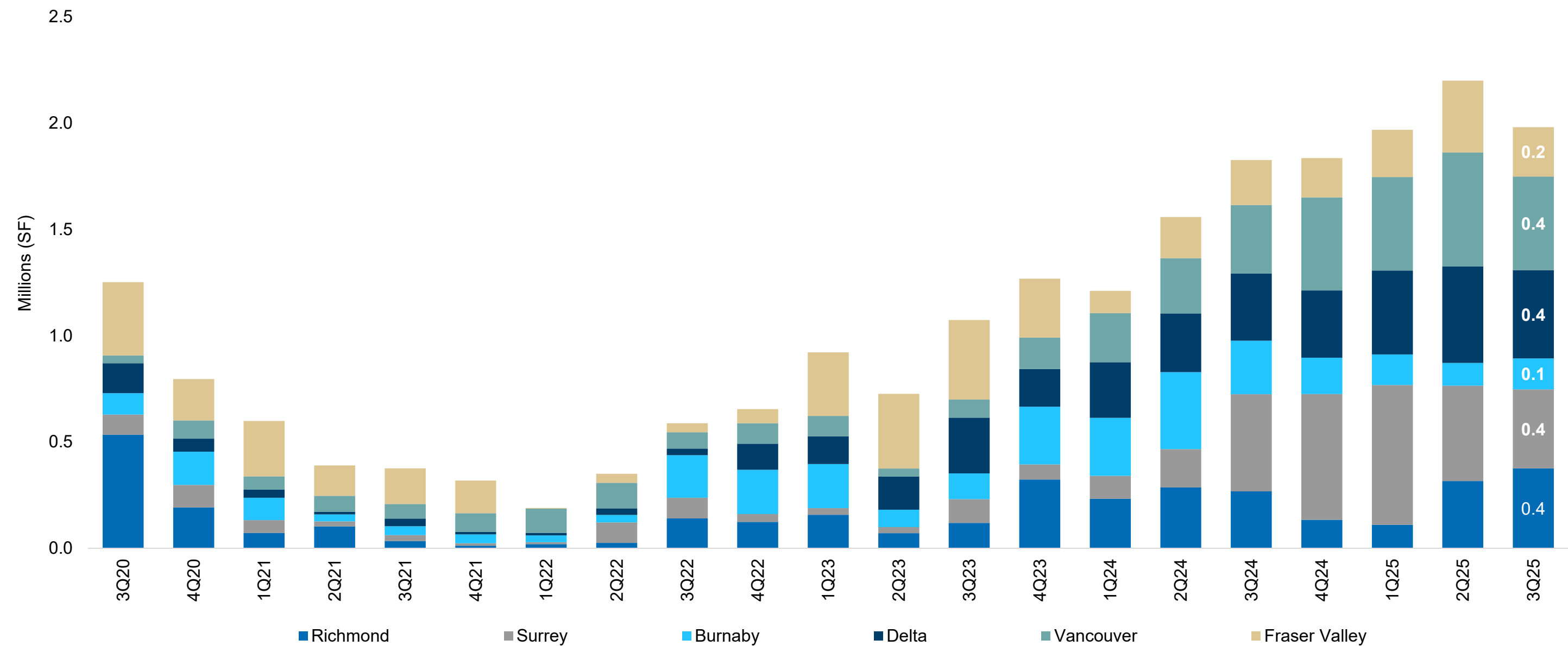


Source: Newmark Research, Altus Data Studio

Sublease Availability Remains Elevated In Most Key Vancouver Industrial Submarkets

Overall sublease availability in Greater Vancouver likely peaked at mid-2025 after rising steadily since the back half of 2022 with the four of five core urban industrial markets and the Fraser Valley recording decreases in sublease availability to varying degrees. While Delta and Burnaby posted small declines in sublease availability in the third quarter of 2025, it was notable decreases recorded in Vancouver, Surrey and the Fraser Valley that led overall sublease availability to slip to ~2.0 msf at third-quarter 2025, still the second-most ever recorded.

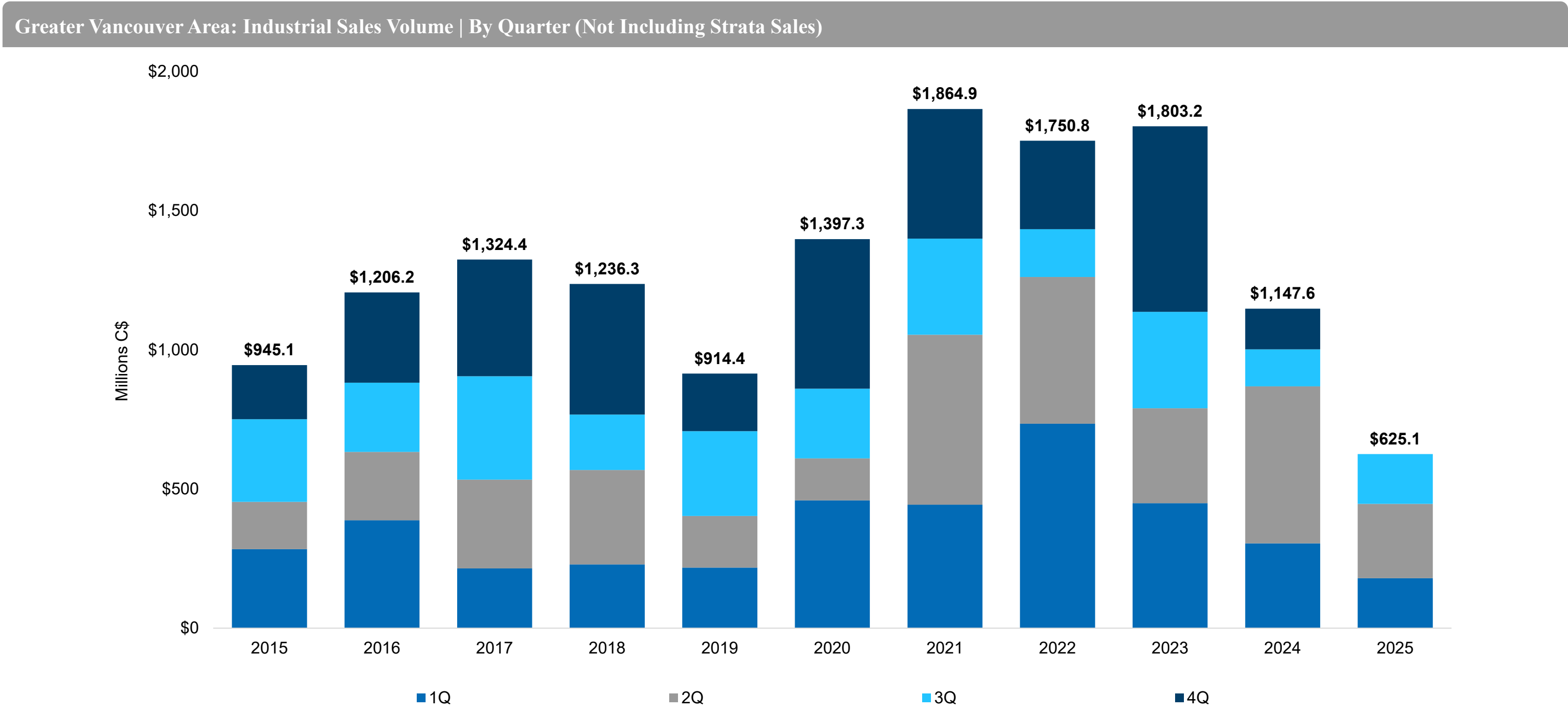
Available Industrial Sublease Space, By Submarket



Source: Newmark Research, Altus Data Studio

Greater Vancouver Industrial Sales Volume Lower As Demand Curtailed By Uncertainty

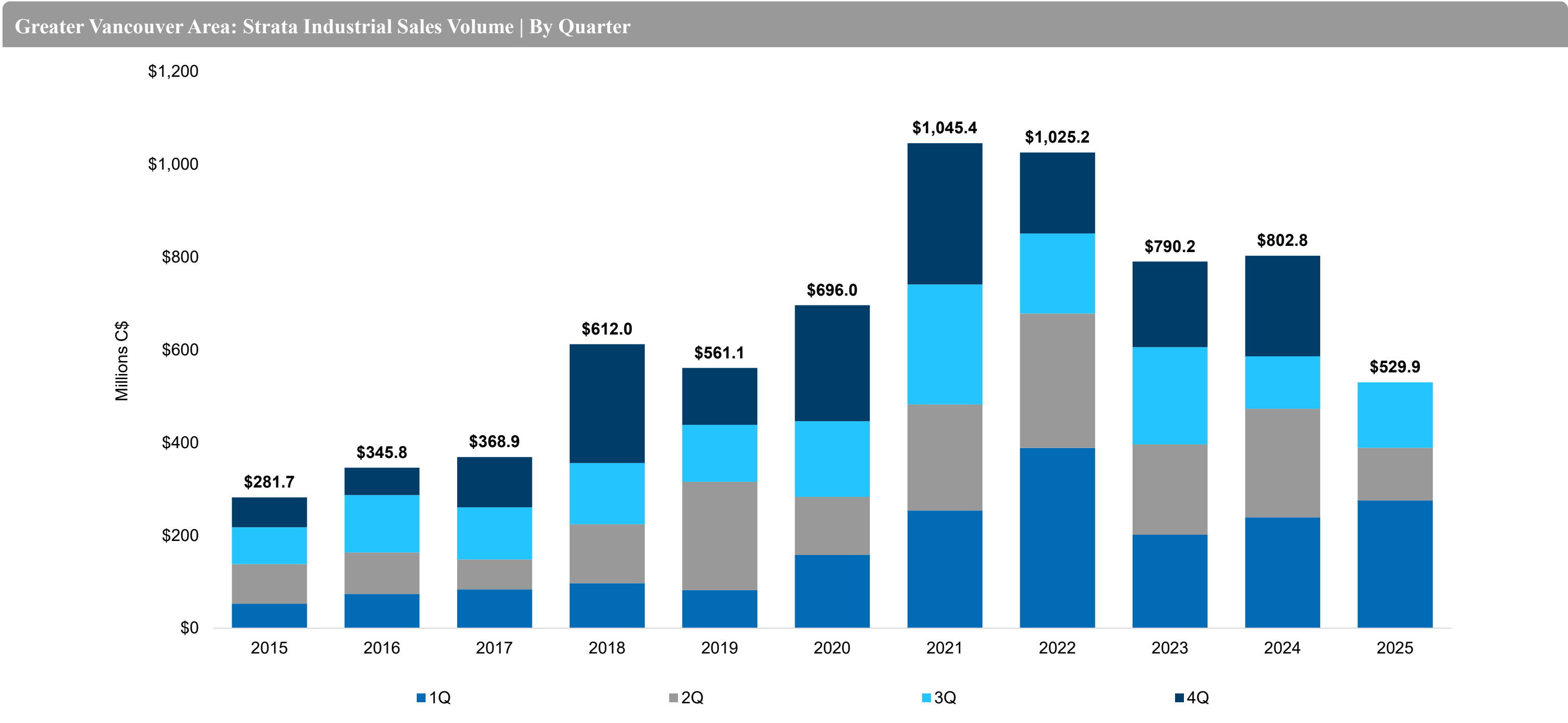
Annual investment in industrial properties in Greater Vancouver will likely fall to lowest total in more than a decade after sales reached just ~C\$625M after the third quarter of 2025. Even as the Canadian overnight interest rate fell to 2.5% in September 2025 and many economic measures remained neutral if not positive, industrial investment faded notably in the back half of 2024 and through 2025 to date. A decade of record-setting investment has ended with economic uncertainty from U.S. tariff threats further dampening investor confidence.



Source: Newmark Research, Altus Data Studio

Greater Vancouver Annual Industrial Strata Sales Likely To Be Lowest Since 2018/19

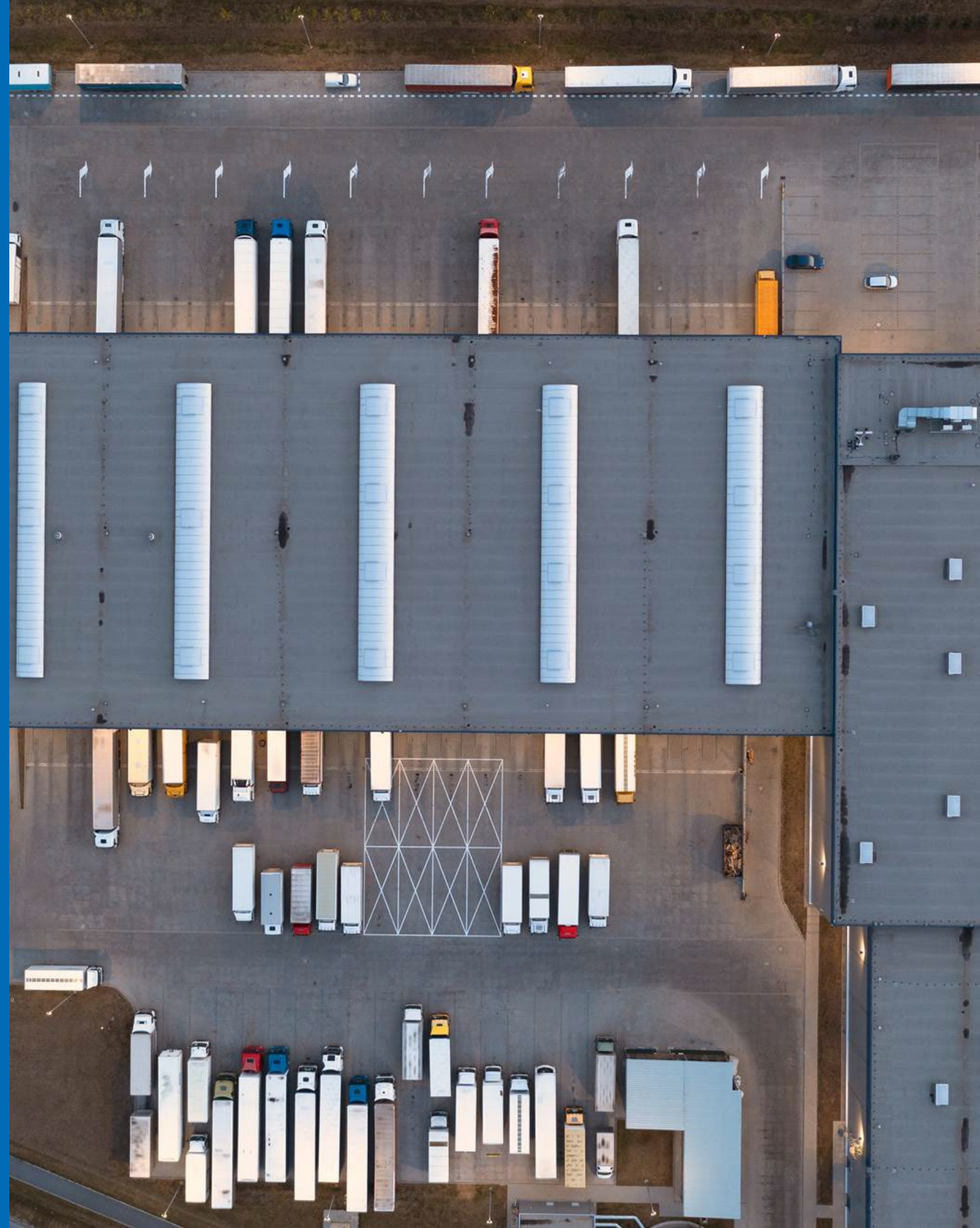
Greater Vancouver’s industrial strata market is the largest in Canada, surpassing C\$1B in annual proceeds in B.C. in both 2021 and 2022. Strata ownership has historically been tied to a low interest-rate environment, tight industrial vacancy, geographic availability and escalating rental rates. Strata sales in the first nine months of 2025 are off to their slowest start since 2020 in terms of dollar volume. Sales of C\$141M in the third quarter of 2025 marked an improvement on the previous quarter; however, overall sales activity remained muted.



Source: Newmark Research, Altus Data Studio

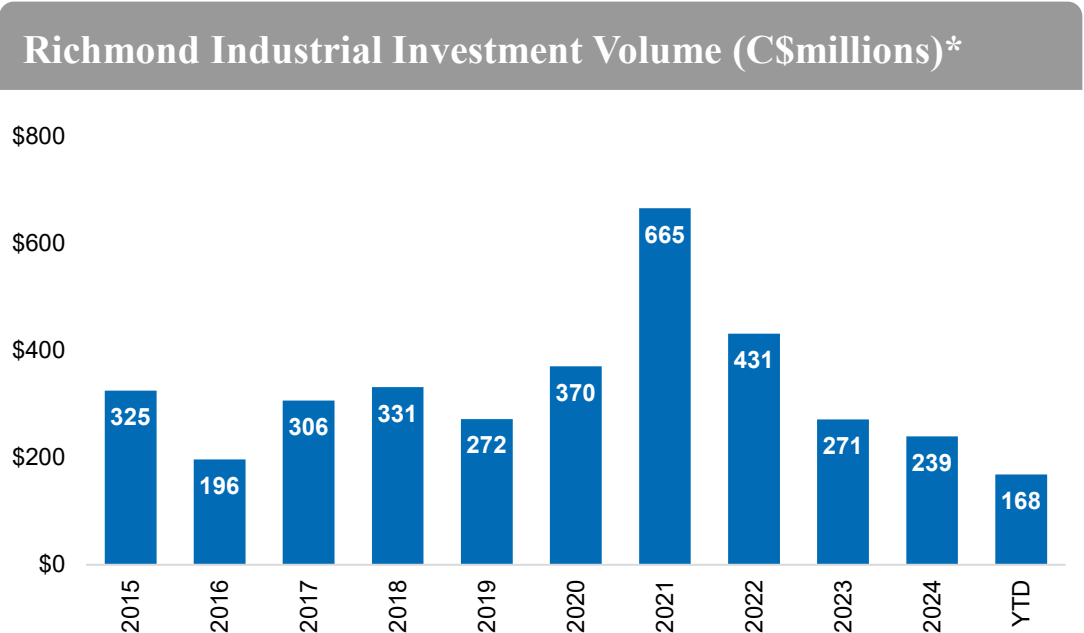
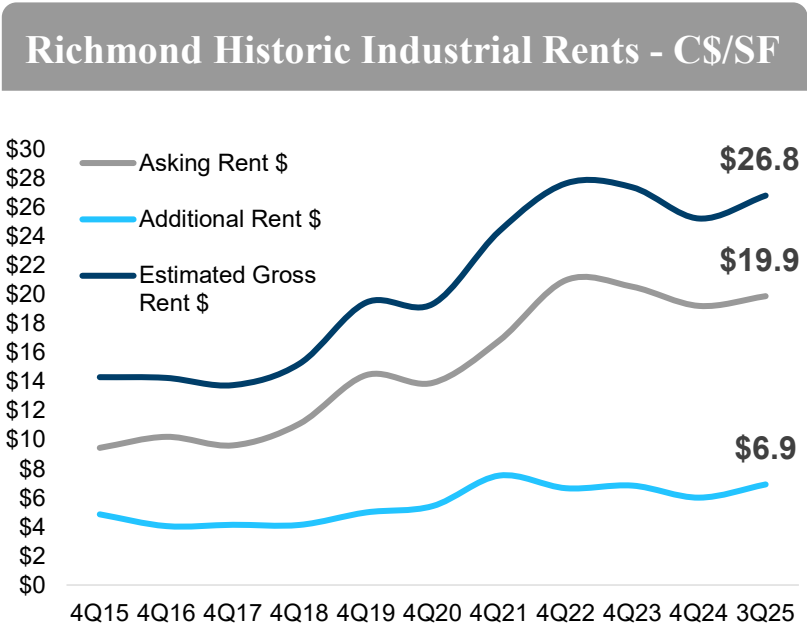
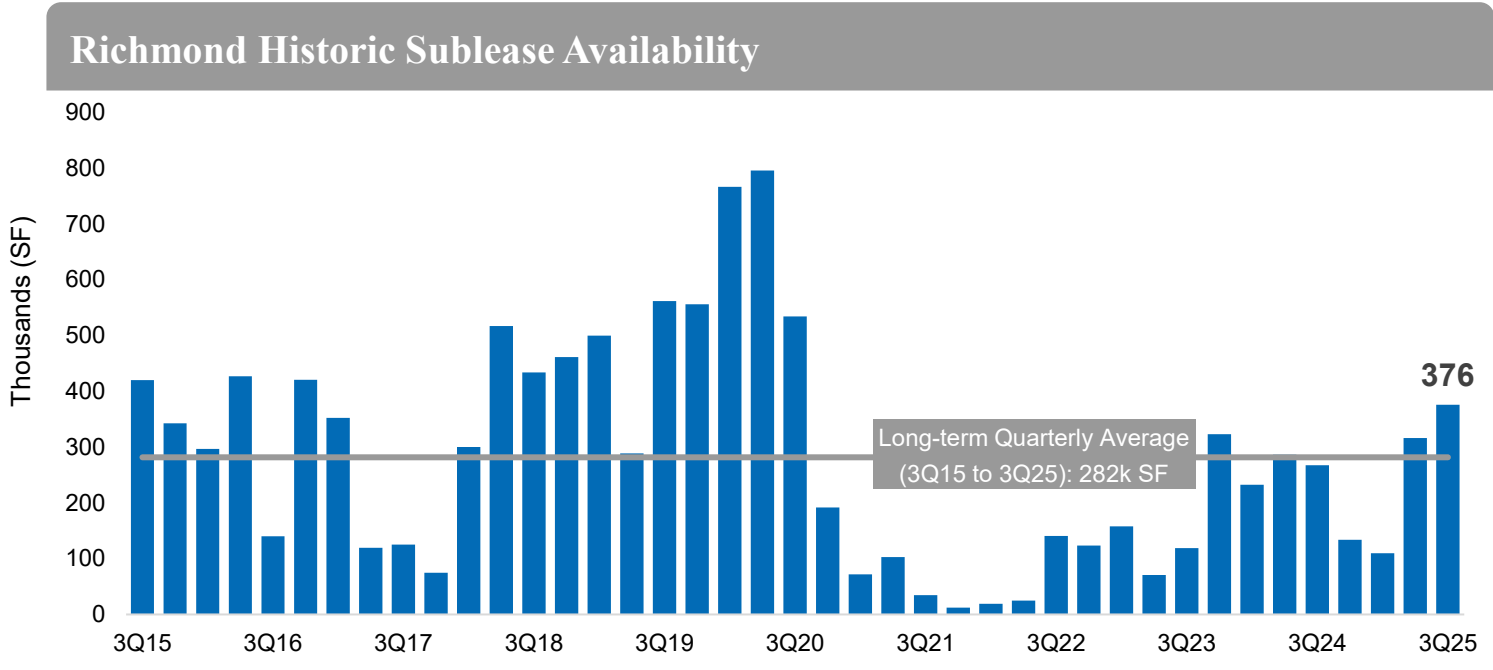
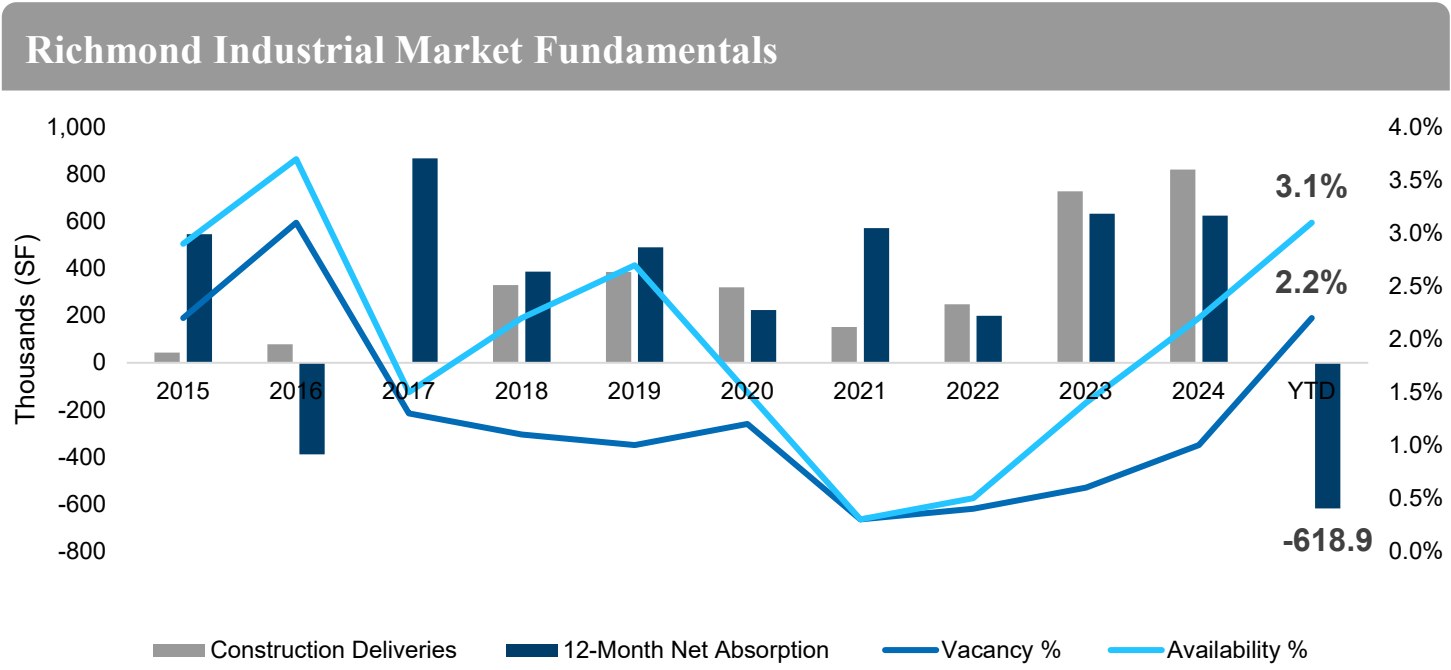
3Q25

GVA Industrial Submarket Snapshots



Richmond, BC

At ~47.8 msf of inventory, Richmond is Metro Vancouver’s largest industrial submarket. Despite the addition of ~1.9 msf of new supply since 2015, vacancy had remained less than 2% since 2017 (and 1% or less from 2021 to 2024) until spiking to 2.2% at third-quarter 2025. Negative absorption of ~619k sf in the first nine months of 2025 – the most in the region in this period – arose due to the vacancy of Hudson Bay Co.’s former 411,000-sf distribution centre at 18111 Blundell Road in the second quarter as well as increased sublease space.

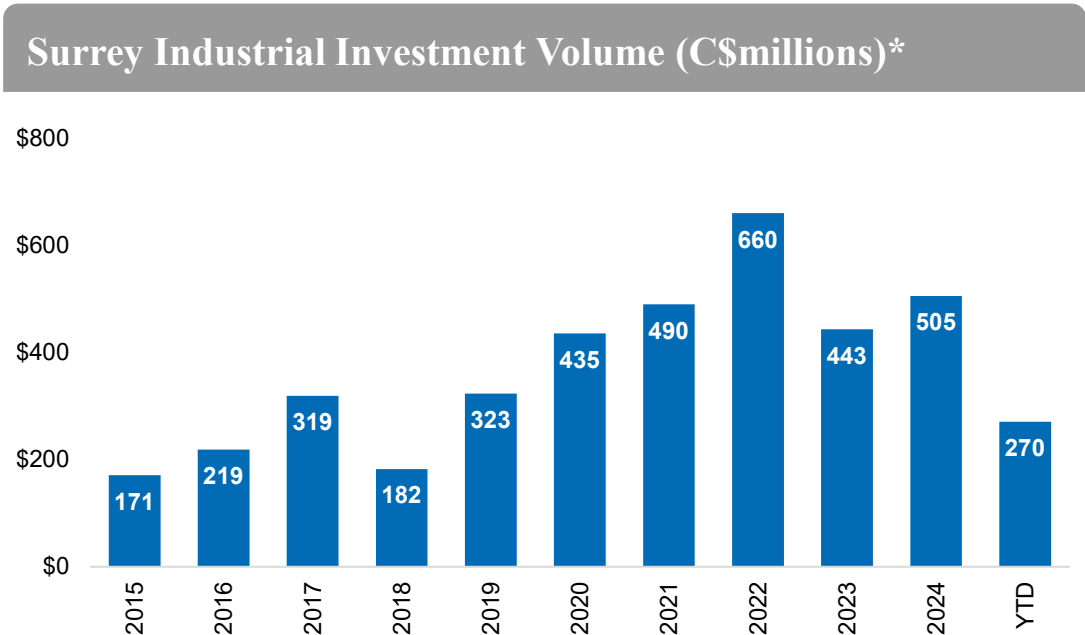
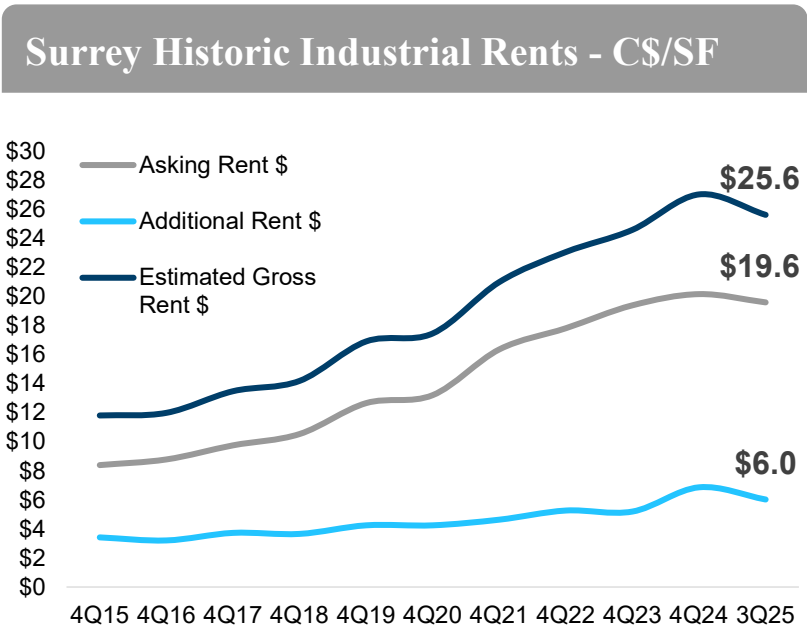
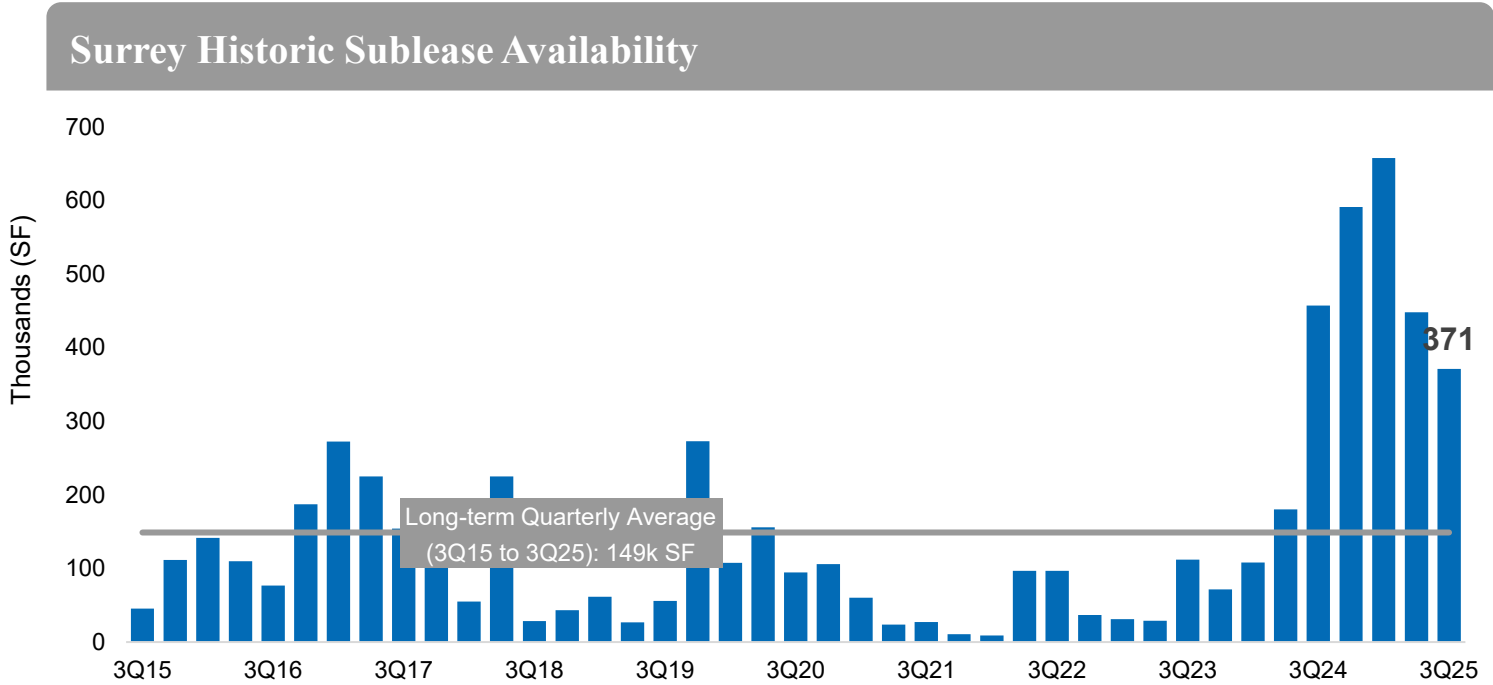
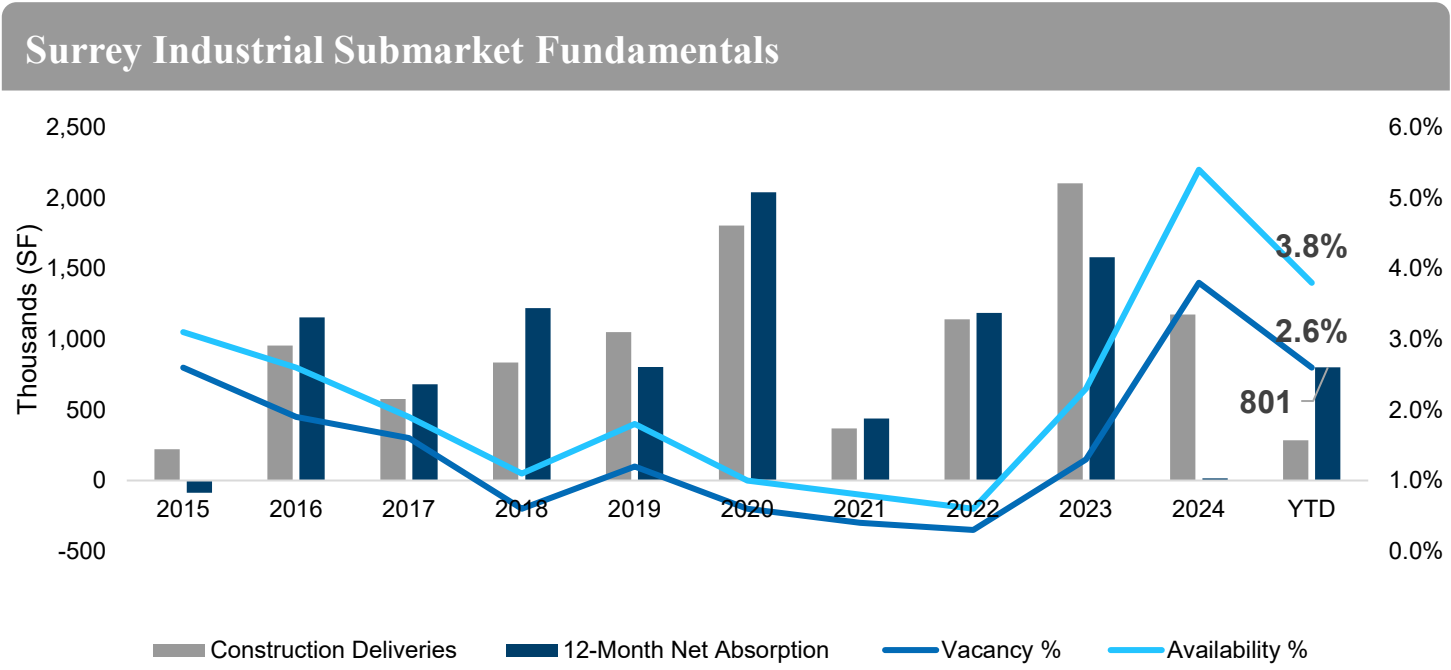


Third Quarter Deals			
Tenant/Occupant	Building	Type	Square Feet
D-Home International Logistics Ltd.	16111 Blundell Road, Richmond	Lease	123,670
Levy Show Service Inc	11188 Featherstone Way, Richmond	Lease	46,700
K&N	11231 Dyke Road, Richmond	Lease	32,240
Woodtek Industries	2700 Simpson Road, Richmond	Renewal	12,400
Greenbuy Canada	12500 Vickers Way, Richmond	Lease	11,780

Source: Newmark Research, Altus Data Studio, CoStar
* excluding non-arms length transactions

Surrey, BC

Surrey’s rapid expansion was driven by the availability of industrial land and proximity to labour that allowed for ~11.8 msf of new industrial space to be delivered in the 47.5-msf submarket since 2015. Significant new supply combined with a record amount of sublease availability and almost no positive annual absorption in 2024 generated the highest vacancy and availability rates on record back to 2008. However, positive absorption of ~801ksf through the first nine months of 2025 was the most recorded in the region during that period.



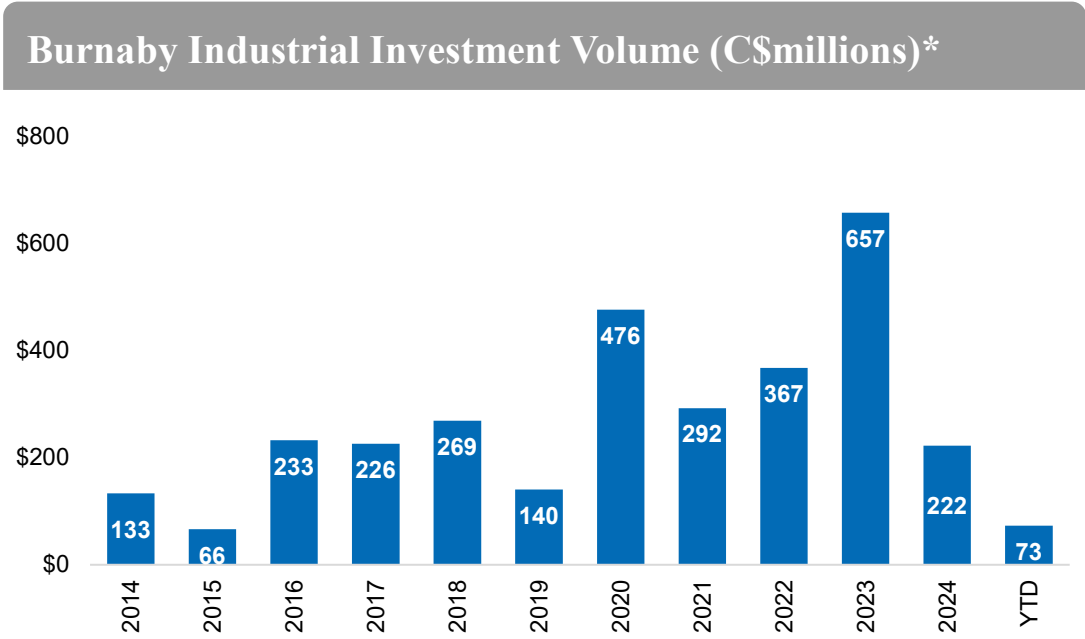
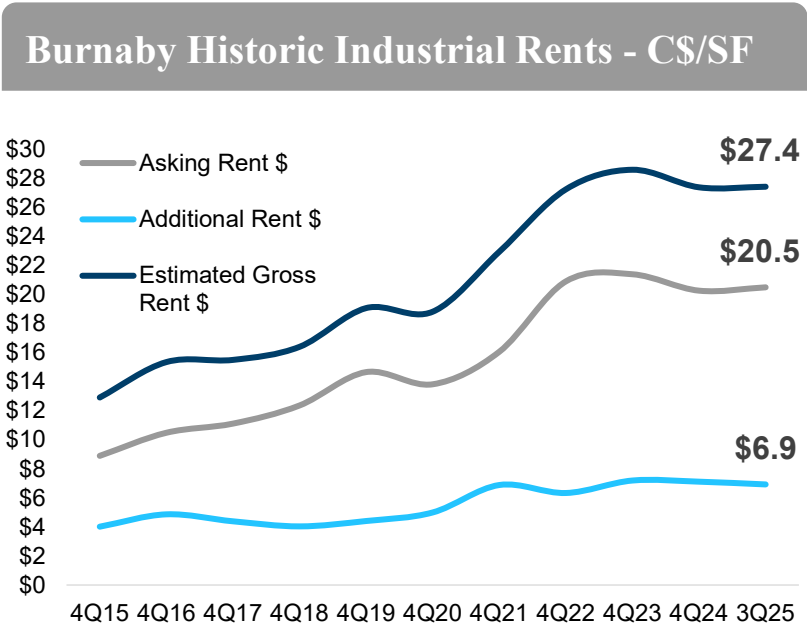
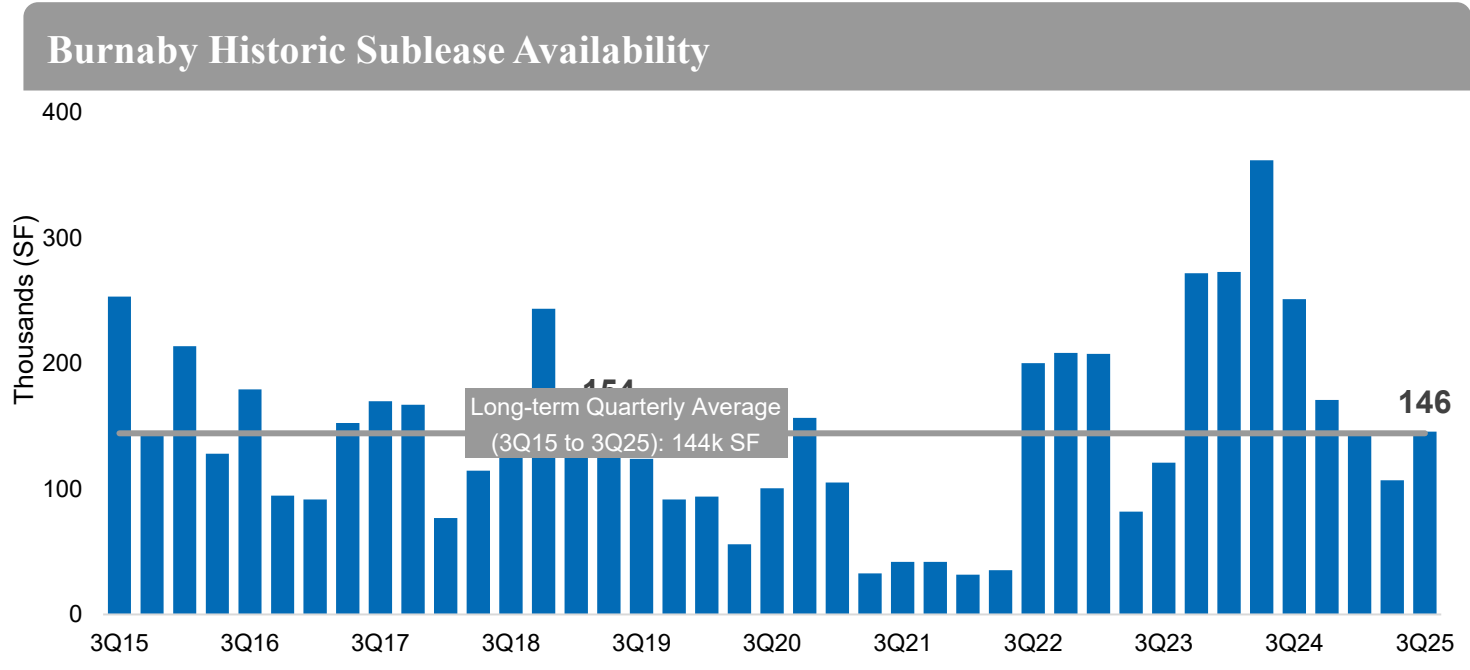
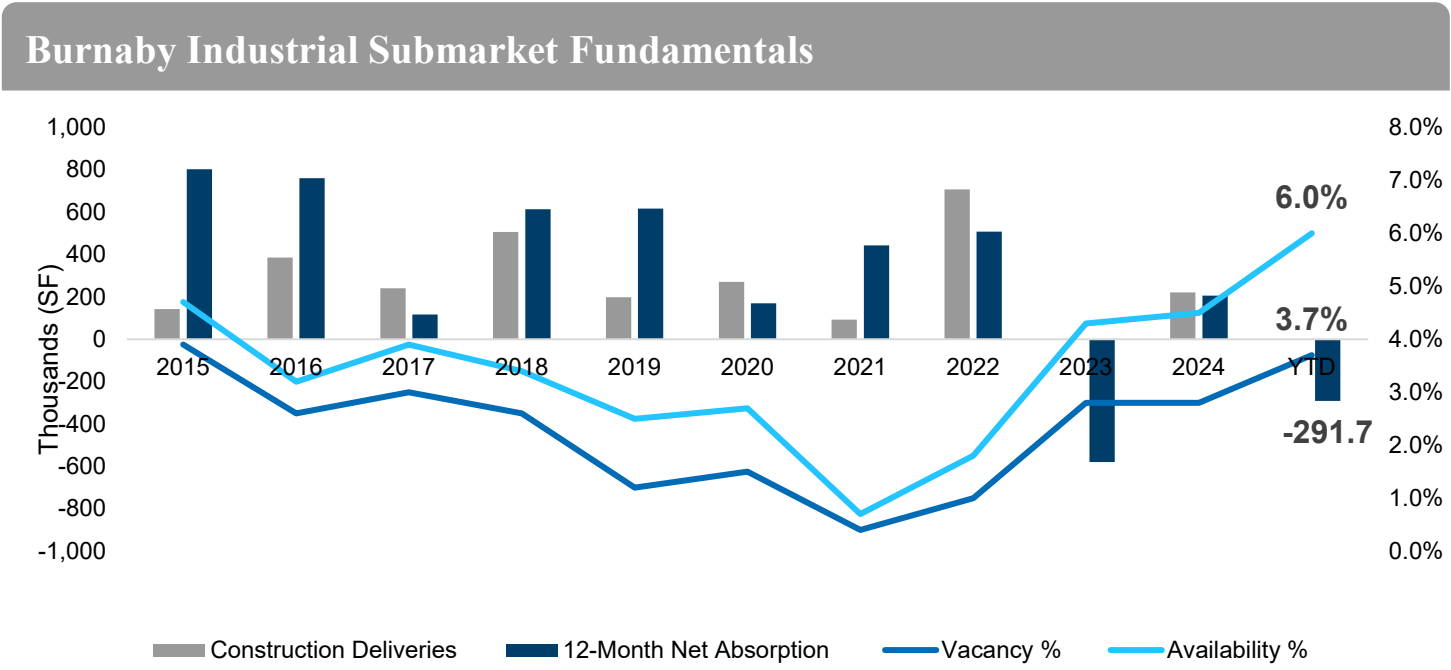
Third Quarter Deals

Tenant/Occupant	Building	Type	Square Feet
BJS Beyanth Storage Inc.	2965 188th Street, Surrey	Sublease	103,260
Undisclosed	19159 22nd Avenue, Surrey	Lease	57,040
Undisclosed	18822 24th Avenue, Surrey	Lease	12,020
Undisclosed	18822 24th Avenue, Surrey	Lease	11,800
Undisclosed	18822 24th Avenue, Surrey	Lease	11,760

Source: Newmark Research, Altus Data Studio, CoStar
* excluding non-arms length transactions

Burnaby, BC

Burnaby’s 33.6-msf inventory is one of the region’s original core industrial submarkets. Absorption outstripped new construction most years from 2015 to 2021, which kept vacancy sub-2% from 2019 to mid-2023. Burnaby had positive absorption in the first half of 2025, which was offset by substantial negative absorption in the third quarter that was likely resultant from vacancy arising at 8651 Lakeside Drive (The MBS Group) and 8010 Winston Street (Canadian Appliance Source) as overall availability rose to its highest point since early 2015.



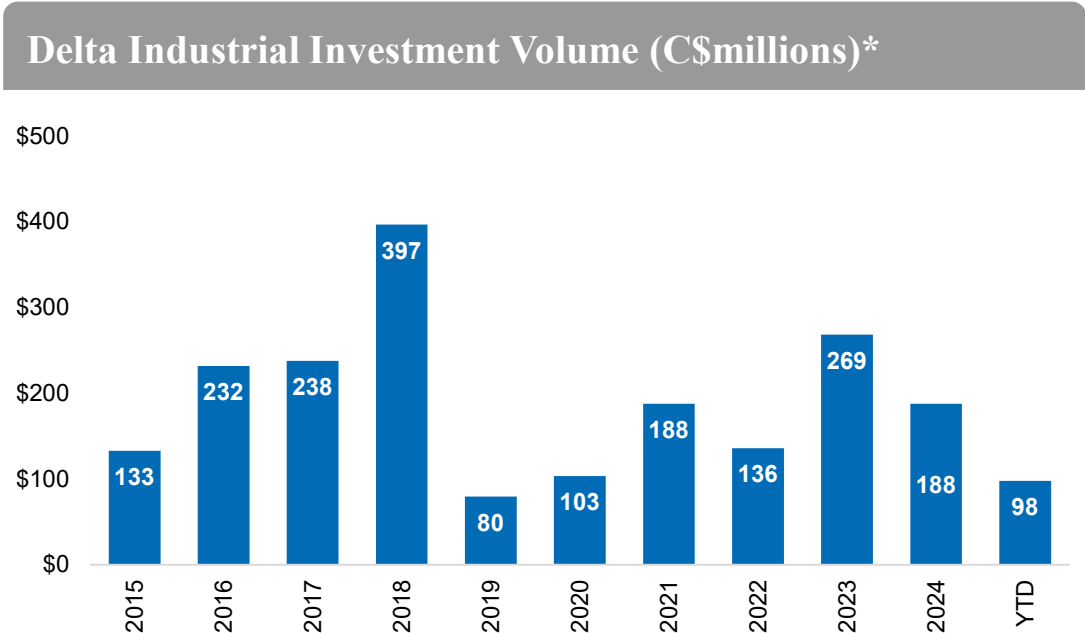
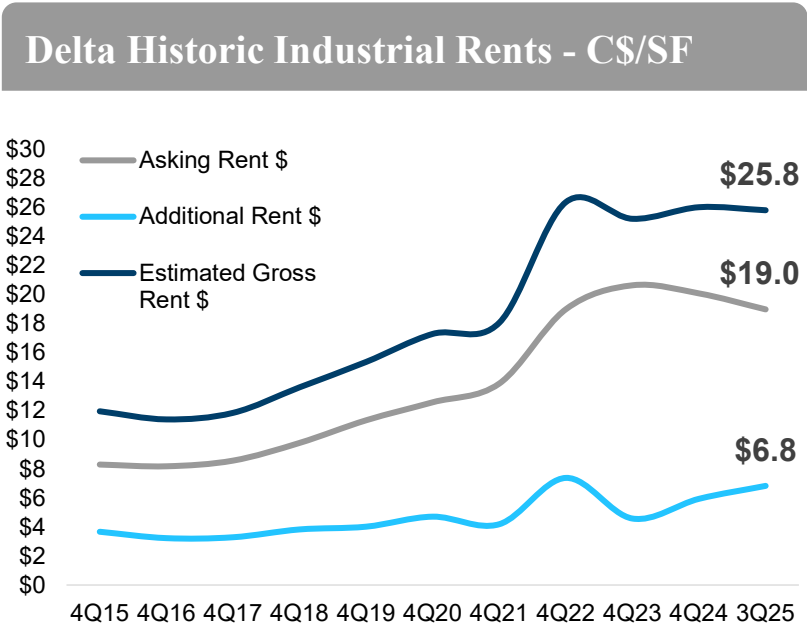
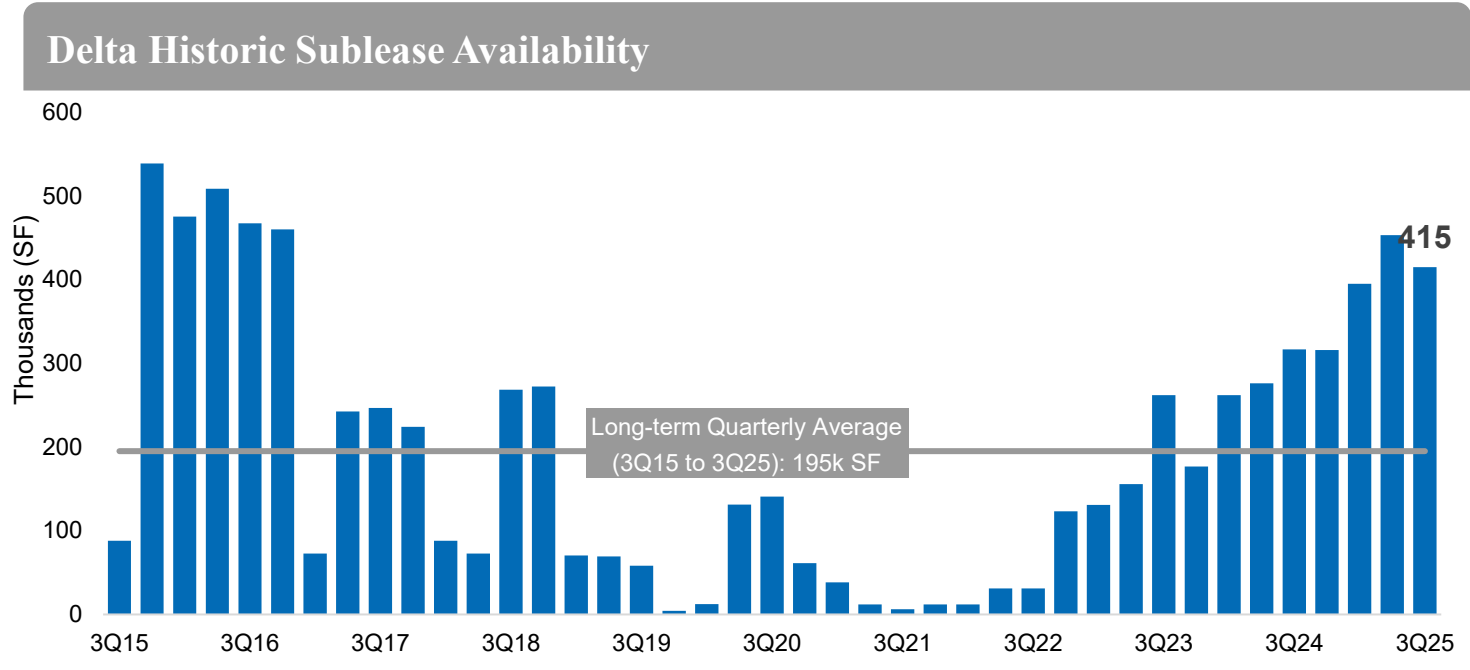
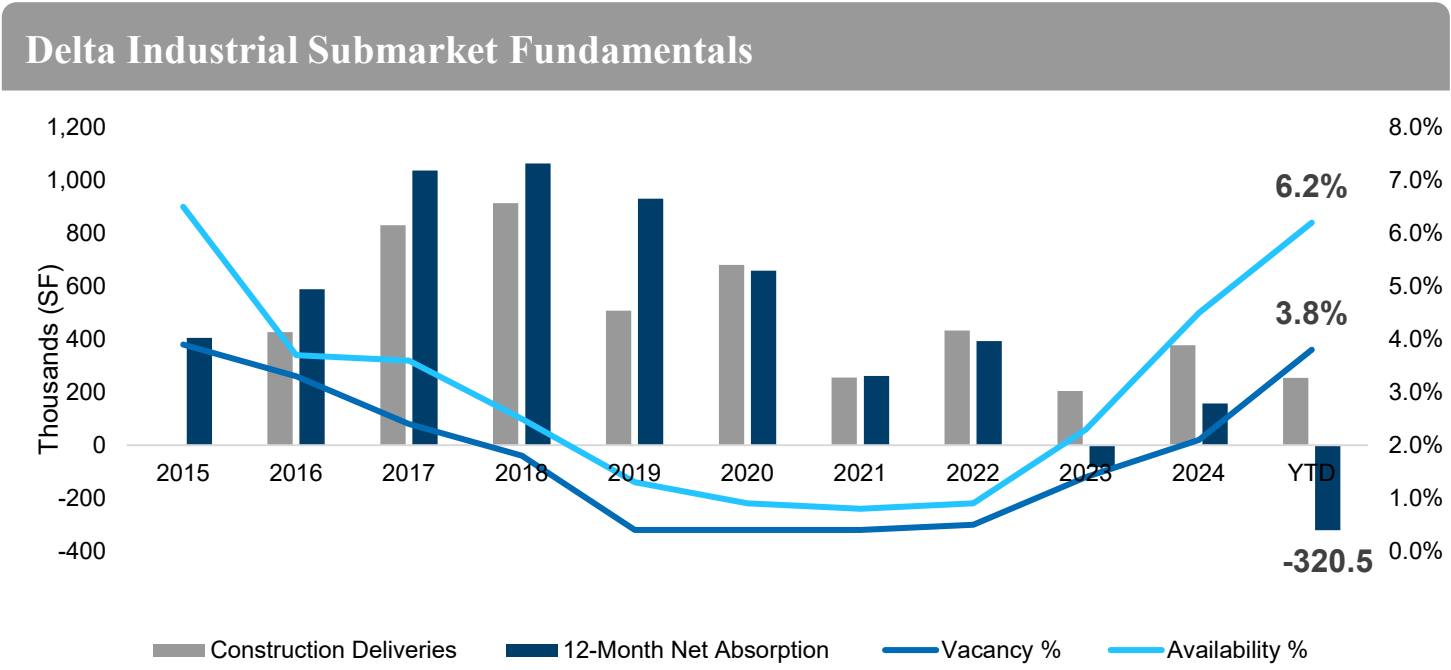
Third Quarter Deals

Tenant/Occupant	Building	Type	Square Feet
Shogun 2 Productions Canada Inc.	7260 Winston Street, Burnaby	Lease	132,000
Stryker Corp.	8329 Eastlake Drive (Bldg. B), Burnaby	Renewal	36,030
Undisclosed	8503-8537 Eastlake Drive, Burnaby	Lease	8,490
DCC Automotive	6928 Palm Avenue, Burnaby	Lease	4,550
Undisclosed	3625 Brighton Avenue, Burnaby	Lease	3,550

Source: Newmark Research, Altus Data Studio, CoStar
* excluding non-arms length transactions

Delta, BC

Delta’s 32.9-msf industrial submarket largely comprises logistics/distribution uses due to the presence of substantial port and transportation infrastructure. Absorption outstripped new construction from 2015 to 2019 and was closely matched from 2020 to 2022, which contributed to one of the lowest vacancy rates in the region for most of the past decade. Prepac Manufacturing’s departure along with recalibrating 3PL tenants likely fuelled vacancy spiking to 3.8% and availability (both direct and sublease) surging to near-decade highs.



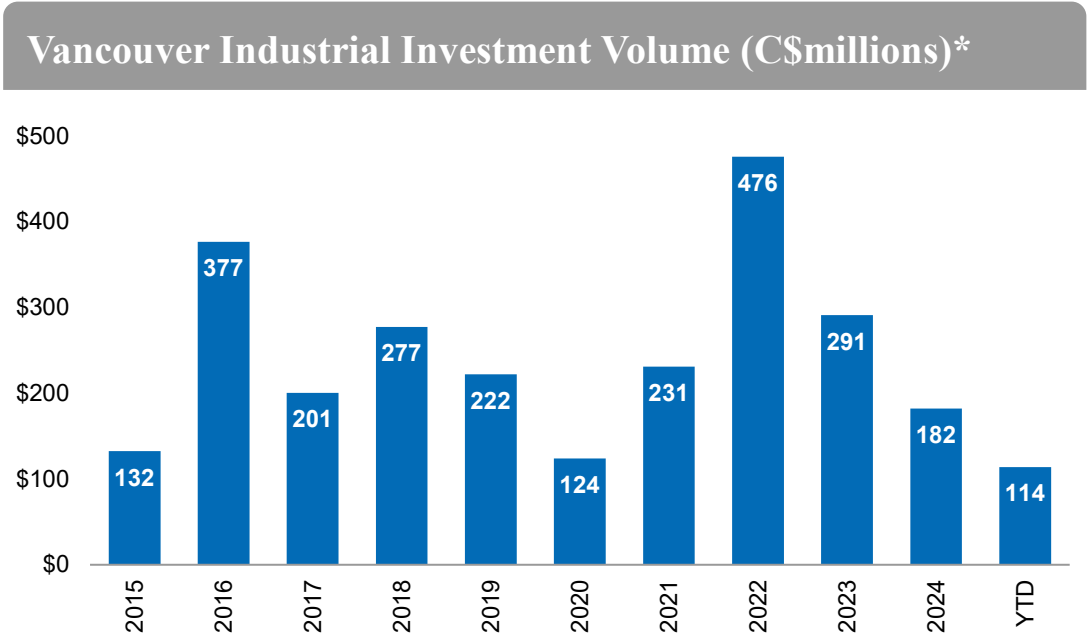
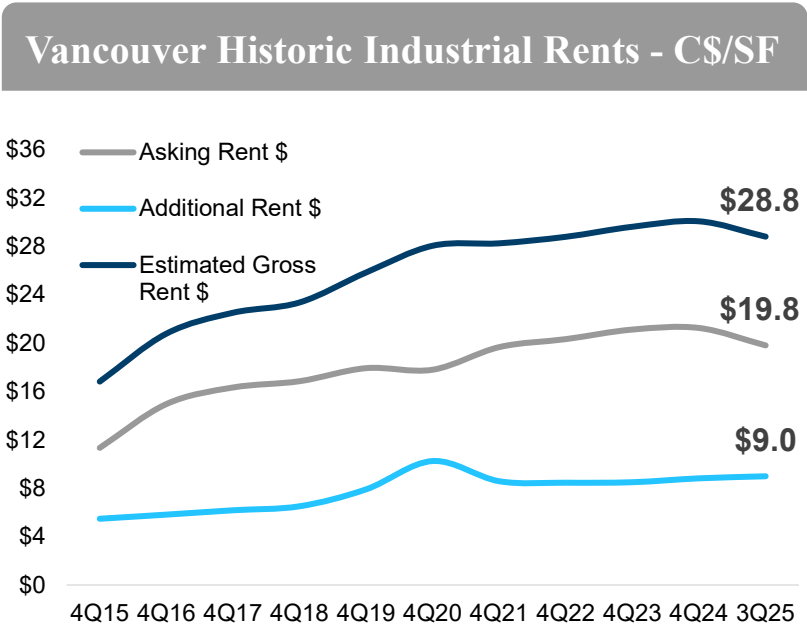
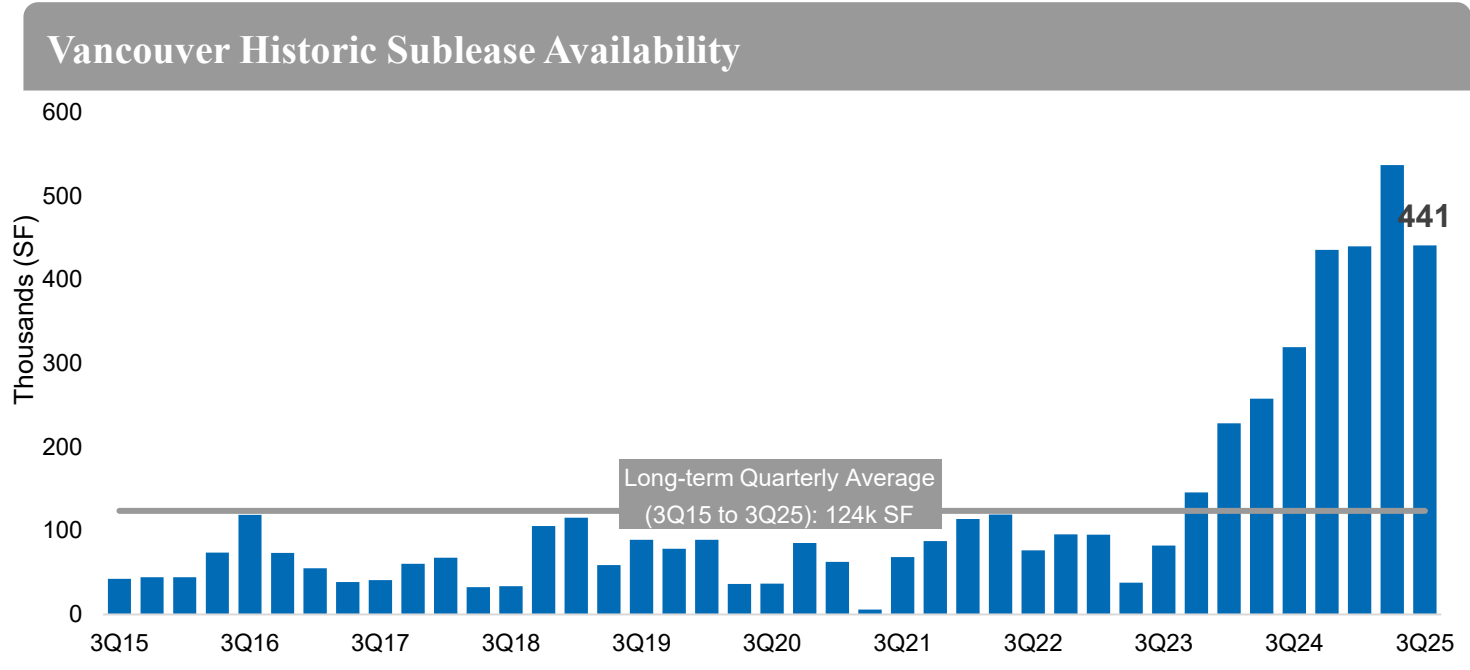
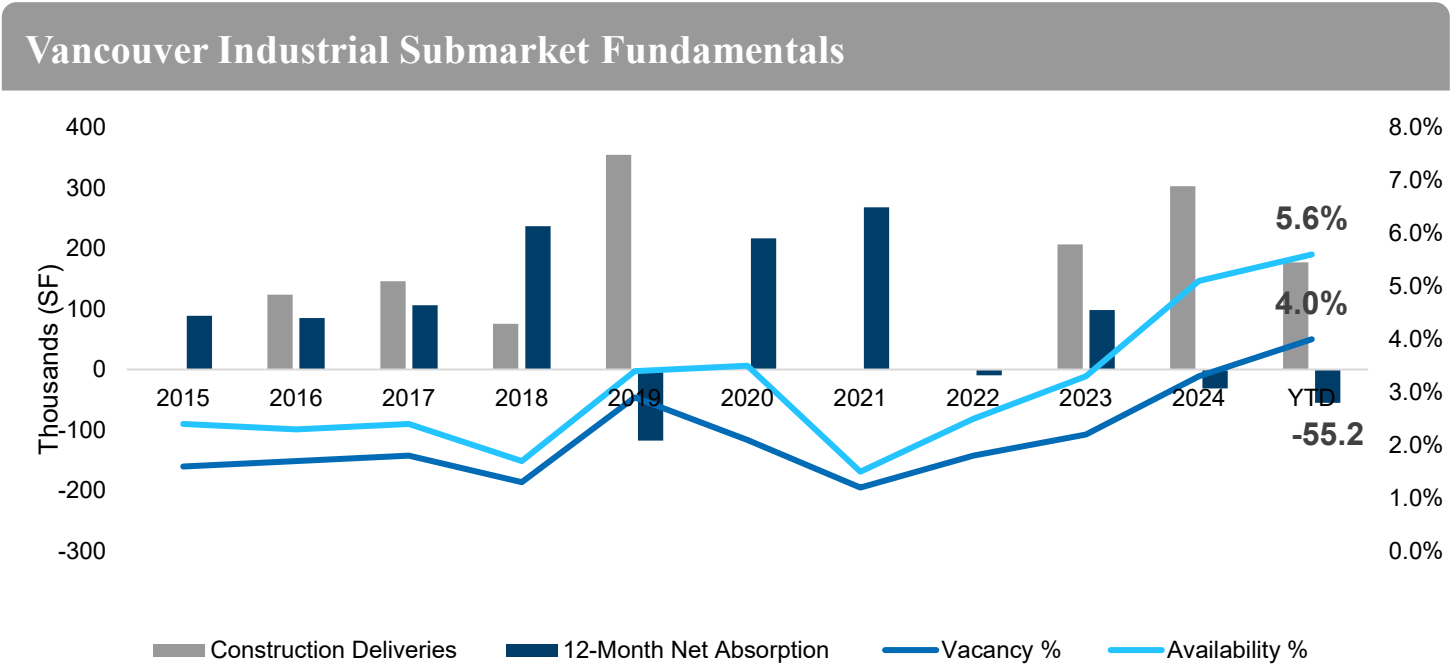
Third Quarter Deals

Tenant/Buyer	Building	Type	Square Feet
Pantos Logistics Inc	4449 Salish Sea Way, Delta	Prelease	349,270
XTL Distribution Inc.	7990 Hoskins Street, Delta	Renewal	111,380
Cascadia Metals Ltd.	6705 Dennett Place, Delta	Lease	110,000
All Star Entrepreneur Inc.	1519-1531 Derwent Way, Delta	Lease	18,000
DSS Protection	1087-1121 Cliveden Avenue, Delta	Lease	6,100

Source: Newmark Research, Altus Data Studio, CoStar
* excluding non-arms length transactions

Vancouver, BC

Industrial space in Vancouver remains under intense redevelopment pressure and at 30.1 msf is the smallest of the region’s five core industrial submarkets. Industrial development is now mostly limited to small to mid-bay strata units, lab space and mixed-use developments. Vacancy was 4.0% through third-quarter 2025, the highest since coverage of the submarket was initiated in 2010 and was due primarily to substantial new supply and negative absorption since 2024. New space under construction has dropped to its lowest total since late 2019.



Third Quarter Deals

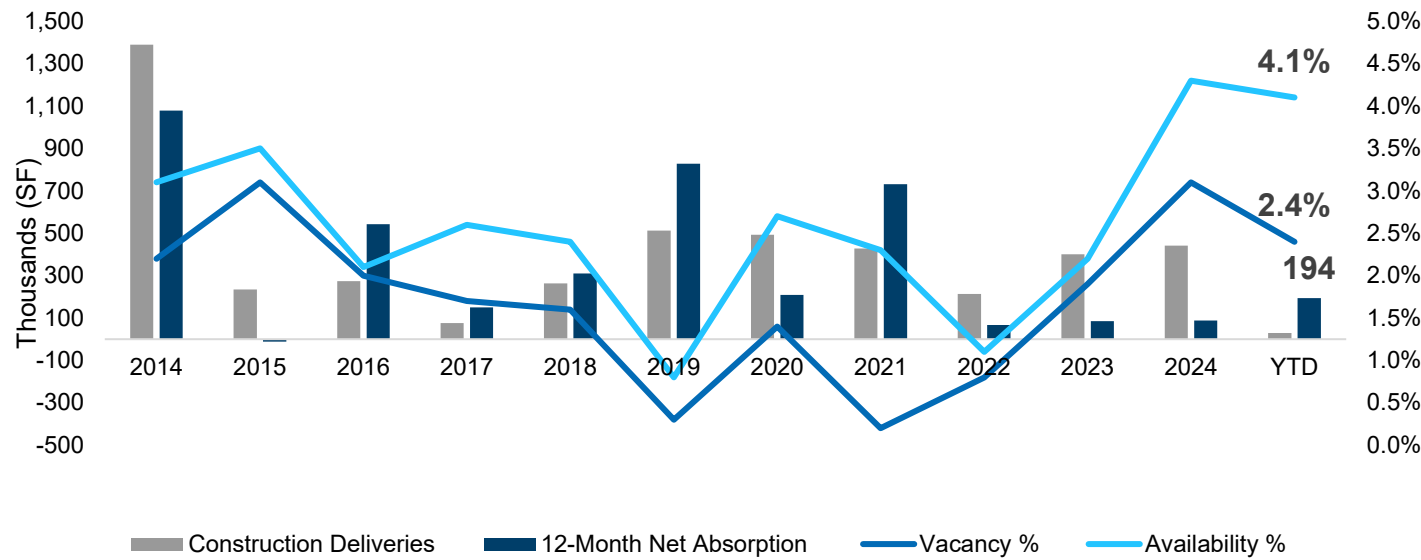
Tenant/Buyer	Building	Type	Square Feet
Lazy Gourmet	880 Malkin Avenue, Vancouver	Lease	25,160
Chandos Construction	1363-1375 Mclean Drive, Vancouver	Lease	6,100
Undisclosed	555-595 Gore Avenue, Vancouver	Lease	5,500
Undisclosed	48 West 5th Avenue, Vancouver	Lease	4,160
A Friendlier Company	1338 Franklin Street, Vancouver	Sublease	4,120

Source: Newmark Research, Altus Data Studio, CoStar
* excluding non-arms length transactions

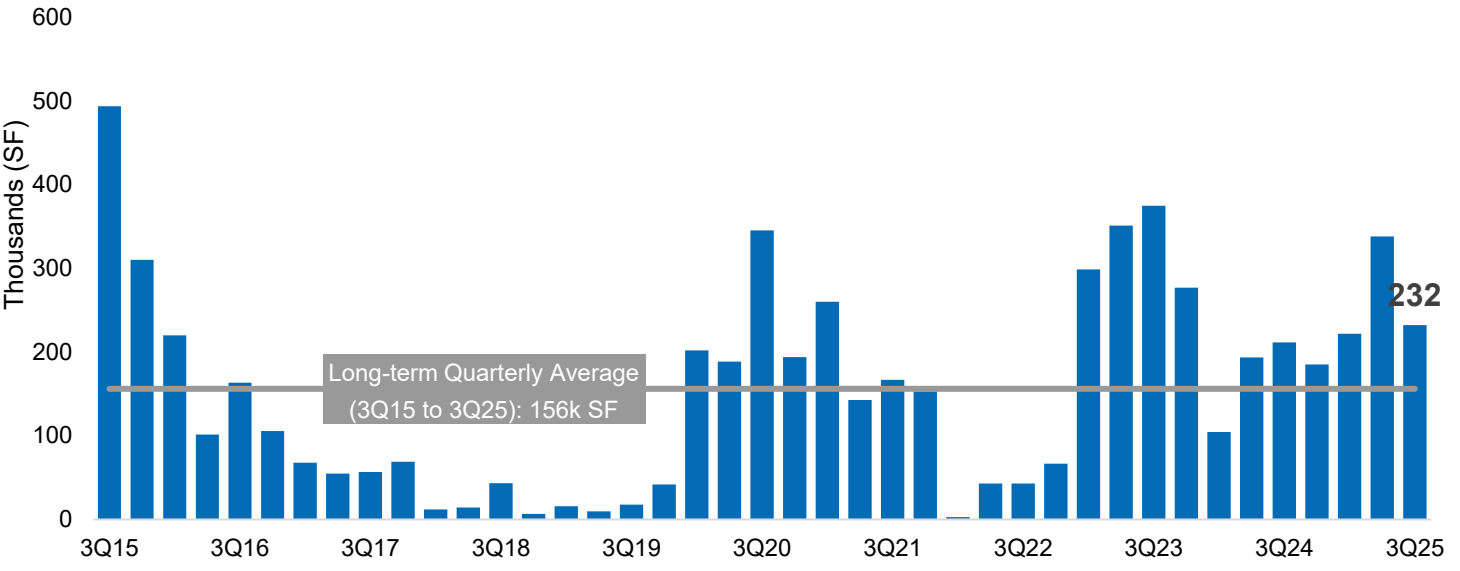
The Fraser Valley (Abbotsford, Chilliwack & the Langleys)

The 29.4-msf submarket added ~4.3 msf of new space since the end of 2015 with vacancy at less than 2% from 2017 to 2023. While the Fraser Valley was home to much of the region’s new development, weak annual absorption from 2022 to 2024 combined with moderate amounts of new supply pushed vacancy and availability to levels unseen in a decade. Negative absorption in the first half of 2025 was offset in part by leasing at Xchange Business Park along with an increase in activity by manufacturing, 3PLs and logistics users.

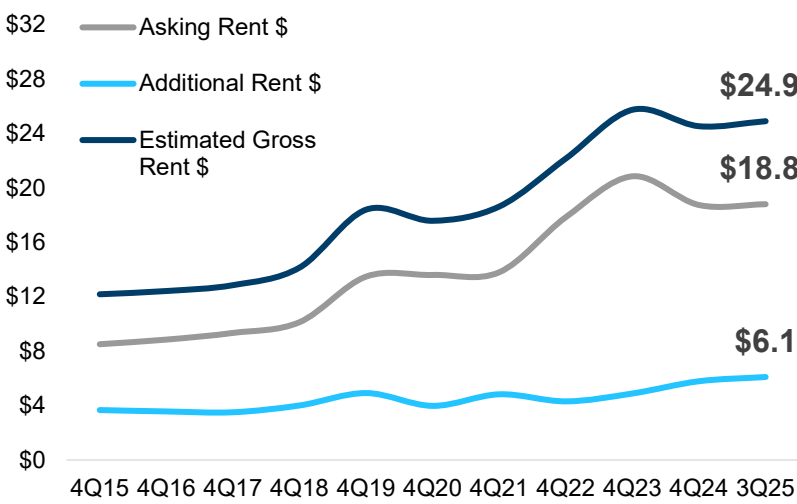
Fraser Valley Industrial Submarket Fundamentals



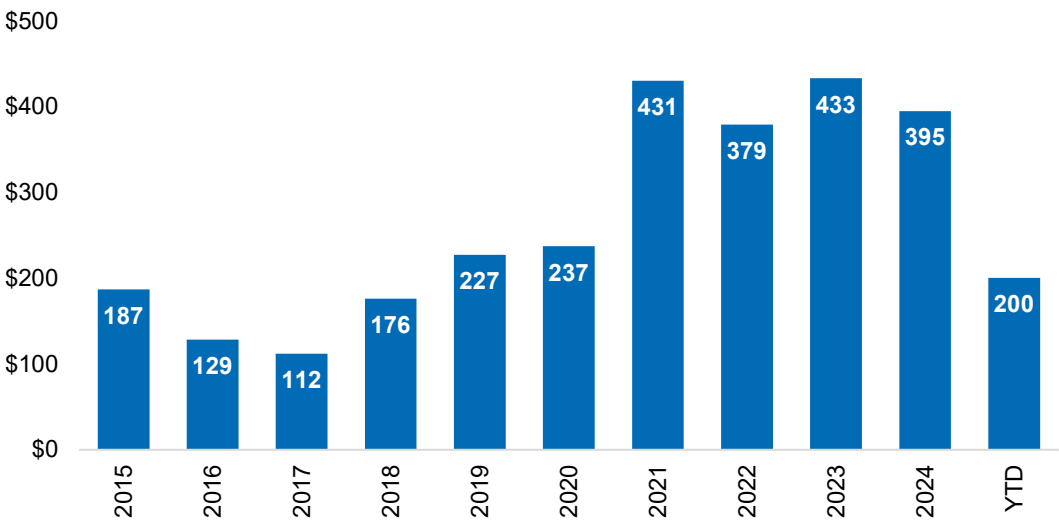
Fraser Valley Historic Sublease Availability



Fraser Valley Historic Industrial Rents - C\$/SF



Fraser Valley Industrial Investment Volume (C\$millions)*



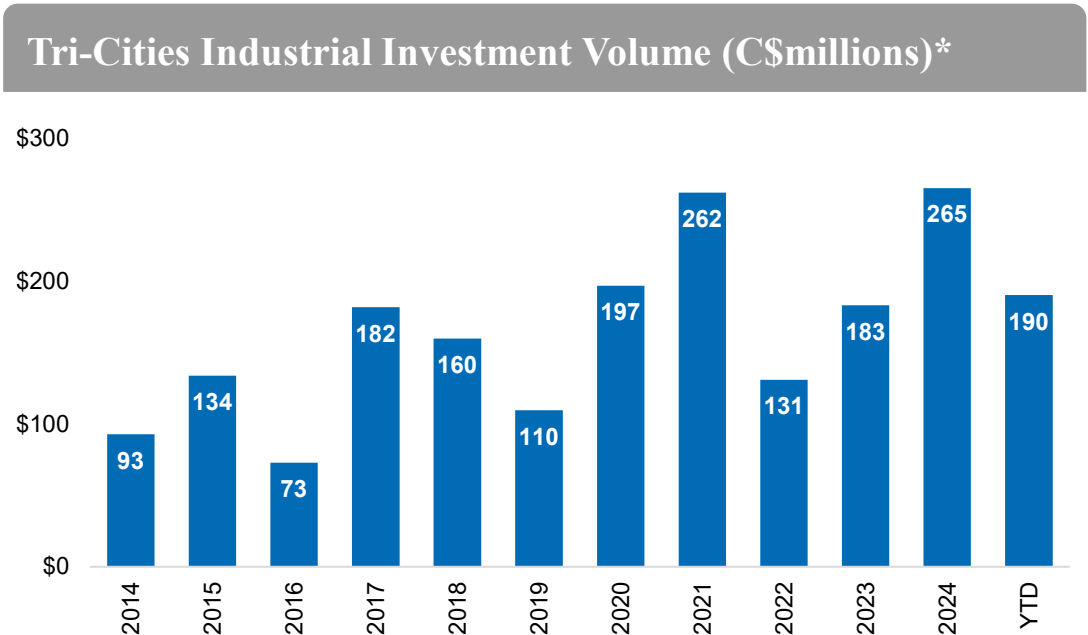
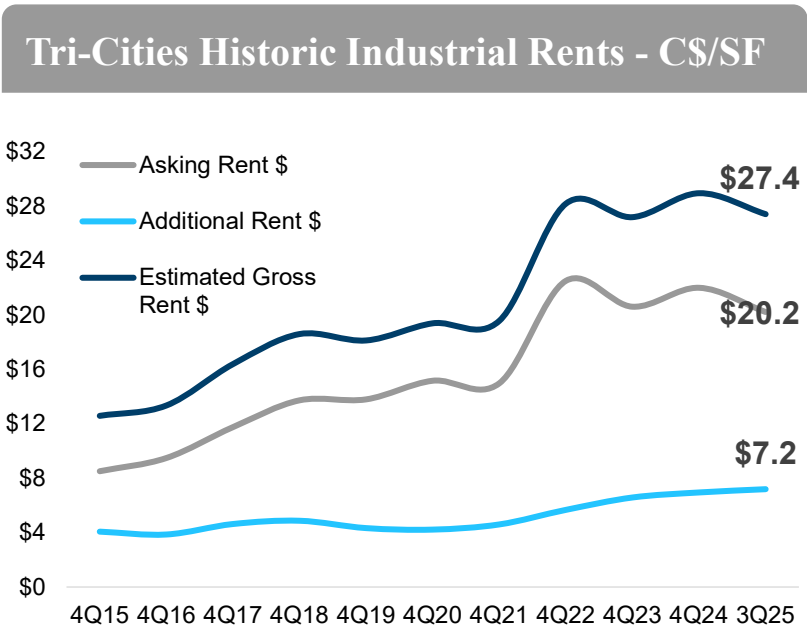
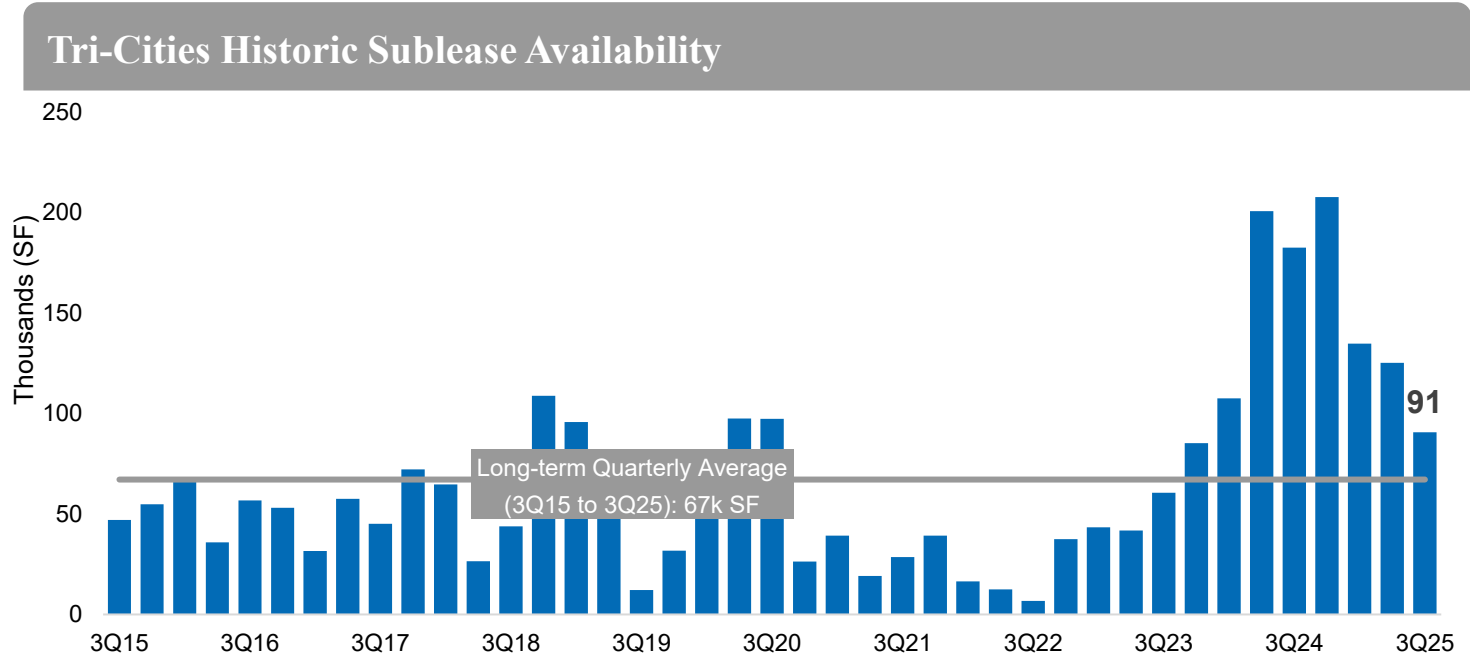
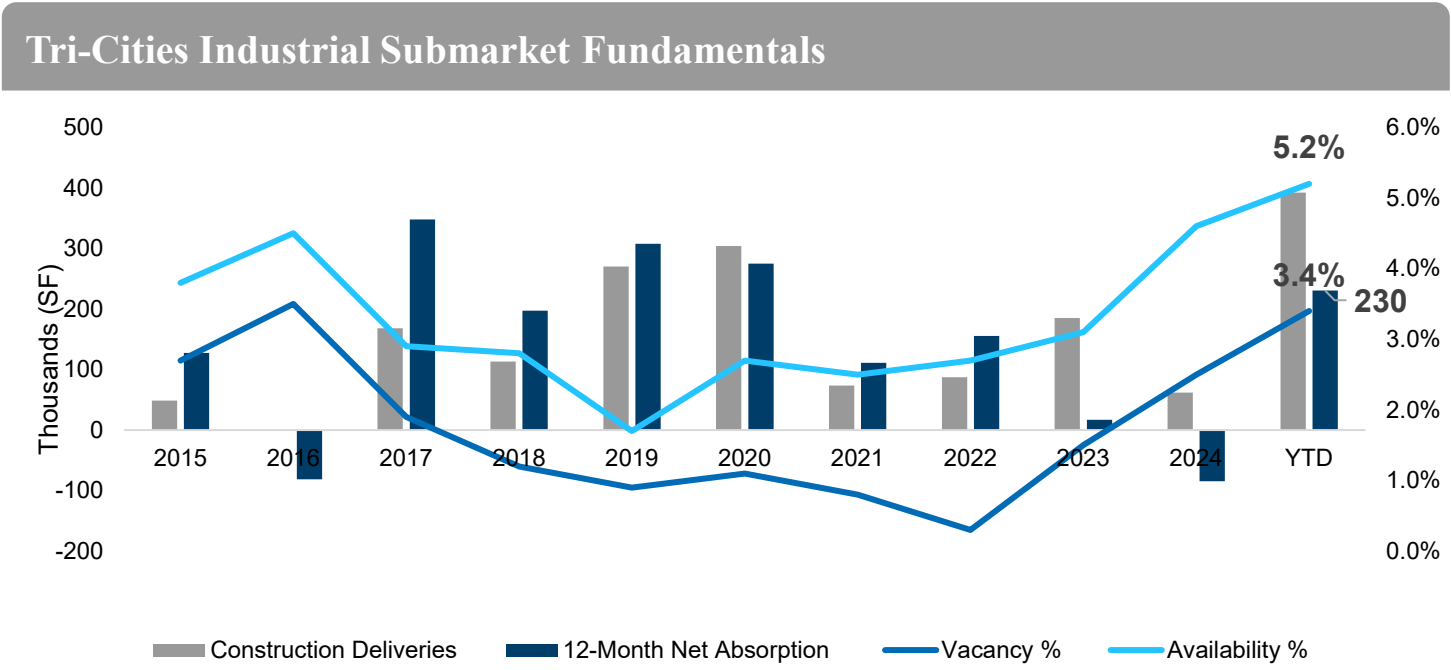
Third Quarter Deals

Tenant/Buyer	Building	Type	Square Feet
Heartwood Distributors	30315 Blueridge Drive, Abbotsford	Lease	57,000
Benjamin Moore	30375 Blueridge Drive, Abbotsford	Lease	45,730
White Cap	30300 Brookside Avenue, Abbotsford	Lease	41,225
Nexx Logistics	30375 Blueridge Drive, Abbotsford	Lease	39,740
Silver Hills Bakery	30375 Blueridge Drive, Abbotsford	Lease	33,630

Source: Newmark Research, Altus Data Studio, CoStar
* excluding non-arms length transactions

The Tri-Cities (Coquitlam, Port Coquitlam & Port Moody)

The Tri-Cities' 14.9-msf industrial submarket grew by ~1.1 msf since the start of 2023 as vacancy and availability climbed in one of the region's typically tight submarkets. Vacancy had been less than 2% from mid-2018 through 2023 but has climbed steadily since and reached 3.4% at the third quarter of 2025, the most vacancy recorded since mid-2017. Significant absorption in the first nine months of 2025 was offset by historic amounts of new supply, which led to upward pressure on market fundamentals and contributed to a softening in rates.



Third Quarter Deals

Tenant/Buyer	Building	Type	Square Feet
CIMS	1610 Industrial Avenue, Port Coquitlam	Renewal	80,410
Undisclosed	820 Seaborne Avenue, Coquitlam	Lease	68,690
Paxle Group Inc.	1530 Kingsway Avenue, Port Coquitlam	Lease	14,325
Upwardor Inc.	1585 Broadway Street, Port Coquitlam	Lease	11,350
Golden Ears Glazing	1680 Broadway Street, Port Coquitlam	Lease	9,950

Source: Newmark Research, Altus Data Studio, CoStar
* excluding non-arms length 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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