
3Q25

Vancouver Office Market Overview



NEWMARK

Greater Vancouver Office Market Observations

Metro Vancouver was one of the tightest office markets in North America through third-quarter 2025 as vacancy and availability remained stable with no new downtown development underway and modest new supply in the pipeline.

Stabilized vacancy in the suburbs, particularly Burnaby and Surrey, combined with tightening vacancy in Vancouver Periphery has offset rising vacancy in the Broadway Corridor and Downtown urban submarkets.

Overall vacancy downtown has stubbornly remained +/- 70 bps from 12% for the past two years even as class A vacancy has tightened and overall vacancy in most suburban markets fell to less than 7%.

Regional class A vacancy has averaged ~8.5% since 2023 while downtown class A vacancy averaged ~11% in the same period. Tenants downtown may be discounting leasing space in 'vintage' class A premises.



Office leasing decisions require clarity on long-term business needs. Elevated economic uncertainty has encouraged significant hesitation for many tenants. As a result, some occupiers may have paused leasing decisions in 3Q25.

Regional absorption of more than 425k sf through third-quarter 2025, led by Burnaby (159k), Surrey (63k), the Tri-Cities (60k), and the North Shore (46k) demonstrated strong suburban demand that has comprised 91% of the space occupied to date.

New construction remained largely at a standstill in Downtown Vancouver in the back half of 2025, which continued to contribute to the rising risk of a lack of new class A/trophy 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.

Recent news that at least two large class A opportunities downtown are coming available from a notable tech tenant consolidating its operations will provide some relief in a submarket where there are limited options greater than 50k sf in size.

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Office Market Metrics



3Q25

Greater Vancouver Office Market

Market Overview				
	Current Quarter	Prior Quarter	Year Ago	12-Month Forecast
Total Inventory (SF)	68.1M	67.6M	66.8M	↩
Total Vacancy Rate	9.5%	9.3%	9.4%	↗
Quarterly Net Absorption (SF)	91.8K	59.8K	446.7K	↩
Total Availability Rate	12.5%	12.4%	13.0%	↗
Deliveries (SF)	243K	309K	58.6K	↗
Under Construction (SF)	1.8M	1.7M	2.0M	↓



Greater Vancouver Office Market/Submarket Statistics | 3Q25

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	68,114,846	1,760,921	9.5%	93,530	425,493	10.2%	2.3%	C\$40.4
Downtown Vancouver	30,423,875	29,600*	12.5%	-102,797	-228,244	13.1%	2.7%	C\$44.0
Vancouver Broadway Corridor	6,358,938	172,328	11.2%	130,071	81,405	13.1%	2.3%	C\$50.3
Vancouver Periphery	4,940,616	790,864	8.2%	53,413	188,226	8.7%	2.9%	C\$44.1
Vancouver Total	41,723,429	992,792	11.8%	80,687	41,387	12.6%	2.7%	C\$45.6
Burnaby	10,687,332	26,000	7.0%	14,270	159,314	7.1%	3.3%	C\$32.2
Richmond	4,961,454	80,004	7.3%	-31,140	21,251	8.7%	0.4%	C\$27.1
Surrey	4,903,481	332,446	5.2%	16,886	63,413	5.7%	1.2%	C\$37.9
North Shore***	2,123,462	32,511	2.4%	12,286	46,207	3.0%	0.3%	C\$37.1
Langley	1,532,926	0	2.3%	3,590	14,162	2.9%	0.0%	C\$40.2
New Westminster	1,474,302	0	3.2%	-8,520	19,226	6.4%	0.4%	C\$40.2
Tri-Cities**	635,983	0	7.7%	5,471	60,533	9.9%	0.0%	C\$34.5

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)

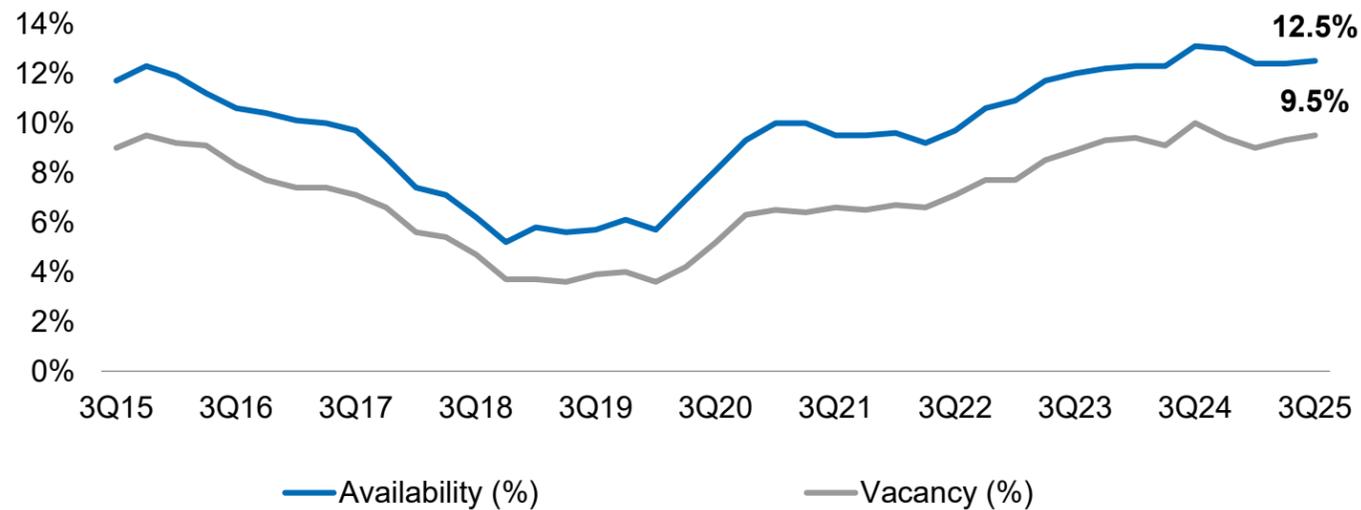
**The Tri-Cities consists of Port Moody, Coquitlam and Port Coquitlam, but due to its small size is not covered in this report.

*** The North Shore consists of the District and City of North Vancouver and West Vancouver

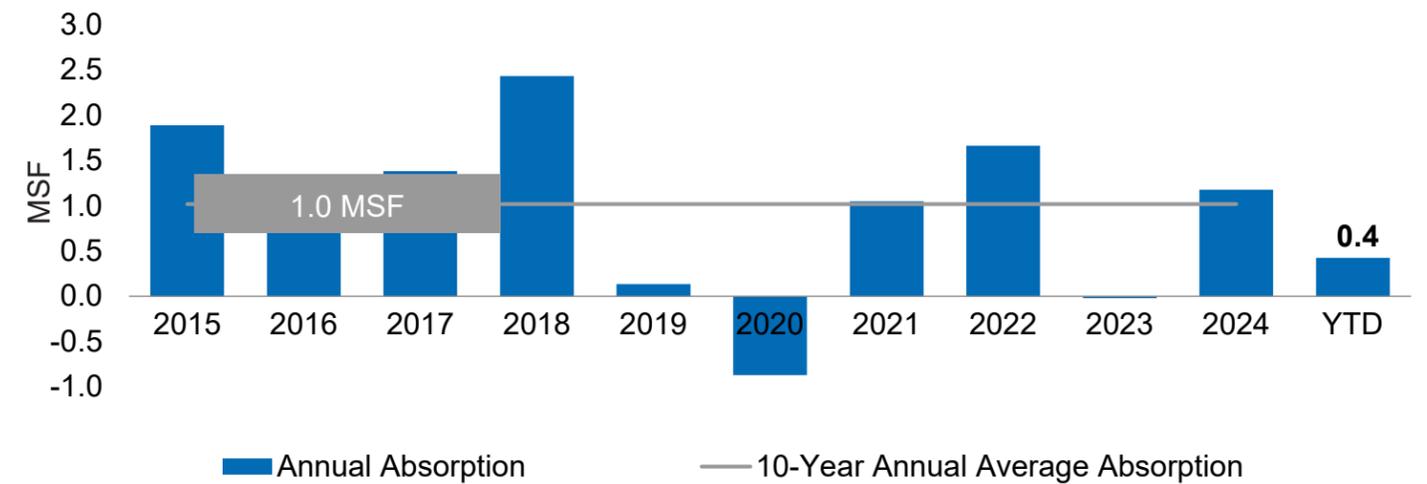
Greater Vancouver Area

Greater Vancouver remained one of North America's tightest office markets with regional vacancy bumping up to 9.5% at third-quarter 2025 – up 10 basis points (bps) year-over-year and up 20 bps compared with the second quarter of the year. Availability remained virtually unchanged at 12.5% when compared with the previous quarter and 50 bps lower than a year ago. Stabilized suburban vacancy accompanied with tightening vacancy in Vancouver Periphery minimized the impact of a slight upward shift in downtown vacancy and elevated vacancy in the Broadway Corridor due to the delivery of vacant new space and tenants rapidly clearing out of the ~15% of the submarket inventory comprised of class C buildings.

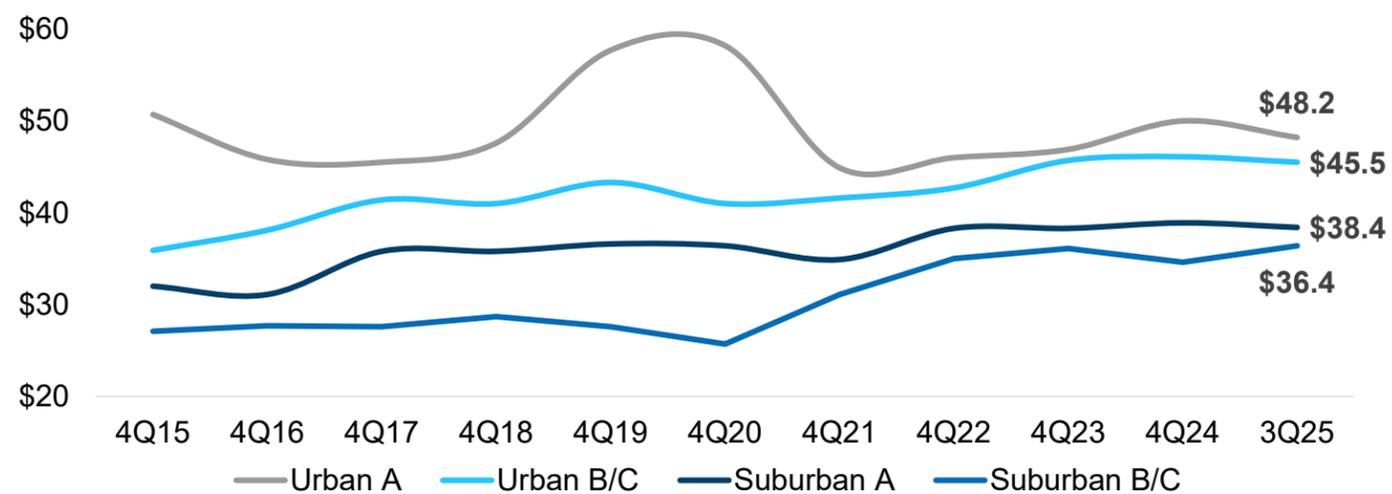
Overall Availability And Vacancy Rates – All Classes



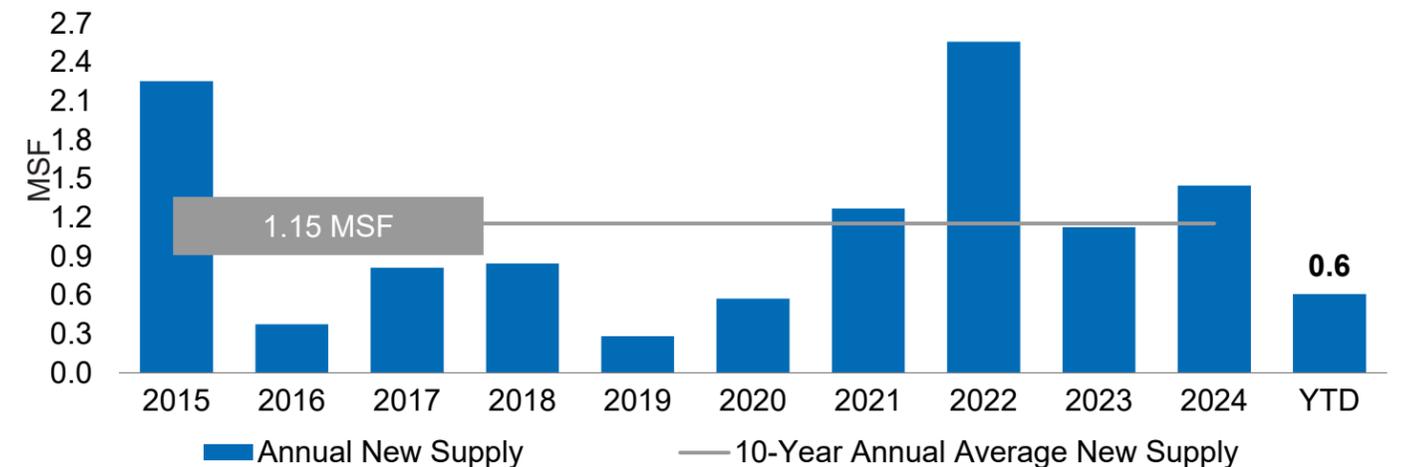
Annual Absorption – All Classes



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



New Construction Deliveries in Greater Vancouver

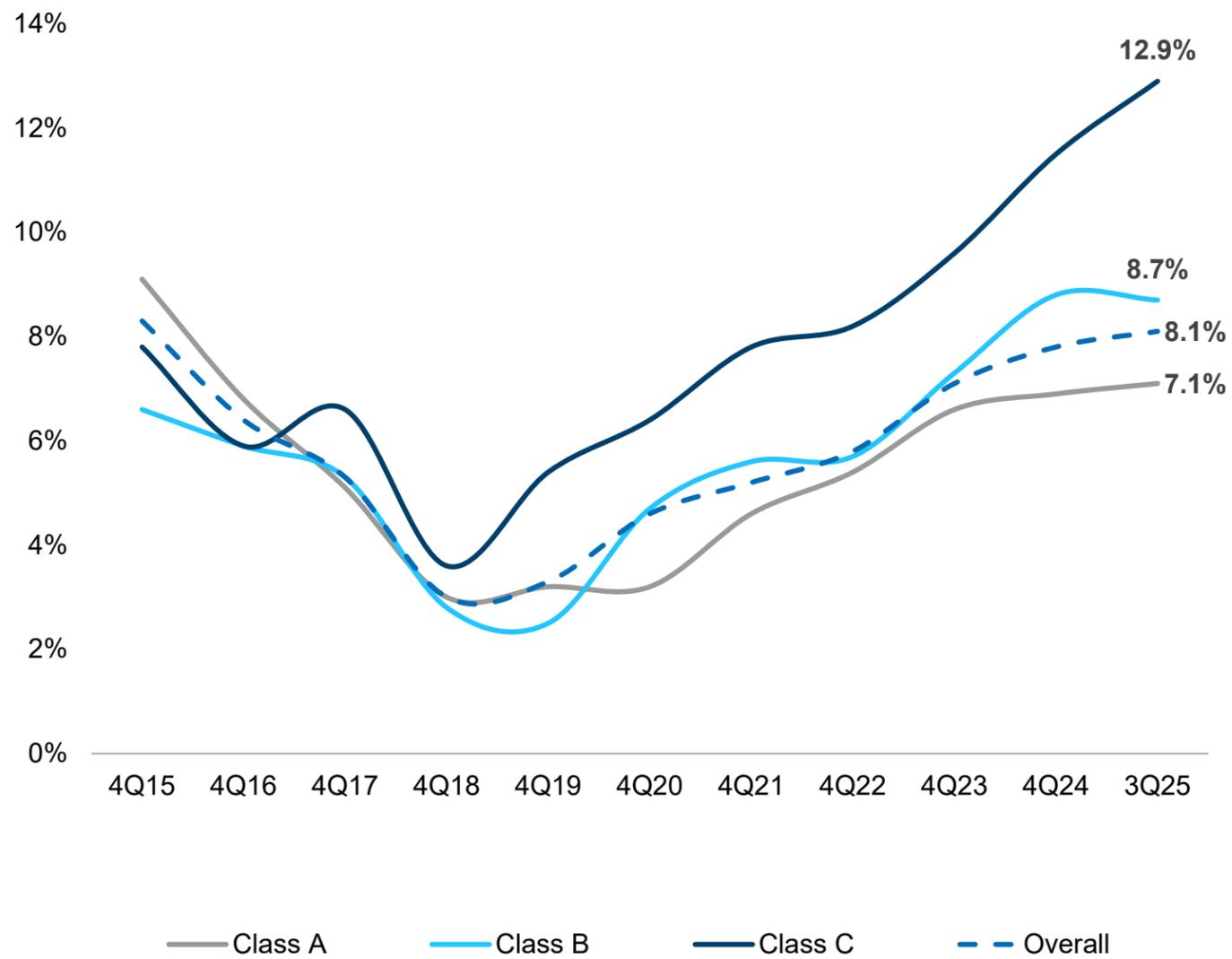


Source: Newmark Research, Altus Data Studio

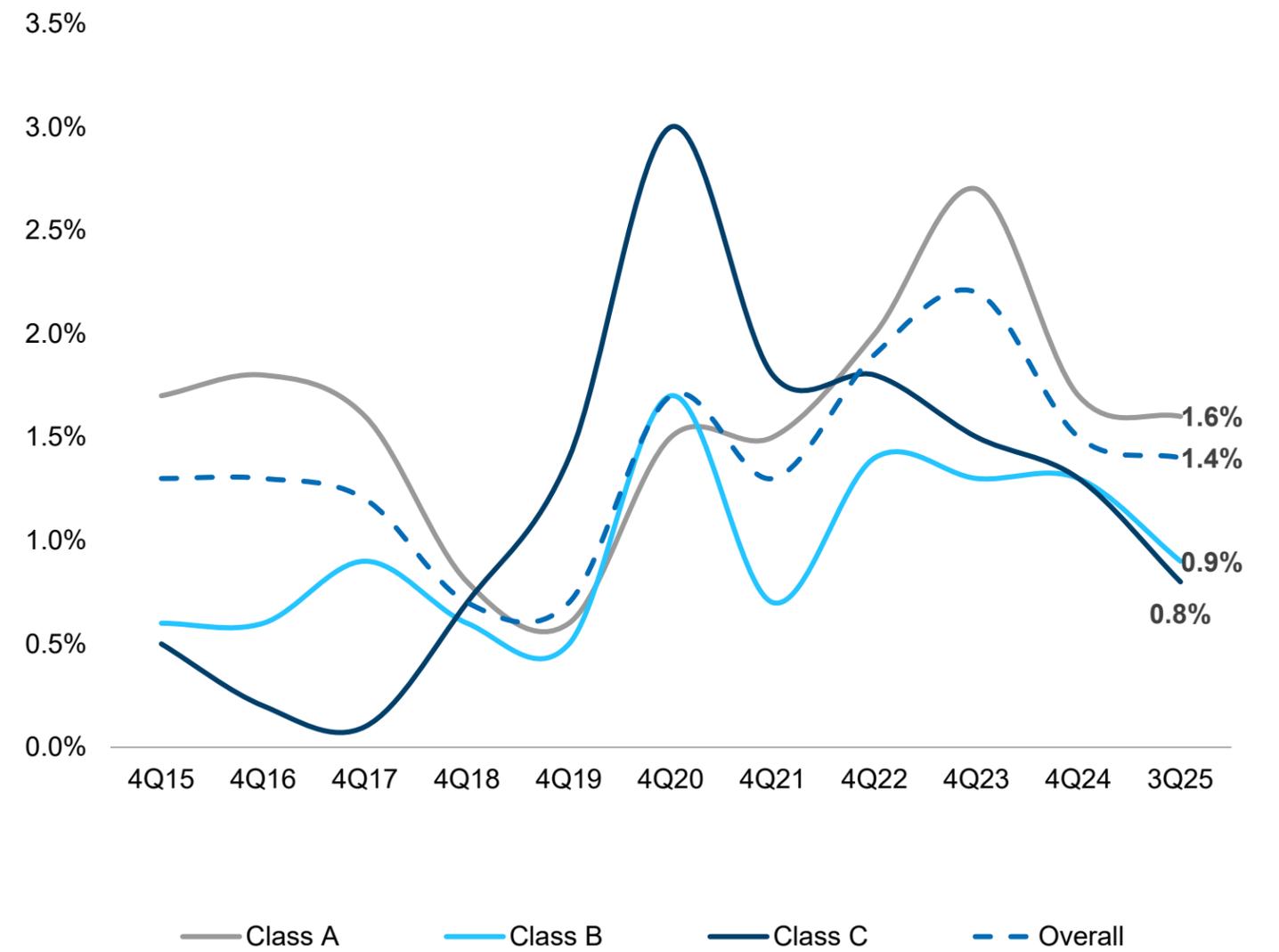
Class A/B Regional Vacancy Plateauing As Tenants Continue Shedding Class C Space

Class A/B head lease vacancy has widely stabilized throughout Greater Vancouver with heightened suburban demand offsetting stubbornly elevated downtown head lease vacancy in the regional stats. If not already abundantly clear, class C space remained out of favour with tenants throughout the region as head lease vacancy diverged further from other classes. Class A sublease space remains virtually the only sublease option in Greater Vancouver, where it has been ~1.5% in 2025 even as class B/C sublease vacancy fell to less than 1%.

Regional Office Headlease Vacancy by Class – 2015 to 2025



Regional Office Sublease Vacancy by Class – 2015 to 2025

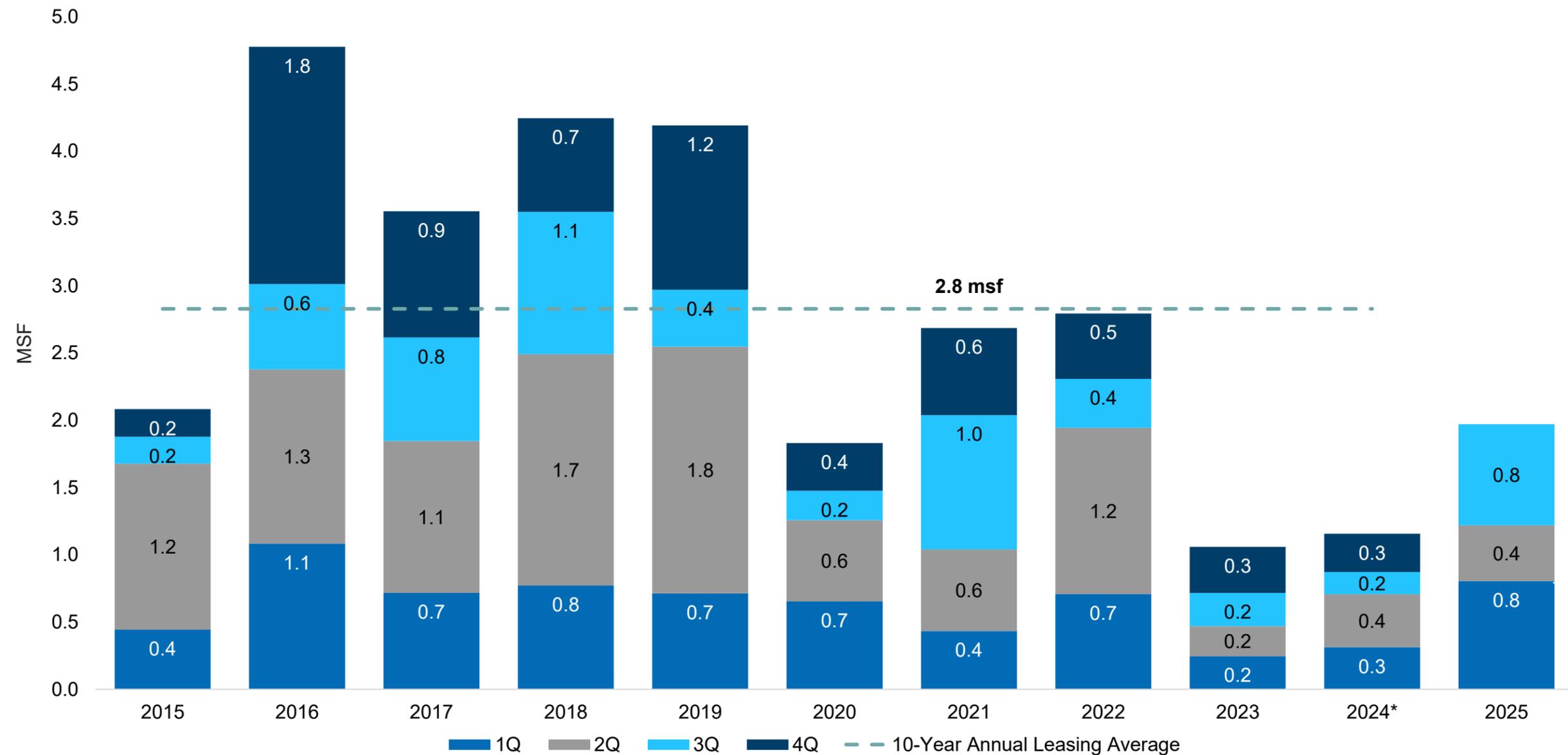


Source: Newmark Research, Altus Data Studio

Leasing Activity Surges In Third Quarter Due To Upswing In Downtown Activity

Regional office leasing activity is on pace for its best performance in three years thanks to the largest office lease completed downtown since Amazon confirmed its prelease of the north tower of The Post in 2022. Lululemon's 289k-sf lease of 725 Granville Street helped maintain downtown's stabilized vacancy environment. Demand for new quality space amid an environment of tightening vacancy typically gives developers confidence to proceed with preleasing historically serving as a catalyst of office leasing activity, particularly downtown.

Estimated Total Leasing Activity in All Classes



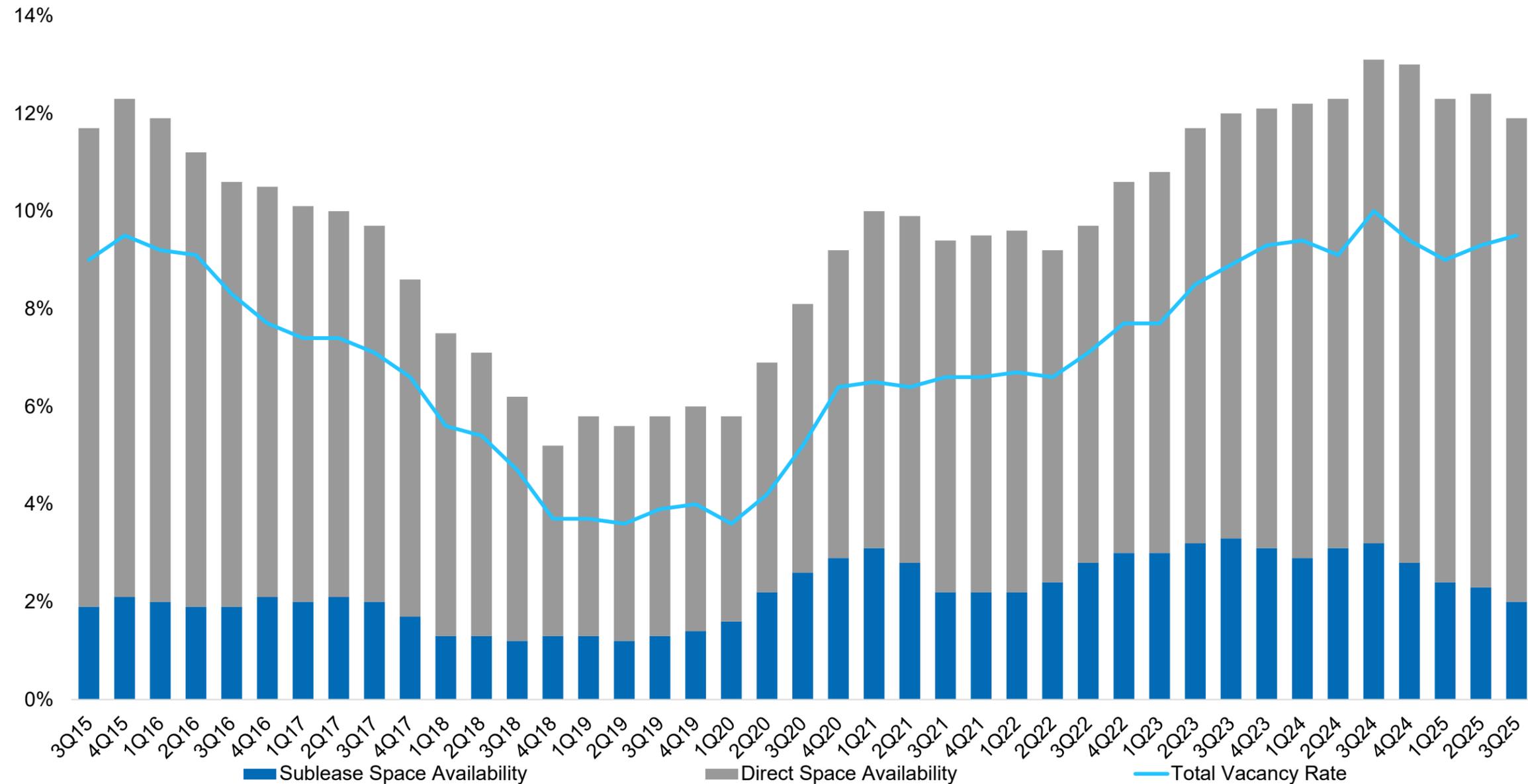
Source: Newmark Research, Altus Data Studio

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

Steady Demand Resulting In Stabilization Of Regional Space Availability & Vacancy

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 in terms of market indicators. With virtually no downtown construction underway but suburban development capturing tenant demand, availability and vacancy are anticipated to continue stabilizing through 2025.

Available Space as Percent of Overall Market



Source: Newmark Research, Altus Data Studio

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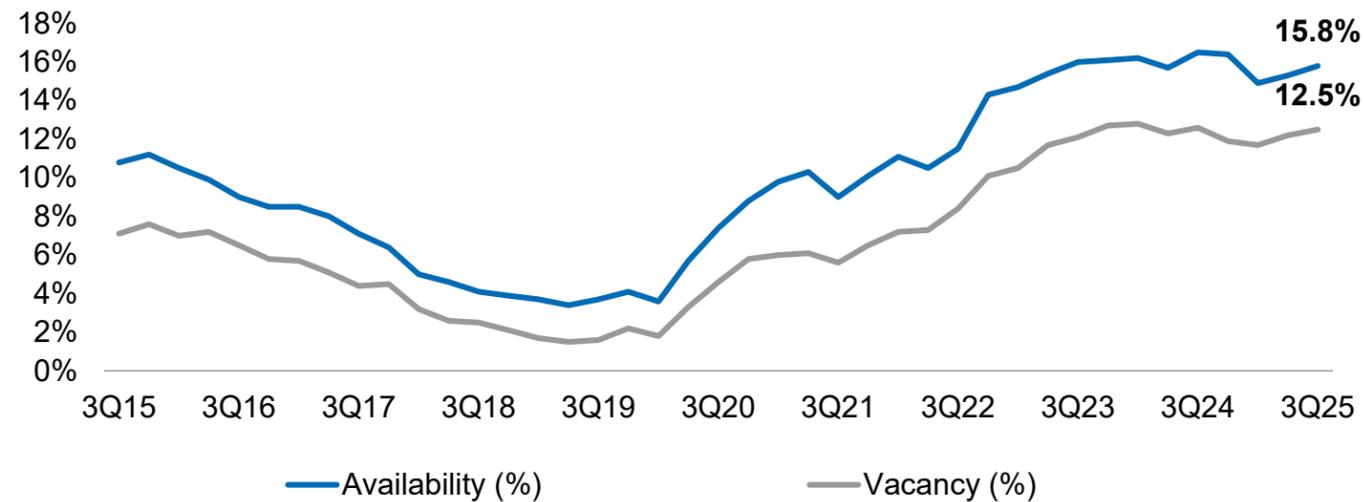
Downtown Vancouver



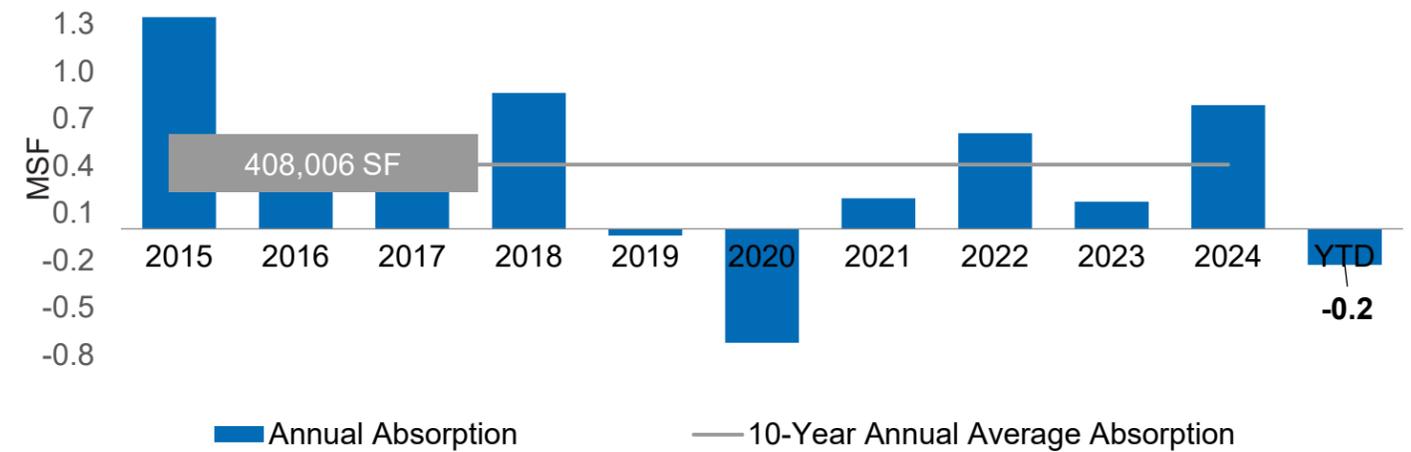
Downtown Vancouver (including Gastown & Yaletown)

Vacancy downtown settled at 12.5% through third-quarter 2025, a 30-bps increase from the second quarter of the year but virtually unchanged from the third quarter of 2024. Despite a notable increase in leasing activity in 2025 and steady class A demand, vacancy downtown has remained within a 100-bps band since the start of 2024. Negative absorption of 153k sf in the first nine months of 2025 highlighted the gradual nature of the market rebalancing at a time of not only heightened economic uncertainty, but also potential upside such as new H-1B visa regulations in the U.S. that may lead American tech firms to once again embrace Vancouver's proximity, proven tech ecosystem and friendlier Canadian immigration policies.

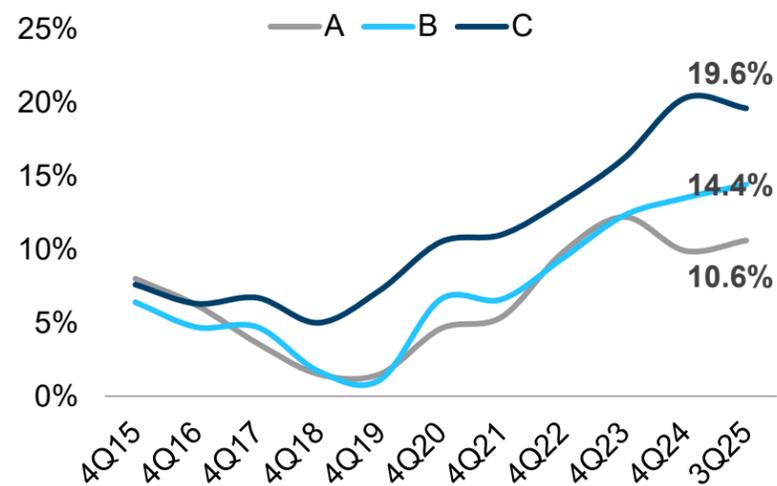
Overall Availability & Vacancy Rates – All classes



Annual Absorption – All classes



Vacancy by Class – 2015 to 2025



Third Quarter Deals

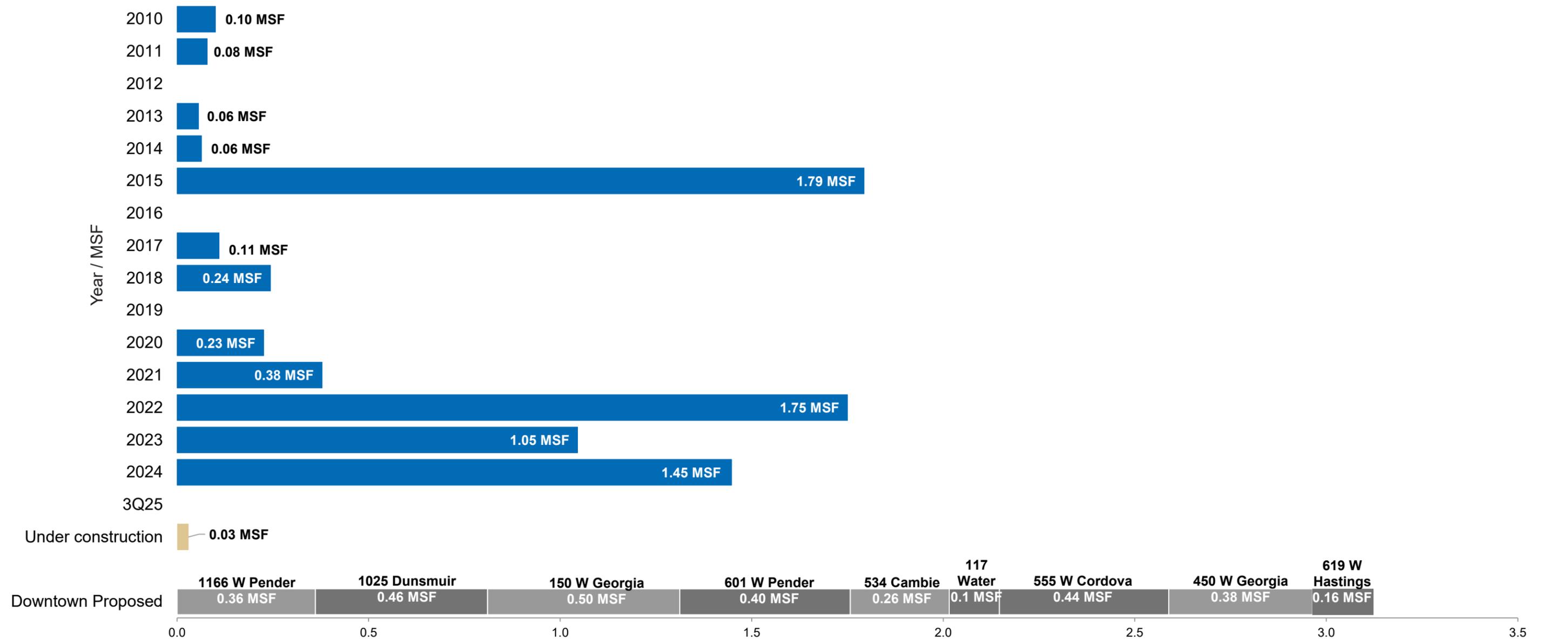
				
Pacific Centre 725 Granville Street	Bentall Centre 3 595 Burrard Street	Waterfront Centre 200 Burrard Street	Bentall Centre 4 1055 Dunsmuir Street	688 West Hastings Street
lululemon athletica	Teck Resources	Meta	Next Level Games	International Language Academy of Canada
289,500 SF	65,290 SF	41,100 SF	36,000 SF	25,900 SF
Direct New	Direct New	Renewal	Direct New	Renewal

Source: Newmark Research, Altus Data Studio, CoStar

New Supply In Downtown Vancouver In Short Supply Amid Ongoing Construction Pause

Developers remain hesitant to kick off construction of Vancouver’s first post-COVID downtown office development despite ongoing market demand for new class A and/or trophy space amid an environment of stabilized class A vacancy and tightening availability. The large transactions that have occurred downtown in the past 12 to 18 months have been mostly either renewals or tenants occupying space in buildings completed since 2021 or the backfill opportunities that have been created by those tenants who moved to occupy the newest space.

Downtown Vancouver Deliveries

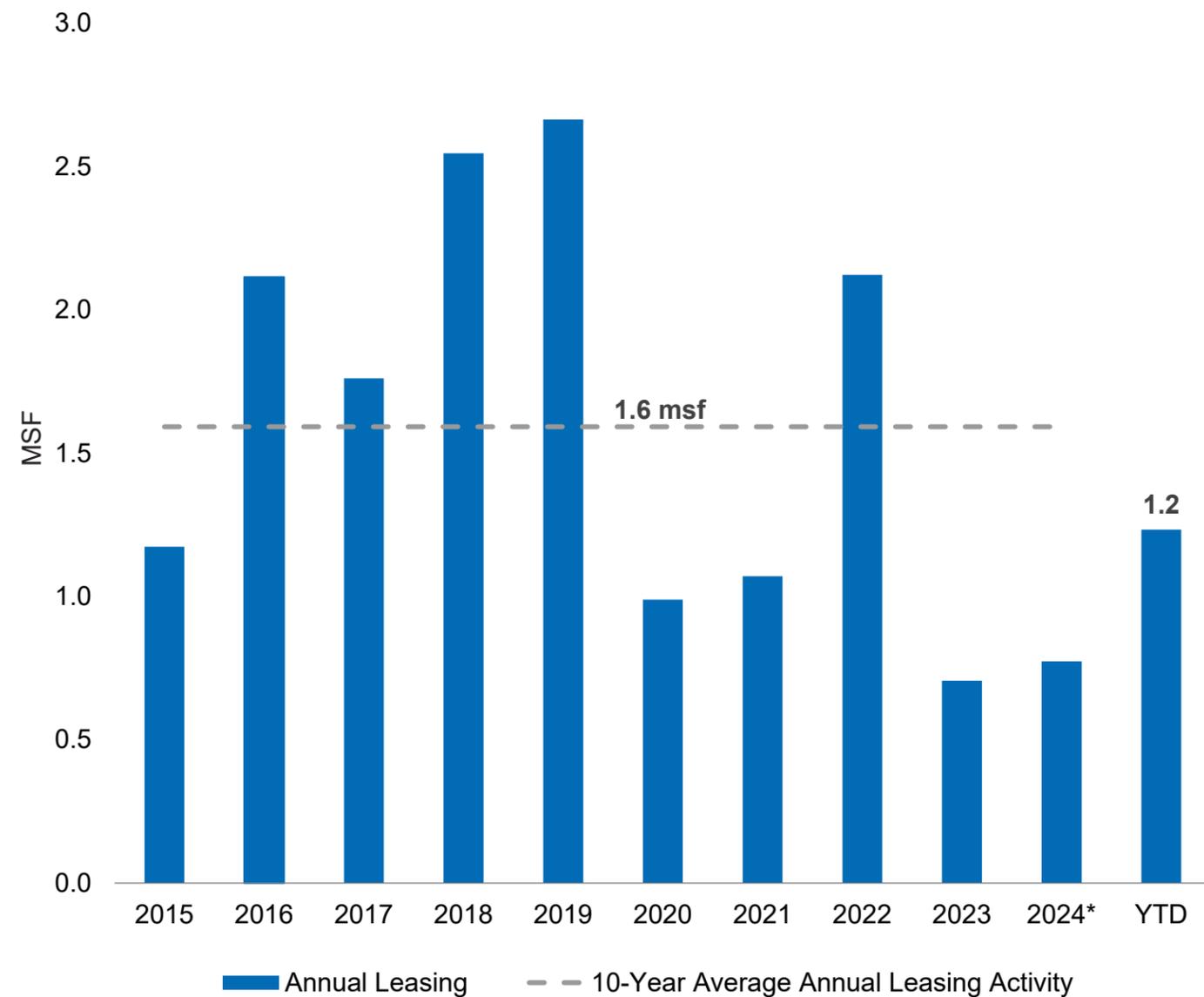


Source: Newmark Research, Altus Data Studio

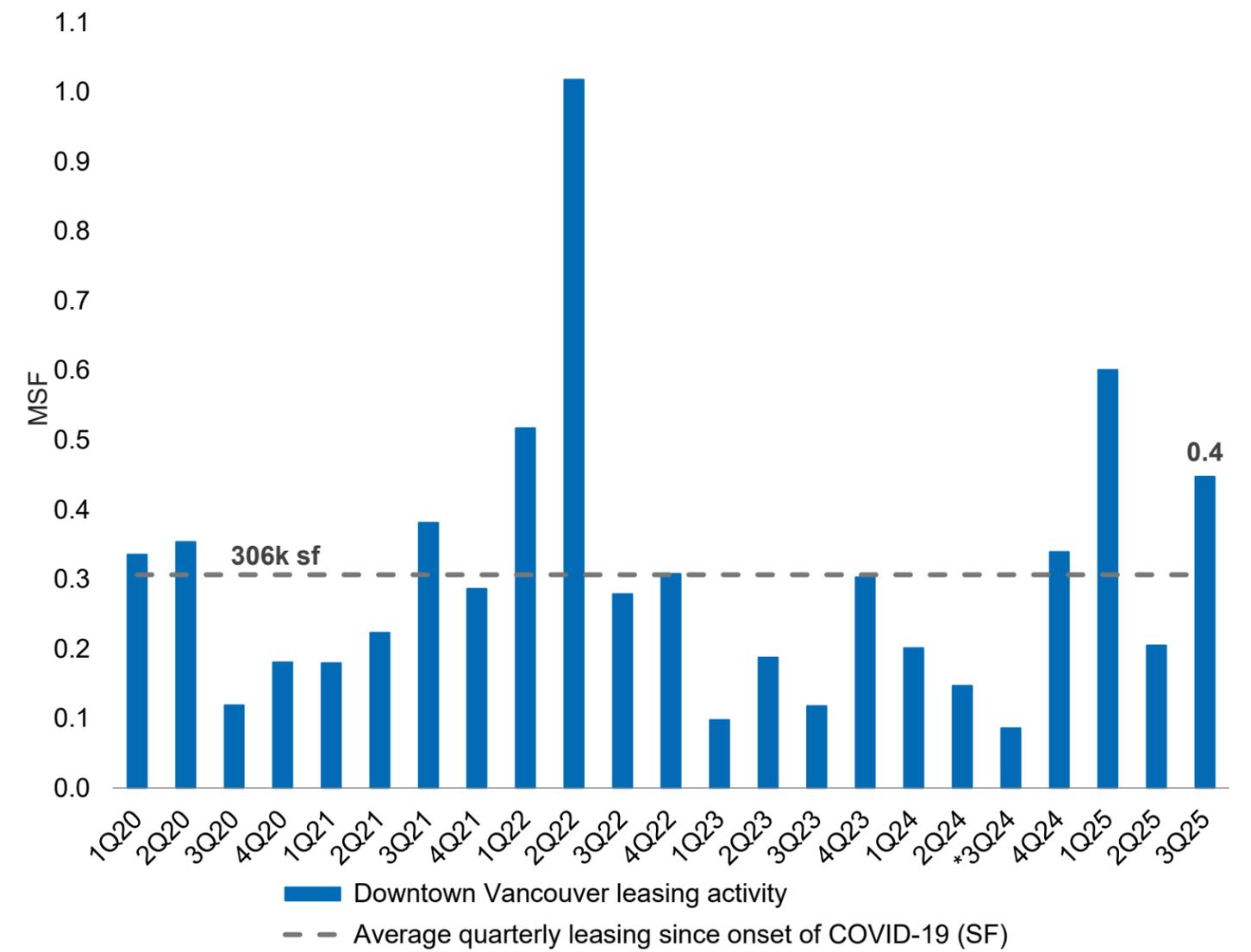
Downtown Vancouver Office Leasing Volume Rises On Noteworthy Lululemon Deal

Downtown leasing volume jumped in the third quarter of 2025 with ~447k sf of space leased thanks in large part to lululemon's 289k sf lease of 725 Granville, the former downtown home of Sony Imageworks, Microsoft and Miller Thomson LLP. All relocated to existing premises downtown with Sony Imageworks taking space in recently completed office complex, The Post, while Microsoft consolidated in B6, another recently completed office tower that had been largely preleased by Microsoft in the early 2020s during its construction phase.

Annual Downtown Vancouver Leasing Activity – All classes



Downtown Vancouver Quarterly Leasing Activity – All classes



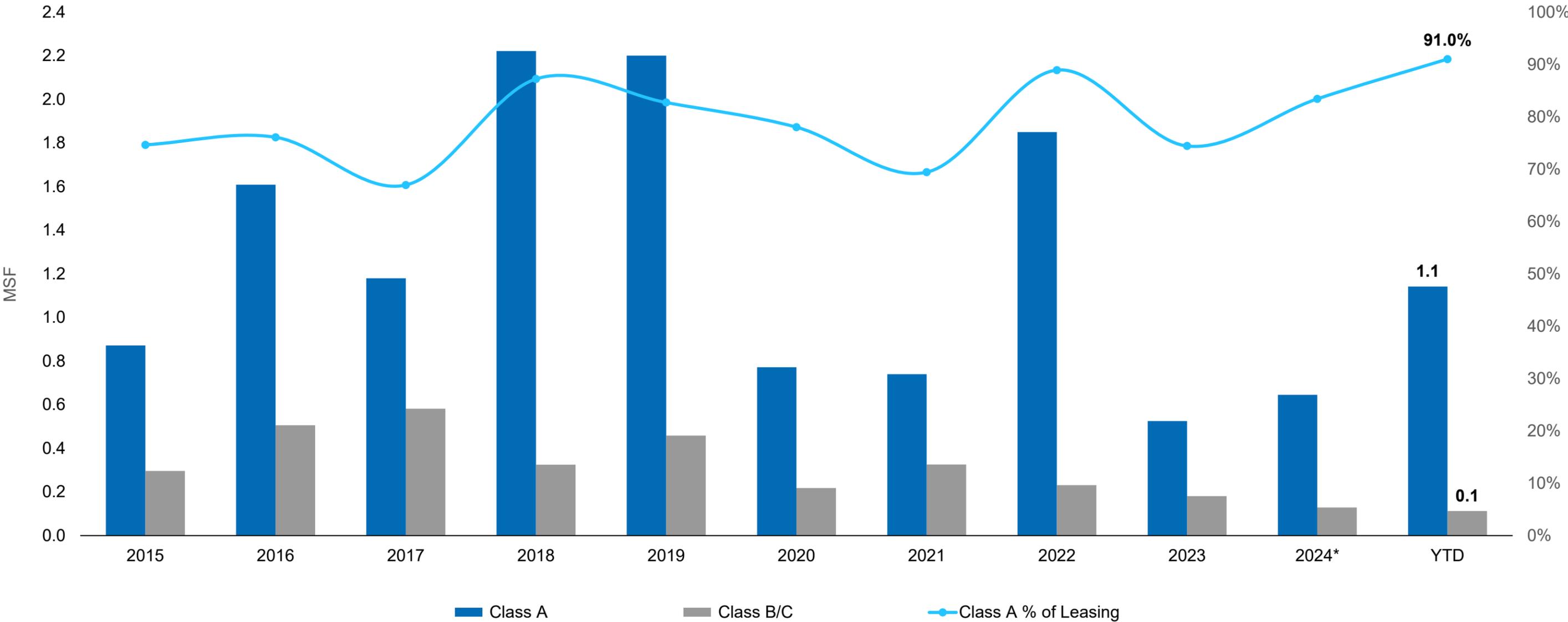
Source: Newmark Research, Altus Data Studio

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

Tenants Only Have Eyes For Class A Space | Downtown Vancouver Leasing Activity

More than 1.2 msf of leasing activity in the first nine months of 2025 has set up the Downtown market to have its strongest year in terms of total square footage leased since 2022. While much of the leasing volume in the back half of 2025 was related to one large transaction, small to mid-sized tenants also remained active. With 91% of the space leased through the third quarter listed as class A, Downtown’s ability to absorb large tenants, new or existing, is limited due to the absence of new supply and limited options greater than 50,000 sf.

Leased Area by Class



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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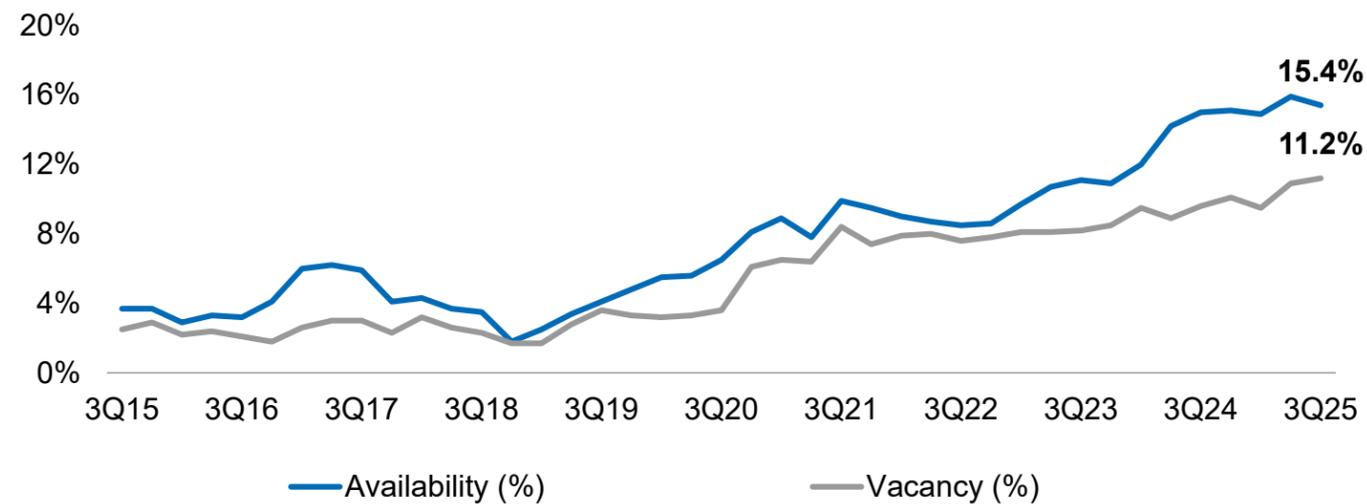
Vancouver Office Submarkets



Vancouver – Broadway Corridor

Extensive redevelopment is redefining Vancouver’s 6.3-msf Broadway Corridor submarket as rapid transit line construction and residential (re)development trigger notable changes to the area’s dated 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 rapidly rising vacancy in mostly older class C buildings in the submarket has led to elevated availability.

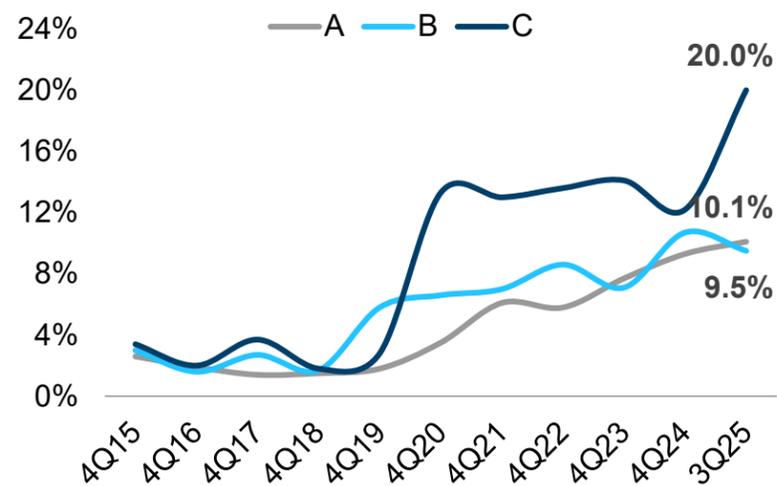
Overall Availability And Vacancy Rates – All Classes



Annual Absorption – All Classes



Vacancy by Class – 2015 to 2025



Third Quarter Deals

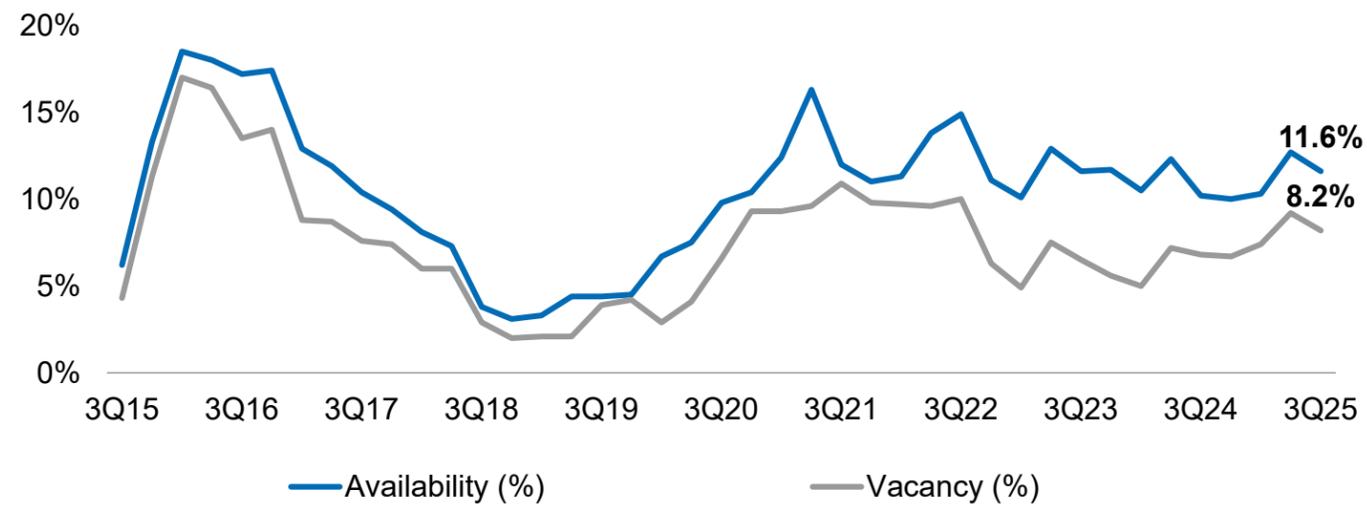
				
Main Alley (M4) 110 East 5th Avenue	The Fifth 380 West 5th Avenue	South Granville Centre 2608 Granville Street	Broadway & Oak 988 West Broadway	56 East 2nd Avenue
Netflix	Quandri	Nemetz Engineering	IGG Canada	Red Hook Games
26,110 SF	17,540 SF	15,650 SF	10,660 SF	7,310 SF
Direct New	Sublease	Direct New	Sublease	Direct New

Source: Newmark Research, Altus Data Studio, CoStar

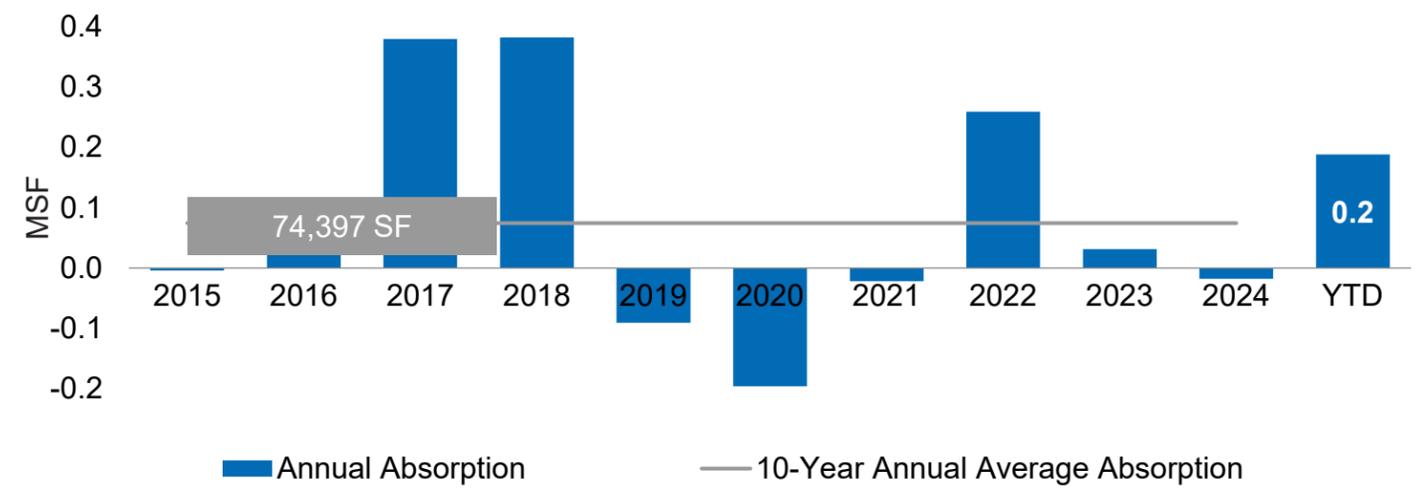
Vancouver – Periphery

Vancouver's 4.9-msf periphery office submarket posted the lowest vacancy within the city proper at 8.2% even with an uptick in class A vacancy due to delivery of new supply. Meanwhile, class B vacancy slipped to 5.3%, the lowest in Metro Vancouver. Absorption of ~188k sf in the first nine months of 2025 was the most recorded in the region and represented 45% of total regional absorption. Most of the new office supply in Metro Vancouver currently under construction – ~790k sf in six projects – is in the Vancouver Periphery.

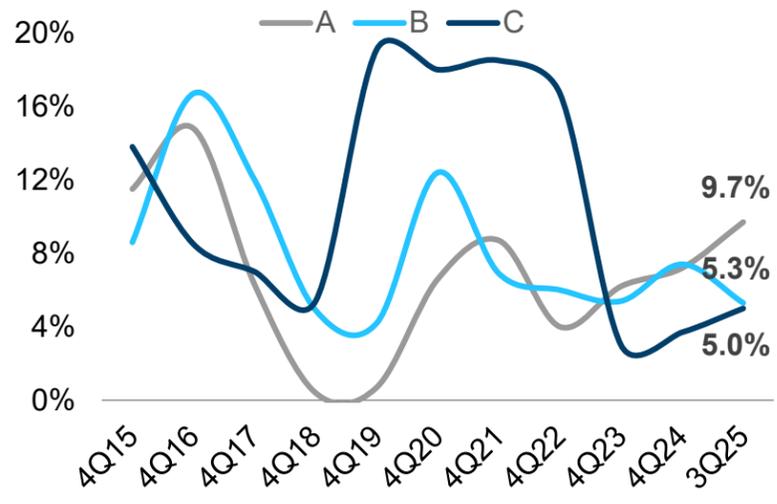
Availability And Vacancy Rates – All Classes



Annual Absorption – All Classes



Vacancy by Class – 2015 to 2025



Third Quarter Deals

				
Cambie Gardens 688 West 57th Avenue	41st & Cambie 5670 Cambie Street	Broadway Tech (Bldg. 2) 2955 Virtual Way	Broadway Tech (Bldg. 5) 2930 Virtual Way	Marine Gateway 497 Marine Drive
Vancouver Coastal Health	TD Bank	Co-operative Housing Federation of BC	Prism Engineering	RBC
95,000 SF	21,000 SF	19,500 SF	12,900 SF	10,000 SF
Prelease	Direct New	Sublease	Direct New	Direct New

Source: Newmark Research, Altus Data Studio, CoStar

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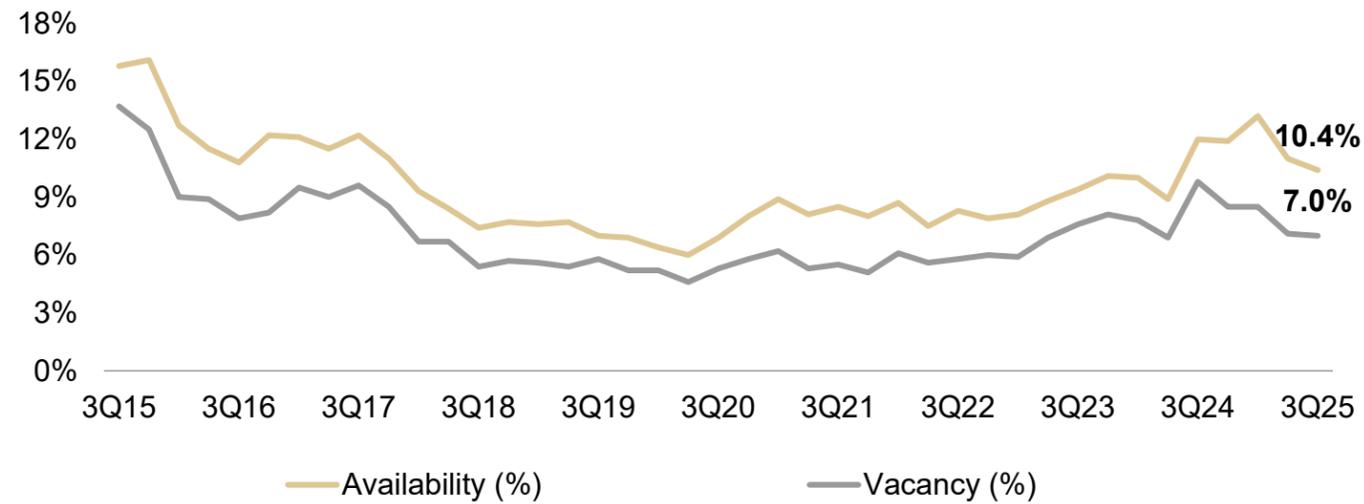
Greater Vancouver Office Markets



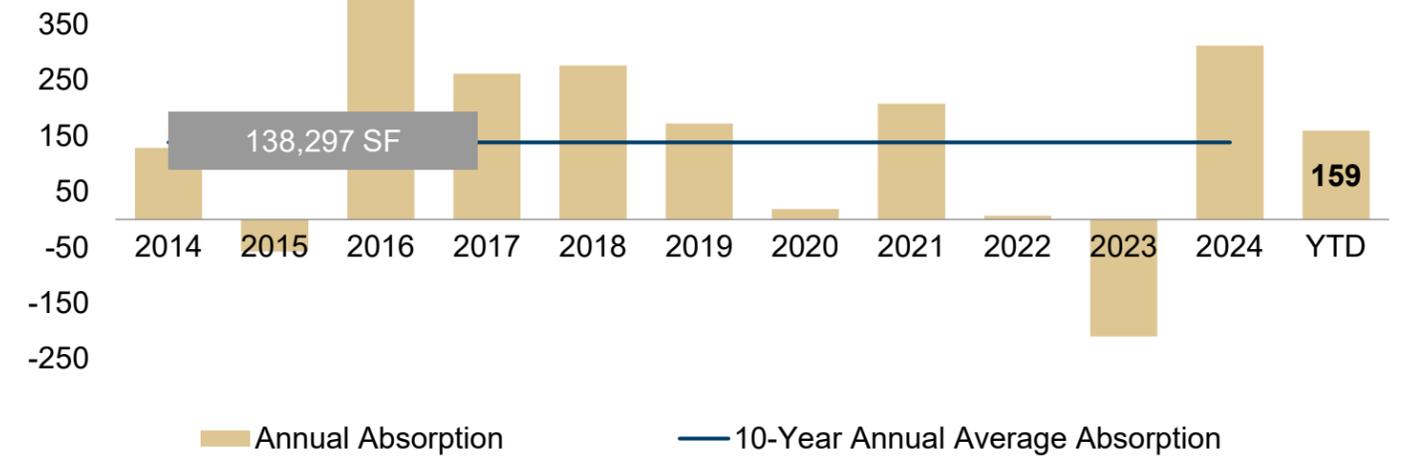
Burnaby, BC

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 through the third quarter of 2025 had dropped to 7.0%, the lowest since mid-2023. Burnaby recorded the second-most absorption in the region through the third quarter of 2025 and remained the most dominant suburban office market in Metro Vancouver.

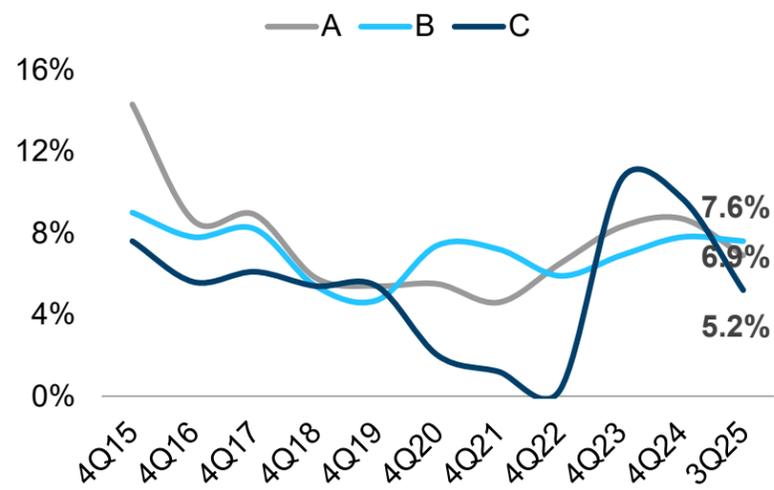
Availability And Vacancy Rates – All Classes



Annual Absorption – All Classes (Thousands of SF)



Vacancy by Class – 2015 to 2025



Third Quarter Deals

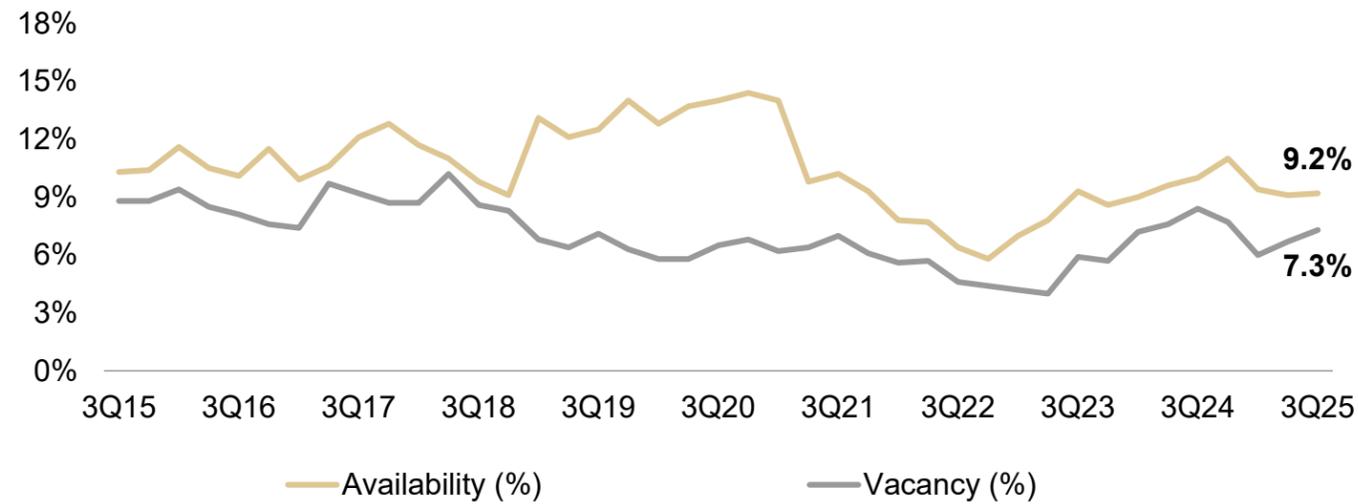
Gilmore Place (phase 1) 4172 Lougheed Highway	Canada Way Business Park 4601 Canada Way	4500 Kingsway	Metrotower I 4710 Kingsway	SOLO District 2025 Willingdon Avenue
Fitness World	Verathon Medical	VHM Import & Export	Infoblox	Take-Two Interactive
37,070 SF	24,000 SF	11,600 SF	10,950 SF	10,380 SF
Direct New	Direct New	Direct New	Sublease	Sublease

Source: Newmark Research, Altus Data Studio, CoStar

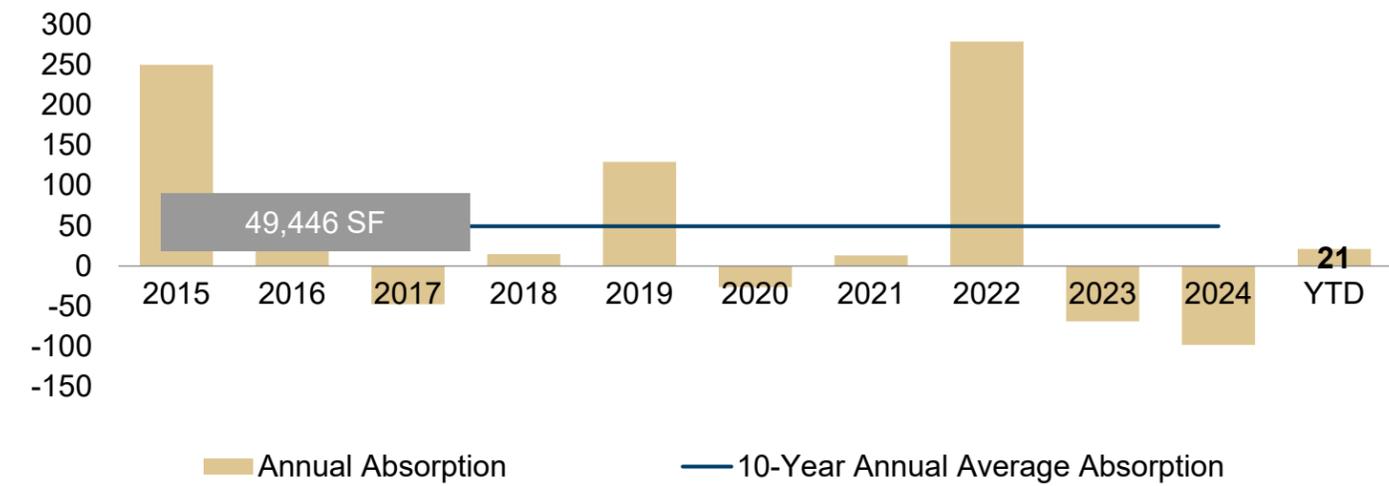
Richmond, BC

Vacancy in Richmond's nearly 5-msf office market rose to 7.3% through the third quarter of 2025. After a strong start to the year, leasing has once again slowed, particularly in class A premises where space has come back on the market consistently for the past six months. Absorption is sliding towards negative territory for 2025, which would be the third year in a row. A lack of new supply and the most affordable rental rates in Metro Vancouver have blunted the impact of years of tepid demand with a likely baseline shift towards higher vacancy.

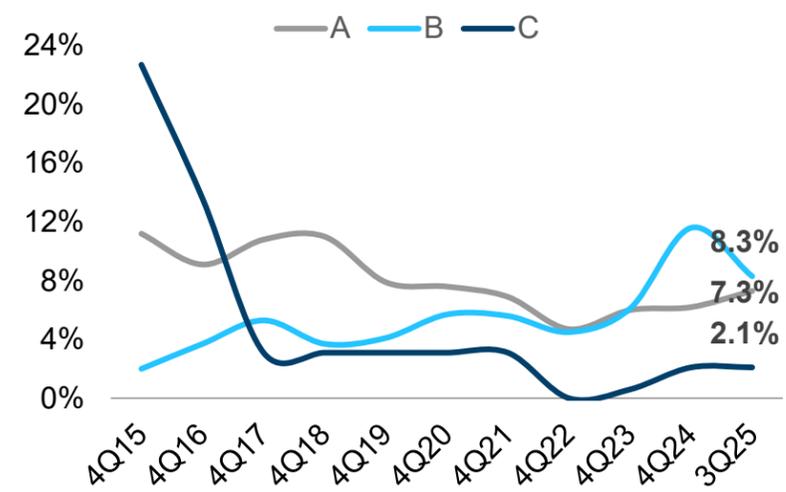
Availability And Vacancy Rates – All Classes



Annual Absorption – All Classes (Thousands of SF)



Vacancy by Class – 2015 to 2025



Third Quarter Deals

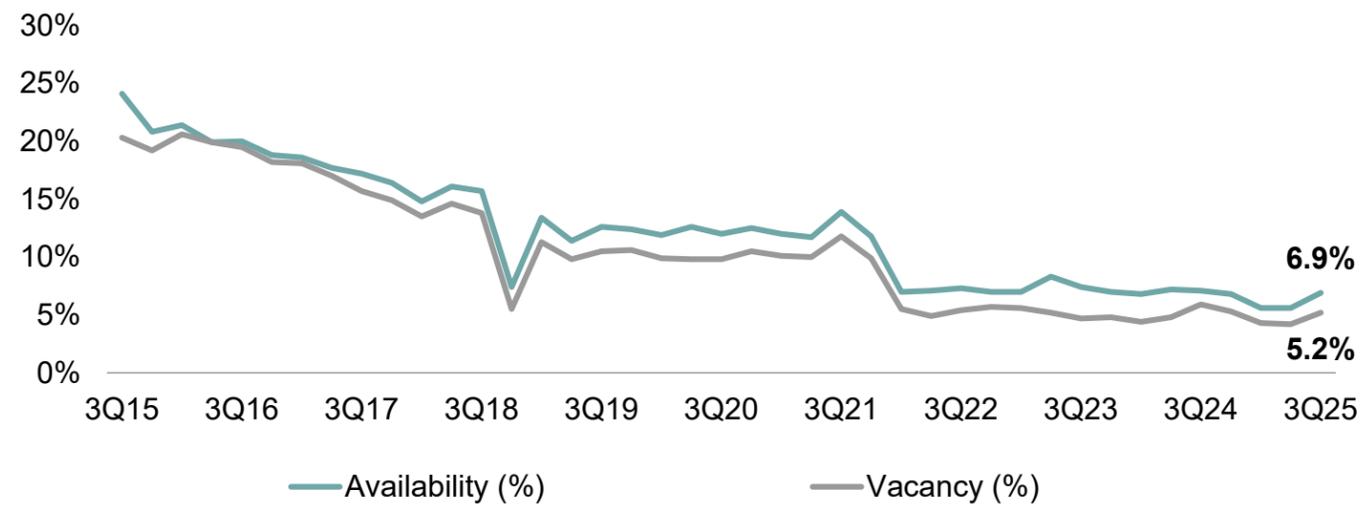
				
13888 Wireless Way	Crestwood Corporate Centre (Bldg. 5) 13571 Commerce Pkwy	4600 Jacombs Road	11331 Coppersmith Way	Goldbar Business Plaza 20800 Westminster Highway
Espasyo	Coastal Plastic Surgery	Star Solutions	Ironwood Medi Spa	Undisclosed
12,000 SF	5,670 SF	2,710 SF	2,670 SF	2,100 SF
Direct New	Sublease	Expansion	Direct New	Direct New

Source: Newmark Research, Altus Data Studio, CoStar

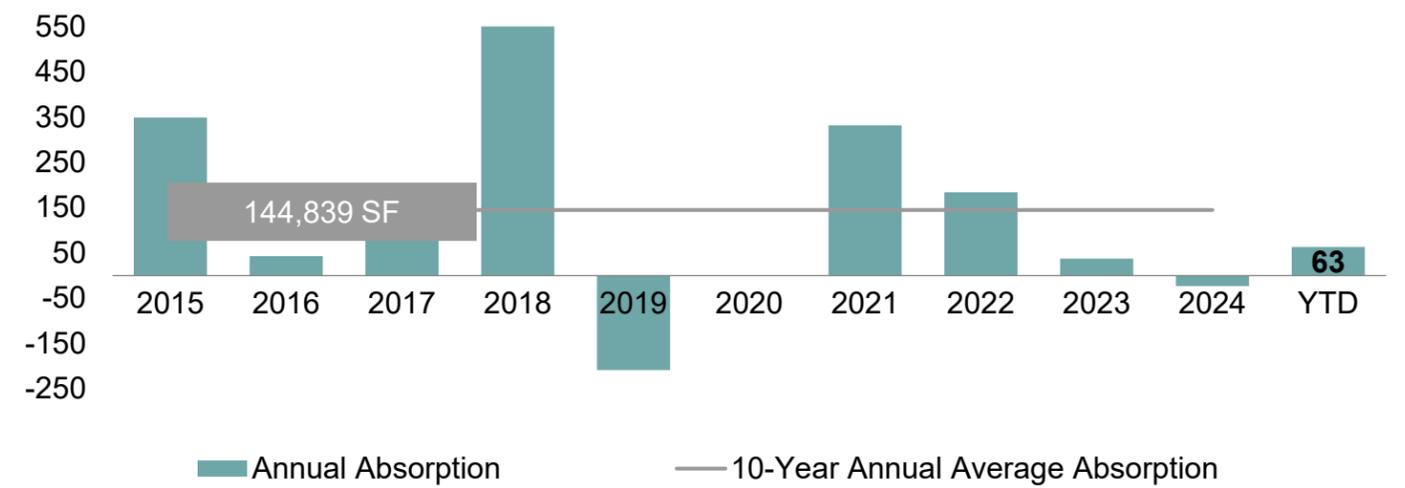
Surrey, BC

Vacancy in Surrey's 4.7-msf office market rose to 5.2% at the end of the third quarter of 2025 after tightening steadily since the end of 2024. A notable lack of options has restrained tenant activity with absorption remaining positive (albeit limited) through the first nine months of 2025. While substantial new supply is in the pipeline, such as the 1.5-msf Centre Block mixed-use development whose first phase will be home to a new Simon Fraser University medical school, just one development totalling ~332k sf is currently under construction.

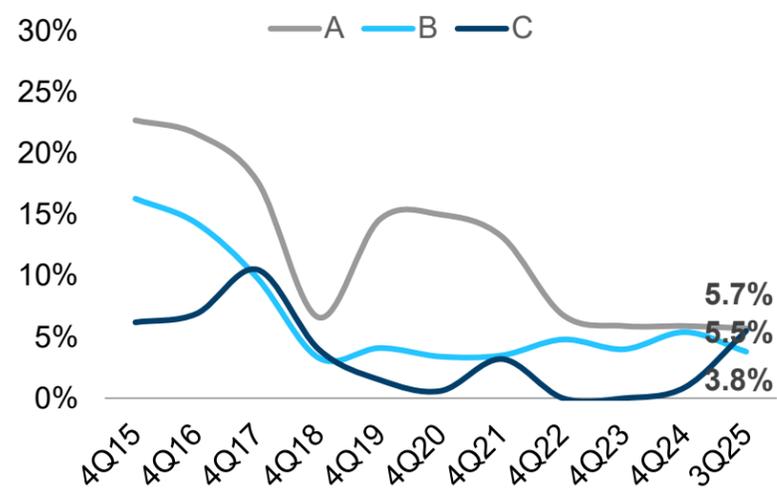
Availability And Vacancy Rates – All Classes



Annual Absorption – All Classes (Thousands of SF)



Vacancy by Class – 2015 to 2025



Third Quarter Deals

				
Surrey Centre Block (phase 1) 10275 City Parkway	Surrey Centre Block (phase 1) 10275 City Parkway	Benchmark Business Centre II 5477 152nd Street	Station Tower 13401 108th Avenue	City Centre 4 9686 137th Street
SFU School of Medicine	City of Surrey	Worksafe BC	Metis Nation of BC	Fraser Health Authority
280,000 SF	89,000 SF	29,000 SF	22,650 SF	19,730 SF
Prelease	Prelease	Direct New	Renewal	Direct New

Source: Newmark Research, Altus Data Studio, CoStar

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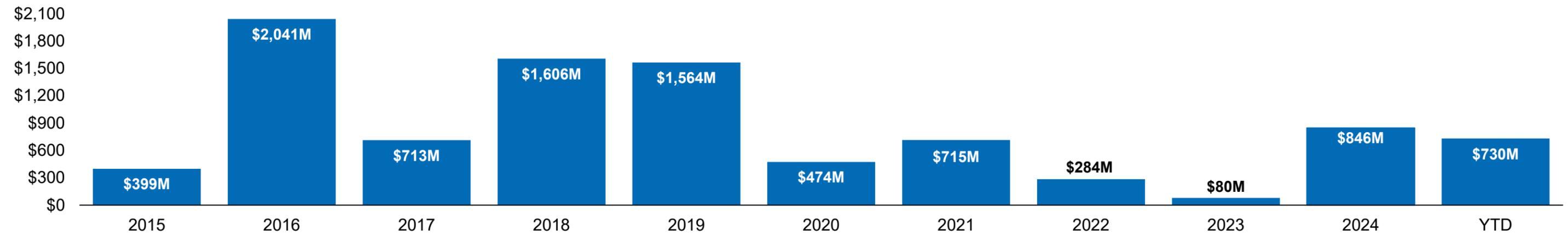
Office Sales Activity



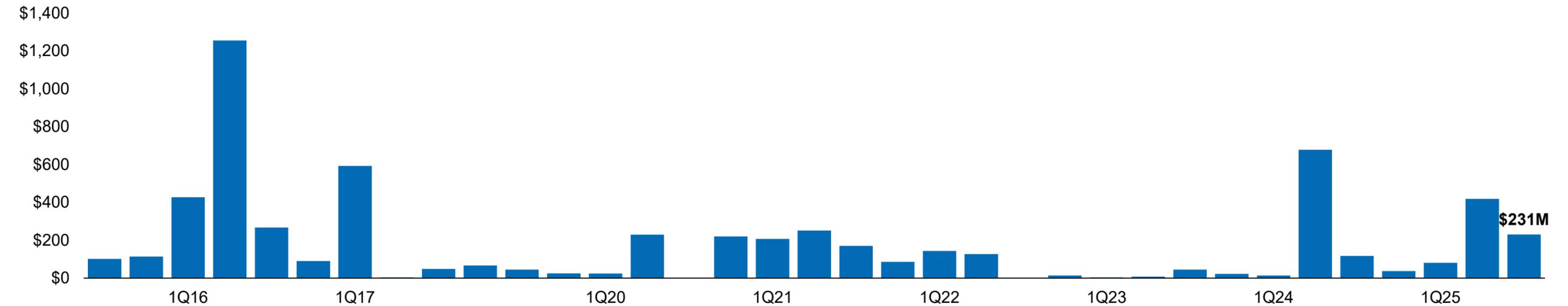
Vancouver Office Sales Volume Takeaways

Vancouver office sales* (excluding strata) generated \$730M in proceeds in the first nine months of 2025 from seven office dispositions involving 11 buildings, including the \$125M sale of two class B downtown office towers during Aug. 2025 as well as Oxford Properties acquiring the remaining 50% interest in its Western Canadian office portfolio from CPPIB that included four downtown Vancouver office towers for ~\$418M. Allied Properties acquired the remaining 50% interest in 110 East 5th Avenue in Mount Pleasant for \$89.7M in Sept. 2025.

Vancouver Annual Sales Volume (\$ in Millions)



Vancouver Quarterly Sales Volume (\$ in Millions)*



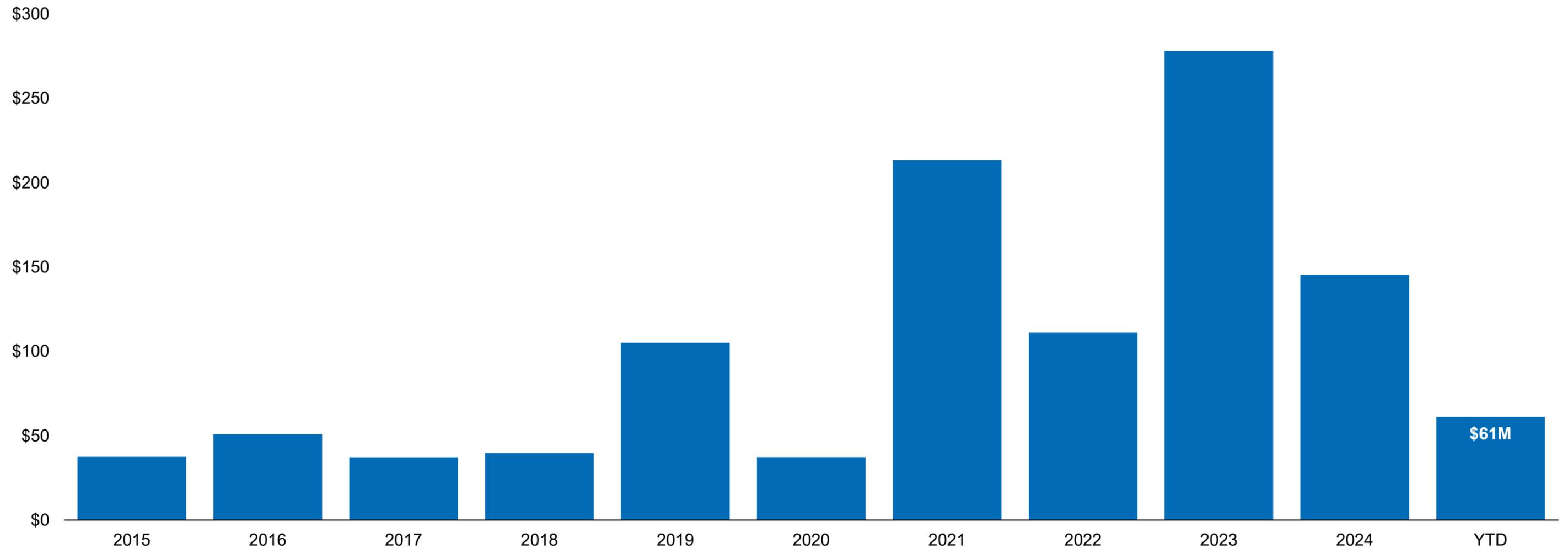
Source: Newmark Research, Altus Data Studio, CoStar

* 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* totalled ~\$61M in the first nine months of 2025, which is on pace for the lowest annual dollar volume since 2020. The completion of Marine Landing in 2025 (19 sales), represented 52% of total sales completed by the end of the third quarter (37). While the majority of strata sales occurred at Marine Landing, six sales also transacted at Bosa Waterfront Centre despite construction completing in 2023. The average strata office price achieved in Vancouver at the end of the third quarter of 2025 was \$879 psf.

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



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

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