MARKETBEAT
VANCOUVER
INDUSTRIAL Q3 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.3% Vacancy Rate	▲	▲
-271K YTD Net Absorption, SF	▼	▲
$19.68 Asking Rent, PSF *(Overall, Net Asking Rent)*	▼	—

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.7M Vancouver Employment	▲	▲
6.1% Vancouver Unemployment Rate	▲	▲
7.1% Canada Unemployment Rate	▲	—

Source: Statistics Canada

ECONOMY: CONSTRUCTION WEAKNESS DAMPENS OUTLOOK

RBC British Columbia's 2025 growth forecast has been revised down to 1% (from 1.2%) following steep new U.S. tariffs on softwood lumber which now total 35% and threaten to rise further. The province was already facing slower growth as major capital projects wound down and reduced U.S. demand alongside moderating housing starts will weigh on the outlook into 2026. *Source: RBC Economics*

SUPPLY AND DEMAND: VACANCY EDGES HIGHER, REBOUND AHEAD

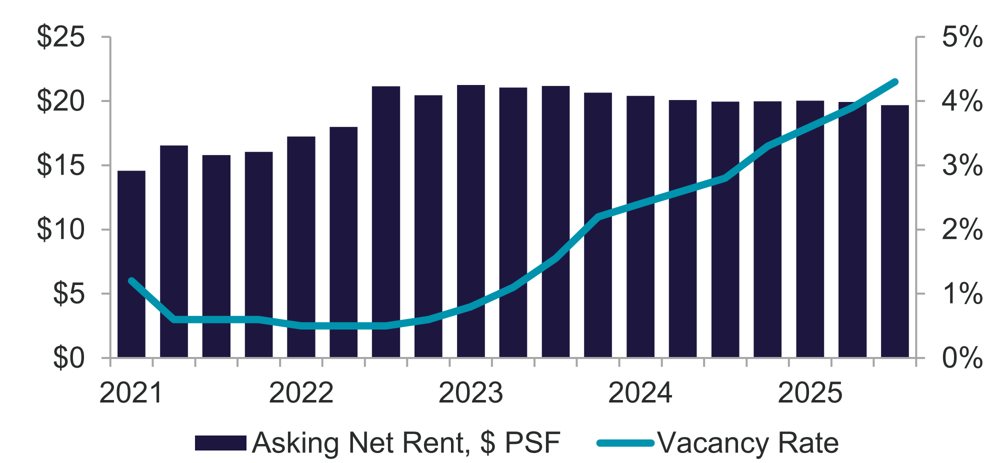
As expected, overall vacancy edged higher for the eleventh quarter in a row, up 40 basis points quarter-over-quarter (QOQ) to 4.3% - the highest level since the upward trend began in the first quarter of 2023. Despite the increase, Vancouver still has the lowest vacancy in Canada among markets with inventories exceeding 100 million square feet (msf). The previous high before this quarter was in the first quarter of 2015 which recorded vacancy of 5.1%. This quarter's increase was again driven by new construction completions (of 432k square feet (sf) added, 263k sf was vacant) and several new vacant headleases. The largest of these were units 801-806 at Golden Ears Business Park, Phase 2 (119k sf), followed by 110k sf at 6705 Dennett Place and 1560-1592 Rand Avenue (84k sf). Only three new vacant subleases in the 29k-37k-sf range were added this quarter; unlike prior quarters, sublease activity had a limited impact on the overall vacancy increase.

Net absorption continued to be negative for the second consecutive quarter, totaling close to 586k sf, bringing YTD 2025 absorption to negative 271k sf. The decline was driven primarily by Prepac's move-out at 6705 Dennett Place (110k sf) - now leased to Cascadia Metals who will occupy next quarter. In addition, approximately 200k sf of vacancy was added at Golden Ears Business Park across two buildings and 20 new available vacant spaces in the 25k-75k-sf range came to market. The Fraser Valley showed strength with 45k sf of positive absorption, while the North Fraser region recorded negative net absorption of 631k sf - roughly one third of it from Golden Ears Business Park alone. Moving forward, scheduled construction completions should drive substantial positive absorption next quarter due to some tenants expanding, likely returning the YTD 2025 total to positive territory.

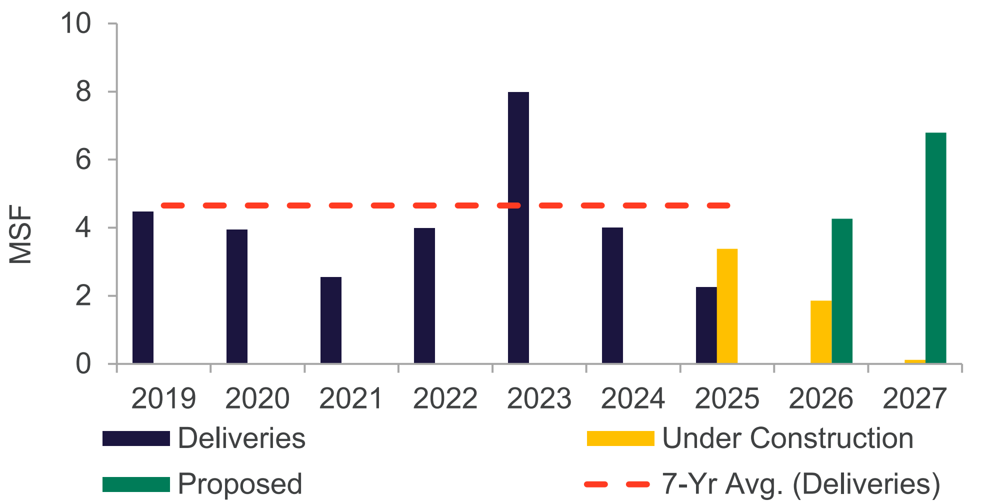
The overall availability rate (including both vacant and occupied spaces) stands at 6.0%. Moving forward, several significant blocks of available but currently tenanted space over 50k sf are expected to become vacant in the coming months adding at least 800k sf to the market, particularly in Surrey, Delta, Richmond and Burnaby.

SPACE DEMAND / DELIVERIES

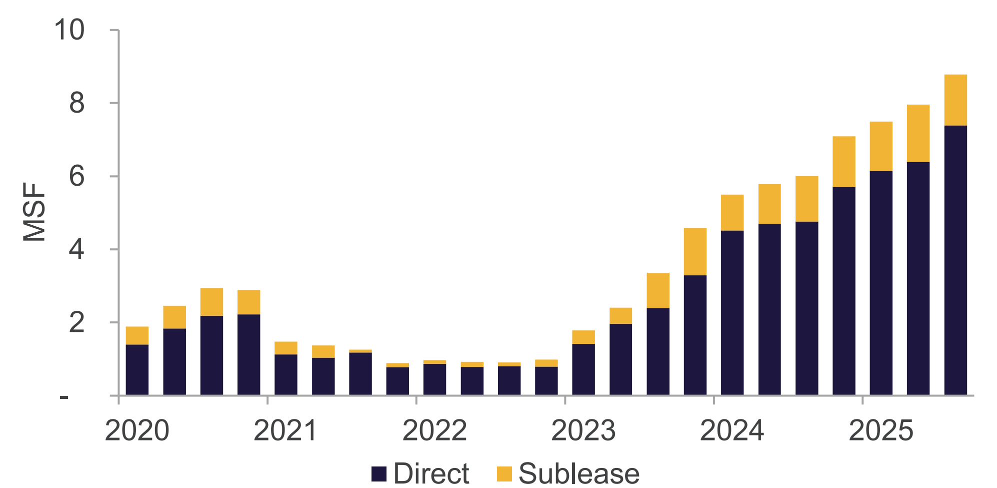
OVERALL VACANCY & ASKING RENT



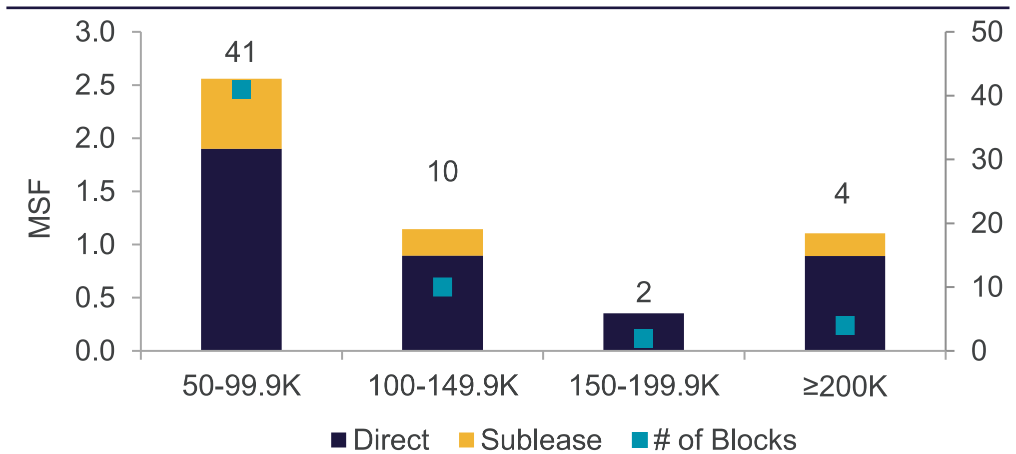
METRO VANCOUVER NEW CONSTRUCTION & PROPOSED



DIRECT VS. SUBLEASE SPACE AVAIL. AND VACANT



METRO VANCOUVER LARGE BLOCKS OF AVAILABLE SPACE FOR LEASE*



**Excluding under construction*

SUBSTANTIAL NEAR-TERM DELIVERIES WITH STRONG PRE-LEASING

New construction is underway pushing the industrial market toward a more balanced state with approximately 3.4 msf set to be added by the end of 2025. The majority of this space is already pre-leased or pre-sold including 1.3 msf as a BTS for Bridge Studios. Additionally, 1.86 msf is expected in 2026 (44% pre-leased or pre-sold). With 5.36 msf currently under construction and slated for completion between 2025 and early 2027 (66% pre-leased/pre-sold; mostly speculative builds), vacancy rates are likely to continue their upward trend in the near term. The bulk of this development is concentrated in Burnaby (1.69 msf), Delta (688k sf) and Surrey (686k sf).

Moreover, there is a robust proposed pipeline of roughly 22 msf of proposed projects. However, it remains to be seen how many of these projects will move forward as developers are looking to meet pre-lease or pre-sale thresholds before breaking ground. The majority of the proposed projects are concentrated in Surrey (6.0 msf), followed by Delta (2.9 msf), Richmond (2.3 msf), Abbotsford (2.1 msf) and Langley (2.0 msf).

TWO-YEAR CLIMB REVERSES - SUBLEASE SHARE SHRINKS

Metro Vancouver's vacant sublet space has been rising for two years reaching a record quarterly high in the second quarter of 2025; however, it decreased to 1.4 msf this quarter from 1.6 msf last quarter. All of the largest markets - Vancouver, Surrey, Delta, Richmond and Burnaby (each with over 25 msf of inventory) carry the highest sublease vacancy. Collectively they total 1.2 msf (86%) of the 1.4 msf market-wide sublease vacant space. There were no new vacant sublease availabilities over 50k sf added this quarter. Despite a substantial sublease inventory, it still accounts for only a small fraction of the total industrial inventory - just 0.6%. Overall vacancy is predominantly direct (70%) with sublease at 13% and for-sale at 17%, indicating landlord-controlled availability and a reduced sublease footprint.

SUPPLY: 16 LARGE BLOCKS OF AVAILABLE SPACE OVER 100K SF

There are 16 available spaces over 100k sf totaling 2.6 msf (four of which are subleases) and 10 of these options are currently vacant (direct and sublease) in the existing available inventory*. Availability is predominantly direct with sublease space representing a small portion across all size ranges.

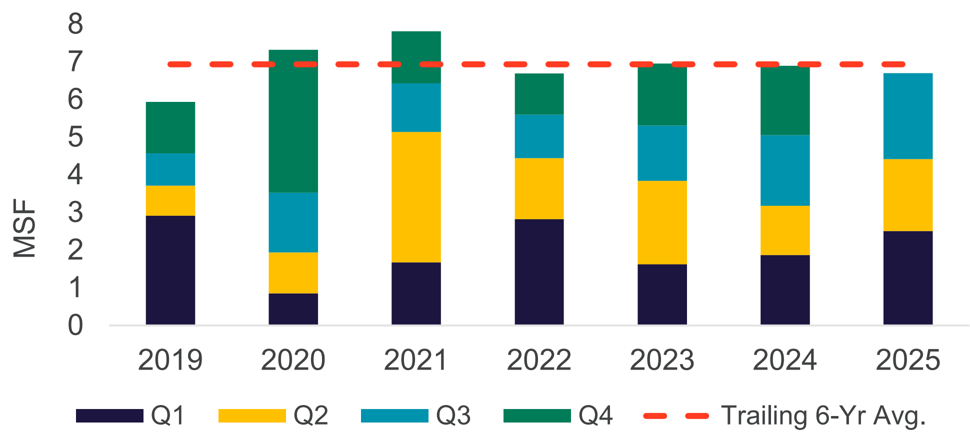
Tenants needing over 200k sf only have four options, while the 150-199.9k-sf segment offers just two. Compared with the second quarter, the number of large blocks over 100k sf fell from 20 to 16 and the total available area decreased from about 3.0 msf to approximately 2.6 msf, with a smaller sublease share in most size ranges.

OUTLOOK

- With some projects delayed, the new supply in 2025 - 2027 will offer more options for tenants but it will not exceed the record levels set in 2023. Proposed volume was cut and rephased: 2026 was halved, with more pushed into 2027.
- Looking ahead, overall vacancy is expected to edge higher through year-end 2025 as more industrial product delivers (around 3.4 msf-77% pre-leased/pre-sold) and demand continues to adjust to the influx of new supply.
- Availability for blocks over 100k sf is tightening again, pushing larger tenants to act earlier, with late-2025/2026 new deliveries expected to relieve some pressure.

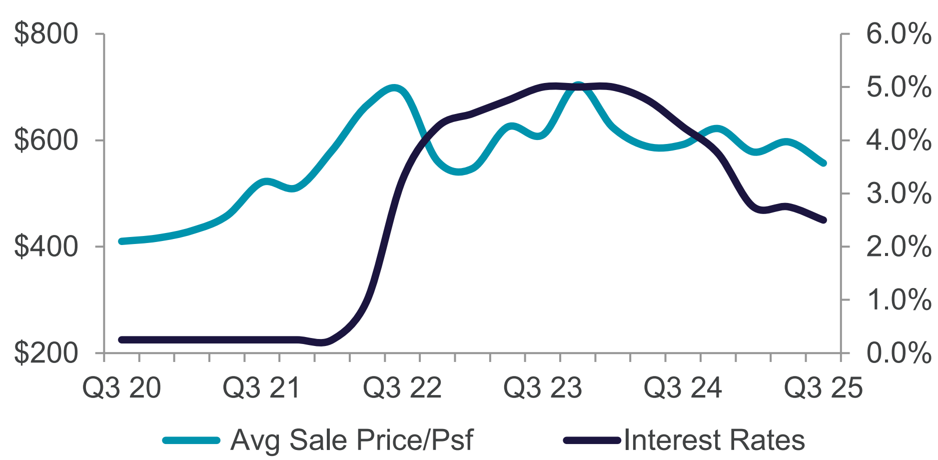
VANCOUVER
INDUSTRIAL Q3 2025

METRO VANCOUVER LEASING ACTIVITY*

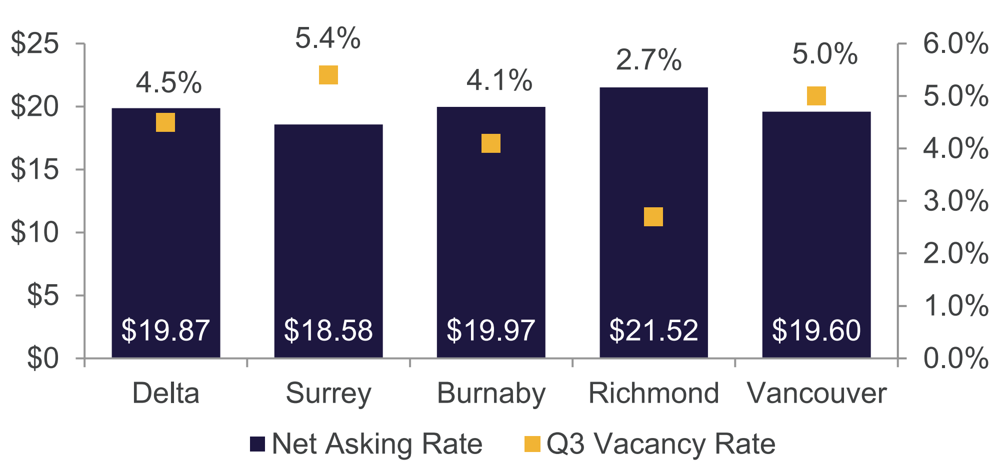


*Excluding renewals

INTEREST RATES VS AVG. SALE PRICE/PSF (Freehold)



NET ASKING RATES BY SUBMARKET**



**Markets with inventory greater than 25 msf

MOMENTUM CONTINUES: LEASING HEATS UP

Despite economic uncertainty and ongoing tariffs, leasing momentum continued this quarter with 2.2 msf of deals signed (excluding renewals) - up 20% QOQ and a 22% increase year-over-year (YOY). There were 14 leases over 50k sf this quarter (including renewals) versus only 12 such deals during the first half of 2025, signaling renewed confidence among large industrial users. As noted last quarter, demand for large industrial space remains strong despite rising vacancy and the market is showing renewed momentum - a notable shift from nine months ago. Following months of tariff and macroeconomic uncertainty, tenants are returning to the market as that indecision wanes. As a result, a number of sizable deals closed this quarter, including Pantos Logistics Inc (350 ksf), Shogun 2 Productions (132k sf) among others. New leasing activity this quarter was mainly driven by wholesale trade, distribution, followed by manufacturing.

SALES ACTIVITY: INDUSTRIAL SALES SLOW AMID STABLE PRICES

Freestanding industrial sales in Metro Vancouver totaled $202.4 million this quarter, down 16.7% from last quarter but up 80.1% YOY. The annual increase reflects a rebound from the subdued second half of 2024, following an unusually active first half driven by anticipation of a capital gains tax change that never materialized. Despite fewer transactions, pricing held firm. The average price per square foot declined to $557, a modest drop of 6.7% QOQ and 5.9% YOY, indicating sellers remain confident and supply remains tight. However, strata sales are down which is affecting development site land values. Developers are not willing to pay the premium they once did for strata development sites. The Bank of Canada's recent rate cut to 2.5% could help narrow bid-ask spreads and revive buyer confidence. While economic uncertainty persists, lower and stable borrowing costs may gradually unlock demand and support a more active close to the year.

PRICING: ASKING RATES DIP AGAIN; PRICING MIRRORS AVAILABILITY

Overall net asking rates once again remained below $20 psf for the fifth consecutive quarter, dropping 1.3% QOQ to $19.68 psf - also a 1.3% decrease YOY. This represents a 6.9% decline from the peak rates recorded in the third quarters of both 2022 and 2023. Asking rates in the Fraser Valley & North Fraser declined slightly to $18.77 psf and $20.57 psf, respectively. Richmond commands the highest net asking rate ($21.52 psf) and the lowest vacancy (2.7%), while Surrey has the lowest asking rate ($18.58 psf) and the highest vacancy (5.4%), with Vancouver at $19.60 psf and vacancy also elevated at 5.0%. Overall, pricing broadly mirrors availability: tighter markets (Richmond) price higher, more supply-heavy markets (Surrey) price lower. Inducements are not really moving the needle anymore: they help keep rates elevated but no longer drive activity like they once did. Landlords still offer significant TI allowances to sustain higher asking rates, especially for older, less functional space.

OUTLOOK

- Vacancy increased this quarter driven by several new direct availabilities over 50k sf and vacant space delivered through new construction - not a systemic decline in demand. With strong leasing activity, renewed interest from large-bay users, stable rents and ongoing population and labour force growth, the market is gradually shifting toward balance but still fundamentally favours landlords.
- With base interest rates expected to hold, banks are not forecasting further cuts this year, borrowers know where they can finance which provides greater market stability.
- Asking rates are expected to remain below $20 psf in the near future as the market rebalances.

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLEASE VACANT (SF)	OVERALL VACANCY RATE	FUTURE AVAILABILITY RATE	Q3 LEASING ACTIVIY* (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CONSTR. (SF)	Q3 NEW SUPPLY (SF)	AVG ASKING NET RENT*	AVG ADD. RENT
Abbotsford	6,907,792	433,073	12,454	8.3%	8.1%	273,279	124,291	227,298	77,969	$18.30	$4.91
Delta	34,317,311	1,191,588	255,588	4.5%	6.4%	715,887	-121,035	688,321	-	$19.87	$5.43
Langley	18,347,240	521,952	75,338	3.3%	6.6%	146,078	147,954	-	-	$17.91	$5.59
Surrey	42,723,626	1,370,327	303,056	5.4%	6.6%	218,952	558,830	686,638	260,733	$18.58	$5.01
Chilliwack	4,847,115	89,980	-	1.9%	1.9%	23,354	-38,442	195,979	-	$16.32	$5.17
Fraser Valley	107,143,084	3,606,920	646,436	4.8%	6.4%	1,341,550	671,598	1,798,236	338,702	$18.77	$5.22
Burnaby	35,103,662	1,220,060	140,042	4.1%	6.5%	299,104	-459,278	1,685,583	-	$19.97	$6.65
Coquitlam	8,156,584	209,248	10,723	4.8%	7.5%	13,129	165,014	219,210	-	$22.16	$7.12
Port Coquitlam	9,347,687	263,505	60,229	4.4%	5.7%	133,769	-87,009	196,975	60,000	$21.40	$6.43
Port Moody	327,204	-	-	0.0%	0.0%	-	-	-	-	N/A	N/A
Maple Ridge	2,087,618	42,193	-	2.1%	6.6%	5,472	969	-	-	$18.27	$4.55
Pitt Meadows	3,271,327	414,359	2,461	12.7%	14.5%	26,316	-330,338	366,852	-	$20.64	$4.17
New Westminster	3,807,487	17,677	-	0.5%	0.8%	-	-17,677	-	-	$18.00	$9.15
North Shore	4,177,517	33,383	19,675	1.9%	2.8%	10,457	-2,436	-	-	$21.49	$9.77
Richmond	46,671,921	823,648	182,086	2.7%	4.0%	234,371	-140,148	253,173	-	$21.52	$5.37
Mission	1,574,168	21,665	-	3.1%	2.2%	17,019	25,772	390,990	-	$15.97	$6.04
Vancouver	27,967,078	740,987	331,051	5.0%	6.7%	204,979	-97,718	450,800	33,942	$19.60	$8.17
North Fraser	142,492,253	3,786,725	746,267	3.9%	5.6%	944,616	-942,849	3,563,583	93,942	$20.57	$6.34
METRO VANCOUVER	**249,635,337**	**7,393,645**	**1,392,703**	**4.3%**	**6.0%**	**2,286,166**	**-271,251**	**5,361,819**	**432,644**	**$19.68**	**$5.80**

*Rental rates reflect full service asking

*Weighted avg net asking rent based on all available direct and vacant space (a 0% vacancy rate indicates that there are no spaces available to survey for asking rents, denoted as "n/a")
Renewals not included in leasing statistics

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
4449 Salish Sea Way*	Delta	Pantos Logistics Inc.	349,272	Headlease
7260 Winston Street*	Burnaby	Shogun 2 Productions Canada Inc.	132,000	Headlease
16111 Blundell Road*	Richmond	D-Home International Logistics Ltd.	123,669	Headlease
7990 Hoskins Street	Delta	XTL Distribution Inc.	111,381	Renewal
6705 Dennett Place	Delta	Cascadia Metals	110,000	Headlease
2965 188th Street	Surrey	BJS Beyanth Storage Inc.	103,263	Sublease

KEY SALES TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/ BUYER	SF	PRICE / $ PSF
26680 Gloucester Way*	Langley	Benjamin Moore/ Timbermart	45,298	$26.5M/ $585
904/908 Cliveden Avenue	Delta	Yegre EB Ltd./ Big Mountain Foods	69,137	$22.0M/ $318
1900 Brigantine Drive*	Coquitlam	Skeans Holdings Ltd./ Polycrete Investments Ltd.	37,848	$20.4M/ $539
7471 Vantage Way	Delta	Dayhu Group/ Jamieson's Pet Food Distributors Ltd.	34,000	$13.7M/ $404
27487 55th Avenue	Langley	Equipements E.S.F. Inc./ Panefri North America	20,853	$10.0M/ $480
2080 Carpenter Street	Abbotsford	CanFirst Capital Management/ Berts Electric	20,499	$8.0M/ $390

*Cushman & Wakefield Deal

SVETLANA LEBEDEVA
Research Manager
Tel: +1 604 608 5963
Svetlana.lebedeva@cushwake.com

BRICE KEMP
Research Analyst
Tel: +1 604 640 5892
Brice.kemp@cushwake.com

About Cushman & Wakefield
Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of $9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.

VANCOUVER
INDUSTRIAL Q3 2025

UNDER CONSTRUCTION

5.36 MSF
TOTAL UNDER CONSTRUCTION SF

1.81 MSF
TOTAL AVAILABLE SF

SPECULATIVE

2.84 MSF
TOTAL SPECULATIVE UNDER CONSTRUCTION SF

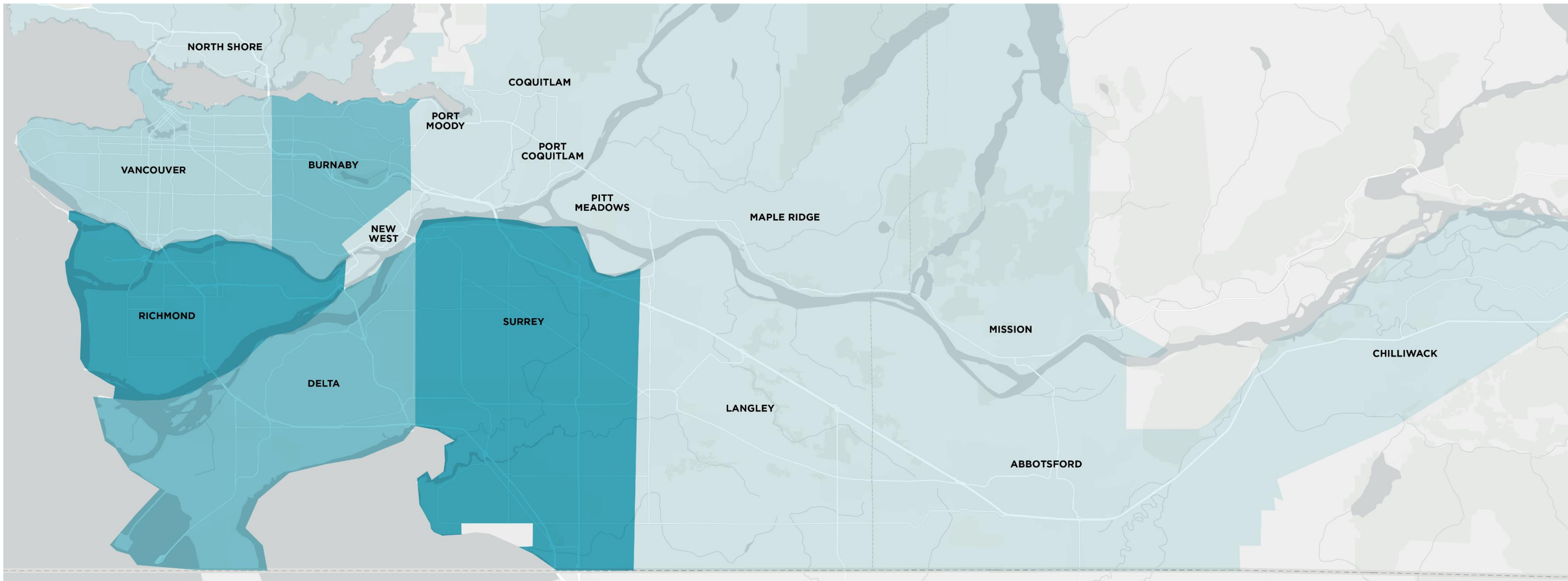
SPEC BUILDINGS ACCOUNT FOR
53.0% OF TOTAL CONSTRUCTION

BUILD TO SUIT

2.52 MSF
TOTAL SF BTS UNDER CONSTRUCTION

BTS BUILDINGS ACCOUNT FOR
47.0%* OF TOTAL CONSTRUCTION

INDUSTRIAL SUBMARKETS



SUBMARKET	North Shore	Vancouver	Burnaby	New Westminster	Port Moody	Coquitlam	Port Coquitlam	Pitt Meadows	Maple Ridge	Mission	Richmond	Delta	Surrey	Langley	Abbotsford	Chilliwack
Total Inventory	4.2 MSF	28.0 MSF	35.1 MSF	3.8 MSF	327 KSF	8.2 MSF	9.3 MSF	3.3 MSF	2.1 MSF	1.6 MSF	46.7 MSF	34.3 MSF	42.7 MSF	18.3 MSF	6.9 MSF	4.9 MSF
Overall Vacancy Rate**	1.9% ▲	5.0% ▲	4.1% ▲	0.5% ▲	0.0% -	4.8% ▲	4.4% ▲	12.7% ▲	2.1% -	3.1% -	2.7% ▲	4.5% ▲	5.4% ▲	3.3% ▼	8.3% ▼	1.9% ▲
Weighted Avg Net Asking Rent***	$21.49 ▼	$19.60 ▼	$19.97 ▼	$18.00 ▲		$22.16 ▲	$21.40 ▲	$20.64 ▼	$18.27 ▲	$15.97 -	$21.52 ▲	$19.87 ▲	$18.58 ▼	$17.97 ▼	$18.30 ▼	$16.32 ▲
Speculative		345 KSF	348 KSF				100 KSF	367K SF		390 KSF	253K SF	688K SF	123 KSF		227 KSF	
Build To Suit		105 KSF	1.3 MSF			219 KSF	96 KSF						564 KSF			195K SF

Arrows represent YOY change.

**Subject to change. **Direct and sublease; includes leased but not yet occupied space. ***Asking rental rates do not take into account tenant inducements; based on all available direct and vacant space.*