

2Q25

Greater Vancouver Area Industrial Market Overview

NEWMARK

Newmark's Canadian Industrial Markets

Recalibration of Canada's national industrial market in the past 18 months following the end of the COVID-19 pandemic has seen both supply and demand factors driving a rebalancing of the market. 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 activity. Threats of U.S. tariffs represent an outsized risk to Canadian supply chains (and range of industry sectors) and therefore a decline in goods flow and/or manufacturing activity would further dampen leasing demand. An overhang in supply of new speculative warehouse space remained a concern in Canada's major distribution markets.



Source: Newmark Research, Altus Data Solutions, CoStar
*Total estimated direct gross rent

Greater Vancouver Area (GVA) Industrial Market Observations

GVA industrial vacancy rose to 3.1% at mid-2025, which was the highest level of vacancy recorded in the GVA since 2015. Vacancy has been on the rise since the end of 2021.

Negative absorption of ~438k sf in the first half of 2025 was an improvement on the negative absorption of ~1.5 msf in the first half of 2024 but the Q2 2025 drop in demand was offset by solid Q1.

Sublease space availability climbed to ~2.4 msf at mid-2025, which marked the highest amount recorded since 2008 when research coverage of the region was initiated.

GVA industrial leasing market activity had gained momentum through the end of 2024 and to start 2025, but uncertainty related to U.S. tariff threats seems to have ended that in Q2 2025.



Maple Ridge-Pitt Meadows had the highest industrial vacancy in the GVA at 4.2%, followed by the Fraser Valley (3.9%) and Vancouver and the Tri-Cities, both at 3.7%. The North Shore (1.5%) was the lowest followed by Richmond (2.4%).

The prolonged uncertainty generated by the constantly shifting threats of U.S. tariffs and their subsequent economic impact has led some businesses and investors to move forward while others delay, cancel or modify investment decisions.

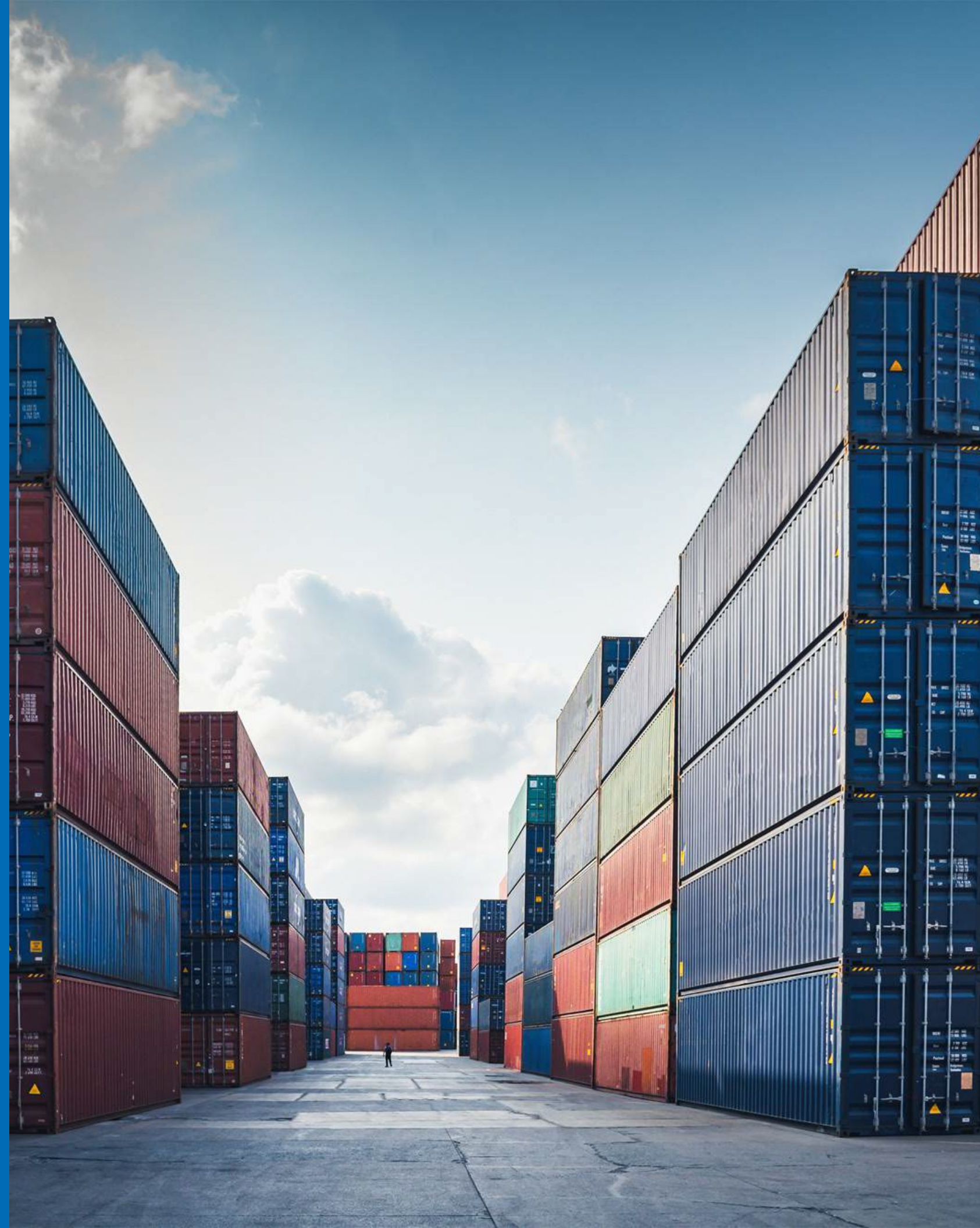
Overall sales and leasing activity were muted in the first half of 2025 while those submarkets with businesses that faced greater exposure to trade-related activities tended to record higher vacancy and sublease availability than others.

Industrial strata sale proceeds of ~C\$369M at mid-2025 is the lowest first-half total since 2020 in terms of overall dollar volume. This was due to second-quarter dollar volume of ~C\$103M, the lowest quarterly strata investment since Q1 2019.

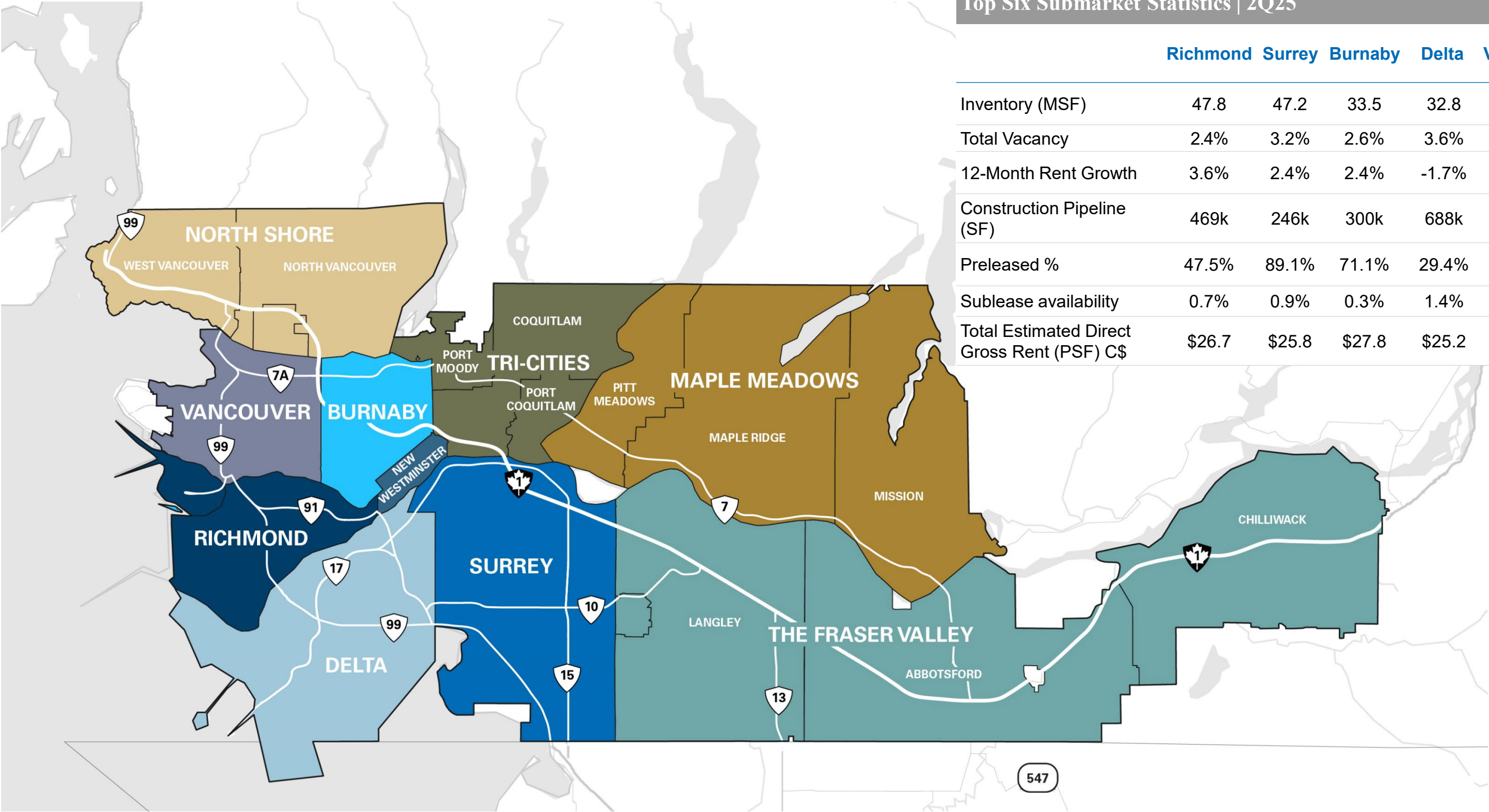
GVA industrial sale proceeds of ~C\$395M in the first half of 2025 (not including strata) was the lowest first-half investment total since at least 2015 with quarterly industrial sales by dollar volume in steep decline since the third quarter of 2024.

2Q25

GVA Industrial Market Metrics



GVA Industrial Metrics | 2Q25



Top Six Submarket Statistics | 2Q25

	Richmond	Surrey	Burnaby	Delta	Vancouver	Fraser Valley
Inventory (MSF)	47.8	47.2	33.5	32.8	30.2	29.3
Total Vacancy	2.4%	3.2%	2.6%	3.6%	3.7%	3.9%
12-Month Rent Growth	3.6%	2.4%	2.4%	-1.7%	-8.5%	-20.5%
Construction Pipeline (SF)	469k	246k	300k	688k	213k	305k
Preleased %	47.5%	89.1%	71.1%	29.4%	55.6%	76.7%
Sublease availability	0.7%	0.9%	0.3%	1.4%	1.8%	1.2%
Total Estimated Direct Gross Rent (PSF) C\$	\$26.7	\$25.8	\$27.8	\$25.2	\$28.6	\$24.3

Source: Newmark Research

Greater Vancouver Area (GVA) Industrial Submarket Statistics | 2Q25

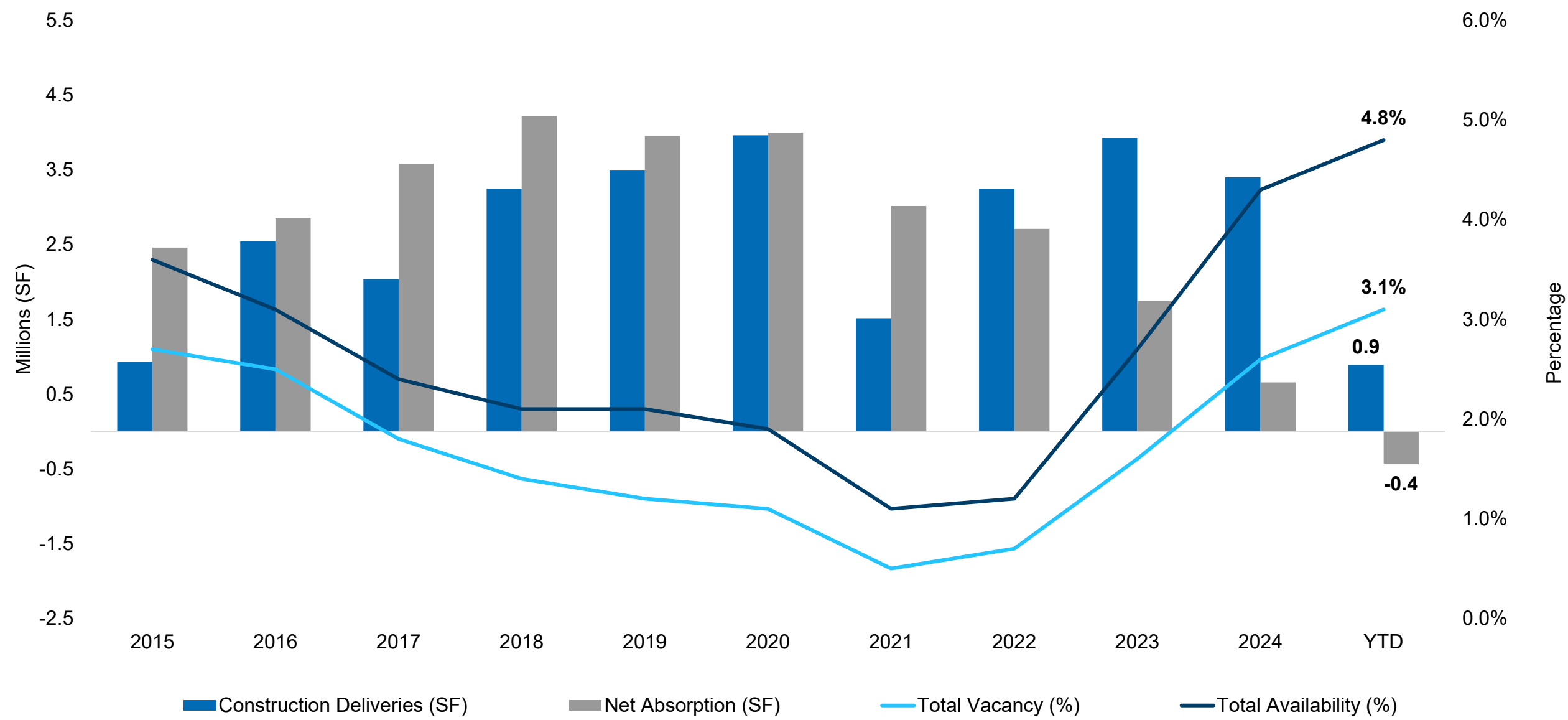
Submarket Statistics – All Classes								
	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr Net Absorption (SF)	Annual Net Absorption (SF)	Direct SF Available Rate	Sublet SF Available Rate	Total Est. Direct Gross Rent (\$/SF)
Greater Vancouver Area (GVA)	254,096,567	2,931,019	3.1%	-1,060,188	-438,910	3.9%	1.0%	C\$26.9
Richmond, BC	47,782,156	469,180	2.4%	-638,630	-691,191	2.7%	0.7%	C\$26.7
Surrey, BC	47,259,629	245,993	3.2%	-449,425	339,634	3.3%	0.9%	C\$25.8
Burnaby, BC	33,524,141	300,185	2.6%	37,842	63,036	4.9%	0.3%	C\$27.8
Delta, BC	32,853,464	688,321	3.6%	70,873	-245,175	4.7%	1.4%	C\$25.2
Vancouver, BC	30,182,300	213,821	3.7%	-202,874	-7,925	3.7%	1.8%	C\$28.6
Fraser Valley (Abbotsford, Chilliwack, The Langleys)	29,264,723	304,684	3.9%	-108,121	-228,071	4.3%	1.2%	C\$24.3
Tri-Cities (Coquitlam, Port Coquitlam, Port Moody)	14,992,852	87,828	3.7%	54,631	188,369	5.1%	0.8%	C\$28.3
<i>North Shore (North Vancouver, West Vancouver)</i>	6,600,633	0	1.5%	7,204	-10,828	1.8%	0.4%	C\$31.7
<i>Maple Meadows (Maple Ridge, Mission, Pitt Meadows)</i>	6,632,474	541,709	4.2%	168,312	126,724	8.5%	1.1%	C\$23.4
<i>New Westminster, BC</i>	4,907,848	0	0.0%	0	26,517	0.5%	0%	*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 Metrics Buffeted By U.S. Trade Uncertainty

Greater Vancouver was one of North America’s tightest industrial markets at mid-year despite substantial shifts in market metrics that had held true for nearly a decade. As vacancy rose to a 10-year high of 3.1% and availability hit a 14-year-high of 4.8% at mid-2025, it was highly likely that U.S. tariff threats had further amplified the ongoing market softening underway as part of its re-calibration to a post-pandemic global economy. While new supply was limited so far in 2025 and first-half negative absorption minimal, the increases in vacancy and, in particular, availability, that occurred in the second quarter highlighted external non-market factors were at play that had a distortionary impact on market fundamentals.

GVA Historical Construction Deliveries, Net Absorption, Vacancy and Availability

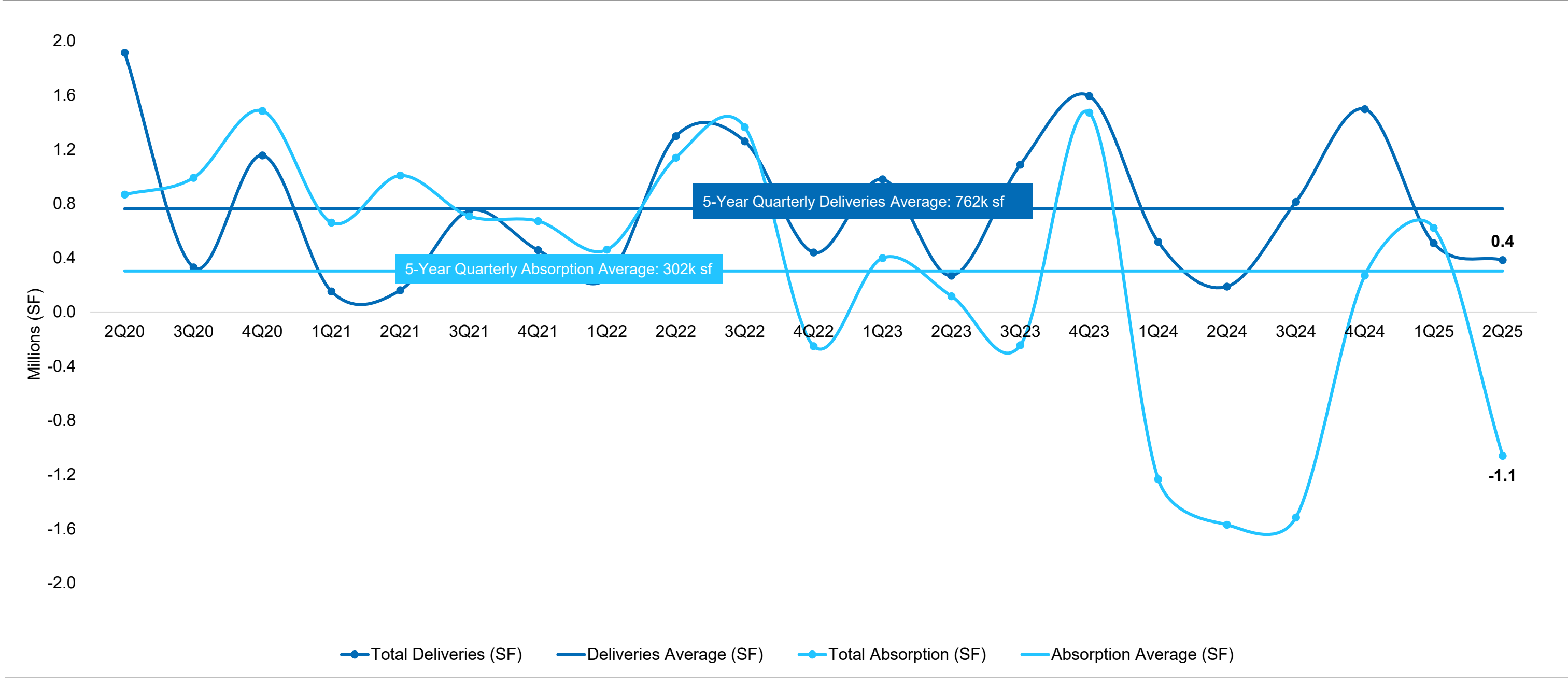


Source: Newmark Research, Altus Data Studio

Regional Absorption Drops Due To Trade Uncertainty & Bankruptcy Of Retailing Icon

Greater Vancouver registered negative absorption of ~1.1 msf in the second quarter of 2025 due to a significant slowdown in industrial leasing activity, rising sublease availability and the immediate vacancy of a large distribution centre in Richmond that supported Canadian retailing icon, the Hudson’s Bay Company. Second-quarter negative absorption was primarily the result of activity in three submarkets – Richmond (-639k), Surrey (-449k) and Vancouver (-203k) – and offset what had been a generally positive albeit muted start to 2025.

GVA Industrial Total Construction Deliveries and Absorption

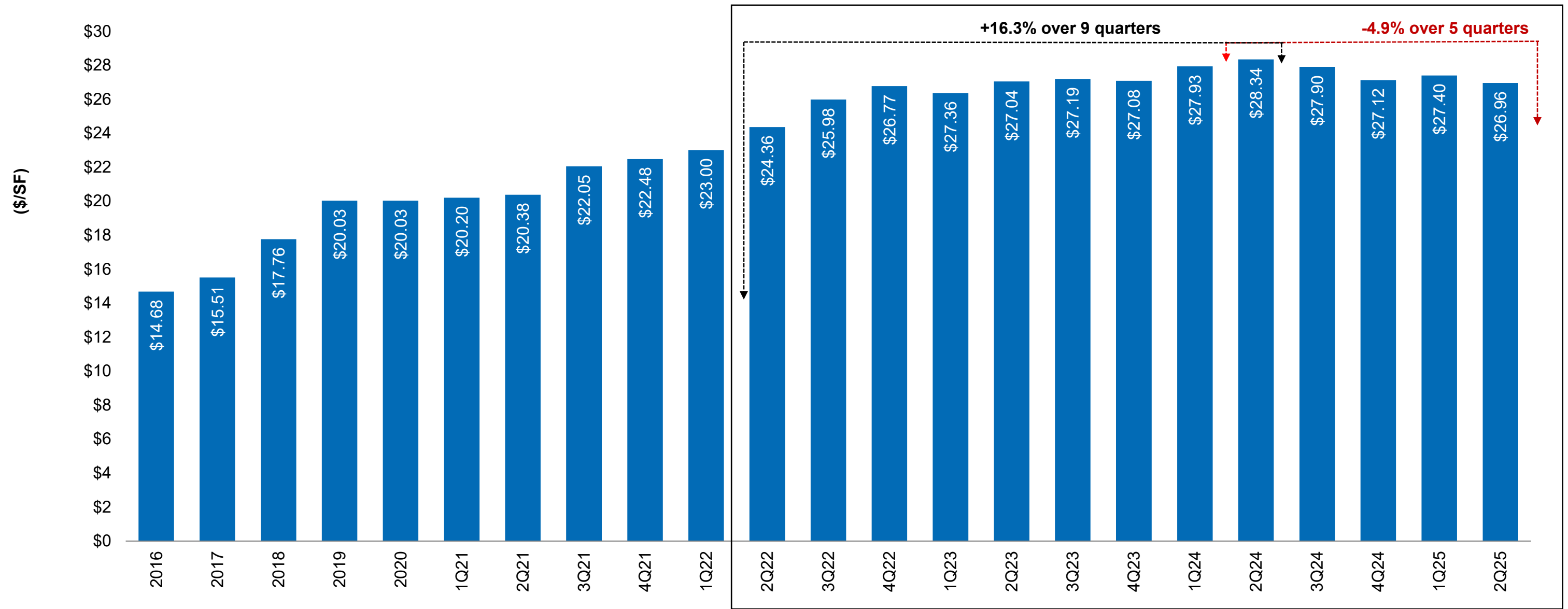


Source: Newmark Research, Altus Data Studio

GVA Asking Gross Rents Still Softening At Mid-2025 After Likely Peak A Year Earlier

Average asking gross rents in GVA's industrial market appear to have 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 through 2023 and into 2024, rental rates finally came off in the back half of 2024. Rising vacancy and rapid increases in sublease availability throughout the region combined with elevated economic uncertainty will likely result in rents softening further in 2025.

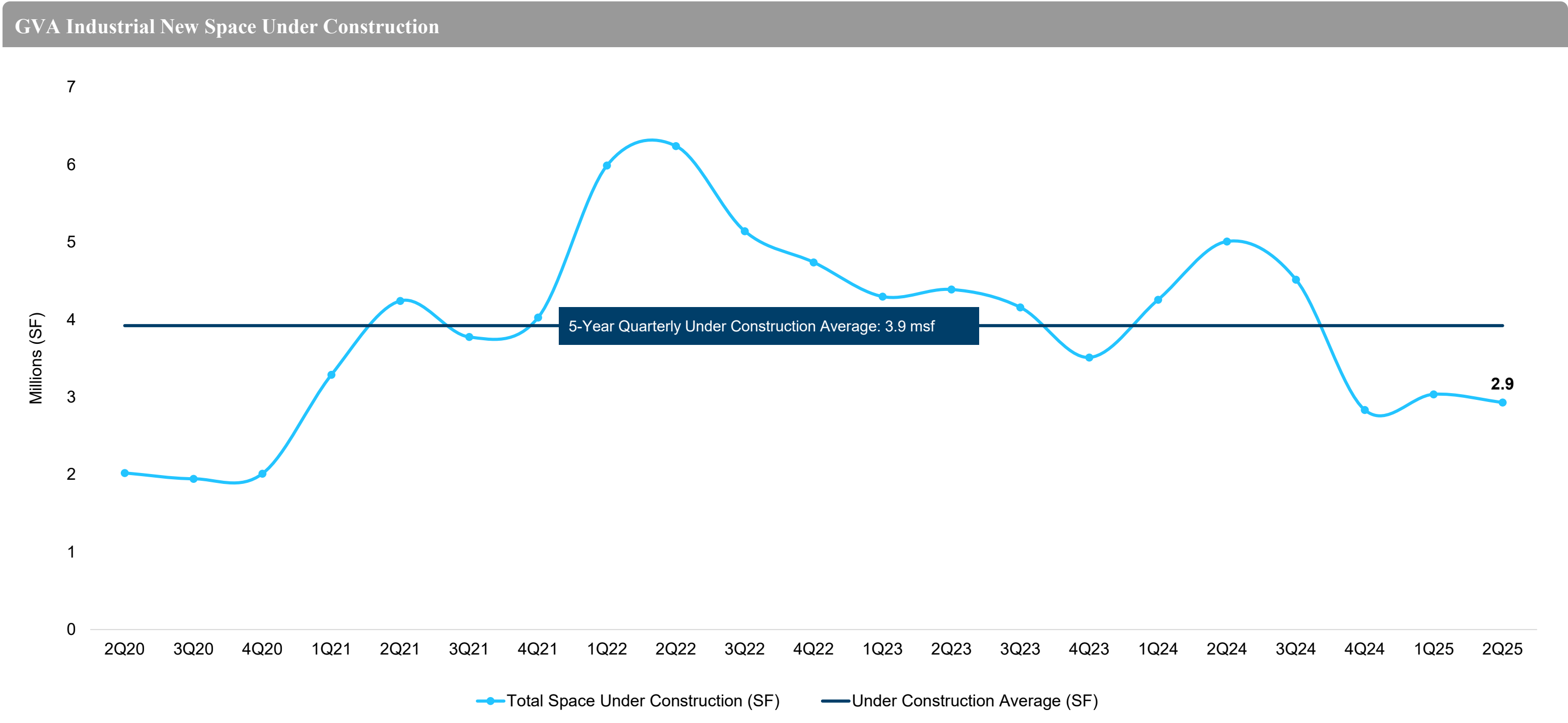
Historical GVA Industrial Estimated Asking Rates



Source: Newmark Research, Altus Data Studio

Amount Of New Space Under Construction Hovering Near COVID Emergence Lows

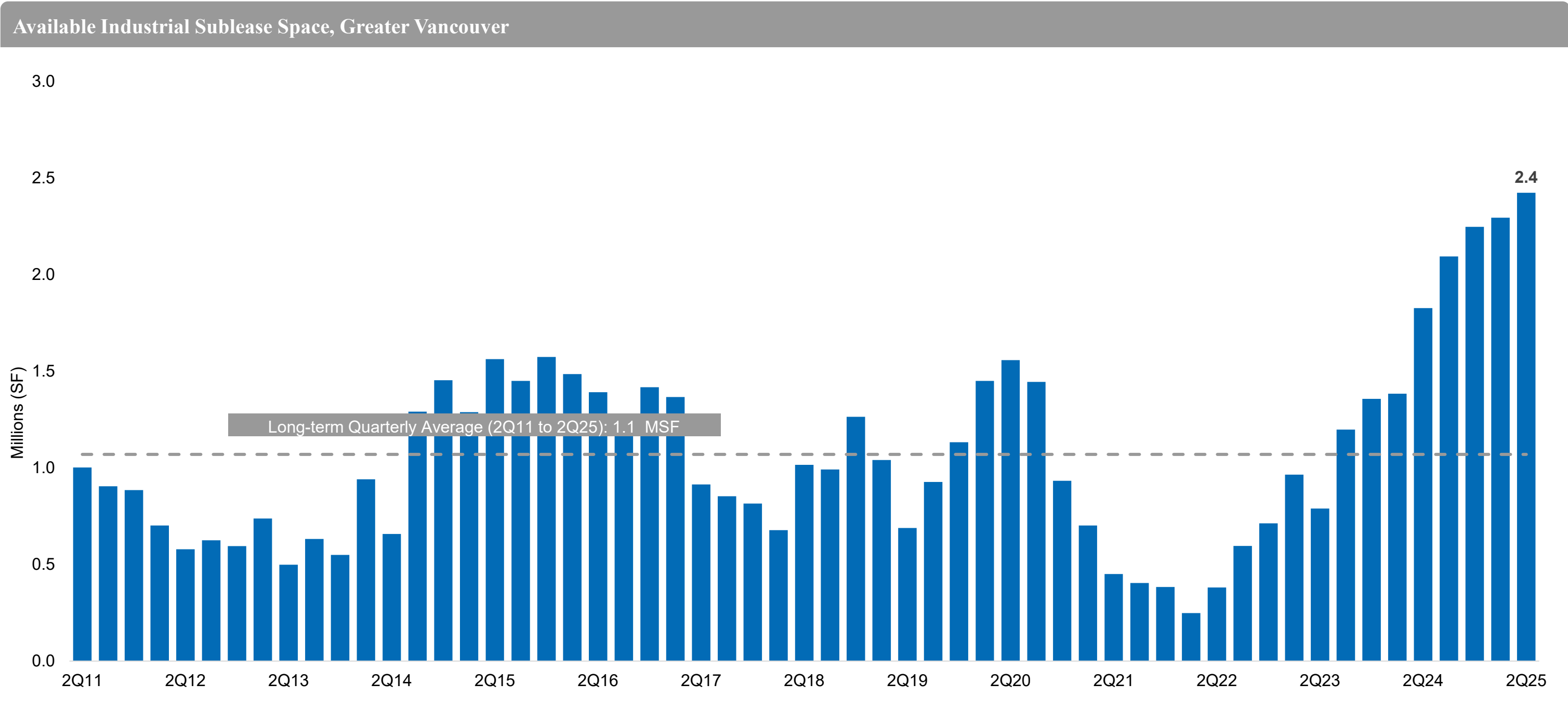
The amount of space under construction at mid-2025 in Greater Vancouver was well below the five-year quarterly average and was at its lowest point since 2020. A drop in the amount of new supply delivered in 2025/26 – combined with a likely softening in rents – will likely encourage the take up of the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



Source: Newmark Research, Altus Data Studio

Sublease Space Availability Hits Record High in Greater Vancouver’s Industrial Market

Industrial sublease availability in Greater Vancouver was 2.4 msf at mid-2025, a new regional record high. Sublease availability has been on the rise since the start of 2022 but rapidly escalated in the back half of 2024 and into 2025. Sublease availability in Greater Vancouver has never been as high it has been since the second quarter of 2024. While this upward trend emerged just prior to U.S. tariff threats, economic uncertainty has likely fuelled rising sublease availability, which may lead to softening rental rates and delays in new supply.

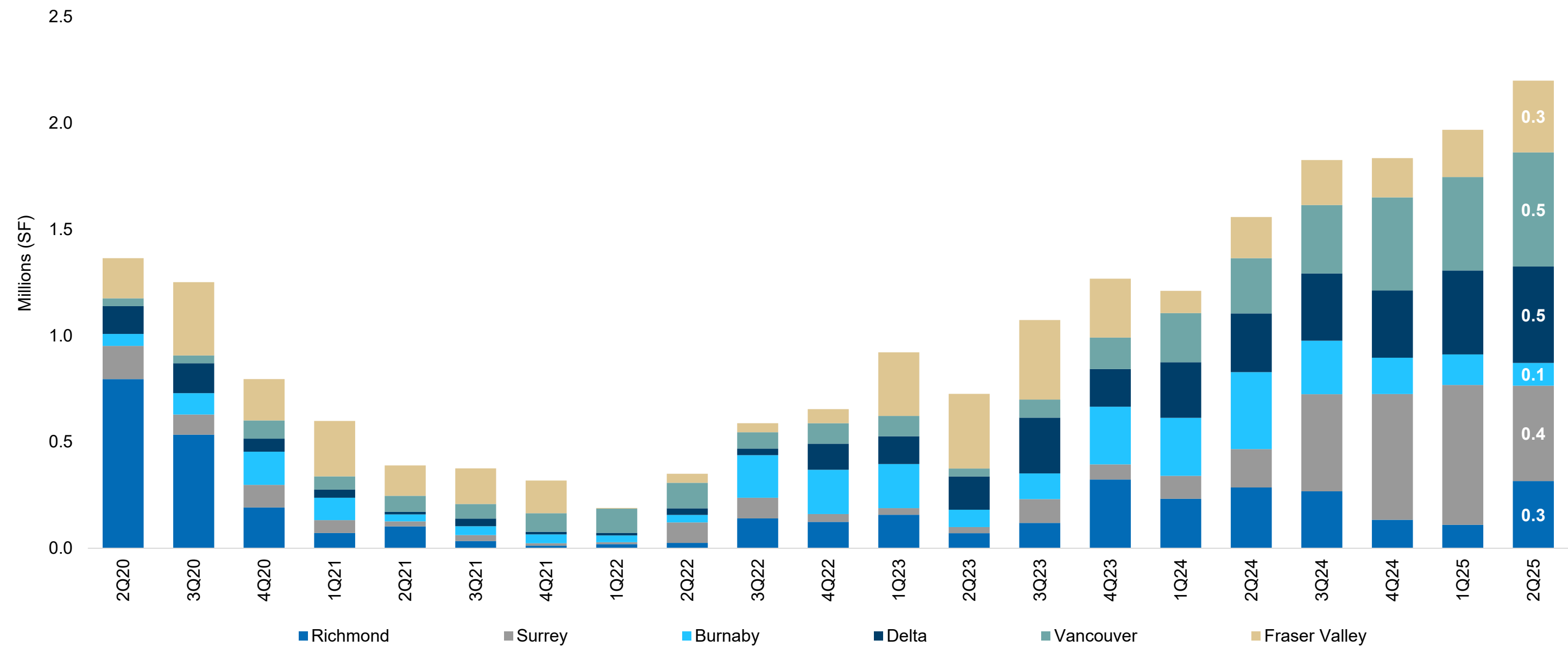


Source: Newmark Research, Altus Data Studio

Sublease Availability Rising Rapidly In Most Key Vancouver Industrial Submarkets

Overall sublease availability in Greater Vancouver has been generally rising since the back half of 2022 with the five core urban industrial markets and the Fraser Valley recording increases in sublease availability to varying degrees. While Burnaby and Surrey posted small declines in sublease availability in the second quarter of 2025, Vancouver, Richmond, Delta and the Fraser Valley recorded increases that contributed to the most sublease availability ever recorded in the region’s six largest submarkets at more than 2.2 msf at mid-2025.

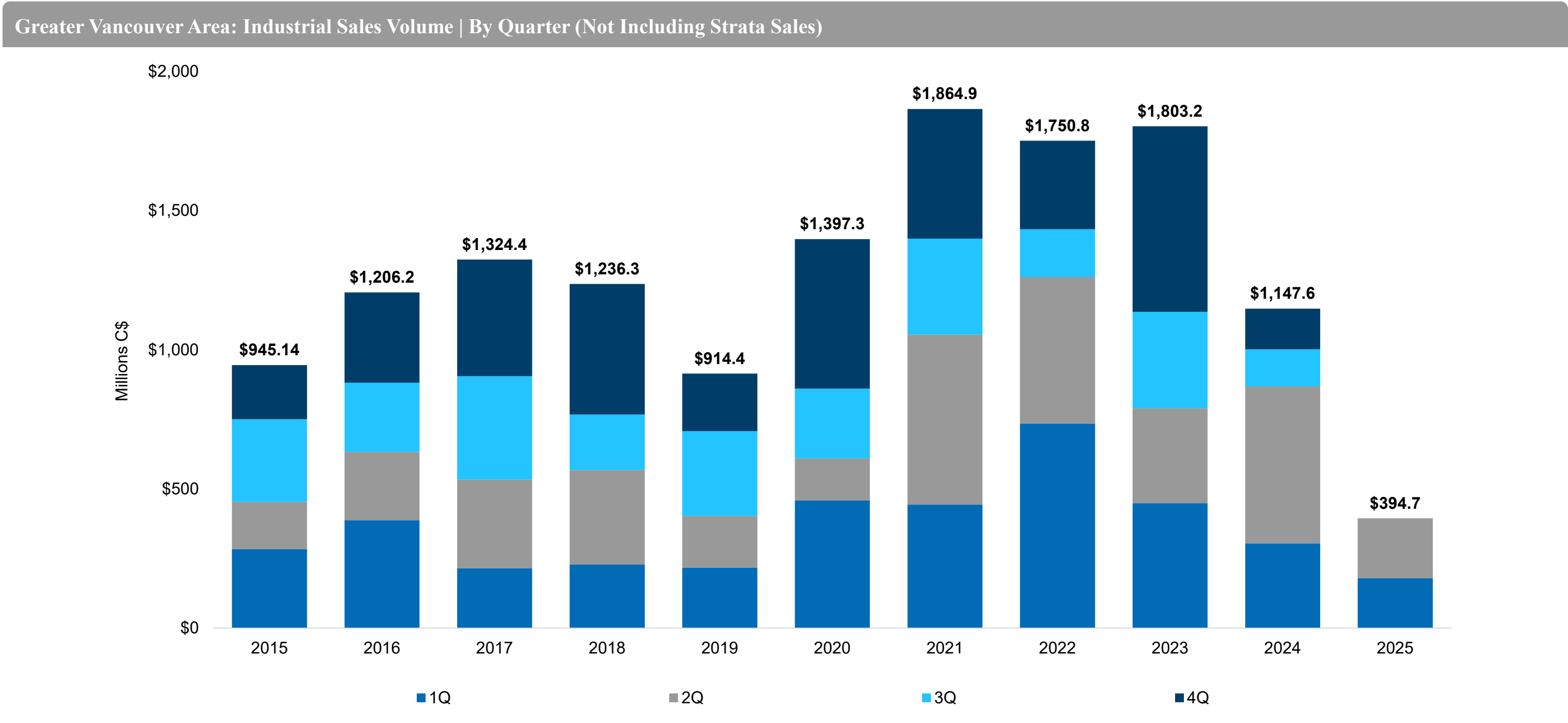
Available Industrial Sublease Space, By Submarket



Source: Newmark Research, Altus Data Studio

Greater Vancouver Industrial Sales Volume Lower As Demand Curtailed By Uncertainty

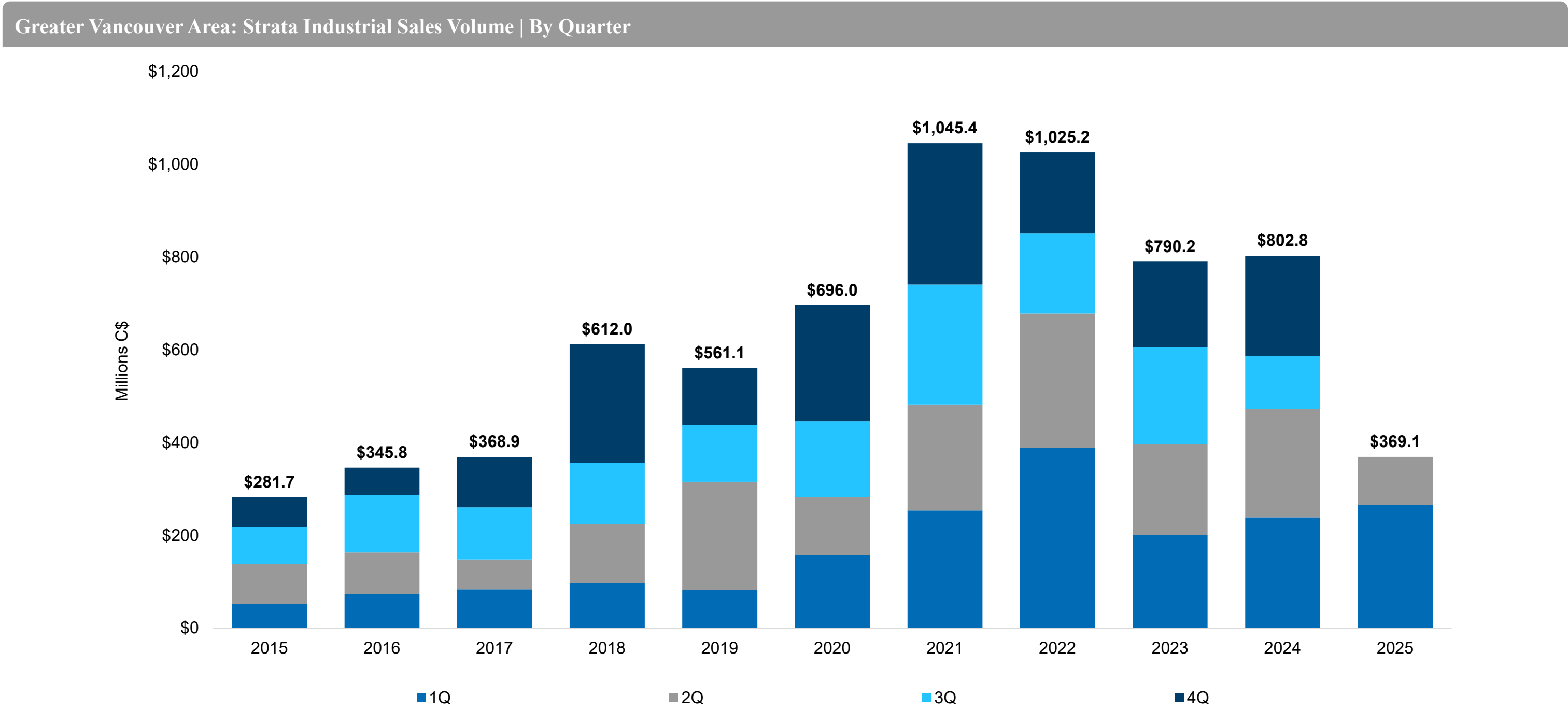
First-half investment in industrial properties in Greater Vancouver fell to its lowest point since 2015 during the first six months of 2025. Even as Canadian interest rates were lowered from 4.5% in July 2024 to 2.75% in July 2025 and many economic measures remained neutral if not positive, industrial investment faded notably in the back half of 2024 and the first half of 2025. After years of record-setting investment a slowing was expected, but economic uncertainty from U.S. tariff threats in 2025 has further dampened investment activity.



Source: Newmark Research, Altus Data Studio

Greater Vancouver Industrial Strata Sales Post Lowest First-Half Investment Since 2020

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 half of 2025 are off to their slowest start since 2020 in terms of overall dollar volume. This sales decline was most pronounced in the second quarter of 2025 when dollar volume dropped as investment in industrial assets overall slowed.



Source: Newmark Research, Altus Data Studio

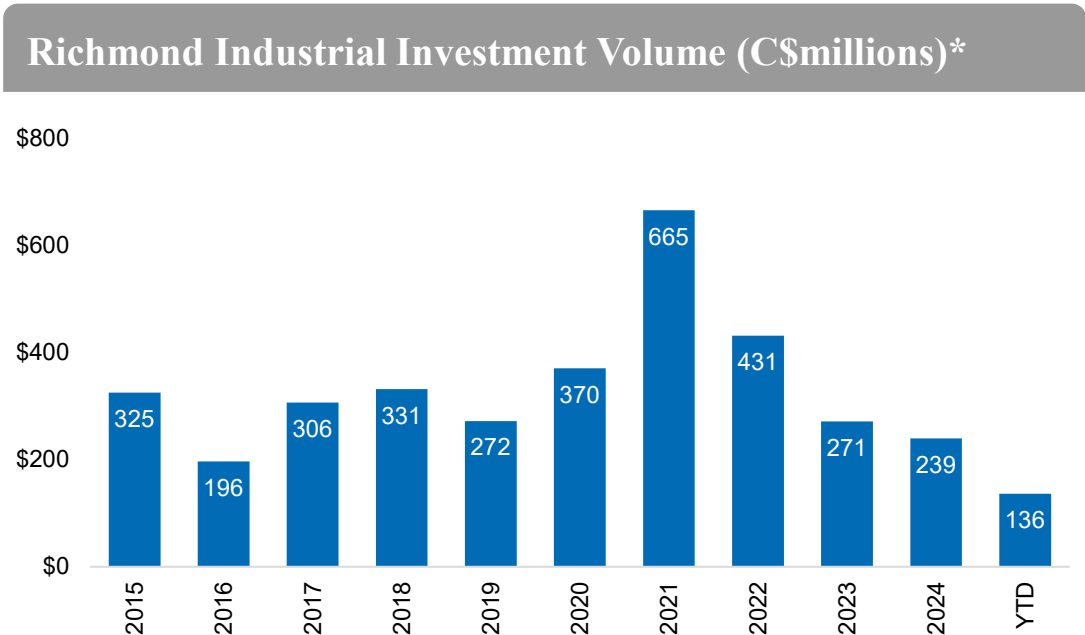
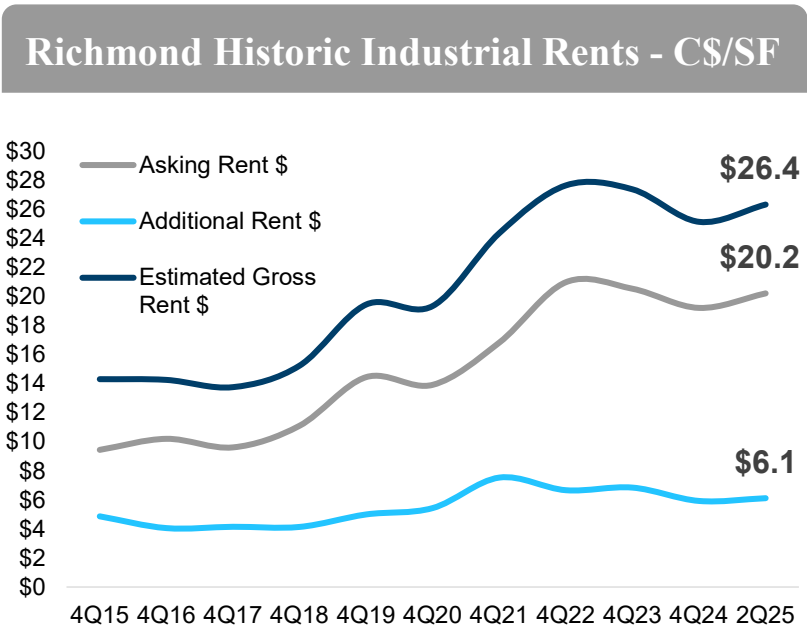
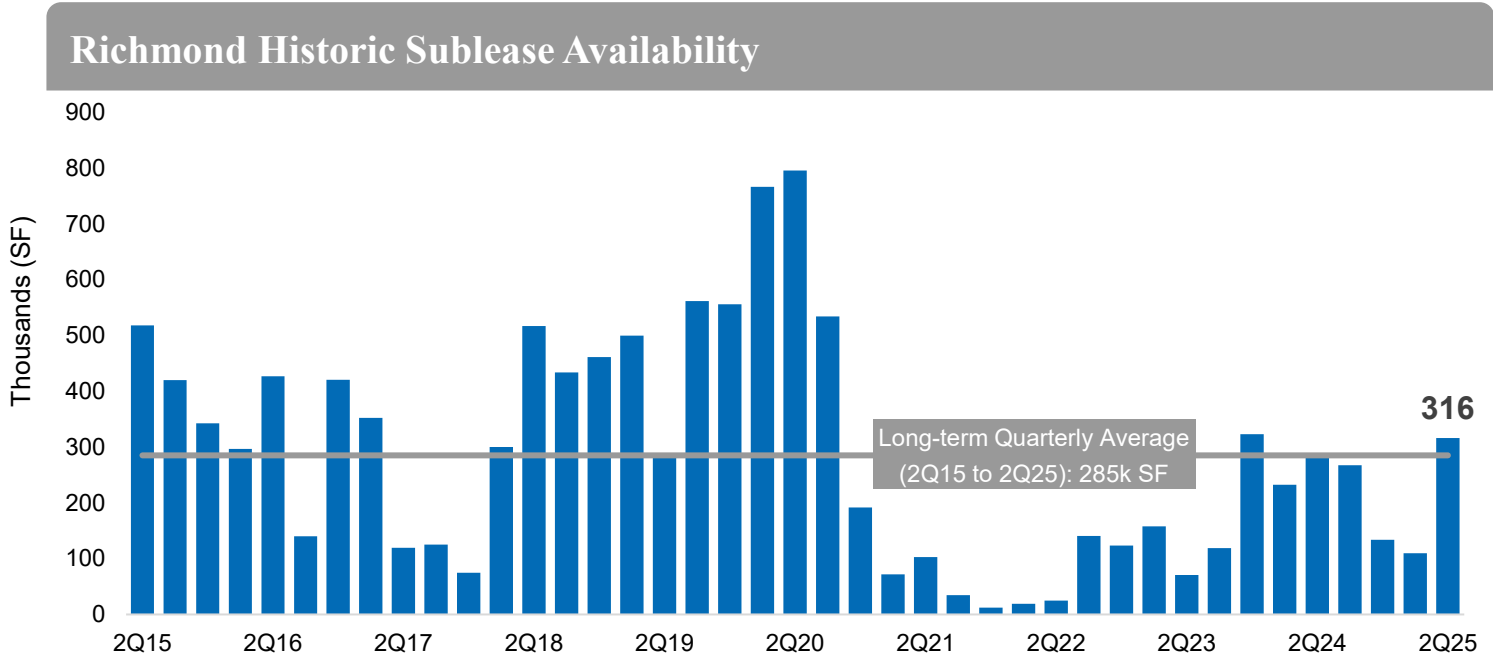
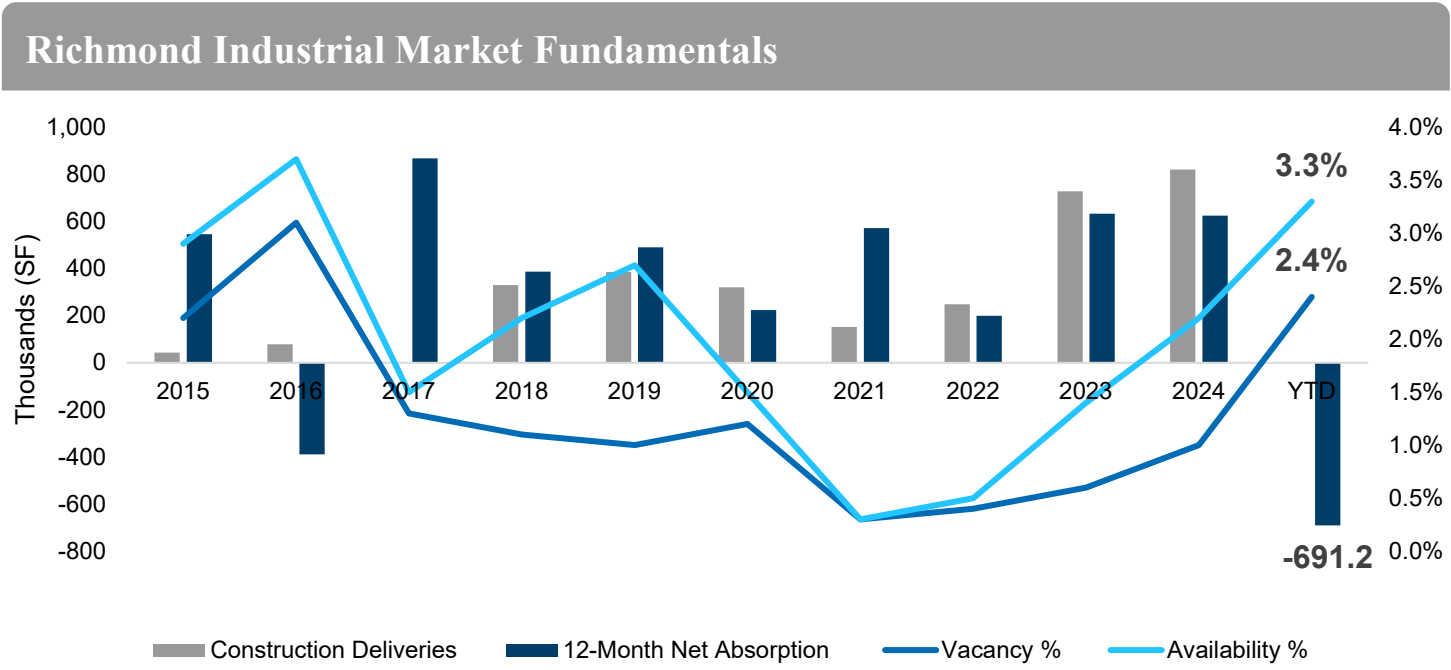
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GVA Industrial Submarket Snapshots



Richmond, BC

At ~47.8 msf of inventory, Richmond is Metro Vancouver’s largest industrial submarket. Despite the addition of ~2.7 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 2.4% at mid-2025. Richmond recorded negative absorption of ~691k sf in the first half of 2025, the most in the region during this period, thanks mostly to the sudden vacancy of Hudson Bay Co.’s former 411,000-sf distribution centre at 18111 Blundell Road along with an increase in sublease space.



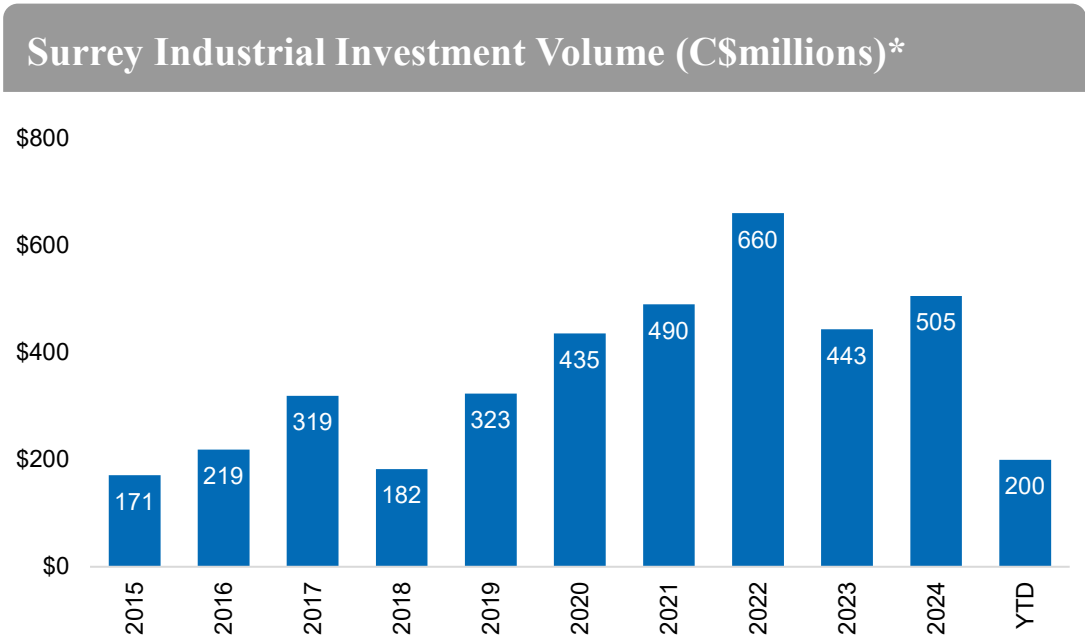
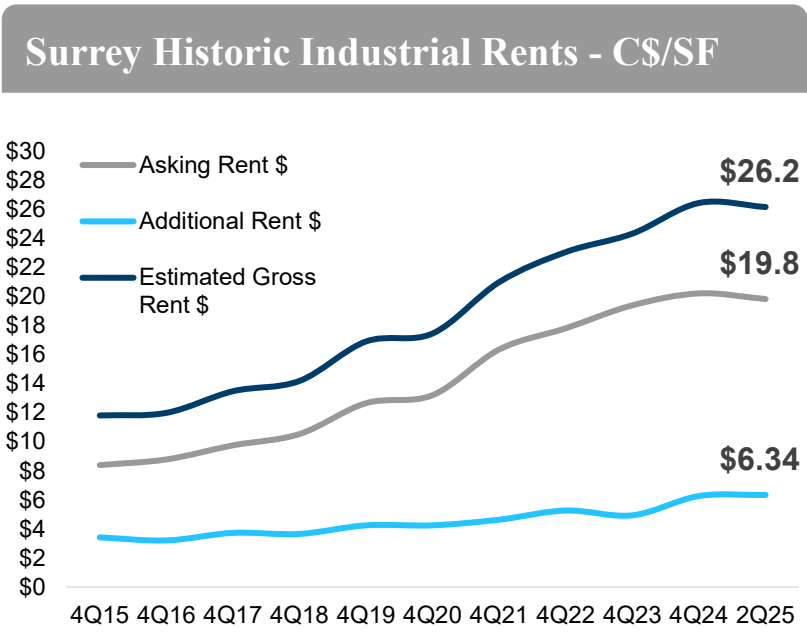
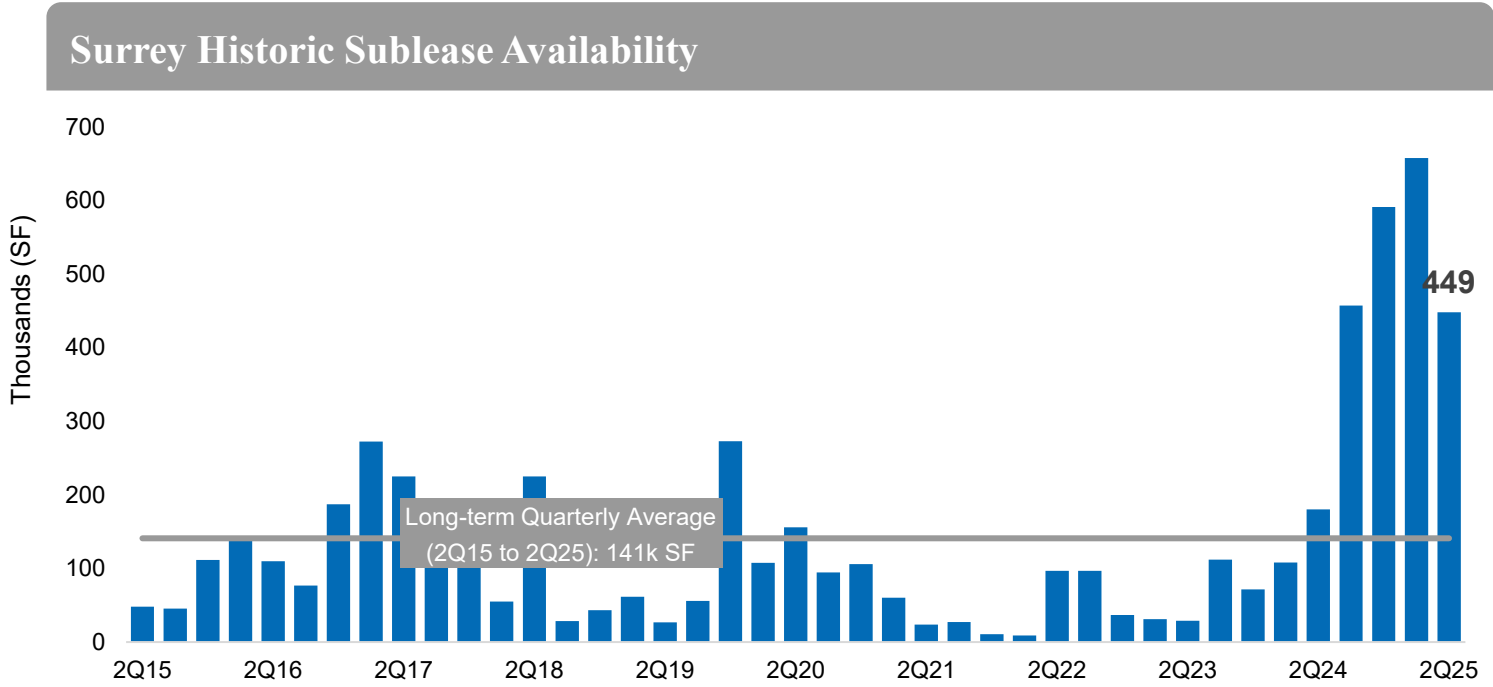
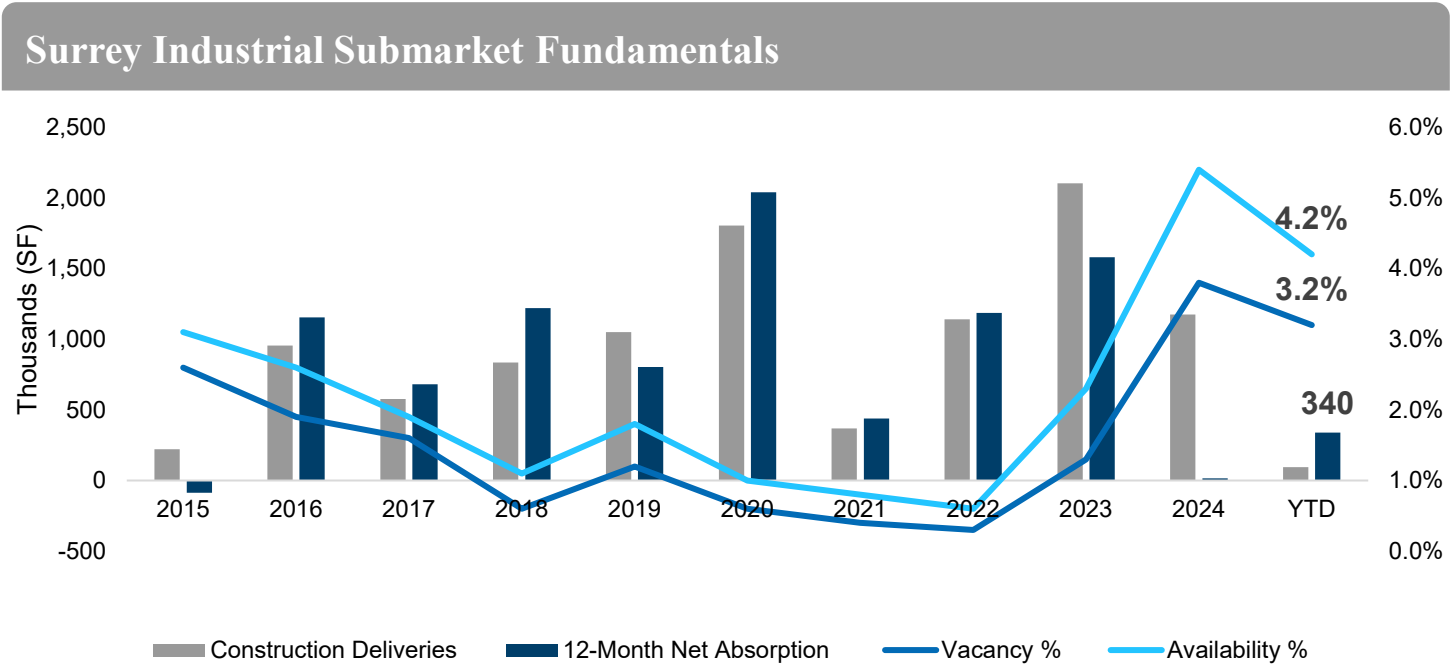
Second Quarter Deals

Tenant/Occupant	Building	Type	Square Feet
Neighbour Express	13331 Vulcan Way, Richmond	Lease	29,060
BuildDirect Flooring	3810-3960 Jacombs Road, Richmond	Lease	19,830
Undisclosed	13331 Vulcan Way, Richmond	Lease	16,000
Perfectly Snug	3239 No. 6 Road, Richmond	Lease	9,470
Park & Fifth	13431 Maycrest Way, Richmond	Lease	4,940

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 ~12.6 msf of new industrial space to be delivered in the 47.2-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, both metrics came off in the first half of 2025 due to positive absorption of ~340ksf, the most in the region during that period.



Second Quarter Deals

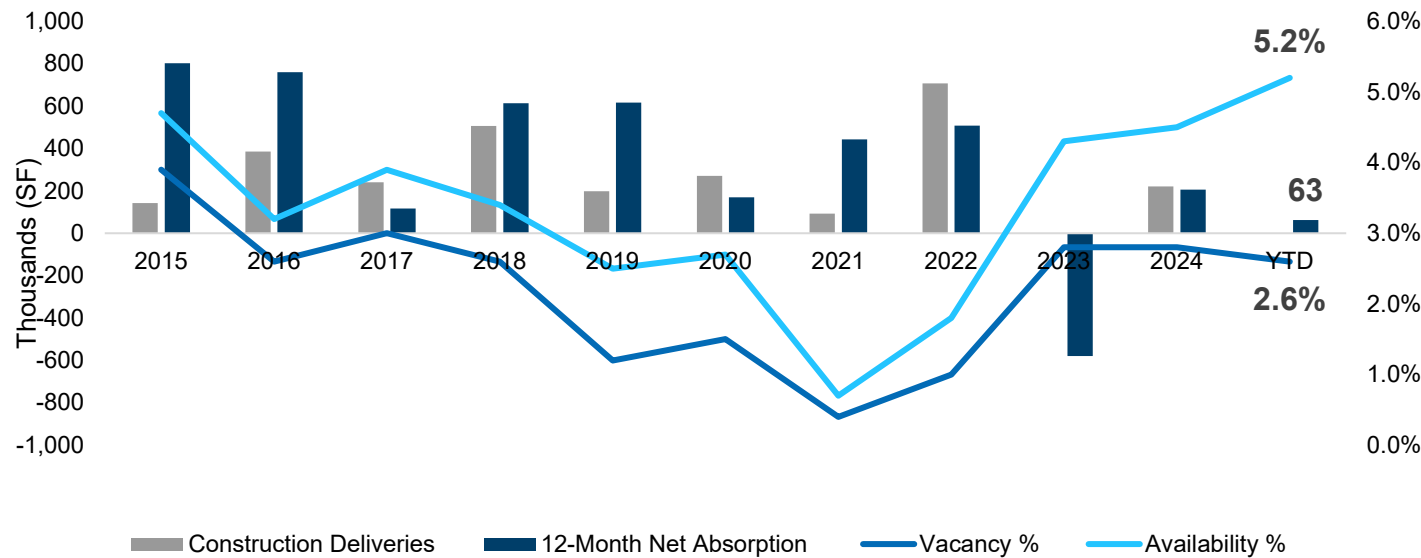
Tenant/Occupant	Building	Type	Square Feet
TFI International	18880 30th Avenue, Surrey	Lease	198,100
Dynamic Specialty Vehicles Ltd.	18568 96th Avenue, Surrey	Renewal	44,530
Undisclosed	19131 21st Avenue, Surrey	Lease	36,050
ECCO Heating Products Canada Ltd.	19131 21st Avenue, Surrey	Sublease	27,300
Canada Rifeng Building Materials Co. Ltd..	12147 103A Avenue, Surrey	Lease	18,430

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

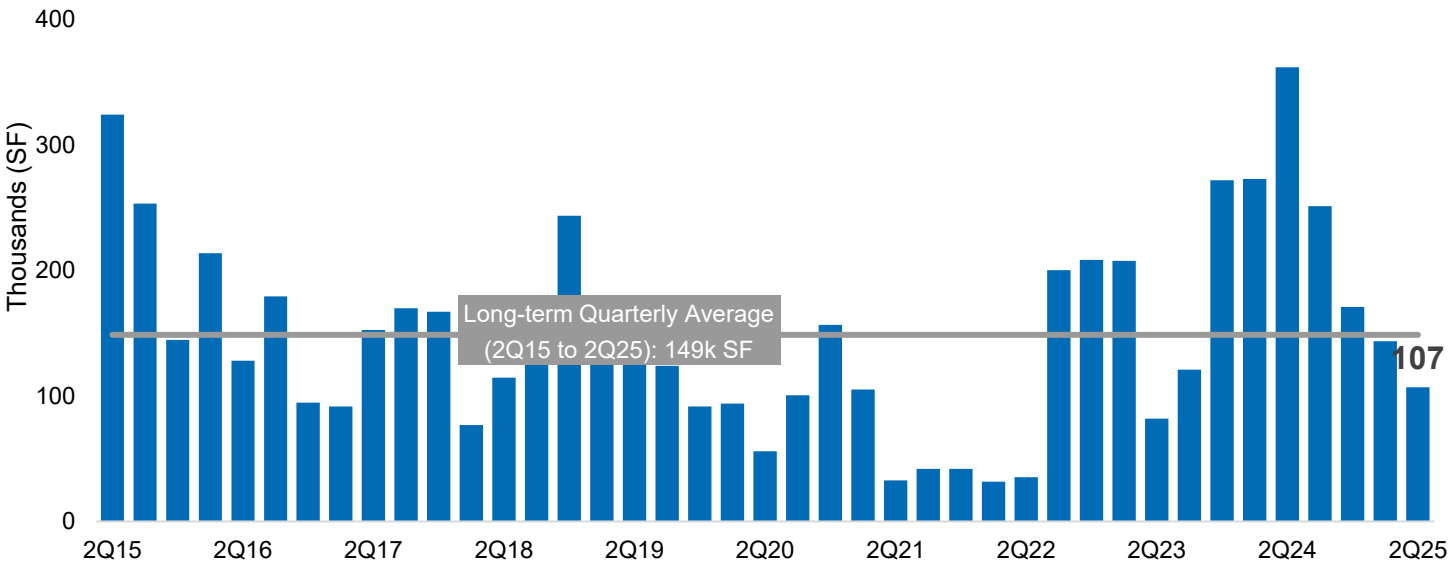
Burnaby, BC

Burnaby’s 33.5-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 remained most stable since the end of 2023. Comprised of industries that face less exposure to U.S. tariff threats, Burnaby’s industrial market posted one of the tightest vacancies in the region while recording positive absorption in the first six months of 2025 with sublease availability at its lowest point since mid-2023.

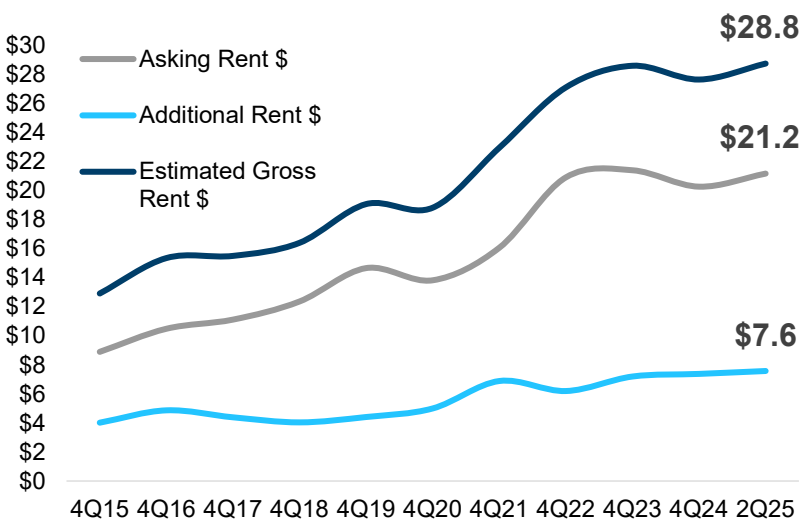
Burnaby Industrial Submarket Fundamentals



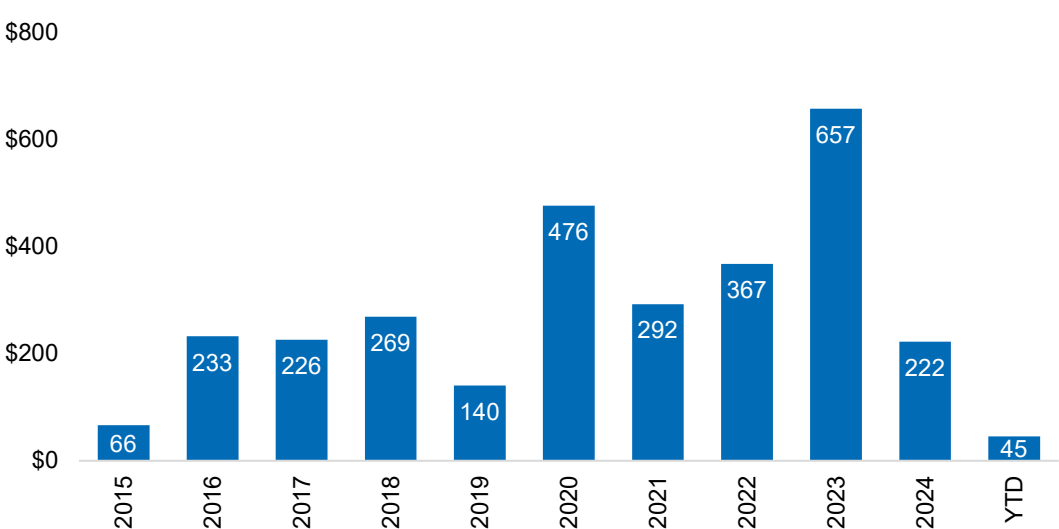
Burnaby Historic Sublease Availability



Burnaby Historic Industrial Rents - C\$/SF



Burnaby Industrial Investment Volume (C\$millions)*



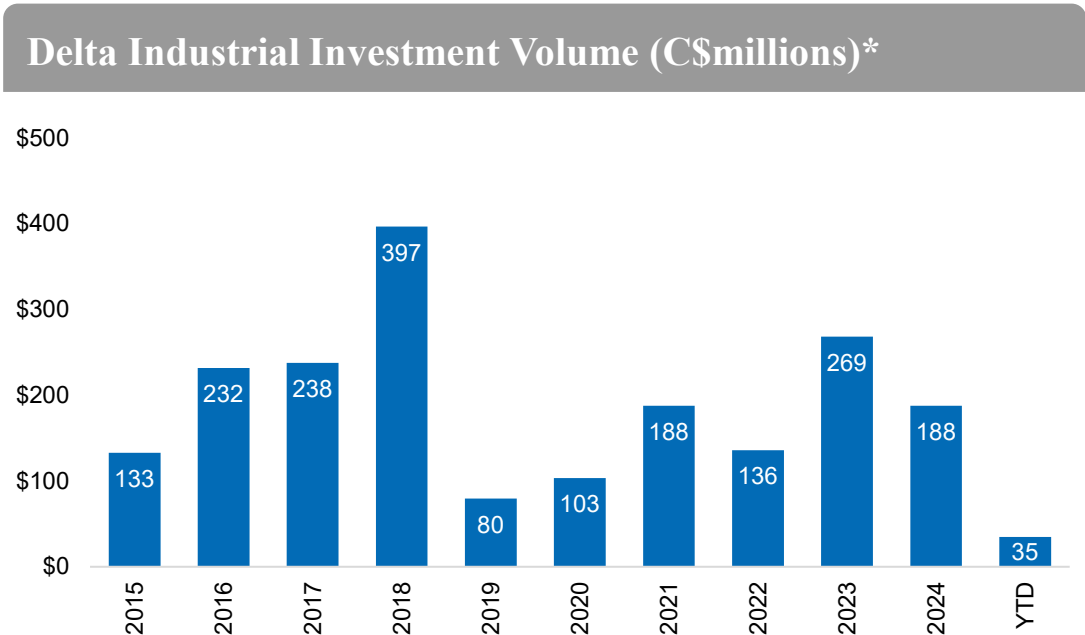
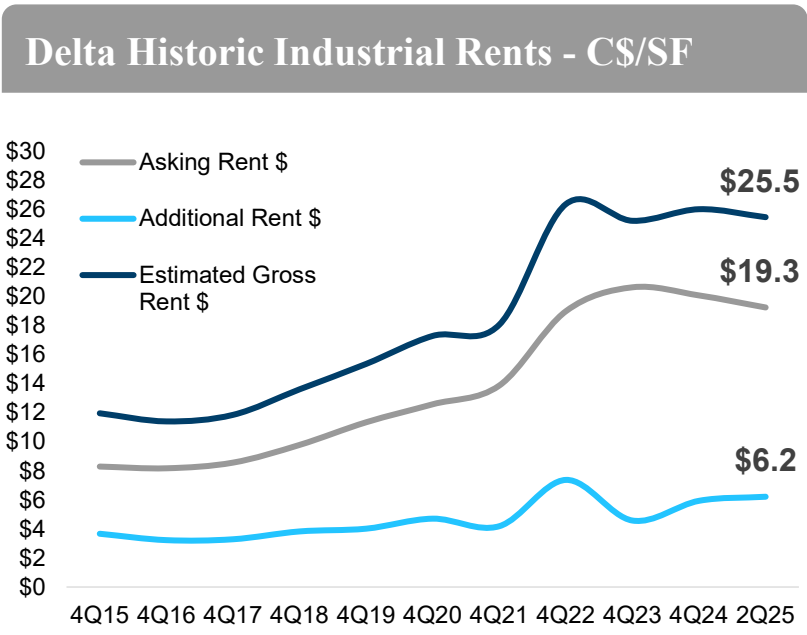
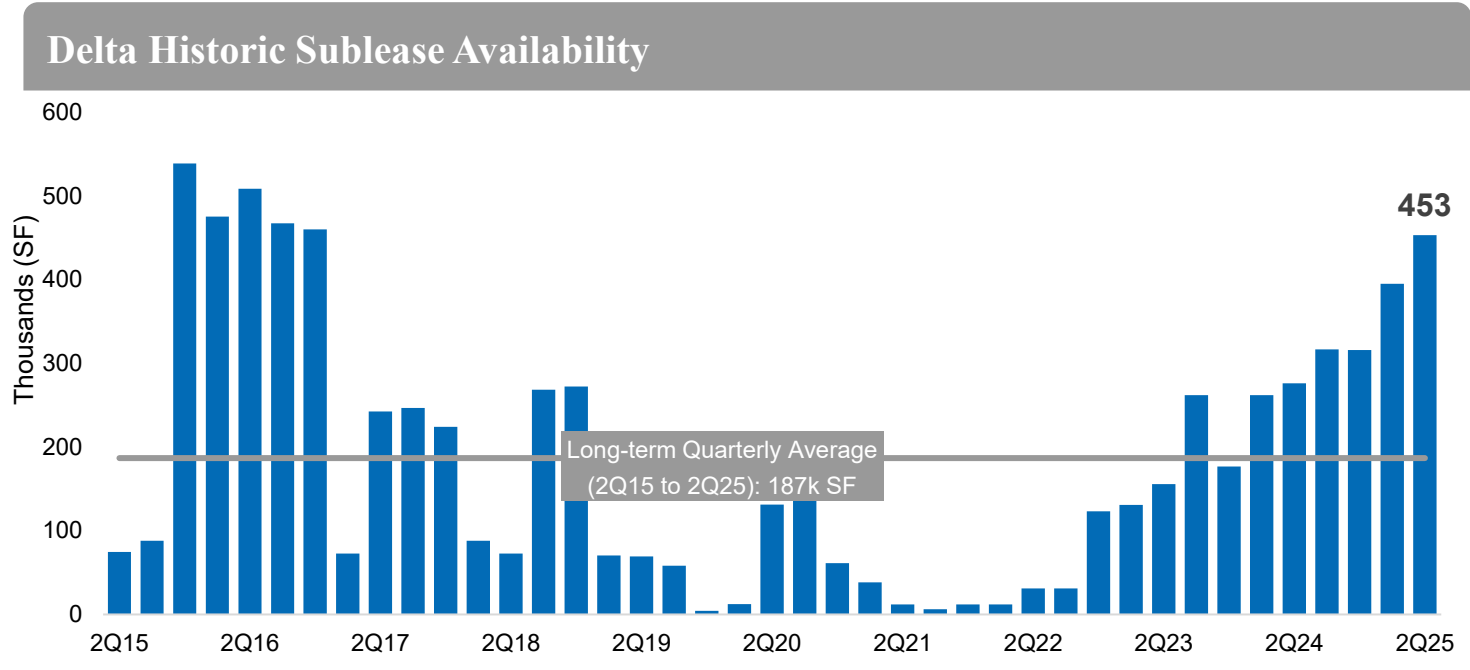
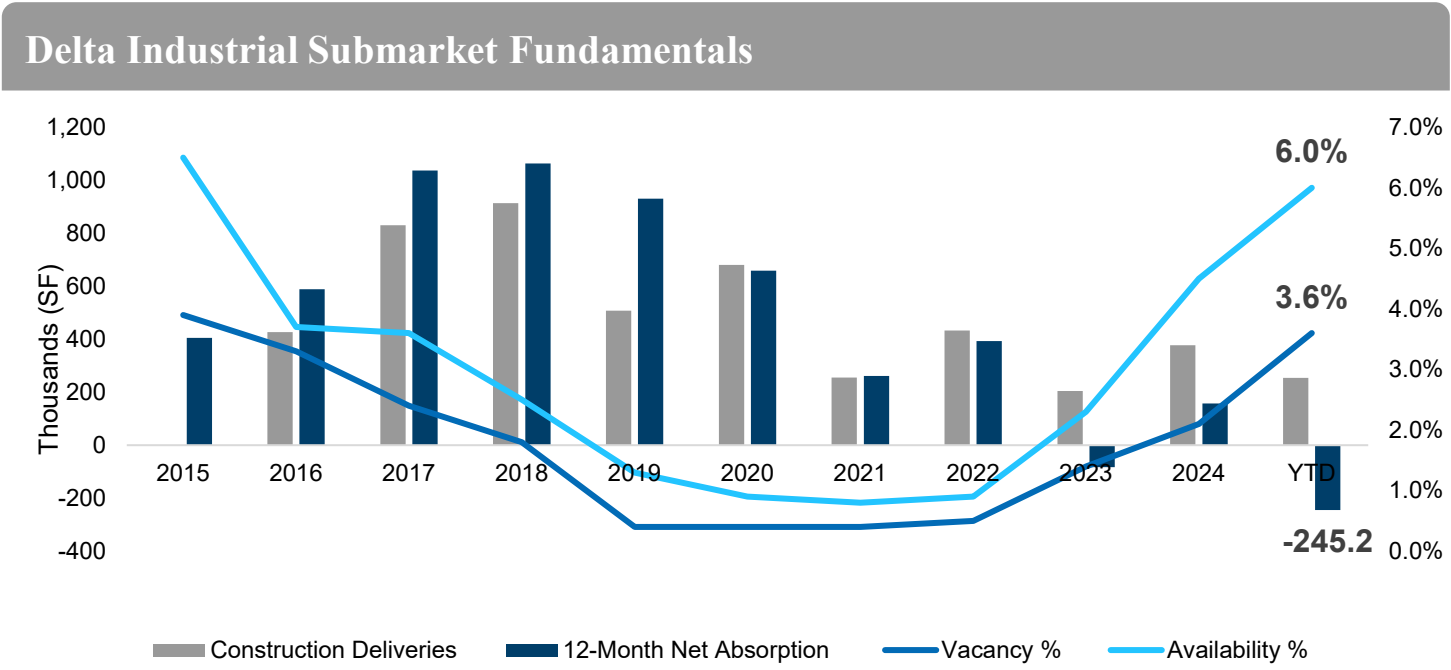
Second Quarter Deals

Tenant/Occupant	Building	Type	Square Feet
Garibaldi Glass	8183 Wiggins Street, Burnaby	Renewal	185,520
Undisclosed	8530 Roseberry Avenue, Burnaby	Lease	36,780
BC Numbered Co.	4410 Juneau Street, Burnaby	Lease	20,335
Craftsman Collision	5134-5148 Still Creek Avenue, Burnaby	Lease	26,210
Style In Form	5041 Byrne Road, Burnaby	Lease	14,590

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

Delta, BC

Delta’s 32.8-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. Threats of U.S. tariffs likely fuelled vacancy spiking to 3.6% at mid-2025 due to negative absorption in the first half of 2025 and availability (both direct and sublease) surging to near-decade highs.



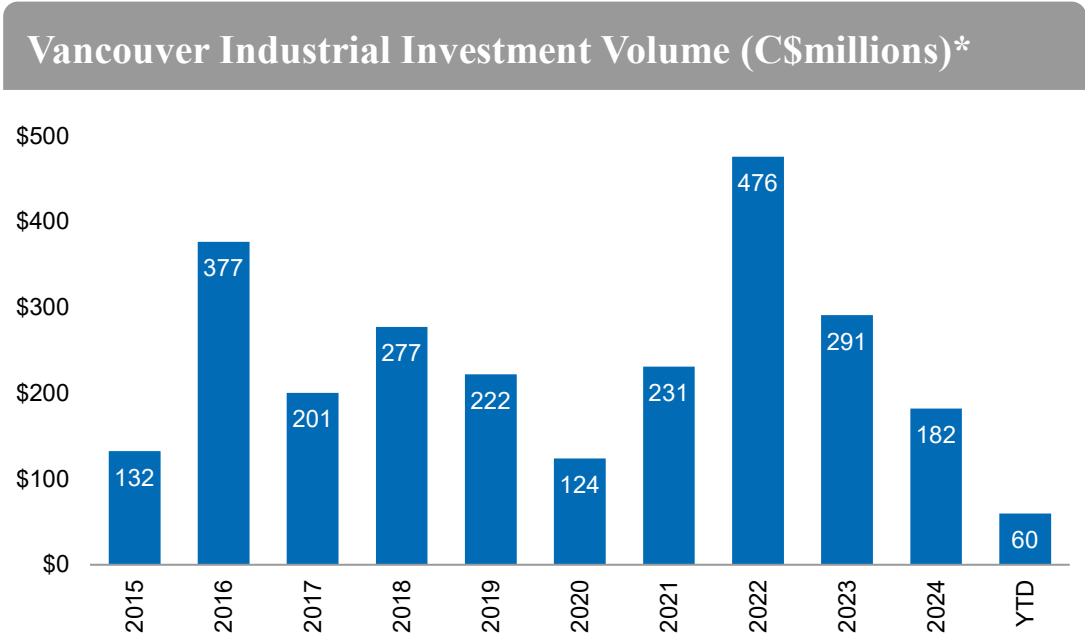
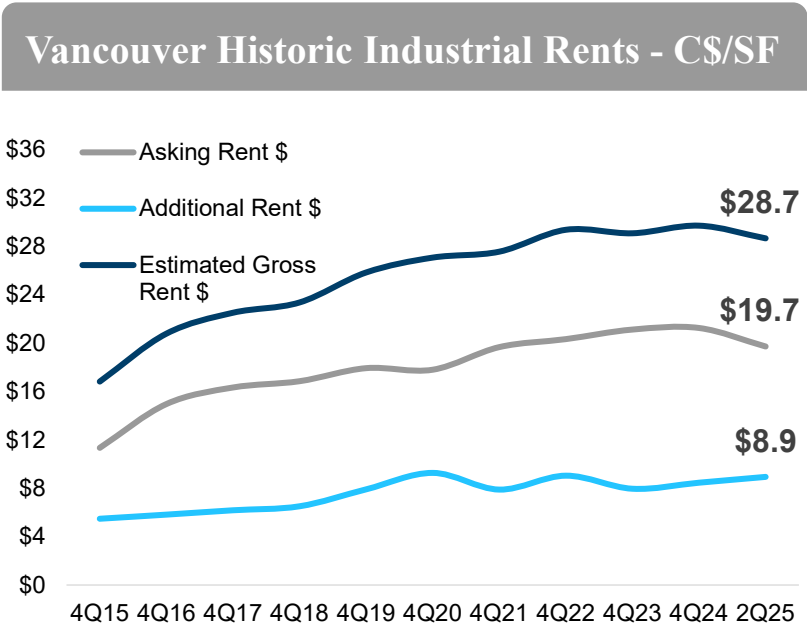
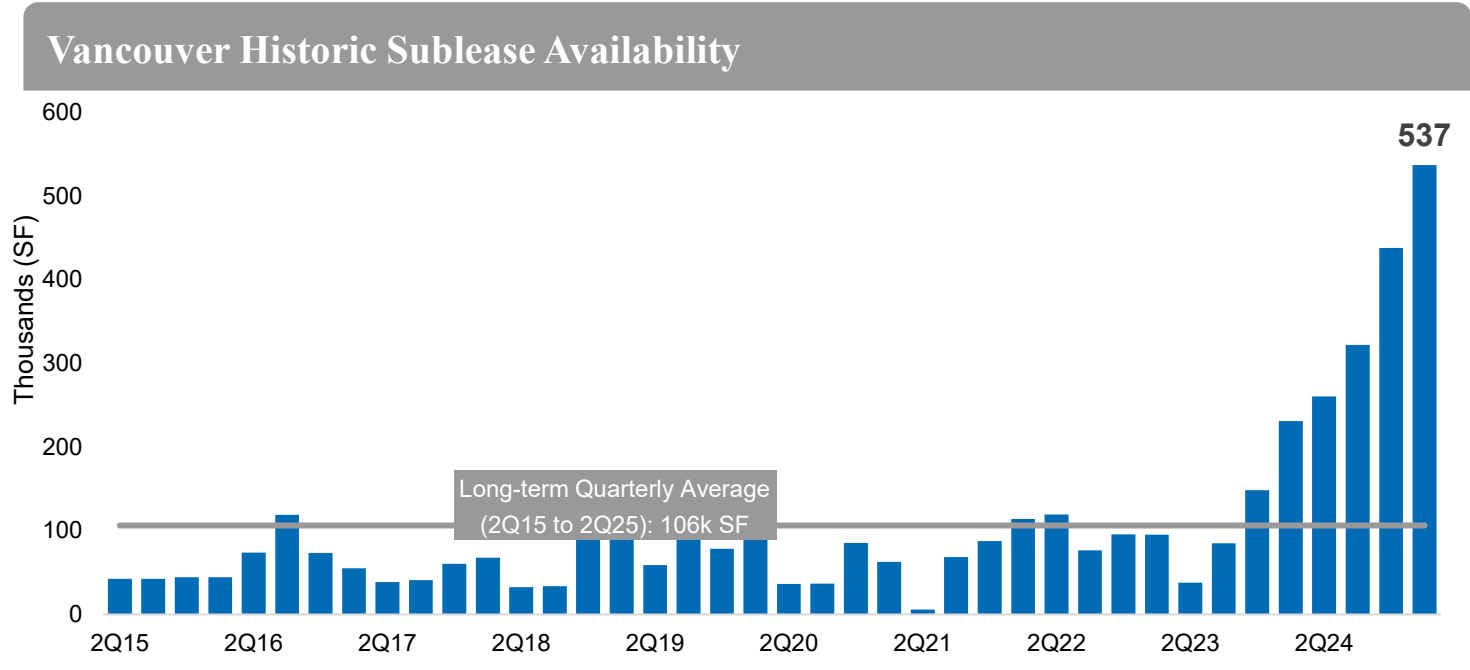
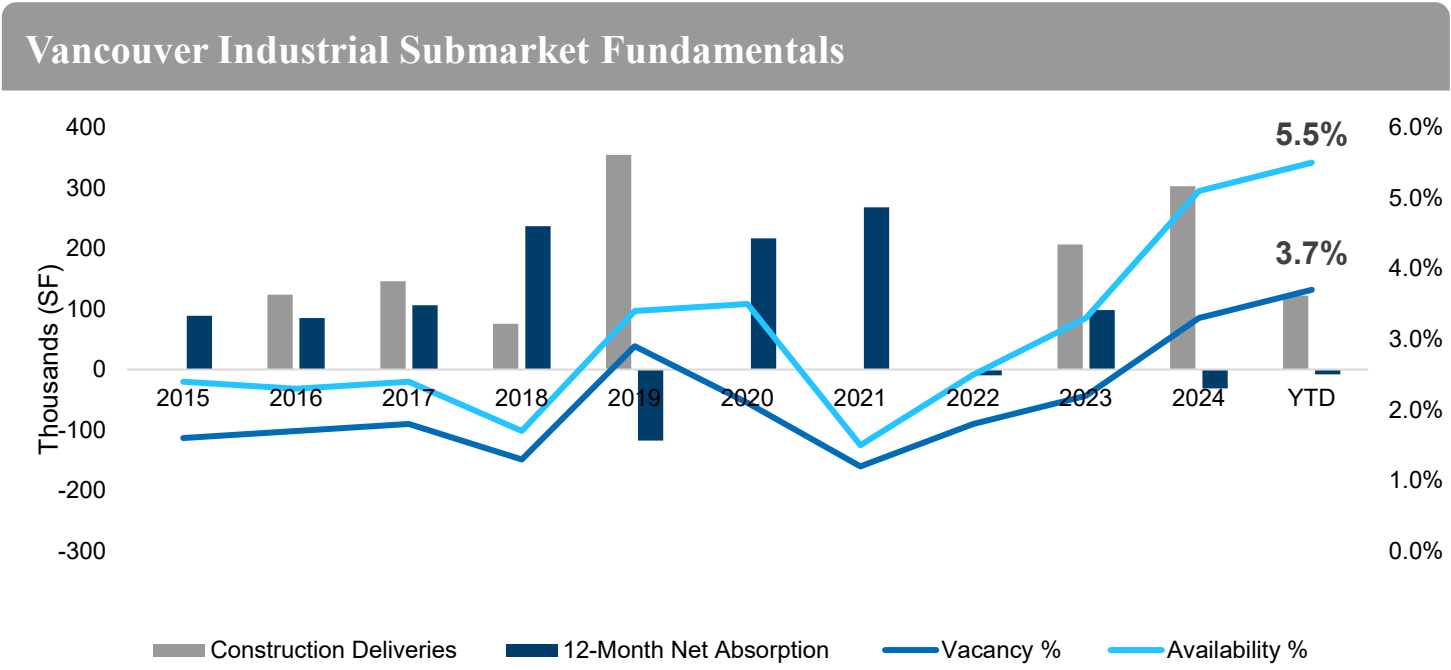
Second Quarter Deals

Tenant/Buyer	Building	Type	Square Feet
Intelcom	8358 Nordel Way, Delta	Lease	202,650
Undisclosed	938-940 Cliveden Avenue, Delta	Lease	47,550
Elite Forest Products	10050 River Way, Delta	Lease	30,450
Uni-One Food Group Inc.	1510 Derwent Way, Delta	Lease	20,050
247 Fulfillment	530-590 Chester Road, Delta	Lease	19,410

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 30.3 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 3.7% at mid-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. An astounding 32.4% of all available space in Vancouver is offered on a sublease basis.

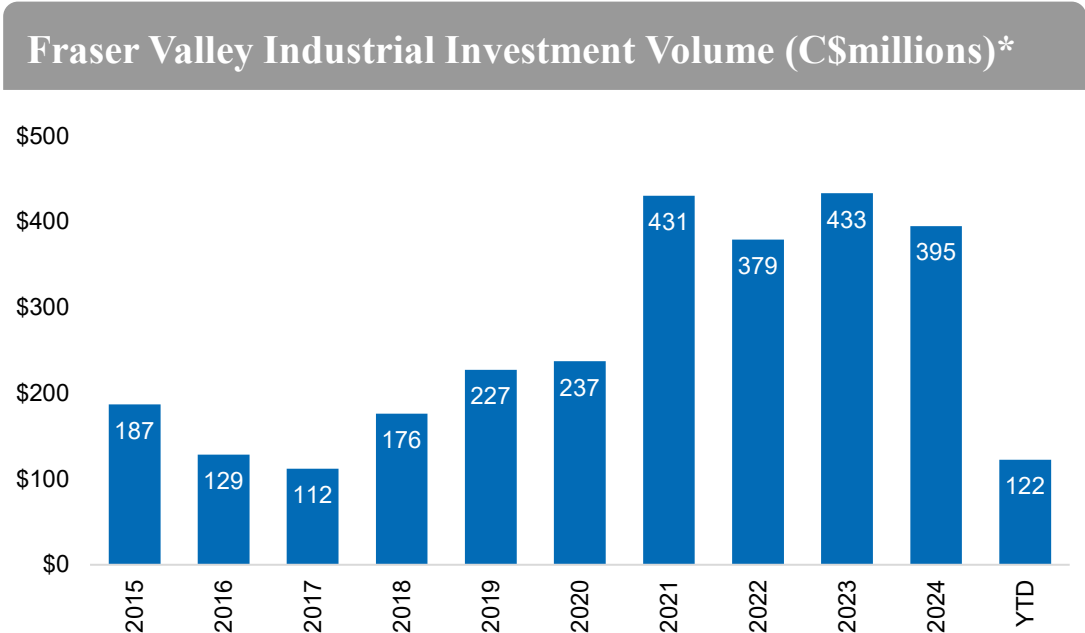
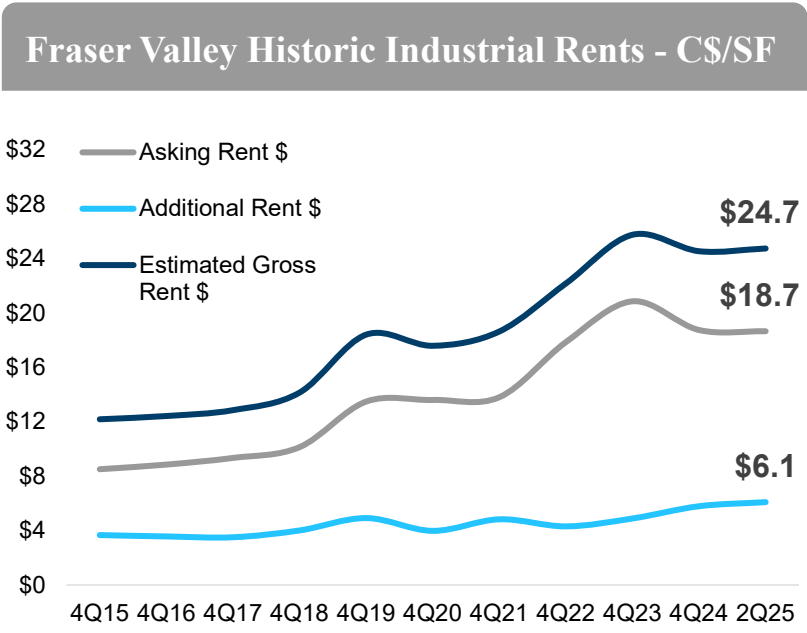
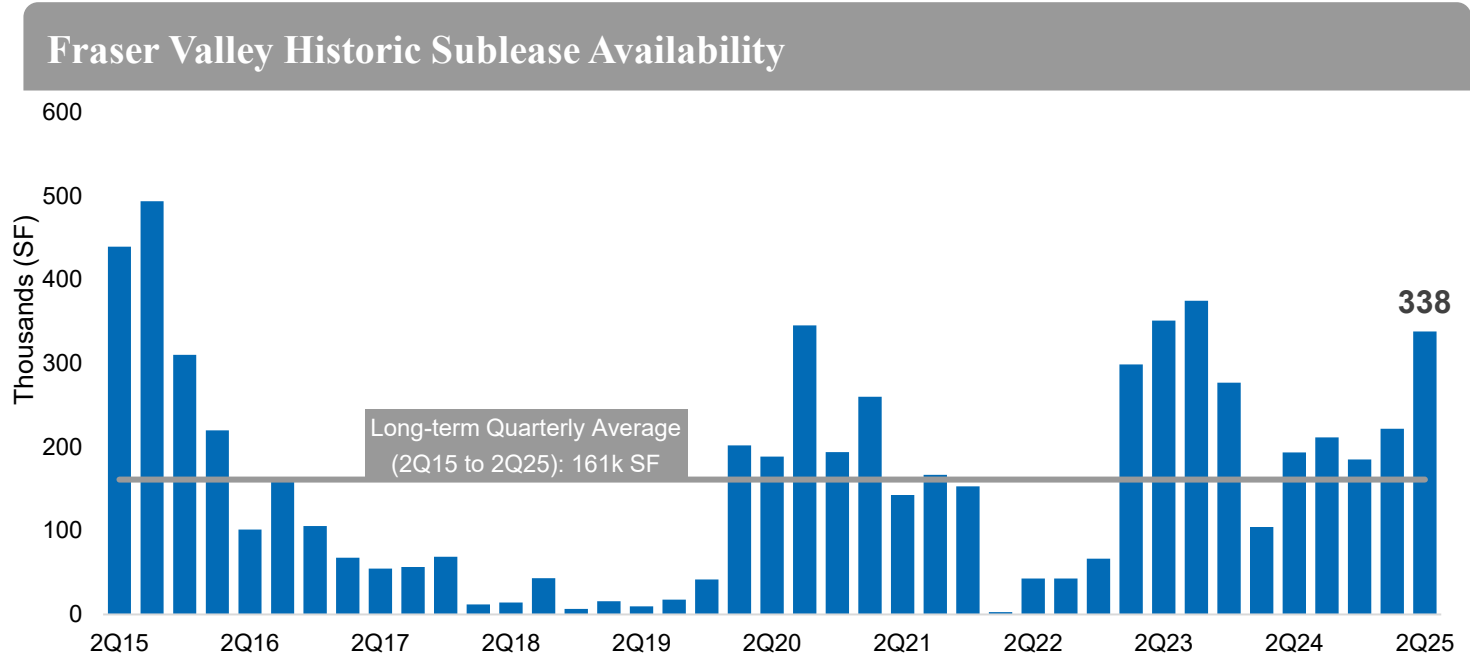
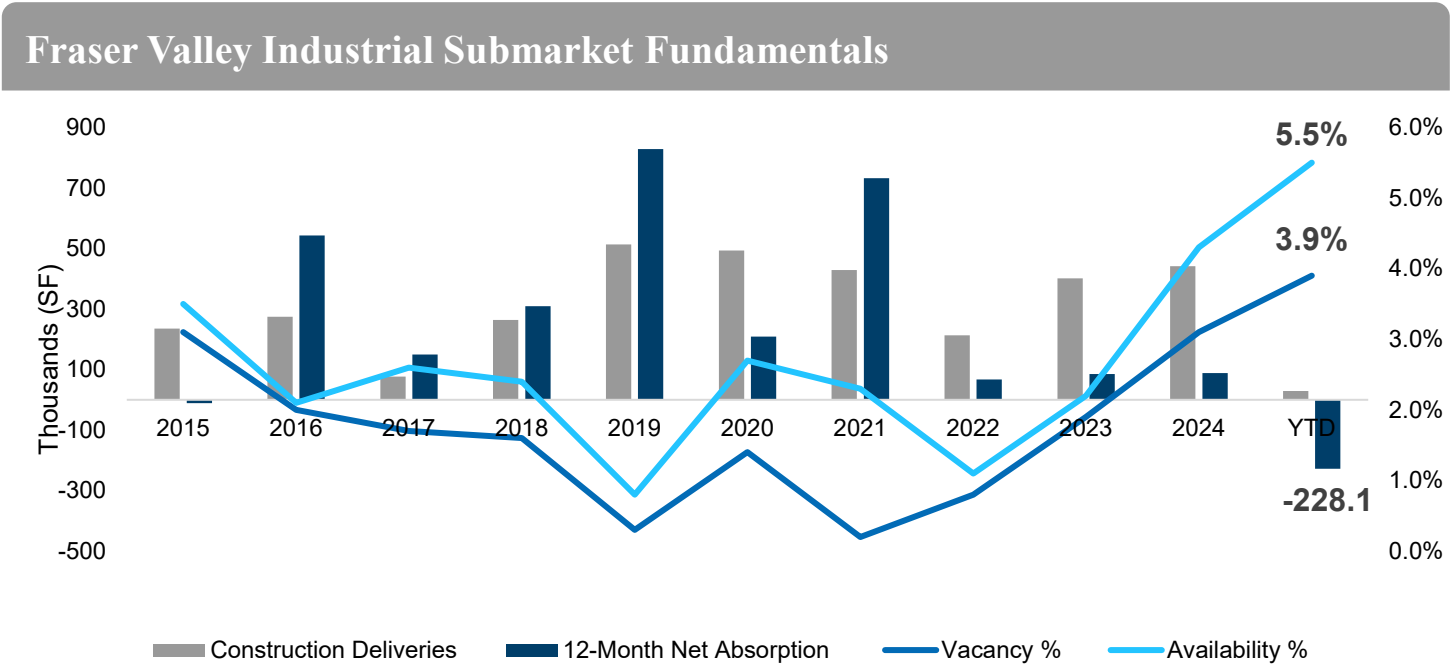


Second Quarter Deals			
Tenant/Buyer	Building	Type	Square Feet
Zoe International Distributing	8385 Fraser Street	Lease	44,300
EQ3	3355 Grandview Highway	Lease	24,000
Invinity	1227 Adanac Street	Lease	12,100
Goodly Foods	8383 Crompton Street	Lease	11,680
NewGen Transport	8585-8599 Fraser Street	Lease	9,870

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

The Fraser Valley (Abbotsford, Chilliwack & the Langleys)

The 29.3-msf submarket added ~4.1 msf of new space since the end of 2015 while vacancy was less than 2% from 2017 through 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. Notable negative absorption of -228k sf in the first half of 2025 was likely the result of tenants relocating closer to the core and U.S. tariff threats fuelling economic uncertainty.



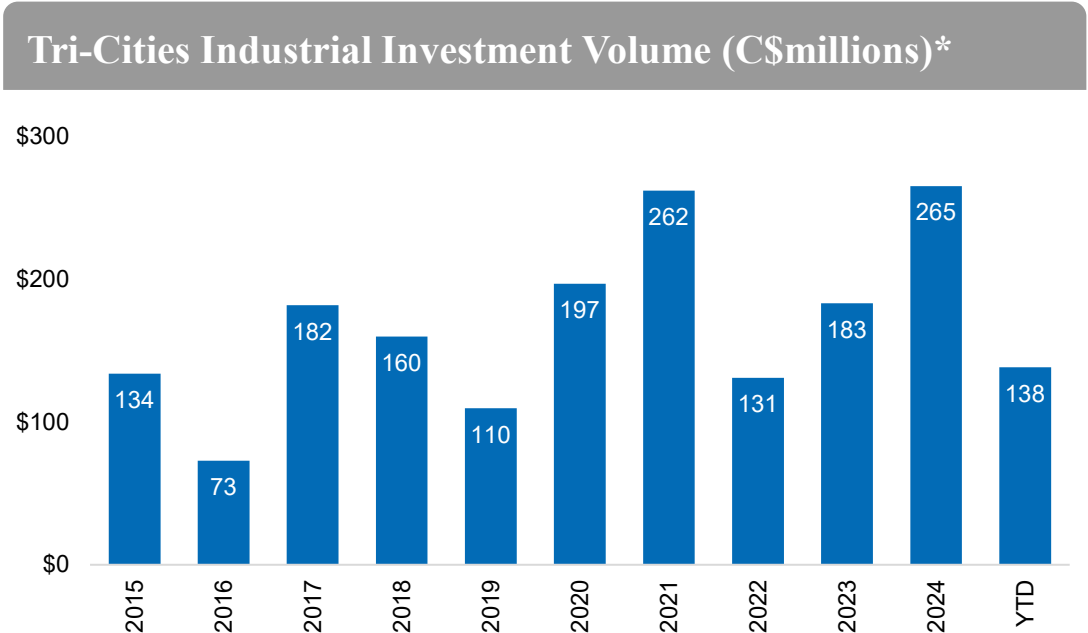
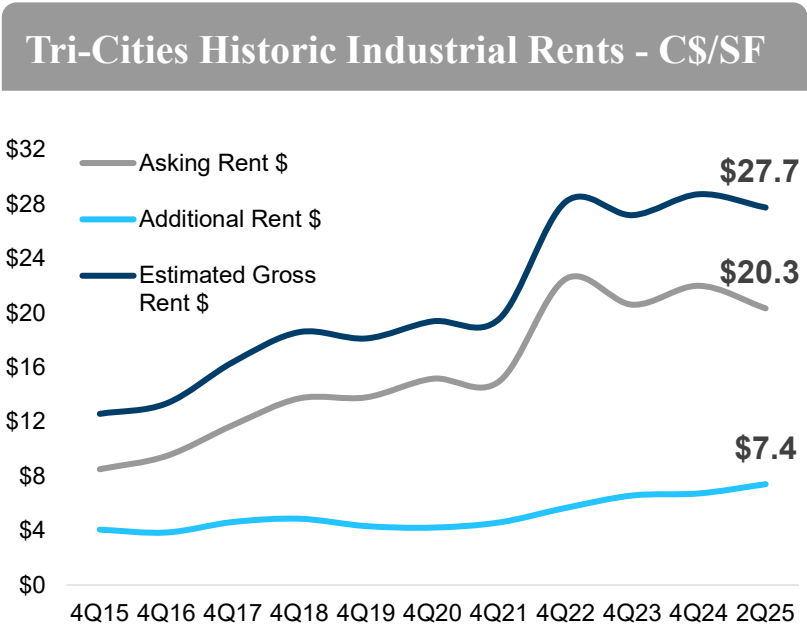
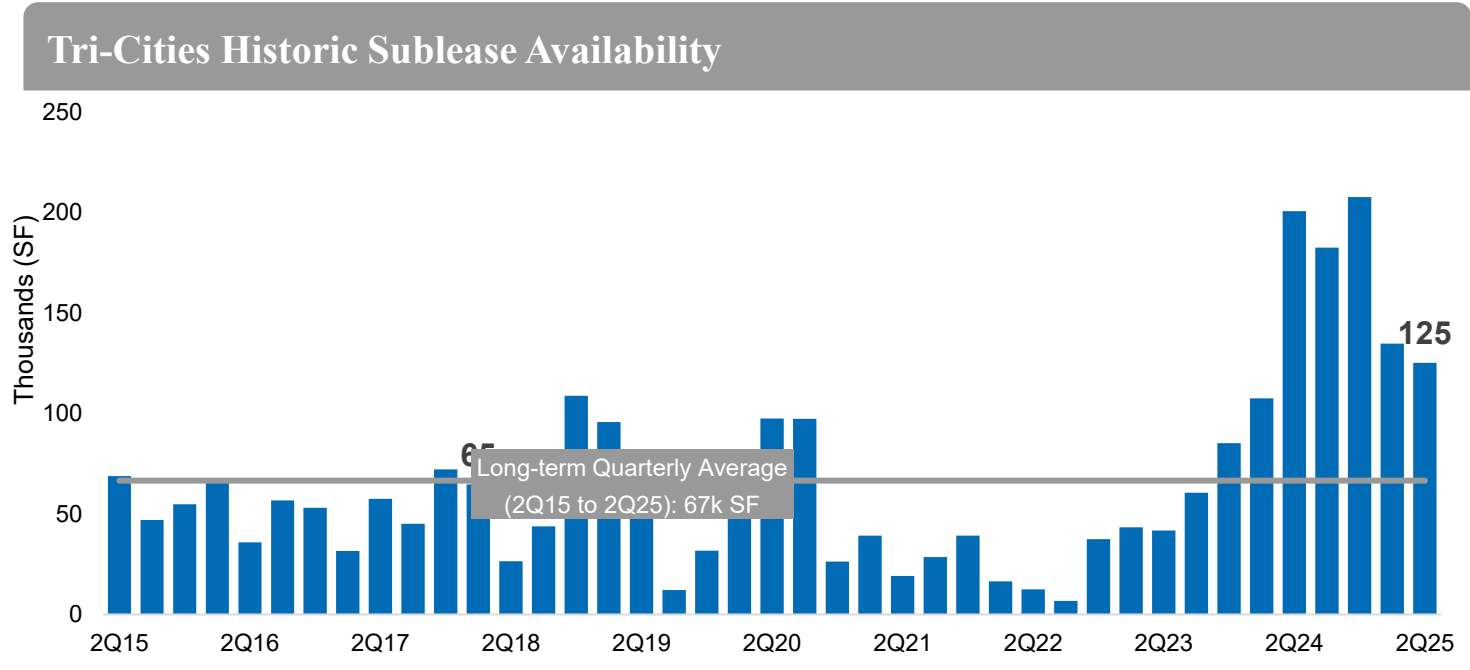
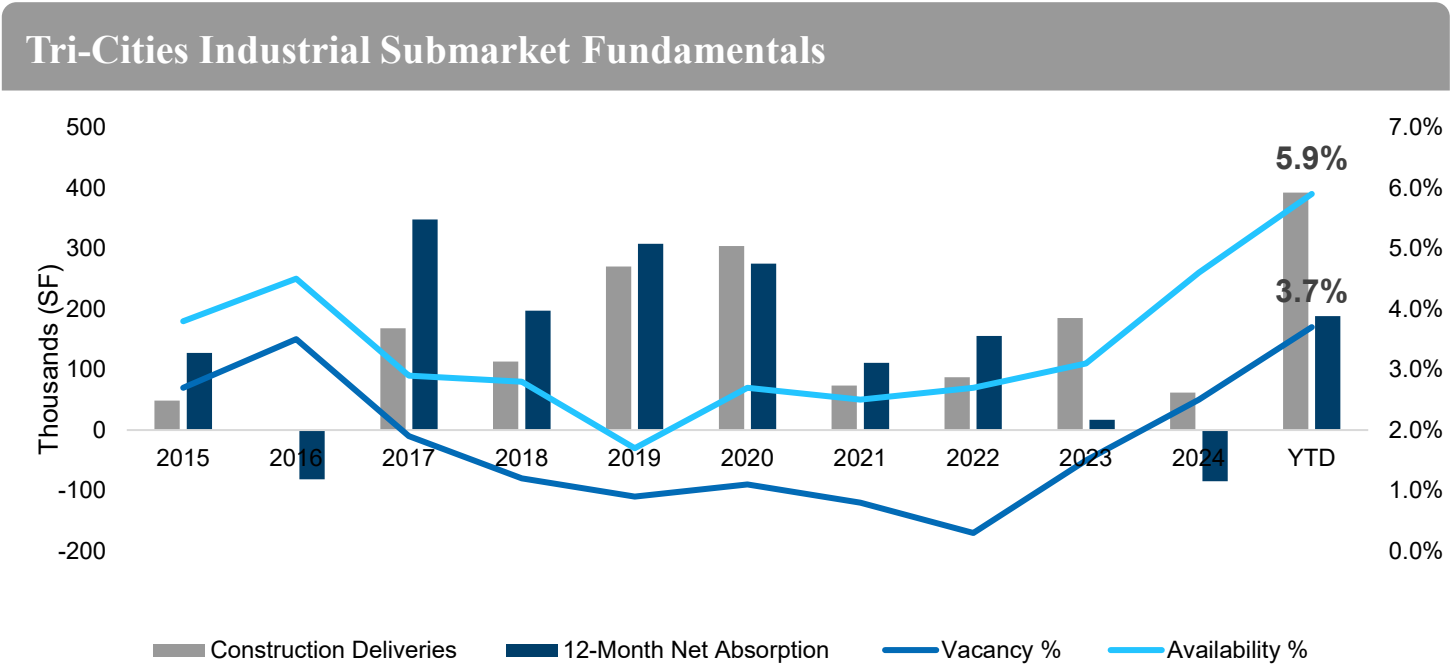
Second Quarter Deals

Tenant/Buyer	Building	Type	Square Feet
FlexiForce	30840 Peardonville Road, Abbotsford	Renewal	179,000
Costco	20146 100A Avenue, Langley	Lease	136,600
George Third and Sons	26835 Gloucester Way, Langley	Sublease	59,360
TerraLink	41844 No. 3 Road, Chilliwack	Lease	44,260
Meta Home & Kitchen	27465 55th Avenue, Langley	Lease	32,900

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 msf since the start of 2023 as vacancy and availability drifted steadily upwards 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 3.7% at mid-2025, the most vacancy recorded since mid-2017. Substantial absorption in the first half of 2025 was offset by historic amounts of new supply, which exerted further upward pressure on market fundamentals that contributed to a softening in rates.



Second Quarter Deals

Tenant/Buyer	Building	Type	Square Feet
Amazon	#101-11 King Edward Street, Coquitlam	Lease	76,100
Undisclosed	96 North Bend Street, Coquitlam	Lease	45,490
Xylem	69-71 Glacier Street, Coquitlam	Sublease	27,660
Auto & Air Repair	1621 Langan Avenue, Port Coquitlam	Lease	13,950
Icon Agency	1647 Broadway Street, Port Coquitlam	Sublease	11,130

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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