

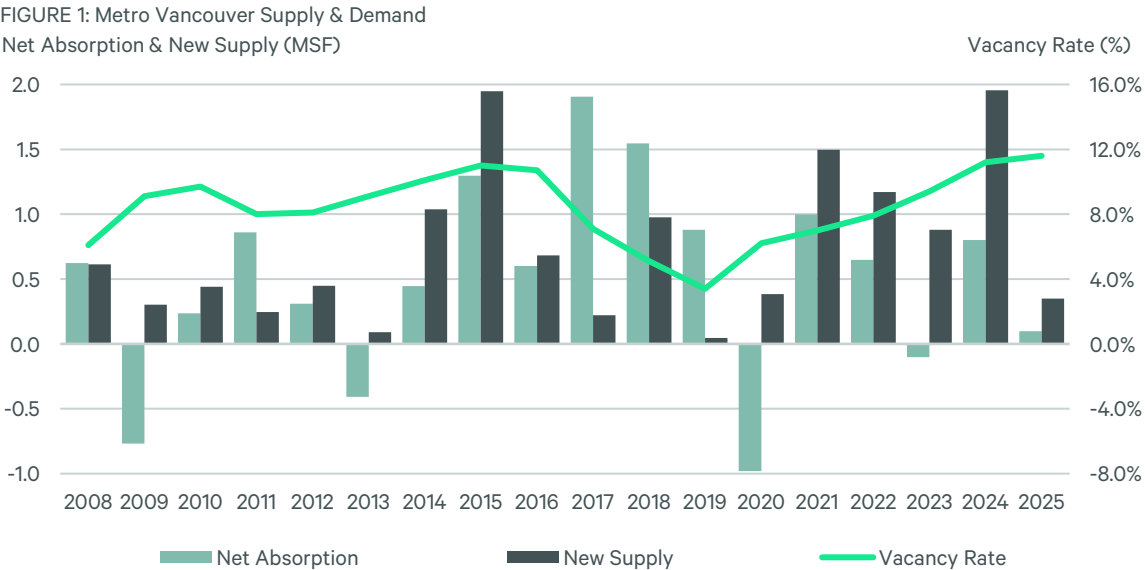
Large block Class AAA listings continue to reshape Downtown supply



Note: Arrows indicate change from previous quarter.

Overview

- The Metro Vancouver office market remained stable quarter-over-quarter, settling at 11.6% vacancy at the end of Q4 2025, a modest increase of 10 basis points (bps). Similarly, suburban market vacancy increased by 10 bps quarter-over-quarter to 10.3%; while the downtown submarket witnessed a quarter-over-quarter increase of 20 bps, reaching 12.8%.
- Large-block Class AAA availabilities continue to reshape supply in the Downtown office market. Spurred on by recent consolidation activity, vacancy in this trophy segment has risen 150 basis points over 2025 yet remains the lowest among all product classes.
- Downtown full floor listings greater than 8,000 sq. ft. (both direct and sublease) yields 174 alternatives currently, down from the May 2023 peak of 191 floors. Telus Garden, Bentall 6 and The Exchange account for 23 floors of AAA space , the majority of which will be returned to the market via Amazon’s migration to The Post.
- Total Metro Vancouver inventory under construction amounts to 594,641 sq. ft. 55.0% of which is preleased. Of this, 305,000 sq. ft. is from the Oakridge Park development and only 29,000 sq. ft. is located Downtown (837 Beatty). Surrey delivered City Centre 4 (182,940 sq. ft. of new supply) in Q4 2025 79.1% pre-leased.



Source: CBRE Research, Q4 2025.

The current office vacancy landscape

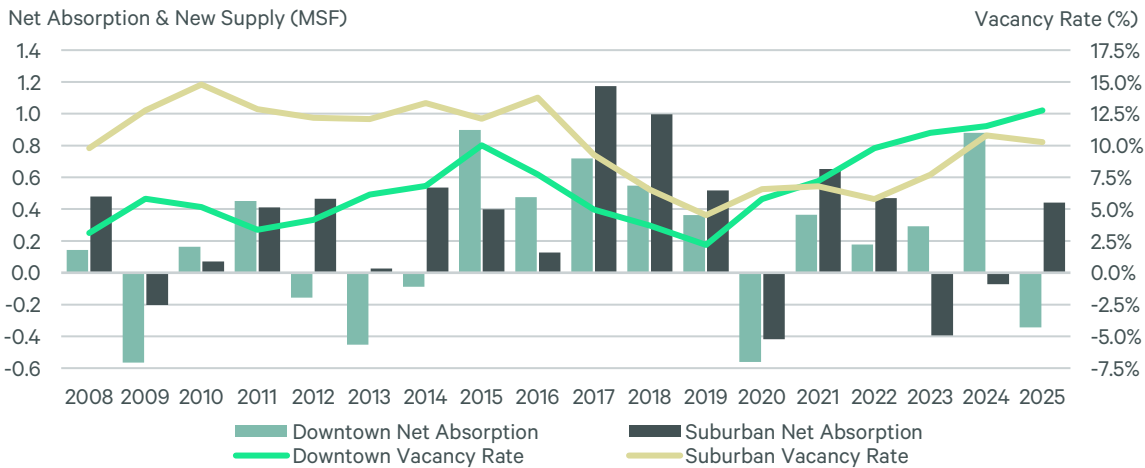
The Downtown office market posted its third consecutive quarterly vacancy increase, rising to 12.8%. This reflects a 20 bps quarterly increase and an annual 120 bps year-over-year escalation. Although Class AAA buildings recorded a year-over-year decline in vacancy (-70 bps), all other asset classes saw vacancy increases over the same period. On a quarterly basis, only Class AAA and A buildings experienced vacancy declines (-20 bps and -10 bps, respectively). B class buildings recorded the sharpest rise in vacancy, both quarterly (+70 bps) and year-over-year (+430 bps) pushing vacancy to a record high 19.8%.

Class AAA absorption increased in Q4 following Equinox Gold’s sub-sublease of 20,908 sq. ft. from Hillcore Financial at 1090 West Pender Street (Bentall 6). In the Class A segment, two full-floor transactions at 1021 West Hastings Street contributed a combined 16,202 sq. ft. of positive absorption—one secured by the law firm Dumoulin Black, and the other by technology company Diligent. While this momentum was partially offset by new vacancies returning to the market, a notable lease by Ascenda (an education provider) for 49,105 sq. ft. at Deloitte Summit was announced recently but not captured in this quarter’s statistics. This deal will contribute to Class AAA absorption in Q1 2026.

A major component to an increase in B Class vacancy in Q4 was the return of 93,000 sq. ft. at 910 Mainland Street. SAP, who occupy the remainder of the building, renewed their lease earlier in 2025. Downtown C class vacancy also rose, increasing by 20 bps quarter-over-quarter to 14.5%, largely due to two full-floor listings at 470 Granville Street and 948 Homer Street, which together introduced 20,484 sq. ft. of new vacancy.

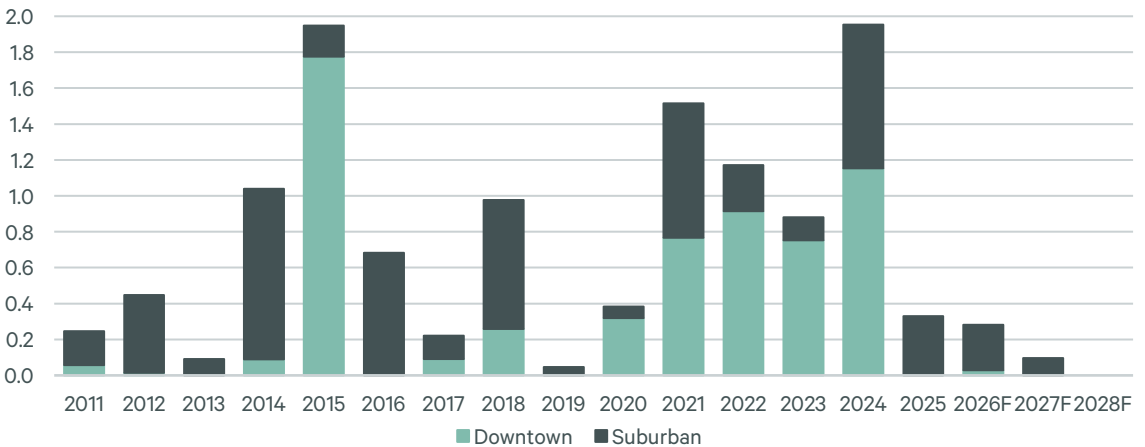
The Suburban market saw a slight uptick in vacancy in Q4, rising 10 bps to 10.3%. The largest driver was Fortinet’s sublease of 175,546 sq. ft. at 2910 Virtual Way in Boadway Tech Centre, which they put on the market following their purchase of another building in Still Creek Business Park earlier this year. Despite this sizable addition to vacancy, the market also recorded several notable sources of positive absorption: Fitness World leased 37,068 sq. ft. at Gilmore Place – Phase 1 in Burnaby; Netflix secured 26,112 sq. ft. in Main Alley M4 in Mount Pleasant; Willowbrae Academy occupied 33,653 sq. ft. at 10651 Shellbridge Way in Richmond; and ICBC leased 30,003 sq. ft. at Metrotown Centre.

FIGURE 2: Regional Supply & Demand



Source: CBRE Research, Q4 2025.

FIGURE 3: Regional New Supply Deliveries Forecast (MSF)



Source: CBRE Research, Q4 2025.

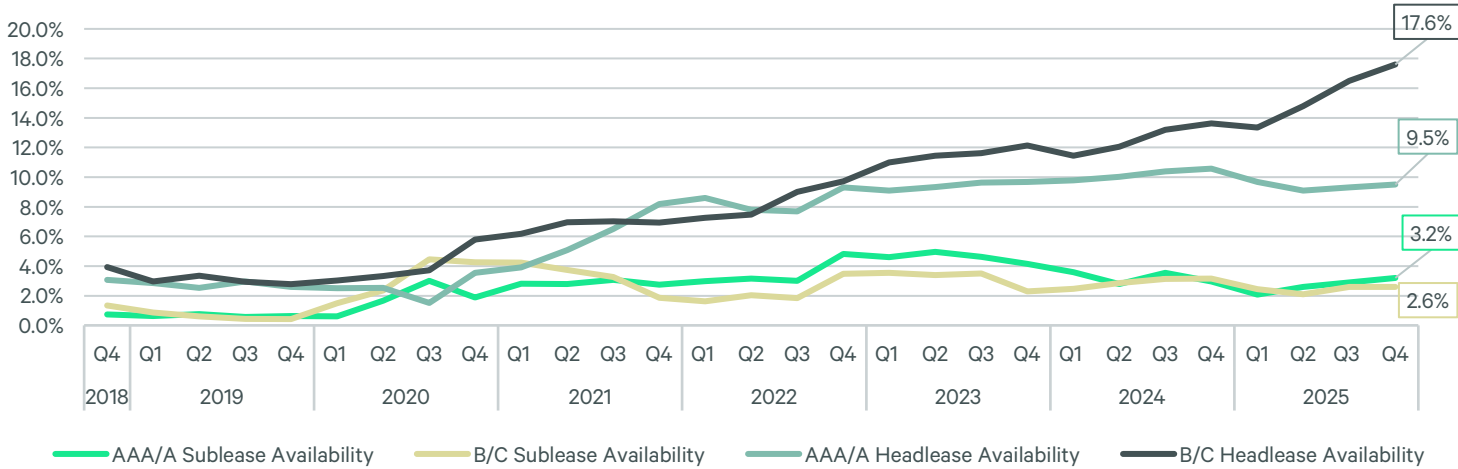
Downtown office availability

The Downtown Class AAA & A sublease availability rate increased by 30 bps quarter-over-quarter, largely driven by Amazon offering for sublease 89,827 sq. ft. at The Exchange. This follows the former Amazon’s space of 160,000 sq. ft. at Telus Garden in the previous quarter. Both listings are available, but not vacant (i.e. are not physically vacant) and are the result of Amazon consolidating their operations into The Post as planned. Despite the introduction of several large Class AAA sublease blocks in 2025—including Telus’ 87,799 sq. ft. sublease at Telus Garden, University Canada West’s 86,689-sq. ft. sublease at B6, and Amazon’s 89,827 sq. ft. sublease at The Exchange—this quarter’s combined Class AAA & A sublease availability rate of 3.2% (535,579 sq. ft.) remains well below the Q2 2023 peak of 5.0% (765,153 sq. ft.).

Class B & C sublease availability remained steady quarter-over-quarter at 2.6%, well below the Q3 2020 peak of 4.5% (503,668 sq. ft.). However, the Class B & C headlease availability rate has now reached a record high for the second consecutive quarter, rising to 17.6%. This trend reflects the continued rollover of expiring subleases into headlease availability, combined with several large headlease blocks that came to market earlier in the year—including 510 West Hastings Street (110,166 sq. ft.) and 929 Granville Street (71,000 sq. ft.).

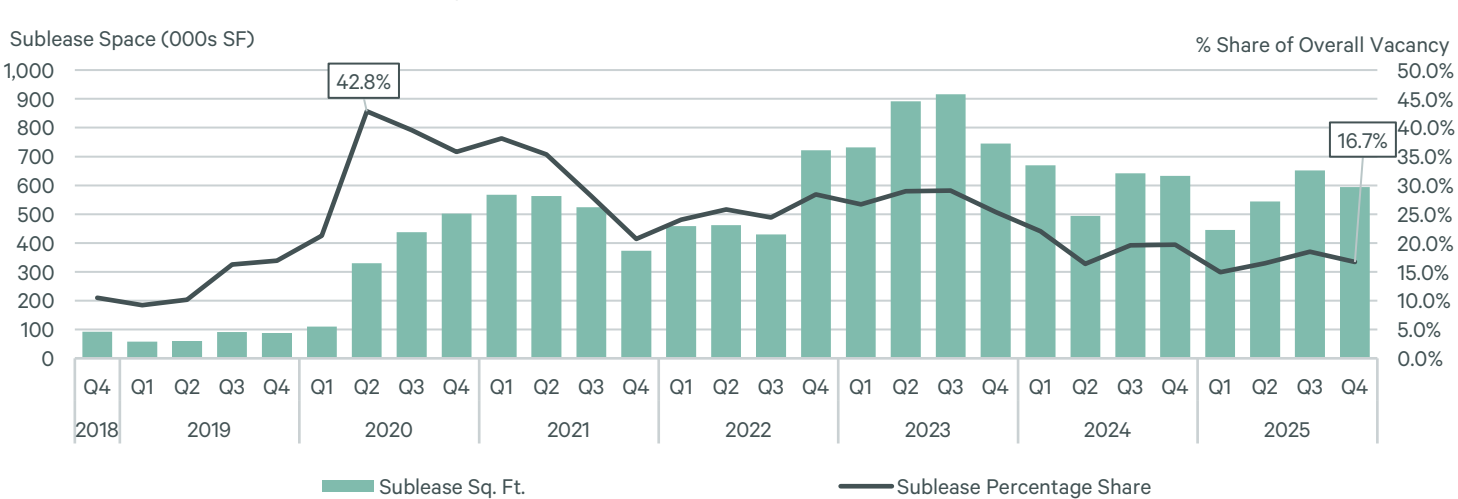
Downtown sublease vacancy remains elevated relative to pre-pandemic levels but declined modestly on both a quarter-over-quarter and year-over-year basis. Year-over-year, sublease vacancies increased in Class AAA and Class C buildings; however, these were more than offset by declines in Class A and Class B sublease vacancies. Quarter-over-quarter, sublease vacancy decreased across all asset classes except Class C, which recorded a modest uptick of 7,260 sq. ft.

FIGURE 4: Downtown Availability Rates



Source: CBRE Research, Q4 2025.

FIGURE 5: Downtown Historical Sublease Vacancy



Source: CBRE Research, Q4 2025.

Downtown gross lease activity down year-over-year and quarter-over-quarter, now below the five-year average

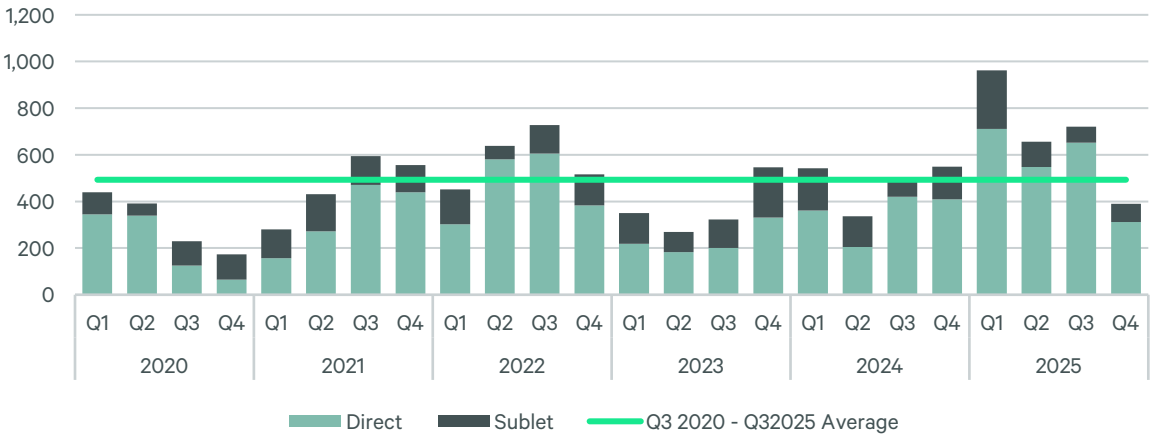
The Metro Vancouver office market experienced 862,000 sq. ft. of gross leasing activity in Q4 2025, down from 1.1 million sq. ft. during the previous quarter. The Downtown market accounted for 45.0% (389,748 sq. ft.) of the total, down quarter-over-quarter from 68.0% (720,919 sq. ft.). Of the 862,000 sq. ft. of total activity recorded in Metro Vancouver, 614,386 sq. ft. were direct deals, and 247,162 sq. ft. were sublease transactions.

2025 saw Downtown witness annual net absorption of negative 343,180 sq. ft. despite a strong Q1 2025, where 219,989 sq. ft. of net absorption occurred. However, a major contributor was large block listings of AAA class space. On the one hand, this is driven by the reconfiguration of Amazon’s office footprint in the market, but on the other hand vacancy and availability figures could change very quickly as this space is absorbed. Presently, market rents do not support new office development; however, the absence of new supply may create a narrow window for those tenants in the market where large block premium space is available because once these options are leased the window will be closed and rents will escalate. [Central 1 recently reported](#) that, “Despite the softness and trade uncertainty ahead, growth is expected to be positive in 2026 as some of the supply chain issues unwind. The labour market has proven steady, while the CPI-inflation rate remains above two per cent. Low population growth will likely curb the unemployment rate and maintain steady wage growth. This should keep the Bank of Canada on hold through 2026”. All things considered, 2026 should be a better year than 2025 for the economy and the office market.

Net asking rents resilient and stable

Downtown net asking rents were largely stable this quarter, easing slightly from \$36.50 to \$36.36 per sq. ft., and down year-over-year from \$37.18 per sq. ft. Only Class B recorded a modest decrease in asking net rental rates quarter-over-quarter. Looking ahead, both asking rents and tenant inducements are expected to remain stable with several large-block availabilities still present in the market.

FIGURE 6: Downtown Gross Leasing Activity (000s SF)



Source: CBRE Research, Q4 2025.

FIGURE 7: Notable Metro Vancouver Lease Transactions

Size (SF)	Tenant	Address	Submarket	Industry	Deal Type
101,251	Fraser Health Authority	230 Keary Street (Brewery District Bldg. 8)	New Westminster	Healthcare	Direct (Pre-lease)
33,653	Willowbrae Childcare Academy	10651 Shellbridge Way (AEP Building 3)	Richmond	Education	Direct
26,112	Netflix	110 East 5 Avenue (M4)	Broadway Corridor	Technology	Direct
20,908	Equinox Gold	1090 West Pender (B6)	CBD	Mining	Sub-sublease
17,074	Cactus Club	595 Burrard Street (Bentall Tower 3)	CBD	Retail	Direct

Source: CBRE Research, Q4 2025.

FIGURE 8a: Vancouver Office Market Statistics

	Class	Total Buildings	Inventory (SF)	Vacancy Rate (%)	Net Absorption (SF)	YTD Net Absorption (SF)	New Supply (SF)	Under Construction (SF)	Net Asking Rent (PSF)	T&O (PSF)
Downtown Vancouver	AAA	22	8,726,910	9.1%	12,177	60,683	-	-	\$48.15	\$26.46
	A	39	7,815,062	9.6%	10,456	-46,745	-	29,386	\$40.98	\$25.68
	B	56	6,998,441	19.8%	-52,088	-325183	-	-	\$33.55	\$22.03
	C	77	4,309,434	14.5%	-8,692	-31,935	-	-	\$24.80	\$19.55
		194	27,849,847	12.8%	-38,147	-343,180	-	29,386	\$36.36	\$23.24
Broadway Corridor	AAA	14	1,587,829	10.7%	51,749	1,723	-	305,000	\$37.61	\$24.24
	A	28	1,713,673	9.7%	-4,382	17,120	-	164,255	\$34.85	\$23.51
	B	34	1,686,154	12.3%	-7,183	14,159	-	-	\$30.59	\$19.84
	C	38	849,886	8.4%	11,504	19,706	-	-	\$21.98	\$19.94
		114	5,837,542	10.5%	51,688	52,708	-	469,255	\$32.07	\$21.71
Burnaby	AAA	14	2,634,126	21.1%	-161,639	-197,268	-	-	\$36.75	\$19.83
	A	30	2,836,642	18.5%	46,528	157,650	-	-	\$35.02	\$17.99
	B	36	2,934,973	8.8%	6,320	28,524	-	-	\$25.90	\$19.34
	C	22	864,679	4.5%	26,399	-1,268	-	-	\$21.80	\$20.77
		102	9,270,420	14.9%	-82,392	-12,362	-	-	\$33.22	\$19.17
Richmond	AAA	21	1,776,082	11.2%	10,891	99,888	-	-	\$19.75	\$14.42
	A	24	1,567,642	4.1%	36,316	59,961	-	-	\$21.35	\$14.11
	B	19	526,886	14.0%	31,633	38,850	-	-	\$16.22	\$18.71
	C	7	199,849	2.0%	0	0	-	-	\$14.00	\$12.64
		71	4,070,459	8.4%	78,840	198,699	-	-	\$19.19	\$15.31

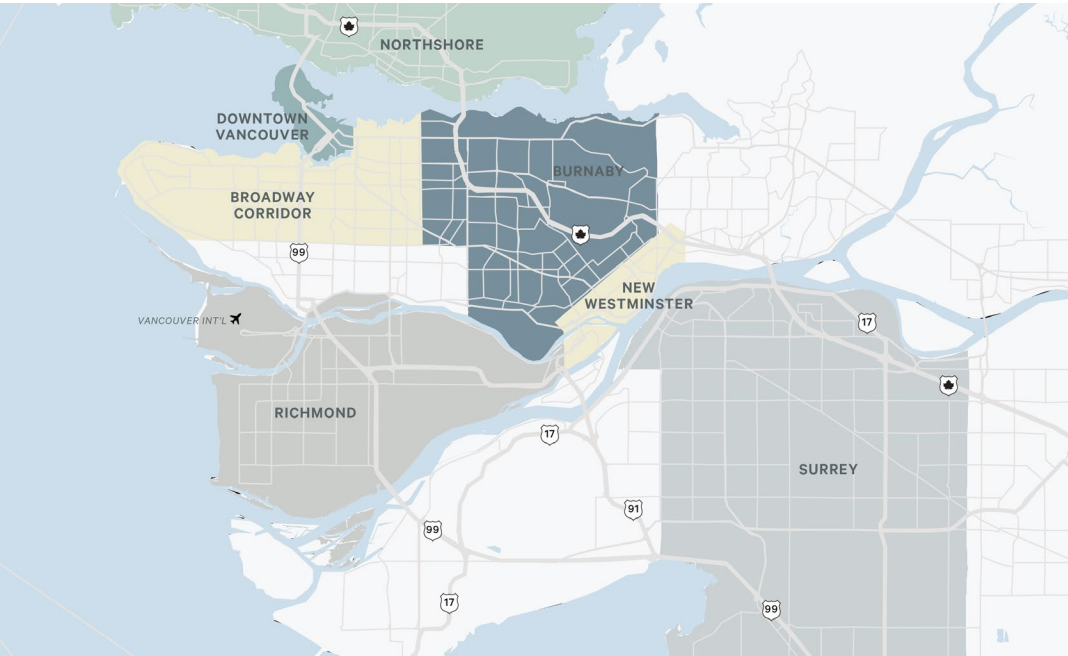
Source: CBRE Research, Q4 2025.

FIGURE 8b: Vancouver Office Market Statistics

	Submarket	Class	Total Buildings	Inventory (SF)	Vacancy Rate (%)	Net Absorption (SF)	YTD Net Absorption (SF)	New Supply (SF)	Under Construction (SF)	Net Asking Rent (PSF)	T&O (PSF)
North Shore		A	14	821,041	2.7%	-4,952	3,185	-	-	\$28.89	\$21.63
		B	17	752,877	2.6%	-2,800	5,827	-	-	\$21.43	\$12.10
		C	11	236,929	0.0%	0	0	-	-	\$22.00	\$16.00
			42	1,810,847	2.3%	-7,752	9,012	-	-	\$25.38	\$17.15
Surrey		A	23	2,410,694	7.5%	149,686	193,499	182,940	-	\$37.72	\$19.73
		B	21	807,730	4.6%	3,868	4,430	-	-	\$22.51	\$15.71
		C	12	238,403	0.0%	0	0	-	-	\$18.00	\$12.97
			56	3,456,827	6.3%	153,554	197,929	182,940	-	\$34.80	\$18.96
New Westminister		A	8	635,394	7.0%	-7,940	3,065	-	96,000	\$39.00	\$16.11
		B	14	615,296	4.6%	-16,279	-15,142	-	-	\$22.17	\$15.36
		C	10	275,766	0.9%	0	7,047	-	-	\$10.17	\$23.12
			32	1,526,456	4.9%	-24,219	-5,030	-	96,000	\$32.61	\$16.12
Total Suburban		AAA	49	5,998,037	15.4%	-98,999	-95,657	-	305,000	\$31.94	\$19.03
		A	127	9,985,086	10.0%	215,256	434,480	182,940	260,255	\$34.39	\$19.03
		B	141	7,323,916	8.5%	15,559	76,648	-	-	\$25.83	\$18.76
		C	100	2,665,512	4.4%	37,903	25,485	-	-	\$19.44	\$20.00
			417	25,972,551	10.3%	169,719	440,956	182,940	565,255	\$30.44	\$19.01
Metro Vancouver		AAA	71	14,724,947	11.7%	-86,822	-34,974	-	305,000	\$39.10	\$22.31
		A	166	17,800,148	9.8%	225,712	387,735	182,940	289,641	\$37.73	\$22.40
		B	197	14,322,357	14.0%	-36,529	-248,535	-	-	\$31.27	\$21.07
		C	177	6,974,946	10.6%	29,211	-6,450	-	-	\$23.84	\$19.63
			611	53,822,398	11.6%	131,572	97,776	182,940	594,641	\$34.00	\$21.56

Source: CBRE Research, Q4 2025.

Market Area Overview



Definitions

Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Net Absorption: The change in occupied sq. ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Vacancy Rate: Total vacant sq. ft. divided by the total building area. Vacant sq. ft.: Space that can be occupied within 30 days. Availability: All current and future marketed lease availabilities in existing inventory. Full floor: a floor over 8,000 sq. ft.

Survey Criteria

Includes all competitive office buildings in Greater Vancouver. Under construction refers to buildings which have begun construction as evidenced by site excavation or foundation work.

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