

# Vancouver Office Market Dynamics

Q1 2026

Vancouver's office development pipeline set to end in 2027, creating supply constraint as leasing momentum builds and vacancy declines





# Vancouver

- Overall vacancy dropped by 20 basis points to 12.2%, as occupancy gains in downtown and the suburbs exceeded losses in the periphery, with overall absorption sitting at 141k s.f. in Q1.
- Availability across the metro region decreased from 13.1% to 12.4% following an uptick in leasing activity to start the year, with strength seen in urban business parks.
- With under 1m s.f. remaining under construction and Vancouver’s development pipeline effectively ending in 2027, limited future supply constrains big-block availability and should support property income growth.

Vacancy across Metro Vancouver fell to 12.2% in Q1 2026, down 20 bps quarter-over-quarter, suggesting Vancouver likely saw its vacancy peak in 2025. While the market is showing promising signs of recovery, leasing velocity remains below levels seen in other West Coast markets and Toronto.

In the downtown core, Trophy vacancy now sits at 9.9% with availability declining following strong leasing activity despite several large blocks entering the market throughout 2025. The vacancy spread between suburban and downtown class ‘A’/Trophy properties has now narrowed to its tightest level since 2022, reflecting renewed demand for premium downtown space after pandemic-era momentum toward suburban nodes.

The suburbs continued their momentum, recording 103k s.f. of positive absorption in Q1, lowering the vacancy rate to 8.9%. Burnaby led with 78k s.f. absorbed. In downtown, 110k s.f. was absorbed in Q1, lowering overall vacancy to 15.3%, with nearly all occupancy gains concentrated in the core. The periphery presented a mixed picture: 76k s.f. of ‘A’ class space was absorbed, offset by 134k s.f. of class ‘B’ and 13k s.f. of ‘C’ class being vacated, as tenants relocated or consolidated operations, with activity split between the Broadway corridor and outlying markets. Despite this net negative absorption, overall availability in the periphery declined from 12.5% to 11.9% as class ‘A’ leasing activity accelerated. This was reflected across the metro region where overall availability fell from 13.1% to 12.4% q/q.

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Gross leasing increased by 40% q/q with downtown rising 11.1% and the suburbs 17.4%. The periphery drove the remainder, with leasing activity doubling over the last quarter on the strength of two large transactions in the Broadway Tech Centre: EA(175k s.f.) and Infosys (50k s.f.). Downtown activity included LayerZero (32k s.f. at 1021 W. Hastings), Fluor (expanded at 1133 Melville, taking 22k s.f.), and the City of Vancouver (51k s.f. at 1125 Howe). Suburban leasing was driven by numerous deals under 20k s.f., most notably Pinchin Environmental Ltd. (15k s.f. at 4180 Lougheed) in Burnaby.

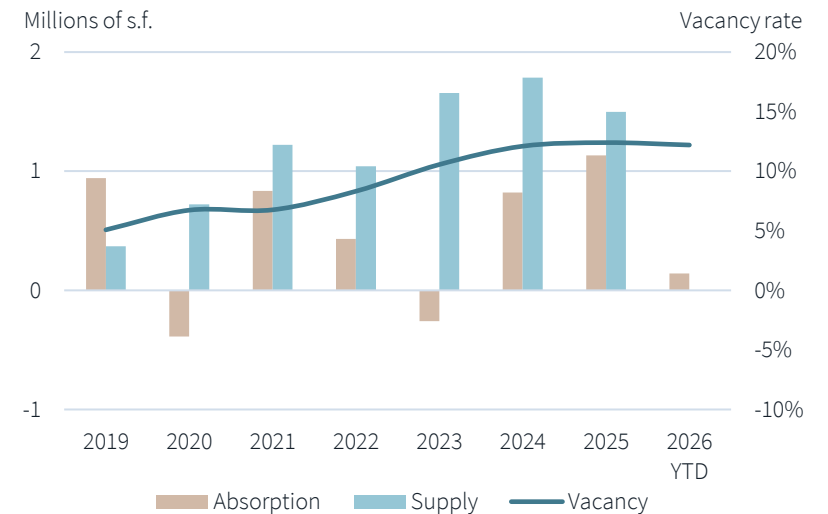
Approximately 744k s.f. is expected to deliver in 2026 across several projects concentrated in the periphery and suburbs: *110 W. 4th* (66k s.f.) and *Nature’s Path* at 2150 Keith (164k s.f.) along the Broadway corridor, *Oakridge Park* (275k s.f.) in the outlying market, *The Keary* at 230 Keary (101k s.f.) in New Westminster, and 837 Beatty (29k s.f.) in downtown.

## Outlook

With under 1m s.f. remaining under construction and 744k s.f. delivering by year-end 2026, Vancouver’s new office supply pipeline will essentially end in 2027. Several proposed downtown projects have pivoted to alternative uses including data centres, residential, and retail, leaving limited availability for requirements exceeding 50k s.f. in the near-term. On the capital markets side, recent transactions such as Oceanic Plaza have provided greater pricing clarity, while limited future supply supports strong income growth potential – painting a sanguine picture for investment into Vancouver’s office market.

Fundamentals		Forecast
Quarterly net absorption (s.f.)	140,890	↑
Quarterly leasing activity (s.f.)	1,050,965	↑
Total availability rate (%)	12.4%	↓
Total vacancy rate (%)	12.2%	↓
Avg. direct net asking rent (p.s.f.)	\$32.05	↑
Avg. gross asking rent (p.s.f.)	\$53.52	↑
Sublease availability (s.f.)	1,678,301	↓
Under construction (s.f.)	946,627	↓

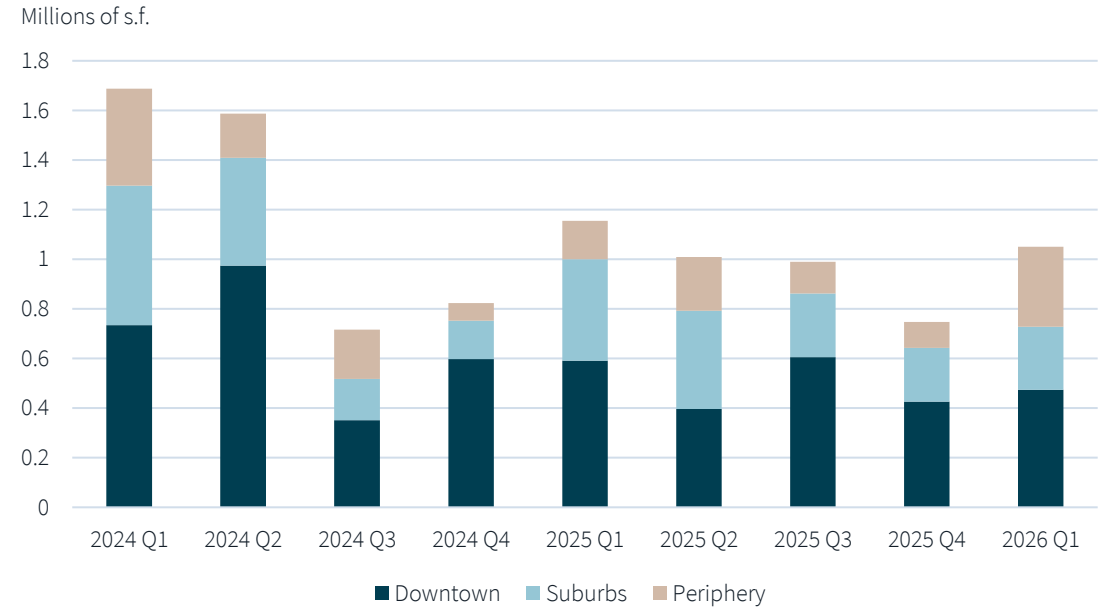
## Historical supply and demand trends



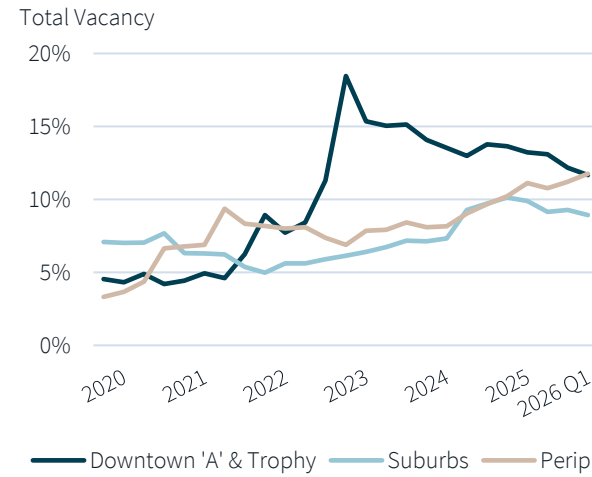
**Total availability rate by submarket cluster**



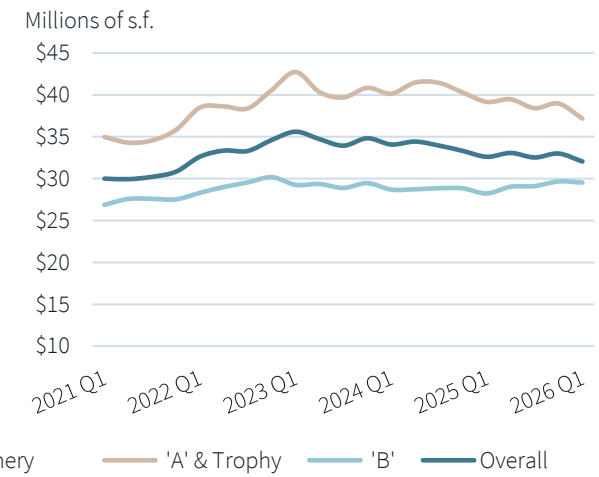
**Quarterly gross leasing activity by submarket cluster**



**Total vacancy by submarket cluster**



**Average net asking rents by class**



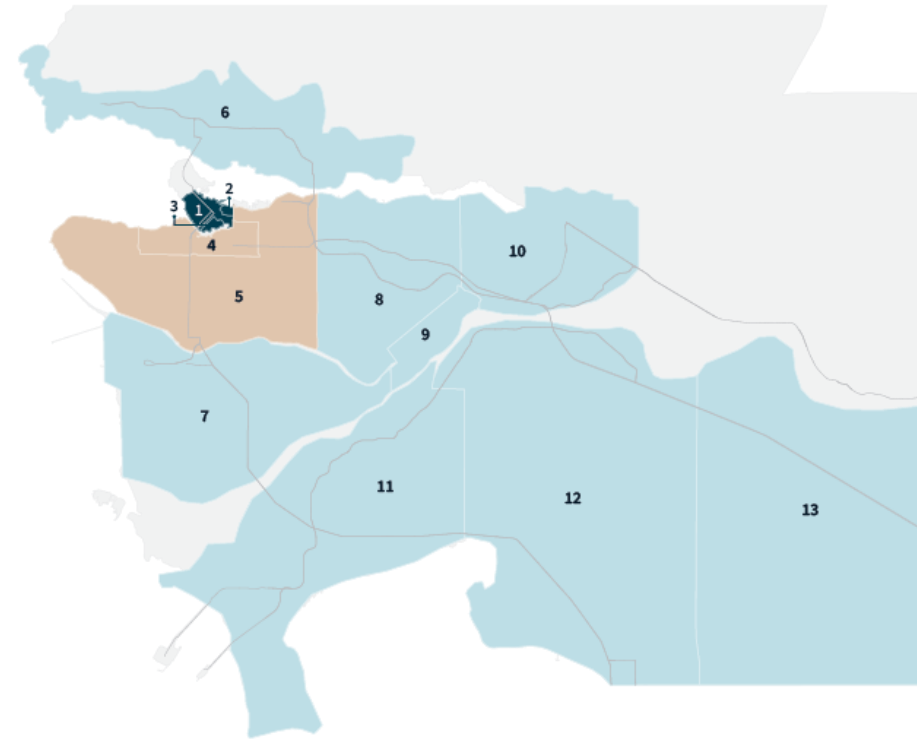
### Notable lease transactions, Q1 2026

Tenant	Address	Submarket	Class	Size (s.f.)	Type
Electronic Arts	2910 Virtual Way	Vancouver Outlying	A	175,546	New Lease
National Bank of Canada	1040 W Georgia St	Downtown Core	A	51,937	Renewal
City of Vancouver	1125 Howe St	Downtown Core	C	51,608	New Lease
Klohn Krippen Berger	2955 Virtual Way	Vancouver Outlying	A	50,350	Renewal
Infosys	2920 Virtual Way	Vancouver Outlying	A	49,532	New Lease
Gowling WLG	550 Burrard St	Downtown Core	Trophy	46,947	Renewal
BC Safety Authority	2889 E 12 <sup>th</sup> Ave	Burnaby	A	40,572	Renewal
LayerZero	1021 W Hastings St	Downtown Core	Trophy	32,313	New Lease
Fluor	1133 Melville St	Downtown Core	Trophy	22,300	New Lease
BBA Consultants	1050 W Pender St	Downtown Core	B	22,000	Renewal
Pinchin Environmental Ltd	4180 Lougheed Hwy	Burnaby	B	14,812	New Lease

### Notable sale transactions, Q1 2026

Property	Price (\$M)	RBA (s.f.)	Price (p.s.f.)	Buyer(s)	Seller(s)
1066 W Hastings St	\$246	351,365	\$700	BGO	Oxford Properties / CPPIB

### Market map



Downtown	
1	Downtown Core
2	Gastown
3	Yaletown
Periphery	
4	Broadway Corridor
5	Vancouver Outlying
Suburbs	
6	North Shore
7	Richmond
8	Burnaby
9	New Westminster
10	Tri-Cities
11	Delta
12	Surrey
13	Langley

### Key metrics\*

Downtown	15.3%	🔴	110k	🟢	70k	➡️	\$34.73	🔴
Periphery	11.8%	🟢	-72k	🔴	572k	➡️	\$31.32	🔴
Suburbs	8.9%	🔴	103k	🔴	304k	➡️	\$26.23	🔴
Overall	12.2%	🔴	141K	🔴	946k	➡️	\$32.05	🔴
	Vacancy rate		Quarterly net absorption (s.f.)		Under construction (s.f.)		Avg. net asking rent (p.s.f. per annum)	

\*Arrows indicate q-o-q change



	Inventory (s.f.)	Quarterly net absorption (s.f.)	YTD net absorption (s.f.)	YTD total net absorption (% of stock)	Sublease availability (s.f.)	Direct vacancy (%)	Total vacancy (%)	Total availability (%)	Average direct asking net rent (\$ p.s.f.)	Average additional rent (\$ p.s.f.)	Average direct asking gross rent (\$ p.s.f.)	YTD completions (s.f.)	Under development (s.f.)
<b>Downtown</b>	<b>30,937,695</b>	<b>110,023</b>	<b>110,023</b>	<b>0.4%</b>	<b>747,416</b>	<b>13.0%</b>	<b>15.3%</b>	<b>15.3%</b>	<b>\$34.73</b>	<b>\$23.79</b>	<b>\$58.53</b>	-	<b>70,400</b>
Downtown Core	27,185,340	106,986	106,986	0.4%	653,128	12.3%	14.6%	14.7%	\$35.29	\$24.46	\$59.75	-	40,800
Gastown	1,759,963	7,125	7,125	0.4%	34,016	20.3%	22.8%	19.6%	\$26.82	\$19.40	\$46.22	-	-
Yaletown	1,992,392	-4,088	-4,088	-0.2%	60,272	16.0%	18.1%	20.0%	\$34.32	\$20.42	\$54.74	-	29,600
<b>Periphery</b>	<b>13,105,374</b>	<b>-72,092</b>	<b>-72,092</b>	<b>-0.6%</b>	<b>347,249</b>	<b>10.4%</b>	<b>11.8%</b>	<b>11.9%</b>	<b>\$31.32</b>	<b>\$20.09</b>	<b>\$51.41</b>	-	<b>572,461</b>
Broadway Corridor	8,886,897	-39,685	-39,685	-0.4%	241,359	10.6%	11.8%	13.1%	\$30.94	\$20.93	\$51.87	-	230,658
Vancouver Outlying	4,218,477	-32,407	-32,407	-0.8%	105,890	10.2%	11.7%	9.4%	\$32.40	\$17.65	\$50.05	-	341,803
<b>Suburban</b>	<b>27,237,634</b>	<b>102,959</b>	<b>102,959</b>	<b>0.4%</b>	<b>583,636</b>	<b>7.2%</b>	<b>8.9%</b>	<b>9.2%</b>	<b>\$26.23</b>	<b>\$17.66</b>	<b>\$44.27</b>	-	<b>303,766</b>
Burnaby	9,829,594	78,474	78,474	0.8%	469,151	8.4%	12.4%	13.8%	\$28.21	\$18.58	\$46.79	-	202,515
Langley	1,678,711	6,267	6,267	0.4%	8,984	4.3%	4.3%	2.9%	\$25.40	\$15.82	\$41.22	-	-
New Westminster	1,650,147	-1,807	-1,807	-0.1%	6,253	6.0%	6.3%	7.2%	\$31.11	\$16.31	\$47.42	-	101,251
North Shore	2,909,727	15,178	15,178	0.5%	5,999	2.1%	2.4%	1.9%	\$24.03	\$18.39	\$42.42	-	-
Richmond	5,538,089	239	239	0.0%	21,533	9.2%	9.3%	8.0%	\$18.21	\$15.02	\$33.23	-	-
Surrey	4,952,860	-5,527	-5,527	-0.1%	71,716	7.2%	8.1%	8.7%	\$30.19	\$18.21	\$48.40	-	-
Tri-Cities	678,506	10,135	10,135	1.5%	-	7.3%	7.3%	9.3%	-	\$15.14	-	-	-
<b>Vancouver Total</b>	<b>71,280,703</b>	<b>140,890</b>	<b>140,890</b>	<b>0.2%</b>	<b>1,678,301</b>	<b>10.3%</b>	<b>12.2%</b>	<b>12.4%</b>	<b>\$32.05</b>	<b>\$21.43</b>	<b>\$53.52</b>	-	<b>946,627</b>
<b>Trophy</b>	<b>8,087,418</b>	<b>58,846</b>	<b>58,846</b>	<b>0.7%</b>	<b>275,876</b>	<b>6.5%</b>	<b>9.9%</b>	<b>10.2%</b>	<b>\$49.27</b>	<b>\$25.79</b>	<b>\$75.05</b>	-	-
<b>Class 'A'</b>	<b>29,721,938</b>	<b>186,999</b>	<b>186,999</b>	<b>0.6%</b>	<b>874,081</b>	<b>9.0%</b>	<b>11.4%</b>	<b>12.3%</b>	<b>\$35.51</b>	<b>\$21.36</b>	<b>\$56.96</b>	-	<b>946,627</b>
<b>Class 'B'</b>	<b>25,519,832</b>	<b>-111,337</b>	<b>-111,337</b>	<b>-0.4%</b>	<b>461,244</b>	<b>12.3%</b>	<b>13.4%</b>	<b>12.8%</b>	<b>\$29.53</b>	<b>\$21.15</b>	<b>\$50.68</b>	-	-
<b>Class 'C'</b>	<b>7,951,515</b>	<b>6,382</b>	<b>6,382</b>	<b>0.1%</b>	<b>67,100</b>	<b>12.8%</b>	<b>13.7%</b>	<b>13.2%</b>	<b>\$23.85</b>	<b>\$18.97</b>	<b>\$42.82</b>	-	-
<b>Vancouver Total</b>	<b>71,280,703</b>	<b>140,890</b>	<b>140,890</b>	<b>0.2%</b>	<b>1,678,301</b>	<b>10.3%</b>	<b>12.2%</b>	<b>12.4%</b>	<b>\$32.05</b>	<b>\$21.43</b>	<b>\$53.52</b>	-	<b>946,627</b>



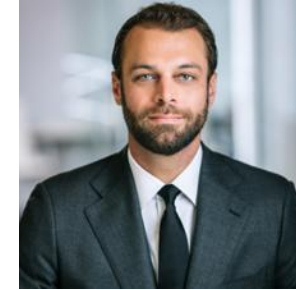
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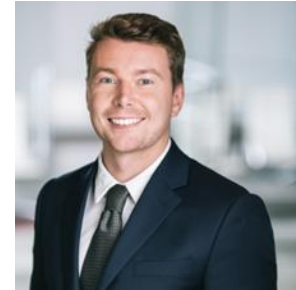
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