

Vancouver Office Market Dynamics

Q4 2025

'Trophy' and 'A' class properties record 1.4m s.f. of net absorption in 2025, as the market continues to bifurcate.





Vancouver

- Overall vacancy rose by 30bps to 12.5%, as positive momentum in ‘A’ & ‘Trophy’ class assets was offset by occupancy losses in ‘B’ and ‘C’ classes.
- Gross leasing fell 19% quarter-over-quarter due to typical seasonality in lease activity as well as a particularly strong figure in Q3 that was boosted by Lululemon’s HQ commitment creating a vacuum in Q4.
- Substantial ‘A’ class developments in Vancouver’s peripheral and suburban markets delivered in Q4 with further completions expected in early 2026.

Q4 2025 saw Vancouver’s overall vacancy rate rise by 30 basis points to 12.5%, reversing the downward trend seen in Q3. The urban-suburban vacancy spread widened slightly as Downtown Core vacancy increased by 40 bps to 15.2% while suburban vacancy edged up 20bps to 9.3%.

In the Downtown Core, ‘Trophy’ and ‘A’ class assets recorded occupancy gains in Q4, while ‘B’ and ‘C’ saw vacancy rates rise. Notably ‘B’ class vacancy jumped 200 bps to 18.8%, offsetting gains in ‘A’ & ‘Trophy’. The continued trend of rising vacancies in middle and lower tier buildings was mirrored across Gastown and Yaletown, lifting overall vacancy for the broader Downtown cluster marginally to 15.8%. On the year, ‘Trophy’ & ‘A’ class properties Downtown collectively saw 227k s.f. of positive absorption, contrasting the combined -329k s.f. of negative absorption in ‘B’ & ‘C’ classes. These figures underscore a persistent and increasing trend of flight to quality; demand remains concentrated in top-tier assets whilst properties in the middle and lower segments continue to lag.

Suburban absorption remained robust with a standout 290k s.f. seen in Surrey in Q4. This was almost entirely attributable to ‘A’ class product, and more specifically the delivery of the newly delivered *City Centre 4*. Across all Suburban submarkets, a total of 738k s.f. was absorbed in 2025 with ‘A’ class accounting for 692k s.f. of occupancy gains. The Peripheral cluster reported

89k s.f. of absorption in Q4 (416k s.f. for the year), also led by new ‘A’ class supply where significant pre-leasing led to absorption upon delivery.

Gross leasing contracted 19.2% QoQ, led by a 29% decrease in Downtown following Lululemon’s significant commitment in Q3. Conversely, the Suburban cluster was buoyed by notable deals, such as Fraser Health Authority’s pre-lease of 101k s.f. at *230 Keary St* in New Westminster.

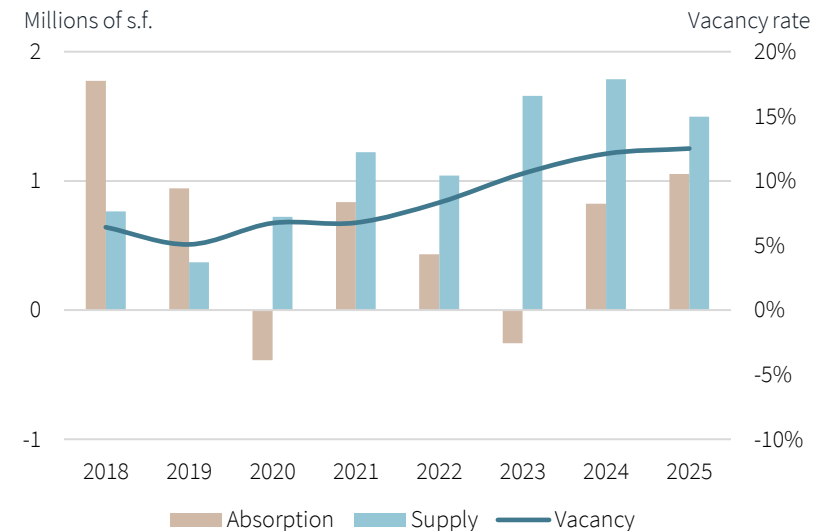
Q4 saw an influx of 627k s.f. of new ‘A’ class product across the Periphery and Suburbs. New deliveries include *1477 W Broadway & Archetype* (Periphery), *Luxe Lansdowne* (Richmond), and *Flamingo Block & City Centre 4* (Surrey). Overall, these projects were 70% pre-leased or pre-sold upon completion.

Outlook

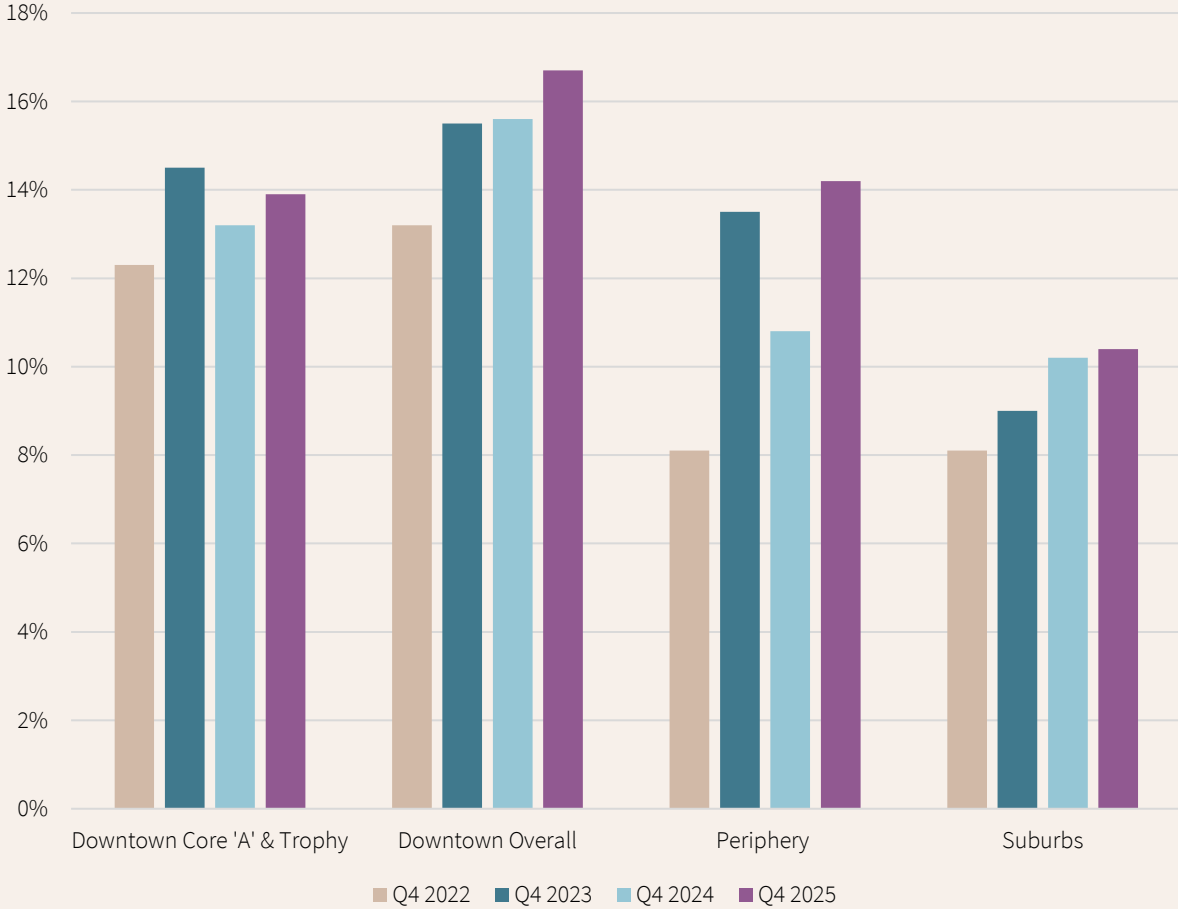
With only 818k s.f. of office space under construction and no new developments pending, vacancy rates will begin to see downward pressure particularly in ‘A’ and ‘Trophy’ class buildings, likely pushing rents up over the medium-term. This sets up a first-mover advantage for tenants seeking premium space as supply becomes increasingly scarce. With institutional players again deploying capital, Vancouver office is now seen as a highly attractive investment for both investors and lenders – barring major geopolitical shocks. Supported by several high-profile sales, Vancouver accounted for over 41% of national office investment volumes in 2025.

Fundamentals		Forecast
YTD net absorption (s.f.)	1,053,015	→
Quarterly net absorption	416,908	→
Total availability rate (%)	13.1%	↓
Total vacancy rate (%)	12.5%	↓
Avg. direct net asking rent (p.s.f.)	\$33.05	↑
Avg. gross asking rent (p.s.f.)	\$54.19	↑
Sublease availability (s.f.)	1,732,974	↓
Under construction (s.f.)	818,861	↓

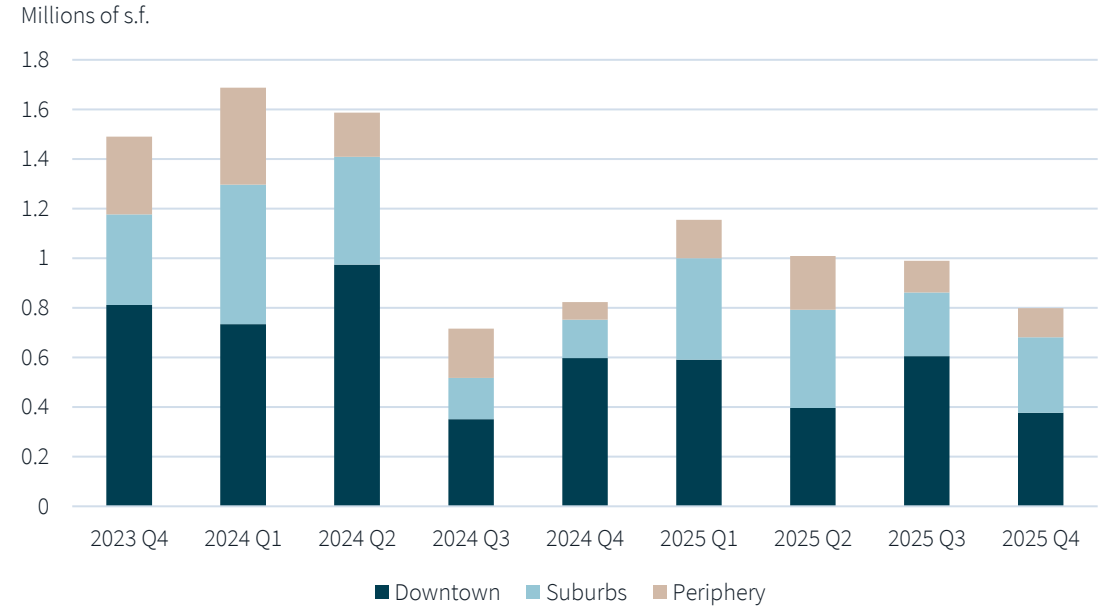
Historical supply and demand trends



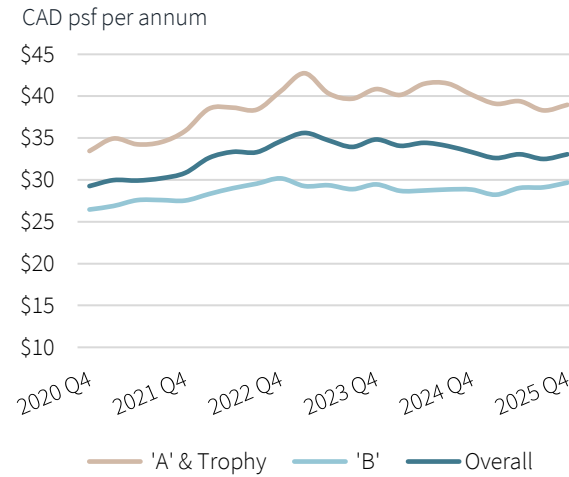
Total availability rate by submarket cluster



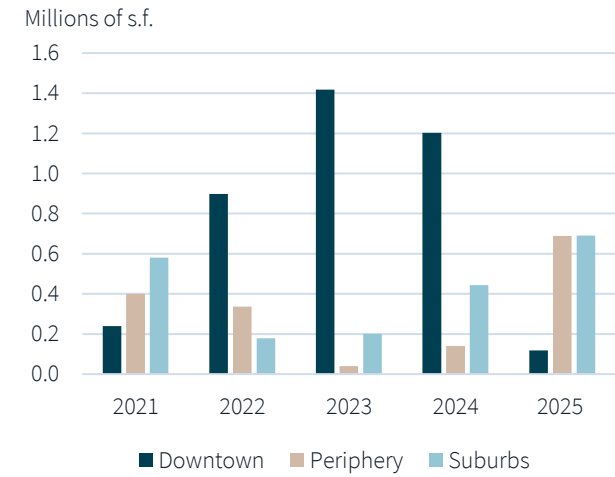
Quarterly gross leasing activity by submarket cluster



Average net asking rents by class



Office completions by submarket cluster



Notable lease transactions, Q4 2025

Tenant	Address	Submarket	Class	Size (s.f.)	Type
Fraser Health Authority	230 Keary St	New Westminster	A	101,251	New Lease
Ascenda School of Management	400 W Georgia St	Downtown Core	Trophy	49,105	New Lease
Willobrae Child Care Academy	10651 Shellbridge Way	Richmond	B	33,653	New Lease
EllisDon Corporation	13775 Commerce Pkwy	Richmond	A	27,482	Renewal
McQuarrie LLP	13450 102 Ave	Surrey	A	24,984	Renewal
Acuitas Therapeutics	6190 Agronomy Rd	Vancouver Outlying	A	24,924	Sublease
Fraser Health Authority	9686 137 th St	Surrey	A	23,737	New Lease
Matcon Construction	4676 Brentwood Blvd	Burnaby	A	17,312	New Lease
Fraser Health Authority	110 E 5 th Ave	Broadway Corridor	A	14,311	New Lease

Notable sale transactions, 2025

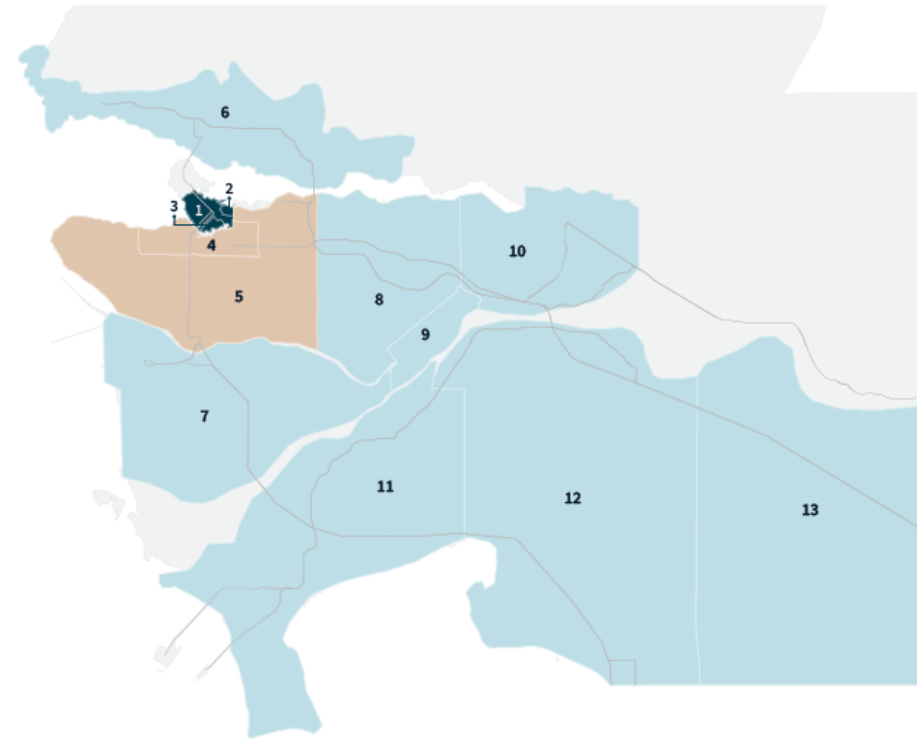
Property	Price (\$M)	RBA (s.f.)	Price (p.s.f.)	Buyer(s)	Seller(s)
349 W Georgia St & 308 Dunsmuir St	\$1,200	1,307,190	\$915	Pontegadea Canada Inc.	Quadreal
CPP Investments Vancouver Portfolio ¹	\$418.7	637,367	\$657	Oxford Properties ²	Canada Pension Plan Investment Board
700/750 West Pender St	\$125.0	292,613	\$427	KingSett Capital	Cadillac Fairview
110 E 5 th Ave ³	\$89.7	103,939	\$863	Allied Properties REIT	Westbank Corp

¹Excluding CPP Investments 50% ownership of 1066 W Hastings St

²Share sale, Oxford Properties purchased CPP Investments 50% stake giving Oxford full ownership over the portfolio

³Allied Properties acquired Westbank's remaining 50% interest, leaving Allied as the sole owner

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*

Submarket	Vacancy rate	Quarterly net absorption (s.f.)	Under construction (s.f.)	Avg. net asking rent (p.s.f. per annum)
Downtown	15.8% ▲	-32k ▲	70k ▶	\$35.49 ▲
Periphery	11.3% ▲	89k ▲	572k ▼	\$31.06 ▲
Suburbs	9.3% ▲	360k ▲	176k ▼	\$28.03 ▲
Overall	12.5% ▲	417K ▲	818k ▼	\$33.05 ▲

*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.)
Downtown	30,926,370	-31,575	-101,284	-0.3%	838,414	13.3%	15.8%	16.7%	\$35.49	\$23.50	\$58.99	118,693	70,400
Downtown Core	27,174,015	7,171	7,707	0.0%	744,649	12.6%	15.2%	16.4%	\$36.16	\$24.18	\$60.34	118,693	40,800
Gastown	1,759,963	-4,977	-50,485	-2.9%	46,667	20.5%	23.2%	20.7%	\$27.77	\$16.99	\$44.77	0	0
Yaletown	1,992,392	-33,769	-58,506	-2.9%	47,098	15.8%	17.9%	17.2%	\$34.19	\$20.59	\$54.78	0	29,600
Periphery	13,105,374	88,725	416,328	3.2%	284,862	10.2%	11.3%	12.6%	\$31.06	\$19.52	\$50.59	688,729	572,461
Broadway Corridor	8,886,897	83,273	199,705	2.2%	225,463	10.4%	11.5%	14.0%	\$30.82	\$20.17	\$50.98	341,725	230,658
Vancouver Outlying	4,218,477	5,452	216,623	5.1%	59,399	9.8%	10.9%	9.6%	\$31.77	\$17.65	\$49.42	347,004	341,803
Suburban	27,233,400	359,758	737,971	2.7%	609,698	7.6%	9.3%	9.2%	\$28.03	\$17.24	\$45.27	690,618	176,000
Burnaby	9,829,594	46,007	165,377	1.7%	502,707	9.2%	13.2%	13.7%	\$30.08	\$18.36	\$48.45	94,183	176,000
Langley	1,678,711	-2,509	19,548	1.2%	8,270	4.5%	4.6%	3.1%	\$26.90	\$16.09	\$42.99	0	0
New Westminster	1,650,147	-11,327	4,329	0.3%	6,253	5.8%	6.2%	7.4%	\$31.45	\$16.65	\$48.10	0	0
North Shore	2,909,727	55	46,430	1.6%	8,203	2.6%	2.9%	2.7%	\$28.80	\$17.38	\$46.18	32,511	0
Richmond	5,538,089	41,011	89,420	1.6%	28,803	9.3%	9.6%	8.5%	\$18.65	\$14.60	\$33.25	80,000	0
Surrey	4,948,626	289,075	348,989	7.1%	55,462	7.2%	7.9%	7.6%	\$34.93	\$16.53	\$51.46	426,142	0
Tri-Cities	678,506	-2,554	63,878	9.4%	0	8.8%	8.8%	8.8%	-	\$18.45	-	57,782	0
Vancouver Total	71,265,144	416,908	1,053,015	1.5%	1,732,974	10.6%	12.5%	13.1%	\$33.05	\$21.14	\$54.19	1,498,040	818,861
Trophy	8,087,418	107,533	104,314	1.3%	306,540	7.6%	11.0%	12.7%	\$50.49	\$25.72	\$76.21	0	0
Class 'A'	29,721,938	511,330	1,271,350	4.3%	923,261	9.5%	12.0%	12.8%	\$36.61	\$21.27	\$57.88	1,379,347	818,861
Class 'B'	25,508,507	-176,603	-271,180	-1.1%	424,782	12.0%	13.1%	13.6%	\$29.67	\$20.56	\$50.23	118,693	0
Class 'C'	7,947,281	-25,352	-51,469	-0.6%	78,391	13.0%	14.1%	13.1%	\$24.41	\$17.88	\$42.29	0	0
Vancouver Total	71,265,144	416,908	1,053,015	1.5%	1,732,974	10.6%	12.5%	13.1%	\$33.05	\$21.14	\$54.19	1,498,040	818,861



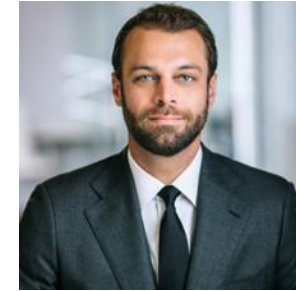
Mark Trepp
*Executive Vice President
Practice Lead*



Gavin Reynolds
Executive Vice President



Mark Chambers
Executive Vice President



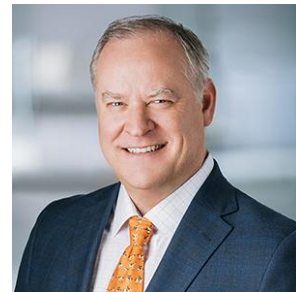
Scott MacDonald
Executive Vice President



Darrell Hurst
Executive Vice President



Corbin MacDonald
Vice President



Chris Newton
Vice President



Andrew Astles
Associate Vice President



Cam Bertsch
Senior Associate



Fraser Hurst
Senior Associate



Monica Shokar
*Senior Marketing &
Brokerage Coordinator*



Graham Hyslop
Associate



Jack Graham
Associate



Marcus Baxter
Associate



Donald Harper
Research Analyst



COPYRIGHT © JONES LANG LASALLE IP, INC. 2026

This report has been prepared solely for information purposes and does not necessarily purport to be a complete analysis of the topics discussed, which are inherently unpredictable. It has been based on sources we believe to be reliable, but we have not independently verified those sources and we do not guarantee that the information in the report is accurate or complete. Any views expressed in the report reflect our judgment at this date and are subject to change without notice. Statements that are forward-looking involve known and unknown risks and uncertainties that may cause future realities to be materially different from those implied by such forward-looking statements. Advice we give to clients in particular situations may differ from the views expressed in this report. No investment or other business decisions should be made based solely on the views expressed in this report.