

NAI COMMERCIAL

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METRO VANCOUVER

Office Market Report

Q1 2025

WELCOME TO THE Q1 2025 METRO VANCOUVER OFFICE REPORT

The first quarter of 2025 began amidst heightened global uncertainty, both politically and economically, setting the tone for what continues to be a cautiously optimistic yet fragile recovery in Vancouver's office market. Political developments in Canada and the United States have created a shifting landscape that directly and indirectly influences leasing sentiment, capital decisions, and tenant strategy in the Vancouver region.

On January 6th, Prime Minister Justin Trudeau announced he would step down, ending a ten-year tenure marked by significant fiscal expenditure. On March 9th, Mark Carney was sworn in as the 24th Prime Minister of Canada following his leadership win of the Liberal Party. Though Carney brings global economic credentials, having previously served as Governor of both the Bank of Canada and the Bank of England, he enters office facing a legacy of soaring national debt, sustained federal deficits, and mounting public concern over fiscal discipline and infrastructure strain, particularly in major urban centres like Vancouver and Toronto. Since the last federal budget surplus in 2014–2015, the deficit has expanded aggressively, peaking during the pandemic at \$327.7 billion and continuing to exceed budget through 2023–2024.

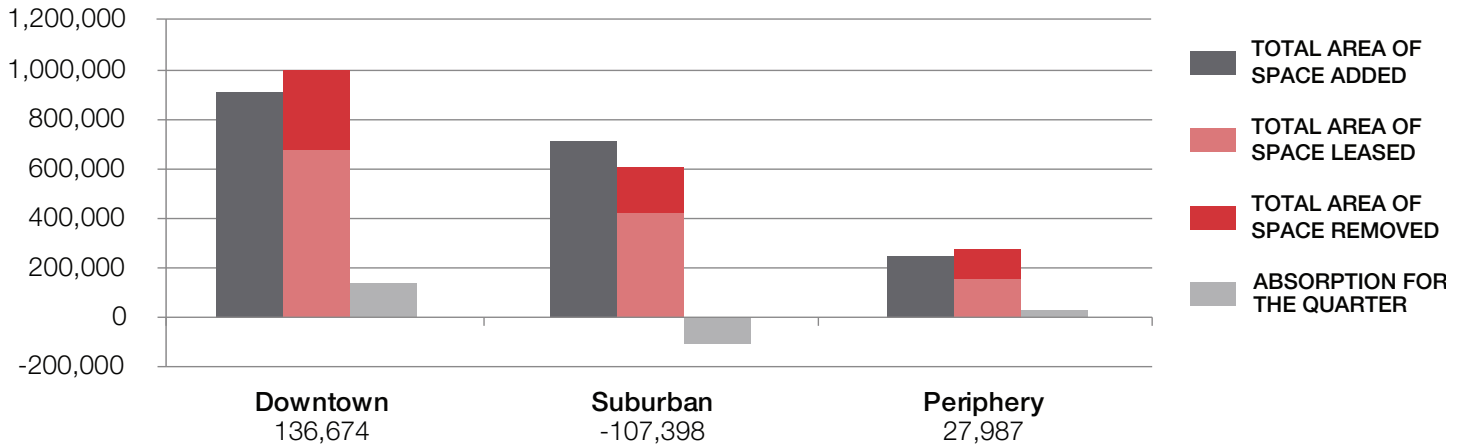
South of the border, newly re-elected U.S. President Donald Trump has made a dramatic return to the political stage, immediately implementing administrative overhauls including the formation of the Department of Government Efficiency (DOGE), led by Elon Musk. Amid this backdrop, the Trump administration has again turned to tariffs as a strategic lever, this time threatening duties of up to 25% on Canadian imports. Canada has responded in kind, announcing retaliatory tariffs that are likely to directly impact domestic consumers. These protectionist postures have disrupted trade certainty and are pushing Canadian exporters to rethink their long-standing reliance on U.S. markets.

The resulting climate has led to hesitation in decision-making. This hesitation, coupled with bureaucratic delays and reduced managerial confidence, has created what we're referring to as "Time Inflation," a phenomenon where decision-making processes have stretched across all levels of complexity, adding inefficiency and cost across transactions. While macroeconomic indicators are beginning to show promise, this underlying friction continues to shape our market's tempo.

Meanwhile, companies are beginning to confront the reality of prolonged hybrid and remote work models. Leaders in the tech and finance sectors, including Sergey Brin at Google, Jamie Dimon at JP Morgan Chase, Michael Dell at Dell Technologies, and Andy Jassy at Amazon, have signaled a decisive shift back to the office. Each has, in their own way, emphasized the limitations of hybrid work, particularly as it relates to collaboration, innovation, and onboarding of younger employees. Their sentiment is clear: physical presence fosters productivity, cohesion, mentorship, collaboration, and a return to corporate momentum.

In a policy win for both businesses and consumers, the Bank of Canada initiated a series of interest rate cuts beginning in June 2024. The benchmark rate has fallen from 5% to 2.75% as of March 2025, easing financing conditions and gradually improving confidence. On the provincial front, the B.C. government repealed its consumer carbon tax effective March 31st. This measure, estimated to reduce gasoline prices by approximately 17 cents per litre, marks a major pivot from prior climate policy and is likely to reignite debate between federal and provincial jurisdictions over environmental regulation.

Q1 2025 In Quarter Absorption



Net Absorption for the Quarter: 57,263 SF

Availability Rates

DOWNTOWN

Quarterly:

Q4 2024: 16.6%
Q1 2025: 14.9%

↓ 1.7%

Yearly:

Q1 2024: 16.4%
Q1 2025: 14.9%

↓ 1.5%

SUBURBAN

Quarterly:

Q4 2024: 9.4%
Q1 2025: 9.3%

↓ 0.1%

Yearly:

Q1 2024: 8.4%
Q1 2025: 9.3%

↑ 0.9%

PERIPHERY

Quarterly:

Q4 2024: 13.3%
Q1 2025: 13.4%

↑ 0.1%

Yearly:

Q1 2024: 11.7%
Q1 2025: 13.4%

↑ 1.7%

	Spaces Added Q4 2024	Spaces Added Q1 2025	% Change from Previous Quarter	Total Area of Space Added (SF)	# of Spaces Leased Q4 2024	# of Spaces Leased Q1 2025	Total Area of Space Leased (SF)	# of Spaces Removed Q4 2024	# of Spaces Removed Q1 2025	Total Area of Spaces Removed (SF)	Total # of Spaces Removed	Total Area Taken Off Q1 2025 (SF)
Downtown	152	191	25.7%	911,711	132	150	678,004	52	41	370,381	191	1,048,385
Suburban	93	137	47.3%	713,734	54	164	422,529	14	36	183,807	200	606,336
Periphery	43	56	30.2%	247,741	27	45	154,120	8	2	121,608	47	275,728
Subtotal	288	384		1,873,186	213	359	1,254,653	74	79	675,796	438	1,930,449

Statistics provided by Altus Group

Office Class	Total Availability Rate		Change from Last Quarter	Inventory Size (SF)	
	Q4 2024	Q1 2025		Q4 2024	Q1 2025
All Classes	16.6%	14.9%	↓ 1.7%	30,032,343	30,068,201
A	14.8%	13.3%	↓ 1.5%	19,674,237	19,674,097
B	17.2%	16.1%	↓ 1.1%	6,852,561	6,852,561
C	25.6%	21.5%	↓ 4.1%	3,505,545	3,541,543

Turning to the Downtown Vancouver office market, the first quarter of 2025 saw encouraging signs of stabilization. The overall availability rate fell from 16.6% at the end of 2024 to 14.9%, driven by a mix of net new leasing and space removals. A total of 911,711 square feet of space was added to the market, while 678,004 square feet was leased. In addition, 370,381 square feet was removed, bringing the total removal figure for the quarter to 1,048,385 square feet and resulting in a net absorption of 136,674 square feet. Sublease inventory has notably declined from 1,010,585 square feet a year ago to 704,138 square feet, a drop from 21% to 15.7% of total available space.

Class A availability fell to 13.3% from 15.7% last year, demonstrating a continued “flight to quality” trend. Class B space saw a slight increase in availability to 16.1%, up from 15.7% last year but still down from 17.2% in Q4 2024. Class C space remained relatively stable, with availability of 21.5%, nearly unchanged from the 21.6% reported one year ago.

We are pleased to present our 2025 Operating Cost Survey. For Class A buildings, seventy-one properties were reviewed, with the average additional rent rising to \$25.05 per square foot from \$24.78 last year. Cadillac Fairview’s 200 Granville Street remained the highest at \$29.95 per square foot. Telus Garden and 200 Burrard tied for second place at \$29.70. QuadReal’s 400 Burrard Street made notable improvements, reducing its additional rent to \$28.88 from \$29.18 in 2024.

In the B class segment, seventy-four buildings were surveyed with an average additional rent of \$20.93 per square foot. 209 Carrall Street topped the list at \$28.42, followed closely by The Marine Building at 355 Burrard Street at \$28.21 and 777 Hornby at \$28.20. In the C class market, which included sixty buildings, the average was \$18.63 per square foot. Notably, 761 Cardero reported the highest figure at \$36.43 per square foot, while 1242 Robson followed at \$26.57.

Congratulations go to 850 West Hastings, which had the highest reported additional rent in 2024 but lowered its rate from \$25.28 to \$23.65 in 2025.

Downtown Significant Transactions

- ▶ *Rivian* expanded to 26,000 SF at 1050 Homer Street
- ▶ *Cassels* leased 42,000 SF on floors 29, 30, and 31 at 666 Burrard Street
- ▶ *Stikeman Elliott* leased 40,000 SF on floors 26, 27, and 28 at 666 Burrard Street
- ▶ *Raymond James* expanded to 88,000 SF including the 6th floor at 925 West Georgia Street
- ▶ *Coast Funds* leased 6,300 SF on the 6th floor at 925 West Georgia Street
- ▶ *Vancouver Foundation* leased 14,774 SF at 1075 West Georgia Street, Suite 500
- ▶ *Quadient AP Automation* leased 11,673 SF at 948–950 Homer Street
- ▶ *Klue Labs* leased an additional 10,069 SF at 777 Hornby Street, Suite 1600
- ▶ *Roper Greyell LLP* leased 41,100 SF at 320 Granville Street, Suites 21–23
- ▶ *Conor Clark & Lunn* expanded leasing the 8th floor, 1090 West Pender Street, 16,000 SF
- ▶ *Terra Dygital* expanded to 6,500 SF at 1055 Dunsmuir Street, Suite 1850
- ▶ *Vohora LLP* leased 5,189 SF at 815 West Hastings Street, 7th floor

SUBURBAN

In the suburban markets, the availability rate fell slightly to 9.3%, down from 9.4% last quarter and 8.4% one year ago. The quarter saw 713,734 square feet of new space added, 422,529 square feet leased, and 183,807 square feet removed. However, the quarter closed with a negative net absorption of 107,398 square feet. Sublease availability remains elevated at 589,490 square feet, making up 24.4% of the total suburban inventory. Class A availability rose to 10.4% from 9%, while Class B decreased to 7.8%, down from 8.7% last quarter. Class C remained relatively flat at 4.9%.

Burnaby leads suburban availability at 13.2%, up from 11.8% last quarter. Richmond declined to 9.4% from 11.8%, and the Tri-Cities saw availability drop from 10.7% to 9.9%. Surrey improved from 6.8% to 5.6%, and New Westminster declined to 5% from 5.7%. Suburban market inventory increased to 26,103,332 square feet, up 99,785 square feet in the quarter.

Suburban Significant Transactions

- ▶ *Boeing Canada* leased 26,350 SF at Crestwood Corporate Centre Building 6, 13575 Commerce Parkway, Richmond
- ▶ *Huawei* subleased 17,216 SF at 4321 Still Creek Avenue, Burnaby
- ▶ *Amur Financial Group* subleased 17,358 SF at 13450 102nd Avenue, Burnaby
- ▶ *Collège Éducacentre* leased 8,500 SF at 10183 152A St, Suite 300, Surrey
- ▶ *Uni Express* leased 34,689 SF at 10271 Shellbridge Way, Suite 300, Richmond
- ▶ *BC Cancer* subleased 11,809 SF at 9850 King George Boulevard, Surrey
- ▶ *ACEL Power* leased Unit 150, 7,270 SF at 13775 Commerce Parkway, Richmond
- ▶ *Charter Telecom* leased 6,000 SF at 3185 Willingdon Green, Suite 105, Burnaby

Office Class	Total Availability Rate		Change from Last Quarter	Inventory Size (SF)	
	Q4 2024	Q1 2025		Q4 2024	Q1 2025
All Classes	9.4%	9.3%	↓ 0.1%	26,003,547	26,103,332
A	10.3%	10.4%	↑ 0.1%	16,812,363	16,899,080
B	8.7%	7.8%	↓ 0.9%	7,238,484	7,251,552
C	4.7%	4.9%	↑ 0.2%	1,952,700	1,952,700

Area	Total Availability Rate		Change from Last Quarter
	Q4 2024	Q1 2025	
Burnaby	11.8%	13.2%	↑ 1.4%
Langley	4.1%	4.5%	↑ 0.4%
New Westminster	5.7%	5.0%	↓ 0.7%
North Shore	3.3%	3.7%	↑ 0.4%
Richmond	11.8%	9.4%	↓ 2.4%
Surrey	6.8%	5.6%	↓ 1.2%
Tri-Cities	10.7%	9.9%	↓ 0.8%
Suburban	9.4%	9.3%	↓ 0.1%

Statistics provided by Altus Group

VANCOUVER PERIPHERY

Office Class	# of Buildings	Total Availability Rate	Inventory Size (SF)	Inventory Size (SF)
	Q1 2025	Q1 2025	Q4 2024	Q1 2025
All Classes	189	13.4%	10,866,440	10,925,290
A	86	13.9%	6,475,846	6,534,697
B	62	12.6%	2,854,736	2,854,736
C	41	12.5%	1,535,858	1,535,857

Statistics provided by Altus Group

The periphery market experienced a marginal uptick in availability to 13.4%, up from 13.3% last quarter. A total of 247,741 square feet of new space was added, while 154,120 square feet was leased. Two spaces were removed totaling 121,608 square feet, resulting in a net absorption of 27,987 square feet. Sublease inventory declined to 325,826 square feet, representing 22.3% of periphery availability. Class A availability rose to 13.9%, Class B dropped to 12.6%, and Class C edged up to 12.5%. Inventory increased to 10,925,290 square feet from 10,866,440 last quarter.

Vancouver Periphery Significant Transactions

- ▶ *Claren Academy* leased 80,000 SF at 2665 Renfrew Street
- ▶ *Nicola Wealth* leased 38,000 SF at 1477 West Broadway
- ▶ *Citistar Financial* expanded to 15,000 SF at 1200 West 73rd Avenue
- ▶ *West Broadway Dentist* leased 4,628 SF at 1755 West Broadway, Unit 102
- ▶ *Anytime Fitness* leased 9,778 SF at 2211 West 4th Avenue, Unit 219

NAI Commercial Team

At NAI Commercial, we remain committed to expanding our team with experienced commercial realtors who share our vision for success and are interested in leveraging a global platform while having the freedom to grow their practice among a community of like-minded professionals.

If you are interested in exploring the possibility of collaborating with NAI and establishing your practice under our brand, we would be delighted to connect with you. Whether you are considering this opportunity for yourself or know of a fellow commercial realtor who might, we welcome the chance to discuss how NAI Commercial can be the right fit for your aspirations and goals. Please feel free to reach out to us for a conversation.

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2025 ADDITIONAL RENT SURVEY

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Downtown **Class A** Buildings

Building Name	Address	Total Additional Rent PSF
Granville Square	200 Granville Street	\$29.95
Telus Garden	501 - 545 Robson Street	\$29.70
Waterfront Centre	200 Burrard Street	\$29.70
TD Bank Tower	700 West Georgia Street	\$29.26
PriceWaterhouseCoopers Place	250 Howe Street	\$29.25
320 Granville Street	320 Granville Street	\$28.97
Commerce Place	400 Burrard Street	\$28.88
Vancouver Centre	650 West Georgia Street	\$28.67
609 Granville Street	609 Granville Street	\$28.66
Three Bentall Centre	595 Burrard Street	\$28.50
Two Bentall Centre	555 Burrard Street	\$28.50
Four Bentall Centre	1055 Dunsmuir Street	\$28.50
One Bentall Centre	505 Burrard Street	\$28.50
Pacific Centre Tower IV	777 Dunsmuir Street	\$28.26
Guinness Tower	1055 West Hastings Street	\$28.20
Manulife Place	1095 West Pender Street	\$28.17
Oceanic Plaza	1066 West Hastings Street	\$28.01
Deloitte Summit	400 - 410 West Georgia Street	\$27.78
MNP Tower	1021 West Hastings Street	\$27.41
401 West Georgia Street	401 West Georgia Street	\$27.37
BC Securities Commission Tower	701 West Georgia Street	\$27.26
The Stack	1133 Melville Street	\$27.17
Telus Garden	510 West Georgia Street	\$27.10
Rogers Tower	1067 West Cordova Street	\$27.02
Park Place	666 Burrard Street	\$26.33
Royal Centre	1055 West Georgia Street	\$26.21
Offices at Hotel Georgia	669 Howe Street	\$26.08
The Grosvenor Building	1040 West Georgia Street	\$25.56
Jameson House	838 West Hastings Street	\$25.28
333 Seymour Street	333 Seymour Street	\$25.20
B5	550 Burrard Street	\$25.19
745 Thurlow Street	745 Thurlow Street	\$25.17
FortisBC Centre	1111 West Georgia Street	\$25.06
Terminal City Club Tower	837 West Hastings Street	\$25.00
1177 West Hastings Street	1177 West Hastings Street	\$24.81
980 Howe Street	980 Howe Street	\$24.78
510 Burrard Street	510 Burrard Street	\$24.62
RBC Place	885 West Georgia Street	\$24.60
1500 West Georgia	1500 West Georgia Street	\$24.59
Pacific Centre	725 Granville Street	\$24.40
Vancouver Centre II	733 - 753 Seymour Street	\$23.96
World Trade Centre	999 Canada Place	\$23.88
The Pointe at Canada Place	999 Canada Place Way	\$23.88
601 West Hastings Street	601 West Hastings Street	\$23.86
1188 West Georgia Street	1188 West Georgia Street	\$23.79
Robson Court	840 Howe Street	\$23.78
Arthur Erickson Place	1075 West Georgia Street	\$23.69
888 Dunsmuir Street	888 Dunsmuir Street	\$23.64
The Post - South Tower	349 West Georgia Street	\$23.59
B6	1090 West Pender Street	\$23.50
900 Howe Street	900 Howe Street	\$23.48
Evergreen Building	1285 West Pender Street	\$23.38
720 Robson Street	720 Robson Street	\$23.11
Cathedral Place	925 West Georgia Street	\$23.05
111 Dunsmuir Street	111 Dunsmuir Street	\$22.82
Vancouver House	605 Robson Street	\$22.79
One Burrard Place	1280 Burrard Street	\$22.72
Burrard Place	1280 Burrard Street	\$22.72
570 Granville Street	570 Granville Street	\$22.61
999 West Hastings Street	999 West Hastings Street	\$22.52
The Post - North Tower	308 Dunsmuir Street	\$22.41
Harbour Centre	555 West Hastings Street	\$22.30
Bower Building	543 Granville Street	\$21.93
1185 West Georgia Street	1185 West Georgia Street	\$21.73
510 Seymour Street	510 Seymour Street	\$20.54
The Exchange	475 Howe Street	\$20.21
978 Granville Street	978 Granville Street	\$18.00
564 Beatty Street	564 Beatty Street	\$14.27

Average: \$25.17

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2025 ADDITIONAL RENT SURVEY

Downtown **Class B** Buildings

Building Name	Address	Total Additional Rent PSF
Marine Building	355 Burrard Street	\$28.21
777 Hornby Street	777 Hornby Street	\$28.20
Pender Place II - Pacific Centre	750 West Pender Street	\$27.56
Pender Place I - Pacific Centre	700 West Pender Street	\$27.46
Royal Bank Building	675 West Hastings Street	\$26.43
1500 Howe Street	1500 Howe Street	\$26.00
BC Turf Building	475 West Georgia Street	\$25.81
Nelson Square	808 Nelson Street	\$25.36
969 Robson Street	969 Robson Street	\$25.29
The Electra	970 Burrard Street	\$25.06
1090 West Georgia Street	1090 West Georgia Street	\$24.86
1022-1028 Alberni Street	1022 - 1028 Alberni Street	\$24.40
The Burrard Building	1030 West Georgia Street	\$24.34
1130 West Pender Street	1130 West Pender Street	\$24.33
1200 Burrard Street	1200 Burrard Street	\$24.25
1166 Alberni Street	1166 Alberni Street	\$24.03
1050 West Pender Street	1050 West Pender Street	\$23.74
The Station	601 West Cordova Street	\$23.70
Golden Properties	1111 West Hastings Street	\$23.55
555 Robson Street	555 Robson Street	\$23.15
Sun Life Financial Centre	1140 West Pender Street	\$22.69
The Standard Life Building	625 Howe Street	\$22.43
800 West Pender Street	800 West Pender Street	\$22.22
900 West Hastings Street	900 West Hastings Street	\$22.08
789 West Pender Street	789 West Pender Street	\$22.04
Sun Life Plaza	1100 Melville Street	\$22.03
1080 Howe Street	1080 Howe Street	\$22.00
Bayview at Coal Harbour	1555 West Pender Street	\$21.97
United Kingdom Building	409 Granville Street	\$21.62
Pender Pacific Building	889 West Pender Street	\$21.20
580 Hornby Street	580 Hornby Street	\$20.99
549 Howe Street	549 Howe Street	\$20.91
Good Earth Building	595 Howe Street	\$20.63
Prime Capital Place	808 West Hastings Street	\$20.37
1111 Melville Street	1111 Melville Street	\$20.26
Kalen Capital Building	688 West Hastings Street	\$19.44
815 West Hastings Street	815 West Hastings Street	\$19.31
Princess Building	609 West Hastings Street	\$19.11
855 Homer Street	855 Homer Street	\$18.79
Hastings Building	1199 West Hastings Street	\$18.46
1199 West Pender Street	1199 West Pender Street	\$18.46
815 Hornby Street	815 Hornby Street	\$18.25
Kilborn Building	1380 Burrard Street	\$17.52
1125 Howe Street	1125 Howe Street	\$16.31
The Ritz	1205 - 1233 Melville Street	\$12.47
910 Richards Street	910 Richards Street	\$9.50

Average: \$22.10

2025 ADDITIONAL RENT SURVEY

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Downtown **Class C** Buildings

Building Name	Address	Total Additional Rent PSF
761 Cardero Street	761 Cardero Street	\$36.43
1242 Robson Street	1242 Robson Street	\$26.57
1445 West Georgia Street	1445 West Georgia Street	\$25.17
Lea Building	1455 West Georgia Street	\$25.17
850 West Hastings Street	850 West Hastings Street	\$23.65
1112 West Pender Street	1112 West Pender Street	\$21.93
Eleven Fifty Five	1155 Robson Street	\$21.70
The Wyland Building	1190 Melville Street	\$21.16
402 West Pender Street	402 West Pender Street	\$21.14
The Randall Building	555 West Georgia Street	\$20.66
890 West Pender Street	890 West Pender Street	\$20.21
885 Dunsmuir Street	885 Dunsmuir Street	\$20.19
1281 West Georgia Street	1281 West Georgia Street	\$20.05
Spencer Building	515 West Hastings Street	\$19.82
830 West Pender Street	830 West Pender Street	\$19.58
East Asiatic House	1201 - 1205 West Pender Street	\$19.53
The Reliance Building	602 West Hastings Street	\$19.51
905 West Pender Street	905 West Pender Street	\$19.12
580 Granville Street	580 Granville Street	\$18.79
560 Beatty Street	560 Beatty Street	\$18.50
Vancouver Block	736 Granville Street	\$18.34
Pacific Coast Building	325 Howe Street	\$18.10
550 Granville Street	550 Granville Street	\$17.99
The Shorehill Building	1155 West Pender Street	\$17.70
1045 Howe Street	1045 Howe Street	\$17.30
Pemberton Building	744 West Hastings Street	\$16.74
The Seymour Building	698 Seymour Street	\$16.35
535 Thurlow Street	535 Thurlow Street	\$16.05
Rogers Building	470 Granville Street	\$15.88
The Lumbermen's Building	509 Richards Street	\$15.50
900 Helmcken Street	900 Helmcken Street	\$13.10
1790 Alberni Street	1790 Alberni Street	\$12.00
708 Denman Street	708 Denman Street	\$12.00
555 Richards Street	555 Richards Street	\$9.44
390 West Hastings Street	390 West Hastings Street	\$8.00
		Average: \$18.95