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**NAI**Commercial

**METRO VANCOUVER**

# Office Market Report

**Q2**  
2026

**Q2 2026**

# **METRO VANCOUVER OFFICE REPORT**

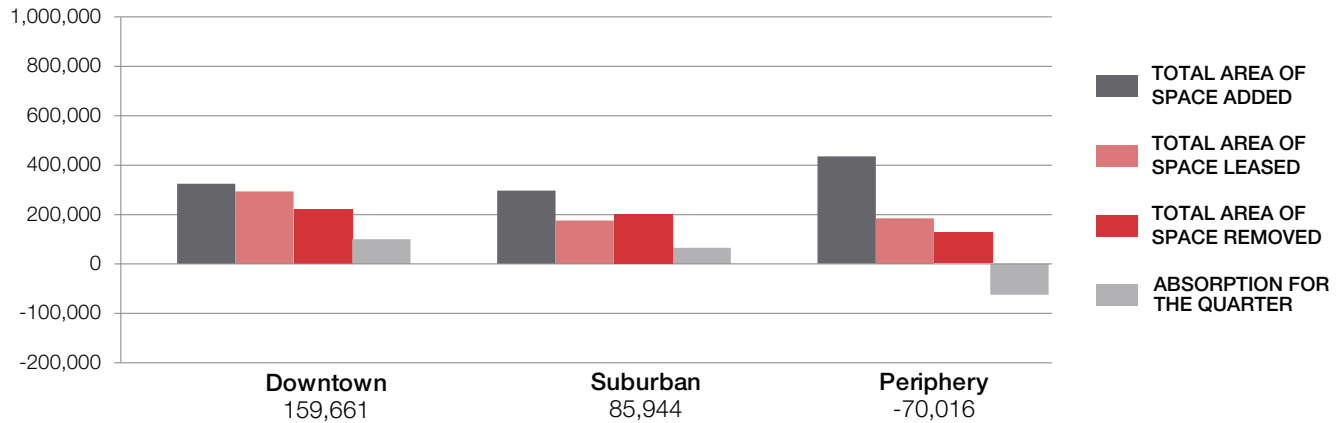
Welcome to the Q2 2026 Metro Vancouver Office Market Report. The second quarter unfolded in a more complex but cautiously constructive environment. The Bank of Canada held its overnight rate at 2.25% through both the April 29 and June 10 announcements, providing some stability for financing and underwriting, although the Bank continues to monitor energy-driven inflation and global uncertainty.

Internationally, the war involving Iran, Israel, and the United States continued to weigh on energy markets, shipping routes, and global business confidence. While ceasefire discussions and indirect talks progressed late in the quarter, uncertainty around the Strait of Hormuz and regional security remained a concern for businesses and investors exposed to fuel, logistics and supply chain costs.

Domestically, Prime Minister Mark Carney's government continued to emphasize economic resilience, infrastructure, defense, critical minerals and reduced reliance on the United States. The federal Spring Economic Update framed Canada's strategy around investment, productivity and greater self-reliance, while trade uncertainty remained elevated as the United States signaled it may not extend USMCA in its current form.

Provincially, the political landscape shifted with Kerry Lynne Findlay elected as the new leader of the Conservative Party of British Columbia, replacing the interim leadership that followed John Rustad's resignation. This adds another layer of political change in B.C. as the province continues to deal with affordability, taxation, development approvals, Indigenous title issues and rising costs across the real estate sector.

## Q2 2026 In Quarter Absorption



**Net Absorption for the Quarter: (175,589 SF)**

## Availability Rates

### DOWNTOWN

#### Quarterly:

Q1 2026: 15.7%  
Q2 2026: 15.4%

↓ 0.3%

#### Yearly:

Q2 2025: 15.5%  
Q2 2026: 15.7%

↑ 0.2%

### SUBURBAN

#### Quarterly:

Q1 2026: 9.0%  
Q2 2026: 8.6%

↓ 0.4%

#### Yearly:

Q2 2025: 8.2%  
Q2 2026: 9.0%

↑ 0.7%

### PERIPHERY

#### Quarterly:

Q1 2026: 14.2%  
Q2 2026: 13.7%

↓ 0.5%

#### Yearly:

Q2 2025: 14.4%  
Q2 2026: 14.2%

↓ 0.2%

|           | Spaces Added Q1 2026 | Spaces Added Q2 2026 | % Change from Previous Quarter | Total Area of Space Added (SF) | # of Spaces Leased Q1 2026 | # of Spaces Leased Q2 2026 | Total Area of Space Leased (SF) | # of Spaces Removed Q1 2026 | # of Spaces Removed Q2 2026 | Total Area of Spaces Removed (SF) | Total # of Spaces Removed | Total Area Taken Off Q2 2026 (SF) |
|-----------|----------------------|----------------------|--------------------------------|--------------------------------|----------------------------|----------------------------|---------------------------------|-----------------------------|-----------------------------|-----------------------------------|---------------------------|-----------------------------------|
| Downtown  | 249                  | 162                  | -34.9%                         | 384,386                        | 118                        | 94                         | 312,561                         | 101                         | 38                          | 231,486                           | 132                       | 544,047                           |
| Suburban  | 199                  | 106                  | -46.7%                         | 298,083                        | 66                         | 80                         | 185,485                         | 41                          | 39                          | 198,542                           | 119                       | 384,027                           |
| Periphery | 58                   | 58                   | 0.0%                           | 422,377                        | 36                         | 36                         | 195,059                         | 26                          | 23                          | 157,302                           | 62                        | 352,361                           |
| Subtotal  | 506                  | 326                  |                                | 1,104,846                      | 220                        | 210                        | 693,105                         | 168                         | 103                         | 587,330                           | 313                       | 1,280,435                         |

Statistics provided by Altus Group

| Office Class | Total Availability Rate |         | Change from Last Quarter | Inventory Size (SF) |            |
|--------------|-------------------------|---------|--------------------------|---------------------|------------|
|              | Q1 2026                 | Q2 2026 |                          | Q1 2026             | Q2 2026    |
| All Classes  | 15.7%                   | 15.4%   | ↓ 0.3%                   | 30,606,481          | 30,502,566 |
| A            | 14.1%                   | 13.4%   | ↓ 0.7%                   | 19,996,562          | 20,026,162 |
| B            | 15.8%                   | 15.8%   | ↔ 0.0%                   | 7,188,489           | 7,054,974  |
| C            | 25.1%                   | 25.6%   | ↑ 0.5%                   | 3,421,430           | 3,421,430  |

Statistics provided by Altus Group

In Downtown Vancouver, overall office availability declined for the second consecutive quarter, falling to 15.4% from 15.7% at the end of Q1. During the quarter, 94 spaces totalling 312,561 square feet were leased and a further 38 spaces totalling 231,486 square feet were removed from the market. This was partially offset by 162 spaces totalling 384,386 square feet being added, resulting in positive net absorption of 159,661 square feet.

The improvement, however, was not evenly distributed across building classes. Class A availability declined from 14.1% to 13.4%, while Class B availability remained unchanged at 15.8%. Class C availability continued to move upward, reaching 25.6% at quarter end. The widening difference between Class A and Class C availability provides further evidence of the continued flight to quality. Tenants that are prepared to relocate are generally favouring newer or recently improved buildings offering stronger amenities, efficient layouts and high-quality move-in-ready premises. Owners of older Class B and Class C properties are increasingly being required to invest in building amenities, common areas and vacant suites to remain competitive.

Downtown sublease inventory also continued to decline and now totals 745,141 square feet, representing 15.9% of total available space. The reduction in sublease inventory is a positive indicator, as it suggests that some of the excess space created by earlier corporate downsizing is gradually being leased, reclaimed or removed from the market.

Although the downtown office market continues to stabilize, market conditions remain highly dependent on building quality. Availability among the best Class A properties is becoming more constrained, potentially reducing tenant negotiating leverage for the most desirable premises. Conversely, tenants considering older Class B and Class C buildings continue to benefit from significant choice, competitive inducements and increasingly flexible lease terms.

Despite the positive absorption recorded during the quarter, general market sentiment suggests that leasing activity may be slowing, with relatively few large tenants actively pursuing new premises. As a result, the market is likely to

remain competitive and increasingly divided between well-located, high-quality buildings and older properties requiring meaningful improvements or more aggressive financial terms to attract tenants.

## Downtown Significant Transactions

- ▶ *The City of Vancouver* committed to approximately 51,000 square feet at Wicklow West, 1125 Howe Street.
- ▶ *The Keg Restaurants Ltd.* leased 12,631 square feet at Waterfront Centre, 200 Granville Street.
- ▶ *Thinkingbox* leased 12,328 square feet on the second floor of 333 Seymour Street.
- ▶ *Asana* expanded, leasing approximately 9,300 square feet on the eighth floor of 601 West Hastings Street, where *Jobber* also committed to the ninth floor.
- ▶ *Heliostar Metals Ltd.* leased 5,783 square feet at 1055 Dunsmuir Street.
- ▶ *Lauren Services* leased 5,250 square feet at 555 Burrard Street.
- ▶ *Thales Canada Inc.* leased 9,064 square feet at 505 Burrard Street.
- ▶ *Iredale Architecture* leased 9,487 square feet at the Dunn Building, 1 Alexander Street.
- ▶ *Torys LLP* subleased 8,576 square feet at 980 Howe Street.
- ▶ *McCarthy Tétrault LLP* expanded, leasing approximately 8,500 square feet at 745 Thurlow Street, while *RBC Dominion Securities Inc.* also expanded, taking approximately 8,500 square feet, for a combined total of approximately 17,000 square feet.

# SUBURBAN

The Suburban office market recorded another quarter of improvement, with overall availability declining to 8.6% from 9.0% at the end of Q1. During the quarter, 106 spaces totalling 298,083 square feet were added to the market, while 80 spaces totalling 185,485 square feet were leased and a further 39 spaces totalling 198,542 square feet were removed. These movements resulted in positive net absorption of 85,944 square feet.

Class A availability remained relatively stable at 9.8%, while Class B availability declined from 7.7% to 7.0%. Class C availability also tightened, falling from 5.3% to 4.8%. Unlike the downtown market, where the strongest improvement has been concentrated in Class A buildings, the suburban market is experiencing greater tightening among Class B and Class C properties. This may reflect the more limited supply of affordable suburban office space, as well as continued demand from smaller and mid-sized businesses seeking accessible locations, convenient parking and lower overall occupancy costs.

Sublease availability also continued to decline and now totals 283,091 square feet, representing 12.1% of total suburban availability. Sublease inventory is now approximately half the level recorded one year ago, providing further evidence that much of the excess space created by earlier downsizing and workplace restructuring is gradually being absorbed or removed from the market.

Among the major suburban markets, Burnaby's availability rate declined to 9.1% from 9.7%, while Richmond improved to 8.3% from 8.9%. Surrey remained unchanged at 12.5% and continues to have the highest availability rate among the principal suburban markets. Langley remains comparatively tight, with limited availability across many office categories.

| Area            | Total Availability Rate |         | Change from Last Quarter |
|-----------------|-------------------------|---------|--------------------------|
|                 | Q1 2026                 | Q2 2026 |                          |
| Burnaby         | 9.7%                    | 9.1%    | ↓ 0.6%                   |
| Langley         | 2.8%                    | 2.4%    | ↓ 0.4%                   |
| New Westminster | 7.4%                    | 7.8%    | ↑ 0.4%                   |
| North Shore     | 2.5%                    | 3.5%    | ↑ 1.0%                   |
| Richmond        | 8.9%                    | 8.3%    | ↓ 0.6%                   |
| Surrey          | 12.5%                   | 12.5%   | ↔ 0.0%                   |
| Tri-Cities      | 9.2%                    | 8.4%    | ↓ 0.8%                   |
| Suburban        | 9.0%                    | 8.7%    | ↓ 0.3%                   |

| Office Class | Total Availability Rate |         | Change from Last Quarter | Inventory Size (SF) |            |
|--------------|-------------------------|---------|--------------------------|---------------------|------------|
|              | Q1 2026                 | Q2 2026 |                          | Q1 2026             | Q2 2026    |
| All Classes  | 9.0%                    | 8.6%    | ↓ 0.4%                   | 27,019,618          | 27,119,652 |
| A            | 9.9%                    | 9.8%    | ↓ 0.1%                   | 17,732,784          | 17,834,865 |
| B            | 7.7%                    | 7.0%    | ↓ 0.7%                   | 7,240,969           | 7,297,127  |
| C            | 5.3%                    | 4.8%    | ↓ 0.5%                   | 2,045,865           | 1,987,660  |

Statistics provided by Altus Group

Overall, the suburban office market continues to demonstrate greater stability than Downtown Vancouver, supported by positive absorption, declining sublease inventory and availability below 9%. However, conditions vary significantly by location and building quality. Properties offering good access, parking, efficient layouts and move-in-ready premises remain best positioned to attract tenants, while buildings requiring substantial improvements still need to offer competitive rents and inducements.

## Suburban Significant Transactions

- ▶ *North Shore Sports Medicine* leased 5,520 square feet at Westview Professional Centre, 2609 Westview Drive, North Vancouver.
- ▶ *Premium Brands Holdings Corporation* leased 13,029 square feet at Airport Executive Park 7, 10991 Shellbridge Way, Richmond.
- ▶ *Planar Motor Inc.* leased 35,000 square feet at International Business Park, Building F, 4620 Viking Way, Richmond.
- ▶ *Matthew Edward Vickers* leased 12,359 square feet at Surrey Central Business Park, Building 3, 7565 132<sup>nd</sup> Street, Surrey.
- ▶ *Eagle Electronics* leased 5,270 square feet at Crestwood Corporate Centre, Building 7, 13775 Commerce Parkway, Richmond.
- ▶ *CapitalEnergy Corporation* leased 13,250 square feet at 3600 Lysander Lane, Richmond, where *Pawomics* also leased 6,660 square feet.

# VANCOUVER PERIPHERY

| Office Class | # of Buildings | Total Availability Rate | Inventory Size (SF) | Inventory Size (SF) |
|--------------|----------------|-------------------------|---------------------|---------------------|
|              | Q2 2026        | Q2 2026                 | Q1 2026             | Q2 2026             |
| All Classes  | 194            | 13.7%                   | 11,515,679          | 11,764,150          |
| A            | 92             | 13.1%                   | 7,195,577           | 7,357,446           |
| B            | 62             | 11.7%                   | 2,832,264           | 2,860,110           |
| C            | 40             | 20.0%                   | 1,487,837           | 1,546,594           |

Statistics provided by Altus Group

The Periphery office market recorded a decrease in overall availability during the second quarter, falling to 13.7% from 14.2% at the end of Q1. During the quarter, 58 spaces totalling 422,377 square feet were added to the market, while 36 spaces totalling 195,059 square feet were leased and a further 26 spaces totalling 157,302 square feet were removed. These movements resulted in negative net absorption of 70,016 square feet.

Despite the negative absorption, the overall availability rate declined during the quarter. This suggests that the reduction may have been influenced in part by spaces being removed from the competitive inventory rather than being attributable solely to new leasing activity.

Class A availability continued to improve, declining from 13.9% to 13.1%, while Class B availability fell more substantially from 13.5% to 11.7%. In contrast, Class C availability increased from 16.9% to 20.0%. The growing difference between higher-quality and older office properties provides further evidence that tenants continue to favour well-located, improved and move-in-ready premises. Older Class C buildings face increasing competition and may require significant capital improvements, more flexible lease terms or stronger financial inducements to attract tenants.

Unlike the Downtown and Suburban markets, the Periphery recorded a modest increase in sublease availability. Sublease space increased from 19.4% to 19.9% of total availability and now totals 321,144 square feet. Although the increase was relatively limited, it indicates that businesses in the Periphery continue to reassess their office requirements and place excess space onto the market.

Overall, conditions in the Periphery market remain mixed. Declining Class A and Class B availability is encouraging, but the negative absorption, increase in sublease space and sharp rise in Class C availability indicate that the recovery is not evenly distributed. Buildings offering convenient access, strong amenities and modern, efficient premises should continue to outperform, while older properties are likely to experience longer marketing periods and greater pressure on rental rates and inducements.

## Vancouver Periphery Significant Transactions

- ▶ *Pacific Spirit School* leased 9,000 square feet at 938 West 8<sup>th</sup> Avenue.
- ▶ *The City of Vancouver* leased approximately 75,000 square feet at 380 West 5<sup>th</sup> Avenue.

- ▶ *JD Sports Canada* expanded, subleasing 11,692 square feet at the Lightworks Building, 22 East 5<sup>th</sup> Avenue.
- ▶ *Tundra Technical Solutions* leased 10,486 square feet at Main Alley M2, 114 East 4<sup>th</sup> Avenue.
- ▶ *Sonic Incytes Medical Corp.* leased 4,300 square feet at 936 West 8<sup>th</sup> Avenue.
- ▶ *Arc'teryx Equipment* leased 21,093 square feet at 565 Great Northern Way.

## NAI CommercialTeam



NAI Commercial is pleased to announce that Samuel Brahem has joined our team as an industrial sales and leasing specialist. Based in Vancouver, Samuel advises landlords, property owners, tenants, investors and owner users throughout Metro Vancouver and the Fraser Valley.

Samuel brings extensive experience in business development and complex sales. He is recognized for his proactive approach, persistent prospecting, disciplined follow up and ability to uncover opportunities that may not yet be visible to the broader market.

Samuel specializes in industrial property sales and leasing, landlord and tenant representation, owner user acquisitions and targeted property searches.

NAI Commercial continues to grow and has room for additional quality agents in both our Vancouver and Langley offices. Experienced commercial real estate professionals considering their next opportunity, or anyone who would like to refer a qualified agent, are encouraged to contact Rob DesBrisay directly for a confidential discussion.

### Vancouver Office Leasing:

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