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METRO VANCOUVER

Office Market Report

Q3
2026

WELCOME TO OUR Q3 2026 METRO VANCOUVER OFFICE REPORT

What an extraordinary time to be trying to make long-term business and real estate decisions.

Around the world, uncertainty has increasingly become the norm. The war in Ukraine is now well into its fifth year. Conflict in the Middle East continues. Canada is dealing with tariffs and a changing relationship with our largest trading partner. At home, businesses face their own questions about taxation, regulation, government spending, housing policy and economic growth.

Perhaps most concerning is how difficult it has become to separate good policy from good politics.

Those are not necessarily the same thing.

For those of us in commercial real estate, development and construction, policy matters enormously. A tax, regulation or approval requirement does not exist in isolation. It eventually finds its way into a development pro forma, an operating statement, a lease rate, a construction budget or an investment decision. Enough additional costs and uncertainty can ultimately determine whether a project proceeds at all.

That matters particularly this October because British Columbians are voting twice.

Vancouver's civic election takes place October 17. The mayoral ballot includes eight candidates, although incumbent Mayor Ken Sim and Green mayoral candidate Pete Fry represent two substantially different approaches to a number of issues affecting business, housing, public safety and municipal government. ABC's platform emphasizes public safety, a proposed zero percent property tax increase for 2027, City Hall efficiency, infrastructure and economic growth. The Vancouver Greens emphasize housing affordability tied to household incomes, expanded housing choices, transit, climate resilience, community services and a different approach to public safety.

Those differences deserve examination on their merits.

One week later, on October 24, British Columbians will vote in a provincial election that was not originally scheduled until October 2028. Premier David Eby asked Lieutenant Governor Wendy Cocchia to dissolve the Legislature on September 22, commencing a 32 day campaign. B.C.'s fixed election date legislation normally calls for an election every four years, while preserving the constitutional authority to dissolve the Legislature earlier.

Premier Eby has said the changed economic and political circumstances surrounding President Trump's trade policies and threats to Canada justify seeking a renewed mandate. Others will reasonably ask: is this not precisely the intent of fixed election dates and to protect British Columbians from politicians taking advantage of timely events for their own gain? Did British Columbians need an election two years ahead of the established schedule, when the governing party can govern and already holds a majority? That is a question voters can decide for themselves.

From a business perspective, however, there are some facts worth examining.

B.C. finished fiscal 2022 to 2023 with a \$704 million surplus. The Province's September 2026 fiscal update now forecasts a \$13.8 billion deficit for 2026 to 2027. The government points to investments in health care, education, infrastructure and other public services, together with economic and trade uncertainty. Whatever one's political perspective, a change of that magnitude deserves serious attention.

The same applies to taxation.

Budget 2026 proposed extending the 7 percent Provincial Sales Tax to a range of professional services, including non residential real estate trading and rental property management services. For our own company, that meant preparing systems to collect another tax that ultimately would have become another cost of doing business, and increase expense for all British Columbians. On September 18, just days before the election call, the government announced that the expansion would be paused under the claim of trade uncertainty and pressure on businesses.

The housing market presents another example.

On September 25, the NDP proposed a new tax on newly constructed condominium units that remain unsold and unoccupied for more than a year, as well as increases to the speculation and vacancy tax. The stated objective is to encourage completed homes onto the market. The legitimate question for our industry is what happens on the other side of that equation. At a time when many projects are already struggling with financing costs, weak presales, construction costs and falling values, does another carrying cost encourage new supply, or make the economics of future development more difficult?

That question becomes particularly relevant when viewed against the market itself.

UBS's 2026 Global Real Estate Bubble Index examined 23 major cities. Inflation adjusted residential prices in Vancouver and Toronto declined approximately 10 percent over the preceding year, placing them among the weakest performing markets in the study. Vancouver remains extraordinarily expensive despite that deterioration in pricing.

And development does not exist in a vacuum.

When a condominium, office, industrial or rental project no longer makes economic sense, it is not simply the developer who is affected. Architects, engineers, brokers, lenders, surveyors, steelworkers, electricians, plumbers, concrete suppliers, crane operators, cabinetmakers and thousands of tradespeople and suppliers depend on development activity. Their wages in turn circulate through restaurants, retailers, service businesses and the broader economy.

That is why economic policy matters to our industry.

I believe we should be able to expect governments of every political stripe to demonstrate fiscal accountability, carefully evaluate the cumulative cost of regulation and taxation, protect public safety, deliver effective health care, encourage private investment and measure policies by their results rather than their intentions.

We should also be willing to change policies that are not working.

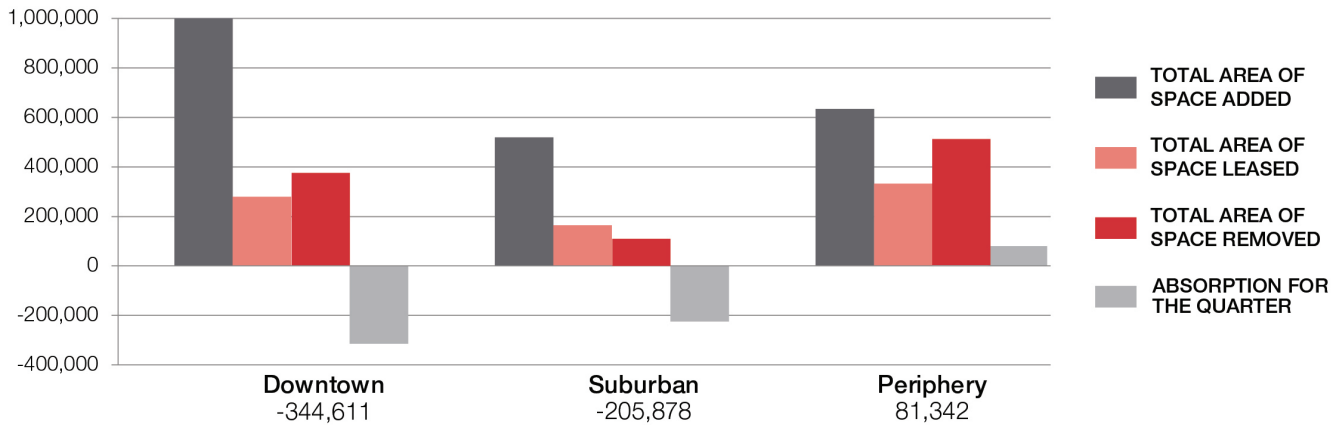
Reasonable people will disagree about how to accomplish these objectives. That is democracy. But disagreement should not prevent us from asking difficult questions, examining actual results and holding governments accountable for the decisions they make.

Common sense sometimes seems less common than it should be.

This October, both the Vancouver civic election and the provincial election matter. I encourage everyone who is eligible to vote to examine the platforms, look beyond the political messaging, decide which policies they believe will produce the best outcomes for British Columbia, and most importantly, get out and vote.

With that backdrop, let us turn to the commercial office market.

Q3 2026 In Quarter Absorption



Net Absorption for the Quarter: (469,147 SF)

Availability Rates

DOWNTOWN

Quarterly:

Q2 2026: 15.4%

Q3 2026: 15.7%

↑ 0.3%

Yearly:

Q3 2025: 16.1%

Q3 2026: 15.7%

↓ 0.4%

SUBURBAN

Quarterly:

Q2 2026: 8.6%

Q3 2026: 8.6%

↔ 0.0%

Yearly:

Q3 2025: 8.3%

Q3 2026: 8.6%

↑ 0.3%

PERIPHERY

Quarterly:

Q2 2026: 13.7%

Q3 2026: 13.9%

↑ 0.2%

Yearly:

Q3 2025: 13.6%

Q3 2026: 13.9%

↑ 0.3%

	Spaces Added Q2 2026	Spaces Added Q3 2026	% Change from Previous Quarter	Total Area of Space Added (SF)	# of Spaces Leased Q2 2026	# of Spaces Leased Q3 2026	Total Area of Space Leased (SF)	# of Spaces Removed Q2 2026	# of Spaces Removed Q3 2026	Total Area of Spaces Removed (SF)	Total # of Spaces Removed	Total Area Taken Off Q3 2026 (SF)
Downtown	162	209	29.0%	1,023,893	94	116	289,093	38	76	390,189	192	679,282
Suburban	106	135	27.4%	524,110	80	50	171,185	39	38	147,047	88	318,232
Periphery	58	95	63.8%	621,538	36	17	360,169	23	78	342,711	95	702,880
Subtotal	326	439		2,169,541	210	183	820,447	103	192	879,947	375	1,700,394

Statistics provided by Altus Group

Office Class	Total Availability Rate		Change from Last Quarter	Inventory Size (SF)	
	Q2 2026	Q3 2026		Q2 2026	Q3 2026
All Classes	15.4%	15.7%	↑ 0.3%	30,502,566	30,650,283
A	13.4%	13.8%	↑ 0.4%	20,026,162	20,041,640
B	15.8%	15.4%	↓ 0.4%	7,054,974	7,137,339
C	25.6%	27.6%	↑ 2.0%	3,421,430	3,471,304

Statistics provided by Altus Group

Downtown Vancouver saw overall office availability increase slightly during the third quarter, rising to 15.7% from 15.4% in Q2 and remaining close to the 16.1% recorded a year ago.

During the quarter, 209 spaces totalling 1,023,893 square feet were added to the market, while 116 spaces totalling 289,093 square feet were leased and a further 76 spaces totalling 390,189 square feet were removed. This resulted in negative net absorption of 344,611 square feet.

Performance continues to vary considerably by building class. Class A availability increased modestly to 13.8% from 13.4% last quarter, while Class B improved to 15.4%, down from 15.8%. Class C availability continued to deteriorate, increasing to 27.6% from 25.6% last quarter.

The division between quality, improved premises in well located buildings and older commodity space has rarely been greater. Tenants continue to favour attractive, move in ready premises with views, amenities and strong building quality. Conversely, owners of Class C properties are facing increasingly difficult decisions around whether the cost of renovating vacant premises can be justified by achievable rents and prospective leasing demand. This continues the flight to quality trend identified in our previous reports, where improved Class A and better quality Class B premises have generally outperformed older commodity space.

Downtown sublease inventory continued to decline during the quarter, falling to 697,577 square feet and now representing approximately 14.5% of total available space. This compares with 745,141 square feet last quarter and 841,856 square feet one year ago. The continued decline is encouraging and suggests that much of the excess space created by earlier corporate downsizing continues to be leased, reclaimed or otherwise removed from the sublease market. Q2 had already shown the same trend, with sublease inventory falling to 745,141 square feet and 15.9% of available space.

Overall, Downtown remains a highly segmented market. The headline availability rate has changed relatively little over the past year, but the underlying performance of individual buildings and premises continues to diverge. Quality space remains competitive, while older and unimproved inventory is increasingly carrying a disproportionate share of vacancy.

The return to negative absorption this quarter is also a reminder that the recovery remains uneven. More than one million square feet of space was added to the market during Q3, substantially exceeding the amount leased. Until leasing activity begins to consistently outpace new availability, meaningful downward movement in the overall vacancy rate is likely to remain difficult.

Downtown Significant Transactions

- ▶ Fluor expanded taking 20,000 SF on the third floor of The Stack, 1133 Melville Street.
- ▶ Eyford Partners LLP expanded by 4,000 SF at 1055 Dunsmuir Street.
- ▶ Victory Square Media leased 9,332 SF at 1166 Alberni Street.
- ▶ Morguard leased, 8,479 SF at TELUS Garden, 510 West Georgia Street.
- ▶ Traction subleased 7,793 SF on the 17th floor of Pacific Centre Tower IV, Dunsmuir Street.
- ▶ InBC Investment leased 4800 SF at 1050 West Pender Street.
- ▶ Varonis subleased 7,634 SF at 595 Howe Street.
- ▶ West Red Lake Mining leased 5,390 SF at 1100 Melville Street.
- ▶ Versamet Royalties leased 16,000 SF at 666 Burrard Street.
- ▶ DMCL Accountants expanded by 8500 SF on the 18th floor of 1140 West Pender.
- ▶ Wawanesa, leased 24,000 SF at 666 Burrard Street, where Standard Lithium also leased 5,447 SF.

SUBURBAN

The Suburban office market remained remarkably stable during the third quarter, with overall availability holding at 8.6%, unchanged from the previous quarter.

During the quarter, 135 spaces totalling 524,110 square feet were added to the market, while 50 spaces totalling 171,185 square feet were leased and a further 38 spaces totalling 147,047 square feet were removed. This resulted in negative net absorption of 205,878 square feet.

Sublease availability increased modestly during the quarter to 312,868 square feet, up from 283,091 square feet last quarter, and now represents approximately 13.3% of total available space. This represents a slight reversal of the declining sublease trend seen over the previous several quarters. In Q2, sublease inventory had fallen to 283,091 square feet and 12.1% of total available space.

Availability by building class remains considerably tighter than Downtown Vancouver. Class A availability remained at 9.8%, while Class B continues to be very competitive at 7.0% and Class C remains particularly tight at just 4.2%.

The contrast between Downtown and Suburban Class C space is particularly notable. Downtown Class C availability has risen to 27.6%, while Suburban Class C availability remains at just 4.2%. One important distinction is that the suburban markets contain fewer older and functionally obsolete office buildings. Much of the suburban Class B and C inventory also benefits from convenient access, parking and lower overall occupancy costs, helping maintain demand from small and mid sized businesses.

Area	Total Availability Rate		Change from Last Quarter
	Q2 2026	Q3 2026	
Burnaby	9.1%	9.4%	↑ 0.3%
Langley	2.4%	2.9%	↑ 0.5%
New Westminster	7.8%	5.3%	↓ 2.5%
North Shore	3.5%	3.3%	↓ 0.2%
Richmond	8.3%	8.4%	↑ 0.1%
Surrey	12.5%	12.1%	↓ 0.4%
Tri-Cities	8.4%	9.2%	↑ 0.8%
Suburban	8.7%	8.6%	↓ 0.1%

Office Class	Total Availability Rate		Change from Last Quarter	Inventory Size (SF)	
	Q2 2026	Q3 2026		Q2 2026	Q3 2026
All Classes	8.6%	8.6%	↔ 0.0%	27,119,652	27,305,945
A	9.8%	9.8%	↔ 0.0%	17,834,865	17,684,363
B	7.0%	7.0%	↔ 0.0%	7,297,127	7,633,922
C	4.8%	4.2%	↓ 0.6%	1,987,660	1,987,660

Statistics provided by Altus Group

At the individual market level, Burnaby availability increased to 9.4%, from 9.1% last quarter, while Richmond increased slightly to 8.4%, from 8.3%. Surrey improved to 12.1%, down from 12.5%. The remaining suburban markets recorded declining availability during the quarter, with the exception of Langley and the Tri Cities.

Overall, the Suburban market continues to demonstrate considerably greater stability than Downtown Vancouver. While negative absorption during the quarter and a modest increase in sublease inventory warrant attention, overall availability remains below 9%, while Class B and particularly Class C space remain comparatively tight.

Suburban Significant Transactions

- ▶ *Broadcom Canada expanded by approximately 51,150 SF at Crestwood Corporate Centre, Building 10, 13711 International Place, Richmond.*
- ▶ *TransLink leased 23,000 SF on the 6th and 8th floor of 4555 Kingsway.*
- ▶ *Park West Professional Services expanded by approximately 5,510 SF at Surrey Central Business Park, Building 3, 7565 132nd Street, Surrey.*
- ▶ *Initio Medical subleased approximately 5,498 SF at 3175 to 3185 Willingdon Green, Burnaby.*
- ▶ *Sixone Labs subleased approximately 4,401 SF at Canada Way II, 4299 Canada Way, Burnaby.*
- ▶ *Aerotek leased 16,829 SF at Brewery District Building 7 268-274 Nelson's court.*
- ▶ *CBM Lawyers subleased 8,270 SF at Langley 200 Business centre, 8661 201 Street.*
- ▶ *NuStream Realty leased 4,800 SF at 4211 Kingsway.*

VANCOUVER PERIPHERY

Office Class	# of Buildings	Total Availability Rate	Inventory Size (SF)	Inventory Size (SF)
	Q3 2026	Q3 2026	Q2 2026	Q3 2026
All Classes	195	13.9%	11,764,150	11,612,073
A	92	13.3%	7,357,446	7,196,090
B	63	13.1%	2,860,110	2,895,350
C	40	18.5%	1,546,594	1,520,633

Statistics provided by Altus Group

The Vancouver Periphery market saw overall availability increase slightly during the third quarter, rising to 13.9% from 13.7% last quarter.

During the quarter, 95 spaces totalling 621,538 square feet were added to the market, while 17 spaces totalling 360,169 square feet were leased and a further 78 spaces totalling 342,711 square feet were removed. This resulted in positive net absorption of 81,342 square feet.

Performance by building class was mixed. Class A availability increased slightly to 13.3%, up from 13.1% last quarter, while Class B availability increased more noticeably to 13.1%, from 11.7%. In contrast, Class C availability improved to 18.5%, down from 20.0% last quarter.

Sublease availability moved in a positive direction during the quarter, declining to 282,483 square feet, from 321,144 square feet in Q2, and now represents approximately 17.5% of total available space, down from 19.9% last quarter. This reverses the modest increase in sublease availability recorded in Q2.

Overall, the Periphery market remains mixed, but the quarter produced some encouraging indicators. Positive absorption and a reduction in sublease space suggest that tenant demand is continuing to work through available inventory. At the same time, the increase in Class B availability and the slight rise in the overall availability rate indicate that the recovery remains uneven and highly dependent on individual buildings and locations.

Vancouver Periphery Significant Transactions

- ▶ Huha leased approximately 4,900 SF at Focal, 107 East 3rd Avenue.
- ▶ Seimos Group leased approximately 4,480 SF at 34 West 7th Avenue.
- ▶ DNEG subleased 25,234 SF at 565 Great Northern Way.
- ▶ BC Cancer leased 9,671 SF at 988 West Broadway.

Industry Event Spotlight: Private Property Rights, the Cowichan Ruling and DRIPA

The Cowichan ruling, private property rights and British Columbia's DRIPA legislation continue to raise important questions for property owners, investors, developers, lenders and real estate professionals across the province.

Thomas Isaac, Partner and Chair of the Aboriginal Law Group at Cassels, is a nationally recognized authority on Aboriginal law and a former Chief Treaty Negotiator for the Government of British Columbia.

VanEx is hosting Tom for a special lunch presentation, Private Property Rights and UNDRIP / DRIPA, Where to From Here?, on Wednesday, November 25, 2026 at the Terminal City Club in Vancouver.

This is an important and timely topic for anyone involved in real estate in British Columbia. We encourage you to attend, bring members of your team, clients or colleagues, and hear directly from one of Canada's leading authorities in this area.

Guest Lunch: \$69, including the presentation and full buffet lunch. Scan the QR code to register:



A VANEX LUNCH PRESENTATION

Private Property Rights and UNDRIP / DRIPA

WHERE TO FROM HERE?



MEET THE SPEAKER

Thomas Isaac
Partner, Cassels | Chair, Aboriginal Law Group

Explore the questions around private property rights, UNDRIP and BC's DRIPA with a nationally recognized authority in Aboriginal law and former BC Chief Treaty Negotiator.

DATE
Wednesday, November 25, 2026

LOCATION
Terminal City Club
837 West Hastings Street, Vancouver

SCHEDULE
Networking 11:00 a.m. | Buffet Lunch 11:30 a.m.
Presentation & Q&A 12:00 to 1:00 p.m.

GUEST LUNCH
\$69
Presentation & Full Buffet Lunch

Bring a colleague, client, friend or spouse. Seating is limited.



Register now on Eventbrite

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