

# Market Report

Despite rising angst surrounding trade and tariffs, the Vancouver industrial market experienced a relatively buoyant quarter with leasing activity up, and rents holding more or less steady. Absorption (change in occupied space), however contracted by 344,674 square feet, which may be a grim omen for demand going forward. Leasing volumes came in just below two million square feet, a level not seen since Q2 2023, suggesting occupiers are testing new size/configuration formats. New supply registered 720,000 square feet, the lowest quarterly level in two years. Availabilities continued to march higher, rising to 5.7%, a level last seen almost a decade ago. The vacancy rate increased to finish the quarter at 3.5%. Notably, sublease space continued to rise, registering 2.2 million square feet, the highest on record. While Q1 data was mixed with high leasing volumes, offset by more availability, the outlook is best described as highly uncertain pending further trade restrictions.



## Rental and Availability Rates

Direct Asking Rent* (\$/SF)	Total Availability Rate (03/31/2025)	QoQ Change/Availability
\$20.46	Vancouver 7.2%	▲ 1.1%
\$20.22	Richmond 3.7%	▲ 0.5%
\$21.15	Burnaby 4.8%	▼ 0.3%
\$21.14	North Vancouver 1.4%	▼ 0.1%
\$17.95	Coquitlam 6.1%	▲ 2.3%
\$21.40	Port Coquitlam 4.4%	▲ 0.7%
\$19.42	Delta 6.8%	▼ 0.7%
\$23.30	Surrey 7.7%	▲ 0.8%
\$20.21	Langley 3.9%	▲ 0.1%

\*Net (basic) rent CAD

## Select Transactions (Lease)

Occupier	Size	Submarket	Industry	Address
1 IEM*	483,067 SF	Surrey	Industrial Equipment	19125 28th Avenue
2 Intelcom	202,646 SF	Delta	Logistics	8358 Nordel Way
3 AccessSMT	81,401 SF	Surrey	Construction Supplies	8041 132nd Street
4 Big Bus Tours	34,745 SF	Burnaby	Transportation	8130 Winston Street
5 Icon Agency**	11,130 SF	Port Coquitlam	Plumbing Supplies	1647 Broadway Street

\* Prelease \*\* Sublease

## Occupier's Perspective



While warehouse rents remain stubbornly high, tenants are beginning to see inducements, which considerably reduce effective rents.



Tariffs, and trade tensions, have created considerable uncertainty, with many users taking a very defensive position.



While availabilities have reached the highest level in ten years, certain size segments remain challenging, specifically bays in the 5,000 to 10,000 square foot range.

## Market Trends



Continuing a gradual trend seen for the past three years, vacancy increased again to register 3.5%; a level not seen since the end of 2015, with further increases anticipated.

**Construction activity continued to move lower**, with developments underway falling to 5.5 million square feet. A level last recorded in late 2020.

**Warehouse rents moved mostly sideways**, finishing the quarter at \$20.65 per square foot, as negative absorption placed further downward pressure on rates.