



# Metro Vancouver office market report

Q2 2024

**AVISON  
YOUNG**

# Metro Vancouver office market fundamentals

**10.4%**

total vacancy rate  
up from 10.1% in Q1 2024

**26.6%**

sublet as a percentage  
of all available space  
up from 24.9% in Q1 2024

**\$56.12**

average gross asking  
rent per square foot (psf)  
includes \$21.29 psf  
average additional rent

**8.2M**

square feet (sf) available  
up from 7.8 million sf in Q1 2024

**284K**

sf absorption  
Q2 2024

**3.7M**

sf under construction  
32 projects

# Metro Vancouver office market fundamentals

## 01.

### **Vacancy edged up slightly while new supply completed led to overall positive absorption**

Metro Vancouver's vacancy rate continued its upward trajectory in Q2 2024, increasing 30 basis points quarter-over-quarter to 10.4%. The Downtown vacancy rate rose slightly from 12.5% to 12.8% quarter-over-quarter, as the last of the significant new supply in the Downtown market was delivered with the completion of B6, which accounted for the majority of the positive absorption in the class AAA market this quarter.

Despite the ongoing increase in vacancy, it is expected to plateau. For any significant tenant growth in the Downtown market, there are limited options available. The market has seen several tenants outgrow their shared office space and take on larger spaces directly, including some notable tech companies.

## 02.

### **New development slowing with several developers pausing to reevaluate plans**

Metro Vancouver is experiencing a slowdown in new development projects, potentially impacting future availability of premium space. Several developers have delayed construction start dates in hopes of future construction cost stabilizations, and a change in the City of Vancouver view cone policy.

3.7 million sf of new office supply is expected to be added to the market in the next three years, the majority of which will be located in the suburbs. Larger Downtown office deliveries over 100,000 sf are now complete, and the premium view space has been leased. The scarcity of new supply opportunities for class AAA space coming to the market may pose a challenge for tenants looking to expand or upgrade into premium space.

## 03.

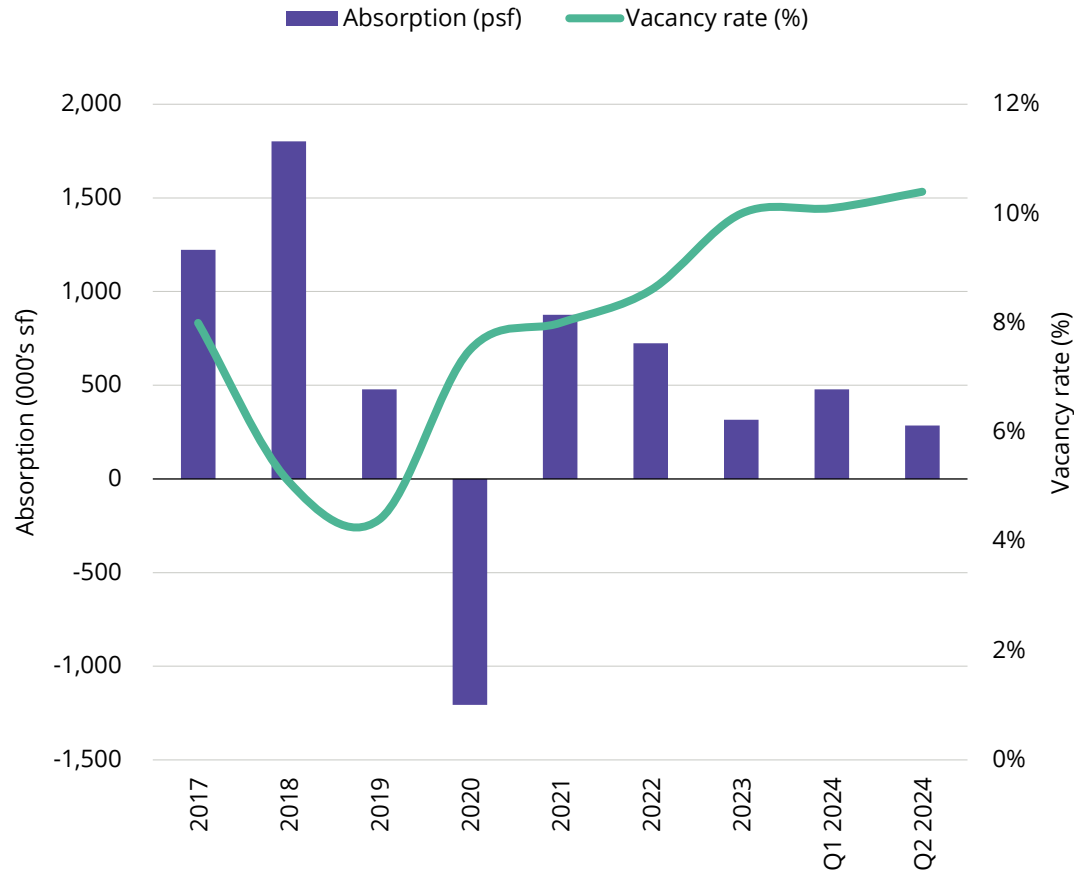
### **Construction cost escalations are guiding tenants towards turnkey opportunities**

With the ongoing increase in vacancy, landlords in the Metro Vancouver market continue to offer significant incentives and free rent, especially for renewals of dated office space.

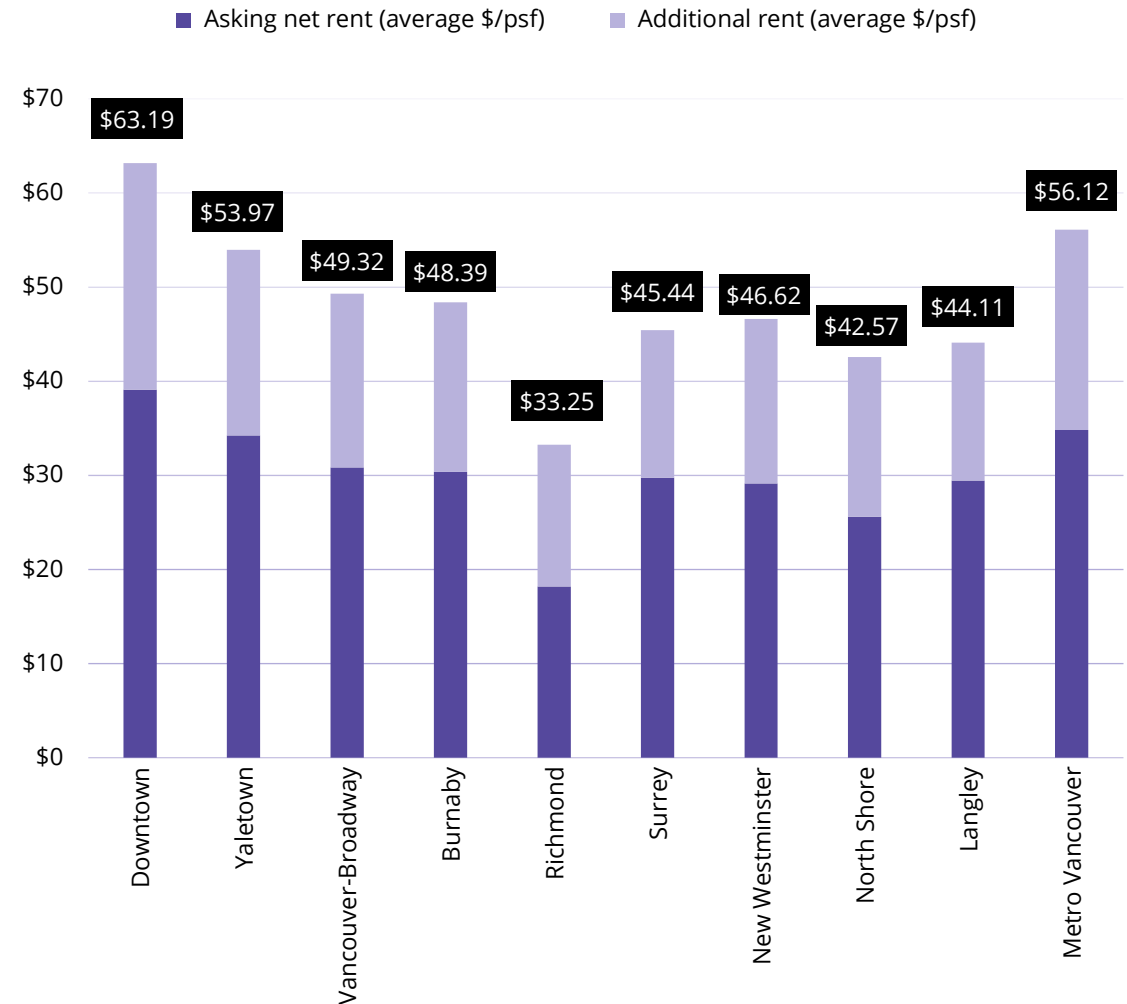
Tenants are looking for turnkey spaces as construction costs remain high. As improved premises rent quicker than shell or unimproved spaces, many landlords have opted to build out office suites as part of their early marketing strategies to further attract tenants. Improved sublet spaces in quality buildings continue to be in demand while older spaces have a hard time attracting subtenants.

# Metro Vancouver office market trends

## Vacancy and absorption



## Average gross occupancy costs



# Metro Vancouver office market indicators

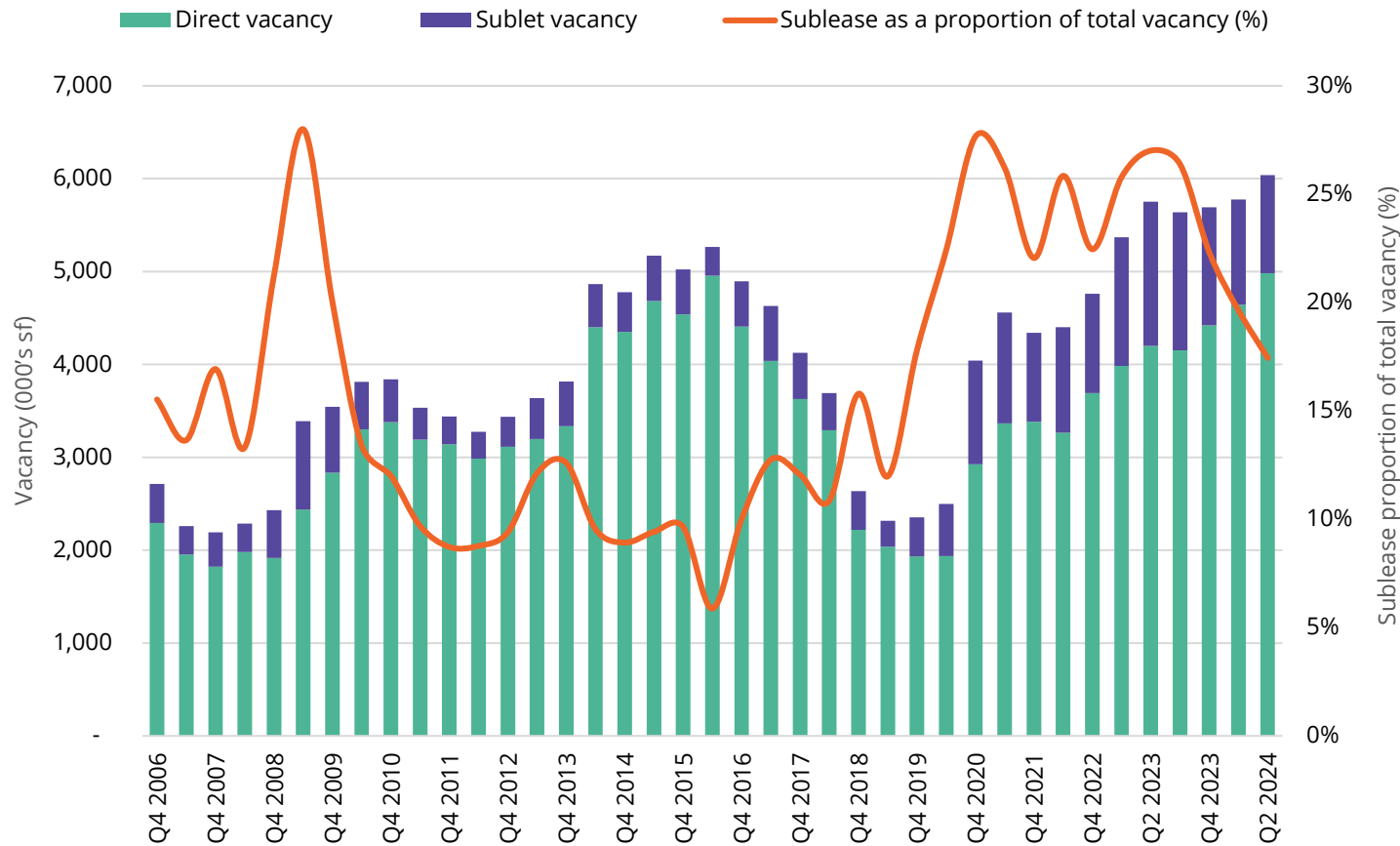
Availability rate by building class



**Metro Vancouver's availability rate increased from 13.6% to 14.2%, while the rate for class AAA space decreased from 15.1% to 13.3% quarter-over-quarter.**

# Metro Vancouver office market indicators

Sublease vacancy as a proportion of total vacancy



**Sublease vacancy as a proportion of total vacancy continues to decline, down 35% in the last year.**



# Metro Vancouver office market statistics

Downtown	Inventory (sf)	Direct vacancy (sf)	Sublease vacancy (sf)	Total vacancy (sf)	Total vacancy (%)	Direct availability (sf)	Sublease availability (sf)	Total availability (sf)	Total availability (%)	Three-month absorption (sf)	YTD absorption (sf)
Class AAA	8,390,250	837,399	168,667	1,006,066	12.0%	828,701	289,785	1,118,486	13.3%	468,043	1,042,802
Class A	8,405,168	721,356	188,139	909,495	10.8%	1,009,050	290,964	1,300,014	15.5%	-34,316	-114,754
Class B	6,718,684	813,258	148,637	961,895	14.3%	972,664	245,425	1,218,089	18.1%	-421	40,157
Class C	2,982,834	482,755	41,994	524,749	17.6%	595,562	48,157	643,719	21.6%	-41,121	-24,031
<b>Market total</b>	<b>26,496,936</b>	<b>2,854,768</b>	<b>547,437</b>	<b>3,402,205</b>	<b>12.8%</b>	<b>3,405,977</b>	<b>874,331</b>	<b>4,280,308</b>	<b>16.2%</b>	<b>392,185</b>	<b>944,174</b>

Yaletown	Inventory (sf)	Direct vacancy (sf)	Sublease vacancy (sf)	Total vacancy (sf)	Total vacancy (%)	Direct availability (sf)	Sublease availability (sf)	Total availability (sf)	Total availability (%)	Three-month absorption (sf)	YTD absorption (sf)
Class A	614,752	30,086	9,600	39,686	6.5%	34,069	23,230	57,299	9.3%	0	0
Class B	1,021,065	161,485	4,406	165,891	16.2%	166,079	16,573	182,652	17.9%	-14,148	-14,148
Class C	450,377	66,229	0	66,229	14.7%	87,098	0	87,098	19.3%	3,782	3,885
<b>Market total</b>	<b>2,086,194</b>	<b>257,800</b>	<b>14,006</b>	<b>271,806</b>	<b>13.0%</b>	<b>287,246</b>	<b>39,803</b>	<b>327,049</b>	<b>15.7%</b>	<b>-10,366</b>	<b>-10,263</b>

# Metro Vancouver office market statistics

<b>Vancouver-Broadway</b>	Inventory (sf)	Direct vacancy (sf)	Sublease vacancy (sf)	Total vacancy (sf)	Total vacancy (%)	Direct availability (sf)	Sublease availability (sf)	Total availability (sf)	Total availability (%)	Three-month absorption (sf)	YTD absorption (sf)
Class A	5,510,239	348,107	111,614	459,721	8.3%	444,313	456,226	900,539	16.3%	-28,428	-67,996
Class B	2,072,351	293,474	68,071	361,545	17.4%	273,698	81,939	355,637	17.2%	6,678	-2,075
Class C	721,842	88,977	1,922	90,899	12.6%	112,856	1,922	114,778	15.9%	4,516	2,594
<b>Market total</b>	<b>8,304,432</b>	<b>730,558</b>	<b>181,607</b>	<b>912,165</b>	<b>11.0%</b>	<b>830,867</b>	<b>540,087</b>	<b>1,370,954</b>	<b>16.5%</b>	<b>-17,234</b>	<b>-67,477</b>

<b>Burnaby</b>	Inventory (sf)	Direct vacancy (sf)	Sublease vacancy (sf)	Total vacancy (sf)	Total vacancy (%)	Direct availability (sf)	Sublease availability (sf)	Total availability (sf)	Total availability (%)	Three-month absorption (sf)	YTD absorption (sf)
Class A	6,490,308	385,177	163,247	548,424	8.4%	350,922	500,459	851,381	13.1%	-83,576	-83,576
Class B	1,976,051	119,482	38,048	157,530	8.0%	175,547	38,048	213,595	10.8%	503	503
Class C	841,570	31,504	0	31,504	3.7%	41,802	0	41,802	5.0%	4,677	10,327
<b>Market total</b>	<b>9,307,929</b>	<b>536,163</b>	<b>201,295</b>	<b>737,458</b>	<b>7.9%</b>	<b>568,271</b>	<b>538,507</b>	<b>1,106,778</b>	<b>11.9%</b>	<b>-78,396</b>	<b>-72,746</b>



# Metro Vancouver office market statistics

<b>Richmond</b>	Inventory (sf)	Direct vacancy (sf)	Sublease vacancy (sf)	Total vacancy (sf)	Total vacancy (%)	Direct availability (sf)	Sublease availability (sf)	Total availability (sf)	Total availability (%)	Three-month absorption (sf)	YTD absorption (sf)
Class A	2,733,701	147,113	50,031	197,144	7.2%	221,347	77,696	299,043	10.9%	-8,134	-35,716
Class B	1,206,336	95,471	52,499	147,970	12.3%	138,248	56,288	194,536	16.1%	4,445	5,376
Class C	348,198	1,213	0	1,213	0.3%	1,801	0	1,801	0.5%	1,002	1,002
<b>Market total</b>	<b>4,288,235</b>	<b>243,797</b>	<b>102,530</b>	<b>346,327</b>	<b>8.1%</b>	<b>361,396</b>	<b>133,984</b>	<b>495,380</b>	<b>11.6%</b>	<b>-2,687</b>	<b>-29,338</b>

<b>Surrey</b>	Inventory (sf)	Direct vacancy (sf)	Sublease vacancy (sf)	Total vacancy (sf)	Total vacancy (%)	Direct availability (sf)	Sublease availability (sf)	Total availability (sf)	Total availability (%)	Three-month absorption (sf)	YTD absorption (sf)
Class A	2,387,671	113,338	0	113,338	4.7%	200,881	25,081	225,962	9.5%	2,731	6,731
Class B	668,208	61,212	0	61,212	9.2%	66,119	27,714	93,833	14.0%	10,940	10,940
Class C	205,629	0	0	0	0.0%	0	0	0	0.0%	0	0
<b>Market total</b>	<b>3,261,508</b>	<b>174,550</b>	<b>0</b>	<b>174,550</b>	<b>5.4%</b>	<b>267,000</b>	<b>52,795</b>	<b>319,795</b>	<b>9.8%</b>	<b>13,671</b>	<b>17,671</b>

# Metro Vancouver office market statistics

<b>New Westminster</b>	Inventory (sf)	Direct vacancy (sf)	Sublease vacancy (sf)	Total vacancy (sf)	Total vacancy (%)	Direct availability (sf)	Sublease availability (sf)	Total availability (sf)	Total availability (%)	Three-month absorption (sf)	YTD absorption (sf)
Class A	814,641	47,391	3,663	51,054	6.3%	110,309	3,663	113,972	14.0%	1,466	1,466
Class B	701,891	42,414	0	42,414	6.0%	31,925	1,108	33,033	4.7%	-13,873	-13,873
Class C	103,500	3,822	0	3,822	3.7%	3,822	0	3,822	3.7%	-3,822	-3,822
<b>Market total</b>	<b>1,620,032</b>	<b>93,627</b>	<b>3,663</b>	<b>97,290</b>	<b>6.0%</b>	<b>146,056</b>	<b>4,771</b>	<b>150,827</b>	<b>9.3%</b>	<b>-16,229</b>	<b>-16,229</b>

<b>North Shore</b>	Inventory (sf)	Direct vacancy (sf)	Sublease vacancy (sf)	Total vacancy (sf)	Total vacancy (%)	Direct availability (sf)	Sublease availability (sf)	Total availability (sf)	Total availability (%)	Three-month absorption (sf)	YTD absorption (sf)
Class A	871,813	24,268	2,491	26,759	3.1%	43,184	6,378	49,562	5.7%	0	0
Class B	435,844	15,442	0	15,442	3.5%	29,984	0	29,984	6.9%	1,569	-1,436
Class C	75,690	1,915	0	1,915	2.5%	1,915	0	1,915	2.5%	0	0
<b>Market total</b>	<b>1,383,347</b>	<b>41,625</b>	<b>2,491</b>	<b>44,116</b>	<b>3.2%</b>	<b>75,083</b>	<b>6,378</b>	<b>81,461</b>	<b>5.9%</b>	<b>1,569</b>	<b>-1,436</b>

# Metro Vancouver office market statistics

Langley	Inventory (sf)	Direct vacancy (sf)	Sublease vacancy (sf)	Total vacancy (sf)	Total vacancy (%)	Direct availability (sf)	Sublease availability (sf)	Total availability (sf)	Total availability (%)	Three-month absorption (sf)	YTD absorption (sf)
Class A	457,182	30,642	0	30,642	6.7%	36,238	0	36,238	7.9%	-1,849	-6,244
Class B	657,361	18,888	0	18,888	2.9%	33,357	0	33,357	5.1%	3,741	3,741
Class C	120,940	1,768	0	1,768	1.5%	5,287	0	5,287	4.4%	0	0
<b>Market total</b>	<b>1,235,483</b>	<b>51,298</b>	<b>0</b>	<b>51,298</b>	<b>4.2%</b>	<b>74,882</b>	<b>0</b>	<b>74,882</b>	<b>6.1%</b>	<b>1,892</b>	<b>-2,503</b>

# Metro Vancouver office market statistics

District	Inventory (sf)	Direct vacancy (sf)	Sublease vacancy (sf)	Total vacancy (sf)	Total vacancy (%)	Direct availability (sf)	Sublease availability (sf)	Total availability (sf)	Total availability (%)	Three-month absorption (sf)	YTD absorption (sf)
Downtown	26,496,936	2,854,768	547,437	3,402,205	12.8%	3,405,977	874,331	4,280,308	16.2%	392,185	944,174
Yaletown	2,086,194	257,800	14,006	271,806	13.0%	287,246	39,803	327,049	15.7%	-10,366	-10,263
Vancouver-Broadway	8,304,432	730,558	181,607	912,165	11.0%	830,867	540,087	1,370,954	16.5%	-17,234	-67,477
Burnaby	9,307,929	536,163	201,295	737,458	7.9%	568,271	538,507	1,106,778	11.9%	-78,396	-72,746
Richmond	4,288,235	243,797	102,530	346,327	8.1%	361,396	133,984	495,380	11.6%	-2,687	-29,338
Surrey	3,261,508	174,550	0	174,550	5.4%	267,000	52,795	319,795	9.8%	13,671	17,671
New Westminster	1,620,032	93,627	3,663	97,290	6.0%	146,056	4,771	150,827	9.3%	-16,229	-16,229
North Shore	1,383,347	41,625	2,491	44,116	3.2%	75,083	6,378	81,461	5.9%	1,569	-1,436
Langley	1,235,483	51,298	0	51,298	4.2%	74,882	0	74,882	6.1%	1,892	-2,503
<b>Total</b>	<b>57,984,096</b>	<b>4,984,186</b>	<b>1,053,029</b>	<b>6,037,215</b>	<b>10.4%</b>	<b>6,016,778</b>	<b>2,190,656</b>	<b>8,207,434</b>	<b>14.2%</b>	<b>284,405</b>	<b>761,853</b>

For more market insights and  
information visit **avisonyoung.ca**

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