

INVESTMENT FORECAST

Office
Vancouver

IPA
INSTITUTIONAL
PROPERTY
ADVISORS

2026

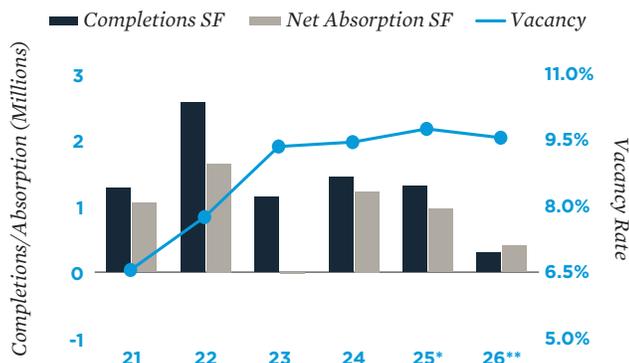
Metro Well-Positioned to Capture Potential Demand Spillovers

Market steadies as tech prospects could build. Vancouver's office landscape showed some resilience last year, with leasing activity outperforming expectations despite widespread trade risks. After an uncertain start to 2025, net absorption was positive through the first three quarters, as small- and mid-sized tenants reentered the market and larger occupiers renewed space. Office-using employment posted solid gains, helping the metro's vacancy rate hold below 10 per cent — among the lowest of major North American cities. Demand remained firmly tilted toward best-in-class assets, while suburban submarkets continued to outperform amid stronger commuter access and newer inventory. Looking ahead, fundamentals point to gradual stabilization. New supply is set to decline sharply, limiting further upward pressure on vacancy. At the same time, Vancouver's tech industry is well-positioned to welcome talent displaced by U.S. visa restrictions, as accelerating investment in artificial intelligence joins an already well-established presence of several larger firms. Together, these forces could lift medium-term office demand, driving a more balanced market where flight to quality and selective tenant expansion anchors growth.

INVESTMENT TRENDS

- Dollar volume jumped 70 per cent over the past yearlong period ended September 2025 to \$551 million. While up compared to the prior year, it was 20 per cent below the 10-year average.
- KingSett Capital recently acquired the Class AAA Pender Place Office Towers in downtown for \$125 million, underscoring institutional optimism for Vancouver's top-tier office product.

Supply and Demand



* Estimate ** Forecast; * Trailing 12 months through 3Q

Sources: Altus Data Solutions; CoStar Group, Inc.; Statistics Canada

Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of February 2026. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Forecasts for employment and retail data are made during the first quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.

2026 Office Trends



**300,000
SQUARE FEET**

will be completed

CONSTRUCTION:

Following a 15 per cent rise in inventory since 2020, Vancouver's historic build cycle is nearing completion. Deliveries will fall in 2026 to their lowest level in six years, with most space being outside the downtown.



**20
BASIS POINT**

decrease in vacancy

VACANCY:

Demand tailwinds are forming, which may pull vacancy down to roughly 9.5 per cent. Challenges do remain, however, with deliveries still to come as well as ongoing trade risks prompting tenant caution.



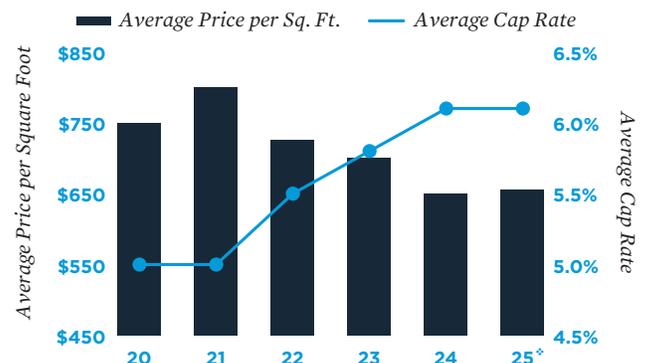
**0.4%
INCREASE**

in asking rent

RENT:

After contracting for a second-straight year in 2025, the average rent could stabilize alongside a more firm vacancy rate this year. Suburban assets offering built-out suites could be the main driver.

Price and Cap Rate Trends



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