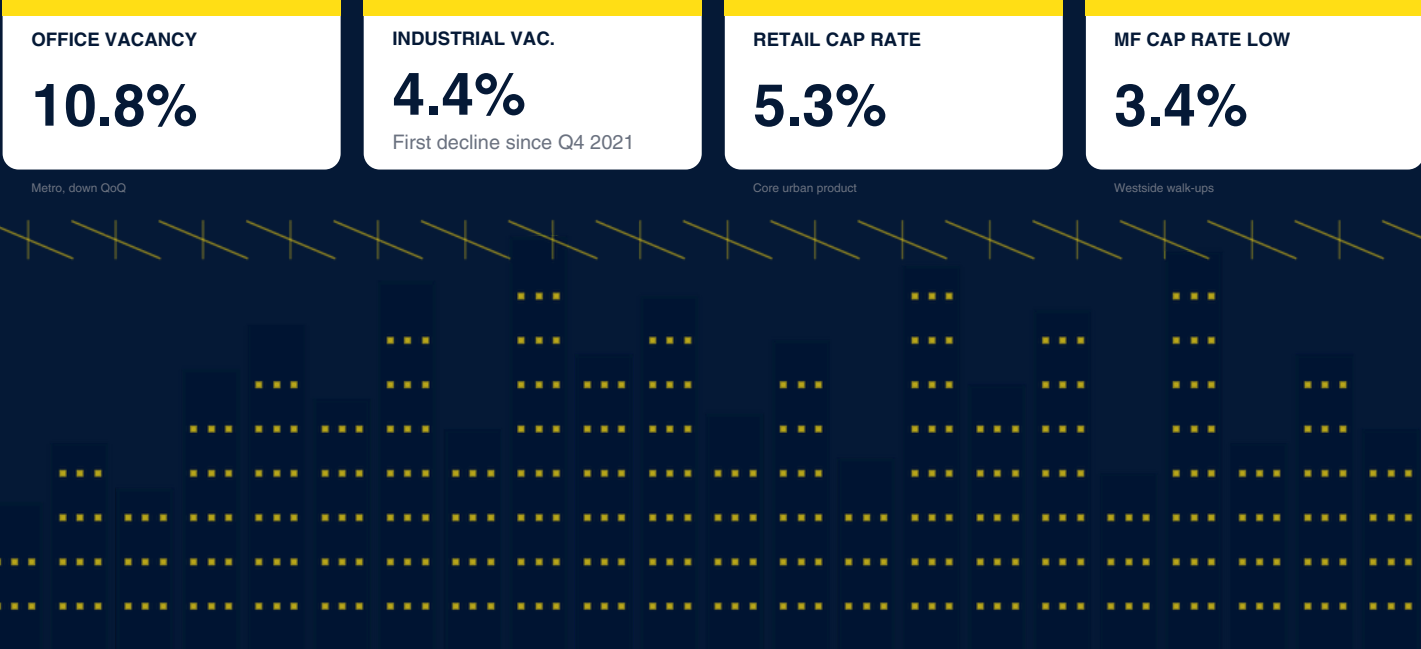


# Metro Vancouver Commercial Snapshot

Office | Industrial | Retail | Multifamily

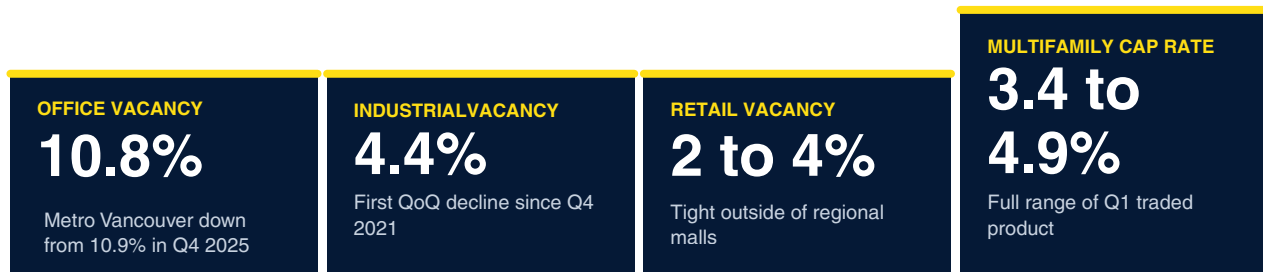
What shifted in Q1 2026, what to watch next, and where capital is moving across the Lower Mainland's four core asset classes.



## EXECUTIVE SUMMARY

# Metro Vancouver at a Glance

The region entered 2026 with clearer footing across all four asset classes. Leasing fundamentals are stabilizing, pricing is holding for quality product, and investor conviction is starting to return.



## The takeaways

Q1 2026 delivered the first signs of a genuine turn in Metro Vancouver's commercial market. After three years of rising vacancy and softening pricing, fundamentals are tightening again. Office vacancy ticked down across every submarket, industrial availability declined for the first time in over three years, and apartment cap rates compressed on Vancouver's Westside. Investor sentiment remains cautious, as total dollar volume is still running behind 2024, but the mix of deals points to a flight to quality rather than a broad retreat.

Leasing activity is outpacing sales. Broad sentiment across the brokerage community calls for 2026 leasing to outperform 2025, and Metro Vancouver's office market has now posted two consecutive quarters of positive net absorption. Large industrial requirements over 100,000 SF are clearing the market, with available big-box inventory expected to halve by Q2, while retail landlords are holding firm on rents in all categories except regional malls.

On the capital side, Metro Vancouver's total CRE dollar volume fell 8.3% in 2025 to roughly \$7.5B (from \$9.7B in 2024), with that trend carrying into early Q1. Apartment and well-located retail are leading the recovery. The quarter's headline retail trade priced at a 5.3% cap rate on Alberni Street, and a 14-unit Kitsilano walk-up set the tightest apartment cap rate of the quarter at 3.4%.

## What we're watching

### • **Broadway office**

New supply delivers into the Broadway submarket in 2026, the first real test of tenant depth outside the downtown core.

### • **Big-box industrial**

12 spaces over 100,000 SF are under offer or contract. Watch for rent stabilization by late Q2.

### • **Oakridge Park opens**

Approximately 650,000 SF of new retail delivers this spring, the first major mall delivery in over a decade.

### • **CMHC-insured multifamily**

Debt availability is improving. Expect a pickup in \$10 to 30M apartment trades as the year progresses.

### • **Return-to-office**

Downtown Class A vacancy is at its lowest since Q3 2022. A K-shaped recovery is taking hold between A and B product.

**“After three years of softening, Q1 2026 is the first quarter where the leasing data, the transaction data, and the sentiment data are all moving in the same direction.”**

**TRUSS RESEARCH,  
APRIL 2026**

## ASSET CLASS | OFFICE

# Office: A Turning Point, Led By Quality

Two consecutive quarters of positive net absorption, Class A vacancy at a three-year low, and the first signs of institutional capital re-engaging.

## METRO VACANCY

## 10.8%

Down from 10.9% QoQ

## DOWNTOWN VACANCY

## 12.3%

Down from 12.8% in Q4 2025

## SUBURBAN VACANCY

## 9.1%

## DT NET ABSORPTION

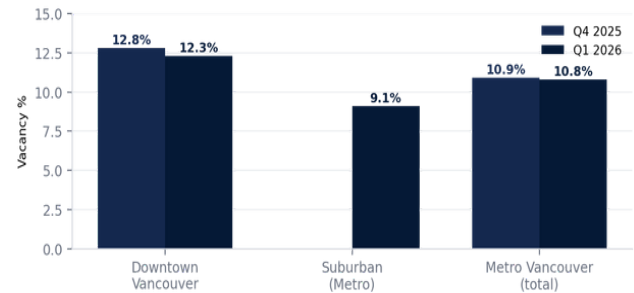
## +48,734

Sq. ft second straight positive quarter

Metro Vancouver's office market has two quarters of positive net absorption behind it for the first time since 2022. Downtown Class A product is carrying the recovery, with vacancy in that segment at its lowest level since Q3 2022, while suburban nodes (Burnaby, Richmond, Surrey) delivered the largest vacancy drop in aggregate, falling to 9.1%. The Broadway submarket is the story to watch in 2026. Several new buildings arrive on line this year, with major occupiers already committed. Class B buildings across all submarkets continue to face pressure and will require capital repositioning to compete in a K-shaped leasing market. **Investment sales:** office investment activity was limited in Q1, but sentiment is shifting. Cadillac Fairview's revised proposal for a 22-storey downtown tower signals long-term institutional confidence in the Vancouver office market.

## Metro Vancouver office vacancy

Q4 2025 vs. Q1 2026, by segment



### Notable Q1 activity

- **City of Vancouver** leased approximately 52,000 SF at 1125 Howe Street for around 500 staff, one of the quarter's largest downtown deals.
- **Class A leadership:** downtown Class A vacancy is at its lowest level since Q3 2022, with the rest of the market lagging.
- **Broadway pipeline:** several major occupiers are poised to take possession of new Broadway product later in 2026.

ASSET CLASS | INDUSTRIAL

# Industrial: The Supply Cycle Ends

After 12 straight quarters of rising vacancy, Metro Vancouver industrial finally turned. Availability is tightening and big-box inventory is clearing fast.

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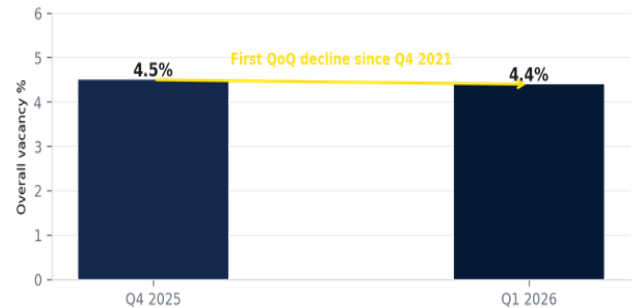
<p><b>OVERALL VACANCY</b> <b>4.4%</b> Down 10 bps QoQ, first drop since Q4 2021</p>	<p><b>NET ABSORPTION</b> <b>+263,000</b> Sq. ft., fifth straight positive quarter</p>	<p><b>UNDER CONSTRUCTION</b> <b>1.4M</b> Sq. ft. of Q1 2026 starts in Vancouver</p>	<p><b>BIG-BOX MOMENTUM</b> <b>12 Deals</b> Over 100,000 Sq.ft of industrial offered or under contract</p>
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Metro Vancouver industrial vacancy edged down 10 bps to 4.4% in Q1. Small on paper, but the first quarterly decline in three years and a meaningful psychological reset for occupiers and investors. Net absorption was positive for the fifth consecutive quarter at +263,000 SF. Large-format demand is driving the shift. Availability in spaces over 100,000 SF is expected to be cut roughly in half by Q2, with 12 big-box requirements currently under offer or contract. Landlords of quality distribution product are re-engaging on rent, while mid-bay and flex product continues to trade at more competitive terms.

**Outlook:** the supply cycle is effectively over. Construction starts have slowed, demand is rebuilding, and rents are expected to stabilize into Q3. Vancouver led all Canadian markets outside Toronto for Q1 industrial construction starts at 1.4M SF, reinforcing the region's long-term structural demand story.

## The turn in industrial vacancy

Metro Vancouver, Q4 2025 vs. Q1 2026



### Leasing and investment signals

- **Big-box clearance:** 12 requirements over 100,000 SF under offer or contract. Supply will tighten materially by Q2 2026.
- **Investor appetite:** sale-leaseback and stabilized logistics product continues to attract private capital despite slower institutional flow.
- **Construction slowdown:** new deliveries are tapering as the pipeline thins, setting the stage for firmer rents through 2026.

ASSET CLASS | RETAIL

# Retail: Stable Fundamentals, a Luxury Supply Wave

Most retail categories remain in the 2 to 4% vacancy band, core urban cap rates held near 5.3%, and Oakridge Park delivers this spring.

<p><b>CORE VACANCY</b></p> <p><b>2 to 4%</b></p> <p>All categories except regional malls</p>	<p><b>RETAIL CAP RATE</b></p> <p><b>5.3%</b></p> <p>Core urban, mid-5 suburban</p>	<p><b>TOP DEAL \$/SF</b></p> <p><b>\$1,342</b></p> <p>Alberni Street, \$55M sale</p>	<p><b>NEW SUPPLY</b></p> <p><b>~650k</b></p> <p>Sq. ft., Oakridge Park opens Spring 2026</p>
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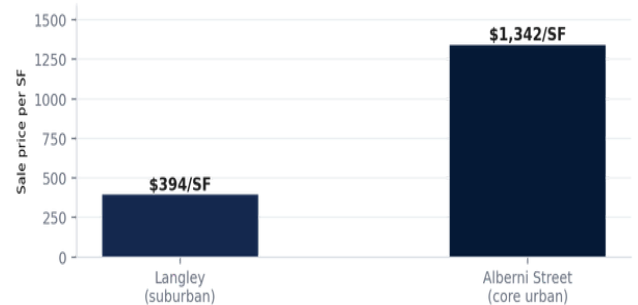
Metro Vancouver retail entered 2026 as the most structurally stable of the region's asset classes. Most categories (high-street, neighborhood, service-oriented, and power centre) remain in a tight 2 to 4% vacancy band, and landlords are holding firm on rent. The exception is regional shopping centres, where the return of Hudson's Bay space is creating temporary vacancy to work through in 2026.

**Capital markets:** retail cap rates held in the low to mid 5% range for well-leased product. The quarter's headline deal, the air-space parcel at 1101 to 1133 Alberni Street, home to the Park Hyatt's ground-floor retail, traded at \$55M, or \$1,342 per square foot at a 5.3% cap rate. At the other end of the spectrum, Langley product continues to trade in the high \$300s per square foot, a spread that reflects the ongoing premium for core urban high-street.

**Oakridge Park:** Vancouver's most anticipated retail delivery in over a decade opens its retail heart this spring. The 28-acre redevelopment will introduce approximately 650,000 SF of new space anchored by global luxury, fashion, and lifestyle brands, reshaping the city's retail hierarchy and drawing new footfall patterns through the central corridor.

## Retail price-per-SF spread, Q1 2026

Representative trades by submarket



### Retail signals to watch

- **High-street pricing:** the Alberni Street deal re-sets the benchmark for luxury-adjacent urban retail at \$1,342 PSF, 5.3% cap.
- **Hudson's Bay backfill:** key mall landlords are already in active negotiation for anchor replacements across several regional centres.
- **Service-oriented strength:** suburban medical, grocery-anchored, and service retail continues to attract private-capital buyers.

## ASSET CLASS | MULTIFAMILY

# Multifamily: Core Tightens, CMHC Leverage Returns

West side cap rates are compressing toward 3.4%, debt availability has improved, and purpose-built rental vacancy sits at the highest level since 1988, tempering rent growth but supporting income certainty.

## CAP RATE RANGE

**3.4 to  
4.9%**

Q1 Vancouver traded product

## WESTSIDE LOW

**3.4%**

Kitsilano walk-up, 2250 York Ave.

## LARGEST TRADE

**\$12.5M**

31 units, 727 E 17<sup>th</sup> Ave.,  
4.4% cap

## PBR VACANCY

**3.7%**

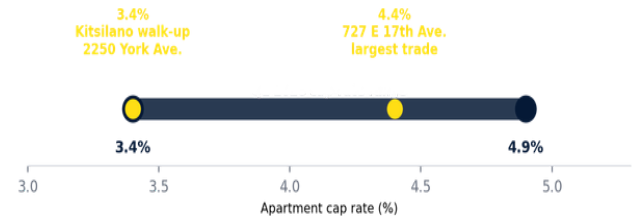
Highest since 1988 (CMHC,  
2025)

Apartment pricing firmed up in Q1. Westside Vancouver product is trading at or below 4% cap rates again. The quarter's marquee trade, a 14-unit walk-up at 2250 York Avenue in Kitsilano, closed at a 3.4% cap and \$428,000 per door. The largest trade of the quarter was a newer 31-unit mixed-use building at 727 East 17th Avenue, which sold for \$12.5M (\$694,000 per unit, 4.4% cap rate).

The broader picture is nuanced. 2025 dollar volume fell 24%, but the number of buildings sold actually rose 2%, a flight to quality and to smaller, CMHC-financeable deals. With debt availability improving and purpose-built rental vacancy at 3.7% (the highest since 1988 per CMHC's 2025 report), underwriting is shifting from pure rent-growth bets toward income durability and replacement-cost dynamics.

## Q1 2026 apartment cap rate range

With cited trade markers



### Q2 2026 OUTLOOK

A constructive setup heading into the second quarter. Expect industrial vacancy to tighten further, office fundamentals to continue improving in Class A, Oakridge Park to reshape retail footfall, and apartment transaction volume to rebuild as CMHC-insured debt flows increase.

TALK TO TRUSS

# Talk to Truss

Our commercial advisory team covers office, industrial, retail, and multifamily across Metro Vancouver and the Fraser Valley.

[trussrealestate.ca](https://trussrealestate.ca)<https://trussrealestate.ca/>

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## Sources and methodology

All Q1 2026 figures shown in this snapshot are drawn from primary-source quarterly reports and news coverage, including CBRE, Colliers, Avison Young, and Cushman & Wakefield quarterly market figures; CMHC's 2025 Rental Market Report; Altus Group investment data; transaction records published through [vancouvermarket.ca](https://vancouvermarket.ca) (David Taylor, SVP, Colliers International Canada); and news coverage from Business in Vancouver and Daily Hive. Ranges are presented where the underlying reports differ.

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