







MARKET FUNDAMENTALS

	YOY Chg	Outlook
11.5% Vacancy Rate		
486K YTD Net Absorption, SF		
\$54.26 Asking Rent, PSF <small>(Overall, All Property Classes)</small>		

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.7M Vancouver Employment		
6.4% Vancouver Unemployment Rate		
7.0% Canada Unemployment Rate <small>Source: Statistics Canada</small>		

ECONOMY: GROWING DEFICITS, RISING DEBT AND LOOMING U.S. TARIFFS

British Columbia’s economic expansion to remain relatively stable from 2024. Slumping real estate activity and construction investment are key concerns, along with the impact of trade tensions - prompting a slight tamp down of the 2025 growth forecast, to 1.2% from 1.5%. *Source: RBC Economics*

SUPPLY AND DEMAND: EARLY SIGNS OF MARKET STABILIZATION

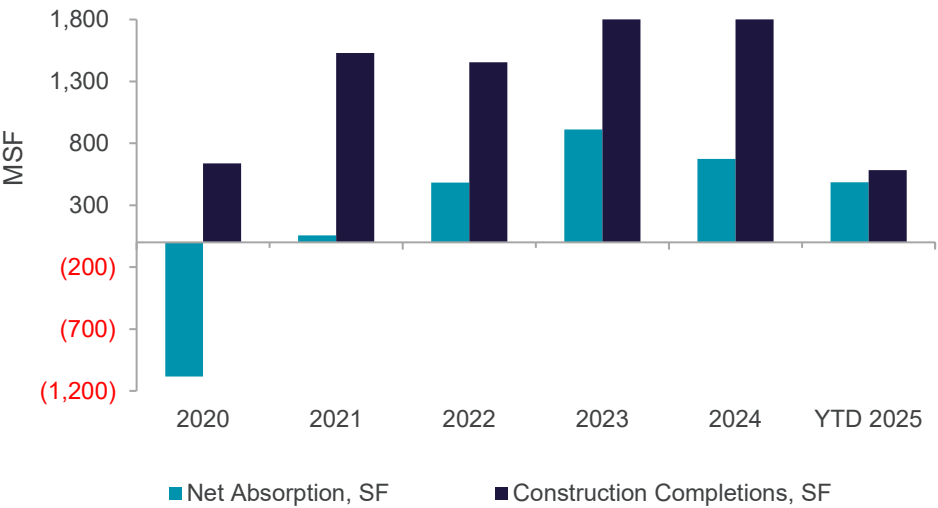
Overall Metro Vancouver vacancy remained nearly unchanged quarter-over-quarter (QOQ) rising by just 10 basis points (bps) to 11.5%, reflecting market stability. That said, there was significant activity this quarter. A total of 357k square feet (sf) of new builds was added with only 124k sf delivered as vacant. Overall sublease inventory declined once again with sublet space now accounting for 18.3% of total vacant space - a 6.0% decrease QOQ. This represents an almost 30% drop from the market highs in 2022-2023 and a 37% decrease from the pandemic peak in Q4 2020.

Metro Vancouver recorded positive absorption for the second consecutive quarter, totaling 314k sf, driven by several key move-ins. These included RBC occupying 82k sf at 745 Thurlow (former Amazon sublease space). In addition, LaSalle College moved into 64k sf at the newly built Kaslo, while simultaneously returning two floors to the market for sublease. 4200 North Fraser Way (43k sf) was sold to user-occupier LUCID Vision Labs - an 8.5k-sf expansion from their Richmond location. Uni Express leased 35k sf at AEP and Verathon Medical took 24k sf at 4601 Canada Way - both reflecting the ongoing, intermittent trend of flex tenants leasing office space. Furthermore, WorkSafeBC relocated into 29k sf at Benchmark Business Centre. While some spaces were vacated due to relocations or downsizing, such as Sony relocating to The Post and contributing 26k sf of negative absorption, overall tenant activity in the second quarter remained strong enough to offset move-outs, resulting in net positive absorption. Looking at the past year, there was a sharp spike in positive absorption in the second quarter of 2024 (885k sf), followed by two quarters of negative absorption in late 2024. Activity rebounded in early 2025 resulting in 486k sf of positive year-to-date absorption - an indication of renewed tenant demand and early signs of market stabilization.

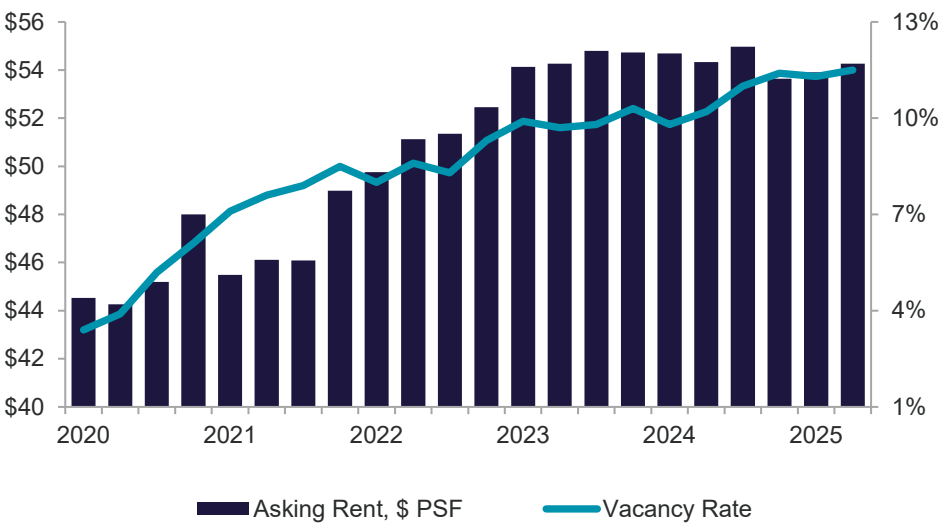
PRICING: QOQ RISE DESPITE YOY DECLINE

Average gross asking rents have remained relatively stable over the past 10 quarters, with minor fluctuations. This quarter, they edged up slightly to \$54.26 per square foot (psf) from \$53.80 psf in the first quarter. This still represents a 0.5% decrease year-over-year (YOY). Despite elevated vacancy, higher-quality space has helped sustain overall averages, reflecting a market adjusting without significant pricing erosion.

METRO VANCOUVER SPACE DEMAND / DELIVERIES



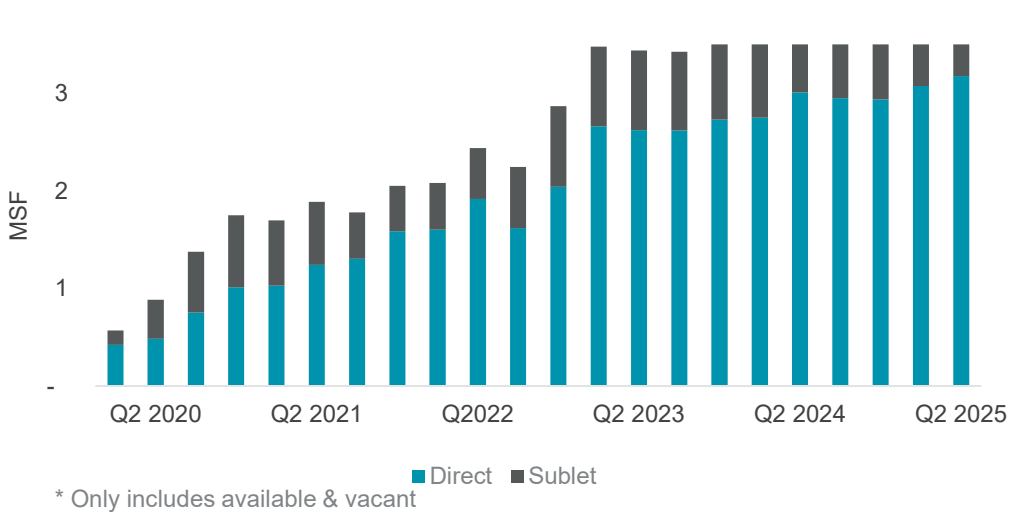
METRO VANCOUVER OVERALL VACANCY & ASKING RENT



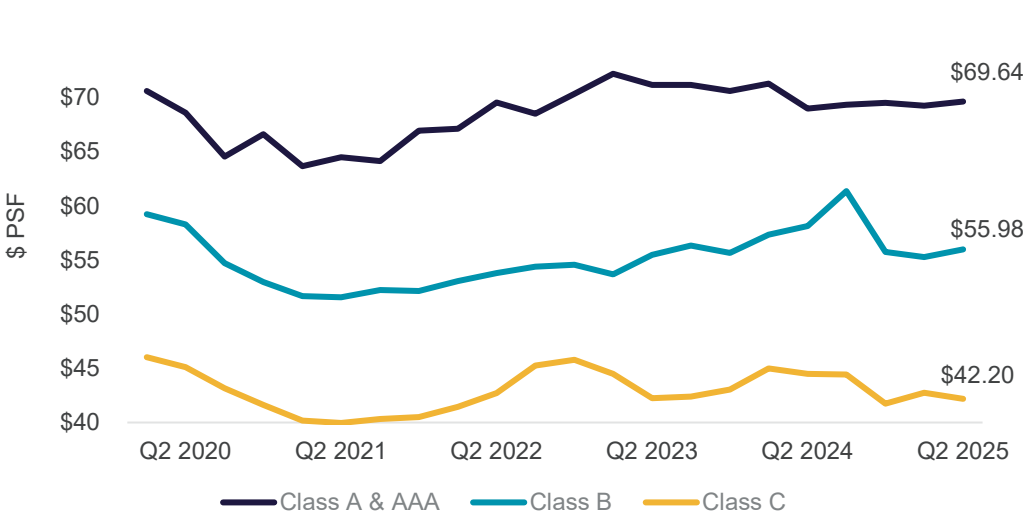
DOWNTOWN CORE VACANT SPACE BY CLASS



DOWNTOWN CORE DIRECT VS. SUBLEASE SPACE\*



DOWNTOWN CORE GROSS ASKING RENT COMPARISON



SUPPLY: VACANCY REMAINS STABLE IN THE DOWNTOWN CORE

Vacancy in the Downtown Core remains at a historically high level - 14.2%, reflecting a minor 10 bps decrease QOQ. With pockets of vacant space remaining from the recent wave of new construction completions, vacancy has remained elevated and relatively stable over the past 10 quarters, fluctuating within a narrow range between 13.7% and 14.3%. The trend suggests a plateauing market with steady demand gradually absorbing new supply - though not fast enough to significantly reduce vacancy. Currently, there are 117 direct and vacant full floors available in the Downtown Core, totaling more than 1.5 million square feet (msf). This includes buildings with smaller floor plates such as 601 West Hastings, the newly renovated 510 West Hastings and the recently added 57k-sf vacancy at the Tom Lee Music building. The majority of these vacancies are concentrated in Class A and AAA buildings (67 floors totaling nearly 1.0 msf). Class B buildings accounted for 44 floors totaling 470k sf, while Class C buildings had just six floors totaling 86k sf. Despite this availability, full-floor opportunities on upper bank levels in Class A and AAA buildings remain extremely limited.

SUPPLY & DEMAND: SUBLEASE INVENTORY ON THE DECLINE

Similarly to overall sublease activity, Downtown Core sublease activity also continued to decline, with sublease inventory of the total available and vacant space dropping to 17.0% this quarter (2.4% decrease QOQ) - the lowest level in 10 quarters. This trend reflects a combination of naturally expiring subleases reverting to landlords as direct space (e.g., Telus Podium) while still being counted in overall vacancy and a gradual absorption of sublease inventory. Since peaking at 24.2% in the fourth quarter of 2023, sublease availability has steadily trended downward, indicating a slow rebalancing in the market. However, more sublease space is expected to come to market, making it too early to conclude that sublease activity has run its course.

PRICING: ASKING RENTS SOFTEN SLIGHTLY AS VACANCY PERSISTS

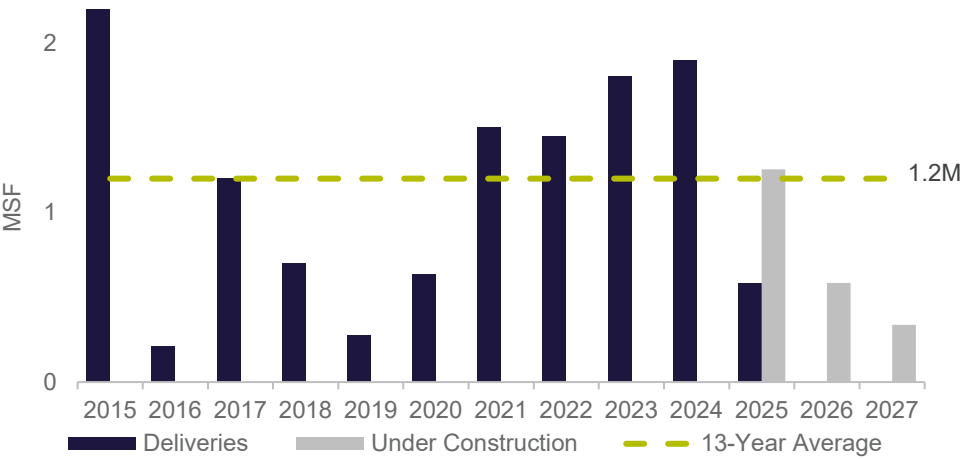
As expected, lower demand and elevated vacancy levels, combined with more higher-quality space being leased, led to a slight QOQ decline in overall asking rents in the Downtown Core, averaging \$61.39 psf gross this quarter, down from \$61.58 psf in the first quarter and reflecting a 1.8% decrease YOY. Asking rents for Class A and AAA space have remained stable over the past year, hovering around the \$69 psf mark with a modest increase of \$0.66 psf YOY. This reflects a gradual normalization from the peak levels seen in 2023 when rates were temporarily elevated by an influx of newly built, higher-quality space commanding premium rents.

OUTLOOK: DOWNTOWN CORE

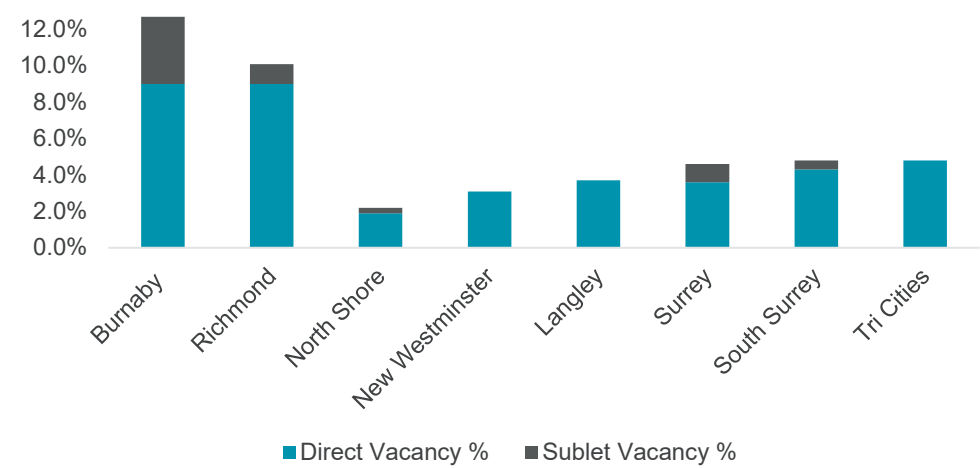
- The market is expected to continue a gradual rebalancing this year rather than shift toward active tightening, while remaining a tenant's market. Vacancy will not be impacted by the addition of another office tower for at least four to five years. While some deals are currently under negotiation, their impact on vacancy is not expected until mid-next year - though at least one significant transaction is in the final stages of completion. At the same time, larger tenants may consider downsizing in response to ongoing market uncertainty and evolving hybrid work models.
- Continued upward pressure on tenant incentive packages is expected as landlords offer substantial inducements and work to secure longer-term lease commitments amid evolving market conditions.



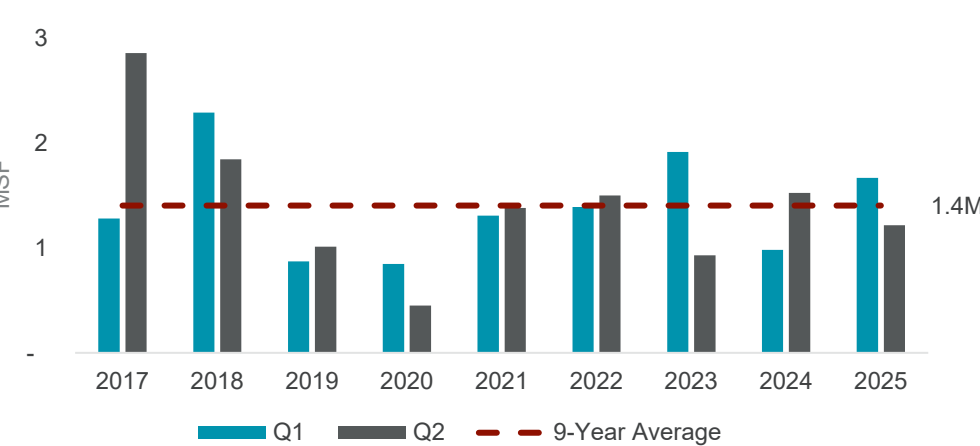
METRO VANCOUVER NEW SUPPLY



SUBURBAN MARKETS – DIRECT VS SUBLET VACANCY



METRO VANCOUVER LEASING ACTIVITY



SUPPLY PRESSURE: NEW CONSTRUCTION PIPELINE SHRINKS

Despite the recent trend of many projects being put on hold or converted to alternative uses, the remaining 2.2 msf currently under construction in Metro Vancouver are nearly 72% pre-leased or pre-sold. This will result in approximately 617k sf of vacant space coming to market over the next two years. Most of these projects are concentrated in the Broadway Corridor (673k sf), Surrey (484k sf), False Creek Flats (317k sf) and Mount Pleasant (221k sf). Roughly 1.25 msf of space currently under construction is expected to complete this year. Meanwhile, nearly 13 msf of office projects remain in the proposed stage, though many are on hold, with delivery timelines extending beyond 2029. Currently there are no office buildings under construction in the Downtown Core. 510 West Hastings was re-added to the office inventory this quarter following the completion of building renovations, bringing 118k sf of vacant office space to the market. Developers remain cautious, with many proposed projects paused as they wait for improved market conditions, stronger demand and pre-lease thresholds to be met before moving forward.

SUPPLY PRESSURE: SUBURBAN MARKETS STRENGTH

Suburban markets continue to show relative strength compared to the Downtown Core, with North Shore (2.2%), New Westminster (3.1%) and Langley (3.7%) posting the lowest overall vacancy rates. Burnaby and Richmond remain the most affected, with overall vacancies at 12.7% and 10.1%, respectively, driven by elevated sublet activity in Burnaby (3.7%) and recent new construction. The Burnaby market is highly segmented. If the large amount of recent new construction - such as Gilmore Place, Amazing Brentwood and Discovery Parks - is excluded, overall vacancy drops to around 8.0%. Richmond and Surrey each represent two distinct submarkets where vacancies near SkyTrain are significantly lower than off-SkyTrain – registering just 5.7% in both areas. Markets such as Surrey, South Surrey and the Tri Cities report moderate vacancy levels ranging from 4.6% to 4.8%, supported by minimal sublet space. Overall, the data highlights a continued trend of healthy demand and limited supply in several suburban nodes.

FLIGHT TO QUALITY CONTINUES AMID SELECT TECH DOWNSIZING

New leasing activity continued to be driven primarily by the tech and insurance/finance sectors, both of which led in total space leased (287k sf and 266k sf, respectively) and number of transactions (14 and 10). This reflects strong demand and active tenant movement within these industries. Legal firms are also contributing steadily to the momentum. Recent deals further illustrate the ongoing 'flight to quality' trend. For example, Nicola Wealth took an additional floor (22k sf) at 1477 West Broadway (nearing completion), bringing their total footprint to over 60k sf across three floors, while Next Level Games leased 35k sf at Bentall IV. Fortinet, another user-occupier, has purchased 4321 Still Creek (227k sf) and will be relocating and expanding from its current 176k sf space at 2910 Virtual Way, thus contributing to positive absorption down the road. On the downside, some tech tenants such as Double Negative, following SAP's earlier contraction, are downsizing. Double Negative is returning space by relocating from 47k sf at 149 West 4<sup>th</sup> (recently leased to WildBrain) to a nearby 14k sf flex building in Mount Pleasant. WildBrain, in turn, will also be downsizing, leaving behind 77k sf at 380 W 5<sup>th</sup>.

OUTLOOK: METRO VANCOUVER

- As projects currently under construction reach completion over the next two years, it is unlikely that new developments will break ground or proceed on a speculative basis, given elevated construction costs and ongoing economic uncertainty. This could potentially tighten the market if demand increases.
- Overall, while the market is stabilizing, it is still navigating a period of rebalancing. The outlook remains cautiously optimistic, contingent on how well demand keeps pace with existing supply and how landlords adapt to evolving tenant expectations.

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Downtown Core	26,858,969	650,498	3,175,649	14.2%	158,745	54,759	1,366,524	0	\$61.39	\$69.64
Yaletown	2,309,836	46,103	253,674	13.0%	9,081	38,162	105,729	29,600	\$51.54	\$53.21
Gastown/Railtown	1,962,729	39,981	321,490	18.4%	-12,851	7,065	94,147	36,000	\$45.14	\$56.77
Downtown Vancouver	31,131,534	736,582	3,750,813	14.4%	154,975	99,986	1,566,400	65,600	\$59.18	\$68.97
Broadway Corridor	6,247,052	87,253	567,352	10.5%	4,942	84,870	282,038	673,361	\$48.35	\$50.94
Mt. Pleasant	2,560,450	53,554	240,448	11.5%	-88,777	15,199	87,570	221,343	\$52.75	\$53.84
False Creek Flats	1,333,022	28,338	76,989	7.9%	-16,322	-33,863	0	317,407	\$47.39	\$54.33
Broadway Corr./Vancouver Periphery	10,140,524	169,145	884,789	10.4%	-100,157	66,206	369,608	1,212,111	\$49.61	\$53.30
Burnaby	12,555,423	468,485	1,126,808	12.7%	84,287	70,876	404,047	180,000	\$51.94	\$54.65
Richmond	5,116,183	55,942	460,239	10.1%	28,314	42,754	223,079	81,425	\$35.43	\$36.00
North Shore	2,170,128	6,915	40,732	2.2%	23,231	27,943	54,186	31,284	\$41.58	\$44.88
New Westminster	1,581,998	0	49,006	3.1%	14,978	22,540	26,617	101,251	\$49.58	\$50.85
Langley	1,672,811	0	62,708	3.7%	5,149	5,942	36,881	0	\$47.70	\$52.36
Surrey	3,791,859	38,669	134,816	4.6%	14,500	6,496	82,388	483,600	\$46.47	\$54.15
South Surrey	1,465,117	7,086	63,508	4.8%	26,014	51,807	112,748	0	\$39.18	\$39.63
Surrey/ South Surrey	5,256,976	45,755	198,324	4.6%	40,514	58,303	195,136	483,600	\$44.43	\$48.39
Tri Cities	997,081	0	48,134	4.8%	62,874	91,852	38,879	21,929	\$52.27	\$52.61
METRO VANCOUVER TOTALS	70,622,658	1,482,824	6,621,553	11.5%	314,165	486,402	2,914,833	2,177,200	\$54.26	\$59.59

\*Rental rates reflect full service asking

Renewals not included in leasing statistics

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
4730 Kingsway	Burnaby	Stantec	49,000	Renewal
200 Burrard Street	Downtown Core	Facebook Canada Ltd	41,117	Renewal
1055 Dunsmuir Street	Downtown Core	Next Level Games	35,894	Headlease
10271 Shellbridge Way	Richmond	Uni Express Inc	34,689	Headlease
4601 Canada Way	Burnaby	Verathon Medical (Canada)	24,352	Headlease
1477 West Broadway	Broadway Corridor	Nicola Wealth (additional space)	22,256	Headlease
625 Howe Street	Downtown Core	Sedgman Canada Ltd	19,038	Renewal
788 Harbourside Drive	North Shore	PCL Construction	17,855	Headlease
885 West Georgia Street	Downtown Core	TCC Canada	16,287	Sublease
1075 West Georgia Street	Downtown Core	Vancouver Foundation	14,774	Headlease

KEY SALES TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/ BUYER	SF	PRICE / \$ PSF
1133 Melville Street	Downtown Core	CPP Investments/ Oxford Properties Group**	558,000	\$244.53M/ \$876
1021 West Hastings Street	Downtown Core	CPP Investments/ Oxford Properties Group	277,061	\$117.67M/ \$849
1055 West Hastings Street	Downtown Core	CPP Investments/ Oxford Properties Group	262,000	\$93.29M/ \$712
355 Burrard Street	Downtown Core	CPP Investments/ Oxford Properties Group	177,000	\$76.21M/ \$861
4321 Still Creek Drive	Burnaby	Kingswood Capital Corp/ Fortinet Technologies Inc	226,519	Share Sale
1441 Creekside Drive	Broadway Corridor	Central 1 Credit Union/ Nch'Kay Development Corp	135,000	TBD (firm deal)
4200 North Fraser Way	Burnaby	0803688 BC Ltd/ LUCID Vision Labs Inc	42,962	\$12.5M/ \$291

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About Cushman & Wakefield

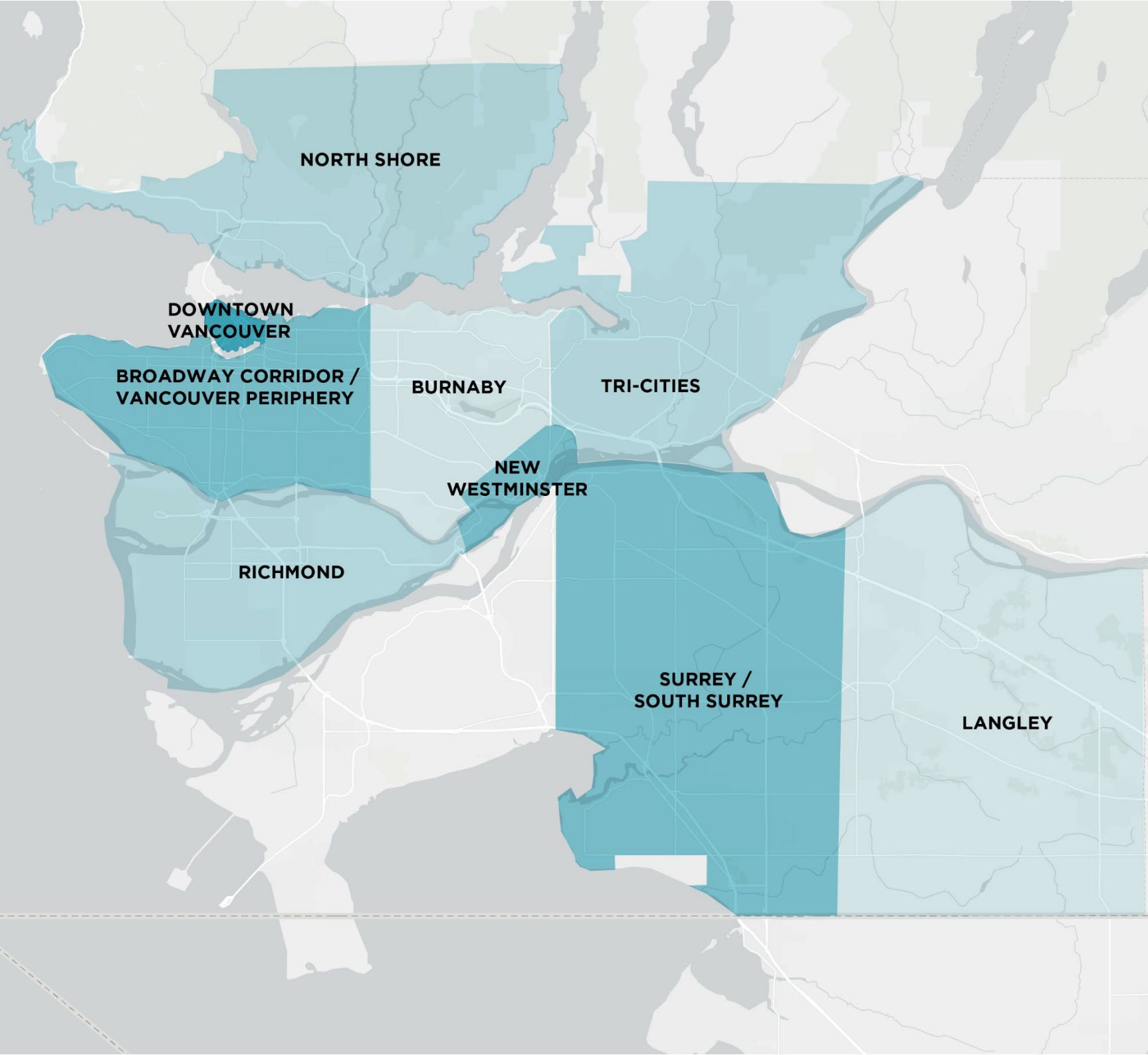
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4    \*\*Oxford Portfolio sale, partial interest transfer (50%)

OFFICE SUBMARKETS



SUBMARKET	INVENTORY	VACANCY	ASKING RENT	SUBLET
North Shore	2.2 MSF	2.2% ▼	\$41.58 ▼	14.5% ▼
Downtown Vancouver	31.1 MSF	14.4% ▼	\$59.18 ▼	16.4% ▼
Vancouver Periphery	10.1 MSF	10.4% ▲	\$49.61 ▼	16.0% ▲
Burnaby	12.6 MSF	12.7% ▲	\$51.94 ▲	29.4% ▼
New Westminster	1.6 MSF	3.1% ▼	\$49.58 ▲	0% ■
Tri-Cities	997 KSF	4.8% ▼	\$52.27 ▲	0% ■
Richmond	5.1 MSF	10.1% ▼	\$35.43 ▲	10.8% ▼
Surrey / South Surrey	5.3 MSF	4.6% ▼	\$44.43 ▼	18.7% ▲
Langley	1.7 MSF	3.7% ▼	\$47.70 ▼	0% ▼

LEGEND

Total Inventory  
Q2 2025 Overall Vacancy Rate\*  
Q2 2025 Weighted Average Gross Asking Rent\*\*  
Q2 2025 Sublet Space as a % Total Vacant Space  
Arrows represent YOY change

\*Includes Broadway Corridor, Mount Pleasant and False Creek Flats  
\*Direct and sublease; includes leased but not yet occupied space  
\*\*Asking rental rates do not take into account tenant inducements; based on all available direct and vacant space