

Q1 2021

Vancouver

Office Market Report

Net Absorption

This Quarter	Previous Quarter
-623K SF	-484K SF
12-Month Absorption	5-Year Quarterly Avg.
-1.6M SF	139K SF

Vacancy

This Quarter	Year-over-Year
6.0%	▲ 330 bps

Asking Net Rent

This Quarter*	Year-over-Year
\$25.86 PSF	▼ 4.4%

Development

Under Construction	New Supply
5.8M SF	222K SF

Sales

Sale Price Avg.	Year-over-Year
\$725 PSF	▲ 16.0%

**Weighted Average
Colliers Macaulay Nicolls Inc.*

Market Outlook

The Covid-19 pandemic has had a continued influence on the office market across the Lower Mainland. Vacancy rose by 110 basis points to 6.0%, experiencing a negative absorption of -623,019 square feet. The availability rate remained stable at 7.0%, signaling a slowdown of new space entering the market for the first time since the beginning of the pandemic.

Vancouver's central business district (CBD) continues to feel the effects of the pandemic seeing negative absorption of 253,115 square feet, of which 78% appeared in B and C class space. Well-built space continues to see the lowest vacancy rates across Metro Vancouver. Burnaby and Richmond account for the majority of the vacant space in the suburban markets.

Sublet space continues to have a strong impact on the downtown market. However, it has dropped to 40% of all available space from 45% in the previous quarter. The suburban market by comparison stayed stable with sublets making up 29% of all available space. Burnaby accounts for over half the sublease space in across all suburban markets.

Throughout the pandemic construction projects have continued to move forward as planned. This quarter saw 222,466 square feet of new space come to market. Langley saw 181,000 square feet of new class A space through the following two projects; First West Credit Union and Langley Business Centre.

Sales transactions saw a robust increase of 88% quarter over quarter. A third of all sales transactions took place in Vancouver markets, with eight transactions occurring at The Yukon by Chard Development. Notable transactions from this quarter include \$31.0M paid by Concert 8 Solutions Inc. for 13888 Wireless Way (116,530 square feet). Baytree Plaza Holding Ltd. purchased Baytree Plaza for \$23.5M, 51,455 square feet located at 20621 Logan Avenue.

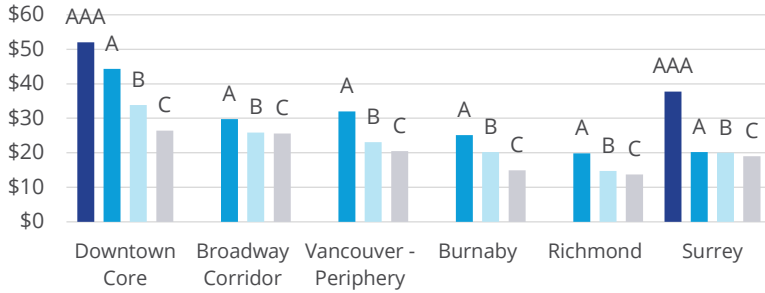
With the rollout of the vaccine, people are ready to discuss the real estate needs of their business moving forward. However, there is still hesitation as many no longer wonder if they'll be back in the office but how their needs for office space will change post-pandemic.

Accelerating success.

Market Overview

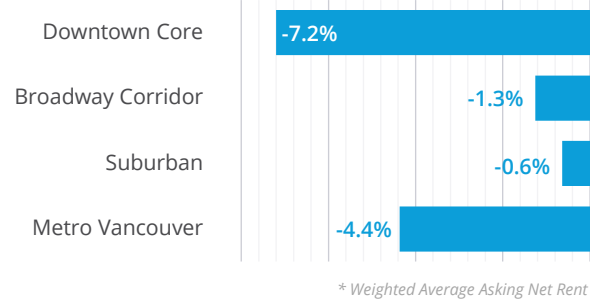
01 Rental Rates by Building Class

Weighted Average Asking Net Rent (PSF)



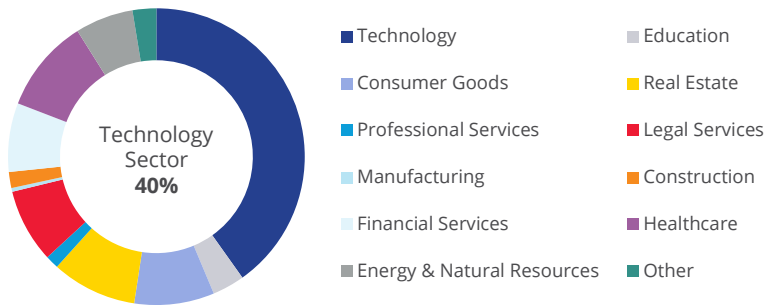
02 Rental Rate Growth*

By Market | Q1 2020 – Q1 2021



03 Tenant Demand by Industry

By Square Feet Leased



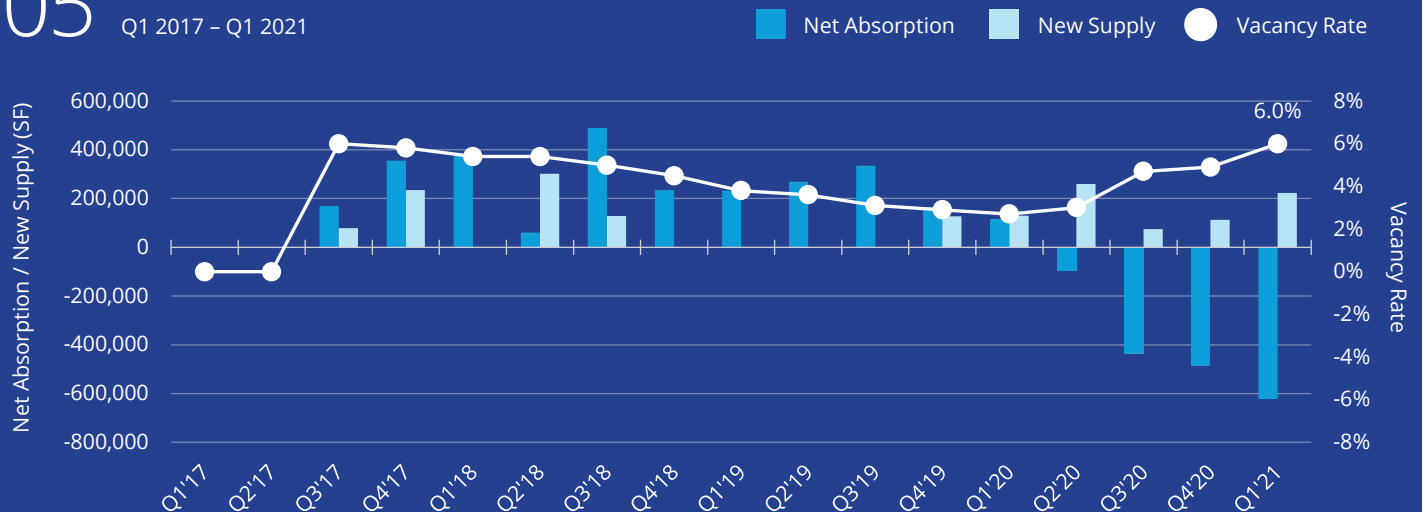
04 Vacancy Rate

By Market | Q1 2020 – Q1 2021

Downtown Core	5.8%	▲	from 1.3% Q1'20
Broadway Corridor	4.8%	▲	from 2.3% Q1'20
Suburban	6.1%	▲	from 4.1% Q1'20
Metro Vancouver	6.0%	▲	from 2.7% Q1'20

05 Historical Overview

Q1 2017 – Q1 2021



Market Statistics

	# of Bldgs	Total Inventory (SF)	Total Vacant Space (SF)	Vacancy Rate	Direct Available Space (SF)	Sublease Available Space (SF)	Total Available Space (SF)	Availability Rate	Net Absorption (SF)	New Supply (SF)	Under Construction (SF)	Wgt. Avg. Asking Net Rent (PSF)	Wgt. Avg. Asking Gross Rent (PSF)		
Downtown	Downtown Core	AAA	12	3,995,806	65,906	1.6%	30,073	91,939	122,012	3.1%	29,382	41,466	3,836,476	\$ 52.00 \$ 72.82	
		A	30	8,260,620	375,731	4.5%	282,471	188,801	471,272	5.7%	-83,942	-	28,620	\$ 44.31 \$ 68.30	
		B	76	11,077,594	640,172	5.8%	444,926	332,730	777,656	7.0%	-133,343	-	-	\$ 33.82 \$ 54.10	
		C	73	4,029,522	500,816	12.4%	387,797	152,664	540,461	13.4%	-65,212	-	-	\$ 26.45 \$ 44.31	
		All	191	27,363,542	1,582,625	5.8%	1,145,267	766,134	1,911,401	7.0%	-253,115	41,466	3,865,096	\$ 33.24 \$ 53.12	
	Gastown / Railtown	A	3	143,190	0	0.0%	0	0	0	0.0%	-	-	95,443	- -	
		B	16	906,958	81,468	9.0%	60,999	22,958	83,957	9.3%	-22,681	-	-	\$ 34.62 \$ 51.61	
		C	28	1,041,451	145,107	13.9%	149,015	67,420	216,435	20.8%	-32,270	-	-	\$ 21.57 \$ 35.38	
	All	47	2,091,599	226,575	10.8%	210,014	90,378	300,392	14.4%	-54,951	-	95,443	\$ 27.03 \$ 42.18		
	Yaletown	A	0	0	0	0.0%	0	0	0	0.0%	-	-	-	- -	
		B	18	1,047,245	114,438	10.9%	36,321	78,117	114,438	10.9%	-14,364	-	-	\$ 33.48 \$ 51.39	
		C	23	1,256,500	52,816	4.2%	33,306	38,225	71,531	5.7%	-7,520	-	-	\$ 28.89 \$ 47.65	
All	41	2,303,745	167,254	7.3%	69,627	116,342	185,969	8.1%	-21,884	-	-	\$ 32.30 \$ 50.43			
Midtown	Broadway Corridor*	A	46	4,175,524	206,921	5.0%	157,231	65,605	222,836	5.3%	-70,430	-	249,341	\$ 29.78 \$ 50.17	
		B	57	2,596,019	80,798	3.1%	61,322	25,251	86,573	3.3%	-1,893	-	47,165	\$ 25.85 \$ 41.24	
		C	30	742,555	74,043	10.0%	64,851	18,016	82,867	11.2%	-6,417	-	-	\$ 25.59 \$ 39.67	
		All	133	7,514,098	361,762	4.8%	283,404	108,872	392,276	5.2%	-78,740	-	296,556	\$ 26.80 \$ 43.12	
	Vancouver Periphery	A	11	964,726	21,585	2.2%	21,585	0	21,585	2.2%	-21,585	-	-	\$ 32.00 \$ 50.18	
		B	18	732,358	36,759	5.0%	42,516	2,408	44,924	6.1%	-2,408	-	-	\$ 23.06 \$ 48.90	
		C	21	510,050	44,142	8.7%	38,842	5,300	44,142	8.7%	-8,050	-	-	\$ 20.46 \$ 35.09	
	All	50	2,207,134	102,486	4.6%	102,943	7,708	110,651	5.0%	-32,043	-	-	\$ 26.53 \$ 48.00		
	Suburban (continued on next page)	Burnaby	A	55	7,391,864	498,739	6.7%	230,596	302,003	532,599	7.2%	-96,101	-	321,460	\$ 25.15 \$ 39.61
			B	56	3,497,832	229,681	6.6%	228,501	36,090	264,591	7.6%	-24,287	-	-	\$ 20.19 \$ 35.97
			C	27	745,149	29,677	4.0%	29,677	0	29,677	4.0%	-6,446	-	-	\$ 14.90 \$ 24.43
			All	138	11,634,845	758,097	6.5%	488,774	338,093	826,867	7.1%	-126,834	-	321,460	\$ 22.79 \$ 37.77
Tri-Cities		A	7	376,059	5,891	1.6%	5,891	0	5,891	1.6%	-2,670	-	-	\$ 26.00 \$ 38.39	
		B	3	121,024	1,015	0.8%	1,015	0	1,105	0.8%	-1,015	-	-	- -	
		C	13	301,251	1,600	0.5%	0	1,600	1,600	0.5%	-	-	-	- -	
All		23	798,334	8,506	1.1%	6,906	1,600	8,506	1.1%	-3,685	-	-	\$ 26.00 \$ 38.39		
Langley		A	20	1,241,398	79,178	6.4%	80,655	1,143	81,798	6.6%	119,091	181,000	242,159	\$ 30.64 \$ 44.79	
		B	13	456,938	63,831	14.0%	63,831	0	63,831	14.0%	-52,555	-	-	\$ 22.49 \$ 31.13	
		C	10	251,088	5,303	2.1%	5,303	0	5,303	2.1%	-	-	-	\$ 11.00 \$ 20.87	
All		43	1,949,424	148,312	7.6%	149,789	1,143	150,932	7.7%	-114,464	-	242,159	\$ 25.50 \$ 36.30		
New Westminster	A	9	645,966	4,686	0.7%	4,686	0	4,686	0.7%	-	-	-	\$ 25.00 \$ 41.52		
	B	17	823,029	45,019	5.5%	40,619	4,400	45,019	5.5%	3,748	-	-	\$ 17.45 \$ 30.57		
	C	18	512,159	7,748	1.5%	7,748	0	7,748	1.5%	-	-	-	\$ 12.51 \$ 29.91		
All	44	1,981,154	57,453	2.9%	53,053	4,400	57,453	2.9%	3,748	-	-	\$ 17.45 \$ 31.86			

*Broadway Corridor includes Mount Pleasant & False Creek Flats



Market Statistics

	Class	# of Bldgs	Total Inventory (SF)	Total Vacant Space (SF)	Vacancy Rate	Direct Available Space (SF)	Sublease Available Space (SF)	Total Available Space (SF)	Availability Rate	Net Absorption (SF)	New Supply (SF)	Under Construction (SF)	Wgt. Avg. Asking Net Rent (PSF)	Wgt. Avg. Asking Gross Rent (PSF)	
Suburban (continued from previous page)	North Vancouver	A	22	1,154,204	34,170	3.0%	34,589	6,784	41,373	3.6%	-2,927	-	-	\$ 22.83	\$ 33.83
		B	35	1,418,386	46,390	3.3%	43,737	5,110	48,847	3.4%	-3,958	-	-	\$ 20.94	\$ 32.81
		C	15	279,019	19,968	7.2%	18,945	1,023	19,968	7.2%	-6,230	-	-	\$ 19.25	\$ 34.64
		All	72	2,851,609	100,528	3.5%	97,271	12,917	110,188	3.9%	-13,115	-	-	\$ 21.78	\$ 33.41
	Richmond	A	31	2,516,619	243,546	9.7%	202,148	47,032	249,180	9.9%	-29,371	-	524,390	\$ 19.81	\$ 32.46
		B	43	2,206,855	327,724	14.9%	143,505	189,129	332,634	15.1%	-38,178	-	-	\$ 14.72	\$ 27.13
		C	16	818,208	28,287	3.5%	28,287	0	28,287	3.5%	3,400	-	-	\$ 13.69	\$ 22.66
		All	90	5,541,682	599,557	10.8%	373,940	236,161	610,101	11.0%	-64,149	-	524,390	\$ 17.92	\$ 29.86
	Surrey	AAA	5	1,308,230	32,054	2.5%	23,454	8,600	32,054	2.5%	-26,410	-	106,182	\$ 35.75	\$ 48.89
		A	31	1,893,600	95,800	5.1%	93,560	2,240	95,800	5.1%	-14,933	-	376,000	\$ 20.25	\$ 29.61
		B	44	1,754,710	115,217	6.6%	109,977	5,240	115,217	6.6%	-3,444	-	-	\$ 20.02	\$ 30.93
		C	39	1,218,341	14,873	1.2%	8,022	6,851	14,873	1.2%	-	-	-	\$ 19.01	\$ 31.51
All		119	6,174,881	257,944	4.2%	235,013	22,931	257,944	4.2%	-44,787	-	482,182	\$ 20.69	\$ 31.03	
Downtown Total	AAA	12	3,995,806	65,906	1.6%	30,073	91,939	122,012	3.1%	29,382	41,466	3,836,476	\$ 52.00	\$ 72.82	
	A	33	8,403,810	375,731	4.5%	282,471	188,801	471,272	5.6%	-83,942	-	141,877	\$ 44.31	\$ 68.30	
	B	110	13,031,797	836,078	6.4%	542,246	433,805	976,051	7.5%	-170,388	-	-	\$ 33.95	\$ 53.43	
	C	124	6,327,473	698,739	11.0%	570,118	258,309	828,427	13.1%	-105,002	-	-	\$ 25.57	\$ 42.69	
	All	279	31,758,886	1,976,454	6.2%	1,424,908	972,854	2,397,762	7.5%	-329,950	41,466	3,978,353	\$ 32.26	\$ 51.36	
Midtown	Broadway Corridor	A	46	4,175,524	206,921	5.0%	157,231	65,605	222,836	5.3%	-70,430	-	249,341	\$ 29.78	\$ 50.17
		B	57	2,596,019	80,798	3.1%	61,322	25,251	86,573	3.3%	-1,893	-	47,165	\$ 25.85	\$ 41.24
		C	30	742,555	74,043	10.0%	64,851	18,016	82,867	11.2%	-6,417	-	-	\$ 25.59	\$ 39.67
		All	133	7,514,098	361,762	4.8%	283,404	108,872	392,276	5.2%	-78,740	-	296,556	\$ 26.80	\$ 43.12
Suburban Total	AAA	5	1,308,230	32,054	2.5%	23,454	8,600	32,054	2.5%	-26,410	-	106,182	\$ 31.42	\$ 47.39	
	A	200	16,184,436	983,595	6.1%	673,710	359,202	1,032,912	6.4%	-48,496	181,000	1,481,610	\$ 23.75	\$ 36.90	
	B	230	11,011,132	865,636	7.9%	673,701	242,377	916,078	8.3%	-122,097	-	-	\$ 20.36	\$ 34.09	
	C	163	4,635,265	151,598	3.3%	136,824	14,774	151,598	3.3%	-17,326	-	-	\$ 15.49	\$ 27.02	
	All	598	33,139,063	2,032,883	6.1%	1,507,689	624,953	2,132,642	6.4%	-214,329	181,000	1,587,792	\$ 21.82	\$ 35.13	
Metro Vancouver Total	AAA	17	5,304,036	97,960	1.8%	53,527	100,539	154,066	2.9%	2,972	41,466	3,942,658	\$ 44.22	\$ 63.20	
	A	279	28,763,770	1,566,247	5.4%	1,113,412	613,608	1,727,020	6.0%	-202,868	181,000	1,807,244	\$ 27.19	\$ 42.48	
	B	397	26,638,948	1,782,512	6.7%	1,277,269	701,433	1,978,702	7.4%	-294,378	-	47,165	\$ 24.95	\$ 40.55	
	C	317	11,705,293	924,380	7.9%	771,793	291,099	1,062,892	9.1%	-128,745	-	-	\$ 23.74	\$ 39.42	
	All	1010	72,412,047	4,371,099	6.0%	3,216,001	1,706,679	4,922,680	6.6%	-623,019	222,466	5,862,701	\$ 25.86	\$ 41.44	

Transaction Highlights

Notable Lease Transactions

Tenant	Building Name / Address	Market	Lease Type	Size (SF)
Best Buy	425 West 6 th Avenue	Broadway Corridor	Head Lease	70,550
Ernst Young	Oceanic Plaza	Downtown	Head Lease	31,550
Bird Construction	Crestwood Corporate Centre – Building B	Richmond	Head Lease	27,791
Trans Mountain Pipeline	Willingdon Park – 5	Burnaby	Head Lease	24,372

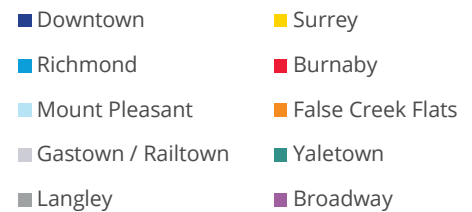
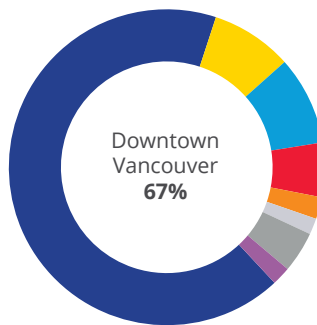
Notable Sale Transactions

Building Name / Address	Market	Size (SF)	Sale Price	Purchaser	Purchaser Profile
1077 Great Northern Way	False Creek Flats	119,844	\$103,000,000	Lowtide Properties Ltd.	Private Investor
13888 Wireless Way	Richmond	116,530	\$31,000,000	Concert 8 Solutions Inc.	Public Investor
Baytree Plaza	Langley	65,000	\$23,500,000	Baytree Plaza Holding Ltd.	Private Investor
McCallum Tower	Abbotsford	30,000	\$12,750,000	Diverse Properties	Developer

Under Construction by Market

By Square Feet (SF)

The Downtown Core remains the most active submarket for new construction.



Notable Developments

Building Name / Address	Class	Market	Building Status	Size (SF)	Est. Completion	Owner / Developer
Vancouver Centre II	AAA	Downtown	Under Construction	371,000	Q2 2021	GWL / HOOP
Deloitte Summit	AAA	Downtown	Under Construction	367,000	Q3 2021	Westbank / Allied
601 West Hastings	AAA	Downtown	Under Construction	210,000	Q2 2021	PCI Group
King George Hub – Phase B	A	Surrey	Under Construction	160,000	Q2 2021	PCI Group
Burrard Place	AAA	Downtown	Under Construction	135,000	Q3 2021	Jim Pattison Developments/ Reliance Properties
City Centre 3	A	Surrey	Under Construction	120,000	Q2 2021	Lark Group
The Post: South Tower	AAA	Downtown	Under Construction	560,000	Q3 2022	QuadReal
The Stack	AAA	Downtown	Under Construction	540,000	Q2 2022	Oxford Properties

Colliers Research



We are the industry cornerstone of authoritative statistics, forecasts and market commentary across Canada.

With more than 20 years of comprehensive market data, extensive research capabilities and access to 'live' deal information – there is no other research firm in Canada that can provide such a complete commercial real estate research solution.

With more than 20 dedicated research specialists, supported by over 35 data intelligence analysts – our world-class researchers are continuously sourcing and analyzing data in every major market across Canada – to ensure our clients receive the most accurate and powerful information to make critical decisions for their future.

Core services:

- Predictive market research
- Reporting on key insights and trends
- Access to the latest market data
- Customized research engagements

For more information on the Vancouver Office Market, please contact:

Maury Dubuque

Senior Managing Director
Vancouver Brokerage
+1 604 662 2667
maury.dubuque@colliers.com

Raj Sidhu

Managing Director,
Vancouver Brokerage
+1 604 681 4111
raj.sidhu@colliers.com

Doug Pulver

Executive Managing Director,
Vancouver Brokerage
+1 604 909 0238
douglas.pulver@colliers.com

Roelof van Dijk

Senior Director, National
Research & Analytics | Canada
+1 416 798 0991
roelof.vandijk@colliers.com

Leo Lee

Director, National
Research Operations | Canada
+1 416 620 2839
leo.lee@colliers.com

Report Author:

Bik Chahal

Research Coordinator
+1 604 692 1081
bik.chahal@colliers.com

Report Contributor:

Christopher Bold

Team Lead, Market Data Operations | BC
+1 604 662 2632
christopher.bold@colliers.com

Vancouver Office Advisors:

Kayvon Besharat*
Margaret Bowden
Matthew Carlson
Robert Chasmar*
Claudia Claasen

Josh Cochrane
Graham Davidson
Blake Davies
Marco DiPaolo*
Sara Duholke

Mike Grewal*
Arun Heed
Dan Jordan*
Christina Lafakis
Robin MacDonald

Derek May
Peter Muench
James Morris
Christopher O'Neill
Nick Repchuk

Brayden Sangha
Dylan Sohi
Colin Scarlett*
Jason Teahen*
John Waslen

*Personal Real Estate Corporation

Colliers Canada | Vancouver

Colliers MacCaulay Nicolls Inc.
200 Granville Street, 19th Floor, Vancouver, BC, V6C 2R6
+1 604 681 4111



collierscanada.com/research

Copyright © 2021 Colliers International. Colliers MacCaulay Nicolls Inc. Information herein has been obtained from sources deemed reliable, however its accuracy cannot be guaranteed. The user is required to conduct their own due diligence and verification.

Accelerating success.