

Market Report

Metro Vancouver's office market notched its third consecutive quarter of positive absorption with occupied space increasing by 169,000 square feet in the three months ending September 30th. While decidedly more lacklustre than the previous quarter (421,000 square feet), the trend appears to be one of stabilization, after a very soft nine months. Sublease space continues to decline, the availability rate was down 70 basis points relative to the first quarter high of 9.9%, and most businesses seem to have come to terms with maintaining a substantial office presence, despite still widespread remote working. As the end of COVID becomes a possible reality, occupiers appear to be positioning themselves to meet the needs of both in-person, and remote working.



Rental and Availability Rates

Gross Rent* (Square Foot)	Availability Rate (09/30/2021)	QoQ Change/Availability
\$69.64	Downtown Core Class A 7.5%	▼ 1.3%
\$53.76	Broadway Corridor Class A 9.3%	▲ 4.0%
\$45.82	Vancouver City Class A 9.4%	▼ 5.1%
\$38.26	Burnaby Class A 8.1%	▲ 0.5%
\$34.80	Richmond Class A 12.7%	▲ 0.2%
\$34.14	Surrey Class A 17.2%	▲ 2.5%
\$38.95	North Shore Class A 8.7%	▼ 0.7%
\$38.69	New Westminister Class A 2.0%	▼ 2.6%
\$33.10	Langley Class A 5.8%	▲ 0.0%

*Class A average asking rent CAD QoQ [quarter-over-quarter]

Recent Transactions (Q3 2021)

Occupier	Size	Submarket	Type	Address
1 Broadcom Canada	51,150 SF	Richmond	Renewal	13711 International Place
2 Evolution Studios	49,761 SF	Burnaby	Sublet	3777 Kingsway
3 Miller Thomson	27,466 SF	Downtown	New	700 W. Georgia Street
4 PaybyPhone	22,863 SF	Yaletown	New	1290 Homer Street
5 Thorsteinssons	20,051 SF	Downtown	Prelease	1090 W. Pender Street

Occupier's Perspective



Despite a general reopening of offices, the overarching trend remains doing the same (or more) with less. Better space, not more space, appears to be the new mantra.



Occupiers need to be prepared for surprisingly bullish landlords, even though the general narrative for office space continues to be negative.



Geographic preferences continue to shift. While the downtown market continues to be the location of choice, other urban, and suburban submarkets are increasingly up for consideration.

Market Trends



Assuming no further (COVID) setbacks, Metro Vancouver's market looks set to stage a modest bounce back, aided by robust job growth and a general return to the office.

Slowing any further decline in vacancies, will be the delivery of 6.0 million square feet (10% of existing inventory) of new office space, of which 52% is preleased.

Rents look set to firm, with prime space leading the way, and in particular, ready to move-in space, as construction costs and permit delays only increase.