

VANCOUVER CHAPTER

NAIOP

COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION

VANCOUVER  CHAPTER

26TH ANNUAL

Regional

INDUSTRIAL
Cost of Business Survey

Winter 2025

Xchange Business Park
by Hungerford Properties and QuadReal Property Group



Message from the President



On behalf of NAIOP Vancouver, I am pleased to present the 2025 edition of the NAIOP Cost of Business Survey (COBS). This year is NAIOP's 26th annual survey presented to municipalities across Metro Vancouver and Fraser Valley with the intention of municipalities providing their input on the development application process, requirements, and timelines associated with a hypothetical development project. This year's survey focuses on Industrial development.

The survey aims to identify municipalities that have excelled in fostering entitlement and development cost regimes that support job creation and regional economic growth. The COBS awards recognize the municipalities that have outranked their peers in the following categories: Most Improved Fees, Most Improved Approval Timing, and Most Business-Friendly. These categories are analyzed and ranked based on the municipal responses received for recent Industrial developments.

This year's report also contains interviews with the Mayors of our categories' winners, a market

overview highlighting the latest statistics and trends in the Industrial asset class, and perspectives on the current Industrial market from experts in the industry.

Industrial real estate in the Lower Mainland continues to be in high demand while being met with limited land supply and calls to protect existing Industrial inventory through strategic policies and to innovate in ways to intensify Industrial land use. This further drives important discussions around enabling Industrial development through municipal requirements, timing and costs.

With this in mind, we hope that you find the 2025 COBS report to be valuable as the Industrial market continues to navigate increasing demand and constraints.

Sincerely,

Jordan Carlson
Executive Vice President, APG
President, Anthem Holdings
President of NAIOP 2026

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2025 Highlights

The 2025 NAIOP Cost of Business Survey recognizes the efforts municipalities have made to enhance the development process, including acknowledging those that have demonstrated the most significant improvements in development costs and approval timelines. This year's awards are based on the responses provided by the fifteen Metro Vancouver municipalities with industrial land that elected to participate in the survey. In addition to highlighting municipal performance, the survey serves as a practical benchmarking tool that helps local governments assess their own development cost structures and regulatory processes in support of business growth.

For 2025, the NAIOP Awards for Municipal Excellence will highlight municipalities that have created strong conditions for business development. Awards will be presented in three categories:

- **Most Improved: Fees.** Recognizes the municipality that has shown the strongest positive change in development fee levels compared to previous survey results. This may include reducing fees, stabilizing fees, or keeping fee increases lower than peers.
- **Most Improved: Approval Timing.** Recognizes the municipality that has achieved the most significant improvement in development approval timelines relative to peers when compared to previous survey results.
- **Most Business-friendly.** Recognizes a municipality that consistently performs well across multiple evaluation categories and demonstrates a commitment to policies that support the creation of new industrial spaces.

A Note Regarding the Voluntary Nature of the Cost of Business Survey

This year's Cost of Business Survey was conducted by B&A Studios on behalf of the NAIOP Vancouver Chapter. The Cost of Business Survey is based on voluntary responses from municipal staff, including their interpretations of how the prototype project would be processed, reviewed, and charged if submitted within their jurisdiction. The associated costs and application timelines reflect this specific scenario and may differ for other industrial development proposals.

While every effort has been made to ensure that the information presented is accurate, comparable, and reflective of current municipal practices, actual fees, processes, and timelines may vary. Applicants should always refer to the most up-to-date municipal bylaws, fee schedules, and guidance from planning staff for definitive requirements and project-specific direction.

NAIOP and B&A Studios thank all participating municipalities for their time, insight, and effort in helping to produce a report that is as transparent and accurate as possible.

The 2025 winners are:

Most Improved - Fees - **City of Surrey**

While all municipalities faced rising development cost pressures and increased their application fees between 2023 and 2025, the City of Surrey managed to limit these impacts better than any of the survey respondents. By controlling increases to their Industrial Development Cost Charges and other application fees, Surrey managed to keep their total rate of increase below that of inflation. Special recognition also goes to the Township of Langley, which was the only other municipality to keep increases below inflation over this period.

Most Improved - Approval Timing - **City of Mission**

The City of Mission recorded the largest improvement in entitlement timelines in the 2025 Cost of Business Survey. From 2023 to 2025, the City reduced its overall permit processing time by just over 38 percent, outperforming all other municipalities. This improvement highlights the City's focused efforts to streamline approvals and enhance certainty for businesses and developers. Special recognition also goes to the City of Surrey, which also reduced their average timeline by nearly one third.

Most Business Friendly - **City of Chilliwack**

As industrial demand continues to expand from Metro Vancouver into the Fraser Valley Regional District, the City of Chilliwack has emerged as a leading destination for new investment. In the 2025 Cost of Business Survey, Chilliwack achieved strong results across multiple evaluation categories, consistently ranking in the top 3 across municipal fees, approval timing, and mill rates. The City's partnership with the Chilliwack Economic Partners Corporation (CEPCO), supported by a coordinated internal Development Application Review Team, ensures that businesses and developers receive efficient processing and flexible, solution-oriented guidance. Through its consistent support for industrial growth, the City has helped establish the industrial sector as one of Chilliwack's most significant economic contributors.

2025 Winner Q & A



Most Improved - Fees
City of Surrey

Mayor Brenda Locke
 City of Surrey

Between 2023 and 2025, Surrey managed to reduce total municipal fees by nearly 39%, at a time when other municipalities saw rising fees. How were you able to reduce fees so significantly?
 We wanted to be strategic about making development more predictable and affordable in Surrey. By streamlining approvals, removing unnecessary fees,

and easing upfront costs, we reduced barriers for developers while supporting strong growth. And it's working. These measures encouraged investment across residential, industrial, and commercial sectors, allowing businesses to plan with confidence and get projects moving faster.

What changes have you implemented to lower fees in Surrey?

We froze certain charges to provide stability and phased contributions for larger projects, giving developers clarity for long-term planning. We also offered targeted rebates and exemptions for housing and transit-oriented developments, simplified permits for certain residential projects, and shortened approval timelines significantly. We also launched the Development Approval Process Improvement Task Force in 2024 to advise on streamlining and improving Surrey's development and permitting processes. It's made up of councilors, senior staff, and representatives from the development industry. Overall, these steps make Surrey a city where projects move forward efficiently and investment delivers results sooner.

What impact is this having on industrial developments in Surrey?

The impact has been substantial. We've seen hundreds of millions of dollars in projects approved over the last two years in industrial and commercial development. That has created jobs and attracted investment. By reducing costs and speeding up approvals, Surrey has strengthened its position as a reliable, competitive hub for business growth in the region.

What are some noteworthy current and/or upcoming developments in Surrey?

Health and Technology District: A nine-tower hub where innovation is transforming global health care.
 UBC Surrey Campus Expansion: New residential, commercial, and research spaces supporting education and innovation.
 Centre Block: Home to SFU's School of Medicine, delivering over two million square feet of commercial and civic space and reshaping downtown Surrey.
 South Campbell Heights Business Park: Over one million square feet of new industrial space supporting business expansion and job creation.

What feedback have you received to date about your City's fiscal policies around industrial development?

We hear it from developers all the time – Surrey's approach is predictable, transparent, and collaborative. By working closely with industry partners and aligning policies with real-world market conditions, we have created an environment where investment is lower risk, projects move forward efficiently, and the city benefits from job creation and sustained economic growth.

Any advice for the real estate community wanting to develop projects in Surrey?

Surrey is open for business and committed to being a true partner in development. We want to be a facilitator, not a regulator. Our advice to developers is simple: engage early, communicate often, and take advantage of the city's streamlined processes. By working together from the start, good projects can move forward efficiently, and when development succeeds, the entire community – and economy – benefits.



Most Improved - Approval Timing
City of Mission

Mayor Paul Horn
 City of Mission

Between 2023 and 2025, Mission showed the largest improvement in total approval timing, recording a net decrease of more than 38 percent. This was driven by faster approval timing for the rezoning process. What changes have you implemented to get these results and what impact has that had on industrial and residential developments in Mission?

Since the beginning of our term, our Council has made it a priority to get shovels into the ground, addressing issues such as economic development and housing affordability. We've done this by addressing three key areas: people, paper and process, led by our Deputy CAO Barclay Pitkethly and our Director of Development Services,

Dan Sommer.

Wherever possible, we have tried to find ways to expedite the process and provide more clarity and security for applicants. A great deal of work has been done, including the creation of a Fast Track program, an early Neighbourhood Engagement Process and Builders' Forums. In addition we have made many revisions to our policy, procedures, bylaws, OCPs and neighbourhood plans. We have been strongly supported by a number of community advisory committees, including our Development Liaison Committee, Economic Development Advisory Committee and Sustainable Housing Committee as we have undertaken this work.

What noteworthy developments – industrial, residential and otherwise – are coming to Mission?

Currently, we are seeing active development in the Silverdale area, after decades of preparation, with 1,100 homes currently being developed by Polygon. Additionally, Mission was successful in developing an industrial park in our uptown area, as well as 150,000 ft.² of development of industrial property on the Silverdale flats. We continue to work earnestly on developing our waterfront and have been actively pursuing design for dykes, highways and infrastructure connections as we see growing interest from developers in the residential, commercial and industrial properties in that area.

2025 Winner Q & A

MAYOR PAUL HORN CONTINUED

We are also actively working to facilitate the establishment of new businesses in our community when opportunities arise, including making every reasonable effort to support the relocation of existing businesses to our community. In addition to the Fast Track Program, when an opportunity presents itself to facilitate a new industrial or commercial business venture in Mission, particularly those providing living wage employment for our residents, the City takes an 'all hands-on-deck' approach. This involves early coordination between the proponent and all relevant City

departments, beginning with Engineering, on through to Development Services and to the finalization of building permitting and business licensing. Overall, this approach is intended to provide proponents with a clear, coordinated, and supportive experience that helps move projects forward efficiently while demonstrating the City's commitment to being a responsive and solutions-oriented partner.

What feedback have you received to date from the real estate community about the improved approval process?

Feedback has been very positive. At a recent builders and developers forum we hosted, we heard from developers that they appreciate the consistency and fairness of our process.

Any advice for the real estate community wanting to develop projects in Mission?

Recently, a developer told us that Mission is one of the best places in BC in which to develop, especially when developers come in with good professional supports and a willingness to listen to early

feedback. Developers will be met with professionalism on our end and will find that a well-organized application moves forward quickly.

As well, we have learned that the best process includes early engagement with the community and an ability to respond to concerns before they become entrenched. When developers come to us, they are often worried about engaging in the community this early, but our consistent experience has shown that this results in far less public rancor that could slow an application later.



Most Business Friendly
City of Chilliwack

Mayor Ken Popove
 City of Chilliwack

How would you describe the current climate for industrial development in Chilliwack, and what role does industrial development play in the overall real estate market in Chilliwack?

Although the overall business climate in BC may face some challenges as we enter 2026, the current industrial development climate in Chilliwack looks good. We are in an ideal location, close to Metro Vancouver and major

transportation corridors, with large industrial lots currently available for development. Council and City staff are happy to support and prioritize industrial development in Chilliwack and strive to create a business-friendly environment that makes our industrial areas attractive to new enterprises.

What changes have you made to encourage industrial investment in the city and what impact have you seen as a result?

The City is always reviewing its approval processes to identify areas for streamlining. With concurrent reviews of rezoning/development permit/building permits, an application can be processed in six to eight months from start to building permit. We also have an Industrial Revitalization Tax Exemption Bylaw which helps stimulate industrial capital investment and creates additional permanent employment opportunities for residents in Chilliwack, reducing the need to commute to work outside of the city.

Through our Industrial Land Policy, we have implemented land use intensification strategies to improve the efficiency of our industrial land use. This helps maintain industrial lands for industrial use and promotes the development of attractively

designed business parks, in accordance with our design guidelines and best practices.

What industrial projects are coming up that the City is excited about?

A new Red Bull processing facility is under construction at the Kerr Avenue Food and Beverage Processing Park, with a goal of opening in early 2027. It joins Molson Coors, Puratos, Berryhill Foods, and Five Corners Meat Company in the park, which represents over \$800 million in investments.

The City also approved development applications for the construction of the new Southern Irrigation headquarters, which is now open, and a new BC Hydro facility, which is under construction.

All of these projects embody a high-quality design that reflects the overall vision for industrial development in our community.

What feedback have you received from the real estate community about your overall real estate process and policies?

The City of Chilliwack sets a high standard for efficient application review. Our staff members are easily accessible and available, and we provide clear design standards as exemplified by our newly adopted form and character design guidelines. City staff prioritize

customer service and respond quickly to questions. They are solution-focused and results-oriented, which has been integral to creating a smooth and efficient development process. We have heard from real estate professionals that Chilliwack is recognized as a community that supports industrial projects and investment, resulting in high-quality industrial redevelopment.

Any advice for the real estate community wanting to develop projects in Chilliwack?

Chilliwack is dedicated to creating an open and welcoming environment for all businesses, both existing and new, within our community. We offer a collaborative and supportive approach, starting with our business-friendly policies. For anyone looking to develop projects in Chilliwack, we suggest contacting the Chilliwack Economic Partners Corporation (CEPCO) to discuss the proposal and answer any questions you may have. CEPCO can help guide you through a site search and assist with the development process, and will collaborate with City of Chilliwack staff to ensure the entire process from property acquisition, permitting, and construction is as efficient and fast as possible.

Industrial Building Prototype

This year's survey is based on a proposed development for a 100,000 square foot (9,290 square metre) concrete tilt-up distribution warehouse including a 15,000 square foot (1,394 square metre) office component in a single-storey structure. The building is proposed for an unsubdivided, non-industrial zoned 6-acre lot which requires a number of municipal approvals as listed below.

Development Context:

- Located within an area designated in the municipality's Official Plan and Metro Vancouver's Regional Growth Strategy as suitable for industrial use
- Located within a Development Permit area
- Located within a Development Cost Charge/Development Cost Levy-applicable area
- 490 feet (149 metres) of lot frontage on a 15-year-old dedicated municipal roadway and interior parcel lines with adjacent lots after subdivision

Building Assumptions:

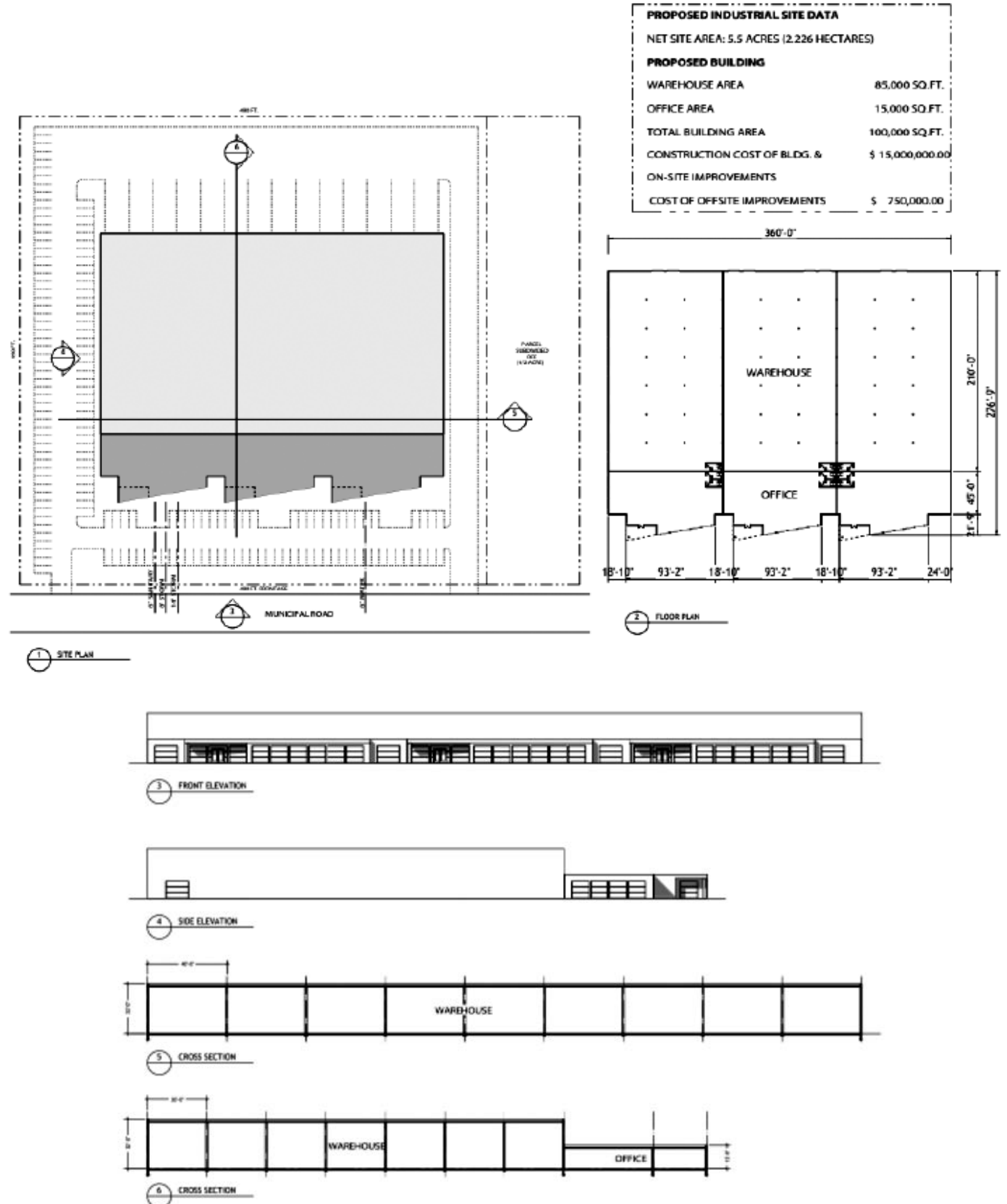
- Complies with all design bylaw regulations within the governing jurisdiction
- The application and its content has been prepared using the services of a registered architect, landscape architect and professional engineer
- Office component to be improved as required by code for designated use/occupancy
- Fully-sprinklered throughout office and warehouse components

Development Requirements:

- Rezoning to general industrial zoning as per jurisdiction
- Land subdivision to create one parcel of 5.5 net acres less road and other dedications
- All required permits and fees

Construction Costs:

- \$150 per square foot / \$15,000,000 for building and onsite improvements
- \$750,000 for offsite works (street and drainage improvements - not DCC rebateable)



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Landmark Commercial Building

2621 Douglas Street, Victoria

The Victoria Press Building is a fully revitalized, heritage-designated building, offering 115,581 SF of commercial space in Victoria's Midtown.

Brandon Selina
Personal Real Estate Corporation
brandon.selina@colliers.com

Casey Weeks*
Personal Real Estate Corporation
casey.weeks@colliers.com

Morgan Iannone*
Personal Real Estate Corporation
morgan.iannone@colliers.com

*IW Investment and Land Sales Group



Modern Office Space in Burnaby

For Sale or Lease



7300 Edmonds Street, Burnaby

Five modern strata office units from 1,489 to 4,130 SF, offering flexible space for office users.

Adam Rabeda
Personal Real Estate Corporation
adam.rabeda@colliers.com

Raj Sidhu
Personal Real Estate Corporation
raj.sidhu@colliers.com

Development Opportunity in Cambie Corridor

Court Order Sale



7510 Cambie Street, Vancouver

Medium density approved development opportunity on the Cambie Corridor near transit and amenities.

Hart Buck
Personal Real Estate Corporation
hart.buck@colliers.com

Simon Lim*
Personal Real Estate Corporation
simon.lim@colliers.com

*Vancouver Investment & Development Advisors Group

High Exposure Retail Centre

For Sale



8380 112 Street, Delta

A high-visibility corner asset with national fuel tenant, strong cash flow and long-term upside.

Morgan Iannone*
Personal Real Estate Corporation
morgan.iannone@colliers.com

Sherman Scott
sherman.scott@colliers.com

*IW Investment and Land Sales Group

Retail Investment on the Fraser Highway

For Sale



19650 Fraser Highway, Langley

High profile retail investment opportunity with redevelopment potential across from Willowbrook Mall.

Matt Saunders
Personal Real Estate Corporation
matt.saunders@colliers.com

Geoffrey Charters
goeffrey.charters@colliers.com

38,500 SF Premium Industrial Facility

For Lease



18988 34A Avenue, Surrey

Freestanding, premium industrial facility with well-improved offices, dock & grade loading and 26' clear ceilings in Campbell Heights.

Chris Morrison
Personal Real Estate Corporation
chris.morrison@colliers.com

Chris Brewster
Personal Real Estate Corporation
chris.brewster@colliers.com

26,419 SF Freestanding Facility

For Lease



7352 Progress Place, Delta

First year lease rate of \$12.50 PSF. Delta warehouse with office, freezer/shipping, 24' ceilings, dock & grade loading doors.

Craig Kincaid-Smith
Personal Real Estate Corporation
craig.kincaid-smith@colliers.com

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Survey Summary

Total municipal fees for the NAIOP benchmark industrial development increased by an average of 84.2% from 2023 to 2025 across all participating municipalities based on the fees incurred for the proposed Industrial building development. Rising Development Cost Charges played a major role in this trend, with all municipalities reporting increases in this category.

Based on the Building Construction Price Index rate¹, British Columbia's average annual rate of inflation for Industrial construction from 2015 to 2025 YTD was approximately 5.88%. Over the past 10 years, 5 municipalities managed to keep their annual average total fee increases below this rate: City of Port Coquitlam, City of Surrey, Township of Langley, City of Abbotsford, and City of Chilliwack. In contrast, the remaining two-thirds of respondents increased their rates faster than the provincial Industrial average annual rate, with one-third increasing fees at more than double the rate of inflation.

Approval timelines also shifted since the previous 2023 report. While the overall average aggregate timeline increased by 5.2%, four municipalities reported no change, and five recorded modest improvements relative to 2023. Conversely, four municipalities experienced timing increases of more than 50% between 2023 and 2025. It is important to note that the average approval timeline reflects all stages of new industrial development during this period. These figures may be influenced by unusually complex applications, particularly in jurisdictions that have processed only a limited number of new industrial projects.

Municipality	2025 Total Municipal Fees	2025 Approval Timing Range (days)
City of Abbotsford	\$819,548	365
City of Burnaby	\$1,498,342	240-365
City of Chilliwack	\$475,531	180-240
City of Coquitlam	\$888,487	730
City of Langley	\$792,372	180-300
City of Maple Ridge	\$671,254	300-485
City of Mission	\$1,736,994	180-300
City of New Westminster	\$562,933	360-480
City of Pitt Meadows	\$1,712,383	360-480
City of Port Coquitlam	\$468,923	180-300
City of Port Moody	\$655,396	420-665
City of Richmond	\$2,089,376	60-120
City of Surrey	\$790,893	240-365
District of North Vancouver	\$2,011,910	480-730
Township of Langley	\$970,755	120-180

¹ Statistics Canada Division Composite Building Construction Price Index, British Columbia, 2015 to 2025

Building Permit Data

Industrial development activity continues to increase, with the total value of new industrial building permits rising from \$816.9 million in 2023 to \$904.4 million in 2025. The increase is largely attributed to the City of Surrey and City of Abbotsford, who reported a total permit value of \$316.8 million and \$192.3 million, respectively.

Municipality	2024 Total Building Permit Value (Industrial Buildings)	2024 Total Number of Building Permits (Industrial Buildings)
City of Abbotsford	\$192,309,500	4
City of Burnaby	\$76,884,600	10
City of Chilliwack	\$82,300,000	2
City of Coquitlam	\$20,538,560	2
City of Langley	\$0	0
City of Maple Ridge	\$5,000,000	1
City of Mission	\$68,600,890	6
City of New Westminster	\$0	0
City of Pitt Meadows	\$10,665	1
City of Port Coquitlam	\$0	0
City of Port Moody	\$0	0
City of Richmond	\$117,151,375	11
City of Surrey	\$316,751,409	29
District of North Vancouver	\$0	0
Township of Langley	\$24,870,791	59
Total	\$904,417,790	125

Notes

- Figures shown here represent new build industrial projects in the calendar year 2024. Municipalities showing no activity may still have had permit activity associated with Industrial Tenant Improvements and other improvements of existing space.

Municipal Fees

2023 Rank	2025 Rank	Municipality	Rezoning & Subdivision Application Fees	Development & Building Permit Fees	Administration, Processing & Sprinkler Inspection Fees	DCC/DCL Fee ¹	2025 Total	2023 Total of Total Fee Inflation	% Change from 2023	10-year Average Annual Rate	Sewer Connection Fee	Water Connection Fee	Regional Fees (Metro Vancouver DCCs, TransLink DCCs)
1	1	City of Port Coquitlam	\$15,877	\$138,316	\$1,612	\$313,118	\$468,923	\$277,438	69.0%	-0.1%	\$53,345	\$20,000	\$1,140,000
3	2	City of Chilliwack	\$4,513	\$124,939	\$13,125	\$332,954	\$475,531	\$366,098	29.9%	5.6%	\$84	\$80	N/A
6	3	City of New Westminster ²	\$12,706	\$293,118	\$37,645	\$219,464	\$562,933	\$454,524	23.9%	9.3%	\$0	\$0	\$1,140,000
N/A	4	City of Port Moody	\$20,643	\$199,006	\$39,900	\$395,847	\$655,396	N/A	N/A	9.8%	N/A	N/A	\$1,140,000
5	5	City of Maple Ridge	\$21,244	\$165,100	\$32,844	\$452,066	\$671,254	\$429,558	56.3%	17.3%	\$41,000	\$13,000	\$1,140,000
14	6	City of Surrey	\$11,983	\$170,464	\$12,217	\$596,228	\$790,893	\$777,015 ³	1.8%	3.6%	\$16,750	\$30,000	\$1,140,000
8	7	City of Langley	\$10,452	\$164,326	\$36,594	\$581,000	\$792,372	\$498,848	58.8%	6.3%	\$60,000	\$30,000	\$1,140,000
N/A	8	City of Abbotsford	\$7,929	\$94,378	\$30,447	\$686,795	\$819,548	N/A	N/A	5.5%	\$150	\$50	N/A
10	9	City of Coquitlam	\$20,267	\$188,077	\$1,950	\$678,192	\$888,487	\$794,006	11.9%	8.1%	\$38,550	\$0	\$1,140,000
12	10	Township of Langley	\$27,965	\$154,152	\$35,437	\$753,201	\$970,755	\$945,678	2.7%	5.5%	\$0	\$0	\$1,140,000
2	11	City of Burnaby	\$39,257	\$248,146	\$14,651	\$1,196,287	\$1,498,342	\$291,076	414.8%	24.9%	\$46,000	\$21,500 ⁴	\$1,140,000
9	12	City of Pitt Meadows	\$8,690	\$157,695	\$26,200	\$1,519,798	\$1,712,383	\$693,448	146.9%	15.7%	\$80,000	\$30,000	\$1,140,000
7	13	City of Mission	\$7,465	\$129,892	\$6,947	\$1,592,690	\$1,736,994	\$484,254	258.7%	14.1%	\$1,199	\$400	N/A
15	14	District of North Vancouver	\$13,635	\$244,953	\$47,995	\$1,705,327	\$2,011,910	\$1,367,624	47.1%	12.5%	\$66,505 ⁴	\$22,322	\$1,099,000
16	15	City of Richmond	\$3,670	\$158,706	\$30,000	\$1,897,000	\$2,089,376	\$1,386,388	50.7%	7.5%	\$16,100	\$15,000	\$854,000

Note: Costs are rounded to the nearest dollar and may not sum to the total.

- 1) DCC rates included in municipal responses represent a point in time in 2025 and do not include the expanded DCCs or new ACCs recently introduced through legislation. For more information, see the section on DCCs and ACCs.
- 2) Project is assumed to be located in the Mainland DCC policy area.
- 3) Represents a revised figure from that published in the 2023 COBS report to accurately reflect Surrey's Industrial DCCs in 2023.
- 4) Presented as averages based on the range provided by the municipality in their response for this item.

Notes

- For fee calculations, the 2025 Total is assumed to represent the cumulative amount of fees required by the municipality, excluding Sewer and Water connection fees, and fees attributed to the regional government.
- Sewer and Water Connection fees have been excluded from the total cost comparison and ranking due to the disparate fee calculation methods utilized between municipalities and to be consistent with previous surveys.
- The 10-year Average Annual Rate of Total Fee Inflation compares the 2025 Total against the Total Fee identified in the 2015 NAIOP COBS Industrial Report.

Municipal Leading Practices

Survey respondents identified leading practices that support efficient, transparent, and business-friendly industrial development processes. Many municipalities reported holding regularly scheduled external meetings with the development community and related industry professionals to provide updates on policy changes and ongoing initiatives, while also offering an opportunity for consultation and early feedback. Respondents noted that consistent engagement of this kind helps strengthen relationships and supports clearer expectations for applicants.

Internal coordination was highlighted as an important practice. Municipalities emphasized the value of routine meetings among departmental teams to share updates, align on planning processes, and ensure cross-functional awareness of projects and policy changes. Internal collaboration helps maintain consistency and efficiency across the development review process.

Several respondents suggested that assigning a designated single point of contact for each application can greatly improve clarity and predictability. A primary contact helps applicants navigate the process more effectively and ensures that information is communicated in a clear and organized manner.

Respondents additionally noted the importance of accessible information. Recommendations included maintaining up-to-date guidance on municipal websites and developing “how-to” resources to support the submission of complete, high-quality applications. Providing clear information at the outset can reduce resubmissions, shorten review times, and improve overall applicant experience.

Approval Timing

2025 Rank	Municipality	Rezoning Process (days)	Development Permit Process (days)	Subdivision Approval (days)	Building Permit (days)	2025 Approval Timing - Low (days)	2025 Approval Timing - High (days)	2023 Approval Timing (days)	% Change from 2023 (High)
1	City of Richmond	60-120	N/A	concurrent	concurrent	60	120	120	0.0%
2	Township of Langley	120-180	concurrent	concurrent	concurrent	120	180	180	0.0%
3	City of Chilliwack	120-180	concurrent	<60	concurrent	<180	<240	240	0.0%
4	City of Mission	120-180	concurrent	concurrent	60-120	180	300	485	-38.1%
4	City of Port Coquitlam	120-180	concurrent	concurrent	60-120	180	300	360	-16.7%
4	City of Langley	120-180	concurrent	concurrent	60-120	180	300	360	-16.7%
7	City of Surrey	240-365	concurrent	concurrent	concurrent	240	365	540	-32.4%
7	City of Burnaby	240-365	concurrent	concurrent	concurrent	240	365	240	52.1%
9	City of Abbotsford	Over 365	concurrent	concurrent	concurrent	365+	365+	N/A	N/A
10	City of New Westminster	180-240	concurrent	concurrent	180-240	360	480	480	0.0%
10	City of Pitt Meadows	180-240	concurrent	concurrent	180-240	360	480	545	-11.9%
12	City of Maple Ridge	240-365	concurrent	concurrent	60-120	300	485	365	32.9%
13	City of Port Moody	240-365	concurrent	60-120	120-180	420	665	N/A	N/A
14	District of North Vancouver	Over 365	concurrent	concurrent	240-365	605+	730+	545	33.9%
15	City of Coquitlam	Over 365	concurrent	concurrent	Over 365	730+	730+	365	100.0%

Notes

- Approval timeline represent averages for new industrial applications between 2023 and 2025.
- For consistency with previous reports, the 2025 Rank is determined based on the high end of the approval timing estimate.

Mill Rates

2025 Rank	Municipality	2024 Light Industrial	2024 Residential	Industrial-to-Residential Tax Ratio
1	City of Chilliwack	3.528	2.674	1.319 X
2	City of Surrey	2.225	1.587	1.402 X
3	Township of Langley	3.169	1.876	1.689 X
4	City of Abbotsford	4.470	2.559	1.747 X
5	City of Langley	4.211	2.333	1.805 X
6	City of Mission	5.129	2.569	1.996 X
7	City of Coquitlam	4.702	2.083	2.257 X
8	City of Port Coquitlam	4.644	2.005	2.316 X
9	City of Burnaby	3.901	1.557	2.506 X
10	City of Maple Ridge	6.301	2.460	2.562 X
11	City of New Westminster	6.803	2.628	2.589 X
12	City of Richmond	7.932	3.041	2.609 X
13	City of Pitt Meadows	7.423	2.453	3.026 X
14	City of Port Moody	8.918	2.389	3.732 X
15	District of North Vancouver	13.782	1.639	8.409 X

DCC and ACC Updates

Given recently adopted provincial legislation, various municipalities are undergoing updates to their Development Cost Charge Bylaw and considering the implementation of an Amenity Cost Charge Bylaw, though not all are considering ACC rates on industrial or other non-residential uses.

Municipality	Are DCC updates underway?	Are ACC rates being considered?	Industrial ACC / Draft ACC Rates ¹
City of Abbotsford	Yes, to be adopted February 2026	Yes, to be introduced February 2026	\$19.20 / m2
City of Burnaby	Yes, in process	Yes, introduced June 2024	\$40.44 / m2
City of Chilliwack	Yes, in process	No	N/A
City of Coquitlam	Yes, adopted June 2025	Yes, does not include Industrial	N/A
City of Langley	No	No	N/A
City of Maple Ridge	Yes, in process	Yes, in process, no rates available	TBD
City of Mission	Yes, adopted May 2025	Yes, does not include Industrial	N/A
City of New Westminster	Yes, in process	Yes, in process, includes Industrial	\$55.26 / m2
City of Pitt Meadows	No	Yes, does not include Industrial	N/A
City of Port Coquitlam	No	No	N/A
City of Port Moody	Yes, in process	Yes, in process, no rates available	TBD
City of Richmond	Yes, in process	Yes, in process, includes Industrial	Light Industrial: \$41.98 / m2 Major Industrial: \$3,555 per acre
City of Surrey	Yes, in process	Yes, in process, includes Industrial, no rates available	TBD
District of North Vancouver	No	Yes, introduced February 2025	\$18.62 / m2
District of West Vancouver	No	Yes, in process, no industrial lands	N/A
Township of Langley	Yes, in process	Yes, in process, includes industrial	\$25.90 / m2
City of White Rock	Yes, in process	Yes, in OCP Implementation plan (1-2 years)	TBD

¹) ACC rates are for Gross Floor Area unless otherwise stated.



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The Future of Industrial Space

2025 was a year of serious challenges for Metro Vancouver's real estate industry, with significant headwinds from US tariffs, rising construction prices, increased government fees and a cascade of new government policies that resulted in stalled developments. For industrial developments, higher vacancy rates, lower lease rates and lower sales were seen across the board.

Looking ahead to 2026 and beyond, the industrial market is largely seen by the industry to be stabilizing and improving. We canvassed some industry leaders on how they have handled these challenges and their thoughts on the future of industrial in Metro Vancouver.



Ben Taddei
Partner
Conwest

The industrial market has softened from its 2021 peak, but performance varies by micro-market. Large-format, new-generation buildings remain relatively strong and are stabilizing. I expect 2026 to mark the bottom of this segment, with improvement in the latter half of the year as limited new supply is absorbed and capital re-enters the Vancouver market. This should support rising lease rates and stabilizing—or potentially declining—cap rates by year-end. Well-capitalized local and regional users continue to seek large sites to own, though limited site availability and inexperience with approvals and construction remain key challenges. This segment remains a bright spot.

By contrast, the small- and mid-sized strata industrial market is struggling and will likely continue to do so until standing inventory is absorbed. This reflects broader weakness in the B.C. economy, its overreliance on construction and real estate, and the downstream impacts of government policies aimed at curbing residential speculation and investment. As a result, few strata projects are starting, which will likely lead to a significant supply gap in 2027 and beyond.

A major wildcard is B.C.'s ability to unlock its natural resources, much of which lies on provincially owned land subject to overlapping Indigenous land claims. While the duty to consult and accommodate

First Nations is clear, uncertainty around objectives, processes, and costs has created significant complexity and economic drag. I do not expect this to change in 2026. Longer term, however, if B.C. addresses immigration, taxation, land rights and resource development, Metro Vancouver's industrial market should perform well.

The next couple of years will be challenging for the industrial market in Metro Vancouver. Developer reputation and competency will be keys to success. Conwest will continue to focus on execution of its significant large format land inventory and on strategic acquisitions.



Jeremy Bergmann
Director of Construction
Hungerford Properties

“This is one of the most challenging industrial markets we have worked through in a long time. Nothing is easy. Every lease, every capital commitment, and every financing decision feels like a battle, and assumptions that once worked simply do not hold anymore. Deals take longer to close; underwriting is extremely tight, and even strong projects are being tested from every angle.

In many ways, the market is close to unforgiving. Capital is cautious; tenants are highly selective, and there is very little margin for error in planning, pricing,

or execution. That pressure has made discipline essential. Only projects with real fundamentals, clear demand drivers, and the ability to adapt are able to move forward in this environment.

In that context, our work in Abbotsford has reinforced the importance of true collaboration. Working closely with the City of Abbotsford was critical to navigating both market and regulatory complexity, including the successful restoration of sensitive environmental habitat required to unlock the site for development. That level of coordination

and shared commitment takes time and effort, but it is what allows complex industrial projects to move forward responsibly. Developments such as XChange are progressing not because conditions are favorable, but because they are grounded in sound planning, environmental stewardship, and disciplined execution. It is a difficult market by any measure, but the projects that get built today will be exceptionally well positioned for the next phase of growth in the Lower Mainland.”



Todd Yuen
President, Industrial
Beedie

“As we closed out 2025, demand and activity in Metro Vancouver's industrial market began to normalize. The top end of the market rebounded, with robust leasing activity from large-scale users who required spaces larger than 100,000 sq. ft. Similarly, activity and demand in the build to suit sector returned with renewed strength. This was driven by a combination of factors, including a lack of availability in the larger format, tier one building sector, together with larger, credit rated companies starting to make long-term planning decisions again. With this shift in focus, the decisions made by local municipalities, the provincial government, and in some cases the judicial system will be critical in determining whether

we continue to see economic growth in the industrial sector.

Looking ahead to 2026, market fundamentals remain strong. Metro Vancouver's strategic position as a port region is essential to global supply chains, making it a gateway for international trade and attracting major corporations. We expect ongoing strength in large-scale leasing and build-to-suit activity; however, headwinds are evident in the mid-size segment (50,000–70,000 sq. ft.) and in strata, where performance varies drastically by submarket. These dynamics reinforce that Metro Vancouver is now a normalized market again, subject, both positively and negatively, to a multitude of variables.

At the lower to mid-end of the market, tenants have more choice, lower pricing, and a variety of inducements. Meanwhile, a 400,000 sq. ft. user requiring 40' clear height (standard in today's logistic world) likely has one option at best.

Key challenges for developers in 2026 include navigating complex permitting requirements, escalating upfront costs, and securing large, contiguous sites. Yet these constraints present opportunities: innovative redevelopment, advanced industrial design, and collaboration with all levels of government to open new industrial lands. We continue to adapt, advocate, and invest to be well positioned as core sectors of our business strengthen.”

Market Update

Conditions shift toward gradual market stabilization

▲ 4.6%

Vacancy Rate

▲ 6.0%

Vacancy Rate

▼ 44K

SF Net Absorption

▼ 2.0M

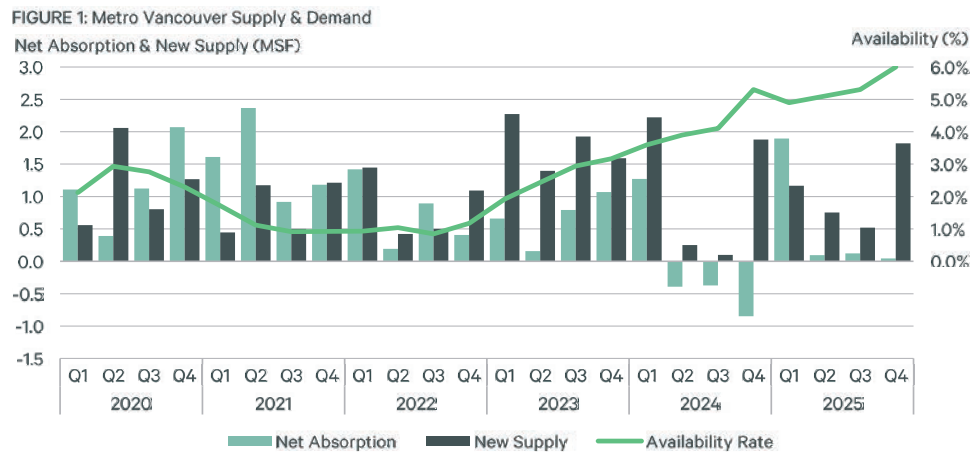
SF Under Construction

▼ \$19.64

PSF Net Asking Lease Rate

OVERVIEW

- Metro Vancouver’s overall availability rate has continued its upward trajectory, increasing by 70 basis points (bps) quarter-over-quarter to reach 6.0%. This rise is primarily attributed to heightened listing activity for properties between 50,000 and 100,000 sq. ft.
- Vacancy rates continue to fluctuate and have risen 80 bps quarter-over-quarter, attributed to heightened listing activity for properties between 50,000 and 100,000 sq. ft. as well as rolling vacancies on formerly available properties.
- Average asking lease rates across Metro Vancouver have continued to decline, ending the year at \$19.64 per sq. ft. - a 2.2% decrease year-over-year.
- New supply deliveries for 2025 totaled just under 4.3 million sq. ft., with nearly half of this inventory built-to-suit, indicating a significant slowdown in speculative development.
- Looking ahead, the development pipeline continues to thin, with only 2.1 million sq. ft. expected to complete in 2026, of which just 1.3 million sq. ft. is speculative.



THE CURRENT LANDSCAPE AND FORWARD OUTLOOK

2024 presented significant challenges for the Metro Vancouver industrial market, as it registered net negative absorption for the first time in over a decade. This shift led to availability and vacancy rates reaching levels not observed in an equally extended period. The deterioration in market fundamentals was driven in part by heightened political and economic uncertainty.

In 2025, absorption reversed course, concluding the year with a net positive 2.3 million sq. ft. Certain size segments are beginning to experience renewed demand, debt costs have declined, and the supply pipeline has contracted considerably. Nonetheless, several factors warrant consideration.

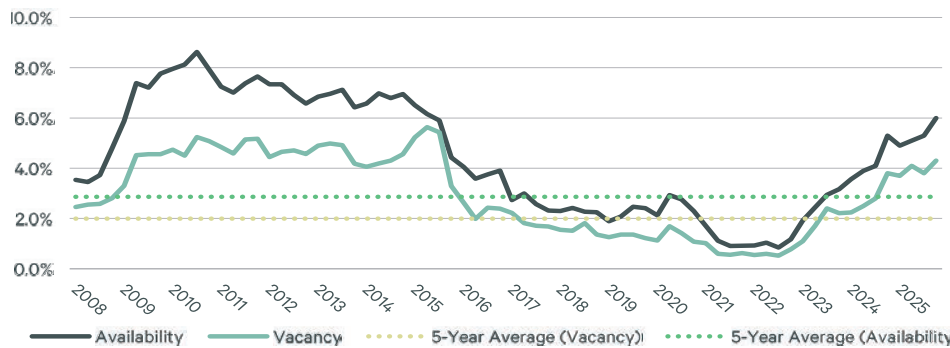
Despite positive absorption at year-end, the majority of this activity was attributable to pre-commitments within the 2025 new supply deliveries. Notably, Bridge Studios’ completion of a new 1.0 million sq. ft. facility accounted for a significant portion of this absorption, supplemented by numerous other build-to-suit projects that collectively brought the annual total to just under 2.0 million sq. ft. Currently, there is just under 2.0 million sq. ft. under construction, of which 728,000 sq. ft. is designated as build-to-suit. On the speculative side, 65.0% of the 1.25 million sq. ft. presently under construction remains available.

At a more granular level, there are presently no speculative lease projects larger than 100,000 sq. ft. under construction, resulting in a notable void within the large-format market. Looking ahead, and considering this gap, the Metro Vancouver market continues to offer a limited number of quality availabilities amid rising demand from larger occupiers.

Market Update

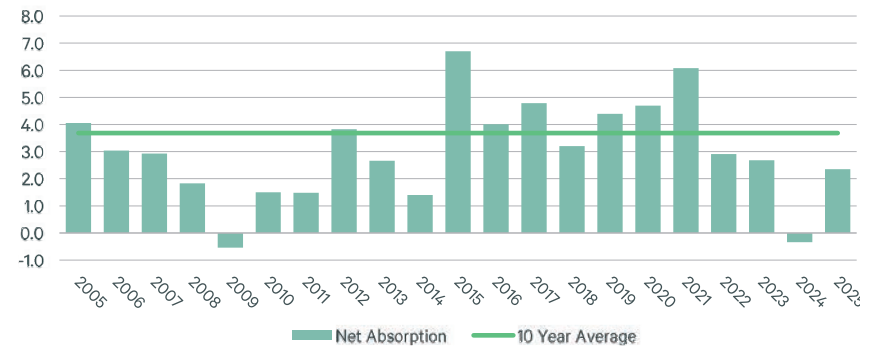
As activity in the large-format segment recovers, small to mid-bay inventory is anticipated to encounter ongoing competition. The oversupply of the past two years has left a substantial volume of this inventory yet to be absorbed, much of which comprises speculative strata developments on land acquired over the previous decade. With the construction pipeline now at its lowest point in the past ten years, market fundamentals suggest a gradual recovery in this segment as excess inventory is absorbed and businesses adjust their real estate requirements.

FIGURE 2: Availability vs. Vacancy (%)



Source: CBRE Research, Q4 2025.

FIGURE 3: Annual Net Absorption (MSF)



Source: CBRE Research, Q4 2025.

FLIGHT TO QUALITY AMONG LARGE FORMAT INVENTORY

At the close of the year, the proportion of total sublease availability relative to overall market availability remained steady at 14.4%, reflecting a net increase of 10 basis points quarter-over-quarter. The distribution of listings within the sublease market continues to be heavily weighted toward larger format inventory (contiguous spaces exceeding 50,000 sq. ft.), which now constitute 60.0% of all sublease inventory. When including headlease offerings, large-format availability recorded a net quarterly rise in listings, reaching a high of 60 in Q4 2025. This availability is predominantly concentrated in listings ranging from 50,000 to 100,000 square feet, with 47 such listings currently on the market. In contrast, inventory exceeding 100,000 square feet has contracted for the third consecutive quarter and now totals 13, marking a substantial decline from the 21 listings noted at the beginning of the year.

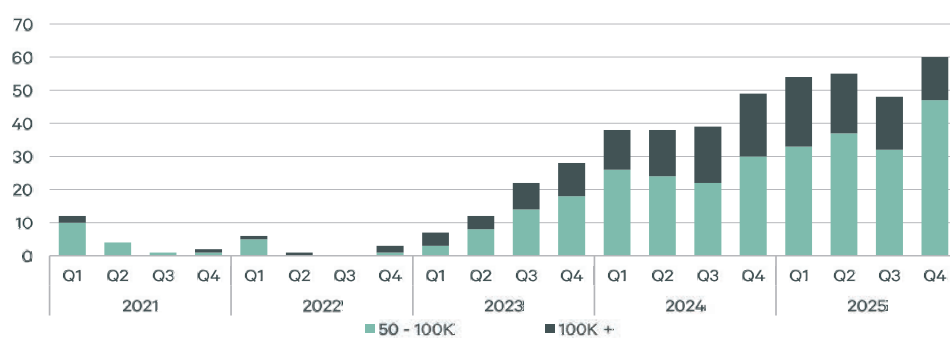
In an environment characterized by elevated availability rates, these offerings present occupiers with the opportunity to refine their real estate strategies by absorbing premium space at rental rates below prevailing conditions when market vacancy and availability rates were persistently at historic lows.

BIFURCATED REGIONAL LEASE RATES

For the tenth consecutive quarter, the average asking lease rates in Metro Vancouver continued their downward trend, reaching \$19.64 per square foot. On an annualized basis, this represents a 2.2% decline. However, on a quarterly basis, the overall market experienced a 1.2% decrease, which is consistent with the average rate of decline observed over the previous nine quarters.

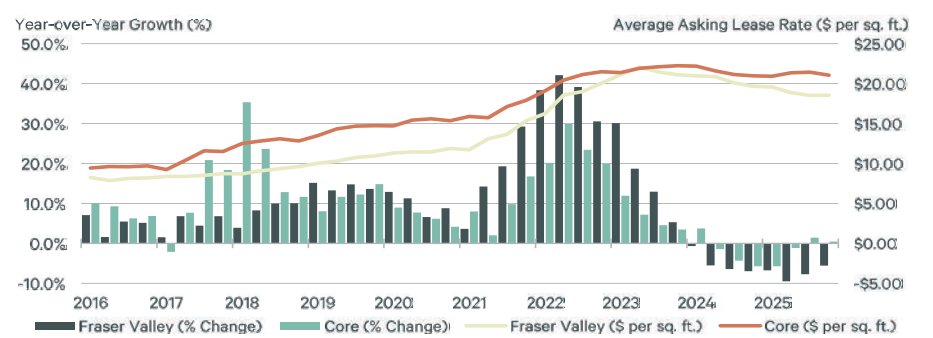
The recorded overall averages for markets north and south of the Fraser River continue to demonstrate divergent performance. Markets situated closer to the urban core are beginning to exhibit signs of stabilization at \$21.06 per sq. ft., in contrast to the ongoing declines witnessed in markets south of the Fraser River which currently sit at \$18.55 per sq. ft.. Aggregated markets north of the Fraser River have posted two consecutive quarters of annualized lease rate growth, at 1.4% and 0.5%, respectively. Conversely, markets south of the Fraser River registered an annualized decline of 5.6%, an improvement compared to the 7.7% decrease reported in Q3 2025.

FIGURE 4: Large Format Availabilities (Count of Listings)



Source: CBRE Research, Q4 2025.

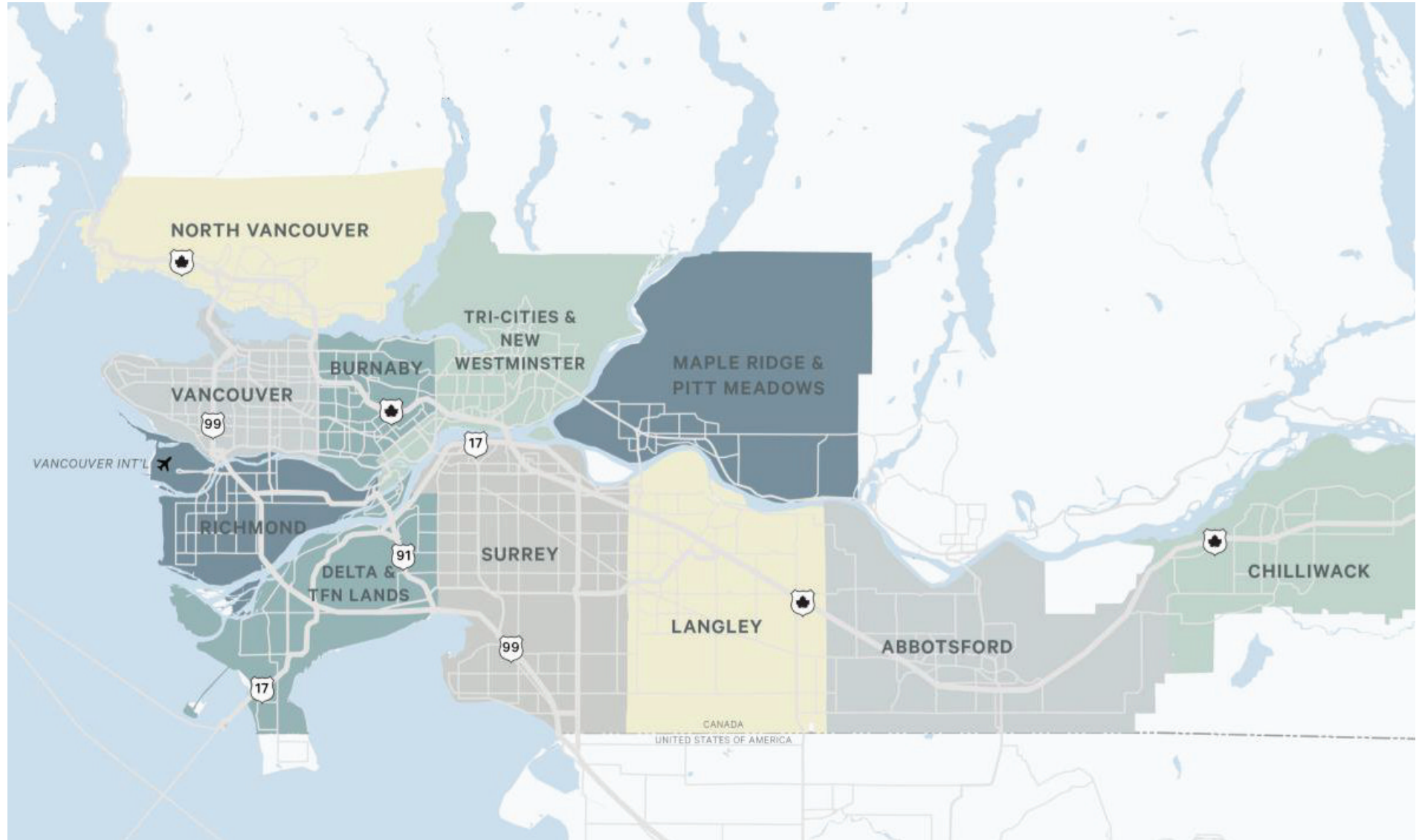
FIGURE 5: Average Asking Lease Rate Growth (Year-over-year)



Source: CBRE Research, Q4 2025.

Market Update

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within 60 days; can be occupied or vacant. **Availability Rate:** Total Available Sq. Ft. divided by the total building Area. **Average Asking Lease Rate:** A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. **Inventory:** The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. **Gross Lease Rate:** Rent typically includes real property taxes, building insurance, and major maintenance. **Net Absorption:** The change in Occupied Sq. Ft. from one period to the next. **Net Lease Rate:** Rent excludes one or more of the “net” costs

(real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. **Occupied Sq. Ft.:** Building Area not considered vacant. **Vacancy Rate:** Total Vacant Sq. Ft. divided by the total Building Area. **Vacant Sq. Ft.:** Space that can be occupied within 30 days.

Survey Criteria

Includes all industrial buildings Greater Vancouver. **Under Construction:** buildings which have begun construction as evidenced by site excavation or foundation work.

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