

# Availability drops 50 bps as industrial sales regains momentum

▼ 5.3%

Availability Rate

► 0

SF Under Construction

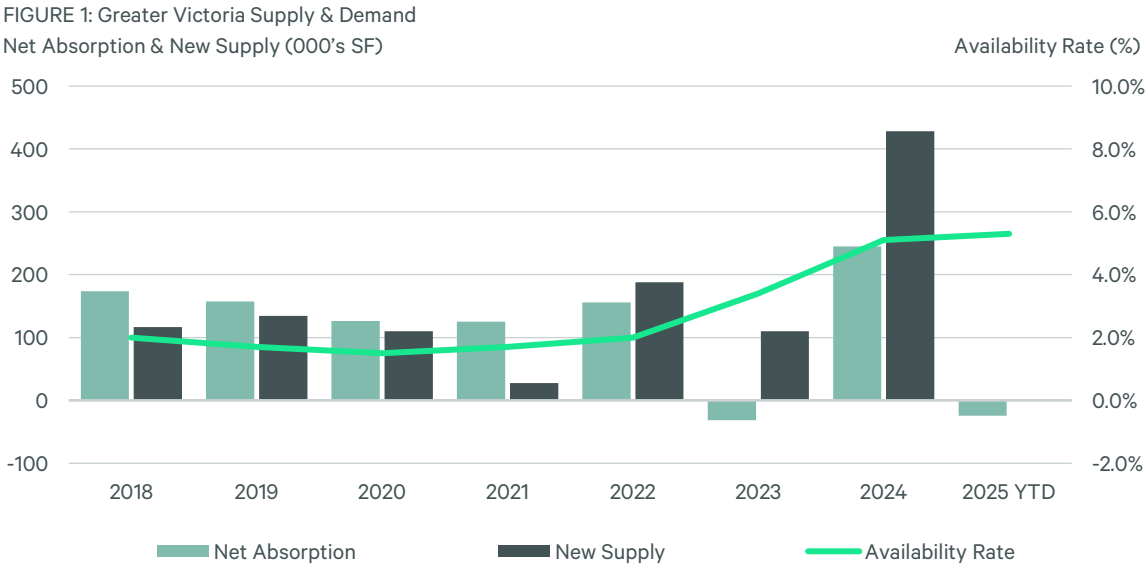
► \$18.47

PSF Net Asking Lease Rate

Note: Arrows indicate change from previous quarter.

## Market Summary

- The Greater Victoria industrial market experienced a stable quarter with 48,000 sq. ft. of positive net absorption, driving the overall availability rate down to 5.3% and stabilizing net asking rents at \$18.47 per sq. ft.
- Industrial market momentum rebounded in Q2 following a subdued start to the year, highlighted by large sized strata industrial units transacting and a major \$29.2 million off-market car dealership portfolio transaction in Midtown.
- The Rock Bay area within the Victoria Core stood out with a rise in automobile-zoned listings and asking rents exceeding \$20.00 per sq. ft., reflecting strong demand and shifting dynamics in this tightly held submarket.
- Amid shifts toward high-density housing, demand for self-storage continues to rise in Greater Victoria, underscored by two major 2025 transactions: Bluebird Self Storage’s \$26.7 million purchase at 2120 Quadra Street and StorageVault Canada’s \$11.6 million acquisition of 505 Tolmie Lane.



Source: CBRE Research, Q2 2025.

## Greater Victoria overview

The Greater Victoria industrial market recorded 48,000 sq. ft. of positive net absorption this quarter, resulting in a 50 basis point (bps) decline in the overall availability rate to 5.3%. Availability fell by 60 bps in the Victoria Core and 90 bps in the Westshore, while the Peninsula submarket experienced a modest availability increase of 20 bps. This quarter experienced some improvements in market fundamentals as a couple of transactions involved a row of contiguous industrial strata units being sold together.

The average net asking rent remained stable at \$18.47 per sq. ft. Submarket averages were \$18.71 per sq. ft. in the Victoria Core, \$18.65 per sq. ft. in the Saanich Peninsula, and \$18.33 per sq. ft. in the Westshore. Accordingly, asking rents appear to have fully softened and stabilized within the \$18.00 per sq. ft. range, following the market peak and the delivery of new supply in early 2024.

## Industrial sales regaining momentum after trade war uncertainty

Industrial activity was subdued in the first quarter amid uncertainty surrounding a potential trade war with the U.S. and the subsequent economic implications. However, momentum returned in the second quarter, particularly within the newly constructed industrial strata developments. Notably, 13,000 sq. ft. in Pacific Ridge Business Park sold for \$345 per sq. ft., while a 19,000 sq. ft. assembly of five contiguous units at IntraUrban Cornerstone also transacted.

A significant off-market portfolio transaction was also recorded this quarter in the midtown area between Mayfair Mall and Uptown Mall. Campus Auto Group sold three car dealership properties—occupied by Nissan, Honda, and Infiniti—totaling over 42,000 sq. ft. of building area on 4.5 acres of land to Jim Pattison Developments for \$29.2 million. While the buyer is active in the automotive sector, the acquisition may also reflect interest in future redevelopment potential. Two of the properties fall within the Uptown Core Primary Growth Area as designated in the Saanich Official Community Plan, which supports high-density residential development.

Also in the midtown area, two industrial properties on Alpha Street changed hands this quarter. 548 Alpha Street sold for \$605 per sq. ft., while 676 Alpha Street transacted at \$390 per sq. ft., both based on building size. There appears to be an uptick in auto-zoned properties listed to market and particularly in the Rock Bay area.

FIGURE 2: Notable Industrial Developments

Size (Acres)	Project Name	Submarket	Estimated Completion	Developer
29.22*	Terra	Langford	Build-to-suit	Beedie
17.10*	Langford Heights	Langford	Build-to-suit	Bastion & Strand

\*Land Size  
Source: CBRE Research, Q2 2025.

FIGURE 3: Notable Lease Transactions

Size (SF)	Tenant	Address	Submarket	Industry	Deal Type
8,365	Salvation Army	3460 Quadra Street	Saanich	Social Services	Direct
4,832	First Choice Books	2817 Quesnel Street	Victoria	Media	Direct

Source: CBRE Research, Q2 2025.

FIGURE 4: Notable Sales Transactions

Address	Submarket	Purchaser	Building Size (SF)	Price (\$M)
3361 Oak Street	Saanich	Jim Pattison Developments	16,102	\$13.8
506 Finlayson Street	Victoria	Jim Pattison Developments	17,066	\$9.4
829 Short Street	Saanich	Jim Pattison Developments	8,934	\$6.0
10114 McDonald Park Road	North Saanich	Sandown Technology Centre	27,989	\$4.7
1250 Chidlow Connector	Langford	Gordon’N’Gordon Interiors	13,208	\$4.6

Source: CBRE Research, Q2 2025.

## Rising vacancy for automotive repair properties in Rock Bay

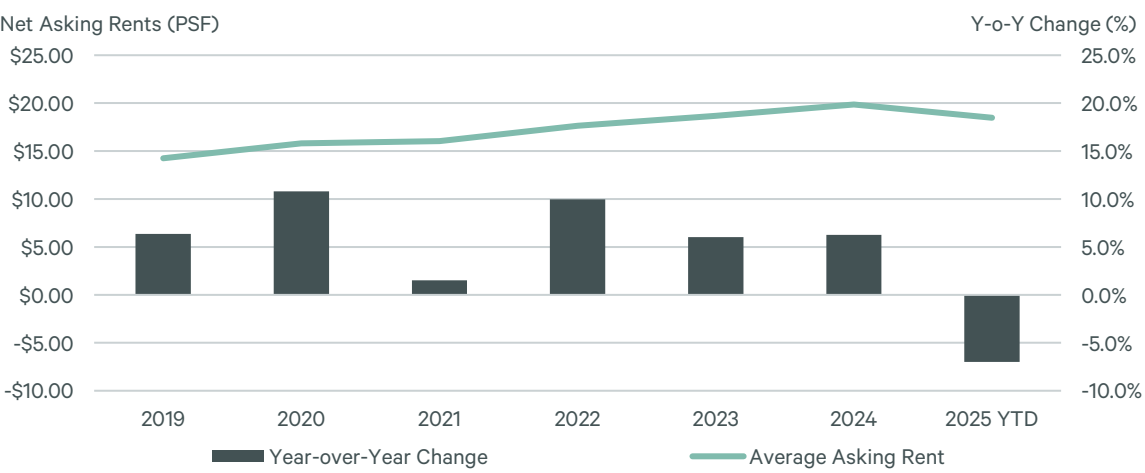
The availability rate in the Victoria Core declined by 60 bps this quarter, reaching 2.9%, and this was driven by the leasing of multiple larger units. Despite persistently low availability in the core submarket, there was a noticeable increase in new listings within the Rock Bay area. This uptick was primarily driven by automobile-zoned properties, suggesting that recent trade tensions may have adversely impacted some local owner-occupiers. More specifically, there has been a rise in automobile repair shops that have been listed to both the sale and lease market. These listings may appeal to industrial users outside the auto industry as they likely have yard space which other options like industrial strata may lack. While the average asking rent across the market was recorded at \$18.47 per sq. ft., availability in the Rock Bay area commands rates upwards of \$20.00 per sq. ft. as a continually highly sought after sub area.

## High-density residential development fueling self-storage demand

Housing affordability and supply remain central priorities within the province, with a strong emphasis on accelerating the development of purpose-built rentals and high-density housing—particularly in urban cores. As more families transition from single-family homes to apartment living, the limited in-unit storage space is driving a growing need for external storage solutions. This trend is expected to intensify over the next several years as hundreds of new multifamily units currently approved or under construction are expected to deliver to market.

In Greater Victoria, two notable self-storage transactions occurred in 2025. In Q1, Target Self-Storage sold its newly built four-storey, 523-unit, 42,726 sq. ft. facility for \$26.7 million to Bluebird Self Storage. More recently, at the end of Q2, the self-storage building at 505 Tolmie Lane—spanning 60,000 sq. ft. over four storeys—was acquired by StorageVault Canada from Sentinel Self-Storage for \$11.6 million. The shift toward compact living, combined with increased intraprovincial migration and downsizing among aging demographics, are expected to continue fueling sustained demand for self-storage.

FIGURE 5: Greater Victoria Average Net Asking Rents & Year-over-Year Change



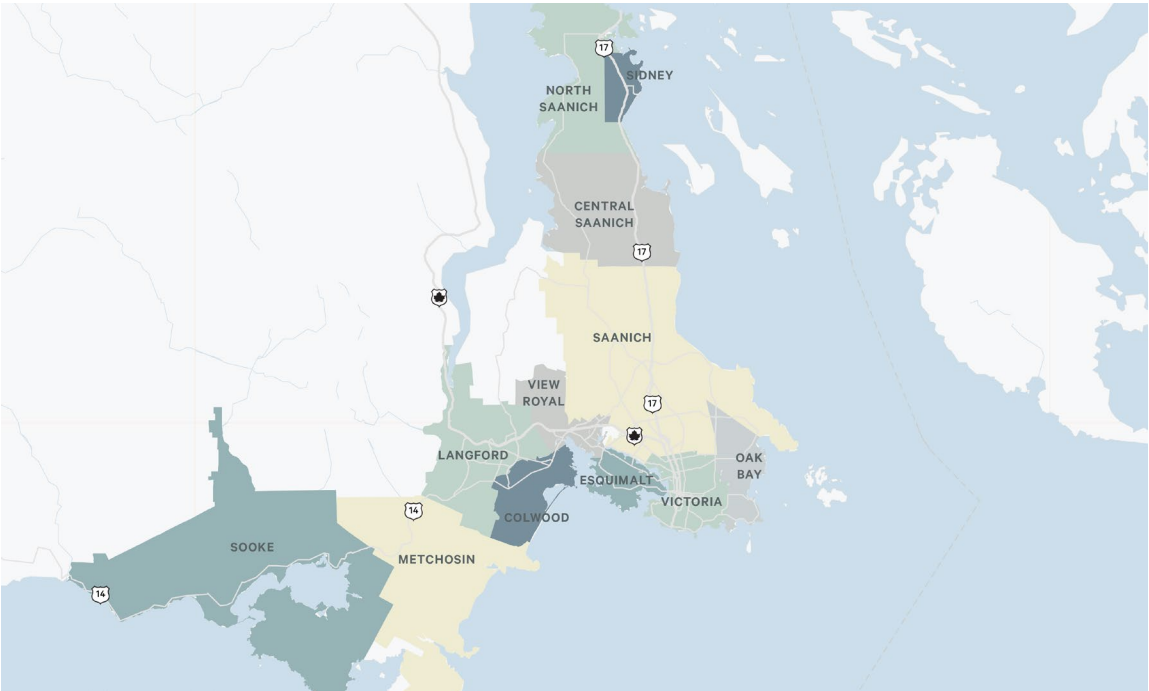
Source: CBRE Research, Q2 2025.

FIGURE 6: Greater Victoria Industrial Statistics Summary

Submarket	Inventory (SF)	Availability Rate (%)	Vacancy Rate (%)	New Supply (YTD)	Under Construction (SF)	Average Net Asking Rent (PSF)	Average Additional Rent (PSF)
Victoria Core	6,039,949	2.9%	2.5%	-	-	\$18.71	\$8.11
Peninsula	2,292,969	2.8%	2.8%	-	-	\$18.65	\$6.75
Westshore	2,036,900	15.2%	15.1%	-	-	\$18.33	\$7.18
Greater Victoria	10,369,818	5.3%	5.0%	-	-	\$18.47	\$7.38

Source: CBRE Research, Q2 2025.

Market Area Overview



Definitions

Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Vacancy Rate: Total Vacant sq. ft. divided by the total Building Area. Vacant sq. ft.: Space that can be occupied within 30 days.

Submarket Map

CBRE defines the Victoria Core market as Saanich, Victoria, Esquimalt, and Oak Bay; The Peninsula market as Central Saanich, Sidney, and North Saanich; and the Westshore market as View Royal, Langford, Colwood, Metchosin, and Sooke.

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