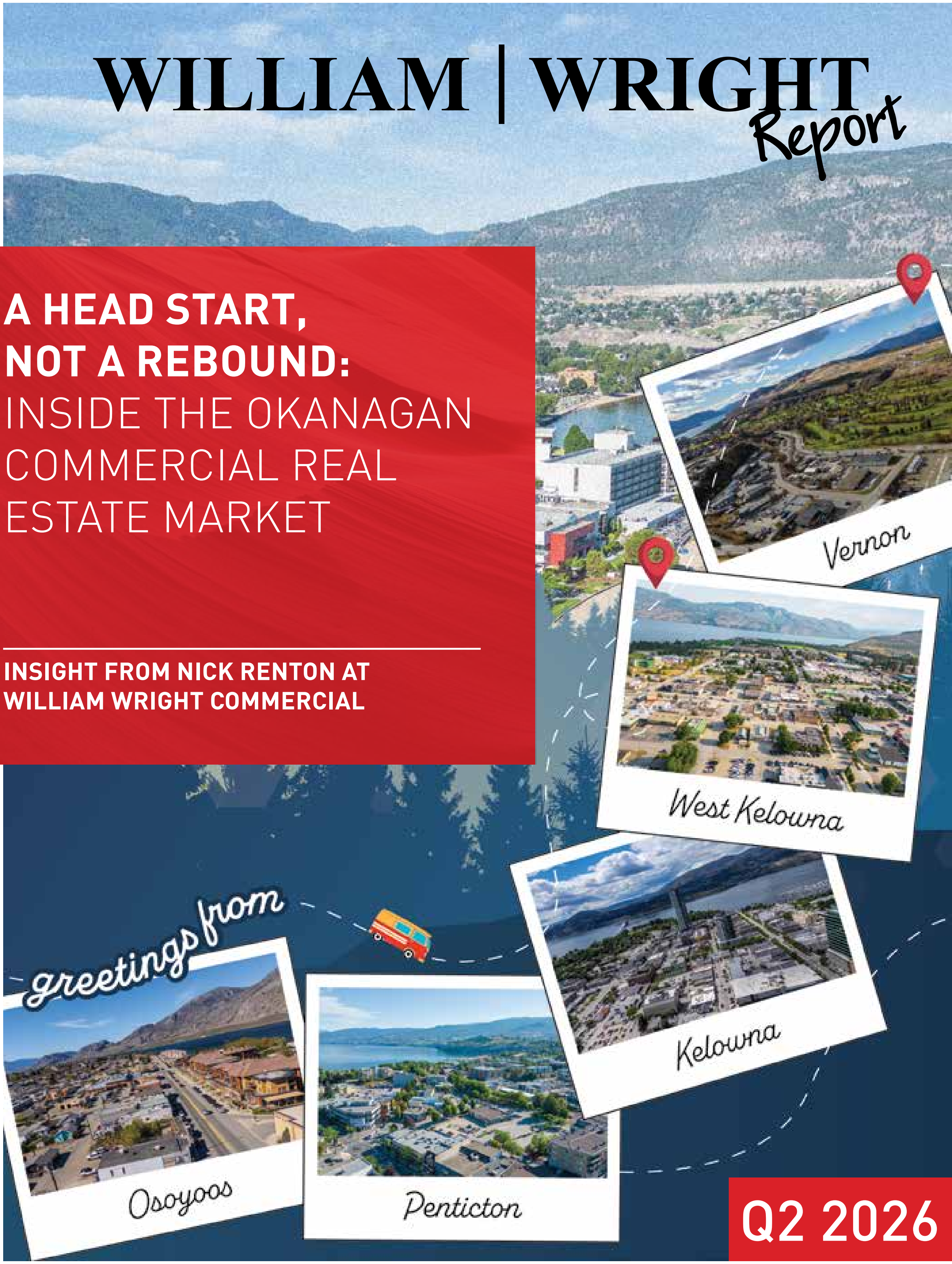
WILLIAM | WRIGHT *Report*

A HEAD START, NOT A REBOUND: INSIDE THE OKANAGAN COMMERCIAL REAL ESTATE MARKET

INSIGHT FROM NICK RENTON AT WILLIAM WRIGHT COMMERCIAL



Q2 2026

Vancouver Office
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Vancouver, BC
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Langley, BC
604.546.5555

Victoria Office
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Victoria, BC
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Nanaimo Office
205-335 Wesley Street
Nanaimo, BC
250.586.1226

Kelowna Office
205-478 Bernard Avenue
Kelowna, BC
236.420.3558

Kamloops Office
101-147 Victoria Street
Kelowna, BC
236.425.1617

greetings from

THE OKANAGAN

CONSISTENCY IN A LOUD MARKET

WRITTEN BY

NICK RENTON
BROKER, KELOWNA OFFICE
WILLIAM WRIGHT COMMERCIAL

Written by Nick Renton

A HEAD START, NOT A REBOUND:

Inside the Okanagan Commercial Real Estate Market

THE OKANAGAN'S STORY THIS CYCLE HAS BEEN ONE OF QUIET CONSISTENCY—AND CONSISTENCY IS STARTING TO LOOK LIKE A COMPETITIVE ADVANTAGE.

In April of this year, national market research marked a milestone that we've been waiting on since Covid market dynamics ravaged the office and industrial sectors. Vacancy rates for office and industrial properties declined at the same time for the first time in six years.[1] By the end of the second quarter, the recovery had firmed up further. National office vacancy fell to 13.4%—its fourth consecutive quarterly decline—while industrial vacancy tightened to 3.3%, and Canadian businesses took up more than 7.1 million square feet of additional industrial space in the quarter.[2] After six years of pandemic disruption, the fastest rate-hiking cycle in a generation, and a tariff dispute with our largest trading partner, the national market finally appears to be finding its footing. So what does a national turning point mean for the Okanagan, a market that never really participated in the turmoil to begin with?

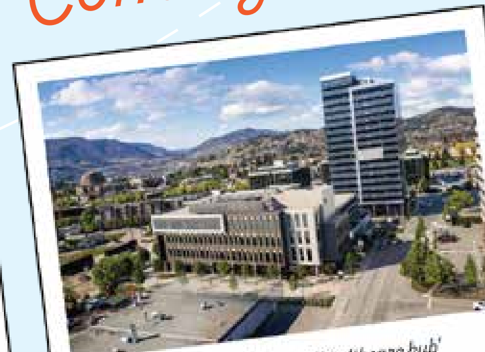
I would argue it means quite a lot, just not in the way the headlines suggest. The Okanagan's story this cycle has been one of quiet consistency—and consistency is starting to look like a competitive advantage. Greater Kelowna's office market ended 2025 with vacancy at 8.6% after 38,000 square feet of positive absorption, led by Class A space. Compare that to the national office vacancy rate of 13.4% and the gap is striking: roughly five percentage points in a market segment that was widely written off only a few years ago. Kelowna's office market never suffered the hollowing out that hit the major downtowns, which means it enters this recovery with far less ground to make up.

In Kelowna, we saw that stability show up in real transactions this quarter. In April, a 7,930 square foot, Class A strata office property in the Airport Business Park sold for more than $4 million, a strong result for a non-standard office product at a time when lenders across the country remain cautious on the asset class. In July, the Stober Group, behind the region's flagship office district, the Landmark District, announced a four-storey, roughly 50,000 square foot healthcare hub for central Kelowna. I read that announcement in two ways—first, it is a clear vote of confidence in this region's growth; second, it is also a reminder that even our most established local developers are diversifying beyond traditional office, and that the recovery in this asset class will be selective rather than universal.

The industrial market deserves a more careful telling, because the local data does not yet match the national mood, and I would rather be honest about that than write the story people expect. Nationally, industrial conditions have tightened decisively, with vacancy in most major markets now sitting between 2% and 3% and asking rents beginning to stabilize after several quarters of decline. Locally, the most recent published research describes a steadier picture. Kelowna's industrial vacancy held roughly flat through 2025 with modest negative absorption balanced by consistent leasing, while West Kelowna's vacancy rose as several larger projects reached completion, and sale prices and land values continued to drift lower. Smaller markets tend to follow the major centres with a lag of a few quarters, and with new industrial construction in the Central Okanagan slowing considerably, the space delivered in West Kelowna should be worked through rather than compounded. For now, the fair description of Okanagan industrial is resilient, not resurgent.

7,930 SQFT Class A Office Space in Kelowna's Airport Business Park

Coming Soon



New central Kelowna 'healthcare hub' planned for the Landmark District

Retail has been the valley's most dependable performer, and that predates the current recovery. Our own outlook heading into 2026 pointed to retail resilience as a defining feature of the BC market, with momentum from late 2025 carrying forward and a shrinking pipeline of new construction focusing demand on existing space. The second quarter gave us a concrete local example with a large component of Kelowna's One Water development selling a 16,000 square feet portfolio of fully leased ground floor retail strata units to an investor. Additionally, Shelby Kostyshen and Jeff Hancock from our Kelowna office recently brought 8,226 square feet of retail strata product to market in downtown Kelowna. These trends are starting to surface in other areas of the Okanagan as well with steady demand in Vernon and Penticton.

In the North Okanagan, what we can observe is that industrial space makes up the largest share of Vernon's commercial lease inventory, consistent with the city's role as the service and distribution hub for the region, with available premises ranging from small bays to spaces approaching 38,000 square feet. What our agents are seeing on the ground will carry more weight than any third-party series for this part of the valley, and I expect that to remain true for some time.

As a Commercial Realtor, I pay as much attention to the questions clients ask as I do to the statistics. Twelve months ago, the most common question heard in our Kelowna office was whether values had further to fall. This quarter, the three questions I hear most often are:

1. Is now the time to secure space or acquire assets while conditions still favour the buyer and tenant?
2. How do we structure a purchase or lease to protect against another period of rate or trade volatility?
3. Which assets in my portfolio are positioned to benefit as new supply dries up?

That shift in tone, from defence to positioning, tells me as much about where this market is heading as any vacancy rate.

Moving forward, there are a few key risks to keep an eye on. The first is the ongoing trade and tariff dispute between Canada and the USA. We expect industrial leasing across the country to continue being cautious over the coming months as occupiers wait out the renegotiation of the Canada-United States-Mexico Agreement and any subsequent trade shocks. The second is that our market is still proportionately modest compared to large regions of the country. When a large mandate is filled or a tenant vacates a space, it can skew figures considerably, so we must continue to focus on the fundamentals of data.

The most important number in this quarter's national data may also be the smallest one. Just 37,500 square feet of new office space was delivered across the entire country in the second quarter—the lowest level in fifteen years, with less than two million square feet remaining under construction and no meaningful new wave of development expected until the next decade.

When little new space is coming, the buildings that already exist become the whole market, and the regions that kept those buildings occupied through the downturn enter the recovery first. That is the Okanagan's position today. This valley did not need a dramatic rebound this quarter because it never had a dramatic fall, and I am hopeful that as capital moves off the sidelines and back into higher performing assets, steady occupancy and steady demand will prove to be exactly what they look like: a head start.

> STEADY OCCUPANCY AND STEADY DEMAND WILL PROVE TO BE EXACTLY WHAT THEY LOOK LIKE: A HEAD START.

[1]Colliers Canada, Q1 2026 national market report, as reported by The Canadian Press (Sammy Hudes), "Commercial real estate market at turning point as vacancies drop," April 20, 2026. Via Castanet.

[2]Colliers Canada, Q2 2026 National Market Snapshot, released July 8, 2026. Via CNW/Newswire.ca.

VACANCY IN Q2

↓13.4% OFFICE

↑3.3% INDUSTRIAL

Landmark District's 50,000 ft² Purpose-Built Clinical Facility | *Coming 2029*

For Lease: Landmark Medical Building
1896 Dayton Street, Kelowna

The Landmark District introduces a new destination for excellence in health and wellness: Landmark Medical Building at 1896 Dayton Street.

This boutique four-story concrete facility will be the region's premier clinical address. Purpose-built to surpass the constraints of traditional commercial space, the building offers an upscale environment tailored to medical precision, patient privacy, and professional standards.

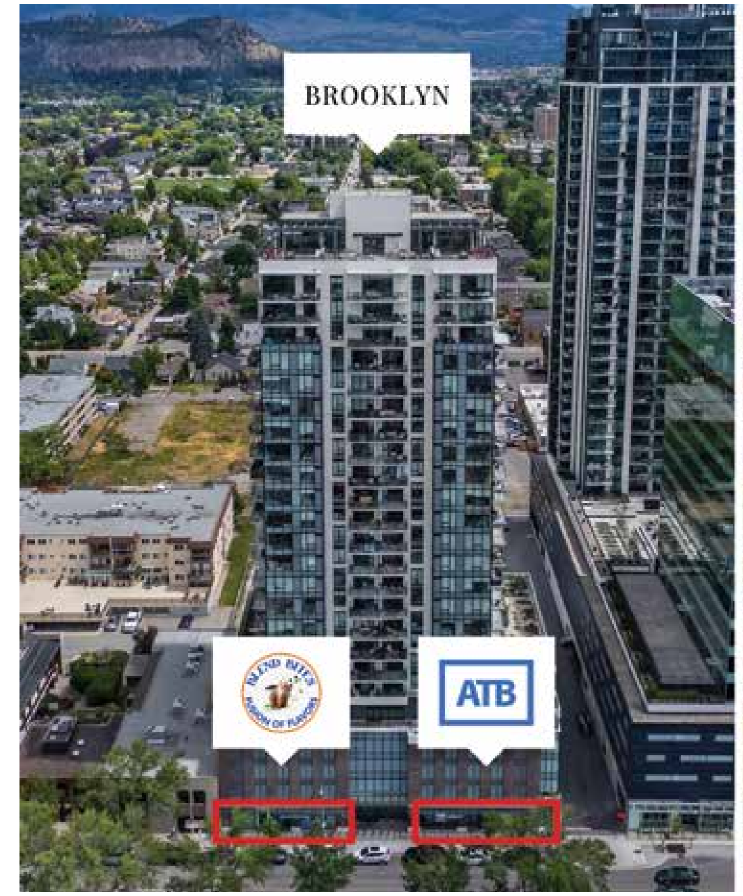
A Proven Medical Destination

Your practice will be in good company alongside a reputable and premier surgical centre, which will occupy the building's fourth floor. The presence of a specialized surgical practice serves as a substantive endorsement of the building's specialized infrastructure and its ability to meet the most rigorous medical standards.

Selecting a space here means moving into a facility already vetted and approved by the region's leading specialists. This is an opportunity to establish your practice within an environment of professional alignment and established prestige from the moment you open your doors.

Size	Lease Rates
± 2,277 - 13,700 SQFT	Contact Listing Agents

WILLIAM | WRIGHT   CUSHMAN & WAKEFIELD   Landmark DISTRICT



Retail Strata Portfolio For Sale:
Investment Opportunity in Downtown Kelowna

An exceptional opportunity to acquire a premier retail strata portfolio in the heart of Downtown Kelowna. Comprised of two separate, newly constructed buildings — Ella and Brooklyn — this offering totals 8,226 square feet of high-quality retail space and is fully leased to five established tenants, providing immediate and stable cash flow.

Strategically positioned in Kelowna's downtown core, the portfolio benefits from strong pedestrian activity, excellent visibility, and proximity to a diverse mix of residential, office, hospitality, and entertainment amenities. The retail units have been thoughtfully designed to accommodate a range of tenant uses, featuring modern construction, attractive storefronts, and efficient layouts that appeal to both tenants and customers alike.

With limited opportunities to acquire newly built, fully leased retail strata assets in the Okanagan, this offering represents a rare chance to secure a high-quality investment with long-term income potential.

SIZE	PRICE
± 8,226 SQFT	Contact Listing Agents

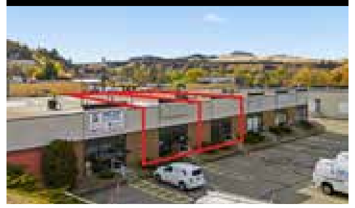
FOR MORE INFORMATION CONTACT

Shelby Kostyshen
shelby.kostyshen@williamwright.ca
236.420.3558

Jeff Hancock*
jeff.hancock@williamwright.ca
236.420.3558

*PERSONAL REAL ESTATE CORPORATION

FOR LEASE



2220 & 2230 11th Avenue, Vernon
Shelby Kostyshen, Jeff Hancock*

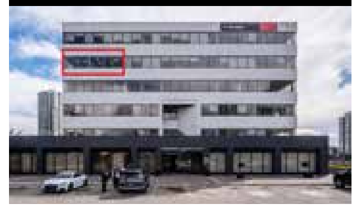
Move-in ready, service commercial units featuring professional office and warehouse space. ± 1,923–3,845 SQFT.

FOR LEASE

463 Dene Drive, Kamloops
Marianne DeCotiis*

± 6,700 SQFT warehouse/office and yard space suited for trades, warehousing, and storage with indoor/outdoor functionality.

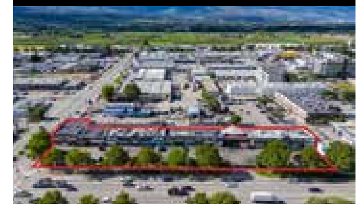
FOR SUBLEASE



502-4180 Lougheed Highway, Burnaby
Steven Lam*, Matthew Ho*

± 1,906 SQFT office featuring a reception area, conference room, kitchenette, and 5 private offices steps from Gilmore Station.

FOR LEASE



1767-1835 Harvey Avenue, Kelowna
Jeff Brown, Victoria Mitchell

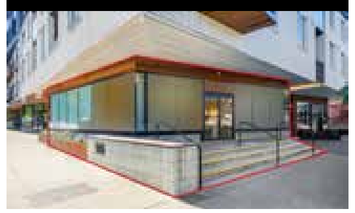
High-exposure office at Central Plaza, offering prominent signage and exposure to 65,000+ vehicles per day. ± 455 SQFT.

FOR LEASE

267 Bernard Avenue, Kelowna
Jeff Brown, Victoria Mitchell

± 3,154 SQFT of prime retail storefront with a dedicated patio area, located steps away from the Okanagan Lake waterfront.

FOR LEASE



1101 Fort Street, Victoria
David Boon

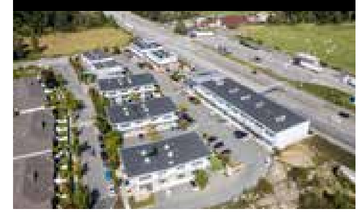
± 1,813 SQFT of prime retail space, offering prominent street-level exposure and signage opportunity in downtown.

FOR SUBLEASE

135-5508 Hollybridge Way, Richmond
Chris van Vliet*

± 2,890 SQFT high-profile corner unit with a turnkey fitness build-out in place, located by the Richmond Olympic Oval.

FOR LEASE



204 & 205-358 175A Street, Surrey
Josh Jawanda*, Brandon Bains

± 2,020 SQFT of combined office space offering a flexible layout in the growing Pacific Douglas neighbourhood.

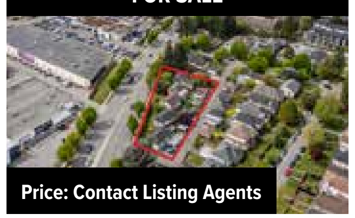
FOR SALE

$2,264,000

12048 216 Street, Maple Ridge
Chris van Vliet*

Owner-operator or investment opportunity featuring a ± 4,748 SQFT building with retail and two residential units.

FOR SALE

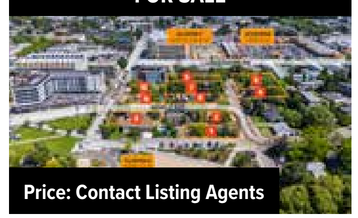


Price: Contact Listing Agents

255-285 SW Marine Drive, Vancouver
Meg Cooney*, Roderick MacKay, Matthew Porte

± 21,938 SQFT transit-oriented development opportunity across five contiguous lots by Marine Drive Station.

FOR SALE

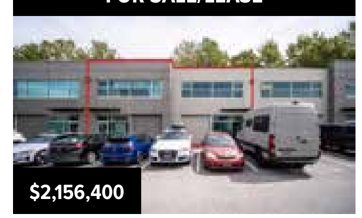


Price: Contact Listing Agents

370 Meikle Avenue, Kelowna
Jeff Hancock*, Shelby Kostyshen

Lower Mission single family assemblies: 10 single family lots available for purchase. ± 7,100 SF to a combined 116,646 SF.

FOR SALE/LEASE

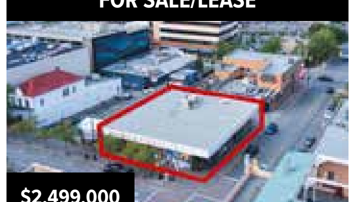


$2,156,400

114-115 418 E Kent Avenue S, Vancouver
Matthew Porte, Kieran Moore

± 3,600 SQFT industrial strata across two contiguous units, featuring up to 19' clear ceiling heights and grade loading.

FOR SALE/LEASE

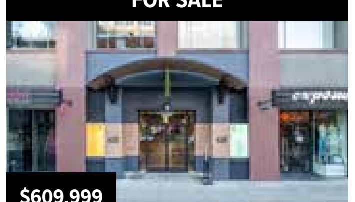


$2,499,000

380 Victoria Street, Kamloops
Marianne DeCotiis*

Highly visible building in downtown, well suited for professional, service, or retail-oriented users. ± 5,947 SQFT.

FOR SALE

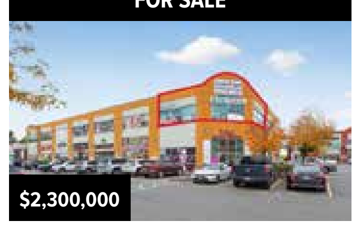


$609,999

108-1058 Mainland Street, Vancouver
Roderick MacKay, Matthew Porte, Kieran Moore

Prime retail boutique-style space in Yaletown, ideal for both owner-users and investors. ± 371 SQFT.

FOR SALE

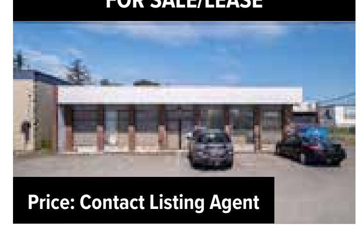


$2,300,000

343-8140 128 Street, Surrey
Vishav Jyoti*, CCIM

High-exposure corner office at Payal Business Centre featuring strong signage and a fully private entrance. ± 1,512 SQFT.

FOR SALE/LEASE



Price: Contact Listing Agent

45951 Trethewey Avenue, Chilliwack
Sam Repchuk

± 4,153 SQFT freestanding building with a warehouse and retail/showroom space, offering excellent exposure & accessibility.

***PERSONAL REAL ESTATE CORPORATION**

For Sale: 4.91 Acre Townhome Site in Burke Mountain

William Wright Commercial is pleased to present 1375 Pollard Street, a 4.91 acre townhome site in Coquitlam's Burke Mountain.

The Subject Site is 4.91 acres of mostly cleared and level land, currently improved with a single family home, on Pollard Street. Under the Partington Creek Neighbourhood Plan, the Subject Site is designated as "Townhousing", warranting up to 20 to 25 units per acre or 98 to 123 townhomes. Burke Mountain has demonstrated notable resilience, supported by a limited supply of available land and sustained demand for townhome sales. Notably, there are currently no competing land offerings that match the key attributes of the Subject Site, including its scale, cleared and development-ready condition, and proximity to established neighbourhood amenities.

The Subject Site is located within the Partington Creek Neighbourhood Plan (PCNP) on Burke Mountain and is designated Townhousing Residential, permitting ground-oriented multi-family development. The PCNP forms part of Coquitlam's broader Northeast Coquitlam Area Plan and envisions a master-planned, pedestrian-oriented community that will accommodate approximately 10,000 to 16,500 residents through a mix of housing types, parks, and neighbourhood-serving amenities.

SIZE	**PRICE**
± 4.91 Acre	Contact Listing Agents

FOR MORE INFORMATION, CONTACT

RODERICK MACKAY
roderick@williamwright.ca
604.428.5255

MEG COONEY
PERSONAL REAL ESTATE CORPORATION
meg@williamwright.ca
604.428.5255

Sold: The Dilworth Inn at 1755 Dilworth Drive, Kelowna

William Wright Commercial and the CBRE National Apartment Group – BC (collectively "the Listing Agents") are excited to announce the Dilworth Inn hotel located at 1755 Dilworth Drive, Kelowna, BC (the "Property") has successfully transacted after receiving Court Approval on May 13, 2026. The Dilworth Inn is comprised of a three storey, 50-room hotel and is prominently situated on a large 1-acre land parcel on the corner of Dilworth Drive and Enterprise Way, just off Harvey Avenue (Highway 97) in the heart of Kelowna's thriving commercial corridor.

The sale of the Dilworth Inn was a Liquidation Mandate that was launched in the Fall of 2025 during a time of much uncertainty. However, the response for the Dilworth Inn was well received, and we were surprised by the number of inquiries we received from buyers not only locally but also across Canada and into the USA.

The hotel asset class and the strength of the location were highly desirable, but the overall success of the mandate was a testament to how well our brokerage teams worked together and how we collaborated with C. Cheveldave & Associates Ltd. (the "Liquidator") to achieve a successful sale at the most attractive sale metrics possible.

Should you be a real estate investor looking for similar opportunities or are an Insolvency Trustee looking for an experienced brokerage team with a successful track record, please don't hesitate to contact us to discuss how we may assist you.

SIZE
± 43,560 SQFT

PRICE
$7,100,101

FOR MORE INFORMATION, CONTACT

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SHELBY KOSTYSHEN
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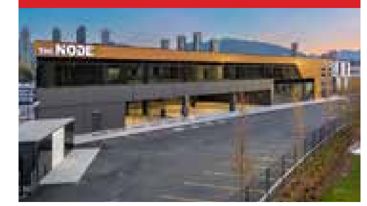
236.420.3558

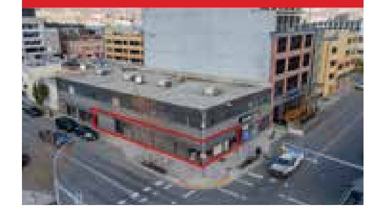
LEASED



2-3855 Wayburne Drive, Burnaby
Gavin Brar*

± 50,329 SQFT of industrial flex space across two levels, with excellent signage potential and an abudance of natural light.

LEASED



1652 Pandosy Street, Kelowna
Nick Renton, Jeff Brown, Victoria Mitchell

± 1,756 SQFT corner retail/office space with excellent street frontage and signage opportunities in downtown Kelowna.

LEASED

3-1385 Kingsway Ave, Port Coquitlam
Matthew Porte

± 15,113 SQFT industrial unit pairing a functional warehouse with a rare fully fenced, paved and secure yard.

LEASED

200-124 Seymour Street, Kamloops
Marianne DeCotiis*, Jeff Brown, Victoria Mitchell

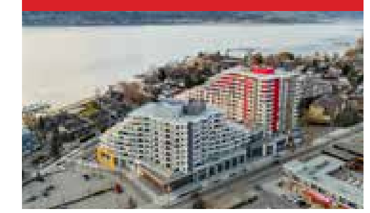
± 5,953 SQFT demisable office space offering 11 private offices, boardroom, data room, and washrooms with shower.

SUBLEASED

2642 Nootka Street, Vancouver
Roderick MacKay, Sam Repchuk, Matthew Porte

± 14,242 SQFT well-configured warehouse and office space in an established industrial corridor.

LEASED



CRU 5-3316 Lakeshore Road, Kelowna
Victoria Mitchell, Jeff Brown, Shelby Kostyshen, Jeff Hancock*

National brand, Les Chocolats Favoris, leases the ± 2,121 SQFT retail unit at MOVALA.

LEASED

508 Herald Street, Victoria
David Boon

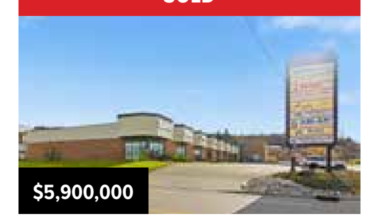
± 2,175 SQFT fully improved and turnkey retail space featuring an open concept showroom, mezzanine, and storage.

LEASED

A-1188 Eighth Avenue, New Westminster
Chris van Vliet*

± 3,574 SQFT demisable commercial space, previously operating as a credit union, in a prime Moody Park location.

SOLD



1015 Kalamalka Lake Road, Vernon
Shelby Kostyshen, Jeff Hancock*

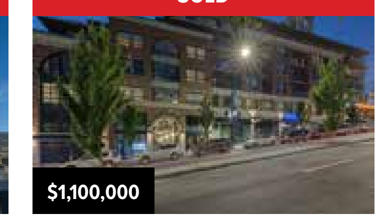
Kal Lake Business Centre comprises of two fully leased, service commercial/light industrial buildings. ± 26,578 SQFT.

SOLD

2065 Pier Mac Way, Kelowna
Jeff Hancock*, Shelby Kostyshen

± 7,930 SQFT of Class A office space in Airport Business Park with high-end finishes and ample natural light.

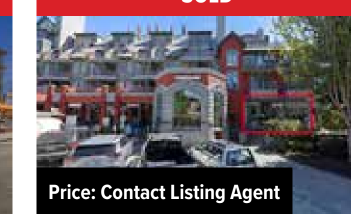
SOLD



109 Lonsdale Avenue, North Vancouver
Roderick MacKay

± 640 SQFT retail unit in the heart of Lower Lonsdale in North Vancouver, BC.

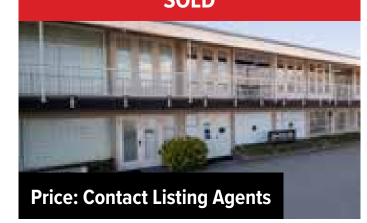
SOLD



102-4369 Main Street, Whistler
Chris van Vliet*

High-visibility retail investment in Whistler Village, offering secure income with a global tenant, the UPS Store. +/- 647 SQFT.

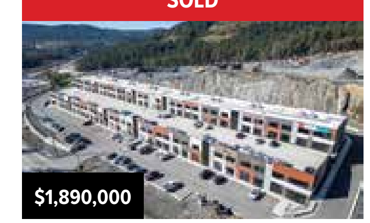
SOLD



9279 Shaughnessy Street, Vancouver
Steven Lam*, Matthew Ho*

± 4,067 SQFT industrial unit featuring a warehouse with one dock loading door, and turnkey office improvements.

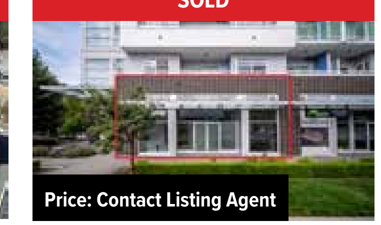
SOLD



110 & 112-4342 W Shore Pkwy, Langford
David Boon

± 6,850 SQFT of industrial space at West Shore Business Park, featuring grade level loading and an enclosed second floor.

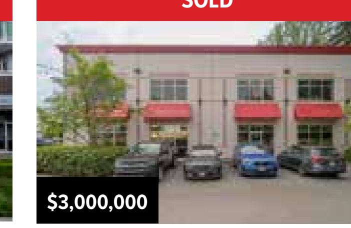
SOLD



1-9015 120 Street, Delta
Vishav Jyoti*, CCIM

± 4,107 SQFT fully built-out, high exposure medical office, with eight treatment room and four washrooms, built in 2022.

SOLD



110 & 111-6039 196 Street, Surrey
Karman Kang*

Two strata commercial units totaling ± 6,118 SQFT, located just steps from the future Willowbrook SkyTrain Station.

***PERSONAL REAL ESTATE CORPORATION**

William Wright Whistler Retreat 2026

From June 12–14, 2026, we hosted our annual William Wright Whistler Retreat at the Westin Resort & Spa.

It was a sizzling weekend in Whistler and our team came together from across the province for another unforgettable retreat. From teeing up at the golf course to soaking in the sun at the spa, we had the chance to unwind, recharge, and reconnect, and we're grateful to have built such an incredible team.

Fairmont Chateau Whistler Golf Club

Antico Pizzeria

Happy Hour

High Mountain Brewing Co

Breakfast at Westin Whistler

VANCOUVER COMMERCIAL REAL ESTATE PODCAST

PROVIDING REAL-TIME INSIGHT INTO TODAY'S COMMERCIAL REAL ESTATE INDUSTRY.

For all the curious minds interested in commercial real estate investing, grab a coffee and pull up a chair because we have exclusive stories and tips from commercial real estate brokers, investors, developers, economists, urban planners, and everyone in-between. From the successes and failures to the motivations and lessons learned, the Vancouver Commercial Real Estate Podcast is your insight into commercial real estate in Vancouver, Victoria, Kelowna, and beyond.

Hosted by Cory Wright, founder of William Wright Commercial, and co-hosts Adam and Matt Scalena of the Vancouver Real Estate Podcast, our podcast opens the door to real estate investing.

A Top 20 Apple Business Podcast as of May 2021

FEATURED EPISODE

VCREP #187: DEVELOPER'S BAILOUT OR BANK BAILOUT? WITH ROD MACKAY

In this episode, Cory sits down with Rod MacKay, team leader at William Wright Commercial Vancouver, to break down the BC and federal governments' plan to purchase 2,200 unsold condos across the province. They unpack the real numbers behind the $3.2 billion announcement, who stands to benefit, and what it could mean for housing affordability in BC, before diving into the commercial real estate market heading into the second half of 2026.

Where are investors finding opportunities? Tune in to find out.

FEATURED EPISODE

VCREP #186: VANCOUVER'S COMMERCIAL REAL ESTATE RESET WITH CORY WRIGHT

2021 prices are gone and sellers are finally coming to terms with reality. But what's next? Cory Wright, owner and managing broker at William Wright Commercial, sits down with Adam & Matt for an unvarnished health check across every asset class in the world of commercial real estate. They dig into why office is drawing serious buyers, how some industrial now sells for less than it costs to build, and the case for the buildings nobody wants. He also unpacks the development logjam choking new supply and the overlooked secondary regions where savvy money is heading. Have we hit the floor? What is everyone sleeping on? And is the worst over?

FEATURED EPISODE

VCREP #188: HOW AI IS HURTING COMMERCIAL REAL ESTATE WITH JERRY SHI

From bad lease advice to costly negotiation mistakes, AI is already changing commercial real estate. Cory speaks with Jerry Shi of Redpoint Law about the opportunities, risks, and why experience still can't be automated.

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