

Market Summary

- ▶ Over 1.5 million SF came to the market as completed new product. This marks the largest amount of new supply since mid 2016.
- ▶ Net absorption totaled over 1.4 million SF, as many of these projects got absorbed into the market.
- ▶ Vacancy rates increased to 1.46% from 1.40% reported in Q2 2018. This marks the first increase in vacancy rate since the start of 2016.
- ▶ Average asking rental rates continue their upward trend, increasing to \$12.15 per square foot compared to \$11.81 last quarter.

Sales Overview

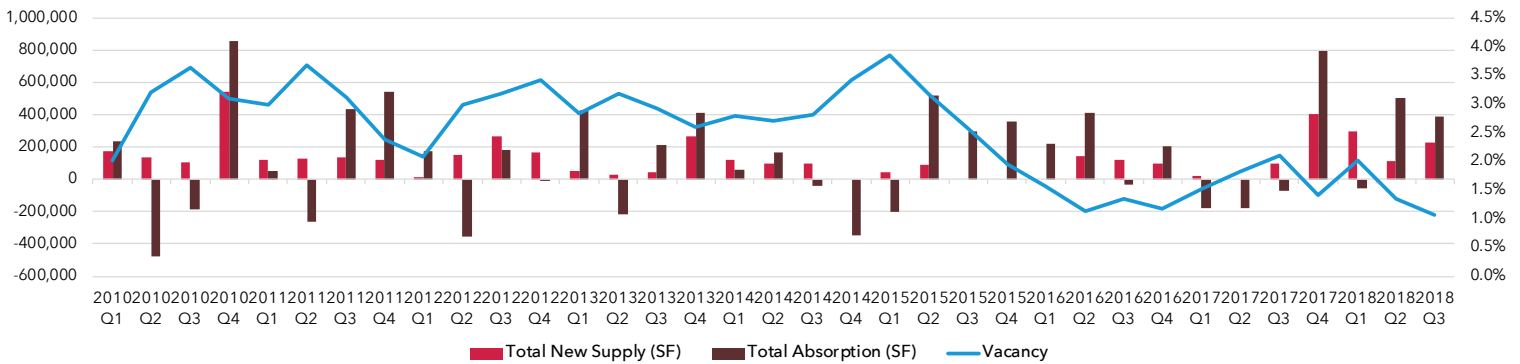
- ▶ Q2 2018 was the another quarter with high activity of sales, with over \$540,000,000 in sales volume. As expected Q3 2018 will have a decrease in sales volume, with only \$247,000,000 in reported sales. This isn't a sign of the market slowing down, as we are expecting this to increase to over \$375,000,000 based on a delay in sales reporting.
- ▶ While buildings sales decreased this quarter, building sales on a price per square foot basis continues to rise averaging over \$325 PSF.

Looking Ahead

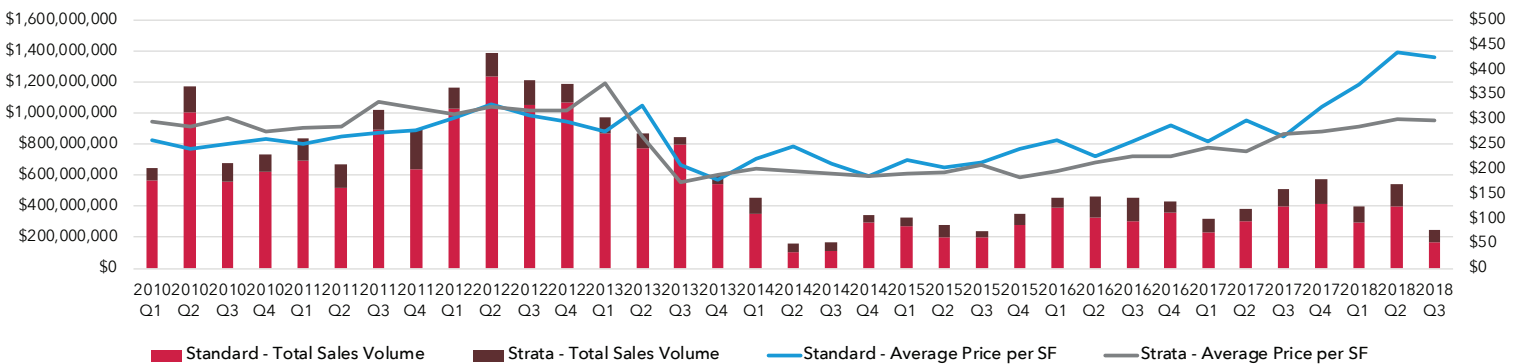
- ▶ Both new supply and absorption rates are projected to rise into mid 2019 as over 3.5 million SF is expected to be added to the Greater Vancouver industrial inventory.
- ▶ The Metro Vancouver market will continue to experience a shortage of industrial land and a strong demand for industrial space, this will continue to put upward pressure on sale prices and rental rates.
- ▶ Despite a slow down in the residential market, the industrial market has continued to be strong.
- ▶ As the residential market continues to slow, we are observing residential investors moving into the commercial sector, increasing demand and sustaining market prices.

INDICATOR	TREND	Q3 2018	Q2 2018
Vacancy Rate	▲	1.46%	1.40%
Absorption (SF)	▲	1,439,307	602,532
Average Asking Rent (PSF)	▲	\$12.15	\$11.81
Average Additional Rent (PSF)	▼	\$4.54	\$4.62
Sales Volume	▼	\$247,942,652	\$540,566,778

ABSORPTION, NEW CONSTRUCTION AND VACANCY



QUARTERLY SALES VOLUME & AVERAGE PRICE PER SF



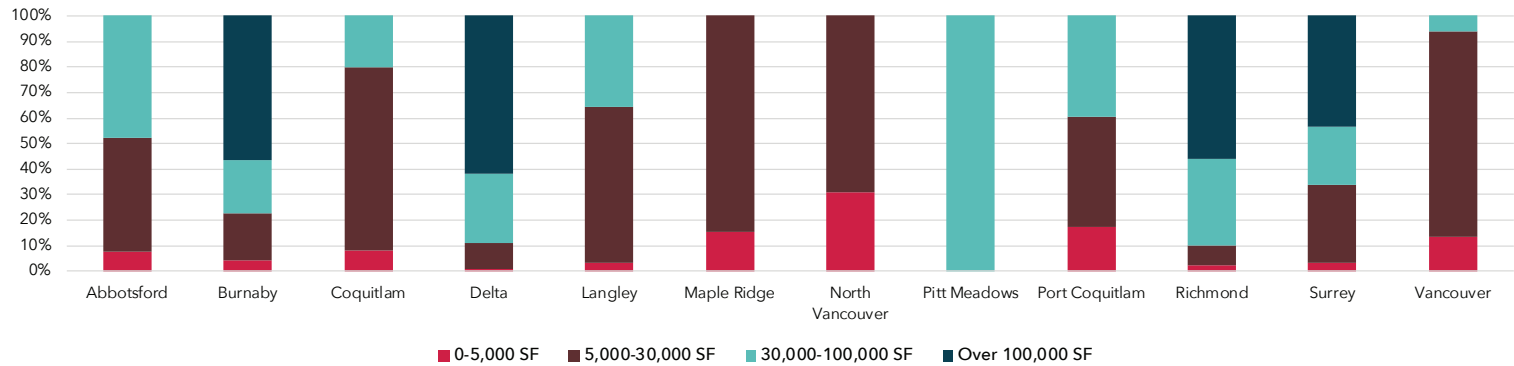
Q3 2018 NOTABLE SALE TRANSACTIONS

ADDRESS	MUNICIPALITY	PRICE	SIZE (SF)	PURCHASER
11611 No. 5 Road	Richmond	\$23,520,000.00	N/A	South Street (11511) Holdings Inc / South Street (Five Road)
4220, 4260, 4300 Vanguard Road	Richmond	\$15,980,000.00	17,078	616147 B.C. Ltd.
4912 Still Creek Avenue	Burnaby	\$13,000,000.00	N/A	Standard Land Holdings Ltd.

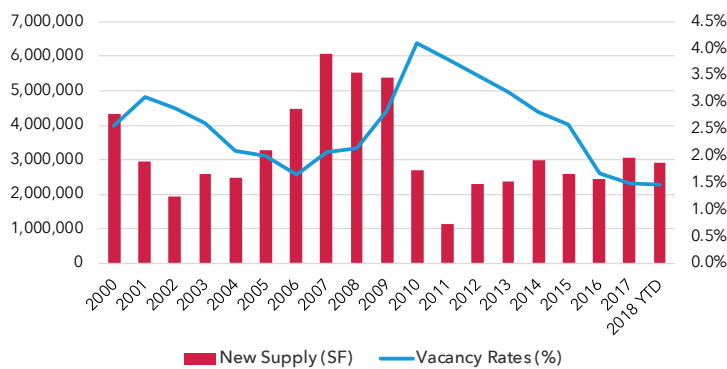
Q3 2018 NOTABLE LEASE TRANSACTIONS

ADDRESS	MUNICIPALITY	SIZE (SF)	TENANT
Delta iPort, 4189 Salish Sea Way	TFN Lands	453,620	Amazon
2920 188th Street	Surrey	111,931	Trimlite Mfg Inc.
18788 96th Avenue	Surrey	97,430	White's Studios Inc.

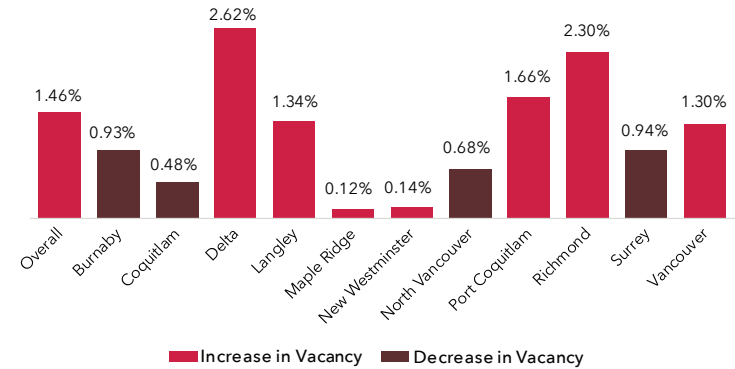
PERCENTAGE OF TOTAL AVAILABLE SPACE FOR LEASE BY SIZE



VACANCY AND NEW SUPPLY



MUNICIPAL VACANCY RATES



Q3 2018 MUNICIPAL LEASING STATISTICS

MUNICIPALITY	TOTAL INVENTORY (SF)	TOTAL VACANCY (SF)	VACANCY RATE	AVERAGE ASKING LEASE RATE PSF (NNN)
Abbotsford	8,181,924	106,480	1.30%	\$9.04
Burnaby	29,279,699	273,088	0.93%	\$13.33
Coquitlam	8,771,511	42,305	0.48%	\$11.91
Delta	26,798,867	702,901	2.62%	\$9.32
Langley	20,975,114	281,381	1.34%	\$10.73
Maple Ridge	2,308,553	2,720	0.12%	\$10.00
New Westminster	4,809,861	6,581	0.14%	\$15.95
North Vancouver	5,107,177	34,773	0.68%	\$17.63
Port Coquitlam	8,978,339	149,332	1.66%	\$12.51
Richmond	36,578,063	840,369	2.30%	\$11.02
Surrey	34,031,129	319,045	0.94%	\$10.46
Vancouver	24,597,426	320,692	1.30%	\$17.69
Total	210,417,663	3,079,667	1.46%	\$12.15

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