

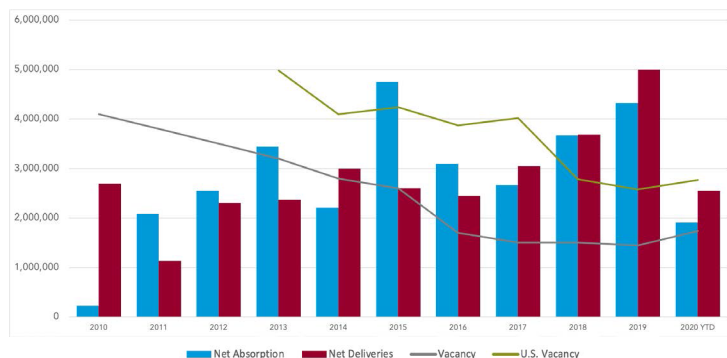
INDUSTRIAL MARKET OVERVIEW

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Metro Vancouver's industrial market continues to be one of the nation's tightest markets. Government mandated shutdowns and social distancing due to COVID-19 have disrupted the commercial real estate market—though not immune to the economic downturn, the industrial market remains stable despite an increase in vacancy of 18 basis points (bps) to 1.7%. Average asking rates are up 2.2% from 2019—holding steady for two consecutive quarters at \$13.89 PSF. There remains a consistent demand and fierce competition for industrial space. With new construction underway and over 2,600,000 SF more of new product expected in 2020, Metro Vancouver's industrial market is well-positioned to withstand economic uncertainty.

| MARKET INDICATORS | Q2 2020 | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 |
|-------------------------|----------------|----------------|----------------|----------------|----------------|
| ▲ Net Absorption | 1,558,624 SF | 350,341 SF | 901,093 SF | 1,639,364 SF | 1,356,107 SF |
| ▲ Vacancy Rate | 1.74% | 1.56% | 1.46% | 1.42% | 1.46% |
| ◀ ▶ Avg NNN Asking Rate | \$13.89 PSF | \$13.89 PSF | \$13.58 PSF | \$13.14 PSF | \$12.89 PSF |
| ▼ Under Construction | 2,405,716 SF | 3,400,447 SF | 2,530,218 SF | 3,213,002 SF | 4,024,055 SF |
| ▲ Inventory | 218,424,212 SF | 216,432,688 SF | 215,870,834 SF | 214,855,677 SF | 213,145,441 SF |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|-------------------------------|-------------------------|----------------------------------|---|----------------|
| 11060 Elevator Rd Surrey | 12,000 SF on 36.4 Ac | \$290,000,000 \$24,166.67 PSF | DP World Canada Ltd. Macquarie Principal Finance Prop. | Class B |
| 1001 Coutts Way Abbotsford | 48,296 SF | \$17,200,000 \$356.00 PSF | Jim Pattison Development Ltd Various Owners | - |
| 3455 Gardner Ct Burnaby | 46,874 SF | \$16,000,000 \$341.00 PSF | M.I.K. Industries 090255 BC Ltd | - |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|------------|-------------|----------------------------|------------------------------|
| 18880 30th Ave (South Surrey) Surrey | 198,070 SF | Undisclosed | Amazon Fulfillment Service | Logistics & E-Commerce |
| 3261 192nd St Surrey | 160,928 SF | Undisclosed | IEM Canada, Inc. | Manufacturing & Distribution |
| 13320 River Rd Richmond | 124,800 SF | Undisclosed | Flexstar Packaging, Inc. | Manufacturing & Distribution |