



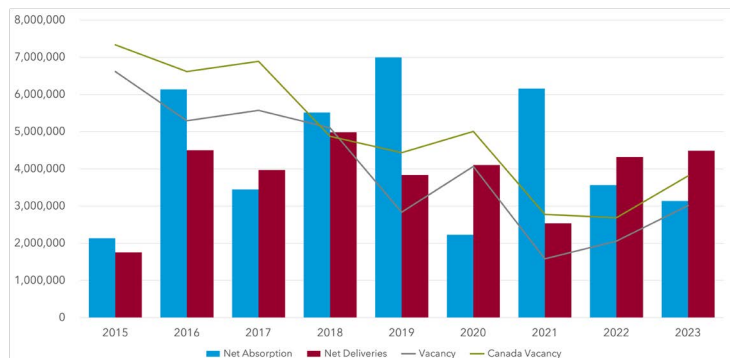
INDUSTRIAL MARKET OVERVIEW

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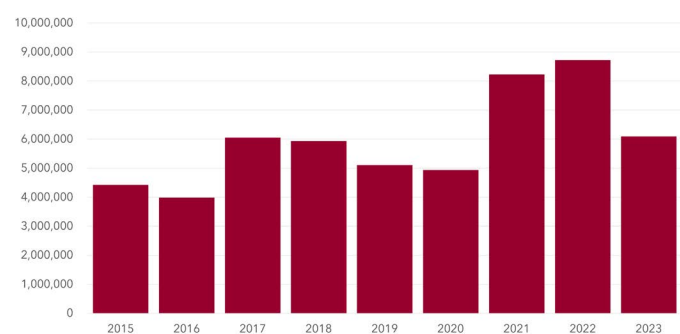
The Vancouver industrial market continues to loosen as the vacancy rate rose to 1.7% in Q4. Although the Bank of Canada kept the policy interest rate at 5%, the cost of borrowing remains high. Coupled with the deceleration of lease rate growth to 0.8% quarter-over-quarter, lease rates seemed to have stabilized, which in turn makes the income-producing asset a less attractive investment. Despite headwinds, the market remains optimistic that interest rates will decrease in the future and spur more sale and development activity. If financing and construction costs diminish, and municipal governments permit more industrial use to address the shortage of developable land; there may be a reversal of this slowing trend going into 2024.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▼ 12 Mo. Net Absorption SF	3,139,543	3,717,531	3,044,261	2,821,515	3,566,956
▲ Vacancy Rate	1.7%	1.5%	1.2%	1.3%	1.2%
▲ Avg NNN Asking Rate PSF	\$21.35	\$21.18	\$20.71	\$20.16	\$19.50
▼ SF Under Construction	6,090,519	7,503,849	9,435,595	9,036,167	8,721,410
▲ Inventory SF	272,087,445	270,689,218	268,477,384	267,956,366	267,428,757

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
8355 Riverbend Court Burnaby, BC	82,110 SF	\$48,900,000* \$596.00 PSF	Sunco Foods, Inc. Sevenhill Ventures, Inc.	Class B
1467 Mustang Place Coquitlam, BC	22,000 SF	\$21,050,000* \$957.00 PSF	Inland Industries Ltd. Milan Holdings, Inc.	Class B
7481 North Fraser Way Burnaby, BC	23,480 SF	\$20,765,000* \$884.00 PSF	Refrigerative Supply Manatee Investments Ltd.	Class C

*All numbers shown are in Canadian dollars (CAD)

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
19543 34A Avenue Surrey, BC	230,335 SF	BentallGreenOak	Industrial Electric Manufacturing	Manufacturing
18111 Blundell Road Richmond, BC	94,900 SF	Blackstone, Inc.	Rosenau Transport Ltd.	Transportation
13471 Vulcan Way Richmond, BC	91,023 SF	Bosa Properties, Inc.	Wexxar Packaging, Inc.	Packaging

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