

INDUSTRIAL MARKET SNAPSHOT METRO VANCOUVER | Q1 2016



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METRO VANCOUVER OVERVIEW

Statistics

- ▶ Vacancy rate remains at 2.2%
- ▶ Net absorption of -119,709 SF due to new supply and sublease space coming available
- ▶ Only 234,678 SF of new supply this quarter compared to 790,752 SF last quarter
- ▶ Asking rental rates edge up by 3% to \$9.39 across all markets compared to \$9.12 last quarter.

Sales

- ▶ Reported sales of \$407,692,217 compared to \$334,964,696 in Q4 2015
- ▶ Price per SF for building sales continues to rise with strata averaging \$190 PSF, and freestanding buildings averaging \$270 PSF across all markets.

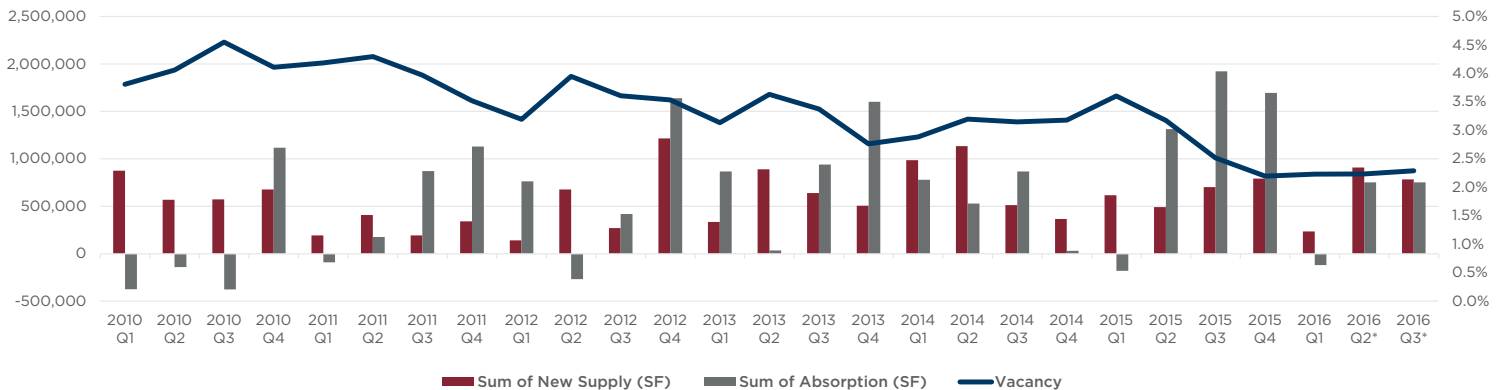
*Sales volume includes the sale of the Molson Brewery site for \$185,000,000; currently zoned M-2 (Industrial) although speculated to be a future redevelopment.

INDICATOR	TREND	Q1 2016	Q4 2015
Vacancy Rate	—	2.2%	2.2%
Net Absorption (SF)	▼	-119,709	1,694,708
Avg. Asking Rent (PSF)	▲	\$9.39	\$9.12
Avg. Additional Rent (PSF)	▼	\$3.90	\$3.93
Sales Volume*	▼	\$407,692,217	\$334,964,696

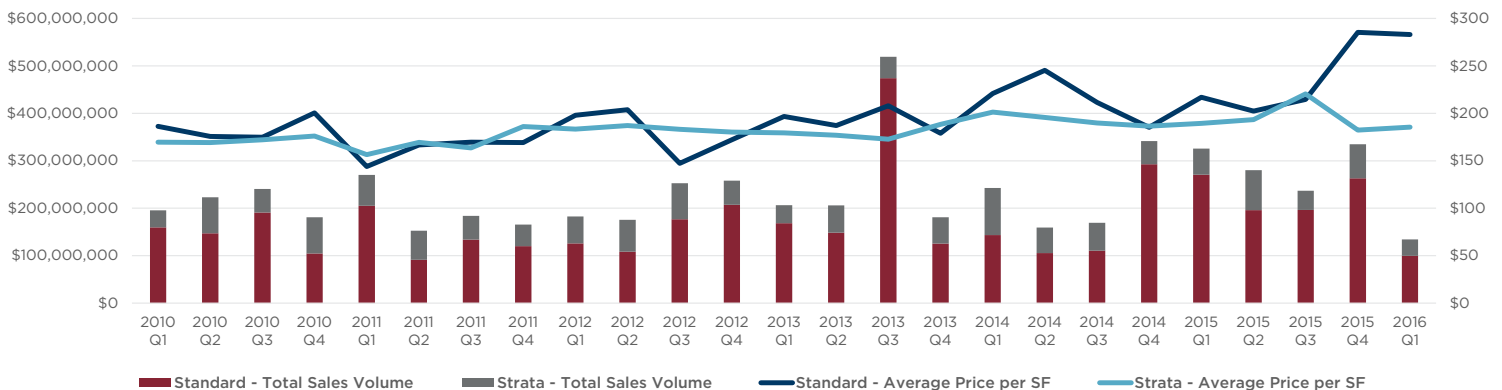
LOOKING AHEAD

- ▶ Expect vacancy rate to rise over the next quarter and hold steady in the 2.5-3.0% range
- ▶ Expect tenants to exercise renewal options as quality relocation alternatives continue to be scarce
- ▶ Over 2,300,000 SF of new supply is expected to come onto the market within the next two quarters
- ▶ Sales transaction volume likely to decrease, due to the lack of available product.

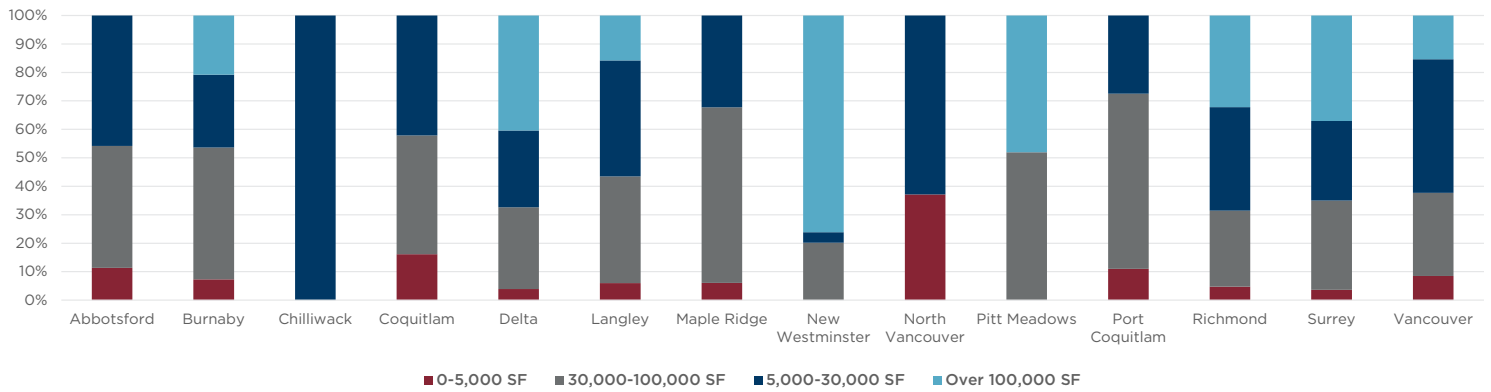
ABSORPTION, NEW CONSTRUCTION AND VACANCY



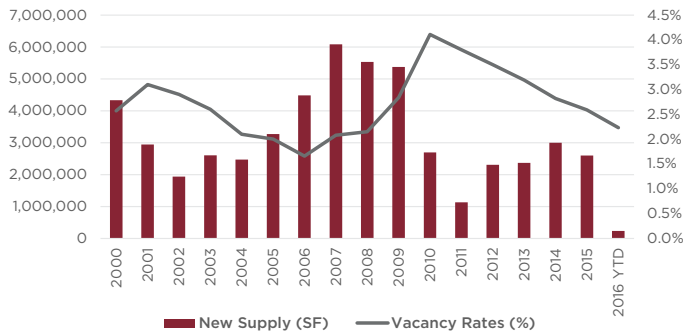
QUARTERLY SALES VOLUME & AVERAGE PRICE PER SF



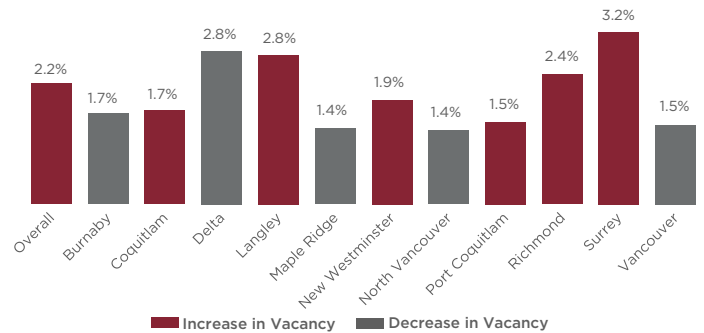
PERCENTAGE OF TOTAL AVAILABLE SPACE FOR LEASE BY SIZE



VACANCY AND NEW SUPPLY



MUNICIPAL VACANCY RATES



NOTABLE SALES

ADDRESS	MUNICIPALITY	SIZE (SF)	PRICE	PURCHASER
Molson Brewery	Vancouver	—	\$185,000,000	Concord Pacific
8400 & 8500 River Road	Delta	293,487	\$49,500,000	Bentall Kennedy
7708 80th Street	Delta	91,322	\$12,775,000	Rolls Right Industries Limited
12431 & 12451 Horseshoe Way	Richmond	57,180	\$10,000,000	0954320 BC Ltd. - Private Investor - Canadian

NOTABLE LEASES

ADDRESS	MUNICIPALITY	SIZE (SF)	TYPE	TENANT
7105-7205 11th Avenue	Burnaby	208,000	Headlease	Legion Can TV Productions
12091 88th Avenue	Surrey	195,960	Headlease	Confidential - Film Group
5690 268 Street	Langley	64,112	Headlease	Advanced Integration Technology Canada Inc.

LEASING STATISTICS BY MUNICIPALITY

MUNICIPALITY	TOTAL INVENTORY (SF)	TOTAL VACANCY (SF)	VACANCY RATE	AVERAGE ASKING LEASE RATE PSF
Abbotsford	7,695,602	82,764	1.08%	\$9.45
Burnaby	28,302,502	473,137	1.67%	\$10.15
Coquitlam	8,574,292	148,278	1.73%	\$8.59
Delta	24,835,540	703,554	2.83%	\$7.97
Langley	20,522,828	565,939	2.76%	\$8.31
Maple Ridge	2,201,084	30,849	1.40%	\$9.44
New Westminster	4,510,478	86,698	1.92%	\$6.92
North Vancouver	5,076,829	69,237	1.36%	\$13.42
Port Coquitlam	8,852,341	133,827	1.51%	\$8.62
Richmond	36,105,107	864,349	2.39%	\$9.08
Surrey	31,582,474	1,005,109	3.18%	\$8.59
Vancouver	24,145,969	353,321	1.46%	\$12.18

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