

# INDUSTRIAL MARKET SNAPSHOT METRO VANCOUVER | Q3 2016



LEE-ASSOCIATES.COM | 604 684 7117

## METRO VANCOUVER OVERVIEW

### Statistics

- ▶ Vacancy continues to drop, decreasing to 1.75% this quarter
- ▶ Net absorption doubles this quarter with a total of 1,664,831 SF this is due to several mid-sized properties in the 5,000-30,000 SF range coming off the market across the Greater Vancouver area
- ▶ New supply surges this quarter with over 1 million square feet coming to the market
- ▶ Average asking rental rates rise again this quarter, increasing to \$10.26 compared to \$10.16 last quarter

### Sales

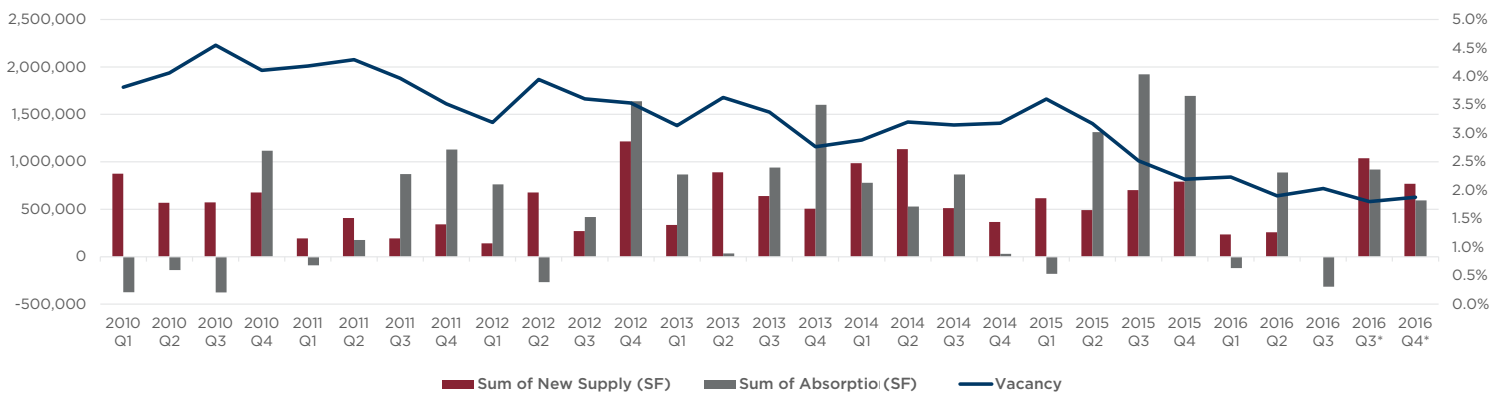
- ▶ Reported sales of \$236,021,252 compared to \$485,698,414 (\$223,009,075 reported in Q2 report) in Q2 2016
- ▶ Price per SF for building sales continues to rise with YTD sales averaging \$213 PSF

INDICATOR	TREND	Q3 2016	Q2 2016
Vacancy Rate	▼	1.75%	1.90%
Net Absorption (SF)	▲	1,664,831	886,635
Avg. Asking Rent (PSF)	▲	\$10.23	\$10.16
Avg. Additional Rent (PSF)	▼	\$4.15	\$4.24
Sales Volume	▼	\$236,021,252	\$485,698,414

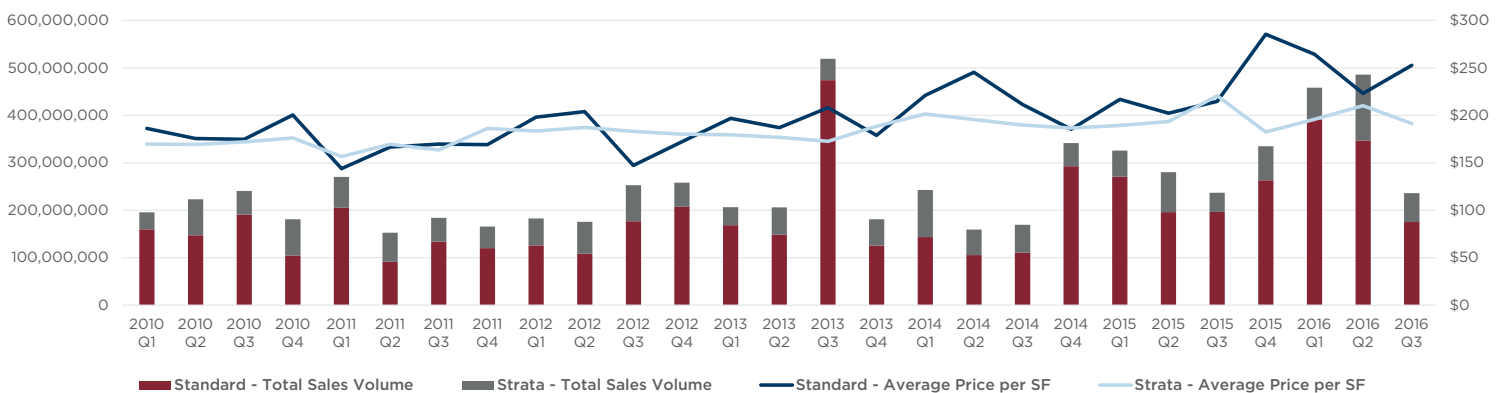
### LOOKING AHEAD

- ▶ Q4 2016 and Q1 2017 are projected to follow typical absorption rates, and with over 2.5 million SF of new supply expected to become available over the next year, this will result in a slight drop in vacancy over the next year and stay in the 1.5 - 2.0% range.
- ▶ As the vacancy rate continues to drop we will see asking rental rate rise across the Greater Vancouver Market.
- ▶ Watch for commercial sales transactions volume to increase as the new foreign investor tax takes effect on residential properties.

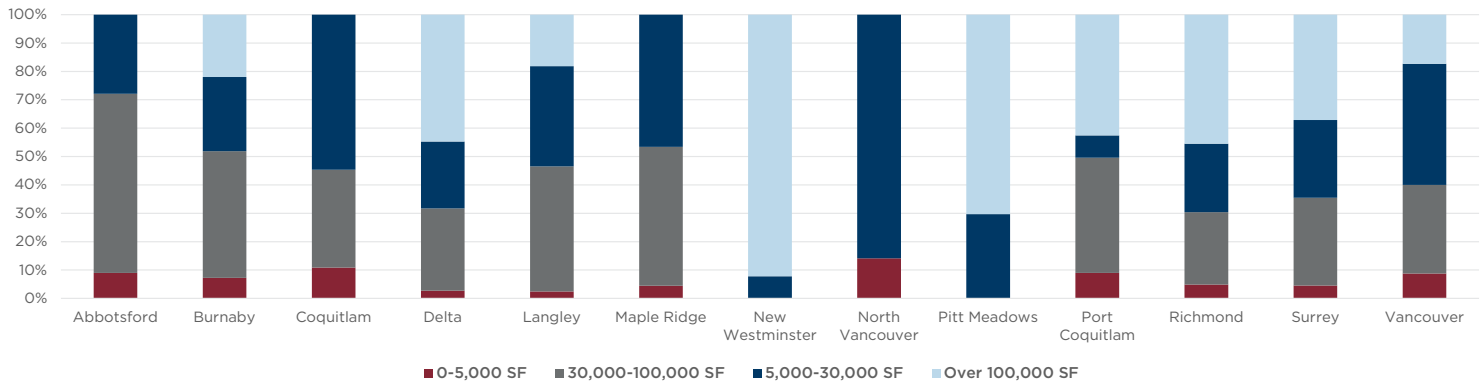
## ABSORPTION, NEW CONSTRUCTION AND VACANCY



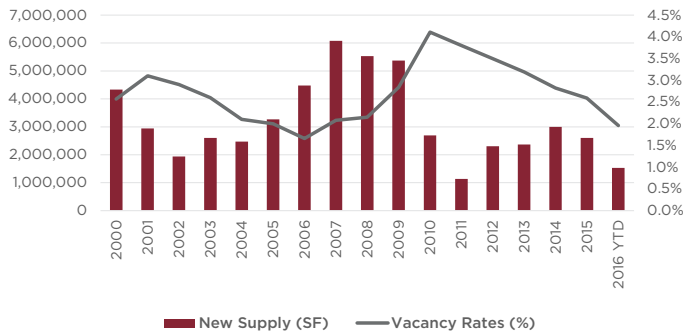
## QUARTERLY SALES VOLUME & AVERAGE PRICE PER SF



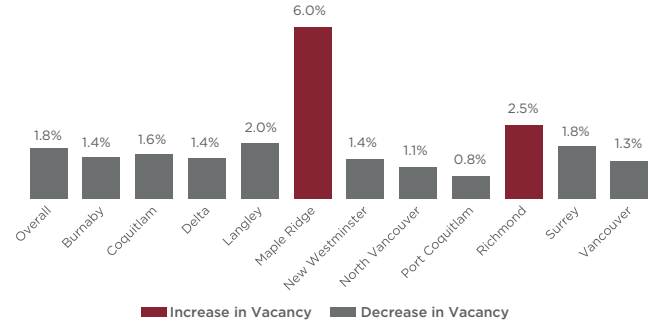
## PERCENTAGE OF TOTAL AVAILABLE SPACE FOR LEASE BY SIZE



## VACANCY AND NEW SUPPLY



## MUNICIPAL VACANCY RATES



## NOTABLE SALES

ADDRESS	MUNICIPALITY	SIZE (SF)	PRICE	PURCHASER
4460 Jacombs Road	Richmond	40,084	\$12,688,000	Concord International Lands Ltd.
112 & 116 West 6th Avenue	Vancouver	19,433	\$10,600,000	116 W 6th Ave Holdings Ltd., 112 W 6th Ave Holdings Ltd.
137 & 141 East 4th Avenue	Vancouver	12,854	\$7,780,000	Conwest Group of Companies (Triple Main Properties Ltd.)
9515 195th Street	Surrey	Not Released	\$6,000,000	Jim Pattison Developments Ltd.

## NOTABLE LEASES

ADDRESS	MUNICIPALITY	SIZE (SF)	TYPE	TENANT
20146 100A Avenue	Langley	213,640	New lease	Adjacent Productions Services Inc.
7350 Wilson Avenue	Delta	112,066	New lease	CJ Corporation
5350 275 Street	Langley	62,400	New lease	Cascadia Windows
6228 Beresford Street	Burnaby	59,400	Renewal	Waverider Films

## LEASING STATISTICS BY MUNICIPALITY

MUNICIPALITY	TOTAL INVENTORY (SF)	TOTAL VACANCY (SF)	VACANCY RATE	AVERAGE ASKING LEASE RATE PSF
Abbotsford	8,044,582	121,326	1.51%	\$9.62
Burnaby	28,445,616	411,685	1.45%	\$10.57
Coquitlam	8,574,292	133,357	1.56%	\$9.89
Delta	25,038,386	358,165	1.43%	\$8.19
Langley	20,522,828	400,430	1.95%	\$9.21
Maple Ridge	2,201,084	131,986	6.00%	\$9.62
New Westminster	4,809,861	66,000	1.37%	\$7.13
North Vancouver	5,076,829	55,392	1.09%	\$14.91
Port Coquitlam	8,852,341	68,272	0.77%	\$9.89
Richmond	36,217,523	921,718	2.54%	\$9.66
Surrey	31,646,424	577,498	1.82%	\$9.79
Vancouver	24,269,446	316,014	1.30%	\$14.28
<b>Total</b>	<b>203,699,212</b>	<b>3,561,843</b>	<b>1.75%</b>	<b>\$10.23</b>

## FOR INQUIRIES PLEASE CONTACT

Ryan Walmsley  
 Research Analyst  
 604 630 3399  
[ryan.walmsley@lee-associates.com](mailto:ryan.walmsley@lee-associates.com)

Lee & Associates Vancouver  
 475 West Georgia Street, Suite 800  
 Vancouver, BC V6B 4M9  
 tel 604 684 7117 | fax 604 684 1017

This report should not be relied upon as a basis for entering into transactions without seeking specific, qualified, professional advice. Whilst facts have been rigorously checked, Lee & Associates can take no responsibility for any damage or loss suffered as a result of any inadvertent inaccuracy within this report. Information contained herein should not, in whole or part, be published, reproduced or referred to without prior approval. Any such reproduction should be credited to Lee & Associates.

© 2016 Lee & Associates Commercial Real Estate (BC) Ltd.