

INDUSTRIAL MARKET SNAPSHOT METRO VANCOUVER | Q3 2017

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MARKET STATISTICS

- ▶ Vacancy rates drop slightly to 1.49%, representing a decrease by one basis point.
- ▶ Net absorption in Q3 rises to 902,824 SF, demonstrating an increase of 155,255 SF since the last quarter.
- ▶ New supply almost doubles by 428,070 SF in its third quarter resulting in 897,273 SF.
- ▶ Average asking rental rates continue its upward trend, increasing to \$10.85 per square foot compared to \$10.68 last quarter.

INDICATOR	TREND	Q3 2017	Q2 2017
Vacancy Rate	▼	1.49%	1.50%
Net Absorption (SF)	▲	902,824	747,569
Average Asking Rent (PSF)	▲	\$10.85	\$10.68
Average Additional Rent (PSF)	▼	\$4.34	\$4.39
Sales Volume	▼	\$259,515,888	\$389,186,903

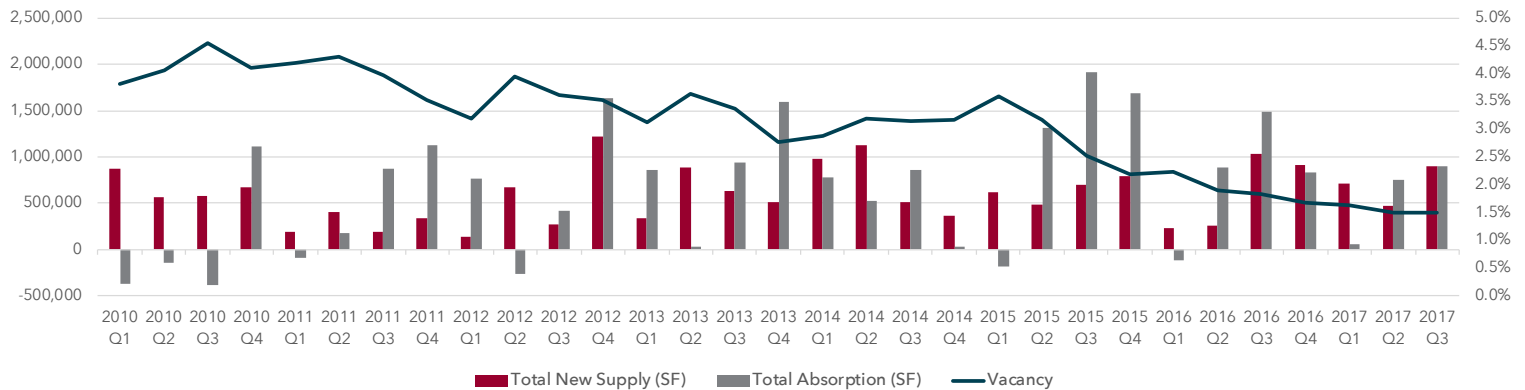
SALES OVERVIEW

- ▶ Reported sales lowered to \$259,515,888 compared to \$389,186,903 in Q2 2017, thus representing a decrease of \$129,671,015 from Q2 to Q3.
- ▶ Building sales price per square foot continues to rise with YTD sales averaging \$255 PSF.

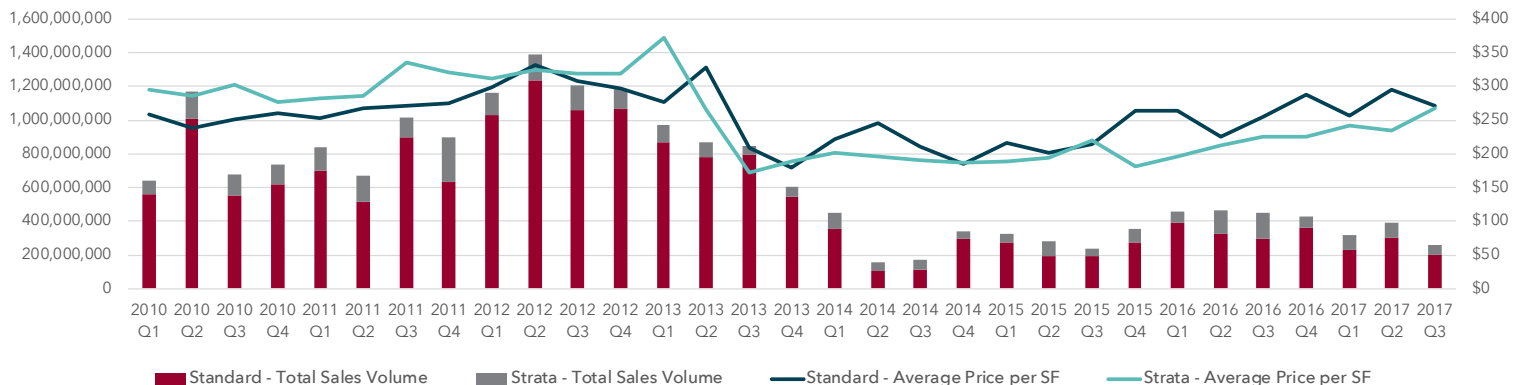
LOOKING AHEAD

- ▶ With the implementation of the new small business tax rate, watch for taxes and operating costs to increase for smaller tenants within the industrial market.
- ▶ New supply and absorption rates are projected to rise in the new year as many projects are set to break ground and become available, including the Richmond Industrial Centre which will be Metro Vancouver's largest industrial park.
- ▶ Due to the rising demand for industrial space, vacancy rates will continue to drop. This drop in vacancy rates will drive up rental rates throughout the Greater Vancouver market.

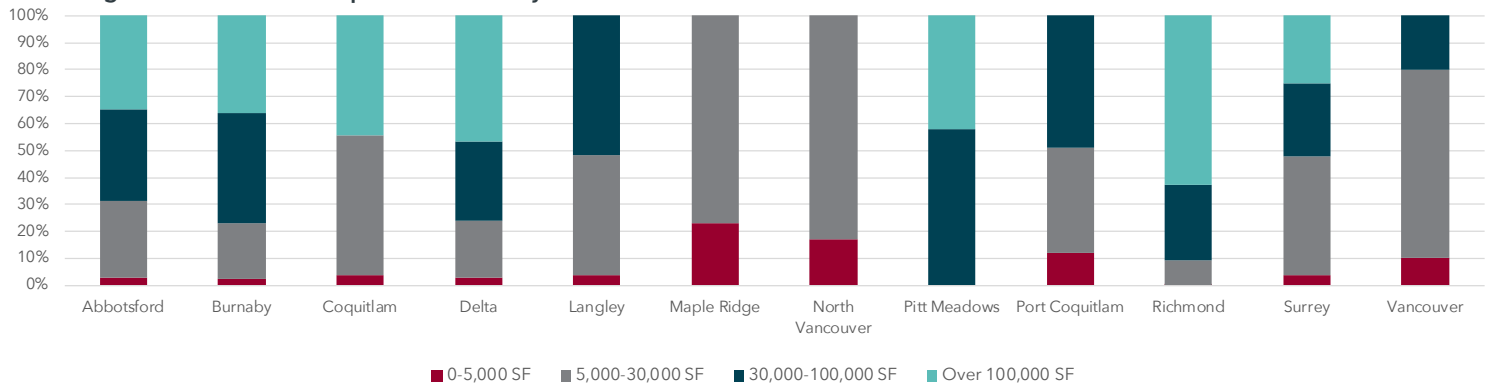
Absorption, New Construction and Vacancy



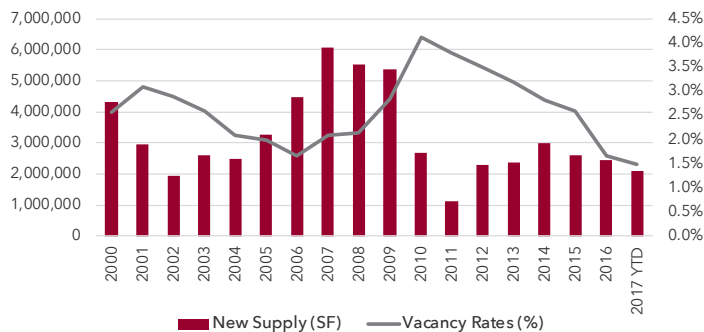
Quarterly Sales Volume & Average Price per SF



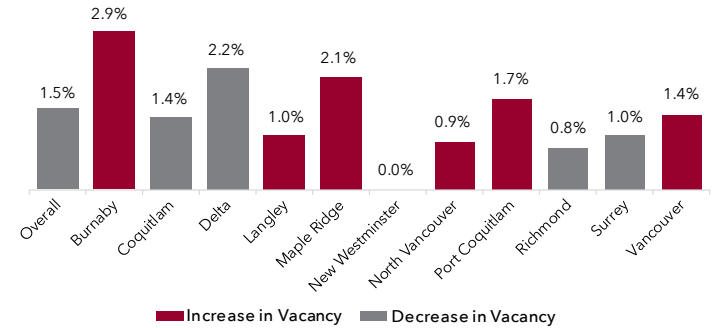
Percentage of Total Available Space for Lease by Size



Vacancy and New Supply



Municipal Vacancy Rates



Notable Sales

ADDRESS	MUNICIPALITY	SIZE (SF)	PRICE	PURCHASER
6064 Spur Avenue & 8335 Meadow Avenue	Burnaby	279,900	\$33,850,000.00	Spur Investments Ltd.
1600 Derwent Way	Delta	87,893	\$16,500,000.00	Goodwyn Enterprises (2015) Ltd.
1988 Kootenay	Vancouver	26,700	\$12,000,000.00	1988 Kootenay Holdings Ltd.

Notable Leases

ADDRESS	MUNICIPALITY	SIZE (SF)	TENANT
7260 Winston Street	Burnaby	146,732	SSH Bedding Canada
9410-6464 River Road	Delta	133,870	Triumph Express Service Canada Inc.
8430 Fraser Reach Court	Burnaby	92,032	Canada Post
44688 South Sumas Road	Chilliwack	66,000	Clean Energy Compression Corp. (brokered by Lee & Associates)

Leasing Statistics by Municipality

MUNICIPALITY	TOTAL INVENTORY (SF)	TOTAL VACANCY (SF)	VACANCY RATE	AVERAGE ASKING LEASE RATE PSF
Abbotsford	8,121,924	149,754	1.84%	\$9.10
Burnaby	28,648,164	836,305	2.92%	\$11.25
Coquitlam	8,702,916	117,691	1.35%	\$10.07
Delta	25,906,546	582,390	2.25%	\$9.16
Langley	20,550,503	206,209	1.00%	\$10.33
Maple Ridge	2,308,553	47,898	2.07%	\$10.75
New Westminister	4,809,861	0	0.00%	\$6.75
North Vancouver	5,089,829	44,683	0.88%	\$16.88
Port Coquitlam	8,918,339	148,682	1.67%	\$9.09
Richmond	36,217,523	276,460	0.76%	\$10.13
Surrey	33,156,361	334,560	1.01%	\$9.70
Vancouver	24,269,446	336,001	1.38%	\$17.01
Total	206,699,965	3,080,633	1.49%	\$10.85

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