

## Industrial Q2 2021

	YoY Chg	12-Mo. Forecast
<b>0.7%</b> Vacancy Rate	▼	▬
<b>1.7M</b> Net Absorption, SF	▲	▲
<b>\$15.62</b> Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

### ECONOMIC INDICATORS Q2 2021

	YoY Chg	12-Mo. Forecast
<b>1.5M</b> Vancouver Employment	▲	▲
<b>7.5%</b> Vancouver Unemployment Rate	▼	▼
<b>7.8%</b> Canada Unemployment Rate	▼	▼

Source: Statistics Canada

### ECONOMY: B.C. Displaying Signs of Recovery

British Columbia maintained less stringent restrictions than many other parts of Canada through most of 2020. This, coupled with soaring commodity prices and high levels of capital investment, limited the severity of the economic shock last year with the provincial economy among those contracting the least (-3.8%). With vaccination campaigns in full swing rapidly flattening the pandemic curve, B.C. authorities loosened restrictions in May. It is expected this will energize the provincial economy, complementing ongoing strength in the export sector and capital investment. Growth is projected to rebound to a solid 6.4% this year.

Source: RBC Economics

### SUPPLY AND DEMAND: Continuing Pressure throughout the Region

Demand has exceeded supply for nine consecutive quarters. Despite the wealth of projects under construction, new and existing tenants and owner-users are experiencing challenges finding suitable space to operate their business as nearly 70% of new construction projects are either pre-leased or pre-sold.

Approximately 976,000 square feet (sf) of new supply was added to the regional inventory in the second quarter of 2021, with 76% of the completions located in the Fraser Valley municipalities of Surrey, Langley, and Delta. Moreover, with the year-to-date net overall absorption at 2.0 million square feet and net construction completions at 967,313 sf, the 2:1 ratio illustrates the challenges of the Metro Vancouver market for upcoming quarters. Four submarkets contributed 76% of absorption activity during the second quarter: Delta (342,780 sf), Langley (287,214 sf), Surrey (359,707 sf), and Richmond (330,260 sf).

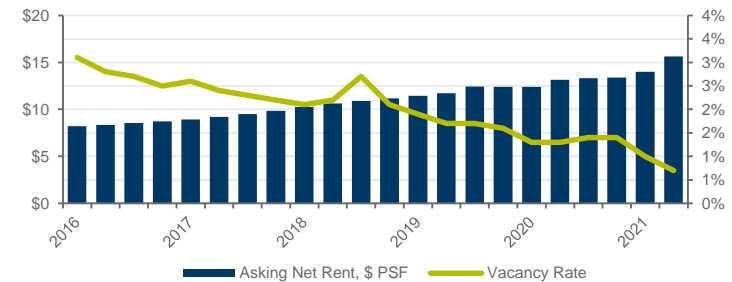
### PRICING: Asking Rates Continue to Rise

A 30-basis point decrease in vacancy from last quarter led to a historic low vacancy of 0.7% in the second quarter, while average weighted asking net rental rates rose to \$15.62 per square foot - a 12% increase from the previous quarter - as the Vancouver, Coquitlam, and Surrey markets showed significant increases. Occupier desires towards the strata market remain strong with strata pre-sales in submarkets such as South Vancouver and Langley's Gloucester strata markets highlight the competitive nature on both sides of the Fraser river.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING NET RENT



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## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	YTD LEASING ACTIVITY (SF)	OVERALL VACANCY RATE	YTD NET OVERALL ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG. NET RENT*	OVERALL WEIGHTED AVG. ADD. RENT
Abbotsford	4,929,303	203,171	0.9%	90,201	344,921	-	\$11.50	\$3.30
Delta	29,622,594	769,725	0.6%	283,644	207,150	203,172	\$12.25	\$4.41
Langley	16,158,187	502,001	1.7%	346,878	240,116	311,831	\$12.93	\$3.77
Surrey	33,597,819	775,012	0.2%	572,185	1,826,724	230,963	\$16.65	\$4.01
TFN	938,540	-	0.0%	-	-	-	N/A	N/A
Burnaby	32,027,492	587,190	0.5%	301,884	707,056	194,547	\$15.84	\$6.20
Coquitlam	7,464,650	353,856	1.2%	(86,760)	-	-	\$14.50	\$3.35
Maple Meadows	2,482,552	14,391	2.0%	(36,060)	145,518	-	\$14.50	N/A
New Westminster	4,334,441	-	0.0%	-	-	-	N/A	N/A
North Shore	4,003,915	15,770	0.4%	34,239	-	-	N/A	N/A
Port Coquitlam	7,792,328	216,216	0.3%	161,766	720,457	-	\$15.07	\$3.71
Port Moody	260,787	-	0.0%	-	-	-	N/A	N/A
Richmond	44,454,823	1,008,210	0.5%	409,762	956,389	35,800	\$17.02	\$5.34
Vancouver	26,827,826	525,724	1.2%	-52,742	451,999	-	\$18.37	\$6.46
<b>VANCOUVER TOTALS</b>	<b>214,895,257</b>	<b>4,971,266</b>	<b>0.7%</b>	<b>2,024,997</b>	<b>5,600,330</b>	<b>976,313</b>	<b>\$15.62</b>	<b>\$5.12</b>

\*Rental rates reflect weighted net asking \$psf/year

## KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	SIZE (SF)	TYPE*
8576 River Road	Delta	Lululemon Athletica Inc.	373,000	Headlease
2929 & 2965 188th Street	Surrey	18 Wheels Logistics	176,134	Headlease
2360 192nd Street	Surrey	A52 Warehouse Inc.	152,084	Headlease
2929 & 2965 188th Street	Surrey	Confidential	102,488	Headlease
19288 36th Avenue	Surrey	Yusen Logistics (Canada) Inc.	61,754	Headlease
8219 River Road	Delta	Mauser Packaging Solutions	42,919	Renewal

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE/\$ PSF
Marine Drive Industrial Centre	Vancouver	Morguard Investments Limited / Greystone Managed Investments	421,844	\$123,400,000 / \$293
945-949, 955, 961 & 967-999 West 1 <sup>st</sup> Street	North Vancouver	677466 B.C. Ltd. / Veramax Holding Ltd.	110,460	\$44,000,000 / \$398
1385 Crown Street	North Vancouver	Mayfair Properties Ltd. / Avenue Living Asset Mgt.	85,535	\$42,000,000 / \$491
1634-1638 Kebet Way	Port Coquitlam	Wesgar Inc. / Brookemere Investments Inc.	78,780	\$26,500,000 / \$336

## KEY CONSTRUCTION COMPLETIONS Q2 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
7400 Vantage Way	Delta	Confidential (Global E-Commerce Firm)	203,172	Conwest
26550 Gloucester Way	Langley	Multiple	67,097	Beedie

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