MARKETBEAT

VANCOUVER, BC

Industrial Q2 2022

CUSHMAN & WAKEFIELD

	YoY Chg	12-Mo. Forecast
0.5% Vacancy Rate	▼	▼
709K Net Absorption, SF	▼	▬
$18.00 Asking Rent, PSF	▲	▲

Overall, Weighted Net Asking Rent

ECONOMIC INDICATORS Q2 2022

	YoY Chg	12-Mo. Forecast
1.5M Vancouver Employment	▲	▲
5.0% Vancouver Unemployment Rate	▼	▼
4.9% Canada Unemployment Rate	▼	▬

Source: Statistics Canada

ECONOMY: B.C. Economy still expected to grow amid several challenges

Although the majority of the pandemic restrictions have been lifted throughout Canada, it will take time for the economy to fully recover to pre-pandemic levels. Abrupt supply-chain disruptions coupled with rising inflation and rising fuel prices has caused significant disruptions and economic hardship in a time of recovery. The periodic rise in interest rates will also affect consumer demand and bring elements of stability to the housing market.

Source: RBC Economics

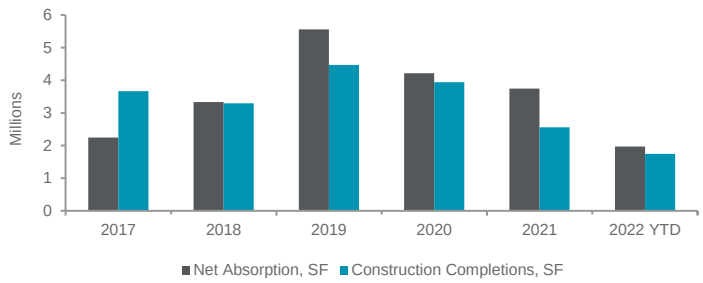
DEMAND: Availability Constraints Accelerate Leasing Activity

The Metro Vancouver industrial market continued to see rising lease rates in the second quarter of 2022 as tenants competed for limited options. It has been a rare occurrence that during the past few quarters when speculative or strata projects were delivered to the market there was little tenant interest. For instance, wholesale trade and third-party logistics (3PL) groups are looking 18 to 24 months in the horizon in securing industrial space in an extremely competitive supply-constrained marketplace. This quarter, Conwest fully leased its large bay multi-unit development at 1725 Coast Meridian Road in Port Coquitlam one quarter prior to completion while Beedie fully leased its multi-unit project at Parallel 32 in South Surrey's Campbell Heights which is scheduled for a fourth quarter of 2022 completion.

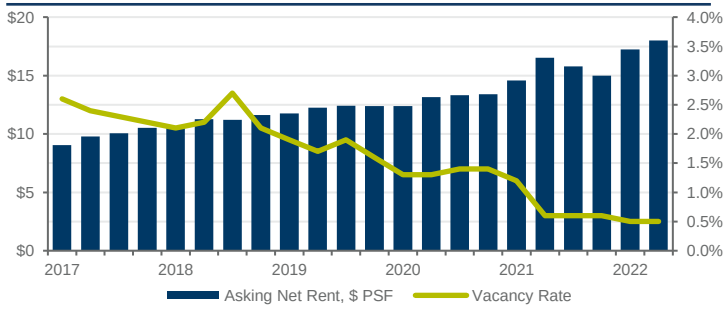
SUPPLY: Construction Activity Reaches New High

There was approximately 683,739 million square feet of new supply added to the Metro Vancouver and Fraser Valley regions in the second quarter of 2022 at 342,626 square feet (sf) and 341,113 sf, respectively. Notable completions this quarter included Conwest's build-to-suit development for Lordco in Port Coquitlam (341,113 sf), buildings B & C at Wesmont's multi-phase industrial strata project in Langley City (160,880 sf), and Beedie's strata project at DECA Business Center at 7927 River Road, Delta (45,584 sf). Several additional projects are slated for completion in the second half of 2022.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING NET RENT



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VANCOUVER, BC

Industrial Q2 2022

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MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	LEASING ACTIVITY (YTD)	OVERALL VACANCY RATE	YTD NET OVERALL ABSORPTION (SF)	UNDER CNSTR (SF)	Q2 NEW SUPPLY (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG. NET RENT*	OVERALL WEIGHTED AVG. ADD. RENT
Abbotsford	5,401,045	100,164	1.4%	178,877	316,406	0	49,096	$16.71	$5.00
Delta	30,241,174	210,485	0.4%	33,914	560,075	45,584	60,032	$17.67	$5.35
Langley	16,835,792	237,464	0.7%	63,574	256,545	160,880	160,880	$18.31	$6.77
Surrey	35,494,308	965,865	0.6%	885,880	2,405,553	136,162	837,384	$16.98	$5.00
TFN	1,721,540	0	0.0%	N/A	0	0	0	N/A	N/A
Burnaby	32,548,163	204,204	0.3%	133,589	1,047,931	0	0	$18.36	$8.66
Coquitlam	7,388,855	135,349	0.3%	-13,082	211,830	0	0	$17.60	$6.40
Maple Meadows	4,054,113	1,436,524	0.5%	29,248	1,162,852	0	0	$21.00	$5.15
New Westminster	4,346,834	0	0.2%	-8,511	0	0	0	$20.00	$5.25
North Shore	4,107,084	12,795	0.8%	-4,868	0	0	0	$21.41	$6.58
Port Coquitlam	8,773,088	174,986	0.6%	333,899	311,083	341,113	341,113	$19.70	$4.81
Port Moody	323,583	0	0.0%	N/A	0	0	0	N/A	N/A
Richmond	45,388,950	775,683	0.2%	308,129	1,169,937	0	249,695	$18.00	N/A
Vancouver	27,381,547	249,042	0.7%	43,566	703,789	0	41,000	$22.77	$8.25
METRO VANCOUVER	**224,018,284**	**4,502,561**	**0.5%**	**1,972,007**	**8,146,001**	**683,739**	**1,739,200**	**$18.00**	**$5.46**

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

KEY LEASE TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	TENANT	SIZE (SF)	TYPE*
Richmond Industrial Centre	East Richmond	Canadian Tire	385,000	New Deal
14260 Knox Way	Richmond - Bridgeport	Translink	113,688	New Deal
18822 24th Avenue	Surrey - Campbell Heights	Iron Mountain	93,314	Extension/Expansion
2278 Peardonville Road – Units 1-5	Abbotsford - Airport	NCS International	69,395	New Deal
13268 Worster Court	Richmond – Crestwood	JW Filfillment YVR Inc.	26,434	New Deal

**Renewals not included in leasing statistics*

KEY SALES TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	VENDOR / PURCHASER	SIZE	PRICE/$ PSF
2870 Lake City Way & 7802 Express Street	Burnaby	Shindler Enterprises / Austeville Properties Ltd	3.21 Ac	$29,500,000 / $9.19M Ac
9274 194th Street	Surrey	Pairus Holdings Ltd. / Private Purchaser	2.00 Ac	$22,000,000 / $10M Ac
3454-3468 Bridgeway Street	Vancouver	A.T. Storrs Ltd. / Bosa Properties	50,659	$20,700,000 / $409 psf
2660 Barnett Highway	Coquitlam	Alumet MFG. / PC Urban & Nicola Wealth Real Estate JV	3.48 Ac	$24,125,000 /$6.9M Ac
1812 Foy Street	Abbotsford	U-Haul Co.	4.91 Ac	20,500,000 / $4.17M Ac

KEY CONSTRUCTION COMPLETIONS Q2 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
1525 Kingsway Avenue	Port Coquitlam	Lordco (BTS)	341,113	Conwest
6286 203rd Street – Bldg B & C	Langley	Multiple Tenants	160,880	Wesmont
19288 36th Avenue	Surrey	Multiple Tenants	61,749	Pollyco Group of Companies
DECA Business Centre	Delta	Multiple Tenants	45,584	Beedie

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