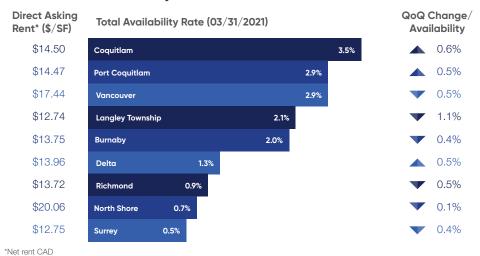
Market Report



markets are emblematic of the region's dearth of available warehouse space. Richmond, Surrey, Burnaby, and Delta account for almost two-thirds of all warehouse space in the metro region and have a combined availability rate of just 1.1%. These mega markets are where many industrial users are located and are feeling the impact of little or no space. And relief is but a pipe dream. Across the Lower Mainland 3.3 million square feet is under construction, with completion in the next 12/15 months, however, 40% has already been preleased or presold. Added to this, the wave of demand brought about by e-commerce, and now for COVID related reasons, shows no sign of abating. Conditions are therefore not expected to change in any meaningful way, putting pressure on users to make difficult decisions as to their future warehouse footprint.



Rental and Availability Rates



Recent Transactions (Lease)

	O	ccupier	Size	Submarket	Industry	Address
	1	Canada Post	109,768 SF	Delta	Distribution	8151 Churchill Street
	2	article.com	78,436 SF	Burnaby	Retailer	8261 Fraser Reach Court
	3	Valhalla Distribution	67,608 SF	Delta	Distribution	7848 Hoskins Street
	4	Kinetics Drive Solutions Inc.	45,930 SF	Langley	Engineering	27489 56th Avenue
	5	Radius Logistics	45,746 SF	Surrey	Distribution	3338 190th Street

Thinking beyond space





After a brief respite in early/mid 2020, market conditions have once again become highly challenging for warehouse users.



With few options available for most industial tenants, the default position for many appears to be to sit tight and make do with what they have.



For warehouse occupiers that have no option but to move or relocate, flexibility is key, both geographically and any needs and/or wants.

Market Trends



Vancouver's industrial vacancy rate and availability rate, moved lower in the first quarter returning to historic lows and pushing rents to record levels (again).

Construction surged in the first quarter (3.3 million SF), but was only slightly above the 5-yr average of 3.1 million SF providing only a sliver of optimism for industrial tenants.

With record low vacancy, record high rents almost always follow, never more true than now leaving Vancouver as Canada's most expensive market by a considerable margin [note Toronto at \$10.25 psf, Montreal at \$7.19 psf, Calgary at \$8.96 psf].