

Market Report

Overview – It is difficult to overstate how challenging the Metro Vancouver industrial market is for users. Any desirable listing, or even semi-desirable listing is getting multiple inquires, on a near continuous basis. The ratio feels like for every square foot available, there is currently five feet of demand. A recent Cresa survey shows Vancouver has the lowest vacancy rate of any major (200+ million SF) market in North America, slightly below Toronto and Montreal. Vancouver finished the year at 1.5%, and Toronto and Montreal at 1.6%. Again, rents moved higher registering \$15.08 per square foot, up from \$14.60 in Q3, and \$14.35 at the end of 2019. Lower vacancy and higher rents were despite 3,963,141 SF completed during the year, the largest amount of new construction since 2009. 2021 looks set to be another challenging year for occupiers, and possibly one that establishes more records.



Rental and Availability Rates

Direct Asking Rent* (\$/SF)	Total Availability Rate (12/31/2020)	QoQ Change
\$17.70	Vancouver 3.4%	▲ 0.3%
\$13.80	Langley (Township) 3.2%	▼ 0.3%
\$13.83	Coquitlam 2.9%	▼ 0.0%
\$13.90	Burnaby 2.4%	▲ 0.4%
\$14.20	Port Coquitlam 2.4%	▼ 1.3%
\$14.37	Richmond 1.4%	▼ 1.4%
\$17.57	North Shore 1.1%	▼ 0.0%
\$13.02	Surrey 0.9%	▼ 0.0%
\$12.49	Delta 0.8%	▼ 1.0%

*Net rent CAD

Recent Transactions (Lease)

Occupier	Size	Submarket	Industry	Address
1 Staples	160,790 SF	Port Coquitlam	Retailer	1845 Kingsway Ave.
2 J.F. Hildebrand Canada	119,990 SF	Delta	Freight Forwarding	7799 Berg Road
3 CEVA Logistics Canada	99,785 SF	Vancouver	Distribution	3200 East Broadway
4 Costco Wholesale	75,156* SF	Pitt Meadows	Retailer	19055 Airport Way
5 Big Mountain Foods	68,282* SF	Delta	Food Manufacturing	904 Cliveden Ave.

* Sublease

Thinking beyond space

Occupier's Perspective



Unlike office tenants, warehouse users face a very challenging leasing environment, with very few options, and a market that is highly skewed towards landlords.



Despite public health orders prevalent in all workplaces, warehouse users are mostly back to being fully operational, and in some cases registering record business volumes.



Like office tenants, warehouse occupiers do have more employees working from home, putting less emphasis on any office buildout, and more on warehouse square footage.

Market Trends



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

Construction returned to more normal levels in the fourth quarter (1.16 million SF), but was no where near enough to satisfy present (and future) demand.

The decades long trend of insufficient space for warehouse users is sure to only continue, with a near complete absence of industrial land in established markets, and only a limited amount in new, and further afield markets.