

Market Report

The pain for warehouse users continued in the fourth quarter with the region-wide vacancy falling to a distressing 0.7%, down from 1.0% in the third quarter, and 2.2% a year ago. Warehouse rents jumped by over \$0.58 per square foot (psf) during the quarter to register \$15.83 psf, and \$1.65 psf from year-ago levels. For industrial tenants coming off a 5-year lease, renewal rates will on average be up \$6.02 psf. Rapidly rising rents continue to push warehouse users into the strata market which continues to go from strength to strength. Average strata prices in many submarkets are now well above \$400 psf, with more urban locations now above \$600 psf. New supply registered a very low 513,000 square feet during the quarter, less than half year-ago levels, however, deliveries are expected to surge in the first quarter with 3.4 million square feet anticipated to be completed.

Occupier's Perspective



Warehouse users need to recognize how challenging market conditions are and be as proactive (and flexible) as possible.



Large distribution space remains very difficult to find, with Amazon in particular consuming vast amounts of space, including the Region's first multi-level warehouse.



Never has the region been so uniform in terms of availability, with every submarket registering lower available space, with most below 2.0%.

Market Trends



Double digit rent increases seen market wide, with year-over-year rent growth at 11.1% (Q4 2021), with logistics space leading at 12.3%.

Record setting prices, for both strata and stand-alone warehouse properties continue to push land prices higher, exceeding \$3.0 million per acre in many markets.

Construction at record levels, with 8.2 million square feet under way, nearly double from a year ago and 3.2% of inventory, yet relief for occupiers is still not in the cards.



Rental and Availability Rates

Direct Asking Rent* (\$/SF)	Total Availability Rate (12/31/2021)	QoQ Change/Availability
\$19.45	Vancouver 2.4%	▼ 1.4%
\$14.72	Richmond 1.0%	▼ 1.3%
\$15.39	Burnaby 1.0%	▼ 0.3%
\$19.80	North Vancouver 0.8%	▼ 0.0%
\$14.95	Coquitlam 1.8%	▼ 0.5%
\$14.72	Port Coquitlam 1.2%	▼ 0.0%
\$15.37	Delta 1.3%	▼ 0.5%
\$14.26	Surrey 2.7%	▼ 0.4%
\$14.36	Langley 1.1%	▼ 1.5%

*Net rent CAD

Recent Transactions (Lease)

Occupier	Size	Submarket	Industry	Address
1 Damon Motorcycles	109,820 SF	Surrey	Auto	12850 112B Avenue
2 18 Wheels Logistics	102,300 SF	Surrey	Logistics	2940 190th Street
3 Coastal Pacific Xpress	81,810 SF	Surrey	Logistics	5433 - 152nd Street
4 A&B Rentals	69,848 SF	Vancouver	Equipment Rental	1101-1175 William Street
5 Core-Mark International	65,000 SF	Burnaby	Consumer Goods	7800 Riverfront Gate