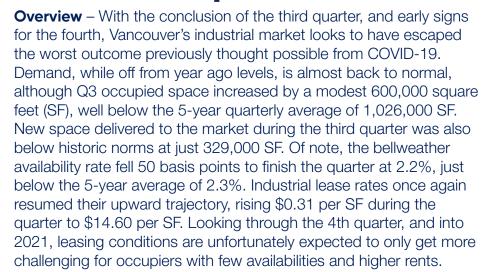
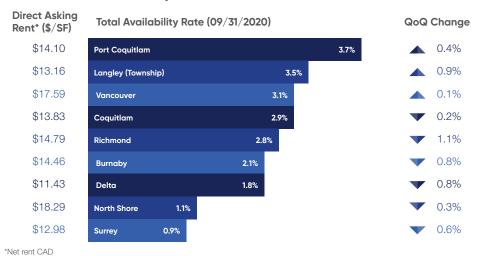
Market Report





Rental and Availability Rates



Recent Transactions (Lease)

Occupier		Size	Submarket	Industry	Address
1	Samsung Electronics	242,460 SF	Delta	Retailer	4327 Salish Sea Way
2	WorldPac Auto Parts	200,000 SF	Richmond	Distribution	8020 Zylmans Way
3	Save-on-Foods	122,691 SF	Surrey	Food Retailer	18991 34A Avenue
4	Grand & Toy	90,163 SF	Burnaby	Retailer	7770 North Fraser Way
5	UPS	27,963* SF	Burnaby	Transportation	7470-7470B Buller Ave

* Renewal



Occupier's Perspective



After putting leasing (and purchase) decisions on hold pending better visibility on the duration and severety of the pandemic, warehouse users appear to have returned to the market.



Conditions remain highly restrictive for occupiers with no region, or segment of the market offering relief.



Supply/demand fundamentals are not expected to change in any meaningful way, pushing lease rates higher, and quite possibly sharply higher. Sales prices are also expected to rise.

Market Trends



Both the vacancy rate and availability rate, moved lower in the third quarter with both returning to historic lows making growth and expansion by warehouse users extremely challenging.

After a record amount of construction in the second quarter, Q3 completions totaled just 329,000 square feet, one of the least amounts on record.

Construction activity remained subdued at 1.9 million square feet (at quater-end), compared with 4.1 MSF one year ago. Developers are expected to ramp up construction in the coming quarters, but not to levels that would provide (material) relief.