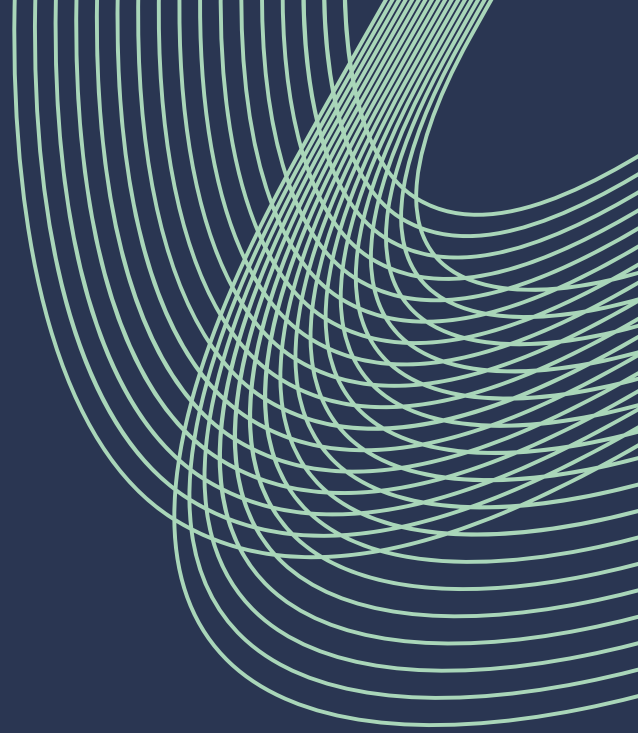


UNITE CAPITAL  
PARTNERS CORP.



# Metro Vancouver Industrial Market Outlook Q2 - 2023



3475 194TH STREET, SURREY

## MACRO ECONOMIC OUTLOOK

Canadian economy remains strong and resilient amidst a volatile economic climate. GDP shows signs of growth, and unemployment rates remain close to an all-time low. While key inflation measures are easing, it remains over the Bank of Canada's target of 2%.

Canadian population reached 40 million on the 16th of June. This marks an important milestone in the country's journey of economic development. While several countries are preparing to embrace population decline, Canada is leading G7 with 2.3% population growth.

The Business Outlook Survey conducted by the Bank of Canada on the 30th of June presents valuable insights into the businesses' perspective towards the current economic climate. Many companies expect weak sales growth in the upcoming year but have reported that their domestic demand has increased compared to the previous year.

Businesses expect to decrease their capital expenditure significantly due to insufficient demand and higher costs associated with increased interest rates, such as financial and construction costs.

## INDUSTRIAL MARKET INDICATORS

Quarterly Net  
Absorption

**156,980 SF**

▼ **76.2%**  
Quarter over  
Quarter

Vacancy Rate  
**0.6%**

↔ **0 bps**  
Quarter over  
Quarter

Source: Colliers Research

Average Sales  
Price (PSF)

**\$ 575**

▼ **\$ 25**  
Quarter over  
Quarter

Quarterly New  
Supply

**1,397,002 SF**

▼ **38.5%**  
Quarter over  
Quarter

Availability Rate

**2.4%**

▲ **50 bps**  
Quarter over  
Quarter

Average Net Rent  
(PSF)

**\$ 22.09**

▲ **\$ 0.76**  
Quarter over  
Quarter

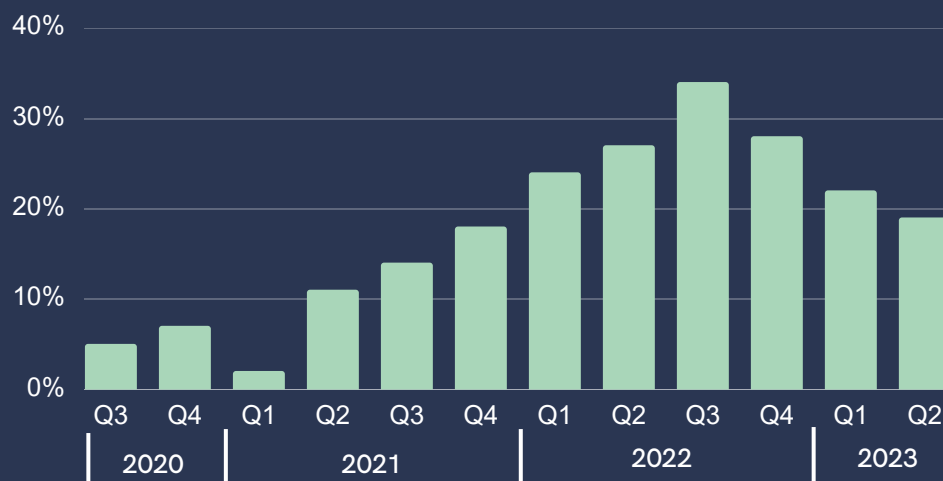
Source: CBRE Research

## INDUSTRIAL MARKET HIGHLIGHTS

- De-escalating sales and leasing activities has **increased availability by 50bps to 2.1%** in the Metro Vancouver region.
- Over the past five years, **average rents have nearly doubled**, prompting tenants renewing their leases to reconsider their real estate footprint utilization.
- **More tenants are looking for modern specifications** in their leasing spaces, such as higher clear heights, larger truck courts, and greater electrical capacity than older buildings can provide.
- Falling inflation rates and easing demand have made investors more confident in acquiring new spaces that can lead to increased **sales and leasing activities in the next quarter.**

### Average Asking Net Rental Rate Growth

Year-over-Year Growth (%)



Source: CBRE RESEARCH

## MAJOR MARKETS OVERVIEW - INDUSTRIAL

Market	Overall Availability (sf mil)	YTD net Absorption (sf mil)	Quarterly New Supply (sf mil)	Under construction (sf mil)	Availability Rate %	Avg. Net rent (\$ sf)	Avg. Sales Price (\$ sf)
	2023 Q2	2023 Q2	2023 Q2	2023 Q2	2023 Q2	2023 Q2	2023 Q2
Calgary	150.3	0.29	1.02	5.8	3.8%	\$11.17	\$210
Edmonton	156.3	1.58	1.41	2.3	5.4%	\$10.42	\$161.48
Toronto	821.6	1.77	3.4	16.0	1.4%	\$18.26	\$377.97
Montreal	325.9	-0.75	0.95	4.5	1.8%	\$16.99	\$244.89
Vancouver	212.6	0.82	1.4	8.4	2.4%	\$22.09	\$575

Source: CBRE RESEARCH



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