



Greater Vancouver 2019 Industrial Market Overview



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#1 IN OVER 110
MARKETS
NATIONWIDE




KLEIN GROUP
COMMERCIAL


KLEIN GROUP
MARKETING


KLEIN GROUP
RESIDENTIAL

\$100 BILLION

IN 2018

Based on current market forecasts, we estimate that Royal LePage Realtors will participate in approx. \$100B of real estate sales in 2018



“Clients expect the highest level of expertise from **Klein Group Royal LePage Commercial**.

Yet, what sets us apart is the power of our integrated company, a passion for truly helping others, and a culture where relationships are built with integrity.”

Eugen Klein

Principal

Royal LePage Sussex Klein
Group

Klein Group Royal LePage is
#1 in Canada of 18,000 Agents
for Royal LePage Commercial



OVERVIEW



1 Supply: “No Supply”

2 Demand: “More Players”

3 Market: “By The Numbers”

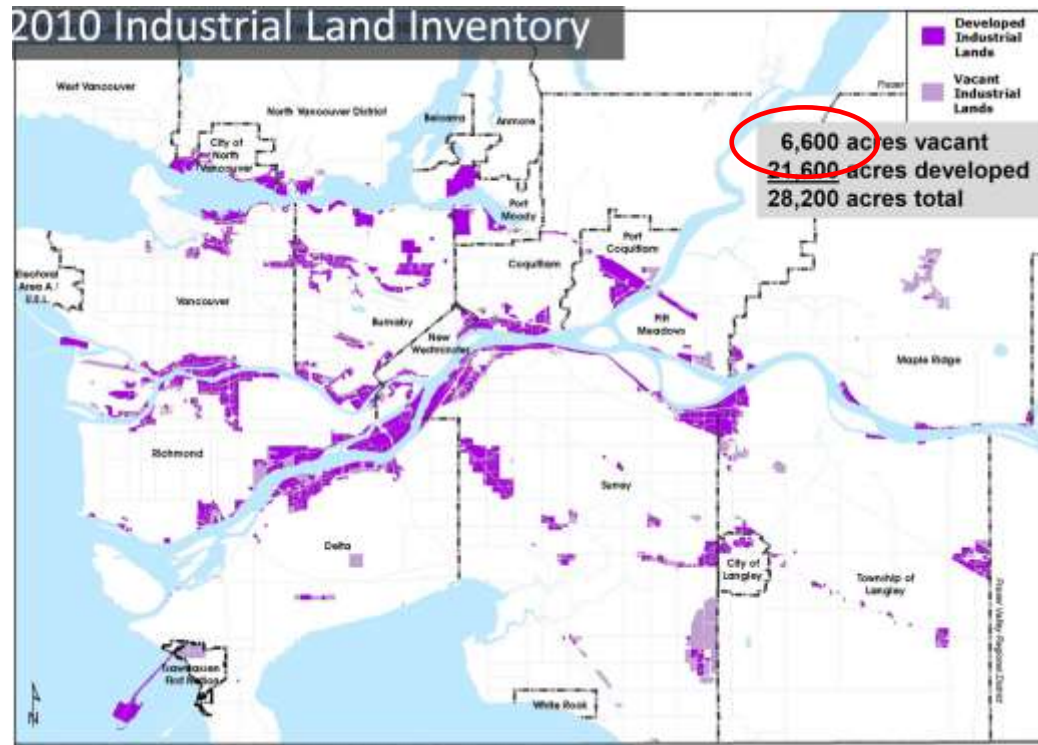
4 Media: “In the News”

5 Case Studies: “The War Zone”

6 Future Trends: “So What’s Next?”

7 Your Questions ...

SUPPLY: NO SUPPLY



In 2010: 6,660 acres
vacant industrial land

In 2019: 6,000 acres
vacant industrial land

“... expected to be
exhausted in a few years.”

DEMAND: EVEN MORE PLAYERS

- Film tenants: 3rd largest in NA, 65+ movies, 55+ TV series, \$3.8B Revenue, 60,000 jobs.
- Traditional Industrial Uses / Logistics
- Tenants vs. Owner occupiers/User
- Infrastructure: (Vancouver Fraser Port Authority)
- New to Country/International Investors (Tax Avoidance)
- Investors: New and Existing (RTB Avoidance)
- Institutional / REITS
- New To Market

Port Metro Vancouver buying up industrial land

FRANCES BULA >

VANCOUVER

SPECIAL TO THE GLOBE AND MAIL

PUBLISHED FEBRUARY 9, 2010

PORT BUYS ALR
LAND IN 2009

Richmond, port argue over future use for ALR land

EVAN DUGGAN, SPECIAL TO THE SUN | 09.29.2015 |

🕒 August 23, 2017

Port Metro Vancouver Eats into Agricultural Land Reserve

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[Eats into Agricultural Land Reserve](#)



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Delta farmland to make way for warehouses?

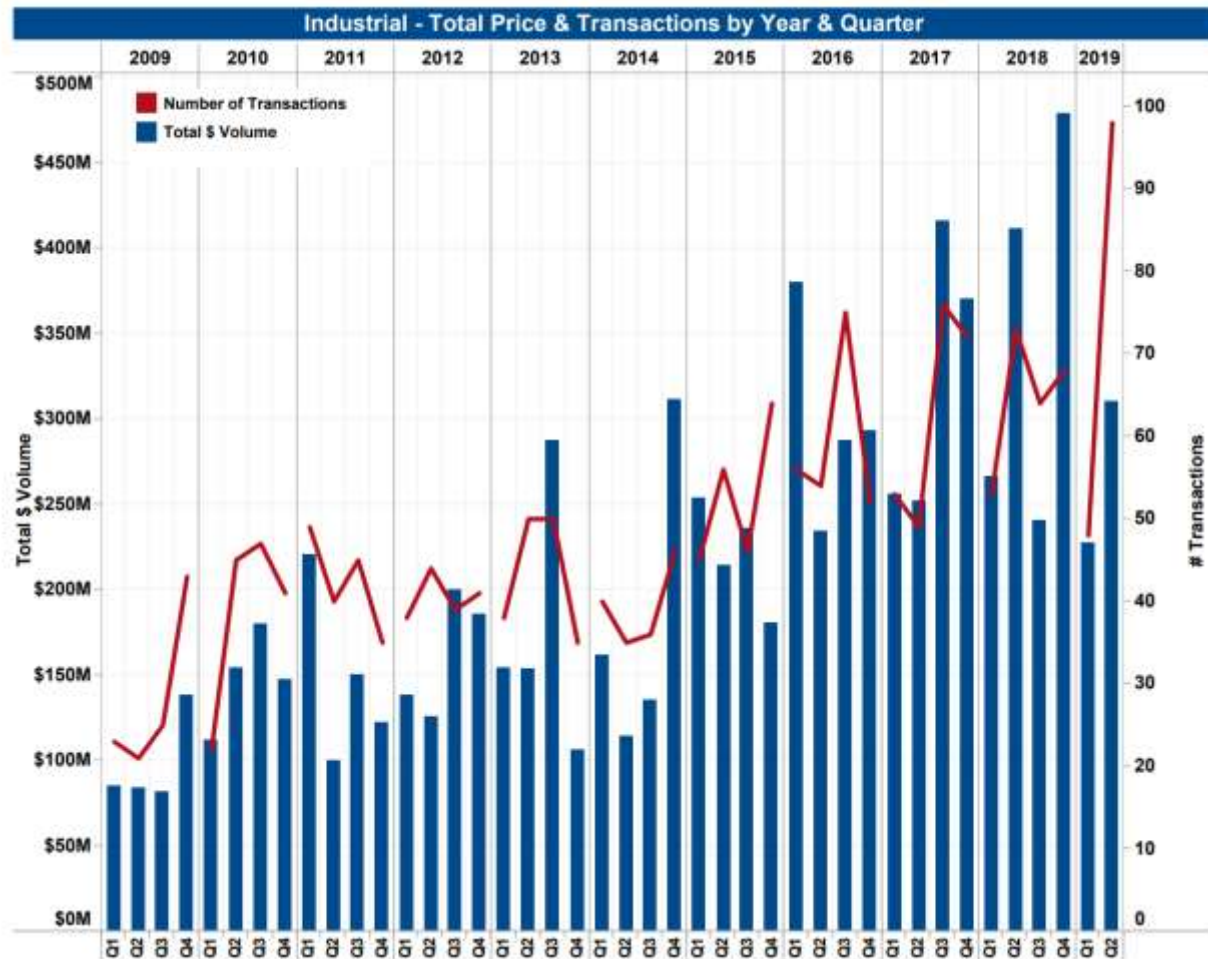
Sandor Gyarmati / Delta Optimist

MARCH 17, 2019 05:19 PM



“The Vancouver Fraser Port Authority has stated that construction of Terminal 2 will require 2,500 acres of well-located developable industrial land by 2035,” the City of Delta states, noting this is problematic given the industrial land inventory of Metro Vancouver (currently estimated at 6,000 acres) is expected to be exhausted in a few years.

MARKET: SALES

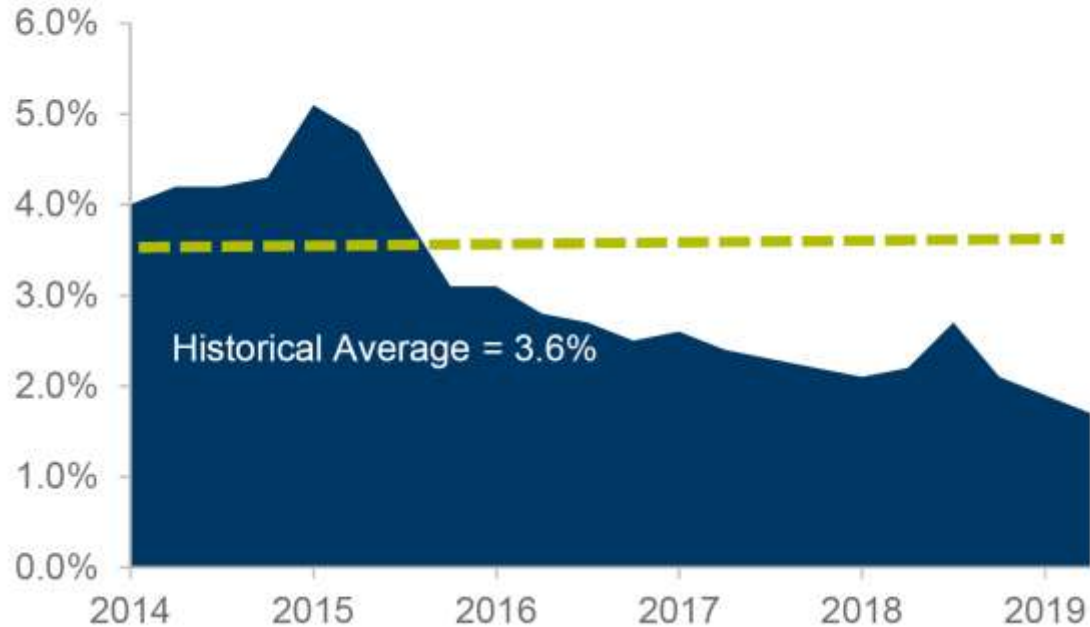


MARKET: LEASING



MARKET: VACANCY

Overall Vacancy



... JUST SOME OF THE FACTS

- 26th consecutive quarter of positive net absorption
- Vacancy rate average 1.9%. (North of Fraser 1.4%)
- Record construction completions
- 90%, or 1,400,000 sf, pre-leased/sold upon delivery
- No options over 100,000 sq. ft. close to the urban core
- Metro Vancouver having double-digit percentage lease rate growth for the third consecutive year
- Zoning: Heavy industrial “The Crazy Uncle” – Not Here?

IN THE NEWS . . .

Home > Real Estate

Industrial real estate sales in Richmond set new record at nearly \$332 million: report

Kristen Clarke / Richmond News
NOVEMBER 19, 2019 08:30 AM

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B.C.'s industrial land squeeze spreads well beyond the Lower Mainland

From Kelowna in the Okanagan to Victoria on Vancouver Island, B.C.'s industrial real estate has been filling up, leaving low vacancy rates everywhere

DERRICK PENNER Updated: February 05, 2019

Hunt for industrial property getting tougher for Metro businesses

The vacancy rate for industrial space is running at about 1.5 per cent in Metro Vancouver.

EWAN DUGGAN Updated: July 24, 2019

Commercial Real Estate: Oxford to build Canada's first multi-level industrial building

Metro Vancouver's sub-two-per-cent industrial vacancy rate and surging industrial land values has created a unique set of barriers to the market for developers and tenants.

EWAN DUGGAN Updated: November 04, 2019

Home > News

Vancouver's industrial businesses under 'significant' threat

Vancouver Economic Commission says up to 50 per cent of businesses could be displaced in five years

Mike Howell / Vancouver Courier

JUNE 25, 2019 04:13 PM

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Metro Vancouver's industrial land shortage – time to build up? Panel ponders whether region's industrial real estate supply challenges mean developers should build multi-storey industrial buildings

Peter Mitham, [Business in Vancouver](#)

June 27, 2019

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CASE STUDIES



FOR SALE

12910
KATONIEN ST
MAPLE RIDGE, BC

- Prime Industrial Land
- 1.00 Acre
- M-2 Zoning
- Package Available



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**INDUSTRIAL
LAND**



FOR SALE

UNIT 2130 & 2140
1368 KINGSWAY AVE
PORT COQUITLAM
BC
Industrial Strata for Sale

- Exceptional Location
- 5,800 SF Ground Level + 350 SF Mezzanine
- 2 Separate Titled Strata Units
- 2 Grade Level Loading Doors
- Electrical Entry: 600V



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FOR SALE

**1681B
LANGAN AVE
PORT COQUITLAM
BC**
Industrial Strata Warehouse for Sale

- 1,556 SF Main Floor + 507 SF Office/Mezzanine
- 18' Ceiling, 1 Grade Level Loading Door
- M-1 Zoning, Fenced Secured Area
- 24 Hr Surveillance
- Additional Storage Available for Rent
- Ideal for Users/Investors



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**ROYAL LEPAGE
COMMERCIAL**

SOLD

18601
LOUGHEED HWY
PITT MEADOWS, BC

- 1.95 Acres / Building 7765 SF
- Large Fenced Yard
- Lease Space Available: 1862 SF
- Showroom, Office, Commercial
- Available Immediately



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**COMMERCIAL
LAND**

HIGH-TECH SELF-STORAGE PORT COQUITLAM BC

Industrial for Sale

- Lot Size: 60,000 SF
- Yearly Revenue: \$1.3M Plus
- Over 600 Storage Lockers, Various Sizes
- Ample Parking
- 100% Occupancy
- Cap Rate: 5 Plus



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Commercial & Industrial Investment

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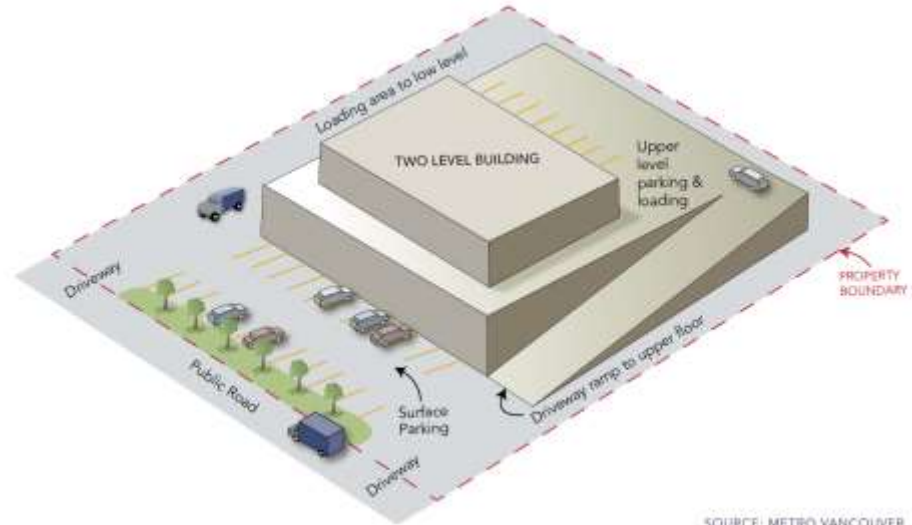
Commercial Real Estate & Land Investment
DEC

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SO WHAT'S NEXT?



SOURCE: METRO VANCOUVER



SOURCE: METRO VANCOUVER

SO WHAT'S NEXT?

Oxford Properties Group to develop Canada's first large bay multi-level industrial property.

- 65-acre Riverbend Business Park in south Burnaby
- 707,000 sf over two levels
- Completion 2022

“Vancouver is one of the tightest industrial markets in the world and space for businesses that service the region – be it through manufacturing, logistics or e-commerce – is in critically short supply,” commented Jeff Miller, head of industrial at Oxford Properties.



SO WHAT'S NEXT?

- Change of density: floor plate and site coverage
- Are the municipal policy changes ready?
- Landlords to charge by cubic feet instead of square footage?
- Growth in self-storage facilities (shrinking home sizes)
- Tenancies are getting larger: Fraser Valley, Calgary or Seattle?
(Competition across cities and regions)
- Strata space is becoming increasingly common, but not for all uses
- Where to place heavy industrial? Should industrial be protected or replaced if rezoned, like in ALR?



QUESTIONS?