



**DOWNTOWN VANCOUVER**

# LOOKING INTO THE FUTURE

**PREPARED BY**

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**CBRE**





# DOWNTOWN VANCOUVER'S NUMBERS HAVE NEVER BEEN HIGHER

DOWNTOWN  
VANCOUVER

**2.4%**

Lowest Vacancy  
in history

DOWNTOWN  
VANCOUVER

**3.9M SF**

Most  
Construction

DOWNTOWN  
VANCOUVER

**70%**

Greatest Pre-leased  
activity in history

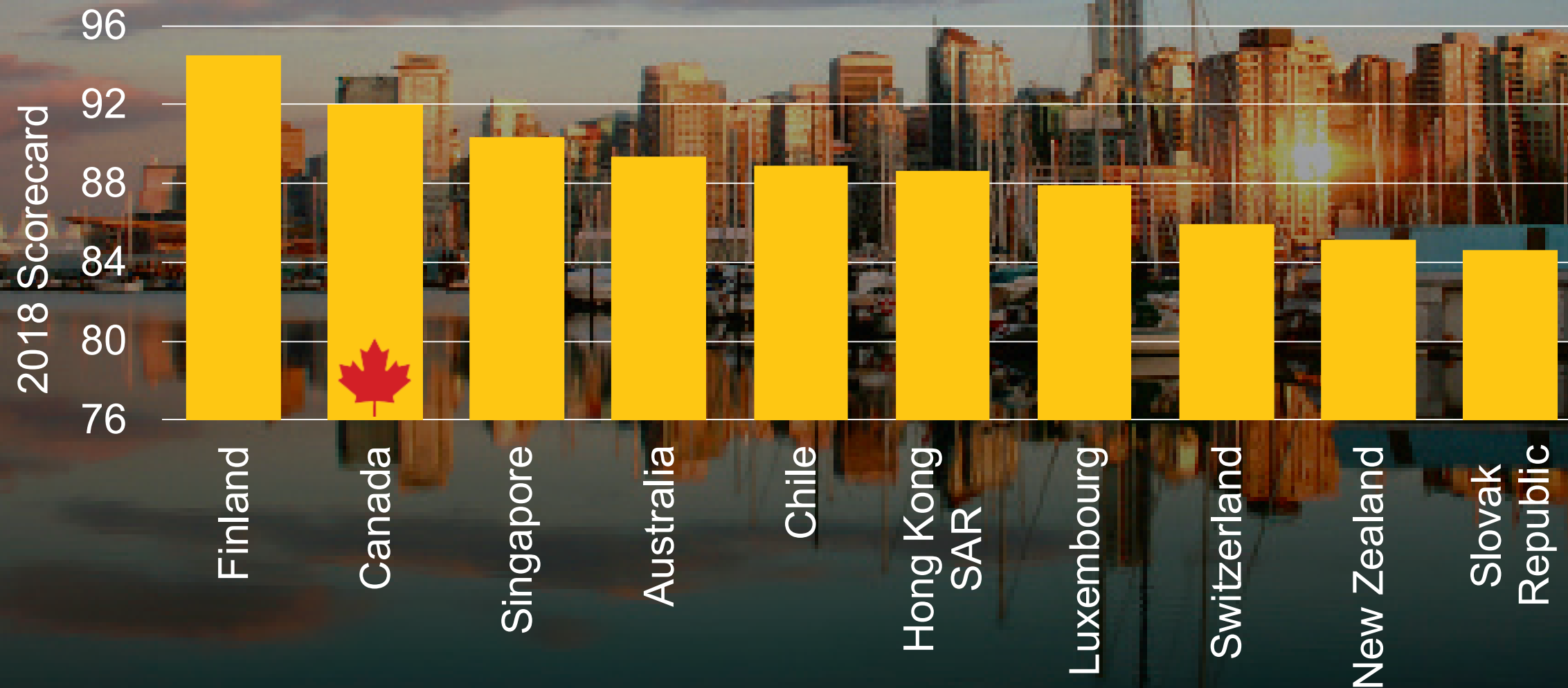
DOWNTOWN  
VANCOUVER

**\$44.66**

Highest Average  
asking lease rate  
AAA & A



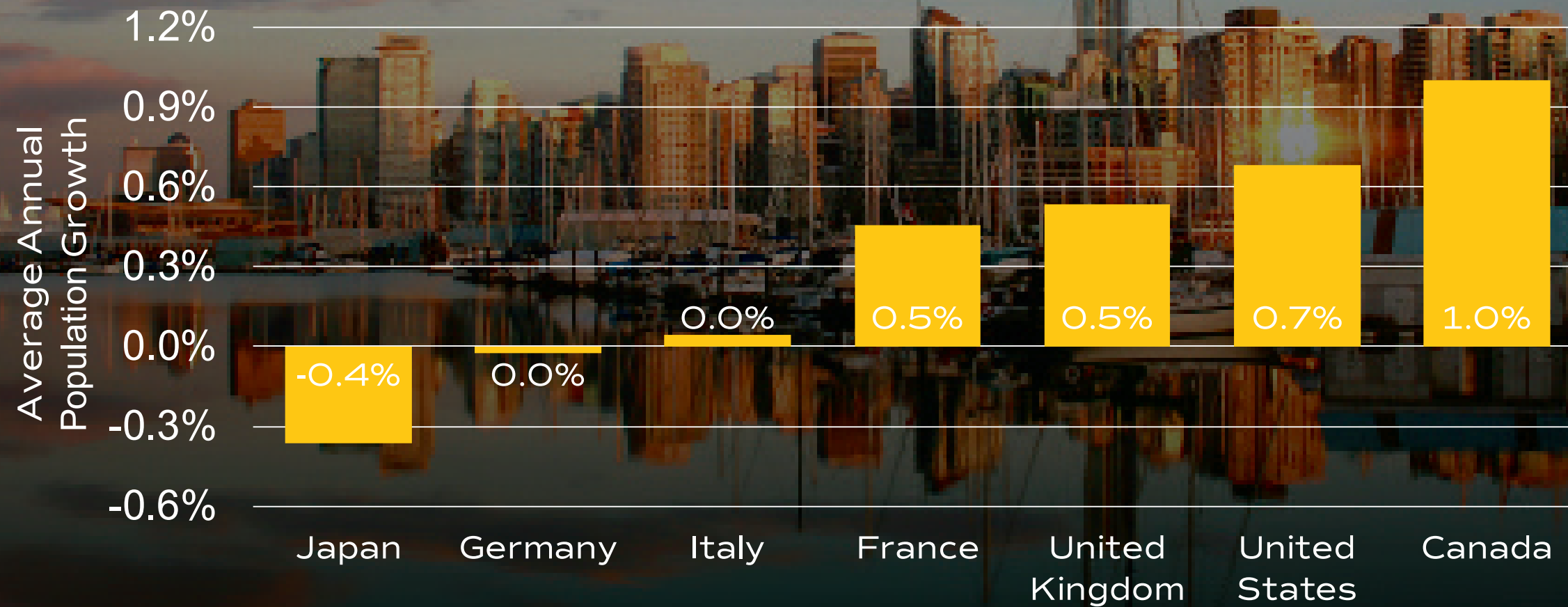
# WHY CANADA?



Source: World Economic Forum, February 2019



# POPULATION GROWTH

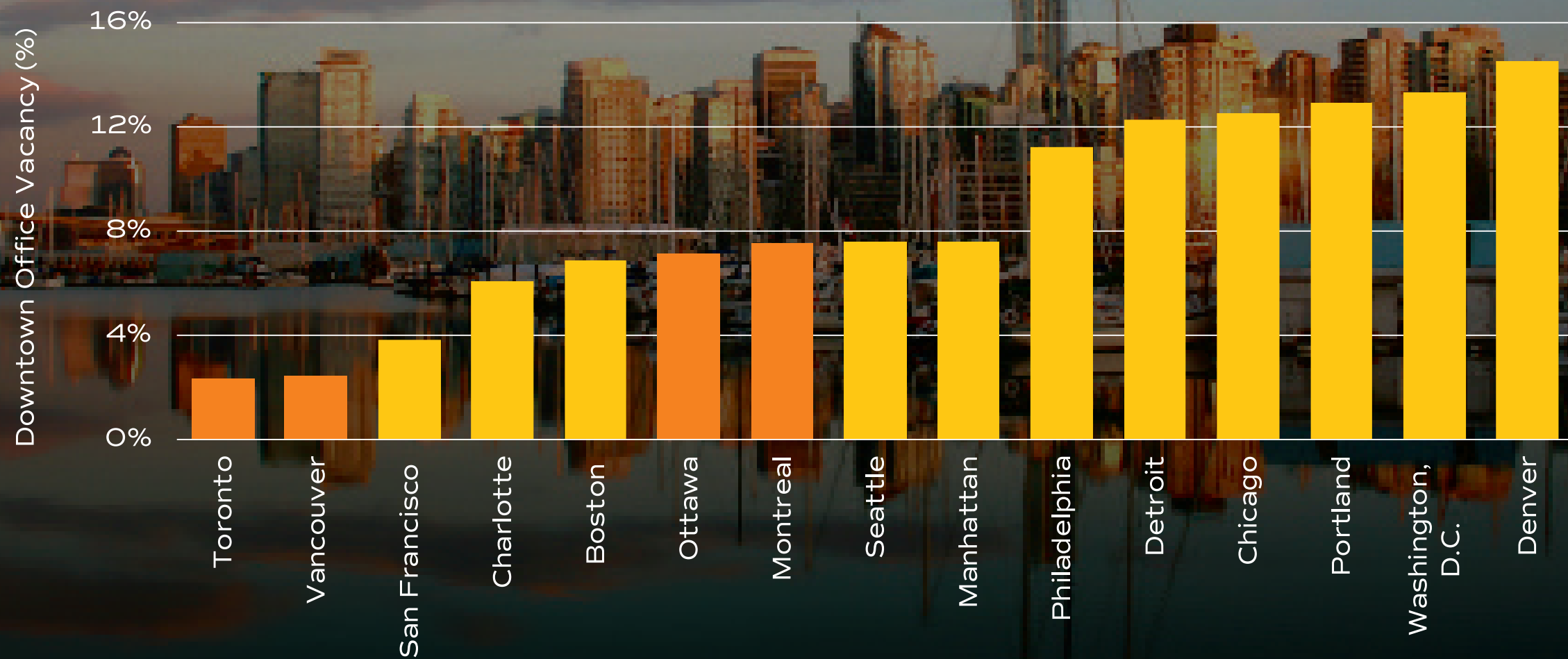


■ 2019-23

Source: International Monetary Fund, October 2019.



# NORTH AMERICA OFFICE VACANCY RANKINGS



Includes markets above 15 MSF inventory. Source: CBRE Research, Q2 & Q3 2019



A decorative graphic in the top-left corner consisting of a network of white dots connected by thin white lines, resembling a molecular or digital structure.

# OVERALL VACANCY

A light gray map of the Metro Vancouver region serves as the background for the lower two-thirds of the image. It shows the coastline, major water bodies, and a grid of streets.

**METRO VANCOUVER**

**47.77M**  
SF

**OVERALL VACANCY  
RATE**

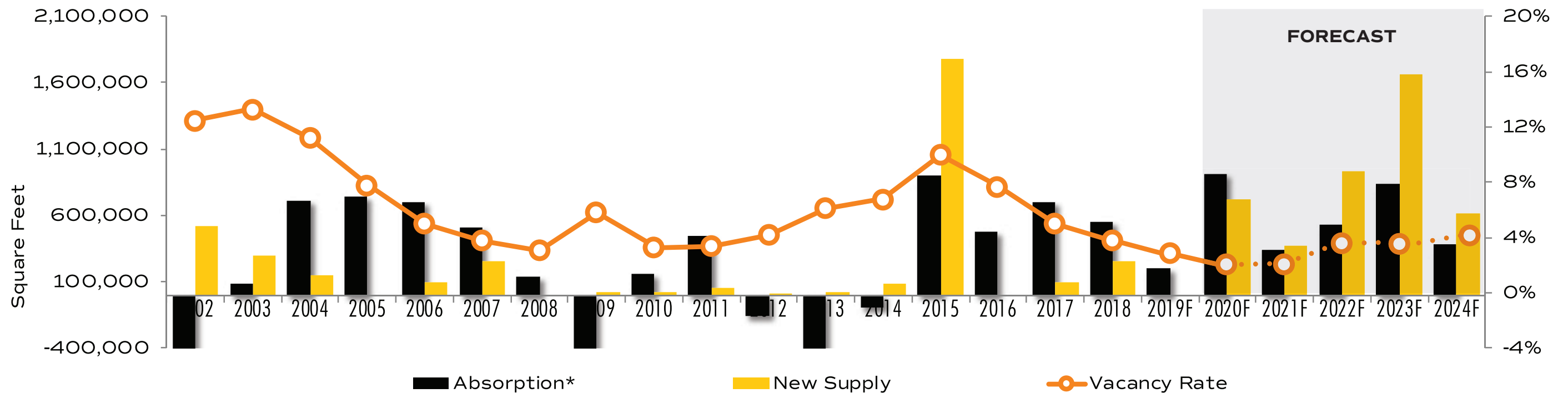
**3.8 %**

**OVERALL QUARTERLY  
ABSORPTION**

**195,422 SF**

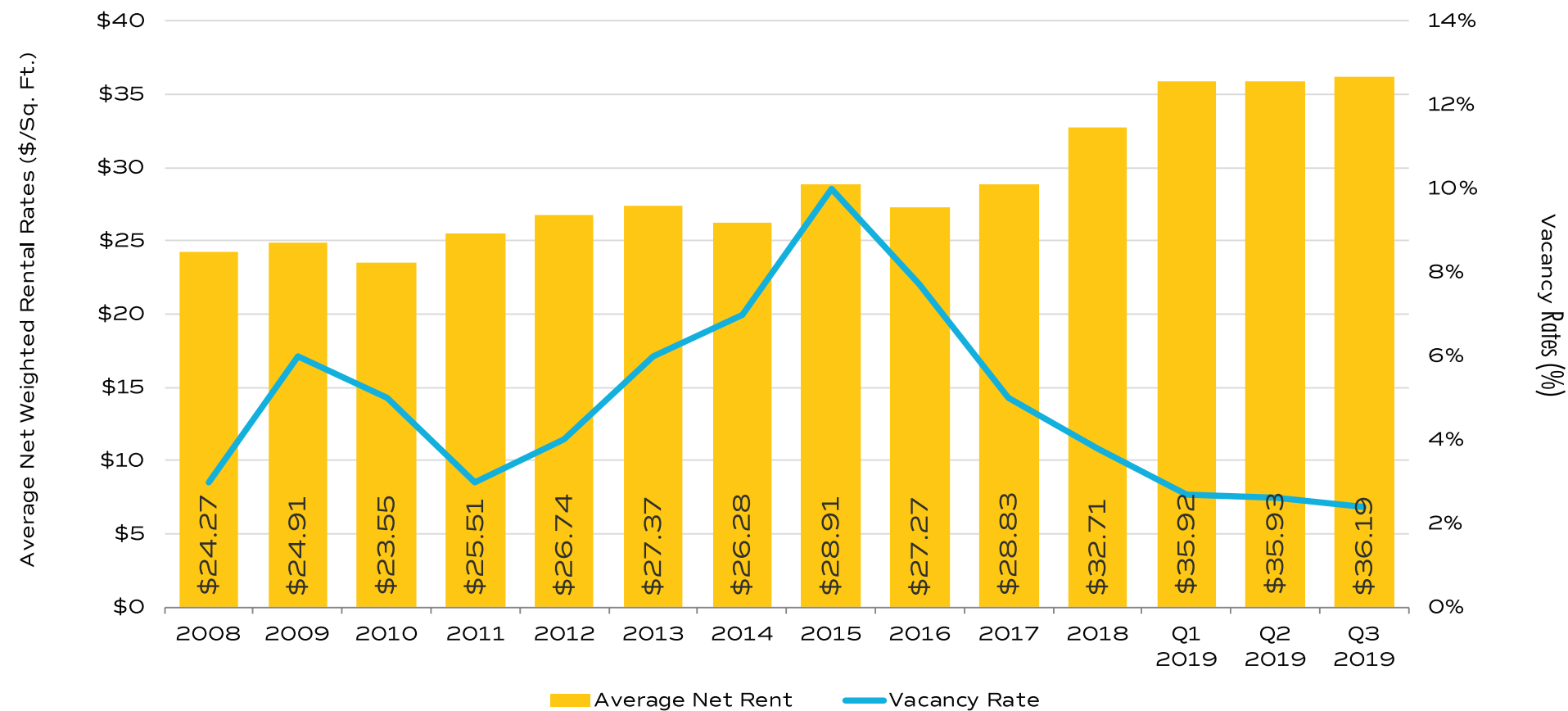


# DOWNTOWN VACANCY FORECAST





# DOWNTOWN NET RENT AND VACANCY



**10%  
INCREASE  
Y-O-Y**

**A and AAA  
closer to  
20%  
Y-O-Y**



# DOWNTOWN OFFICE CONSTRUCTION

PRE-LEASED, PRE-SOLD  
OR UNDER CONTRACT

2.7M  
TOTAL SF

70%  
OF 3.9M SF

UNDER CONSTRUCTION

3.9M  
TOTAL SF

DOWNTOWN  
VACANCY RATES Q3/2019

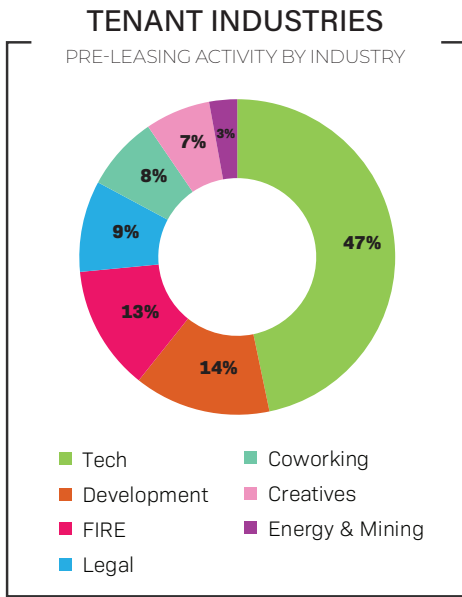
2.4%  
ALL CLASSES

2.1%  
AAA CLASS

NEW NET ABSORPTION

1.1M  
TOTAL SF  
\*ANNOUNCED  
TENANTS ONLY

74%  
OF TOTAL  
PRE-LEASED AREA



VANCOUVER HOUSE 1461 GRANVILLE	VANCOUVER HOUSE 1462 GRANVILLE	BURRARD PLACE* 1280 BURRARD	402 DUNSMUIR*	155 WATER*	400 W GEORGIA*	601 W HASTINGS*	VC2* 753 SEYMOUR	320 GRANVILLE*	THE STACK* 1133 MELVILLE	B6 1090 W PENDER*	THE POST (S)* 349 W GEORGIA	THE POST (N)* 302 DUNSMUIR
41,466 SF	34,316 SF	150,000 SF	147,000 SF	69,433 SF	350,000 SF	227,000 SF	370,000 SF	325,000 SF	542,900 SF	534,000 SF	500,000 SF	570,000
westbank		RELIANCE PROPERTIES	ox ford	LOWTIDE PROPERTIES	ALLIED westbank	PCI DEVELOPMENTS CORP	GWL REALTY ADVISORS		ox ford	BentallGreenOak		QuadReal
2020 792,000 SF UNDER CONSTRUCTION						2021 598,000 SF UNDER CONSTRUCTION		2022 867,900 SF UNDER CONSTRUCTION		2023 1,664,000 SF UNDER CONSTRUCTION		
PRE-LEASING/ UNDER CONTRACT	100%	100%	100%	100%	100%	UNDER CONSTRUCTION	UNDER CONSTRUCTION	UNDER CONSTRUCTION	UNDER CONSTRUCTION	DEMOLITION UNDERWAY	DEMOLITION UNDERWAY	DEMOLITION UNDERWAY

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\*DEVELOPMENT KICKED OFF ON SPEC



# WHY VANCOUVER?



## GDP

2019F - 2.3%

2020F - 2.4%



## Metro Van Unemployment

▶ Lowest in the country at 4.6%



## Population growth

▶ 100 people/ day

## Non-residential Construction

▶ \$2.8B Broadway Skytrain Expansion

▶ \$600M G3 Grain Terminal

▶ \$500M Burrard Place







# WHY VANCOUVER?



**CBRE**



# GROWTH SECTORS

An abstract digital background featuring glowing blue circuit lines and a central square component, all set against a dark blue gradient.

TECHNOLOGY

A photograph of a modern coworking office space. It features long wooden tables, several people working on laptops, and is decorated with numerous warm-toned string lights hanging from the ceiling. Large windows in the background provide natural light.

COWORKING



# 2019 DEALS

## TECH

<b>AMAZON</b> 475 HOWE STREET	<b>AMAZON</b> 349 WEST GEORGIA (PRELEASE)	<b>APPLE</b> 400 WEST GEORGIA (PRELEASE)
89,000 SF	416,000 SF	44,000 SF
<b>KABAM</b> 753 SEYMOUR (PRELEASE)	<b>MICROSOFT</b> 155 WATER (PRELEASE)	<b>ZYMEWORKS</b> 114 E 4TH (PRELEASE)
105,000 SF	69,400 SF	57,000 SF

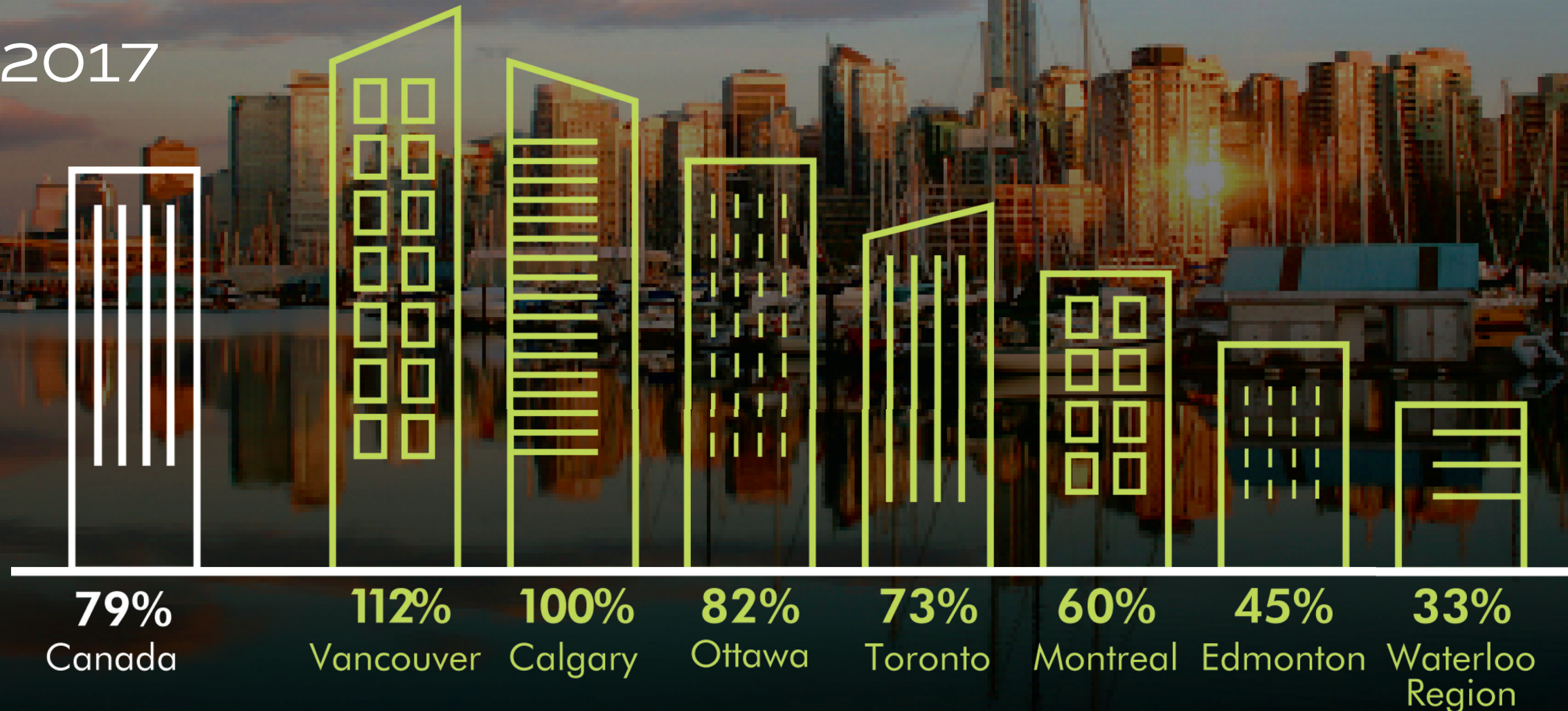
## CO-WORKING

<b>WEWORK</b> 1045 HOWE	<b>WEWORK</b> 1090 WEST PENDER (PRELEASE)	<b>WEWORK</b> 2015 MAIN
54,000 SF	170,000 SF	38,000 SF
<b>SPACES</b> 929 GRANVILLE	<b>SPACES</b> 400 WEST GEORGIA (PRELEASE)	<b>SPACES</b> 565 GREAT NORTHERN WAY
78,000 SF	120,390 SF	38,770 SF
<b>IQ OFFICE</b> 1055 WEST GEORGIA		
24,000 SF		

# GROWTH SECTORS

## COWORKING

SINCE 2017



Source: CBRE Research, Q2 2019



# VANCOUVER IS LEADING GROWTH IN HIGH TECH

**29.5%**

Vancouver  
Hight-Tech job  
growth rate

**55.5%**

New High-Tech  
jobs as a % of  
office jobs

## HIGH-TECH SOFTWARE/SERVICES JOB GROWTH

Market	GROWTH RATE		NEW HIGH-TECH JOBS	
	Current Period 2017 & 18	Previous Period 2015 &16	New Jobs Added 2017 & 18	As a % of New Office Jobs 2017 & 18
1 Vancouver	29.5%	17.9%	13,600	55.5%
2 San Francisco	24.7%	38.5%	19,947	84.7%
3 Toronto	23.9%	17.7%	30,200	72.6%
4 Seattle	23.7%	19.1%	34,536	131.2%
5 Austin	22.5%	22.8%	10,517	60.4%
6 San Diego	19.7%	3.9%	5,860	77.5%
7 New York	14.8%	17.9%	15,259	29.0%
8 Silicon Valley	14.7%	16.0%	27,720	76.7%
9 Salt Lake City	14.3%	12.3%	6,879	34.9%
10 Denver	13.8%	11.5%	8,544	42.2%
11 Los Angeles	13.4%	19.4%	9,989	84.5%
12 Atlanta	13.0%	11.7%	9,899	21.2%
13 St. Louis	11.7%	17.1%	2,772	78.0%
14 Montreal	11.4%	14.0%	8,800	24.0%
15 Orange County	10.9%	15.7%	3,909	20.1%

# GROWTH **IN HIGH TECH** WHY VANCOUVER?

**VANCOUVER SCORED**

CBRE RESEARCH

**2019 SCORING TECH TALENT**

**#12**  
in 2019

**#25**  
in 2018



**CBRE**



# GROWTH IN HIGH TECH

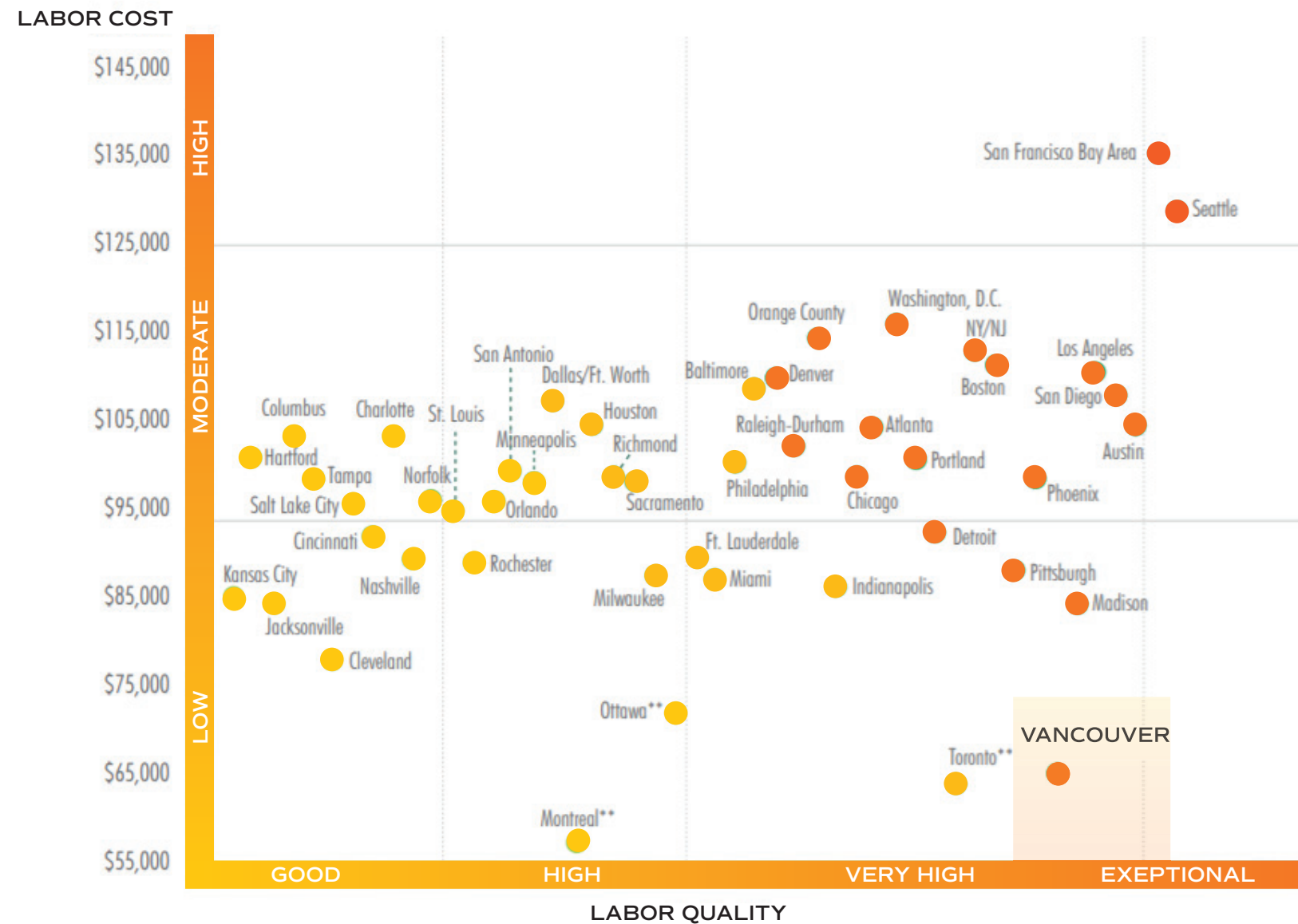
## WHY VANCOUVER?

### OFFICE MARKET RENT GROWTH

Market	GROWTH RATE	
	Current Period	Previous Period
	Q2'17 vs. Q2'19	Q2'15 vs. Q2'17
1 San Francisco	17.5%	7.2%
2 Portland	15.8%	14.5%
3 Silicon Valley	15.0%	16.2%
4 Charlotte	13.9%	16.9%
5 Atlanta	12.6%	17.6%
6 Seattle	12.4%	11.7%
7 Boston	12.2%	7.7%
8 Nashville	12.2%	21.2%
9 Los Angeles	11.1%	11.1%
10 Raleigh-Durham	10.6%	8.9%
11 Washington, D.C.	9.9%	4.3%
12 Philadelphia	9.6%	4.3%
13 Orange County	9.5%	23.3%
14 Vancouver	8.9%	-1.1%
15 Denver	8.7%	8.3%



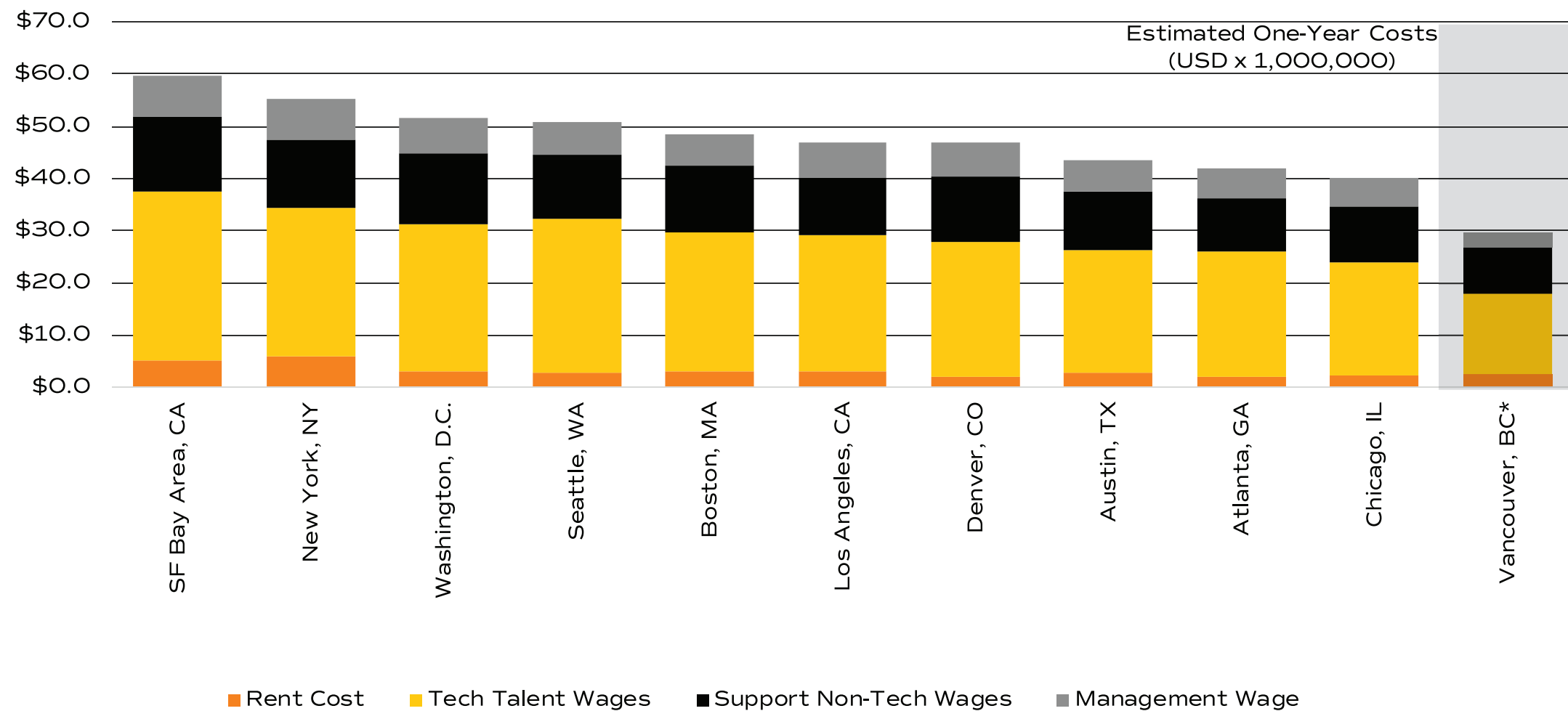
# TECH TALENT VS. COST





# GROWTH IN HIGH TECH

## WHY VANCOUVER?



Source: U.S. Bureau of Labor Statistics, Canada Statistics, CBRE Research (Metro), 2019.



# HOW WILL VANCOUVER CHANGE?



**RESIDENTIAL  
REAL ESTATE  
VALUES**



**DOWNTOWN  
AMENITIES**



**SHORT TERM  
RENTALS**



**SHARED  
ECONOMY  
SERVICES**



A nighttime photograph of a city skyline featuring several tall skyscrapers with illuminated windows. In the foreground, there are construction cranes and some structural elements of a building under construction. The sky is dark blue.

# THANK YOU

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# CBRE



# TENANTS IN THE MARKET



TECH

19%



EDUCATION

17%



FINANCE INSURANCE  
AND REAL ESTATE

14%



OTHER

13%



GOVERNMENT

13%



BUSINESS  
SERVICES

10%



ENGINEERING

8%



LEGAL

5%



MEDIA

1%

1.7 M  
SF

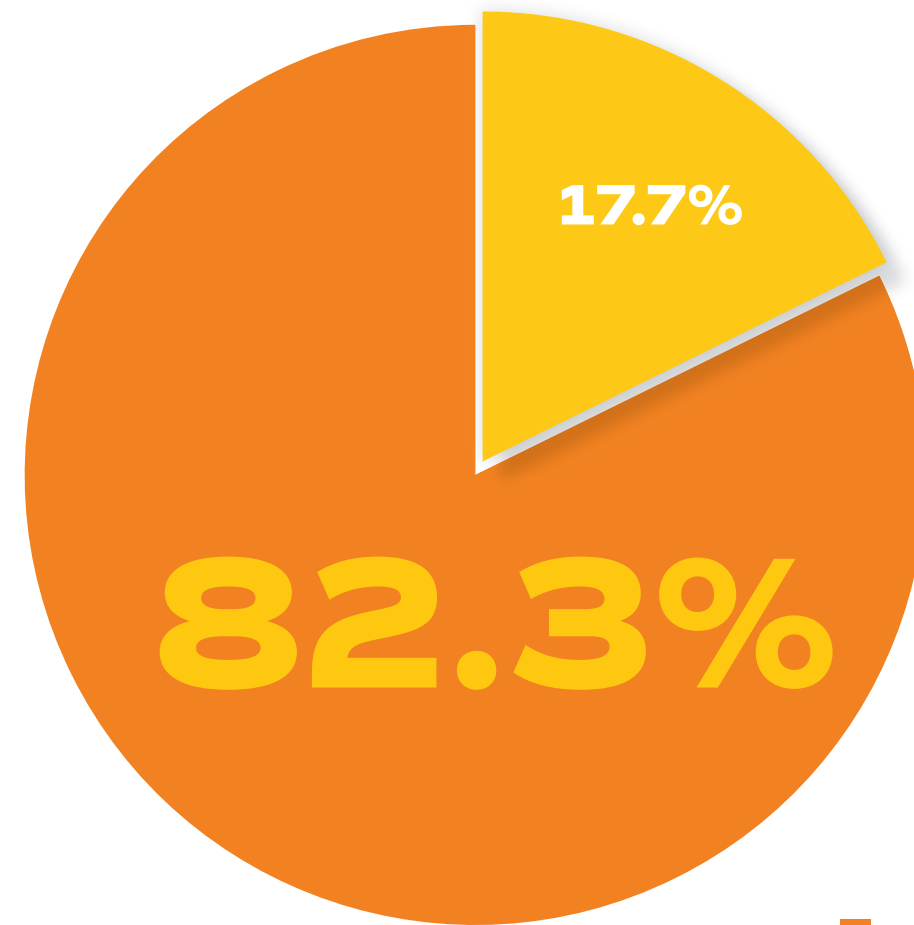
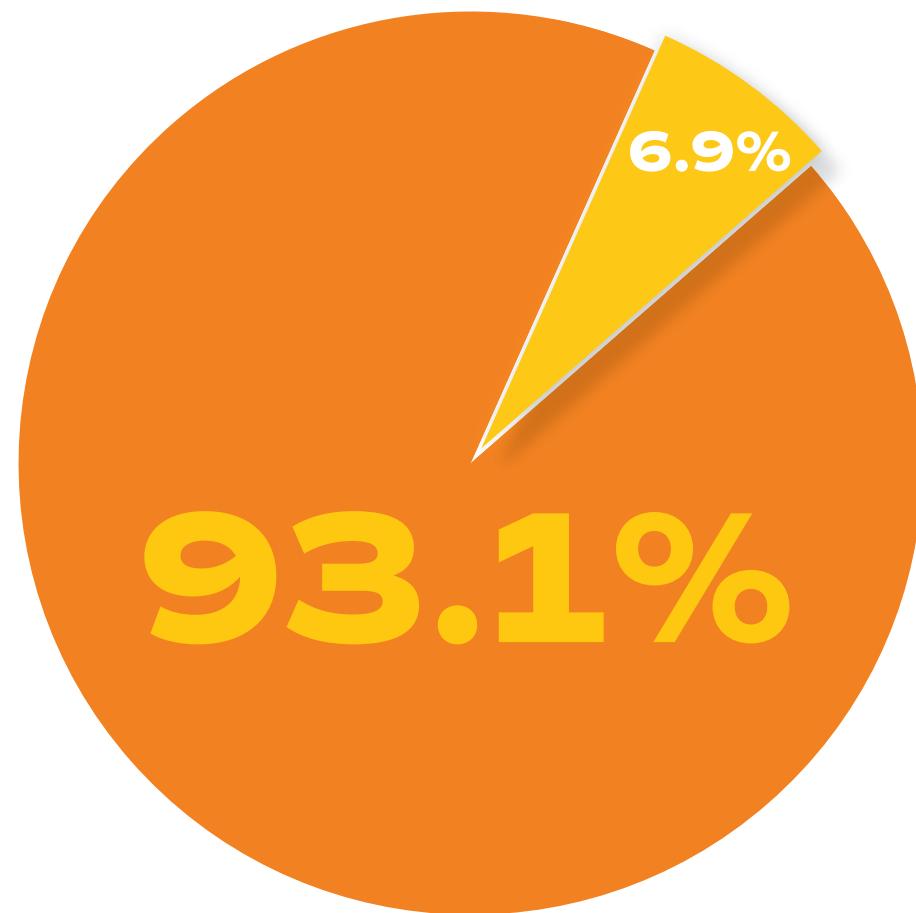
Overall demand for  
office space

50%

Tech, education and  
FIRE account for  
majority of the office  
demand



# GROWTH SECTORS



■ OTHER  
■ TECH