



BC ASSESSMENT

Lower Mainland ICI Market Update

2020 Draft – Retail, Office, Industrial and Multi Family

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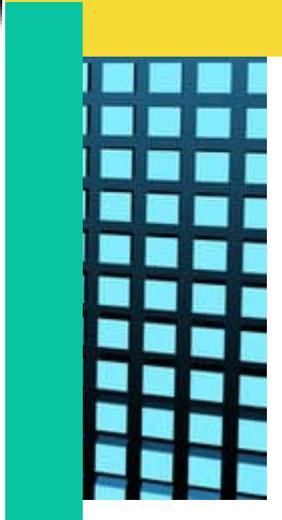
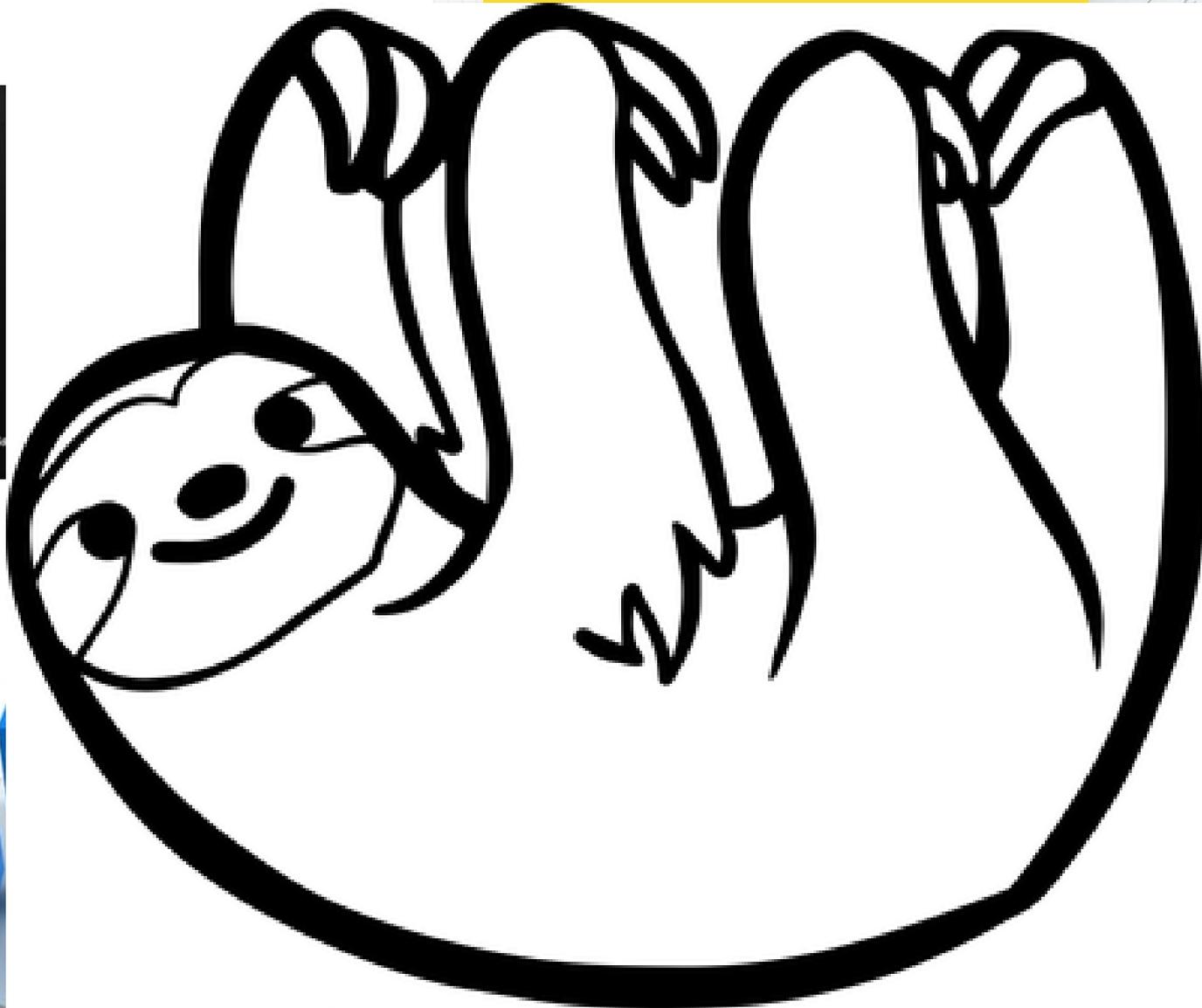
Thursday, November 21, 2019

Today's Presentation

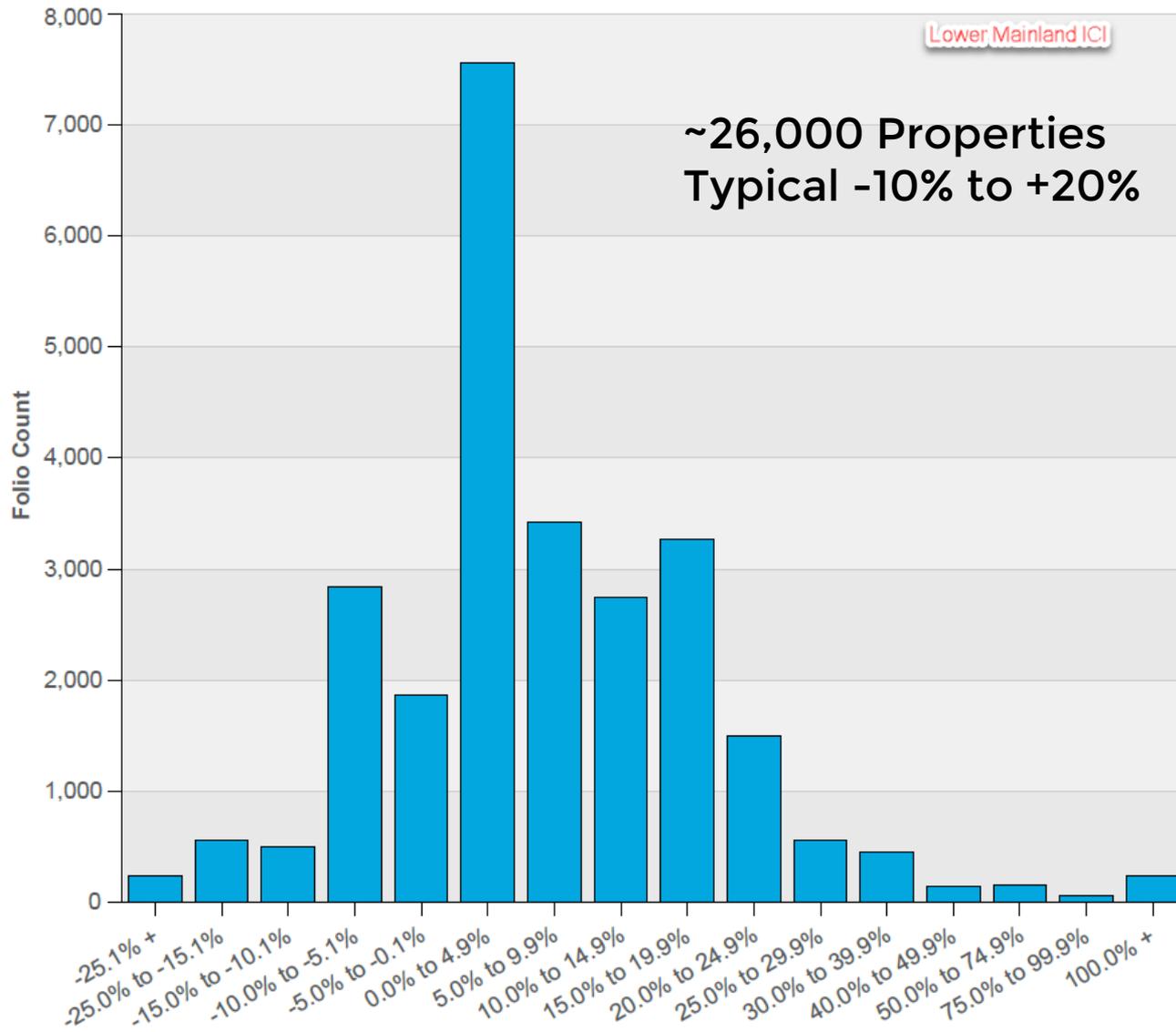
- High level overview
- July 1, 2019 valuation date
- Percentage change = July 1, 2018 to July 1, 2019
- 2020 Draft Info - without Prejudice
- Sales provide some general benchmarks
- Slides will be provided



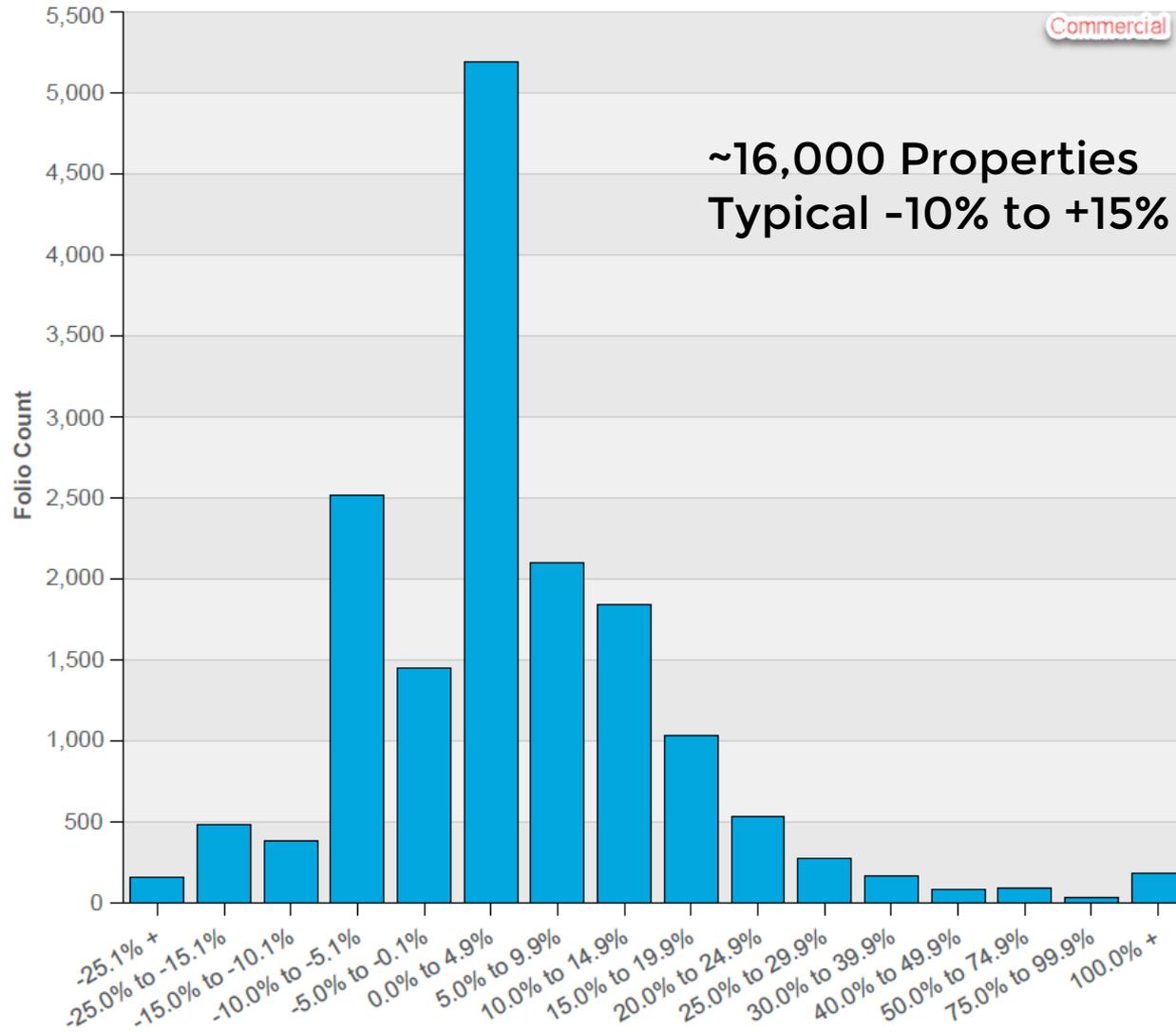
Market Overview



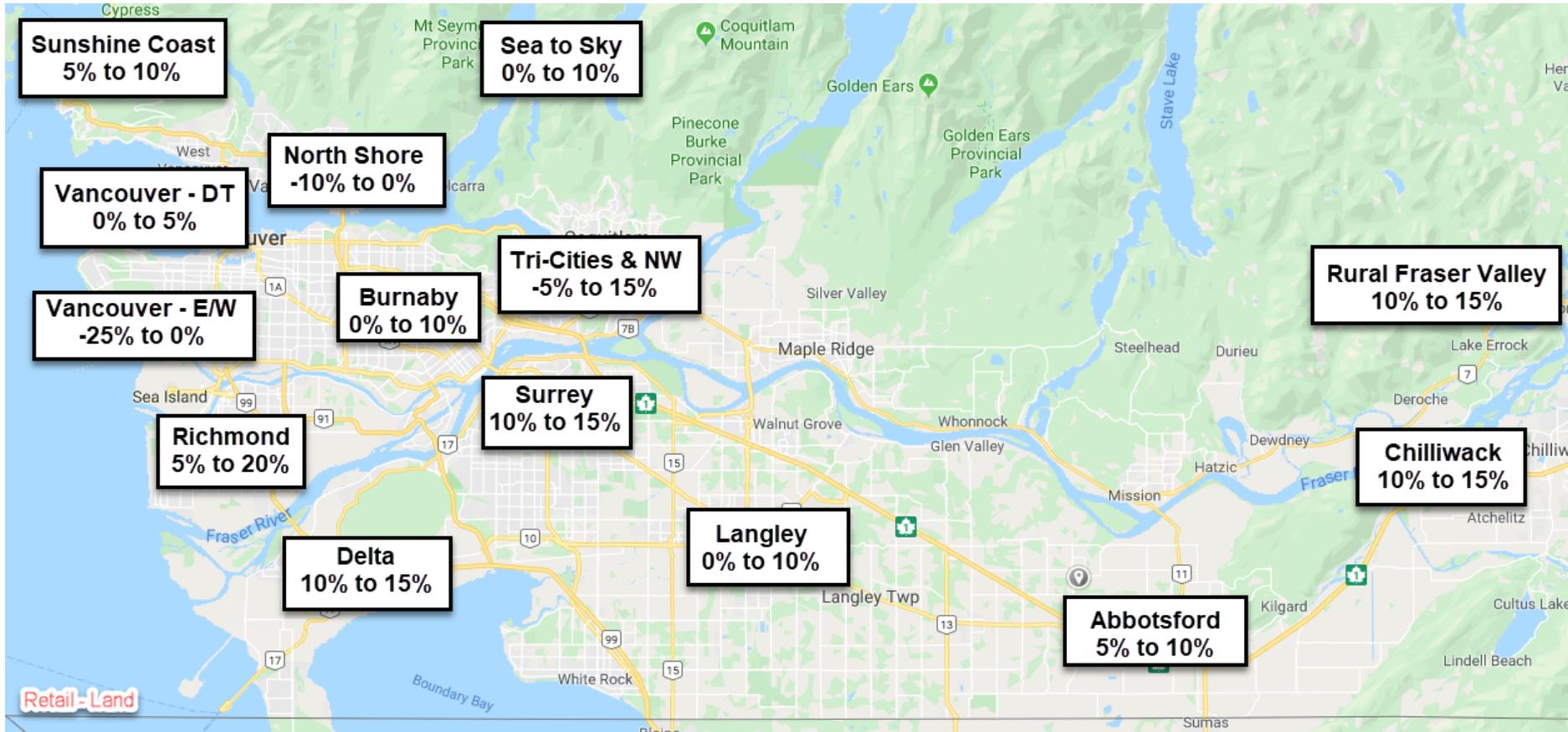
Lower Mainland ICI - 2020 Draft values



Commercial - Retail Values Lower Mainland - 2020 Draft



Commercial - Retail Land Values Lower Mainland - 2020 Draft



Retail

Theme: Varied market depending on location with few sales across the board

Retail Sales

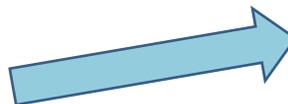
Municipality	Address	Sale Date	Sale Price	Lot Area (sf)	Building Size (sf)	Building Description	Cap Rates Indicated
Vancouver	228 Abbott St	May-19	\$6,900,000	2,995	4,787	1 Storey Retail with Mezz	3.5% to 4%
Vancouver	3720 Main St	Mar-19	\$3,060,000	3,400	3,729	Retail with 1 Storey Apt over	2.75% to 3%
Burnaby	6340 Kingsway	May-19	\$2,950,000	6,879	8,889	Retail	3% to 4%
Coquitlam	1393 Gabriola Dr	Jul-19	\$2,150,000	14,778	4,552	Retail with 1 Storey Apt over	3% to 3.25%
New Westminister	331 Sixth Street	Aug-19	\$2,985,000	8,227	3,953	Retail with 1 Storey Apt over	3% to 3.25%
Delta	10128 Nordel Crt	Apr-19	\$5,200,000	62,814	10,510	Service Station	4.25% to 4.75%
Surrey	1626 Martin Dr	Jan-19	\$6,750,000	19,341	8,779	Bank	3.75% to 4.25%
Langley	20457 Fraser Hwy	Jan-19	\$3,800,000	7,187	11,116	Two Storey Retail/Office	3.5% to 3.75%
Abbotsford	33721 South Fraser Way	Jun-19	\$1,955,000	2,397	3,999	Retail/office	2.75% to 3.25%
Agassiz	7048 Pioneer Ave	Jan-19	\$350,000	4,560	2,012	Retail	4.25% to 4.75%

Retail Overview

Lower Mainland - 2020 Draft

- **Rental Rate**

- Stable and Slight increases 5% to 10%



- **Cap Rates**

- Stable



- **Hot Spots**

- Downtown Squamish → above average increases
- Richmond Core → 25% increases
- Harrison Hot Springs → 75% increases
- Cultus Lake → 100% increases for a handful of properties

Office

Theme: Slight increases driven by strong demand and low vacancy

Office Sales

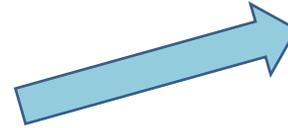
Municipality	Address	Sale Date	Sale Price	Building Size (sf)	Class	Cap Rate Indicated
Vancouver	505, 555, 595 Burrard, 1055 Dunsmuir	Spring 2019	Confidential	1,450,000	A	3.75% to 4.25%
Vancouver	1075 W Georgia	Spring 2019	Confidential	350,000	A	3.75% to 4.25%
Burnaby	4330 Kingsway and 5945 Kathleen	Nov-18	\$95,000,000	252,857	A	4.75% to 5.25%
Richmond	10100, 10200, 10271, 10451, 10551, 10651, 10691, 10760, 10851, 10991 Shellbridge Way 3751, 3851 Shell Road, 10711 Cambie Road	Nov-18	\$208,000,000	707,809	B	4.75% to 5.25%
Langley	6337 198 St	Jun-19	\$4,485,000	9,285	C	3% to 3.5% Cap
Abbotsford	2420 McCallum Rd	May-19	\$4,000,000	10,444	C	4.25% to 4.5%
Hope	222 Wallace St	Jan-19	\$2,100,000	15,157	D	4.5% to 4.75%

Office Overview

Lower Mainland - 2020 Draft

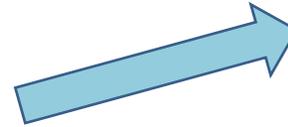
- **Rental Rate**

- Increases 5% to 15%



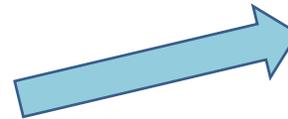
- **Cap Rates**

- Stable to 0.25% increase



- **Assessment % Change**

- Overall 0% to 10% increase

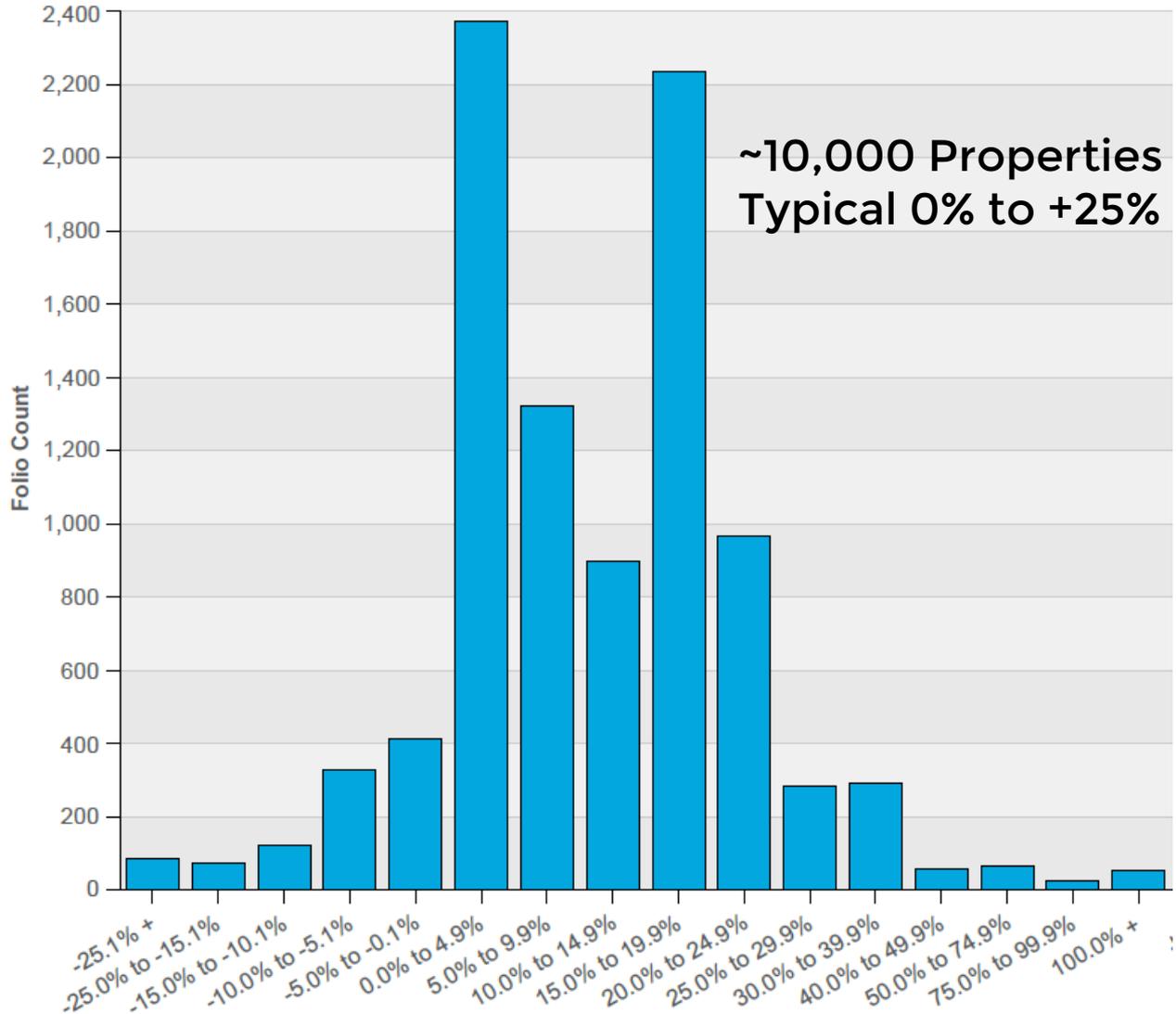


Industrial

Theme: Increases driven by low supply and large demand for industrial space putting pressure on land values and rental rates

Industrial Values

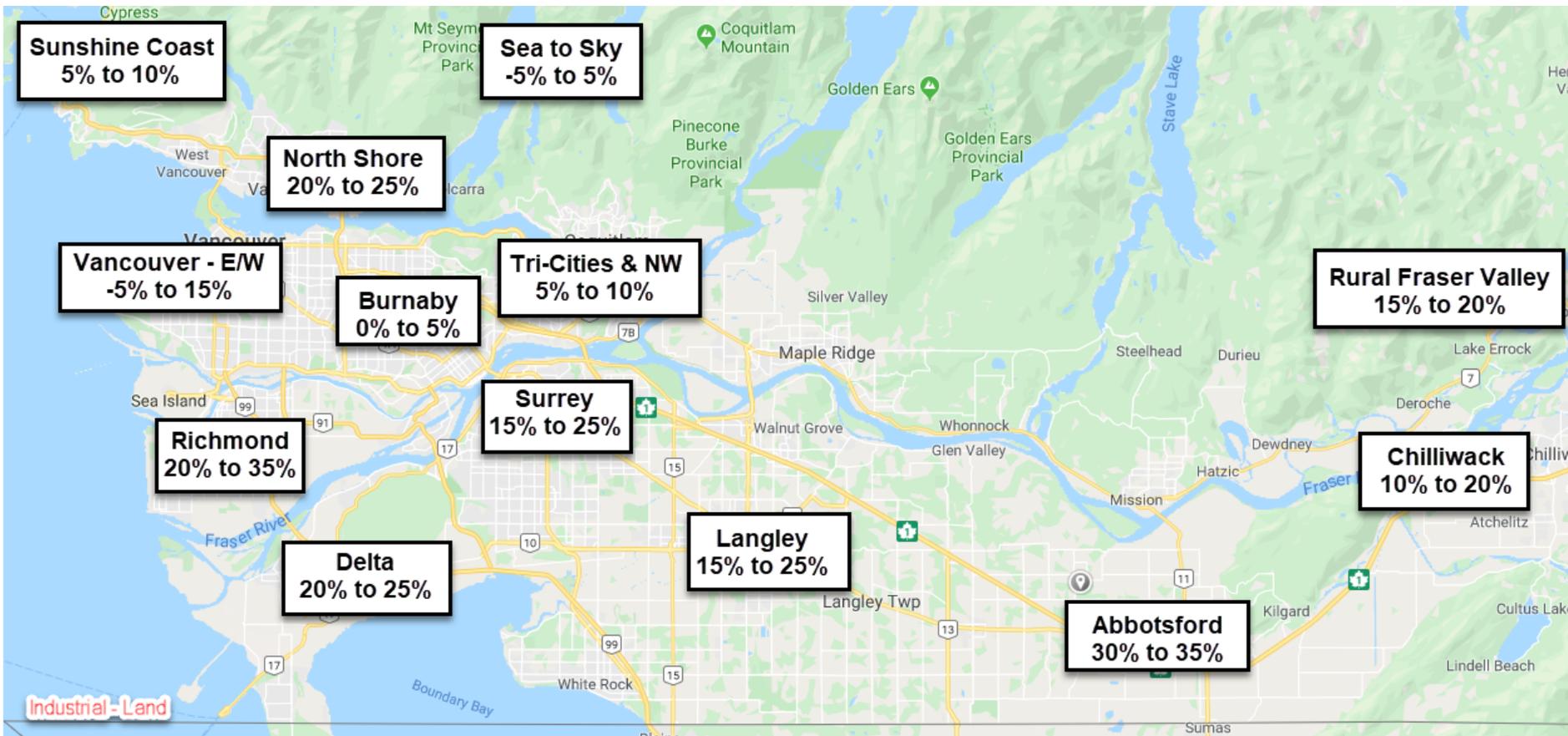
Lower Mainland - 2020 Draft



Industrial Sales

Municipality	Address	Sale Date	Sale Price	Lot Area (sf)	Building Size (sf)	Zoning	Type of Sale	Unit of Measure
Gibsons	1031 Venture Way	Jul-19	\$350,000	7,500	vacant	I1	Land	\$46/sf of land
Squamish	38925 Queens Way	Feb-19	\$900,000	19,166	vacant	I1	Land	\$47/sf of land
North Vancouver	309 Kennard Ave	Feb-19	\$12,000,000	44,620	12,570	M3	Land	\$269/sf of land
Vancouver	2323 Quebec St	Dec-18	\$38,000,000	36,234	47,364	I1	Holding	\$1050/sf of land
Vancouver	1280 Odlum Dr	Apr-19	\$11,688,200	19,285	14,309	I2	Holding	\$606/sf of land
Richmond	13600 Maycrest Way	Jun-19	\$11,308,000	72,658 (1.668 ac)	41,677	IB1	Income	3.5% to 3.75%
Delta	1170 Derwent Way	May-19	\$38,150,000	645,559 (14.82 ac)	149,906	I2	Land	\$2,575,000/acre
Surrey	19468 32 Ave	Jan-19	\$6,500,000	125,888 (2.89 ac)	vacant	A1 (IB1 OCP)	Land	\$2,250,000/acre
Langley	5543 275 St	May-19	\$4,575,000	30,884 (0.709 ac)	17,336	M2	Income	3.25% to 3.75%
Abbotsford	2122 Peardonville Rd	Feb-19	\$4,430,000	89,036 (2.044 ac)	vacant	I2	Land	\$2,167,000/acre
Chilliwack	44344 Yale Rd	Apr-19	\$1,725,000	22,738	8,856	M2	Income	4.25% to 4.75%

Industrial Land Values Lower Mainland - 2020 Draft



Industrial Overview

Lower Mainland - 2020 Draft

- **Rental Rate**

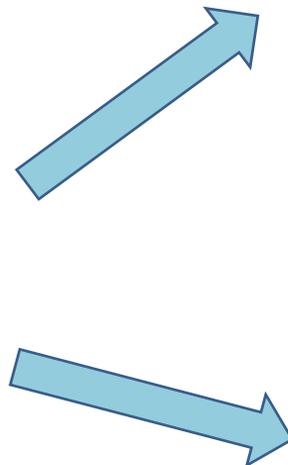
- Increasing 5% to 20%

- **Cap Rates**

- Stable with areas dropping 0.25% and 0.50% Cap

- **Hot Spots**

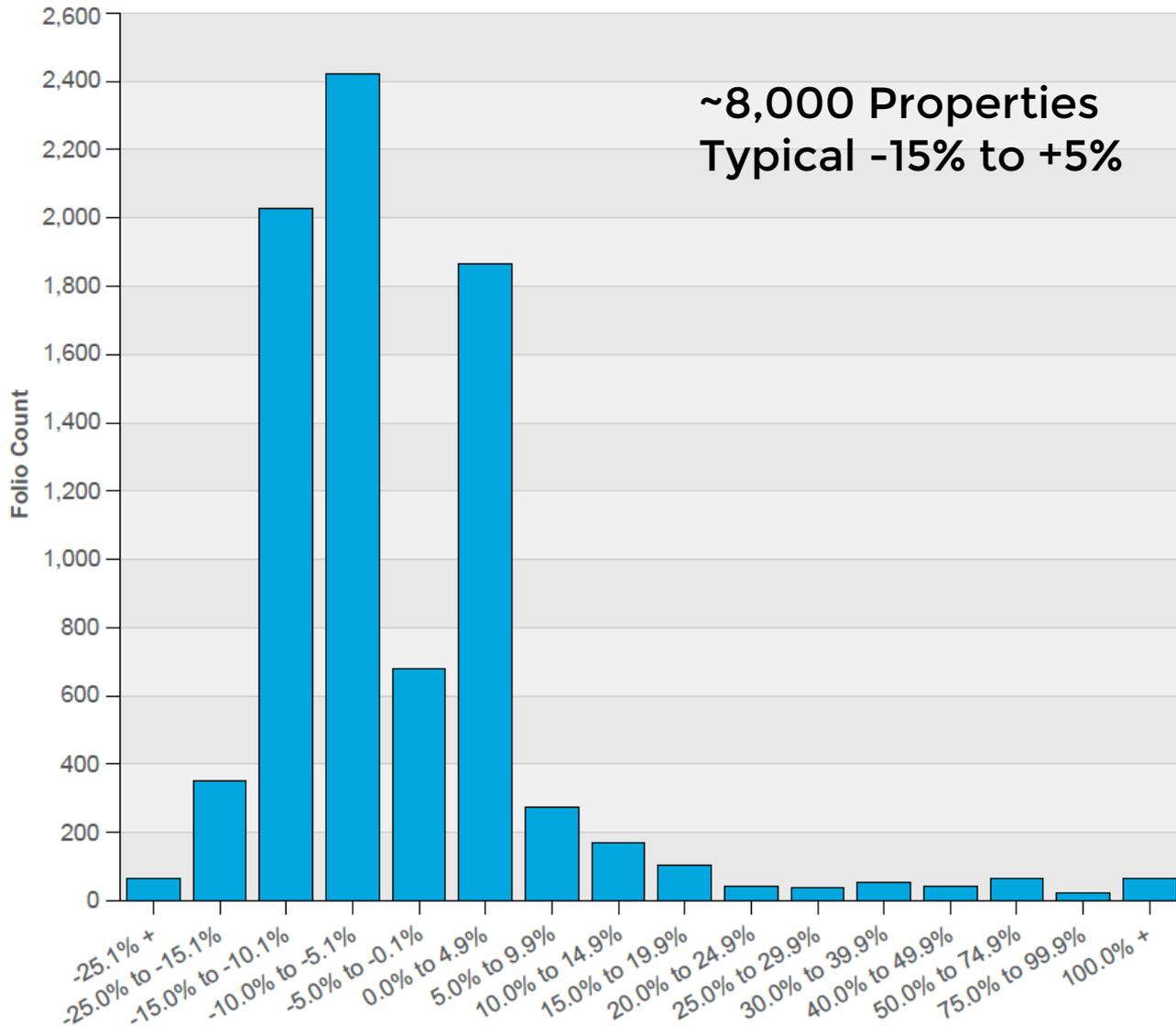
- Campbell Heights 35% to 60%
- Port Kells >20%
- Langley 25% to 45%
- Truck Parking shortage is causing Surrey values to go soaring
- Areas with Industrial OCP are going up faster than areas already zoned industrial



Multi Family

Theme: Stable market for current product and varied for development land

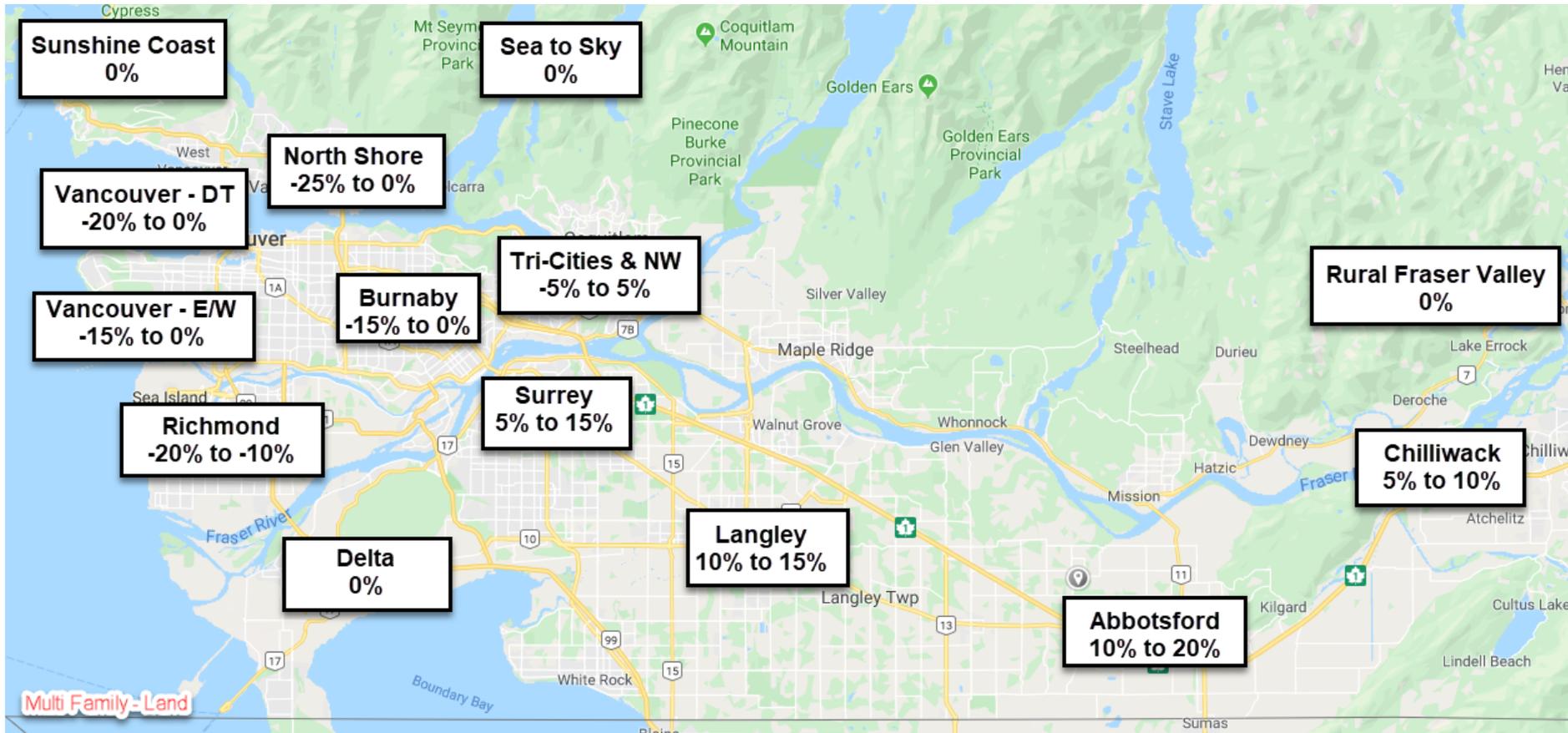
Multi Family Values Lower Mainland - 2020 Draft



Multi Family Sales

Municipality	Address	Sale Date	Sale Price	Lot Area (sf)	Building Size (sf)	Unit of Measure
North Vancouver (City)	155 E. 19th St	Oct-19	\$11,500,000	18,840	Low-rise, 29 suites	\$112,745/room 2.25% to 2.5% cap
Vancouver - East	55 E. 12th	Mar-19	\$18,250,000	29,925	Low-rise, 51 suites	\$124,150/room 2.5% to 2.75% cap
Vancouver - East	1415 E Broadway	Jan-19	\$14,200,000	24,156	Low-rise, 42 suites	\$108,397/room 1.75% to 2.0% cap
Vancouver - West	2182 West 39th Ave	Aug-19	\$10,000,000	11,850	Low-rise, 21 suites	\$153,846/room 2.75% to 3.0% cap
Vancouver - West	1935 Cypress Street	May-19	\$4,995,000	6,000	Low-rise, 10 suites	\$146,912/room 2.0% to 2.25% cap
Burnaby	7360 Halifax St	Jul-19	\$90,000,000	117,481	High-rise, 252 Suites	\$118,700/room 2.5% to 2.75% Cap
Surrey	13555 96 Ave	Jun-19	\$56,000,000	37,157	Low-rise, 146 suites	\$383,500/suite 3.25% to 3.5% cap
Langley	5393 201 st	Jul-19	\$39,000,000	53,274	Low-rise, 98 suites	\$108,000/room 3.25% to 3.5% cap

Multi Family Land Values Lower Mainland - 2020 Draft

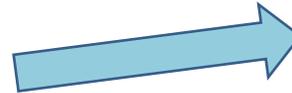


Multi Family Overview

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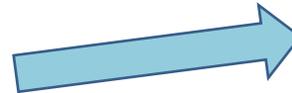
- **Rental Rate**

- Stable and Slight increases 0% to 5%



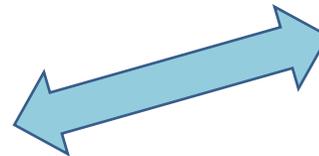
- **Cap Rates**

- Stable or increasing slightly by 0.25%



- **Assessment % Change**

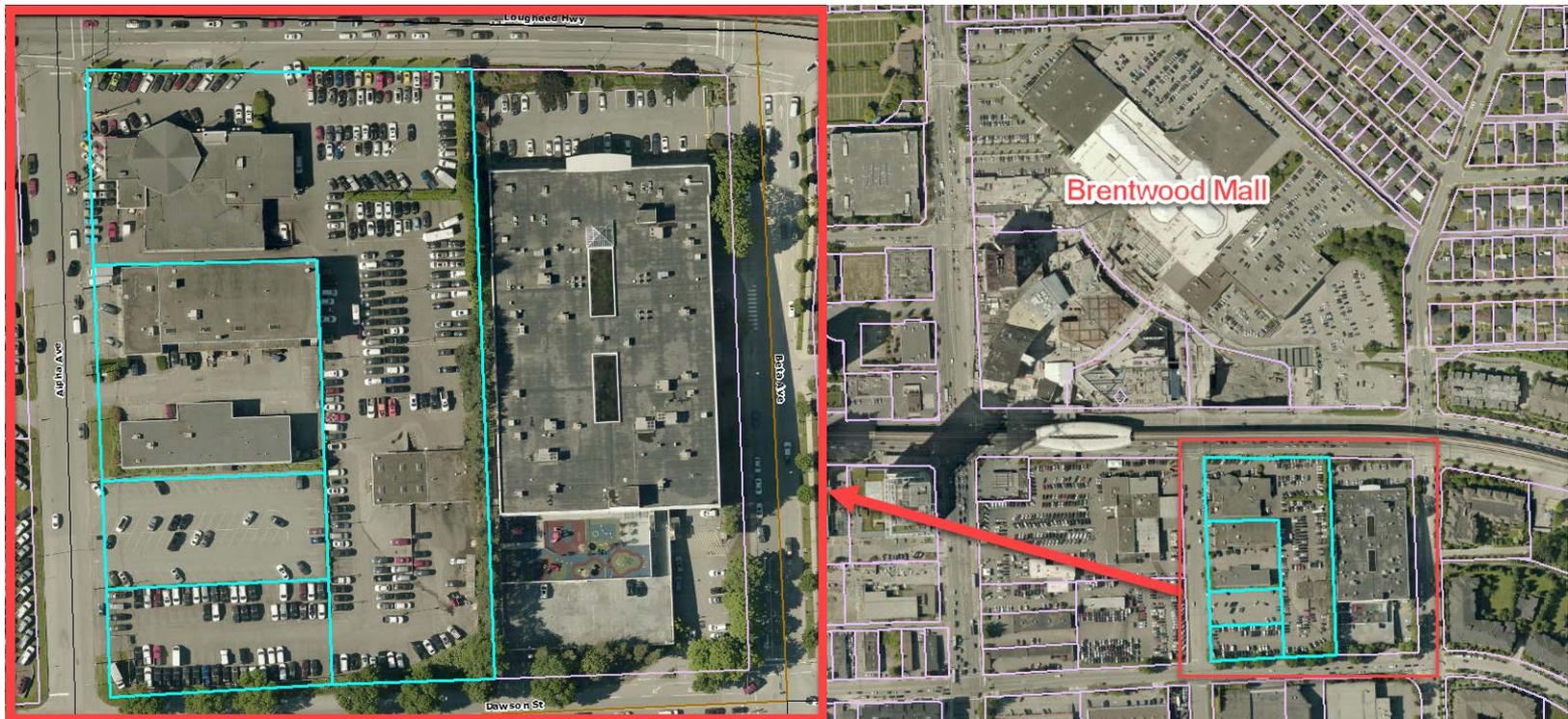
- -15% to 5% change typical



"This Just In Sale"

Municipality	Address	Sale Date	Sale Price	Lot Area (sf)	Building Size (sf)	Zoning	Type of Sale	Unit of Measure
Burnaby	2040, 2140, 2150 Alpha Ave & 4612 Lougheed Hwy, Burnaby	Mar-19	\$166,000,000	207,851 sf (4.77 ac)	Old buildings	M1 (OCP - RM5s High Density Res)	Land	\$235/PBA* using 3.4 outright of RM5s

- Grosvenor Group has assembled the entire block including 4664 Lougheed.
- Looking for master plan to high density mixed use (multi family strata/rental, office and retail uses).



BCA Contacts

- **Commercial**

- Richard Kwan (Area 08 & 10) ext 09627
- Vicky Yip (Area 09) ext 09596
- Darren Jerke (Area 11 & 14) ext 14324
- Shandra McInnes (15) ext 04232

- **Office**

- Simone Simpson (Area 08 & 09) ext 09503
- Mandy Zhao (Area 10, 11, 14 & 15) ext 09536

- **Industrial**

- Keith MacLean-Talbot (Area 08, 09 & 10) ext 09516
- Brent Sear (Area 11, 14, 15) ext 14236

- **Multi Family**

- Maarten Ene (Area 08 through 15) ext 09569

Area Descriptions

08 - North Shore Squamish Valley

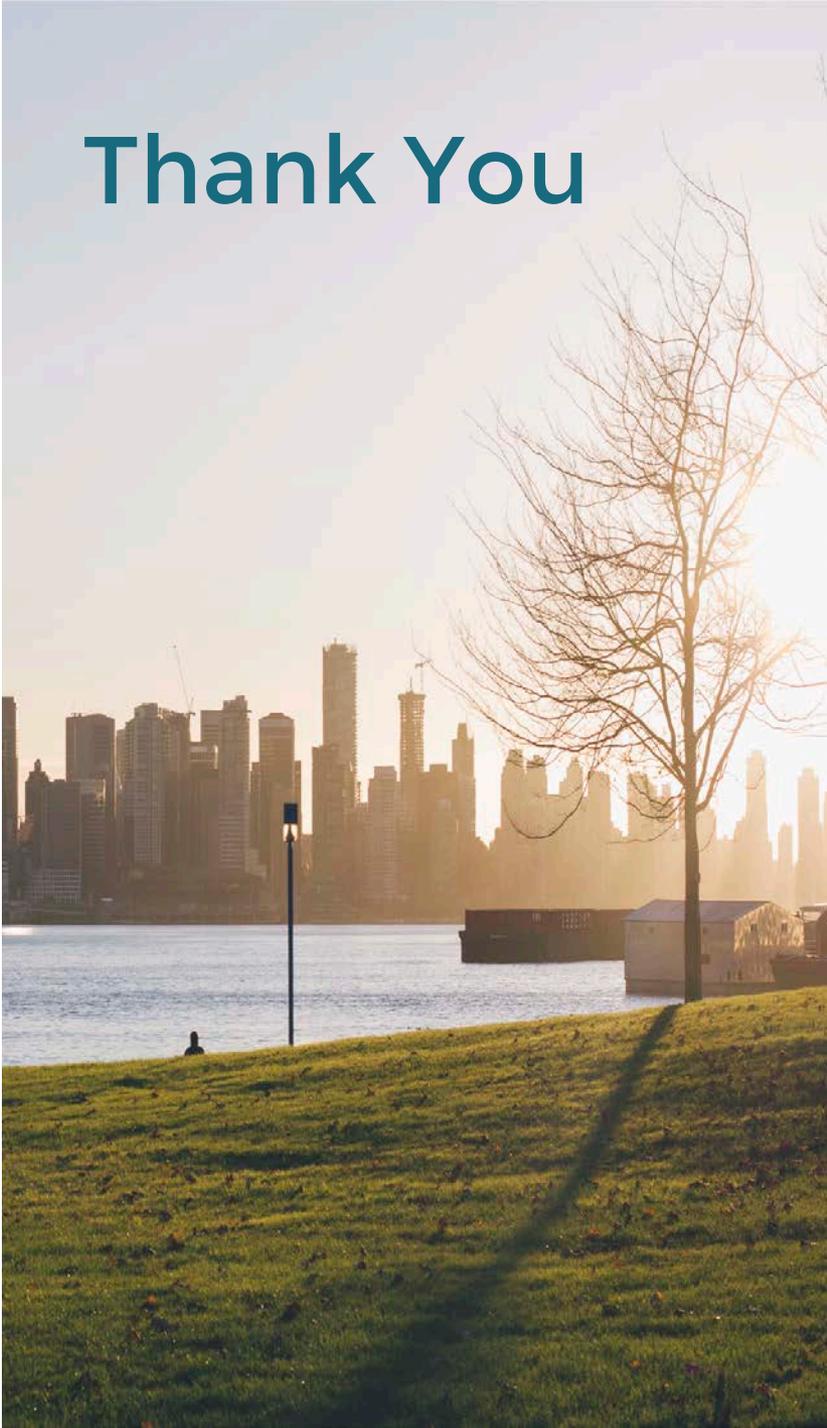
09 - Vancouver

10 - North Fraser

11 - Richmond-Delta

14 - Surrey White Rock

15 - Fraser Valley



Thank You