

WILLIAM | WRIGHT *Report*

GREATER VICTORIA INDUSTRIAL MARKET

REMAINS STRONG WELL INTO
2021 DESPITE THE PANDEMIC



Q1 2021

Vancouver Office
430-605 Robson Street
Vancouver, BC
604.428.5255

New Westminster Office
350-522 7th Street
New Westminster, BC
604.545.0636

Fraser Valley Office
210-8029 199th Street
Langley, BC
604.546.5555

Victoria Office
403-535 Yates Street
Victoria, BC
250.590.5797

Kelowna Office
205-478 Bernard Avenue
Kelowna, BC
236.420.3558

Property Management Office
200-808 W Hastings Street
Vancouver, BC
604.330.8295

GREATER VICTORIA INDUSTRIAL MARKET

The Greater Victoria Industrial Market continues to remain strong well into 2021 despite the COVID-19 pandemic and constant government lockdowns. Vacancy rates remain below 1% throughout the region and, as a result of demand and supply imbalances, rental rates continue to appreciate. Vacancy is expected to remain at record lows while awaiting new supply.

Many medium to large scale developers have pushed hard to supply the market and capitalize on such pent-up demand. The most recent completed project in Langford, a 23-unit light industrial park built by Northridge Excavating, saw both phases sold out prior

to completion. Approximately 1/3 of the units were sold by WWC to Vancouver based investors, the remainder of the units to owner occupiers.

The discrepancy in price per square foot (PPF) between Greater Victoria and Greater Vancouver is still vast, with investors finding much more value for their capital across the Strait on the Island. Lease rates have continued to increase in Greater Victoria and now sit highest in Canada, providing more favourable returns for investors.

There has been some large land acquisitions in the past 6 months in Greater Victoria. Notable transactions

SMALL BAY AND STRATA DEVELOPMENT PIPELINE

NAME	LOCATION	DEVELOPER	TOTAL FT ² (±)	COMPLETION
2930 AMY ROAD	Langford	Northridge Excavating	32,682	Completed
WEST SHORE BUSINESS PARK	Langford	945 Developments	120,000	Q2 2022
ALLENDALE LOT C	Colwood	Omicron	142,080	Q3 2022
INTRAURBAN	Colwood	PC Urban	129,000	Q2 2023
SANDOWN PARK	North Saanich	Platform Properties	130,000	2022
TOTAL			553,762	

include the purchase of the Western Speedway lands in Langford by Strand Developments, an 80.97 acre site with 42.80 acres of net developable commercial land. They plan to bring a mixed-use comprehensive development with commercial/industrial product throughout.

WRITTEN BY



CONNOR BRAID, MANAGING BROKER
(VANCOUVER ISLAND)
VICTORIA OFFICE



HARRY JONES, BROKER
VICTORIA OFFICE



PATRICK WOOD, BROKER
VICTORIA OFFICE



Beedie, one of the largest industrial developers in Western Canada, has purchased a 13.15 acre portion of Langford at the Luxton Fair Grounds with 11.00 acres of net developable commercial land for \$909,000 per acre.

Victoria is also set to see a multi-story industrial build as Edmonton-based York Properties has a proposal out located at the Victoria International Airport. The 7.7 acre site is set to be a distribution facility for a company that already services Greater Victoria—Amazon rumoured to be the client behind this exciting new development. This built-to-suit industrial model is becoming an

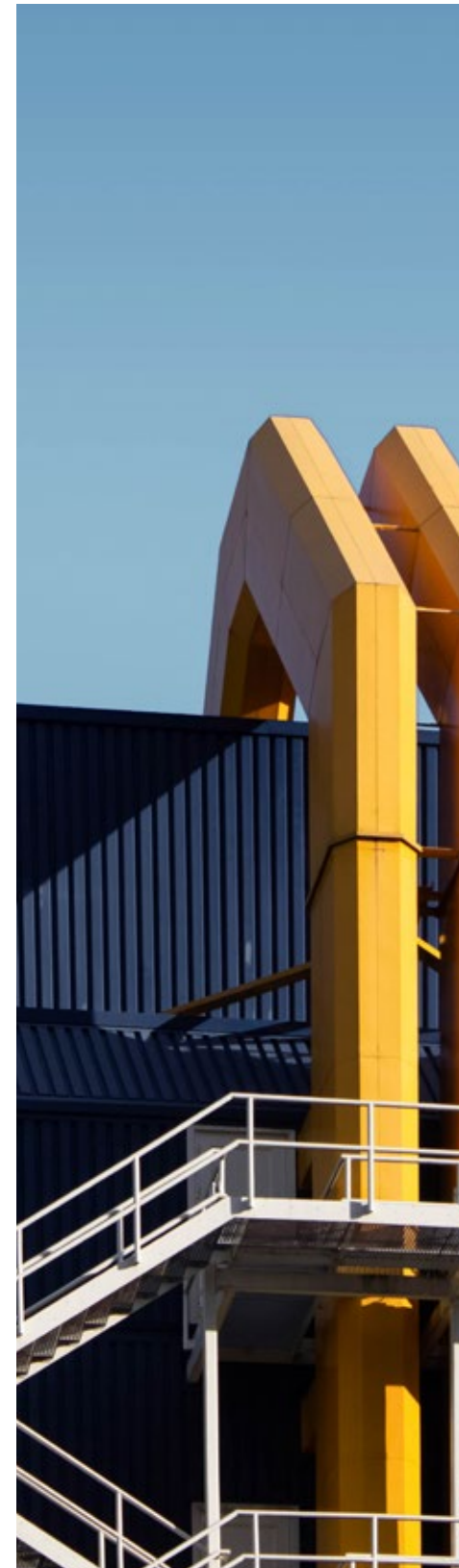
increasingly attractive option in Victoria due to the low vacancy rates and rising leasing costs.

The stacked industrial concept is proving to be more and more popular, with many developments in Vancouver already following this design structure. As Victoria continues its rapid growth, these types of developments entering the market are a strong sign of the growth potential of BC's capital city. If Amazon, the world biggest retailer, is in fact the client behind this project, it becomes another strong indicator of what the future holds for this exciting Victoria market.

WEST SHORE BUSINESS PARK



The West Shore Business Park at 4342 West Shore Parkway in Langford (built by 945 Developments and Eagle Builders), is set to be Victoria's first industrial building of this concept. Built into a steep rock face, this 33-unit off-set stacked light industrial development allows for a more efficient use of space whilst still providing high quality access, egress, loading, and unit versatility.



BC SELF STORAGE OVERVIEW

The storage market in British Columbia is bifurcated between Major metropolitan markets and smaller suburban and rural markets. In both markets, storage demand is strong and growing. In the Metro Vancouver area, there has been a great deal of storage construction in the past 24 months with no less than 12 storage facilities in the planning and construction phase, with 3 having recently opened. In other markets around the province there has also been a great deal of construction, however most of this is of smaller Class B facilities. The main drivers of storage growth in British Columbia are immigration and economic development. As both of these drivers are forecast to continue, storage demand growth is expected too as well.

RENTAL RATES

Although the COVID-19 pandemic put a temporary stop to rental rate increases, this pause in increases has gone away in most markets as of June 2020 and rental rates continue to increase in the majority of facilities across the province, with rental rate increases in some markets nearing the double-digit range.

OCCUPANCY

Occupancies remained strong throughout the lockdowns of 2020 and saw increases in most markets across BC starting in May 2020. This has continued into 2021 and should continue into the summer rental season. In markets with new developments, lease up is going well in most facilities with some beating pre-pandemic leasing expectations.

SALES

The COVID-19 pandemic had slowed transactions in the self-storage industry. However, the pace of transactions has increased at the end of 2020 and into 2021, with a major sale of the Mayfair Storage portfolio in Metro Vancouver in April 2021. All sales in 2020-2021 have shown downward pressure on Cap rates as well as increased interest in the Self-Storage Asset class from not only storage operators but from other investors as well. ■



201-310 Hudson Avenue, Salmon Arm
 Jeff Brown
 +/- 4,237 SQFT



659 E Hastings Street, Vancouver
 Nathan Armour, Stathis Savvis
 +/- 5,000 SQFT



120-55 W 8th Avenue, Vancouver
 David Hemmings
 +/- 6,773 SQFT



310 Hudson Avenue, Salmon Arm
 Jeff Brown
 +/- 20,970 SQFT ■ \$3,998,000



104-1456 St Paul Street, Kelowna
 Jeff Brown, Victoria Mitchell
 +/- 2,282 SQFT



10430 144th Street, Surrey
 Marianne Decotiis
 +/- 3,300 SQFT



Dental Practice, Richmond
 Seamus Bailey
 +/- 864 SQFT ■ \$1,800,000



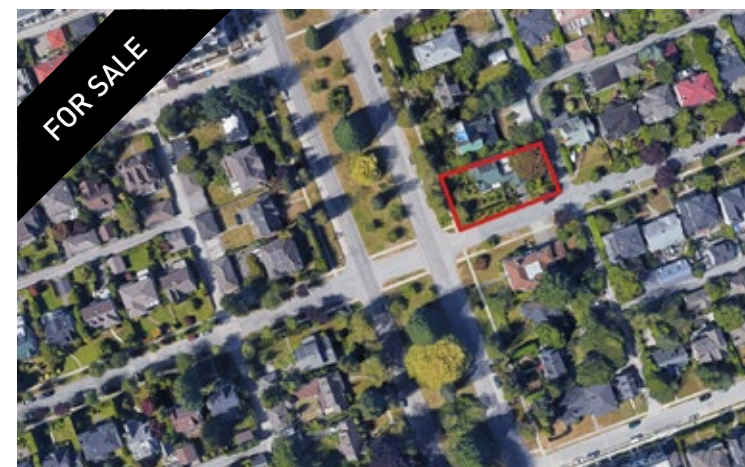
466 E Columbia Street, New Westminister
 Nathan Armour, Stathis Savvis
 +/- 5,107 SQFT ■ \$1,980,000



416 E Columbia Street, New Westminister
 Nathan Armour, Stathis Savvis
 +/- 2,000 SQFT



201-7491 Vedder Road, Chilliwack
 Chris van Vliet
 +/- 3,178 SQFT



4288 Cambie Street, Vancouver
 Amrita Guram, Trideep Chakraborty PREC*, Mark Nemish
 +/- 10,125 SQFT ■ Contact Listing Agents for Price



201-221 14333 104 Avenue, Surrey
 Arminster Sahota, Chris van Vliet
 +/- 19,227 SQFT ■ \$8,525,000



3695 W 4th Avenue, Vancouver
Harry Jones
+/- 2,900 SQFT



108-5497 Regent Street, Burnaby
Steven Lam
+/- 2,872 SQFT



1295 Johnston Street, Vancouver
Amrita Guram
+/- 2,308 SQFT



469 Bernard Avenue, Kelowna
Jeff Brown
+/- 4,300 SQFT ▪ \$1,757,500



475 Clark Drive, Vancouver
David Hemmings
+/- 4,773 SQFT



2331 Main Street, Vancouver
Meg Cooney
+/- 2,060 SQFT



101-848 Yates Street, Victoria
Harry Jones, Connor Braid
+/- 3,247 SQFT ▪ \$1,850,000



3735 Renfrew Street, Vancouver
Nathan Armour
+/- 4,000 SQFT ▪ \$2,100,000



726 Kingsway, Vancouver
Mark Nemish
+/- 2,973 SQFT



102-546 Yates Street, Victoria
Connor Braid, Harry Jones
+/- 5,760 SQFT



2104-2126 E Hastings Street, Vancouver
Meg Cooney, Steven Lam
+/- 9,900 SQFT ▪ \$5,620,000



538 Sixth Street, New Westminster
Nathan Armour, Cory Wright
+/- 2,170 SQFT ▪ \$1,800,000

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Commercial Real Estate Services

williamwright.ca



For more information please contact our Vancouver office.
sales@williamwright.ca | 604.428.5255