

Q2 2021

Victoria

Industrial Market Report

Net Absorption

This Quarter

51K SF

12-Month Absorption

156K SF

Previous Quarter

32K SF

3-Year Quarterly Avg.

43K SF

Vacancy

This Quarter

0.4%

Year-over-Year

↓ 30 bps

Asking Net Rent

This Quarter*

\$15.65 PSF

Year-over-Year

↑ 4.3%

Development

New Supply

24K SF

Planned

3.3M SF

Market Outlook

Amid the COVID-19 pandemic, the industrial sector remains strong in the Greater Victoria marketplace. The vacancy rate is at an all-time low of 0.4% as demand continues to heavily outpace supply. This places Greater Victoria's industrial vacancy rate in a tie with the Greater Toronto Area for the lowest in the country.

The lack of supply has increased the upward pressure on rental rates. Industrial net asking rental rates have grown to \$15.65 per square foot, a 25% increase over the past five years, and is approximately \$0.80, higher than anywhere else in the country.

Positive news for those seeking space in the marketplace include the approval of several major business park developments which will add to the industrial inventory in the coming years. Leading the way in new developments are the Westshore jurisdictions of Langford and Colwood which will add over 2.8 million square feet of inventory over the next few years.

Other noteworthy developments include the Wildcat Industrial Park, which will see approximately 172,000 square feet of inventory on a for sale basis come to the market. Additionally, Langford Heights' new industrial park located at Western Speedway will offer more than 1 million square feet of industrial space on a lease basis within the next couple of years.

Over the past decade, the Greater Victoria industrial market has seen close to a 1 million square feet of both new supply and positive absorption. With a projected 3.3 million square feet coming to the market over the next few years. The industrial market will begin to see a transition to the acquisition of new or built-to-suit locations. The market will begin to stabilize and provide options for tenants as this much needed inventory is introduced.

As 2021 progresses, the industrial market will see continued success and competitiveness as the economy is expected to improve while both regional and global certainty returns to the market.

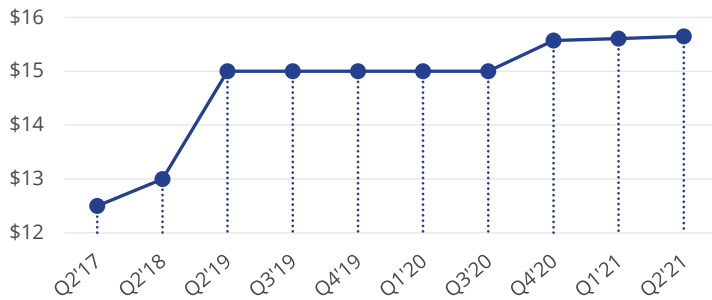
*Weighted Average
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Market Overview

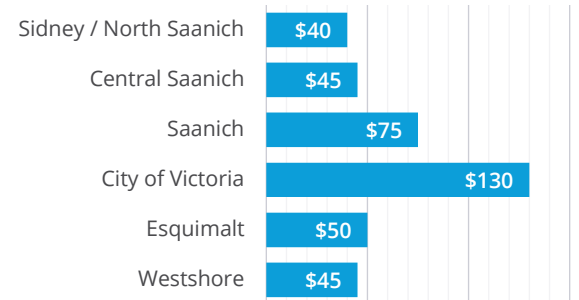
01 Historical Rental Rates

Weighted Average Asking Net Rent (PSF)



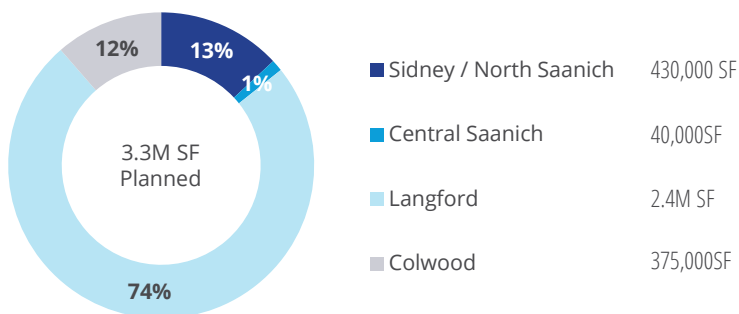
02 Land Sale Price by Market

Price per Square Foot



03 Planned Developments by Market

By Building Area (SF)



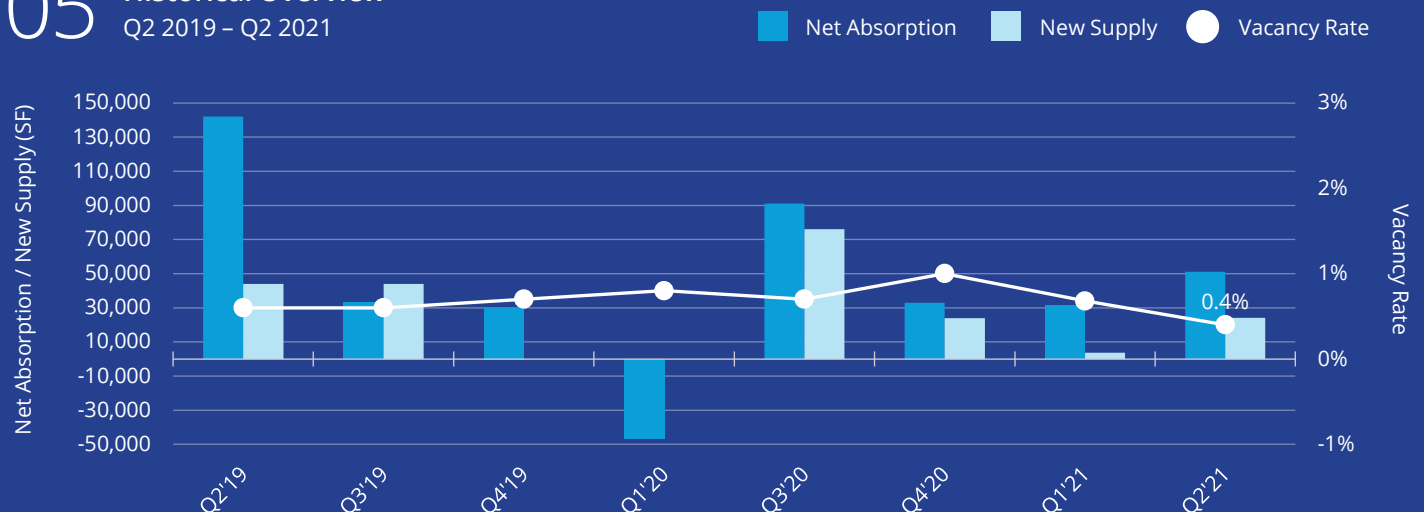
04 Availability Rate by Market

Q2 2020 - Q2 2021

Sidney / North Saanich	0.2%	↓	from 1.1% Q2'20
Central Saanich	0.0%	↓	from 0.6% Q2'20
Saanich	0.9%	↑	from 0.6% Q2'20
City of Victoria	0.5%	↓	from 0.7% Q2'20
Esquimalt	0.7%	↓	from 1.3% Q2'20
Westshore	0.0%	↓	from 0.9% Q2'20
Victoria Total	0.4%	↓	from 0.8% Q2'20

05 Historical Overview

Q2 2019 - Q2 2021



Market Statistics & Transaction Highlights

Market	Total Inventory (SF)	Total Vacant Space (SF)	Vacancy Rate (Current Q)	Vacancy Rate (Previous Q)	Net Absorption (SF)	New Supply (SF)	Under Construction (SF)
Sidney / North Saanich	890,894	1,709	0.2%	0.2%	0	0	125,000
Central Saanich	1,632,447	0	0.0%	0.4%	7,110	0	0
Saanich	1,815,917	16,947	0.9%	1.0%	1,719	0	40,000
City of Victoria	2,632,543	11,943	0.5%	1.0%	14,575	0	0
Esquimalt	763,083	5,333	0.7%	0.7%	0	0	0
Westshore	1,562,718	0	0.0%	0.2%	27,640	24,066	375,000
Victoria Total	9,297,602	35,932	0.4%	0.7%	51,044	24,066	550,000

Notable Lease Transactions

Tenant	Building Name / Address	Market	Lease Type	Size (SF)
CVS Tours Unlimited	9911 McDonald Park Road	Sidney	Renewal	13,920
Chrysalis Holdings	6772 Oldfield Road	Saanich	Lease	6,523
City Electric Supply Corp	927 Dunford Avenue	Langford	Lease	5,200

Notable Sales Transactions

Building Name / Address	Market	Size (SF)	Sale Price	Purchaser
524 Culduthel Road	Saanich	36,645	\$9,800,000	BC Investor
945-947 Alston Street	Victoria	29,973	\$9,225,000	Nicola Wealth
2120 Quadra Street	Saanich	22,824	\$4,400,000	Searidge Holdings

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