



Nanaimo & Mid-Vancouver Island Industrial Market Report

Fall 2021



Market Outlook

High demand and record low supply has escalated industrial land and rental rates in the city of Nanaimo.

Although not as low as Victoria's vacancy rate of 0.2% for Q3 2021, the City of Nanaimo is not far behind at 0.48%. This also represents a decrease in the vacancy rate from the same quarter last year, when it was 0.83%. With no speculative industrial developments presently under construction, the vacancy rate in the city is likely to remain low in the near term.

The low vacancy has subsequently put upwards pressure on rental rates. With limited available space, the average asking net rent has increased 21.5% from \$13.40 to \$16.27 per square foot, year-over-year.

For industrial land in Nanaimo, two of the most recent sales surpassed \$1 million per acre: 4101 & 4125 Jingle Pot Road's 4.56 acres sold for \$1,037,280 per acre;

while 975 Jackson Road's 5.5 acres sold for \$1,029,090 per acre.

The smaller mid-Vancouver Island industrial markets - Parksville and Errington; Duncan; Ladysmith and Chemainus; and Cobble Hill - are experiencing similarly low vacancies, with their combined average vacancy being 0.41%.

The Port of Nanaimo's \$105 million expansion announced in February 2021 will put additional demand on the city's industrial market, in terms of the need for more yard, warehouse, and distribution space.

With businesses growing and expanding into the mid-Vancouver Island area, we expect continued demand for industrial real estate in the coming year.

City of Nanaimo Vacancy

This Quarter

0.48%

Year-over-Year

↓ 35 bps

Asking Net Rent

This Quarter*

\$16.27 PSF

Year-over-Year

↑ 21.5%

Market	Total Inventory (SF)	Total Vacant Space (SF)	Vacancy Rate
Nanaimo (including South Wellington and Lantzville)	3,134,577	14,248	0.45%
Chemainus and Ladysmith	257,506	325	0.13%
Duncan	962,806	11,560	1.20%
Parksville (including Errington)	856,237	2,500	0.29%
Cobble Hill	100,231	0	0.00%
Mid Island Total	5,311,357	28,633	0.54%

*Please note for this year's report, a vacancy calculation was completed for the City of Nanaimo, and Nanaimo inclusive of South Wellington and Lantzville.

Major Sale Transactions

Address	Market	Sale Date	Sale Price	Building Size (SF)	Lot Size (Acres)
975 Jackson Road	Nanaimo	June-21	\$5,660,000	Unconfirmed	5.50
4301 & 4311 Boban Drive	Nanaimo	March-21	\$5,150,000	27,500	1.78
4101 & 4125 Jingle Pot Road	Nanaimo	Sep-21	\$4,730,000	Unconfirmed	4.56
9394 Smiley Road	Chemainus	Aug-21	\$3,797,000	15,880	5.40
1390 Industrial Way	Parksville	Aug-21	\$3,500,000	8,925	8.13
SL 8, 9 & 10 – 1875 Boxwood Road	Nanaimo	Aug-21	\$3,400,000	11,905	Strata
2780 Vigar Road	Campbell River	Sep-21	\$2,700,000	25,666	2.13
2221 McGarrigle Road	Nanaimo	June-21	\$2,490,000	18,665	1.25
Lot 23, 24 & 25 Scott Road	Duncan	Aug-21	\$2,373,000	Not Applicable	3.76
2258 Dorman Road	Nanaimo	Jan-21	\$2,250,000	13,650	0.92
6846 Metro Road	Lantzville	Feb-21	\$2,075,000	9,825	0.73
2345 Delinea Place	Nanaimo	April-21	\$1,850,000	6,637	0.41
9386 Smiley Road	Chemainus	Jan-21	\$1,815,775	18,292	1.38
3462 Auby Place	Duncan	July-21	\$1,650,000	4,876	1.08
3663 Island Highway South	Courtenay	Nov-20	\$1,200,000	4,480	1.81
1285 Springhill Road	Errington	Feb-21	\$1,100,000	10,823	3.00

Source: Landcor, Colliers Research

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