

Q3 2021

Victoria

Industrial Market Report

Net Absorption

This Quarter

15K SF

Previous Quarter

51K SF

12-Month Absorption

131K SF

3-Year Quarterly Avg.

24K SF

Vacancy

This Quarter

0.2%

Year-over-Year

↓ 50 bps

Asking Net Rent

This Quarter*

\$16.02 PSF

Year-over-Year

↑ 6.8%

Development

New Supply

- SF

Planned

3.3M SF

Market Outlook

The Greater Victoria industrial sector remains strong and critically undersupplied with an all-time low vacancy rate of 0.2% as demand continues to outpace supply heavily. This all-time low vacancy rate places Greater Victoria's industrial vacancy rate as the lowest in the country.

The lack of supply has increased the upward pressure on rental rates and has resulted in an escalation to \$16.02 per square foot overall in Victoria, which is more than 3% higher than the rental rates in Vancouver and 50% higher than the rates in Toronto.

Positive news for those seeking space in the marketplace includes the approval of several significant business park developments, which will add approximately 3.3 million square feet of inventory to the industrial market over the coming years. With these developments, the industrial market will begin to see a transition towards the acquisition of new or built-to-suit locations.

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.

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.

We predict that the new supply added to the market will stabilize the market and provide tenants options as this much-needed inventory is introduced.

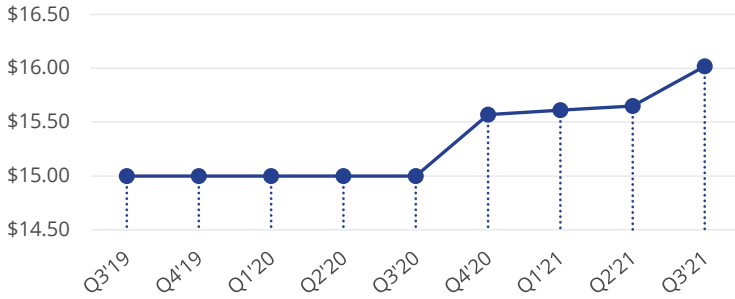
*Weighted Average
Colliers Macaulay Nicolls Inc.

Accelerating success.

Market Overview

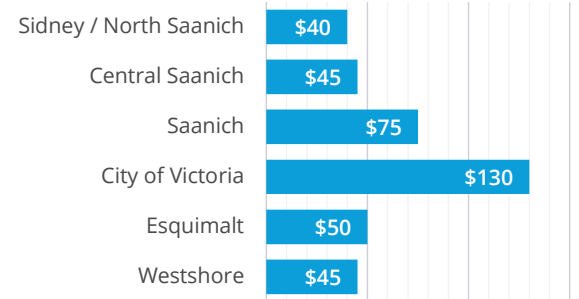
01 Historical Rental Rates

Weighted Average Asking Net Rent (PSF)



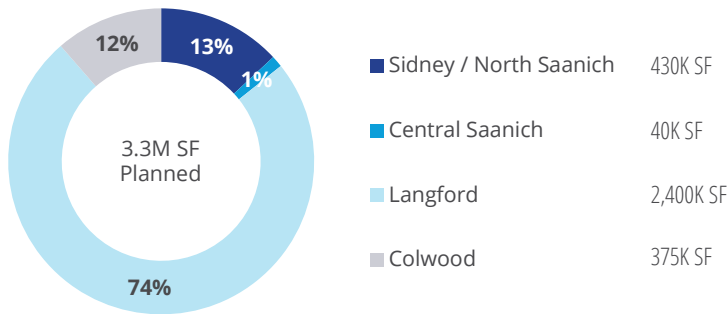
02 Land Sale Price by Market

Price per Square Foot



02 Planned Developments by Market

By Building Area (SF)



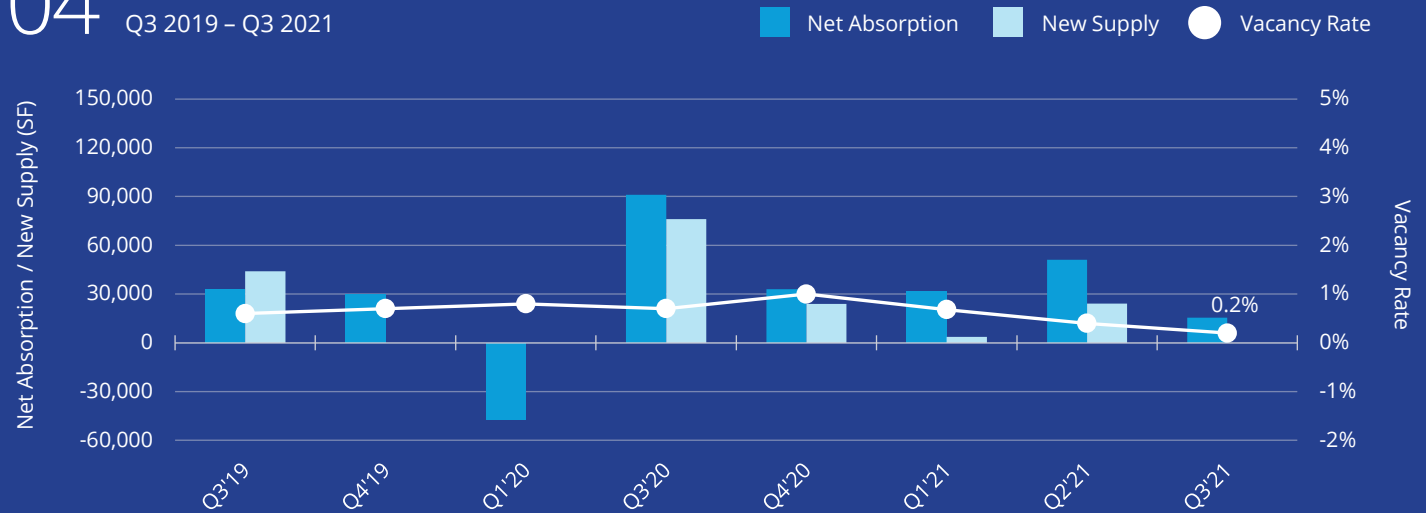
03 Availability Rate by Market

Q3 2020 - Q3 2021

Market	Availability Rate	Change	From
Sidney / North Saanich	0.0%	↓	from 0.4% Q3'20
Central Saanich	0.0%	↓	from 0.6% Q3'20
Saanich	0.8%	↑	from 0.6% Q3'20
City of Victoria	0.2%	↓	from 0.9% Q3'20
Esquimalt	0.0%	↓	from 1.8% Q3'20
Westshore	0.1%	↓	from 0.5% Q3'20
Victoria Total	0.2%	↓	from 0.7% Q3'20

04 Historical Overview

Q3 2019 - Q3 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	0	0.0%	0.2%	1,709	0	125,000
Central Saanich	1,632,447	0	0.0%	0.0%	0	0	0
Saanich	1,815,917	14,747	0.8%	0.9%	2,200	0	40,000
City of Victoria	2,632,543	4,160	0.2%	0.5%	7,783	0	0
Esquimalt	763,083	0	0.0%	0.7%	5,333	0	0
Westshore	1,562,718	1,595	0.1%	0.0%	(1,595)	0	375,000
Victoria Total	9,297,602	20,502	0.2%	0.4%	15,430	0	550,000

Notable Lease Transactions

Tenant	Building Name / Address	Market	Lease Type	Size (SF)
Finning International Inc.	700 Vanalman Avenue	Saanich	Renewal	14,411
Speed Mechanics	4223 Commerce Circle	Saanich	New	10,023
Allula Composites Inc.	4240 Glandford Avenue	Saanich	New	8,078

Notable Sales Transactions

Building Name / Address	Market	Size (SF)	Sale Price	Purchaser
2045 W Mills Road	Sidney	20,248	\$5,200,000	BC Investor
2120 Quadra Street	Saanich	22,824	\$4,400,000	Searidge Holdings
747,749,751 Discovery Street	Victoria	9,308	\$3,100,000	BC Investor

Colliers Research



We are the industry cornerstone of authoritative statistics, forecasts and market commentary across Canada.

With more than 20 years of comprehensive market data, extensive research capabilities and access to 'live' deal information – there is no other research firm in Canada that can provide such a complete commercial real estate research solution.

With more than 20 dedicated research specialists, supported by 20 market data coordinators – our world-class researchers are continuously sourcing and analyzing data in every major market across Canada – to ensure our clients receive the most accurate and powerful information to make critical decisions for their future.

Core services:

- Predictive market research
- Reporting on key insights and trends
- Access to the latest market data
- Customized research engagements

For more information on the Victoria Industrial Market, please contact:

Tyler Dolan

Managing Director,
Vancouver Island
+1 250 414 8388
tyler.dolan@colliers.com

Roelof van Dijk

Senior Director, National
Research & Analytics | Canada
+1 416 798 0991
roelof.vandijk@colliers.com

Leo Lee

Director, National
Research Operations | Canada
+1 416 620 2839
leo.lee@colliers.com

Max Shapinko

Research Operations
Specialist | Canada
+1 416 791 7256
max.shapinko@colliers.com

Report Author:

Austin Cope

Research Coordinator
+1 250 414 8381
austin.cope@colliers.com

Report Contributor:

Rachelle Shearing

Market Data Coordinator
+1 250 388 6454
rachelle.shearing@colliers.com

Colliers Canada | Victoria
Colliers Macaulay Nicolls Inc.
1175 Douglas Street, Suite 1110
Victoria, BC, V8W 2E1
+1 250 388 6454

collierscanada.com/research



Copyright © 2021 Colliers International.
Information herein has been obtained from sources deemed reliable,
however its accuracy cannot be guaranteed. The user is required to conduct
their own due diligence and verification. © 2021 Colliers Macaulay Nicolls Inc.

Accelerating success.