

INDUSTRIAL Overview

**AVISON
YOUNG**

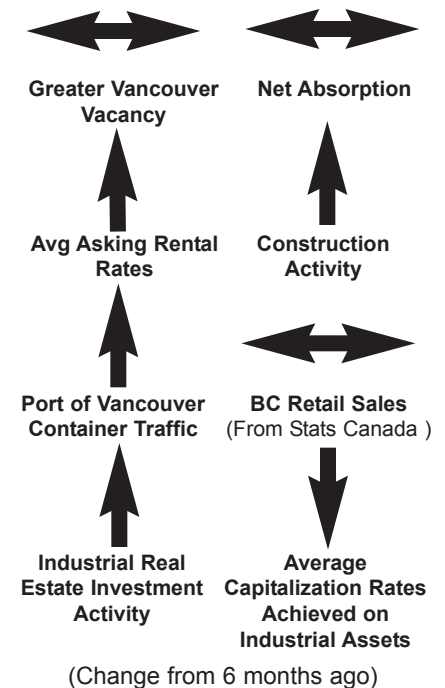
Fall 2003

Greater Vancouver Industrial Real Estate Market Overview

INDUSTRIAL MARKET SUMMARY

Region	Industrial Inventory (S.F.)	Vacancy	Avg. Lease Rates	Avg. Land Costs Per Acre
Richmond	27,322,000	2.4%	\$4.50 - \$9.00	\$500,000 - \$750,000
Burnaby	22,987,000	2.6%	\$4.25 - \$9.00	\$525,000 - \$800,000
Surrey	22,514,000	1.1%	\$4.75 - \$6.25	\$475,000 - \$600,000
Vancouver	20,930,000	2.9%	\$5.50 - \$9.00	\$850,000 - \$2,200,000
Delta	19,045,000	2.5%	\$4.50 - \$6.25	\$400,000 - \$475,000
Langley	11,962,000	1.9%	\$4.75 - \$6.25	\$425,000 - \$600,000
Coquitlam	6,115,000	2.8%	\$4.25 - \$6.75	\$495,000 - \$550,000
Port Coquitlam	5,404,000	4.0%	\$4.50 - \$5.95	\$290,000 - \$400,000
North Vancouver	4,391,000	4.1%	\$6.50 - \$12.00	\$850,000 - \$1,300,000
New West	3,682,000	2.1%	\$3.50 - \$6.00	\$275,000 - \$600,000
TOTALS	143,533,878	2.4%	-	-

INDUSTRIAL INDICATORS



PREDICTIONS

- Investment product will continue to be in strong demand.
- Low vacancy and declining inventory will put upward pressure on land prices.
- Traffic congestion will increasingly factor into relocation decisions.

BACK PAGE FEATURE

Olympic Impacts:

Five Ways Hosting the 2010 Winter Games Will Affect Industrial Property Owners and Tenants



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E. & O.E.: The information contained herein was obtained from sources deemed reliable. While thought to be correct, it is not guaranteed by Avison Young Commercial Real Estate (BC) Inc.

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SIGNIFICANT SALE TRANSACTIONS (LAST SIX MONTHS)

Building	Vendor / Buyer	Sale Price / Yield	Area (S.F.)	Age	Site Acres	Price (P.S.F.)
	21720 Fraserwood Way, Richmond					
	BNY Trust / Navona Investor Services	\$13,500,000 / 7.74%	138,054	2003	7.2	\$97.88
	10025 River Way, Delta					
	Avcorp Industries / GWL Realty Advisors	\$14,500,000 / 9.66%	281,800	1997	6.5	\$51.45
	20146 - 100 A Avenue, Langley					
	Morguard Investments / Austeville Properties	\$12,800,000 / 7.9%	200,000	1991	9.1	\$64.78
	9385 - 200th Street, Langley					
	TELUS / GWL Realty Advisors	\$10,500,000	192,000	1983	18.3	\$54.40
	8875 - 8910 River Road, Delta					
	544553 BC Inc. / Abbotsford Concrete Products	\$7,125,000 / User	178,000	1978 / 1991	12.1	\$40.03

SIGNIFICANT SALE TRANSACTIONS (LAST SIX MONTHS)

Building	Vendor / Buyer	Sale Price / Yield	Area (S.F.)	Age	Site Acres	Price (P.S.F.)
	9969 River Way, Delta					
	Beedie Group / Delta Building Products	\$5,987,000	93,000	2000	5.56	\$64.38
	8510 River Road, Delta					
	EBCO Aerospace / ASCO Industries	\$5,525,000 / N/A	40,000	1988	7.8	\$138.00
	1160 East 3rd Avenue, North Vancouver					
	Delesalle Holdings / Standard Life	\$5,135,000 / 8.4%	40,000	1982	3.0	\$128.37

SIGNIFICANT LEASE TRANSACTIONS (LAST SIX MONTHS)

Address	City	Sq. Ft.	Type	Tenant
7350 Hopcott Road	Delta	310,000	Lease	IKEA Wholesale LP
8335 Meadow Avenue	Burnaby	280,000	Lease	Sony Entertainment
927 Derwent Way	Delta	110,000	Lease	MTE Logistix Pacific
9331 200th Street	Langley	86,000	B.T.S.	NAPA Auto Parts
7763 Progress Way	Delta	75,000	Lease	Ampacet Canada
Kingswood Corporate Centre	Richmond	70,000	Lease	TELUS
1587 Derwent Way	Delta	65,000	Lease	LV Lomas Longo
7198 Progress Way	Delta	62,000	Renewal	Delta Play
19750 92A Avenue	Langley	59,100	Lease	National Fast Freight
11388 No. 5 Road	Richmond	47,000	B.T.S.	Kirk Mailing Service
1308 Derwent Way	Delta	46,600	Lease	Cascadia Intermodal Terminals
19475 96th Avenue	Surrey	45,000	B.T.S.	Oakmont
695 Derwent Way	Delta	38,350	Sublease	Canadian Mercantile
9505 189th Avenue	Surrey	34,000	B.T.S.	Canadian Brake Warehouse
7168 Progress Way	Delta	32,000	Renewal	Grinnel Corporation of Canada

Vancouver 2010 and the Industrial Real Estate Market

Five ways the Olympics will affect industrial property owners and users

Excerpt from "The 2010 Olympic Games and the Greater Vancouver Industrial Real Estate Market" (Avison Young: October 2003)

1. Direct demand for warehouse space from Olympic organizers and sponsors.

This demand will begin to occur in mid 2008, following the Beijing summer games when some Olympic suppliers, broadcasters and sponsors will move Olympic-related equipment from one Games to the next. The majority of demand directly attributable to organizers and sponsors will only be of a few months' duration.

Source of Direct Olympic-Related Demand for Industrial Real Estate

SPACE USER	USE	APPROX. START	TYPE OF SPACE	SQ. FT. ESTIMATES
Vancouver Organizing Committee of the Olympic Games	Storage & distribution of supplies: fences, tents, portable toilets, volunteer uniforms, trash cans, etc.	2009	Warehouse	75,000 - 150,000
Broadcasters	Storage of supplies, equipment and for high-end video assembly work	2008	Warehouse	100,000 - 150,000
RCMP & Integrated Public Safety Command Security System	Conducting background checks, processing credentials, staging area, supplies storage.	2009	Warehouse	30,000 - 60,000
Sponsors	Storage, assembly, staging area, preparation.	2009	Warehouse	50,000 - 150,000
Other (including sports governing associations, national olympic committees)	Storage, staging area	2008-2010	Warehouse	25,000 - 75,000
Total				280,000 - 585,000

Sq. Ft. (estimated)

280,000 to 585,000

2. Increased demand for space from "Olympic preparation" related businesses.

Over the next six years, at least 15 construction or renovation projects will be required to host the Games. The construction supply business should grow, increasing demand for warehouse-distribution space. Additionally, suppliers of goods or services to Olympic organizers, sponsors, and broadcasters may need to grow their businesses and lease space as a result.

100,000 to 200,000

3. Increased demand for space from a growth in number and size of industrial space users.

Two sources: (A) Some companies will be able to use the global prestige of Vancouver to open negotiations for contracts around the world. (B) International companies establishing operations in Vancouver. The majority of this business growth is likely to happen after the Games in 2010.

250,000 to 500,000 (most between 2009 and 2012)

4. Through an acceleration of re-development plans

Certain older industrial districts will see redevelopment plans to create residential, or higher density industrial use accelerate. Pressure for industrial space may push various municipalities to develop future industrial areas faster.

Not Applic.

5. Relocation because of road closures and inconveniences

Road closures from Olympic-related construction, and during the Games, may inconvenience some industrial users who may make a decision to relocate to avoid these problems.

Not Applic.

For the complete report, visit www.avisonyoung.com

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