

Vancouver is the largest city in British Columbia and the third largest in Canada. Metro Vancouver is home to 2.4 million people and is one of the largest ports on the west coast of North America.

The local economy was shaken by the collapsing U.S. housing market and the resulting credit crisis. But this region has fared better than most during 2009. We begin 2010 as host city to the Winter Olympics and expect 2.5% growth in our regional economy for 2010.

The office market in the CBD has an overall vacancy rate of 7.0%, and absorption is expected to be negative until mid-2010. In recent years, demand for high-rise residential development sites in the urban core has led to reduced office space inventory with little new office product coming to market in 2010-2011. The office markets in Richmond, Burnaby and Surrey have rebounded as tenants look to the suburbs for space.

The industrial market continues to outperform most other Canadian industrial markets due to insufficient supply, with average vacancy rates approximately 4%. Land prices are expected to be stable in 2010, ranging between \$750,000 and \$1.3 million per acre. Overall absorption remains positive. Rental rates average \$8.00/sf net.

The retail market is under increasing pressure due to slowing consumer spending. Steady population growth especially in the CBD and near the rapid transit lines will keep this sector active in 2010. Market rents will remain fairly stable as well.

The investment market is recovering slowly. After five quarters of either flat or declining levels of investment activity, the Greater Vancouver property market showed signs of recovery in the third quarter of 2009. The multi-family market is particularly active with cap rates approximately 5.0%. Cap rates for most other product types range between 6.5% and 8.0% in the Vancouver region and between 8.0% and 10% in secondary markets outside the Vancouver area depending on product type and location.

Vancouver At-A-Glance

Rates are provided in Net Rent/ SF / Year

Currency Used: Country's Currency CDN\$

Classification	Low Rental Rates	High Rental Rates	Vacancy Rate
Downtown Office — Submit as Full Service Rates			
New Construction (AAA)	CDN 30.00	CDN 40.00	5.0%
Class A (Prime)	CDN 28.00	CDN 38.00	6.0%
Class B (Secondary)	CDN 25.00	CDN 33.00	8.0%
Suburban Office — Submit as Full Service Rates			
New Construction (AAA)	CDN 29.00	CDN 35.00	8.0%
Class A (Prime)	CDN 25.00	CDN 32.00	7.5%
Class B (Secondary)	CDN 20.00	CDN 25.00	12.0%
Industrial Space — Submit as Net (Triple Net) Rates			
Bulk Warehouse	CDN 6.00	CDN 9.00	4.0%
Manufacturing	CDN 6.50	CDN 10.00	4.0%
High Tech/R&D	CDN 8.50	CDN 14.00	4.5%
Retail Space — Submit as Full Service Rates			
Downtown (High Street Shops)	CDN105.00	CDN180.00	4.0%
Neighbourhood Service Centres (Retail Units in Parks)	CDN 30.00	CDN 60.00	4.0%
Community Power Centres (Big Box)	CDN 30.00	CDN 40.00	4.5%
Regional Malls	CDN 25.00	CDN 40.00	4.5%
Solus Food Stores (European Region Only)	N/A	N/A	N/A

Development Land (Provided per Acre)

Classification	Low/Acre	High/Acre
Office in CBD	CDN 3,267,000	CDN 5,800,600
Land In Office Parks	CDN 900,000	CDN1,300,000
Land In Industrial Parks	CDN 850,000	CDN 1,300,000
Office/Industrial Land—Non Park	CDN 750,000	CDN 1,200,000
Retail/Commercial Land	CDN 750,000	CDN1,500,000
Residential	CDN 750,000	CDN1,500,000

Source: NAI Commercial Vancouver