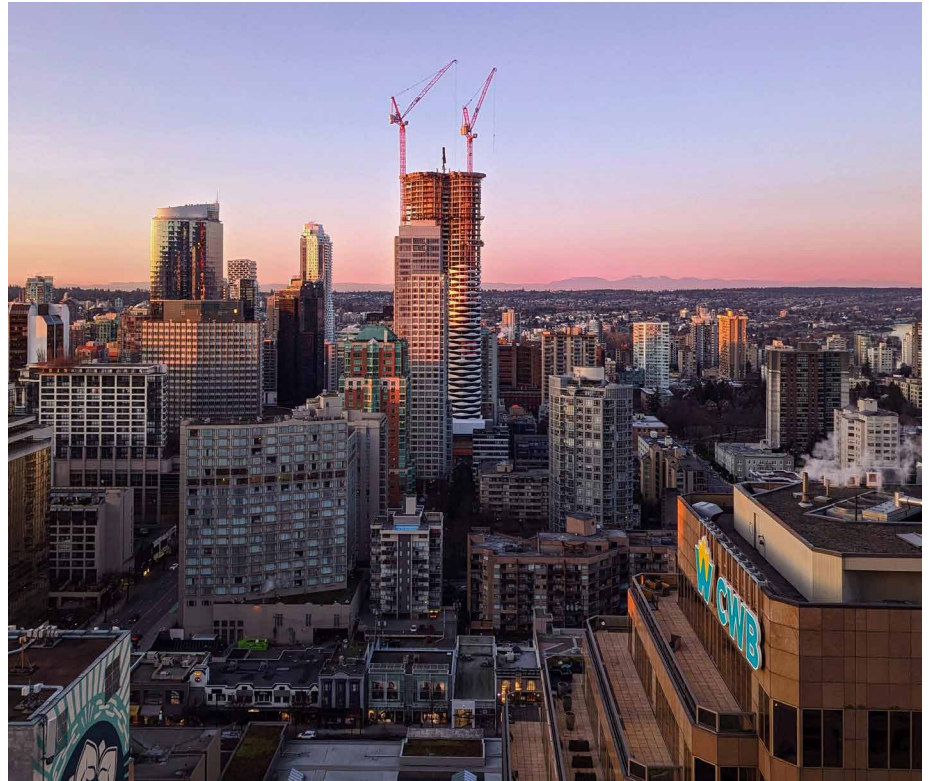
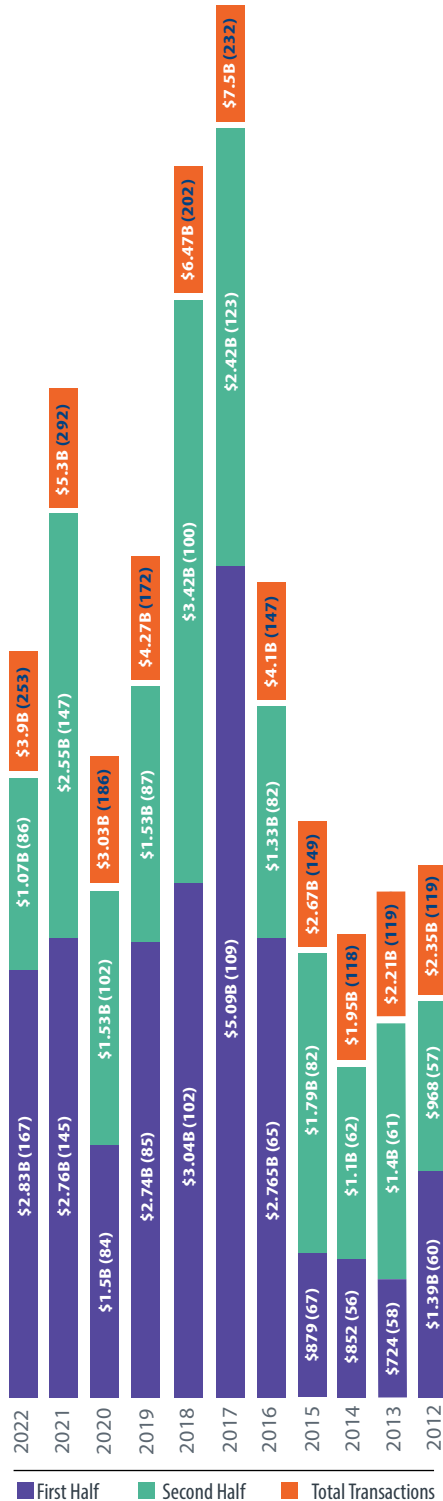


# British Columbia

## Year-End 2022: BC Investment sales by dollar volume & number of sales

OFFICE, INDUSTRIAL & RETAIL DEALS >\$5M



## British Columbia's commercial real estate market displayed stable fundamentals throughout 2022

The BC commercial real estate market remained resilient in 2022 despite the growing macroeconomic and geopolitical headwinds that persisted throughout the year. Despite the seven consecutive interest rate increases by the **Bank of Canada** in 2022, acquisitions and sales continued across the province.



**\$1.95 BILLION**  
2022 industrial sales



**\$1.9 BILLION**  
2022 multi-family sales



**\$1.3 BILLION**  
2022 retail sales



**\$2 BILLION**  
2022 ICI land sales



**\$613 MILLION**  
2022 office sales



**\$5 BILLION**  
2022 residential land sales



**\$3.9 BILLION**  
2022 investment sales  
(includes industrial, office & retail sales)

continued on back page

\*Avison Young tracked retail, office, industrial, multi-family and land deals valued at more than \$5M per transaction for this report

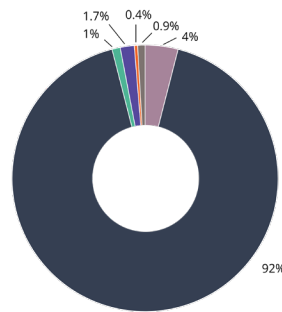
# Buyer & Seller Profiles - 2022

## Buyer profile

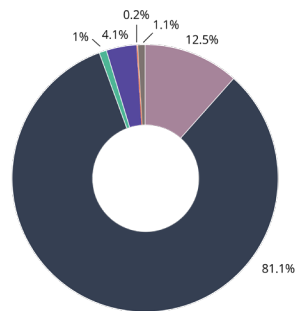
Acquisitions by private investors led the charge in 2022, accounting for 92% of the total deals. These transactions translated into \$10.5B worth of deployed capital, a slight increase in market share from 2021 as private investment remained the most prominent source of capital throughout BC. Excluding ICI land and residential land, the industrial market benefitted most from private investors in 2022. Private buyers accounted for 123 deals and \$1.75B (90%) of the \$1.95B invested in industrial properties in 2022.

Purchasers continued to navigate the ever-changing economic environment in 2022. As pricing expectations fluctuated throughout the year, some groups were more willing to deploy their capital than others who adopted a more conservative strategy.

**2022: NUMBER OF TRANSACTIONS BY TYPE OF BUYER**



**2022: VALUE OF SALES BY TYPE OF BUYER**

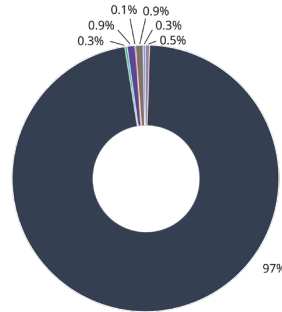


## Seller profile

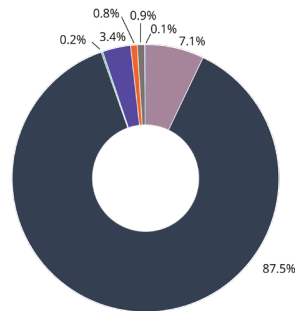
Private vendors accounted for 97% of total deals in 2022, which amounted to \$11.3B worth of capital. Residential land vendors accounted for the highest level of completed transactions, accounting for 39% of all deals in 2022. Institutions and REITs remained active in 2022, achieving \$918M and \$418M in total sales, respectively.

Much like purchasers, vendors weathered the irresolute macroeconomic landscape throughout 2022. Some groups were hesitant to take properties to the open market given the uncertainty with the values that could be achieved, particularly in the latter half of the year. While some vendors forged through with transactions, others remained on the sidelines trying to wait out the storm and internally reassess the changing landscape.

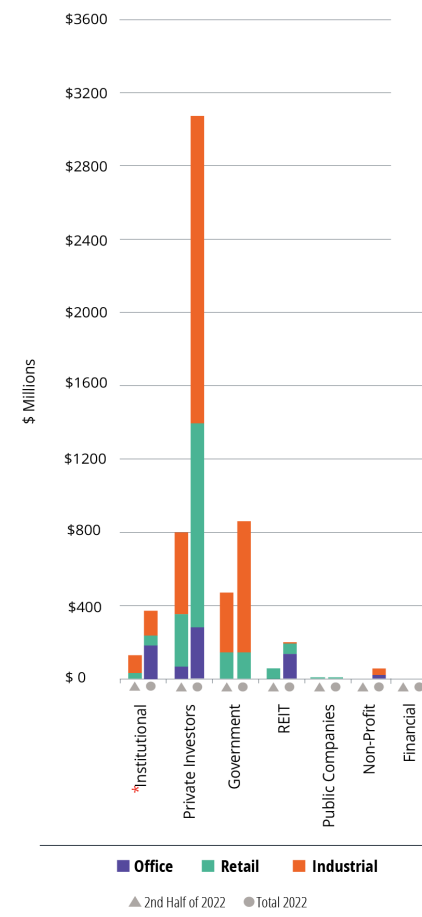
**2022: NUMBER OF TRANSACTIONS BY TYPE OF SELLER**



**2022: VALUE OF SALES BY TYPE OF SELLER**

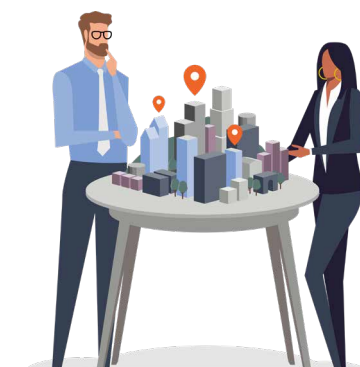


**SECOND HALF & TOTAL OF 2022: BUYER PURCHASES BY ASSET TYPE**



\* Institutional investors can include pension funds, offshore interests and life insurance companies

Note: Foreign buyers have also been active investors. Rather than identifying them separately as foreign, Avison Young is categorizing them as institutional or private as the case may be.



# Land

The land market was significantly impacted by the challenging macro-economic climate, notably the uncertainty of when rising interest rates would hit their ceiling. Rising interest rates over the year impacted all sectors of the economy, increasing borrowing costs and property values, directly impacting developer's profit. Coupled with escalating development costs, the hit on developer's proformas and bottom line resulted in delayed and even cancelled projects. Moreover, not all market participants have adapted to the new environment, leading to a disconnect on price expectations between prospective purchasers and vendors, stalling market activity even further. Longer due-diligence periods, attractive vendor-takeback mortgage options and generally longer closing dates were all necessary conditions to get a deal to the finish line in the latter half of 2022, with the market favouring purchasers.

**TOP FIVE RESIDENTIAL LAND SALES (METRO VANCOUVER)**  
(By Price) July 1 to December 31, 2022

| PROPERTY   | LOCATION   | PRICE         | SITE SIZE (ACRES) | SITE SIZE (SF) | DATE    |
|--|------------|---------------|-------------------|----------------|---------|
| Bristol Estates - 13301 104 Avenue                         | Surrey     | \$170,000,000 | 6.38              | 277,730        | July-22 |
| 4444 & 4488 Kingsway                                       | Burnaby    | \$145,000,000 | 1.84              | 79,978         | Nov-22  |
| Coronation Park - 106 Buckingham Drive                     | Port Moody | \$125,556,500 | 9.53              | 415,256        | Sept-22 |
| 10355 King George Boulevard                                | Surrey     | \$108,500,000 | 5.08              | 221,197        | Nov-22  |
| 17246, 17252, 17266, 17288 96th Avenue & 9450 172nd Street | Surrey     | \$63,000,000  | 13.53             | 589,280        | Oct-22  |

**COMMERCIAL ICI LAND SALES**  
(Greater than \$5 million and excluding parks and agricultural/agricultural business lands) July 1 to December 31, 2022

| PROPERTY                      | LOCATION | PRICE        | TYPE       | SITE SIZE (ACRES) | DATE    |
|-------------------------------|----------|--------------|------------|-------------------|---------|
| 19803 & 19837 86th Avenue     | Langley  | \$11,000,000 | Commercial | 4.82              | Aug-22  |
| Lot 1, 19900 Block 80A Avenue | Langley  | \$10,800,000 | Commercial | 2.00              | July-22 |
| 9699 & 9711 137 Street        | Surrey   | \$9,200,000  | Commercial | 0.33              | Nov-22  |
| 8871 - 8971 Douglas Street    | Richmond | \$7,680,000  | Commercial | 0.55              | Oct-22  |

**INDUSTRIAL ICI LAND SALES**  
(Greater than \$5 million and excluding parks and agricultural/agricultural business lands) July 1 to December 31, 2022

| PROPERTY   | LOCATION        | PRICE         | TYPE       | SITE SIZE (ACRES) | DATE    |
|--|-----------------|---------------|------------|-------------------|---------|
| 19469 & 19511 92nd Avenue                                | Surrey          | \$111,000,000 | Industrial | 14.20             | Oct-22  |
| 18825, 18843, 18973, 19055 16th Avenue & 19030 20 Avenue | Surrey          | \$56,865,000  | Industrial | 24.58             | Sept-22 |
| 26477, 26575, 26601 56 Avenue & 5670 264 Street          | Langley         | \$43,223,000  | Industrial | 18.41             | July-22 |
| 851 & 861 Terminal Avenue                                | Vancouver       | \$38,800,000  | Industrial | 1.21              | Nov-22  |
| 19464 94th Avenue  | Surrey          | \$33,200,000  | Industrial | 4.50              | Dec-22  |
| 15700 River Road   | Richmond        | \$30,000,000  | Industrial | 5.41              | July-22 |
| 10707, 10731, 10745, 10755 Scott Road                    | Surrey          | \$25,500,000  | Industrial | 4.89              | Oct-22  |
| 21690 Smith Crescent & Lot 2 Smith Crescent              | Langley         | \$24,000,000  | Industrial | 9.73              | Aug-22  |
| 323 Alexander Street                                     | Vancouver       | \$23,866,666  | Industrial | 0.59              | Sept-22 |
| 13200 Vulcan Way   | Richmond        | \$23,000,000  | Industrial | 2.39              | Dec-22  |
| 950 Raymur Avenue  | Vancouver       | \$19,300,000  | Industrial | 1.56              | Aug-22  |
| 10790 Fir Road; 10769 & 10791 Scott Road                 | Surrey          | \$16,600,000  | Industrial | 2.90              | Nov-22  |
| 18942 20 Avenue  | Surrey          | \$16,000,000  | Industrial | 4.85              | July-22 |
| 5721B Production Way                                     | Langley         | \$15,835,000  | Industrial | 3.83              | Nov-22  |
| 10202 177A Street  | Surrey          | \$15,343,000  | Industrial | 2.29              | Oct-22  |
| 30530 Matsqui Place                                      | Abbotsford      | \$15,000,000  | Industrial | 3.30              | Oct-22  |
| 360 Waterloo Avenue                                      | Penticton       | \$12,600,000  | Industrial | 5.28              | Sept-22 |
| 18745 24 Avenue  | Surrey          | \$12,400,000  | Industrial | 3.30              | July-22 |
| 369 Alexander Street                                     | Vancouver       | \$11,933,333  | Industrial | 0.29              | Sept-22 |
| 18861 16th Avenue  | Surrey          | \$11,500,000  | Industrial | 5.00              | Oct-22  |
| 11635 & 11645 130th Street                               | Surrey          | \$11,500,000  | Industrial | 1.86              | Nov-22  |
| 18973 16th Avenue  | Surrey          | \$11,425,000  | Industrial | 4.96              | Sept-22 |
| 26695 56 Avenue  | Langley         | \$10,925,000  | Industrial | 4.75              | July-22 |
| 19031 0 Avenue   | Surrey          | \$10,800,000  | Industrial | 9.04              | Nov-22  |
| 18725 & 18697 96th Avenue                                | Surrey          | \$10,350,000  | Industrial | 1.07              | Sept-22 |
| 3133 262 Street & 26183 30A Avenue                       | Langley         | \$10,000,000  | Industrial | 1.35              | July-22 |
| 19460 60th Avenue  | Surrey          | \$9,450,000   | Industrial | 1.34              | Nov-22  |
| 1801 Capilano Road                                       | North Vancouver | \$9,100,000   | Industrial | 0.46              | Sept-22 |
| 13176 Lilley Drive                                       | Maple Ridge     | \$5,850,000   | Industrial | 1.39              | Aug-22  |
| 2341 City Gate Boulevard                                 | Langford        | \$5,100,000   | Industrial | 2.55              | Nov-22  |
| 26071 30A Avenue   | Langley         | *             | Industrial | 2.37              | Nov-22  |

Prices denoted by \* are share sales where an estimated price has been determined. Sources: Avison Young, Commercial Edge & Altus Data Studio

## Office

Metro Vancouver's office vacancy held at 8.6% at year-end 2022, which represented one of the lowest vacancy rates in North America. Transactions decreased 74% between the first and second half of 2022, with 50% of the acquisitions in the second half of the year over \$10M. The largest of these transactions was the sale of 309-321 Sixth Street in New Westminster for \$22M.

As noted, this year's theme of rising development and financing costs resulted in project's being shelved or cancelled, which extended its way to certain strata office projects. As a result, certain strata office projects were either put on hold or cancelled completely. This was the case for

**Slate Asset Management's Capital Point** development in Burnaby. With the uncertainty surrounding rising interest rates continuing into 2023, developers are expected to continue reassessing the viability of strata office projects until proformas start penciling out in their favour.

Despite softening in the investment market, interest in suburban market office assets continued with 83% of second-half transactions being in suburban areas. In some cases, interest was driven by positive rental rate growth and continued decrease in vacancy. Langley was a prime example of suburban vitality where vacancy fell from a staggering 18% in 2020 to 9% in the second half

of 2022. During this time, Langley saw strong demand for strata office with several projects completed and sold out during this period. Most notably, **Marcon Developments purchased Latimer Business Hub** for \$9.9M in the second half of the year. A notable pivot this year was the Langley Business Centre, which was originally proposed to be delivered as a leasing project and capitalized on this strengthening market by changing to a strata offering instead. With the recently announced SkyTrain extension through the municipality, investors are expected to continue to see opportunities within Langley's growing office market.

### Suburban office market continues to peak interest with 83% of Metro Vancouver's transactions in suburban areas

| BC OFFICE TRANSACTIONS (2ND HALF - GREATER THAN \$5M)        |                 |                     |             |            |         |  |
|--|-----------------|---------------------|-------------|------------|---------|--|
| PROPERTY   | LOCATION        | PRICE               | VENDOR TYPE | BUYER TYPE | DATE    |  |
| 309, 315, 321 Sixth Street                                   | New Westminster | \$22,050,000        | Private     | Private    | Oct-22  |  |
| 169 West 7th Avenue  | Vancouver       | \$12,000,000        | Private     | Private    | Dec-22  |  |
| 95 Schooner Street   | Coquitlam       | \$10,250,000        | Private     | Private    | Oct-22  |  |
| Latimer Business Hub Unit B600, B605, B700 20020 84th Avenue | Langley         | \$9,983,605         | Private     | Private    | Nov-22  |  |
| River Park Place 2 - Unit 385 & Unit 450 6928 Pearson Way    | Richmond        | \$8,260,000         | Private     | Private    | July-22 |  |
| 4730 Imperial Street   | Burnaby         | \$6,150,000         | Private     | Private    | July-22 |  |
| <b>Total Deals/Investment</b>                                | <b>6</b>        | <b>\$68,693,605</b> |             |            |         |  |

Sources: Avison Young, Commercial Edge & Altus Data Studio



## Industrial

The BC industrial market remained a favourite for investors in the second half of 2022, accounting for 55% of the total investment deals (office, industrial & retail deals), up from 48% in the first half of 2022. In total, 47 deals were valued at over \$580M in the second half of 2022. Most notably, **BeeDIE Group's** purchase of 7303 Meadow Avenue in Burnaby was purchased at \$83M.

Although industrial assets were not immune to the economic headwinds of 2022, only seven of the 47 transactions were above the \$20M threshold, down 70% from the 23 deals recorded in the first half of 2022. Private investors remained the most active stakeholders within this asset class on both sides of the transactions. Only three purchases were made by non-private entities — 7303 Meadow Avenue in Burnaby for \$83M, the **Greater Vancouver Water District** transaction at 8910 Shaughnessy Street in Vancouver for \$31M, and **ICM Asset Management's** purchase of **City Centre Storage Lockers** in Victoria for \$6M. The latter example demonstrates the continued demand for industrial assets in secondary markets.

The industrial strata market was also not immune to the year's worsening macroeconomic environment in the second half of 2022. This market saw a record level of releases of units as interest rates rose, as well as the tightening of financial terms by lenders. As stable income-producing products saw greater demand during these uncertain times, the industrial market accordingly showed its resilience by achieving 6% growth in its rental rate between the first and second half of 2022, with most annual rental escalations being set between 3-4%.

| BC INDUSTRIAL TRANSACTIONS (2ND HALF - GREATER THAN \$5M)                       |                 |                      |             |               |         |  |
|---|-----------------|----------------------|-------------|---------------|---------|--|
| PROPERTY  | LOCATION        | PRICE                | VENDOR TYPE | BUYER TYPE    | DATE    |  |
| 7303 Meadow Avenue  | Burnaby         | \$83,000,000         | Private     | Institutional | Dec-22  |  |
| Gateway - 3333 Bridgeway Street   | Vancouver       | \$38,250,000         | Private     | Private       | Nov-22  |  |
| 8910 Shaughnessy Street   | Vancouver       | \$31,800,000         | Private     | Government    | Aug-22  |  |
| 44109 & 44137 Progress Way  | Chilliwack      | \$27,500,000         | Private     | Private       | July-22 |  |
| 85 North Bend Street  | Coquitlam       | \$21,500,000         | Private     | Private       | Aug-22  |  |
| 7950 Enterprise Street  | Burnaby         | \$21,100,000         | Private     | Private       | Oct-22  |  |
| 20240 Stewart Crescent & 20295 113B Avenue                                      | Maple Ridge     | \$20,700,000         | Private     | Private       | Dec-22  |  |
| Unit 100, 1055 Vernon Drive   | Vancouver       | \$19,000,000         | Private     | Private       | Aug-22  |  |
| 323 West 6th Avenue   | Vancouver       | \$18,000,000         | Private     | Private       | July-22 |  |
| 2324 Government Street  | Victoria        | \$17,200,000         | Private     | Private       | July-22 |  |
| 9580 McCarthy Road  | Kelowna         | \$15,900,000         | Private     | Private       | July-22 |  |
| 5425 Production Boulevard   | Surrey          | \$15,700,000         | Private     | Private       | July-22 |  |
| 330 Edworthy Way  | New Westminster | \$12,300,000         | Private     | Private       | Dec-22  |  |
| 1451 Adanac Street  | Vancouver       | \$12,000,000         | Private     | Private       | Oct-22  |  |
| 5085 Regent Street  | Burnaby         | \$11,000,000         | Private     | Private       | Oct-22  |  |
| 5671 Minoru Boulevard   | Richmond        | \$10,500,000         | Private     | Private       | July-22 |  |
| 1497 Adanac Street  | Vancouver       | \$10,250,000         | Private     | Private       | Dec-22  |  |
| Cedar Heights Business Centre: Unit 1 - 3170 194th Street                       | Surrey          | \$10,213,540         | Private     | Private       | Oct-22  |  |
| 419 Sumas Way   | Abbotsford      | \$9,000,000          | Private     | Private       | July-22 |  |
| Unit 105 - 7337 North Fraser Way  | Burnaby         | \$9,000,000          | Private     | Private       | Aug-22  |  |
| Cedar Heights Business Centre: Unit 5 - 3170 194th Street                       | Surrey          | \$8,928,000          | Private     | Private       | Sept-22 |  |
| 8130 Winston Street   | Burnaby         | \$8,184,900          | Private     | Private       | Nov-22  |  |
| 11558 132A Street   | Surrey          | \$8,125,000          | Private     | Private       | Aug-22  |  |
| 7584 Vantage Place  | Delta           | \$7,900,000          | Private     | Private       | Nov-22  |  |
| 12280 Vickers Way   | Richmond        | \$7,770,000          | Private     | Private       | July-22 |  |
| Langley Gateway: Units A170, A175, A180, A185, A190 - 19748 86th Avenue         | Langley         | \$7,573,075          | Private     | Private       | Nov-22  |  |
| 12140 Vulcan Way  | Richmond        | \$7,500,000          | Private     | Private       | Aug-22  |  |
| Parkland Business Centre: Unit A110 - 5525 272nd Street                         | Langley         | \$7,350,000          | Private     | Private       | Sep-22  |  |
| 6786 King George Boulevard  | Surrey          | \$7,100,000          | Private     | Private       | Oct-22  |  |
| 19762 98th Avenue   | Langley         | \$6,625,000          | Private     | Private       | Nov-22  |  |
| 9347 193rd Street   | Surrey          | \$6,500,000          | Private     | Private       | July-22 |  |
| Unit 110 & 120 - 7858 Hoskins Street  | Delta           | \$6,450,000          | Private     | Private       | July-22 |  |
| Unit 100, 27426 60th Avenue   | Langley         | \$6,400,000          | Private     | Private       | Oct-22  |  |
| 9512 194A Street  | Surrey          | \$6,305,000          | Private     | Private       | Sep-22  |  |
| City Centre Storage Lockers - 818 Johnson Street                                | Victoria        | \$6,220,000          | Private     | Institutional | Nov-22  |  |
| Campbell Heights North Commerce Centre: Unit 101 & Unit 102 - 3950 191st Street | Surrey          | \$5,800,000          | Private     | Private       | Dec-22  |  |
| Unit 1 & Unit 2 - 19089 94th Avenue   | Surrey          | \$5,750,000          | Private     | Private       | July-22 |  |
| Cedar Heights Business Centre: Unit 2 - 3170 194th Street                       | Surrey          | \$5,515,000          | Private     | Private       | Oct-22  |  |
| Wesmont Centre: Unit A130 & A135 - 6286 203 Street                              | Langley         | \$5,486,580          | Private     | Private       | Sep-22  |  |
| Cedar Heights Business Centre: Unit 3 - 3170 194th Street                       | Surrey          | \$5,375,000          | Private     | Private       | Oct-22  |  |
| Cedar Heights Business Centre: Unit 4 - 3170 194th Street                       | Surrey          | \$5,371,300          | Private     | Private       | Oct-22  |  |
| Unit 600 - 1055 West 14th Street  | North Vancouver | \$5,200,000          | Private     | Private       | Sep-22  |  |
| 238-240 East 1st Street   | North Vancouver | \$5,125,000          | Private     | Private       | Nov-22  |  |
| Cedar Heights Business Centre: Unit 6 - 3170 194th Street                       | Surrey          | \$5,090,000          | Private     | Private       | Oct-22  |  |
| 7934 Enterprise Drive   | Chilliwack      | \$5,000,000          | Private     | Private       | July-22 |  |
| Nicola Business Centre: Unit 3110 - 580 Nicola Avenue                           | Port Coquitlam  | \$5,000,000          | Private     | Private       | Nov-22  |  |
| 13090 & 13102 Lilley Drive  | Maple Ridge     | \$5,000,000          | Private     | Private       | Nov-22  |  |
| <b>Total Deals/Investment</b>   | <b>47</b>       | <b>\$586,557,395</b> |             |               |         |  |

Prices denoted by \* are share sales where an estimated price has been determined. Sources: Avison Young, Commercial Edge & Altus Data Studio

## Retail

Interest in retail assets sustained its steady pace in the second half of 2022 as sales reached \$414.6M, recording a total sales volume of \$1.33B in 2022. This figure accounted for 33% of the total sales volume in 2022 for office, industrial and retail asset classes. The second half of 2022 saw 33 transactions, with 45% of these exceeding \$10M. The largest retail acquisition was **Skyline REIT's** purchase of **Beverly Corners** in Duncan for \$59M. However, private investors were still the main drivers for retail investment, accounting for 82% of acquisitions. A notable transaction was **Low Tide Properties'** acquisition of 2119-2131 West 4th Avenue for \$20.6M from **Bonnis Properties**.

Accounting for 21% of acquisitions in the second half of 2022, shopping centres continued to appeal to investors as a source of steady cashflow with future redevelopment potential. Most notably in Surrey, **Clayton Crossing Shopping Centre** was the second largest transaction in the latter half of 2022 at \$29.4M; while Nelson, a secondary market within BC, saw a significant transaction close in the last quarter of 2022. The **Jim Pattison Group**, one of the largest companies in Canada, deployed \$28.7M into the region by acquiring **Chahko Mika Mall** from **RioCan REIT**.



Following the pandemic, increased demand for grocery-anchored shopping centres led to a compression in cap rates for these assets. Certain groups began exploring opportunities in Alberta searching for higher cap rates. The higher rate of return on their investment allows them to better mitigate both the rising interest rate environment of 2022 and the uncertainty ahead.

"Everyday retail" continued to be in high demand due to contracted supply. As a result, some single-space

opportunities were achieving above-market rental rates, with landlord's getting access to preferred tenants and a reduction in inducements for new leases. This trend was most prevalent in suburban markets as rental rates continued to rise.

## Private investors continue to drive retail investment

| BC RETAIL TRANSACTIONS (2ND HALF - GREATER THAN \$5M)          |                 |                      |             |               |         |
|--|-----------------|----------------------|-------------|---------------|---------|
| PROPERTY   | LOCATION        | PRICE                | VENDOR TYPE | BUYER TYPE    | DATE    |
| Beverly Corners: 2749 -2763 Beverly Street                     | Duncan          | \$59,000,000         | Private     | REIT          | Aug-22  |
| Clayton Crossing Shopping Centre: 18655 & 18737 Fraser Highway | Surrey          | \$29,424,999         | Private     | Private       | July-22 |
| Chahko Mika Mall: 1200 Lakeside Drive                          | Nelson          | \$28,750,000         | Private     | Private       | Nov-22  |
| 1034 Robson Street   | Vancouver       | \$27,500,000         | Private     | Institutional | Oct-22  |
| 8140 120th Street  | Surrey          | \$22,200,000         | Private     | Private       | Nov-22  |
| 19360 Langley Bypass   | Surrey          | \$20,830,000         | Private     | Private       | Nov-22  |
| 2119, 2123, 2127, 2131 West 4th Avenue                         | Vancouver       | \$20,600,000         | Private     | Private       | Oct-22  |
| 4591 Garden City Road  | Richmond        | \$20,000,000         | Private     | Private       | July-22 |
| 1053 Davie Street  | Vancouver       | \$14,000,000         | Private     | Private       | July-22 |
| 3790 Canada Way  | Burnaby         | \$12,000,000         | Private     | Private       | Nov-22  |
| Newton Commerce Centre: Unit 100 - 12992 76th Avenue           | Surrey          | \$11,026,000         | Private     | Private       | Sep-22  |
| 1470 Prairie Avenue (50% interest)                             | Port Coquitlam  | \$10,684,500         | Private     | Private       | Sep-22  |
| Karan's Plaza: 12070 88th Avenue                               | Surrey          | \$10,500,000         | Private     | Private       | Sep-22  |
| 4933 Victoria Drive  | Vancouver       | \$10,410,000         | Private     | Public Co.    | Sep-22  |
| 1450 Government Street   | Victoria        | \$10,250,000         | Private     | Private       | Nov-22  |
| North Shore Auto Mall: 813 Automall Drive                      | North Vancouver | \$9,600,000          | Private     | Private       | Aug-22  |
| 27988 Fraser Highway   | Abbotsford      | \$9,024,000          | Private     | Private       | Oct-22  |
| 7855 Kingsway  | Burnaby         | \$8,800,000          | Private     | Private       | Nov-22  |
| 6408 Bay Street  | West Vancouver  | \$8,500,000          | Private     | Private       | Dec-22  |
| 5609 Imperial Street   | Burnaby         | \$8,010,000          | Private     | Private       | Dec-22  |
| 6899 Pearson Way   | Richmond        | \$7,600,000          | Private     | Government    | Nov-22  |
| 5711 176A Street   | Surrey          | \$6,325,000          | Financial   | Government    | Nov-22  |
| 1202 Kingsway  | Vancouver       | \$5,950,000          | Private     | Private       | Aug-22  |
| 3481 Main Street   | Vancouver       | \$5,900,000          | Private     | Private       | Nov-22  |
| 6808 Victoria Drive  | Vancouver       | \$5,850,000          | Private     | Public Co.    | Sep-22  |
| 1115 & 1119 West 14th Street                                   | North Vancouver | \$5,600,000          | Private     | Private       | Sep-22  |
| 4837 Victoria Drive  | Vancouver       | \$5,500,000          | Financial   | Private       | Aug-22  |
| 26963 & 26899 Old Yale Road                                    | Langley         | \$5,300,000          | Private     | Private       | Dec-22  |
| 3012 Edgemont Boulevard  | North Vancouver | \$5,300,000          | Private     | Private       | Nov-22  |
| 3307 Dunbar Street   | Vancouver       | \$5,250,000          | Private     | Private       | Nov-22  |
| 1041 Davie Street  | Vancouver       | \$5,000,000          | Private     | Private       | July-22 |
| 500 Fort Street  | Victoria        | *                    | Private     | Private       | July-22 |
| 1355 Sumas Way   | Abbotsford      | *                    | REIT        | Private       | Dec-22  |
| <b>Total Deals/Investment</b>                                  | <b>33</b>       | <b>\$414,684,499</b> |             |               |         |

Prices denoted by \* are share sales where an estimated price has been determined. Sources: Avison Young, Commercial Edge & Altus Data Studio

## Multi-family

The first half of 2022 registered \$1.52B in sales due to strong tailwinds extending from 2021. The multi-family market was especially impacted by worsening market conditions in 2022 as inflation wreaked havoc on landlord's operating costs and provincially regulated rental increases coming in lower than market expectations. Total sales decreased by 73% to \$410M and the number of transactions dropped 67% from the first half of 2022. Despite the market cooling off by the end of 2022, a significant acquisition was made by **Centurion Apartment REIT** at 11088 126A Street in Surrey for \$97.5M. The largest private transaction in the second half of the year involved 1550 Oxford Street in North Vancouver, purchased by **Realstar Group from Adera Development** for \$66M.

Private buyers accounted for 62% of the purchases made in the second half of 2022 — up from 30% in the first half of the year; and private vendors represented 100% of the sales in the second half of the year. Institutions were the second-most-active buyers in the latter half of 2022, accounting for 29% of these purchases, up from 10% in the first half of the year.

Given that the majority of BC's rental stock was built before 1969, the cost of maintaining these aging assets continued to increase. As insurance premiums grew and wages continually rose, it was becoming increasingly costly to hold multi-family assets. The increase of interest rates and subsequent rise in material and operational costs resulted in many new projects being paused. Developers were finding it difficult to justify taking on new multi-family projects, especially given the influence of favorable CMHC financing programs. Correspondingly, this propelled the conversation of groups bringing on partners and considering joint ventures for new

projects, a new trend as capital requirements increased.

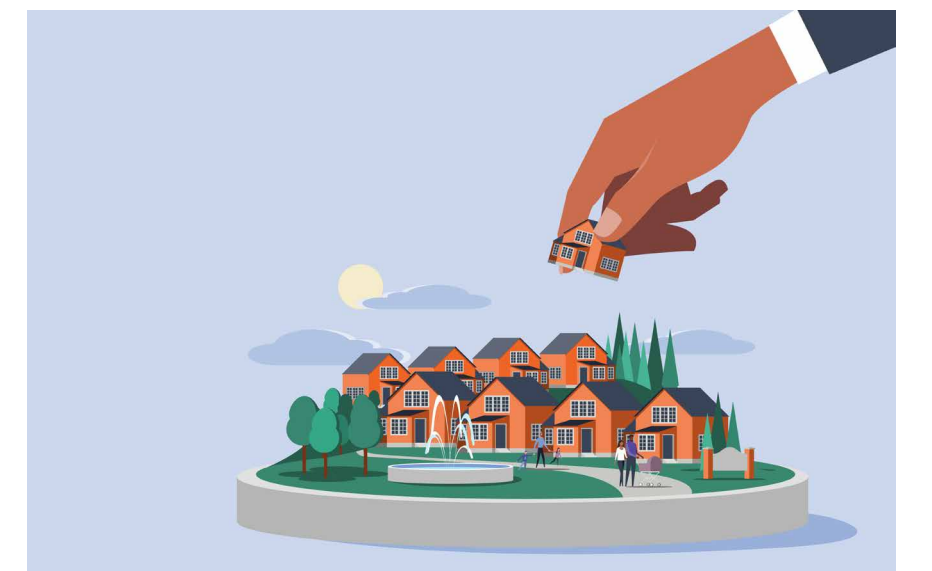
Nevertheless, the demand for multi-family in British Columbia remained strong, resulting in stable rent growth. Strong market fundamentals including the region's aging apartment stock, growing desire for building amenities as tenants work from

home and continued low vacancy play favourably to this market. Immigration projections, however, continue to drive demand with the federal government rolling out the largest targets since World War II. As interest rates have escalated and more purchasers have relegated to the rental market, the long-term outlook remains optimistic.

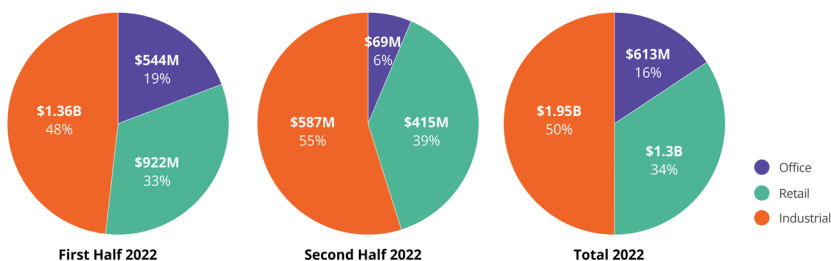
### BC MULTI-FAMILY TRANSACTIONS (2ND HALF - GREATER THAN \$5M)

| PROPERTY   | LOCATION        | PRICE                | VENDOR TYPE | \$/UNIT   | BUYER TYPE    | DATE   |
|--|-----------------|----------------------|-------------|-----------|---------------|--------|
| 230 Aurora Crescent                                    | Kelowna         | CONFIDENTIAL         | Private     | N/A       | REIT          | Dec-22 |
| Metro: Phase 2 - 11088 126A Street                     | Surrey          | \$97,531,649         | Private     | \$347,088 | REIT          | Dec-22 |
| 1550 Oxford Street                                     | North Vancouver | \$66,200,000         | Private     | \$752,273 | Private       | Dec-22 |
| Spire Landing: 706 East 57th Avenue                    | Vancouver       | \$51,000,000         | Private     | \$536,842 | Institutional | Dec-22 |
| Driftwood Apartments: 2055 York Avenue                 | Vancouver       | \$35,250,000         | Private     | \$476,351 | Private       | Nov-22 |
| Pandora Heights Apartments: 1220 & 1236 Pandora Avenue | Victoria        | \$23,100,000         | Private     | \$325,352 | Institutional | Nov-22 |
| 501 Sixth Street                                       | Nanaimo         | \$21,000,000         | Private     | \$142,857 | Private       | Nov-22 |
| 1002 Mckenzie Avenue                                   | Saanich         | \$16,900,000         | Private     | \$312,963 | Institutional | Nov-22 |
| 3003 Granville Street                                  | Vancouver       | \$13,688,800         | Private     | \$855,550 | Private       | Jul-22 |
| 465 Niagara Street                                     | Victoria        | \$13,000,000         | Private     | \$302,326 | Institutional | Nov-22 |
| Park Seville: 1901 Barclay Street                      | Vancouver       | \$11,350,000         | Private     | \$378,333 | Private       | Jul-22 |
| Como Lake Manor: 801 Gatensbury Street                 | Coquitlam       | \$9,300,000          | Private     | \$281,818 | Private       | Dec-22 |
| Firview Apartments: 1558 Fir Street                    | White Rock      | \$8,550,000          | Private     | \$275,806 | Private       | Oct-22 |
| The Jackson: 660 Jackson Avenue                        | Vancouver       | \$8,500,000          | Private     | \$354,167 | Private       | Jul-22 |
| The Roslyn: 935 Jervis Street                          | Vancouver       | \$8,500,000          | Private     | \$447,368 | Private       | Nov-22 |
| Imperial: 4106 Albert Street                           | Burnaby         | \$8,150,000          | Private     | \$815,000 | Private       | Jul-22 |
| 1626 West 10th Avenue                                  | Vancouver       | \$6,650,000          | Private     | \$443,333 | Private       | Aug-22 |
| Eastleigh Manor: 20672 Eastleigh Crescent              | Langley         | \$6,200,000          | Private     | \$221,429 | Private       | Jul-22 |
| 6911 Salisbury Avenue                                  | Burnaby         | \$5,700,000          | Private     | \$300,000 | Private       | Nov-22 |
| The Roberts Manor: 2433 Malaview Avenue                | Victoria        | *                    | Private     | N/A       | Institutional | Oct-22 |
| Oslo on Fifth: 10129 Fifth Street                      | Victoria        | *                    | Private     | N/A       | Institutional | Aug-22 |
| <b>Total Deals/Investment</b>                          | <b>21</b>       | <b>\$410,570,451</b> |             |           |               |        |

Prices denoted by \* are share sales where an estimated price has been determined. Sources: Avison Young, Commercial Edge & Altus Data Studio



## 2022 SALES BY PROPERTY TYPE & DOLLAR VOLUME



continued from front page

For decades real estate has been viewed as a hedge against inflation. In 2022, some groups showed hesitancy towards this asset class because of the rapid increase of inflation numbers throughout the year that reached a 39-year high. With interest rate escalations, lenders began to tighten their parameters of financing. Institutional lenders preferred dealing with known and reputable customers. Meanwhile vendors and purchasers are still trying to find ways to navigate these challenges, which largely attributed to financing tightening up. This led to a wave of prospective purchasers exploring private credit and equity.

Multi-family continued to show its resiliency throughout BC. Specifically, in Vancouver, where the annual rent growth exploded to 22.9% year-over-year from January 2021. The word “affordability” continues to be a topic of discussion within Metro Vancouver, but with limited supply of new rental products in the market and the development pipeline, the conversation will likely continue.

The retail market persevered in the second half of 2022 with sales topping \$414M. As the perception of retail continued to become more positive, the appetite towards this asset class became more compelling from an investment standpoint.

2022 saw the industrial market maintain its record-breaking pace by achieving its highest average asking rental rates within Metro Vancouver. Industrial assets accounted for 17% of all the transactions in 2022 equating to \$1.95B in value. The pre-sale strata market cooled in the second half of 2022, a result of swift interest rate increases and lenders requiring more equity. Nevertheless, the strong fundamentals and compelling rental rates highlighted this asset class as a premier investment vehicle for returns on capital.

Demand for investment properties in secondary markets continues to persist. Specifically, Kelowna and Victoria attracted investment from many reputable developers as the viability of these regions became apparent to private and public investors. Regarding smaller secondary and tertiary markets, some groups may have analysed their portfolios to transition into larger markets as well as higher quality assets. The interest in alternative assets continued to become more apparent as investors were drawn towards assets such as student housing, data centres, self-storage, and life sciences. All of these property classes continue to provide the potential of lucrative returns on investments.

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