

The Innovation District



Spring 2023

What is the Innovation District?

The “Innovation District” refers to the area connecting the False Creek Flats and Mount Pleasant. This region has attracted significant interest from developers focused on providing technology and life science-ready office space.

The origin of this interest may be traced back to the new St. Paul’s Hospital and health campus, a 1.7-msf development in

False Creek Flats that is scheduled for delivery in 2027. Many medical technology companies and educational institutions prefer to be close to the hospital and its associated research centre, the Clinical Support and Research Centre (CSRC), which has decided to occupy space on the campus. However, some developers, such as Low Tide Properties, were already speculating the growth in the area.

Map of Innovation District developments



Year	Office space expected to be delivered (sf)
2023	47,347
2024	334,007
2025	867,773
2026	218,000
Beyond 2026	261,400
Total	1,728,527

Innovation District development timeline



Ofiswerks
234 West 3rd Avenue

Formwerks Boutique Properties



Main Alley (M4)
110 East 5th Avenue

Westbank / Hootsuite



375 East 1st Avenue

Onni Group



110 West 4th Avenue

Beedie/
AbCellera Biologics

Developer	Formwerks Boutique Properties	Westbank / Hootsuite	Onni Group	Beedie/ AbCellera Biologics
Storeys	4	9	7	9
Office SF	47,347	204,800	129,207	211,380
Tenants	Strata	110,000 sf - Animal Logic	No tenants at this time	211,380 sf - AbCellera Biologics
Occupancy	75% sold	46%	0%	100%



Archetype
220 East 1st Avenue

QuadReal Property Group/
Hungerford Properties



360 West 2nd Avenue

Strand Development



T3 Mount Pleasant
123 East 6th Avenue

PC Urban / Hines



Eight on Broadway
8-24 East Broadway

Chard Development

Developer	QuadReal Property Group/ Hungerford Properties	Strand Development	PC Urban / Hines	Chard Development
Storeys	11	7	11	11
Office SF	121,445	113,548	196,000	125,400
Tenants	Strata	No tenants at this time	No tenants at this time	No tenants at this time
Occupancy	20% sold	0%	0%	0%



220 Prior Street

Keltic Canada Development



Lab 29
1629 Scotia Street

Low Tide Properties



False Creek Station
1296 Station Street

GWL Realty Advisors

Developer	Keltic Canada Development	Low Tide Properties	GWL Realty Advisors
Storeys	10	8	13
Office SF	100,000	218,000	261,400
Tenants	100,000 sf - Masimo*	No tenants at this time	No tenants at this time
Occupancy	100%	0%	N/A

*220 Prior Street was bought by Masimo in 2022 for \$123 million.

Key insights



Life science and tech-led rejuvenation is transforming the Innovation District into a new node of office market activity

Developments on underutilized industrial land will provide much-needed investment to the area and act as a catalyst for new market activity.

These developments will aid in extending Downtown beyond the peninsula, further solidifying False Creek Flats and Mount Pleasant as a key consideration for occupiers looking for centrally located space.



Favourable environment for non-traditional office tenants

Total office space (including strata and for-lease) planned for delivery in the next 4 years totals almost 1.5 msf, with much of the space without prelease commitments or presales.

Several examples of occupier-developer joint ventures include 110 West 4th Avenue (AbCellera Biologics and Beedie), 220 Prior Street (Masimo and Keltic Canada Development) and Main Alley (M4) (Hootsuite and Westbank). This indicates an opportunity for larger tenants to seek bespoke fitouts.



Significant opportunity remains for developers and investors in the area

The confirmation of the Broadway Plan in 2022 has given more certainty to the direction of the area, allowing developers and investors to act with greater confidence.

Across the 11 developments due for completion, there are 15 different developers (including significant co-developers). This means there are plenty of opportunities for developers of any size to be involved with a future project.

Confirmed future/current tenants



1	Masimo	5	Relic Entertainment	8	Trulioo
2	Animal Logic	6	Hootsuite	9	Lululemon
3	AbCellera	7	Best Buy	10	Electronic Arts
4	Zymeworks				

The future of the Innovation District

As one of the most prominent developers within the Innovation District, Avison Young considered it appropriate to interview **Low Tide Properties'** Adam Mitchell, VP of Asset Management and Development, to understand more about his and the company's vision for the area.

What is your overall vision for the False Creek Flats' Innovation District in the next 5-10 years? How does this coincide with Low Tide Properties' investment strategy?

Our vision for the False Creek Flats is to create a vibrant, world class neighbourhood that allows creators, innovators, and makers to thrive when thrown into a mix with each other and supported by amenities like rental residential, community focused retail, and supportive services like daycare. Saying it will be a typical "live, work, play" area doesn't do it justice. We want this place to have purpose, both for the people there every day but also for Vancouver on a global context.

That vision goes to the core of Low Tide Properties' investment strategy, whether be it in Vancouver or Seattle. The goal is to focus on areas or neighbourhoods where we can be a part of the community building process.

Was the new St. Paul's Hospital an important factor in Low Tide Properties' investment in the area?

The initial investment was made based on the strength of the existing institutional anchors in the area (CDM [Centre for Digital Media], Emily Carr [University], VCC [Vancouver Community College]) and the likelihood of rapid transit coming to the area in the form the Broadway Line extension. The announcement of the new St. Paul's Hospital was after that but nonetheless a very important anchor for the False Creek Flats in the sense that this is where the City is expanding beyond the downtown peninsula.

What unique office offerings will Lab 29 bring to the vicinity?

Lab 29 will be a purpose design-build Life Science project. We manage a large portfolio of Life Science space in Vancouver and we've really leaned on the lessons our operations team has learned from managing that portfolio and the expertise of our existing tenant base to design a building that is functional for Life Science tenants first and foremost. We hope it becomes a foundational part of the local Life Science industry and allows some of the made-in-Vancouver success stories to find a permanent home in our market once they need to scale, rather than having to look at larger US markets.

What fundamentals allow the False Creek Flats to flourish as a potential new node of market activity?

Access and mobility across multiple modes of transit, whether it be by rapid transit or bike lanes, along with proximity to the existing post-secondary institutions are the biggest drivers. Also, as the population of the city shifts east, particularly among employees working in the creative or technology sectors, the area represents an opportunity for job space that is built with those users specifically in mind. It has the unique position of being in close proximity to the urban core but is still somewhat of a blank canvas.

Why is Low Tide Properties a strong believer in the life science industry?

Our investment strategy targets neighbourhoods in Vancouver and Seattle where we feel there is a strong likelihood that rent growth will outpace the general market, spurred by the community building and tenant curation we do. We also apply this thinking to industry sectors and target projects specifically suited for industries that see a competitive advantage to operating in Vancouver. Life Science is an example of this. Firstly, British Columbia has a clear value proposition for Life Science companies from a talent standpoint. Our post-secondary institutions produce job ready individuals, we have open immigration funneling global talent into the market, and we are expanding interest in STEM programming with traditionally underrepresented groups. Secondly, it's a supply constrained sector due to the cost of construction, so if you can get a project past the construction hurdle there is a high chance of success. Life Science companies want to establish operations here, they just need the purpose-built space to do so.



ADAM MITCHELL

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