

INDUSTRIAL REPORT

VACANCY RATES

2019: 0.76%
2020: 1.81%
2021: 0.93%



EXISTING SMALL FORMAT LEASE RATES

Class A: \$12-\$18
Class B: \$11-\$14

BUILD TO SUIT LEASE RATES

2019: \$12-\$18
2020: \$12-\$18
2021: \$13-\$17



NEW CONSTRUCTION

2019: 179,850 SF
2020: 367,300 SF
2021: 288,601 SF



KELOWNA'S INDUSTRIAL MARKET Q3 2021

EXISTING LARGE FORMAT LEASE RATES

Class A: \$11-\$15
Class B: \$7-\$10

ABSORPTION

2019: 351,850 SF
2020: 162,500 SF
2021: 594,220 SF



NOTABLE TRANSACTIONS

Auction World
Airport Business Park
45th Ave, Vernon
Breathe
Hexagon

INDUSTRIAL STRATA PSF

Existing: \$200-\$225
New: \$245-\$300

INDUSTRIAL MARKET SNAPSHOT

Q3 2021

Inventory	11,480,350 SF
Vacant Space	106,460 SF
Net Absorption 2020-2021	594,220 SF
Vacancy Rate	0.93%
Under Construction	288,601 SF

The industrial sector is still the shining star of Kelowna's commercial real estate market. It continues to be a bullish class, with fierce demand.

The 20-year forecast for Kelowna suggests the city will need an additional 320 acres of industrial land and 3.476 million square feet of new industrial space to fill the growing need.

Strata title warehouse units remain very popular due to a strong demand from owner-user groups and lenders wanting to lend money on very preferential terms.

Absorption continues to be strong, with multiple light industrial projects with small bays selling out before completion.

Airport Business Park is completely sold out, with recent deals achieving \$1.7 million per acre. A new development has popped up north of the airport with distribution centres and production studios, while 14.7 acres on Pier Mac Way is under contract for large format distribution space.



Airport Business Park



Carrington Industrial Business Park - now Under Construction

MAJOR INDUSTRIAL TRANSACTIONS 2020-2021

PROPERTY	SALE PRICE	ZONING	SIZE (SF)	PRICE/SF
8955 Grigg Road	\$7,500,000	I3	50,000	\$150.00
123 Penno Road	\$7,500,000	I2	6,300	\$1,190.47
3510 Spectrum Court	\$7,450,000	CD15	21,595	\$344.99
2648 Kyle Road, West Kelowna	\$10,100,000	I1	34,707	\$291.01

NOTABLE INDUSTRIAL LAND SALES 2020-2021

ADDRESS	SALE PRICE	ZONING	ACRES	PRICE/ACRE
9375 Balser Court	\$3,800,000	I2	4.423	\$859,145
2030 Matrix Crescent	\$2,572,800	CD15	1.92	\$1,340,000
833 McCurdy Place	\$1,700,000	I2	0.988	\$1,720,648
3580 Edwards Road	\$1,600,000	I2	0.97	\$1,649,485
2950 Acland Road	\$2,900,000	I2	1.68	\$1,726,190