

INVESTMENT REPORT

RETAIL CAP RATES

2019: 4.00-6.25%
2020: 4.25-6.00%
2021: 4.30-5.37%



INDUSTRIAL CAP RATES

2019: 5.00-6.25%
2020: 5.00-6.00%
2021: 4.75-6.17%



OFFICE CAP RATES

2019: 4.00-7.00%
2020: 4.50-5.80%
2021: 3.50-5.30%



KELOWNA'S INVESTMENT MARKET

Q3 2021

MULTI-FAMILY CAP RATES

2019: 4.00-6.00%
2020: 4.50-5.50%
2021: 4.00-5.25%



APARTMENT RENTAL RATES PSF (AVG)

2019: \$2.04
2020: \$2.32
2021: \$2.78



RENTAL APARTMENT VACANCY RATES

2019: 1.9%
2020: 2.7%
2021: 2.1%



Similar to land, the demand for investment properties remains insatiable.

Quality assets with strong tenants and secure cashflow remain in fierce demand. This is true of all categories including Retail, Office, Industrial and Multi-Family.

The compression of bond yields meant that cap rates followed suit. Because of this, we've seen an emergence of investors considering 3-4% cap rate deals that offer upside through redevelopment and densification. And the yields are better than what's offered by GIC's and term deposits.

Liquidity is near precedent setting levels as billions of dollars are looking for a home. The majority of REITS and big institutional companies have Kelowna solidly on their radar screen.

Some notable transactions have occurred including Anderson Crossing Retail Centre in Vernon's big box retail corridor, that sold for \$19.1 Million. The Brick, Red Robin, Bulk Barn are a few of the tenants here with Home Depot, Superstore and Walmart in the neighbourhood. Strong covenants and 96% of the Tenants having at least 4.5 years left on their term provided security and generated a 5.35% cap rate, a record for a non-food anchored retail centre in this city.

MARKET SECTOR	CAP RATE RANGE
Retail	4.30-5.37%
Office	3.50-5.30%
Industrial	4.00-5.25%
Multi-Family	4.30-5.61%

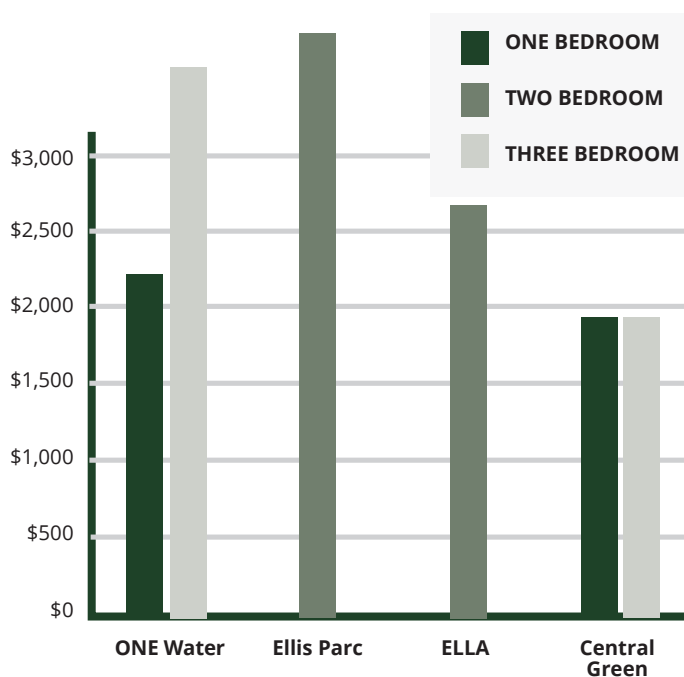
MAJOR INVESTMENT TRANSACTIONS – OKANAGAN VALLEY - 2020-2021

PROPERTY	SALE PRICE	GLA	TYPE	CAP RATE
Anderson Crossing - Vernon	\$19,100,000	42,749	Retail	5.35%
Penticton Plaza - 1301 Main Street	\$15,600,000	51,148	Retail	5.75%
171 Hollywood Road S, Kelowna	\$11,950,000	12,119	Retail	5.32%
478 Bernard Avenue, Kelowna	\$6,450,000	25,424	Office	5.06%
2775/2805 Acland Road, Kelowna	\$5,300,000	11,770	Industrial	5.30%
2305-2315 Enterprise Way, Kelowna	\$4,500,000	13,782	Industrial	5.44%
Canterbury Court, Vernon	\$39,875,000	151,843	Retirement	Confidential
West Kelowna Industrial Park (Kyle Rd)	\$10,100,000	34,707	Industrial	Confidential

NOTABLE MULTI-FAMILY SALES – OKANAGAN VALLEY - 2020-2021

ADDRESS	SALE PRICE	# OF UNITS	CAP RATE	PRICE/UNIT
200-220 Nickel Road, Kelowna	\$8,888,000	19	4.30%	\$467,789
1094 Government Street, Penticton	\$2,065,000	12	4.37%	\$133,167
3703 32nd Avenue, Vernon	\$2,250,000	21	5.61%	\$107,143
135/143 Front Street, Revelstoke	\$4,100,000	15	TBD	\$273,333

NEWER BUILDING RENTAL RATES



OLDER BUILDING RENTAL RATES

