

Vancouver Market Report Sept. 30, 2011

Vancouver had a population of 578,041 as of the 2006 census (Vancouver CMA: 2,116,581). It is the third largest metropolitan area in Canada after Toronto and Montreal.

Vancouver is known as one of the best cities in which to live. It ranked fourth in the 2010 Worldwide Quality of Living Survey by Mercer Human Resource Consulting's livability index, a ranking of 221 cities worldwide. Vancouver is tied for fourth on the survey with Auckland, ranking behind Vienna, Zurich, and Geneva. It is the highest ranking city in North America.

Of Canada's top 500 corporations, 49 (9.8%) are headquartered in Vancouver (Fraser Forum Sep/Oct 2011). Vancouver is also one of Canada's financial services centres.

Vancouver has a large high tech industry including Information and Communications Technology (ICT) and biotechnology. Global ICT firms with offices in Vancouver include Microsoft Corporation, Intel, IBM, Broadcom, 3M, Eastman Kodak Company, Harmon International Industries, Sophos, Oracle, Business Objects, Nokia, Honeywell International Raytheon, and Seiko Epson. Local ICT firms include MDA, Sierra Systems, TELUS, PMC-Sierra, and Sierra Wireless.

British Columbia is home to approximately 100 biopharmaceutical companies, 60 medical device manufacturing and distribution companies, and 30 bio products companies. Of these companies, 70% are located in the Greater Vancouver area. The life sciences industry is important to the local economy.

Biopharmaceuticals alone generate roughly \$800 million per year in revenues. Two of Canada's most successful life sciences companies are located in Vancouver: QLT and Angiotech Pharmaceuticals.

Vancouver is the third largest film production centre in North America, after Los Angeles and New York City.

Vancouver is one of Canada's largest industrial centres. The Port of Vancouver is the largest in Canada and exports more cargo than any other port in North America. Through the Port of Vancouver, more than \$75 billion in goods are traded with more than 160 trading economies annually. Including indirect and induced effects, more than 129,500 jobs are generated by the Port of Vancouver and \$10.5 billion in GDP.

Metro Vancouver Unemployment Rate (%)

2006	4.4
2007	4.0
2008	4.3
2009	7.0
August 2010	7.8
August 2011	7.6

Source: Metro Vancouver

Metro Vancouver Commercial Real Estate

Industrial Q2 11	
Inventory (SF)	179,389,582
Vacancy Rate Q2 11	4.1%
Vacancy Rate Q4 10	4.1%
Availability Rate Q2 11	6.0%
Absorption Q2 11	295,410
Absorption YTD	2,661,831
New Supply Q2 11	439,231
Under Construction	1,646,755
Ave. Net Rent \$/SF	\$7.40
Downtown Office Q2 11	
Inventory(SF)	24,294,727
Vacancy Rate Q2 11	3.8%
Vacancy Rate Q1 11	3.7%
Vacancy Rate Q4 10	4.6%
Availability Rate Q2 11	5.8%
Net Absorption Q2 11	-14,263
Net Absorption YTD	200,681
Net New Supply Q2 11	57,784
Currently Under Construction	71,585
Ave. Asking Net Rental Rate \$/SF	\$26.59
Suburban Office Q2 11	
Inventory (SF)	27,272,691
Vacancy Rate Q2 11	10.7%
Vacancy Rate Q1 11	10.9%
Vacancy Rate Q4 10	10.2%
Availability Rate Q2 11	13.0%
Net Absorption Q2 11	48,513
Net Absorption YTD	93,733
Net New Supply Q2 11	0
Currently Under Construction	704,705
Ave. Asking Net Rental Rates \$/SF	\$18.99

Source: Colliers