Metro Vancouver
Industrial Land Shortage
The Issue - Metro Vancouver Indicates Vacant Industrial Land Absorbed by 2026
Consequences of the Land Shortage

- Makes PMV less competitive
- Reduces the wide range of needed services if the gateway does not grow and evolve
- Loss of future economies of scale that benefits large concentrations of similar businesses
- Loss of new public infrastructure a larger Gateway would require
Consequences of Industrial Land Shortage on Metro Vancouver Region

- Less efficient goods movement with more international containers on rail and truck longer and less use of more suitable domestic containers
- Increased energy use with attendant environmental impacts
- Very high real estate prices and operating costs which harm existing business
- Massive loss of jobs, in a region with a persistently weak economy and relatively small office employment component
Land Demand Increasing

- Annual land demand for logistics space will increase from 100 acres currently to 160 acres (status quo) or 213 acres per year (T2), due to the doubling of container throughput.

- PMV, with T2 will require at least 2,500 acres of vacant industrial land by 2035, even with dramatically improved efficiency.

- Metro Vancouver’s non port industrial land demand, has historically been 150 acres annually and it will require at least 3,000 acres by 2035.
Making better use of the existing land base is important and ongoing but it is already largely optimized.

Industrial densification and assembly is very difficult and prohibitively expensive.

Optimizing all forms of industrial land use, even to the maximum possible is insufficient to satisfy even one year of new demand, and it is already being done.
Estimate 50 acres of PMV related logistics developments relocate to Calgary and this will soon double to 100 acres per year, due to the local land shortage.

Metro Vancouver is expected to lose approximately 2,000 acres of industrial development to Calgary by 2035, as this inland terminal takes an ever larger share of growth.

Calgary is an inland terminal and regional logistics hub but it is not as efficient as Metro Vancouver, where more international containers should be consolidated into domestic containers.
### Every New 100 Acres Developed Is worth $1.7 Billion Per Year

#### Ongoing Annual Property Taxes/Levies
- Annual Property Taxes to Local Municipality: $3,083,395
- Annual Property Taxes to Region & Other Taxing Authorities: $4,625,093
- Total Property Taxes / Levies: $7,708,488
- Discount Rate: 10.0%

**NPV of Perpetual Revenue Stream**
$77,084,882

#### Ongoing Employment of Complete Project
- Jobs Salaries: $112,123,440
- Discount Rate: 10.0%

**NPV of Perpetual Revenue Stream**
$1,121,234,400

**NPV of Direct Economic Effects**
$1,198,319,282

**Total Initial Development/Servicing/Construction Costs**
$163,564,058

**Total Initial Costs and NPV of Direct Economic Effects**
$1,361,883,340

**Economic Multiplier / NPV Secondary Economic Effects**
1.30 $408,565,002

**NPV of all Direct and Secondary Economic Effects**
$1,770,448,342
Land Supply Decreasing

- Metro Vancouver estimates 5,600 acres on industrial land are vacant but only 4,000 acres can be readied for development.

- National Association of Industrial and Office Properties, and the private sector, estimates supply is less than 2,500 acres.

- Only 1,000 acres of land is suitable for logistics given the need for large, well-located sites with highway access and flat topography.
Developed and Vacant Industrial Land 2015

Developed and Vacant Inventory by Sub-Region (ha)

- Burnaby/New West: 1,360
- Delta/TFN: 1,272
- Langley: 193
- North Shore: 28
- Northeast Sector: 1,156
- Richmond: 1,458
- Ridge - Meadows: 419
- Surrey/White Rock: 1,728
- Vancouver: 17

Vacant
Developed
Vacant Potential Logistics Lands

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<th>Municipality</th>
<th>Area (ac)</th>
<th>Owner</th>
<th>Port Owned</th>
<th>Total</th>
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<td><strong>72</strong></td>
<td><strong>1,027</strong></td>
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</table>
Industrial Lands
Richmond/ Delta

Delta
Richmond
Surrey
Other
Total

Vacant Industrial (ac)
Developed Industrial (ac)

Red is Vacant Land for Logistics
Where Future Industrial Should Locate
Conclusions

- Metro Vancouver will clearly run out of industrial land within the next 15 to 20 years.
- It will run out of logistics oriented and required lands in less than 10 years.
- Without land on which to grow and evolve the supply chain the international gateway will become less competitive and the regional economy will be negatively impacted.
- To secure international gateway logistics oriented lands should be preserved and enhanced.
Real estate development consulting services to hundreds of major clients.

Over 1,000 real estate development studies of projects worth over $100 billion.

Many of the key technical studies on SSS, Inland Terminals, Logistics planning and best building practices, impact assessments.

Numerous industrial real estate developments and consultant of record on the vacant industrial land base.