



**BC ASSESSMENT**

# 2019 Roll BCA/CPTA Market Value Forum

Thursday, October 25, 2018  
Four Seasons Hotel Vancouver

# Agenda

**Market Value Discussion**

**2:30pm – 4:30pm**

<b>Welcome – Summary of Event</b>	Dharmesh Sisodraker and Ryan Tung
<b>Industrial</b>	Nick Harrison and David Howard
<b>Hotels</b>	Jovanee Sangdaan and Phil Gertsman
<b>Major Retail</b>	Clayton Olson and Scott Bowden
<b>Office Buildings</b>	Simone Simpson and Brian Keenan

**Networking Meet & Greet**

**4:30pm – 7:30pm**





**BC ASSESSMENT**

# Industrial Properties 2019 Roll

Presenter: Nick Harrison - Appraiser II, BC Assessment  
David Howard - Director, Property Tax, Altus Group

October 25<sup>th</sup>, 2018

# Agenda

- **Benchmark Industrial Transactions**
  - Land
  - Improved
- **2019 Industrial Assessment Roll Preview Summary**
- **Discussion and Questions**



# Industrial Land Transactions

2019 Roll Lower Mainland Industrial Land Benchmark Sales



# Vancouver Industrial Land

- 1100 Grant St
- Sale Price: \$57,500,000 (\$465/ft<sup>2</sup>)
  - Sale Date: November 2017
  - Three Parcel Acquisition
  - Size:
    - 1100 Grant St - 34 130 ft<sup>2</sup>
    - 1539 Vernon Dr. - 45,833 ft<sup>2</sup>
    - 1575 Vernon Dr. - 43,562 ft<sup>2</sup>
    - **Total: 123,525 ft<sup>2</sup>**
- 2018 ASR (Land): 80%
- Comments:
  - Development site with short term holding



# 2018 Lower Mainland Industrial Vacant Sales

City	Address	Zoning	Sale Date	Sale Price	Land Size (ft <sup>2</sup> )	Price per ft <sup>2</sup>	2018 ASR
Burnaby	7301 Market Cross	CD, M2, M5	February 2018	\$4,400,000	44,082	\$99.81	66%
Port Coquitlam	577 Nicola Ave	M3	March 2018	\$2,319,000	38,115	\$60.84	78%
Richmond	1611 Patrick St	IL	March 2018	\$2,462,400	39,727	\$61.98	77%
Delta	7400 Vantage Way	I2	June 2018	\$23,100,000	400,708	\$57.65	64%
Surrey	10860 124 St	IL1	June 2018	\$1,830,000	33,106	\$55.28	68%



# Improved Industrial Transactions

2019 Roll Lower Mainland Improved Industrial Benchmark Sales





# Burnaby Improved Industrial

- 6909 Russell Ave
- Sale Price: \$4,725,000 (\$328/SF)
  - Sale Date: February 2018
  - GLA: 14,391 sf
  - Year Built: 1980
  - Site coverage: 46%
- Economic CAP Rate: 3.5%
- 2018 ASR: 76%
- Comments
  - Six unit masonry block industrial
  - Purchased to lease out



# Coquitlam Improved Industrial

- 93 North Bend St
- Sale Price: \$9,900,000 (\$274/ft<sup>2</sup>)
  - Sale Date: March 2018
  - GLA: 24,240 ft<sup>2</sup>
  - Year Built: 1993
  - Site Coverage: 17%
- Economic CAP Rate: 3.5%
- 2018 ASR: 69%
- Comments
  - New purchaser will not occupy building
  - Higher Office Ratio



# Delta Improved Industrial

- 8149 River Way
- Sale Price: \$5,500,000 (\$293/SF)
  - Sale Date: July 2018
  - GLA: 18,760 ft<sup>2</sup>
  - Year Built: 1994
  - Site coverage: 40%
- Economic CAP Rate: 3.25%
- 2018 ASR: 67.5%
- Comments
  - Purchased for owner occupancy



# Surrey Improved Industrial

- 7795 128 St
- Sale Price: \$8,100,000 (\$213/SF)
  - Sale Date: August 2018
  - GLA: 37,933 ft<sup>2</sup>
  - Year Built: 1992
  - Site coverage: 42%
- Economic CAP Rate: 3.75%
- 2018 ASR: 85%



- Comments
  - New purchaser will owner occupy majority of building

# Metro Vancouver Region Industrial

## Industrial Trends

- Rents drastically increasing
- Vacancy considerably low
- CAP Rates slightly decreasing



# BC Assessment Lower Mainland Industrial Contacts:

REGION	CONTACT	Ext.
Greater Vancouver	Keith MacLean Frank Fa	09516 09527
Fraser Valley	Brent Sear Rupi Rai	14236 15223



# Thank you

## Discussion & Questions



**BC ASSESSMENT**

# Hotel Properties 2019 Roll

Presenters: Jovanee Sangdaan – Senior Appraiser, BC Assessment  
Phil Gertsman – Executive Vice President, Altus Group

October 25<sup>th</sup>, 2018



# Agenda

- Recent Hotel Transactions
- 2019 Assessment Value Trend Summary
- Discussion and Questions



# Recent Hotel Transactions

## Howard Johnson Vancouver

1176 Granville Street, Vancouver

- Downtown Vancouver
- 110 Rooms - Limited Service Hotel
- Sale Date February 2018
- Sale Price \$35,750,000
- \$325,000 per room
- 2018 Roll value \$15,908,000



# Recent Hotel Transactions

## Chieftain Inn Squamish

38005 Cleveland Ave, Squamish

- Squamish
- 26 Rooms - Motel
- Sale Date January 2018
- Sale Price \$4,788,000
- \$184,000 per room
- 2018 Roll value \$3,786,000



# Recent Hotel Transactions

## Jamie's Rainforest Inn Tofino

1258 Pacific Rim Hwy, Tofino

- Tofino
- 38 Rooms - Limited Service Hotel
- Sale Date March 2018
- Sale Price \$5,900,000
- \$155,000 per room
- 2018 Roll value \$4,323,000



# Recent Hotel Transactions

## Coast Osoyoos Beach Hotel

7702 Main St, Osoyoos

- Osoyoos
- 61 Rooms - Limited Service Hotel
- Sale Date April 2018
- Sale Price \$8,700,000
- \$142,000 per room
- 2018 Roll value \$5,278,500



# Recent Hotel Transactions

## Podollan Inn Salmon Arm

1460 Trans Canada Hwy, Salmon Arm

- Salmon Arm
- 71 Rooms - Limited Service Hotel
- Sale Date August 2018
- Sale Price \$7,200,000
- \$101,000 per room
- 2018 Roll value \$5,093,000



# 2019 Roll Preliminary Value Direction

## Greater Vancouver Region

- **RevPAR**
  - 10-20% increase
- **Cap Rates**
  - No change
- **Assessed Values**
  - 15-25% increase



# 2019 Roll Preliminary Value Direction

## Fraser Valley Region

- **RevPAR**
  - 5-10% increase
- **Cap Rates**
  - 0.5 decrease
- **Assessed Values**
  - 15-25% increase





# 2019 Roll Preliminary Value Direction

## Vancouver Island Region

- **RevPAR**
  - 5-15% increase
- **Cap Rates**
  - No change
- **Assessed Values**
  - 5-15% increase



# 2019 Roll Preliminary Value Direction

## Northern BC Region

- **RevPAR**

- **No change**
- **Exception: Dawson Creek/Fort St. John increase 10-30%**



- **Cap Rates**

- **No change**



- **Assessed Values**

- **No change**
- **Exception: Dawson Creek/Fort St. John increase 5%**



# 2019 Roll Preliminary Value Direction

## Columbia Kootenay Region

- **RevPAR**
  - 0-2% increase
- **Cap Rates**
  - 0.75 decrease
- **Assessed Values**
  - 5-20% increase



# BC Assessment Hotel Property Contacts:

REGION	CONTACT	EXT.
Vancouver Island	Mats Pearson	01249
Greater Vancouver	David Deng	09573
Fraser Valley	Jovane Sangdaan	14243
Thompson Okanagan	Ron Arnett	23232
Kootenay Columbia	Dave Robertson	22240
Northern BC	Dylan Wells	26260



# Thank you

## Discussion & Questions



**BC ASSESSMENT**

# Major Retail Properties 2019 Roll

Presenters: Clayton Olson, Senior Appraiser, BC Assessment  
Scott Bowden, Managing Director, Colliers International

October 25<sup>th</sup>, 2018

# Agenda

- Recent Retail Transactions
- 2019 Assessment Preview Roll Summary
- Discussion and Questions



# Recent Retail Transactions

## Burnaby – Marine Way Market (7200/7501 Market Cross)

Sale Price: \$174,000,000 (\$652/SF)

Sale Date: October 2017

GLA: 266,921 square feet

Lot Size: 884,933 square feet

Estimated Cap: 3.75% - 4.00%





# Recent Retail Transactions

## Richmond - Central at Garden City (4660 Garden City Rd)

Sale Price: \$220,000,000 (\$613/SF)

Sale Date: January 2017

GLA: 359,090 square feet

Lot Size: 637,070 square feet

Estimated Cap: 3.75 - 4.25%



# Recent Retail Transactions

## Mission - Walmart (31956 Lougheed Hwy)

Sale Price: \$40,500,000 (\$346/SF)

Sale Date: October 2017

GLA: 116,984 square feet

Lot Size: 401,492 square feet

Estimated Cap: 5.50 - 6.00%





# Recent Retail Transactions

## Kamloops – Aberdeen Mall (1320 Trans Canada Hwy)

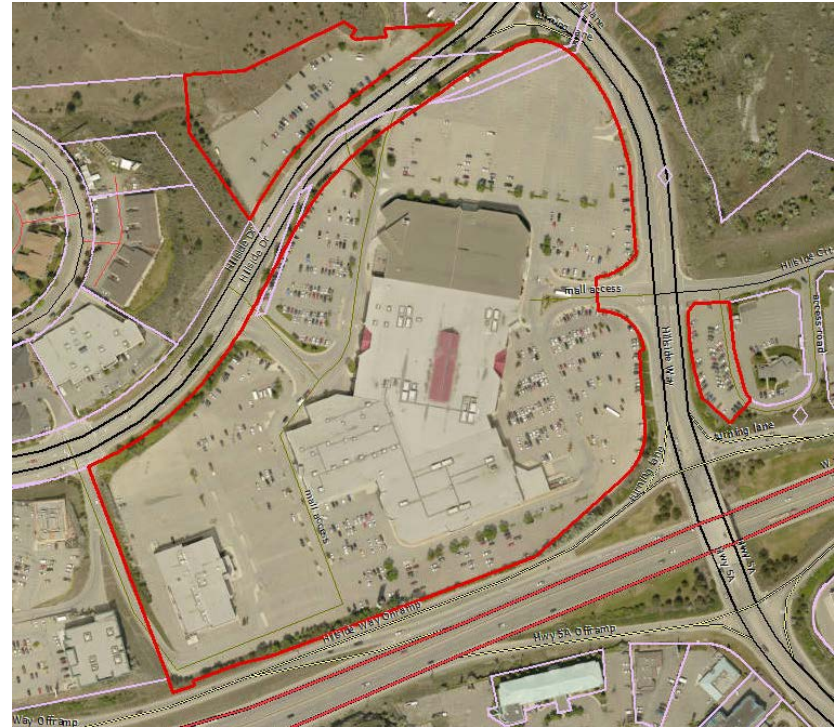
Sale Price: \$83,000,000 (\$181/SF)

Sale Date: March 2018

GLA: 458,427 square feet

Lot Size: 1,371,050 square feet

Estimated Cap: 6.50% - 7.50%



# Recent Retail Transactions

## Duncan – Cowichan Commons (2980 Drinkwater Rd)

Sale Price: \$46,351,684 (\$248/SF)

Sale Date: January 2018

GLA: 186,929 square feet

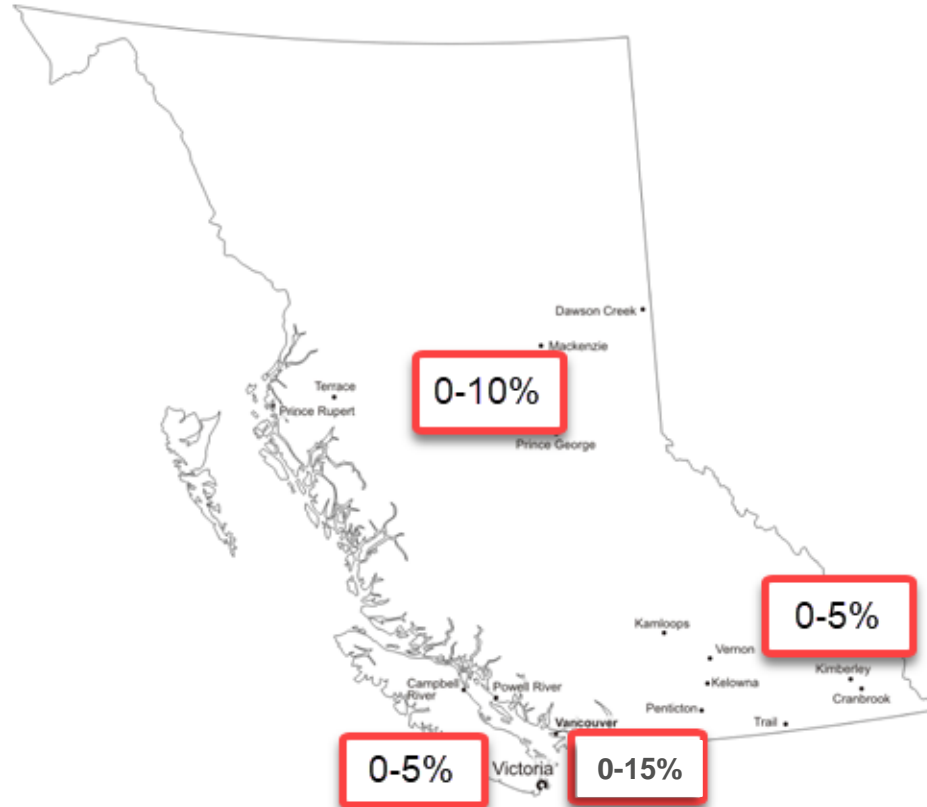
Lot Size: 686,147 square feet

Estimated Cap: 6.00 – 6.25%



# 2018 Roll Preliminary Value Direction

## Major Retail



# BC Assessment Major Retail Contacts:

REGION	CONTACT
Vancouver Island	Kent Boag
Greater Vancouver	Clayton Olson
Fraser Valley	Darren Jerke
	Shandra McInnis
Thompson Okanagan	Ron Arnett
	Boris Warkentin
Kootenay Columbia	David Robertson
Northern BC	Kerry Gobbi





# Thank You

## Discussion & Questions





**BC ASSESSMENT**

# Office Properties 2019 Roll

Presenter: Simone Simpson- BC Assessment  
Brian Keenan - Burgess Cawley Sullivan (BCS)

October 25<sup>th</sup>, 2018



# Agenda

- Downtown Commercial Land
- Recent Office Transactions
- 2019 Assessment Preview Roll Summary
- Discussion and Questions



# Downtown Commercial Land Market Synopsis

Address	Sale Date	Sale Price	Area (sf)	Zoning	\$/SF	\$/PBA	\$/PBA Proposed
833 W Pender	Jun-16	19,000,000	6,240	DDB	\$3,045	\$338	\$298
320 Granville	Jul-16	75,000,000	15,600	DDB	\$4,808	\$534	\$200
400 W Georgia	Mar-17	61,500,000	20,996	DDC1	\$2,929	\$418	\$167
443 Seymour	Feb-18	126,250,000	18,720	DDB	\$6,744	\$749	\$280 - \$375*

\* Based on potential 18 - 24 FSR

# Vancouver Office Market Synopsis

Building	Address	City	Sale Date	Sale Price	GLA	\$/SF
Telus Gardens	510 W Georgia St 783 Richards St	Vancouver	Aug 2018	Confidential	555,000	n/a
Government Hse	800 Burrard St	Vancouver	Jun 2018	\$227,000,000	222,500	\$1,020
1200 Burrard	1200 Burrard St	Vancouver	Jan 2018	\$63,800,000	71,000	\$899
The Shorehill	1155 W Pender St	Vancouver	Mar 2018	\$80,000,000	83,000	\$964
MEC Building	1077 Great Northern Way	Vancouver	Jan 2018	Confidential	112,300	n/a
Containers II	468 Terminal Ave	Vancouver	July 2018	\$92,000,000	128,400	\$717
210 W Broadway	210 W Broadway	Vancouver	Nov 2017	\$23,500,000	24,750	\$950
BC Heart Bldg.	1212 W Broadway	Vancouver	Apr 2017	\$34,700,000	48,000	\$723

# Lower Mainland Office Market Synopsis

Building	Address	City	Sale Date	Sale Price	GLA (SF)	\$/SF
Willingdon Park	4170 - 4401 Still Creek Dr	Burnaby	Dec. 2017	Confidential	490,000	n/a
4601 Canada Way; 3001 Wayburne	4601 Canada Way; 3001 Wayburne Dr.	Burnaby	Mar. 2018	Confidential	328,416	n/a
Production Court	8525 Baxter Pl.	Burnaby	Jun 2018	\$100,500,000	297,540	\$338
Guildford Corporate Centre	10470 152 St	Surrey	Mar. 2018	\$53,200,000	124,000	\$429



# Telus Garden (510 W Georgia St. & 783 Richards St) August 2018 – Confidential

- 22 sty Class AAA Office & 5 sty podium (c. 2014)
- 555,000 SF
- < 1 % Vacancy
- 22,000sf floor plate
- **Est. Economic Cap Rate : 3.50%- 3.75%**
- 2018 Assessed Value: \$476,272,000



# Government House (800 Burrard St, Vancouver)

## August 2018 - \$227,000,000 (\$1,020/SF)

- 19 sty Class B Office (c. 1983)
- 222,500 SF
  
- 100% Occupied
- 11,200sf floor plate
  
- **Est. Econ Cap Rate: 3.75%- 4.00%**
- 2018 Assessed Value: \$172,897,000



# Containers II - 468 Terminal Ave, Vancouver

## July 2018 - \$92,000,000 (\$717/SF)

- 7 sty Class A Office (c. 2015)
- 128,400 SF
- Fully occupied by CRA
- 20,000sf floor plate
- **Est. Econ Cap Rate  $\approx$  4.00%**
- 2018 Assessed Value: \$76,215,000



# Metro Vancouver Portfolio Sale

## April 2018 – Undisclosed

- 7 Office/Industrial Ppties (13 buildings)
  - 1077 Great Northern Way, Vancouver
  - 4585-4595 & 4601-4621 Canada Way
  - 3001 Wayburne Dr. & 3000 Beta Ave
  - 175-185 Golden Dr. , Coquitlam
  - 10470 152 Street, Surrey
- 94% Occupied
- 1,045,000 SF
- **Est. Econ. Cap Rate: 5.25% - 5.50%**
- **2018 Assessed Value: \$304,928,000**





# Guildford Corporate Centre - 10470 152 St. Surrey

## March 2018 - \$53,200,000 (\$429/SF)

- 9 sty Class A office (c. 1997)
- 124,000 SF
- 100% Occupied
- 14,500sf floor plate
- **Est. Econ Cap Rate  $\approx$  5.00%**
- 2018 Assessed Value: \$52,058,000



# Willingdon Park, Burnaby

## December 2017 – Undisclosed

- 5 Class A Offices (c. 1991-2001)
  - 4170, 4185, 4321, 4333, 4401 Still Creek Dr.
  - 490,000SF
- **Est. Econ. Cap Rate: 5.00%- 5.50%**
- **2018 Assessed Value: \$189,493,000**
- 4170 & 4185 Still Creek Dr. resold April 2018



# Production Court - 8525 Baxter Pl.

## June 2018 - \$100,500,000

- 9-sty Class A office (c. 1992)
- 297,540 SF leasable area
  
- **Estimated Econ. Cap: 4.75%- 5.00%**
- **2018 Assessed Value: \$89,504,000**



# 2019 Roll Preliminary Value Direction

## Vancouver Core

Class	Rent	Vacancy	Expense	Cap Rate
AAA	\$32 - \$40	4%	4%	3.50%-4.00%
A	\$28 - \$35	5%	5%	3.50% -4.00%
B	\$22 - \$28	6%	5%	3.50% -4.00%
C	\$17 - \$25	7%	6%	3.50% -4.00%

### Notes:

- Rental ranges are typical for the majority blended space over the entire building.
- Rents reflect typical lease terms for the different building classes.
- Rent analyzed on as is turnkey basis, averaged over the term, less free rent.
- Space standards consistently applied for local markets (generally BOMA).
- Cap rates are analyzed based on adjusted actual and economic.

# 2019 Roll Preliminary Value Direction

## Vancouver Core

- Rental Rate



- Cap Rates



- Assessed Values  
(10%-20% increase)



# 2019 Roll Preliminary Value Direction

## Suburbs

Class	Rent	Vacancy	Expense	Cap Rate
A	\$15 - \$30	7%	6%	4.75% - 5.25%
B	\$12 - \$22	8%	7%	4.75% - 5.25%

### Notes:

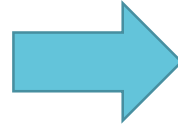
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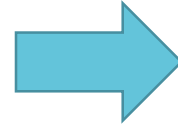
# 2019 Roll Preliminary Value Direction

## Suburbs

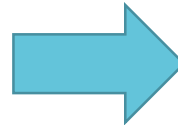
- **Rental Rate**



- **Cap Rates**



- **Assessed Values**  
**(0 - 5% increase)**



## For your Office Property Assessment inquiries, please contact:

REGION	CONTACT
Vancouver North Shore	Simone Simpson Ph: 1.866.825.8322 loc.09503 E: <a href="mailto:simone.simpson@bcassessment.ca">simone.simpson@bcassessment.ca</a>
North Fraser	Mandy Zhao Ph: 1.866.825.8322 loc.09536 E: <a href="mailto:mandy.zhao@bcassessment.ca">mandy.zhao@bcassessment.ca</a>
South Fraser	Darren Jerke 1.866.825.8322 loc.14324 E: <a href="mailto:darren.jerke@bcassessment.ca">darren.jerke@bcassessment.ca</a>





# Thank You

## Discussion & Questions