Sept 2025

Regional Commercial Real Estate Market Overview

Fraser Valley Regional District

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Analysis of the Commercial Real Estate Market in the Fraser Valley

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1.0 Executive Summary

The 2025 Regional Commercial Real Estate Market Overview provides insight into current and historical commercial real estate market conditions in the Lower Mainland, with a focus on industrial, office, and retail sectors in Abbotsford, Chilliwack, and Mission. It draws on quarterly reports from commercial real estate firms and detailed commerical land and building transaction data provided by the data analytics company the Altus Group to examine trends in pricing and sales volume. The analysis also makes useful comparisons between Metro Vancouver and Fraser Valley Regional District (FVRD) municipalities.

This report is intended to complement existing plans, policies and reports from member municipalities by providing a regional perspective and important context on key challenges such as rising costs, shifting market dynamics, and the ongoing shortage of industrial land. It also highlights the FVRD's evolving role within the broader Lower Mainland and Canadian commerical real estate

1.1 Key Findings

- The Lower Mainland industrial market remains one of the most expensive and supply-constrained in North America, despite signs of softening activity following years of rapid rent growth and record-low vacancy.
- Demand remains strong for large-scale, modern logistics facilities, even as investors remain cautious amid economic uncertainty, rising construction costs and higher interest rates.
- Commercial real estate prices in the Fraser Valley have followed an upward trend in line with Metro Vancouver, yet the region continues to offer more affordable options for businesses looking to relocate or expand.
- Industrial real estate has seen the steepest price increases, with average prices in the FVRD increasing from $75 per square foot in 2005 to $474 in 2024. The price gap between the FVRD and Metro Vancouver is smallest in the industrial sector.
- Office transactions in the FVRD remain concentrated in Abbotsford, with limited activity in Chilliwack and Mission. Prices have trended upward but remain well below Metro Vancouver, where prices are influenced by the premium value of downtown Vancouver office space.
- Retail buildings were the most frequently transacted commercial asset in the FVRD between 2005 and 2024, with sales volume more evenly distributed across municipalities, and prices showing a consistent upward trend.
- Retail space in the FVRD was the most discounted commerical asset compared to Metro Vancouver on average. However, average prices increase from east to west, with eastern Metro Vancouver municipalities more closely aligned with those in the FVRD.
- Industrial, commercial and institutional land transactions are significant in the FVRD, with most reflecting the sale of agricultural lands. Between 2005 and 2024, however, Abbotsford and Chilliwack ranked second and fourth respectively, in total industrial land sales among Lower Mainland municipalities.
- Industrial land prices have risen sharply from $169,000 per acre in 2005 to over $3.38 million in 2024, nearly quadrupling since 2019. Despite this, the Fraser Valley remains significantly more affordable than Metro Vancouver, offering multi-million-dollar per acre discounts for industrial land on average.
- Abbotsford remains the Fraser Valley's commercial hub, leading in both transaction volume and value. However, Chilliwack and Mission have seen increasing market activity in recent years, with Chilliwack in particular, experiencing strong industrial price growth. A broader regional surge in demand, coupled with limited supply, has placed upward pressure on prices across all markets.

2.0 Methodology

2.1 Data Sources/Study Area

This report examines commercial real estate trends across the Lower Mainland. Section 3.0 provides contextual insights into the industrial market using data and commentary from various commercial real estate firms such as Colliers, CBRE, and Cushman & Wakefield. Sections 4.0, 5.0 and 6.0 present an analysis of commerical real estate transaction trends using data provided by the Altus Group.

Transaction data provided by the Altus Group is only available for the municipalities of Abbotsford, Chilliwack, and Mission within the FVRD. Therefore, any reference to the FVRD within this report pertains solely to data from these three municipalities.

For the Metro Vancouver Regional District (MVRD), data is included for 17 municipalities. However, data for only a subset of these municipalities is shown and discussed in order to provide relevant context, enable meaningful comparison, and maintain clarity throughout the report.

Note:

- *Langley includes a combined total of transactions from the City of Langley and the Township of Langley.*
- *North Vancouver includes a combined total of transactions from the City of North Vancouver and the District of North Vancouver.*

2.2 Real Estate Transaction Types

The analysis of transactions starting in section 4.0 of this report focuses exclusively on market sales of commercial real estate. Other transaction types such as share sales, distress sales and non-arm's length transactions are excluded from all figures. This ensures that the data is reflective of actual market conditions, as excluded sales may involve special terms, relationships, or sale conditions that can distort the final transaction value.

Approximately 92% of all building transactions and 93% of all industrial, commercial and institutional (ICI) land transactions between 2005 and 2024 across the FVRD and Metro Vancouver were classified as market transactions by the Altus Group. By limiting the scope of analysis to these sales only, the report presents a more accurate picture of commercial real estate pricing and activity.

Share Sales

Although this report focuses on market transactions, there have been several significant commercial properties that have changed hands through share sales. In a share sale, ownership of the company that owns the property is transferred, rather than the land and buildings themselves. This means that the buyer takes over the company, including its assets, leases, and contracts. Share sales are often used for large retail properties with many tenants and agreements, since it's usually easier to transfer the business as a whole than to renegotiate each individual lease or contract.

Several significant share sales have taken place in recent years within the FVRD, including :

- 2017 – Sevenoaks Shopping Centre, Abbotsford - $214 million
- 2019 – Cottonwood Mall, Chilliwack - $73 million
- 2021 – The Junction Shopping Centre, Mission - $96 million

These transactions represent the highest value commercial real estate transactions recorded in each of the FVRD's three largest municipalities as of December 31st, 2024. While these sales show strong investor interest, their unique terms mean they may not reflect typical market activity, and their high values could skew overall price trends if included in the data.

2.3 Average Price Calculation

Average prices for commercial land and building types presented in this report are calculated using a rolling three-year average. This approach incorporates data from the previous two years alongside the current year, in order to smooth out anomalous transactions. Though each yearly average is influenced by prices from the previous two years, this method better represents long-term price trends and reduces the impact of outlier sales on the average price for a single year.

Any analysis of transaction data from the Altus Group, including average price calculations, can include repeat sales of the same property over time. As a result, the figures may be influenced by properties that have been bought and sold multiple times, since the data reflects overall transaction activity rather than the number of unique properties sold.

2.4 Inflation

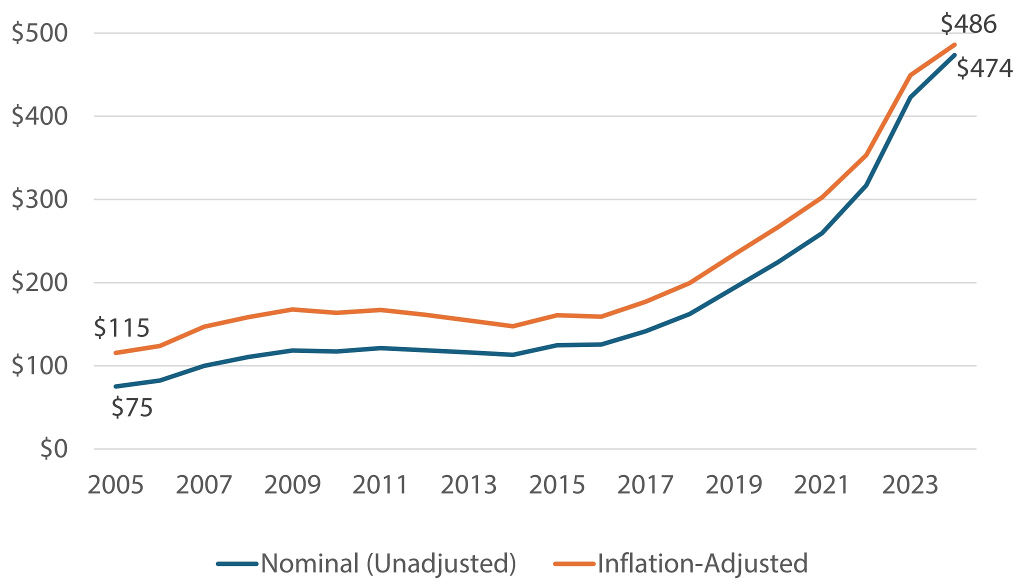
All price values in this report are shown in nominal (unadjusted) dollars to reflect the actual values paid at the time of transaction. However, to provide additional context on long-term trends, the effect of inflation on average price growth is examined below.

Total transaction amounts for each year were adjusted to 2024 dollars using the Bank of Canada's Inflation Calculator. Average prices were then recalculated using these adjusted totals. Adjusting for inflation removes the effect of general price increases in the economy and helps clarify the real magnitude of price changes over time.

For example, the average price per square foot of industrial building space in the FVRD increased in nominal terms from $75 in 2005 to $474 in 2024, an increase of 532%. When adjusted for inflation, the increase over the same period was from $115 to $486, or 322%. While both figures show substantial growth, the inflation-adjusted values present a more conservative picture.

Figure 2.1 compares the unadjusted and inflation-adjusted average prices per square foot of industrial building space in the FVRD. The adjusted line starts at a higher baseline and rises more gradually, but the overall trend remains the same. This shows that inflation does not significantly alter the overall pattern or timing of price trends. Instead, it slightly dampens the rate of growth, especially when comparing to earlier years where inflation has a more pronounced effect.

Figure 2.1 - Inflation Comparison of the Average Price per Square Foot of Industrial Building Space in the FVRD (2005-2024)



Altus Group, Altus Data Studio 2024

3.0 Industrial Market Snapshot

The following section includes a summary of industrial market conditions based on reports from commercial real estate firms including Colliers, CBRE, Cushman & Wakefield, and the data analytics company the Altus Group. The focus is on the broader Lower Mainland industrial market, which includes Metro Vancouver and the Fraser Valley. However, most market reports include data for Abbotsford and Chilliwack only, with Mission included in select cases. While the vacancy rate and average asking rent data is drawn from Colliers' quarterly reporting, the analysis reflects insights from all sources listed above.

3.1 Current Market Conditions

Market reporting indicates the Lower Mainland's industrial market is in transition. After years of rapid rent growth and record-low vacancy rates, the market is shifting toward a more balanced position amid broader economic uncertainty. As of Q2 2025, vacancy rates have reached their highest point in over a decade, while average asking rents have leveled off, slightly declining from their 2023 peak.[1]

Several factors including a rise in interest rates since 2022, elevated construction costs, and uncertainty around tariffs and global trade have all slowed decision-making.[2] Many businesses are exercising caution, opting for shorter-term leases and delaying expansion plans.[1] In 2024, net absorption turned negative for the first time since 2009, as new supply outpaced demand for space.[3]

However, market reports reflect cautious optimism. Demand for large-scale industrial space remains strong, particularly for modern logistics facilities. While newer buildings continue to command higher rents.[4] Notable lease renewals and expansions from major businesses such as Amazon and Costco, suggest sustained interest in well-located distribution centres across the region.[1]

In contrast, older properties with limited capacity have faced increasing competition and downward pressure on rents.[4] However, the pipeline of new projects is shrinking, with several proposed developments paused or canceled due to rising costs and economic uncertainty. A slower pace of new supply, more in line with pre-pandemic levels, should give demand more time to catch up, although vacancy rates may continue to rise in the near term as ongoing projects are completed. [1,3,4]

[1] Colliers Canada - Vancouver Industrial Market Report Q2 2025: https://bit.ly/4mxELCU
[2] Colliers Canada - Vancouver Industrial Market Report Q4 2024: https://bit.ly/42ycqWb
[3] CBRE Canada - Vancouver Industrial Figures Q4 2024: https://bit.ly/471Luj1
[4] Cushman & Wakefield - Marketbeat Vancouver Industrial Q2 2025: https://bit.ly/46CbaCh
[5] Cushman & Wakefield - Marketbeat Vancouver Industrial Q4 2024: https://bit.ly/4mU0gOJ
[6] Cushman & Wakefield - Marketbeat Vancouver Industrial Q4 2022: https://bit.ly/46BPYMP

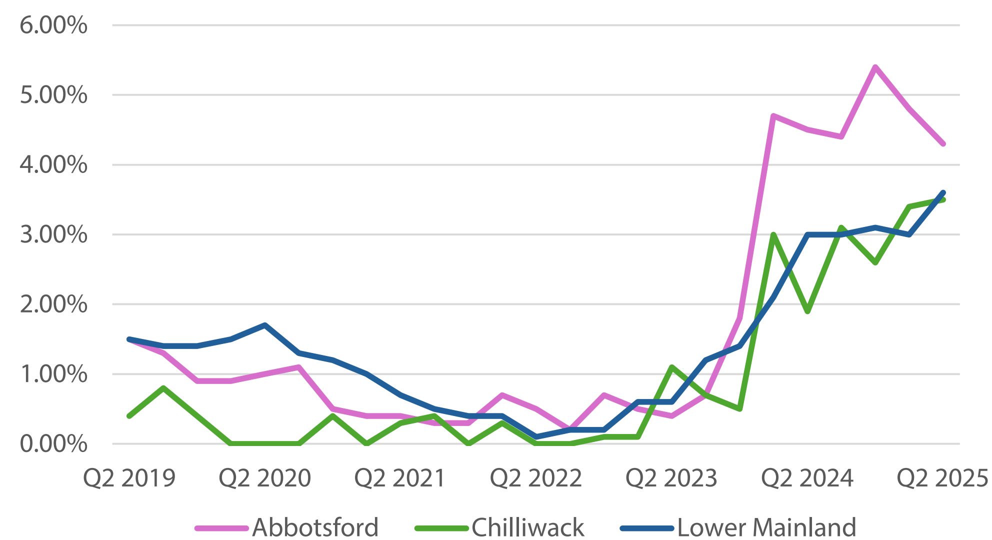
Despite these signs of softening, the Lower Mainland remains one of the most expensive and supply-constrained industrial markets in North America. Underlying fundamentals including strong regional demand, limited land availability, and proximity to major ports and trade corridors, continue to support long-term growth.[3,5]

3.2 Regional Comparison

In 2019, the industrial vacancy rate in the Lower Mainland hovered just above 1%. By 2022, it had fallen to an unprecedented low of 0.1% amid a surge in demand from large-scale industrial firms. Limited land availability, record low interest rates, and the rapid growth of e-commerce, all contributed to a dramatic tightening of the market.[6]

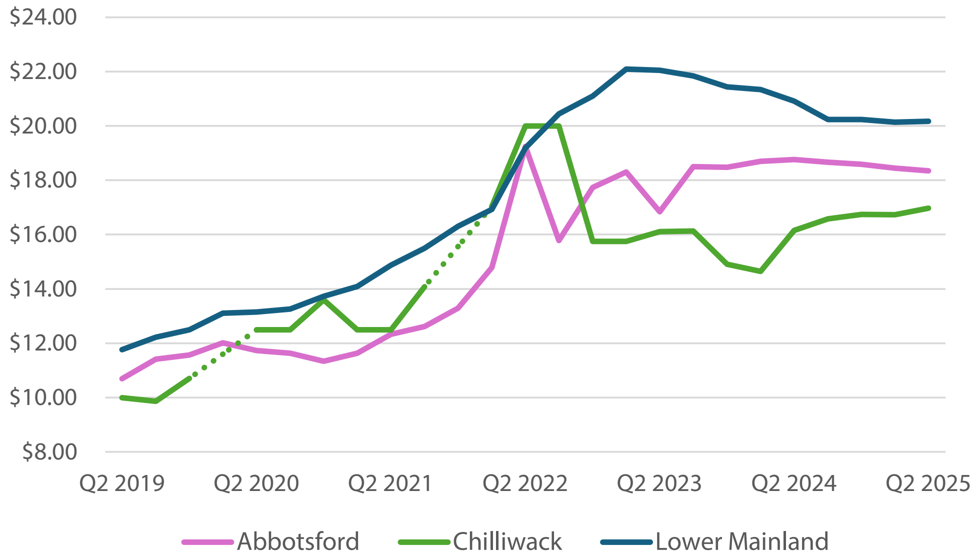
Figure 3.1 shows vacancy rates in Abbotsford and Chilliwack compared to the broader Lower Mainland market. Overall, Fraser Valley vacancy trends have mirrored those in the rest of the region, reaching lows in mid-2022. In particular, Chilliwack reported multiple quarters of 0% vacancy between 2020 and 2023. Since then, vacancy rates have gradually increased. Chilliwack remains broadly in line with the rest of the Lower Mainland, while Abbotsford's vacancy has climbed more sharply, reaching 5.4% in Q4 2024. This suggests a cooling in the market as both tenants and landlords take a more cautious approach.

Figure 3.1 - Vacancy Rate (%) of Industrial Space (Q2 2019 - Q2 2025)



Colliers Canada Industrial Market Reports

Figure 3.2 - Average Asking Rents ($) of Industrial Space (Q2 2019 - Q2 2025)



Colliers Canada Industrial Market Reports

Note: Dotted lines represent values that were averaged due to missing quarterly data. Average rents in Abbotsford and Chilliwack may show greater variability due to a smaller number of transactions, which can have an outsized influence on price trends.

As shown in figure 3.2, average asking rents for industrial space across the Lower Mainland market have increased significantly since 2019, rising from below $12 per square foot to a peak of roughly $22 in 2023. Despite some softening since, asking rents have remained elevated, with recent quarters still averaging just over $20 per square foot.

In Abbotsford and Chilliwack, rents have followed a similar trend as the broader regional market but appear more variable, likely due to fewer transactions having a more outsized effect on prices. Rents in both municipalities rose sharply from $10-$11 per square foot in 2019 to roughly $20 by 2022, in line with the rest of the Lower Mainland. Since then, prices have declined slightly and diverged, with Abbotsford rents stabilizing above $18 and Chilliwack's closer to $16. These trends indicate that while Fraser Valley prices have risen along with the broader region, they continue to offer a more affordable alternative to cities in Metro Vancouver.

3.3 National Comparison

The Lower Mainland is Canada's third largest industrial market by total inventory, following Toronto and Montreal. A national comparison of average rents highlights the Lower Mainland as the most expensive market in Canada, despite its vacancy rate now sitting closer to the national average. As of Q2 2025, the Lower Mainland's average asking rent remains substantially higher than other markets, exceeding $20 per square foot.

Ottawa, while a smaller market, recorded among the tightest market conditions nationally, with a vacancy rate near 2.5%, driven by strong demand from the public sector.[7] Meanwhile, cities such as Edmonton and Calgary offer significantly lower asking rents, under $12 per square foot, potentially providing more cost-effective options for businesses seeking to relocate.

Both Toronto and the Lower Mainland have seen a softening in activity as new supply enters the market, reflected in slower absorption rates and more cautious investor behaviour. However, significant construction activity highlighted continued investment in key logistics hubs across Canada.[7] In the Lower Mainland demand remains particularly strong for newer, large-bay facilities.

Table 3.1 - Canadian Industrial Market Comparison (Q2 2025)

Market	Total Inventory (Sq ft.)	Vacancy Rate	Avg. Asking Rent
Lower Mainland	234,395,400	3.6%	$20.17
Edmonton	165,895,150	4.2%	$11.73
Calgary	178,712,267	4.0%	$11.70
Toronto	871,826,855	2.6%	$16.96
Ottawa	46,293,655	2.5%	$17.33
Montreal	364,069,088	4.5%	$14.75

Colliers Canada Industrial Market Reports

Compared to U.S. West Coast markets such as Seattle and Portland, the Lower Mainland industrial market remains comparatively constrained. While vacancy rates have climbed to 6-8% in these U.S. markets due to an influx of new development, the Lower Mainland's limited land base has kept vacancy rates lower and rents elevated, even as market activity softens.[8] In this context, the Fraser Valley remains a critical part of the broader industrial market in a region facing an industrial land shortage, offering strategic access to key trade corridors at lower costs.

[7] Altus Group - Canada Industrial Market Update Q2 2025: http://bit.ly/4nqdxiY
[8] CBRE Canada - Vancouver Industrial Figures Q4 2024: https://bit.ly/471Luj1

4.0 Regional Building Real Estate Trends

The following section presents data provided by the Altus Group and highlights trends in commercial real estate building transactions across select communities in the Lower Mainland between 2005 and 2024. FVRD data reflects transactions in its three largest municipalities, Abbotsford, Chilliwack and Mission, while MVRD totals include data from 17 Metro Vancouver municipalities.

4.1 Industrial

Breaking down activity into two decades reveals clear shifts in the industrial building market. Most municipalities experienced an increase in the number of industrial sales in the 2015-2024 period compared to 2005-2014. In the Fraser Valley, sales rose by 81 transactions, a 22% increase between the two decades. Metro Vancouver also saw a comparable rise overall. However, there were notable declines in total sales in Burnaby and Vancouver, suggesting a shift in industrial demand away from more built-out areas.

Surrey stands out with 1,211 industrial sales from 2015 to 2024, representing more than one-quarter of Metro Vancouver's total for that period. Within the FVRD, approximately 60% of transactions occurred in Abbotsford, although Chilliwack and Mission both saw a growing share of activity in the latter decade of the total 20-year period.

While transaction volume varied, the total value of sales increased significantly across all municipalities, even in places where the total industrial floor space transacted declined. Both the FVRD and Metro Vancouver recorded decreases in total floor space transacted between the two decades, potentially indicating tightening land supply or reduced development activity. Vancouver alone saw a decline of over 1.7 million square feet. In contrast, municipalities such as Surrey, Maple Ridge, Langley and Chilliwack experienced increases in the total amount of floor space transacted between the two decades.

Table 4.1 - Total Sales, Value and Floor Space Transacted for Industrial Buildings (2005-2024)

	Total Number of Sales			Total Value Transacted ($ millions)			Total Floor Space Transacted (sq ft.)		
Municipality	**2005-2014**	**2015-2024**	**2005-2024**	**2005-2014**	**2015-2024**	**2005-2024**	**2005-2014**	**2015-2024**	**2005-2024**
Abbotsford	230	257	487	322	693	1,015	2,756,896	2,502,358	5,259,254
Chilliwack	95	129	224	104	273	377	957,663	969,033	1,926,696
Mission	42	62	104	30	71	101	331,890	269,902	601,792
Burnaby	452	393	845	880	1,988	2,868	6,050,498	5,671,734	11,722,232
Langley	237	297	534	493	1,310	1,803	4,112,688	4,172,866	8,285,554
Maple Ridge	95	154	249	91	283	373	802,289	1,079,335	1,881,624
Surrey	1,097	1,211	2,308	1,012	2,894	3,905	7,360,452	9,343,332	16,703,784
Vancouver	561	486	1,047	895	1,966	2,861	5,439,342	3,688,167	9,127,509
Regional District									
FVRD	367	448	815	456	1,037	1,493	4,046,449	3,741,293	7,787,742
MVRD	4,339	4,664	9,003	6,435	15,117	21,552	46,417,060	44,253,934	90,670,994

Altus Group, Altus Data Studio 2024

Figure 4.1 shows the average price per square foot of industrial building space, based on a rolling three-year average to smooth out anomalous transactions. Across all municipalities in the Fraser Valley and Metro Vancouver, a clear upward price trend is evident. Although prices had been rising steadily since 2005, the most significant increases occurred between 2019 and 2024. This upward trend began earlier in municipalities closer to Vancouver, with the City of Vancouver itself experiencing sharp increases between 2015 and 2019.

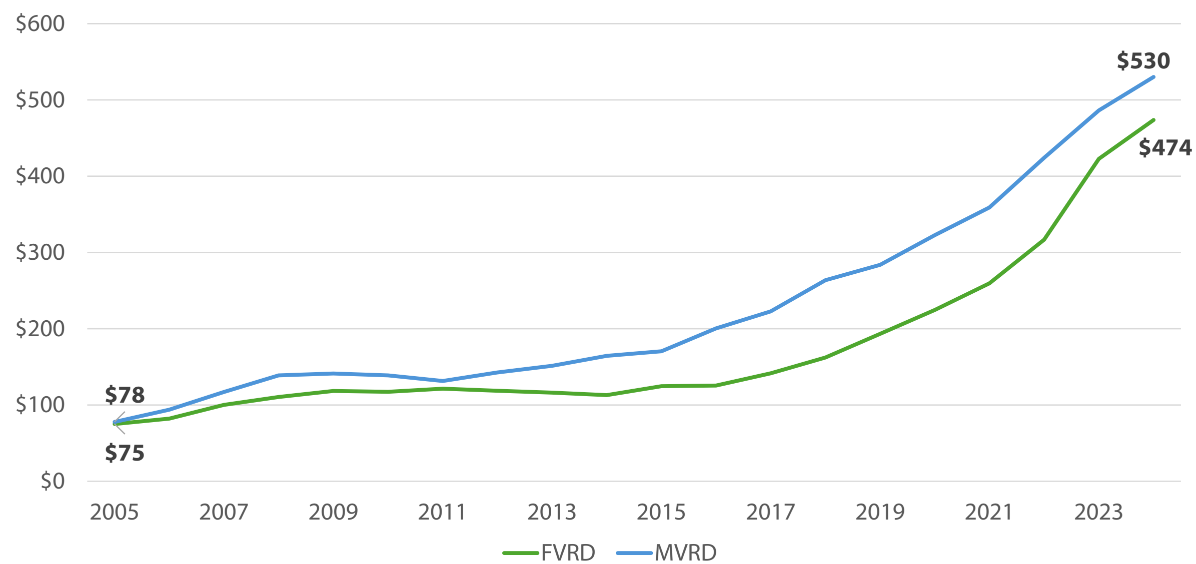
In 2019, the average price in the FVRD's three largest municipalities was around $200 or less per square foot. By 2024, prices had risen dramatically, approaching the $500 mark. Chilliwack saw the most significant increase, jumping from $175 to $516, an increase of nearly 200%. Abbotsford and Mission saw more modest increases from 2019 to 2024 of 128% and 82% respectively, but still significant for a five-year period. Overall, the chart highlights that while price levels vary, growth in the average price of industrial building space has been considerable in municipalities across both the FVRD and Metro Vancouver.

Figure 4.2 further illustrates that industrial prices in the FVRD have largely followed the same upward trend as Metro Vancouver over time. Despite this, industrial building space in the FVRD has remained more affordable overall, a gap which is largely due to higher prices in some of Metro Vancouver's core municipalities. Eastern Metro Vancouver municipalities such as Langley, Surrey, and Maple Ridge tend to have price levels more comparable with those in Abbotsford, Chilliwack and Mission. Notably, the average price gap between the FVRD and Metro Vancouver is the smallest for industrial buildings compared to office and retail properties, at just $54 per square foot. This may reflect a stronger influence of industrial transactions in lower priced Metro Vancouver municipalities, but also suggests that the industrial market is more closely integrated across the two regional districts.

Figure 4.1 - Average Price/Sq. Ft of Industrial Buildings per Municipality (2005-2024)

Altus Group, Altus Data Studio 2024

Figure 4.2 - Average Price/Sq. Ft of Industrial Buildings per Regional District (2005-2024)



Altus Group, Altus Data Studio 2024

4.2 Offices

Market transactions of office properties are significantly less common than industrial or retail in both the FVRD and Metro Vancouver. Between 2005 and 2024, there were 4,196 office transactions compared to 9,818 industrial and 7,706 retail.

In the FVRD, office activity is limited, with only 317 transactions recorded over a 20-year period. Of those, 73% occurred in Abbotsford, highlighting its role as a regional hub. Comparing two decades of data, office transactions increased in Abbotsford, while there was minimal change in both Chilliwack and Mission. In Metro Vancouver, Surrey and Vancouver accounted for the greatest number of office transactions, with the most significant growth seen in Surrey over time.

While the total number of sales increased between the two decades, the total amount of floor space transacted has shown mixed trends. In Metro Vancouver, this number has declined, particularly in Surrey and Vancouver, which may reflect a shift toward smaller or more efficient office spaces. In contrast, the FVRD saw a 34% increase in the total office floor space transacted, though this growth was entirely attributable to Abbotsford. Abbotsford's share of the FVRD's total transacted office floor space rose from 56% in the 2005-2014 period to 67% in 2015-2024.

Table 4.2 - Total Sales, Value and Floor Space Transacted for Office Buildings (2005-2024)

	Total Number of Sales			Total Value Transacted ($ millions)			Total Floor Space Transacted (sq ft.)		
Municipality	**2005-2014**	**2015-2024**	**2005-2024**	**2005-2014**	**2015-2024**	**2005-2024**	**2005-2014**	**2015-2024**	**2005-2024**
Abbotsford	62	169	231	86	204	291	419,604	560,353	979,957
Chilliwack	30	29	59	24	45	69	227,148	186,956	414,104
Mission	12	15	27	21	42	62	102,228	89,476	191,704
Burnaby	159	249	408	635	1,416	2,051	3,123,299	2,934,224	6,057,523
Langley	81	161	242	89	300	389	395,806	640,477	1,036,283
Maple Ridge	17	16	33	19	25	43	118,882	76,801	195,683
Surrey	287	621	908	608	894	1,502	2,931,026	1,927,734	4,858,760
Vancouver	487	601	1,088	2,060	3,434	5,494	6,973,285	5,869,213	12,842,498
Regional District									
FVRD	104	213	317	131	291	422	748,980	836,785	1,585,765
MVRD	1,552	2,327	3,879	4,258	7,317	11,575	17,093,306	14,071,782	31,165,088

Altus Group, Altus Data Studio 2024

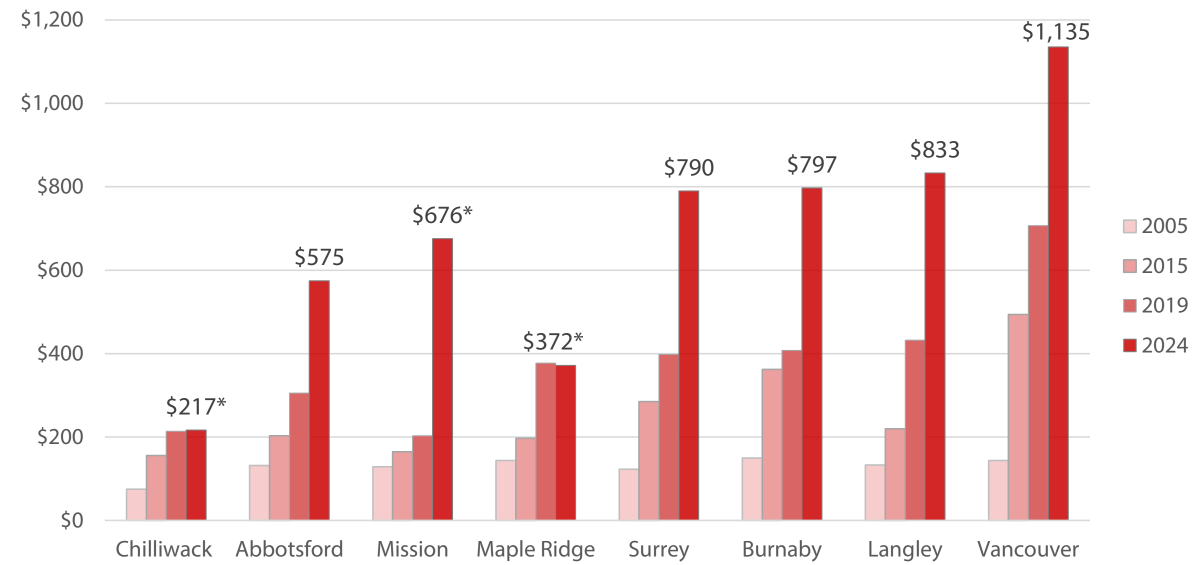
Office sales across municipalities can vary significantly. In three years from the start of 2022 to the end of 2024, only six market transactions of offices occured in Chilliwack and Mission combined, while Abbotsford recorded 36. As a result, average price estimates in areas with fewer transactions are more influenced by the characteristics of individual sales. Newer or centrally located office buildings, for instance, may skew average prices higher, while older more outlying office buildings may do the opposite. This should be considered when interpreting local price trends.

Despite the smaller sample size, a general price trend is noticeable and matches trends seen in other building types. While prices have increased significantly across most municipalities, particularly since 2019, price trends appear more variable, with sharper jumps and wider differences between municipalities. For example, the average price of office space was $575 per square foot in Abbotsford, while the same was $1,135 in Vancouver. These differences reflect not just varying demand across the region, but also differences in location, building class and market maturity, with Metro Vancouver offering more high-end, centrally located office properties that yield higher values.

Figure 4.4 compares the average price per square foot of office space in the FVRD and Metro Vancouver. Both regions began trending upward around 2014, but Metro Vancouver's growth accelerated more significantly after 2020. While prices in the FVRD have also risen, the rate has been slower and the gap between regions has widened.

In 2024, the difference in average office prices between Metro Vancouver and the FVRD was $357 per square foot, compared to a $56 gap per square foot of industrial space. This illustrates greater regional disparity in office pricing, likely driven by a stronger service sector in Metro Vancouver where jobs in finance, real estate, and professional services are more concentrated and drive higher demand for office space.

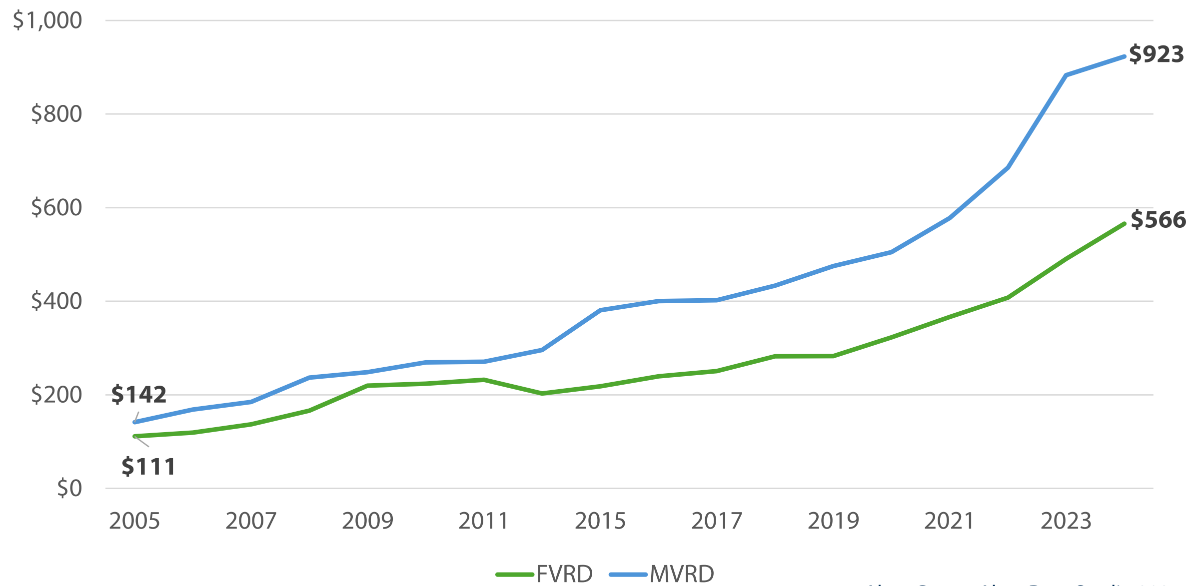
Figure 4.3 - Average Price/Sq. Ft of Office Space per Municipality (2005-2024)



Price averages may be skewed due to a lower number of sales.

Altus Group, Altus Data Studio 2024

Figure 4.4 - Average Price/Sq. Ft of Office Space per Regional District (2005-2024)



Altus Group, Altus Data Studio 2024

4.3 Retail

Retail properties represent a significant portion of commercial building transactions in the Fraser Valley, with more retail properties transacted than either office or industrial between 2005 and 2024. This contrasts with Metro Vancouver, where industrial properties made up a larger share of transactions.

In Abbotsford, retail activity accounted for 47% of total transactions in the FVRD, with Chilliwack following closely at 40%, and Mission comprising the remaining 13%. While all three municipalities saw increases in retail transactions over the two decades, the rise was more pronounced in Abbotsford, which recorded over 100 more transactions in the 2015-2024 period compared to 2005-2014.

Metro Vancouver experienced a different trend. Municipalities such as Surrey and Vancouver saw declines in retail transactions over time. Meanwhile, eastern municipalities like Langley and Maple Ridge recorded smaller increases, possibly suggesting a shift in retail investment toward emerging, lower-cost areas.

Retail floor space transacted in the FVRD also grew over the 20-year period, with all three municipalities seeing increases. Notably, Chilliwack saw more total floor space transacted than Abbotsford, despite having fewer transactions. This may reflect a higher proportion of large-format retail development. In Metro Vancouver, by contrast, the total floor space transacted declined significantly, with over seven million fewer square feet sold in the latter decade. Possible explanations include a shift towards smaller format retail, increased competition from e-commerce, or the growing prevalence of mixed-use development.

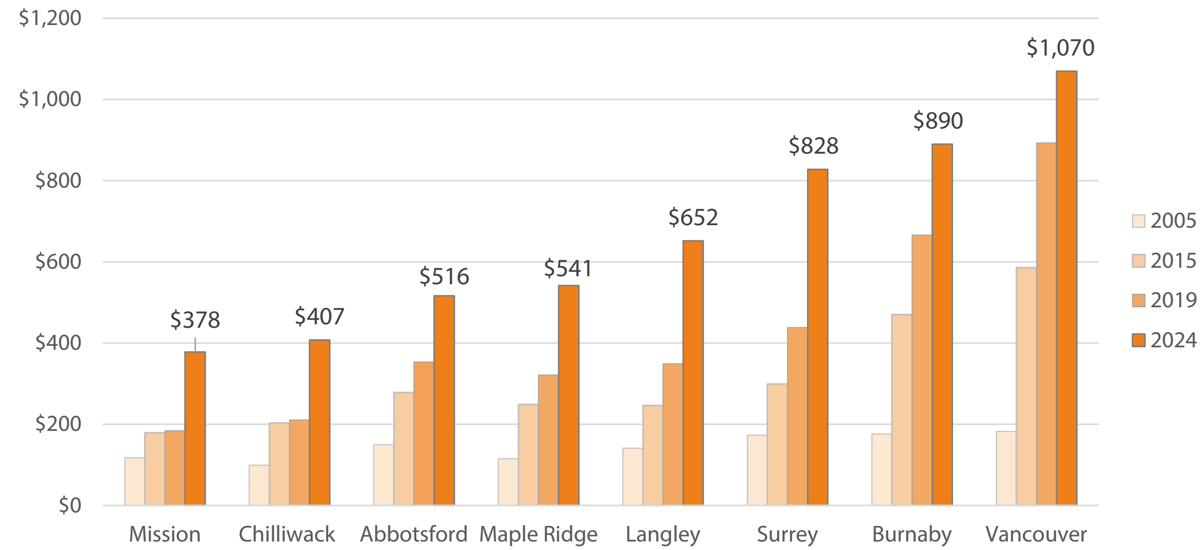
Table 4.3 - Total Sales, Value and Floor Space Transacted for Retail Buildings (2005-2024)

	Total Number of Sales			Total Value Transacted ($ millions)			Total Floor Space Transacted (sq ft.)		
Municipality	**2005-2014**	**2015-2024**	**2005-2024**	**2005-2014**	**2015-2024**	**2005-2024**	**2005-2014**	**2015-2024**	**2005-2024**
Abbotsford	152	255	407	232	500	732	1,198,047	1,307,440	2,505,487
Chilliwack	170	176	346	196	376	572	1,327,816	1,433,782	2,761,598
Mission	50	58	108	53	100	153	346,045	350,462	696,507
Burnaby	328	261	589	655	877	1,532	2,553,428	1,363,008	3,916,436
Langley	189	209	398	455	638	1,093	1,924,974	1,475,917	3,400,891
Maple Ridge	76	99	175	95	361	456	492,961	1,010,519	1,503,480
Surrey	628	568	1,196	1,038	1,343	2,381	4,746,323	2,701,517	7,447,840
Vancouver	1,569	1,157	2,726	2,693	4,405	7,098	7,034,806	4,988,392	12,023,198
Regional District									
FVRD	372	489	861	481	976	1,457	2,871,908	3,091,684	5,963,592
MVRD	4,088	3,495	7,583	7,225	10,700	17,925	23,947,694	16,681,606	40,629,300

Altus Group, Altus Data Studio 2024

In terms of pricing, retail buildings in Metro Vancouver experienced a steady and substantial increase over the 20-year period. Prices rose across all municipalities, though in the latter decade, already high-priced markets such as Burnaby and Vancouver saw more gradual growth compared to faster-rising municipalities like Surrey, Langley, and Maple Ridge. In the FVRD, price growth was more varied. Chilliwack and Mission saw less noticeable change between 2005 and 2019, followed by sharp increases upward through to 2024. Abbotsford followed a more consistent upward trend over time. By 2024, the difference in the average price per square foot of retail space between Vancouver and Mission was $692, highlighting the significant price gradient that exists moving outwards from Vancouver.

Figure 4.5 - Average Price/Sq. Ft of Retail Buildings per Municipality (2005-2024)

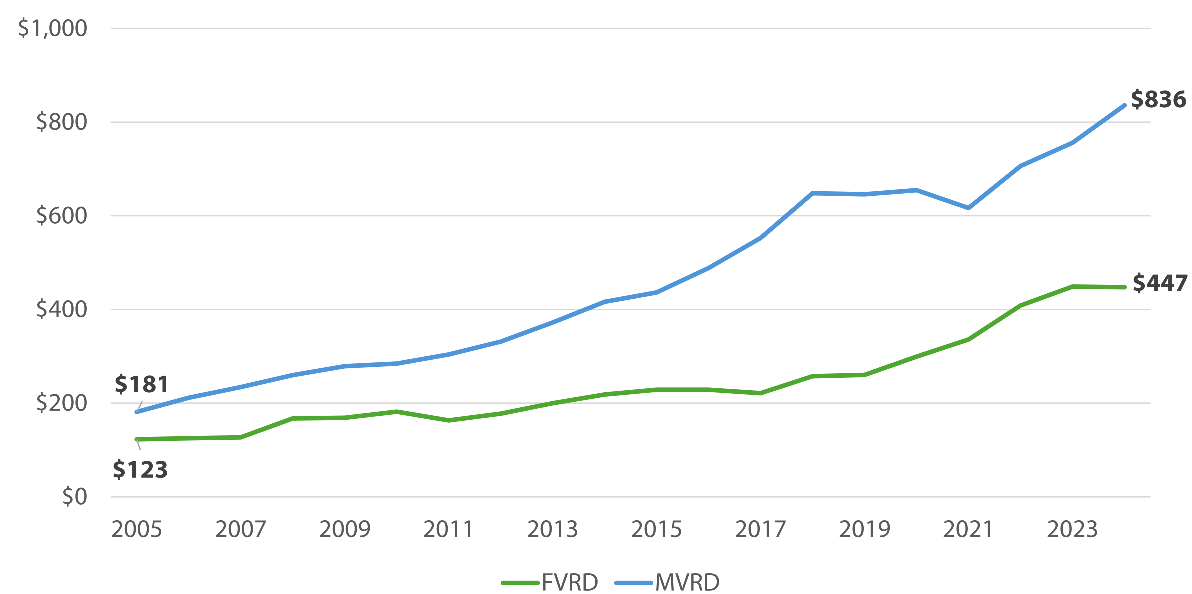


Altus Group, Altus Data Studio 2024

Regionally, the price gap for retail buildings between Metro Vancouver and the FVRD is larger than for industrial and office properties. In Metro Vancouver, prices followed a relatively linear increase over time, dipping slightly in 2021 before rising sharply again. The FVRD followed a similar pattern, though with slower growth and more pronounced increases beginning around 2017, when the average price per square foot rose from just over $200, to above $400 within a few years.

By 2024, the price gap between the two regions reached $389 per square foot, the largest among all building types. This likely reflects stronger demand and higher land costs in Metro Vancouver, as well as a greater share of older retail properties being transacted in the FVRD. However, as with office properties, Metro Vancouver's average retail prices are heavily influenced by high-cost municipalities like Vancouver, North Vancouver and Burnaby. In contrast, average prices in the FVRD align more closely with those in municipalities such as Langley and Maple Ridge.

Figure 4.6 - Average Price/Sq. Ft of Retail Buildings per Regional District (2005-2024)



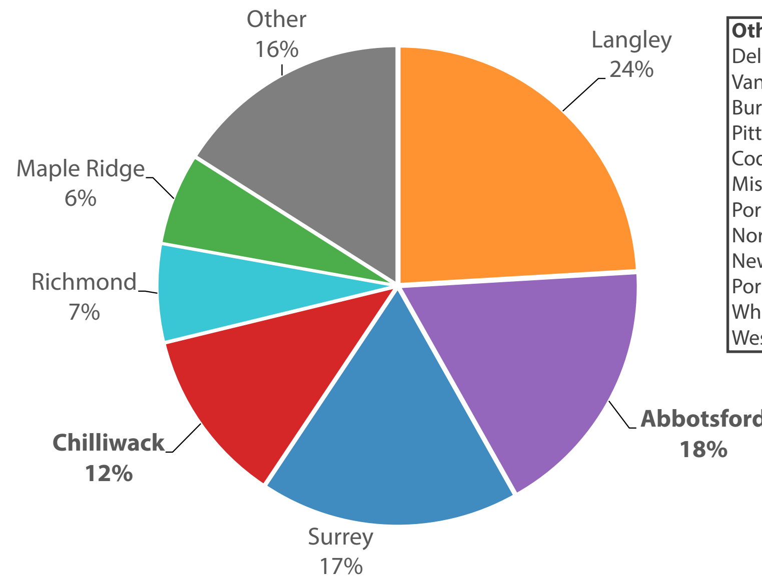
Altus Group, Altus Data Studio 2024

5.0 Regional ICI Land Real Estate Trends

The focus of this section is on ICI (industrial, commercial and institutional) land, which refers to properties assessed to be utilized for land uses such as industrial, office or retail, as well as other uses such as agriculture, institutional or conservation. The main distinguishing characteristic of ICI land transactions is that they are often vacant and undeveloped, and their value stems from the amount of land being transacted measured in acres.

Between 2005 and 2024, Langley experienced the highest number of ICI land transactions at 2,981, followed by Abbotsford, Surrey and Chilliwack. When comparing regional districts, the FVRD's three largest municipalities accounted for nearly a third of the combined ICI land transactions of the 17 Metro Vancouver municipalities included in these counts. However, the total dollar value of lands transacted in this 20-year period is almost four times higher in Metro Vancouver than in the FVRD, while the total number of acres was roughly 1.5 times higher.

Figure 5.1 - Distribution of ICI Land Transactions (2005-2024)



Other	
Delta	3.72%
Vancouver	3.27%
Burnaby	2.12%
Pitt Meadows	1.96%
Coquitlam	1.37%
Mission	1.20%
Port Coquitlam	0.98%
North Vancouver	0.49%
New Westminster	0.40%
Port Moody	0.36%
White Rock	0.06%
West Vancouver	0.04%

Table 5.1 - Total Sales, Value and Acres Transacted (2005-2024)

	Total Number of Sales			Total Value Transacted ($ millions)			Total Area Transacted (acres)		
Municipality	**2005-2014**	**2015-2024**	**2005-2024**	**2005-2014**	**2015-2024**	**2005-2024**	**2005-2014**	**2015-2024**	**2005-2024**
Abbotsford	1,063	1,139	2,202	1,444	2,821	4,265	14,673	14,664	29,337
Chilliwack	699	767	1,466	811	1,514	2,325	8,681	7,490	16,171
Mission	71	78	149	58	177	235	435	644	1,079
Burnaby	184	78	262	533	490	1,023	526	151	677
Langley	1,258	1,723	2,981	1,748	4,597	6,345	12,085	15,820	27,904
Maple Ridge	296	470	766	310	835	1,145	1,794	2,890	4,685
Surrey	1,194	976	2,170	2,377	4,509	6,887	8,907	7,742	16,649
Vancouver	210	195	405	858	2,761	3,619	265	189	453
Regional District									
FVRD	1,833	1,984	3,817	2,312	4,512	6,824	23,788	22,798	46,587
MVRD	4,340	4,230	8,570	8,793	17,589	26,382	34,193	36,970	71,163

Altus Group, Altus Data Studio 2024

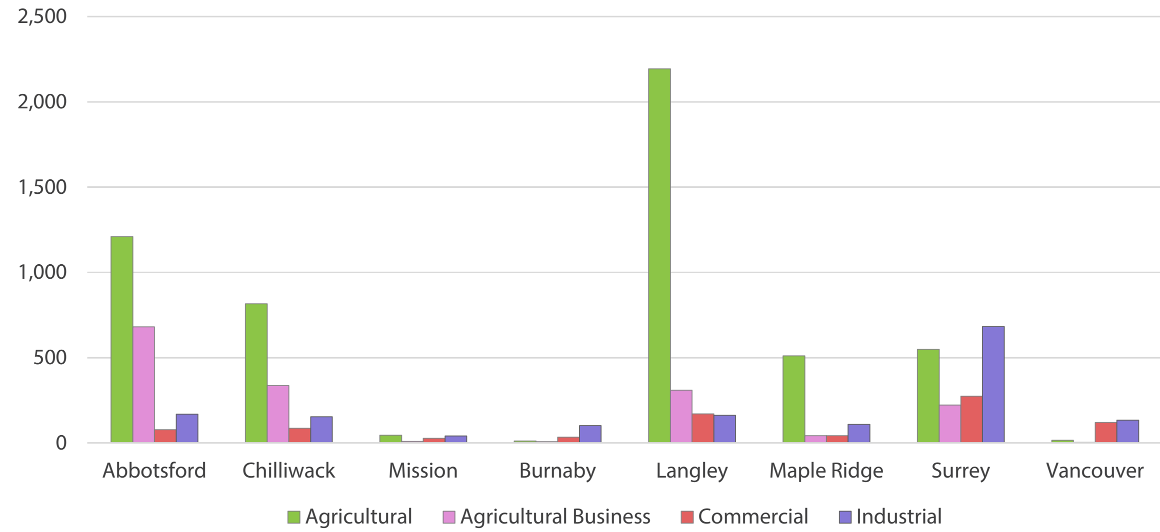
5.1 Type and Distribution

When analyzing ICI land transactions, its important to consider the type of land being transacted. The majority of ICI land transactions involve agriculture or agricultural business lands, which typically have a lower average price per acre compared to industrial and commercial lands. Most agricultural land sales reflect typical market activity and represent land continuing to be used for agricultural purposes. However, some transactions may represent speculative buying or properties intended for conversion.

Figure 5.2 demonstrates that agricultural and agricultural business lands make up a much larger portion of total ICI land transactions in the FVRD and eastern Metro Vancouver municipalities. For instance, these agricultural land transactions made up more than 88% of ICI land transactions in Langley and Abbotsford, and 83% in Chilliwack. In contrast, these land types represented just 7% of Vancouver's and 12% of Burnaby's total ICI land transactions over a 20-year period.

In some cases, particularly with ICI lands, the same property may be transacted more than once. In Abbotsford, during the 20-year period from 2005 to 2024, 404 properties were sold more than once, with four being transacted up to five times. The majority of these were agricultural and agricultural business properties, however it includes 45 commerical and industrial properties.

Figure 5.2 - Sum of ICI Land Transactions of by Land Type per Municipality (2005-2024)



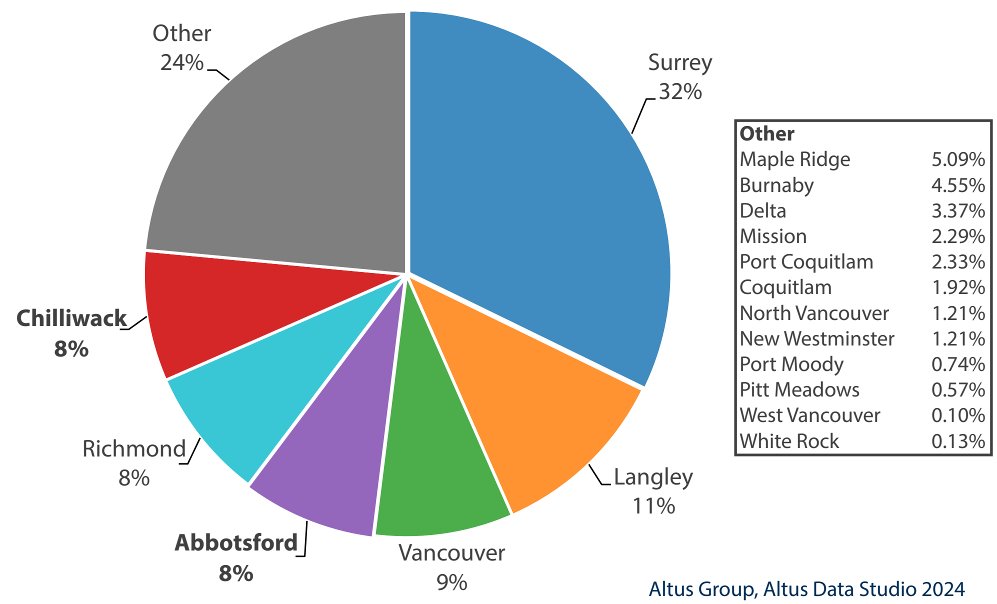
Municipality	Agricultural	Agricultural Business	Commercial	Industrial
Abbotsford	1,209	680	77	169
Chilliwack	815	336	86	153
Mission	45	8	27	41
Burnaby	11	7	34	101
Langley	2,194	310	170	162
Maple Ridge	510	42	43	108
Surrey	548	222	274	682
Vancouver	16	3	120	134

Altus Group, Altus Data Studio 2024

Despite the dominance of agricultural land transactions in the Fraser Valley, there remains a significant number of commercial and industrial land transactions. Figure 5.3 isolates these more economically intensive ICI land uses, highlighting where commercial and industrial development has been most concentrated over a 20-year period. Metro Vancouver municipalities such as Surrey and Vancouver account for a much larger share than the overall ICI land transaction breakdown, while Abbotsford and Chilliwack also represent at significant portion at fourth and sixth respectively.

Between 2005 and 2024, Abbotsford and Chilliwack recorded the second and fourth highest number of industrial land transactions respectively. While on the commercial side, Chilliwack and Abbotsford ranked fifth and sixth among the 17 municipalities tracked. Since ICI land sales often involve vacant sites, higher activity in eastern Metro Vancouver and the Fraser Valley reflects greater land availbility, positioning them as key destinations for business relocation and future development.

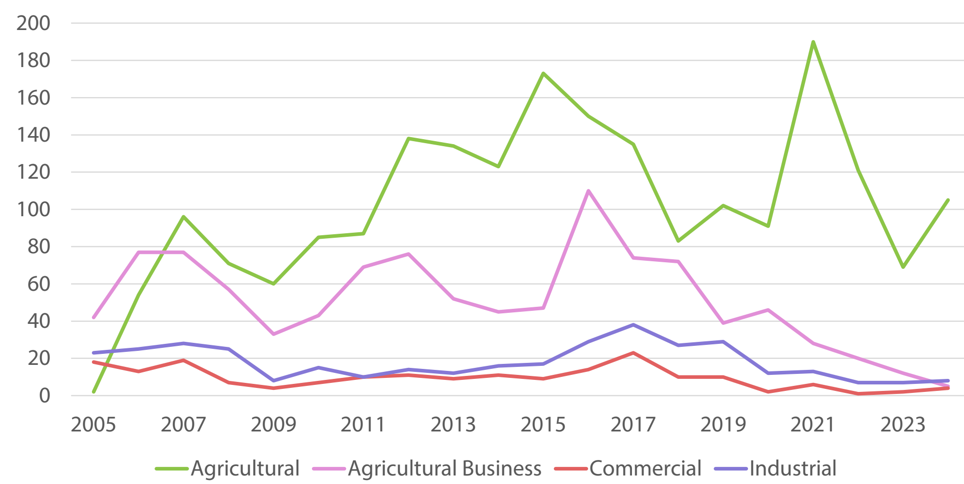
Figure 5.3 - Distribution of Commercial and Industrial ICI Land Transactions (2005-2024)



Altus Group, Altus Data Studio 2024

Figure 5.4 shows how the number of ICI land transactions across the FVRD has flucuated over time. The total number of transactions peaked in 2016 with 303 across the four land types, until gradually falling back down to a recent low of 90 in 2023. This recent drop is likely linked to higher interest rates and inflationary pressures which have weighed down investment activity.[9] While the overall decline is largely due to decreases in the number of agricultural land transactions, notable decreases in commercial and industrial land transactions can also be seen in recent years with transaction counts entering single digits. While there has been a much greater number of agricultural transactions than the other three types, agricultural business land transactions have fallen from a peak of 110 in 2016 to just 5 in 2024, below that of industrial land.

Figure 5.4 - Number of ICI Transactions in the FVRD by Land Use Type (2005-2024)



Altus Group, Altus Data Studio 2024

[9]Altus Group - Vancouver Commercial Real Estate Market Update Q4 2023: https://bit.ly/3JRbYeQ

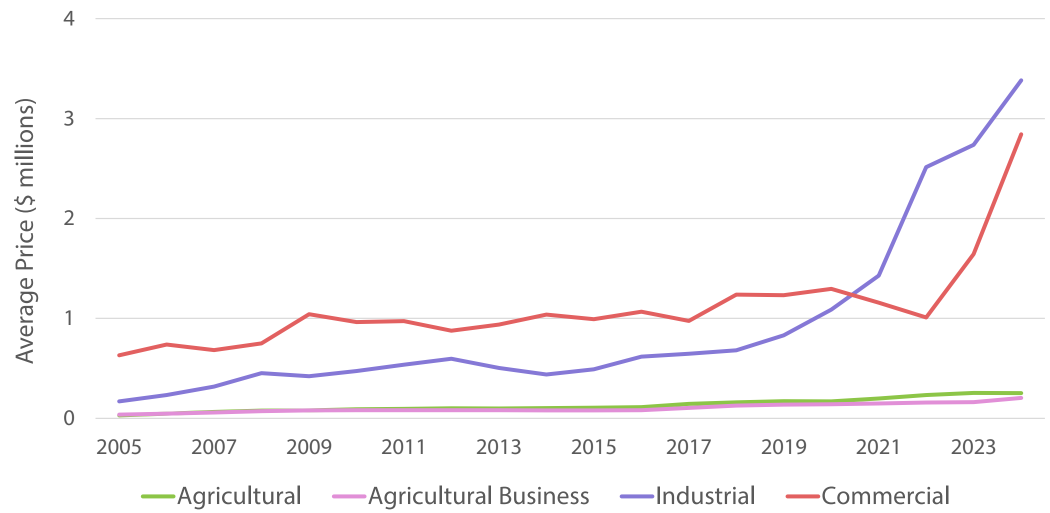
5.2 Price Trends

Between 2005 and 2024, average prices per acre have increased across all ICI land types in the FVRD. Of the four types shown in figure 5.5, industrial land experienced the steepest rise, climbing from $169,000 in 2005 to $3.38 million in 2024. Since 2019, the industrial land price has jumped nearly fourfold from $830,000 to $3.38 million. Across the 20-years, the average annual rate of growth in price for industrial land was 16.2%

Commercial land prices also increased substantially, almost tripling in the past two years from just over $1 million in 2022 to over $2.84 million in 2024. While commercial land has averaged higher prices than industrial land up to 2021, industrial has since overtaken it and has continued to rise more rapidly in recent years.

Agricultural and agricultural business lands have appreciated from approximately $30,000 and $38,000 in 2005 to $252,000 and $204,000 in 2024, respectively. The most notable gains in prices for these land types occured after 2016. For example, the average agricultural land price more than doubled from around $112,000 in 2016 to over $252,000 in 2024.

Figure 5.5 - Average Price per Acre of Land by Type in the FVRD (2005-2024)



	Average Price per Acre of Land ($)			Growth Rate (%)		
Land Use	**2005**	**2019**	**2024**	**5-year**	**20-year**	**20-year Compound Annual**
Agricultural	29,726	171,254	252,281	47%	749%	11.3%
Agricultural Business	37,539	136,616	204,439	50%	445%	8.8%
Commercial	630,204	1,232,207	2,841,698	131%	351%	7.8%
Industrial	169,376	830,067	3,382,906	308%	1,897%	16.2%

Altus Group, Altus Data Studio 2024

The average price per acre of industrial land has risen sharply across both the Fraser Valley and Metro Vancouver over the past two decades. Figure 5.6 compares values in select municipalities over four benchmark years: 2005, 2015, 2019 and 2024. It shows a consistent upward trend, with steeper increases occurring between 2019 and 2024. In 2005, industrial land prices in all municipalities shown were below $400,000 per acre. By 2024, they had all exceeded $2 million per acre. This growth reflects a broader regional trend where the diminishing supply and increasing scarcity of industrial land across the Lower Mainland has driven prices upward, even in municipalities that have been traditionally more affordable.

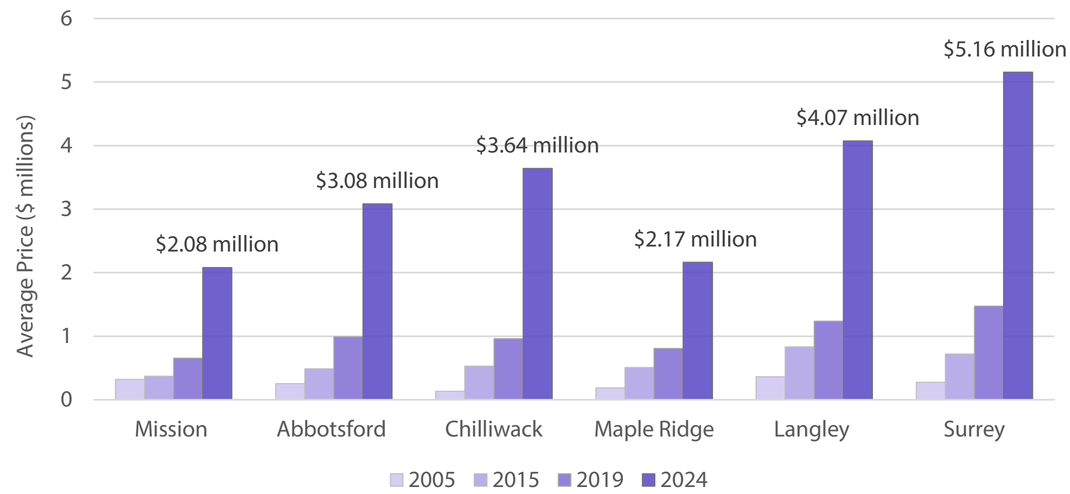
Among the municipalities shown, Chilliwack experienced the greatest relative increase in land value, growing by 2,607%, or more than 27 times between 2005 and 2024. This equates to a compound annual growth rate (CAGR) of 17.9%, meaning prices have doubled roughly every four years on average. Abbotsford's price growth followed a slightly more moderate path averaging a CAGR of about 13%, more in line with Langley.

However, an eastward movement in price increases can be seen over time. For example, in Langley and Surrey, the average industrial land value surpassed $1 million per acre by 2017, while Abbotsford and Chilliwack didn't reach this threshold until 2020.

Additionally, inner Metro Vancouver municipalities, such as Vancouver and Burnaby, are excluded from the chart due to their significantly higher land values, which would distort the visual comparison. In 2024, the average price per acre for industrial land in Burnaby was close to $9 million, while in Vancouver it exceeded $15 million. These price differences are even more pronounced than the average price of industrial building space between the same municipalities, highlighting the scarcity and considerable value of land in inner Metro Vancouver.

North of the Fraser River, Mission and Maple Ridge remain relatively more affordable, with 2024 prices just above $2 million per acre. This may be partly due to the location of recent transactions, many of which have occurred in more rural areas, such as those in northern parts of Maple Ridge. Limited market activity in these municipalities may also skew results. For example, Mission recorded only three industrial land transactions from 2022 to 2024, two of which were in less central, lower-priced locations.

Figure 5.6 - Average Price per Acre of Industrial Land in Select FVRD and MVRD Municipalities (2005-2024)



	Average Price per Acre of Industrial Land ($)				Growth Rate (%)		
Municipality	2005	2015	2019	2024	5-year	20-year	20-year Compound Annual
Abbotsford	255,179	485,410	989,046	3,084,679	212%	1,109%	13.3%
Chilliwack	134,510	526,760	960,317	3,641,484	279%	2,607%	17.9%
Mission	318,775	369,613	651,494	2,080,877	219%	553%	9.8%
Langley	361,355	832,840	1,236,307	4,074,342	230%	1,028%	12.9%
Maple Ridge	186,476	507,579	808,601	2,165,315	168%	1,061%	13.0%
Surrey	273,319	720,371	1,473,778	5,156,599	250%	1,787%	15.8%

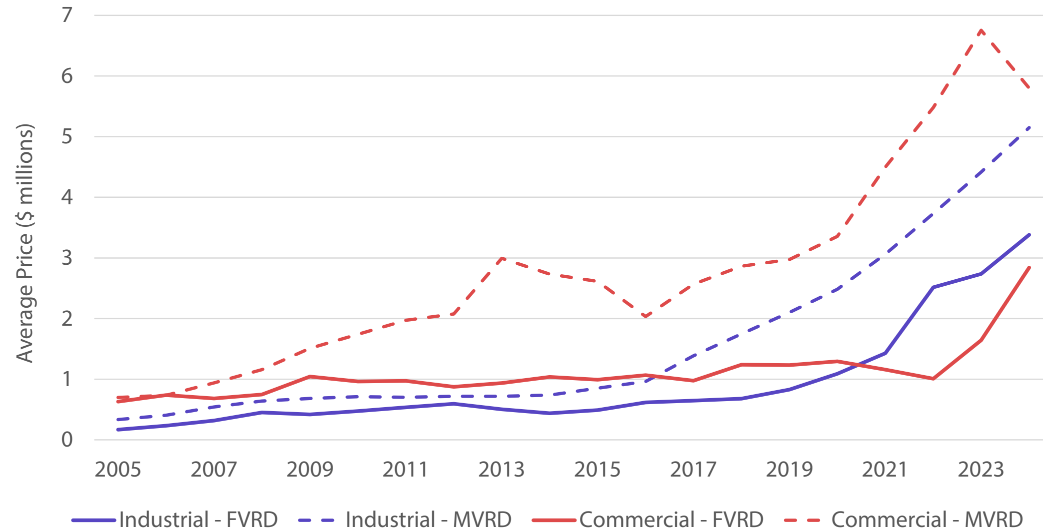
Altus Group, Altus Data Studio 2024

Figure 5.7 provides a broader regional comparison, showing average commercial and industrial land prices across the FVRD and Metro Vancouver from 2005 to 2024. In the FVRD, industrial prices increased faster than in Metro Vancouver, at an average rate of 16.2% per year, representing a doubling in price roughly every 4.5 years. Both regions saw industrial land values increase faster than commercial land prices, which rose on average by 11.1% in Metro Vancouver and 7.8% in the FVRD per year.

In the FVRD, the average price of industrial land surpassed that of commercial land in 2021 after historically being more affordable. In contrast, commercial land still commands a higher value in Metro Vancouver, with the gap narrowing in recent years as industrial land surged in value. The sharp rise in industrial land prices began around 2017 in Metro Vancouver, earlier than the Fraser Valley which experienced this surge two to three years later beginning around 2019/2020.

Exceptionally high commercial land values in Metro Vancouver are largely driven by transactions in dense urban areas such as those in the City of Vancouver. In 2024, Vancouver's average commercial land price exceeded $45 million per acre, with some individual transactions reaching over $50 million per acre. However, as with earlier analyses, it's important to interpret these averages with caution. Many municipalities have seen relatively few market sales of land in recent years. In some cases, average prices are based on five or fewer sales, meaning that individual transactions can disproportionately influence the data.

Figure 5.7 - Distribution of Commercial and Industrial Land Transactions (2005-2024)



	Average Price per Acre of Land ($)			Growth Rate (%)		
Regional District – Land Use	**2005**	**2019**	**2024**	**5-year**	**20-year**	**20-year Compound Annual**
Industrial – FVRD	169,376	830,067	3,382,906	308%	1,897%	16.2%
Industrial – MVRD	335,365	2,100,631	5,148,074	145%	1,435%	14.6%
Commercial – FVRD	630,204	1,232,207	2,841,698	131%	351%	7.8%
Commercial – MVRD	700,572	2,975,188	5,800,369	95%	728%	11.1%

Altus Group, Altus Data Studio 2024

6.0 Municipal Commercial Real Estate Trends

6.1 Abbotsford Commercial Real Estate Trends

Abbotsford recorded the highest level of commercial real estate activity in the FVRD between 2005 and 2024. Industrial buildings were the most frequently transacted asset type, accounting for nearly haf of the city's $2 billion in building sales. Retail properties followed closely, while office sales were less common.

Table 6.1 below summarizes transaction volumes, values, floor space, and average prices per square foot by building type over the last 20 years, with an annual breakdown from 2015 onward. While the number of industrial transactions rose slightly in the 2015-2024 period compared to the previous decade, the total floor space transacted declined, pointing to a shift towards smaller denser properties. Retail and office markets also saw more activity in the second decade, with gains in both transaction volume and total floor space. Overall, average prices have increased sharply across all building types, most significantly in the industrial market.

Table 6.1 - Total Sales, Value, and Floor Space Traded by Type and Year

	Type	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2005-2014	2015-2024	2005-2024
Total Number of Sales	Industrial	14	30	22	16	39	29	37	24	15	31	230	257	487
	Office	10	11	20	20	17	19	36	21	6	9	62	169	231
	Retail	17	28	29	22	18	30	54	29	10	18	152	255	407
Total Value Transacted ($ millions)	Industrial	9.7	55.3	24.0	17.0	69.9	131.0	139.7	41.1	99.1	106.1	322.4	692.8	1,015.2
	Office	13.1	8.0	16.6	32.5	19.3	31.4	33.6	23.4	15.3	11.1	86.2	204.3	290.5
	Retail	19.4	46.7	51.3	101.6	22.3	65.9	82.2	42.0	17.5	51.4	231.8	500.4	732.2
Total Floor Space Transacted (sq ft.)	Industrial	68,306	415,355	147,988	83,901	278,916	512,907	477,860	96,417	198,688	222,020	2,756,896	2,502,358	5,259,254
	Office	56,933	36,703	66,623	102,049	55,333	78,819	73,081	47,468	26,307	17,037	419,604	560,353	979,957
	Retail	71,097	158,252	264,317	221,285	54,818	144,958	180,262	81,604	35,347	95,500	1,198,047	1,307,440	2,505,487
Average Price per sq ft.	Industrial	125	127	146	166	205	236	266	325	406	468	*Not Included - Annual data better reflects price variation over time.*		
	Office	203	191	233	262	306	355	402	451	511	575			
	Retail	278	278	254	316	353	440	439	475	489	516			

Altus Group, Altus Data Studio 2024

Figure 6.1 shows that the number of commercial building transactions in Abbotsford have fluctuated between 2005 and 2024, with industrial and retail alternating as the leading asset type year to year. Activity dropped after the 2008 financial crisis, reaching a low of 28 sales in 2009, before recovering to a peak of 127 in 2021. Volumes then fell sharply to 31 in 2023, with a slight rebound seen in 2024. Office transactions trended upward from 2015, peaking in 2021 before easing slightly in recent years.

Figure 6.2 illustrates that Abbotsford has experienced significant growth in total transaction value between 2015 and 2021, with sales rising from under $50 million to over $250 million, driven by both an increase in transaction volume and average prices. Despite a relatively stable number of industrial transactions over time, the total value of industrial sales has increased dramatically from less than $10 million in 2015 to over $100 million in 2024. This reflects not only rising prices, but may also indicate more desirable or higher-valued industrial properties being transacted. Retail values have also increased in the latter half of the 20-year period, although less sharply, peaking at $101 million in 2018. Office sales have grown more modestly in line with the increase in office transactions.

Average prices for all three building types have risen over time as seen in Figure 6.3, with industrial showing the most dramatic increase, up six-fold from $78 per square foot in 2005 to $468 in 2024. Office prices followed a less consistent trajectory, rising around 2011, dipping in 2016, and then climbing steadily to surpass both industrial and retail by 2024. However, fewer transactions for offices means that single sales can have an outsized impact on the average. Retail prices also trended upward overall but saw more year-to-year volatility.

Key Takeaway

Abbotsford remains the region's commercial hub, with the highest volume and value of transactions across all asset types. While its market is more mature and stable than neighbouring FVRD municipalities, rapidly increasing prices across all asset types, particularly for industrial spaces, reflect the broader regional surge in demand and scarcity of well-located commerical properties.

Figure 6.1 - Total Number of Building Sales by Type (2005-2024)

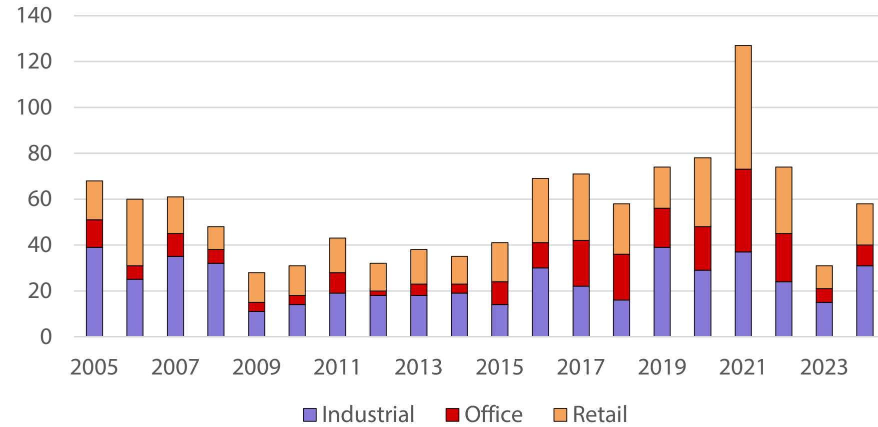


Figure 6.2 - Total Value of Building Transactions by Type (2005-2024)

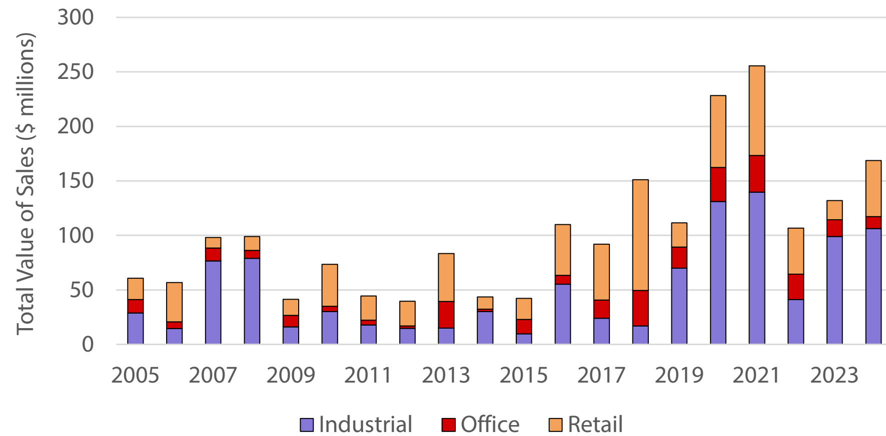
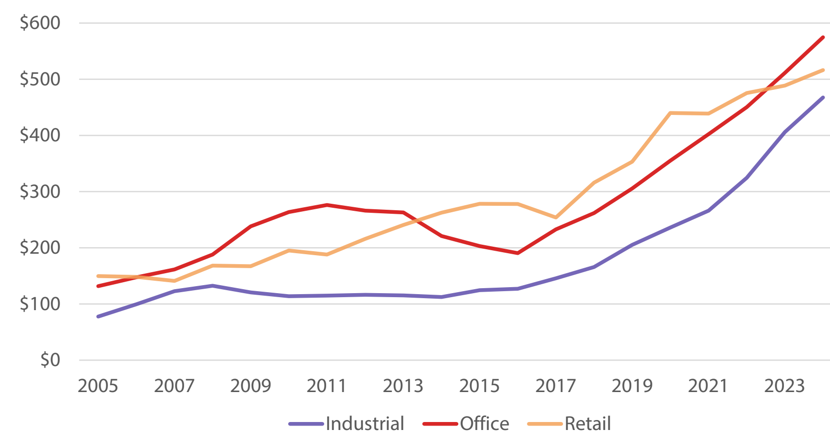


Figure 6.3 - Average Price/Sq ft. of Building Space by Type (2005-2024)



Altus Group, Altus Data Studio 2024

6.2 Chilliwack Commercial Real Estate Trends

Chilliwack experienced steady commercial real estate activity between 2005 and 2024, with notable growth in industrial building sales in recent years. While retail buildings were the most frequently transacted asset type, industrial sales saw greater growth during the 2015-2024 period, increasing by 34 transactions, outpacing the rise seen in Abbotsford. In contrast, office transactions were minimal, declining in recent years with no market sales recorded in 2023 or 2024.

Table 6.2 summarizes transaction volumes, values, floor space, and average prices per square foot by building type. Unlike Abbotsford, where industrial transactions are greater in number, Chilliwack's commercial real estate market was led by the retail sector, whose transactions accounted for 800,000 more square feet than industrial. While Chilliwack had fewer overall retail sales than Abbotsford, a greater amount of transacted floor space suggests larger format retail such as big box stores formed a more significant share of market activity. The total floor space transacted for both industrial and retail increased modestly in the past decade, while office space declined.

Table 6.2 - Total Sales, Value, and Floor Space Traded by Type and Year

	Type	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2005-2014	2015-2024	2005-2024
Total Number of Sales	Industrial	13	17	13	19	14	8	14	9	12	10	95	129	224
	Office	4	2	4	5	2	4	5	3	0	0	30	29	59
	Retail	17	22	26	23	13	19	27	15	7	7	170	176	346
Total Value Transacted ($ millions)	Industrial	12.8	19.6	9.3	25.8	23.1	8.3	29.0	18.5	81.9	45.1	104.0	273.5	377.5
	Office	5.9	2.6	5.6	6.7	1.8	6.9	12.5	2.7	0.0	0.0	24.4	44.7	69.0
	Retail	61.0	18.8	36.1	26.5	26.6	28.9	88.6	26.0	12.9	50.3	196.2	375.5	571.8
Total Floor Space Transacted (sq ft.)	Industrial	98,522	160,248	56,122	137,000	135,810	26,369	87,610	52,569	103,853	110,930	957,663	969,033	1,926,696
	Office	31,885	17,455	29,136	23,572	11,182	29,190	32,124	12,412	0	0	227,148	186,956	414,104
	Retail	308,285	121,825	145,073	144,538	133,599	125,865	225,116	53,304	33,597	142,580	1,327,816	1,433,782	2,761,598
Average Price per sq ft.	Industrial	132	131	140	159	175	225	272	333	490	516	*Not Included - Annual data better reflects price variation over time.*		
	Office	156	153	175	209	214	228	262	280	303	217			
	Retail	203	195	200	195	210	204	274	370	421	407			

Altus Group, Altus Data Studio 2024

While retail consistently led in transaction counts, Figure 6.4 shows that activity across all building types has fluctuated from year-to-year with no consistent upward or downward trend. Peak activity occurred in 2018 and 2021, with 47 and 46 transactions respectively. A clear decline followed 2021, with only 17 transactions recorded in 2024 and no market sales for office properties in either 2023 or 2024.

Total transaction value shown in Figure 6.5 generally trended upward, especially following 2020, reflecting both rising prices and the sale of higher-value properties. 2021 stood out with over $120 million in total sales, followed by elevated totals in 2023 and 2024, partly driven by a few high-valued industrial transactions. With fewer transactions overall than Abbotsford, Chilliwack's annual totals are more easily skewed by individual, large-valued sales.

Figure 6.6 shows that average prices remained relatively flat from 2005 to 2015, with no asset type significantly exceeding $200 per square foot until around 2018. Since 2020, prices have increased rapidly, with industrial properties seeing the steepest rise, jumping from $225 in 2020 to $516 in 2024. Retail and office prices in Chilliwack have been more volatile and generally lower than Abbotsford's, while remaining closer to Chilliwack's industrial prices. However, limited transaction data particularly for offices makes trends less certain. For example, the 2024 average office price is based on 2022 sales due to a lack of recent transactions and should be interpreted with caution.

Key Takeaway

Chilliwack's commerical market has evolved rapidly in recent years. While overall transaction volumes have generally softened since 2018, rising average prices, especially for industrial space, has driven growth in total value. The average price for industrial space has surged past other asset types, reflecting growing demand and a tightening supply of industrial land. These trends mirror those seen across the region and have diminshed Chilliwack's historical affordability advantage.

Figure 6.4 - Total Number of Building Sales by Type (2005-2024)

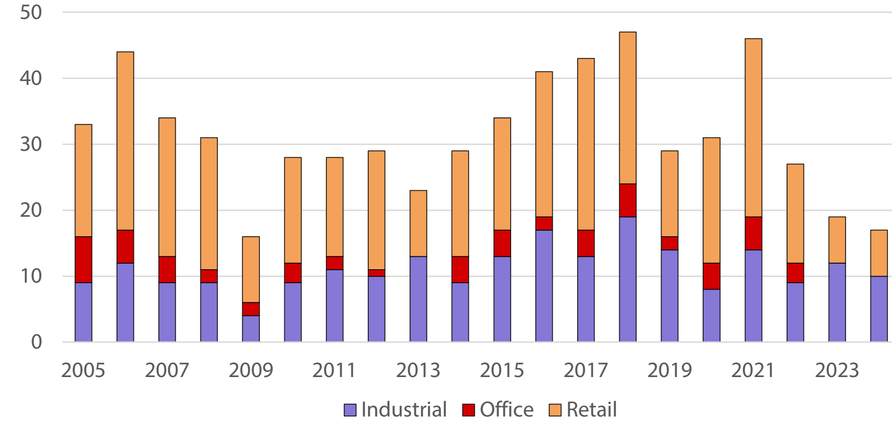


Figure 6.5 - Total Value of Building Transactions by Type (2005-2024)

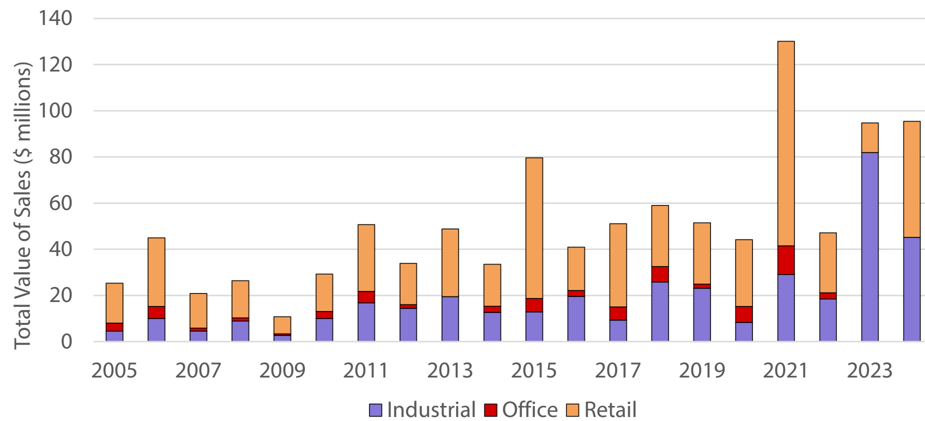
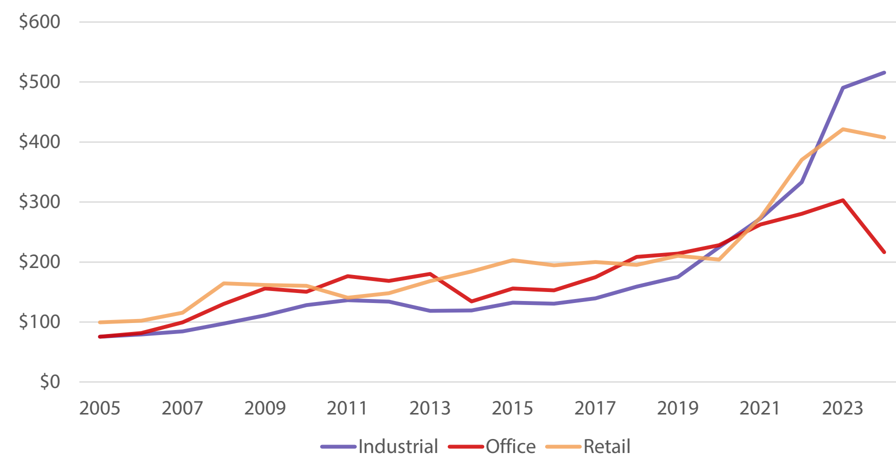


Figure 6.6 - Average Price/Sq ft. of Building Space by Type (2005-2024)



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6.3 Mission Commercial Real Estate Trends

Mission saw the lowest level of commercial activity among the three FVRD municipalities with available data, with 239 market building transactions over the 20-year period. Retail properties led the market in the first decade, but were surpassed by industrial in the 2015-2024 period, which saw 20 more industrial transactions compared to 8 additional retail ones. Office activity, meanwhile, remained limited but showed modest growth.

Combined, total transaction values across all three asset types reached $316 million over the two decades, with retail leading in total value. Despite a relatively small number of office transactions, the total value of office sales was comparable to Chilliwack, driven by a few high-value building sales. This is reflected in the recent spike in average office prices, which reached $676 per square foot, higher than in Abbotsford and Chilliwack. However, this figure should be interpreted with caution. In smaller markets, where averages rely on a few individual sales, the form, quality and size of space can have an outsized impact on pricing. The amount of space transacted for industrial and office spaces declined in the second decade despite a slight increase in transaction counts, suggesting a shift towards the sale of smaller properties. In contrast, retail floor space sold increased slightly.

Table 6.3 - Total Sales, Value, and Floor Space Traded by Type and Year

	Type	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2005-2014	2015-2024	2005-2024
Total Number of Sales	Industrial	5	7	6	2	10	5	5	15	2	5	42	62	104
	Office	1	2	1	2	2	1	3	0	1	2	12	15	27
	Retail	3	7	6	12	4	6	6	4	8	2	50	58	108
Total Value Transacted ($ millions)	Industrial	1.5	2.6	5.3	1.0	8.0	3.6	9.1	24.4	6.1	9.3	29.8	71.0	100.8
	Office	0.3	16.5	0.5	1.2	1.1	1.0	2.7	0.0	15.9	2.4	20.5	41.7	62.2
	Retail	1.7	5.9	6.8	10.7	9.6	6.7	28.6	7.4	18.8	4.3	53.2	100.4	153.6
Total Floor Space Transacted (sq ft.)	Industrial	16,218	20,837	33,000	4,894	36,779	18,231	30,273	63,388	23,123	23,159	331,890	269,902	601,792
	Office	2,580	33,463	2,580	6,304	4,927	4,290	6,165	0	25,894	3,273	102,228	89,476	191,704
	Retail	10,307	15,888	35,944	67,924	46,725	37,593	58,177	27,085	39,848	10,971	346,045	350,462	696,507
Average Price per sq ft.	Industrial	136	122	127	162	192	204	238	294	317	351			
	Office	165	292	271	293	203	219	298	335	524	676	*Not Included - Annual data better reflects price variation over time.*		
	Retail	179	215	241	240	184	180	292	314	411	378			

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As shown in Figure 6.7, the total number of commercial building sales in Missions fluctuated year-to-year. The city saw a peak of 21 transactions in 2006, with activity dipping in subsequent years. However, in the 2015-2024 period, transaction volumes increased slightly overall, with more years seeing 15 or more sales, primarily driven by an increase in industrial transactions. In 2022 alone, Mission recorded 15 industrial transactions. Retail and office activity remained more volatile, with retail showing signs of renewed momentum after 2015 following a sluggish period post-2008.

Given Mission's smaller market, total transaction values are more heavily influenced by individual property sales. A new or high-end building, for example, can significantly increase both the total value and average price in a given year. While this makes longer-term trends more difficult to interpret, total commercial values have nonetheless increased in recent years, with annual peaks just above $40 million in both 2021 and 2023.

Figure 6.9 illustrates that average prices across all three asset types in Mission have risen in line with broader regional trends. Like in Chilliwack, average prices remained below $200 per square foot until the mid-2010s, with industrial properties crossing that threshold in 2019. Industrial pricing has shown a steadier upward trend since 2017, reaching $351 per square foot in 2024, more affordable than Abbotsford ($468) and Chilliwack ($516). In contrast, retail and office pricing has been more volatile. In particular, a few recent high-value office transactions have caused sharp price increases, contributing to the city's unusually high average office price in 2024.

Key Takeaway

Though Mission's commercial real estate market is smaller and more sensitive to individual sales, its growth aligns with broader regional patterns. Industrial activity has gained strength, average prices are rising across all asset types and modest post-2015 increases in transaction volumes reflect increased demand pressures and economic activity.

Figure 6.7 - Total Number of Building Sales by Type (2005-2024)

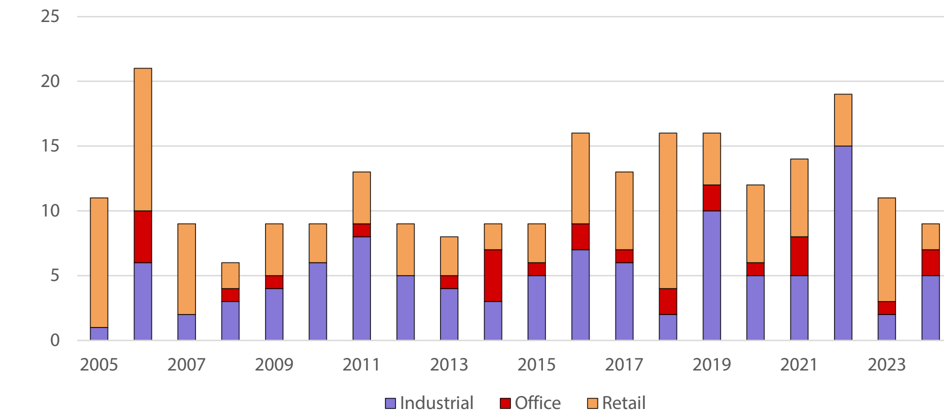


Figure 6.8 - Total Value of Building Transactions by Type (2005-2024)

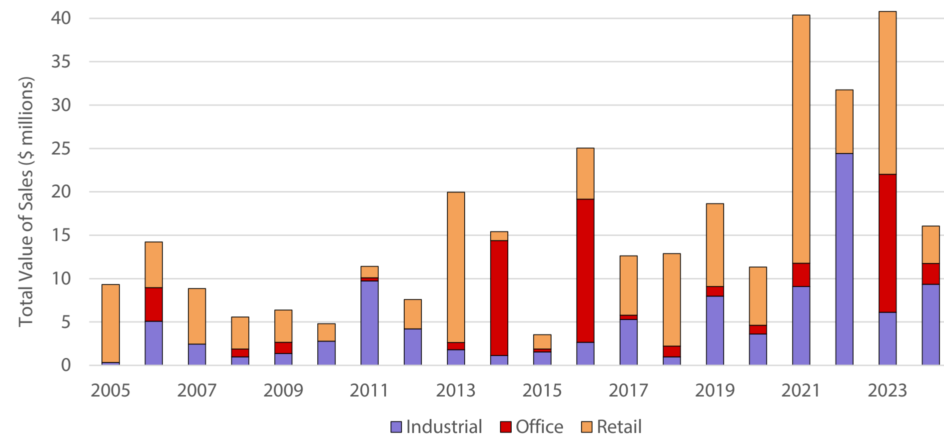
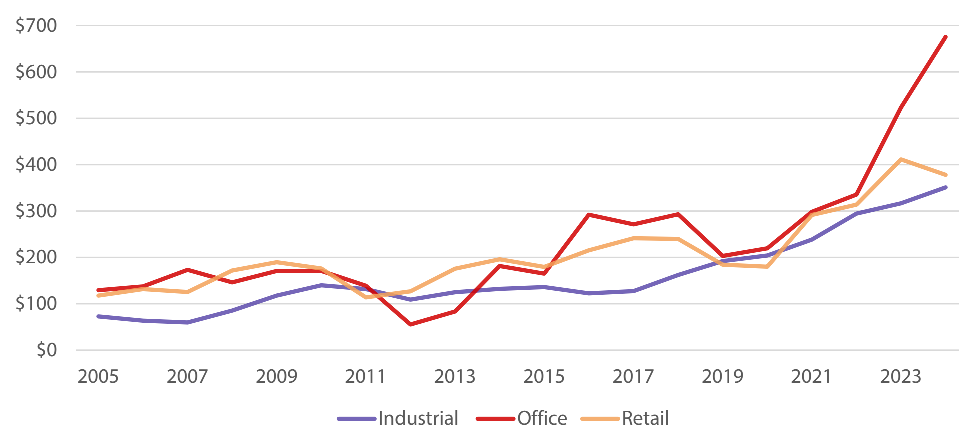


Figure 6.9 - Average Price/Sq ft. of Building Space by Type (2005-2024)



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Appendix A: Glossary of Terms

- **Asking rent:** The initial rental price requested by a landlord for a property, typically expressed in industrial real estate as an annual cost per square foot of space.

- **Building class (offices):** A system for categorizing office buildings based on factors such as age, location, quality, amenities, and rental rates. Class A buildings represent the highest-quality office space, while Class C buildings are older with limited amenities. Class B falls in between.

- **Commercial asset:** A building or property used for commercial purposes (such as retail, office or industrial) that generates income or represents a real estate investment.

- **Compound Annual Growth Rate (CAGR):** The average annual rate at which a value increases over a specified period of time. CAGR smooths out year-to-year volatility by assuming growth occurred at a steady compounded rate each year.

- **Distress sale:** A transaction in which a property is sold under pressure, often due to financial hardship, where a seller is in urgent need of funds. These sales typically occur below market value to encourage a faster sale.

- **E-commerce:** The buying and selling of goods and services over the internet, typically facilitated through websites, mobile apps or online marketplaces. A common example is Amazon.

- **ICI Land:** Refers to industrial, commercial and institutional land, but includes land used for wider range of uses such as agriculture, agri-business, retail, hotels, golf courses or recreation. ICI land is typically vacant and unimproved, with its value expressed as price per acre.

- **Inflation:** A sustained increase in the general price level of goods and services in an economy over time, which reduces the purchasing power of money.

- **Inflation-adjusted (real) dollars:** Dollar values adjusted for inflation to reflect changes in the purchasing power of money over time.

- **Large-bay facilities:** Massive warehouses or distribution centres, often occupied by a single tenant, with high ceilings and wide column spacing designed to accommodate large-scale logistics operations. These facilities are typically used for bulk distribution by major e-commerce companies and big-box retailers.

- **Large-format retail:** Large physical retail stores, often located within clusters of big-box outlets that sell a wide range of goods such as furniture, appliances, groceries, or office supplies. Examples include Walmart, Costco and Staples.

- **Lease:** A legally binding contract in which the landlord grants a tenant the right to use an asset for a specific period in exchange for regular payments.

- **Logistics facilities:** Commercial buildings like warehouses and distribution centres designed for storing, handling and distribution or delivery of goods. These facilities form a critical part of local and global supply chains.

- **Market maturity:** A real estate market that is characterized by an established base of buyers and sellers, stable supply and demand, and less sensitivity to price fluctuations from individual sales.

- **Mixed-use development:** A property development that combines multiple uses, such as residential, retail and office, into a single building or group of buildings. These developments encourage compact, walkable urban areas by integrating living, working and shopping spaces.

- **Net absorption:** The net change in occupied space over a given period, calculated by subtracting the total space vacated (in square feet) from the total space newly leased or occupied.

- **Nominal (unadjusted) dollars:** Dollar values expressed in current or actual price at the time of sale, without adjustment for inflation.

- **Non-arm's length sale:** A real estate transaction that occurs between parties with a pre-existing relationship, such as family members or business partners. Because the parties are not independent of each other, the final sale price may differ from market value.

- **Share sale:** A transaction where a buyer acquires shares of a company that owns the property, rather than purchasing the property directly. This results in a transfer of ownership of the company, including its assets, liabilities and existing contracts. Share sales may provide tax advantages and are often used for complex transactions involving multiple tenants and existing leases.

- **Small-format retail:** Smaller physical retail stores focused on specific or specialized products, offering convenience, localized service and more intimate shopping experience. Examples include boutique shops and mini marts.

- **Speculative buying:** The purchasing of property, land, or other assets with the expectation that their value will increase, allowing resale at a profit. In real estate, speculative buying often refers to purchasing land without plans for development, but rather to hold and resell in the short term for financial gain.

- **Tariffs:** A tax or duty on imported (and sometimes exported) goods, intended to protect domestic industries by making foreign products more expensive.

- **Vacancy rate:** The percentage of total rentable building space in a market that is unoccupied and actively available for lease, used as a key indicator of market balance. Lower vacancy rates typically reflect strong demand relative to supply, whereas higher vacancy rates may indicate weaker demand or an increase in new supply.

Appendix B: Number of ICI Transactions Data Table

Table B1 - Number of ICI Land Transactions by Type per FVRD Municipality (2015-2024)

ICI Land Type	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2005-2014	2015-2024	2005-2024
Abbotsford	**128**	**184**	**167**	**118**	**98**	**81**	**145**	**86**	**45**	**67**	**1016**	**1119**	**2135**
Agricultural	86	97	89	45	55	48	122	68	37	58	504	705	1209
Agricultural Business	34	72	42	53	26	28	14	15	7	3	386	294	680
Commercial	1	4	12	5	3	1	0	0	0	2	49	28	77
Industrial	7	11	24	15	14	4	9	3	1	4	77	92	169
Chilliwack	**111**	**107**	**93**	**69**	**69**	**64**	**89**	**60**	**37**	**53**	**638**	**752**	**1390**
Agricultural	83	49	44	36	41	42	67	51	26	46	330	485	815
Agricultural Business	13	37	32	18	13	18	14	5	5	2	179	157	336
Commercial	7	7	5	4	5	1	5	1	1	2	48	38	86
Industrial	8	14	12	11	10	3	3	3	5	3	81	72	153
Mission	**7**	**12**	**10**	**5**	**13**	**6**	**3**	**3**	**8**	**2**	**52**	**69**	**121**
Agricultural	4	4	2	2	6	1	1	2	6	1	16	29	45
Agricultural Business	0	1	0	1	0	0	0	0	0	0	6	2	8
Commercial	1	3	6	1	2	0	1	0	1	0	12	15	27
Industrial	2	4	2	1	5	5	1	1	1	1	18	23	41
FVRD Total	**246**	**303**	**270**	**192**	**180**	**151**	**237**	**149**	**90**	**122**	**1706**	**1940**	**3646**

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