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vancouver

# Critical Port Property Management Issues

AAPA Port Property  
Management & Pricing Seminar

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# Presentation Overview

- Port Amalgamation
- Overview of Port Metro Vancouver
- Current Property Issues



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# Vancouver Gateway



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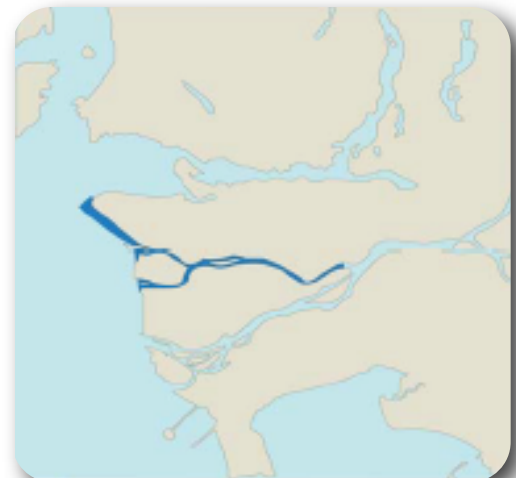
# Port Amalgamation



Vancouver Port  
Authority



Fraser River Port  
Authority



North Fraser Port  
Authority



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# Port Amalgamation

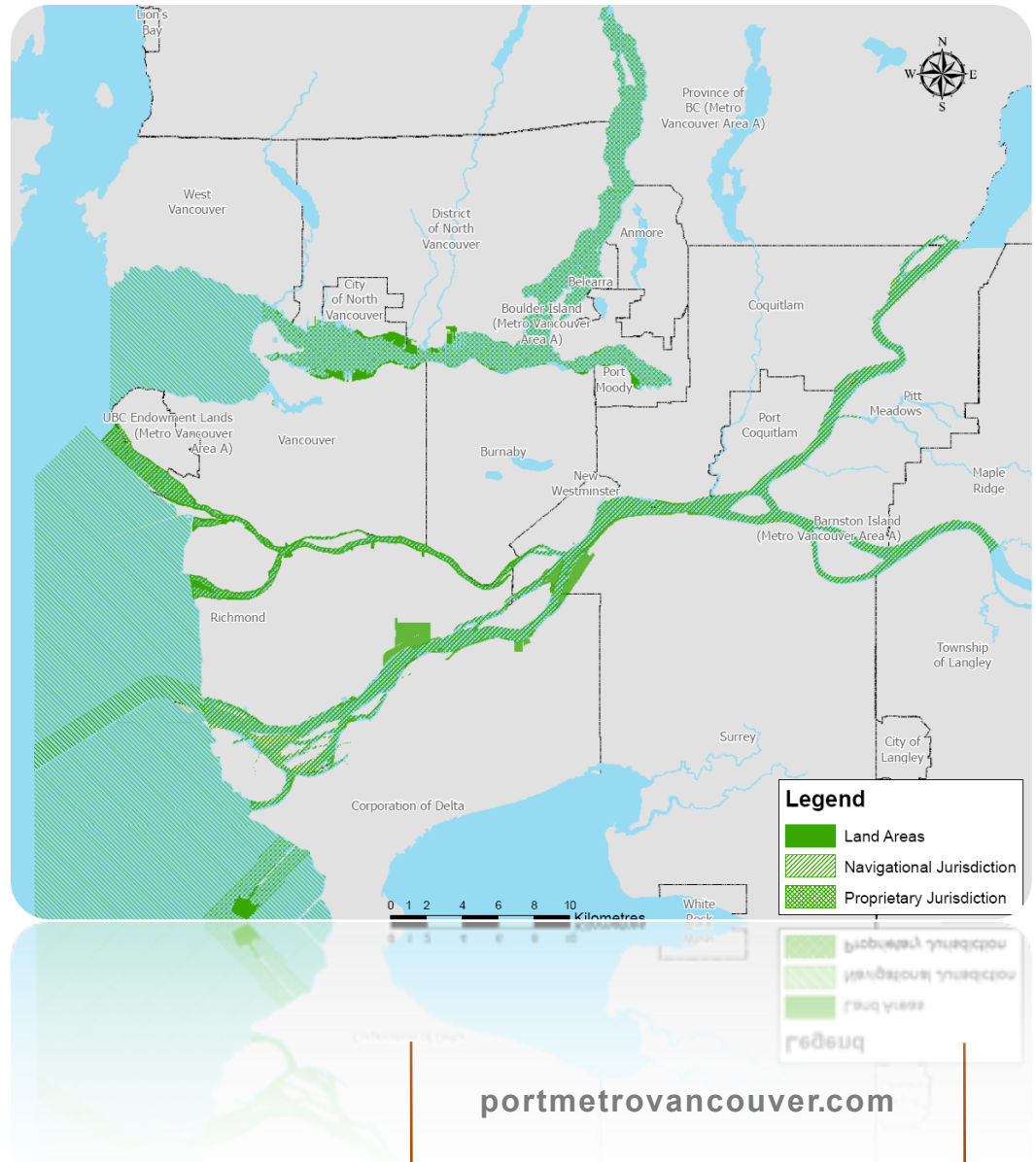
- Port amalgamation has been discussed for years
- Potential opportunities to capitalize on the opportunities of Asia-Pacific trade was a major catalyst
- June 6, 2006 the 3 Ports agreed with the Federal Government to look into integration
- Throughout 2007 working teams established amalgamation plans
- Amalgamation took effect January 1, 2008

# Benefits of Amalgamation

- Improved land use planning and co-ordination
- More effective Marketing
- Improved Operational Efficiencies
- Enhanced Financial Resources
- Possible Overhead Reductions
- Greater Influence
- Increased Human Resource Opportunities and Expertise
- Streamlined User Interface

# Port Jurisdiction

- Jurisdiction includes 600 km of waterfront and 2,500 acres of land
- Borders 16 separate municipalities



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# Governance

- It is a non-shareholder, for-profit corporation, established by the Government of Canada
- Accountable to the Federal Minister of Transportation through the Canada Marine Act
- Governed by a diverse 11-member board of directors representing government and industry



# Governance

- Port is governed by detailed “Letters Patent”
- Board can to approve spending up to \$510 million and leases up to 60 years
- Board is able to make independent and timely decisions on business plans and capital spending, clearly focused on the operational needs of port users, and guided by a vision for long-term growth and competitiveness

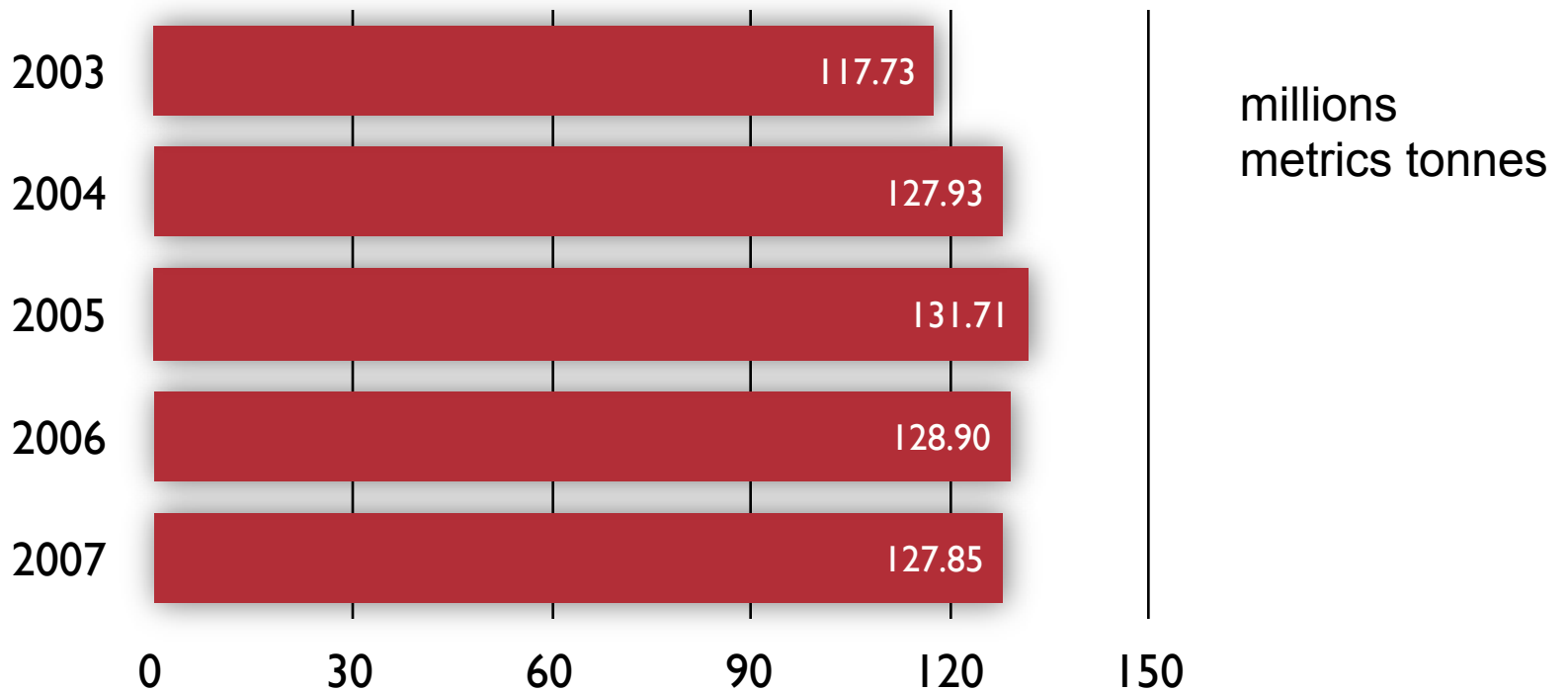


# Cargo

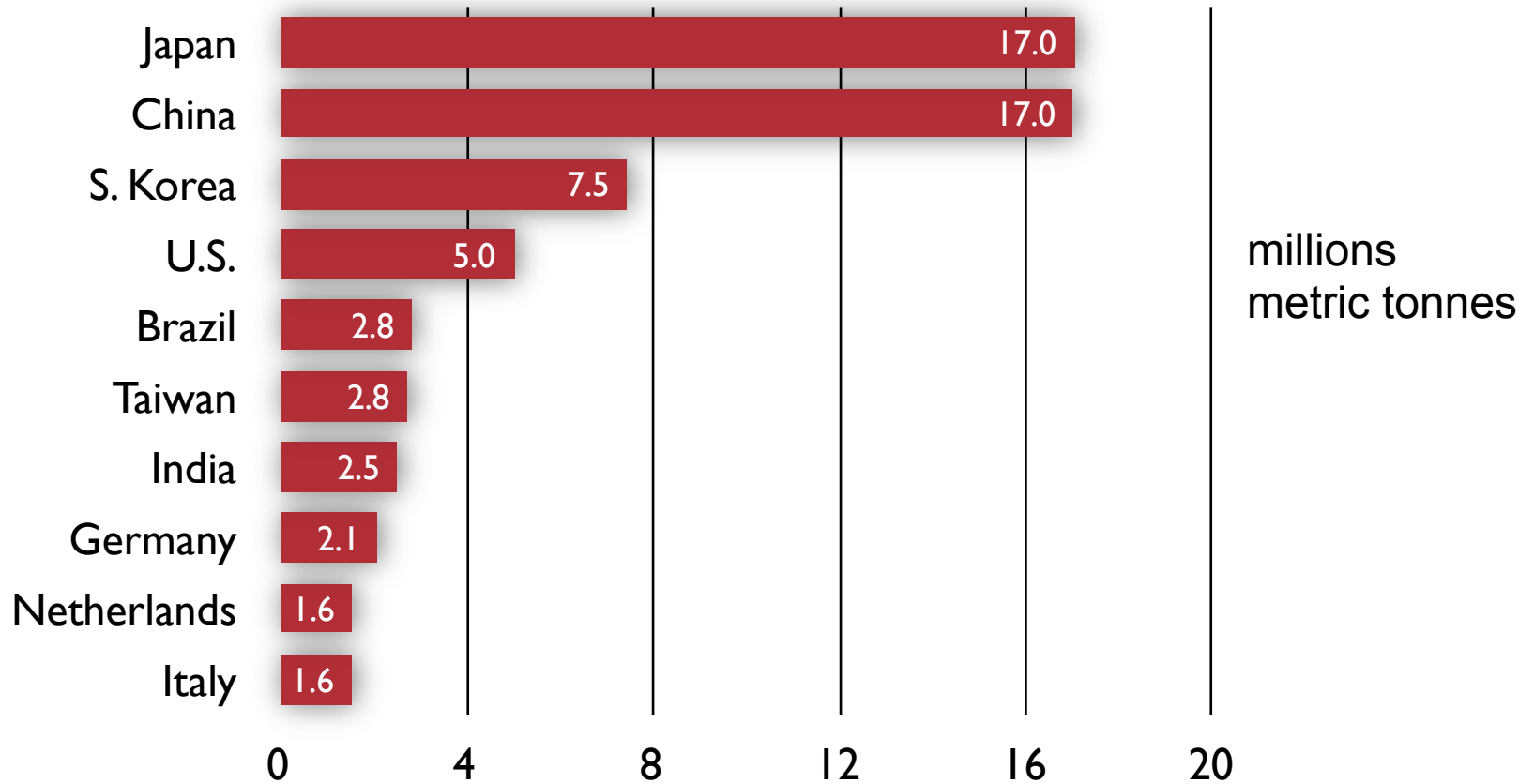
- Largest Port in Canada.
- Largest Port in North America in Total Foreign Exports
- 127 million tonnes of cargo in 2007
- Trade with more than 120 economies
- 30 major marine terminals



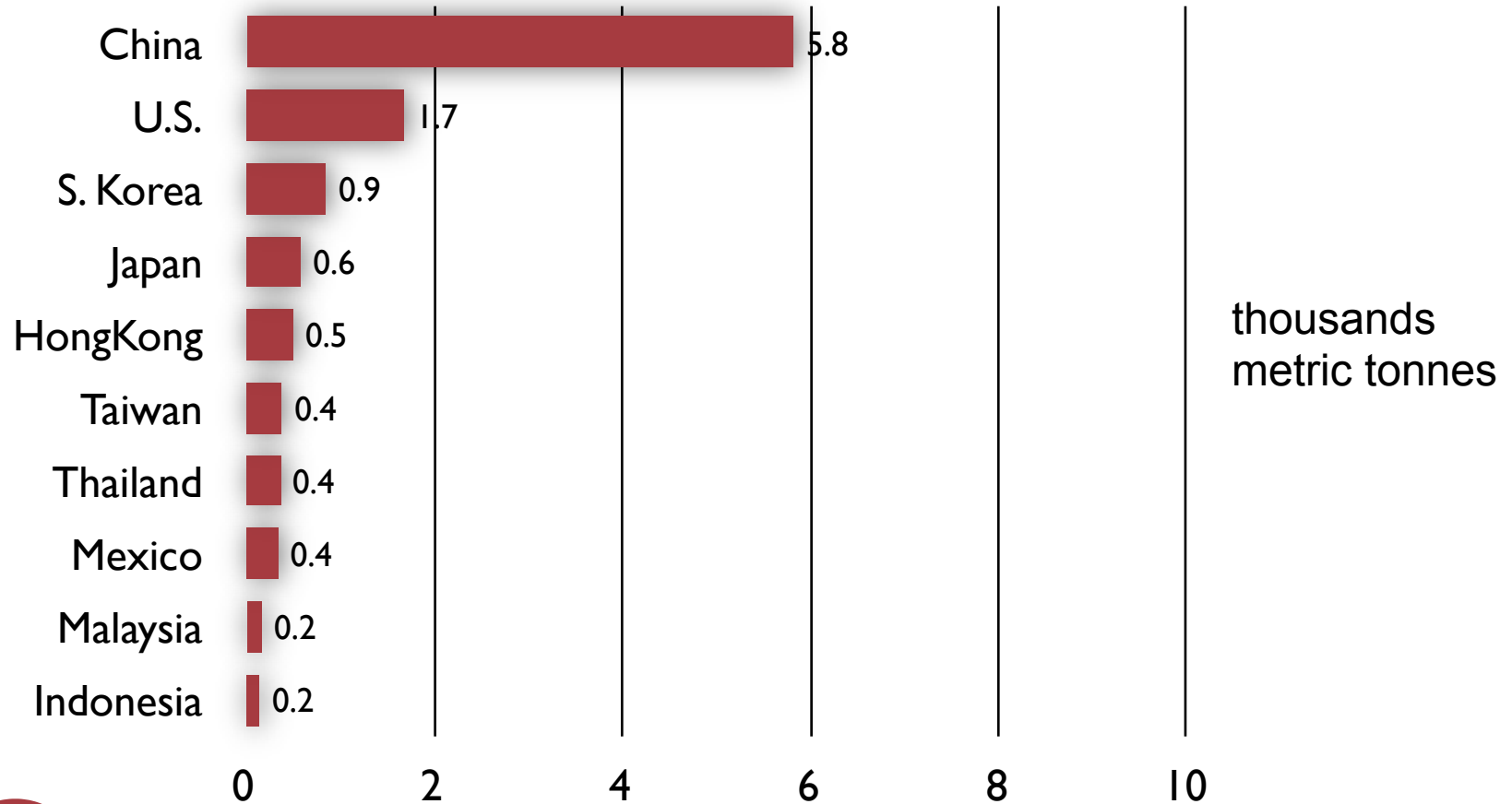
# Total Tonnage 2007



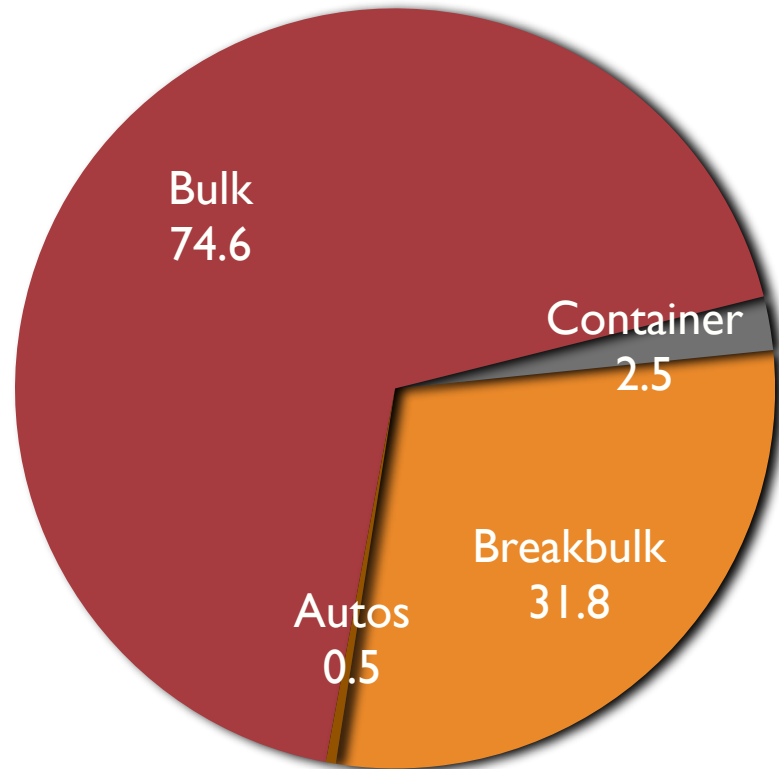
# Total Trade by Economies 2007



# Major Trading Economies Imports 2007



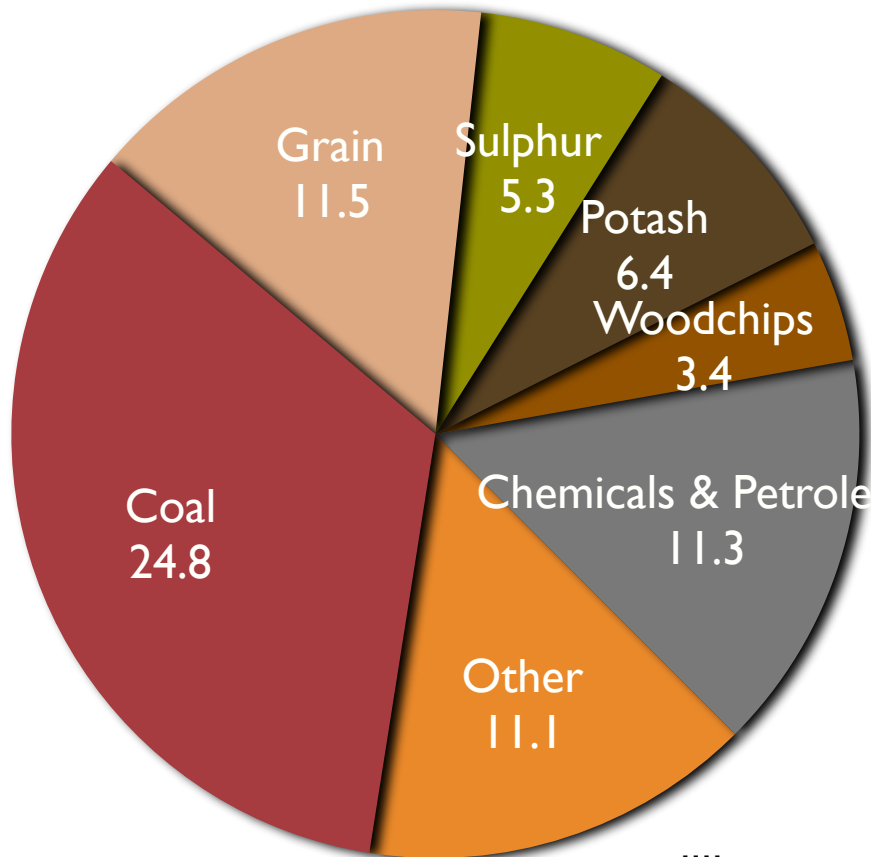
# Tonnage by Sector 2007



millions  
metric tonnes



# Bulk 2007



millions  
metric tonnes

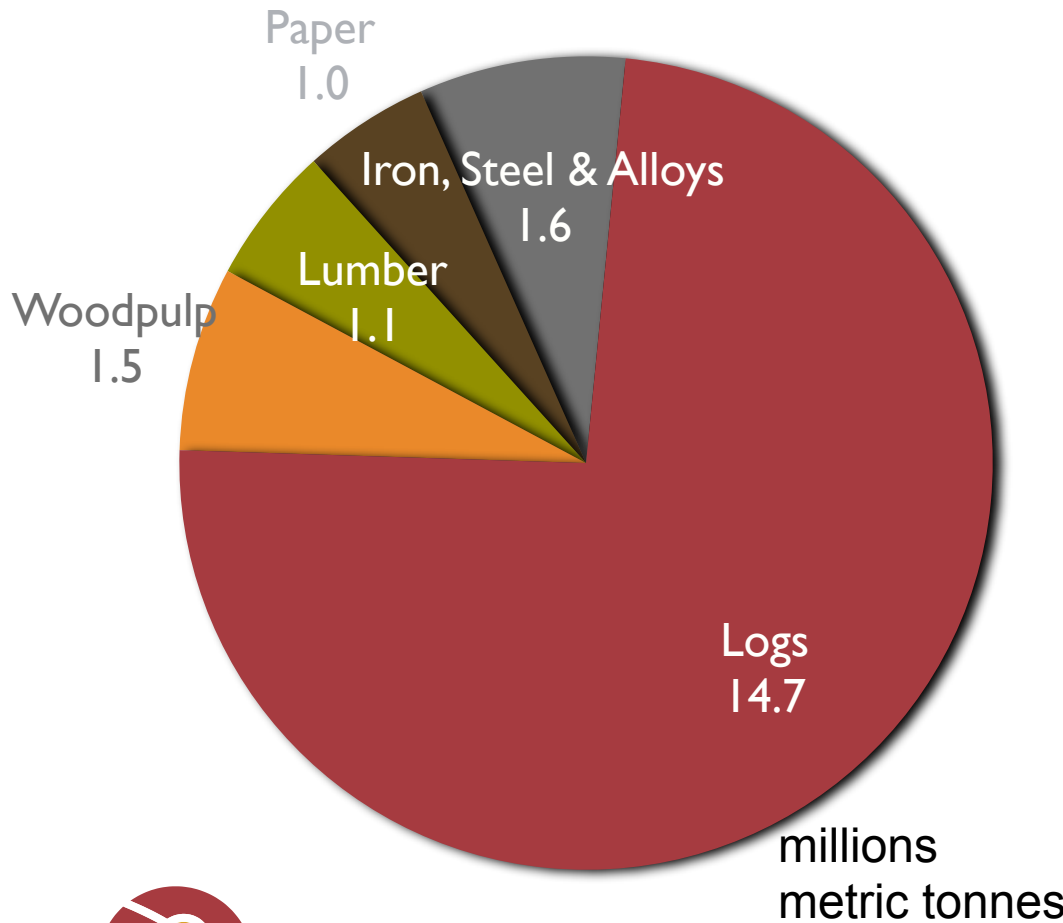


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# Breakbulk 2007



millions  
metric tonnes



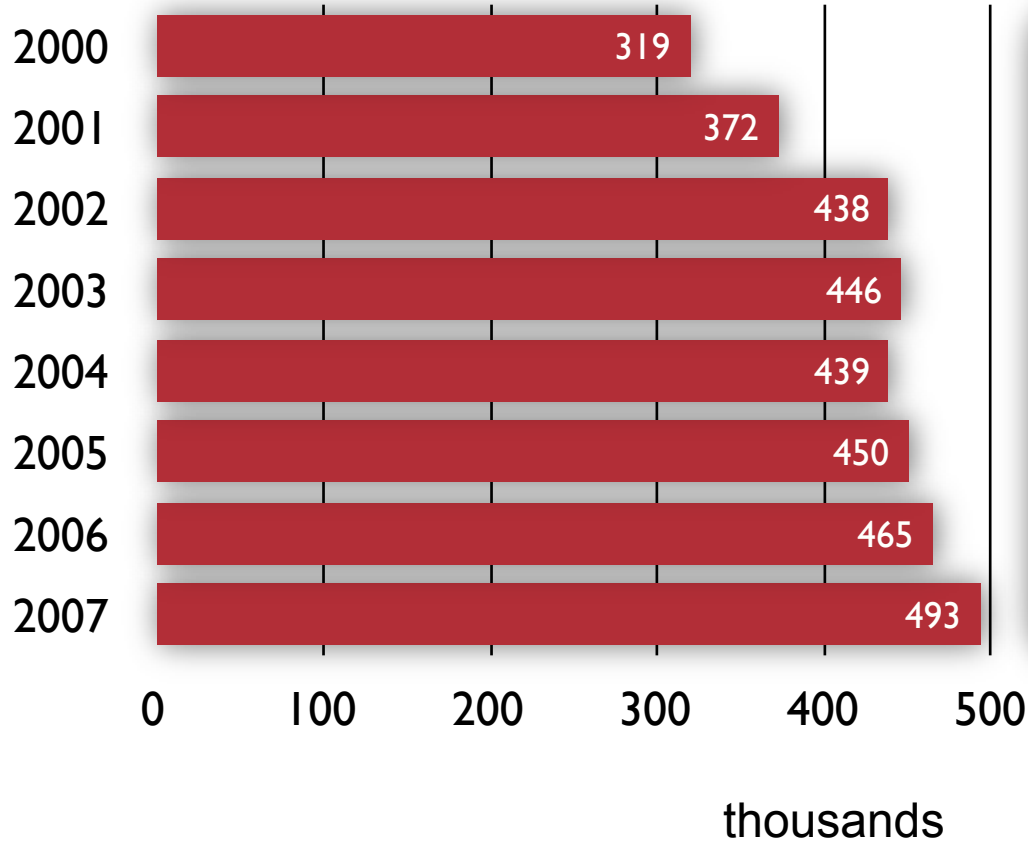
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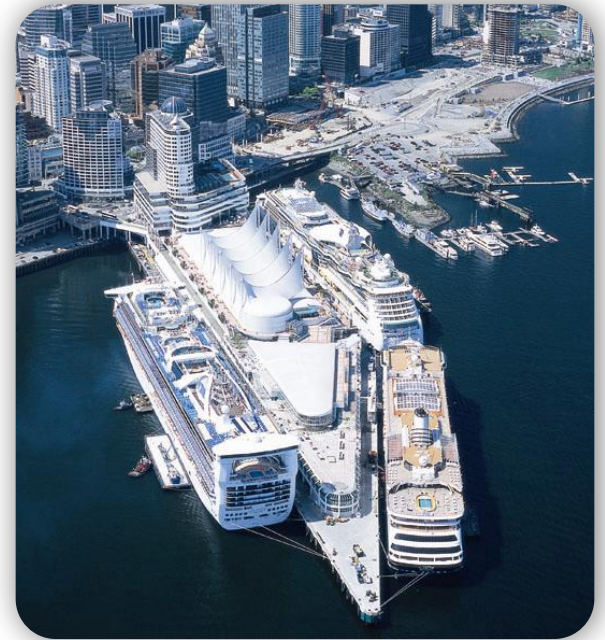
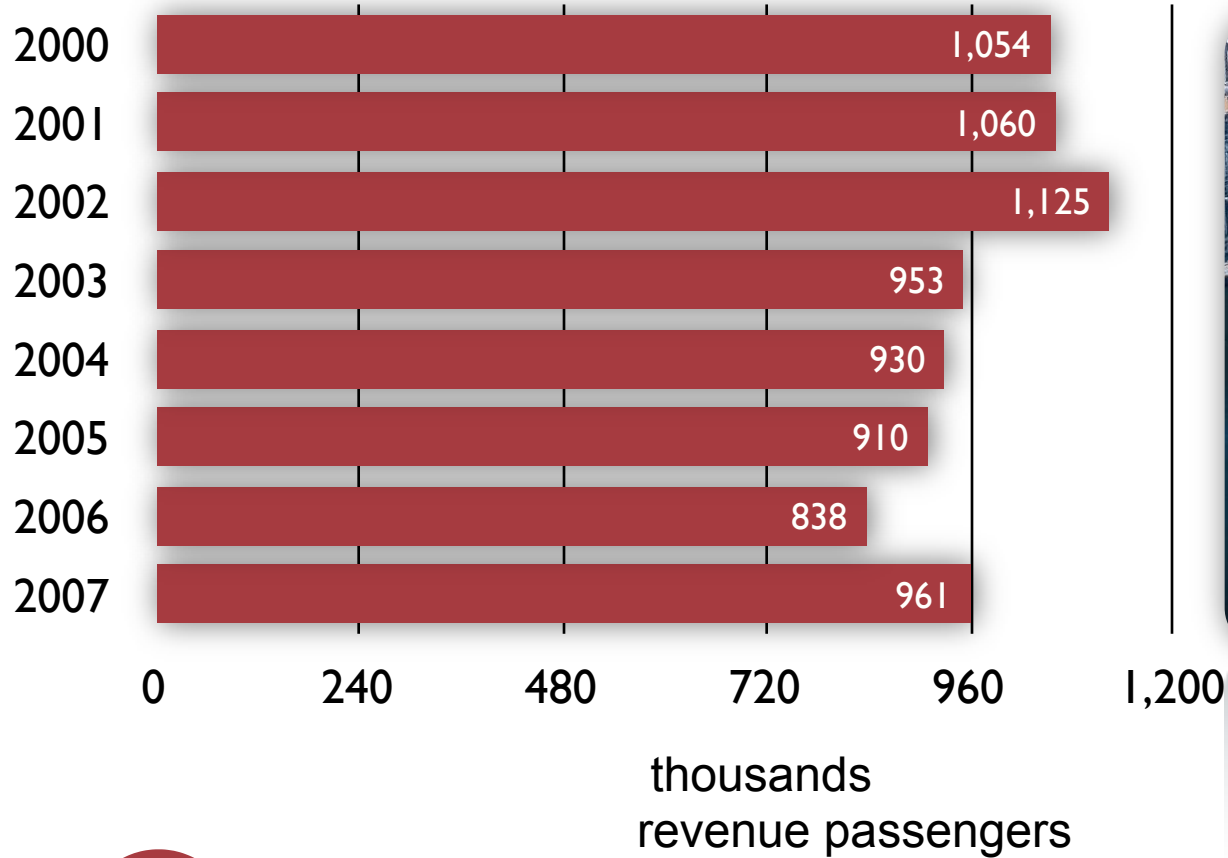
# Autos 2007



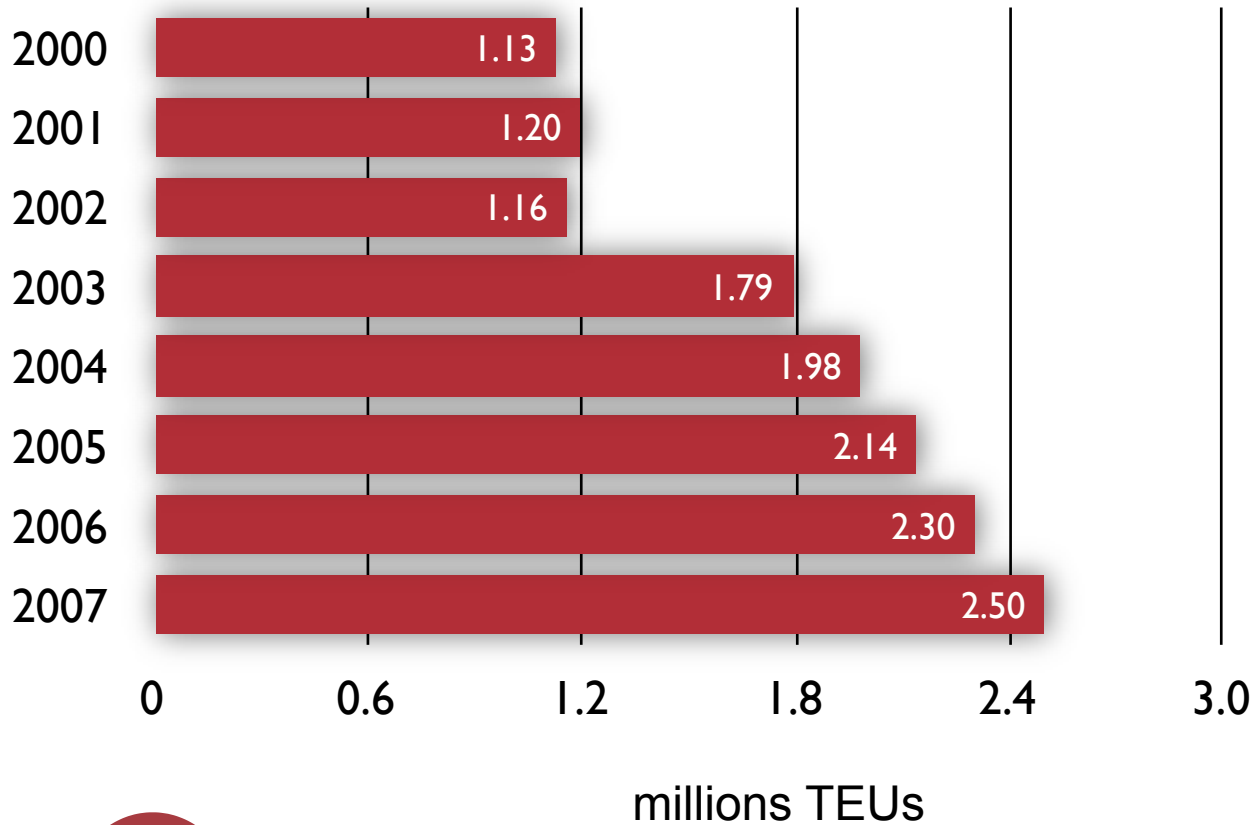
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# Cruise 2007



# Containers 2007

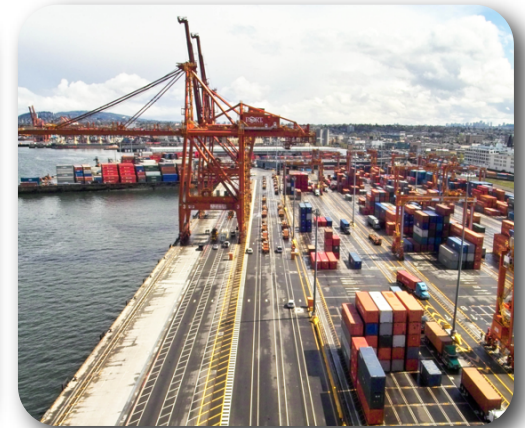


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# Container Terminals

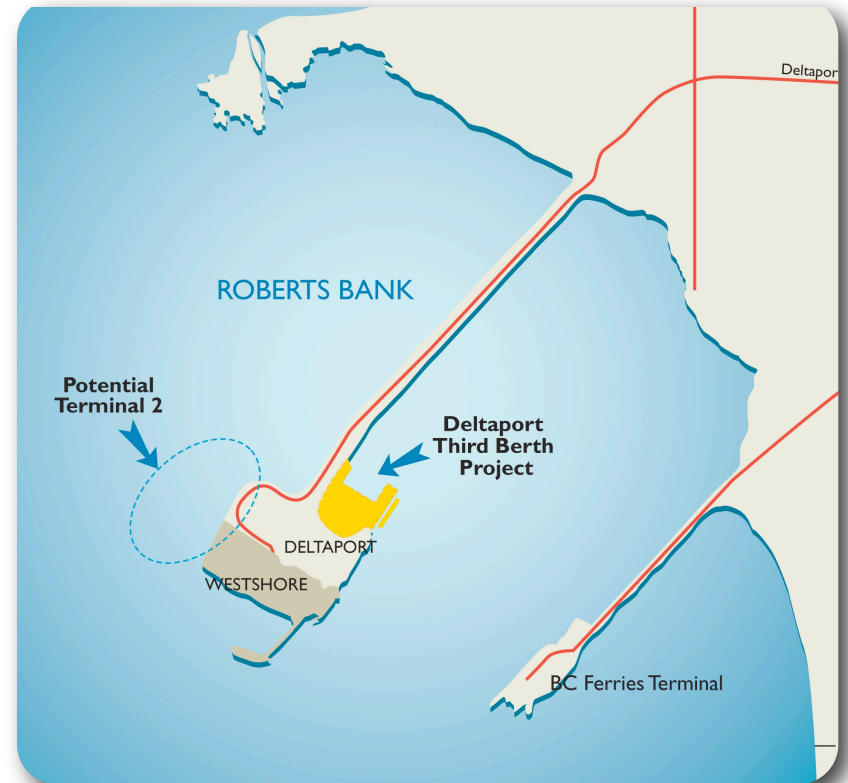
- Fraser Surrey Docks
- Centerm
- Vanterm
- Deltaport



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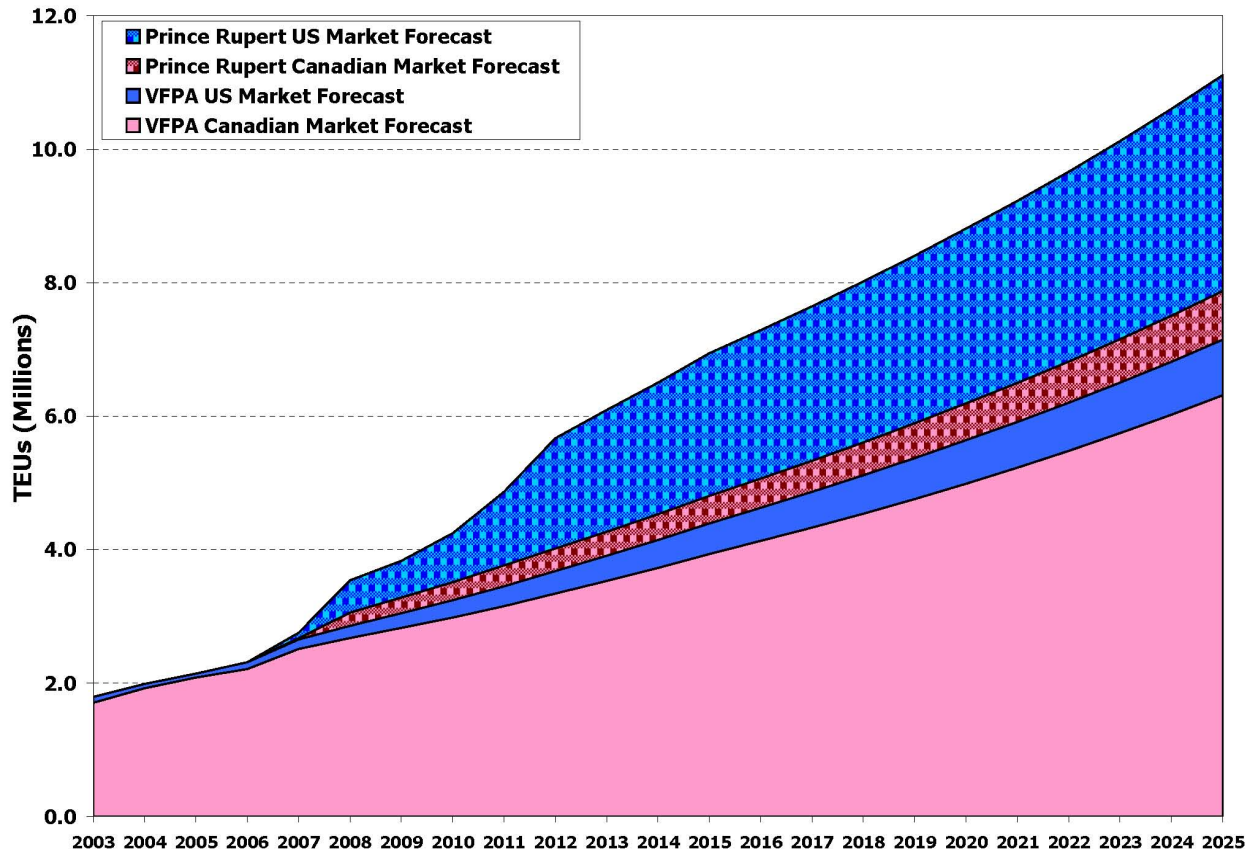
# Roberts Bank Developments



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# Containerized Traffic – B.C. Forecast



# Critical Property Issues

- Lack of land to grow port operations
- Need for off-dock logistics facilities
- De-industrialization of the waterfront
- Tightening of the industrial land supply in the region
- Increasing industrial land values
- The effect of industrial land values on port land leases

# Need for Port Terminal Lands

- Studies indicate facilities will be needed for container, liquid bulk and autos
- Liquid bulk can be accommodated within existing terminal footprints
- Potential for auto terminal on Fraser River
- Container capacity being addressed:
  - capacity increases at existing Inner Harbour terminals without need for additional land
  - Deltaport Expansion
  - Terminal 2 at Roberts Bank
  - Potential conversion of a break bulk terminal





# Off Dock Logistics Facilities

- Import distribution
- Export transloading
- Empty container storage
- Trucking



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# Need for Logistics Facilities

- Major competitive factor for choosing container gateway
- Serve as major economic development opportunities for gateway regions
- Vancouver's major competitors - Seattle & Tacoma - both exploiting opportunities

# Ideal Logistics Parks

- A location with access to excellent road access to container facilities
- Rail access is also important
- Water access would be ideal Short Sea Shipping opportunities
- Lands should have “logistics-friendly” zoning - for low floor ratios, large outside storage areas, container stacking

# De-Industrialization of the Waterfront

- Waterfront lands in Metro Vancouver are not protected for marine industry
- Many areas have been redeveloped close to the city centre
- Latest threat are large industrial areas on the Fraser River once used for forest products
- Conflicts between Port and local development interests
- Port ownership protects waterfront lands for future generations

# Land Availability

- A 2006 study found that only 14% of Metro Vancouver's industrial land is vacant
- Just over 500 acres is suitable for Logistics Parks
- Geographical constraints and agricultural lands limited the amount of additional lands can be added to the industrial inventory



# Vancouver Real Estate Market

	Vacancy Rate	Ind. Sales psf	Warehouse Rents psf
Vancouver	1.50%	\$130.00	\$8.00
Canada	4.80%	\$104.97	\$7.53
Seattle	6.30%	\$127.60	\$6.88
US	7.92%	\$78.94	\$5.62



# Impact of Increasing Land Values

- Port is aggressively pursuing land acquisitions - money doesn't go as far
- Justifications for land banking are becoming harder
- Increased land values are putting upward pressure on land leases - this is difficult for some of our tenants - but you don't want to lag to far behind the market



Thank you