

CURRENT AND FUTURE DRIVERS OF DEMAND FOR OFFICE SPACE IN GREATER VANCOUVER

EXECUTIVE SUMMARY

OFFICE MARKET DRIVERS 2004

1. Forestry and Forest Products
2. **Knowledge Economy**
3. Gateway Function
4. Mining and Energy

Driver industries:

Those sectors that generate demand for other services (such as financial, legal, etc), rather than provide services to other companies; drivers are primarily exporters (broadly defined).

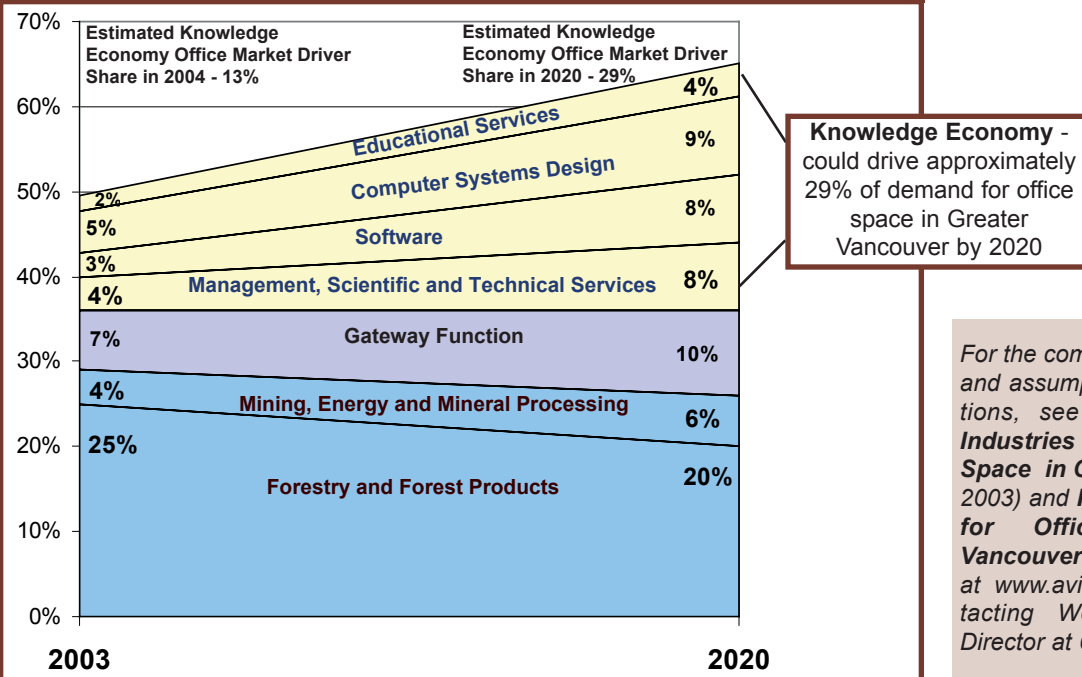
OFFICE MARKET DRIVERS BY 2020

1. **Knowledge Economy**
2. Forestry and Forest Products
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TRENDS AFFECTING GREATER VANCOUVER'S OFFICE MARKET DRIVERS

- Demographic shift - North America's population is aging; demographers predict a North American labour shortage by 2010.
- Rising demand for educated, experienced knowledge industry workers (the "Creative Class.")
- Vancouver's high ranking as a desirable place to live and work among global cities will help the city to attract and retain knowledge economy workers in the coming years (which will in turn attract those firms that wish to hire them).
- Fastest growing sectors of the BC economy are already knowledge economy industries (including software production that grew at an average annualized rate of 30% from 1997-2002).
- Global trend toward industry clustering - Vancouver is already a leading node for several knowledge-economy industries (software, fuel cells, private education, biotechnology), giving the region a head start in growing, attracting and retaining companies in these clusters.

Current vs Future Office Market Drivers



For the complete analysis, calculations and assumptions behind these projections, see our two reports: *What Industries Drive Demand for Office Space in Greater Vancouver?* (July 2003) and *Future Drivers of Demand for Office Space in Greater Vancouver* (February 2004). Available at www.avisonyoung.com or by contacting Wendy Waters, Research Director at 604-647-5084.

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