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AVISON YOUNG

Media Release

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•Editors/Reporters: please click on link to view Avison Young's *Winter/Spring 2010 Fraser Valley, BC Industrial Report*

http://www.avisonyoung.com/library/pdf/Van_Research/FV_SubReport_Jan2010WEB.pdf

**British Columbia's Fraser Valley industrial real estate sector
prepares to deal with after-effects of 2010 Winter Olympics**
Avison Young releases Winter/Spring 2010 Fraser Valley, BC Industrial Report

Vancouver, BC— Industrial vacancy is on the rise in British Columbia's Fraser Valley region as the market prepares to deal with the after-effects of the **Vancouver 2010 Winter Olympics**. Still, supply remains tight in certain pockets of Surrey, Langley and Abbotsford.

These are some of the findings in Avison Young's inaugural ***Fraser Valley, BC Industrial Report, Winter/Spring 2010 edition***, released today. The new report analyses commercial real estate trends, property sales, leasing activity and land sales in Surrey, Langley, Abbotsford and Chilliwack, BC.

"While the Olympics itself has had minimal direct impact on industrial property use, the event serves as a soft deadline for lease renewals, influencing vacancy into 2011 and beyond in the Fraser Valley," comments Avison Young broker **Michael Farrell**, who specializes in Fraser Valley transactions. "Many tenants have timed lease agreements to roll over after the Olympics. Therefore, many contracts will come up for renewal later this year and early next year, which will result in more space being added to the market as tenants adjust their real estate requirements to fall in line with the new economic reality."

Farrell continues: "Tenants today have an opportunity that we have not seen in several years to lease space at reduced rents with generous tenant inducement packages; however as soon as landlords sense the market is turning, these incentives will disappear."

"Deal velocity continues to be subdued on the leasing side as tenants delay decisions until the second or third quarters and the effects of the global financial meltdown and U.S. credit crisis play out," adds Avison Young broker **Jot Mattu**, who focuses on Fraser Valley acquisitions and dispositions. "Having said that, I think the market is starting to turn around slowly."

Meanwhile, the report also finds that developers have been slow to respond to **City of Surrey** incentives to develop large industrial projects in tax-free economic zones announced early in 2009.

“Industrial developers and users are proceeding cautiously due to the required minimum investment of \$10 million,” notes Avison Young’s **John Eakin**, also a Fraser Valley specialist. “No plans for large new projects have been announced in Bridgeview-South Westminster, the tax-free zone targeted for industrial development.”

*Founded in 1978, **Avison Young** is Canada's largest independently-owned commercial real estate services company and the only national, Canadian-owned, principal-managed real estate brokerage firm in the country. Headquartered in Toronto, Ontario and ranked among Canada's leading national commercial real estate organizations, Avison Young is a full-service commercial real estate company comprising more than 600 real estate professionals in 17 offices across Canada and in the U.S. The company provides value-added, client-centric investment sales, leasing, advisory, management and financial services to owners and users of commercial, industrial and multi-residential real estate properties.*

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•**Head shots of Michael Farrell, Jot Mattu and John Eakin for media use:**

http://www.avisonyoung.com/library/pdf/Media_Releases/Temp/Mike_Farrell.jpg

http://www.avisonyoung.com/library/pdf/Media_Releases/Temp/Manjot_Mattu.jpg

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Thank you.

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