

# INDUSTRIAL Overview

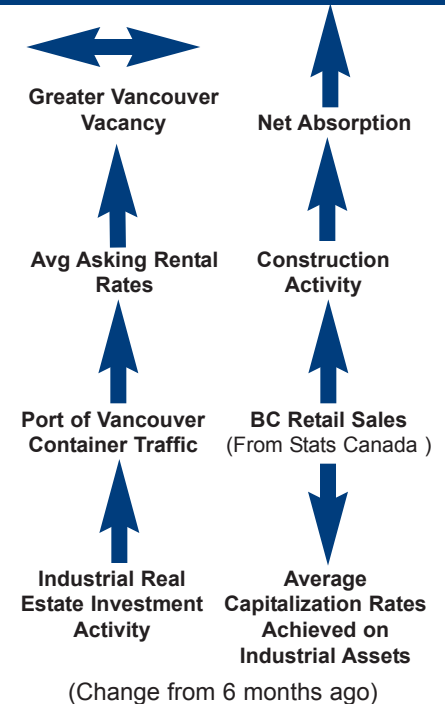
**AVISON  
YOUNG**  
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## Greater Vancouver Edition

### INDUSTRIAL MARKET SUMMARY

Region	Industrial Inventory (S.F.)	Vacancy	Lease Rates	Land Costs Per Acre
Richmond	27,727,000	2.6%	\$4.50 - \$9.00	\$550,000 - \$750,000
Burnaby	23,269,000	2.5%	\$4.25 - \$9.00	\$525,000 - \$1,000,000
Surrey	22,169,000	1.3%	\$4.50 - \$6.75	\$475,000 - \$600,000
Vancouver	20,987,000	2.0%	\$5.50 - \$9.00	\$850,000 - \$2,200,000
Delta	19,344,000	3.2%	\$4.25 - \$6.25	\$425,000 - \$525,000
Langley	11,870,000	2.7%	\$4.75 - \$7.00	\$375,000 - \$600,000
Coquitlam	6,492,000	3.6%	\$4.75 - \$7.25	\$500,000 - \$600,000
Port Coquitlam	5,496,500	2.4%	\$4.50 - \$6.00	\$275,000 - \$500,000
North Vancouver	4,391,000	1.9%	\$6.50 - \$12.00	\$850,000 - \$1,300,000
New West	3,682,000	3.0%	\$4.00 - \$6.50	\$350,000 - \$500,000
<b>TOTALS</b>	<b>143,534,000</b>	<b>2.4%</b>	-	-

### INDUSTRIAL INDICATORS



### PREDICTIONS

- Construction costs will continue to be uncertain, but should become more predictable in the near term.
- Institutional buyers will continue to be more active as developers, buying land to create product.

### BACK PAGE FEATURE

## ANTICIPATED GREATER VANCOUVER ROAD INFRASTRUCTURE ENHANCEMENTS



### Avison Young Industrial Group

Rob Gritten [rgritten@avisonyoung-van.com](mailto:rgritten@avisonyoung-van.com)  
 John Lecky [jlecky@avisonyoung-van.com](mailto:jlecky@avisonyoung-van.com)  
 Mitch Cramp [mcramp@avisonyoung-van.com](mailto:mcramp@avisonyoung-van.com)  
 Dave Macadam [dmacadam@avisonyoung-van.com](mailto:dmacadam@avisonyoung-van.com)  
 Michael Allen [mallen@avisonyoung-van.com](mailto:mallen@avisonyoung-van.com)

Phone: 604-687-7331

Research Director: Wendy Waters, [wwaters@avisonyoung-van.com](mailto:wwaters@avisonyoung-van.com)



E. & O.E.: The information contained herein was obtained from sources deemed reliable. While thought to be correct, it is not guaranteed by Avison Young Commercial Real Estate (BC) Inc.




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# SIGNIFICANT SALE TRANSACTIONS (LAST SIX MONTHS)

Building	Vendor / Buyer	Sale Price / Yield	Area (S.F.)	Age	Site Acres	Price (P.S.F.)
	<b>3100 Production Way, Burnaby</b>					
	PMC Sierra / Tonko Development	\$20,700,000 / 9.5%*	462,868	1970s	18.72	\$44.72
	<b>3751 Viking Way, Richmond</b>					
	Kingswood Capital / Nature's Path	\$13,500,000 / vacant	175,304	1975	10.57	\$77.11
	<b>Lake City Business Centre, Burnaby</b>					
	HOOPP / Cristall Group	\$9,150,000 / 8.3%	85,986	1989	5.07	\$106.40
	<b>8385 Fraser Street, Vancouver</b>					
	Premium Brands / Glassman Investments	\$8,750,000 / 9.3%*	196,950	1970s	6.55	\$44.43
	<b>11480 - 11500 River Road, Richmond</b>					
	David Hsu / Cathay Importers	\$7,250,000 / 9.9%*	222,337	1970s	9.47	\$32.61
	<b>5324 Riverbend Drive, Burnaby</b>					
	557028 B.C. Ltd. / Graymont Ltd.	\$7,200,000 / 9.8%*	84,071	1980s	19.01	\$85.64

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Building	Vendor / Buyer	Sale Price / Yield	Area (S.F.)	Age	Site Acres	Price (P.S.F.)
	<b>8651 Eastlake Drive, Burnaby</b>					
	Lord Realty Holdings / Penreal	\$6,735,000 / 9.9%*	111,152	1980	4.5	\$60.60
	<b>8041 - 132 Street, Surrey</b>					
	Cedar Grove Investments / Keif Holdings	\$6,730,000 / User	125,000	1979	7.29	\$53,84
	<b>9300 Van Horne Way, Richmond</b>					
	Penreal / CMHC	\$5,700,000 / Vacant	114,045	1980s	4.8	\$49.99

\*Although five of the capitalization rates above are over 9%, this is not an indication that yields are rising. The properties in question are older and/or had other challenges associated with them at the time of sale such as substantial vacancy.

## SIGNIFICANT LEASE TRANSACTIONS (LAST SIX MONTHS)

Address	City	Sq. Ft.	Type	Tenant
4150 McConnell	Burnaby	112,419	Relocation	Quilts Etc.
915 Cliveden Avenue	Delta	100,000	Relocation	Van Link Transport
5355 152nd Street	Surrey	80,000	Relocation	CPX
7 Burbridge Street	Coquitlam	75,680	Relocation	VSM Med Tech
7360 River Road	Richmond	70,600	Relocation	Nippon Express
12171 Horseshoe Way	Richmond	43,000	Renewal	Viceroy Homes
9331 - 200th Street	Langley	35,000	Relocation	Krown Produce
Nordel Business Park	Delta	30,000	Relocation	Tire Country
20216 - 98th Avenue	Langley	30,000	Relocation	International Play

# INFRASTRUCTURE EXPANSION PLANS

*Excerpt from: Anticipated Greater Vancouver Infrastructure Enhancements Impacting Industrial Real Estate Users*

Translink as well as the provincial Gateway Program have announced proposals and plans to upgrade road infrastructure in Greater Vancouver. Many of these projects will have positive impacts on the flow of industrial goods and in some cases open more land to industrial development. We have detailed the status or schedule along with impacts for five such plans below.

*It is worth noting that many projects frequently discussed by the government or media have not yet received final approval to go ahead; the information contained below is therefore subject to change.*

## Anticipated Greater Vancouver Transportation Infrastructure Enhancements

Project	Sponsoring Organization	Status	Start Date / End Date	Impact for industrial users
<p><b><u>New Fraser River Crossing</u></b></p> <p>Bridge from 201st Street in Langley to Maple Ridge and Pitt Meadows, replacing Albion Ferry.</p>	Translink	Scheduled	November 2004 / Late 2007	<ul style="list-style-type: none"> <li>Will make 200th Street Corridor in Langley more prominent as a warehouse / distribution centre</li> <li>Will open lands on the North Side of the Fraser River to more industrial development as Trans Canada access will be efficient via this crossing.</li> </ul>
<p><b><u>North Fraser Perimeter Road</u></b></p> <p>Improve roads from Maple Ridge through Pitt Meadows, Port Coquitlam, Coquitlam, to New Westminster; also includes Pitt River Bridge expansion.</p>	Translink & Provincial Gateway Program	Translink's western section tentatively approved but not yet scheduled; may be built in phases.	TBD	<ul style="list-style-type: none"> <li>Will enhance goods movement from the North East sector to South Burnaby, South Vancouver and the Airport.</li> <li>Should encourage warehouse/distribution in the area; open further development options along the North Fraser in Burnaby.</li> <li>Will further expand benefits of new Fraser River Crossing.</li> </ul>
<p><b><u>RAV Line</u></b></p> <p>Richmond-Airport-Vancouver rapid transit project.</p>	Translink	On hold (as of May 7, 2004)	TBD	<ul style="list-style-type: none"> <li>Reduce number of non-commercial vehicles traveling between Richmond, the Airport, and Vancouver, reducing congestion delays for commercial vehicles.</li> </ul>
<p><b><u>South Fraser Perimeter Road</u></b></p> <p>Along the South Shore of the Fraser River from Highway #1 and 200th (near the New Fraser River Crossing) to Delta Port.</p>	Provincial Gateway Program	Defining scope and conducting feasibility studies including an environmental assessment.	TBD	<ul style="list-style-type: none"> <li>This project is designed to facilitate access to and between existing industrial areas of Tilbury, Bridgeview and Port Kells, as well as providing better linkages with Delta Port, Fraser Surrey Docks, and the CN Intermodal yard in Surrey.</li> <li>Will alleviate congestion problems along River Road through the North Delta and Tilbury areas.</li> </ul>
<p><b><u>Proposed non-residential parking stall tax</u></b></p> <p>One goal is to discourage further development and use of office-based business parks in (often industrial) areas not well served by transit.</p>	Translink	Current proposal asks for legislation changes in 2004 with a goal of implementing such a tax in late 2005.	TBD	<ul style="list-style-type: none"> <li>Reduce congestion for commercial vehicles: Encourage office tenants to locate in town centres well served by transit thereby reducing single vehicle trips into prominent industrial regions.</li> <li>Policy may also help to preserve industrial areas for industrial companies (discouraging their conversion to office-oriented business parks).</li> </ul>

For the complete report, visit [www.avisonyoung.com](http://www.avisonyoung.com)

### Avison Young Commercial Real Estate (BC) Inc.

#2100 - 1055 West Georgia Street

Box 11109 Royal Centre

Vancouver BC V6E 3P3

PHONE: (604) 687-7331, FAX: (604) 687-0031

[www.avisonyoung.com](http://www.avisonyoung.com)

[gm.vancouver@avisonyoung-van.com](mailto:gm.vancouver@avisonyoung-van.com)



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USA EUROPE ASIA  
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Research Director: Wendy Waters. Direct line: 604-647-5084 or e-mail: [wwaters@avisonyoung-van.com](mailto:wwaters@avisonyoung-van.com)

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