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AVISON YOUNG

Media Release

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Contact:
Monte Stewart
(604) 646-8381
email: mstewart@ay-bc.com

Editors/Reporters

•Please click here to view Avison Young's Spring/Summer 2010 Burnaby, BC Industrial Report:
http://www.avisonyoung.com/library/pdf/Van_Research/Burnaby-IND-Report-2010-WEB.pdf

Burnaby, British Columbia industrial sales and leasing market slowly rebounds with help from small and medium-sized business operators

Avison Young releases inaugural Spring/Summer 2010 Burnaby, BC Industrial Report

Vancouver, BC — Burnaby, BC industrial property sales and leasing activity is on the rise as increasingly confident owner-users and investors – and more capital – return to the market, according to Avison Young's new **Spring/Summer 2010 Burnaby, BC Industrial Report**, released today.

Small businesses, eager for space ranging from 10,000 to 30,000 square feet (sf), are driving most of the sales and leasing transactions.

"Small- and medium-sized enterprises are the most active players right now in Burnaby's industrial real estate market. They are playing a critical role in maintaining Burnaby's consistently strong demand and stability," comments Avison Young broker **Kyle Blyth**, who specializes in Burnaby sales and leasing transactions. "Traditionally, following a downturn, smaller owner-users re-enter the market first and then larger companies return. The size of the companies and deals gradually increase over time."

Although few sales transactions were completed in the first quarter of 2010 due to a lack of available quality supply, property tours have picked up and buyers are making more offers than they were 12 to 18 months ago. Meanwhile, favourable rental rates and an increase in sublease space are spurring more lease deals.

Blyth notes that Burnaby has weathered the storm with less difficulty than most other Metro Vancouver industrial markets. Burnaby's industrial vacancy rate has ticked up to 3% from 2.6% in fall 2009; however, vacancy remains well below the Metro Vancouver average of 4.7%, which still ranks

among the lowest in North America. (Some older properties in need of renovation or redevelopment are slightly skewing Burnaby vacancy levels upward.)

“Landlords, who are well educated on market conditions, are more open to the needs of the marketplace and offering inducements to attract new tenancies or retain existing ones,” adds Avison Young Burnaby industrial sales and leasing specialist **Matt Thomas**. “In many cases, tenants have delayed expansion, using only the space that they need now. As the world economy continues to improve, tenants are more likely to act on delayed decisions and fulfill larger, long-term space requirements – for a comparable rental rate.”

Accordingly, he adds, some tenants will likely choose to remain in their existing locations if they can access the same space for a lower price.

On the development side, opportunities are expected to be limited due to high land values and a shortage of available brownfield locations. In the few cases where developable land is available, developers will be asked to pay a premium.

*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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For further info/comment/photos:

- **Monte Stewart**, Avison Young Communications Group: **(604) 646-8381**
- **Kyle Blyth**, Burnaby sales and leasing specialist, Avison Young:
(604) 647-5088 or **(604) 841-2724** (cell)
- **Matt Thomas**, Burnaby sales and leasing specialist, Avison Young:
(604) 646-8383 or **(604) 230-2324** (cell)

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