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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 2010 Delta, BC Industrial Report:
http://www.avisonyoung.com/library/pdf/Van_Research/Delta_SubReport_Feb2010_WEB.pdf

•Head shots of Douglas McMurray and Ryan Kerr:

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

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

Delta, British Columbia industrial sales and leasing market slowly rebounds after difficult 2009

Avison Young releases inaugural Spring 2010 Delta, BC Industrial Report

Vancouver, BC — The Delta, British Columbia industrial sales and leasing market is showing signs of recovery after struggling through most of 2009, according to Avison Young's inaugural **Spring 2010 Delta, BC Industrial Report**, released today.

"The Delta market is picking itself back up after facing many difficulties related to the global recession and U.S. credit crisis in 2009," comments Avison Young broker **Ryan Kerr**, who specializes in Delta industrial property sales and leasing. "Delta investors and owner-users are taking the necessary steps to accommodate potential growth in the recovering industrial market."

Delta is located in the southwest corner of British Columbia and is bounded by the Fraser River to the north, Boundary Bay and the US border to the south, Georgia Strait to the west, and the municipality of Surrey to the east.

Although the new semi-annual report shows second-half 2009 Delta industrial sales dollar volume only increased slightly to \$34 million from \$33.6 million in the first half of 2009, Kerr says investors are "seeking more acquisitions, touring more sites and putting more properties under contract in early 2010." (Avison Young tracks Delta industrial deals valued at more than \$1 million.)

The renewed confidence points to more purchases this year after the deal total (12) for all of 2009 came in at half the total of 24 completed in 2008.

Meanwhile, Delta's industrial vacancy rate has climbed to approximately 6.5% from 2.5% in spring 2008. Most of the increase can be attributed to a reduction in container traffic through **Port Metro Vancouver**, which prompted many Delta-based distributors to sublease their surplus warehouse space.

Vacancy is expected to increase further when **Morguard Investments Ltd.'s** Hopcott Centre (700,000 square feet) becomes available after 2010 Winter Olympic organizer **VANOC** moves out in the summer. However, prospective tenants are already showing strong interest and some lease deals are expected to be completed in the near future. VANOC will vacate the premises by July 1, but the building is scheduled to receive a sprinkler system upgrade and will not be ready for occupancy again until October 1.

Avison Young Principal **Douglas McMurray** says demand for Delta industrial space remains strong: "Many users will take up large amounts of the vacant space relatively soon, after taking a wait-and-see approach due to global economic conditions and individual business factors," he says. "Industrial users have been working with what they have until the economy improves. Most of the expanding companies will stay in Delta for strategic business and staffing reasons."

McMurray adds that available small-bay space is already scarce throughout Delta and mid-sized properties have not come to market as expected.

The report also analyses the **Annacis Island, Nordel** and **Tilbury** districts while providing an update on the **Beedie Group's** plans for its **Tilbury West Corporate Centre** 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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For further info/comment/photos:

- **Monte Stewart**, Avison Young Communications Group: **(604) 646-8381**
- **Ryan Kerr**, Delta sales and leasing specialist, Avison Young: **(604) 647-5094** or **(778) 378-5765** (cell)
- **Douglas McMurray**, Principal, Avison Young: **(604) 647-5082**
- **Sherry Quan**, National Director of Communications & Media Relations: **(604) 647-5098** or cell: **(604) 726-0959**

www.avisonyoung.com

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