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## Media Release

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· Please click here to view Avison Young's Spring 2011 Fraser Valley, BC Industrial Report:  
[http://www.avisonyoung.com/library/pdf/Van\\_Research/Fraser\\_Valley\\_Report\\_Spring\\_2011\\_Web.pdf](http://www.avisonyoung.com/library/pdf/Van_Research/Fraser_Valley_Report_Spring_2011_Web.pdf)

### **Fraser Valley, British Columbia flush with industrial real estate confidence**

#### ***Avison Young releases Spring 2011 Fraser Valley, BC Industrial Report***

**Vancouver, BC** — Confidence has returned to the Fraser Valley, BC industrial real estate market as transaction volumes stabilized in 2010 setting the stage for robust expansion in 2011, according to Avison Young's ***Spring 2011 Fraser Valley, BC Industrial Report***, released today.

For the purpose of this report, Avison Young classifies the communities of Surrey, Langley, Abbotsford and Chilliwack as the Fraser Valley.

"Rent levels throughout the Fraser Valley industrial precincts are beginning to rise as overall vacancy continues to decline," comments Avison Young broker **Michael Farrell**, who specializes in Fraser Valley industrial property sales and leasing. "Furthermore, investor demand is strong in the region, with a particular emphasis on well-leased, investment-grade properties."

Fraser Valley industrial real estate sale transactions and dollar volume in 2010 exceeded 2009 levels. According to **RealNet Canada**, in 2010, the market witnessed 155 transactions with a total value of \$194 million versus 146 transactions with a total value of \$191 million in 2009. However, deal activity in 2010 was moderated by a lack of available quality product.

"We are witnessing a renewed interest in development sites as several local speculators, investors and users are re-entering the market," says Avison Young broker **John Eakin**, a Fraser Valley industrial sales and leasing specialist.

Eakin adds that strata properties remain a popular option in the Fraser Valley as the low cost of debt encourages ownership when compared with leasing.

"With rental rates expected to rise further this year, demand for strata has increased dramatically in the Fraser Valley. We anticipate increased activity due to pent-up demand, which will put upward

pressure on lease rates as inventory declines throughout the balance of 2011 due to requirements from expansion-minded owner/users,” he says.

Capitalization rates in the Fraser Valley have declined to the 6.0% to 6.5% range from 7% in recent months as pricing strengthened. The decline in capitalization rates is a direct result of investors placing capital in industrial real estate as a preferred alternative to low yields available in other investment vehicles.

An attractive debt market, with record low lending rates and appealing loan-to-value ratios, has created the leverage investors require to meet vendor-pricing expectations.

The report also examines the individual performance of each submarket in terms of deal and dollar volumes and transaction size, and provides an update on development activity in Campbell Heights.

*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 700 real estate professionals in 23 offices across Canada and in the U.S. The company provides value-added, client-centric investment sales, leasing, advisory, management, financing and mortgage placement services to owners and occupiers of office, retail, industrial and multi-residential properties.*

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