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AVISON YOUNG

## Media Release

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**•Editors/Reporters: please click on link to view and download photo of South Point Exchange shopping centre**

[http://www.avisonyoung.com/library/pdf/Media\\_Releases/Temp/spe.jpg](http://www.avisonyoung.com/library/pdf/Media_Releases/Temp/spe.jpg)

**British Columbia witnesses largest  
open-air mall sale in Western Canada to-date in 2010  
*Grosvenor Americas sells South Point Exchange shopping centre  
in Surrey, BC to Canadian private investor for \$91 million***

**Vancouver, BC — Avison Young**, Canada's largest independently-owned commercial real estate services company, announced today that it has negotiated British Columbia's largest open-air mall retail investment transaction in Western Canada thus far in 2010.

**Grosvenor Americas** and its institutional investors have sold **South Point Exchange** shopping centre (3033-3191 152nd Street) in Surrey, BC to a Canadian private investor for \$91 million.

The transaction closed August 30, 2010. Avison Young Principals **Bob Levine** and **Michael Gill**, together with **Randy Thomson** of **Sutton West Coast**, acted on behalf of the buyer. Terms of the acquisition were not disclosed.

"While there have been larger sales of enclosed malls, this sale is the largest open-air mall retail investment transaction in Western Canada thus far in 2010," comments Levine. "The deal is significant because it marks the largest retail investment transaction with a private purchaser in more than a decade."

Levine continues: "The size of this transaction represents the upper reaches of what most private investors can afford. Moreover, other large enclosed-mall sales in BC this year exceeding \$50 million in value have been bought either by institutions or by public companies."

The 267,000-square-foot grocery-anchored shopping centre in South Surrey encompasses a series of single- and multi-tenant buildings on a 22.46-acre lot, with one-half kilometre of frontage on Highway 99 (the primary north-south artery that runs between the city of Vancouver and the Canada-U.S. border).

Constructed in phases between 2000 and 2003, and expanded in 2007, South Point Exchange is anchored by **Save On Foods, Canadian Tire and Staples**. The fully-leased mall is also occupied by **Winners/HomeSense, Cactus Club, HSBC** and 26 other tenants.

According to Levine, the new owner plans to continue operating the property as a shopping centre in the foreseeable future.

“South Point Exchange has performed very well since we completed the final phase of the development in 2007. Given the long-term stability of the property’s cash flow, we felt that the timing was right to sell. We plan to reinvest the proceeds into growing our development and value-added investment activities,” says **Andrew Galbraith**, Chief Investment Officer of Grosvenor Americas.

“South Point Exchange is considered one of Metro Vancouver’s finest open-air malls with an optimal mix of national and regional tenants serving a highly affluent demographic area,” notes Gill. “This sale further underscores the demand for grocery-anchored shopping centres and the popularity of Surrey.” (Surrey is BC’s second largest city and one of the fastest growing centres in Canada.)

According to Avison Young, retail property acquisitions and dispositions propelled the BC commercial real estate investment market to record sale transaction dollar volume in the first half of 2010.

Office, industrial and retail investment sales in BC totalled \$1.026 billion in the first half of 2010, up 43% from \$715 million in the second half of 2009 and up 60% from \$643 million in the first half of 2009. This was the first time in the province’s history that commercial real estate investment volume surpassed \$1 billion in a six-month period. As a result, the year-end 2010 total is anticipated to surpass the year-end 2009 mark of \$1.36 billion by a wide margin. (Avison Young tracks investment sales in BC greater than \$5 million.)

Private investors accounted for 73% (33 of 45) of the first-half 2010 transactions and 53% (\$540 million) of the total volume.

The retail sector also led sales activity, accounting for 69% (\$711 million) of the total dollar volume in the first half of 2010, continuing a renaissance that began in mid-2009.

“Commercial real estate activity in BC continues to rebound positively. The recent deal activity is attributed to strong underlying fundamentals, wide availability of capital, fewer credit restrictions, minimal debt loads, and investors rebalancing their portfolios as part of the normal business cycle,” says Gill.

Levine says he anticipates continued healthy interest in BC retail properties through 2010 and into 2011.

“We expect deal activity will remain robust through 2010 with more retail assets offered for sale as sellers capitalize on peak pricing,” he says. “Buyers and sellers are showing more respect for each other’s pricing levels, and large amounts of cash and equity are in play compared to six to 12 months ago. With a lack of favourable investment opportunities elsewhere and buyers now more confident in the market, we expect to see further large retail property transactions take place in the second half of 2010 and into 2011.”

Gill adds: "BC capitalization rates in general, which will likely remain the lowest in Canada and among the lowest globally, are not expected to deter investment."

**Grosvenor** is a privately-owned property group with offices in 17 of the world's most dynamic cities. It has five regional investment and development businesses in Britain and Ireland, the Americas, Continental Europe, Australia and Asia Pacific. Its international fund management business operates across these markets. As at December 31, 2009, these six businesses had total assets under management of CD\$17.2 billion. Unusual for a private company, Grosvenor publishes a full Annual Report & Accounts, available at [www.grosvenor.com](http://www.grosvenor.com)

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 21 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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