

partnership.
performance.



Intelligent
Real Estate Solutions

AVISON YOUNG

Media Release

**For Immediate Release (2 pages)
Tuesday, October 25, 2011**

Contact:
Andrew Petrozzi
(604) 646-8392
email: andrew.petrozzi@avisonyoung.com

Editors/Real Estate Reporters

· Please click on link to view *Avison Young's Fall 2011 North Shore, BC Commercial Real Estate Market Report*: http://www.avisonyoung.com/library/pdf/Van_Research/North_Shore_Industrial_Report_Fall_2011web.pdf

Industrial deals powering North Shore, British Columbia commercial real estate market

North Shore retail and office sales volumes soften after strong push in 2010 and early 2011

Vancouver, BC — North Shore, BC industrial sales are on track in 2011 to establish the strongest dollar volume total since 2006, despite an overall decline in deal activity.

While North Shore retail and office commercial real estate sales volumes have slipped significantly year-to-date 2011, demand for industrial product has remained strong. By the end of September, North Shore industrial sales totalled \$27.4 million through 10 transactions. This is in comparison to a total of \$27 million/29 transactions in 2010 and \$15 million/16 transactions in 2009. In 2006, 47 industrial properties traded, valued at \$39.8 million in total.

These are some of the key trends noted in ***Avison Young's Fall 2011 North Shore, BC Commercial Real Estate Market Report***, released today.

"Industrial and retail properties have been top of mind for owner/operators and investors," comments Avison Young associate **Matt Thomas**. "A lack of new supply has restrained deal and dollar volume, but demand has been strong, particularly for smaller strata units."

According to Thomas, demand is expected to remain steady and, given the limited land supply, rental rates and sale prices are not anticipated to drop significantly, if at all, in the current economic cycle.

"Global economic uncertainty will have some influence, but the geographical characteristics of the region and its strong underlying fundamentals help insulate the North Shore from many macro economic factors," he says.

Retail regroup

After a record-setting 2010, with more than \$91 million invested in North Shore retail product, a lack of new supply has resulted in significant reductions in deal and dollar volumes year-to-date. Leasing and sales activity is brisk however, with many previously-vacant retail locations leased up in recent months. The market witnessed 16 retail transactions valued at \$18.7 million in total year-to-date September 2011.

Office options

Demand for North Shore office space picked up pace during the first five months of 2011 but softened again through the summer with dollar volume (\$4.8 million) at its lowest point in at least five years. Of the 12 office deals completed, the majority were for less than \$500,000 and typically for units smaller than 1,000 square feet (sf). Office vacancy, currently at 7.7%, is anticipated to increase slightly as rental rates stabilize and new office space comes to market through 2012. New office product is planned for 1860 Lonsdale Avenue and **Dollarton Business Park**.

Industrial initiative

Industrial dollar volume pushed higher primarily on the sale of **Keith Business Centre** for \$16.3 million. With little new supply and continued demand in 2011, industrial vacancy in the traditionally-tight market is expected to remain at about 2.9%. **GWL Realty Advisors'** two new buildings, totalling 80,000 sf, on the Dollarton Highway will be the only new supply to come on stream in 2012.

“Although deal volume is somewhat tempered by a lack of new supply, it is anticipated that overall sales and leasing activity on the North Shore will once again start to build momentum,” says Avison Young Principal **Terry Thies**, who specializes in North Shore commercial real estate sales and leasing. “With financing easily available and interest rates near record lows, the price to purchase versus leasing costs is leading many businesses to consider acquiring their own real estate.”

Avison Young's *Fall 2011 North Shore, BC Commercial Real Estate Report* also features an in-depth look at the **District of North Vancouver's** plans for the newly designated **Lower Lynn Town Centre**.

*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 800 real estate professionals in 25 offices across Canada and 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.*

-end-

For further information/comment/photos:

- **Andrew Petrozzi**, Research Manager, Vancouver, Avison Young: **(604) 646-8392**
- **Terry Thies**, Principal, Avison Young: **(604) 646-8398**
- **Matt Thomas**, Associate, Avison Young: **(604) 646-8383**
- **Sherry Quan**, National Director of Communications & Media Relations, Avison Young: **(604) 647-5098** or cell: **(604) 726-0959**

www.avisonyoung.com

Follow Avison Young on Twitter:

For industry news, press releases and market reports: **www.twitter.com/avisonyoung**

For Avison Young listings and deals: **www.twitter.com/AYListingsDeals**

Follow Avison Young Bloggers: <http://blog.avisonyoung.com>