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AVISON YOUNG

Media Release

**For Immediate Release (2 pages)
Monday, April 12, 2010**

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Editors/Reporters

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

• **Media Photos:**

http://www.avisonyoung.com/library/pdf/Van_Research/Michael-Allen.jpg
http://www.avisonyoung.com/library/pdf/Van_Research/Ryan-Kerr.jpg

Richmond, British Columbia industrial market witnesses increased sales and leasing activity as economy strengthens

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

Vancouver, BC — Richmond, British Columbia industrial property sales and leasing transactions have increased significantly from early 2009, according to Avison Young's inaugural ***Spring/Summer 2010 Richmond, BC Industrial Report***, released today.

"Buyers and tenants are more confident that Richmond's industrial market will sustain itself," comments Avison Young broker **Michael Allen**, who specializes in Richmond industrial property sales and leasing. "Market activity has picked up, investors and owner-users are touring properties again, and tenants are making decisions regarding their long-term real estate needs. Ultimately, companies are gaining confidence that the global economic recovery is real."

According to the report, the recent number of industrial real estate sale transactions and dollar volume easily exceed year-earlier levels. In the first quarter of 2010, dollar volume surpassed \$60 million compared to only \$3 million in the first quarter of 2009, when the global markets were experiencing an unprecedented financial upheaval.

The increase was carried over from the fourth quarter of 2009, when Richmond's sales dollar volume quadrupled to \$33 million from \$8 million a year earlier and deals jumped to 23 from nine.

"Richmond industrial vacancy is currently hovering near 6% – its highest point in more than a decade," adds Avison Young broker **Ryan Kerr**, a Richmond and Delta sales and leasing specialist. "But the upward vacancy trend that began 12 to 18 months ago should start to abate."

Kerr points out that more sublease opportunities are available than in recent years, but tenants will likely capitalize on large inducements to sign new leases or renew existing ones. In some cases, several months of free rent are being offered in return for long-term lease renewals and new leases.

“Supply remains relatively tight due to limited available new and existing inventory, traditionally strong demand, postponed developments, and delays in developer decision-making,” Kerr notes.

Richmond, Metro Vancouver’s largest industrial market, is located in the southwest corner of British Columbia and is bounded by the Fraser River to the north, the municipality of Delta to the south and east, and Georgia Strait to the west.

Allen says that Richmond’s proximity to Port Metro Vancouver, major air, railway and highway routes and the Canada-U.S. border appeals to owner-users who are looking to centralize their operations as the region continues to rebound from the global recession.

“Rising fuel prices should have a continuing positive effect on Richmond industrial property sales and leasing activity,” says Allen. “On the development side, few projects are expected to be built on a speculative basis. Owner-users and tenants will likely opt for purpose-built facilities that suit their unique business needs.”

*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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