

Beedie Group building huge industrial warehouse

504,000-square-foot structure to meet the needs of Kruger Products

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The proposed industrial building at Queensborough in New Westminster.

Photograph by: Handout image, PNG files

The Beedie Group is building what it says is Metro Vancouver's largest single-floor industrial building at its Queensborough site in New Westminster.

The 504,000-square-foot warehouse (the equivalent of about seven Canadian football fields) will be built on a 22-acre site to meet the warehousing needs of New Westminster-based Kruger Products, a major producer of tissue products.

"As a single phase, one-floor warehouse, we don't know of any other that's larger," Beedie Group president Ryan Beedie said in an interview about the building, which is scheduled to break ground June 10. "We have several other [industrial] projects underway right now, [including] a 120,000-square-foot [distribution centre in Langley] for Mazda. "But this is the biggest."

Beedie, who also said it's the largest building in his company's history, said it will be used so that Kruger, which now has three warehouses, can consolidate under one roof.

"They're growing and they need more space, but they also like everything under one roof."

He said Beedie's previous largest industrial building was a 460,000-square-foot structure it built for Brewers Distributors in Port Coquitlam three years ago.

Chuck Stewart, general manager of Kruger Products' western manufacturing division, said in a statement that the new building is "integral to its future operation in New Westminster."

Kruger employs 600 people in the city.

New Westminster Mayor Wayne Wright said in a statement that the growth of industrial employment is a strategic priority.

"Anything that helps Kruger expand and remain competitive is good for our city and our citizens. We welcome this new development in Queensborough," he said.

Meanwhile, strong debt markets and constrained supply helped Metro Vancouver's industrial market recover in 2010 and continue to attract investor capital in 2011, according to Avison Young's Spring 2011 Industrial Overview, which was released this week.

The report by Avison Young, a national full-service commercial real estate company, said that with the B.C. and Canadian economies forecast to achieve above three-per-cent annual growth in the coming year, investor demand remains high for industrial product.

According to the semi-annual report, pent-up demand propelled industrial expansion in 2010, particularly in the second half of the year, and that the trend is continuing.

Avison Young principal John Lecky said more industrial tenants are looking for relocation opportunities as the market outlook improves.

He said renewed economic confidence is also generating investor interest in industrial real estate, although that enthusiasm may be tempered by a limited supply of available real estate product.

The report stated that Metro Vancouver's industrial vacancy rate continues trending lower as the lack of land and new development pushes lease rates and dollar volumes higher.

Overall vacancy now sits at 4.5 per cent compared with 4.7 per cent in spring 2010, the report said.

"You are going to see more construction in 2011," added Lecky. "The combination of low interest rates and increasing land and construction costs provokes users to seriously contemplate strata ownership versus lease obligations."

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