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**Editors/Reporters**

• Please click on link to view and download Avison Young's Fall 2018 Richmond/Delta, BC industrial report:

<https://www.avisonyoung.ca/documents/95750/17687307/Fall2018RichmondDeltaIndustrialReport>

**Demand drives sales to record levels amid near record low vacancy  
in Richmond and Delta, British Columbia industrial markets**

***Avison Young releases Fall 2018 Richmond/Delta, BC Industrial Report***

**Vancouver, BC** -- Demand for industrial space in Richmond and Delta, BC achieved record levels in 2017 and has remained undiminished in the first half of 2018 as pricing continues to rise and vacancy remains extremely tight. New development activity, which remained robust during the past 18 months – albeit increasingly focused on strata projects (particularly in historically owner-occupier-centric Richmond), has done little to alleviate low vacancy and rising rental rates. In Delta, significant logistics/distribution users continue to lease up (or prelease) new buildings of scale that are set to be delivered to the market as the number of suitable development sites dwindles after almost five years of unprecedented growth due to the opening of the South Fraser Perimeter Road (SFPR).

Record dollar volume from industrial sales was achieved in both Richmond and Delta in 2017 despite a slight year-over-year decline in the number of deals completed. Richmond industrial sales involved 74 transactions valued at \$290 million in 2017, which exceeded the previous record dollar volume of \$268 million (105 sales) set in 2015. In terms of deal velocity, the 122 industrial sales (valued \$143 million) completed in Richmond in 2008 remains the high-water mark. Delta industrial sales hit \$239 million with 42 sales in 2017, which surpassed the previous record of \$236 million (46 deals) set in 2013 in the run-up to the opening of the SFPR in December 2013.

These are some of the key trends noted in ***Avison Young's Fall 2018 Richmond/Delta, BC Industrial Report***, released today.

Vacancy in Richmond's 37.7-msf industrial market – Metro Vancouver's largest – increased to 2.3% in fall 2018 from 1% a year earlier due largely to a couple of large vacant listings coming back to market. Delta's 24.7-msf industrial market registered a decline in vacancy to 1.9% in fall 2018, down from 2.7% a year ago despite the addition of new inventory. Industrial vacancy in Metro Vancouver's 200-msf industrial market was 1.6% in fall 2018. As vacancy has remained extraordinarily tight across the region – setting a new record low of 1.4% at mid-year 2018 – rental

rates have risen rapidly in recent years, a trend expected to continue but gradually slow in the next 12 months.

“With little relief in terms of new development coming to either market, vacancy is expected to remain tight and purchase opportunities limited for the next 18 months with rents rising at a more measured pace,” comments Avison Young Principal **Ryan Kerr**, who specializes in Delta/Richmond industrial sales and leasing transactions. “Businesses seeking industrial space in these markets should start looking at least 24 months in advance with presales or preleasing the likeliest avenue for most business owners.”

Avison Young’s *Fall 2018 Richmond/Delta, BC Industrial Report* also highlights on a map new developments, redevelopment and development sites, and assets currently under renovation in both submarkets.

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