

PC Urban Properties Partners with KingSett Capital on Richmond Industrial Acquisition

Vancouver, May 25, 2020 – PC Urban Properties and KingSett Capital have recently closed on a deal to acquire a 9.7 acre industrial development in Richmond. Viking Way Business Centre is a coveted light industrial business park campus in Richmond’s Crestwood district, with a highly-functional design, extensive frontage, exceptional appearance and proximity to highways and transit. It is currently 100% occupied and redevelopment plans for the property will be announced in the fall.

This is one of the first in a number of deals in the Metro Vancouver region where local developers are partnering with institutional investors. As noted in the CBRE 2020 Market Outlook report, strong commercial real estate fundamentals attracted more investment capital to Vancouver in the first quarter of this year, and CBRE is projecting that institutional investors, including Blackstone, Crestpoint and KingSett, will increasingly partner with local firms to gain a foothold in the market.

“Investors are still drawn to Vancouver in a big way and we’re seeing a growing number of institutional investors partnering with local operators in Vancouver,” says CBRE Vancouver Managing Director Jason Kiselbach. “They’re looking at our fundamental lease rates and growth and buying as much as they can in office, industrial and multi-family, driving further construction of new projects.”

“This partnership was attractive to us for a number of reasons,” says Andrew Kirkham, VP, Western Canada, KingSett Capital. “Working with PC Urban Properties allows us to leverage local area knowledge, and they have a strong track record for redeveloping industrial assets across Western Canada.”

“This is our largest acquisition to date and it’s a well-positioned, well-known industrial property in a desired sub-market of Richmond where there is currently less than 1% vacancy,” says Brent Sawchyn, CEO of PC Urban Properties. “For us, this acquisition is a natural progression of our growth, and we are excited to be working with KingSett on reimagining and repositioning this property.”

Crestwood is the largest and most active sub-market in Richmond for industrial properties, and Viking Way Business Centre is home to a critical mass of light industrial businesses in biotech, electronics, aerospace, building products distribution, media, technology, textile and service businesses. Demand for Viking Way Business Centre remains strong due to the park’s maintenance and appearance, along with its mix of unit sizes and dock/grade loading options.

Market rents have grown rapidly in North Richmond in 2019 with strong demand for light industrial space, extremely limited options for tenants and a competitive atmosphere that includes multiple offers for most available spaces. The average net rental rate in North Richmond increased more than 40% between 2017 to 2019. South Richmond has lagged behind due to the delayed George Massey Tunnel replacement and



associated severe highway congestion. With no relief in sight for businesses located in South Richmond, it's anticipated that demand will further increase for space in North Richmond.

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