

# Commercial real estate: Transportation links key to success of industrial park

## Pacific Link puts companies in proximity to South Fraser Perimeter Road

BY EVAN DUGGAN, SPECIAL TO THE SUN MARCH 15, 2016 2:03 PM



The new Texcan head office at the Pacific Link Industrial Park in Surrey.

**Photograph by:** Raef Grohne Architectural Photog

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METRO VANCOUVER -- Citing the daily traffic headache of getting on and off Annacis Island in Delta, a large employer has departed the industrial island for Pacific Link Industrial Park, an 83-acre business park on the shore of the Fraser River in North Surrey.

Texcan, an electrical and wire cable distributor with roughly 100 employees, opted to relocate its head office operations recently to a new build-to-suit 105,000-square-foot warehouse and office space at Pacific Link Industrial Park in Bridgeview.

The move will make it make it easier for customers, shipments and staff to come and go from the site, said Texcan president Chris Golf.

“The gridlock between Alex Fraser (Bridge) and Annacis Island just got to be too much, both from our customer and from our employee standpoint,” he said in an interview. The company was facing “a lot of challenges just with traffic problems, almost every evening,” he said. “That can impact your service.”

Golf said the relocation to Pacific Link gives them a central location with easier access to the region's major highways via the South Fraser Perimeter Road (SFPR).

It took roughly two years to find the right location and footprint, he said. "We've doubled in space. It's a bigger footprint both from a warehouse and an office standpoint."

Pacific Link was developed by Vancouver-based Wesgroup Properties, which purchased the 83-acre parcel on which Pacific Link now sits in 2004, said David Wesik, vice-president of corporate development at Wesgroup.

After remediating the land, they erected the first building in 2007, he said. There are now nine industrial buildings totalling roughly 350,000 sq. ft. of space housing companies such as FedEx Freight, Hostess/Frito-Lay, Pacific Coast Express, QuikX, Williams Machinery and Lordco Auto Parts.

"This (Texcan) deal was one of the largest industrial build-to-suits, and one of the biggest office deals in Surrey in 2015," said Darren Cannon, executive vice-president at Colliers International, which helped Texcan find the space.

He said more logistics and distribution companies are eyeing the Bridgeview area of Surrey due to its immediate access to the SFPR, which links up to highways 1, 99 and 91.

Companies that are growing or looking to relocate are facing a lot of competition in the industrial leasing market, especially if they require a large space, he said.

"The vacancy rate is probably under three per cent," Cannon said. "For quality industrial space it's tough. There are probably only two buildings coming to market this year that would accommodate over 100,000 square feet."

Cannon said Texcan needed a lot of office space and storage area, so they were fortunate to reach terms on a build-to-suit deal.

Since 2013, developers have added about six million square feet of new industrial space in the region, but most stakeholders agree that there remains an overall short supply of industrial land in Metro Vancouver.

Metro's overall industrial vacancy rate is around four per cent, but experts say a healthier vacancy rate would be in the 8- to 10-per-cent range.

In recent years, dollar values of new industrial projects have surged, said Jean Lamontagne, Surrey's general manager of planning and development.

"When I looked last year, we had done 32 building permits for industrial worth \$165 million," he said. "The year before — 2014 — we had 28 permits for \$80 million."

He said Wesgroup chose the right location for their business park.

“If you look geographically at the area, it’s right smack in the middle,” he said. “So they scored.”

At Pacific Link, only 20 to 30 per cent of the land remains undeveloped, Wesik said.

However, they’re planning another 22,000-sq.-ft warehouse now that will be built without being preleased, due to their confidence in the industrial lease market, he said.

Wesik said Pacific Link is fully leased. “We’re pretty confident in the leasing market right now, especially in this area.”

He said they don’t expect the industrial lease market to ease any time soon.

“We’re pretty bullish on the area. We’re very land constrained in this area in particular,” he said. “There’s not a lot of large continuous parcels of industrial land for development.”

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