

**FEATURE:** Industrial land base expanded as core draws major employers

# Surrey pushes business nodes

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WESTERN INVESTOR

**S**urrey's vision of becoming a modern business centre and industrial hub is slowly taking shape as more companies set up shop in the city, lured by lower taxes, reasonable lease rates, access to land and a growing workforce on its doorstep.

New business licences are being issued at a rate of more than 200 a month – but it's not just the mom-and-pop operations that are mushrooming in B.C.'s fastest-growing city. Companies with a national and global footprint have begun to set up head offices in Surrey, with many others now looking to do the same.

**Coast Capital Savings**, recently unveiled plans for its new head office to be built next to the King George SkyTrain station. B.C.'s second-largest credit union has signed a contract with **PCI Developments Corp.** for the construction and leasing of about 70 per cent of an 180,000-square-foot, nine-storey property with a late-2015 completion date.

**Tracy Redies**, Coast Capital's president and CEO, said the new headquarters would be the antithesis of a traditional corporate head office. The iconic building will display a state-of-the-art, open-concept design aimed at fostering collaborative work and innovation.

It joins buildings like the Central City Tower and City Centre Library, which have established Surrey as the home for some of the province's most provocative architecture



**Coast Capital Savings is building a new head office in Surrey City Centre, joining a parade of companies expanding or setting up in B.C.'s "city of the future."**

and a magnet for businesses.

"As far as Surrey is concerned it is the city of the future, of the Lower Mainland," said **OK Tire Stores Inc.** CEO **Greg Sims**, who moved his company to the Campbell Heights industrial park in 2009 after it outgrew its premises in Langley.

"It's worked out extremely well for us," Sims added.

OK Tire, with 10 distribution centres across the country and about 55 staff members in Surrey, occupies 100,000 square feet of warehouse space and 20,000 square feet of office space.

"And we have land to extend the building by another 40,000 [square feet] of warehouse when and if we need it," said Sims, adding that he was amazed by the pace of development in town.

The success of that Campbell Heights

business park has made the **City of Surrey's** real estate development arm upbeat about attracting new light industry to the area.

"That's gone faster than we'd anticipated in terms of pickup in that industrial area," said Surrey Coun. **Bruce Hayne**.

## 250 acres serviced

About 250 acres of pre-serviced industrial land is being made available for sale and development at the latest phase of Campbell Heights, according to **Surrey City Development Corp.** development manager **Josh Anderson**, who has seen businesses from Surrey, Vancouver, Langley and Richmond move to the business park.

"We are seeing some interest from national and international companies that are looking for large-scale expansion, but those ones are bigger and harder to land and

they haven't all quite come in yet," he said.

"But we are talking to a few bigger international users as well."

The national companies are mainly manufacturers that support the mining and oil industry, but Anderson declined to disclose any of those firms' names, citing disclosure agreements.

Speculative developers are also interested in buying land at Campbell Heights North (CHN) and looking for tenants to lease them out.

The entire Campbell Heights industrial area, including the new five phases at CHN, covers 1,900 acres. At full build-out it is estimated that up to 20,000 jobs will be located in the area, where several major development companies, including **Beedie Group**, have bought properties to accommodate their own built-to-suit clients.

The first phase of CHN – approximately 30 acres – sold out in 2012, within a year of being marketed. Anderson, who said the second phase is now nearly sold out and marketing on the third has begun, added that rising land prices at Campbell Heights are meeting expectations.

The first phase was marketed at an introductory rate of around \$680,000 an acre. That rate, including development costs, increased to \$885,000 for the second phase and \$910,000 for the third.

The first two owner-occupiers at CHN were financed by **BMO Bank of Montreal**, whose Surrey-based vice-president for commercial banking, **Richard Dendy**, is upbeat about business prospects in the city, particularly at its various business parks. ♦