

CASE STUDY



CLIENT: ALS Canada Ltd.

ADDRESS: 2103, 2155 & 2255 Dollarton Highway, North Vancouver, BC & 150 Amhurst Avenue, North Vancouver, BC

AREA SIZE: 127,738 Sq. Ft.

TERM: Various

THE CHALLENGE: Geographic constraints and the gentrification of the GVRD's industrial inventory, coupled with robust demand for industrial space has seen availability at an all-time low. Furthermore, demand for large blocks over 100,000 SF is outstripping demand for existing and new supply resulting in significant rental rate appreciation.

ALS Canada Ltd ("ALS"), occupies 127,738 SF in four buildings within the Northwoods Business Park in North Vancouver, housing ALS' North American Corporate Headquarters, Testing Laboratory, Fire Assay Facility, Prep Lab and Warehouse. Furthermore, due to a phased relocation from their former Triumph Street location in Vancouver, ALS maintained four separate lease agreements on four buildings, all with distinct lease expiries and options to renew slated to expire within the next 14-26 months. In short, any leverage ALS retained was quickly eroding as the facility was highly specialized and very difficult to replicate, assuming an option existed that could be modified to meet their requirements.

THE SOLUTION: Building on the success of the recent ALS Environmental lease extension in Burnaby, ALS appointed Chris MacCauley and Michael White to manage this challenging assignment. The benefits and shortcomings of the existing facility were analyzed thoroughly relative to ALS' go forward requirements. From this work Chris and Michael presented their recommendations regarding the facility and the manner in which to address the various lease expiries at Dollarton. At the outset of the review, ALS disclosed a challenge in attracting and retaining blue collar staff to work in their Prep Lab and Warehouse facilities. Given the prep lab and warehouse were the most portable business lines and represented approximately 30% of the lease obligation, Chris and Michael's strategy was to leverage the aforementioned business lines and conduct a Request for Information ("RFI") to present a risk of flight, knowing the Landlord's preference was to retain the entire ALS tenancy.

Recognizing this as the first step in ALS potential vacating Northwoods in entirety at a future date, the landlord capitulated allowing ALS to secure exceptional terms in an extremely tight and accretive industrial market. Furthermore, a co-terminous lease long-term lease was secured for their highly specialized facilities ensuring a higher degree of portability in future lease negotiations, while a shorter term with additional renewal options was secured for the Warehouse portion of the facility which required a higher degree of flexibility.