

# COMMERCIAL REAL ESTATE

## NORTH VANCOUVER



An artist's rendering of the new Seaspan offices to be built at the North Vancouver shipbuilding yard. It will be completed in 2017 and house about 350 staff.

## Resurgence in shipbuilding industry

Seaspan expects to hire another 1,300 trades and office staff over the next five years

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Seaspan is moving forward with plans to build a new office on the North Vancouver waterfront as the firm ramps up production and welcomes more than 1,300 new shipbuilding and office staff over the next five years.

The District of North Vancouver voted to approve permits for the shipbuilding and tug company earlier this month to build the four-storey, 84,000-square-foot office at the end of Pemberton Avenue adjacent to the shipbuilding yard.

Since Seaspan won part of the federal shipbuilding procurement contract in 2011, its North Shore operations have been growing from a "facilities standpoint, and certainly from a people standpoint," said CEO Jonathan Whitworth.

Whitworth said the firm is in the middle of adding about 350 people to its office staff over a three-year period. "And, in the next five years, we'll add about 1,000 tradesmen and women," he said in an interview.

In 2011, the federal government chose Seaspan to build several non-combat vessels.

Seaspan plans to build 17 ships, including science vessels, a Polar-class icebreaker for the coast guard and two support ships for the Royal Canadian Navy.

Around 600 people work at the Vancouver site, but that will increase to about 1,300 when the \$2.6-billion building project kicks into full swing.

"The first thing that we focused on was the shipyard itself," Whitworth said, noting that they spent about \$150 million upgrading the shipyard at 50 Pemberton Ave.

"Now that's taken care of so we're focusing on all of the additional office staff that we have, and making sure they have a



The four-storey, 84,000-square-foot office at the foot of Pemberton Avenue will be built on footings to accommodate future rising sea levels.

modern, clean and exceptionally built facility."

He said the new office would house about 350 staff, some of whom are now spread out around several buildings in the area. "Right now we have 5½ buildings and once this is done, they will be in two."

He said the construction of the office building should begin in earnest in January, with the completion date set for the third quarter of 2017.

The office project was an easy one for council to approve, said North Vancouver District Mayor Richard Walton.

"The investment that they're putting in down at the site is commensurate with the 20-to-30-year commitment for shipbuilding operations," he said in an interview. "There was unanimous council support for it."

He said the building is designed on footings to accommodate future rising sea levels. "It reminded me of a building down on the Louisiana salt flats or in a bayou somewhere."

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TERRY THIES  
COMMERCIAL SPECIALIST WITH AVISON YOUNG

The mayor said the shipbuilding contract is a key part of North Vancouver's industrial health.

"We recognize that shipbuilding was really a part of the genesis of industrial activity on the North Shore going back more than a hundred years," he said, noting that the industry is resurging following a downturn in the 1970s, '80s and '90s. "It's very encouraging after this many years to see the levels of activity increasing again. They're well-paying jobs."

Terry Thies, a North Shore commercial specialist and principal with Avison Young, said Seaspan and the shipyards represent

one of the North Shore's top industrial users, which would also include Neptune Terminals, Cargill, Arc'teryx, and North Shore Studios.

"Seaspan is definitely front and centre right now because of the 20-year build project they've got on the go," he said. "They're essentially re-establishing the shipbuilding industry not only in the Lower Mainland, but in the Pacific Northwest, which I think is very exciting for generations to come."

He said the office project signals that Seaspan is confident in its future on the North Shore. "They're not at full steam yet," he said. "They're in the process

of hiring people right now."

However, Thies said that while the industrial economy on the North Shore is healthy, there is little space for businesses to expand.

Avison Young is set to release a report in about a month that will show "the lowest industrial vacancy rate that they've ever seen in North Vancouver," he said.

"Vacancy has gone from 2.3 per cent a year ago, to 0.8 per cent as of the end of the third quarter," he said. "The lack of land on the North Shore for industrial projects is having a dramatic effect on this vacancy rate as well because we're not seeing new projects coming out of the ground to meet the vacancy."

While Seaspan sets an example for other international businesses to come to the area, "it's very difficult to accommodate all those uses because of our lack of product," Thies said.

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