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AVISON YOUNG

Media Release

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Editors/Real Estate Reporters

- Please click on link to view *Avison Young's Mid-Year 2010 Edmonton Multi-Family Market Report*:
http://www.avisonyoung.com/library/pdf/Edmonton_Brochures/Research_Articles_and_Reports/2010Q2_Multi_Family_Report.pdf

**Demand increasing for quality investment product
as Edmonton multi-family market continues to show signs of stability**

Avison Young releases its Mid-Year 2010 Edmonton Multi-Family Market Report

Edmonton, AB — The Edmonton rental apartment market witnessed a rise in its overall vacancy rate to 5.2% at mid-year 2010, up from 4.7% a year ago. However, all signs point to positive growth being just around the corner as the Alberta economy continues to gain momentum towards 2011. The average price per door has increased 32% from a year ago as investors scour the market for quality rental properties to add to their portfolios. Although the sizable price rise can be largely attributed to the sales of two higher-quality complexes, overall investor demand is steadily increasing.

These are some of the key trends noted in ***Avison Young's Mid-Year 2010 Edmonton Multi-Family Market Report***, released today.

“Despite a higher vacancy rate, the Edmonton multi-family market is still considered to be in reasonably good health,” comments Avison Young Principal **Paul Chaput**. “In the past six months, we’ve seen a strengthening demand for multi-residential investment properties as the Alberta economy continues to recover. It is expected that vacancy will move closer to 4% in the next six months, which would mark the lowest level in Edmonton since year-end 2008. Improving market conditions have increased the appetite of many of the larger institutional buyers who are looking to add quality product to their portfolios.”

Chaput continues: “Over the past two years, the increase in apartment vacancy has led to softening rental rates in Edmonton. In addition to lowering rents, landlords across the city have been offering enticing incentive packages over the past 18 months to attract tenants to their properties.”

According to the report, the Edmonton multi-family investment marketplace lost its momentum leading up to the fourth quarter of 2007, when the credit markets began to tighten and landlords decided to take a wait-and-see approach before bringing their buildings to market for sale. As a result, sales transaction volume dropped significantly in 2008 and the trend has continued into 2010 with very few apartment-building sales being completed.

Despite the lower transaction volumes, buyers are now actively seeking well-maintained and well-positioned buildings in a market with aging product. There are currently only a handful of new rental apartment buildings either under construction or in the planning stages.

“With vacancy expected to decrease and limited new rental supply, the ingredients for a more competitive market where owners can get full value for their properties on the sale date are slowly coming into place,” adds Avison Young multi-family specialist **Victoria Pun**. “We anticipate more product to be available by late 2010 or early 2011, which could allow for a much busier market as vendors – who have been waiting patiently for Alberta’s economic conditions to improve – slowly start to re-emerge from the sidelines.”

Founded in 1978, Avison Young is Canada’s largest independently-owned commercial real estate services company and the only national, Canadian-owned, principal-managed real estate brokerage firm in the country. Headquartered in Toronto, Ontario and ranked among Canada’s leading national commercial real estate organizations, Avison Young is a full-service commercial real estate company comprising more than 700 real estate professionals in 21 offices across Canada and in the U.S. The company provides value-added, client-centric investment sales, leasing, advisory, management, financing and mortgage placement services to owners and occupiers of office, retail, industrial and multi-residential properties.

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