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Media Release

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Editors/Real Estate Reporters

· **Click here to view Avison Young's Winter/Spring 2011 BC Multi-Family Investment Report**

http://www.avisonyoung.com/library/pdf/Van_Research/MFYE10_LR.pdf

Metro Vancouver multi-family investment market witnesses elevated deal and dollar volume in 2010

Avison Young releases its Winter/Spring 2011 BC Multi-Family Investment Report

Vancouver, BC — Investment-grade rental apartment buildings in Metro Vancouver traded at significant premiums in 2010, with more than \$264 million spent on 20 transactions during the year. Not including the sale of the \$274-million Wosk portfolio in 2009, total multi-family dollar volume in 2010 exceeded 2009 (\$207 million) and 2008 (\$164 million) totals. Deal velocity has remained steady since 2008. (**Avison Young** tracks multi-family investments greater than \$5 million.)

The strength of BC's multi-family market coupled with the stable Canadian economy in general continues to attract foreign capital seeking a safe haven. Offshore buyers seeking quality assets are aggressively competing with local private buyers in the Metro Vancouver multi-family market.

These are some of the key trends noted in Avison Young's ***Winter/Spring 2011 British Columbia Multi-Family Investment Report***, released today.

"While private investors dominated the buying and selling sides, some institutional investors executed disposition strategies involving their multi-family assets," comments Avison Young Principal **Rob Greer**. "Institutional vendors are taking advantage of strong pricing and robust demand for quality multi-family buildings, which allowed them to realize profits and redeploy capital in markets with higher yields."

Bond market volatility and historically low interest rates led many landlords to refinance their assets with some deciding to fix their rates up to nine months in advance rather than face the chance of higher rates on renewals later this year.

“A lack of supply of high-quality product continues to restrain potential deal velocity, while those trophy assets that do come on the market generate significant interest. Capitalization rates in Metro Vancouver in 2011 are expected to remain near the historic lows of 2010,” adds Greer.

Cap rates for quality rental buildings in Vancouver will remain in the low 4% range, while properties in Burnaby and the Tri-Cities should realize cap rates of around 5%. Multi-family assets in the Fraser Valley, from Surrey to Chilliwack, should see cap rates of 6%-plus in 2011. Premium trophy assets, particularly in Vancouver, could see compressed cap rates in the 3% range.

The report also contains a Q&A with **City of Vancouver** planner **Dan Garrison** and development services' **Doug Robinson** on the state of multi-family developments in 2011.

*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 23 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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