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Media Release

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Editors/Real Estate Reporters:

Click here to view Avison Young's First Quarter 2010 Calgary Office Market Report:

http://www.avisonyoung.com/library/pdf/Calgary/Research/Calgary_Office_Market_Report_Q1_2010_EMAIL.pdf

Downtown Calgary vacancy rising slower than anticipated

Avison Young releases its First Quarter 2010 Calgary Office Market Report

Calgary, AB – The Downtown Calgary office market may be facing difficult times over the next couple of years, but due to improved economic conditions, the rate at which vacancy rates are increasing has slowed from previous estimates, according to **Avison Young's First Quarter 2010 Calgary Office Market Report**, released today.

Inclusive of head lease and sublease space, office vacancy now sits at 11% citywide. This is down from 11.6% in the fourth quarter 2009 but up from 7.6% at the same time last year. Current vacancy rates for each of the city's submarkets are Downtown: 9.7%, Beltline: 12.4%, Suburban North: 11.5%, and Suburban South: 15%.

Looking ahead to the anticipated vacancy peak in spring 2012, citywide vacancy is expected to rise four percentage points to 15.2%. Downtown vacancy is forecast to reach its peak of 17.2% at the same time. The Suburban South is expected to top out at 16.7% in fall 2010, while the Suburban North and Beltline areas have already reached their high points.

"Just six months ago we were forecasting Downtown Calgary vacancy to reach a high of 20% in spring 2012, when EnCana's new tower, The Bow, is completed. Thanks to an improved economy we are now predicting vacancy to peak at approximately 17% in spring 2012," comments **Todd Thordson**, Managing Director of Avison Young's Calgary office. "While this is still a difficult market, vacancies are nowhere near the levels seen during the previous economic downturns in the 1980s and 1990s when vacancy rates were well over 20%."

*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 600 real estate professionals in 17 offices across Canada and in the U.S. The company provides value-added, client-centric investment sales, leasing, advisory, management and financial services to owners and occupiers of office, retail, industrial and multi-residential properties.

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Note: If you are unable to open the link to the report, please contact Susan Thompson for pdf version to be emailed. Thank you.

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