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AVISON YOUNG

Media Release

**For Immediate Release (2 pages)
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Editors/Real Estate Reporters:

• **Click here to view Avison Young's Mid-Year 2009 Edmonton Multi-Family Market Report:**

http://www.avisonyoung.com/library/pdf/Edmonton_Brochures/Investment/AY_Edm_MF_Market_Report_Mid-Year_2009.pdf

**Avison Young releases its Mid-Year 2009 Edmonton Multi-Family Market Report:
Apartment building prices down 12% from 2007 peak**

Edmonton, AB— Fewer jobs, weakened migration to the region and low mortgage rates are all having an impact on Edmonton's rental market. The days of hefty rent increases are over, and more landlords are resorting to offering incentives to limit vacancies and attract tenants. As a result of these and other factors, apartment building prices are down 12 per cent from the peak in 2007.

These are some of the key trends noted in **Avison Young's Mid-Year 2009 Edmonton Multi-Family Market Report**, released today.

"The start of 2009 has been slow for apartment building transaction activity. Purchasers expected to see a lot of foreclosures, which they didn't; and vendors hoped to hold on to 2007's all-time high prices, which they couldn't," comments Avison Young Principal and Multi-Family Investment Sales Specialist **Paul Chaput**.

"It remains to be seen what the full effect of the upcoming new condo supply will be on occupancy levels in purpose-built apartments. Investors recognize the changing fundamentals of the market, and although they are confident in the long-term strength of their multi-family investments, the uncertainty in the near-term is reflected in their current price and yield expectations," notes **Victoria Pun**, a Multi-Family Investment Sales Associate with Avison Young.

"We expect to see more sales in the latter half of 2009 as buyers and sellers come to terms with the new market reality," Chaput adds.

Current Multi-Family Investment Trends:

- Transaction activity is expected to improve in the 2nd half of 2009
- Apartment prices will move downwards until capitalization rates stabilize
- Rental supply will increase due to condo owners leasing out their units
- Vacancy will continue to creep up but not rise much higher than 5%
- Rents are holding at current levels, but incentives are becoming more common
- Operating expenses are holding, except for 2009's huge jump in property taxes

*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 500 real estate professionals in 12 offices across Canada and in Chicago, IL. The company provides value-added, client-centric investment sales, leasing, advisory, management and financial services to owners and users of commercial, industrial and multi-residential real estate properties.*

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