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Editors/Reporters

- Please click on link to view **Avison Young's Outlook 2012 Edmonton Multi-Family Market Report:**
http://www.avisonyoung.com/sites/default/files/market-intelligence/2012Outlook_Multi_Family_Report.pdf

Development of purpose-built rentals increasing as vacancy rates shrink

Avison Young releases its Outlook 2012 Edmonton Multi-Family Market Report

Edmonton, AB — The Edmonton rental apartment market witnessed a decrease in its overall vacancy rate to 3.3% in 2011 from 4.2% at the end of 2010 as continued economic growth attracted more residents to the Capital Region. In order to meet expected future demand for housing, developers are busy constructing new purpose-built rental units in all areas of the city.

These are some of the key trends noted in **Avison Young's Outlook 2012 Edmonton Multi-Family Market Report**, released today.

“Over the past five years we have seen very little purpose-built rental buildings come to market,” comments Avison Young Principal **Paul Chaput**. “The past six months have seen a strengthening demand for multi-residential investment properties as the Alberta economy continues to expand. Forecasts show that vacancy will continue to trend downward over the next six to 12 months and developers will begin construction on additional units.”

A combination of low unemployment and the highest provincial weekly earning average in the country is expected to continue to fuel net migration to Alberta from other regions across Canada.

“Over the past year, the decrease in apartment vacancy has led to rising rental rates in Edmonton. In addition to increasing rents, landlords across the city have been eliminating incentive packages previously needed to attract tenants to their properties,” says Chaput.

According to the report, Edmonton has more than 1,800 residential rental units either recently completed or under construction. These additional units are expected to have a significant impact on future investment sales of multi-family buildings in the area. The numbers reflect a turnaround since the purpose-built construction sector slowed approximately five years ago.

The Edmonton multi-family investment marketplace lost its momentum leading up to the fourth quarter of 2007 when credit markets began to tighten and landlords decided to take a wait-and-see approach before bringing buildings to market for sale. As a result, sales transaction volume dropped significantly in 2008 and the trend continued into 2011, with few apartment-building sales completed.

Despite the lower transaction volumes, buyers are still actively seeking well-maintained and well-positioned buildings in a market with aging product.

“With vacancy expected to decrease and new rental supply coming on line, the ingredients for a more active market where owners can attain full value for their properties are coming into place,” adds Chaput. “We anticipate more product to be available by late 2012 or early 2013, which could allow for a much busier market, as buyers who had been waiting patiently for opportunities to purchase re-emerge from the sidelines.”

Founded in 1978, Avison Young is Canada's largest independently-owned commercial real estate services company. Headquartered in Toronto, Ontario, Avison Young is also the largest Canadian-owned, principal-managed commercial real estate brokerage firm in North America. Comprising more than 800 real estate professionals in 26 offices across Canada and the U.S., the full-service commercial real estate 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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