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Media Release

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Editors/Real Estate Reporters

- Please click on link to view Avison Young's *Fourth Quarter 2009 Edmonton Office Summary*:
http://www.avisonyoung.com/library/pdf/Edmonton_Brochures/Research_Articles_and_Reports/Office_Executive_Yearend_09.pdf

Edmonton office vacancy rate climbs to 8.2% over past year, but market remains relatively strong and stable

Avison Young releases its Fourth Quarter 2009 Edmonton Office Summary

Edmonton, AB — The Edmonton, Alberta office market witnessed a rise in its overall vacancy rate to 8.2% at the end of 2009, up from 5.8% at year-end 2008, as a depressed economy forced many companies to improve their office space utilization in an effort to become more efficient. However, despite the increase in available space, there is optimism for what is still considered to be a healthy office market looking ahead to 2010.

These are some of the key trends noted in **Avison Young's Fourth Quarter 2009 Edmonton Office Summary**, released today.

"Despite a higher vacancy rate, the Edmonton office market is still considered to be in reasonably good health," comments Avison Young Principal **Cory Wosnack**. "The past six months have seen a continued rise in the amount of available space, mostly due to the injection of numerous sublease opportunities, and we expect this trend to continue until mid-year 2010. With these new opportunities comes a more competitive marketplace amongst landlords; as a result, tenants will benefit from more creative financial incentives to lease space. This situation will cause modest downward pressure on rental rates and higher inducement packages for tenants by way of free rent and improvement allowances."

"A vacancy rate of approximately 8% is considered to be a balanced market," continues Wosnack. "Landlords are better equipped to accommodate growing tenants in their portfolio, and tenants are presented with more availabilities in the marketplace without being held captive, which was the case in 2007 and 2008."

According to the report, the Edmonton office market lost its momentum leading up to the fourth quarter of 2008 when the credit crisis was in full swing. As a result, lease transaction volume dropped significantly in 2009 as tenants examined their business models to find more efficient processes while determining a timeline for when growth in their businesses would return.

“With tenants now putting 2009 behind them and preparing for potential business growth in the second half of 2010, it is anticipated that more lease transactions will take place in the next 12 months than were witnessed in the past 12 months,” adds Wosnack.

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 15 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 users of commercial, industrial and multi-residential real estate properties.

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