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**Avison Young releases Q1 2009 Edmonton Office Market Report:
Despite economic downturn, Edmonton office market remains healthy
with stable rental rates and low sublease vacancy rate**

Edmonton, AB-- Despite the global economic downturn, Edmonton's office market has continued to stay relatively healthy through the early part of 2009. Rental rates have stabilized across the board with only slight decreases in some circumstances, depending on the vacancy position of specific buildings or exposure in an owner's overall portfolio.

These are some of the findings in ***Avison Young's Q1 2009 Edmonton Office Market Report***, released today.

One important indicator to gauge the future health of the office market is the availability of sublease premises. Over the last several months there has been growing national concern over the amount of space coming back to the market by way of sublease, according to the Avison Young report.

"Over the last two to three years many large firms committed to space that surpassed their present needs in the hopes of growing their companies or to maintain room for expansion. As the economy deteriorates, this excess space will become a burden, making real estate costs too rich for current revenue. Tenants will look to maximize their premises and sublease excess square footage to cut costs and manage their bottom line," explains **Cory Wosnack**, Avison Young-Edmonton Principal.

"Most of the larger markets in Canada have seen significant amounts of space come back to market, which is putting significant downward pressure on rental rates in the head lease market," says Wosnack. "Edmonton, however, is feeling less of this pressure at the moment, having a sublease vacancy rate of only 0.5% (118,782 sq. ft.), which is less than half a per cent higher from one year ago."

In comparison, Calgary's sublease vacancy rate has increased more than one percentage point to 2.4% (1,285,955 sq. ft.) since the first quarter of 2008. Edmonton, as of this year's first quarter, is one of only three major Canadian markets to have less than 1.0% sublease vacancy. The other two cities are Quebec City and Winnipeg.

"The head lease market in Edmonton is somewhat insulated from the challenges presented by the sublease market as most of the sublease opportunities have short terms of three years or less, which makes them less desirable compared to traditional head lease terms of five years or longer," adds **Mark Hartum**, Avison Young-Edmonton Principal. "As we move forward through 2009, we do expect to see more sublease space come to the market, primarily from oil and gas service-related companies and engineering firms that have been hit the hardest by current resource prices and the slowdown in northern Alberta."

*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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