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**Editors/Real Estate Reporters**

• Please click on link to view Avison Young's *Spring 2018 British Columbia Multi-Family Investment Report*:

[http://www.avisonyoung.ca/documents/95750/17687307/BC\\_MultiFamilyInvestment\\_Spring2018.pdf](http://www.avisonyoung.ca/documents/95750/17687307/BC_MultiFamilyInvestment_Spring2018.pdf)

**British Columbia multi-family sales activity robust  
in 2017 with dollar volume second highest on record**

***Avison Young releases its Spring 2018 BC Multi-Family Investment Report***

**Vancouver, BC** -- Multi-family investment activity surpassed the billion-dollar mark for only the second time in BC history after registering more than \$1.24 billion in 88 sale transactions in 2017. While the number of transactions in 2017, 88, marked a new record, dollar volume fell short of the record set in 2015 when 80 properties valued at \$1.41 billion traded hands.

Investment activity remained stable in 2017 with sales evenly distributed throughout the year. First-half sales featured 46 transactions valued at \$652 million, while sales in the back half of the year resulted in 42 deals worth \$587 million. This represented a significant increase in activity from the second half of 2016, when just 30 deals valued at \$262 million were recorded. (**Avison Young** only tracks multi-family investments trading at more than \$5 million.)

These are some of the key trends noted in Avison Young's ***Spring 2018 British Columbia Multi-Family Investment Report***, released today.

Purchasers have become more sensitive to pricing expectations and are underwriting multi-family assets more carefully in a rising-interest-rate environment in an effort to give themselves a bit of a cushion in terms of financing. The ultra-low-yield deals that were recorded during the past 24 months are becoming far less frequent as the cost of debt has risen and bond yields increased steadily throughout 2017.

"While cap rates for multi-family assets have remained highly compressed, pricing has moderated slightly as speculative buys have become less frequent due to rising interest rates -- actual and forecast -- that have made potential purchasers more cautious in their underwriting," comments Avison Young Principal **Robert Greer**. "Most buyers are building a rising-interest-rate environment into their pro formas to provide themselves with a bit of a cushion should borrowing costs rise even quicker than anticipated, particularly in cases where an asset repositioning and exit strategy take longer than anticipated to execute."

Sales volume in 2018 will remain comparable with 2017 as demand for multi-family assets remains strong, particularly for those sites with redevelopment potential. However, municipal programs to stimulate development of purpose-built rental apartment buildings has remained largely ineffectual in meeting demand and alleviating the chronic low residential vacancy recorded provincially as extended municipal permitting processes and delays continue to hinder the delivery of new projects to the market.

The report also contains a Q&A with the **Honourable Selina Robinson**, Minister of Municipal Affairs and Housing, with the Province of British Columbia, discussing the role that private industry can play in helping the government meet its goal of building 114,000 new units in the next 10 years.

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