

Edmonton Apartment 2002 Report

DID YOU KNOW?

.....APARTMENT OWNERS ARE MAKING PROFITS!

- 2001 vacancy was 0.9%.
2002 vacancy projected to be 1.2%.
- 2001 rents increased by 9.3%.
2002 rents projected to increase by 6.0%.
- 2001 apartment sales totaled \$291M.
Demand by Purchasers continues to be strong;
however, supply of product is very limited.



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HOW LARGE WAS EDMONTON'S MARKET IN 2001?

Building Size	# of Buildings	Unit Type	# of Units		
			Apartment	Row	Total
6 – 12 units	547	bach unit	4,844	50	4,894
13 – 19 units	354	1-bdm unit	31,093	224	31,317
20 – 49 units	643	2-bdm unit	25,086	3,007	28,093
50 – 99 units	158	3-bdm unit	<u>3,193</u>	<u>5,578</u>	<u>8,771</u>
100 – 199 units	89		64,216	8,859	73,075
200 + units	<u>37</u>				
	1,828				

The Edmonton Apartment Report is an annual report published by J.J. Barnicke Edmonton Ltd. to keep you informed of the Edmonton Apartment investment climate. The vacancy and rental statistics were obtained from CMHC, but in some cases re-formulated to meet specific categories.

For further information on material contained herein, for details on apartment properties currently for sale, or to discuss the sale of your apartment property, please contact:

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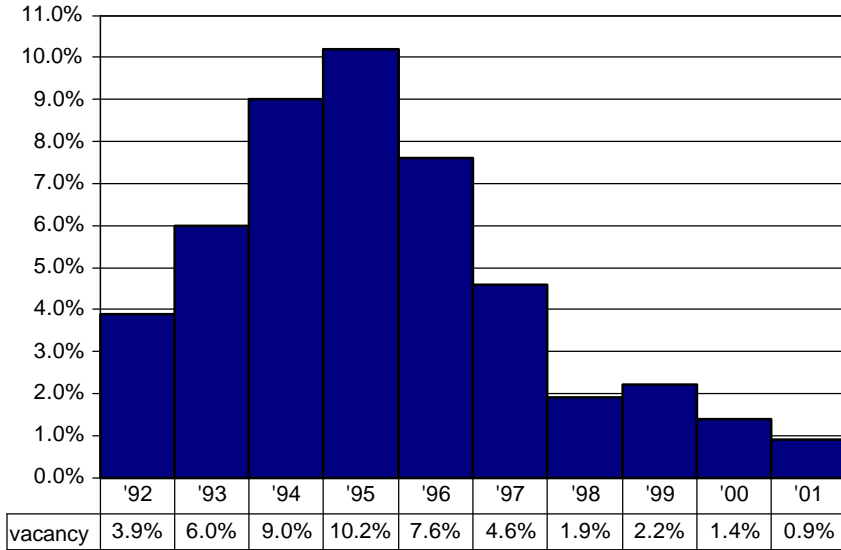
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WHAT WERE VACANCIES IN 2001?

APARTMENT VACANCY RATES



VACANCY BY AREA

(shown as %)

Year	Central	West	SW	SE	North
1992	4.3	4.6	3.0	2.3	3.6
1993	6.4	6.0	5.3	3.6	6.9
1994	8.8	10.4	6.9	6.1	12.2
1995	10.0	11.3	7.7	7.1	14.1
1996	7.2	9.8	3.7	5.4	11.3
1997	4.8	4.6	1.1	1.2	8.5
1998	2.1	1.4	0.7	1.4	2.6
1999	2.0	2.5	1.3	1.6	3.7
2000	1.3	1.3	0.5	1.1	2.3
2001	0.7	1.1	0.9	1.3	1.2

DID YOU KNOW?LARGER IS SMALLER!

The larger the building - the smaller the vacancy.
(This has previously been true, but not in 2001.)

- Buildings 6-19 units experienced 1.1% vacancy.
- Buildings 20-49 units experienced 0.7% vacancy.
- Buildings 50-99 units experienced 0.9% vacancy.
- Buildings 100+ units experienced 0.9% vacancy.

DID YOU KNOW?TALLER IS LOWER!

The taller the building - the lower the vacancy.
(This has previously been true, but not in 2001.)

- Buildings 1-4 stories experienced 0.9% vacancy.
- Buildings 5-9 stories experienced 0.7% vacancy.
- Buildings 10+ stories experienced 1.0% vacancy.

WHAT WERE RENTS IN 2001?

2001 APARTMENT RENTS

.....BY BEDROOM TYPE

Area	Bach	1-Bdm	2-Bdm	3-Bdm
Central	\$471	\$544	\$674	\$770
West	465	518	645	753
SW	506	620	722	790
SE	416	516	616	641
North	386	489	598	673
Edm Average	\$458	\$537	\$654	\$734

During 2001, rents increased an average of 9.3 percent.

Projection for 2002 is 6.0 percent.

HISTORICAL APARTMENT RENTS

.....BY BEDROOM TYPE

Year	Bach	1-Bdm	2-Bdm	3-Bdm
1992	\$365	\$442	\$544	\$611
1993	+1.6%	-0.2%	-0.2%	-0.7%
1994	-1.6%	-2.0%	-3.5%	-2.6%
1995	-3.3%	-2.1%	-0.9%	-1.5%
1996	+0.0%	+0.0%	+0.0%	+1.5%
1997	+1.8%	+1.4%	+1.1%	+0.7%
1998	+8.4%	+4.9%	+5.0%	+4.9%
1999	+3.6%	+4.2%	+4.7%	+5.4%
2000	+4.5%	+4.3%	+4.3%	+1.8%
2001	+8.8%	+9.8%	+8.8%	+9.6%

DID YOU KNOW?BIGGER IS BETTER!

The larger the apartment building, that is, the greater the number of units per building - the higher the rent.

# Units	Avg Rent
6 - 19	\$501
20 - 49	558
50 - 99	644
100 +	718

DID YOU KNOW?TALLER IS HIGHER!

The taller the building, the higher the average rent.

# Stories	Avg Rent
1 - 4	\$552
5 - 9	649
10 +	715

WHAT KINDS OF PROPERTIES SOLD IN 2001?

	# Buildings	# Units	Price/Unit	Cap Rate	GRM	\$ Volume
Highrise	14	1,108	\$40,381 – 168,831 74,171 avg	7.2 - 9.7 8.5 avg	6.8 – 8.8 7.5 avg	\$82,182,000
Lowrise	188	4,502	\$12,500 – 83,750 39,111 avg	6.7 – 14.9 9.5 avg	3.4 – 8.4 6.2 avg	176,077,000
Rowhouse	<u>5</u>	<u>496</u>	\$39,535 – 76,271 65,464 avg	8.0 – 9.3 8.6 avg	6.2 – 9.3 8.1 avg	<u>32,470,000</u>
Totals	207	6,106				\$290,729,000

WHAT ABOUT PREVIOUS YEARS?

	1995	1996	1997	1998	1999	2000	2001
# Buildings Sold	56	52	150	226	160	147	207
# Units Sold	2,067	2,763	10,663	11,227	4,476	3,847	6,106
Avg Price/Unit	\$25,650	\$23,587	\$37,801	\$39,146	\$34,614	\$35,938	\$47,614
Avg Cap Rate	10.2	10.5	9.4	8.0	9.3	9.4	9.4
Avg GRM	5.2	5.0	5.8	6.3	6.2	6.3	6.3
\$\$ Volume	\$53M	\$65M	\$396M	\$439M	\$154M	\$138M	\$291M

WILL APARTMENTS CONTINUE TO BE PROFITABLE?

- In a survey of 86 cities across North America, Europe and Japan, KPMG named Edmonton the #1 cost competitive city in which to do business.
- Construction projects totaling \$62 billion are underway in Edmonton and northern Alberta; the largest of these are in the oil and gas sector at \$49 billion.
- Conference Board of Canada forecasts Alberta's economic growth in 2002 will be 2.3% --twice the growth of any other province; Edmonton's growth will be 3.2%.
- In 2002, Edmonton's population will grow 1.7% to 974,000; the labour market will grow by 4% creating 14,000 new jobs; unemployment will fall to 4.8%; disposable income will grow by 8.3%.

With such prestigious endorsements, do you think 2002 will be a good year for apartment owners in Edmonton?

SO, WHAT'S FOR SALE?

In 2001, J.J. Barnicke Edmonton Ltd. sold \$30M in apartment properties ranging in size from 6 to 173 units. Here are some of the properties we currently have available.

11 units, 9.2 cap \$26,000/unit	24 units, \$60,000/unit university area	39 units, 9.5 cap concrete building
45 units, 8.9 cap excellent location	53 units, 8.9 cap 900 to 1,100 sf units	65 units, 9.2 cap 6.2% mtg, 15 yr term
75 units, 10.1 cap \$38,000/unit, N. Alberta	88 units, highrise excellent location	94 units, 8.1 cap \$52,200/unit
107 units, \$51,000/unit 8.2 cap, mostly 2-bdms	181 units, 8.9 cap \$38,200/unit	214 units, highrise 8.2 cap, 25% cash

LOCAL PRESENCE

..... EDMONTON

J.J. Barnicke knows Edmonton's commercial real estate market inside-out. Our 'home-grown' advantage has been giving our clients comprehensive service in the buying, selling and leasing of multi-family, retail, office and industrial properties since 1981. J.J. Barnicke has 23 salespeople, making it Edmonton's largest team of specialized real estate professionals. Since its inception, J.J. Barnicke has sold more than \$530 million in property and leased in excess of 15 million square feet.

NATIONAL PRESENCE

..... COAST TO COAST

J.J. Barnicke Edmonton and J.J. Barnicke Toronto were the founding members of J.J. Barnicke National Corporation. This organization is a working partnership with twenty-three offices across Canada. J.J. Barnicke offers national knowledge with local accountability.

INTERNATIONAL PRESENCE

..... ONCOR

ONCOR INTERNATIONAL is a partnership of commercial real estate companies covering 200 major world markets in 30 countries worldwide. With over 6,000 professionals, ONCOR is the largest commercial real estate organization in the world, with representation in North America, Europe and Asia. J.J. Barnicke is proud to be the exclusive Canadian partner of ONCOR.

If you wish to sell or purchase a property in Edmonton, please contact:

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HOW DOES J.J. BARNICKE SELL AN APARTMENT?

One: J.J. Barnicke's **Apartment Owner Database** contains all rental properties in Edmonton. Information includes property address, photograph, # of suites, suite break-down, etc., plus all owner information. A sale package will be sent to each owner already having a similar size property.

There are 1,828 apartment properties in Edmonton: 52 rowhouse, 109 high-rise and 1,667 low-rise properties. Categories are as follows:

# Of Suites	# Of Properties
6 - 12	547
13 - 19	354
20 - 49	643
50 - 99	158
100 - 199	89
200+	37

This database, of course, allows us to choose any parameters we wish; whether it be different category sizes, or how many and which properties are owned by 'John Smith', or which properties were sold during a specific time period, the selling price, the cap rate, etc.

The importance of the database is that we are able to contact, at the click of a mouse: a) the owner of every apartment property in the city of Edmonton, and b) comparable sale stats on every property sold in Edmonton for any given time period.

Two: J.J. Barnicke's **Investor Database** contains over 2,600 corporations and individuals whom we have dealt with over the past numerous years. These investors are qualified as to the type of multi-family property they prefer, and the size and scope of their investment capability. This enables us to market a sale property in a very specific and direct manner to known investors.

Three: Twenty-three **J.J. Barnicke offices across Canada** have many additional investor contacts in their cities of whom we may not be aware. These contacts will be made aware of a property; sale packages are sent to respective Canadian offices.

**Investors interested
in Edmonton
- no matter where they are -
they will be reached!**