



November 28, 2012

Rental housing availability at lowest level in 12 years: expert

By TARA PERKINS

CEO of real estate firm Cushman & Wakefield says drop in availability should spur new construction of apartment buildings

The availability of rental housing in Canada has been dropping since 2007 and is now at its lowest point in 12 years, and that should spur new construction of apartment buildings, Pierre Bergevin, CEO of real estate firm Cushman & Wakefield Ltd., told an industry conference Wednesday morning.

Cities such as Toronto have not seen significant apartment construction for at least 40 years, he said.

But a number of factors are now conspiring that should entice developers into the market. Those include escalating rents and demand for more affordable housing.

The residential multifamily vacancy rate is likely less than 3 per cent in major urban markets, Mr. Bergevin told the Toronto Real Estate Forum.

As a result, he would not be surprised to see pension funds re-entering the multifamily real estate market, or real estate investment trusts competing with one another for investments in this area.

Mr. Bergevin, who gave an overview of the health of various real estate sectors, noted that almost across the board publicly traded companies such as real estate investment trusts are doing the bulk of the deals.

Year-to-date 59 per cent of the buyers of office properties were public, 57 per cent of buyers of retail properties were public, and 66 per cent of buyers of multifamily properties were public.

An exception is industrial or manufacturing sites. But while only 33 per cent of the buyers of such properties this year were public firms, that's up from 10 per cent in 2010.



The Globe and Mail Inc. All Rights Reserved.. Permission granted for up to 5 copies. All rights reserved.

You may forward this article or get additional permissions by typing http://license.icopyright.net/3.8425?icx_id=5750685 into any web browser. The Globe and Mail, Inc. and The Globe and Mail logos are registered trademarks of The Globe and Mail, Inc. The iCopyright logo is a registered trademark of iCopyright, Inc.