

YoY Chg 12-Mo. Forecast

38
Total Properties Sold



\$561.6M
Total Sales Volume



\$83.7M
Total Land Sales Volume



Closed transactions over \$1 million, 2020
Source: The Gettel Network

ECONOMIC INDICATORS Q4 2020

YoY Chg 12-Mo. Forecast

739.8K
Edmonton Employment



11.1%
Edmonton Unemployment Rate



8.6%
Canada Unemployment Rate



Source: Statistics Canada

ECONOMY

After a difficult year, moderate GDP growth is expected in Edmonton of approximately 4.0% in 2021 (Source: City of Edmonton Fall 2020 Forecast Update). The COVID-19 pandemic, tighter public health measures, and volatile oil prices will continue to weigh on the local economy and cause a slowdown in economic recovery. Seasonally adjusted unemployment in the Edmonton CMA decreased by 20 basis points month-over-month to 11.1% in December 2020. Edmonton's year-to-date 2020 non-residential construction permits as of November 2020 declined by 15.2% year-over-year with industrial, commercial, and institutional decreasing by 21.5%, 13.1%, and 17.9%, respectively.

SUPPLY

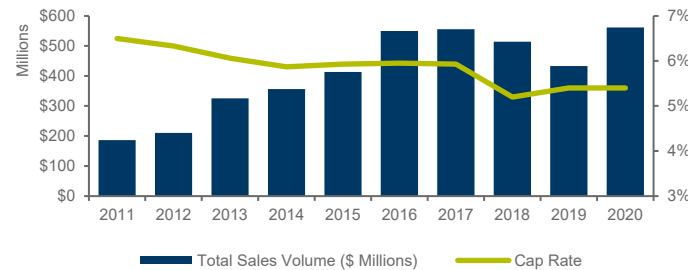
Multifamily sales remained strong in 2020 as the total sales volume reached \$561.6M, a 29.7% increase from 2019, which saw \$433M. The bulk of the sales can be attributed to the Centurion's acquisition of the Devonshire Portfolio and the Mayfair on Jasper for \$305M in the first quarter of 2020. Sales in the second half of 2020 recorded \$100M, as both private groups and large institutions continue to show interest in Edmonton. Overall sales per suite have averaged \$148,017, with high-rise sales per suite reaching \$290,003 on average, and walk-ups averaged \$128,341. Average capitalization rates for multifamily remained stable at 5.4% this year. Multifamily land sales in 2020 totaled \$83.7M, 37.6% lower than in 2019.

According to CMHC Rental Market Report, Edmonton CMA's purpose-built rental market recorded the highest vacancy rate in 2020 since 1997. Vacancy rose to 7.2% from 4.9% in 2019; a result of a surge of new supply on the market, coupled with weak economic activity and low levels of net migration amid the pandemic. Downtown, University, and St. Albert saw the highest vacancy increases in 2020 by 410, 560, and 440 basis points respectively, driven by the increase in supply and low demand for rental units. Notable project completions in 2020 included Hat @ Five corners with 199 units, Lakeview at Bellevue Village with 150 units, and the Augustana with 240 units. Despite increasing vacancy rates, the average rent in Edmonton CMA remained stable at \$1,153 in October 2020, compared to \$1,444 during the same period in 2019.

OUTLOOK

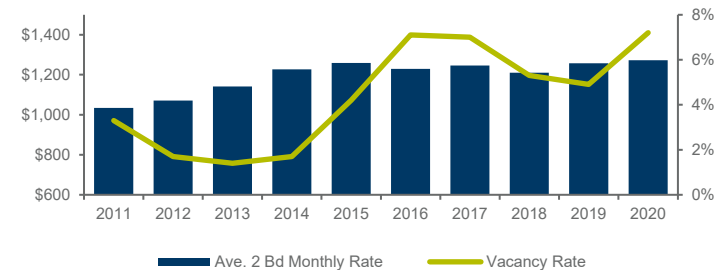
Despite vaccines starting to roll out in the province, vaccine shortages may prolong public health measures, delaying the reopening of the local economy, and causing a slowdown in the demand for rental units. Multifamily vacancy is expected to stabilize if not slightly increase in 2021 as few projects are slated for completion in 2021, and demand for rental units remains low. Multifamily asset sales are anticipated to remain active as investors continue to seek long-term investments with stable cash flow and take advantage of low interest rates. Cap rates are expected to remain stable.

TOTAL SALES VOLUME VS. AVERAGE CAP RATES



Source: The Gettel Network

AVERAGE MONTHLY RENT VS. AVERAGE VACANCY



Source: CMHC Rental Market Report

CONSTRUCTION PIPELINE

PROPERTY	ADDRESS	MARKET	DEVELOPER	# OF UNITS	EXPECTED COMPLETION DATE
CNIB Tower	12024 Jasper Avenue	Oliver	One Properties	345	2021
Capital (Centre West Office Conversion)	10035 108 Street	Oliver	One Properties	154, 60	Completed
Hat @ Five Corners	10215 95 Street	Downtown	Cidex Group	199	Completed
121 West	10511 122 Street NW	Downtown	Regency Developments	396	2021
The Louvre at Century Park	2504 110 Street	Southside	Procura	104	Summer 2021
Southpark on Whyte (4 Buildings)	10601 82 Avenue	Whyte Avenue	One Properties	250, 400, 80, 98	TBD
CX Grandin	10022 110 Street NW	Oliver	Beaverbrook Developments	222	Summer 2021
Augustana	10620 99 Avenue NW	Downtown	Pangman Development	240	Completed
Holyrood Gardens (7 Buildings)	8310 93 Avenue NW	Holyrood	Regency Developments	284, 143, 200, 133, 440	TBD
University Ave Modern Rentals	11459 University Avenue NW	University	Westrich Pacific Corp	195	TBD

KEY APARTMENT SALES H2 2020

PROPERTY	SUBMARKET	UNITS	YEAR BUILT	PURCHASE PRICE	PRICE / \$ UNIT	CAP RATE
Westlawn Village	149 Street	144	1968	\$22,450,000	\$155,903	5.43%
Southwoods Townhomes (South)	Southside	76	1955	\$12,160,000	\$160,000	N/A
Garneau Manor, Hilcrest Manor & Kayton Place	Whyte Avenue	65	1969	\$8,416,000	\$129,477	4.45%
Pineridge Grove Estates	St. Albert	46	1983	\$6,095,000	\$132,500	5.90%
Lakeland Village	Northeast	27	1982	\$4,630,500	\$171,500	6.20%
Cedar Peaks	Northeast	38	1982	\$4,092,000	\$107,684	5.66%
Hudson Apartments	Northwest	18	1958	\$2,350,750	\$130,597	4.57%

Source: The Gettel Network

KEY MULTIFAMILY LAND SALES H2 2020

PROPERTY	SUBMARKET	AREA (ACRES)	PURCHASE PRICE	PRICE PER SQUARE FOOT	PRICE PER ACRE
8327 112 St	University	0.56	\$5,600,000	\$230	\$10,033,976
2404 16 Ave NW	Southeast	4.13	\$4,336,500	\$24	\$1,050,000
10160 106 St	Downtown	0.51	\$4,331,584	\$195	\$8,495,061
260 Pioneer Rd	Spruce Grove	6.30	\$4,252,500	\$15	\$675,000
7101 Eton Blvd	Sherwood Park	3.29	\$3,800,000	\$27	\$1,155,015
104 Secord Dr NW	West End	2.84	\$3,692,000	\$30	\$1,300,000
2610 Maple Way NW	Southeast	2.74	\$3,176,408	\$27	\$1,159,273
9919 80 Ave	Southside	0.60	\$2,775,000	\$107	\$4,651,518

Source: The Gettel Network

MULTIFAMILY TEAM

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