

## Investment Q1 2021

	YoY Chg	12-Mo. Forecast
<b>\$462.7M</b> Total Volume	▼	▲
<b>55</b> Total Properties Sold	▼	▲
<b>2.0M</b> Total SF (Excluding MF)	▲	▲
<b>\$51.7M</b> Land Sales Volume	▼	▲

Closed transactions over \$1 million, YTD 2021  
(All Property Classes) | MF = Multifamily  
Source: The Gettel Network

### ECONOMIC INDICATORS Q1 2021

	YoY Chg	12-Mo. Forecast
<b>760.8K</b> Edmonton Employment	▲	▲
<b>11.2%</b> Edmonton Unemployment Rate	▲	▼
<b>7.5%</b> Canada Unemployment Rate	▼	▼

Source: Statistics Canada

### ECONOMIC OVERVIEW

As the third wave of COVID-19 begins in Alberta, tighter public health measures have been recently implemented to help prevent the spread of the virus. As a result, many businesses will be impacted by limited business hours and services as well as potential closures. Until there is widespread vaccination and leading economic indicators start to improve, the local economic recovery is likely to remain uncertain and gradual. Seasonally adjusted unemployment in the Edmonton CMA decreased by 40 basis points (bps) month-over-month to 11.2% in March 2021. Residential new construction permits in February 2021 increased by 26.2% compared to the same period last year, while non-residential new construction permits declined by 46.9%.

### INVESTMENT OVERVIEW

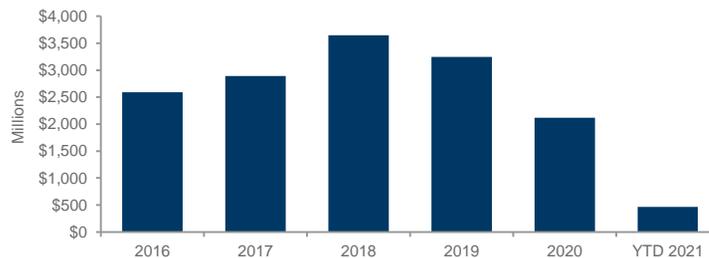
Sales in the first quarter of 2021 reflected a persistent caution in the market due to the continuing uncertainty resulting from the COVID-19 pandemic. Investors are also largely holding off on purchasing decisions until the market shows some signs of improvement. As a result, Edmonton's year-to-date (YTD) investment sales transactions have totaled \$462.7M, which is 55.4% lower than the same period in 2020. Although capital markets in Edmonton continued to lag from what has been seen in previous years, investment activity towards the end of the first quarter has increased considerably. It is anticipated that in the second quarter of 2021 this momentum will continue and will have volumes closer to recent year averages.

The office market began 2021 in a much stronger position than 2020, as over \$26M in office buildings alone have transacted, not including condo activity. The sale includes six low to mid-rise office buildings located in the suburban market, and most are owner-user. The average price per square foot has continued to drop from 2019. Cap rates have risen slightly to 7.12% on average.

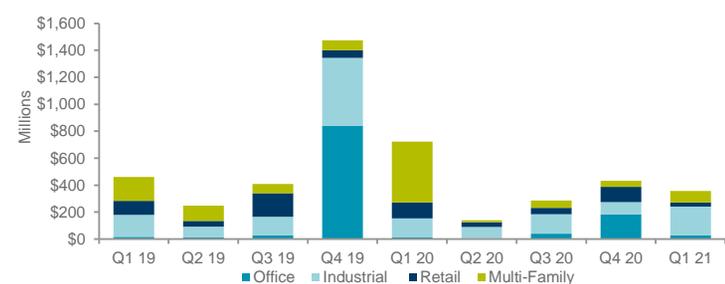
This year began with a weaker retail market compared to the last two years, with both lower sales volume and fewer transactions overall. Only two retail shopping centres traded hands totaling \$6.8M; compared to the 5 transactions with a total value of \$75M reported in the first quarter of 2020. The capitalization rate saw a slight increase to 6.22% this quarter.

Industrial assets were in strong demand at the beginning of 2021 with over \$200M in buildings sold so far this year. Although the number of transactions declined by 40% this quarter, the significant sales volume was driven by a few high-value transactions. Notable industrial investment transactions included the sale of Northport Business Park for \$116M, the sale of a single-tenant warehouse in Nisku for \$15.4M as part of a 5-building portfolio, and the sale of Lee Valley Tools building for \$10.7M. Industrial cap rates declined over the first quarter of the year to 7.25%.

### INVESTMENT SALES VOLUME



### INVESTMENT SALES VOLUME BY SECTOR



Source: The Gettel Network

# MARKETBEAT EDMONTON, AB



## Investment Q1 2021

### INVESTMENT ACTIVITY Q1 2021

PROPERTY TYPE	PROPERTIES SOLD	SALES VOLUME	TOTAL SOLD
Office	8	\$29,192,137	271,026 SF
Industrial	24	\$212,118,361	1,597,932 SF
Retail	10	\$31,364,225	127,133 SF
Multifamily	10	\$85,100,000	495 Units
Special Purpose	3	\$53,250,000	N/A
<b>TOTAL</b>	<b>55</b>	<b>\$411,024,723</b>	<b>-</b>

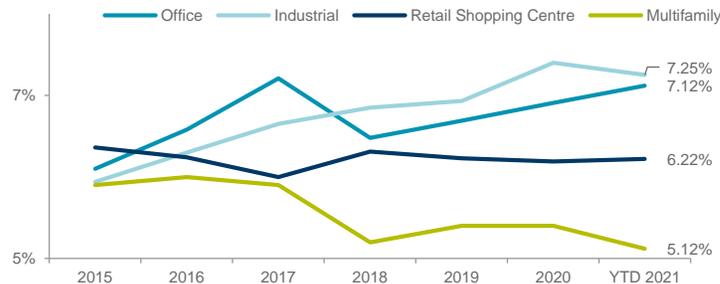
Sources: The Gettel Network, Cushman & Wakefield Research  
Closed transactions over \$1 million, including condo sales

### SIGNIFICANT SALES Q1 2021

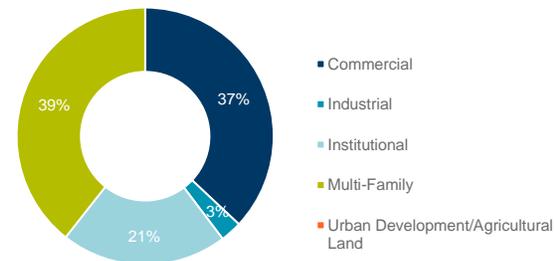
PROPERTY NAME	TYPE	TOTAL SF	PURCHASE PRICE	PRICE / UNIT (\$ PSF)	CAP RATE
Northport Business Park	Warehouse: Multi-Bay	845,856	\$116,000,000	\$128	5.72%
Windrose Townhomes	Row House	107 Units	\$24,075,000	\$225,000	4.93%
Fairgreen Gardens (4-building complex)	Walk-up Apartment	168 Units	\$22,500,000	\$133,929	3.62%
Jasper House	High-Rise Apartment	115 Units	\$19,750,000	\$171,739	3.69%
502 25 Avenue, Nisku AB	Warehouse: Single Tenant	141,930	\$15,427,261	\$109	8.64%
Stantec Centre	Office: Suburban	189,304	\$14,250,000	\$75	N/A
Freedom Ford	Automotive Dealership	56,177	\$14,000,000	\$249	N/A

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

### CAP RATE TREND



### TOTAL LAND ACQUISITIONS BY CAPITAL SECTOR



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

### INVESTMENT TEAM

+1 780 420 1177

[investment@cwedm.com](mailto:investment@cwedm.com)

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