

## Investment Q2 2022

	YoY Chg	12-Mo. Forecast
<b>\$887.8M</b> Total Volume	▲	▼
<b>109</b> Total Sales Transactions	▲	▼
<b>3.5M</b> Total SF (Excluding MF)	▲	▼
<b>\$124.7M</b> Land Sales Volume	▲	▼

Closed transactions over \$1 million, YTD Q2 2022  
(All Property Classes) | MF = Multifamily  
Source: The Gettel Network

### ECONOMIC INDICATORS Q2 2022

	YoY Chg	12-Mo. Forecast
<b>804K</b> Edmonton Employment	▲	■
<b>5.9%</b> Edmonton Unemployment Rate	▼	■
<b>4.9%</b> Canada Unemployment Rate	▼	■

Source: Statistics Canada

### ECONOMIC OVERVIEW

With the help of high oil prices, Alberta's economic recovery from the Covid-19 pandemic has far exceeded expectations from last year. By the end of 2022, optimistic forecasts project that the province's economy will fully recover to 2014 levels by expanding by 5.4%, making it one of the nation's growth leaders. High energy prices, an increase in population growth and a competitive corporate tax structure should encourage more investment. However, the Bank of Canada continues to increase interest rates in an attempt to curb historically high inflation. High inflation and increased interest rates will likely challenge these growth projections and could slow down the recovery.

### INVESTMENT OVERVIEW

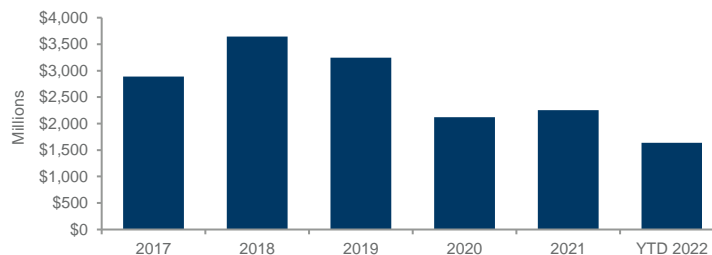
The second quarter of 2022 saw close to \$900M in property and land sales volume. This represents a nearly 200% increase from the same period last year and a 25% increase since last quarter. Rising interest rates, like what we have seen, typically discourage sales as financing becomes harder and cap rates change, which creates a larger gap in buyer and seller expectations. However, the recent rate hikes have given many sellers and buyers who were previously on the fence the nudge they needed to get a deal done before the next rounds of anticipated rate hikes occur. As such, while the investment market has been very active this past year, that activity is expected to taper off with further increases to interest rates and other factors such as the future cost of construction and inflation remaining uncertain. Activity should stabilize when interest rates and inflation normalize.

The Edmonton office market had a strong second quarter with nine properties sold totaling just over \$37M transacted. This was after a solid first quarter that saw the transaction of five properties. This resulted in an increase of 128% quarter-over-quarter and 186% year-over-year (YoY). One notable property that sold was a 13-story office tower located in the downtown core known as Energy Square. It transacted for \$4.4M. Cap rates have remained stable at 7.12% on average.

Commercial retail sales increased by 54.5% quarter-over-quarter and by 3.6% YoY, driven by the sale of several high-value retail assets in the Greater Edmonton Region totaling \$64.9M. This quarter saw three retail shopping centres trade this quarter, selling for a combined \$47.8M. The capitalization rate saw a slight increase to 6.65% this year.

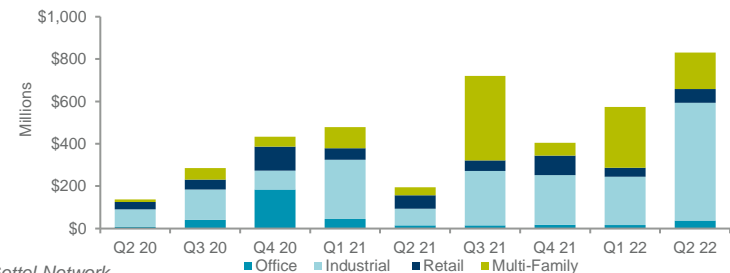
Industrial asset sales saw a sharp increase both quarter-over-quarter and YoY, increasing 143.5% and 603.4% respectively. There were 57 industrial transactions in the Greater Edmonton market this quarter, slightly up from 54 last quarter and more than double the 26 that took place in the second quarter of 2021. This increase was in part due to the large amount of new supply hitting the market this past year. The capitalization rate for the industrial market has dropped to 6.56%.

### INVESTMENT SALES VOLUME



Source: The Gettel Network

### INVESTMENT SALES VOLUME BY SECTOR



### INVESTMENT ACTIVITY Q2 2022

PROPERTY TYPE	PROPERTIES SOLD	SALES VOLUME	TOTAL SOLD
Office	9	\$37,188,385	275,993 SF
Industrial	57	\$557,074,727	2,646,085 SF
Retail	9	\$64,939,045	453,793 SF
Multifamily	18	\$171,053,085	846 Units
Special Purpose	1	\$4,000,000	64 Units
<b>TOTAL</b>	<b>94</b>	<b>\$887,763,392</b>	<b>-</b>

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

### SIGNIFICANT SALES Q2 2022

PROPERTY NAME	TYPE	TOTAL SF	PURCHASE PRICE	PRICE / UNIT (\$ PSF)	CAP RATE
2004 64 Ave NW	Warehouse	488,826	\$118,000,000	\$241.39	4.81%
11250 189 St	Warehouse	555,689	\$91,000,000	\$163.76	N/A
13004 33 St NE	Land: Industrial	150.14 Acres	\$60,000,000	\$399,627/Acre	N/A
South Ridge Court & South Ridge Townhomes	Row House	262 Units	\$47,600,000	\$181,679	5.83%
16310 121A Ave	Warehouse: Multi-Bay	284,958	\$42,700,000	\$149.85	6.30%
La Vie	Walk-up	190 Units	\$42,210,000	\$222,158	4.82%
5821 Terrace Road	Shopping Center	337,624	\$34,100,000	\$201.99	N/A
Stonebridge Estates	Walk-up	180 Units	\$34,000,000	\$188,888	4.87%

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

### INVESTMENT TEAM

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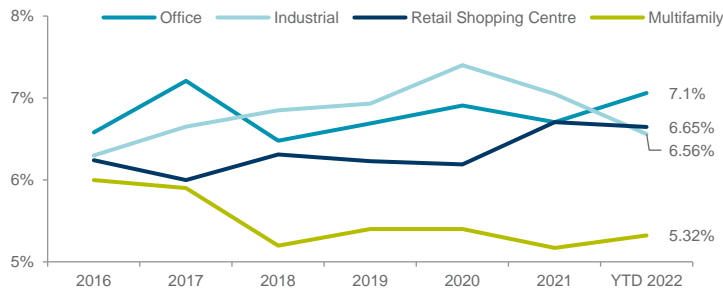
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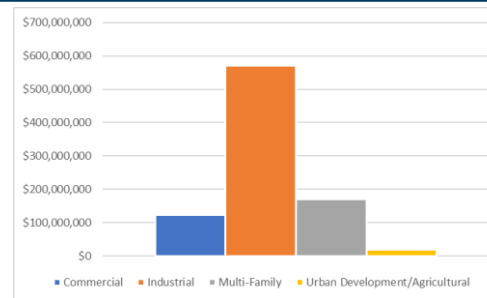
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### CAP RATE TREND



### TOTAL LAND ACQUISITIONS BY CAPITAL SECTOR



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