

## Investment Q3 2022

	YoY Chg	12-Mo. Forecast
<b>\$521.6M</b> Total Volume	▼	▼
<b>77</b> Total Sales Transactions	▼	▼
<b>1.5M</b> Total SF (Excluding MF)	▲	▼
<b>\$71.1M</b> Land Sales Volume	▼	▼

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

### ECONOMIC INDICATORS Q3 2022

	YoY Chg	12-Mo. Forecast
<b>805.6K</b> Edmonton Employment	▲	▼
<b>4.8%</b> Edmonton Unemployment Rate	▼	▲
<b>5.2%</b> Canada Unemployment Rate	▼	▲

Source: Statistics Canada

### ECONOMIC OVERVIEW

High inflation and interest rate hikes continue to dominate the headlines. Alberta's August CPI was 100 basis points (bps) lower than Canada's as a whole, coming in at 6% YoY (year-over-year) compared to the national 7%. Both rose less than they had in July. This slowdown is in part contributed to a dip in oil prices. The interest rate increases are further targeting this inflation, however, an increase in unemployment numbers and a slowdown in production are expected as a result. OPEC cutting oil production will have an upward effect on oil prices and may continue to drive up inflation. With the potential continuation of high commodity prices, analysts predict that the Albertan economy will fair better than the Canadian economy as a whole.

### INVESTMENT OVERVIEW

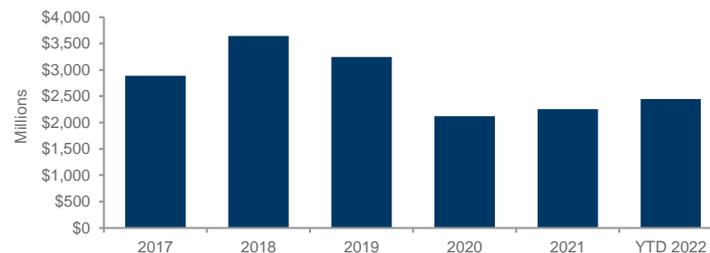
The third quarter of 2022 saw close to \$521.6M in property and land sales volume. This is a sharp decline from the volume seen last quarter, down over \$366M by comparison. Activity is also down by over \$145M compared to this time last year. In the second quarter of 2022, the anticipation of rising interest rates gave 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, the second quarter saw a lot of activity and the third quarter saw a sharp decline by comparison. Purchasers wanted to get the deals locked and sellers were willing to move quickly to ensure buyers could get financing.

Commercial retail sales were less than half of what they were last quarter, decreasing by 42.4% quarter-over-quarter. However, they are up 3.4% year over year. Two retail shopping centres sold this quarter, selling for a combined \$22.77M. The capitalization rate saw a slight decrease, being 6.45% year to date.

Industrial assets saw a sharp decrease in quarter-over-quarter sales (decreasing 62.5%) while seeing a significant year-over-year increase (increasing 20.5%). There were 29 industrial building transactions in the Greater Edmonton market this quarter, down significantly from 54 last quarter, while being a solid amount more than the 18 that took place in the third quarter of 2021. This increase was in part due to a large amount of new supply hitting the market this past year. The capitalization rate for the industrial market has dropped further to 6.38%.

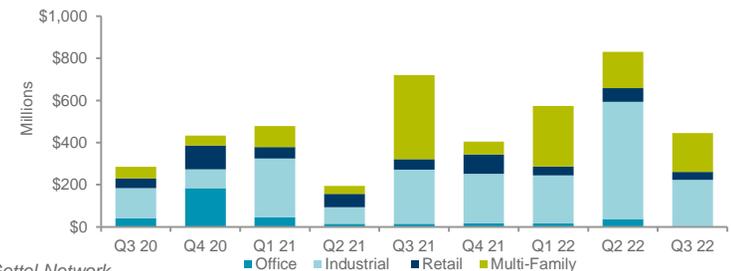
The Edmonton office market had the sharpest decline quarter over quarter, seeing a quarter-over-quarter decline of \$33M or 89%. The second quarter of 2022 saw 9 properties worth over \$37M transact, while the third quarter saw only 1 property worth over 1 Million change hands, selling for \$4.1M. Cap rates were largely unchanged due to a lack of transactions, but there will continue to be upward pressure due to the high vacancy rate and being in a rising interest rate environment.

### INVESTMENT SALES VOLUME



Source: The Gettel Network

### INVESTMENT SALES VOLUME BY SECTOR



# MARKETBEAT EDMONTON, AB



## Investment Q3 2022

### INVESTMENT ACTIVITY Q3 2022

PROPERTY TYPE	PROPERTIES SOLD	SALES VOLUME	TOTAL SOLD
Office	1	\$4,100,000	20,911 SF
Industrial	29	\$208,841,698	1,358,481 SF
Retail	6	\$37,399,000	122,665 SF
Multifamily	9	\$161,505,000	670 Units
Special Purpose	1	\$2,759,250	-
<b>TOTAL</b>	<b>47</b>	<b>\$325,000,509</b>	<b>-</b>

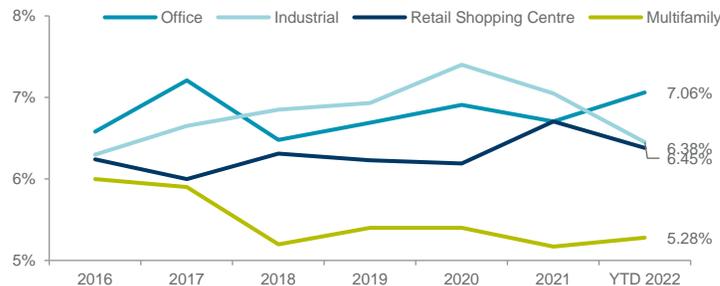
Sources: The Gettel Network, Cushman & Wakefield Research  
Closed transactions over \$1 million, including condo sales

### SIGNIFICANT SALES Q3 2022

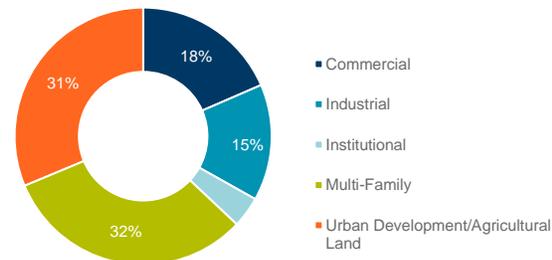
PROPERTY NAME	TYPE	TOTAL SF	PURCHASE PRICE	PRICE / UNIT (\$ PSF)	CAP RATE
Augustana	High-Rise Apartment	240 Units	\$90,100,000	\$375,417	4.70%
Hollick Kenyon Apartments	Walk-up	236 Units	\$48,616,000	\$206,000	4.66%
Papaschase Industrial Park	Warehouse: Multi-Bay	234,424	\$36,296,699	\$154.83	5.75%
3001 Buckingham Dr	Warehouse	146,000	\$34,000,000	\$232.88	N/A
North Rail Building	Warehouse: Multi-Bay	251,959	\$31,600,000	\$125.42	4.86%
3911 74 Ave	Warehouse	99,200	\$19,500,000	\$196.57	7.31%
Plaza 34	Shopping Center	47,286	\$15,500,000	\$327.79	6.15%
6008 75 St	Warehouse	104,800	\$10,350,000	\$98.76	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)

### A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in over 400 offices and 60 countries. In 2021, the firm had revenue of \$9.4 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.

*Independently Owned and Operated / A Member of the Cushman & Wakefield Alliance*

©2022 All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.