

Investment Q3 2023

	YoY Chg	12-Mo. Forecast
\$790.9M Total Volume	▲	▼
124 Total Properties Sold	▲	▼
1.69M Total SF (Excluding MF)	▲	▲
\$198.4M Land Sales Volume	▲	▲

ECONOMIC OVERVIEW

Persistent inflation and interest rate hikes continue to dominate the headlines. The August 2023 CPI in Alberta was higher than Canada's as a whole, coming in at 4.3% year-over-year (YoY) compared to the national 4.0%. A driving factor behind Alberta's CPI being higher than the national average can be attributed to energy prices increasing in the region. Among the provinces, energy prices rose the highest in Alberta seeing a 13.3% YoY increase from August 2022. Despite this, Alberta has continued to be one of the most attractive investment regions in all of Canada, largely due to the region being relatively more affordable compared to other markets. Downward pressure on global crude oil prices has continued into the third quarter; however, the Alberta government expects a \$2.4 billion surplus by the end of FY 2023. The oil market is expected to tighten as demand for oil is predicted to rise towards the end of FY 2023, supporting profitability despite the industry's volatility.

INVESTMENT OVERVIEW

Edmonton's real estate investment market saw a total sales volume of \$790.9M this quarter. Despite the large decrease in sales volume compared to the previous quarter, the third quarter 2023 sales volume eclipsed the third quarter of 2022 sales volume of \$521.6M, leading investment activity to be up \$269.3M compared to this time last year. The third quarter saw 28 fewer properties sold but a 33% increase in land sales volume compared to last quarter. The sale of multi-family properties, industrial buildings, and land sales continue to be the largest growth drivers for sale volumes. The quarter's largest sale was the Rundle at Riverview Crossing Residence Apartment in Abbotsfield Edmonton, transacting at \$59.5M.

Edmonton's office market had a quiet quarter seeing only \$27.8M in sales volume with nine transactions. Despite the decrease in office sales volume compared to the previous quarter, third quarter sales volume significantly increased compared to the one-year-ago sales volume of only \$4.1M. Office capitalization rates this quarter were largely unchanged due to a lack of transactions and the current state of the office market, staying around 8.02%.

The third quarter of 2023 saw retail sales volume decrease by \$19.5M compared to the previous quarter; however, the last quarter had 27 more retail property transactions, meaning sales volume per retail property was strong. This quarter saw three retail shopping centres trade hands. The most notable sale was of Namao South, transacting at \$51.9M at a 6.00% cap rate. Overall capitalization rates for retail properties have decreased by 0.5% from last quarter to around 6.9%.

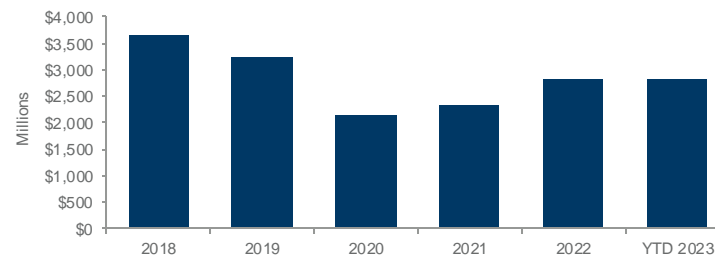
Industrial assets saw sales volume of over \$192.4M this quarter amounting to 1.2 million square feet sold. The largest industrial property sale was of Cornerstone Business Park – Buildings C&D which transacted at \$55.7M. Cap rates for Industrial Class A products hovered around the 5.00%-6.25% range, while Class B products were in the 6.00%-7.50% range.

ECONOMIC INDICATORS Q3 2023

	YoY Chg	12-Mo. Forecast
852.3K Edmonton Employment	▲	▼
6.0% Edmonton Unemployment Rate	▲	▲
5.5% Canada Unemployment Rate	▲	▲

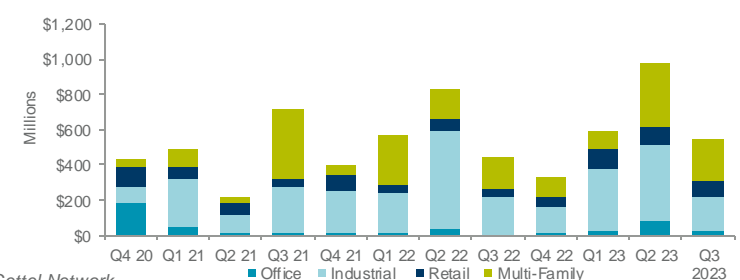
Source: Statistics Canada, The City of Edmonton

INVESTMENT SALES VOLUME



Source: The Gettel Network

INVESTMENT SALES VOLUME BY SECTOR



MARKETBEAT EDMONTON, AB



Investment Q3 2023

INVESTMENT ACTIVITY Q3 2023

PROPERTY TYPE	PROPERTIES SOLD	SALES VOLUME	TOTAL SOLD
Office	9	\$27,482,500	240,361 SF
Industrial	44	\$192,418,872	1,232,700 SF
Retail	15	\$93,673,800	224,178 SF
Multi-family	19	\$234,442,000	1,215 Units
Special Purpose	3	\$40,953,984	-
Institutional	1	\$3,553,333	-
Land	33	\$198,419,418	1,318 Acres
TOTAL	124	\$790,943,907	1,697,239 SF / 1,215 Units / 1,318 Acres

Sources: The Gettel Network, Cushman & Wakefield Research
Closed transactions over \$1 million, including condo sales, YTD Q3 2023

SIGNIFICANT SALES Q3 2023

PROPERTY NAME	TYPE	TOTAL SOLD	PURCHASE PRICE	PRICE / UNIT	CAP RATE
Rundle at Riverview Crossing Residence	Midrise Apartments	248 Units	\$59,500,000	\$239,919 (Unit)	N/A
Cornerstone Business Park – Bldg C & D	Warehouse: Multi-Bay	358,860 SF	\$55,736,500	\$155.31 (PSF)	N/A
Namao South	Retail: Shopping Centre	108,011 SF	\$51,950,000	\$480.97 (PSF)	6.00%
Blatchford Area Land	Institutional Land	26.72 Acres	\$50,768,000	\$1,900,000 (Acre)	N/A
Tennyson Apartments	Midrise Apartments	163 Units	\$31,500,000	\$193,252 (Unit)	5.86%
20703 23 Ave NW – Lands	Development/Agricultural Land	134.43 Acres	\$22,000,000	\$163,653 (Acre)	N/A

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

INVESTMENT TEAM

+1 780 420 1177
investment@cwedm.com

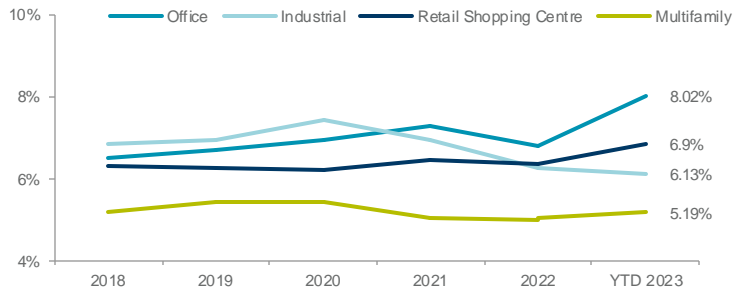
A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in approximately 400 offices and 60 countries. In 2022, the firm reported revenue of \$10.1 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), Environmental, Social and Governance (ESG) and more.

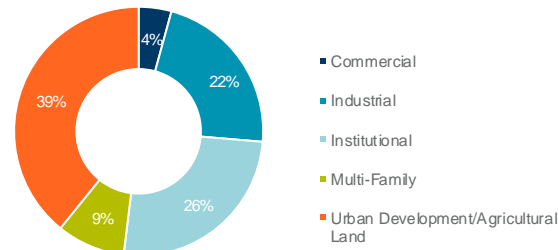
Independently Owned and Operated / A Member of the Cushman & Wakefield Alliance

©2023 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.

CAP RATE TREND



TOTAL LAND SALES VOLUME ACQUISITIONS BY CAPITAL SECTOR



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