

MARKET FUNDAMENTALS

	YOY Chg	Outlook
17.9% Vacancy Rate	▼	■
254.5K YTD Net Absorption, SF	▲	▼
\$33.17 Gross Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
872K Edmonton Employment	▲	▲
7.7% Edmonton Unemployment Rate	▼	■
6.5% Canada Unemployment Rate	▼	▲

Source: Statistics Canada

ECONOMY:

Alberta's economy has remained resilient despite ongoing trade tensions and elevated uncertainty. Growth has been broad-based, led primarily by the household sector and supported by steady consumer spending and continued residential construction activity. While unemployment remained elevated in Q4 2025, this was largely driven by strong migration into the province and has begun to moderate. In Edmonton, the unemployment rate declined by 60 basis points (bps) in November 2025, falling from 8.3% to 7.7% year-over-year, pointing to improving labour market conditions.

Source: Statistics Canada, Government of Alberta, TD Economics

DEMAND:

The Edmonton office market posted positive absorption of 183,578 square feet (sf) in Q4 2025, bringing the city-wide vacancy rate down to 17.9%, a 50-bps decline from 18.4% in Q3 2025. Leasing activity was largely concentrated in the Central Business District (CBD), with the Financial Core recording 109,331 sf of quarterly absorption. Notable transactions included a 15,177-sf lease at First Edmonton Place and a 14,792-sf lease at MNP Tower. As of Q4 2025, the overall vacancy rate in the CBD is 18.6%. Beyond the downtown core, activity was also observed in the Suburbs, particularly on the Southside. The completion of Alliance Gateway Centre added approximately 40,000 sf of new inventory to the market. The Suburban market's overall vacancy rate sits at 17.0%.

In October 2025, the Alberta government announced that its employees would return to full-time, in-office work beginning in February 2026. Under the province's interim hybrid work policy introduced in March 2022, Alberta Public Service employees had been eligible to work from home up to two days per week. The shift back to full-time office attendance has been welcomed by many businesses in the Financial Core, where a significant number of government offices are located, as increased foot traffic is expected to support restaurants, retailers, and service providers, adding much-needed vibrancy to the area. Leasing activity in Edmonton's office market is likely to remain consistent in early 2026, though it may not match the pace observed in Q4 2025, with the market still projected to see modest activity.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

	TOTAL BUILDINGS	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Financial Core	54	12,778,903	249,585	2,388,257	20.6%	109,331	-6,457	0	\$36.76	\$40.46
Government	34	5,052,776	1,227	669,134	13.3%	21,011	28,918	0	\$29.97	\$31.10
CENTRAL TOTAL	88	17,831,679	250,812	3,057,391	18.6%	130,342	22,461	0	\$35.40	\$38.47
124 th Street	18	952,909	0	221,143	23.2%	43,192	30,948	0	\$30.26	\$37.72
149 th Street	26	1,306,141	0	174,308	13.3%	2,549	36,276	0	\$26.88	\$33.14
West End	38	2,142,716	49,611	265,526	14.7%	-465	5,107	0	\$29.71	\$34.56
118 th Avenue	17	822,639	0	151,739	18.4%	-13,022	28,725	0	\$35.69	\$37.31
Whyte Avenue	13	537,893	0	101,921	18.9%	5,301	13,788	0	\$33.65	\$33.65
Southside	63	3,381,450	13,500	669,870	20.2%	10,323	74,093	0	\$30.12	\$33.90
Summerside	23	974,997	19,797	22,951	4.4%	1,393	-6,454	0	\$35.71	\$35.71
Eastgate	16	1,393,618	6,752	301,084	22.1%	2,960	22,713	0	\$24.25	\$32.29
Windermere/Ambleside	11	325,234	0	8,513	2.6%	1,005	26,863	0	\$43.20	\$43.20
SUBURBAN TOTAL	225	11,837,597	89,660	1,917,055	17.0%	53,236	232,059	0	\$29.53	\$34.44
EDMONTON TOTALS	313	29,669,276	340,472	4,974,446	17.9%	183,578	254,520	0	\$33.17	\$37.36

*Rental rates reflect full gross asking rents

SUMMARY BY CLASS	TOTAL BUILDINGS	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*
Class AA	8	4,419,060	104,894	494,070	13.6%	38,177	-34,717	0	\$52.15
Class A	124	14,316,996	161,955	2,463,111	18.3%	114,822	206,653	0	\$34.24
Class B	141	9,323,581	73,623	1,810,701	20.2%	25,760	57,334	0	\$27.27
Class C	40	1,609,639	0	206,564	12.8%	4,819	25,250	0	\$24.87

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
First Edmonton Place	Financial Core	Confidential	15,177	Headlease
Capital Arts Building	Financial Core	Ballad Consulting Group Inc.	15,000	Headlease
MNP Tower	Financial Core	Confidential	14,792	Headlease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
5620 99 St	Southside	1420257 Alberta Ltd / Vet 99 JV Inc	31,210	\$13.0M / \$416.53
Centre 170	West End	C170 Properties Inc / Centre 170 Investments Inc	165,428	\$6.0M / \$36.27
10607 109 St	118 th Avenue	1731124 Alberta Ltd / 109 Street Holdings (2025) Ltd.	14,278	\$3.8M / \$271.74

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