

YoY
Chg

12-Mo.
Forecast

5.8%

Cap Rate

**\$1.03B**

Total Volume (CAD)

**49**

Total Properties Sold

**6.76 MSF**

Total SF (Excluding MF)

**624**

Total Units (MF)



(All Property Classes) | MF = Multifamily
Source: RealNet

ECONOMIC INDICATORS Q4 2019

YoY
Chg

12-Mo.
Forecast

875KCalgary, AB
Employment**7.4%**Calgary, AB
Unemployment Rate**5.9%**Canadian
Unemployment Rate**1.75%**Bank of Canada Key
Interest Rate

Source: Statistics Canada

ECONOMY: Non-Traditional Sectors Lead Job Growth as Uncertainty In the Energy Sector Persists

Following years of suffering through a protracted recession, Calgary's economy is becoming more diversified – with education, healthcare, and public services leading the city's 31,900 net new jobs added since year-end 2018. Though uncertainty regarding the recovery of the energy sector persisted throughout 2019, the city's economic indicators have remained favourable. The Alberta government reported that Calgary's annual median household income has reached \$100,320, and annual consumer spending totaled \$55.1 billion at year-end 2019.

Ranked among the world's top-10 most livable cities, and ranked fifth in North America by The Economist – Calgary has retained its status as a desirable city to live. The city's net migration for 2019 totaled 9,560, with an overall total of 33,000 new residents (including natural births), according to Calgary's 2019 Civic Census results and Statistics Canada figures. With an average age of 36.6 years and 40% of the population possessing a post-secondary education, Calgary is poised to continue to attract new and emerging industries.

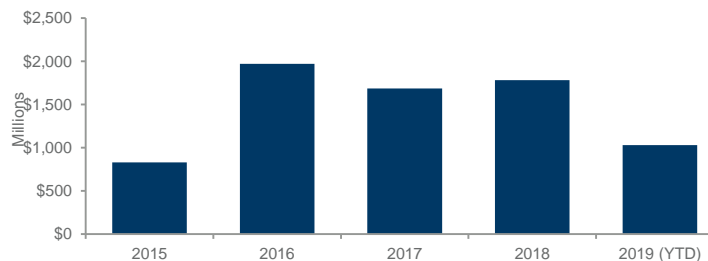
Along with growth in the "Eds and Meds" sectors, Calgary gained traction with attracting technology companies. Vancouver-based Finger Food Advanced Technology Group announced in the fourth quarter of 2019 that it would be opening an office in Calgary. Additionally, the city announced its membership with the Cascadia Innovation Corridor, which is a partnership with Seattle, WA; Portland, OR; Vancouver, BC; and now Calgary to attract companies to the four cities based on complimentary attributes.

INVESTMENT OVERVIEW: Multifamily Sales Remain Strong as Residents Eschew Homeownership

With soft economic fundamentals throughout the office and industrial sectors, the majority of investment sales have been focused on multifamily assets. Although the Bank of Canada has relaxed mortgage stress test requirements, the impact of prolonged economic headwinds and additional approval requirements resulted in fewer new housing starts; with a 133 basis points (bps) decline since year-end 2018. With continued population growth and fewer new homes coming online, multifamily developers benefitted from the robust apartment sector. According to the city's latest census, the 2019 owner-occupancy rate declined by 181 basis points year-over-year, proving that Calgarians continued to seek out rental options.

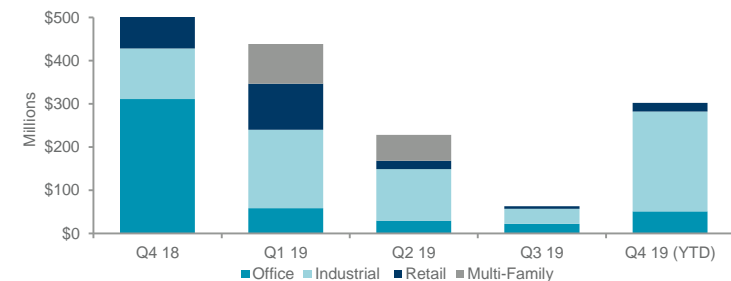
Throughout 2019, the Bank of Canada has held the key policy interest rate steady – increasing it by 25 bps in October to 1.75% and has since held the rate flat. With an overall average cap rate of 5.8% (ranging from 4.3% for multifamily product to 7.0% within the retail sector), Calgary affords investors the opportunity for higher rates of return.

INVESTMENT SALES VOLUME



Source: RealNet

INVESTMENT SALES VOLUME BY SECTOR



Source: RealNet

MARKETBEAT CALGARY, AB

Investment Q4 2019



INVESTMENT ACTIVITY YTD 2019

PROPERTY TYPE	TRANSACTIONS	SALES VOLUME (CAD)	TOTAL SOLD	PRICE / SF*, UNIT	CAP RATE
Office	10	\$160,876,054	714,255 SF	\$225	5.8%
Industrial	16	\$565,075,000	5,610,584 SF	\$101	5.7%
Retail	14	\$153,122,925	435,663 SF	\$351	7.0%
Multifamily	9	\$151,674,094	624 Units	\$243,067	4.3%
TOTAL	49	\$1,030,748,073	-	-	5.8%

SIGNIFICANT SALES YTD 2019

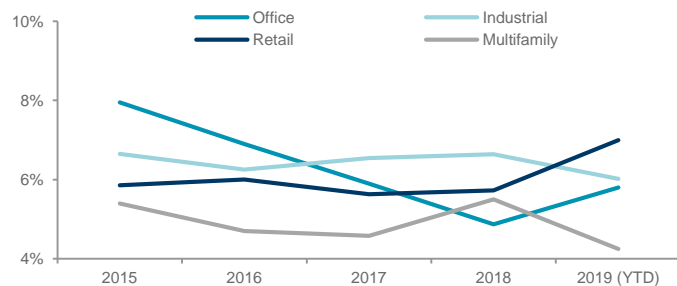
PROPERTY NAME	TYPE	BUYER	SELLER	TOTAL SF / UNITS	PURCHASE PRICE	PRICE / UNIT (\$ PSF)	MARKET
AIMCo Industrial (50%)	Industrial	Crestpoint	AIMCo	3,239,260	\$230,750,000	\$142 ^[1]	Greater Calgary Area
bcIMC Foothills Portfolio	Industrial	Summit REIT	bcIMC	849,338	\$79,550,000	\$94	Southeast
HOOPP Portfolio	Industrial	Triovest	HOOPP	626,687	\$77,175,000	\$123	Southeast
The Quarters	Multifamily	Minto	Remington Development	199	\$63,750,000	\$320,352	Southeast
Warwick Building	Industrial	Richmond Holdings	Beedie Group	199,115	\$61,000,000	\$305	Rockyview County
Cambrian Executive Place	Office	NWH Properties REIT	Private	118,686	\$51,000,072	\$430	Northwest

Sources: RealNet, Cushman & Wakefield Research Closed transactions over \$5 million

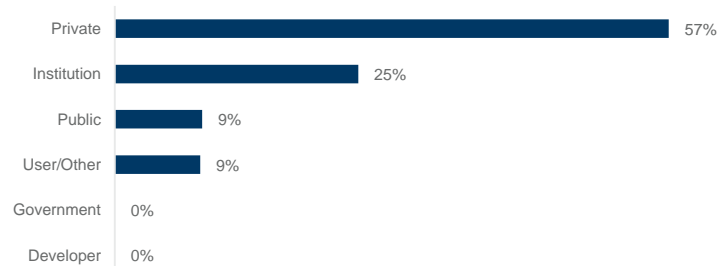
[1] Price Per SF Adjusted to reflect 50% transferred

*SF includes office, industrial and retail. Unit calculation for apartment only

CAP RATE TREND



TOTAL ACQUISITIONS BY CAPITAL SECTOR



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