

YoY Chg 12-Mo. Forecast

4.9%

Vacancy Rate



\$438M*

Total Sales Volume



\$1,144

Ave. 2 Bdrm Monthly Rate



*YTD 2019

ECONOMIC INDICATORS Q4 2019

YoY Chg 12-Mo. Forecast

787K

Edmonton Employment



7.7%

Edmonton Unemployment Rate



5.9%

Canada Unemployment Rate



Source: Statistics Canada

ECONOMY

Edmonton's real GDP growth is forecasted to slow in the range of 0.5% in 2019, as economic tensions such as ongoing trade wars, the fallout from both the provincial and federal elections that were held earlier in 2019, low oil production and plummeting oil prices continue to challenge the investment activity in the province. Edmonton's unemployment rate climbed to 7.7% in November 2019 from 7.1% in October 2019 as increases in the labour force outpaced the region's gains. Comparing the current year-to-date (YTD) total to the number of permits from the same period in 2018, non-residential permits in the city declined slightly by 0.6% as construction activity in the retail, commercial and institutional sectors slowed.

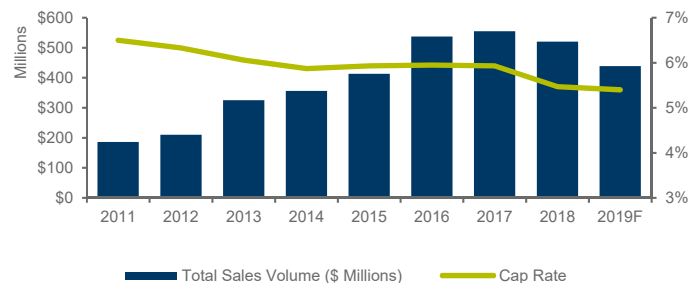
SUPPLY AND DEMAND

Multifamily property sales declined by 15.6% year-over-year, with a total sales volume of \$438 million and total land transaction value of \$126 million in 2019. Although the lack of several high-value transactions led to lower sales this year, 2019 sales remained healthy and solid year-over-year as the vacancy rate declined to 4.9% from 5.3% in 2018, a vast improvement from the 7% vacancy witnessed in 2016/17. Overall multifamily capitalization rates remained stable at 5.53% in 2019 compared to 5.75% in 2018. Asking rent growth remained positive by the end of the year, as the average 2 bedroom monthly rent increased to \$1,144, a 1.1% increase year-over-year, a response to Edmonton's tightening apartment rental market. Edmonton's young population, with more than half of the population under 39, are more likely to live within the city where proximity to public transportation and the downtown area is essential. With regards to increasing demand for rental apartments and condominiums, multifamily development continues to grow in the southside of the city and particularly in downtown Edmonton. Over 2,000 rental and condo units were completed from 2017-2019 of which 57% are located downtown. There are currently 1,751 units under construction in downtown and 1,347 located outside downtown. As vacancy rates gradually begin to trend lower over 2020, vacancy will start to climb in 2021 as new supply of over 1,700 units is expected to come to market over the course of the next two years.

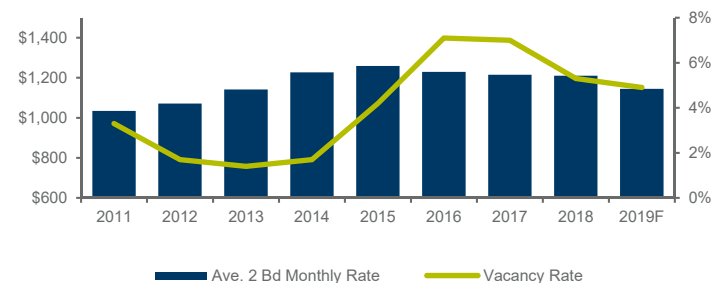
PRICING

With only 3 high-rises comprising of 277 units transacting in 2019, of which 2 changed hands in the first half this year and 1 high-rise transacted in the second half of the year, the price per unit has averaged \$216,969. On the other hand, the price per unit for walk-ups reached an average of \$129,776, with walk-up transactions totaling 1,845 units. The average price per unit for a wood-frame walk-up apartment with less than 50 units was \$113,256.

AVERAGE SALE PRICE PER UNIT VS. AVERAGE CAP RATES



AVERAGE MONTHLY RENT VS. AVERAGE VACANCY



CONSTRUCTION PIPELINE

PROPERTY	ADDRESS	MARKET	DEVELOPER	# OF UNITS	COMPLETION DATE
Capital (Centre West Office Conversion)	10035 108 Street NW	Oliver	Kennedy / Strategic	154, 60	Winter 2020
CNIB Tower	Jasper Ave and 120 St	Oliver	ONE Propoerties	334	2021
Emerald Tower	11350 Jasper Avenue	Oliver	Regency Developments	273	2021
The Augustana	10620 99 Avenue NW	Downtown	Pangman Development	240	Summer 2020
CX Grandin	10024 110 Street	Oliver	Beaverbrook Developments	222	Fall 2021
Hat @ Five Corners	10215 95 Street	Downtown	Cidex Group	199	Spring 2020
121 West Condos	105 Avenue and 121 St	Downtown	Regency Developments	396	2021
Glenora Park	10156 Clifton Place NW	Oliver	ONE Properties / Revera Living	290	2021
Encore Tower	10305 102 Ave NW	Downtown	Westrich Pacific Corp	179	Mid 2020
The View at Grandin City	9920 111 Street NW	Oliver	Westrich Pacific Corp	178	Summer 2022

KEY APARTMENT SALES H2 2019

PROPERTY	SUBMARKET	UNITS	YEAR BUILT	PURCHASE PRICE	PRICE / \$ UNIT	CAP RATE
109/111 McLaughlin Dr	Spruce Grove	207	2015	\$34,465,500	\$166,500	6.16%
11189 Ellerslie Road SW	Rutherford	105	2017	\$31,500,000	\$300,000	4.43%
9930 Bellamy Hill	Downtown	82	1964	\$13,830,000	\$168,659	4.34%
9505 80 St	Holyrood	96	1968	\$13,150,000	\$136,979	3.63%
9560/70 163 St	Glenwood	60	1968	\$8,535,000	\$142,250	5.55%
10236 123 St	Oliver	21	1960	\$3,648,100	\$173,719	N/A
10131 154 St	Canora	28	1966	\$3,170,135	\$113,219	N/A

KEY MULTIFAMILY LAND SALES H2 2019

PROPERTY	SUBMARKET	AREA (ACRES)	PURCHASE PRICE	PRICE PER SQUARE FOOT	PRICE PER ACRE
7105 May Cres	Magrath Heights	8.8	\$10,864,000	\$28.34	\$1,234,545
789 Tamarack Way NW	Tamarack	7.09	\$7,799,000	\$25.25	\$1,100,000
2072 Wonnacott Way SW	Walker	6	\$5,581,400	\$21.36	\$930,233
3170/90 Cameron Heights Way	Cameron Heights	4.89	\$4,401,000	\$20.66	\$900,000
8450 106A Ave	Boyle Street	1.62	\$4,050,000	\$57.39	\$2,500,000
4222 50 St	Leduc	3.26	\$3,800,000	\$26.76	\$1,165,644
17503 99 Ave	Terra Losa	2.1	\$3,500,000	\$38.26	\$1,666,667

CWEDM MULTIFAMILY TEAM

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