

26
Total Properties Sold



\$458.6M
Total Sales Volume



\$46.2M
Total Land Sales Volume



Source: The Gettel Network
*YTD 2020

ECONOMIC INDICATORS Q2 2020

675.4K
Edmonton
Employment



13.6%
Edmonton
Unemployment Rate



13.7%
Canada
Unemployment Rate



Source: Statistics Canada

ECONOMY

Edmonton's economic outlook took a dramatic turn at the end of the first quarter of the year due to the impact of the coronavirus pandemic and its damaging effect on all sectors of the economy. These unprecedented times have resulted in a snowball effect worldwide, causing business closures, mass layoffs, volatile oil prices, and economic uncertainty and slowdown. Edmonton employment, where the pandemic's impact in the economy was first observed in mid-March, lost 48,200 positions across all industries between April and May 2020, while the unemployment rate climbed to 13.6% from 10.0% during the same period. In response to these difficult times, the Government of Alberta has announced several policies and initiatives to create jobs, an example is increased spending on infrastructure projects. Edmonton's year-to-date non-residential construction permits declined by 3.2% year-over-year (YoY) with industrial increasing by 21.0% and commercial decreasing by 12.8%.

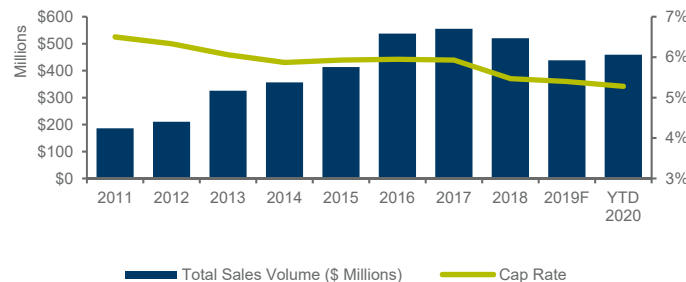
SUPPLY

Multifamily sales in 2020 have so far totaled \$458.6M, a 60.0% increase year-over-year. Centurion's acquisition of the Devonshire Portfolio and the Mayfair on Jasper, which totaled \$305M, dominated the multifamily transaction volume in the first half of 2020. Average capitalization rates for multifamily stabilized to 5.3% this quarter, compared to 5.5% in the same period last year. The slight decrease is attributed to the sale of a few large and stabilized properties. Overall sales per suite have averaged \$154,792 during the first half of the year, while high-rises reached \$290,003 on average, and walk-ups averaged \$127,762. Edmonton's vacancy rate continued to decrease in 2019, ending the year at 4.9% - a historic low since the recession in 2016. However, it is expected that vacancy will increase in the coming months as the global pandemic slows down international and interprovincial migration, coupled with softening demand and increase in rental supply. On the other hand, asking rents are expected to decrease, reflecting the recent economic shutdowns and the skyrocketing unemployment rate in the city. There are currently several concrete purpose-built projects under construction, 1,516 units in Downtown/Oliver, and 394 units located outside downtown. In addition it appears that construction has yet to slow as a few large projects have commenced this year, including the 4-building project Southpark on Whyte with a total of 828 units, and the 7-building Holyrood Gardens with 1,200 units.

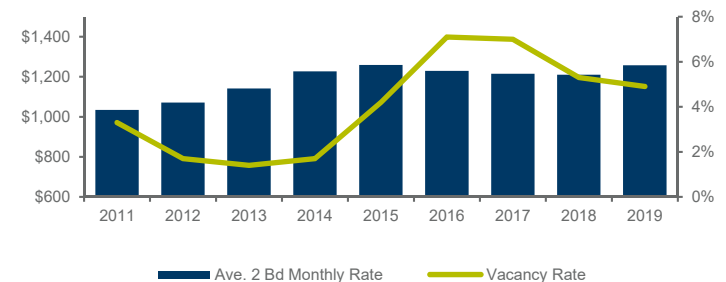
OUTLOOK

Multifamily remains a resilient asset class and has a lower risk compared to other assets in CRE. There might be a slowdown in demand right now, but tailwinds such as migration, preference for rental properties among young professionals and seniors, and anticipated stabilizing rental rates will continue to drive the demand for housing in Alberta amid the pandemic. Cap rates are expected to remain stable and multifamily asset sales are anticipated to remain active.

AVERAGE SALE PRICE PER UNIT VS. AVERAGE CAP RATES



AVERAGE MONTHLY RENT VS. AVERAGE VACANCY



CONSTRUCTION PIPELINE

PROPERTY	ADDRESS	MARKET	DEVELOPER	# OF UNITS	EXPECTED COMPLETION DATE
CNIB Tower	12024 Jasper Avenue	Oliver	One Properties	345	2021
Capital (Centre West Office Conversion)	10035 108 Street	Oliver	One Properties	154, 60	Winter 2020
Hat @ Five Corners	10215 95 Street	Downtown	Cidex Group	199	Spring 2020
121 West	10511 122 Street NW	Downtown	Regency Developments	396	2021
The Louvre at Century Park	2504 110 Street	Southside	Procura	358	2021
Southpark on Whyte (4 Buildings)	10601 82 Avenue	Whyte Avenue	One Properties	250, 400, 80, 98	TBD
CX Grandin	10022 110 Street NW	Oliver	Beaverbrook Developments	222	Fall 2021
Augustana	10620 99 Avenue NW	Downtown	Pangman Development	240	Fall 2020
Holyrood Gardens (7 Buildings)	8310 93 Avenue NW	Holyrood	Regency Developments	284, 143, 200, 133, 440	TBD
CNIB Tower	12024 Jasper Avenue	Oliver	One Properties	345	2021

KEY APARTMENT SALES H1 2020

PROPERTY	SUBMARKET	UNITS	YEAR BUILT	PURCHASE PRICE	PRICE / \$ UNIT	CAP RATE
Grand Central Manor II & III	Downtown	306	2002	\$92,000,000	\$300,654	3.5%
Riverside Towers	Boyle Street	292	1971	\$51,500,000	\$176,370	4.04%
Oliver Place	Oliver	234	1968	\$61,500,000	\$262,820	4.14%
The Mayfair on Jasper	Downtown	238	2015	\$100,000,000	\$420,168	4.63%
The Level at Upper Windermere	Windermere	171	2015	\$40,800,000	\$238,596	4.61%
Infiniti on 105	Queen Mary Park	109	2019	\$28,300,000	\$259,633	5.08%
Harmony at Hollick-Kenyon	Hollick-Kenyon	95	2016	\$19,500,000	\$205,263	5.10%

KEY MULTIFAMILY LAND SALES H1 2020

PROPERTY	SUBMARKET	AREA (ACRES)	PURCHASE PRICE	PRICE PER SQUARE FOOT	PRICE PER ACRE
16005 28 Ave SW	Glenridding Ravine	7.93	\$8,564,400	\$24.79	\$1,080,000
10619 Muttart Crossing	Boyle Street	2.38	\$5,950,000	\$57.39	\$2,500,000
10143 Clifton Place	Westmount	0.69	\$5,620,000	\$187.99	\$8,188,901
21750 93 Ave	Secord	3.66	\$3,843,000	\$24.10	\$1,050,000
730 Allard Blvd SW	Allard	3.51	\$3,616,920	\$23.66	\$1,030,462
271 Watt Common SW	Walker	2.15	\$3,400,000	\$36.30	\$1,581,395
11439/59 University Avenue	McKernan	0.91	\$2,986,926	\$75.33	\$3,281,227

MULTIFAMILY TEAM

+1 780 420 1177 apartment@cwedm.comcwedm.com

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