

Investment Q3 2020

| | YoY Chg | 12-Mo. Forecast |
|---|---------|-----------------|
| \$1.35B Total Volume | ▲ | ▼ |
| 170 Total Properties Sold | ▼ | ▼ |
| 3.64M Total SF (Excluding MF) | ▼ | ▼ |
| \$251.05M Land Sales Volume | ▼ | ▼ |

Closed transactions over \$1 million, YTD 2020
(All Property Classes) | MF = Multifamily
Source: The Gettel Network

ECONOMIC INDICATORS Q3 2020

| | YoY Chg | 12-Mo. Forecast |
|--|---------|-----------------|
| 720.6K Edmonton Employment | ▼ | ▲ |
| 12.6% Edmonton Unemployment Rate | ▲ | ▼ |
| 9.0% Canada Unemployment Rate | ▲ | ▼ |

Source: Statistics Canada

ECONOMIC OVERVIEW

Over the July-September 2020 period employment in Edmonton (CMA) rose by 53,200 positions, and the unemployment rate has declined by a full percentage point to 12.6% in September. However, as employment begins to show some signs of recovery, the city's employment growth is still far from its 2019 levels, when the unemployment rate was 5.3% lower than today, translating to 62,500 more positions at the time. Edmonton's year-to-date non-residential construction permits declined by 9.0% year-over-year (YoY) with industrial permits decreasing by 10.3% and commercial permits decreasing by 5.9%.

Upon the arrival of COVID-19 in Canada, the economy entered a recession in the first quarter of 2020. Although mounting evidence indicates that the recovery has begun; however, until there is a public health resolution to the pandemic, the recovery is likely to remain uncertain and gradual. Only then can households and businesses become more confident. Access the most recent information specific to COVID [here](#).

INVESTMENT OVERVIEW

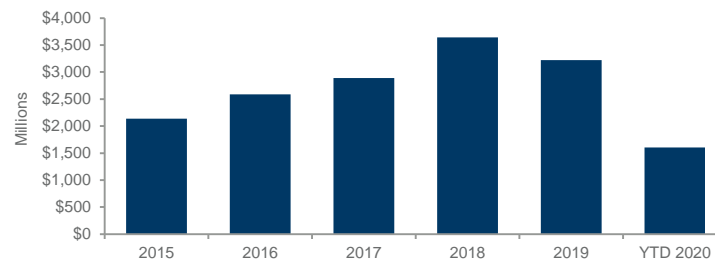
Edmonton's year-to-date (YTD) transactions have totaled \$1.60B, a 3.8% increase from the same period last year, driven by several large transactions in the first quarter of 2020 including a three-property acquisition by Centurion totaling \$205M. Sales in the third quarter of 2020 reached over \$352 million, an increase of 54.7% from last quarter, although still a decrease of 35.7% from the same period last year. Multifamily continues to outperform other assets, with YTD building sales climbing by 45.4% from the same period in 2019. Overall YTD land sales decreased by 37.8% compared to the same period one year ago.

Three office building transactions were recorded this quarter, bringing the YTD total to seven transactions. A trend of smaller dollar value transactions continues in the Edmonton market, with the recent exception of the sale of Sun Life Place for \$32.5M at a 8.14% cap rate, which brought YTD overall office investment sales to \$58.69M. Cap rates are starting to trend up, with the average rate for transactions so far this year at 6.94%.

After a slowdown last quarter, two retail shopping centres traded hands this quarter bringing the YTD total to seven transactions. All sales that have occurred this year have been located in Edmonton proper. Six shopping centres transacted below \$10M, while one transacted at \$56M (Mayfield Common). Average cap rates rose slightly from last quarter to 6.29%.

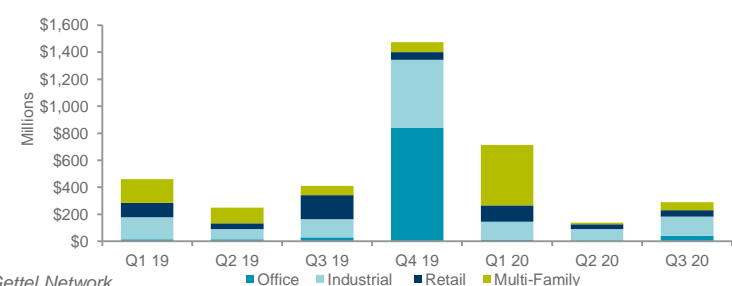
Third quarter industrial investment sales totaled \$142.67M, a 4.72% increase YoY, driven by a few high-value transactions. YTD 2020 industrial investment sales saw a slight decrease of 4.0% compared to the same period last year. Industrial land sales followed suit, weakening by 22.7%. Most sales continue to be for owner-users. Only three single-tenant warehouses and one multi-bay asset transacted this quarter. The average cap rate for the industrial market increased to 7.26%.

INVESTMENT SALES VOLUME



Source: The Gettel Network

INVESTMENT SALES VOLUME BY SECTOR



MARKETBEAT EDMONTON, AB



Investment Q3 2020

INVESTMENT ACTIVITY YTD 2020

| PROPERTY TYPE | PROPERTIES SOLD | SALES VOLUME | TOTAL SOLD |
|-----------------|-----------------|------------------------|--------------|
| Office | 10 | \$58,690,790 | 543,700 SF |
| Industrial | 81 | \$361,106,644 | 2,349,955 SF |
| Retail | 40 | \$200,892,916 | 750,463 SF |
| Multifamily | 34 | \$522,286,500 | 2,564 Units |
| Special Purpose | 5 | \$208,332,936 | N/A |
| TOTAL | 170 | \$1,351,309,786 | - |

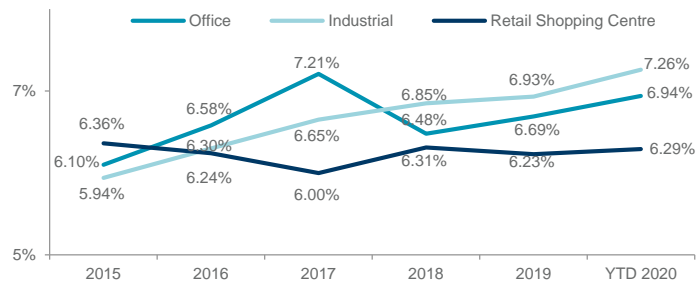
Sources: The Gettel Network, Cushman & Wakefield Research
Closed transactions over \$1 million, including condo sales

SIGNIFICANT SALES YTD 2020

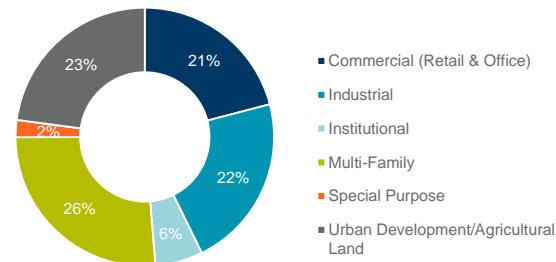
| PROPERTY NAME | TYPE | TOTAL SF | PURCHASE PRICE | PRICE / UNIT (\$ PSF) | CAP RATE |
|-------------------------------|----------------------------|-----------|----------------|-----------------------|----------|
| The Mayfair on Jasper | High-Rise Apartment | 238 Units | \$100,000,000 | \$420,168 | 4.63% |
| Grand Central Manor II & III | High-Rise Apartment | 306 Units | \$92,000,000 | \$300,654 | 3.5% |
| The Westin Edmonton | Hotel | 428 Units | \$66,182,936 | \$154,663 | 8.31% |
| Oliver Place | High-Rise Apartment | 234 Units | \$61,500,000 | \$262,820 | 4.14% |
| Riverside Tower | High-Rise Apartment | 292 Units | \$51,500,000 | \$176,370 | 4.04% |
| The Level at Upper Windermere | Walk-up | 171 Units | \$40,800,000 | \$238,596 | 4.61% |
| Sun Life Place | Office: Downtown High-Rise | 288,005 | \$32,500,000 | \$113 | 8.14% |

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

CAP RATE TREND



TOTAL LAND ACQUISITIONS BY CAPITAL SECTOR



Source: The Gettel Network
Closed transactions over \$1 million, YTD 2020

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