

## Investment Q2 2021

	YoY Chg	12-Mo. Forecast
<b>\$305.3M</b> Total Volume	▲	▲
<b>66</b> Total Sales Transactions	▼	▲
<b>980K</b> Total SF (Excluding MF)	▲	▲
<b>\$101.3M</b> Land Sales Volume	▲	▲

Closed transactions over \$1 million, YTD Q2 2021  
(All Property Classes) | MF = Multifamily  
Source: The Gettel Network

### ECONOMIC INDICATORS Q2 2021

	YoY Chg	12-Mo. Forecast
<b>757.5K</b> Edmonton Employment	▲	▲
<b>9.7%</b> Edmonton Unemployment Rate	▼	▼
<b>7.8%</b> Canada Unemployment Rate	▼	▼

Source: Statistics Canada

### ECONOMIC OVERVIEW

As Alberta's economy is anticipated to see more favorable economic conditions as oil prices begin to rise, vaccination rates continue to increase, and almost all restrictions in Alberta have been lifted, investor sentiment and business optimism in the Albertan markets will start to see improvement in the medium term. However, there will continue to be occasional hiccups from the pandemic, and growth is not expected to return to its pre-pandemic levels until 2022/23. Unemployment in the Edmonton region has dropped year-over-year by 610 basis points (bps) to 9.7% in June 2021. This decrease can be attributed to the city reopening and improving employment in some sectors that were hit hard by the pandemic like accommodation and food services, and business, building and other support services. Residential new construction spending in May 2021 increased by 14.9% compared to the same period last year, while non-residential new construction spending slightly declined by 0.6%.

### INVESTMENT OVERVIEW

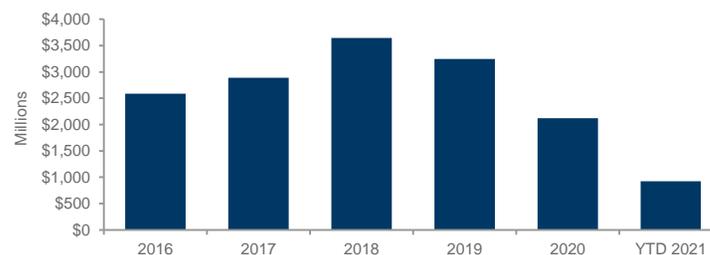
The second quarter of 2021 saw over \$300M in property and land sales volume, a 33.9% increase from the same period last year. This increase was driven primarily by an increase in land sales and the sale of several multifamily and retail properties, both signaling improved confidence in the Edmonton market and renewed interest in developing assets in the local market. Overall land sales in the second quarter of 2021 increased by 11.9% year-over-year (YoY) and are anticipated to continue to grow throughout the year. Alberta's economic recovery is expected to continue in the coming months as the economy gradually reopens and business sentiment continues to improve, driving investments sales higher over 2020 levels

After a strong first quarter, office sales in Edmonton declined by 67.9% this quarter. Only two office properties totaling \$13M transacted, both owner-user and located in the suburban market. One is 50<sup>th</sup> Street Atria - a 3-building property in Eastgate Business Park which sold for \$9.8M, and the other a 2-storey office building in Strathcona which sold for \$3.2M. Cap rates have remained stable at 7.12% on average.

Commercial retail sales increased by 15.5% quarter-over-quarter and by 83.6% YoY, driven by the sale of several high-value retail assets in the Greater Edmonton Region totaling \$62.7M; this includes two self storage investment sales with a total value of \$29.6M which were part of a five-property portfolio acquisition in Alberta. Only one retail shopping centre traded hands this quarter, selling for \$4.0M. The capitalization rate saw a slight increase to 6.37% this quarter.

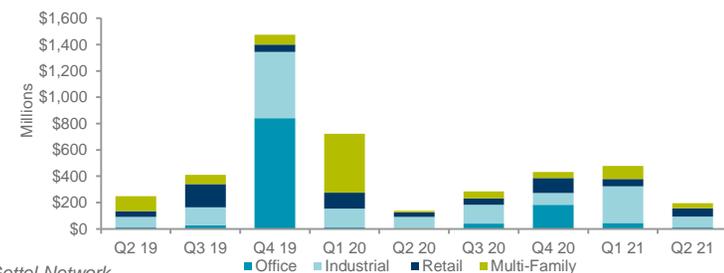
Industrial asset sales declined slightly by 5.9% YoY due to fewer larger sale transactions this quarter. The twenty sales transactions recorded this quarter were primarily owner-user, 11 of which are in Edmonton and 9 that are located in the peripheral markets. On the other hand, sales for industrial land have risen over 307.2% YoY, with one of the most notable land sales being the sale of the proposed site of an Amazon Distribution Centre in Acheson for \$28.9M. The capitalization rate for the industrial market was recorded at 7.10%.

### INVESTMENT SALES VOLUME



Source: The Gettel Network

### INVESTMENT SALES VOLUME BY SECTOR



### INVESTMENT ACTIVITY Q2 2021

PROPERTY TYPE	PROPERTIES SOLD	SALES VOLUME	TOTAL SOLD
Office	3	\$14,569,750	180,347 SF
Industrial	20	\$79,191,971	570,919 SF
Retail	13	\$62,704,870	228,945 SF
Multifamily	8	\$38,562,000	240 Units
Special Purpose	1	\$9,000,000	N/A
<b>TOTAL</b>	<b>45</b>	<b>\$204,028,591</b>	<b>-</b>

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

### SIGNIFICANT SALES Q2 2021

PROPERTY NAME	TYPE	TOTAL SF	PURCHASE PRICE	PRICE / UNIT (\$ PSF)	CAP RATE
Sunset Valley Apartments	Walk-up Apartment	128 Units	\$24,960,000	\$195,000	4.94%
StoreSmart Self Storage	Self Storage	63,250	\$17,650,000	\$279	3.93%
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9504 58 Avenue	Warehouse	95,000	\$11,775,000	\$124	N/A
50 <sup>th</sup> Street Atria	Office: Suburban	164,883	\$9,800,000	\$59	N/A
Four Points By Sheraton	Hotel	139 Units	\$9,000,000	\$64,748	N/A
5415/25 Calgary Trail	Warehouse	44,318	\$7,577,500	\$171	N/A

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

### INVESTMENT TEAM

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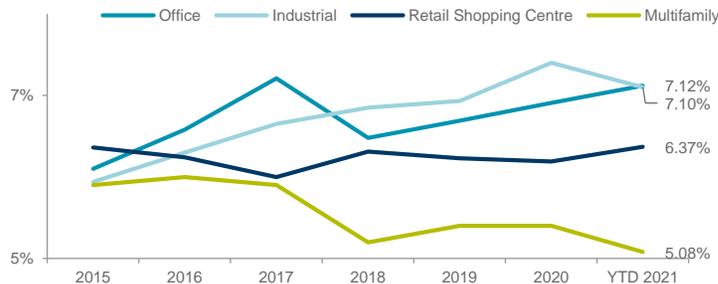
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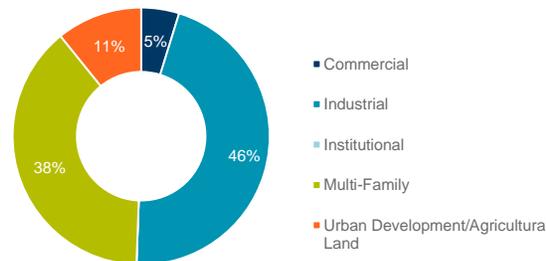
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### CAP RATE TREND



### TOTAL LAND ACQUISITIONS BY CAPITAL SECTOR



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