

EDMONTON, AB

Retail Q4 2021



CUSHMAN & WAKEFIELD

Edmonton

YoY
Chg 12-Mo.
Forecast

\$82,099

Median HH Income



0.8%

2021F Population Growth



7.3%

Unemployment Rate



Edmonton Census Metropolitan Area

Sources: Statistics Canada, Sitewise, City of Edmonton
November 2021 Forecast UpdateEDMONTON ECONOMIC INDICATORS
Q4 2021YoY
Chg 12-Mo.
Forecast

8.2%

GDP Growth
2021F

\$2.9B

Retail Sales
October 2021

3.0%

Consumer Price Index
(2002=100)
2021F

Edmonton Census Metropolitan Area

Sources: Statistics Canada, City of Edmonton November
2021 Forecast Update

ECONOMY

Alberta's economic growth rates are expected to rise; however, recovery from the COVID-19 recession is not expected until 2022. After two years in the pandemic, the labour market in the province continues to show signs of positive growth. The health care and social assistance and goods-producing sectors led the provincial employment gains month-over-month in December 2021 by 7,400 and 6,200 respectively. The unemployment rate in the Edmonton region has dropped significantly year-over-year by 450 basis points (bps) to 6.6%. Overall, non-residential building permits in Edmonton declined in November 2021 by 11% year-over-year and by 34% month-over-month.

DEMAND

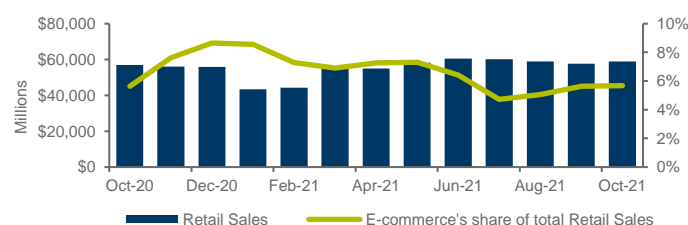
Even with the challenges that the retail market continues to face amid the pandemic, such as changing restrictions in business operations and supply chain disruptions, Edmonton's retail sales in October increased month-over-month (MOM) and year-over-year (YOY) by 6.1% and 10.2% respectively. The gain was led by increased monthly sales in the General merchandise stores (+12.0%), Food and beverage stores (+8.0%), Motor vehicle and parts dealers (+7.2%), Health and personal care stores (+5.2%), and Clothing and clothing accessories stores (+6.3%). The most significant decline was in the Electronics and appliance segment (-8.7%).

Retail groups with a stable revenue continue to see strong retail activity and have had the opportunity to grow. Multiple national brands including Dollarama, Sephora, Giant Tiger, L.L.Bean, Chick-fil-A, Specsavers, and JD Sports have announced expansions across Canada. In addition, some tenants are optimistic about the local economy's recovery and are looking to secure space. It was recently announced that the Edmonton City Club will open a 26,000-square foot (sf) space in Fall 2022 in the Edmonton City Centre Mall. There is also an increased demand for smaller retail space in the city fueled by shopping local and the popularity of curbside pick-up and click-and-collect. As a result, new retail concepts have been developed for new entrepreneurs to test having a physical location and to have an opportunity to expand their customer base. A retail concept called UNITE by TMK was launched at Kingsway Mall where it showcases 85 retail brands in a 6,700-sf space, formerly occupied by Victoria's Secret. This model allows small businesses to establish their own store with shorter lease terms and reduced commitment to a retail space.

OUTLOOK

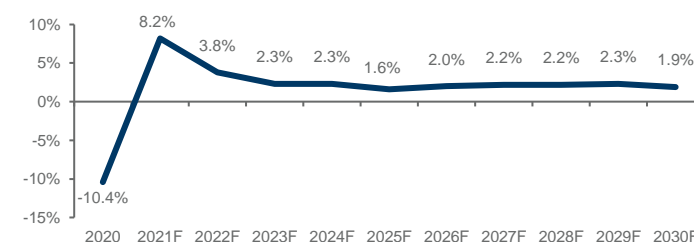
Although many retailers have failed to keep store sales afloat and have ceased operations, new retail concepts and repeat businesses are expected to drive demand for retail space in Edmonton. Larger spaces that were once leased by restaurants are being backfilled by other users such as dollar stores, banks, and bike shops. Neighbourhood retail centres and shopping malls with high traffic locations will continue to be desirable among prospective tenants. Upward pressure in lease rates is anticipated into 2022, driven by inflation, increased construction costs, and supply chain disruptions.

MONTHLY CANADIAN RETAIL SALES, UNADJUSTED



Source: Statistics Canada

REAL GDP (\$2012 MILLIONS, MARKET PRICES)



Source: City of Edmonton November 2021 Forecast Update

KEY PROPERTIES UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANTS	SF	PROPERTY TYPE
Currents of Windermere	Southwest	Walmart, Cabela's, Home Depot	1,200,000	Regional Centre
Manning Town Centre & Village	Northeast	Canadian Tire, Lowe's, Cabela's	850,000	Regional Centre
Harvest Pointe Shopping Centre	Southeast	Walmart, Sobeys	375,000	Regional Centre
Heritage Valley Town Centre	Southwest	Superstore, Shoppers Drug Mart	303,472	Regional Centre
Southgate Mall Expansion	Southwest	Safeway, Hudson's Bay	260,000	Shopping Mall
Ice District	Central	Loblaws City Market, Rexall, The Canadian Icehouse	208,000	Entertainment District
Windermere South	Southwest	Superstore	120,000	Regional Centre
The Shoppes of Jagare Ridge	Southwest	Save-On-Foods, RBC, Shell, TD, Subway	119,650	Community Centre
Grove on 17	Southeast	Landmark Cinemas, Jiffy Lube, Wendy's	107,000	Regional Centre
Ambleside Centre	Southwest	Ambleside Medical Inc.	104,400	Community Centre
Harvest Hills Market	Southeast	Superstore	97,000	Big-Box Store

KEY LEASE TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
West Edmonton Mall	Northwest	Virtual Land	32,000	Headlease
Edmonton City Centre	Central	Edmonton City Club	26,000	Headlease
Jensen Lakes Crossing	St. Albert	Bambini Learning Group	10,100	Headlease

KEY SALES TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$PSF
Klarvatten Plaza	Northeast	Alta-Manila Properties Corporation / 2316093 Alberta Ltd	39,000	\$10.5M / \$269
Parsons Place	Southeast	Parsons Place G.P. Ltd / 1824240 Alberta Ltd.	32,510	\$10.5M / \$321
2950 Calgary Trail	Southwest	Iron-Gate Acquisitions Limited / Dong-Phuong Oriental Market Ltd	42,966	\$7.8M / \$182
3223 Parsons Road	Southeast	2147014 Alberta Corp. / BOCHASANWASI SHRI AKSHAR PURUSHOTTAM SWAMINARAYAN SANSTHA INC.	16,000	\$4.6M / \$286
Gold Bar Shopping Centre	Northeast	Gold Bar Properties Ltd. / 2358573 Alberta Ltd.	21,774	\$3.9M / \$177

RETAIL TEAM

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PUBLICATION

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