

## EDMONTON, AB

Retail Q2 2022



CUSHMAN &amp; WAKEFIELD

Edmonton

YoY  
Chg 12-Mo.  
Forecast

\$88,798

Median HH Income



1.7%

2022F Population Growth



5.9%

Unemployment Rate



Edmonton Census Metropolitan Area

Sources: Statistics Canada, Sitewise, City of Edmonton May 2022 Economic Forecast

EDMONTON ECONOMIC INDICATORS  
Q2 2022YoY  
Chg 12-Mo.  
Forecast

4.6%

GDP Growth  
2022F

\$2.8B

Unadjusted Retail Sales  
April 2022

7.1%

Consumer Price Index  
(2002=100)  
May 2022

Edmonton Census Metropolitan Area

Sources: Statistics Canada, City of Edmonton May 2022 Forecast Update

## ECONOMY

Alberta's economic growth rates are expected to rise; however, recovery and continued high growth are challenged by historically high inflation and interest rates rising which will increase the cost of borrowing. After two years in the pandemic, the labour market in the province continues to show positive growth. The unemployment rate in the Edmonton region has dropped significantly year-over-year by 380 basis points (bps) to 5.9%. However, retailers continue to see a labour shortage as many former retail employees transitioned to other industries after being laid off during the pandemic and do not wish to return back to retail.

## DEMAND

Even with the challenges that the retail market continues to face, such as historically high inflation, labour shortages and supply chain disruptions, Edmonton's retail sales in April saw a marginal month-over-month (MOM) increase by 0.9%. The year-over-year (YOY) increase was more significant, rising by 9.1%. The YOY gain was driven by most restrictions being lifted midway through the first half of 2022.

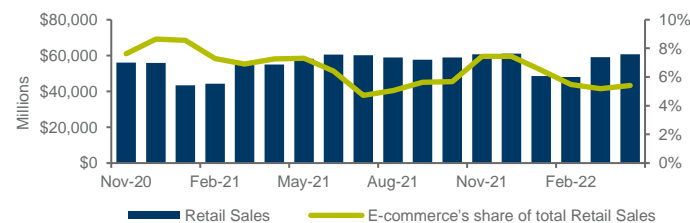
With restrictions being lifted and people returning to the office, restaurants downtown are busy again. This was further assisted by the Oilers' playoff push, bringing more people and an energetic atmosphere back to the core. However, these restaurants are not immune to the labour shortages that the retail sector is facing. The restaurants that were able to reopen are busy during lunch hour and evenings, while many restaurants that closed cannot reopen due to insufficient staffing. Capitalizing on the return to office, high end and luxury retailers are doing well as office workers need new work attire now that they are returning to the office in at least some capacity. An upscale men's clothing store, The Helm, recently purchased a 3-storey space at the podium of Encore Tower in the downtown core to fill returning need.

Demand for Class A space continues to be high as construction costs remain high and developments are delayed due to supply chain constraints. This is compounded by tenants becoming less content with Class B and C retail spaces. As such, the highest and best use for some of these older spaces is no longer retail. Many are being converted into sports facilities, churches, data centers and indoor storage spaces. Other spaces are being turned into distribution centers, especially last mile delivery spaces or click-and-collect curbside pickup locations.

## OUTLOOK

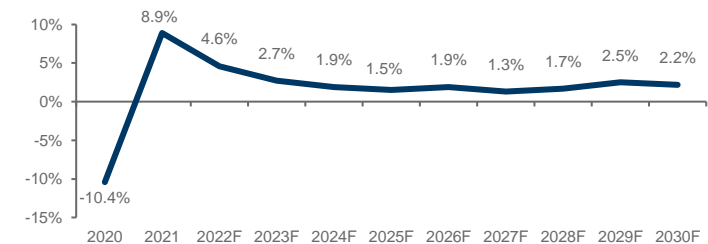
Despite high CPI and interest rates, retail sales have been strong this quarter and should remain high during the summer as restrictions lifted paired with summer weather. However, it is anticipated that consumer spending will tighten come September as the weather gets colder and consumers begin to realize how much inflation has been driving up their monthly expenses. Upward pressure in lease rates is anticipated into the second half of 2022 and beyond, driven by inflation, high construction and borrowing costs, and continued supply chain disruptions.

## MONTHLY CANADIAN RETAIL SALES, UNADJUSTED



Source: Statistics Canada

## REAL GDP (\$2012 MILLIONS, MARKET PRICES)



Source: City of Edmonton May 2022 Forecast Update



## KEY PROPERTIES UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANTS	SF	PROPERTY TYPE
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, Banquet, 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
EVER Square	Southcentral	TBD	114,000	Power Centre
Grove on 17	Southeast	Landmark Cinemas, Jiffy Lube, Wendy's	107,000	Regional Centre
Harvest Hills Market	Southeast	Superstore	97,000	Big-Box Store
Blatchford	Kingsway	TBD	TBD	Mixed Use
Altitude Condos	Southwest	TBD	150,000	Mixed Use

## KEY LEASE TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Westwind Centre	Spruce Grove	No Frills	30,682	Headlease
Westpoint Centre	West End	Best Buy	17,287	Headlease
Westpoint Centre	West End	Homes Alive Pets	15,000	Headlease

## KEY SALES TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$PSF
Capilano Mall	Southeast	I.G. Investment Management / Calloway REIT	337,624	\$34.1M/\$201.99
Refinery Row	Southeast	Gold Bar Properties Ltd. / LS Properties (Refinery Row) BT Ltd.	26,055	\$14.5M/\$554.60
1003 Parsons Road SW	Southwest	Rona Inc. / 2347331 Alberta Ltd.	54,402	\$9M/\$165.44
Encore Tower Retail	Downtown	Westrich Encore Inc. / 1648901 Alberta Ltd (The Helm Clothing)	8,000	Confidential

## RETAIL TEAM

+1 780 420 1177 [retail@cwedm.com](mailto:retail@cwedm.com)[cwedm.com](https://www.cwedm.com)

## A CUSHMAN &amp; WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in over 400 offices and 60 countries. In 2021, the firm had revenue of \$9.4 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit [www.cushmanwakefield.com](https://www.cushmanwakefield.com) or follow @CushWake on Twitter.

©2022 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.