MARKETBEAT

EDMONTON, AB

Retail H1 2024

	YoY Chg	12-Mo. Forecast
$97,829 Median HH Income	▲	▲
4.1% 2024F Population Growth	▼	▲
7.1% Unemployment Rate	▲	▲

Edmonton Census Metropolitan Area
Sources: Statistics Canada, Sitewise

ALBERTA ECONOMIC INDICATORS Q2 2024

	YoY Chg	12-Mo. Forecast
1.9% Forecasted GDP Growth 2024 (Alberta)	▼	—
$3.2B Unadjusted Retail Sales (Edmonton) May 2024	▲	—
3.0% Consumer Price Index (Alberta) (2002=100) June 2024	▲	—

Sources: TD Provincial Economic Outlook, Statistics Canada

ECONOMY

Alberta's Consumer Price Index (CPI) rose by 110 basis points (bps), from 1.9% in June 2023 to 3.0% in June 2024, marking a 57% year-over-year (YOY) increase. Despite this, business sentiment remains positive, and overall CPI has stabilized from a high of 4.2% in February 2024 to 3.0% over the past three months. The province continues to attract new residents, with 45,375 people migrating to Alberta in the first quarter of the year. However, the unemployment rate in the Edmonton region increased by 100 bps YOY, from 6.1% in June 2023 to 7.1% in June 2024.

Source: Statistics Canada, Government of Alberta, Edmonton Global

DEMAND

Edmonton's retail market saw slight improvements in the first half of 2024, with overall vacancy dropping to 3.0%, down 60 bps from the second half of 2023. Elevated construction costs and site preparation expenses have driven up lease rates, particularly for CRU spaces and newly built freestanding retail buildings. Despite these challenges, newer developments are experiencing strong pre-leasing as tenants are prioritizing properties in expanding commercial areas. Consequently, vacancy rates in suburban markets have remained below 3.0%, indicating a clear flight-to-quality trend. On the other hand, the Downtown Core and Whyte Avenue submarkets continue to face the highest vacancy levels in the city at 7.0% and 6.9%, respectively.

In the first half of 2024, approximately 110,000 square feet (sf) of retail space was delivered to the Edmonton region, reflecting strong activity across various submarkets. The south submarket saw Moxies open a new 8,200-sf flagship location in South Edmonton Common. The West submarket had the major announcement of the fast-food chain Chick-fil-A opening its first Edmonton store in West Edmonton Mall in late summer 2024. Chick-fil-A also announced plans for a future second location in South Edmonton Common. BeaverTails, the popular Canadian pastry brand, has also announced its expansion into West Edmonton Mall. Meanwhile, the North submarket welcomed the city's second Movati location - a 70,000-sf fitness facility - further solidifying its presence in the Edmonton market. The outlying municipalities also saw activity, with L'OCA Quality Market opening its first 40,000-sf store in Sherwood Park and announcing another future location in St. Albert.

Despite high vacancy rates, Whyte Avenue remains active on the retail front. BeaverTails opened its first Edmonton location in April, and the long-vacant Army & Navy building, spanning over 30,000 sf, was sold to Leder Investments, with the new owners still deciding on the property's future use. In the downtown core, the Edmonton Oilers' long playoff run had a significant economic impact, generating $230 million, with the finals alone contributing $100 million to the city - injecting some new life into the city centre. Coupled with various festivals and new downtown initiatives, the Downtown Core is experiencing the benefits of seasonality.

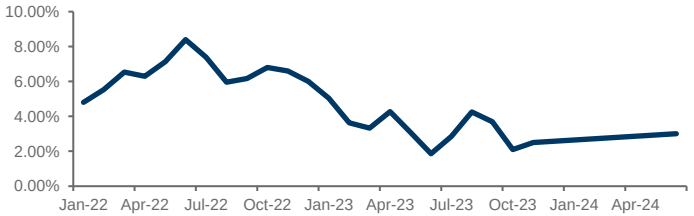
OUTLOOK

Retail activity is expected to remain robust with high-quality CRU space continuing to remain sought-after. Most new retail developments will continue to be concentrated in the suburbs with lease rates remaining elevated paralleling current and future demand.

MONTHLY CANADIAN RETAIL SALES, UNADJUSTED

Source: Statistics Canada

ALBERTA CPI DATA



Source: Alberta Population Statistics

MARKETBEAT

EDMONTON, AB

Retail H1 2024

KEY PROPERTIES UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANTS	SF	PROPERTY TYPE	COMPLETION DATE
EVER Square	Southcentral	Krispy Kreme, Filmore Construction, Great Canadian Oil Change	100,000	Power Centre	2024
The Jewel of Greisbach – Phase 2, 3, 4	Northwest	TBD	83,520	Neighbourhood Centre	2026
EVER @ Mattson	Southeast	TBD	89,054	Neighbourhood Centre	2025/2026
Heritage Valley Town Centre	Southwest	Superstore, Shoppers Drug Mart, McDonald's, Willowbrae Academy	76,870	Regional Centre	TBD
Aster – Building A, B, C, D, E, F	Southeast	TBD	57,000	Mixed Use	TBD

KEY LEASE TRANSACTIONS H1 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
2331 66th St	Southeast	Co-op	22,000	Renewal
4211 106th St	Southcentral	Canadian Blood Services	8,701	Headlease
South Edmonton Common	South	Moxies	6,622	Headlease
2 Herbert Rd	St. Albert	Best Start Daycare Ltd.	5,607	Headlease
512 St. Albert Tr	St. Albert	Giggles and Hug OSC	4,561	Headlease
7 St. Anne St	St. Albert	La Forza Yoga	4,500	Headlease
West Edmonton Mall	West	Chick-fil-A	3,189	Headlease

KEY SALES TRANSACTIONS H1 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / $PSF
9908 170 St	West	2636786 Ontario Inc. / 1000481246 Ontario Inc.	49,200	$14.0M / $285.90
3940 Gateway Blvd	Southcentral	2636786 Ontario Inc. / 1000481236 Ontario Inc.	43,750	$14.1M / $322.73
Crossroads Shopping Centre	Southcentral	Canadian Property Holdings (Alberta) Inc. / Elite Real Estate Group	27,040	$13.4M / $495.56
Blue Quill Shopping Centre	Southwest	Donald B. Russell Holdings Ltd. / Elite Real Estate Group	30,405	$8.6M / $282.85

RETAIL TEAM

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