

## Investment Q4 2023

	YoY Chg	12-Mo. Forecast
<b>\$838.3M</b> Total Volume	▲	▼
<b>161</b> Total Properties Sold	▲	▼
<b>1.65M</b> Total SF (Excluding MF)	▲	▲
<b>\$228.6M</b> Land Sales Volume	▲	▲

### ECONOMIC OVERVIEW

Economic growth stalled in the middle of 2023 exacerbated by persistent inflation and interest rate hikes that lingered throughout the year. Investors remain cautious and continue to monitor inflation prints and construction costs closely. Alberta's Consumer Price Index declined from 6.0% in the last quarter of 2022 to 3.0% in December 2023 – a noteworthy decline of 300 basis points. Alberta maintained its trajectory as one of the most appealing investment regions in all of Canada largely propelled by the province's relative affordability. Driven by the oil and gas sector, Alberta's GDP is forecasted to grow by 2.2% in 2023 with real GDP to stabilize to 2.1% in 2024.

Source: Statistics Canada, Bank of Canada, Government of Alberta, TD Economic Outlook, ATB Economic Outlook

### INVESTMENT OVERVIEW

Edmonton's real estate investment market experienced a remarkable surge of activity in the last quarter of 2023 with a total sales volume of \$838.3M. This marked a significant uptick compared to the \$510.5M recorded one year ago, marking an impressive 64% year-over-year increase in total sales volume. With the strong sales posted this quarter, 2023 marked a 5-year high in annual sales volume hitting \$3.68B. This surpasses the previous annual sales record set in 2018 total by \$36.5M. The fourth quarter of 2023 witnessed the sale of 37 more properties compared to last quarter with land sales playing a pivotal role in driving total volume growth. Land sales reached \$228.6M – an impressive \$30.2M increase compared to the previous quarter.

Multi-family properties continue to see strong demand from investors with 26 properties transacting for a total sales volume of \$269.3M. The largest sale this quarter from a pricing perspective was 121 West, a mid-rise apartment with 396 units. This property transacted at \$91.6M at a cap rate of 4.71%. Capitalization rates for high-rise apartments ranged from 4.00%-5.25%, with low-rise seeing a cap rate range of 5.00%-6.50%.

Throughout 2023 there was a lack of sales for office assets primarily attributed to the risks facing these properties. The fourth quarter saw only four sales amounting to \$8.37M in total volume. With the lack of trades, office cap rates remained unchanged - staying around the average of 8.02%.

Edmonton's retail sales market saw an uptick in sales volume reaching \$130.6M this quarter, up \$36.9M from last quarter – a quarter-over-quarter increase of 39%. The most notable sale was Heritage Village Shopping Centre, transacting at \$30.7M, at a 7.65% cap rate and a per-square-foot price of \$353.87.

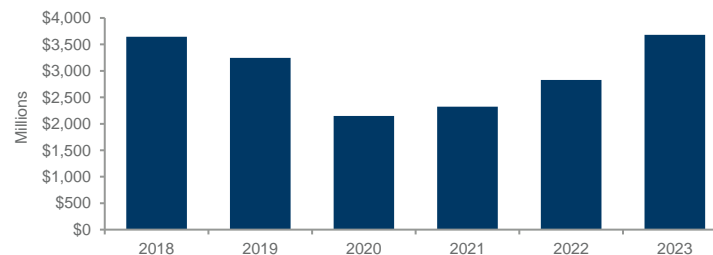
Industrial assets continue to see significant investor interest with sales volume at approximately \$192.0M this quarter amounting to 1.28 million square feet sold. The largest industrial property sale was 34<sup>th</sup> Street Business Centre, a multi-bay warehouse that transacted at \$20.0M. Cap rates for Class A industrial products were in the 5.00%-7.00% range, with Class B assets in the 6.00%-8.00% range.

### ECONOMIC INDICATORS Q4 2023

	YoY Chg	12-Mo. Forecast
<b>852.1K</b> Edmonton Employment	▲	▼
<b>6.6%</b> Edmonton Unemployment Rate	▲	▲
<b>5.8%</b> Canada Unemployment Rate	▲	▲

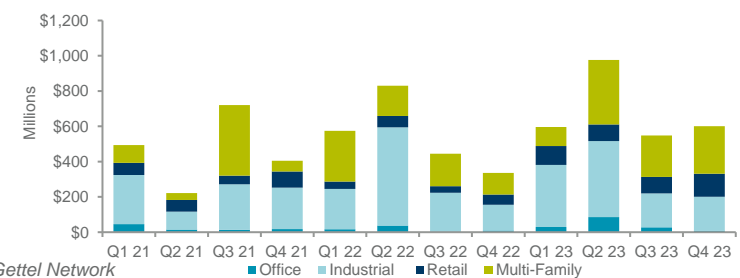
Source: Statistics Canada, The City of Edmonton

### INVESTMENT SALES VOLUME



Source: The Gettel Network

### INVESTMENT SALES VOLUME BY SECTOR



# MARKETBEAT EDMONTON, AB



## Investment Q4 2023

### INVESTMENT ACTIVITY Q4 2023

PROPERTY TYPE	PROPERTIES SOLD	SALES VOLUME	TOTAL SOLD
Office	4	\$8,375,000	45,320 SF
Industrial	47	\$192,064,000	1,280,063 SF
Retail	20	\$130,649,655	278,419 SF
Multi-family	26	\$269,307,356	1,413 Units
Institutional	2	\$9,350,000	30,527 SF
Land	62	\$228,631,098	998 Acres
<b>TOTAL</b>	<b>161</b>	<b>\$838,377,109</b>	<b>1,634,329 SF / 1,413 Units / 998 Acres</b>

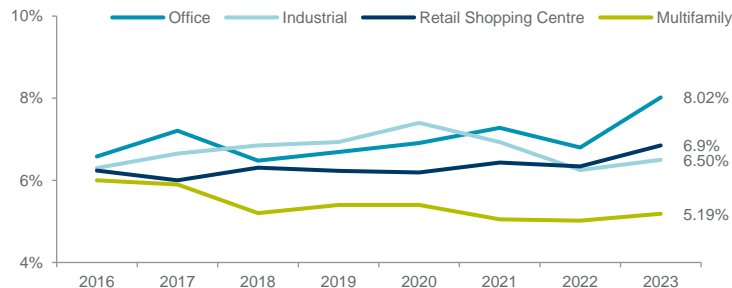
Sources: The Gettel Network, Cushman & Wakefield Research  
Closed transactions over \$1 million, including condo sales, YTD Q4 2023

### SIGNIFICANT SALES Q4 2023

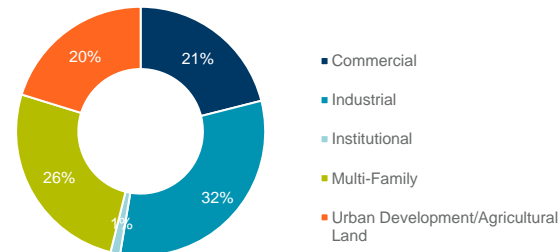
PROPERTY NAME	TYPE	TOTAL SOLD	PURCHASE PRICE	PRICE / UNIT	CAP RATE
121 West	Mid-Rise Apartment	396 Units	\$91,600,000	\$231,313 (Unit)	4.71%
The Level at Upper Windermere	Low-Rise Apartment	171 Units	\$42,150,000	\$246,491 (Unit)	5.43%
Heritage Village Shopping Centre	Retail: Shopping Centre	86,755 SF	\$30,700,000	\$353.87 (PSF)	7.65%
Mission Hill Plaza	Retail: Shopping Centre	106,377 SF	\$29,100,000	\$273.55 (PSF)	6.67%
Fuse Rentals	Low-Rise Apartment	125 Units	\$25,625,000	\$205,000 (Unit)	5.08%
Wyndham Edmonton Hotels And Conference Centre	Motel	76,680 SF	\$22,000,000	\$286.90 (PSF)	2.72%

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

### CAP RATE TREND



### TOTAL LAND SALES VOLUME ACQUISITIONS BY CAPITAL SECTOR



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

### INVESTMENT TEAM

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### A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

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