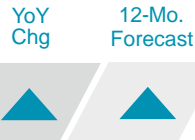


## Multifamily H2 2023

**74**  
Total Properties Sold



**\$619.6M**  
Total Sales Volume



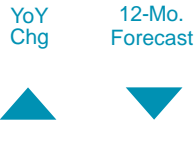
**\$81.3M**  
Total Land Sales Volume



Closed transactions over \$1 million, YTD H2 2023  
Source: The Gettel Network

### ECONOMIC INDICATORS DECEMBER 2023

**852.1K**  
Edmonton Employment



**6.6%**  
Edmonton Unemployment Rate



**5.8%**  
Canada Unemployment Rate



Source: Statistics Canada

### ECONOMY

The second half of 2023 was marked with a plethora of economic challenges endured by landlords and tenants alike, forcing them to find creative solutions in navigating the housing market. Tenants had to juggle rising rent growth in conjunction with rising market competition, with landlords having to balance profitability with the surge of operating expenses. Despite this backdrop, Alberta was one of the most attractive markets in all of Canada largely fueled by a historic influx of population. As of October 1<sup>st</sup>, 2023, Alberta's population was at 4,756,408 - a remarkable 4.3% year-over-year (YOY) increase, the highest since 1980. This influx of people was a testament to the province's strong job market and high standard of living. Alberta's GDP growth for 2023 is estimated to be 2.2%, with the unemployment rate in the Edmonton region rising 120 basis points (bps), climbing from 5.4% in December 2022 to 6.6% in December 2023. Multifamily properties were among the most active traded assets in the Edmonton region proving the asset to be robust amid inflationary pressures seen in the Canadian economy.

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

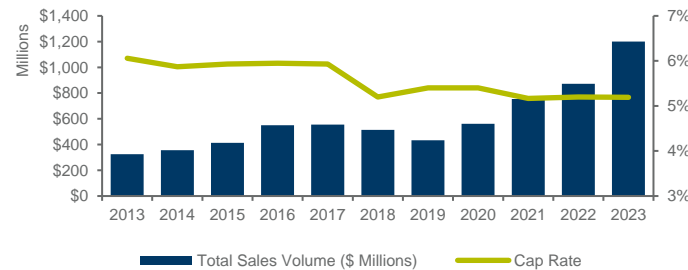
### DEMAND

The multifamily sector saw 74 properties transact with a total sales volume of \$619.6M in the second half of 2023. This marked a significant uptick from the preceding year's \$301.8M and sale of 47 properties, reflecting an impressive YOY dollar volume increase of 105% and the total number of sales transactions increasing by 57%. Land sales volume reached \$81.3M in the second half of 2023, up 47% from \$55.2M in H2 2022. The surge of multifamily sales can be largely attributed to Alberta witnessing historical levels of migration in H2 2023, in addition to stable youth employment, escalating prices of single-detached houses, and robust investor confidence in this asset class in the Edmonton region. Among the 74 transactions in H2 2023, the sale of 121 West, a 396-unit mid-rise apartment in the Brewery District near the downtown core, stood out as the largest transaction as the property sold for \$91.6M at a cap rate of 4.71%. The capitalization rate range for high-rises in the last quarter of 2023 was 4.00% to 5.25%, with low-rise apartments in the 5.00% to 6.50% range. Per the latest CMHC rental market report, Edmonton's purpose-built rental vacancy rate has decreased to 2.4%, down 190 bps from the previous year. The average rent for a purpose-built 2-bedroom apartment increased by 6.4% YOY to \$1,398 per month. Edmonton continues to be a highly sought-after city consistently drawing in residents, as evidenced by the sustained and robust demand for rental properties. After remaining relatively stable for five years, inflation and decreasing vacancy have caused a notable increase in rent growth for 2-bedroom apartments in 2023, a trend poised to persist as demand continues to outpace supply in the region.

### OUTLOOK

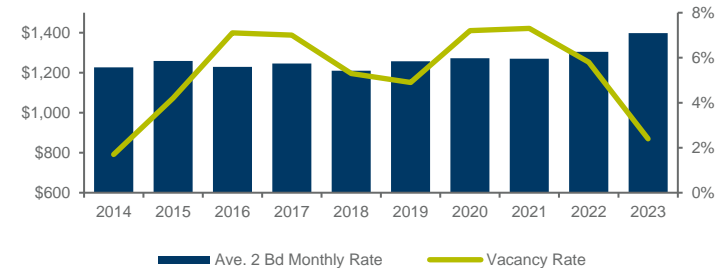
Vacancy rates for multifamily properties are projected to hold steady at their current lows until additional developments are delivered to the market. The first half of 2024 will see a few key multifamily deliveries with remaining supply expected to roll out in the fall of 2024. Demand is poised to remain robust due to sustained migration levels, with further hope that interest rate cuts occur to catalyze multifamily activity needed to cushion current demand.

### TOTAL SALES VOLUME VS. AVERAGE CAP RATES



Source: The Gettel Network

### AVERAGE MONTHLY RENT VS. AVERAGE VACANCY



Source: CMHC Rental Market Report, Zonda Urban Edmonton Q4 Rental Take

## CONSTRUCTION PIPELINE

PROPERTY	ADDRESS	SUBDIVISION	DEVELOPER	# OF UNITS	EXPECTED COMPLETION DATE
High Pointe at Clareview	4203 145 St NW	Northeast	JL Developments	1100	TBD
The Parks	10756 Jasper Ave NW	Downtown	Maclab Properties Group / Pangman Development Corp / John Day Developments	1000	Q4 2024
One 12	8607 112 St NW	Southside	Maclab Properties Group	447	March 2024
Paramount	10279 Jasper Avenue	Downtown	One Properties	369	TBD
Stationlands Residential Tower (Phase 1)	10515 101 Street NW	Downtown	Qualico	285	Q3 2024
Falcon Residential Towers Phase One	10023 104 St NW	Downtown	Langham Developments Ltd.	240	May 2024
Garneau Tower Apartment Building	11151 84 Ave NW	University	North American Development Group	228	March 2024
Edison In The Park	201 Salisbury Way	Sherwood Park	Carrington Communities	186	July 2024

## KEY APARTMENT SALES H2 2023

PROPERTY	SUBMARKET	UNITS	YEAR BUILT	PURCHASE PRICE	PRICE / \$ UNIT	CAP RATE
121 West	West	396	2021	\$91,600,000	\$231,313	4.71%
Rundle at Riverview Crossing	Northeast	248	2022	\$59,500,000	\$239,919	N/A
The View at Secord	West	199	2022	\$45,250,000	\$227,387	N/A
The Level at Upper Windermere	West	171	2015	\$42,150,000	\$246,491	5.43%
Nevada Place	St. Albert	173	2014	\$35,000,000	\$202,312	5.46%
Tennyson Apartments	West	163	2004	\$31,500,000	\$193,251	5.86%
75 Woodsmere Close	Fort Saskatchewan	151	2010	\$31,408,000	\$208,000	N/A
Fuse Rentals	Southside	125	2015	\$25,625,000	\$205,000	5.08%

Source: The Gettel Network

## KEY MULTIFAMILY LAND SALES H2 2023

PROPERTY	SUBMARKET	AREA (ACRES)	PURCHASE PRICE	PRICE PER SQUARE FOOT	PRICE PER ACRE
303A 34 St SW	Southside	9.93	\$8,539,800	\$19.74	\$860,000
1380 Clareview Station Dr	Northeast	4.62	\$5,796,000	\$28.80	\$1,254,545
375 Clareview Station Dr	Northeast	5.68	\$5,112,000	\$20.66	\$900,000
17620 65 St	Northwest	5.02	\$4,785,500	\$21.88	\$953,287
1101 Paisley Dr SW	Northwest	4.71	\$4,592,250	\$22.38	\$975,000
18120 28 Ave SW	Southwest	3.01	\$4,200,000	\$10.68	\$1,395,349

Source: The Gettel Network

## MULTIFAMILY TEAM

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