

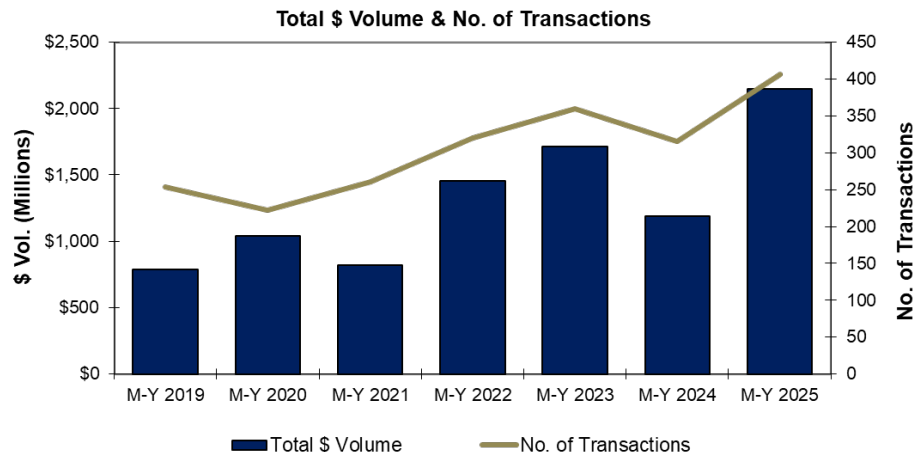
2025 MID-YEAR EDMONTON MARKET OVERVIEW

Building on a very strong start to the year, commercial real estate investors remained extremely optimistic in the Edmonton market through the second quarter of 2025. From April through June, 183 transactions closed, bringing an additional \$854.2 million in property and land sales. Compared to mid-year 2024, investment was up across all six asset classes we track, and this propelled year-to-date investment to an 80% year-over-year (y-o-y) increase in year-to-date investment from a little more than \$1.9 billion at June 30th, 2024 to approximately \$2.1 billion at the same time this year.

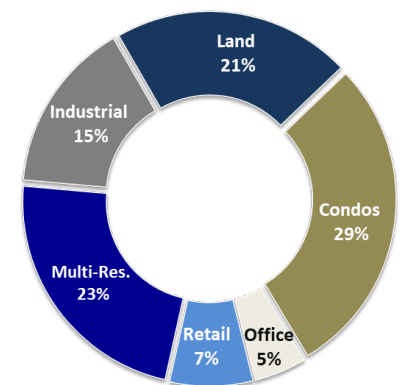
The most significant y-o-y gains were observed in the multi-residential asset group, where total volume was up more than \$270 million versus the same time last year. The story was similar for retail properties, which drew an additional \$252 million over Q2 2024 levels.

As shown in the table below, a post-pandemic investment recovery trend can be seen in building purchases beginning in 2022. This has led to steady y-o-y increases in dollar volume among those hard assets and supported overall dollar volume in each successive year.

| | M-Y 2020 | M-Y 2021 | M-Y 2022 | M-Y 2023 | M-Y 2024 | M-Y 2025 |
|----------------------|-----------------|---------------|-----------------|-----------------|-----------------|-----------------|
| Land | | | | | | |
| Total \$ Value: | \$148,403,308 | \$111,802,242 | \$238,144,795 | \$193,725,906 | \$173,292,878 | \$347,206,447 |
| No. of Transactions: | 63 | 41 | 73 | 76 | 59 | 86 |
| Buildings | | | | | | |
| Total \$ Value: | \$893,567,789 | \$706,417,084 | \$1,216,933,246 | \$1,521,058,662 | \$1,018,411,772 | \$1,798,639,571 |
| No. of Transactions: | 159 | 220 | 247 | 284 | 256 | 320 |
| Totals | | | | | | |
| Total \$ Value: | \$1,041,971,097 | \$818,219,326 | \$1,455,078,041 | \$1,714,784,568 | \$1,191,704,650 | \$2,145,846,018 |
| No. of Transactions: | 222 | 261 | 320 | 360 | 315 | 406 |



Mid-Year 2025 Sales Distribution



Commercial Condo Sales Activity Highlights.

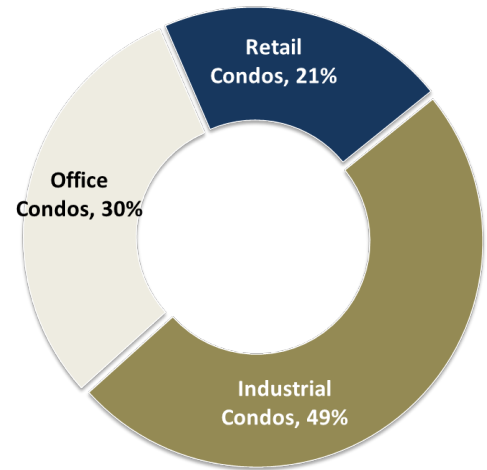
| | Mid-Year 2021 | Mid-Year 2022 | Mid-Year 2023 | Mid-Year 2024 | Mid-Year 2025 |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| <u>Office Condos</u> | | | | | |
| Total \$ Value: | \$15,515,572 | \$15,476,880 | \$15,930,720 | \$8,585,675 | \$22,792,695 |
| No. Of Transactions: | 20 | 20 | 23 | 14 | 35 |
| Avg. Price/sq.ft. | \$330/sq.ft. | \$345/sq.ft. | \$359/sq.ft. | \$308/sq.ft. | \$313/sq.ft. |
| <u>Retail Condos</u> | | | | | |
| Total \$ Value: | \$22,013,093 | \$4,332,800 | \$25,319,298 | \$24,953,546 | \$28,553,778 |
| No. Of Transactions: | 27 | 8 | 30 | 25 | 24 |
| Avg. Price/sq.ft. | \$418/sq.ft. | \$343/sq.ft. | \$429/sq.ft. | \$458/sq.ft. | \$407/sq.ft. |
| <u>Industrial Condos</u> | | | | | |
| Total \$ Value: | \$38,904,276 | \$33,743,509 | \$26,561,000 | \$29,646,360 | \$29,018,781 |
| No. Of Transactions: | 55 | 55 | 49 | 51 | 57 |
| Avg. Price/sq.ft. | \$207/sq.ft. | \$223/sq.ft. | \$206/sq.ft. | \$206/sq.ft. | \$253/sq.ft. |
| <u>Totals</u> | | | | | |
| Total \$ Value: | \$76,432,941 | \$53,534,189 | \$67,811,018 | \$63,185,546 | \$80,365,254 |
| No. Of Transactions: | 102 | 83 | 102 | 90 | 116 |

Investment in commercial condos properties increased by 58 sales totalling approximately \$40 million during the second quarter of 2025. After a first quarter that was slightly stronger than Q1 2024, commercial condos continued to move quickly and in large volume. This established new mid-year records for this product type, coming in well above mid-year 2021 levels.

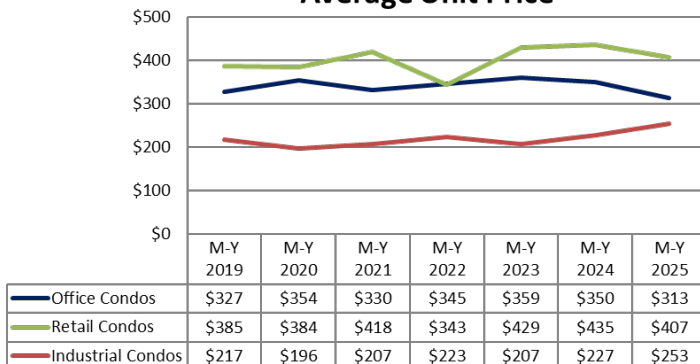
Industrial condos continued to comprise the majority of year-to-date sales, but a notable development at this stage was resurgent demand for office condos. Industrial condos have been in the highest demand of the three formats since 2019 – typically comprising half or more of total sales. Due to a variety of factors, they also tend to cost the least per square foot.

Retail condo sales remained fairly consistent with previous years, with the exception of a mid-2022 dip. Dollar volume showed remarkable stability, though price per square foot dipped notably from levels seen in the previous two years.

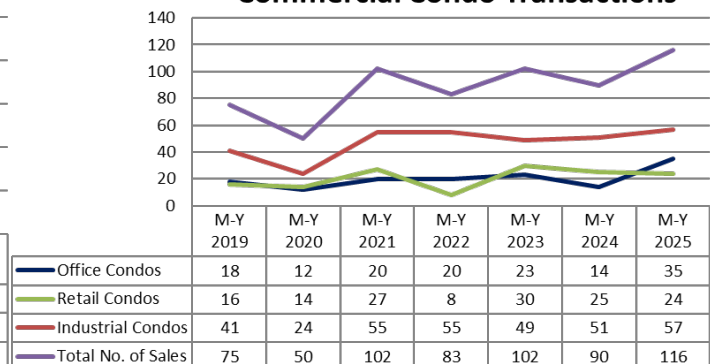
Commercial Condo Sales Distribution



Average Unit Price



Commercial Condo Transactions

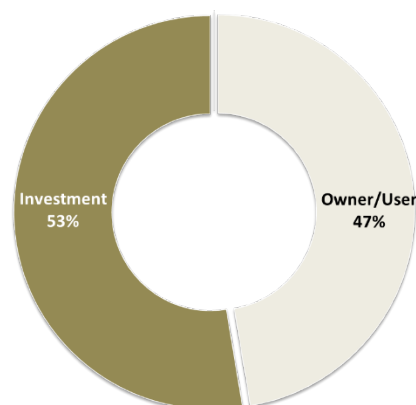


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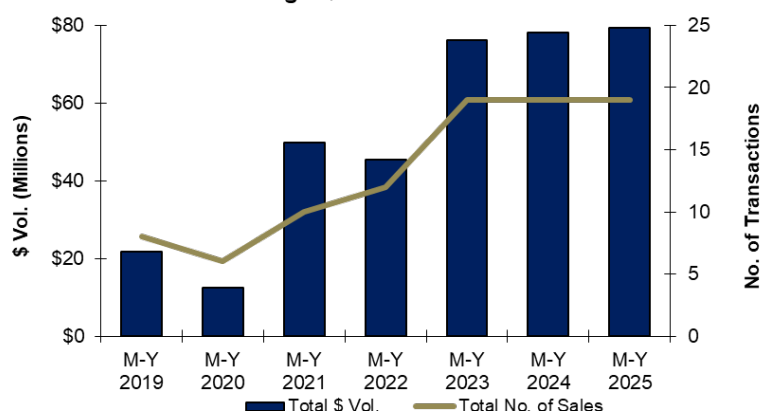
Office Sales Activity Highlights.

| | Mid-Year 2021 | Mid-Year 2022 | Mid-Year 2023 | Mid-Year 2024 | Mid-Year 2025 |
|---|------------------|------------------|------------------|------------------|------------------|
| <u>Suburban Office</u> | | | | | |
| Total \$ Value: | \$49,852,000 | \$37,213,535 | \$76,221,000 | \$65,417,500 | \$43,504,000 |
| No. Of Transactions: | 10 | 11 | 19 | 17 | 15 |
| Avg. Price/sq.ft. | \$212/sq.ft. | \$332/sq.ft. | \$157/sq.ft. | \$166/sq.ft. | \$203/sq.ft. |
| <u>Downtown Office</u> | | | | | |
| Total \$ Value: | - | \$3,800,000 | - | - | \$35,850,000 |
| No. Of Transactions: | - | 1 | - | - | 4 |
| <u>Downtown High-Rise Office</u> | | | | | |
| Total \$ Value: | - | \$4,400,000 | - | \$12,765,000 | - |
| No. Of Transactions: | - | 1 | - | 2 | - |
| <u>Totals</u> | | | | | |
| Total \$ Value: | \$49,852,000 | \$45,413,535 | \$76,22,000 | \$78,182,500 | \$79,354,000 |
| No. Of Transactions: | 10 | 13 | 19 | 19 | 19 |

Office Building Sales Distribution



Total Office Bldgs. \$ Value & No. Of Transactions



By mid-2025, all but four office property transactions occurred in suburban areas, with only one sale recorded in the second quarter. This trend indicates a generally subdued pace of activity between April and June, when eight of the nineteen year-to-date transactions were completed. During this period, just under \$43 million was added to the cumulative transaction value for the year.

The April through June quarter accounted for over half of the year-to-date dollar volume and contributed significantly to the annual increase in investment activity. This resulted in another multi-year high for this asset class, as illustrated in the bar chart above. At June 30, investment in Edmonton's office market reached nearly four times the level observed in 2019 (\$21.8 million), prior to the onset of the Covid-19 pandemic.

As noted in the doughnut chart, investors were the primary driver of year-to-date investment. This marks a notable change from previous years wherein the owner/user group of investors typically comprise well over half - often approaching two-thirds - of office property purchases in the Edmonton market. At June 30th, 2025, owner/users purchased nine properties totalling \$17 million.

NOTABLE SALES JANUARY 1 - JUNE 30/2025

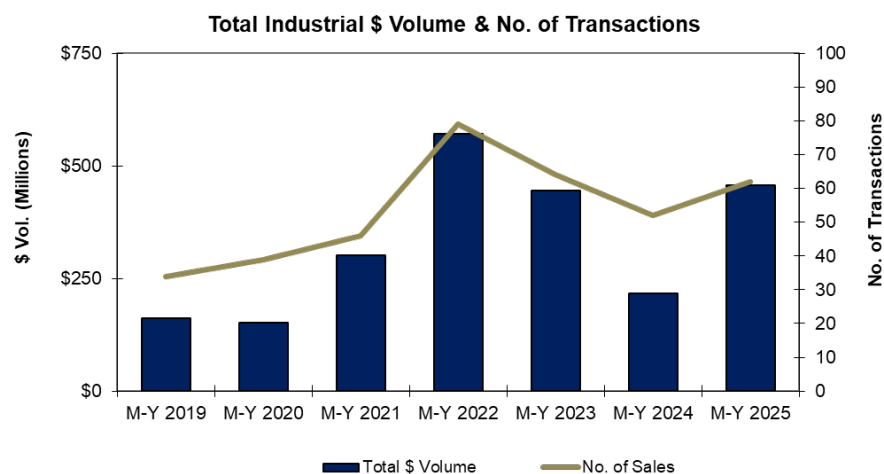
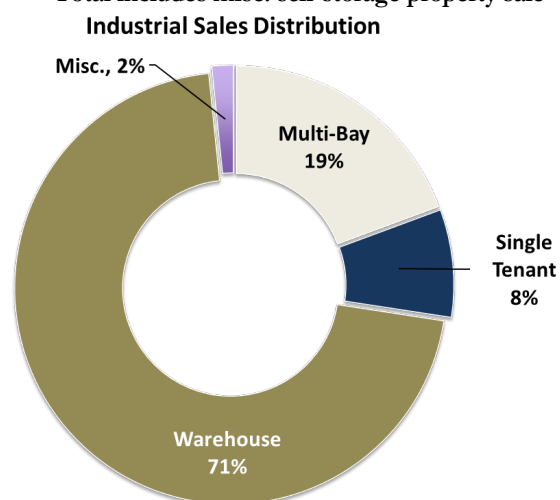
- Boardwalk & Revillon Building - \$19,000,000
- Mayfield Business Centre - \$11,000,000

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Industrial Sales Activity Highlights.

| | Mid-Year 2021 | Mid-Year 2022 | Mid-Year 2023 | Mid-Year 2024 | Mid-Year 2025 |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <u>Owner/User Warehouse</u> | | | | | |
| Total \$ Value: | \$118,271,000 | \$170,832,990 | \$158,865,605 | \$115,843,000 | \$158,376,919 |
| No. Of Transactions: | 35 | 55 | 50 | 41 | 44 |
| Avg. Price/sq.ft. | \$163/sq.ft. | \$185/sq.ft. | \$186/sq.ft. | \$199/sq.ft. | \$196/sq.ft. |
| <u>Multi-Bay Warehouse</u> | | | | | |
| Total \$ Value: | \$165,535,000 | \$145,415,000 | \$270,666,500 | \$62,475,000 | \$242,182,500 |
| No. Of Transactions: | 7 | 16 | 13 | 7 | 12 |
| <u>Single-Tenant Warehouse</u> | | | | | |
| Total \$ Value: | \$2,500,000 | \$254,505,000 | \$15,750,000 | \$38,925,000 | \$38,237,602 |
| No. Of Transactions: | 1 | 8 | 1 | 4 | 5 |
| <u>Totals</u> | | | | | |
| Total \$ Value: | \$286,306,000 | \$570,752,990 | \$445,282,105 | \$217,243,000 | \$457,547,021 |
| No. Of Transactions: | 43 | 79 | 64 | 52 | 62* |

*Total includes misc. self-storage property sale



Investors' appetite for industrial properties ramped up during the second quarter of 2025, purchasing 31 additional properties totaling more than \$240 million from April through June. This put mid-year total dollar volume well above the same point of 2024.

As is typically the case in this asset class, owner/users remained the major contributor to year-to-date sales and dollar volume. This group purchased 44 of the 62 total year-to-date properties, comprising just under \$158 million. Another notable change from 2024 was the resurgence in multi-bay warehouse activity, in which transactions nearly doubled mid-year 2024 levels and dollar volume nearly quadrupled.

NOTABLE SALES JANUARY 1 – JUNE 30/2025

- City West Business Centre - \$61,250,000 - 7.26% Cap
- \$51,750,000 (four Edmonton properties in a nine-bldg. portfolio sale by York which includes other properties throughout Alberta-total sale price of \$114.3M (portfolio cap rate of 7.51%)
- 8704 53 Avenue, 4704 76 Avenue & 4303 76 Avenue - \$33,500,000 - (three Edmonton properties in a four-property portfolio sale). 7.17% Cap (rate based on the portfolio NOI)

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Multi-Residential Sales Activity Highlights.

| | Mid-Year 2021 | Mid-Year 2022 | Mid-Year 2023 | Mid-Year 2024 | Mid-Year 2025 |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|
| Walk-Ups | | | | | |
| Total \$ Value: | \$94,767,700 | \$179,847,804 | \$407,613,336 | \$285,515,714 | \$406,715,009 |
| No. Of Transactions: | 28 | 31 | 48 | 53 | 71 |
| Avg. Price/Suite | \$117,000/suite | \$139,000/suite | \$156,000/suite | \$156,000/suite | \$130,000/suite |
| Avg. Cap Rate % | 5.03% | 5.04% | 5.06% | 5.52% | 5.30% |
| High-Rise Apartments | | | | | |
| Total \$ Value: | \$19,750,000 | \$108,076,477 | \$66,670,000 | \$167,007,195 | \$249,456,370 |
| No. Of Transactions: | 1 | 4 | 3 | 6 | 10 |
| Misc. | | | | | |
| Total \$ Value: | \$9,747,400 | \$109,970,000 | \$189,834,000 | \$57,412,075 | \$122,973,367 |
| No. Of Transactions: | 7 | 7 | 6 | 3 | 12* |
| Totals | | | | | |
| Total \$ Value: | \$124,264,400 | \$397,894,904 | \$664,117,336 | \$509,934,984 | \$779,144,746 |
| No. Of Transactions: | 36 | 42 | 57 | 62 | 93 |

*Misc – 6 Row Houses, 5 walk-up/retail & 1 Assisted Living development

Investment in the multi-family asset class was extremely strong during the second quarter of 2025, with 43 transactions closing for a total of just over \$304 million.

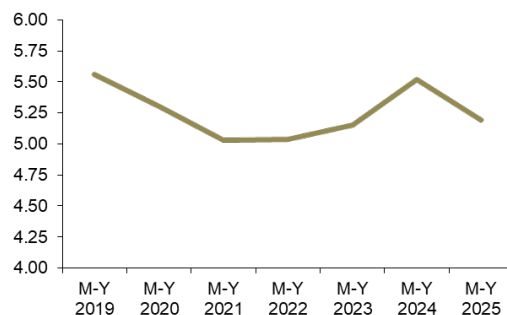
In a typical year, walk-up buildings (typically wood-frame structures with four levels or fewer) dominate multi-residential property sales. As such, trends become most evident outside of this format. In the first half of 2023, assisted living properties drew significant investor interest.

In the first halves of 2024 and 2025 however, the investment landscape shifted notably as high-rise apartment properties came into focus. As of June 30 this year, ten high-rise apartments sold for a collective \$249.5 million—approximately one-third of the year-to-date total dollar volume.

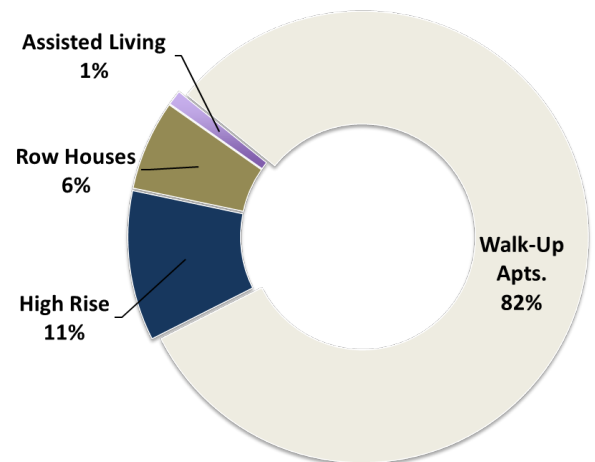
NOTABLE SALES JANUARY 1 – JUNE 30/2025

- The MacLaren - \$79,400,000-4.4% Cap
- Henday Suites- \$72,600,000-5.05% Cap
- Cachet at Heritage Valley- \$70,660,000-4.85% Cap

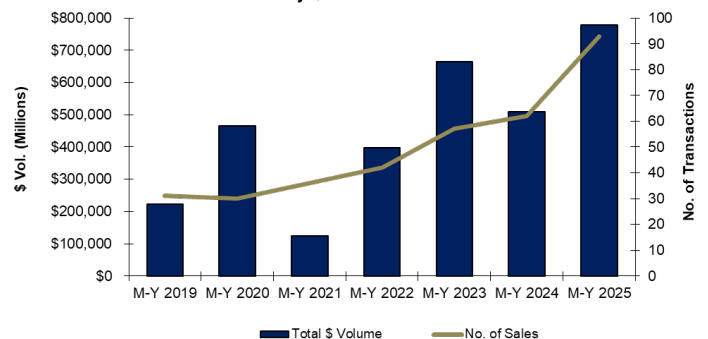
Multi-Family Capitalization Rate (%)



Multi-Residential Sales Distribution



Total Multi-Family \$ Volume vs No. of Transactions



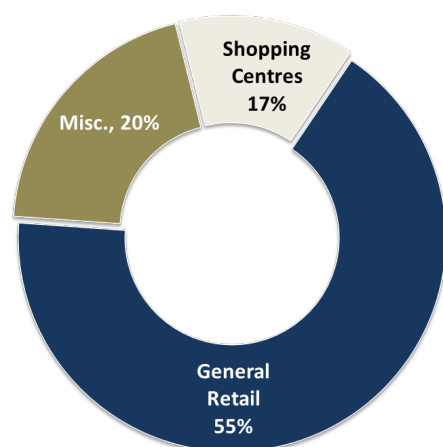
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Retail Sales Activity Highlights.

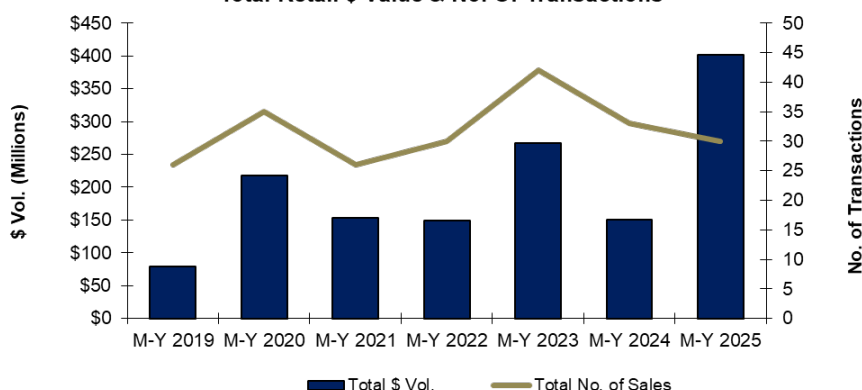
| | Mid-Year 2021 | Mid-Year 2022 | Mid-Year 2023 | Mid-Year 2024 | Mid-Year 2025 |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|
| <u>General Retail</u> | | | | | |
| Total \$ Value: | \$24,172,825 | \$41,345,990 | \$55,992,203 | \$52,491,993 | \$61,450,000 |
| No. Of Transactions: | 12 | 17 | 23 | 16 | 20 |
| <u>Shopping Centres</u> | | | | | |
| Total \$ Value: | \$28,305,918 | \$68,135,000 | \$121,120,000 | \$40,350,000 | \$324,130,000 |
| No. Of Transactions: | 4 | 5 | 7 | 6 | 6 |
| Avg. Cap Rate % | 6.25% | 6.06% | 7.59% | 7.73% | 6.36% |
| <u>Misc.</u> | | | | | |
| Total \$ Value: | \$101,133,000 | \$39,857,261 | \$90,515,000 | \$57,023,714 | \$256,198,550 |
| No. Of Transactions: | 10 | 8 | 12 | 11 | 5* |
| <u>Totals</u> | | | | | |
| Total \$ Value: | \$153,611,743 | \$149,338,251 | \$267,627,203 | \$149,865,707 | \$402,228,550 |
| No. Of Transactions: | 26 | 30 | 42 | 33 | 30 |

*Misc. –4 Car Dealerships, 3 Motels, 3 Restaurants, 1 Service station

Retail Sales Distribution



Total Retail \$ Value & No. Of Transactions



As with the multi-residential and industrial asset classes, the commercial retail market posted remarkable investment numbers during the second quarter of 2025. Eight transactions closed during the April to June period for a total of \$52.6 million. While second-quarter activity wasn't robust enough to top mid-year 2024 levels, total dollar volume was more than triple that seen at June 30th, 2024.

Primarily responsible for the above-noted year-over-year jump in total dollar volume was a resurgence in shopping centre transactions – four of which closed during the first quarter of the year. Collectively, investment in shopping centres for the year to June 30th totalled just over \$324 million. This accounted for roughly 80% of total dollar volume.

Skewing the numbers somewhat when doing year-over-year comparisons is the early 2025 sale of Southgate Mall for \$239.6 million. This was the largest sale of this asset type and the largest retail sale at mid-year. With that said, the retail asset group still would have posted a year-over-year gain in the absence of this transaction.

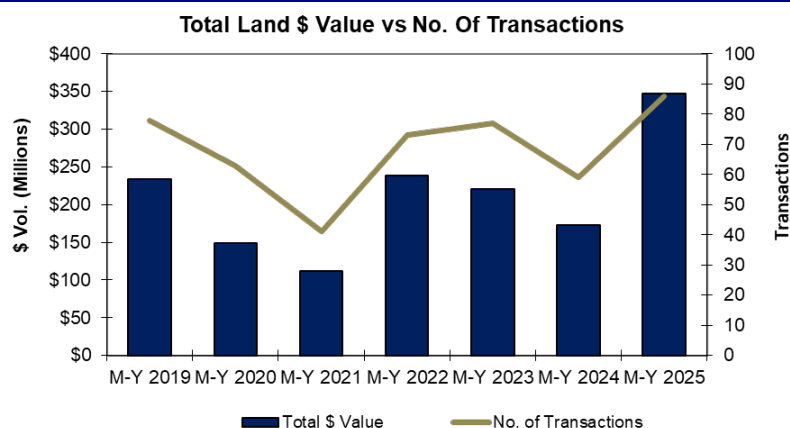
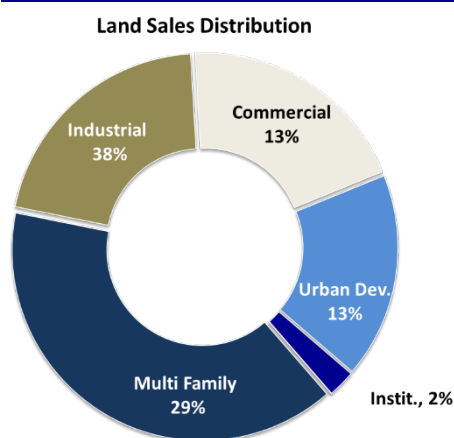
NOTABLE SALES JANUARY 1 – JUNE 30/2025

- Southgate Mall - \$239,550,000, 5.5% cap
- The Grange Centre - \$35,125,000, 6.34% cap

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Land Sales Activity Highlights.

| | Mid-Year 2021 | Mid-Year 2022 | Mid-Year 2023 | Mid-Year 2024 | Mid-Year 2025 |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <u>Commercial Land</u> | | | | | |
| Total \$ Value: | \$28,056,739 | \$37,298,250 | \$17,407,032 | \$21,149,400 | \$70,433,702 |
| No. Of Transactions: | 9 | 20 | 10 | 10 | 17 |
| Avg. Per/Sq.ft. | \$48/sq.ft. | \$52/sq.ft. | \$40/sq.ft. | \$53/sq.ft. | \$35/sq.ft. |
| <u>Industrial Land</u> | | | | | |
| Total \$ Value: | \$1,808,000 | \$117,553,350 | \$67,509,082 | \$24,393,365 | \$65,046,855 |
| No. Of Transactions: | 3 | 20 | 29 | 14 | 18 |
| Avg. Per/Acre | \$413,619/acre | \$630,253/acre | \$949,816/acre | \$938,997/acre | \$828,186/acre |
| <u>Multi Family Land</u> | | | | | |
| Total \$ Value: | \$64,423,113 | \$49,002,102 | \$52,140,750 | \$47,265,150 | \$97,811,550 |
| No. Of Transactions: | 20 | 19 | 22 | 21 | 34 |
| <u>Urban Development Land</u> | | | | | |
| Total \$ Value: | \$14,906,190 | \$32,681,093 | \$29,563,058 | \$79,284,963 | \$112,545,640 |
| No. Of Transactions: | 6 | 18 | 10 | 13 | 15 |
| Avg. Per/Acre | \$284,365/acre | \$327,756/acre | \$211,262/acre | \$184,044/acre | \$149,911/acre |
| <u>Institutional Land</u> | | | | | |
| Total \$ Value: | \$2,389,800 | - | \$27,105,984 | \$1,200,000 | \$1,368,700 |
| No. Of Transactions: | 2 | - | 5 | 1 | 2 |
| <u>Totals</u> | | | | | |
| Total \$ Value: | \$111,802,242 | \$236,534,795 | \$193,725,906 | \$173,292,878 | \$347,206,447 |
| No. Of Transactions: | 41 | 73 | 76 | 59 | 86 |



A busy second quarter in which 34 transactions closed, produced a total of \$167 million in dollar volume. This activity in the land asset class saw a substantial net increase in both total transactions and dollar volume emerge, versus June 30th, 2024. Investment in this asset also posted a new multi-year high water mark in terms of total mid-year dollar volume and sales activity.

At the mid-year mark, investors' renewed interest in land designated for urban development translated into the highest mid-year investment level in several years. A similar scenario emerged for commercial land, which more than tripled on a year-over-year basis.

The stand-out transaction of 2025 to June 30th was the \$36 million (\$634,783/acre) purchase of 57.5 acres of industrial land at 12516 184th Street SW by CP REIT Alberta Properties Limited.

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MARKET SYNOPSIS & PREDICTION SUMMARY

As with the first quarter of this year, the second quarter of 2025 saw investment surpass long-term averages by a significant margin. The source of this outstanding mid-year boom was not just a 29% increase in transactions closing, but also a general willingness on the part of investors to purchase properties with large price tags such as with Southgate Mall. This was altogether unexpected given the current economic concerns stemming from U.S.-imposed tariffs and ongoing trade negotiations.

As we noted in our Q1 report, we continue to believe the larger picture painted by the numbers presented is of a sustained overall recovery. While we don't believe the coming quarters will bring sales activity and dollar volume similar to that tracked in the April to June period, we do anticipate ongoing strength to manifest in the Edmonton & area market commercial condominium market. This asset group has developed significantly over the previous several years and drawn strong, sustained sales activity and dollar volume on an almost consistent quarter-over-quarter basis since 2020.

To obtain further details on specific transactions mentioned in the above report or to inquire about our subscriptions and services, please contact us.

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Contacts:

Nathan Gettel, President

Anthony B. Scott – Research & Marketing

SUBSCRIPTIONS: Send Email to: thenet@getteln.net

301, 9618 42 Ave NW Edmonton, AB T6E 5Y4

(780) 425-3939 – Edmonton (403) 719-3959 – Calgary