

Edmonton investments leap by \$500M in a “pleasant surprise”



The 2016 sale of North Town Centre is among the highlights of a surprisingly strong real estate investment market in Edmonton. | NEJMARK ARCHITECTS

Sales of Edmonton commercial real estate soared by more than \$500 million in 2016 compared to a year earlier as investors poured \$1.81 billion into the Alberta capital.

“A pleasant surprise,” said **David Wallach**, president of **Barclay Street Real Estate** as his company released the year-end 2016 analysis of Edmonton property and land investments.

Wallach noted that the uptick in demand beat most expectations and was led by the retail sector, which saw transaction values soar 350 per cent compared to a year earlier.

Counting only deals worth \$1 million or more, the retail real estate sales volume reached \$462 million in 2016 and the number of transactions increased to 54, up from 33 in 2015 and the highest level in at least four years, Barclay reports.

Sales included the purchase of seven **Imperial Oil Co.** gas stations by **7-Eleven Inc.**, at an average of more than \$600 per square foot. The biggest retail sales included the Terra Losa Shopping Centre, the

North Town Centre and the RioCan Meadows Shopping Centre, which together made up nearly half of the 2016 total dollar volume in the retail sector.

The industrial sector is less robust than the investment numbers suggest.

While sales of industrial properties hit a sales volume of \$445.8 million in 2016, up from \$315 million a year earlier, average prices per transaction fell. “While two years ago, vendors were reluctant to haggle on price to move their real estate, we have seen increased willingness to meet market pricing,” Wallach said. The average per-square-foot price for industrial property dropped to \$177, down from \$199 in 2015 and the lowest level since 2013.

Edmonton’s office property transactions remained fairly stable, posting \$85.1 million in total volume last year, but most of the 31 transactions were for “smaller, less desirable properties.” The average office building now sells for approximately \$272 per square foot, down from \$380 in 2015. ■