MARKETBEAT

EDMONTON

OFFICE Q1 2025

CUSHMAN & WAKEFIELD Edmonton

MARKET FUNDAMENTALS

	YOY Chg	Outlook
18.7% Vacancy Rate	▲	▲
-72.6K YTD Net Absorption, SF	▼	▲
$32.96 Gross Asking Rent, PSF *(Overall, All Property Classes)*	▲	▼

ECONOMIC INDICATORS

	YOY Chg	Outlook
844.7 Edmonton Employment	▲	▼
7.2% Edmonton Unemployment Rate	▲	▲
6.7% Canada Unemployment Rate	▲	▲

Source: Statistics Canada, The City of Edmonton

ECONOMY: ECONOMIC UNCERTAINTY AND TARIFFS

Canada's economy started 2025 on shaky ground as new international tariffs disrupted trade flows, intensifying economic uncertainty. In March 2025, the country lost 33,000 jobs, with investor sentiment weakening and hiring slowing nationwide. Alberta is expected to see a hit to its GDP; however, the province's strong oil and gas sector is anticipated to cushion much of the impact. While economic challenges are likely to persist throughout 2025, Alberta appears better positioned to weather the storm than most other regions in Canada.

Source: Bank of Canada, Government of Alberta, TD Economics

DEMAND: NEGATIVE ABSORPTION IN THE FIRST QUARTER

The Edmonton office market recorded negative absorption of 72,666 square feet (sf) in the first quarter of 2025, pushing the overall city-wide vacancy rate up by 30 basis points year-over-year (YOY) to 18.7% from 18.4%. The Central Business District led the decline with 87,550 sf of negative absorption, driven largely by vacancies in Class A buildings across the Government and Financial Core submarkets.

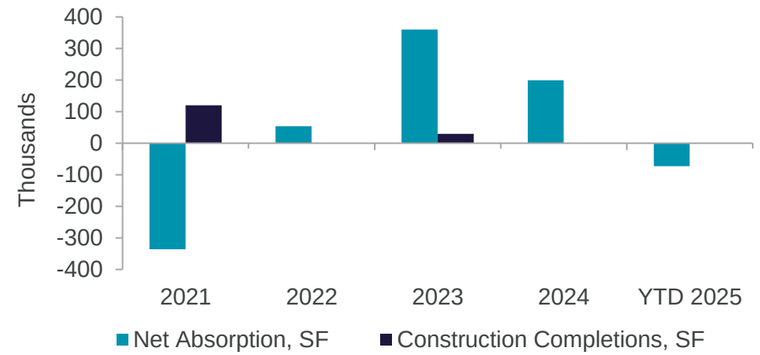
Investor sentiment toward office properties rose 14.9% YOY, driven primarily by the sale of Mayfield Business Centre in the West End for $11.0 million ($107.23 per square foot (psf)) and Cecil Place in the Financial Core transacting at $10.5 million ($169.42 psf). Despite ongoing economic headwinds, local investors continue to find value in acquiring office assets at relatively low psf prices – a trend that began last year.

Overall gross asking rents remained relatively stable, increasing by just $0.04 psf compared to the first quarter of 2024. However, notable declines were observed in the Financial Core, 118th Avenue, and Whyte Avenue submarkets, where rents fell by 2.7%, 7.9%, and 10.0% YOY, respectively. In contrast, submarkets such as 124th Street and Eastgate posted YOY increases of 7.9% and 12.9%. These fluctuations reflect differences in operating costs and tenant demand across various submarkets in the Edmonton office market.

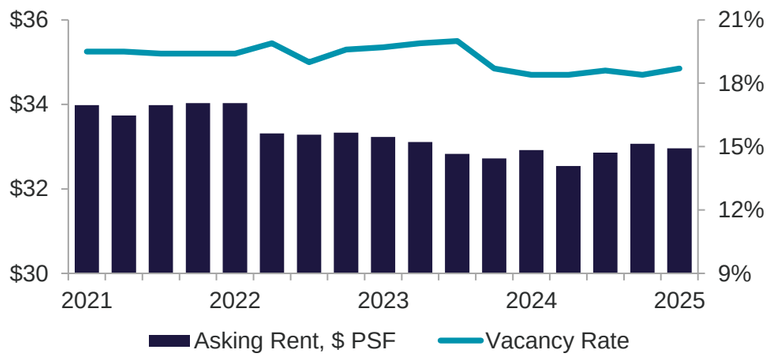
OUTLOOK: VACANCY LIKELY TO INCREASE

Office leasing demand is expected to soften, with vacancy rates projected to rise in Edmonton throughout 2025 due to ongoing economic uncertainty. In contrast, investor sentiment in the office market is likely to remain robust.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



EDMONTON
OFFICE Q1 2025

MARKET STATISTICS

SUBMARKET	TOTAL BUILDINGS	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Financial Core	55	12,810,633	310,605	2,401,826	21.2%	-81,316	-81,316	0	$36.27	$39.90
Government	34	5,052,776	0	705,513	14.0%	-6,234	-6,234	0	$29.97	$31.04
CENTRAL TOTAL	89	17,863,409	310,605	3,107,339	19.1%	-87,550	-87,550	0	$35.07	$37.93
124th Street	18	952,909	0	264,039	27.7%	-11,948	-11,948	0	$30.62	$37.47
149th Street	26	1,306,141	0	205,684	15.7%	4,900	4,900	0	$26.77	$33.14
West End	38	2,142,716	51,589	293,200	16.1%	-24,545	-24,545	0	$29.18	$34.54
118th Avenue	17	822,639	0	176,955	21.5%	3,509	3,509	0	$35.37	$37.31
Whyte Avenue	13	537,893	0	120,038	22.3%	-4,329	-4,329	0	$33.45	$31.97
Southside	61	3,276,450	21,166	617,215	19.5%	14,082	14,082	40,000	$30.24	$34.20
Summerside	23	974,997	9,896	20,550	3.1%	5,848	5,848	0	$35.15	$35.15
Eastgate	17	1,422,943	6,752	305,530	21.9%	18,267	18,267	0	$24.22	$32.29
Windermere/Ambleside	11	325,234	0	26,276	8.1%	9,100	9,100	0	$41.78	$41.78
SUBURBAN TOTAL	224	11,761,922	89,403	2,029,487	18.0%	14,884	14,884	0	$29.63	$34.73
EDMONTON TOTALS	**313**	**29,625,331**	**400,008**	**5,136,826**	**18.7%**	**-72,666**	**-72,666**	**40,000**	**$32.96**	**$37.06**

**Rental rates reflect full gross asking rents*

SUMMARY BY CLASS	TOTAL BUILDINGS	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*
Class AA	8	4,419,060	133,030	444,666	13.1%	-13,449	-13,449	0	$51.70
Class A	122	14,211,996	187,473	2,591,500	19.6%	-52,254	-52,254	40,000	$34.37
Class B	142	9,355,311	77,640	1,861,582	20.7%	2,166	2,166	0	$27.37
Class C	41	1,638,964	1,865	239,078	14.7%	-9,129	-9,129	0	$24.40

**Rental rates reflect full service asking*

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
Connect Tower	Financial Core	Confidential	11,508	Headlease
Manulife Place	Financial Core	Financial Services Group	9,651	Headlease
Petwin Tower	Government	Correct-AI Inc.	6,552	Headlease

**Renewals not included in leasing statistics*

KEY SALES TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
Mayfield Business Centre	West End	Mayfield GP Inc. / 822951 Alberta Ltd.	102,576	$11.0M / $107.23
Cecil Place	Financial Core	Midnapore Property Investments Inc. / 2660906 Alberta Ltd.	61,977	$10.5M / $169.42
Guardian Building	124th Street	Parmjit Nijjar et al. / 2656963 Alberta Ltd.	82,502	$5.0M / $61.21

JEROME RAMOS
Senior Market Analyst
Tel: +1 780 702 2951
jerome.ramos@cwedm.com

OFFICE TEAM
Office Division
Tel: +1 780 420 1177
office@cwedm.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of $9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.