

MARKET FUNDAMENTALS

	YOY Chg	Outlook
17.8% Vacancy Rate	▼	■
23.2K YTD Net Absorption, SF	▲	▲
\$32.51 Gross Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
887K Edmonton Employment	▲	▼
6.8% Edmonton Unemployment Rate	▼	▲
6.7% Canada Unemployment Rate	▲	▲

Source: Statistics Canada, Moody's Analytics

ECONOMY:

Alberta's real GDP growth is expected to moderate to around 2.0% in both 2026 and 2027, partly reflecting recent geopolitical developments. Despite this, economic momentum in Alberta will be supported by its strong energy sector. More broadly, growth is increasingly being driven by infrastructure investment, as transportation, utilities, and energy projects help offset weakness in residential investment amid slowing population growth.

Source: Statistics Canada, Government of Alberta, TD Economics

DEMAND:

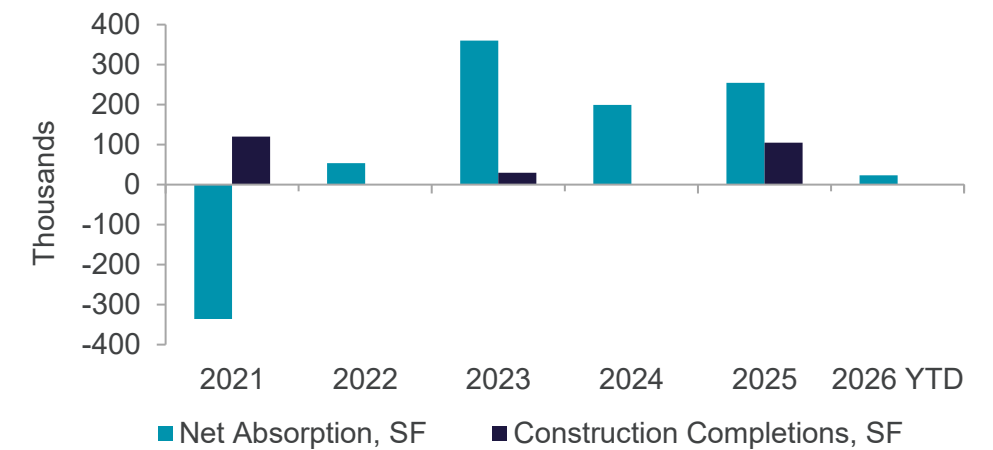
The Edmonton office market posted positive absorption of 23,278 square feet (sf) in Q1 2026, bringing the city-wide vacancy rate down to 17.8%, a 90-basis point decline from 18.7% in Q1 2025. Leasing activity was largely concentrated in the Central Business District (CBD), with the Financial Core recording 83,553 sf of quarterly absorption.

The Edmonton office market saw notable investment activity in the first quarter of 2026, highlighted by ATCO's relocation to ATCO Centre, formerly the Canadian Western Bank building. While ATCO has already occupied a portion of the building, its full relocation is not expected to commence until 2028. The move will accommodate ~1,200 employees and is expected to be among the largest CBD office relocations in the past decade, though total square footage is still being finalized.

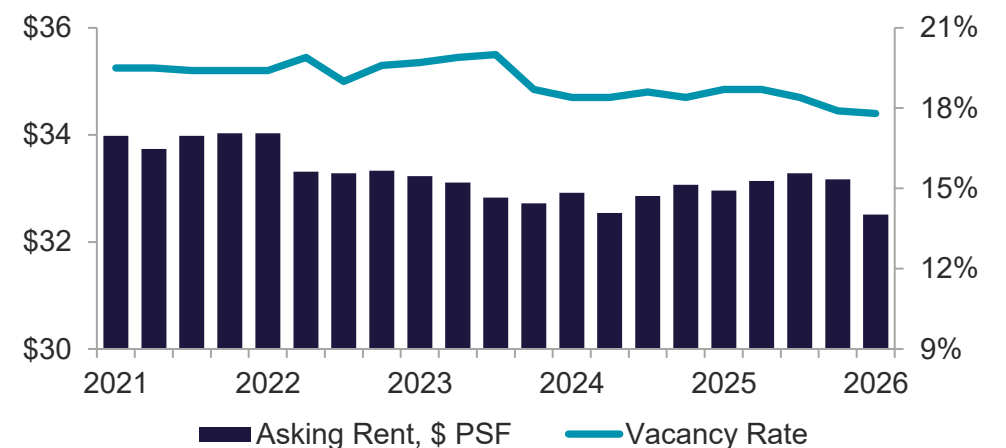
The largest sale transaction of the quarter was the Intact Building, which sold for \$24,000,000 (\$102.99 per square foot) at a 10.22% capitalization rate. The 233,164-sf property, located in the CBD, is occupied by a mix of institutional and commercial tenants. The building was acquired by a local investor group, underscoring that despite broader challenges in the office sector, investors continue to find appetite for affordable Edmonton office assets.

In October 2025, the Alberta government announced a return to full-time, in-office work beginning in February 2026. This shift has contributed to increased foot traffic in Edmonton's downtown core, with locations such as Commerce Place and Edmonton City Centre experiencing greater activity and vibrancy. The uptick in visitors has been welcomed by retailers and is expected to continue supporting the downtown economy.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

	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	54	12,778,903	183,821	2,370,468	20.0%	83,553	83,553	0	\$35.63	\$39.15
Government	34	5,052,776	1,227	665,090	13.2%	4,044	4,044	0	\$29.61	\$30.90
CENTRAL TOTAL	88	17,831,679	185,048	3,035,558	18.1%	87,597	87,597	0	\$34.38	\$37.34
124 th Street	18	954,012	0	242,009	25.4%	-20,866	-20,866	0	\$31.13	\$38.67
149 th Street	26	1,306,141	0	161,692	12.4%	12,616	12,616	0	\$25.98	\$32.86
West End	38	2,142,716	49,611	244,158	13.7%	21,368	21,368	0	\$29.19	\$34.67
118 th Avenue	17	822,639	0	135,922	16.5%	15,817	15,817	0	\$37.08	\$37.34
Whyte Avenue	13	537,893	0	95,236	17.7%	6,685	6,685	0	\$33.28	\$33.28
Southside	63	3,381,450	13,500	725,003	21.8%	-55,133	-55,133	0	\$30.14	\$34.32
Summerside	23	974,997	19,797	29,202	5.0%	-6,251	-6,251	0	\$35.97	\$35.97
Eastgate	16	1,393,618	6,752	333,365	24.4%	-32,281	-32,281	0	\$24.99	\$32.29
Windermere/Ambleside	11	325,234	0	14,787	4.5%	-6,274	-6,274	0	\$43.41	\$43.41
SUBURBAN TOTAL	225	11,838,700	89,660	1,981,374	17.5%	-64,319	-64,319	0	\$29.63	\$34.74
EDMONTON TOTALS	313	29,670,379	274,708	5,016,932	17.8%	23,278	23,278	0	\$32.51	\$36.58

*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	82,242	495,649	13.1%	21,073	21,073	0	\$47.04
Class A	124	14,316,996	121,376	2,475,741	18.1%	27,949	27,949	0	\$34.40
Class B	141	9,324,684	71,090	1,831,419	20.4%	-18,185	-18,185	0	\$26.85
Class C	40	1,609,639	0	214,123	13.3%	-7,559	-7,559	0	\$24.60

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
ATCO Place	Financial Core	ATCO	Confidential	Headlease
First & Jasper	Financial Core	Bredin College	23,263	Headlease
MNP Tower	Financial Core	MNP	14,070	Headlease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
Intact Building	Government	Mesa West Capital Corp. & Luxor Land Ltd. / 2751272 Alberta Ltd.	233,164	\$24.0M / \$102.93
Plaza West	West End	Plaza West Properties Ltd. / 2558100 Alberta Ltd.	37,421	\$5.4M / \$145.64
6547 Sparrow Dr	Outlying	D-Corp Inc. / The St. Thomas Aquinas Roman Catholic Separate School Division	13,162	\$3.0M / \$227.93

JEROME RAMOS

Senior Market Analyst

Tel: +1 780 702 2951

jerome.amos@cwedm.com

BENJAMIN LANG

Junior Market Analyst

Tel: +1 780 429 9391

benjamin.lang@cwedm.com

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