



Edmonton office market report

Q1 2023

**AVISON
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Greater Edmonton area market fundamentals

▲ 19.2%

average vacancy rate
Downtown Edmonton

▼ \$16.40

average lease rate per square foot (psf)
Downtown Edmonton

18.1M

square feet (sf) total inventory
Downtown Edmonton

16.8%

average vacancy rate
Suburban Edmonton

▼ \$15.26

average lease rate psf
Suburban Edmonton

15.8M

sf total inventory
Suburban Edmonton

Q1 in review

The Edmonton office market experienced negative absorption for the third consecutive quarter, with more than 68,000 sf returning to the market. Vacancy rates increased in both the Government and Financial districts, with Manulife Place bringing nearly 47,000 sf back to the Financial district and 44 Capital Boulevard added an additional 40,000 sf to the Government district. While several suburban districts saw slight increases in activity, the majority experienced continued negative absorption. For example, Scouts Canada Building returned 19,000 sf to the 149 Street district submarket and 41,000 sf were made available for sublet at Finning Canada's office.

Trends observed in the fourth quarter of 2022 were promising, as the engineering, construction and legal sectors were showing increased activity. Building upon this momentum, the Q1 2023 market witnessed the relocation of two major construction firms securing spots among the eight largest deals. EllisDon and Scheffer Andrew have leased a combined area of 35,000 sf at the Commerce South Office Park, further strengthening their market position. Additionally, Stantec Tower saw increased activity with Reynolds Mirth Richards & Farmer LLP and Ogilvie LLP, completing two sublease deals for a combined 61,000 sf.



Q1 in review cont.

First & Jasper is in the final stages of completing its lobby modernization and new tenant amenity areas. This has already paid dividends, with the Government of Alberta expanding its footprint in the building by leasing an additional floor, as well as new tenant Aurora Hydrogen leasing 3,745 sf. This positive momentum continued in retail with Von's Steakhouse & Oyster Bar leasing the former State & Main premises. Rice Howard Place also announced plans to modernize the building's common areas, with construction scheduled for fall 2023.

With the Financial, Government, and Suburban districts all seeing negative absorption this quarter, we anticipate more building owners will modernize and amenitize their properties to increase return-to-office activity, fostering positive company culture and collaboration.



Q1 market activity

Tenant name	Building	Size (sf)	Type
STEM Innovation Academy	Prospect Business Park	46,049	Headlease
Lloyd Sadd	The Annex	41,888	Headlease
Reynolds Mirth Richards & Farmer LLP	Stantec Tower	36,966	Sublease
Ogilvie LLP	Stantec Tower	23,718	Sublease
EllisDon	CSOP-Building B	24,265	Headlease
Medical Imaging Consultants (MIC)	Covenant Health Urban Wellness Village	12,580	Headlease
Government of Alberta	First & Jasper	11,181	Expansion
Scheffer Andrew	CSOP-Building E	10,691	Headlease



Q1 market statistics

Category / Submarket	Buildings	Inventory	Total vacant	Headlease	Sublease	Absorption (YTD)	Vacancy overall		Vacancy direct		Vacancy sublease		Lease rates (average)
Financial							Q/Q change		Q/Q change		Q/Q change		
Trophy	4	2,345,524	219,455	104,204	115,251	0	9.4%	0.0%	4.4%	0.0%	4.9%	0.0%	\$34.50
A	27	7,648,924	1,802,464	1,525,386	277,078	-10,107	23.6%	1.3%	19.9%	-0.2%	3.6%	1.6%	\$17.21
B	17	1,864,009	360,568	339,913	20,655	-7,826	19.3%	1.3%	18.2%	0.4%	1.1%	0.9%	\$13.86
C	21	959,428	96,106	96,106	0	4,423	10.0%	-2.0%	10.0%	-1.3%	0.0%	-0.7%	\$12.50
Subtotal	69	12,817,885	2,478,593	2,065,609	412,984	-13,510	19.3%	0.8%	16.1%	-0.2%	3.2%	1.0%	\$19.52
Government													
A	16	2,705,243	641,675	635,975	5,700	-58,739	23.7%	2.3%	23.5%	2.3%	0.2%	0.1%	\$14.82
B	18	1,622,496	267,039	267,039	0	15,851	16.5%	-1.0%	16.5%	-1.0%	0.0%	0.0%	\$12.54
C	28	970,465	98,333	87,055	11,278	-4,353	10.1%	2.2%	9.0%	1.2%	1.2%	1.0%	\$12.50
Subtotal	62	5,298,204	1,007,047	990,069	16,978	-47,241	19.0%	1.3%	18.7%	1.1%	0.3%	0.2%	\$13.29
Suburban													
118 Avenue & Kingsway	37	1,073,028	194,931	194,931	0	-926	18.2%	5.2%	18.2%	5.2%	0.0%	0.0%	\$11.76
124 Street	35	1,096,041	225,806	222,250	3,556	-11,555	20.6%	1.6%	20.3%	1.6%	0.3%	0.0%	\$13.56
149 Street	45	1,381,314	272,566	245,654	26,912	-29,596	19.7%	1.9%	17.8%	1.8%	1.9%	0.1%	\$12.72
Eastgate	20	1,439,887	163,697	153,973	9,724	-5,282	11.4%	0.4%	10.7%	0.4%	0.7%	0.0%	\$11.79
South Side	107	4,489,336	895,242	847,162	48,080	89,879	19.9%	-1.2%	18.9%	-1.3%	1.1%	0.0%	\$16.82
Summerside	50	1,466,568	72,033	67,033	5,000	18,265	4.9%	-2.6%	4.6%	-1.2%	0.3%	-1.4%	\$18.40
Windermere	20	503,872	8,092	8,092	0	-21,711	1.6%	0.3%	1.6%	0.3%	0.0%	0.0%	\$21.00
West End	54	2,304,746	430,672	326,117	104,555	-41,904	18.7%	1.3%	14.1%	-0.4%	4.5%	1.7%	\$14.53
Whyte Avenue	29	750,883	171,396	171,396	0	14,219	22.8%	-1.9%	22.8%	-1.9%	0.0%	0.0%	\$15.92
Sherwood Park	35	1,318,572	217,800	204,951	12,849	-19,065	16.5%	1.6%	15.5%	1.6%	1.0%	0.0%	\$16.14
Total	432	15,824,247	2,652,235	2,441,559	210,676	-7,676	16.8%	0.0%	15.4%	0.1%	1.3%	0.1%	\$15.26
Totals													
Downtown Total	131	18,116,089	3,485,640	3,055,678	429,962	-60,751	19.2%	1.0%	16.9%	0.2%	2.4%	0.8%	\$16.40
Suburban Total	432	15,824,247	2,652,235	2,441,559	210,676	-7,676	16.8%	0.0%	15.4%	0.1%	1.3%	0.1%	\$15.26
Overall	563	33,940,336	6,137,875	5,497,237	640,638	-68,427	18.1%	0.5%	16.2%	0.2%	1.9%	0.5%	\$15.83

For more market insights
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