



Edmonton Retail Market Report

Fall 2022

**AVISON
YOUNG**

What's the scoop?

“The reports of [retail’s] death have been greatly exaggerated,”

– Mark Twain

Headlines proclaiming the end of retail as we know it persisted nearly as long as the virus itself.

But just like that, foot traffic and retail sale volumes are returning to, or even exceeding, pre-pandemic levels.

We analyze the impact of people logging off and stepping out.

International retailers continue to choose Edmonton first.

Within the past year, we have identified six international retailers that have opened new locations in Edmonton, many of which are their introduction to the Canadian market.

We go into detail about these businesses, the demographics they serve, and why they have chosen Edmonton first.

Our point of view.

Edmonton continues to be a great place to invest in both business and community.

Retailers, just like Avison Young, are *Powered by People.*



DE-commerce

The boom in e-commerce dominated headlines amidst lockdowns and restrictions throughout 2020 and 2021.

Shopify represents the most dramatic reversal of this trend, falling back in-line with pre-pandemic market value and laying off hundreds of employees.

Not even Amazon has been immune from this shift, quietly posting a second consecutive drop in quarterly online sales volume and revenue.

In addition to these heavyweight corporations, companies such as Lyft, Meta, Netflix, Niantic, OpenSea, Oracle, Peloton, Redfin, Robinhood, Spotify, Tesla, Twitter, Vimeo, and Wayfair [have all either engaged in layoffs or hiring freezes](#).

On the following slide, we analyze the variance between online shopping and the increasingly irreplaceable in-person retail experience.

Shopify Inc. Three-Year Stock Price



Source: Yahoo Finance

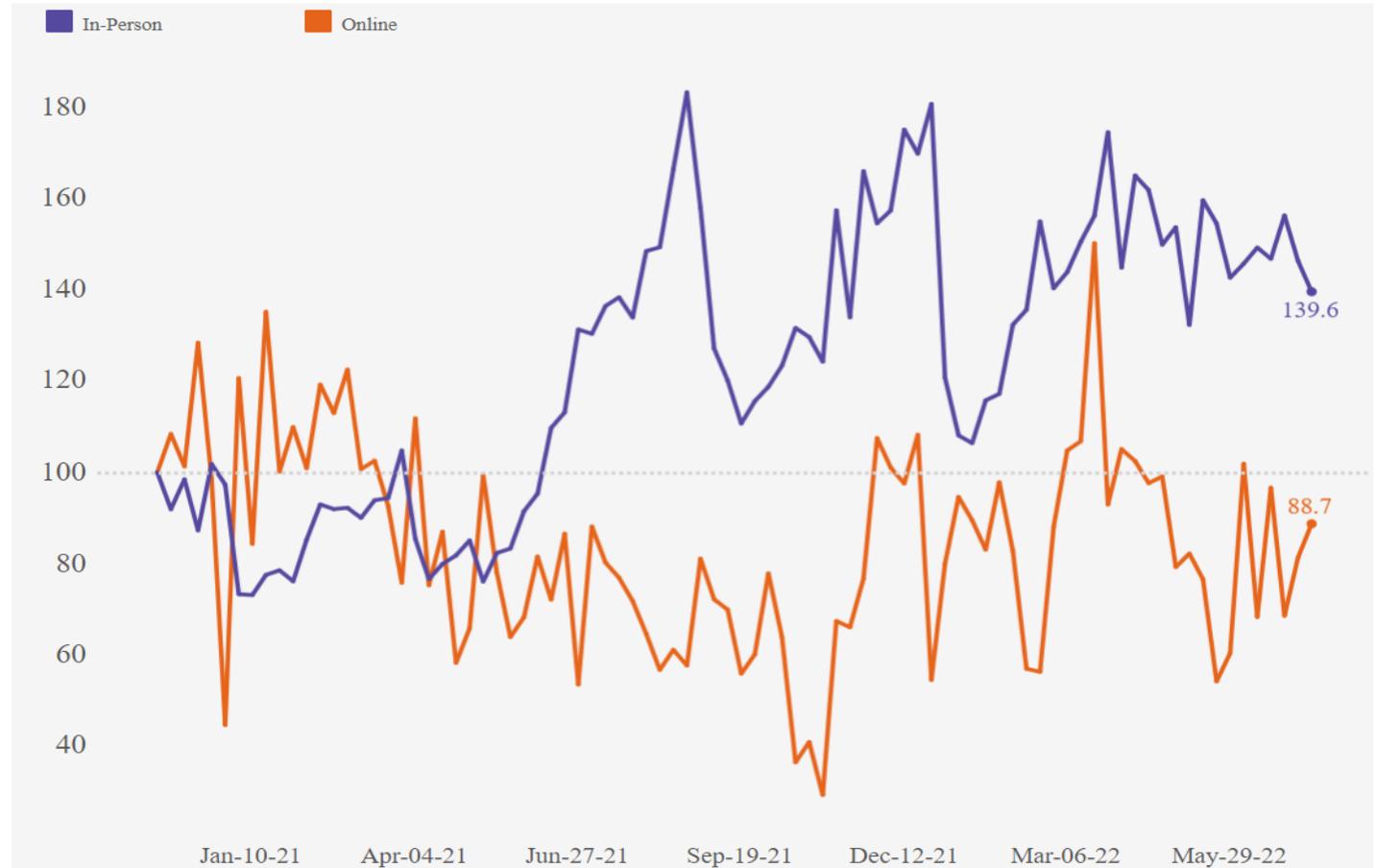
DE-commerce

Over the past 12 months, it is easy to see that in-person shopping has overtaken the frequency of delivery vehicles at geo-marked, last-mile distribution centers in the city. The observed dips in foot traffic over this period coincide with the most intense waves of COVID-19 and Omicron.

In what may have been a controversial point even one year ago, the data to the right demonstrates that demand for brick-and-mortar retail sites remains resilient. In fact, [according to the Altus Group's latest Investment Trends Survey](#), food-anchored retail strips continue to be the most sought-after asset from the investment community.

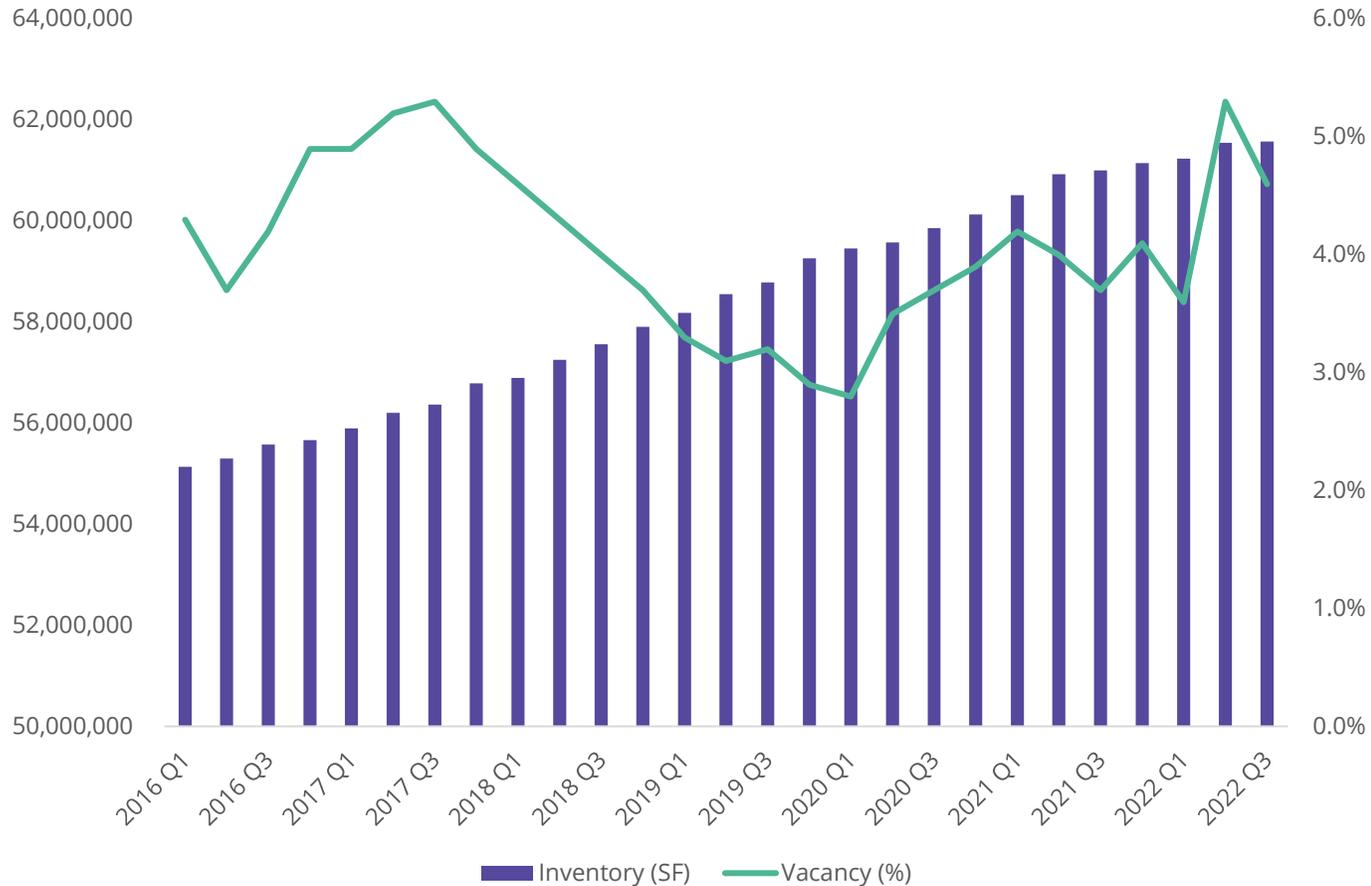
Taken together, this data is a clear indication that we have reached a current ceiling of how digital retail can satisfy consumers.

Edmonton Retail Foot Traffic vs. Online Sales



Return to retail

Edmonton Retail Inventory and Vacancy



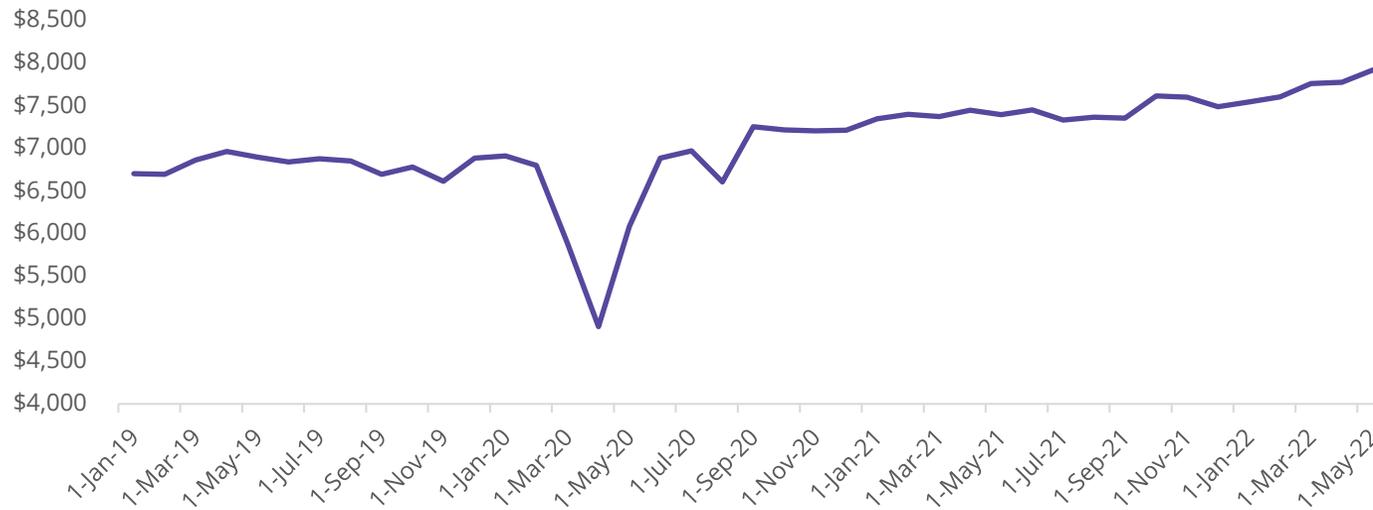
Retail inventory in Edmonton has stabilized with the smallest observed quarter-over-quarter **increase** since 2016.

Vacancy, on the other hand, showed the most dramatic **decrease** since the pandemic began in Q1 2020; expect this metric to remain variable over the short-term.

The pandemic forced evolution onto retailers, but government support mitigated the immediate impacts of evaporating demand. Small businesses that struggled the most may finally be closing, whereas groups or start-ups who used the pandemic as an incubator are beginning to enter the market.

On the next slide, we analyze spending levels in Alberta to explain the current retail environment and speculate where we will end 2022.

Alberta Retail Trade (\$ million)



Largest Increases (YOY)

- 49.7% Gasoline stations
- 36.8% Clothing and accessories
- 20.6% Sporting goods and hobbies
- 20.4% Electronics and appliances



Largest Decreases (YOY)

- 10.5% Building and garden materials
- 6.5% Food and beverage
- 2.8% Miscellaneous

Return to retail

Overall, retail spending in Alberta has exceeded pre-pandemic levels and continues to climb.* Inflation certainly plays a role in this; however, it is clear that demand for tourism and travel, clothing for work or play, and recreational activities are being prioritized after years without.

Conversely, demand for building and garden materials and take-out food has fallen because consumers are no longer restricted to their residence. This shift in spending patterns is simply a return to traditional retail fundamentals.

With September and back-to-school on the horizon, along with the gradual increase of social events and celebrations, **we expect demand for food and beverage and restaurants to increase consistently towards the end of 2022 and beyond.**

*This data, from StatsCan/Government of Alberta, is not available at the municipal level.

Focus on fundamentals.

E-commerce did not, cannot, and will not **replace** traditional retail.



Keep it simple

Policy changes coming to Edmonton's zoning will enable flexibility in retail: look for an [increase in back-alley activation](#).



Edmonton is a festival city

[Taste of Edmonton](#), [K - Days](#), [The Fringe](#), and the sold-out [Folk Fest](#) all enjoyed higher participation and foot traffic than 2019.

Even Commonwealth Stadium [enjoyed an 'unparalleled' week of events](#).



Dine-in, no dash

California Pizza Kitchen, P.F. Chang's, and Dickey's Barbeque Pit are just a few of the international brands who have set up shop in Edmonton so far in 2022.

**International retailers
choose Edmonton
because of affordable
inventory and high
discretionary incomes.**



Edmonton advantage

It should come as no surprise that many American retailers view Alberta as the most business-friendly province. As a result, many franchises are comfortable with the sheltered risks Edmonton market provides.

So why does Calgary not seem to enjoy this luxury to the same extent? With vacancy and per-capita income essentially the same, Edmonton's success in attracting international franchises can be partly attributed to higher multi-cultural populations and better rental rates. Additionally, West Edmonton Mall can afford up and coming retailers unparalleled exposure, particularly once it connects more consumers by light rail transit.

To the right are samples of international retailers who have successfully paved their way into the Albertan or even Canadian retail market through Edmonton. **The following slides will introduce the newest additions to Edmonton's retail and culinary scene.**



New to Edmonton



California Pizza Kitchen
Currents of Windermere
5260 Windermere Boulevard NW

Upscale/casual American cuisine, serving families, friends, couples, and professionals in Windermere and south Edmonton.

First Canadian location
opened in August 2022

[Click here to read more](#)



Dickey's Barbeque Pit
Rabbit Hill Crossing
5125 Mullens Road NW

Casual American cuisine, serving families, friends, and both white- and blue-collar professionals in southwest Edmonton.

First Canadian location
opened in August 2022

[Click here to read more](#)



Wing'n it Express
Currents of Windermere
1317 Windermere Way

American quick service restaurant serving pub-style entrees to consumers of all ages in southwest Edmonton.

First location in Western Canada
opened in August 2022

[Click here to read more](#)

New to Edmonton



It'Sugar

West Edmonton Mall
#1820, 8882 170th Street

American experiential candy store franchise serving diverse tourists and children of all ages ... even the adult ones!

First Canadian location

opened in August 2022

[Click here to read more](#)



P.F. Chang's

Currents of Windermere
6303 Currents Drive

Asian-American cuisine, serving affluent and culturally diverse consumers in Windermere/southwest Edmonton.

First Western Canadian location

opened in July 2022

[Click here to read more](#)



VISH

124th Street
10326 124th Street NW

Vegetarian-American cuisine, serving health-conscious and culturally diverse consumers in a high-street setting.

First Canadian location

opened in June 2022

[Click here to read more](#)

For more market insights
and information visit
avisonyoung.com

Edmonton Retail Team

Darren Snider

Principal
+1 780 429 7560
darren.snider@avisonyoung.com

Ben Volorney

Principal
+1 780 429 7565
ben.volorney@avisonyoung.com

Arlyn Stoik

Principal
+1 780 429 7552
arlyn.stoik@avisonyoung.com

Chris Killingsworth

Vice President
+1 780 232 6939
chris.killingsworth@avisonyoung.com

Ben Snider

Senior Associate
+1 780 915 8417
ben.snider@avisonyoung.com

Siv Lalli

Associate
+1 780 803 9000
siv.lalli@avisonyoung.com

Nic Krywolt

Associate
+1 587 882 9770
nic.krywolt@avisonyoung.com

Alison Hansen-Carlson

Associate Director
+1 780 702 0692
alison.hansen-carlson@avisonyoung.com

Michelle LaBossiere

Administrative Coordinator
+1 587 882 9752
michelle.labossiere@avisonyoung.com

Edna Lee

Administrative Coordinator
+1 780 665 6705
edna.lee@avisonyoung.com

Edmonton Research Team

Nathan Cannataro

Manager of Insight
+1 780 412 1080
nathan.cannataro@avisonyoung.com

Spencer Schulze

Manager of Innovation
+1 780 938 3561
spencer.schulze@avisonyoung.com