

## Q3 2025 EDMONTON CRE MARKET OVERVIEW

### November 2025

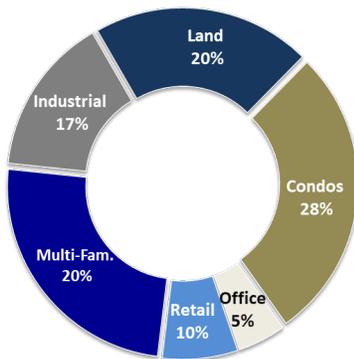
Building on an extraordinarily strong first half of the year, commercial real estate investors remained extremely optimistic in the Edmonton market through the third quarter of 2025. From July through September, 140 transactions closed, bringing an additional \$459.8 million in property and land sales. Compared to Q3 2024, investment was up across five of the six asset classes we track, and this propelled year-to-date investment to a 35% year-over-year (y-o-y) increase in year-to-date investment from more than \$1.9 billion at September 30th, 2024 to approximately \$2.6 billion at the same time this year.

The most significant y-o-y gains were observed among retail and industrial assets, among which total volume was up approximately \$279 million and \$236 million, respectively. While investment in multi-residential assets increased by just \$42 million versus the same time last year, it was enough to make this type of property the single largest contributor to Q3 2025 total dollar volume at \$948 million total dollar volume.

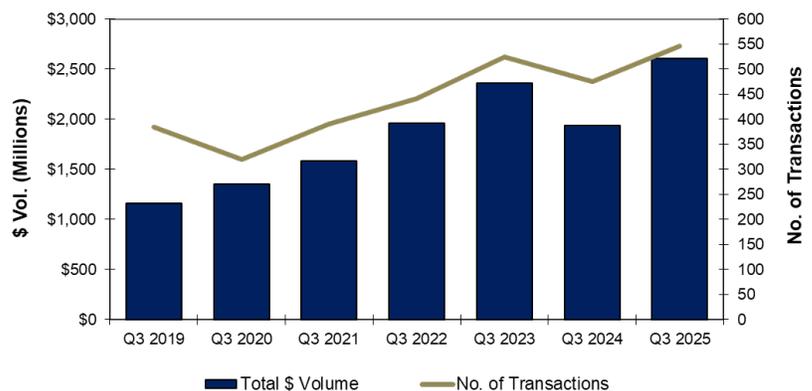
As shown in the table below, a post-pandemic investment recovery trend can still be seen in CRE and land purchases beginning in 2022. This has led to a generally steady trend of y-o-y increases in dollar volume among those hard assets and supported overall dollar volume in each successive year.

	Q3- 2021	Q3- 2022	Q3- 2023	Q3- 2024	Q3- 2025
<b>Land</b>					
Total \$ Value:	\$184,448,924	\$318,091,680	\$385,291,475	\$320,198,880	\$416,453,858
No. of Transactions:	65	104	114	95	113
<b>Buildings</b>					
Total \$ Value:	\$1,401,369,980	\$1,640,929,225	\$1,978,515,385	\$1,615,038,571	\$1,787,143,286
No. of Transactions:	325	337	410	380	433
<b>Totals</b>					
Total \$ Value:	\$1,585,818,904	\$1,959,020,905	\$2,363,806,860	\$1,935,237,451	\$2,605,625,694
No. of Transactions:	390	441	524	475	546

Q3 2025 Sales Distribution



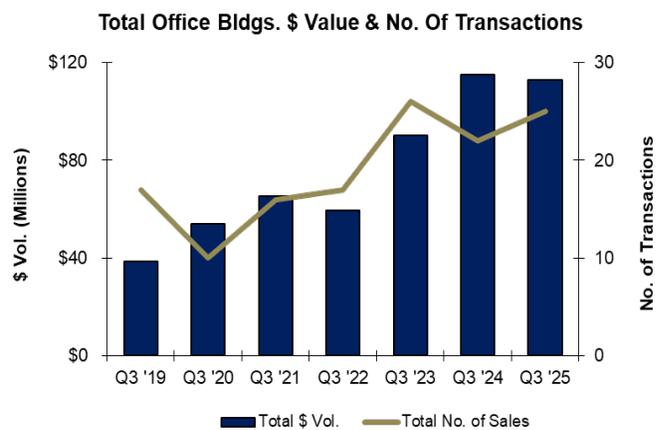
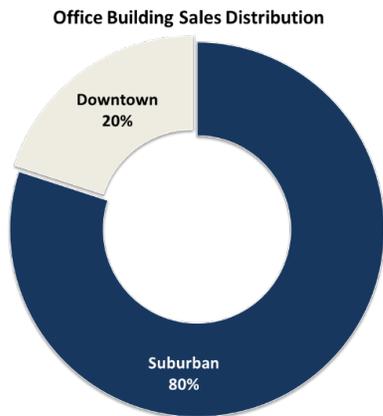
Total \$ Volume & No. of Transactions



## OFFICE SECTOR

After bottoming-out in 2019, dollar volume invested in commercial office assets remained on a fairly consistent upward path and reached a new multi-year Q3 peak in the third quarter of last year. To September 30<sup>th</sup>, 2025 total dollar volume was just \$5 million (2%) shy of post-pandemic high water mark of \$115.2 million. Six office building transactions closed during the third quarter, contributing more than \$33 million to the Q3 2025 total of \$112.8 million. While total year-to-date sales were up slightly versus the year before, fewer large transactions of \$10 million and greater had closed versus the year prior.

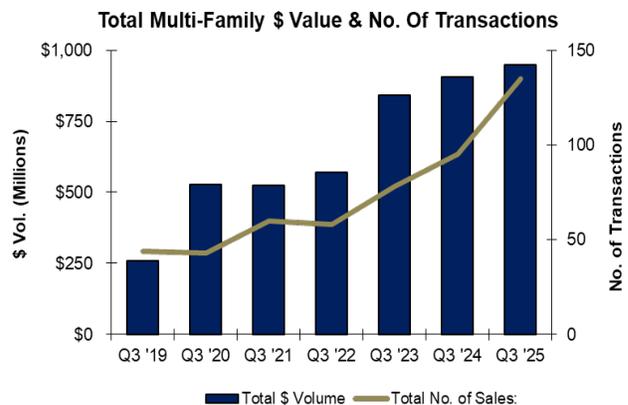
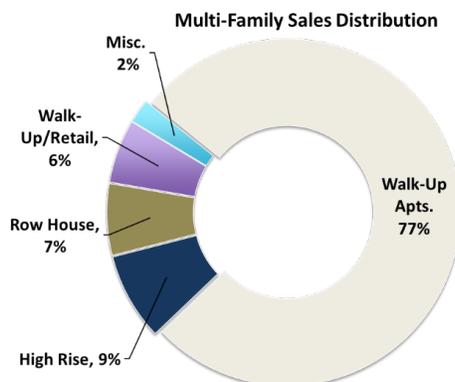
The Downtown submarket was slightly busier through 2025 than last year, with five properties changing hands compared to four at the same point of 2024. These five buildings contributed more than one-third of year-to-date dollar volume, with the most significant of them being the Boardwalk & Revillon Building which sold for \$19 million.



## MULTI-FAMILY SECTOR

To September 30<sup>th</sup>, 2025, investment in multi-family properties continued a multi-year upward trajectory, both in terms of total dollar volume and finalized transactions. Investment increased by \$42 million on a year-over-year basis due to approximately \$169 million in sales closing in just the third quarter of 2025. This three-month period contained two big-ticket transactions of \$25 million or more. While this is fewer than during Q3 of last year, these and the other 40 multi-family transactions built on a very strong first half of 2025 and thus continued the upward investment trend. The multi-family sector was by far the largest source of commercial investment in Edmonton at September 30<sup>th</sup>. Sales activity and dollar volume reached all-time records of \$948 million over 135 transactions.

The largest transaction of Q3 2025 was the \$35.2 million purchase of Brintnell Landing (4.92% cap). The property moved for \$219,688/suite. The largest multi-family asset purchase of the year so far remains the \$79.4 million paid for The MacLaren (\$338,833/unit, 4.4% cap) by Capreit Apartments Inc. in March.

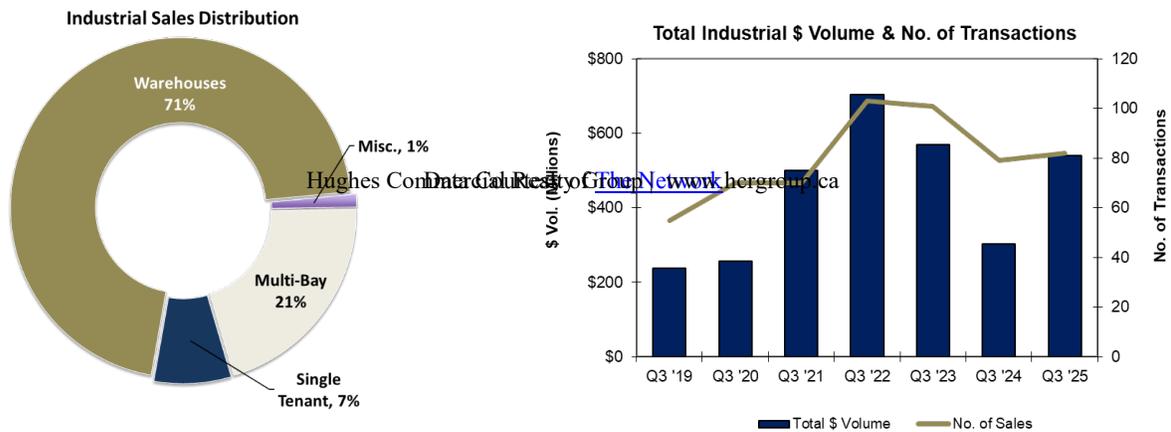


## INDUSTRIAL SECTOR

After taking a breather through much of 2024, investors were back and active through the first nine months of 2025 and collectively purchased 82 industrial properties for a total of \$539.3 million. Of that, approximately \$82 million closed through the third quarter of this year. The net effect of the above was a year-over-year increase of 3 sales and \$236 million in dollar volume.

No big-ticket transactions of greater than \$25 million had closed by September 30<sup>th</sup> – as was the case with Q3 2024. Q3 2024 was a busier period, however, with seven more sales closing and approximately \$4 million in additional dollar volume.

The largest sale of Q3 2025 was the \$13.7 million sale of 2403-91<sup>st</sup> Street SW while for the year-to-date, the \$61,250,000 million sale of City West Business Centre (7.26% cap.) remains the largest sale of the year to date.

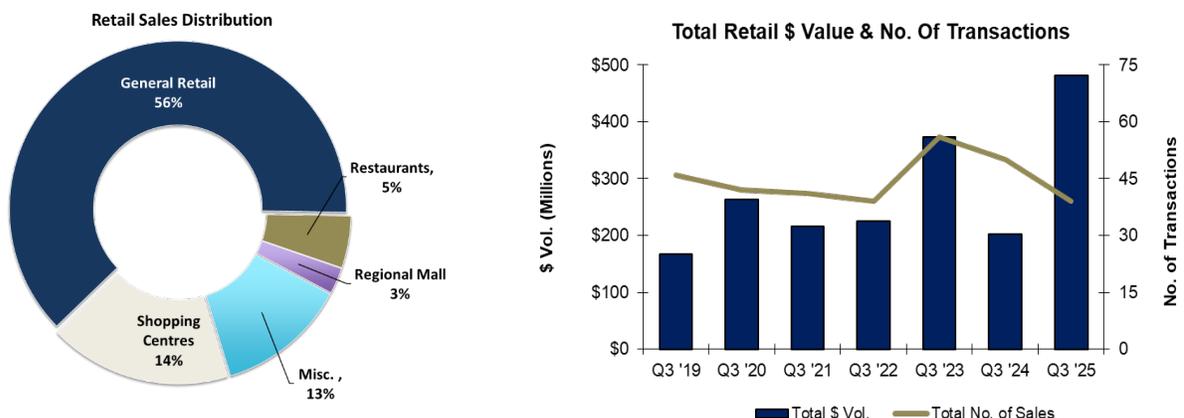


## RETAIL SECTOR

As with the multi-residential and industrial asset classes, the commercial retail market posted remarkable investment numbers despite fewer net transactions closing on a year-over-year basis. Ten transactions closed during the July to September period for a total of just under \$80 million. This brought total dollar volume at September 30<sup>th</sup> to \$481.9 million - up markedly from the \$202.7 million posted a year earlier and is attributable to the return of transactions greater than \$25 million closing through the first nine months of this year.

Primarily responsible for the above-noted year-over-year jump in total dollar volume was a resurgence in shopping centre transactions – nine of which closed during this reporting period. Collectively, investment in shopping centres for 2025 to date totalled just over \$383 million. This accounted for roughly 80% of total dollar volume.

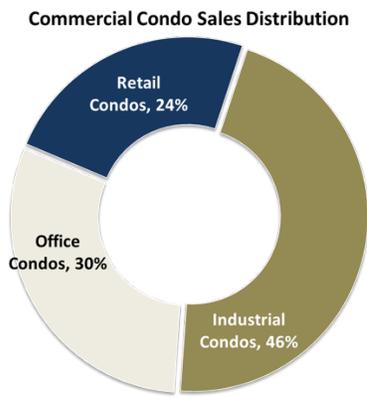
Skewing the numbers somewhat when doing year-over-year comparisons is the early 2025 sale of Southgate Mall for \$239.6 million. This remains the largest retail property sale for the year to date but it should be pointed out the retail asset group still would have posted a year-over-year gain in the absence of this transaction.



### COMMERCIAL CONDOMINIUM SECTOR

Just over \$107 million in transactions closed among commercial condominiums through September 30<sup>th</sup>, 2025 and approximately \$27 million of this transacted in Q3 alone. Year-to-date investment surpassed a six-year high set in 2023 and after a softer 2024, came in above a long-term average of more than \$90 million. Total sales remained well above pre-pandemic levels and this reasonably confirms an ongoing desire among small business owners to own their real estate. This appears to be borne-out in the resurgence of demand for office condos, which comprised nearly one-third of year-to-date sales.

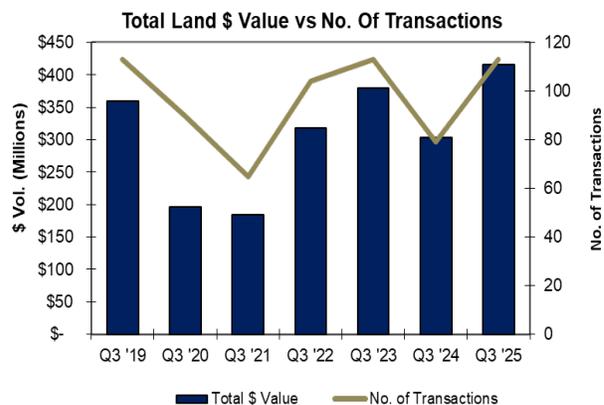
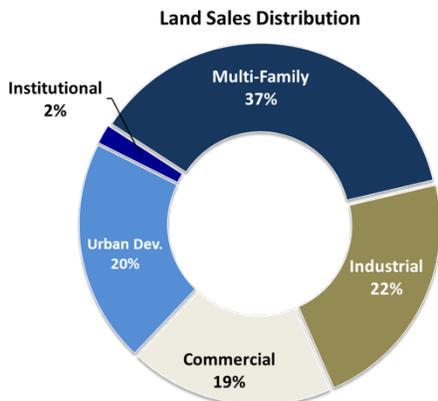
Speaking to the above in terms of prices per square foot, this metric increased substantially to \$324/sf for office condos from \$300/sf a year ago. Industrial condo prices per square foot surged to \$241, increasing by \$32/sf from an average of \$209/sf, while price per square foot values for retail condos posted a notable decrease to \$416/sf per square foot from \$448/sf on a year-over-year basis.



### LAND SECTOR

By September 30<sup>th</sup>, 2025 the Edmonton market bucked the downward trend that emerged last year and experienced substantial year-over-year increase in both total transactions and dollar volume versus September 30<sup>th</sup>, 2024. Such was the resurgence that that Q3 dollar volume exceeded both previous high-water marks set in Q3 2023 and Q3 2019. The third quarter of 2025 was busy, with 27 transactions closing for a total of \$69.2 million. This three-month period contained nearly one-fifth of total year-to-date investment in the land asset class and set the stage for another strong year of land sales.

As one may surmise from the incredibly high multi-family property investment noted earlier in this report, land designated for multi-family and residential development led land sales, with 42 transactions closing. These totalled just over \$120 million – more than one-quarter (29%) of year-to-date total investment.



## MARKET SYNOPSIS & PREDICTION SUMMARY

As with the first half of this year, the third quarter of 2025 saw investment surpass long-term averages by a notable margin. The source of this outstanding mid-year boom was not just a 15% increase in transactions closing, but also a general willingness on the part of investors to plunk down large sums on properties with big price tags such as with Southgate Mall.

As we noted in our mid-year report, we continue to believe the larger picture painted by the numbers presented is of a sustained overall recovery. The third quarter of 2024 saw investment remain well above pre-pandemic levels with an overall strengthening seen in sales numbers and dollar volume at September 30<sup>th</sup>. Such was the upswing from Q3 2024 levels, that the previous high-water mark set in Q3 2023 was surpassed. Given that both investment and sales registered well above Q3 2023 levels, we're confident that the larger picture is one of a sustained overall recovery.

The year to September 30<sup>th</sup> has been a mixed bag of economic news for Alberta and its capital city, making commercial investment levels a pleasant surprise. Given that interprovincial migration has slowed substantially and the first nine months brought several ups and downs in terms of macroeconomic headwinds from U.S.-imposed tariffs, we are optimistic that despite a slower third quarter than Q3 2024 the balance of this year will prove to be strong. The October interest rate cut by the Bank of Canada is also anticipated to provide a boost to investor confidence.

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