HUGHES COMMERCIAL REALTY GROUP

MID YEAR INVESTMENT REPORT

EDMONTON REGION | JAN 1/26 TO JUNE 30/26

Investment intelligence, refined. Explore the latest asset benchmarks and transactional highlights in our comprehensive review of this quarter's commercial real estate activity.

This report provides the strategic data necessary to identify capital opportunities and navigate Edmonton's evolving commercial real estate market with confidence.

780.757.1010 www.hcrgroup.ca
#302, 10171 Saskatchewan Drive | Edmonton, Alberta | T6E 4R5

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MARKET HIGHLIGHTS

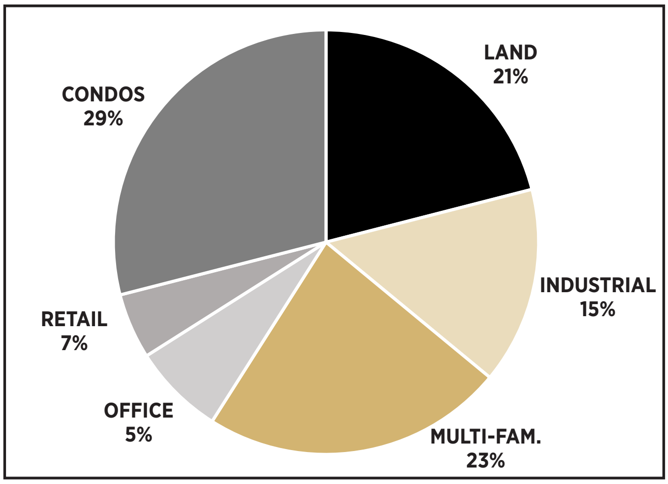
EDMONTON REGION OVERVIEW

Edmonton's commercial real estate market maintained strong momentum through the second quarter, recording 183 closed transactions totaling nearly $702 million. Mid-year investment finished just under $2 billion - a 7.0% ($149.7 million) year-over-year decline compared to mid-year 2025. Despite the dip in overall dollar volume, deal activity remained resilient, posting two additional closed sales compared to the same period last year.

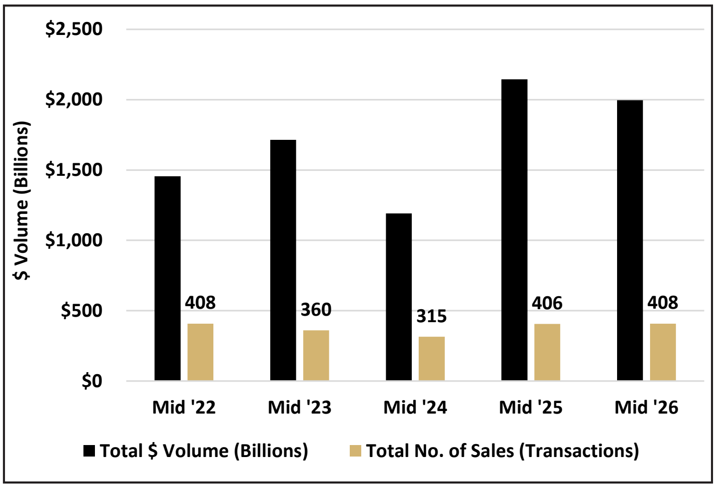
This drop in overall volume stemmed from investment declines in four of the six tracked asset classes. Industrial assets took the largest hit with a $130 million year-over-year decrease, while multi-residential properties saw both transaction activity and dollar volume fall for the first time in several quarters. Offsetting these losses were land and commercial condos, which grew by roughly $174 million and $9 million, respectively.

	MID YEAR 2026	MID YEAR 2025	MID YEAR 2024	MID YEAR 2023	MID YEAR 2022
LAND Total $ Value Number of Transactions	$442,270,189 99	$347,206,447 86	$173,292,878 59	$193,725,906 76	$238,144,795 73
BUILDINGS Total $ Value Number of Transactions	$1,553,883,818 309	$1,798,639,571 320	$1,018,411,772 256	$1,521,058,662 284	$1,216,933,246 247
TOTAL Total $ Value Number of Transactions	$1,996,154,007 408	$2,145,846,018 406	$ 1,191,704,650 315	$1,714,784,568 360	$1,455,078,041 320

MID 2026 ASSET DISTRIBUTION



TOTAL $ VOLUME & TRANSACTIONS

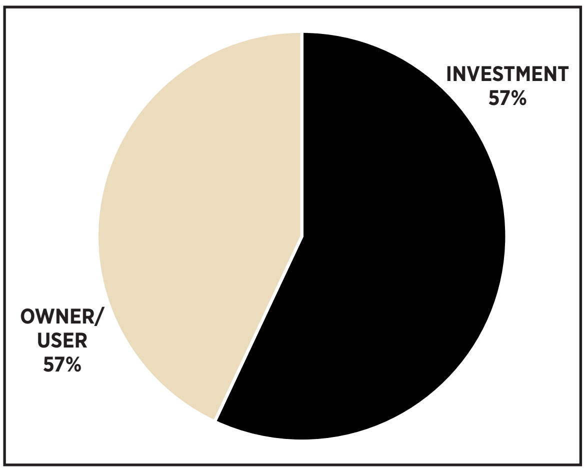


OFFICE MARKET

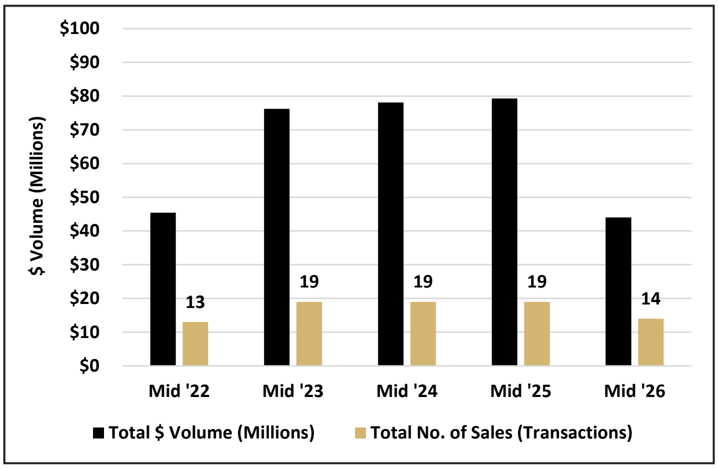
Edmonton's office market shifted heavily toward suburban properties by mid-2026, with all but a single transaction occurring outside the downtown core. While deal momentum picked up in the second quarter: accounting for over half of year-to-date sales - the individual transactions were small, contributing just over $9.9 million. This lower average deal size dragged overall investment down to a multi-year low, dropping mid-year volume below 2022 levels. Still, total year-to-date volume remains more than double the 2019 pre-pandemic baseline of $21.8 million.

Owner-users re-emerged as the main driver of market activity, signaling a return to historical norms where end-users routinely accounted for half to two-thirds of all office acquisitions. This resurgence marks a recovery from 2025's subdued levels and highlights a broader trend of local businesses prioritizing property ownership over leasing as market conditions adjust.

OFFICE MARKET SALES DISTRIBUTION



TOTAL OFFICE BUILDINGS $ VALUE & TRANSACTIONS

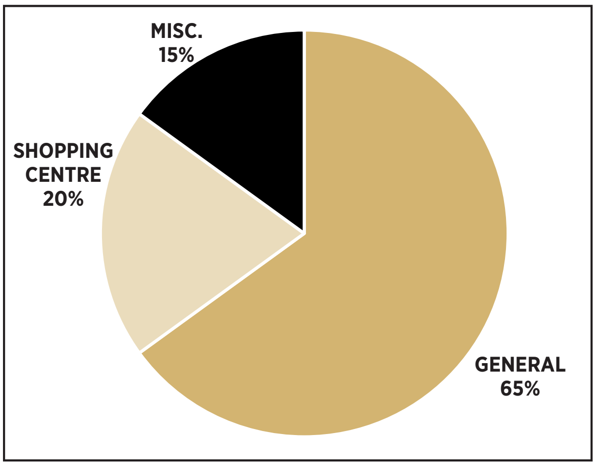


RETAIL MARKET

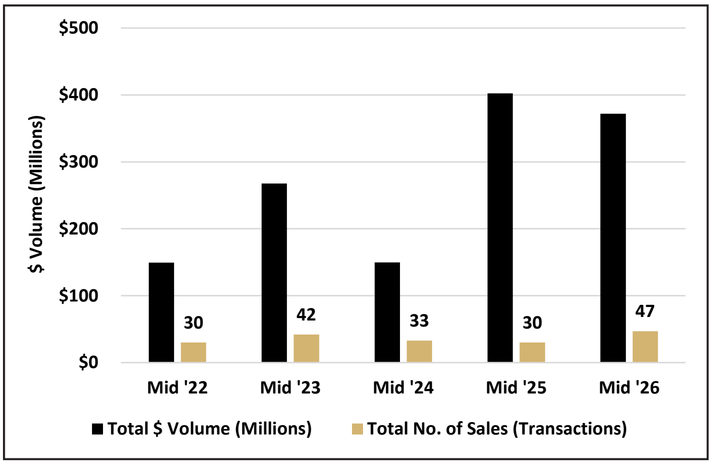
Edmonton's retail sector recorded $172.4 million across 27 transactions in Q2 2026. While overall dollar volume fell year-over-year, the comparison is skewed by mid-2025's massive $239.6 million Southgate Mall sale. Excluding that single outlier, 2026 market momentum remains strong, topping mid-2023 transaction levels and tripling mid-2024 dollar volume.

The lower investment total stems from reduced average asset pricing rather than cooling buyer demand, as transaction counts increased market-wide. General Retail was the sole category to post a dollar-volume gain, while Miscellaneous Retail saw a resurgence with 10 closed deals - nearly half driven by auto dealership acquisitions.

RETAIL MARKET SALES DISTRIBUTION



TOTAL RETAIL BUILDINGS $ VALUE & TRANSACTIONS



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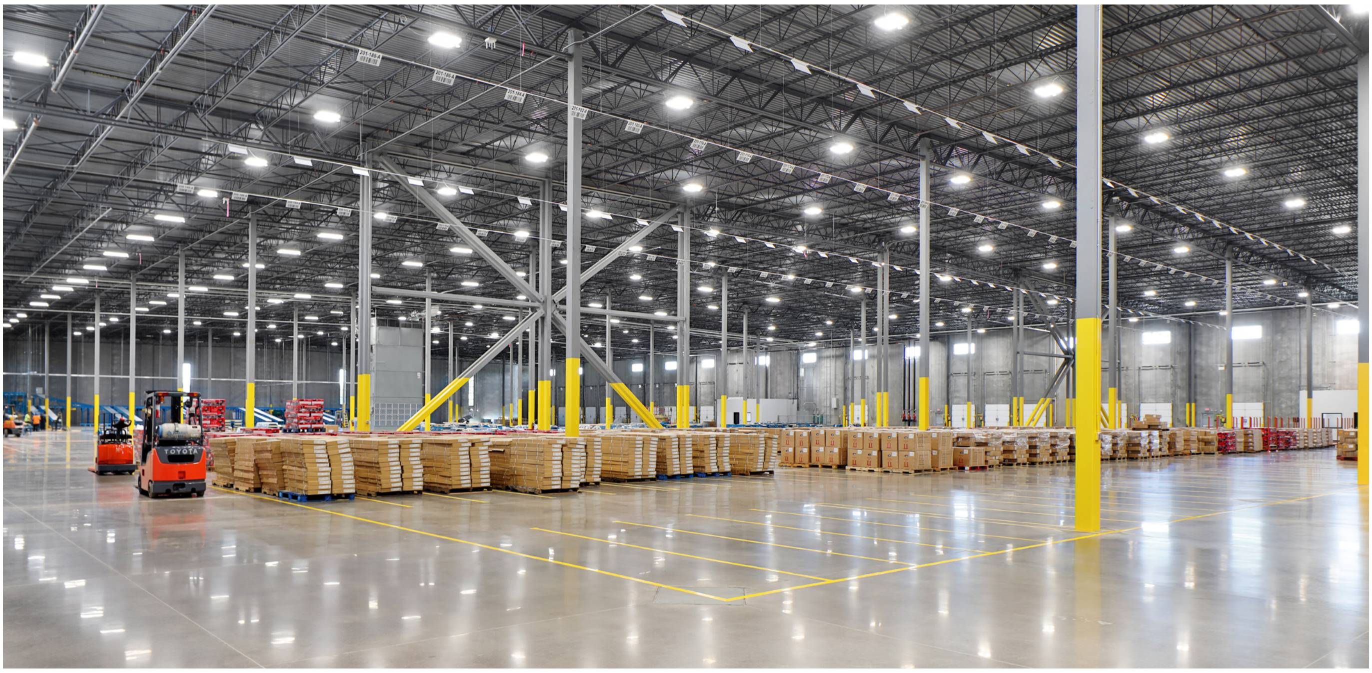
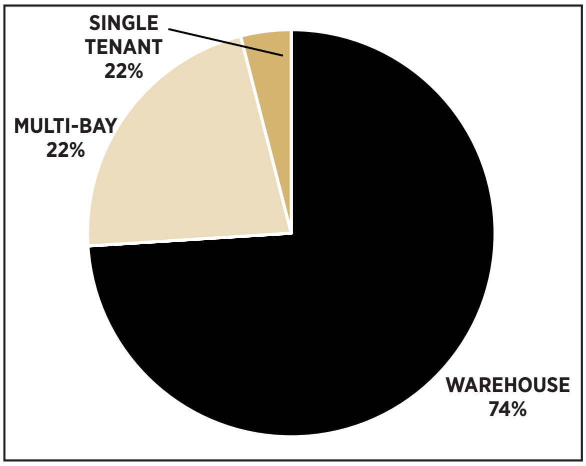
INDUSTRIAL MARKET

Edmonton's industrial market cooled in Q2 2026 with 28 transactions totaling $114.8 million, driving mid-year volume to a five-year near-low. Owner-users continued to anchor activity, accounting for 49 of 68 year-to-date purchases totaling nearly $208 million. While multi-bay warehouse transaction counts doubled compared to mid-2024, total dollar volume plunged 59.0% due to smaller deal sizes.

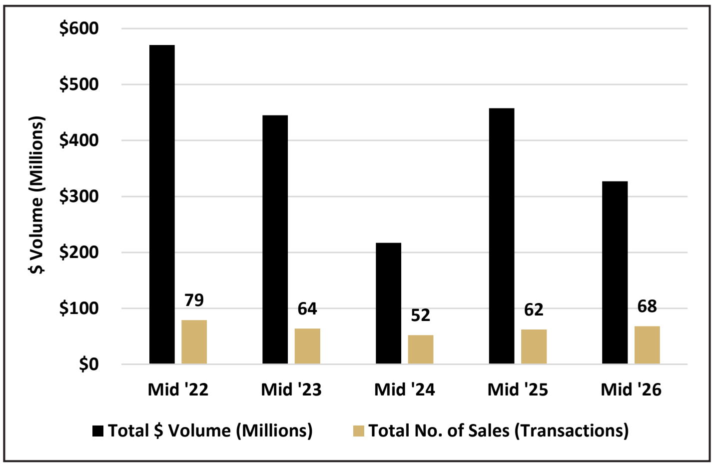
The period's largest trade was the Sherwood Business Centre at $22 million, closely followed by a $20 million Yellowhead Trail acquisition. This absence of major institutional scale contrasts sharply with mid-2025, when mega-deals reached as high as $61.3 million.



INDUSTRIAL MARKET SALES DISTRIBUTION



TOTAL INDUSTRIAL BUILDINGS $ VALUE & TRANSACTIONS

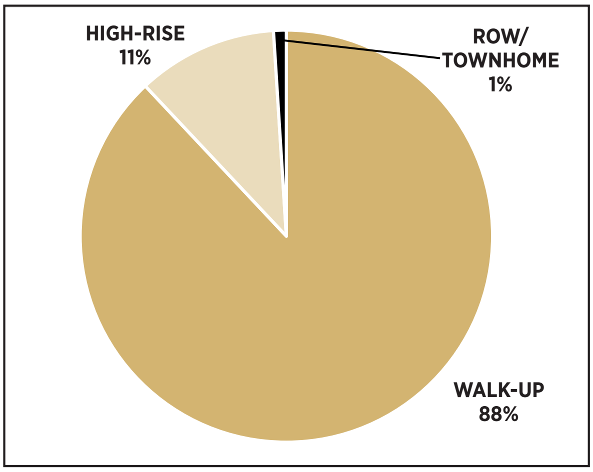


MULTI-FAMILY MARKET

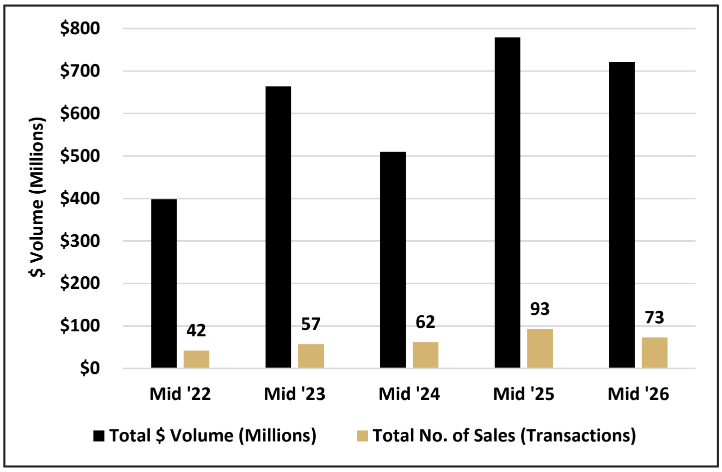
Driven by an influx of big-ticket acquisitions, Edmonton's multi-residential sector achieved yet another first-quarter investment record. Just five transactions exceeding $20 million each fueled nearly 70% of the asset class's year-to-date volume , with pricing climbing to an average of $168,000 per unit as capitalization rates compressed tightly to 4.0%.

The quarter's historic performance was anchored by ARH Homes Inc.'s $198 million purchase of Ravine Mansion ($200,000/unit; 5.53% cap), followed by the $60 million sale of Inglewood Lofts ($284,000/unit; 5.93% cap).

MULTI-FAMILY MARKET SALES DISTRIBUTION



TOTAL MULTI-FAMILY BUILDINGS $ VALUE & TRANSACTIONS

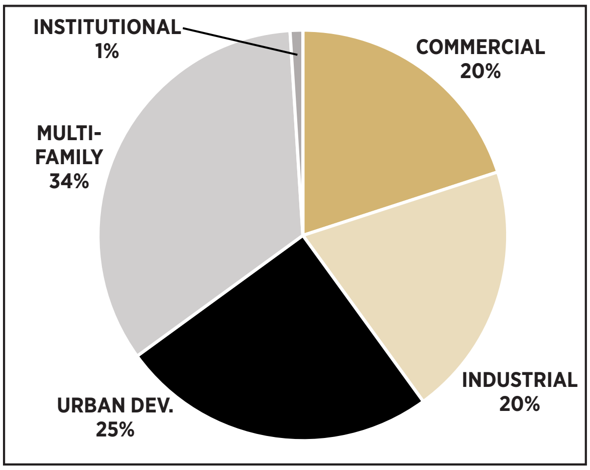


LAND MARKET

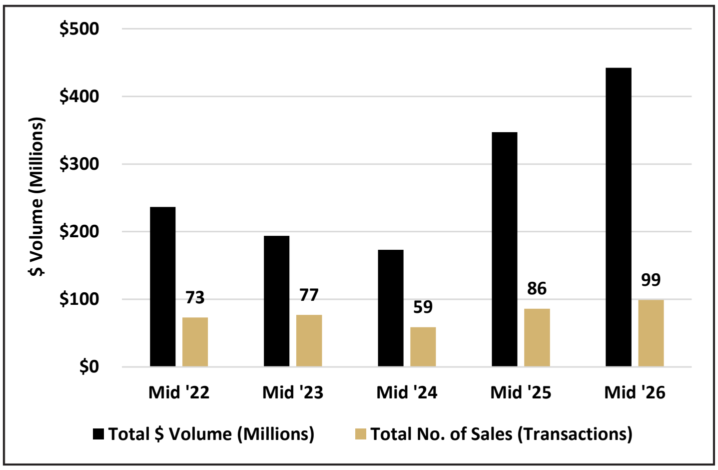
A surge in Q2 activity propelled Edmonton's land sector to new multi-year highs, recording 43 transactions totaling $196 million. This momentum produced significant year-over-year gains in both deal volume and total capital invested compared to mid-2025 levels.

Investor interest was particularly aggressive for urban development sites, where mid-year transaction volumes doubled year-over-year. Multi-family designated land also maintained its steady multi-year upward trajectory, with strong buyer demand pushing the category to account for one-third of all year-to-date sales.

LAND MARKET SALES DISTRIBUTION



TOTAL LAND $ VALUE & TRANSACTIONS

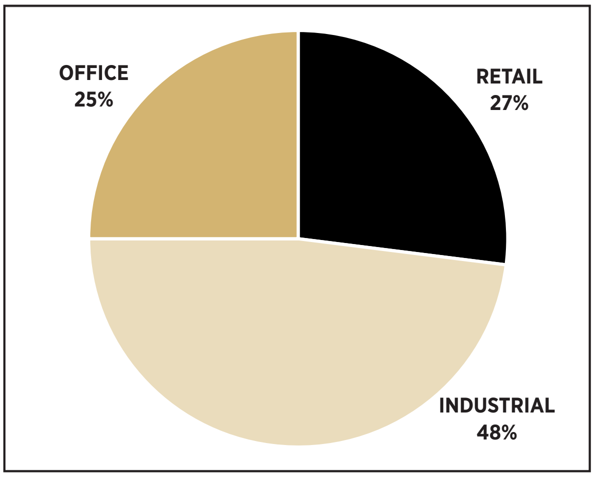


COMMERCIAL CONDO MARKET

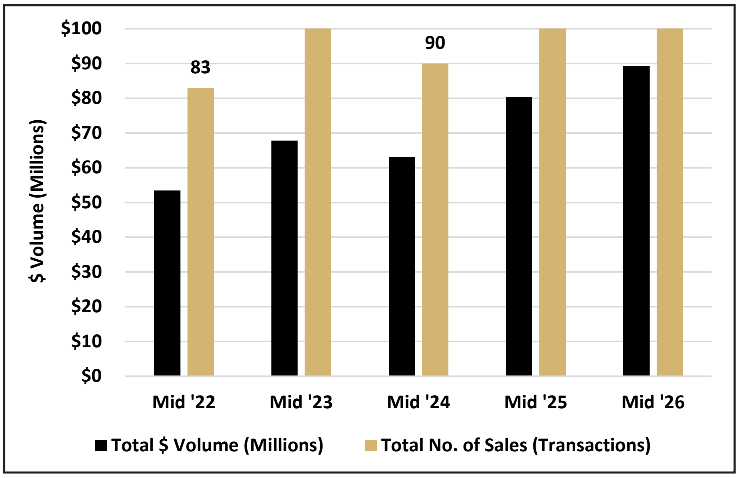
Commercial condo investment grew 11.0% year-over-year to ~$37.8 million in Q2 2026. Although sales slowed following a dominant first quarter: lowering total year-to-date transaction counts - strong Q1 momentum carried overall dollar volume to a new mid-year record.

Industrial condos continued to lead overall demand and sales volume, maintaining their top spot since 2019 due to stable, low price-per-square-foot rates. Meanwhile, office condo demand remained notably strong, and retail condo sales held steady despite a significant mid-year jump in price per square foot.

CONDOMINIUM MARKET SALES DISTRIBUTION



TOTAL CONDOMINIUM $ VALUE & TRANSACTIONS



EDMONTON REGION MARKET SUMMARY

Edmonton's commercial real estate market continues to outperform long-term historical averages despite a 7.0% ($149.7 million) mid-year drop in total dollar volume. This minor dip stems from a shift in deal composition, favoring a higher volume of smaller sales over the massive individual transactions recorded in mid-2025. Overall market momentum remains resilient against external economic headwinds like U.S. tariffs, with the commercial condominium sector standing out for its remarkably steady, quarter-over-quarter growth since 2020.

Meanwhile, multi-family land sales are tilting heavily toward smaller footprints, with sites under one acre representing a third of all year-to-date transactions - a trend projected to expand through 2026. Because these smaller lot sizes make price-per-acre comparisons increasingly inaccurate, market reporting will officially transition to a price-per-square-foot (psf) basis to provide a clearer, more precise measure of real estate value.

HUGHES COMMERCIAL REALTY GROUP

THE TEAM

Scott Hughes, MBA, AACI, CCIM, SIOR
Broker/Owner
Investment Sales/Leasing
P: 780 915 7895
E: scott@hcrgroup.ca

Jewell Hansen
Vice President
Healthcare, Retail & Office
P: 780 919 7672
E: jewell@hcrgroup.ca

Chris Davies
Vice President
Multi-Family & Investment Sales
P: 780 905 7562
E: chris@hcrgroup.ca

Luke Gervais
Senior Associate
Multi-Family & Investment Sales
P: 403 918 5000
E: luke@hcrgroup.ca

Darin Luciow
Senior Associate
Investment Sales/Leasing
P: 780 573 0830
E: darin@hcrgroup.ca

Carla Voss, B (Adv)
Vice President
Investment & Industrial Sales/Leasing
P: 780 818 7118
E: carla@hcrgroup.ca

Steven Pearson
Vice President
Industrial & Investment Sales/Leasing
P: 780 993 7501
E: steven@hcrgroup.ca

Martin Halabi
Senior Associate
Commercial Sales/Leasing
P: 780 952 0433
E: martin@hcrgroup.ca

Ben Shopland, BComm
Senior Associate
Investment Sales/Leasing
P: 780 689 7497
E: ben@hcrgroup.ca

Darren Hildebrand, BPe
Senior Associate
Commercial Sales/Leasing
P: 780 710 7292
E: darren@hcrgroup.ca

Jasdeep Dhaliwal
Associate
Industrial & Investment Sales/Leasing
P: 780 952 5866
E: jasdeep@hcrgroup.ca

Nicole Wells
Associate
Retail Sales/Leasing
P: 780 220 615
E: nicole@hcrgroup.ca

Peter Michailides, BComm
Licensed Assistant
Commercial Sales/Leasing
P: 780 655 7233
E: peter@hcrgroup.ca

Brandi Guerrero
Manager
Brokerage Operations & Marketing
P: 780 757 1010
E: brandi@hcrgroup.ca

Charlene Carpio
Administrator
Conveyancing & Administration
P: 780 757 1010
E: charlene@hcrgroup.ca

Charity Aspe
Administrator
Marketing & Administration
P: 780 757 1010
E: charity@hcrgroup.ca

THE HCR DIFFERENCE

BOUTIQUE ADVISORY EXPERIENCE

Hughes Commercial Realty Group is an independent commercial real estate advisory firm providing brokerage and strategic real estate services across Alberta.

Our professionals combine deep local market knowledge with strong industry relationships to help clients make informed real estate decisions.

DEEP MARKET KNOWLEDGE

Commercial real estate decisions require experience, market insight, and disciplined analysis.

Hughes Commercial Realty Group professionals provide expertise across multiple commercial real estate sectors and transaction types throughout the Greater Edmonton Area and Alberta markets.

Leasing Services
- Office, Industrial, Retail, Land

Investment & Asset Classes
- Investment, Multi-Family, Hospitality

Development & Land
- Development land acquisitions & dispositions
- Strategic land assembly
- Development site analysis

Our advisors combine deep knowledge of the Greater Edmonton market with broader provincial and national relationships to support complex real estate decisions.

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