

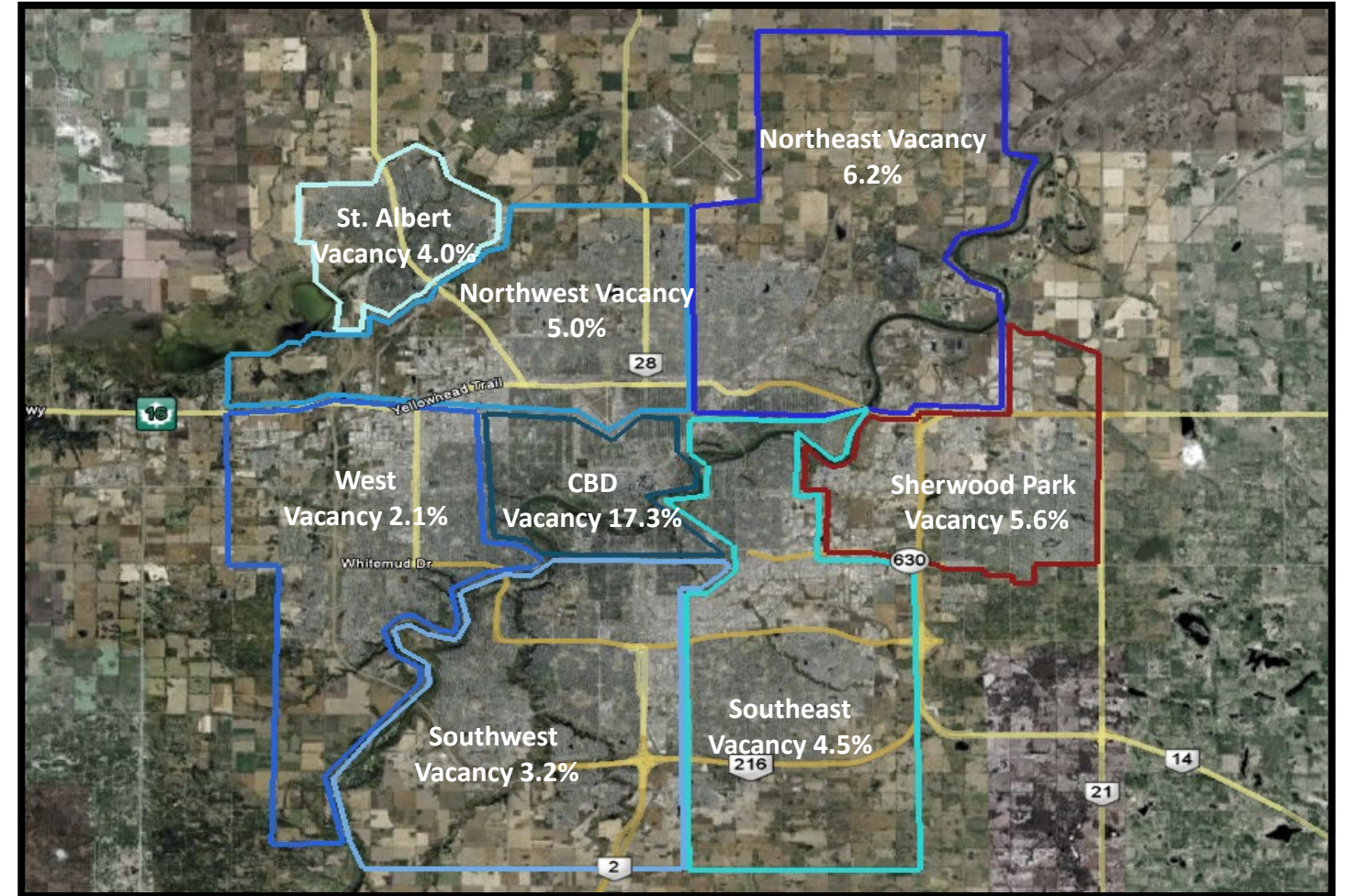
2024 EXECUTIVE SUMMARY

Retail Market Analysis

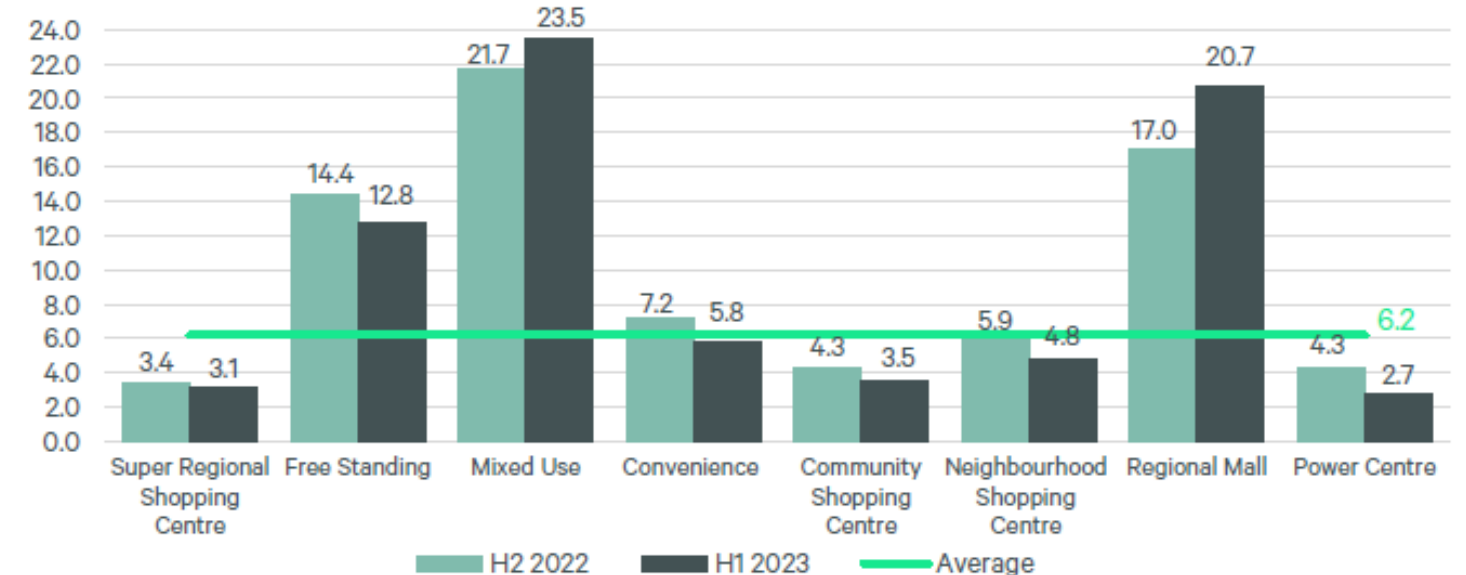
Edmonton Regional Retail Vacancy Rates

- Edmonton region continues to be an attractive test market for many US-based retailers/chains expanding into Canada despite the more challenging economic conditions.
- According to CBRE research, overall Edmonton retail vacancies decreased by 50 basis point from H2 2022, and presently sits at 6.2%. Vacancy within Sherwood park is 3.9% (including conventional retail, professional services, auto, retail-office). New community/neighbourhood scale retail and mixed-use developments represent the newest supply to the County. Replacement and infill of vacant spaces in the County's key retail zones (e.g. Baseline Rd, Wye Road) continue.
- While Edmonton's established suburban malls command higher lease rates (\$40+ net), Strathcona County's retail strip malls garner rates typically ranging between \$15 - \$25 psf (net) for CRU space.
- Projects under construction include Salisbury Market (~15,000 sf), Shoppes at Hillshire (37,239 sf) and Emerald Park North (31,385 sf) – approximately 84,000 sf GLA of new (or under construction) retail inventory.
- Despite the continued economic challenges, developers and retailers will likely continue to seek out market voids and development opportunities in the convenience/necessities category within the County in coming years.

Retail Vacancy by Edmonton Sub-Market (%) - CBRE Research, H1 2023



Retail Vacancy by Format (%), Edmonton Region - CBRE Research, H1 2023

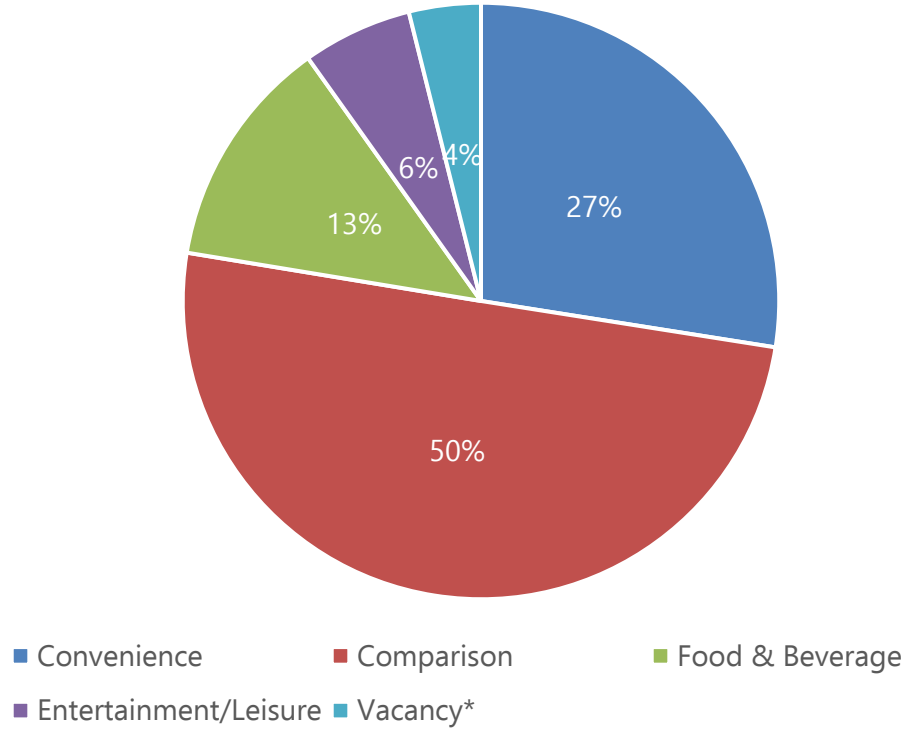


Strathcona County Retail Market Floorspace Summary

- Estimated 4.4 million square feet of retail and related uses in Strathcona County based blending 2017 Thomas report data and Strathcona County business inventory information (refer to table).
- Related retail uses include professional services (e.g. medical, dental, physiotherapy, massage and related services) and automotive retail (includes dealerships, maintenance/repair, parts/supplies).
- Retail floorspace dominated by the 'Comparison Retail' category (50%), represented by larger format retail along Sherwood Park's commercial corridors (Baseline Rd, Wye Rd) and Sherwood Park Mall (refer to table and chart).
- Vacancy rate (for retail only, excluding professional services and automotive) is estimated at 4%.

Retail Category	Floorspace	% of Total
Convenience	989,558	27%
Comparison	1,803,793	50%
Food & Beverage	452,128	13%
Entertainment/Leisure	214,213	6%
Vacancy*	140,295	4%
Retail Only	3,599,987	100%
Professional Services	377,731	
Automotive	455,055	
Total	4,432,773	

% Retail Floorspace by Category



*Vacancy has been determined through business data supplied by Strathcona County.

Potential Target Tenant Considerations

Grocery & Specialty Food



Food & Beverage



Services



Comparison Retailers



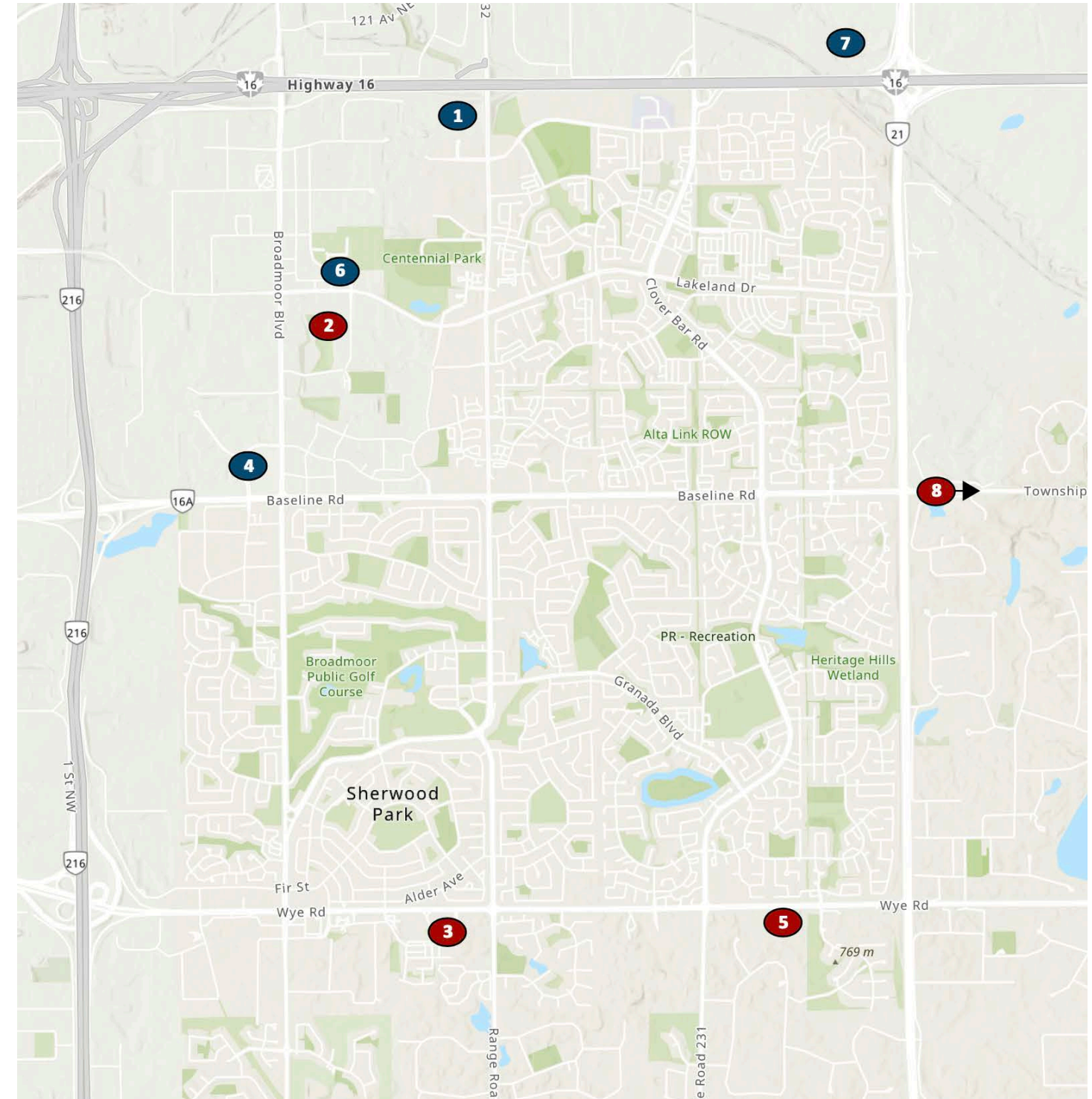
Entertainment/Leisure



Future/Potential Retail Supply

Planned or under construction retail-commercial projects are primarily neighbourhood scale in size (<120,000 sf) and feature convenience retail/services and quick service restaurants.

- Prairie Sky Business Park** (Sherwood Drive North): Available 99 acres of vacant land available for service commercial and light industrial development that is east of (Sherwood Dr.) the Emerald Hills District development area and adjacent to the Sandman, Four Points by Sheraton, and Marriott Towne Place hotels.
- Buckingham Business Park:** Approximately 21 acres available for service commercial and retail development; ±42,000 sf business park bordering Broadmoor Blvd. and Lakeland Dr., comprising of two buildings, and up to 24 retail, light industrial, or office tenancies. The park has future potential for large format entertainment and retail amenities. .
- Salisbury Market Shopping Centre:** ±63,000 sf neighborhood retail centre comprising of four buildings, and adjacent to the larger community retail centres along Wye Road.
- Shivam Park Commercial Land:** ±100 acres of commercial and industrial zoned land, available for a wide range of mixed uses, and is directly adjacent to the busiest retail district and intersection within the County (northwest corner of Baseline Road and Broadmoor Blvd).
- Shoppes at Hillshire:** 3-acre site (±37,000 sf) neighbourhood centre with convenience retail, including gas station, restaurants and medical/professional offices.
- North of Lakeland Dr.:** Near Lakeland Dr/Premier Way, 2.3 ac (just west of Sherwood Park Chevrolet) and 5.8 ac (immediately east of Sherwood Park Chevrolet) parcels are available for commercial development.
- Cambrian Crossing:** Part of master-planned community that includes 7 ac parcel for potential commercial-retail uses.
- Ardrossan Commercial Site** (Range Rd 222/3rd Ave - not on map): ±15,000 sf of gas station, convenience store, daycare and related retail services as potential uses (under construction and 60% leased).



Strathcona County Future Retail Inventory

- Future Commercial Development Site
- Commercial Development (under construction)

Demographics & Demand – “By the Numbers”

100,362

Strathcona County 2023 Population
(10-year forecast 107,513)

41.6

Strathcona County Average Age
(City of Edmonton – 38.8)

\$148,000

Strathcona County Average Household Income
(City of Edmonton - \$139,035)

\$61,106

Strathcona County Per Capita Household Retail Spending
(City of Edmonton \$54,984)

\$2.36 billion

Strathcona County 2023 Total Retail Spending

1.0 million sf

Strathcona County total retail demand to year 2033
(approximately 100,000 sf annually)

Demographics & Demand – “By the Numbers”

Index	Description
>= 180	Extremely High
>=110 and <180	High
>=90 and <110	Similar
>=50 and <90	Low
<50	Extremely Low

Attribute	Benchmark				
	City of Edmonton		Strathcona County		
	value	percent	value	percent	index
SUMMARY					
Total population	1,068,840		103,079		
Total population age 15 and over	880,287		85,921		
Total number of private households	416,718		38,521		
Average number of persons in private households	2.52		2.64		105
POPULATION AGE					
Population age 0-14	188,548	17.64%	17,158	16.65%	94
Population age 15-24	125,350	11.73%	12,999	12.61%	108
Population age 25-34	174,604	16.34%	11,447	11.11%	68
Population age 35-44	175,042	16.38%	13,840	13.43%	82
Population age 45-54	130,189	12.18%	14,120	13.70%	112
Population age 55-64	123,058	11.51%	14,828	14.39%	125
Population age 65+	152,045	14.23%	18,687	18.13%	127
INCOME					
Average household income \$	\$139,035		\$205,196		148
Average income population age 15 and over (\$)	\$71,993		\$102,102		142
Population with income Under \$10,000 (including loss)	69,144	7.86%	3,760	4.38%	56
Population with income \$10,000 to \$19,999	101,807	11.57%	7,278	8.47%	73
Population with income \$20,000 to \$29,999	101,025	11.48%	7,998	9.31%	81
Population with income \$30,000 to \$39,999	89,773	10.20%	7,562	8.80%	86
Population with income \$40,000 to \$49,999	83,575	9.49%	6,968	8.11%	85
Population with income \$50,000 to \$59,999	76,331	8.67%	6,715	7.82%	90
Population with income \$60,000 to \$69,999	65,592	7.45%	6,314	7.35%	99
Population with income \$70,000 to \$79,999	53,737	6.10%	5,556	6.47%	106
Population with income \$80,000 to \$89,999	42,886	4.87%	4,970	5.78%	119
Population with income \$90,000 to \$99,999	35,270	4.01%	4,406	5.13%	128
Population with income \$100,000 and over	117,894	13.39%	20,896	24.32%	182
Population with income \$100,000 to \$149,999	55,150	6.27%	6,644	7.73%	123
Population with income \$150,000 and over	62,744	7.13%	14,251	16.59%	233

Demographics & Demand – “By the Numbers”

Index	Description
>= 180	Extremely High
>=110 and <180	High
>=90 and <110	Similar
>=50 and <90	Low
<50	Extremely Low

Trade Area Per Household Expenditures 2023	Strathcona County	City of Edmonton	Strathcona County Index to Edmonton
Retail Categories			
Convenience	\$ 19,988	\$ 18,376	109
Grocery & Convenience	\$ 12,930	\$ 11,696	111
Pharmacy	\$ 1,183	\$ 1,017	116
Alcohol, Tobacco & Cannabis	\$ 1,671	\$ 1,657	101
Services	\$ 4,204	\$ 4,006	105
Comparison	\$ 18,733	\$ 17,320	108
Fashion & Accessories	\$ 3,654	\$ 3,490	105
Jewelry, Watches & Accessories	\$ 259	\$ 252	103
Beauty & Personal Care	\$ 2,007	\$ 2,007	100
Home Furniture & Décor	\$ 1,340	\$ 1,260	106
Appliances & Electronics	\$ 2,733	\$ 2,371	115
Home Improvement & Gardening	\$ 4,747	\$ 4,233	112
Books & Media	\$ 830	\$ 910	91
Sporting Goods & Recreation	\$ 1,066	\$ 907	117
Toys & Hobbies	\$ 686	\$ 604	113
Specialty Retail	\$ 1,411	\$ 1,285	110
Food & Beverage	\$ 6,692	\$ 6,263	107
Quick Service F&B	\$ 3,394	\$ 3,120	109
Restaurants & Pubs	\$ 3,298	\$ 3,142	105
Leisure & Entertainment	\$ 794	\$ 769	103
Arts & Entertainment	\$ 355	\$ 321	111
Fitness & Leisure	\$ 439	\$ 449	98
Automotive	\$ 14,899	\$ 12,257	122
Auto Parts & Accessories	\$ 3,676	\$ 3,266	113
Auto/RV/Motorsports Dealerships	\$ 11,223	\$ 8,991	125
Total Per Capita Retail Expenditures	\$ 61,106	\$ 54,984	111

Trade Area Total Expenditures Strathcona County			
Retail Categories	2023	2028	2033
Convenience	\$ 771,007,484	\$ 849,347,220	\$ 930,383,244
Grocery & Convenience	\$ 498,763,016	\$ 549,440,816	\$ 601,862,839
Pharmacy	\$ 45,628,544	\$ 50,264,722	\$ 55,060,468
Alcohol, Tobacco & Cannabis	\$ 64,461,902	\$ 71,011,681	\$ 77,786,890
Services	\$ 162,154,021	\$ 178,630,001	\$ 195,673,048
Comparison	\$ 722,619,978	\$ 796,043,206	\$ 871,993,507
Fashion & Accessories	\$ 140,967,572	\$ 155,290,860	\$ 170,107,126
Jewelry, Watches & Accessories	\$ 10,004,746	\$ 11,021,297	\$ 12,072,837
Beauty & Personal Care	\$ 77,412,232	\$ 85,277,854	\$ 93,414,195
Home Furniture & Décor	\$ 51,692,464	\$ 56,944,779	\$ 62,377,867
Appliances & Electronics	\$ 105,419,783	\$ 116,131,168	\$ 127,211,217
Home Improvement & Gardening	\$ 183,111,661	\$ 201,717,083	\$ 220,962,864
Books & Media	\$ 32,014,756	\$ 35,267,678	\$ 38,632,559
Sporting Goods & Recreation	\$ 41,105,793	\$ 45,282,428	\$ 49,602,814
Toys & Hobbies	\$ 26,450,834	\$ 29,138,423	\$ 31,918,514
Specialty Retail	\$ 54,440,137	\$ 59,971,635	\$ 65,693,515
Food & Beverage	\$ 258,127,526	\$ 284,355,082	\$ 311,485,336
Quick Service F&B	\$ 130,915,759	\$ 144,217,712	\$ 157,977,491
Restaurants & Pubs	\$ 127,211,767	\$ 140,137,370	\$ 153,507,844
Leisure & Entertainment	\$ 30,627,285	\$ 33,739,231	\$ 36,958,283
Arts & Entertainment	\$ 13,703,714	\$ 15,096,107	\$ 16,536,423
Fitness & Leisure	\$ 16,923,571	\$ 18,643,124	\$ 20,421,860
Automotive	\$ 574,714,836	\$ 633,109,870	\$ 693,514,739
Auto Parts & Accessories	\$ 141,788,805	\$ 156,195,536	\$ 171,098,116
Auto/RV/Motorsports Dealerships	\$ 432,926,031	\$ 476,914,334	\$ 522,416,622
Total Aggregate Retail Expenditures	\$ 2,357,097,109	\$ 2,596,594,609	\$ 2,844,335,109