



*Rendering of proposed Stantec Tower Food Hall

Quick Stats



Average Weekly
Earning

June 2019 YoY

↑ **2.4%**

Economic Growth

2018 YoY

↓ **0.5%**

Retail Sales Decrease

July 2019 YoY

INSIDE

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Mid Year / Edmonton

Retail Market Report

The Edmonton retail landscape has undergone an evolution in the last few years due to changes in the habits, behaviors, and demands of consumers. Here is what activity is happening in the market right now:

In order to appeal to prospective tenants, we are seeing landlords offer more incentives and tenant improvement allowances. The idea is to provide tenants the opportunity to build out unique and modern spaces that set their business apart from competitors, with landlords being invested in the tenant's success. With no singular answer on how to differentiate a business, landlords will need to be flexible with their space allowances as tenants become increasingly creative with their

consumer attraction ideas.

Coupled with the recent new developments occurring in the Brewery District and ICE District, existing space re-developments have been on the rise. This trend has been spurred on by retailers re-evaluating their space requirements, both in size and usage, and tailoring their renovations to give them a better foothold on the changing retail landscape.

National purchasers have been hesitant to make moves as they wait for the political and energy markets to stabilize in Alberta. With a slowdown of national movers, landlords have begun working with increasing numbers of local and regional groups.



Factors Bringing Retail Change

From one-click buying to purchasing products while scrolling through social media, online shopping continues to evolve. Retailers are adapting and are starting to incorporate online options as a compliment to the physical, in-store experience. The resulting purchasing flexibility for customers has led to retailers re-evaluating their space requirements, both in size and usage. For instance, consider a traditional retailer growing their online presence to a point where warehouse and office spaces are as large as the primary showroom. Moving forward, having both a physical store and online presence will be essential, as consumers still enjoy having the ability to view and test products in person but also the convenience of later purchasing that item online once brand confidence is established.

Level the Playing Field

With online platforms congruent with retail spaces becoming standard in the retail business model, it was thought that brick and mortar stores not utilizing them would face immediate pressure. However, the gradual introduction of e-commerce to the market has not been as substantial as you may think. According to a study by Moody's Investor Services, e-commerce sales in Canada accounted for just 3% of all sales, whereas the US had total sales of 10%. Further, Canada has limiters in place that create a level playing field between e-commerce and physical store locations to prevent major disruptions, most prominently in the form of competitive shipping rates.

Further in line with enhancing the customer experience is creating a unique in-store environment. Doing something that sets one retail location apart from another. Some examples include having curated shopping experiences, wherein a customer will get 1-on-1 assistance from a staff member. There's also the culture of social media sharing, where a store might offer discounts or prizes to those who post and share pictures of their visit and purchases on social media platforms. Offering a unique experience and ensuring it's shared are key methods at driving customers into brick and mortar retail locations.



Staples Canada unveils new concept store in Toronto.



Bettering the Community

From a macro perspective, the retail market has seen an increase in collaboration between developers, owners, tenants, and the surrounding communities to create sites that meet demands of those already using the area and draw in others in the future. The methodology of placing a building wherever there is space is no longer relevant. Now there are subsequent steps taken to ensure that any new buildings or tenants serve a functional purpose towards bettering the community that surrounds it. For instance, success has been found within the city at West Block and Oliver Exchange in being community hubs for existing residential.



Demographics vs Valuegraphics

Having a firm understanding of what people want from retail is key given how much change is happening in the market. Traditionally, the use of demographics was the best indicator of how different communities were made up. Metrics such as average ages, household income, and estimated population growth were a major contributing factor to gaining market insights. However, within the past couple years a new metrics system is being studied called Valuegraphics, or the studying of habits such as personal values, hobbies, and daily activities.



*Information & images: Environics Analytics Group

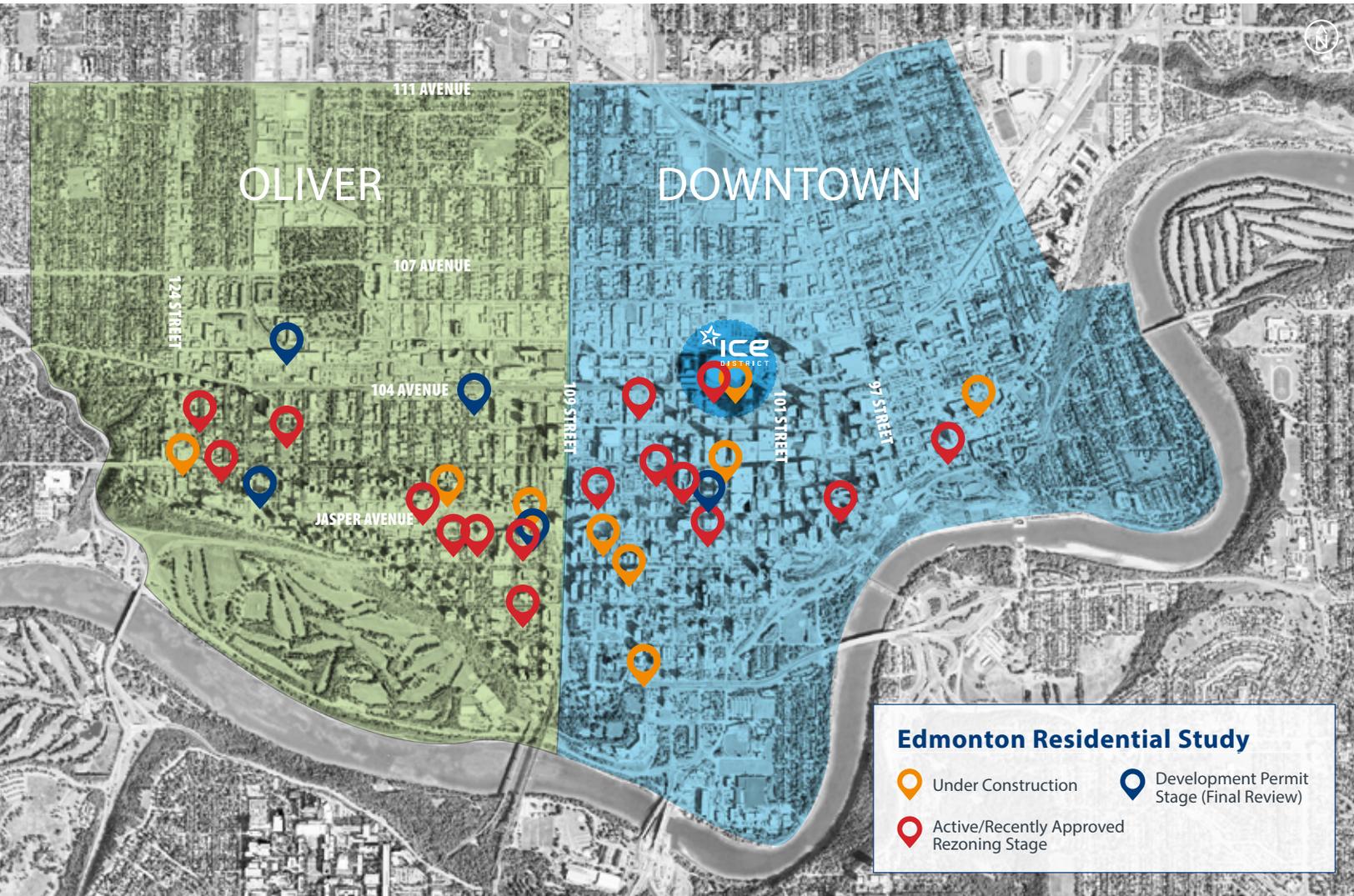
Case Study

By using both Demographics and Valuegraphics as supplements to one another, it is possible to have a well-rounded estimation of what types of requirements various communities will have, thus giving developers, tenants, and landlords more peace of mind when it comes to starting new developments and understanding the tenant demands in the area.

Area | Summerside, Edmonton



Demographics	VS	Valuegraphics										
<p>4.1% Population Growth 2019-2022</p>		<p>PETS & PCs Younger, Upscale Suburban Families Households: 458,870 House Tenure: Own Education: University/College Cultural Diversity: High Sample Social Value: Personal Optimism</p> <p>One of the largest lifestyles in Canada, Pets & PCs is a haven for younger families with pre-school children in the new suburbs surrounding larger cities. Pets & PCs has a strong presence of immigrants from China, the Philippines and India. Most residents have settled into a mix of single-detached, semi-detached and row house developments. These families participate in many team sports, including baseball, basketball and hockey, and they shuttle kids and gear to games in spacious SUVs-typically newer models. They fill their homes with an array of computers and electronic gear, video game systems, tablets.</p>										
<p>31.5 Years Average Age</p>												
<p>\$150K Average Household Income</p>												
<p>8,855 Daytime Population</p>												
<p>25,800 Vehicles per day along Ellerslie Road</p>												
		<table border="0"> <tr> <td>FOOD & DRINK</td> <td>SHOPPING</td> </tr> <tr> <td>Granola Bars</td> <td>Gap</td> </tr> <tr> <td>Wheat-based Cereal</td> <td>Disney Store</td> </tr> <tr> <td>Steak Sauce</td> <td>Children's Clothing Stores</td> </tr> <tr> <td>Dairy Queen</td> <td>Online Cosmetic / Skin Care</td> </tr> </table>	FOOD & DRINK	SHOPPING	Granola Bars	Gap	Wheat-based Cereal	Disney Store	Steak Sauce	Children's Clothing Stores	Dairy Queen	Online Cosmetic / Skin Care
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Edmonton Residential Study

- 📍 Under Construction
- 📍 Active/Recently Approved Rezoning Stage
- 📍 Development Permit Stage (Final Review)

Contact us for more information on Market Trends and Stats:

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