CBRE

# Strong leasing helps market remain flat despite tenant departures

▼ -59K
SF Net Absorption

▶ 5.6%
Vacancy Rate

▲ 914K
SF Under Construction

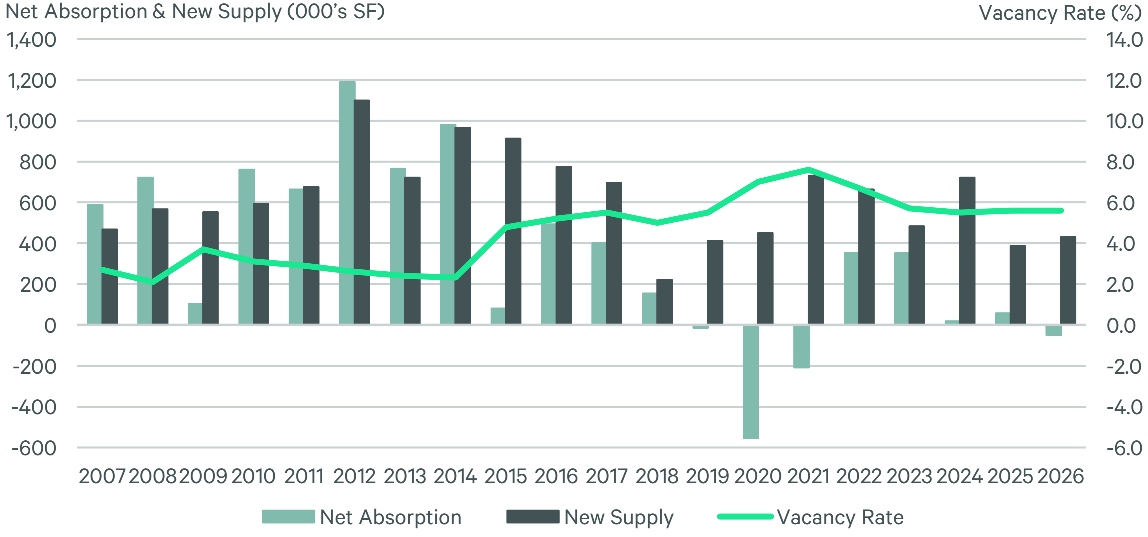
▲ 478K
SF New Supply

Note: Arrows indicate change from previous year.

## Executive Summary

- This report was previously published on a semi-annual basis. Beginning with this edition, it will be published annually, every August.
- The departure of Hudson's Bay Company has left a considerable amount of space across many Super Regional Centers with the most notable being in Southgate and West Edmonton Mall, which doubled the Super Regional vacancy to 4.1%. This was offset with strong leasing across other nodes in the city allowing overall retail vacancy to remain flat from 2025 at 5.6%.
- Vacancy decreased across several submarkets with the most notable decline in the CBD, Northwest, and Sherwood Park districts.
- The Edmonton retail landscape has undergone many changes in the past few years, adapting to evolving consumer behavior by embracing popular experiential retail concepts like fitness studios and golf simulators seen in other major urban markets. Despite the closures of a few longstanding restaurants, the city has also witnessed the opening of several high-end, European-inspired cocktail bars and restaurants within the downtown core.

FIGURE 1: Historical Leasing Fundamentals




Source: CBRE Research, August 2026.

## Market Trends

The Edmonton retail market has held strong in 2026, with vacancy remaining unchanged from 2025 at 5.6%, which was accompanied by 59,360 sq. ft. of negative net absorption.

The departure of Hudson's Bay Company has left a considerable amount of space across many Super Regional Centers with the most notable being in Southgate Center and West Edmonton Mall, which doubled the Super Regional vacancy to 4.1%. Some of the former Hudson's Bay spaces have already been backfilled, with Designer Depot opening in Kingsway Mall and Walmart scheduled to open in Southgate Center.

Additionally, strong market momentum across many nodes in the city helped to offset the vacancy left by the retail giant. Vacancy decreased across several submarkets with the most notable decline in the CBD, Northwest, and Sherwood Park districts.

In addition, there was 478,069 sq. ft. of new supply delivered this year as multiple developments completed construction, with almost a million sq. ft. currently under construction across the city. Future developments include several large format centers like EVER at Mattson, a 10 building, 85,000 sq. ft. shopping center.

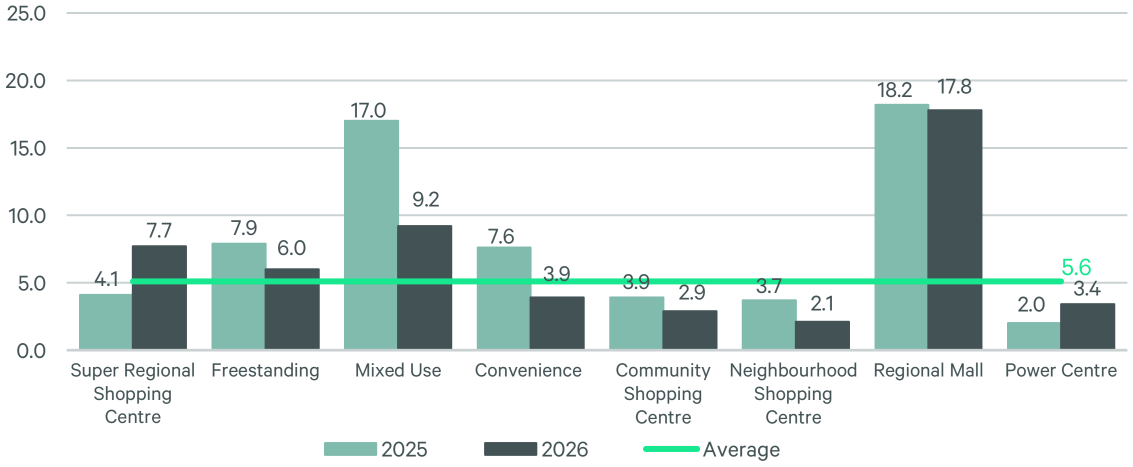
## Downtown sees new concepts emerge

The Central Business District has seen moderate leasing momentum with vacancy currently sitting at 12.2%. Despite the closure of several longstanding restaurants, leasing momentum downtown remains strong with many trendy, unique, food concepts opening across the city.

Lauren Kyle McDavid's Bar Trove, a sophisticated, cocktail lounge inspired by her European travels opened in the Canada Permanent Building while Daniel Costa added the elegantly curated Mimi, which opened in the Citizen on Jasper to his lineup of culinary ventures. In the Brewery District, the team behind Edmonton fixtures Bianco and Rosso unveiled Nero.

The sustained success of SABOR, despite ongoing LRT construction-related disruptions, highlights the strength of Edmonton's dining market, as evidenced by Christian Mena and Adelino Oliveira's recent opening of The Atrium and planned launch of Roca in the historic Union Bank building, which rounds out the city's lineup of new upscale restaurants owned by local Edmontonians.

FIGURE 2: Retail Vacancy by Format (%)




Source: CBRE Research, August 2026.

FIGURE 3: Retail Development Pipeline

| Trade Area | Proposed Development (Sq.ft.) | Under Construction (Sq.ft.) | New Supply (Sq.ft.) |
|---|---|---|---|
| CBD | 140,000 | 20,000 | 12,000 |
| Northeast | 14,055 | 115,000 | 106,000 |
| Northwest | 0 | 18,028 | 0 |
| Sherwood Park | 19,000 | 77,716 | 0 |
| Southeast | 55,000 | 172,495 | 25,000 |
| Southwest | 140,000 | 675,520 | 142,752 |
| St. Albert | 8,780 | 12,000 | 0 |
| West | 200,000 | 20,000 | 144,137 |
| **Total** | **576,835** | **1,110,759** | **429,889** |

Source: CBRE Research, August 2026.

## Edmonton's experiential retail rebound

The Edmonton retail landscape has undergone many changes in the past few years, adapting to evolving consumer behavior by embracing popular trends prevalent in other major urban markets. Several property types noted a decline in vacancy with the Mixed-Use and Freestanding properties showing the largest decreases of all property types.

While suburban submarkets remain strong with longstanding chains like Cactus Club opening in Windermere, Edmonton has also seen growth in the experiential retail sector with the soon-to-open Par and Pour restaurant, cocktail lounge, event venue, and high-end golf simulator in south central Edmonton. The city has also welcomed the recently opened Albatross Virtual Golf in the heart of downtown and the under construction RC Golf and Games in Enoch, immediately west of Edmonton.

These concepts are indicative of a broader cultural shift toward “Retailtainment” where dining, entertainment and recreation are combined under one single roof, demonstrating a movement toward creating “third places” where consumers can socialize, exercise, and enjoy amenities outside of their home and workplace.

## Retail investment scene shows momentum

The Edmonton retail investment market demonstrated a strong year, continuing the momentum generated in 2025, with several large retail centers all transacting. The recent acquisition of Kingsway Mall by Montreal-based Westcliff signals the firm's return to western Canada.

Summer Breeze Center sold for $17.3 million, Whitemud Crossing for $23.6 million, The Grange for $35.1 million, Londonderry Mall for $55.0 million, St. Albert Center for $60.0 million, and Sherwood Park Mall for $107.0 million. Additionally, Edmonton City Center, recently sold with plans to convert part of the mall to residential units, including a rooftop Nordic spa.

This investment activity underscores continued investor confidence in the Edmonton retail market, highlighting the strong demand for well positioned assets.

FIGURE 4: Retail Market Statistics

| Trade Area | Total Rentable Area (SF) | Vacancy Rate |
|---|---|---|
| CBD | 6,552,587 | 12.2% |
| Northeast | 3,278,381 | 6.7% |
| Northwest | 3,169,229 | 2.1% |
| Sherwood Park | 2,426,053 | 1.4% |
| Southeast | 3,270,324 | 3.1% |
| Southwest | 8,353,272 | 5.2% |
| St. Albert | 1,899,159 | 9.7% |
| West | 8,953,686 | 3.2% |
| **Total** | **37,902,691** | **5.6%** |

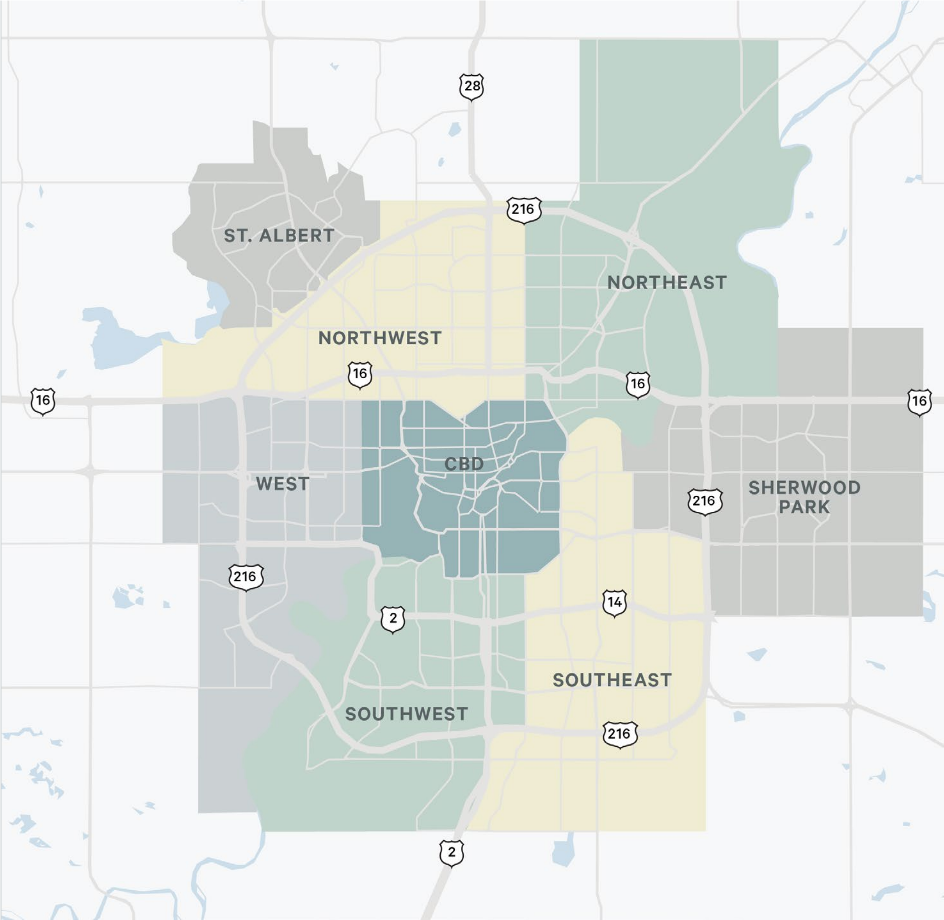
Source: CBRE Research, August 2026.

FIGURE 5: Retail Market Statistics by Retail Type

| Retail Type | Total Rentable Area (SF) | Vacancy Rate |
|---|---|---|
| Mixed-Use | 2,183,165 | 9.2% |
| Freestanding | 1,360,035 | 6.0% |
| Convenience | 1,548,884 | 3.9% |
| Neighbourhood Shopping Centre | 4,987,157 | 2.1% |
| Community Shopping Centre | 11,370,819 | 2.9% |
| Regional Mall | 3,445,232 | 17.8% |
| Super Regional Centre | 6,656,798 | 7.7% |
| Power Centre | 6,350,601 | 3.4% |
| **Total** | **37,902,691** | **5.6%** |

Source: CBRE Research, August 2026.

## Market Area Overview




### Definitions

Convenience: Open-air property with a few tenants that offer a narrow mix of goods and personal services to a very limited trade area.
Neighbourhood: Built around a supermarket as a principal tenant
Community: Anchored by a junior or discount department store, or specialty store(s).
Freestanding: Individual retail stores with entrances facing street level in shopping districts.
Mixed-Use: Multi-component structure developed as a single and coherent entity where its retail component is predominant and accounts for one of at least two significant revenue-producing uses.
Power Centre: Anchored by three or more "big box" stores and tenanted by other discount or warehouse club retailers.
Regional Mall: Anchored by one or two full-line enclosed department stores of generally no less than 300,000 sq. ft.
Super Regional: Anchored by one or two full-line enclosed department stores of generally no less than 800,000 sq. ft.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