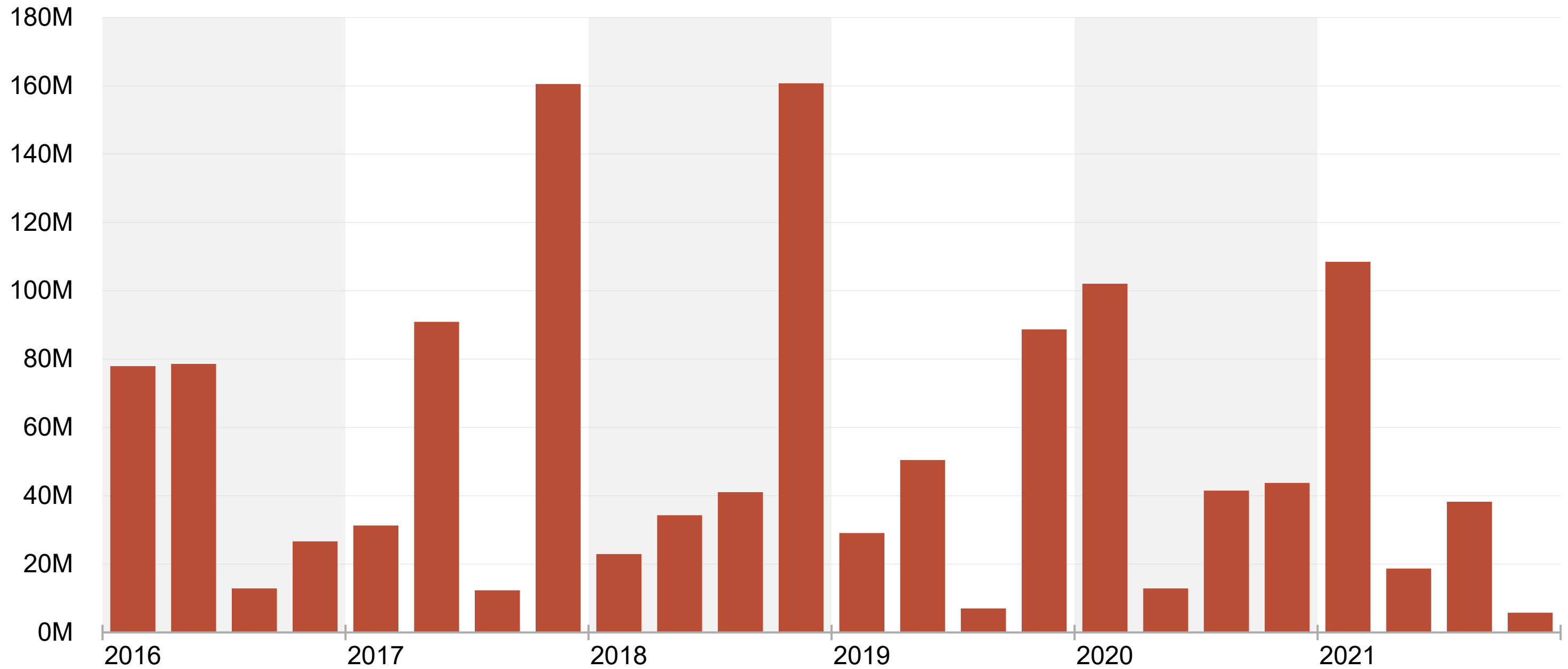


4Q2021 Calgary Multifamily Market Overview

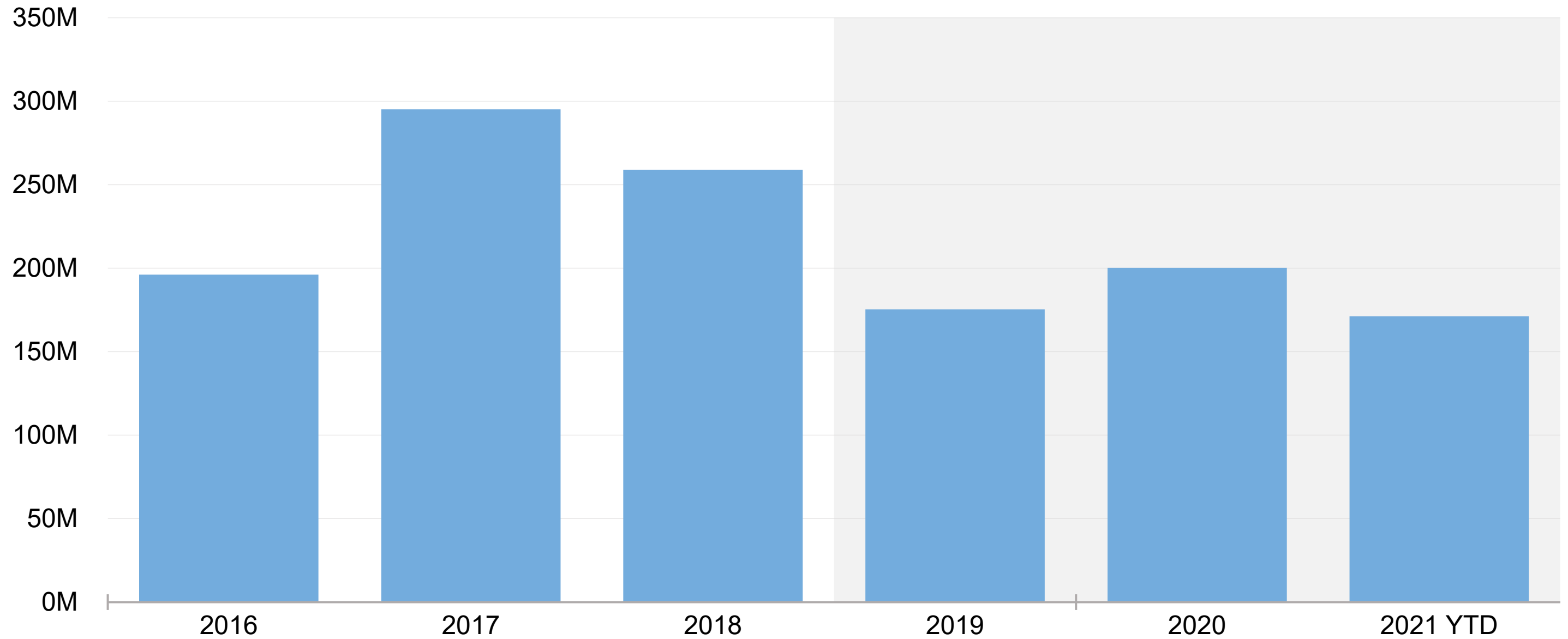


NEWMARK

Calgary Multifamily Sales Volume Quarterly



Calgary Multifamily Sales Volume Annual



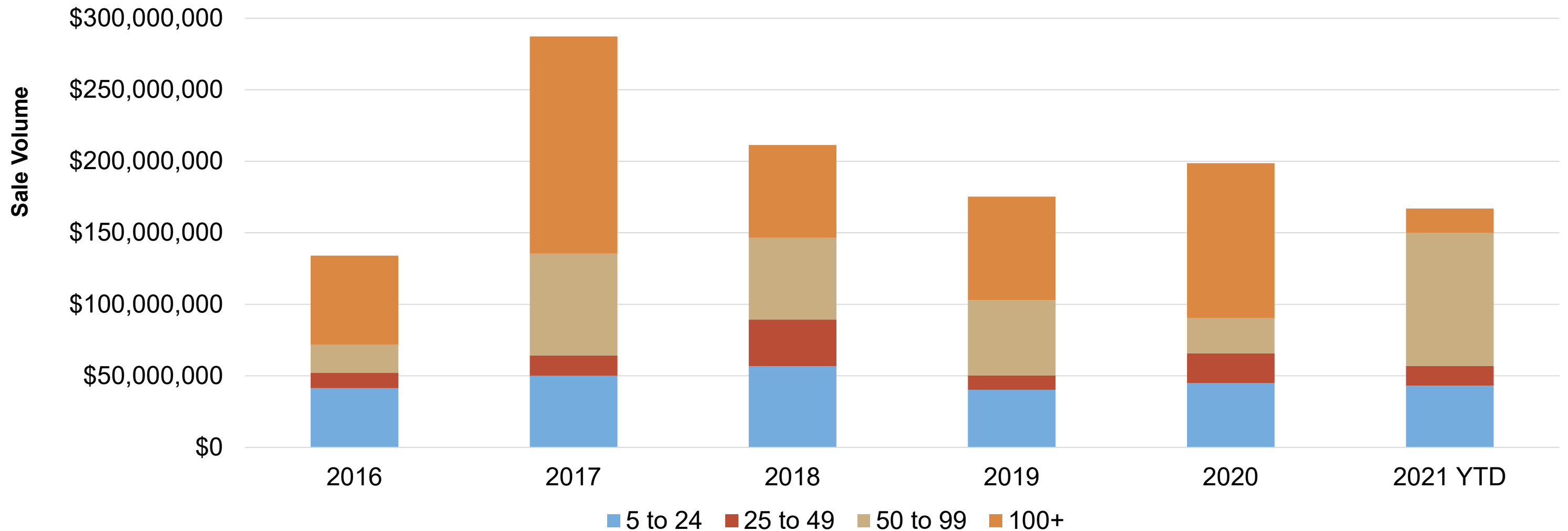
Sales Volume

- Transaction activity for 2021 was still below pre pandemic levels
- Total volumes were made up of numerous transaction below \$20M in deal size meaning no one large transaction has skewed the yearly volume
- Overall interest in Alberta and Calgary multifamily real estate from buyers in Ontario and BC was strong with this trend expected into 2022
- Expect higher volume levels in 2022 as the pandemic restrictions lift and Alberta rebounds with high oil prices



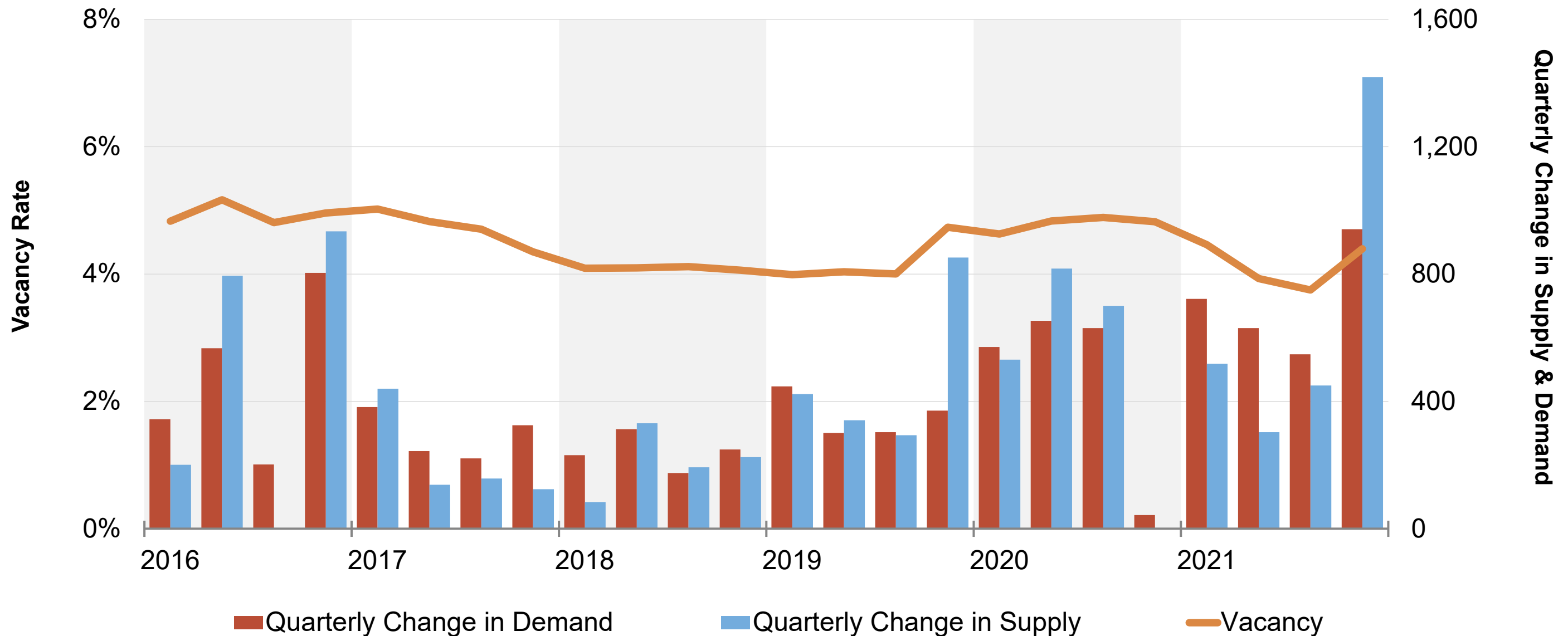
Calgary Multifamily Sale Volume by Unit Count

- Sales volume by building unit count provides a unique snapshot of what investors are acquiring.
- The most active building size is the 50 to 99 unit buildings
- On average 60% all sales activity is made up of building with between 5 and 99 units. The large deals for 100+ units skew the data and the number of transactions are typically low
- The number of 99+ unit buildings that traded in 2021 was low compared to historical levels



Calgary Multifamily Supply, Demand, and Vacancy

- Demand also known as absorption of units, was very strong for most of 2021 far outpacing supply until the last quarter when some of the larger developments launched their leasing programs
- Strong demand led to a drop in vacancy rates for most of 2021 with a slight increase in the 4th quarter
- 2021 was an all-time high of number of units added to the market, even with that addition to supply of over 2,600 units vacancy rates stayed relatively low



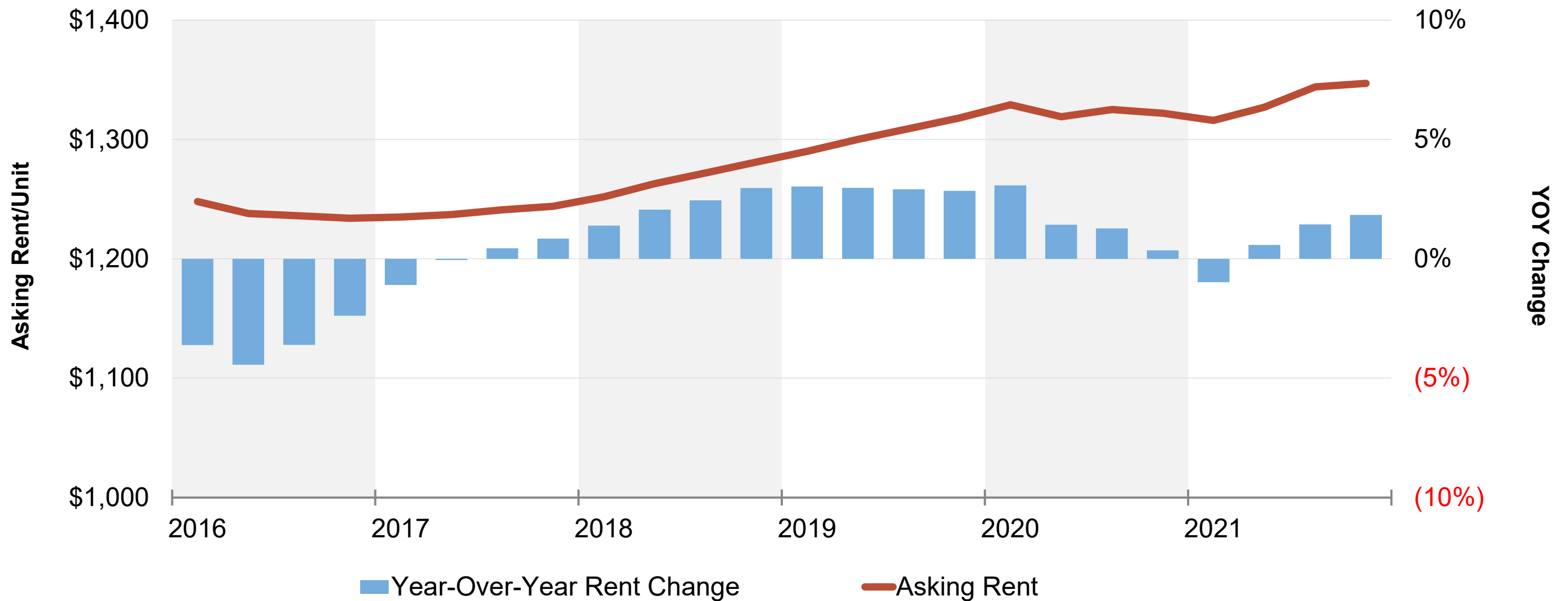
Largest Development Completed in 2021

- West Village Towers is located in the western part of Calgary’s Downtown core providing pedestrian access to downtown while offering unobstructed views of the Rocky Mountains and Bow River. Following the sole acquisition of the site, Wexford Developments entered into a joint venture with Cidex Group of Companies. The partnership retained NORR architects’ Calgary and Dubai offices, including world-renowned architect, Yahya Jan, to design West Village Towers. The development includes three towers of residential development, totaling ~575 units, in addition to ~90,000 SF of retail and office space. The project was a Wexford/Cidex joint venture,
- 575 Units
- 977 sf avg unit size
- 897,684 GLA
- \$2,181 average rents
- \$2.23 average rents PSF



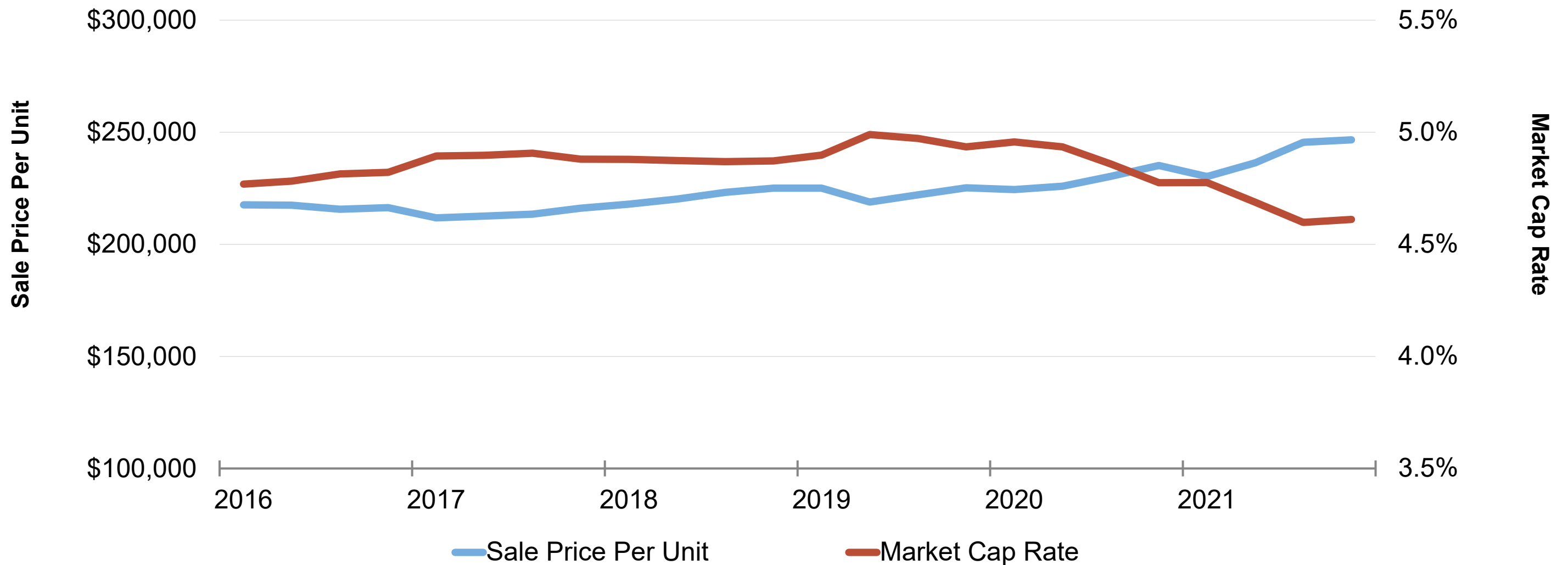
Calgary Market Asking Rent/Unit & Rent Growth

- Since late 2017 rental rates have been growing at pace with inflation. 2020 saw a slow down in rent growth with early 2021 taking a pause only to regain growth into the end of the year.
- Average asking rents at \$1,340 per month are still affordable compared to other large metros areas in Canada.
- Rental rates are expected to grow in 2022 with inflation lifting most goods and services.



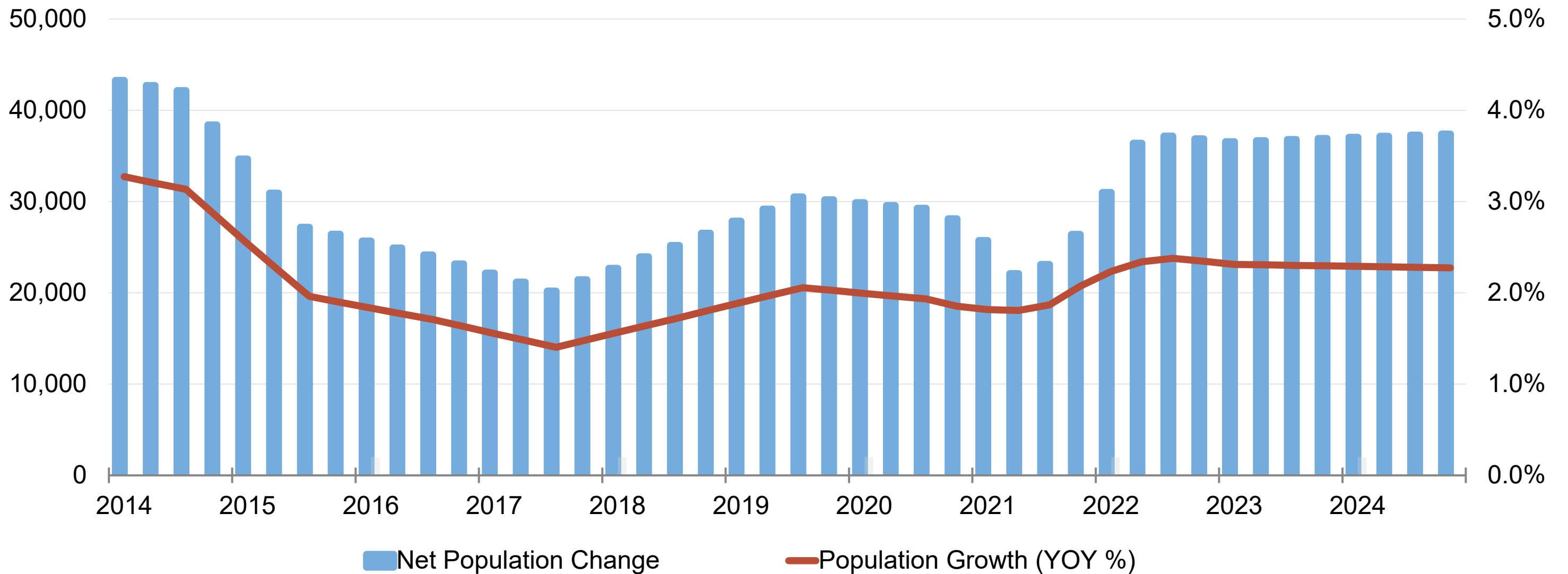
Calgary Multifamily Cap Rate and Price/Unit

- Sales prices hovered close to \$250,000 per unit in 2021
- Price per unit peaked in late 2019 due to a large transaction representing new construction. The average price per unit has been between \$150,000 to \$200,000 range for a number of previous years
- Market cap rates started dropping in mid 2020 and continued in 2021. Rates held steady in the later end of year on expectation of rate increases from the BOC
- Typical wood frame suburban product is trading at or above 5% and inner city and downtown rates are sub 5%



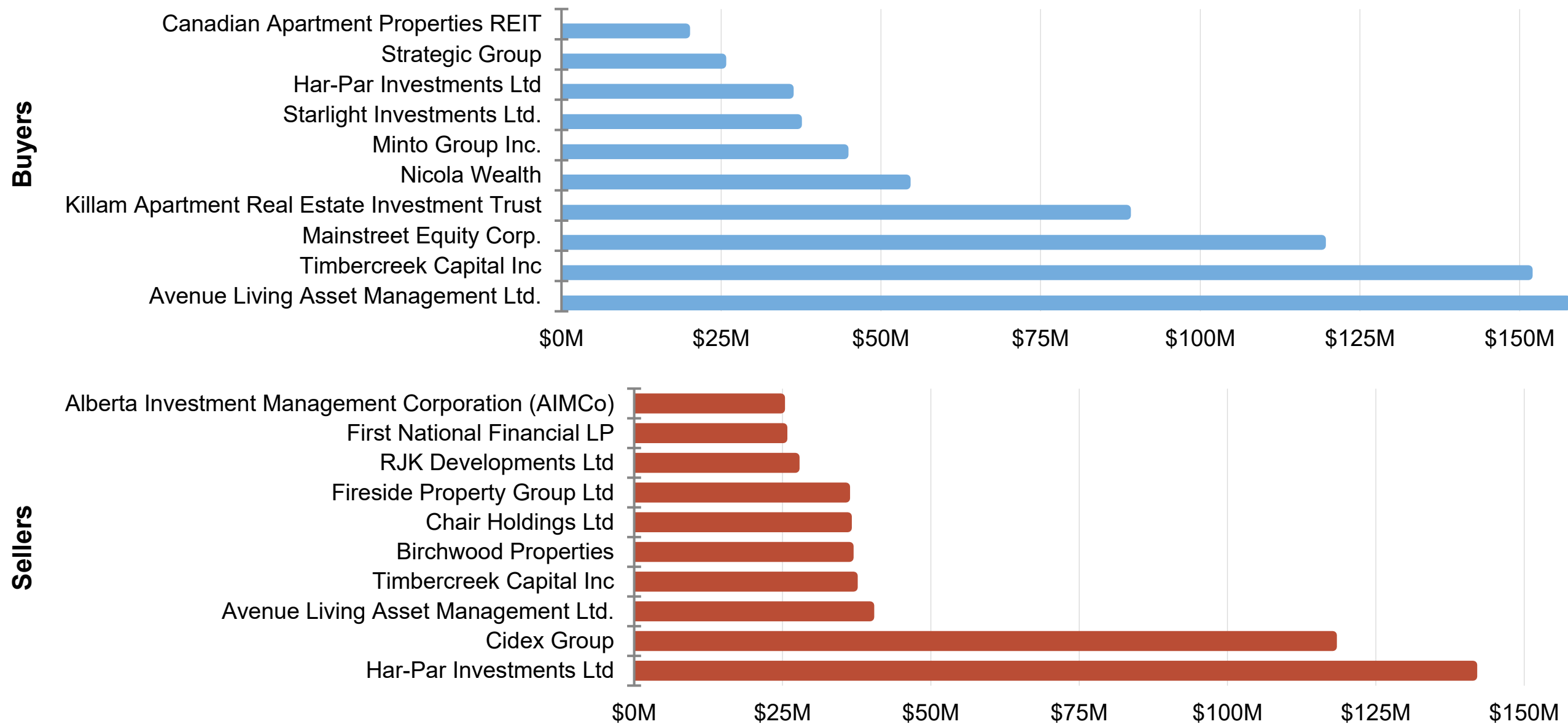
Calgary Population Change

- The biggest key indicator for a healthy and growing multifamily market is population change. Calgary did see a dip in growth between 2015 to 2017 while 2018 saw a stabilization into 2019 and beyond where positive net in-migration push up Calgary’s overall population.
- Net in-migration bottomed out at 10,000 people in 2017 and reached 20,000 in both 2019 and 2020. Historically Calgary has experienced strong net in-migration of between 20,000 to 30,000 people.
- Going forward a growth rate of 2% is projected which represents just under 50% of growth coming from natural population growth

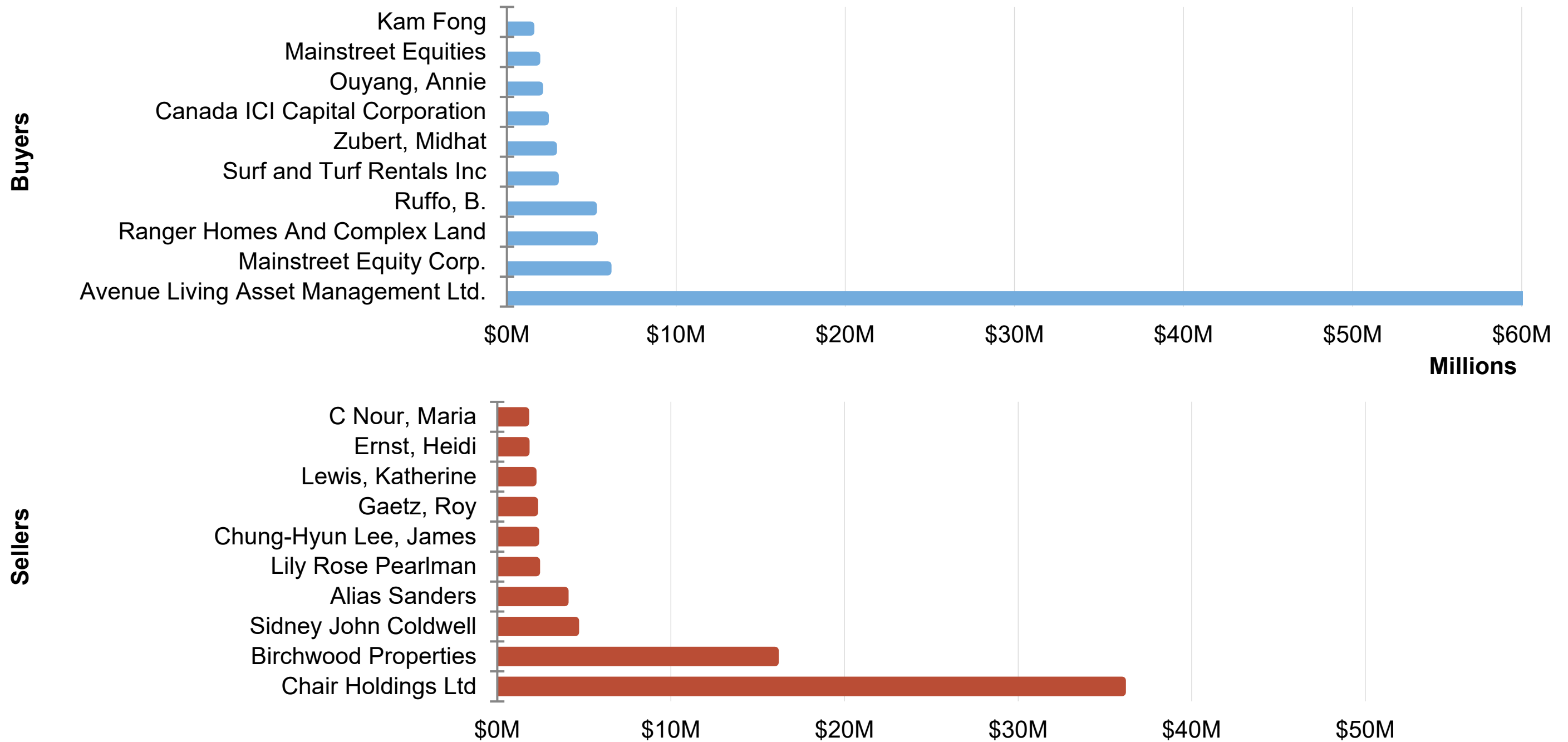


Top Multifamily Buyers & Sellers – Past 5 Years

- The Multifamily asset class has experience intense interest from various buyers types over the last 5 years
- The buyer profile is a mixed of publicly traded REITS and large regional private syndicators such as Avenue Living and Nicola Wealth
- Sellers in the Calgary market have benefited from strong buyer interest and primarily private owners or developers selling to the REITS who are eagerly pursuing deals in the Calgary market



Top Multifamily Buyers & Sellers – Past Year



BIOGRAPHY



Chris Chornohos **AACI, MRICS**

Vice President

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YEARS OF EXPERIENCE

20+

AREAS OF SPECIALIZATION

Industrial
Office
Multifamily
Feasibility Studies
Market Rent Studies
Appraisal Review Services

Chris Chornohos, AACI, MRICS, joined Newmark Valuation & Advisory in 2019 as a Vice President with the firm's Canadian practice. Chris brings to Newmark more than 20 years of real estate valuation and advisory services to a broad range of clients located throughout Canada.

Since beginning his career in 2002, Chris' experience has evolved to encompass a diverse and thorough understanding of commercial real estate with both regional and international real estate firms. He most recently served as director of business development for a large general contractor where he managed business development for the southern Alberta district. In this position, Chris was responsible for the origination and closing of \$100M in construction and development projects in Calgary and Southern Alberta.

Prior to this role, Chris worked for four years as vice president of investment and land sales for Jones Lang LaSalle where he specialized in brokerage of investment and development properties suited for private, institutional, and corporate investors in Calgary, secondary markets, and across Western Canada.

Professional Affiliations

- Urban Development Institute – Calgary (UDI)
- Urban Land Institute – ULI Alberta
- CFA Institute (CFA)
- CFA Society of Calgary
- ICSC (International Council of Shopping Centres)

Licenses and Designations

- Associate Real Estate License
- Member, Royal Institution of Chartered Surveyors (MRICS)
- AACI Designation, Accredited Appraiser Canadian Institute

Education

Chris earned a Bachelor of Science degree in business operations from DeVry Institute of Technology, and a post graduate certificate in Real Property Valuation from UBC.