

Redevelopment Options for the Edmonton Exhibition Lands: An Economic Analysis

Independent Real Estate Intelligence

January 8, 2019



Redevelopment Options for the Edmonton Exhibition Lands: An Economic Analysis

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City of Edmonton

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January 8, 2019

EXECUTIVE SUMMARY

Public anchors are instrumental in leveraging private capital to invest in new mixed-use developments and attract the commercial uses that are critical to building vibrant communities.

Over the next 25 years, the economy of the Edmonton Census Metropolitan Area (CMA) is set to add some 250,000 net new jobs, and the population is likely to respond by expanding by some half a million people. In order to ensure that Edmonton is able to achieve this goal, some 260,000 net new homes will have to be delivered to market.

With the exhibition lands, the City of Edmonton has a prime opportunity to transform the underutilized lands into a new community that will accommodate a certain amount of this future growth into a vibrant, mixed-use, transit-oriented community close to the urban core and well connected to the rest of the City of Edmonton.

Moreover, the City has an almost unparalleled opportunity through these lands to create a transformative community that will increase the attractiveness of this quadrant of Edmonton.

This report sets out this bold and important value proposition with evidence on the long-term macroeconomic growth prospects for the Edmonton Census Metropolitan Area (CMA) and the City, and the implications on the development potential on the site.

The core thesis of this analysis is that transformative developments are anchored by successful public anchors and contain an appropriate mix of public and private amenities and infrastructure, housing and commercial space.

This analysis set out case studies of transformative developments across the continent and illustrates the potential for development on the exhibition lands in the context of two scenarios – a status quo redevelopment and a transformative development with public anchors and a healthy mix of uses.

Exhibition lands are one of many sites competing for ownership and rental housing demand over the forecast period, and proceeding with the transformative development scenario would help to boost the attraction of

the site and district and prompt stronger absorption on the site, which, in turn would help improve the feasibility of the redevelopment.

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1 INTRODUCTION

1.1 BACKGROUND

The City of Edmonton is currently considering a redevelopment plan for the Exhibition Lands, which is located north-east of downtown Edmonton.

The City is seeking the input of a grand vision of the role that the Exhibition Lands and its redevelopment could play in the long-term economic development potential for the City of Edmonton.

In 2017 O2 Planning + Design was selected to lead a team, which includes Altus Group, to provide a Coliseum Station Area Redevelopment Plan. Altus Group is retained as part of that team to provide real estate finance services.

Altus Group is also retained as part of the team to scope and evaluate the site attributes in order to gauge existing uses, structures, infrastructure and major planned and existing infrastructure, transit and other linkages between the site and the surrounding communities.

Altus Group was retained to provide macro-economic and demographic market projections for the Edmonton CMA and City for a 25-year time horizon (2016-2041), as well as an analysis of future demand for development uses on the site by sector including public anchor uses, employment uses, retail commercial and entertainment uses, and retail uses.

1.2 SUBJECT SITE

The Exhibition Lands, which encompasses over 200 acres of land, are located north-east of Downtown Edmonton (see Figure 1). The area includes the Coliseum arena, the EXPO Convention Centre, the Northlands facilities (park, race track and casino), Borden Park and the edges of the surrounding residential communities. Within the boundaries of the site is 160 acres of city-owned lands both north and south of 118th Avenue.

The Exhibition Lands border the Parkdale community to the west, separated by the tracks of the Edmonton Light Rail Transit (LRT) and Coliseum Station, which cuts across the western border of the site running north-south, connecting the site to Downtown Edmonton. To the east of the property is the Bellevue community, which is partitioned from the site by the Wayne Gretzky Drive freeway, which runs north-south connecting northeastern

Edmonton with southwestern Edmonton crossing the North Saskatchewan River that flows about 1.5 kilometers south of the subject site.

Figure 1

The Subject Site



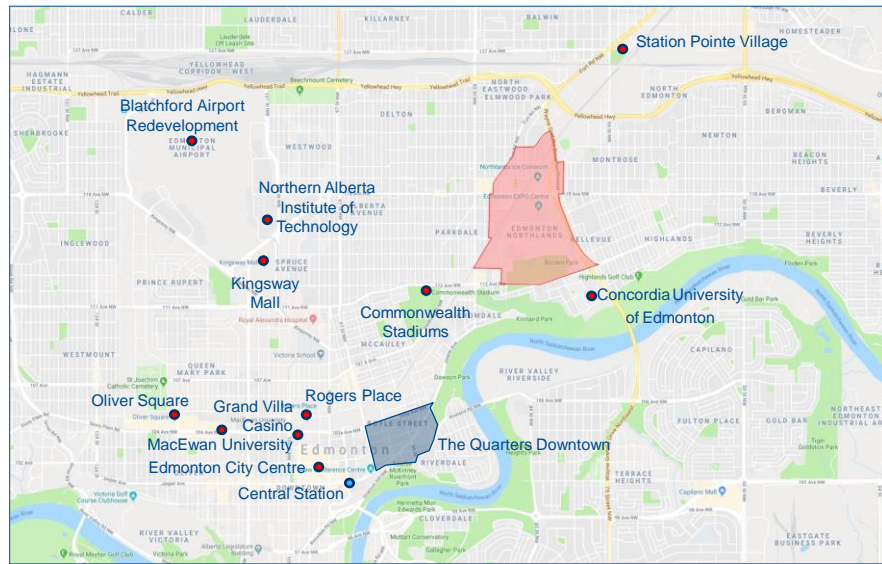
Source: Altus Group Economic Consulting based on image from Google Maps

Notable surrounding areas and uses include (see Figure 2):

- Notable redevelopment or intensification sites such as Station Pointe Village, Blatchford Airport and the Quarters Downtown;
- Downtown institutions and amenities such as Rogers Place, Grand Villa Casino, Oliver Square, MacEwan University, Edmonton City Centre and Central Station; and
- Other prominent institutions and amenities such as Commonwealth Stadium, Concordia University of Edmonton, Kingsway Mall and the Northern Alberta Institution of Technology.

Figure 2

Environs



Source: Altus Group Economic Consulting based on image from Google Maps

1.3 CAVEAT

This report relies on information from a variety of primary and secondary sources. While every effort is made to ensure the accuracy of the data, we cannot guarantee the complete accuracy of the information used in this report from these secondary sources. This report is intended to be used for the purposes outlined herein and is not to be relied upon by any other party without the prior written consent of Altus Group Economic Consulting.

2 REDEVELOPMENT POLICY FRAMEWORK

2.1 VIABLE, VIBRANT PRIVATE- PUBLIC REDEVELOPMENT

There are various examples in Canada and North America of successful redevelopment of greyfield and brownfield sites similar to Edmonton's Exhibition Lands. Various projects across the continent have proven that viable, vibrant redevelopment can be achieved by a balance of private and public investment. The revitalization of heritage sites, dormant sites or legacy sites in economic and social decline can be reimagined and effectively revitalized by marrying private development with public investment on a site supported by public infrastructure.

Private development attracts capital to development; drives traffic and vibrancy; and ideally provides a mix of day and night-time uses. Public investment can reduce the risks of private investors by not only diversifying project risks but also providing visionary public anchors that add value to private real estate, and boosts residential and commercial absorption that increase the viability of private development. Visionary public anchors also create value and significant economic impacts.

Supporting public infrastructure creates complete communities and spurs wellbeing and cultural effects.

2.2 PUBLIC ANCHORS

Public anchors are instrumental in leveraging private capital to invest in the type of residential and office developments that attracts retail space and build vibrant communities.

The literature spanning integrated community development and urban renewal, as well as various case studies suggest that entertainment and hospitality centres, cultural institutions, community facilities and active public spaces are strong catalysts for private residential absorption.

Similarly, supportive public infrastructure that facilitates wellbeing, cultural expression and community spaces help to create complete communities. Key examples include Missouri's Active Parklands and Toronto's Evergreen Brickworks.

Higher Education (especially universities with significant international student enrolment), recreational and wellness oriented facilities, and large

technology or public administration office blocks moderately add value to private real estate, in addition to boosting absorption and increasing the viability of private development – e.g. Arizona’s Rancho Sahuarita. The resulting economic value and impact should not be understated.

Health care institutions, gaming amenities, localized sporting venues and concert venues also boost absorption but are less impactful than other public anchors.

2.3 CASE STUDIES

Some relevant case studies include (See Appendix):

- London Docklands;
 - Public Anchor: Areas of open space that includes parks and peaceful green surroundings.
 - Lessons: Underground transit extension connecting London to the Docklands significantly contributed to the regeneration and renewal of a derelict site. This illustrates the importance of connectivity through higher order transportation in unlocking development potential.
- Tucson, Arizona’s Recreation-Wellness Campus;
 - Public Anchor: Strategic visionary private-public sector partnership.
 - Lessons: Recreational space that attracts outside interests, as well as residential and retail demand. This illustrates the importance of having public and private investment in the development plan. Combining private capital, a vision and public support to create a lifestyle-oriented community could boost residential absorption and be transformative.
- St. Louis, Missouri’s Active Parklands;
 - Public Anchor: Active public space supported by the city and a not-for-profit foundation.
 - Lessons: Active public space that attracts outside interests boosts foot traffic and increased surrounding real estate occupancy. This illustrates the importance of active public places to thriving communities and commercial vitality.
- North Adams, Massachusetts Museum-Art Gallery;
 - Public Anchor: Large museum of contemporary art – private-public sector partnership.

- Lessons: Adaptive reuse and the creation of public space that attracts outside interests. This illustrates the importance of private-public investment in heritage and culture in unlocking residential and commercial development potential that boost economic activity.
- Vancouver's Woodward's Mixed-use Project
 - Public Anchor: Adaptive re-use development that includes social housing.
 - Lessons: Urban redevelopment that created a vibrant community. This illustrates the revitalization potential of mixed-used development that combines mixed-income housing with entertainment and recreation venues.
- Toronto's Evergreen Brickworks.
 - Public Anchor: Public park and community & cultural centre.
 - Lessons: Transformation of abandoned heritage buildings into a cultural and recreation centre with a focus on the environment. This illustrates the economic potential of redeveloping greyfield sites.

2.4 THE SCALE OF IMPACT OF PUBLIC ANCHORS ON PRIVATE ABSORPTION VARIES

Public anchors can have an impact on private absorption that range from strong to modest to marginal. For example, entertainment centres with hospitality; and active public spaces could give a strong boost to private absorption, while health care institutions and sports facilities may have a more limited impact, see Figure 3.

Figure 3

Public Anchor Options Assessed for Impact on Private Absorption

Strong Impact
+++

Entertainment Centres with Hospitality

Cultural Institutions

Municipal / Community Facilities

Active Public Spaces / Programmed Outdoor Venues

Modest Impact
++

Education Institutions

Fed/Prov Administration / Tech-R&D Facilities

Wellness Orientation, NFP Recreation

Hotels / Concert Venue(3-7k)

Other Options
+ to -

Health Care Institutions

Casino / Gaming / Sporting Event Venues

3 ECONOMIC & DEMOGRAPHIC CONTEXT

The Edmonton Census Metropolitan Area (CMA) is Canada's sixth largest urban area. With a population of some 1,321,426 people in 2016, the CMA is composed of 35 municipalities.

The City of Edmonton, with just under 1 million people is the core of the Edmonton CMA, accounting for about 71% of its population. It is also the capital of Alberta, and the province's second largest city.

During the 15 years 2001 to 2016, the Edmonton CMA's population and employment grew at an average annual growth rate of 2.5% and 2.7% respectively.

Though population growth and job growth are forecasted to decelerate over the forecast horizon, solid population and job growth over the next 25 years are expected to result in steady growth in the demand for new office space, and modest growth in low, medium and high density housing units.

Job growth along with an increase in new office and residential development are expected to support demand for new retail space over the forecast horizon.

Though Edmonton's economic growth is projected to decelerate from the robust 4% pace seen during the past 15 years, solid sustainable growth in the region of 2% - 3% is projected over the next two and a half decades.

Edmonton's favourable macroeconomic and demographic conditions over the next 25 years could be expected to support steady demand for housing, office space and retail space.

3.1 SOLID ECONOMIC GROWTH AHEAD

Edmonton's diversified oil endowed economy enjoyed comparatively solid economic growth over the past 15 years, supported by robust population growth and increased activity in professional, scientific and technical services, transportation and warehousing, and financial services industries.

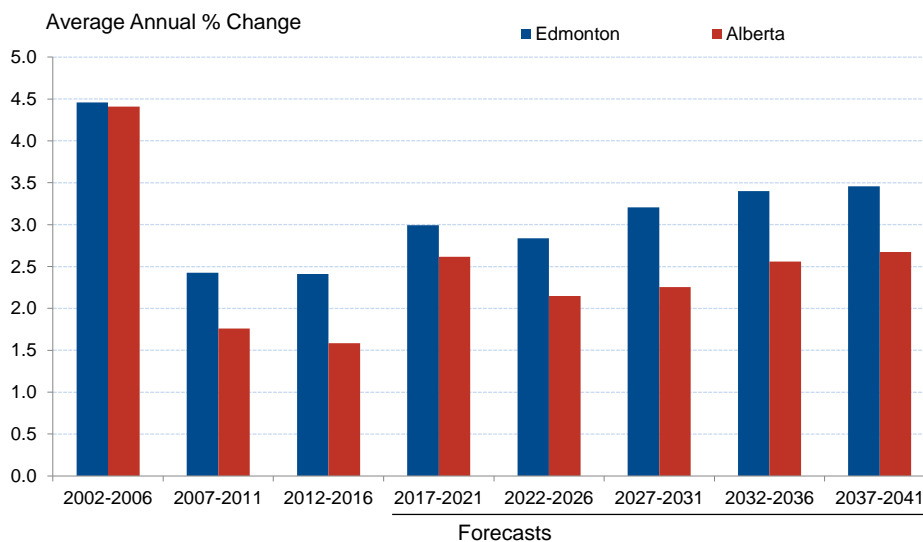
Economic growth in Edmonton will likely continue to outpace Alberta's economic growth during the 2017-2041 forecast period as its services sector continues to grow strongly and population growth remains relatively firm (see Figure 4).

Large-scale construction projects, increasing oil prices and increased government and consumer spending are also likely to support growth in Edmonton going forward. Improvement in the energy sector and capital investment should lead to moderate but sustained economic growth over the next 25 years.

In-migration is expected grow at a more moderate pace and housing demand should remain steady, but oil export transportation and distribution constraints could continue to hamper market access for Alberta’s oil, and lukewarm residential and commercial real estate markets in Edmonton present economic headwinds that dampen the growth outlook.

Figure 4

Gross Domestic Product (GDP), Real, 2002-2041, Edmonton CMA and Alberta



Source: Historical data: Conference Board of Canada (Edmonton) and Statistics Canada (Alberta) and forecasts by Altus Group.

3.2 EMPLOYMENT PROFILE

3.2.1 Job Growth Relatively Stronger in Edmonton

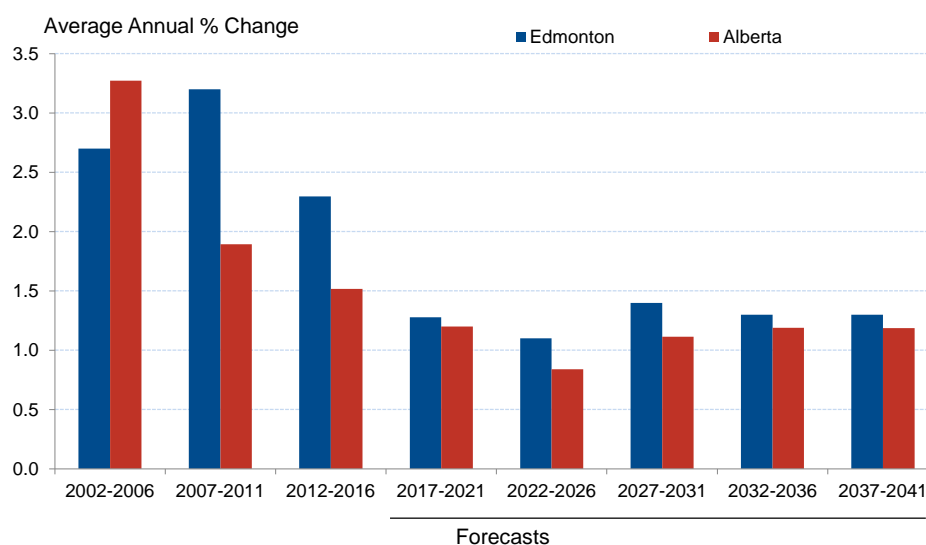
During the 2002-2016 period, employment grew at a faster pace in Edmonton compared to Alberta as a whole, supported by strong growth in professional, scientific and technical services, transportation and warehousing, and financial services industries.

Employment growth in Edmonton is expected to outpace Alberta’s over the 2017-2041 forecast horizon, consistent with comparatively strong economic growth (see Figure 5).

Generally slower average annual employment growth in Edmonton is consistent with provincial and national trends, where demographic aging and a slowing of the growth rate in the labour force is leading to slower expansion of the potential workforce.

Figure 5

Employment, 2002-2041, Edmonton CMA and Alberta



Source: Altus Group based on Historical data from Statistics Canada Labour Force Survey and forecasts by Altus Group.

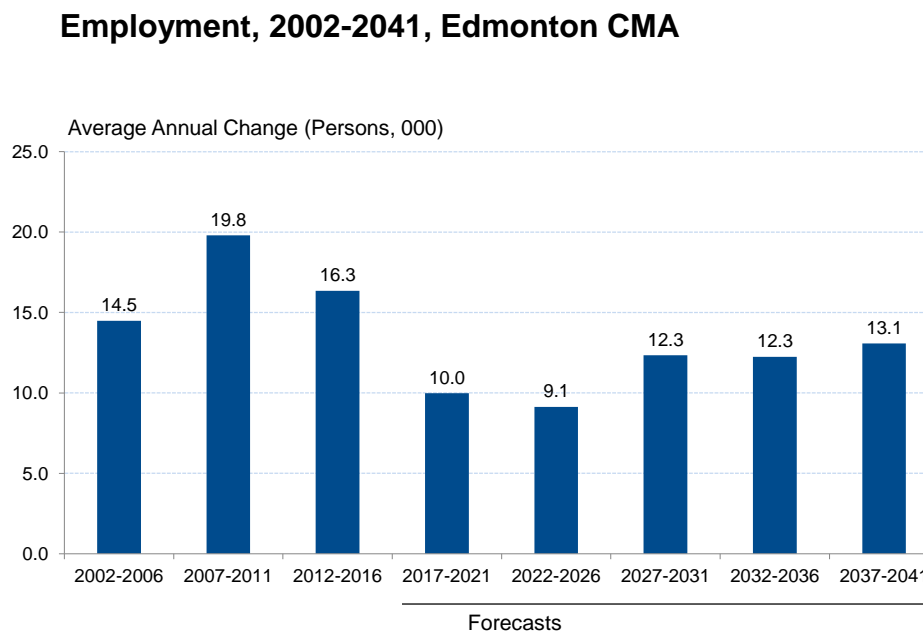
3.2.2 Annual Job Growth to Vary but Stay within a Healthy Range

Employment growth averaged nearly 18,000 persons per year between 2002 and 2016 (See Figure 6). The number of jobs dropped during the 2009/10 recession, but rebounded quickly. Job growth decelerated between 2012 and 2015, and was flat during the economic downturn that resulted from the precipitous fall in oil prices.

Job growth is expected to remain strong over the forecast horizon, supported by solid economic growth, but the role of increased productivity will lead generally to a slower pace of job growth going forward locally than seen in the past. During the 2017-2021 period, employment growth is expected to average about 10,000 persons annually.

Later in the forecast period, employment growth will slightly improve before receiving a boost from the grandchildren of baby-boomers and immigration.

Figure 6



Source: Altus Group based on Historical data from Statistics Canada Labour Force Survey and forecasts by Altus Group.

3.2.3 A Wide Variety of Industries Have Supported Job Growth

During the 2001-2016 period, the oil and gas extraction industry and the services sector drove employment growth in Edmonton (see Figure 7). Strong job gains occurred in primary industries as well as the construction, business, building and other support services and broader public services.

In 2016, nearly 1 in 7 jobs were in Edmonton's wholesale and retail trade sector, though employment grew at a relatively modest pace in this industry between 2001 and 2016. Consistent with trends in other advanced economies, jobs were shed in the manufacturing sector.

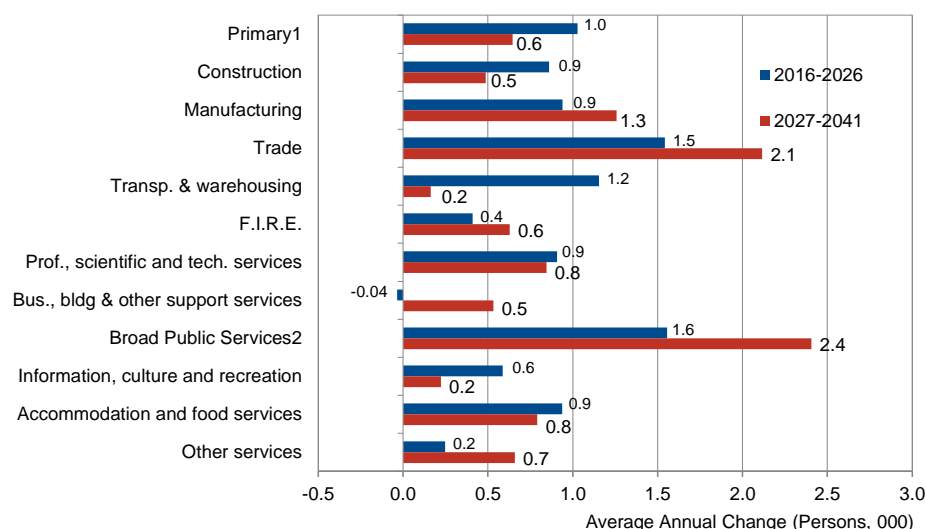
Sector growth leaders were construction, the broad public sector and other services. The broad public sector, which gains some of its prominence from the presence of the provincial government in Edmonton, is also being fuelled by growth in the health care subsector, which in turn is being driven by an aging population.

Figure 7 Employment by Sector, 2001-2016, Edmonton CMA

Industry	2001	2006			2016	2001-2016 Annual Growth Rate	Distribution	
		Persons, 000					2016 Percent	2001-2016 Distribution of Growth
Goods-producing sector								
Primary ¹	17.6	23.9	30.0	33.8	4.4	4.4	6.4	
Construction	41.6	57.2	74.9	92.3	5.5	12.1	20.0	
Manufacturing	48.4	47.2	51.4	41.5	(1.0)	5.5	(2.7)	
Total	107.6	128.3	156.3	167.6	3.0	22.0	23.7	
Services-producing sector								
Trade	85.1	97.5	113.9	111.8	1.8	14.7	10.5	
Transportation and warehousing	30.5	32.9	33.3	48.2	3.1	6.3	7.0	
F.I.R.E.	30.8	32.6	31.3	36.2	1.1	4.8	2.1	
Professional, scientific and technical services	35.9	37.7	44.3	53.8	2.7	7.1	7.1	
Business, building and other support services	12.9	19.3	24.9	30.4	5.9	4.0	6.9	
Broad Public Services ²	124.1	145.2	168.4	201.2	3.3	26.4	30.4	
Information, culture and recreation	20.5	23.0	26.3	23.9	1.0	3.1	1.3	
Accommodation and food services	35.4	31.5	43.4	44.6	1.6	5.9	3.6	
Other services	25.1	32.4	37.4	43.5	3.7	5.7	7.3	
Total	400.3	452.1	523.2	593.6	2.7	78.0	76.3	
Total Employment	507.9	580.4	679.5	761.2	2.7	100.0	100.0	

¹ Includes agriculture, forestry, fishing, mining, and oil & gas extraction and utilities
² Includes health care, social assistance, educational services, and public administration
 Sour Altus Group Economic Consulting based on data from Statistics Canada

Figure 8 Employment Growth by Sector, Projection, 2016-2041, Edmonton CMA



¹ Includes agriculture, forestry, fishing, mining, and oil & gas extraction and utilities
² Includes health care, social assistance, educational services, and public administration
 Source: Forecast by Altus Group, Forecast based on historical data from Statistics Canada Labour Force Survey

3.2.4 The Services Sector Will Fuel Job Gains Going Forward

Strong job growth is expected in the broader public services, supported by increases in the wholesale and retail trade and transportation and warehousing industries (see Figure 8). Rapid technological changes should boost demand for skilled workers and employment in the professional,

scientific and technical services industry. In part this trend is also driving the productivity gains built into the overall employment growth forecast.

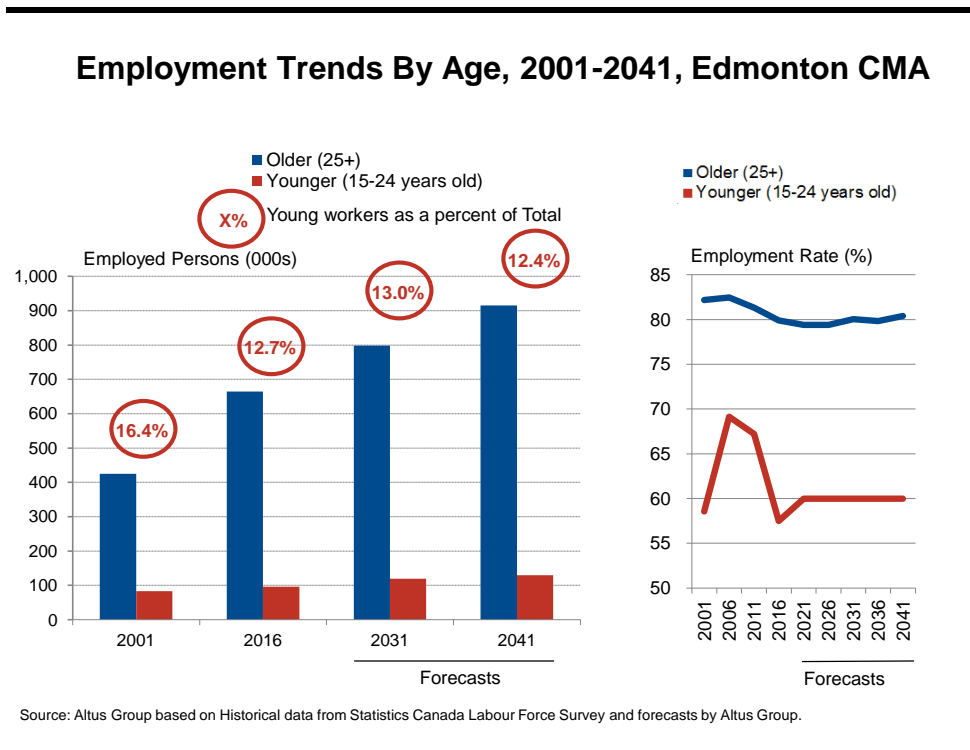
Over the forecast horizon, it is expected that employment will also be sustained by modest job growth in the manufacturing; accommodation and food services; and construction sectors. Net in-migration could be expected to support growth as automation begins to replace jobs that are sufficiently procedural to be facilitated by computers or robots.

3.2.5 Youth Employment Will Continue to be a Challenge

Employment growth for young people, 15-24 years old lagged compared to the 25 years and older cohort during the 2001-2016 period (see Figure 9).

Increased schooling, and its accompanying lower labour force participation rates, is likely a factor behind relatively slow employment growth for young persons. Additionally, weak economic conditions during 2008-2009 and 2015-2016 played a role, as younger workers are more precarious than those with seniority. In addition, it is likely that rapid technological changes have been negatively affecting youth employment, as these workers are relatively low-skilled.

Figure 9



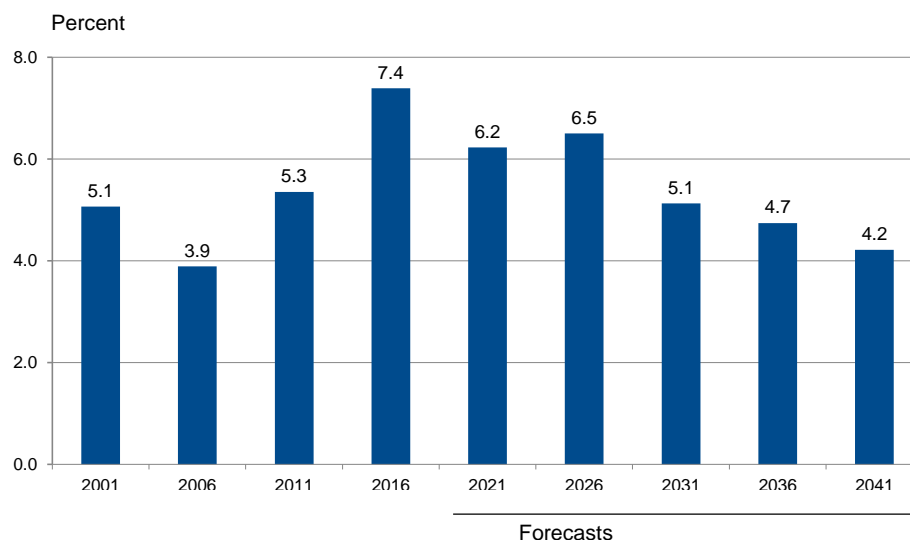
In all, the weak economy in 2016 weakened the employment rate among younger workers in Edmonton to a low of about 57%, down from a high of close to 70% ten years before. While the trend employment rate across workers aged 25+ also declined marginally during this period, the decline in the youth rate was much more acute. This resulted in a sharp drop in the proportion of the workforce accounted for by younger workers from 16.4% in 2001 to 12.7% in 2016 (it was as high as 20% in 2005, not shown on the chart). Going forward, expectations are for youth employment rates to recover to about 60%. Due to the demographics, the resulting expected trends in the youth component of the labour force is for a mild improvement through to 2031 to where younger workers will account for about 13% of the workforce, with a mild downward pressure to 12.4% thereafter.

3.2.6 Edmonton’s Unemployment Rate to Decline Going Forward

Edmonton CMA’s unemployment rate has generally been higher than Alberta’s. This is a reflection of strong labour force gains as opposed to labour market weakness. In 2016, the unemployment rate in Edmonton rose to its highest level in almost a decade (see Figure 10).

Figure 10

Unemployment Rate, 2001-2041, Edmonton CMA



Source: Altus Group based on Historical data from Statistics Canada Labour Force Survey and forecasts by Altus Group.

The unemployment rate in Edmonton is likely to generally trend lower during the forecast period, as job growth outpaces labour force growth.

As the unemployment rate falls it will exert upward pressure on wages, and boost income growth.

3.3 POPULATION GROWTH

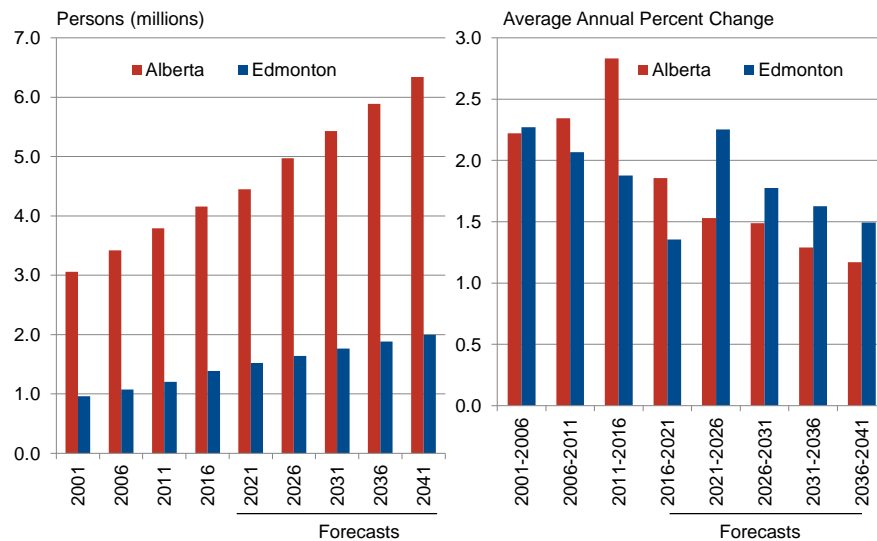
The Edmonton CMA is Alberta’s second largest urban area, accounting for almost a third of the province’s population. Population growth in Edmonton outpaced Alberta’s population growth during the 2001-2016 period, boosted by international net migration as well as interprovincial net migration.

Edmonton’s population is projected to grow at a slightly faster pace than Alberta’s during the 2016-2026 forecast period, as relatively strong economic conditions continue to attract migration (see Figure 11). However, the Edmonton’s population growth is anticipated to slow through the 2026-2041 forecast period as an aging population drags down net natural growth, and net migration slows as economic and jobs growth decelerates.

Overall, it is expected that Edmonton’s population will expand by some 580,000 persons over the 2017-2041 period.

Figure 11

Population, 2001-2041, Alberta and Edmonton CMA



Source: Altus Group based on Historical data from Statistics Canada Annual Demographic Statistics and forecasts by Altus Group.

3.3.1 Net Migration to Significantly Contribute to Edmonton’s Population Growth

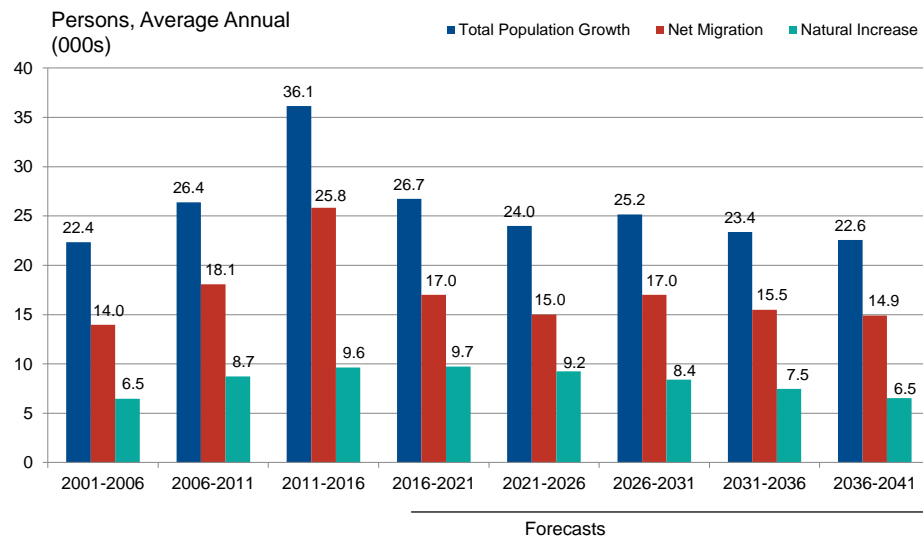
Net migration is expected to contribute significantly more to the Edmonton CMA’s population growth than the natural increase. During the 2017-2021 forecast period it is anticipated that net migration will make a larger contribution to Edmonton’s annual population growth than the natural change (see Figure 12).

Given the sensitivity of net migration to economic conditions, relatively firm economic growth should attract international migrants and boost Edmonton’s population growth.

The natural increase to the population will moderate during the forecast horizon owing to an aging population.

Figure 12

Population Growth by Component, 2001-2041, Edmonton CMA



Source: Altus Group based on Historical data from Statistics Canada Annual Demographic Statistics and forecasts by Altus Group.

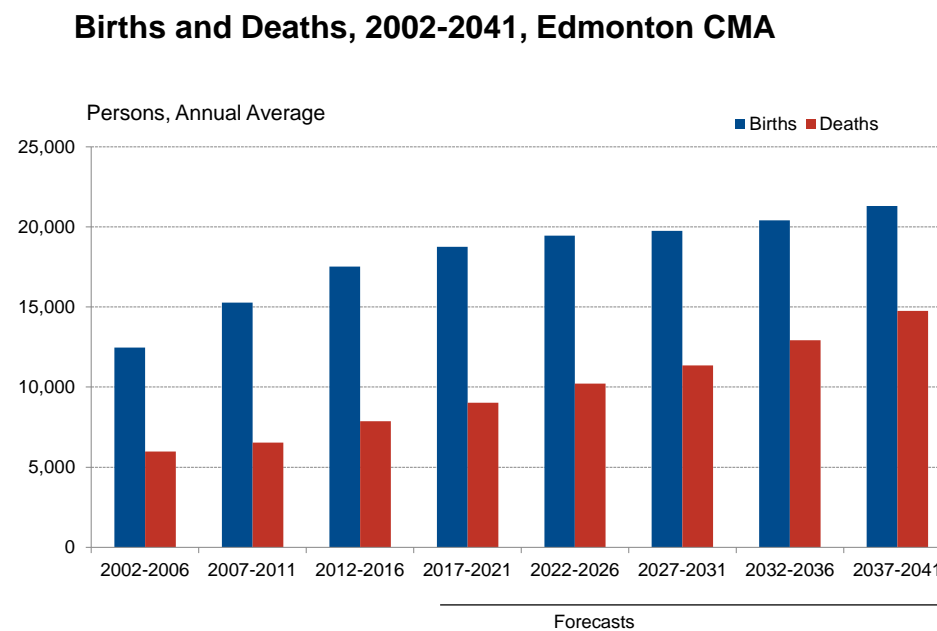
3.3.2 Births to Continue to Outstrip Deaths over the Longer Term

Births will continue to outstrip deaths but the gap will narrow over the longer term (see Figure 14). After many decades of decline, fertility rates have been rising in many jurisdictions, including Edmonton. A rising fertility rate will help boost the number of births in Edmonton.

At the same time, the mortality rate (deaths per 1,000 persons) has been dropping. However, a rapidly aging population in Edmonton will lead to a higher number of deaths, despite a lower mortality rate.

The net natural increase in Edmonton's population peaked in 2014 and is expected to continue to slow over the remainder of the forecast period.

Figure 14



Source: Altus Group based on Historical data from Statistics Canada Annual Demographic Statistics and forecasts by Altus Group.

3.3.3 International Migration Key to Edmonton CMA's Total Population Growth

International migration is the largest source of population growth in Edmonton with over 12,000 persons coming to the region from other countries in 2016. Nearly 55% of international migrants were aged 15-34 in 2016 (see Figure 15).

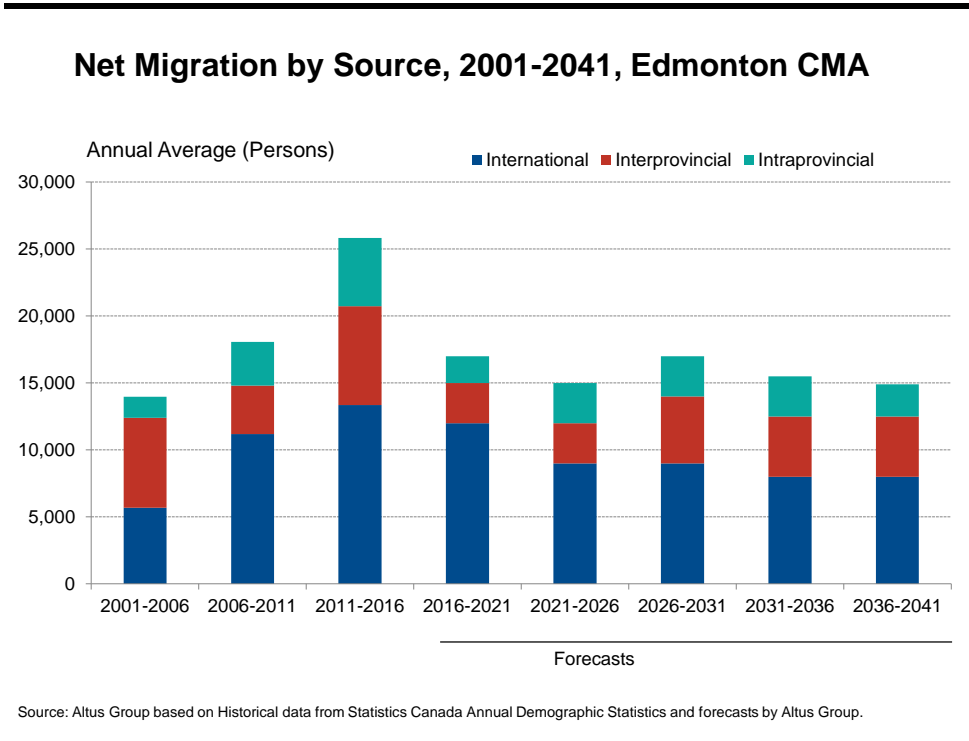
Interprovincial migration (i.e. from other provinces) to Edmonton has been generally strong but significantly declined and turned negative during the recent recession that resulted from the precipitous fall in oil prices. Intraprovincial migration (i.e. from other parts of Alberta) has been consistently modest.

Going forward, relative economic strength is expected to continue to attract international migrants but Edmonton's share of Canada's international migration is projected to decline.

In 2001, Edmonton accounted for some 1% of net international migrants to Canada. However, that share peaked at about 7% in 2015 as economic prospects in Alberta improved during the oil sands mining boom.

It is anticipated that the economic recovery and sustainable growth that follows will result in the proportion of international migrants coming to Edmonton stabilizing between 3% and 4%.

Figure 15

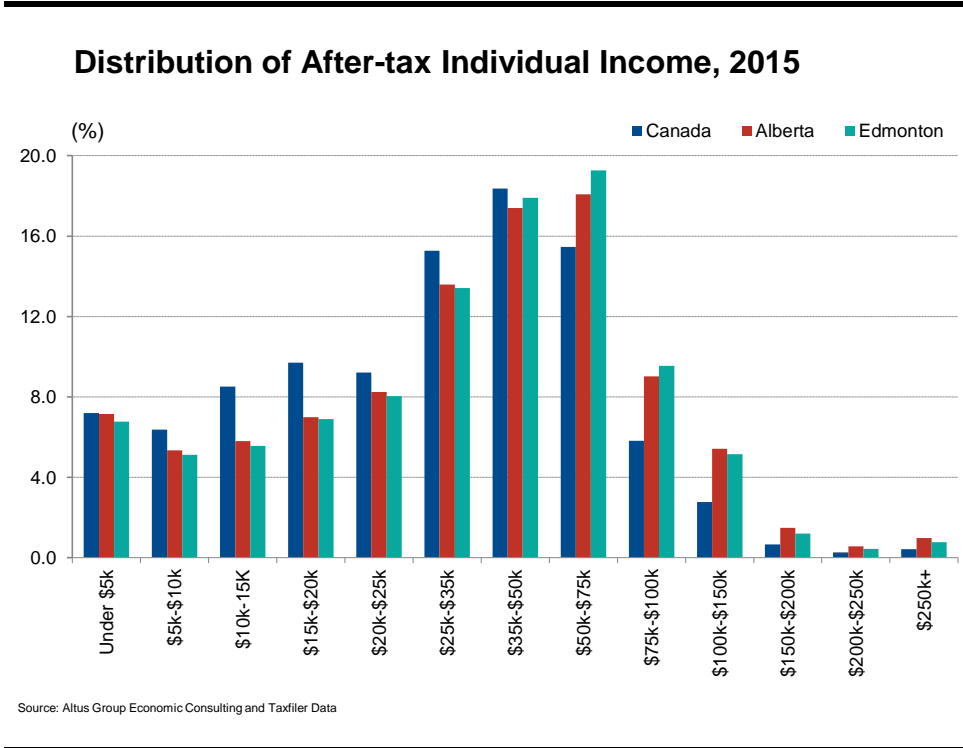


3.4 INCOME DISTRIBUTION

The Edmonton CMA’s income distribution is more equitable than Canada’s or Alberta’s (see Figure 16). In general, Edmonton’s income has been distributed towards the middle of the spectrum relative to both Canada and Alberta’s income. For example, in Edmonton, just over 19% of individuals earned income between \$50,000 and \$75,000 in 2015, compared to 15% in Canada and 18% in Alberta.

Individuals with incomes less than \$35,000 make up a smaller-share of Edmonton’s population relative to Alberta and Canada (though almost half of the overall population). This indicates that income is distributed in a more equitable manner in Edmonton, with a comparatively lower portion of high income earners.

Figure 16



4 EDMONTON’S HOUSING MARKET: AN ASSESSMENT

4.1 HOUSING MARKET ANALYSIS AND DEMAND OUTLOOK

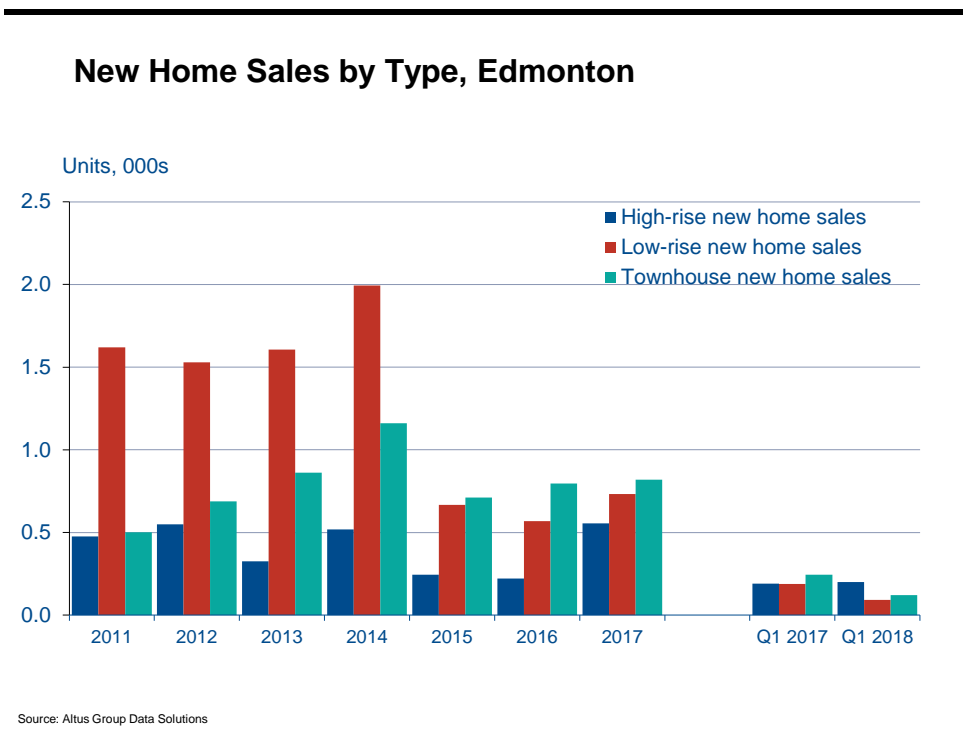
4.1.1 Evolution of the Mix of New Housing Construction

The mix of new housing built in Edmonton has changed since Alberta’s 2015-2016 recession, with a dramatic decline in low-rise construction since 2015 (see Figure 17). New housing construction in Edmonton has shifted dramatically during the period 2011-2017.

The majority of new home sales are now townhouses, while low-rise (single detached, semi-detached and duplex houses) has decreased dramatically since 2014.

High-rise new home sales have increased since 2016, which demonstrate increasing market demand for higher density housing in the City.

Figure 17

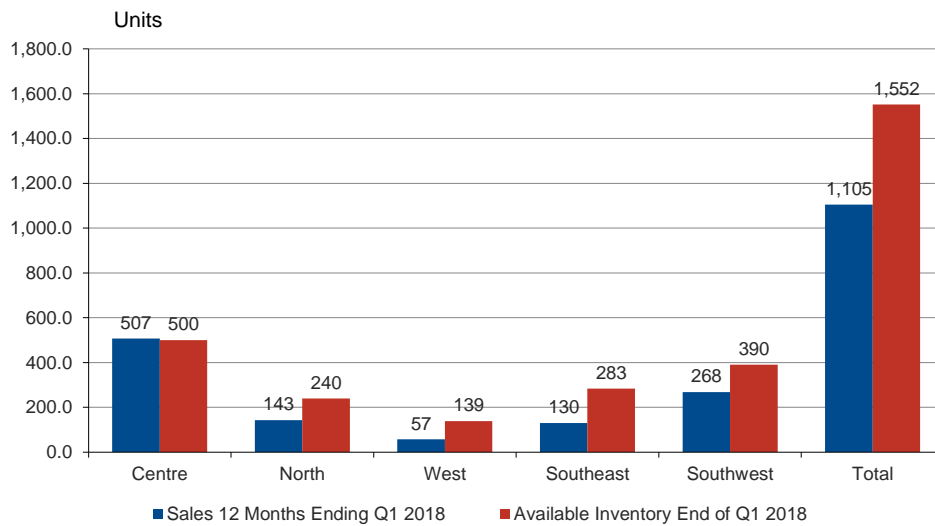


4.1.2 Supply of Apartment Inventory

The North quadrant as well as the other survey areas¹ finished the first quarter of 2018 with a healthy supply of apartment inventory (see Figure 18). Central Edmonton was the sole exception, ending the first quarter of 2018 with an undersupply of apartment units.

Figure 18

Apartment Sales and Inventory by Quadrant, Q1 2018, Edmonton



Source: Altus Group, Data Solutions

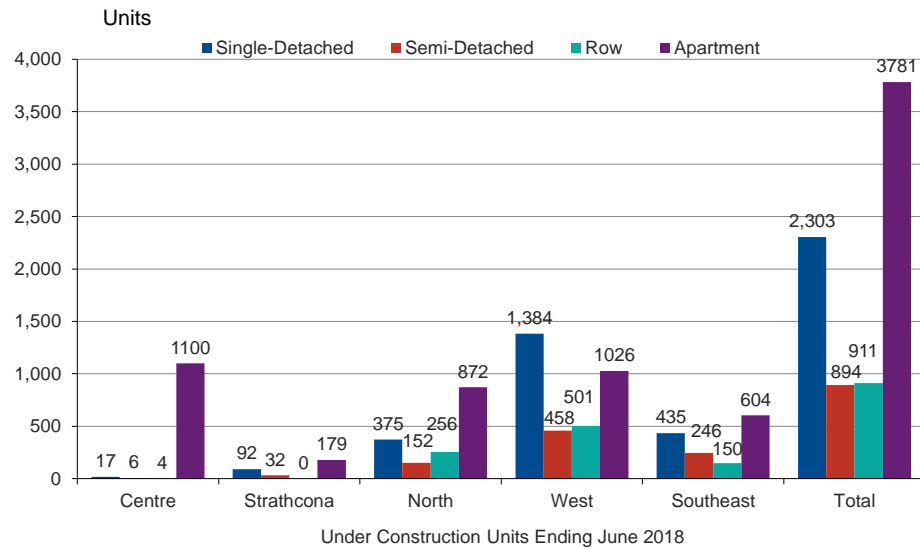
4.1.3 Inventory under Construction

At about 17%, the share of Edmonton’s North quadrant units under construction of single-detached and semi-detached units is slightly below the historical absorption of 19%. At 23%, the North’s share of apartment units currently under construction remains similar to historical trends (see Figure 19).

¹ The other survey areas include Central Edmonton, West Edmonton, Southeast Edmonton, and Strathcona.

Figure 19

Units Under Construction by Type and Quadrant, June 2018, Edmonton



Source: Canada Housing and Mortgage Corporation

4.1.4 Completed and Unsold Units Have Been Rising Since 2014

The level of completed and unsold units in suburban Edmonton has trended higher since their extreme lows in 2014, related to the softness in the economy in the 2014-2017 period, and are now stable at somewhat elevated levels (see Figure 20). This presents oversupply and absorption risks in the suburban housing market going forward.

As a consequence, the prices of suburban apartments and townhouses have been flat or slightly lower over the same period. In contrast, inner-city (Downtown Edmonton) housing prices have increased markedly.

The average price of an inner-city townhouse or apartment unit was \$577,444 in the first quarter of 2018, while the average price in suburban Edmonton was \$298,293 (see Figure 21 and Figure 22).

The average price per square foot of suburban townhouses and apartments (\$290 per sq. ft.) compared to downtown apartments (\$510 per sq. ft.) presents an opportunity to provide higher density “downtown quality” residential units at competitive prices on the Exhibition Lands site. Cheaper brownfield development costs at the Exhibition Lands site could result in lower residential unit costs that allow developers to produce higher quality downtown product at sub-urban prices.

The higher quality reasonably priced residential units could be complemented with public amenities that are comparable to those offered in downtown developments.

Figure 20

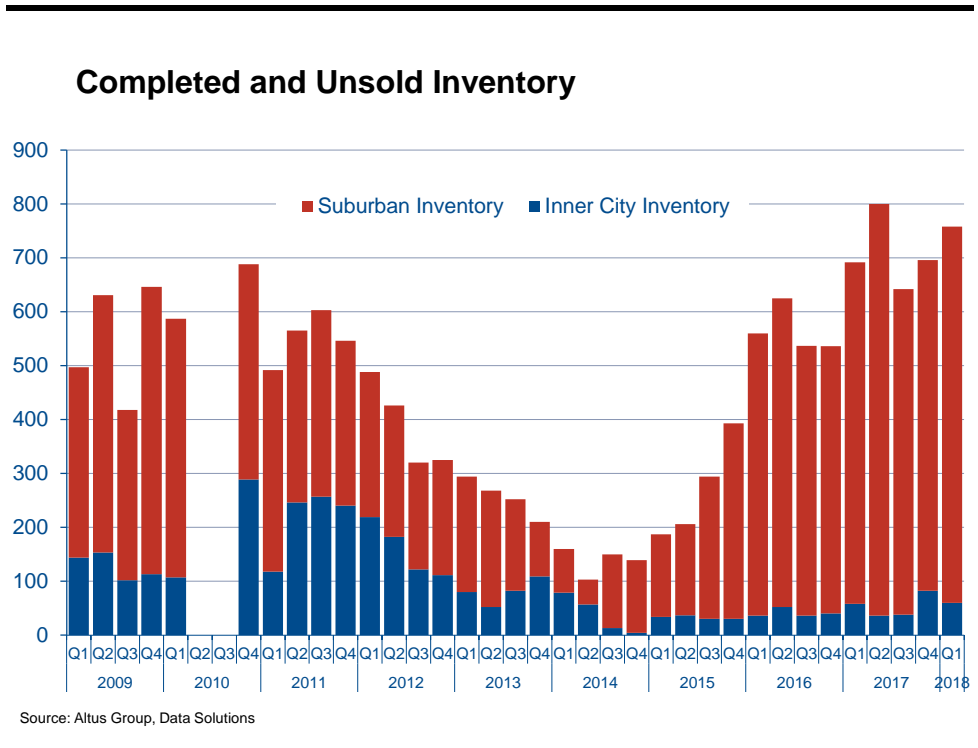


Figure 21

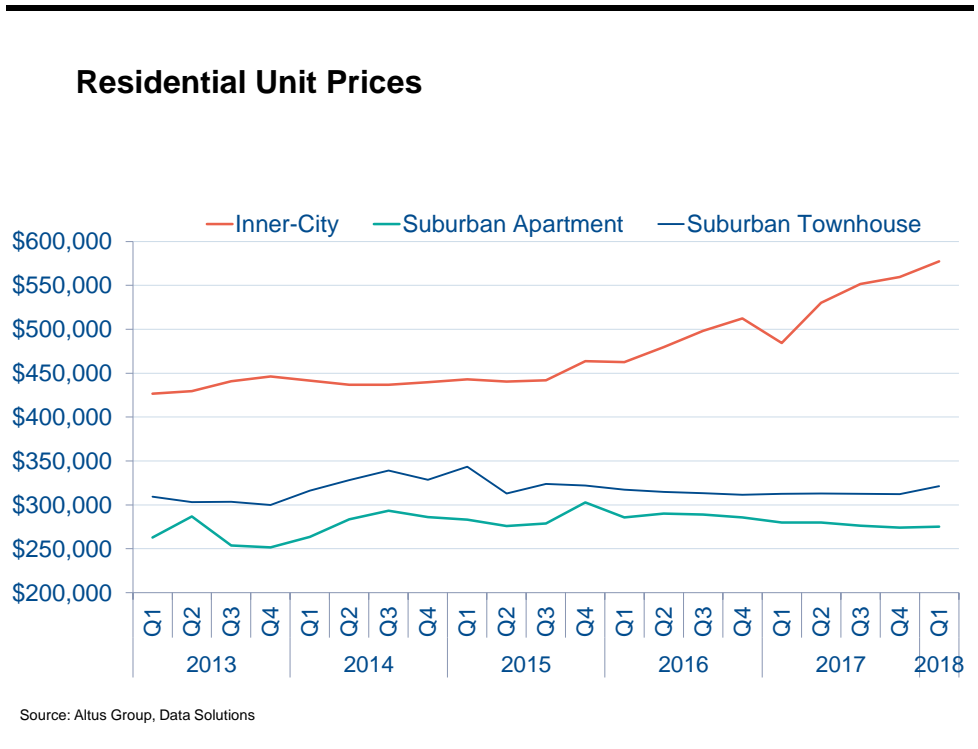


Figure 22

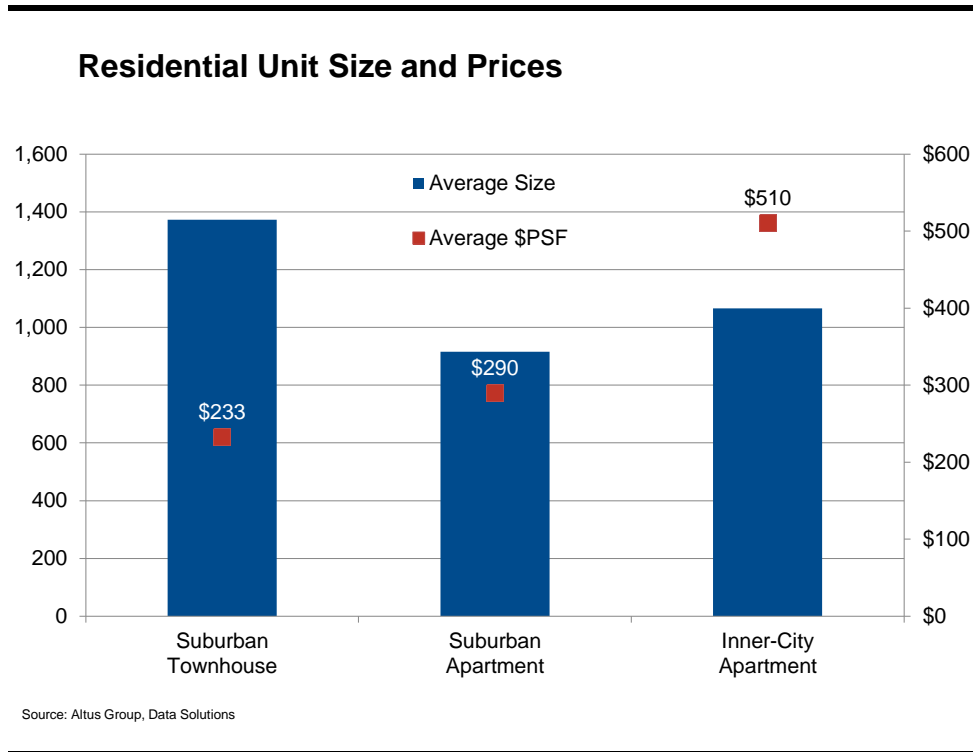
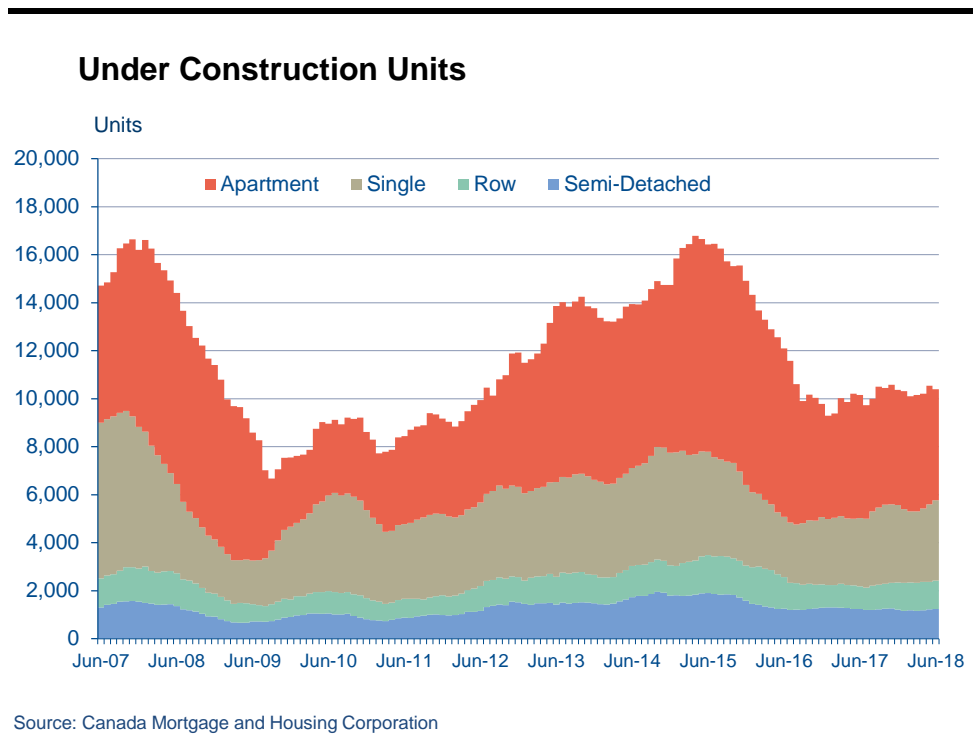


Figure 23

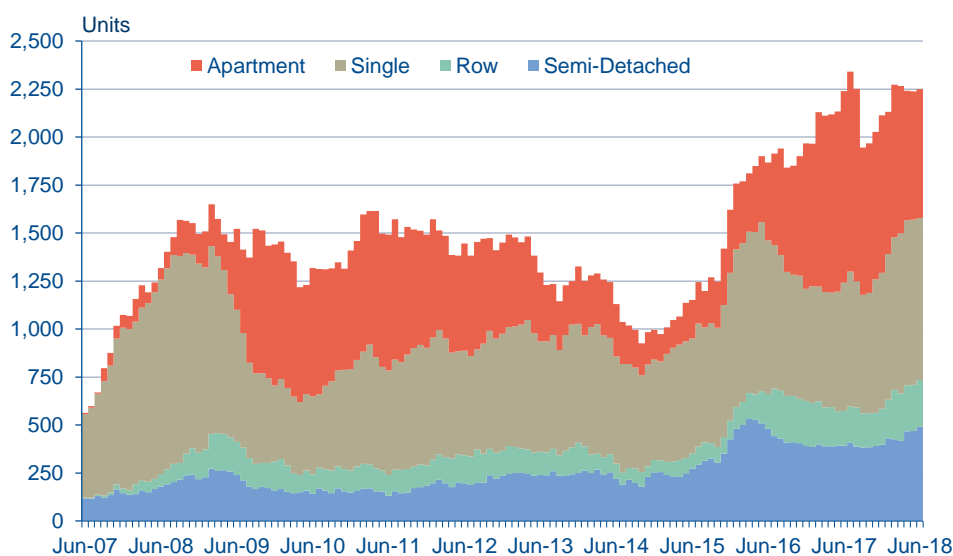


As it relates to oversupply and absorption risks, CMHC data suggest that the number of units under construction in Edmonton has declined since June 2015. Alberta's recent economic recession led to the decline. This suggests that developers were more responsive to broader macroeconomic conditions that slowed demand rather than fundamental indicators of oversupply or overbuilding.

Since June 2016, modest increases in residential units under construction in Edmonton have been evident (see Figure 23). With a keen eye on oversupply and absorption risks, residential development on the Exhibition Lands site in the near future could capitalize on the budding resurgence in Edmonton's housing demand.

Figure 24

Completed and Unabsorbed Residential Units, 2007-2018, Edmonton CMA



Source: Canada Mortgage and Housing Corporation

4.1.5 Completed and Unabsorbed Inventories Have Been Rising

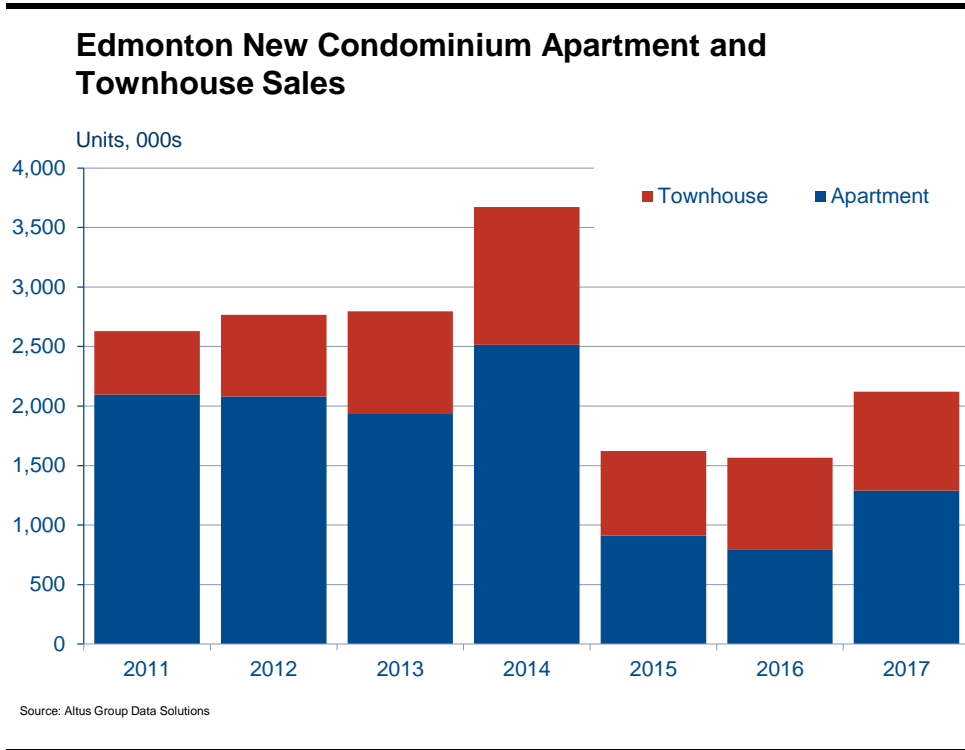
The post-recession rise in completed and unabsorbed inventories of low and high-density residential units signals a competitive housing supply environment with lagging consumer housing demand (see Figure 24).

Developers and builders should mitigate the risks of oversupply and lower than expected investment returns by employing a business model of phased-development and pre-sale construction.

4.1.6 New Condo Apartments and Townhouse Sales

New condominium apartment and townhouse sales are beginning to recover from the recent slump that followed strong sales during the 2011–2014 period (see Figure 25). Although apartment demand has continued to dominate the two housing types, new townhouse sales have been trending higher. For example, in 2017, townhouse units represented 39% of total new condominium and townhouse sales, compared to 20% of total sales in 2011.

Figure 25



4.1.7 Home Resale Prices

Resale prices in the Edmonton CMA remain steady for townhouse and apartment units, while single-family prices have trended higher (see Figure 26). The average price for a household in Edmonton in 2017 was \$380,021. The price has grown at an average annual rate of 1.03% in the last ten years.

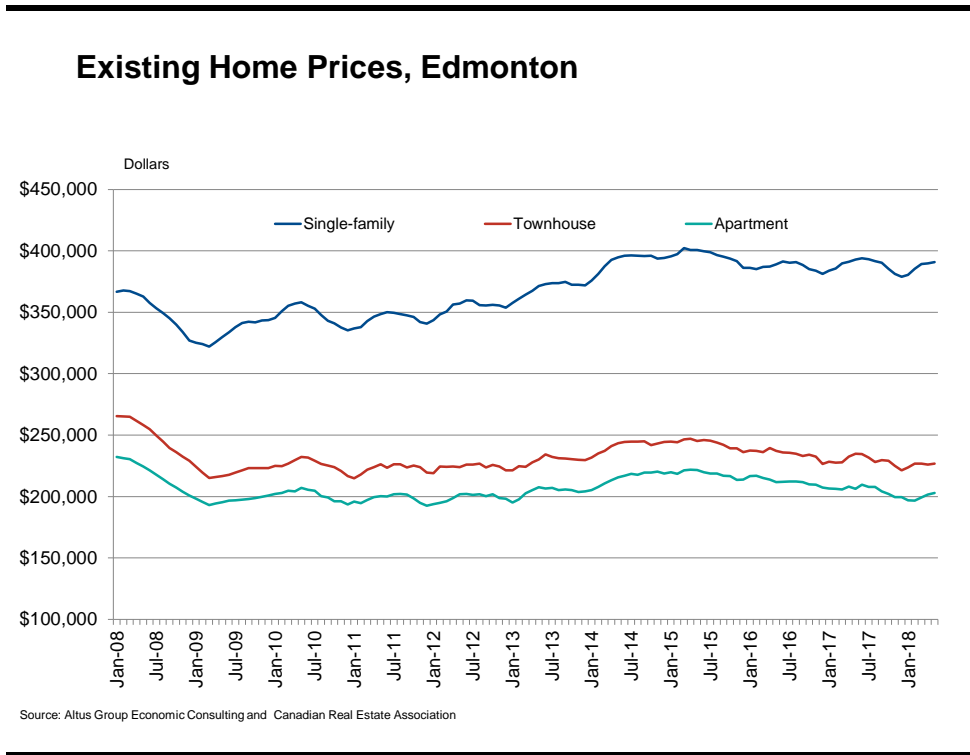
4.1.8 Housing Demand Dynamics

Rental households in apartment units are expected to comprise a slightly smaller share of apartment demand. Based on projected headship rates, housing type propensities, employment and population growth, demand for apartment units is forecasted to average about 2,300 units per year during the 2017-2041 period, with some support coming from an aging population.

During the period 2012-2016, demand for rental housing was positively influenced by the Millennial population. However, as this cohort ages and its housing preferences change, demand for rental housing units should moderate somewhat.

Demand for rental apartments is anticipated to average approximately 1,000 units annually during the 2017-2041 forecast period. An Exhibition Lands development could potentially absorb 3% of this projected demand.

Figure 26



4.1.8.1 Headship rates

In Edmonton, headship rates increase with age. Headship rates measure the proportion of the population in a specific age-cohort that are considered “household heads”. Headship rates have a large impact on household needs.

In general, headship rates are relatively low among the 15-19 year old cohort and then rise rapidly through the 20s and 30s. Headship rates continue to rise through middle age groups then level off.

Figure 27

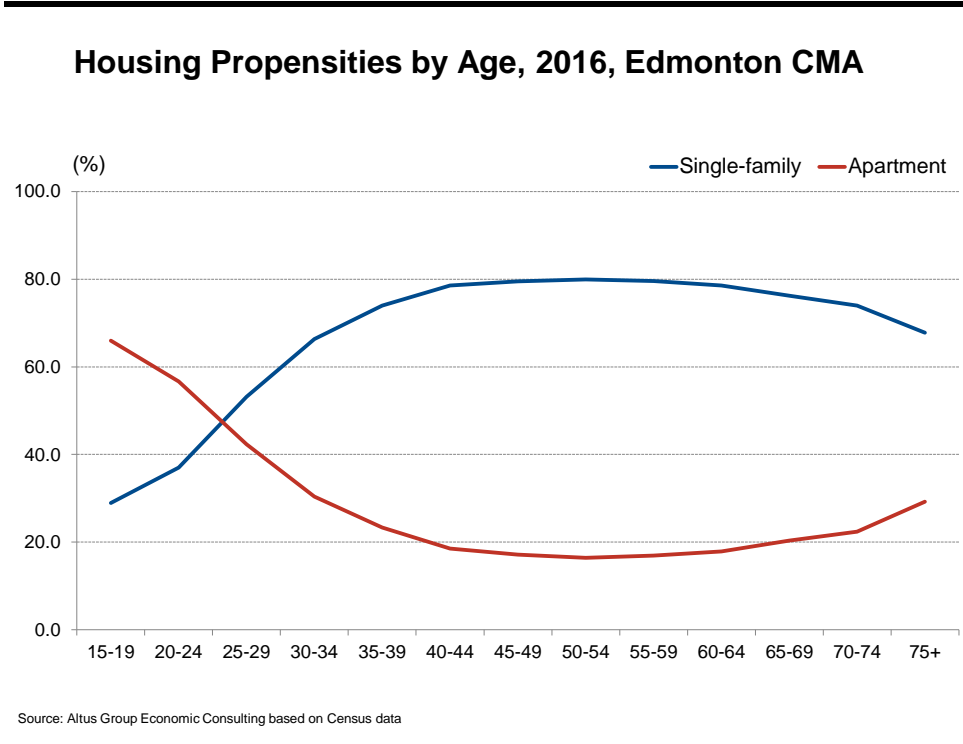
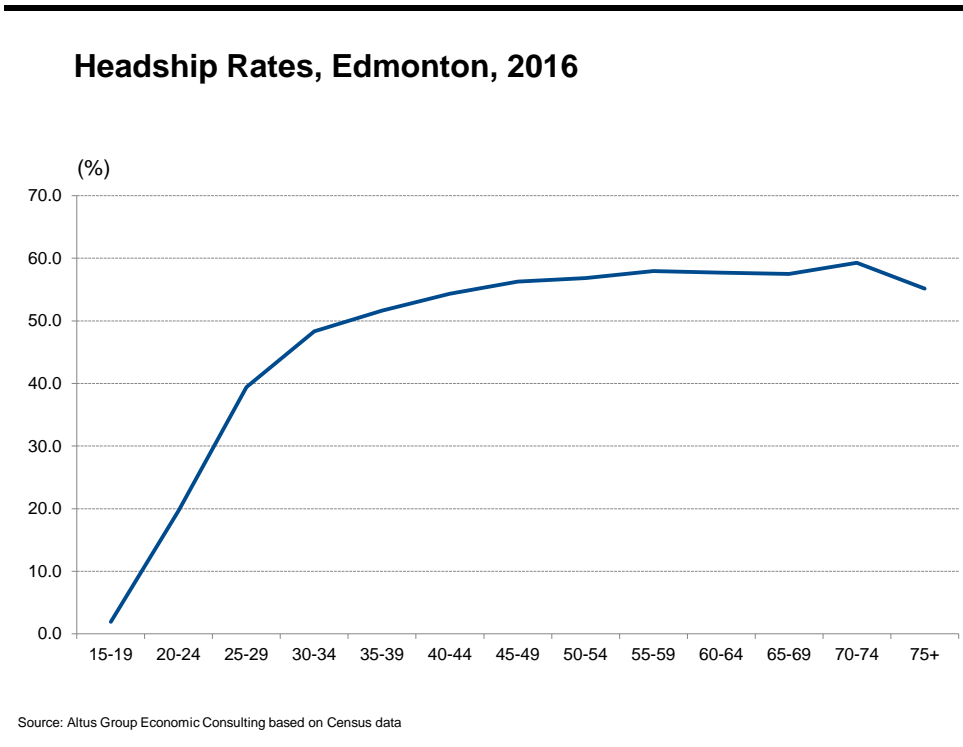


Figure 28



4.1.8.2 Apartment Propensities

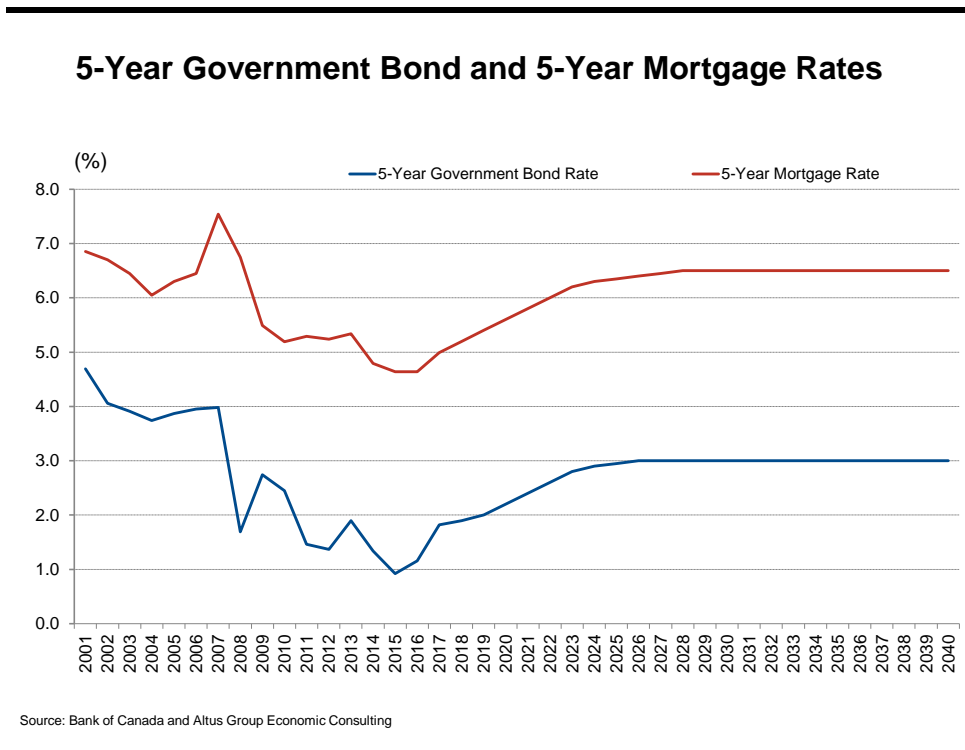
Edmonton’s apartment propensities peak at a young age but are also high when the population ages into retirement (see Figure 27). Age-specific propensities measure the share of occupied dwellings by structure type within each age-cohort.

In Edmonton, propensities for apartment housing is the highest in younger age groups, declines among the working-age population and then increases as the population reaches retirement age.

Propensities for single-family housing are the highest among older working-age age groups and drop as the population gets older and prefers to downsize.

These trends are consistent with trends for Canada as a whole and have remained pretty steady over the last 50 years.

Figure 29



4.1.8.3 Mortgage Rates

Higher mortgage rates are expected going forward. Similar to the United States, interest rates declined significantly in Canada in recent years as the Bank of Canada lowered its policy rate in an attempt to stimulate and sustain economic growth during economic downturns.

For example, the current “posted” (i.e. publicly announced) interest rate on a 5-year mortgage was 5.34%, compared to 6.85% in 2001, while the interest rate on a 5-year government bond was 1.16% at the end of 2017, versus 4.69% in 2002 (see Figure 29).

Expect more stable and sustainable rates, as interest rates continue to rise towards levels experienced before the 2008 global financial crisis and Canadian 2008/09 recession.

4.1.9 Housing Demand Projections

All told, Figure 30 sets out the projection for housing demand over the long term in the Edmonton CMA. The Altus Group potential housing demand model accounts for historical housing choices made in Edmonton and maps out headship rates, propensities and other choice factors of households by specific demographic segments and provides a projection consistent with the factors discussed earlier in this chapter.

In all, some 9,100 net new households have been formed on an annual basis in the Edmonton CMA over the past 20 years, and the projection over the next 25 years is for this to mildly accelerate to some 10,400 net new households per year. The resultant projections include:

- 5,860 net new households choosing single or semi-detached type housing per year, for a total need (gross of demolitions) of some 166,178 net new single or semi-detached housing units in Edmonton;
- Some 2,380 net new households choosing apartment type housing (both rental and owner occupied) for a net need of some 60,000 new apartments across Edmonton over the next 25 years; and
- Some 35,000 net new medium density housing units (primarily townhouse units) are also anticipated.

This projection is set out in the following table.

Figure 30

Household Growth by Structure Type, Edmonton CMA

Occupied Households				
	Single/Semi	Row*	Apartments	Total
	<i>Units</i>			
1996	202,135	40,550	77,345	320,030
2001	224,820	42,050	89,295	356,165
2006	254,115	47,025	104,130	405,270
2011	287,160	74,350	89,295	450,805
2016	319,370	60,290	122,540	502,200
2021	352,849	71,332	131,031	555,212
2026	386,235	76,933	143,901	607,070
2031	420,492	83,649	157,060	661,202
2036	453,802	89,527	169,970	713,299
2041	485,548	95,155	182,023	762,725

Average Annual Change in Occupied Households				
	Single/Semi	Row	Apartments	Total
	<i>Units</i>			
1996-2001	4,537	300	2,390	7,227
2001-2006	5,859	995	2,967	9,821
2006-2011	6,609	5,465	(2,967)	9,107
2011-2016	6,442	(2,812)	6,649	10,279
2016-2021	6,696	2,208	1,698	10,602
2021-2026	6,677	1,120	2,574	10,372
2026-2031	6,851	1,343	2,632	10,826
2031-2036	6,662	1,176	2,582	10,419
2036-2041	6,349	1,126	2,411	9,885
1996-2016	5,862	987	2,260	9,109
2016-2041	6,647	1,395	2,379	10,421

Total Change in Occupied Households				
	Single/Semi	Row	Apartments	Total
	<i>Units</i>			
1996-2016	117,235	19,740	45,195	182,170
2016-2041	166,178	34,865	59,483	260,525

Distribution of Housing Demand by Structure Type				
	Single/Semi	Row	Apartments	Total
	<i>Percent</i>			
1996-2001	63	4	33	100
2001-2006	60	10	30	100
2006-2011	73	60	(33)	100
2011-2016	63	(27)	65	100
2016-2021	63	21	16	100
2021-2026	64	11	25	100
2026-2031	63	12	24	100
2031-2036	64	11	25	100
2036-2041	64	11	24	100

* Row and townhouse units, also includes other medium density forms
 Source: 1996-2016 historical is Census data and Forecasts by Altus Group.

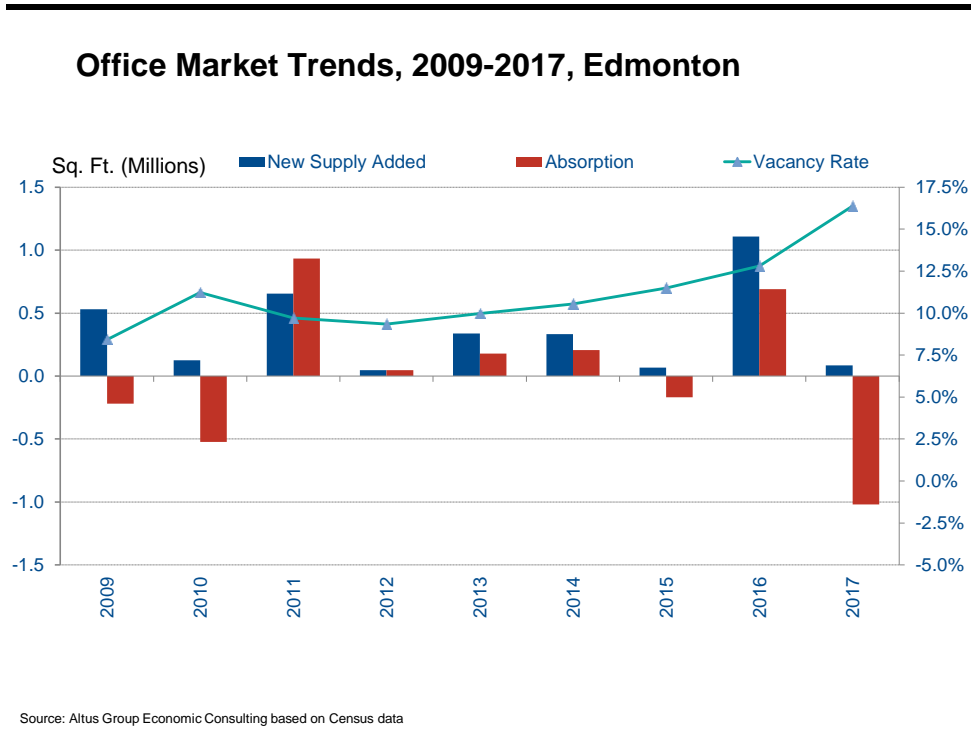
5 EDMONTON’S OFFICE SPACE DEMAND: AN ASSESSMENT

5.1 EDMONTON’S OFFICE VACANCY

Despite new supply, Edmonton had a relatively stable office vacancy rate before it began rising in 2015. Edmonton currently has more than 265 office buildings (of 20,000 or more sq. ft.) with just over 25 million sq. ft. in total. The majority of the space is Class A (just under two-thirds) (see Figure 31).

The overall office vacancy rate in Edmonton has trended higher in 2017 (at just below 16%) as large growth of new supply was added in 2016. As of mid-2018, there was about 700,000 sq. ft. of additional space under construction.

Figure 31



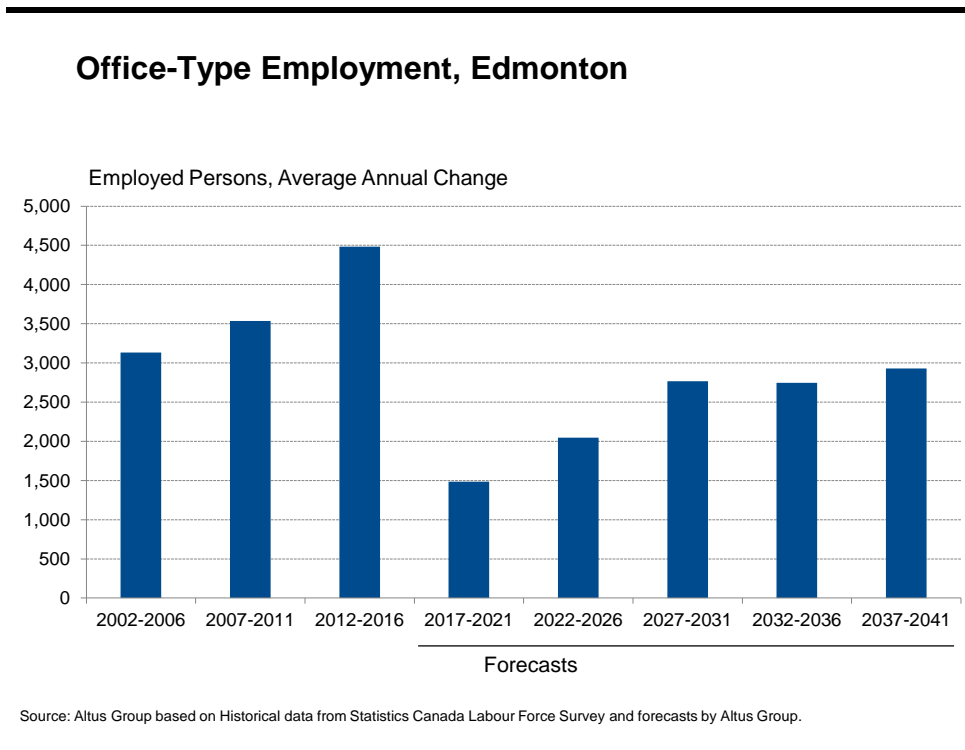
5.2 PROJECTING OFFICE SPACE DEMAND

In order to forecast office space demand Altus Group forecasts office-type employment and applies a space usage factor (calculated as the occupied inventory divided by estimated number of office-type workers). It should be noted that this is not a “pure” measure of office space per worker, given the lack of comprehensive information on the actual number of workers in the measured office space.

Office-type employment in Edmonton is projected to outpace overall job growth (see Figure 32). Certain sectors of the economy use office space more intensively than others. Sectors such as the finance, insurance and real estate; professional, scientific and technical services; business building and other support services; information, culture, recreation; and the broad public services sectors are more intensive uses of office space.

Given the sector outlook, the growth rate in “office-type” employment is expected to outpace the overall rate of job growth over the forecast horizon. The growth in the number of office-type jobs is expected to be relatively strong over the next 5 years, and then moderate somewhat before picking up again.

Figure 32



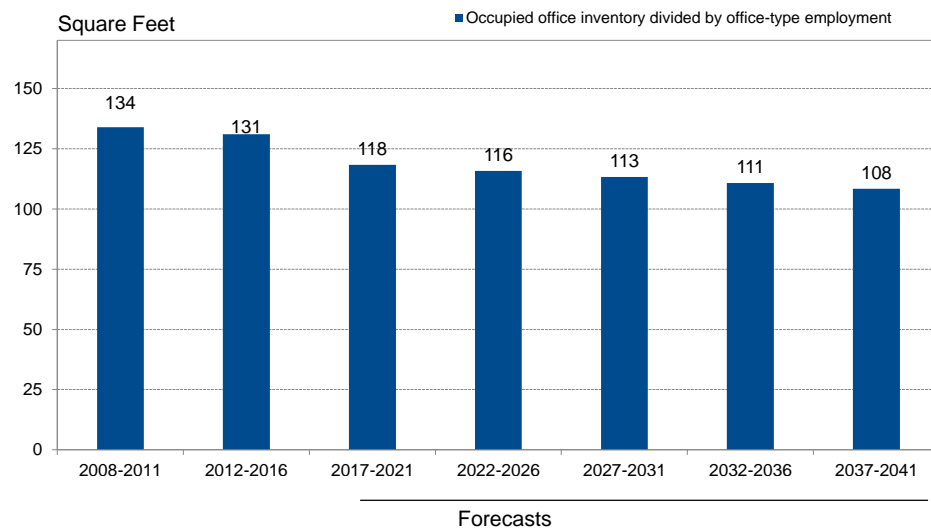
5.2.1 Office Space per Worker

The trend to less office space per worker is forecasted to moderate. Assumptions about the amount of space per office worker is critical to projecting future needs for additional office space. In Edmonton, the amount of space per worker has generally been on a downward trend, abetted by factors such as work at home trends, “desksharing” and more cubicles/open desks vs. enclosed offices.

It is expected that much of the decline has now occurred, with some “resistance”/reversal of some of the aforementioned patterns starting to emerge among firms that have made substantial reductions in per employee space in recent years. For the projection period, more moderate declines are assumed (see Figure 33).

Figure 33

Office Space Usage Factor, 2008-2041

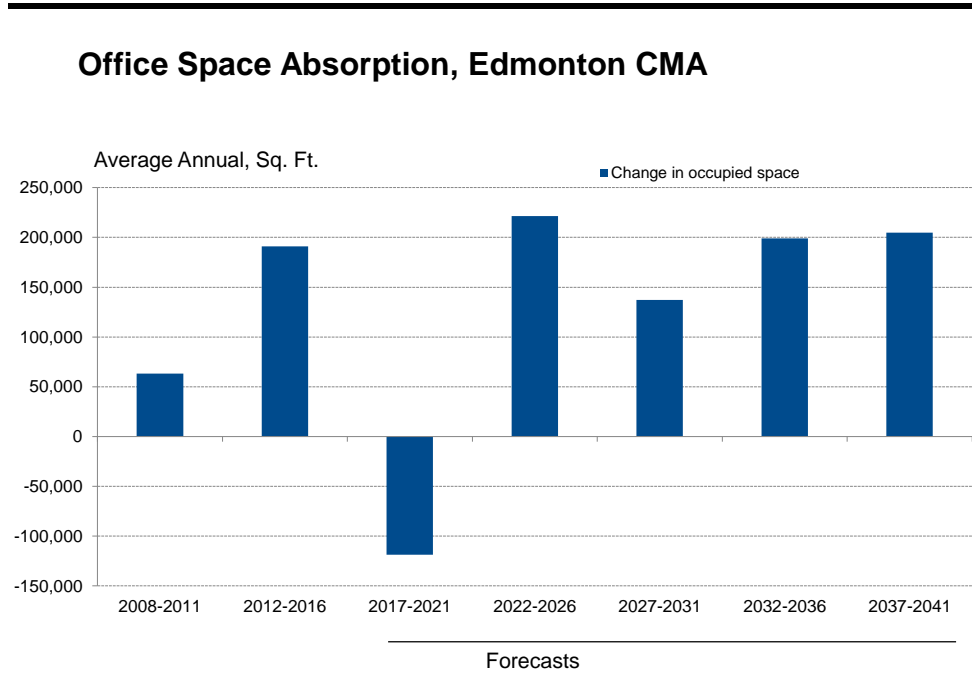


Source: Altus Group based on Statistics Canada Labour Force Survey and Altus Insite and forecasts by Altus Group.

5.2.2 Recovery in Office Space Demand

A gradual recovery in demand for additional office space is expected over the forecast horizon (see Figure 34). Given the economic outlook and projected job growth, as well as assumptions on space per office worker, demand for additional office space in Edmonton is expected increase at a slower pace on average over the next 5 years than the previous 5 years. Some acceleration in growth could be expected in the subsequent five years, before growth starts to pick up again.

Figure 34



Source: Altus Group based on Altus Insite and forecasts by Altus Group.

6 PROJECTED DEMAND FOR RETAIL SPACE

6.1 RETAIL SPACE IN EDMONTON

Based on information from the Centre for the Study of Commercial Activity Shopping Centre Database, there is about 35 million sq. ft. of shopping and power centre space in Edmonton (see Figure 35). This suggests that across the major CMA's in Canada, Edmonton has one of the highest square feet of shopping and power centre space per capita. Relative to the population base, the inventory represents about 25.9 sq. ft. per person.

Figure 35

Square Footage and Per Capita for Shopping Centres and Power Centres in 10 Selected CMAs							
CMA Name	Square Feet (000s)			Population 2016	Square feet per capita		
	Shopping Centre	Power Centre	Total		Shopping Mall	Power Centre	Total
Halifax	6,932	3,826	10,758	416,070	16.7	9.2	25.9
Montréal	43,320	19,400	62,719	4,092,126	10.6	4.7	15.3
Ottawa - Gatineau	16,187	9,807	25,994	1,338,729	12.1	7.3	19.4
Toronto	102,331	31,097	133,428	6,168,677	16.6	5.0	21.6
Winnipeg	9,768	4,765	14,533	796,364	12.3	6.0	18.2
Saskatoon	4,277	1,833	6,110	306,794	13.9	6.0	19.9
Calgary	21,989	11,219	33,208	1,465,539	15.0	7.7	22.7
Edmonton	21,834	13,743	35,577	1,372,093	15.9	10.0	25.9
Vancouver	29,147	6,965	36,112	2,526,685	11.5	2.8	14.3
Victoria	4,827	1,212	6,039	364,445	13.2	3.3	16.6
Total	260,612	103,867	364,479	18,847,522	13.8	5.5	19.3

Source: Centre for the Study of Commercial Activity (CSCA) Shopping Centre Database, 2016, Environics 2016 CMA Population Estimates

6.2 PROJECTING DEMAND FOR ADDITIONAL RETAIL SPACE

For a preliminary assessment of additional retail space demand in Edmonton, Altus Group utilized two modelling approaches; a simple per capita approach and an expenditure based approach:

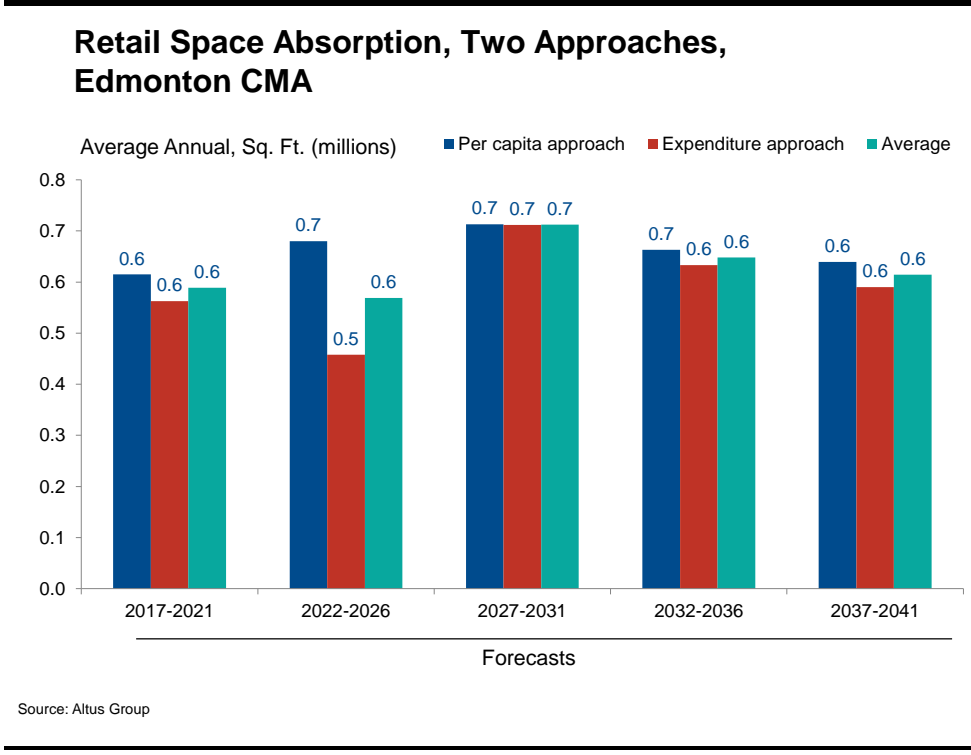
- Simple per capita approach – at 24 sq. ft. of occupied space in 2017; it is assumed that this value remains constant over the forecast period due to:
 - Increased spending with income growth (positive for higher per capita space needs); and
 - Higher space productivity i.e. more sales per sq. ft. of space (negative for higher per capita space needs).
- Expenditure-based approach – this method involves:

- Assessing the future trends in per capita spending based on income growth;
- Applying per capita spending to total population;
- Making an adjustment for on-line spending, which is relatively low at present, but assumed to increase slightly;
- Adjusting for leakages out of the market and inflows into the market (assumed to net out); and
- Applying an assumed value of sales productivity per sq. ft. (expected to increase slightly) to the retained in-store spending.

6.2.1 Additional Retail Space Demand in Edmonton

Altus Group forecasts that there will be demand for additional retail space of at least 600,000 sq. ft. per year. This forecasts is based on the per capita methodology. The expenditure approach yields a somewhat lower projection, due to the assumptions of increasing on-line sales and increasing store productivity.

Figure 36



7 DEVELOPMENT POTENTIALS OF EXHIBITION LANDS

7.1 CONTEXT

Edmonton is projected to post solid economic growth over the next 25 years, but the pace of growth is expected to decelerate from the robust 4% growth seen over the past 15 years.

Consistent with an environment of slower growth in real GDP, Edmonton's population and job growth are also expected to decelerate from the highs of the 2002-2016 period.

The sustainable economic growth and population growth projected for Edmonton are solid enough to support growth in residential housing demand, as well as stronger demand for office and retail space.

7.2 OPPORTUNITY

The proposed redevelopment of the Exhibition Lands presents the City of Edmonton with an opportunity to leverage underutilized municipal lands into a new community able to accommodate a certain component of Edmonton's future growth in a transit-oriented configuration within close proximity to the urban core.

Moreover, the City has an almost unparalleled opportunity through these lands to not only create a new community, but to create a transformative urban development that will have implications on the quality of life and attractiveness of a whole quadrant of the city.

The core thesis of our analysis is that transformative developments are anchored by successful public anchors and contain an appropriate mix of public and private amenities and infrastructure, housing and commercial space.

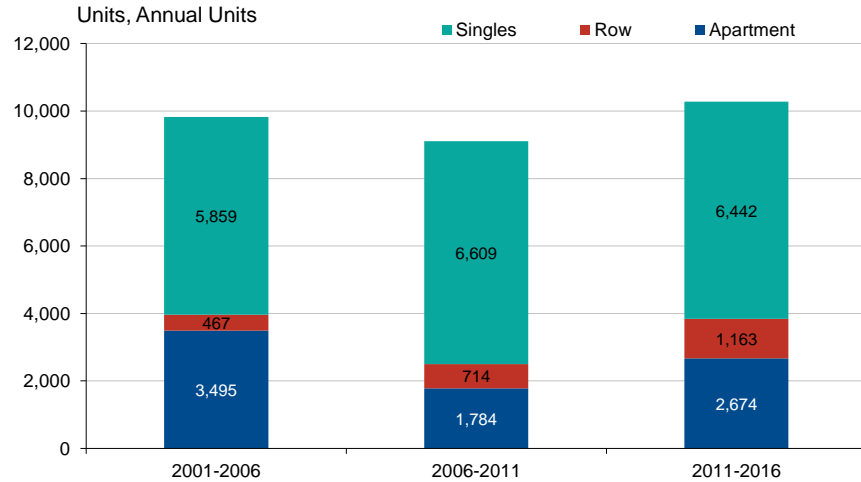
This illustrates the potential for development on the exhibition lands in the context of two scenarios – a status quo redevelopment and a transformative development with public anchors and a healthy mix of uses.

7.3 MARKET OPPORTUNITY ANALYSIS & POTENTIAL ABORPTION

Successful private development depends on demand and absorption. The subject site is located within the North quadrant of the City of Edmonton.

Figure 37

Household Growth by Structure Type, 2001-2016, Edmonton CMA

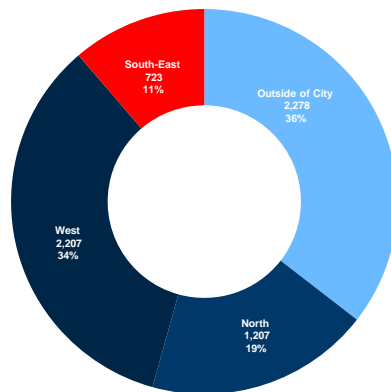


Source: Historical data: Census of Canada

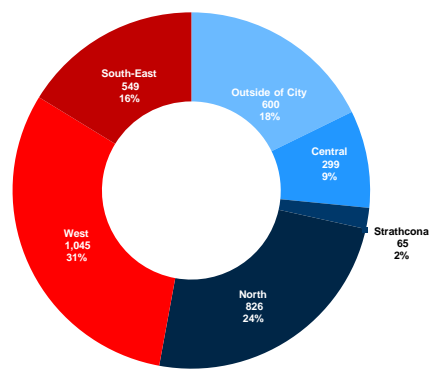
Figure 38

Net Housing Absorption by Structure Type and Quadrant, 2001-2016, Edmonton CMA

Annual Net Absorptions, Singles and Semis, by Zone and Share of Total, 2001-2016



Annual Net Absorptions, Row and Apartment, by Zone and Share of Total, 2001-2016



Source: Altus Group Economic Consulting based on Census data.

Historically, the North quadrant has accounted for almost 20% of the Edmonton CMA's total absorption of low density housing (singles and

semis) (see Figure 37 and Figure 38). Recent housing starts shares have been even lower. Going forward an assumption of 19 percent is employed. Historically absorptions of medium and high density have been some 24% and going forward 24% share is employed in the analysis.

Exhibition Lands are one of many sites competing for ownership and rental housing demand over the forecast period, and proceeding with the transformative development scenario would help to boost the attraction of the site and district and prompt stronger absorption on the site, which, in turn would help improve the feasibility of the redevelopment. [from Slide 2]

The Exhibition Lands could be developed by leveraging the status quo site location features or by undertaking a transformative redevelopment with bold public anchors.

7.3.1 Redevelopment of Exhibition Lands: Two Scenarios

Without a bold public anchor that drives significant new traffic to the subject site for lodging, community activities, recreation or entertainment and/or commercial activity (office or retail), the redevelopment of the Exhibition Lands could capture a share of Edmonton's Northern Quadrant's demand for residential, office and retail space that is similar to the historical share capture of real estate developments in the area. The share capture of new demand by category of development that Altus Group projects for the Exhibition Lands is a ceiling that takes into account the impact of competing real estate developments in the area, both existing projects and those in the pipeline.

Given the recent development trends taking place in downtown Edmonton, some of which are transformative, developments outside of the downtown core could find it challenging to compete with premium downtown housing, office space, retail space, and recreation and entertainment amenities. Based on Edmonton's historic economic, demographic, and real estate market trends, as well as the renewed interest in revitalizing the downtown corridor, we expect the development share capture of the entire Northern Quadrant to remain relatively stable, at best, over the next 25 years.

Under both redevelopment scenarios (the status quo and a transformative development), our assumption is that the Northern Quadrant would continue to capture 19% of new single-semi-duplex demand; 24% of

townhouse and apartment demand; 15% of new gross leasable area of office space; and 10% of new gross leasable area of retail space (see Figure 39).

Figure 39

Exhibition Lands Potential Absorption, Two Scenarios

		Edmonton CMA		North Quadrant of the City		Exhibition Lands		
		25-Year Requirements	Annual Absorption	Share Capture	Annual Absorption	Share Capture	Annual Absorption	25-Year Build-Out
Scenario 1: Status Quo								
Singles/Semi/Duplex	Units	166,178	6,647	19%	1,263	5%	60	1,500
Townhouse	Units	34,865	1,395	24%	335	5%	20	500
Residential Apartment	Units	59,483	2,379	24%	571	5%	30	750
Office GLA	Sq. Ft.	4,413,500	176,540	15%	26,480	25%	6,620	165,500
Retail GLA	Sq. Ft.	15,000,000	600,000	10%	60,000	5%	3,000	75,000
Residential GFA	Sq. Ft.							4,657,500
Commercial GFA	Sq. Ft.							276,600
Total GFA	Sq. Ft.							4,934,100
Scenario 2: Transformative Development with Bold Public Anchors								
Singles/Semi/Duplex	Units	166,178	6,647	19%	1,263	6%	80	2,000
Townhouse	Units	34,865	1,395	24%	335	15%	50	1,250
Residential Apartment	Units	59,483	2,379	24%	571	15%	90	2,250
Office GLA	Sq. Ft.	4,413,500	176,540	15%	26,480	50%	13,240	331,000
Retail GLA	Sq. Ft.	15,000,000	600,000	10%	60,000	15%	9,000	225,000
Residential GFA	Sq. Ft.							8,452,500
Commercial GFA	Sq. Ft.							639,400
Total GFA	Sq. Ft.							9,091,900

Table includes some rounding; GFA is 15% gross-up; residential units assumed at 1k sq. ft.

Source: Altus Group

Altus Group projects that a status quo redevelopment of the Exhibition Lands could potentially absorb 5% of the Northern Quadrant's residential and retail absorption and 25% of its office absorption.

New residential and office traffic that is located on the site boost the demand for retail space. Each category of development is boosted further by amenities and public anchors that are bold enough to drive people to the site for work, play (recreation and entertainment) and residential accommodation.

A transformative redevelopment of the Exhibition Lands could boost potential residential and office space demand and absorption by 100%, and boost demand for retail space by 300%.

7.3.2 Status Quo

Based on Edmonton's economic trends, demographic trends, and the city's North quadrant historical demand and absorption of private development, the Exhibition Lands could potentially absorb about:

- 60 single detached, semi-detached or duplex houses; 20 townhouses; and 30 apartment units annually;
- 6,600 sq. ft. of new office space annually; and
- 3,000 sq. ft. of retail space annually.

7.3.3 Transformative Development with Bold Public Anchors

A transformative development on the subject site could boost potential residential and office space demand and absorption by 100%, and boost demand for retail space by 300%. A transformative development of the Exhibition Lands could result in the absorption of about:

- 80 single detached, semi-detached or duplex houses; 50 townhouses; and 90 apartment units annually;
- 13,200 sq. ft. of new office space annually; and
- 9,000 sq. ft. of retail space annually.

8 CONCLUSION

The City of Edmonton has a prime opportunity to leverage the Exhibition Lands to create a new community able to accommodate a certain component of Edmonton's future growth in a transit-oriented configuration within close proximity to the urban core.

The City also has an almost unparalleled opportunity through these lands to create a transformative urban development that will have implications on the quality of life and attractiveness of a whole quadrant of the City.

Edmonton is projected to post solid economic growth over the next 25 years, though at a slower pace than the 4% growth seen over the past 15 years. Edmonton's population and job growth are also expected to slow from the highs of the 2002-2016 period as real GDP growth decelerates.

The sustainable economic growth and population growth that Edmonton is expected to experience over the next 25 years are solid enough to support growth in residential housing demand, as well as stronger demand for office and retail space.

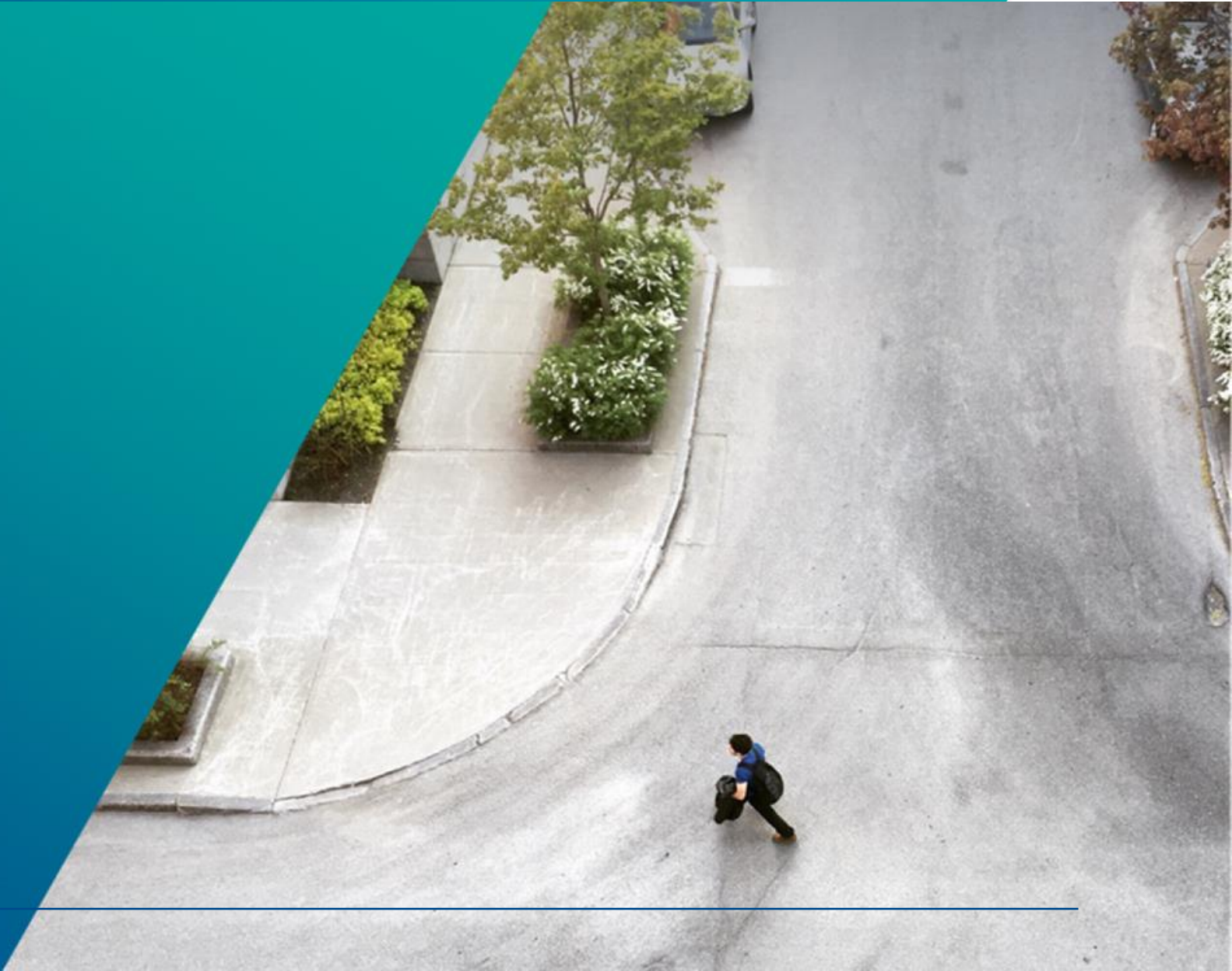
A status quo redevelopment of the Exhibition Lands could potentially absorb 5% of Edmonton's Northern Quadrant's residential and retail absorption and 25% of its office absorption.

A mix of residential and office development tends to generate sufficient traffic to boost demand for retail space. Each category of development is boosted further by amenities and public anchors that are bold enough to drive people to the site for work, play (recreation and entertainment) and residential accommodation.

A transformative redevelopment of the Exhibition Lands could boost potential residential and office space demand and absorption by 100%, and boost demand for retail space by 300%. In the process the City of Edmonton, in partnership with private capital could revitalize the Exhibition Lands and create a viable, vibrant urban community that becomes the focal point of northern Edmonton and transforms the surrounding districts.

Appendix: Redevelopment Best Practice Review

Case Studies



Viable and Vibrant Redevelopment Tied to A Balance of Private and Public Investment



London Docklands



Key Public Anchor

- Areas of open space that includes parks and peaceful green surroundings.

Lessons for Edmonton

- Underground transit extension connecting London to the Docklands significantly contributed to the regeneration and renewal of a derelict site.

Case Study Highlights

- Created 32,000 new homes including luxury apartments, created new recreational facilities and improved shopping facilities.
- Created new jobs and improved the transport system (to and within area).
- The new transport links encouraged commercial tenants to move to Canary Wharf in the early 1990s, despite economic uncertainties.
- The area was transformed from the dereliction of the 1970s to a glittering 21st century residential cityscape, with high-rise offices, shops, restaurants, health clubs and leisure facilities.
- Improved environmental conditions, for example, reclaiming derelict land, planting trees and creating areas of open space (parks and peaceful green surroundings).

Recreation/Wellness Campus – Tucson, Arizona



Key Public Anchor

- Strategic visionary private-public sector partnership.

Lessons for Edmonton

- Recreational space that attracts outside interests, as well as residential and retail demand.

Case Study Highlights

- Rancho Sahuarita is a lifestyle-oriented community founded on promoting physical, social, and emotional well-being.
- 30% of the development site was allocated to amenities that encourage healthy physical and social activities.
- Development consists of a clubhouse, recreational facility, dance and aerobic studios, multipurpose rooms, a lap pool, and a splash park.

Result:

- “Since 2002, national homebuilders have sold more than 5,000 homes at Rancho Sahuarita with a total value of \$1 billion, making the development one of the best-selling master-planned communities in the country”.
- “Rancho Sahuarita has continually dominated southern Arizona’s housing market, accounting for an 8% to 18% share of sales in the Tucson metro area.”



Active Parklands – St. Louis, Missouri



Key Public Anchor

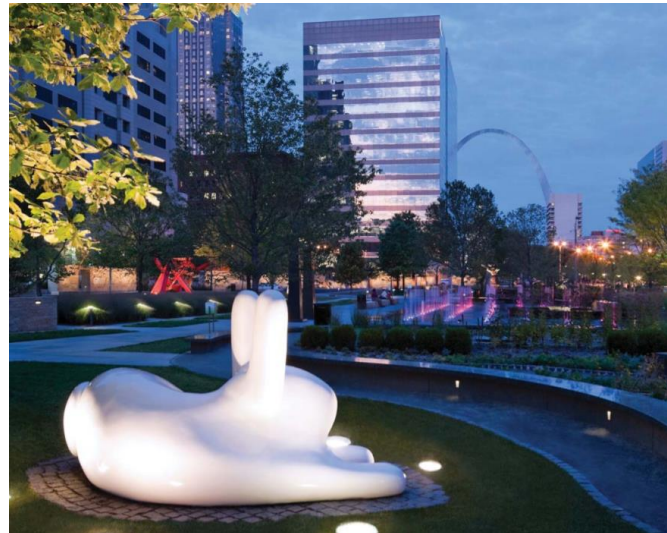
- Active public space supported by the city and a not-for-profit foundation.

Lessons for Edmonton

- Active public space that attracts outside interests, boosts foot traffic and increased surrounding real estate occupancy.

Case Study Highlights

- Citygarden is 2.9 acres of open space featuring a sculpture garden, interactive art, water features, dining and picnicking venues.



Result:

- Citygarden spurred the redesign of the Gateway Mall, elevated the status of public art in St. Louis, and increased foot traffic.
- Significant economic impact to local businesses, e.g. higher real estate occupancy rates.
- “Citygarden is the most significant development in St. Louis since the Gateway Arch 50 years ago.” – Mayor of St. Louis
- Winner of 2011 ULI Awards for Excellence.

Museum/Art Gallery – North Adams, Massachusetts



Key Public Anchor

- Large museum of contemporary art – private-public sector partnership

Lessons for Edmonton

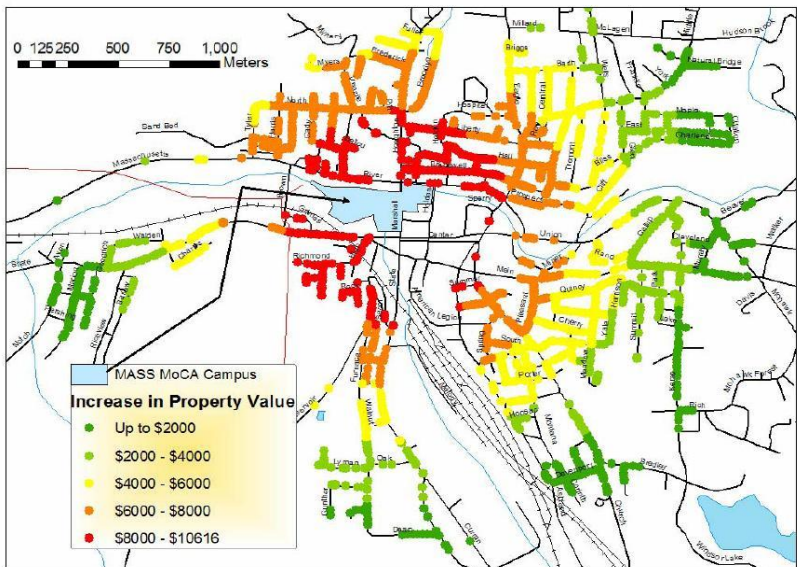
- Adaptive reuse and the creation of public space that attracts outside interests.
- Conversion of a factory building complex into one of the largest centres for contemporary visual and performing arts significantly increased the region's economic growth, commercial investment and neighbouring property values.

Case Study Highlights

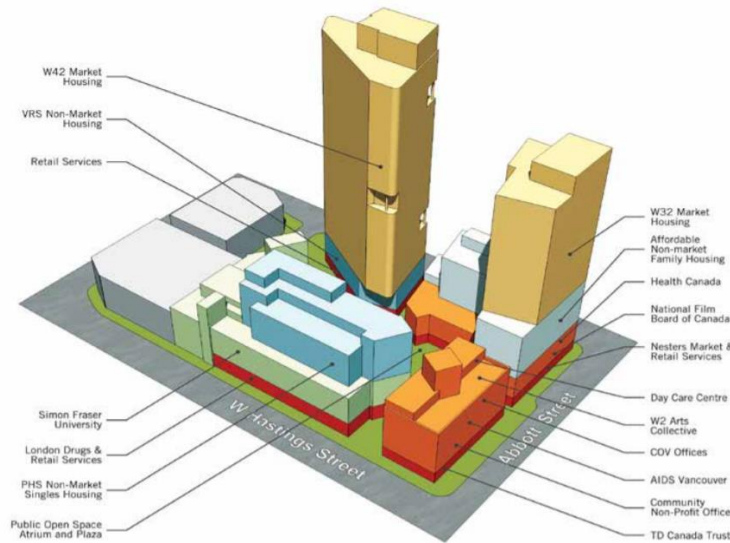
- Renovation of a 13 acre campus of 19th century factory buildings to accommodate the Massachusetts Museum of Contemporary Art (MASS MoCA).
- Thirty per cent of the development site was allocated to amenities that encourage healthy physical and social activities.
- Event spaces available for rent.

Result:

- Value of properties nearest the museum appear to increase by 20% to 50%.
- “Responsible for nearly 60% of the region's net economic growth in the three years following its opening.”
- Extraordinary commercial investments (such as hotels) totaling \$11 million that would not have taken place without the museum anchor.



Woodward's Mixed-Use Project – Vancouver, B.C.



Key Public Anchor

- Adaptive re-use development that includes social housing.

Lessons for Edmonton

- Urban redevelopment that created a vibrant community.

Case Study Highlights

- Woodward's is a landmark 2.32 acre site comprising of multifamily, condo, affordable housing, retail, office, university space, cultural space, daycare, grocery store, atrium.
- Located on former AIDS Woodward's department store site.
- "For many years, the neighborhood had been home to many low-income residents who suffer from a variety of social problems, including homelessness, mental illness, drug abuse, and unemployment."

Result:

- In 2006, condos sold out in one weekend in a matter of hours.
- Before the project began, the Vancouver east side neighborhood was the poorest postal code in Canada. Today, the neighborhood includes a much broader spectrum of people.
- The streets became safer and there is a diverse mix of people in the neighborhood. There is a vibrant nightlife and a new culture in the area. Higher property values and property tax revenue for the city.
- One of the first examples of mixing social housing and market-rate condominium housing in Canada. The success of this project was an important landmark in demonstrating the viability of a mixed-income residential development.

Evergreen Brickworks - Toronto, Ontario



Key Public Anchor

- Public park and community & cultural centre

Lessons for Edmonton

- Transformation of abandoned heritage buildings into a cultural and recreation centre with a focus on the environment.

Case Study Highlights

- The Evergreen Brick Works is a former quarry and industrial site located in Toronto's Don River valley. After the closure of the original brick factory, the quarry was converted into a city park that includes a series of naturalized ponds. Evergreen, a national charity dedicated to restoring nature in urban environments, restored the buildings and opened as an environmentally focused community and cultural centre.
- In 2010, Evergreen transformed the abandoned heritage buildings into a cultural centre with a focus on the environment. After leasing the "industrial pad" portion of the site from the Toronto Region and Conservation Authority, Evergreen renovated several of the existing structures and constructed one new building known as the Centre for Green Cities.
- Attracts more than 500,000 visitors annually to its public markets, to participate in conferences and events and explore public art.
- The park is managed by the City of Toronto, and includes a series of naturalized ponds, a large meadow and a small forest.
- In 2010, Evergreen Brick Works was named one of the top 10 geo-tourism destinations in the world by National Geographic.

