

A scenic view of a mountain lake, likely Moraine Lake in Banff National Park, Canada. The image shows a calm turquoise lake reflecting the surrounding steep, rocky mountains and dense evergreen forests. In the foreground, there are large, light-colored rocks and several long, weathered logs (driftwood) scattered along the shoreline. The overall atmosphere is serene and majestic.

2024

Western Canada NNN Investment Sales Overview

Marcus & Millichap

2024 NNN Investment Sales Overview

The 2024 NNN investments market in Western Canada has signaled a boost in positive sentiment from investors, lenders, and most retail tenants. While investment activity was somewhat subdued at the start of the year, retailers - specifically in the categories of QSR, automotive, financial, drug, convenience and grocery - have demonstrated resilience, strength, and an appetite for growth in Western Canada. A robust retail market, coupled with a welcomed decrease in interest rates in Q2, set the stage for investors to turn their attention back to retail assets. Coming out of the summer, our team witnessed an increase in activity nearing the end of Q3 and significantly more velocity entering into Q4. With further reductions in interest rates anticipated, we expect strong tail winds ahead with continued resurgence of investor confidence. Our team is optimistic about the state of the market and excited to be marketing a variety of high-quality product to kick off 2025.

Private Investors: One of the most notable trends of 2024 is the continued dominance of private investors across all asset classes, particularly in B.C. These investors, typically more nimble and less reliant on traditional financing, have been the most active purchasers, driving transaction volume despite the broader market challenges. As interest rates show signs of stabilizing, private capital is expected to continue playing a central role in Western Canada’s real estate market moving forward.

Retail Properties: Quick-service restaurant (QSR) properties continue to be the most sought-after product type, as investor appetite for long-term investments secured by corporate covenants remains strong. These assets, typically hands-off to a landlord, secured by long-term triple-net (NNN) leases with creditworthy tenants, provide stability amidst the economic uncertainties we’ve faced over the past five years. Alongside QSR, properties leased to financial institutions (FI) continue to be highly desirable due to their strong covenants, low management/oversight, and typically central locations within their respective markets. Investors are placing greater emphasis on properties with secure, long-term tenancies, particularly those with national tenants like FIs, that they are familiar with.

Alberta Interest: Alberta has increasingly become a focal point for both B.C. and Ontario-based investors. More recently we’ve also witnessed increased activity out of Quebec. The growing demand for commercial real estate is being driven by the province’s population growth, particularly in cities like Calgary and Edmonton, as well as the province’s robust economic fundamentals, making Alberta an attractive destination for investors seeking higher yields. With yields 100 to 200 basis points higher than comparable B.C. markets, Alberta investments offer opportunity for higher returns. Reversely, we are noticing a modest increase in Alberta-based investors seeking B.C. assets (particularly Vancouver Island and Okanagan) for diversification and investment security, despite the lower yields relative to Alberta.

General Market Conditions Improving: The broader market conditions in Western Canada are gradually improving. After a slow start to the year, investor sentiment has become more positive, and the outlook for 2025 appears bullish. With inflation pressures easing, there’s a growing sense that the market is stabilizing. This is promising for continued interest rate decreases following the Bank of Canada’s cuts of 1.25% through 2024. As the central bank continues to lower the policy rate until it falls back within its neutral range, we could expect to see more liquidity and a greater willingness to transact, particularly in the tail end of 2024 and into 2025.

With increased liquidity, investor confidence, and a more stable interest rate environment, along with \$370 billion invested in GICs seeking an exit, we can expect an increased activity across all asset classes. NNN-leased properties in B.C., especially retail, will remain the preferred investment choice for private investors, with Alberta and Saskatchewan continuing to draw interest for higher-yield opportunities.

Despite the caution that still lingers, there’s significant capital ready to be deployed, and the outlook for 2025 is increasingly optimistic. With a focus on stability and secure returns, 2025 looks to be a promising year for the Western Canadian NNN investment market.

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Visit [NNNGroup.ca](https://www.NNNGroup.ca)

Our competitive advantage lies in operating as a collaborative, boutique brokerage with the horsepower of an international brokerage. Our specialization in NNN properties has allowed our group to develop one of the most extensive databases of national, regional, and local investors, tenants, and landlords.

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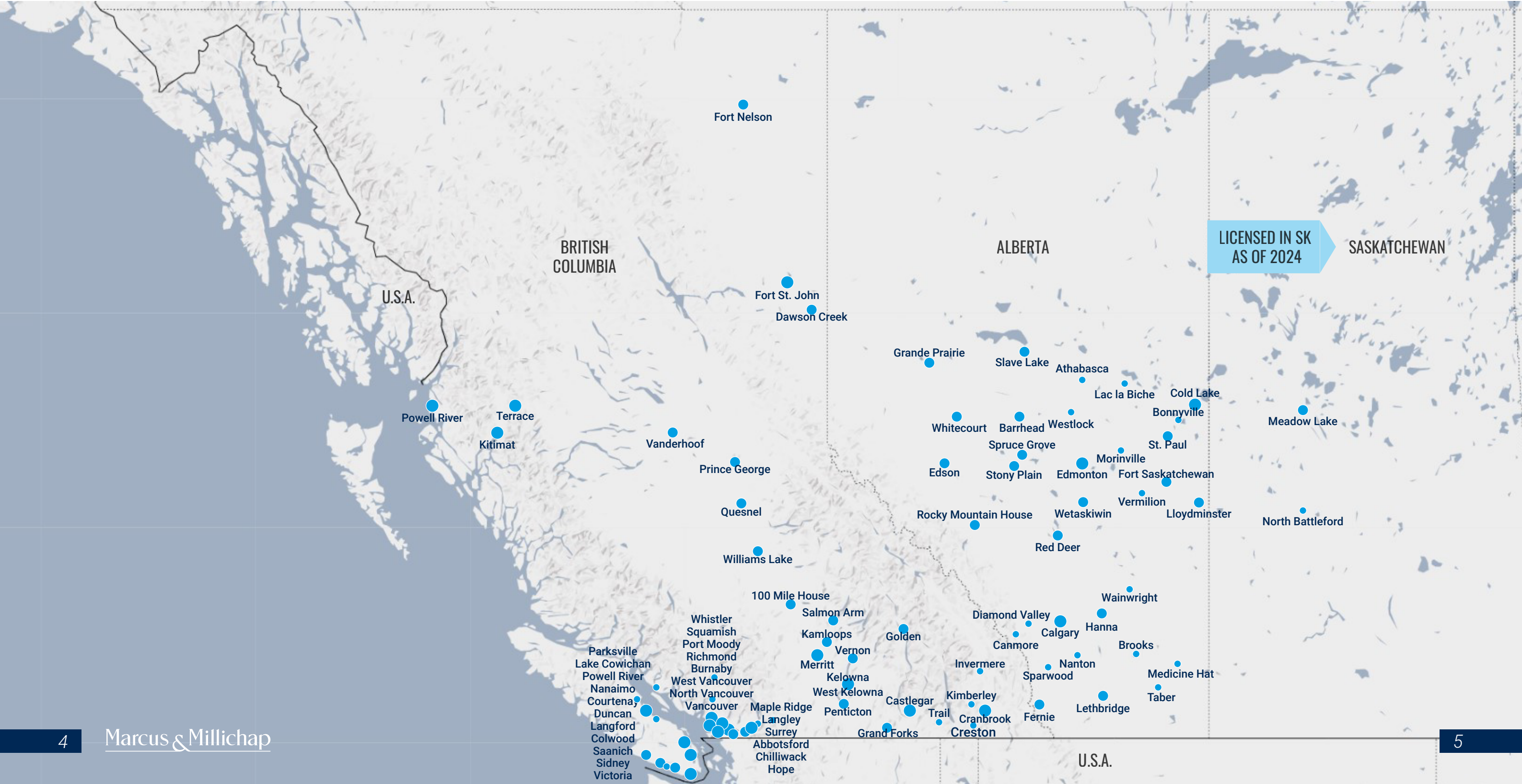
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Market Presence

(Trailing 5 years)

	Sales Volume	Transactions	Different Markets
2024 Overview	\$78.3 M	20	18
Trailing 5 Years 2019-2024	\$458.1 M	110	68

- In Categories Including:
- Automotive / Gas Stations
 - Cinema / Entertainment
 - Drug / Pharmacy
 - Financial Institution
 - Fitness
 - Grocery
 - Government
 - Industrial
 - Large Format Retailer
 - Mid-box / Discount Retailer
 - Office
 - Quick Service Restaurant (Drive-Thru)
 - Restaurants (Sit-Down)



Metro Vancouver Highlights (Trailing 5 years)

\$163.7 M

Sales Volume

|

27

Transactions

|

1.6% - 5.1%

Cap Rate Range

Featured Listing: 1043 Nicola Avenue, Vancouver, B.C.



Secured by three essential service tenants on brand-new, long-term, NNN leases



Fully leased, new-build investment property featuring a strong tenant roster of daily needs services



Excellent vehicular connectivity to major thoroughfares, including Lougheed Highway, servicing Tri-Cities and Pitt Meadows

Interior / Northern B.C. Highlights (Trailing 5 years)

\$76.0 M

Sales Volume

|

27

Transactions

|

2.8% - 10.4%

Cap Rate Range

Featured Listing: 1833 Cranbrook, Cranbrook, B.C.



Newly built retail strip centre anchored by Popeyes Louisiana Kitchen drive-thru



All units are secured on a long-term NNN lease with 2 x 5 renewal options



Located in a prime location with high visibility and access from Crowsnest and Kimberley Highway, Ridgeview Road and Cranbrook Street N

Vancouver Island Highlights (Trailing 5 years)

\$92.7 M

Sales Volume

21

Transactions

3.9% - 7.0%

Cap Rate Range

Featured Listing: 2230 Cliffe Ave, Courtenay, B.C.



Newly built freestanding building situated on stratified land



Anchored by a Popeyes Louisiana Chicken drive-thru, and tenanted by Papa John's, Vape Street, and Burger Factory communities



Income underpinned by secure long-term leases (9.8 WALT) and all tenancies have 2 x 5 year renewal options

Alberta Highlights (Trailing 5 years)

\$125.7 M

Sales Volume

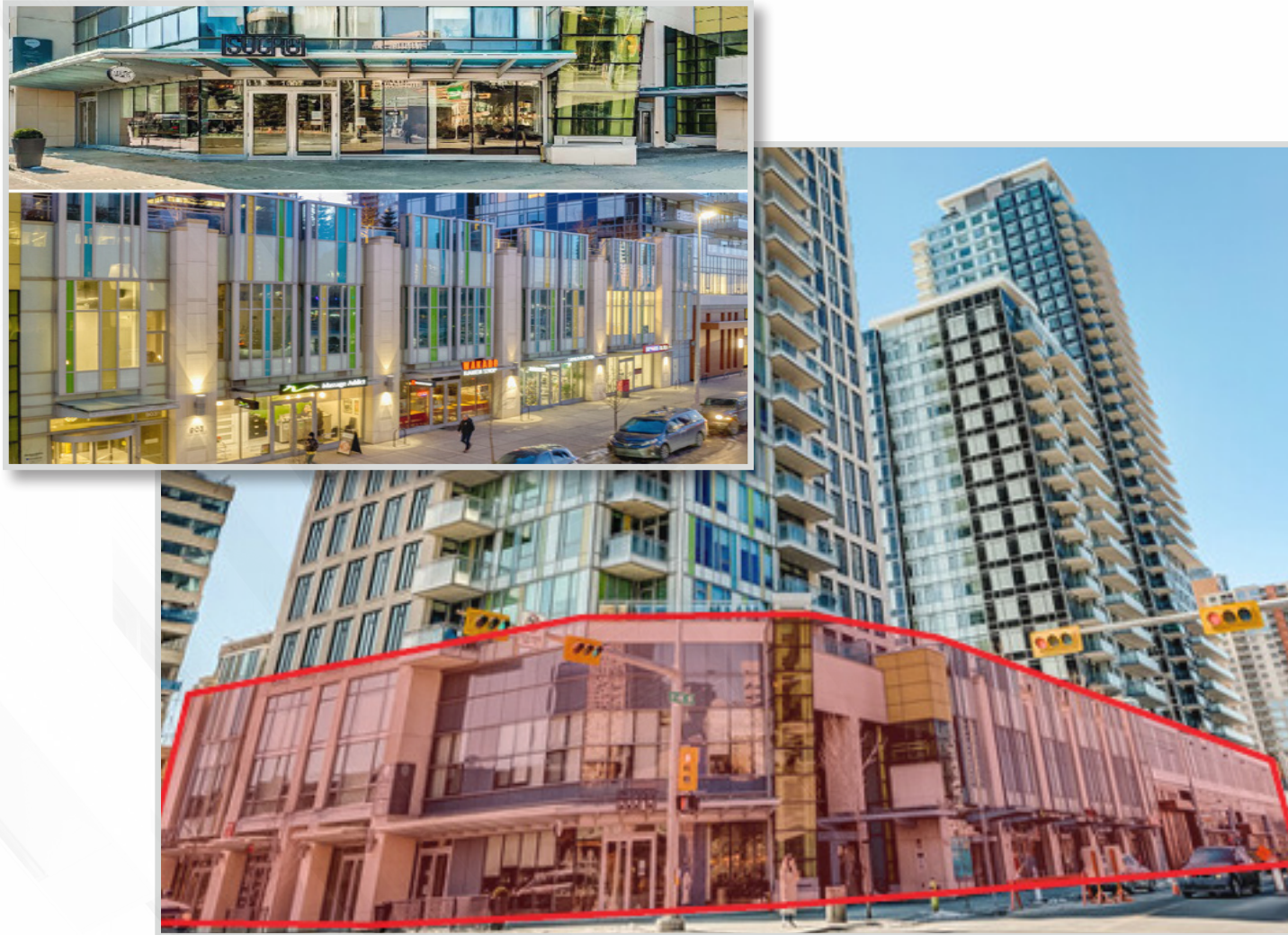
34

Transactions

4.5% - 10.2%

Cap Rate Range

Featured Listing: Mark On 10th, Calgary, AB



100% leased to a diverse mix of retail and office tenants all operating on landlord-friendly NNN leases



Positioned with exceptional visibility and direct frontage on both 10th Avenue and 8th Street SW benefitting from high drive by and foot traffic



Built in 2015 by Qualex-Landmark, a well-established developer recognized for quality construction and design

Visit [NNNGroup.ca](https://www.nnngroup.ca)

Company & Group Overview

We are a commercial real estate brokerage group that specializes in the acquisition and disposition of NNN properties in Western Canada.

Our goal is to continue to build trustworthy, longstanding relationships with our clients and support them through strong market research and insight into market activity, valuations, comparable lease rates, and other strategic discussions regarding NNN properties.

We are the leading experts in the industry given our NNN Investment Sales Group is the most active in Western Canada. We provide:



Expert market updates, and NNN lease advisory services



Market sale comparables in your region to help value your property



Both on-market and off-market opportunities for further investment

Over 80
Offices across
Canada & the U.S.



Our competitive advantage lies in operating as a collaborative, boutique, retail-focused brokerage with the horsepower of an international brokerage. Our specialization in retail assets has allowed our group to develop one of the most extensive databases of relationships with national, regional, and local investors, retailers, and landlords.

Marcus & Millichap REIS Canada Inc. is a leading commercial real estate brokerage with offices across Canada and the United States. From the start, the company's entire business model has been focused on one goal: matching every property with the largest pool of qualified buyers. Achieving this, one property at a time, requires a combination of unique features and commitments that we make to our clients, including:



Most active net lease investment sales group in Western Canada



Trusted advisors for the sale of >\$458.1 M in commercial real estate during the trailing five years

Notable 2024 Transactions



SOLD
1015 Ryan Road
Courtenay, B.C.



SOLD
5000 Cordova Way
Fort Nelson, B.C.



SOLD
5880 York Road
Duncan, B.C.



SOLD
4300 27th Street
Vernon, B.C.



SOLD
Legacy on Dunbar
Vancouver, B.C.



SOLD
7040 Barnett Powell
River, B.C.



SOLD
3021 and 3033 Dunmore Road SE
Medicine Hat, AB



SOLD
5004 50 Avenue
Leduc, B.C.

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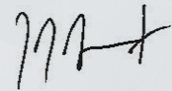
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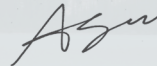
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