



Q2 2022 Industrial Occupier

Edmonton Industrial Market



Market Overview

Industrial Market

Large Industrial Transactions Dominate the Market

Large scale lease and sale transactions are making headlines as we continue to see positive absorption and decreased vacancy rates in the Greater Edmonton Area. While we have a small decrease in the overall vacancy rates from 4.41% in Q1 to 4.29% in Q2, build to suit transactions and pre-lease transactions speak to greater activity and increased deal velocity. With demand increasing for high quality class A buildings, and supply dwindling, developers are investing in future land development.

With nine consecutive quarters of positive absorption, the leasing activity in the Edmonton market has resulted in increased construction activity for spec logistics and transportation buildings. Spec buildings are currently under construction in every submarket of Edmonton and recent announcements include 423,481 square feet in the Anthony Henday Business Park and 321,055 square feet at Northport Business Park. Additionally, brand new industrial parks like Pioneer Skies Business Park, where

pre-leasing has been completed, are under construction.

Despite increased activity in leasing, sales, spec development, and a decrease in overall vacancy, the Edmonton market has remained relatively stable in overall asking rates being \$9.56 per square foot. While this is up YOY, Edmonton is below the national average of \$12.25 per square foot, which is attracting tenants and occupiers from other major centers and creating further demand for class A logistic/distribution buildings and developments.

With the bullish sentiments of developers and flurry of construction activity in our market, we will keep a keen eye on average lease rates as rising inflation and supply chain issues are impacting the cost of construction. Furthermore, rising interest rates will affect development costs and financing and it has economists worried about a potential recession. For the time being, Edmonton continues to boom with industrial activity and strong diverse economy.

Edmonton Industrial Notable Transactions

Tenant	Building Name/Address	Area (sf)	Type
MTE Logistix	Apex Business Park	548,124	Headlease
Little Potato	Monarch	240,000	Build-to-Suit
DNOW	Pioneer Skies Business Park	139,000	Headlease
Swift Oilfield	Monarch, Building 5	80,340	Headlease
Continental Chain and Rigging	Summit Centre D	54,440	Headlease
***	4120 - 101 Street	34,840	Headlease
STERIS	Discovery Centre III	32,340	Headlease
Bravo Safety Target	3901 - 84 Avenue	24,656	Headlease



Industrial Supply

191,797,801 sf



Industrial Vacancy

4.29%



Overall Industrial Vacancy

8,224,568 sf



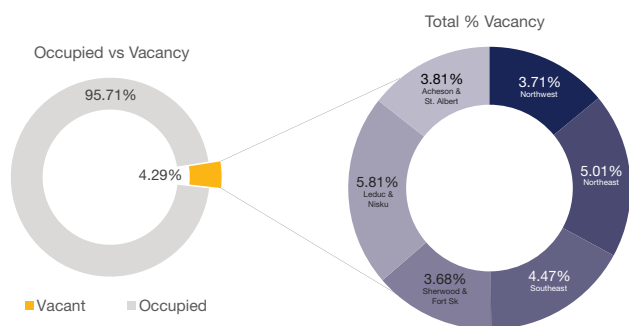
Q2 2022 Industrial Absorption

228,001 sf

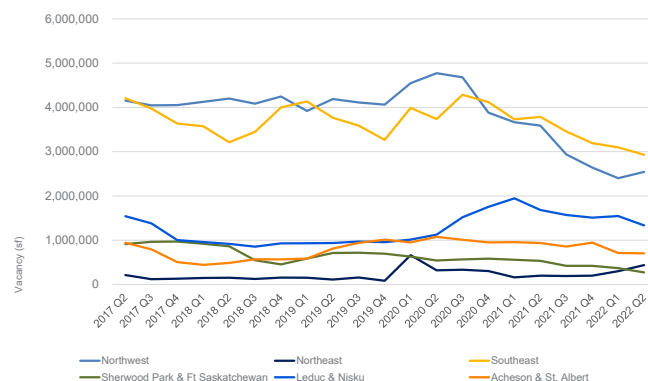
Q2 2022 Vacancy Summary, Industrial

QUADRANT	TOTAL INVENTORY (sf)	HEADLEASE (sf)	HEADLEASE (%)	SUBLEASE (sf)	SUBLEASE (%)	TOTAL (sf)	TOTAL (%)
North West	68,572,350	2,478,610	3.61%	67,459	0.10%	2,546,069	3.71%
North East	8,767,245	438,808	5.01%	0	0.00%	438,808	5.01%
South East	65,601,556	2,797,621	4.26%	131,666	0.20%	2,929,287	4.47%
Sherwood & Fort Sask.	7,438,263	253,997	3.41%	19,755	0.27%	273,752	3.68%
Leduc & Nisku	22,973,199	1,315,187	5.72%	18,865	0.08%	1,334,052	5.81%
Acheson & St. Albert	18,445,188	702,600	3.81%	0	0.00%	702,600	3.81%
Total Industrial	191,797,801	7,986,823	4.16%	237,745	0.12%	8,224,568	4.29%

Breakdown of Vacancy by Submarket

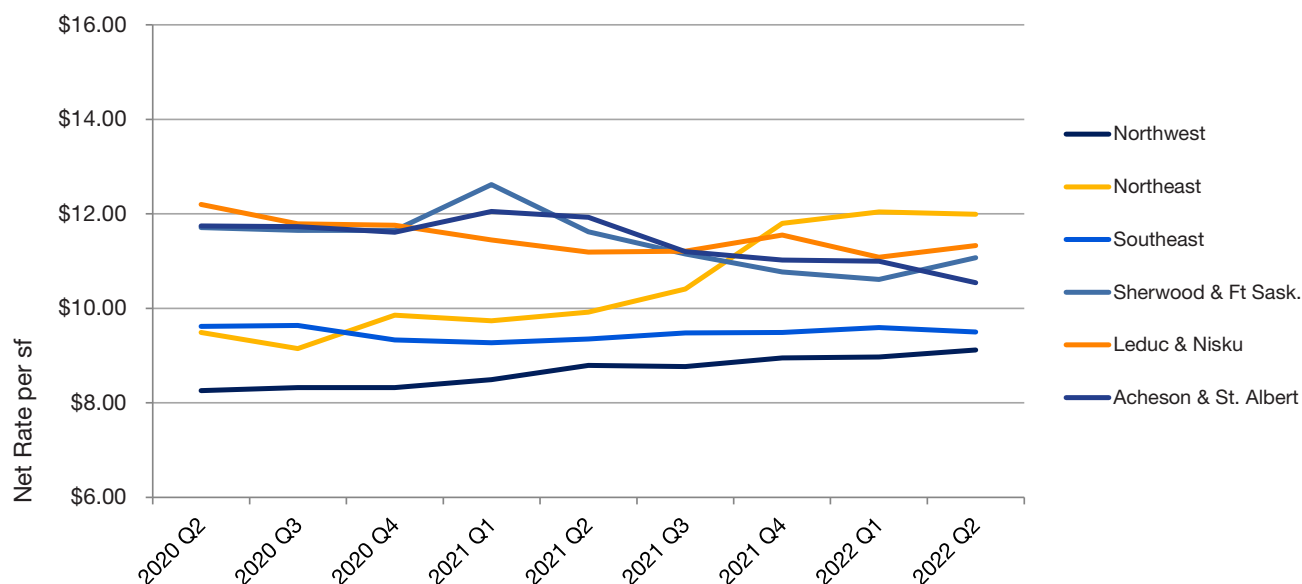


Historical Industrial Vacancy



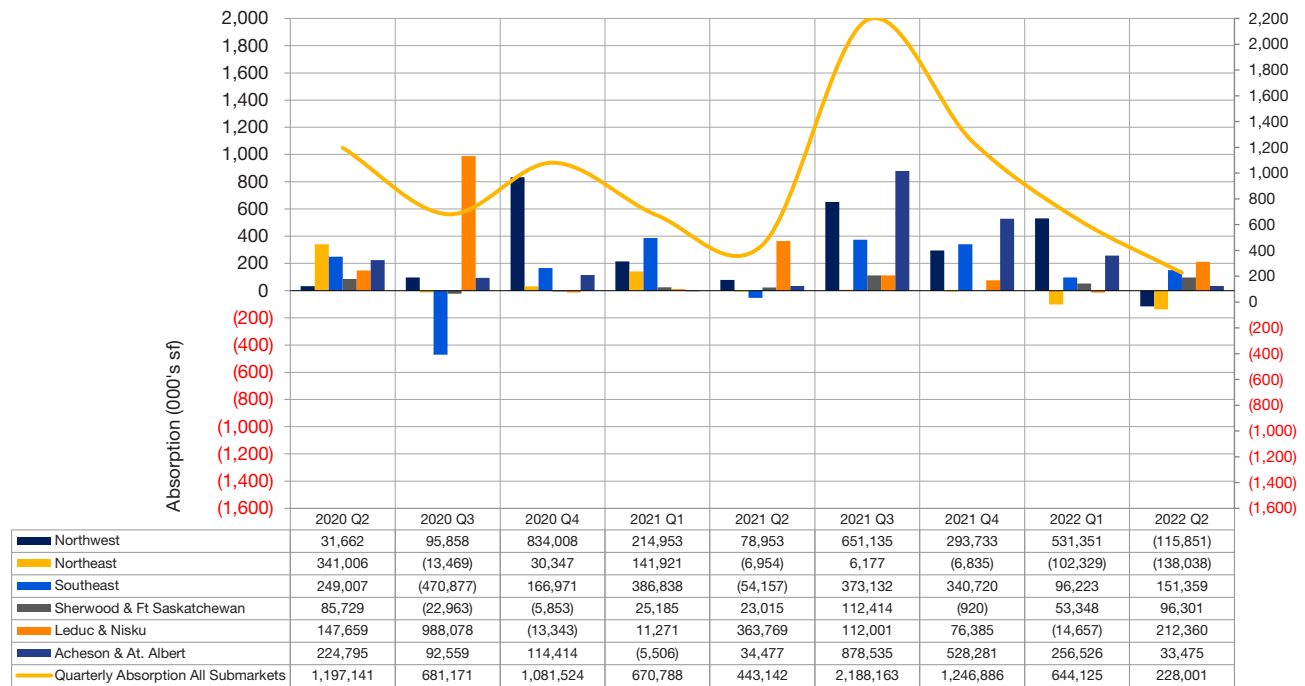
Average Asking Net Rates

Reported Submarkets



Historical Absorption

Reported Submarkets



Environmental Awareness & Management

Environmental awareness and management are an important part of any type of commercial real estate. There are many federal, provincial, and municipal laws and regulations that can have significant consequences on both a landowner and an occupier if not complied with. As an occupier it is important to be aware of the requirements of being considered diligent in protecting the premises and its lands from potential environmental impacts of your operations.

Spring and summer are great times to evaluate your environmental footprint and ensure that chemical storage areas, bulk oil & fuel tanks, and sump containment systems are in good condition. This is also a good time to evaluate the ground surfaces in these areas and address any minor issues before they become more significant and costly.

For those looking to secure a leased premises, late spring, summer, and early fall, is the best time to investigate and document the condition of a property before you complete the deal or take possession. This will help ensure that any future environmental obligations are limited to the activities and impacts of your operations.

- Corey Klimchuk, B.Tech., C.E.T.
Advisor

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Thinking
strategically.

Acting
objectively.