



Q3 2021 Industrial Occupier

Edmonton Industrial Market



Market Overview

Industrial Market

Overall vacancy has fallen over the year, most notably in the Leduc/Nisku market as a result of increased activity in the oil and gas sector.

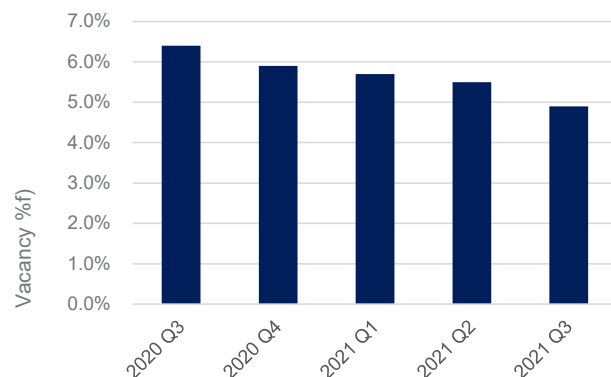
From Q3 in 2020 to Q3 in 2021 the industrial market has continued its steady incline in leasing activity which has created a steady decline in vacancy. In the early part of the year the increase in activity was primarily due to large transport and distribution transactions. This quarter, we are seeing an uptick in leasing activity in Leduc/Nisku, due to an increase in oil and gas service activity which has led to a sharp decrease in vacancy in Leduc/Nisku. From Q1 to Q3, there has been a 1.8% drop in vacancy in the area from 8.7% to 6.9%.

More positive news in the industrial sector includes the announcement of Dow Chemical Co. net-zero emission petrochemical facility in Fort Saskatchewan, this \$10 billion investment will

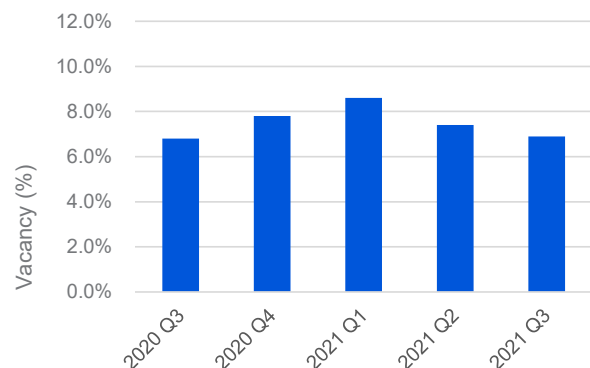
be the first of its kind in the world. As well, Air Products Canada has announced a \$1.3 billion net zero plant for hydrogen production in Edmonton, while the deal has not finalized a Memorandum of Understanding has been agreed to. These two significant projects show further diversification in our energy sector and comes with a hefty investment in our region.

With continued activity in the e-commerce/distribution sector, an uptick in the oil and gas sector and more projects and business activity in energy diversification the Edmonton industrial market has seen a healthy rebound and we are expecting this trend continue as confidence in Alberta continues to rise.

Comparative Vacancy, from Q3 2020



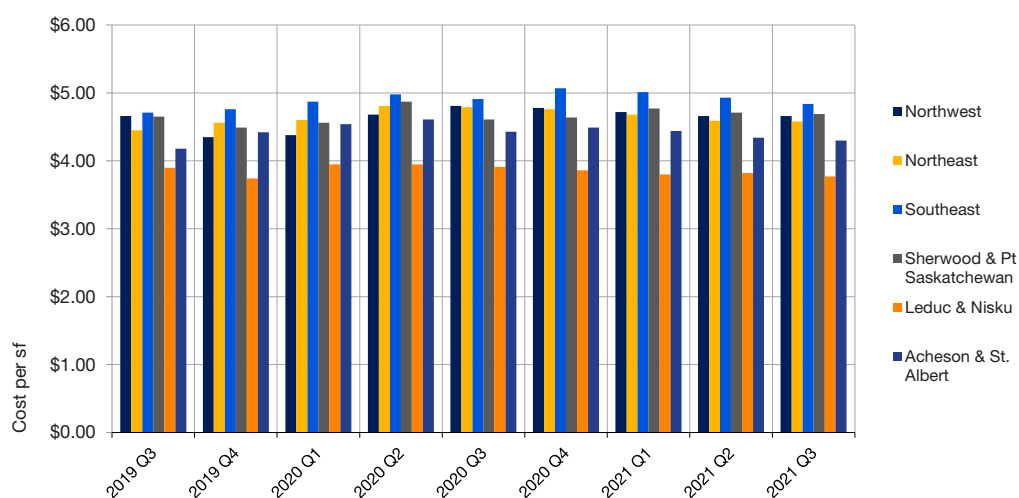
Nisku/Leduc Comparative Vacancy, from Q3, 2020



Edmonton Industrial Notable Transactions

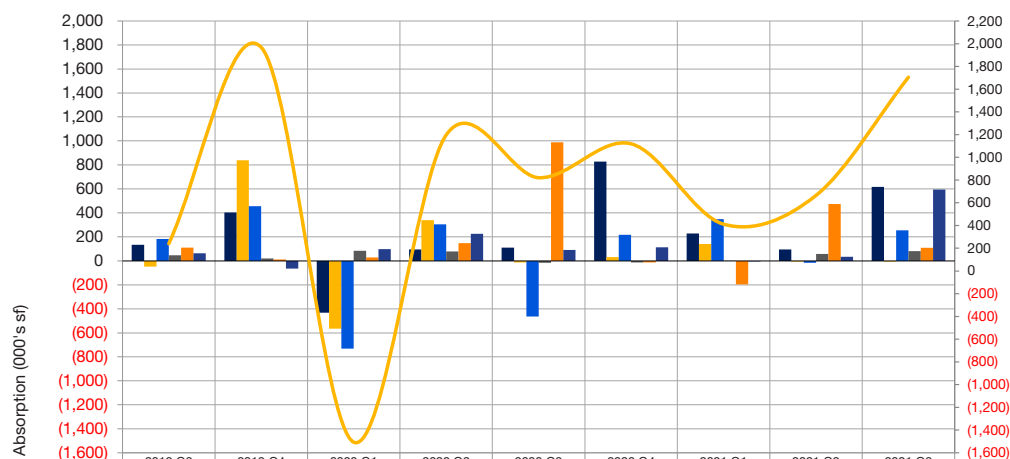
Tenant	Building Name/Address	Area	Type
Curt Group	Horizon Business Park	108,197	Headlease
FedEx	Discovery Business Park	106,748	Headlease
Crystal Glass	Henday Industrial Business	88,922	Headlease
Bunzl Canada	Horizon Business Park	61,655	Headlease

Historical Industrial Operating Costs



Historical Absorption

Reported Submarkets

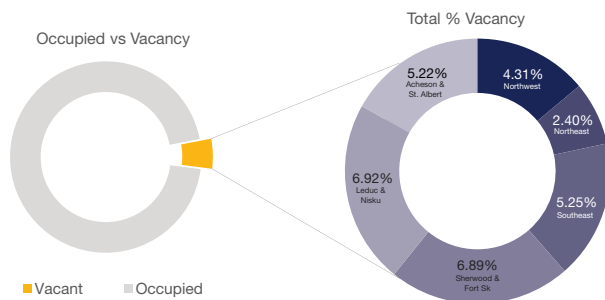


	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3
Northwest	133,368	403,981	(432,405)	94,533	109,778	826,908	228,347	95,380	616,521
Northeast	(47,296)	838,562	(564,449)	339,806	(13,469)	30,347	141,921	(6,954)	(7,303)
Southeast	181,857	456,949	(731,672)	305,207	(463,946)	218,272	347,405	(16,082)	255,686
Sherwood & Ft Saskatchewan	47,005	20,012	84,048	79,529	(16,646)	(12,755)	485	57,920	80,834
Leduc & Nisku	110,404	12,657	29,232	148,159	988,278	(13,043)	(197,329)	473,269	108,901
Acheson & St. Albert	63,696	(63,770)	97,528	224,995	91,359	113,814	(5,506)	34,277	595,711
Quarterly Absorption All Submarkets	240,685	1,967,391	(1,506,533)	1,196,823	821,228	1,118,523	411,449	665,849	1,705,706

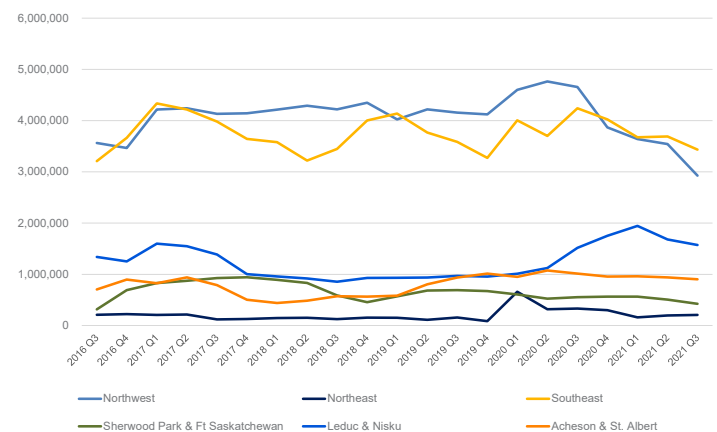
Q3 2021 Vacancy Summary, Industrial

QUADRANT	TOTAL INVENTORY (sf)	HEADLEASE (sf)	(%)	SUBLEASE (sf)	(%)	TOTAL (sf)	(%)
North West	67,486,327	3,465,690	5.14%	117,713	0.17%	3,583,403	5.31%
North East	8,532,830	221,283	2.59%	2,500	0.03%	223,783	2.62%
South East	65,281,792	3,441,741	5.27%	321,676	0.49%	3,763,417	5.76%
Sherwood & Fort Sask.	6,206,508	493,959	7.96%	45,013	0.73%	538,972	8.68%
Leduc & Nisku	22,671,216	1,663,653	7.34%	24,645	0.11%	1,688,298	7.45%
Acheson & St. Albert	16,595,702	869,981	5.24%	68,654	0.41%	938,635	5.66%
Total Industrial	186,774,375	10,156,307	5.44%	580,201	0.31%	10,736,508	5.75%

Breakdown of Vacancy by Submarket



Historical Industrial Vacancy



Radon Testing Season Begins

Over the last few years there has been an increasing awareness in Canada about radon and the impacts it can have on one's health. Many commercial tenants have become aware of these potential issues, and many are left wondering if the buildings they occupy are safe. Health Canada recommends that a three-month test be completed to determine if the levels of radon exposure are within acceptable guidelines.

The best time to test for radon in your space is during the winter months when buildings are sealed up from the elements and radon gas can become trapped within building spaces. If you are a tenant that is concerned about radon in your space now is the time to start your testing. Testing is cost effective and easy, contact a local professional for further advice.

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

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