

MARKET OVERVIEW

Economic growth signals progressive future

The industrial market will associate 2015 as a somewhat turbulent year, and will go on record to be one of the most pivotal years in the province's history. Many of the factors which have attributed to the downturn, including a lower Canadian dollar and oil price, have directly impacted the industry nationwide. However, with the population of Alberta slowly rising, now at 4.2 million (up 1.8% year-over-year), the province ranks number one in population growth throughout Canada and is showing signs of recovery.

With a larger demographic to choose from, companies now have the luxury of recruiting the best of the best. Over the past decade, labourers have become accustomed to higher wage demands and competitive benefit packages. With the changes in supply and demand services, there is now increased competition when applying on the job front. As the market shifts towards a higher reliance on technological innovation, Canada's petroleum industry is increasingly in need of a more skilled and knowledgeable workforce. Rotational and part-time positions have become more widespread as companies are hiring based on commodity pricing and operational requirements. With increased competition for jobs and fewer opportunities available, productivity and gross domestic product is expected to grow in 2016.

Edmonton's major ring road, Anthony Henday Drive, is moving closer to completion, improving connectivity between the northern rail yards and Highway 2 south to the United States. Completion of the last leg of the ring road by 2016 will streamline access between northern resource markets and Edmonton's industrial areas. The Edmonton Energy and Technology Park is strategically located

OVERALL VACANCY: 4.5%



Anthony Henday & North Saskatchewan River - Nov 2015





north of the final stages of the Anthony Henday which connects to Alberta's Industrial Heartland, Canada's largest hydrocarbon processing region. Distribution and services are set to benefit in the latter half of 2016 when the northeast section is finally open.

With a change in government at the provincial and national level, 2016 will see a lot of changes take effect throughout the new year. The NDP has motioned towards increasing a carbon tax on greenhouse gas emissions by 2017. While many see carbon tax as a burden on the Alberta market, the Climate Change and Emissions Management Corporation are looking to new technologies that promote the capture of carbon emissions to be distributed for alternative use. This will attract new businesses and create new markets in the industrial sector as the growth of the industry takes a different path.

Notable Lease Transactions *(October, November, December)*

Location	Commencement	Type	Specialty	Size (sf)	Tenant
Henday Industrial Park Building 2 18404 - 104 Avenue	1 st August, 2016	New Building	Multi-Tenant Building	112,130	Brock White
Sunwapta Business Park Building B	1 st December 2015	New Building	Multi-Tenant Building	23,188	Bruckhardt Compression
Yellowhead Crossing 11554 - 186 Street	1 st July 2016	New Building	Multi-Tenant Building	229,075	Uline Canada Corp.
Cityview Building 10	1 st August 2016	New Building	Multi-Tenant Building	49,558	MDA Co Auto
South Central Business Park Building "B" 6811 - 68 Avenue	1 st January 2016	New Building	Multi-Tenant Building	26,087	Badger Daylighting LP

Feature Listings

	<p>Buckingham Land Sherwood Park, AB 8.24 Acres</p>	<ul style="list-style-type: none"> • Located in Buckingham Business Park with great access to Yellowhead Trail and Anthony Henday • Fully serviced, ready for development • Site is stripped, graded and compacted • 8.24 acres of prime land in a developing neighbourhood • Newly developed area, home to Costco, Baseline Village, major auto dealers, flagship hotels and new office and industrial developments
	<p>Trail Tire Distributors 11771 - 167 Street Edmonton, AB 70,567 square feet on 3.83 acres</p>	<ul style="list-style-type: none"> • 5,800 square feet of office space • Dock and grade loading • Freestanding building prominently located at the corner of 118 Avenue and 167 Street • Excellent access to Yellowhead Trail, Anthony Henday Drive and 170 Street • Upgraded T5 lighting • Upgraded ESFR sprinkler system
	<p>Unicon Showroom 13204 146 Street Edmonton, AB 11,800 square foot freestanding industrial building on 0.8 acres</p>	<ul style="list-style-type: none"> • 6,840 square feet of main floor showroom/office • Covered, paved yard storage area • Convenient access to 149 Street, 137 Avenue and St. Albert Trail
	<p>Laurin Industrial Park 1409 - 90 Avenue Strathcona County, AB 30,123 sf for Lease</p>	<ul style="list-style-type: none"> • Exciting new development in Laurin Industrial Park with showcase curb appeal • Heavy duty asphalt yard • Zoned Medium Industrial (IM) • Excellent access to 17 Street, Sherwood Park Fwy and Anthony Henday Drive • Oversized grade loading doors • Crane ready and heavy power

Notable Land Sale Transactions (October, November, December)

Location	Subdivision	Sale Date	Land Size (Acres)	Sale Price	Unit Price (acre)	Vendor	Purchaser
8425 116th Street 8413 116th Street	Strathcona County	Oct 14, 2015	5.63	\$6,050,000	\$1,074,600	Fort Industrial Estates Ltd.	J. Diamond Properties Ltd.
600 Bellerose Drive St. Albert	St. Albert	Oct 13, 2015	6.23	\$4,425,000	\$710,272	Oakmont Ridge In St. Albert Ltd.	Oakmont Townhomes GP Ltd.
17832 78 St	Crystallina Nera West	Oct 08, 2015	4.68	\$3,978,000	\$850,000	Genstar Titleco Limited	Qualico Developments West Ltd.
3303 50 St SW	Decoteau	October 14, 2015	29.78	\$2,531,300	\$85,000	Kulminder Bolina	Edmonton Khalsa School Educational Association
RR 241 & Hwy 625 - Leduc County	Leduc County	October 22, 2015	150.61	\$1,800,000	\$11,951	Norman Stabel, et al.	Jeffery Wotherspoon

Notable Building Sale Transactions (October, November, December)

Location	Subdivision	Sale Date	Property	Sale Price	Unit Price (sf)	Vendor	Purchaser
106, 118, 151, 161 & 180 Strathmoor Drive	Sherwood Park	Oct 28, 2015	179,000 sf on 55.39 Acres	\$22,925,000	\$128.00 psf	Flint Energy Services Ltd.	York Realty Inc.
Unit 34, 53016 Hwy 60 Unit 38, 53016 Hwy 60	Acheson	Oct 22, 2015	51,820 sf on 17.16 Acres	\$14,470,000	\$279.00 psf	Ironwood III Assets Inc.	Pure Industrial Real Estate Trust, Holdings Inc., Fiera Properties
1 Boudreau Road St. Albert	St. Albert	Oct 29, 2015	5.51 Acres	\$12,500,000	\$100.64 psf	1043369 Alberta Ltd.	1868180 Alberta Ltd.
184 St. Albert Road St. Albert	St. Albert	Oct 21, 2015	26,160 sf on 2.74 Acres	\$8,500,000	\$324.92 psf	1024384 Alberta Ltd.	McHeld Holdings inc.
5105 75th Street NW	Roper Industrial	Oct 13, 2015	61,240 sf on 7.54 Acres	\$3,750,000	\$61psf	The City of Edmonton	Alco Energy Industries Ltd.

	Total Inventory	Direct Vacancy	Sublease Vacancy	Vacancy Rate	Vacancy Direct	Vacancy Sublease	Serviced Land Cost
CITY OF EDMONTON							
Southeast	45,807,154	1,903,320	260,823	4.7% ▲ 0.6%	4.1% ▲ 0.6%	0.5% ▲ 0.1%	\$800,000
Northwest	47,098,705	2,352,486	50,749	5.1% - -	4.9% ▼ (0.1%)	0.1% - -	\$750,000
Northeast	6,273,658	47,452	-	0.7% ▼ (0.1%)	0.7% ▼ (0.1%)	- - -	\$600,000
Central	3,753,287	102,482	-	2.7% ▼ (0.1%)	2.7% ▲ 0.2%	- - -	-

SURROUNDING DISTRICTS							
Acheson	5,861,734	7,108	-	0.1% ▼ (0.2%)	0.1% ▲ (0.2%)	- - -	\$450,000
Spruce Grove	2,210,000	49,207	-	2.2% - -	2.2% ▼ -	- - -	\$350,000
Stony Plain	258,946	8,413	-	3.2% - -	3.2% ▲ -	- - -	\$350,000
Sherwood Park	5,300,000	245,788	-	4.6% ▲ 0.6%	4.6% ▲ 0.6%	- - -	\$575,000
Nisku/Leduc	14,362,844	841,502	27,440	6.0% ▼ (0.2%)	5.8% ▼ (0.3%)	0.1% - -	\$525,000
St. Albert	3,368,763	18,610	-	0.5% ▲ 0.3%	0.5% ▲ 0.3%	- - -	

TOTALS							
City	102,932,804	4,405,740	311,572	4.5% ▲ 0.2%	4.2% ▲ 0.2%	0.3% - -	
Surrounding	27,143,295	1,170,628	27,440	4.4% ▼ (0.1%)	4.3% ▼ (0.5%)	0.1% - -	
Overall	130,076,099	5,576,368	339,012	4.5% ▲ 0.1%	4.2% ▲ 0.1%	0.2% ▼ (0.1%)	

	Southeast	Northwest	Northeast	Central	Leduc/Nisku	Sherwood Park	Acheson	Sturgeon County
Net Asking Rent By Bay Size:								
0 - 5,000 sf	\$11.00	\$11.00	\$13.00	\$12.00	\$10.50	\$14.00	-	\$14.00
5,001 sf - 10,000 sf	\$10.50	\$11.50	\$15.00	\$10.00	\$17.00	\$11.00	\$16.00	\$15.00
10,001 sf - 20,000 sf	\$9.50	\$10.00	\$7.50	\$14.50	\$16.50	\$15.50	\$17.50	\$10.00
20,001 sf - 50,000 sf	\$8.50	\$9.50	\$7.50	\$7.50	\$14.50	\$12.50	\$24.00	\$11.00
50,001 sf & Up	\$8.00	\$8.00	-	\$13.00	\$14.00	\$13.00	-	\$9.00

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