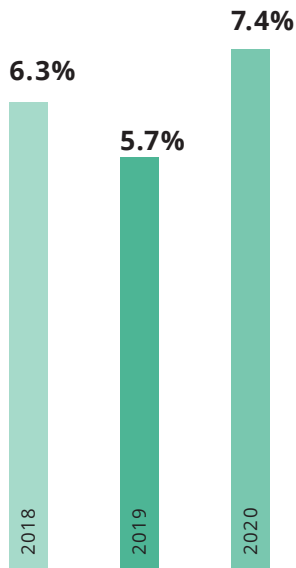


Edmonton

Vacancy rates were decreasing prior to 2020, with positive outlooks on the energy market bolstering activity. The pandemic in March increased market uncertainty resulting in more vacancies. However, after three straight quarters of increased vacancy, Q4 2020 was the first to mark a decrease.



Q4 Overall
Vacancy Rates



Top 4 2020 Industrial Trends



#1 Living in an Amazon World

Amazon is currently the largest distribution space user in the greater Edmonton area after having been in the market for only two years. With their existing 1M sf distribution centre in Nisku alongside an additional 1.2M sf facility set to be built in Acheson, they are also the most active user in the market right now.



#2 Rebalancing of the Market

The pricing of industrial assets has been relatively high and stable for the past several years, even during economic downturns. In 2020, the market price of assets has become more balanced than in years prior. Being able to look past those values from prior years and recognize the true value of the current market has been key to getting deals completed.



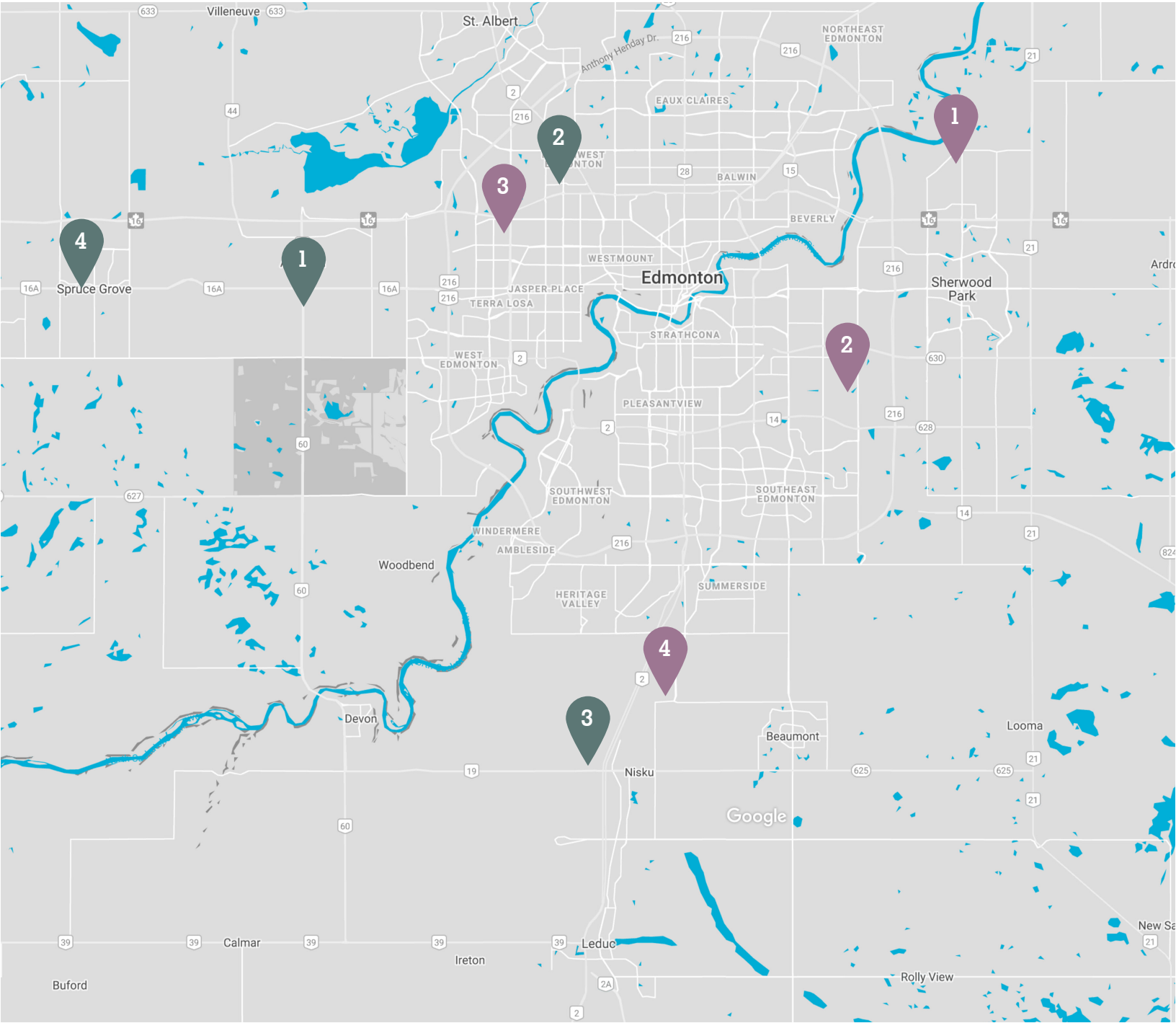
#3 Value Pricing

With the overall pricing of industrial assets becoming more normalized, tenants have been able to negotiate favourable terms for themselves, often including additional incentives such as free rent or increased TI's. Landlords have needed to be flexible and sometimes be creative in order to get good tenants into their buildings.



#4 Functional Property Demand

As many construction projects saw delays this year, the amount of new industrial inventory was not as high as anticipated. Despite this, or perhaps because of it, established buildings have continued to attract attention. So long as a building is functional and well maintained, the age of the property has not been much of a deterring factor.

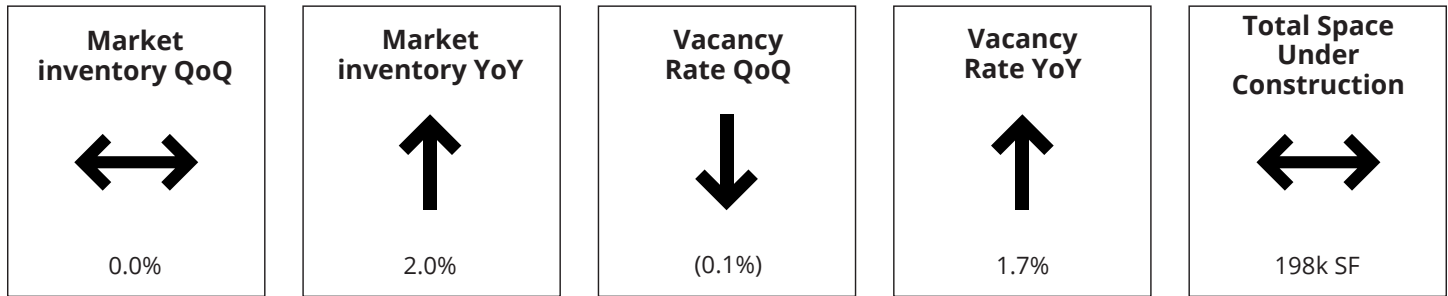


Notable Sales

- | | |
|---|---|
| <p>1 Address: 2545 Aurum Road
Building Size: 278,588 sf
Sale Price: \$30,625,000
City: Edmonton</p> | <p>2 Address: 6020 20 Street
Building Size: 249,021 sf
Sale Price: \$23,750,000
City: Edmonton</p> |
| <p>3 Address: 17440 116 Avenue
Building Size: 46,000
Sale Price: \$16,990,000
(Investment Sale)
City: Edmonton</p> | <p>4 Address: 1026 30 Avenue
Building Size: 104,173 sf
Sale Price: \$15,875,000
City: Nisku</p> |

Notable Leases

- | | |
|---|--|
| <p>1 Address: Highlands Business Park
Building Size: 1,200,000 sf
Tenant: Amazon
City: Acheson</p> | <p>2 Address: 154 Street & 131st Avenue
Building Size: 154,000 sf
Tenant: Save-On-Foods
City: Edmonton</p> |
| <p>3 Address: Discovery Business Park
Building Size: 114,000 sf
Tenant: Amazon
City: Nisku</p> | <p>4 Address: 30 Alberta Avenue
Building Size: 79,542
Tenant: X-Caliber / Matrix Heavy Hauling
City: Spruce Grove</p> |



	Total Inventory	Direct Vacancy	Sublease Vacancy	Vacancy Rate	Vacancy Direct	Vacancy Sublease	Serviced Land Cost
City of Edmonton							
South/Southeast	53,630,457	4,318,812	253,162	8.5% ▼ (0.3%)	8.1% ▼ (0.3%)	0.5% - 0.0%	\$650,000 - \$800,000
Northwest	61,399,639	3,569,221	233,122	6.2% ▼ (0.1%)	5.8% ▼ (0.2%)	0.4% ▲ 0.1%	\$625,000 - \$725,000
Northeast	6,809,847	227,682	-	3.3% ▼ (0.4%)	3.3% ▼ (0.4%)	- - -	\$525,000 - \$650,000
Central	3,959,926	157,341	-	4.0% ▲ 1.5%	4.0% ▲ 1.5%	- - -	-
Surrounding Districts							
Acheson	8,477,036	262,447	58,860	3.8% ▼ (0.7%)	3.1% ▼ (0.8%)	0.7% ▲ 0.1%	\$400,000 - \$575,000
Sherwood Park	6,365,000	307,286	33,000	5.3% ▲ 1.2%	4.8% ▲ 0.7%	0.5% ▲ 0.5%	\$650,000 - \$750,000
Nisku/Leduc	19,700,883	2,362,226	32,300	12.2% ▼ (0.1%)	12.0% ▲ 0.1%	0.2% ▼ (0.2%)	\$450,000 - \$650,000
Totals							
City	125,799,869	8,273,056	486,284	7.0% ▼ (0.1%)	6.6% ▼ (0.2%)	0.4% ▲ 0.1%	-
Surrounding	34,542,919	2,931,959	124,160	8.8% ▼ (0.0%)	8.5% ▼ (0.0%)	0.4% ▼ (0.0%)	-
Overall	160,342,788	11,205,015	610,444	7.4% ▼ (0.1%)	7.0% ▼ (0.2%)	0.4% - 0.0%	-

Net Asking Rent By Bay Size:	Southeast		Northwest		Northeast		Leduc/Nisku		Sherwood Park		Acheson	
	Multi-Tenant	Free-standing	Multi-Tenant	Free-standing	Multi-Tenant	Free-standing	Multi-Tenant	Free-standing	Multi-Tenant	Free-standing	Multi-Tenant	Free-standing
0 - 5,000 sf	\$9.75	\$11.75	\$10.75	\$10.75	\$9.50	-	\$9.75	\$13.75	\$14.25	-	\$11.00	-
5,001 sf - 10,000 sf	\$9.25	\$11.75	\$9.75	\$9.75	-	\$17.00	\$9.25	\$12.50	\$14.00	\$11.00	\$12.00	-
10,001 sf - 20,000 sf	\$9.00	\$11.25	\$8.00	\$9.75	-	-	\$10.00	\$12.25	\$12.00	\$12.00	\$14.50	\$15.00
20,001 sf - 50,000 sf	\$8.75	\$9.75	\$7.25	\$9.25	\$6.50	-	\$9.75	\$9.00	\$11.50	-	-	\$14.75
50,001 sf & Up	\$7.75	\$8.75	\$6.75	\$7.25	-	-	\$8.50	\$9.00	\$11.50	\$9.25	-	-

Feature Listings



Entrec Building
28712 - 114 Avenue Acheson, AB

Available	101,000 sf on 36.27 acres
Sale/Lease	\$29,900,000; \$15.00 sf/yr
Additional	Multiple cranes, in-floor radiant heat in main service bay, 27 grade doors, 13 drive-through bays, one dock door



Industrial Building
3917 - 81 Avenue Leduc, AB

Available	30,353 sf on 5.51 acres
Sale/Lease	\$6,200,000; \$11.95 psf
Additional	Freestanding building, multiple cranes, drive through grade loading, fenced yard, heavy power



Mancal Spec Building
5804 - 51 Avenue Edmonton, AB

Available	from 18,487 sf to 36,974 sf
Lease Rate	\$13.95 sf/yr
Additional	Brand new, concrete, state of the art, dock & grade loading, ESFR capable, large loading/marshalling area, natural lighting

Avison Young Edmonton Spotlight Service: Tax Advisory

The City of Edmonton is preparing property assessments for 2021.

How the assessments will respond to a market impacted by COVID-19 is unclear, but the need to uphold the taxpayer's right to a fair market value assessment is of the utmost importance. We take an active role in influencing change through negotiations and assessment appeals to ensure you are only paying your fair share in a turbulent market. The 2021 Assessment Notices will be mailed out February 12, 2021 and we will be ready to advise you.

We offer clients a scope of services and advisory consulting experience, including:

- Pre-Roll Consultation
- Evidence Preparation & Hearing Representation
- Comprehensive Assessment Review
- Pre-Hearing Negotiation
- Complaint Preparation
- Court Application Advisory Services

Our Property Tax Group takes innovative approaches to assessment appeals to secure reductions.



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