

MARKET MONTHLY



EDMONTON INDUSTRIAL MARKET

Edmonton's Industrial vacancy rate remains steady at 3.5% as we head into Summer 2023. There are still opportunities for both Tenants and Purchasers looking for a new home, but there has been significant movement in Lease Rates (particularly in the neighboring municipalities). Starting to see asking lease rates up to \$20+ per SF for Free-Standing Industrial shops with average site coverage and deals being completed at base rates greater than \$15 SF.

Sale prices have not moved in step with lease rates but it looks like we are getting close to the top of interest rates, which will give purchasers some clarity (and confidence) when budgeting to purchase. We expect this will lead to increased prices, especially when comparing to new construction pricing.

May 2023	Inventory (SF)	Occupied (SF)	Vacant (SF)	Vacancy (%)	MoM Vacancy Change	YoY Vacancy Change	Sublet (SF)	Base Rent \$ / SF	OP Cost \$ / SF	Gross Rent Range (\$/SF)
Central Edmonton	3,946,554	3,819,879	126,675	3.21%	-0.39%	-0.32%	13,035	\$11.00	\$5.40	\$14 - \$17
NW Edmonton	71,054,372	68,813,705	2,240,667	3.15%	-0.04%	-0.78%	255,444	\$10.00	\$4.85	\$12 - \$16
South Edmonton	62,420,489	59,968,409	2,452,080	3.93%	-0.31%	-0.36%	443,325	\$10.00	\$4.95	\$12 - \$17
NE Edmonton	5,516,901	5,440,508	76,393	1.38%	0.17%	-1.82%	0	\$10.00	\$4.85	\$12 - \$18
Total - Edmonton	142,938,316	138,042,501	4,895,815	3.43%	-0.16%	-0.62%	711,804			
St. Albert	5,656,198	5,441,488	214,710	3.80%	-0.08%	-3.72%	0	\$12.00	\$4.90	\$14 - \$19
Fort Saskatchewan	3,177,625	3,010,300	167,325	5.27%	-0.09%	-1.62%	0	\$12.00	\$4.25	\$14 - \$18
Sherwood + Strathcona	11,859,294	11,378,076	481,218	4.06%	-0.04%	0.12%	81,196	\$12.00	\$4.45	\$14 - \$18
Acheson	12,681,814	12,622,022	59,792	0.47%	0.02%	-0.48%	51,820	\$16.00	\$4.45	\$17 - \$20
Spruce + Stony Plain	3,891,294	3,860,626	30,668	0.79%	0.05%	-1.05%	4,522	\$13.50	\$4.90	\$14 - \$19
Leduc + Nisku	25,356,763	23,978,313	1,378,450	5.44%	1.42%	0.18%	154,119	\$14.25	\$3.95	\$15 - \$20
Total - Municipalities	62,622,988	60,290,825	2,332,163	3.72%	0.57%	-0.58%	291,657			

3.72%

Vacancy Rate



\$+70.00 (US)

Barrel WTI (\$US) May 2023



5.9% April 2023

Alberta Unemployment



3 TAKEAWAYS FOR MAY 2023:

- VACANCY:** Plateaued around 3.5% through Q1 2023 in Greater Edmonton – not much movement in vacancy from the start of the year to the end of Q1. Spike in Leduc-Nisku vacancy as new product (vacant) entered the market.
- PRICING:** Starting to see a larger spread in Lease Rates between "desirable" and "challenged" properties.
- PROVINCIAL ELECTION:** Provincial election at the end of May is causing some to question Provincial leadership (both current and future!).

RECENT NOTEABLE TRANSACTIONS

Transaction	Address	City	Zoning	Site Size (acres)	Building Size (SF)	Sale Price	\$/SF	Year Built	Comment
Sale	16936 110 Avenue	Edmonton	IM	1.95	45,462	\$5,210,000	\$115	1997	Over 34,000 SF of warehouse space with the rest comprising of office and reception. Includes dock and grade loading doors.
Sale	6704 51 Avenue	Edmonton	IM	3.48	10,570	\$3,750,000	\$355	1960	Two buildings on site with multiple cranes and grade loading. Was also on the market for lease at the time of sale.
Sale	1306 8 Street	Nisku	IND	2.10	9,892	\$1,900,000	\$192	1980	Main floor warehouse space with main floor and second-floor office. Grade loading with 22 FT Ceiling height.
Lease	8703-8717 50th Ave	Edmonton	IB	-	18,492	-	\$6.00	1978	Leased "as is" - rough condition. Poplar Business Centre 50th Street and 87 Avenue - traffic count of 35,700 vehicles per day (2015 City of Edmonton)
Lease	105 Turbo Dr	Sherwood Park	IM	4.0	12,000	-	\$23.00	2015	Free-standing shop with wash bay, built-in floor trenches, four drive-thru bays, compressed air, and make-up. Large yard air HVAC system.
Lease	#106, 3906 82 Ave	Leduc	IM	-	4,950	-	\$13.50	2008	Neat Leduc small bay. Excellent access Highway 625, QE 2 - Edmonton Airport, Premium Outlet Mall, Costco, Century Mile Casino, Beaumont and Edmonton.

LEASED: 3813 98 St, Edmonton

AICRE Commercial is pleased to have worked with the tenant in the lease of 6,303 SF in south Edmonton. The property offers great drive-around access and a functional office layout.



AVAILABLE: 9519 58 Ave, Edmonton

For Lease

Two Buildings w/ Yard & Office

- 57,136 SF w/ 2.60 Acres (+/-)
- Dual manufacturing shops
- Multiple cranes

