

MARKET MONTHLY



EDMONTON INDUSTRIAL MARKET

The Edmonton industrial real estate market remained steady over the first quarter of 2023 with the vacancy rate continuing to hover around 3.5%. The Edmonton market still holds appeal to groups out of province battling limited availability in other markets and lease rates up to 50% greater (on Base \$/SF) than Edmonton. Absorption slowed a little during Q1, although there is currently over 4,000,000 SF of Industrial product under construction through the city, predominantly new distribution/warehousing product.

According to CoStar, the Industrial Market cap rates in Edmonton currently sit at 6.7%, above the approximate 4% to 4.5% yields seen in Vancouver and Toronto. The Edmonton market is expected to continue to be fertile ground for investors that hunt for high yields.

March 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	3,806,734	139,820	3.54%	-2.07%	0.38%	13,035	\$11.00	\$5.40	\$14 - \$17
NW Edmonton	71,054,372	68,856,504	2,197,868	3.09%	-0.08%	-0.59%	39,427	\$10.00	\$4.85	\$12 - \$16
South Edmonton	62,420,489	59,710,131	2,710,358	4.34%	0.08%	-0.13%	226,208	\$10.00	\$4.95	\$12 - \$17
NE Edmonton	5,726,857	5,659,614	67,243	1.17%	0.00%	-1.72%	0	\$10.00	\$4.85	\$12 - \$18
Total - Edmonton	143,148,272	138,032,983	5,115,289	3.57%	-0.06%	-0.41%	278,670			
St. Albert	5,656,198	5,436,740	219,458	3.88%	0.00%	-3.24%	0	\$12.00	\$4.90	\$14 - \$19
Fort Saskatchewan	3,177,625	3,012,386	165,239	5.20%	-0.78%	-5.29%	0	\$12.00	\$4.25	\$14 - \$18
Sherwood + Strathcona	11,859,294	11,373,629	485,665	4.10%	0.43%	1.01%	69,196	\$12.00	\$4.45	\$14 - \$18
Acheson	12,681,814	12,623,978	57,836	0.46%	0.00%	-0.79%	51,820	\$16.00	\$4.45	\$17 - \$20
Spruce + Stony Plain	3,886,817	3,855,967	30,850	0.79%	0.00%	-0.90%	1,176	\$13.50	\$4.90	\$14 - \$19
Leduc + Nisku	24,989,558	24,017,212	972,346	3.89%	-0.12%	-1.56%	135,760	\$13.50	\$3.95	\$15 - \$20
Total - Municipalities	62,251,306	60,319,912	1,931,394	3.10%	0.00%	-1.22%	257,952			
Total	205,399,578	198,352,895	7,046,683	3.43%	-0.04%	-0.65%	536,622			

3.43%

Vacancy Rate



+\$80.00 (US)

Barrel WTI (\$US) April 2023



5.7% March 2023

Alberta Unemployment


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3 TAKEAWAYS FOR APRIL 2023:

- VACANCY:** Plateaued around 3.5% through the first quarter in Greater Edmonton – not much movement in vacancy from the start of the year to end of Q1.
- ABSORPTION:** Net Absorption of over 6,000,000 SF over the past 4 quarters.
- ABSORPTION RATES:** The Bank of Canada has increased its policy rate from 0.25% in March 2022 to the current level of 4.5% - the quickest rate rise in history. The higher prime rates/mortgage rates have affected the borrowing capability of a number of groups.

RECENT NOTEABLE TRANSACTIONS

Transaction	Address	City	Zoning	Site Size (acres)	Building Size (SF)	Sale Price	\$/SF	Year Built	Comment
Sale	12345 121 Street	Edmonton	MA2	24.60	247,719	\$17,785,000	\$72	1942	4 Separate warehouses with grade loading and office space.
Sale	10350 72 Ave	Edmonton	DC1	0.52	7,652	\$1,619,047	\$212	1969	Demised into 2 bays with warehouse, office and mezzanines in wach with grade loading.
Sale	5805 87A Street	Edmonton	IB	1.10	6,800	\$2,250,000	\$331	1979	Warehouse /office with grade loading and 18' ceilings.
Lease	8 Boulder Blv	Stony Plain	IND	2.00	20,674	-	\$13.00	1996	High ceiling height and good yard.
Lease	506 24 Ave	Nisku	IND	1.66	20,000	-	\$13.00	2001	Well maintained Warehouse and Office. Large Truck Marshalling Area. Over-sized Grade Doors.
Lease	3810 51 Ave	Edmonton	IB	-	7,541	-	\$12.00	2016	Exposure to Whitemud Drive Freeway. access to 50 Street, 75 Street, Roper Road, and Anthony Henday Drive. Small bay warehouse.Grade loading.Good parking.

LEASED: #101 3923 81 Ave, Leduc

AICRE Commercial is pleased to have worked with the tenant in the lease of an 8,436 SF industrial bay in Leduc. This move-in ready shop space included office, lunchroom, dual-grade loading and a fenced yard area.



AVAILABLE: 1203 6 Street, Nisku

For Lease

Nisku Freestanding Shop

- 15,170 SF on 2.16 Acres (+/-) - Low site coverage
- Wash bay with Hotsy
- Make-Up Air unit

