

# MARKET MONTHLY



## EDMONTON INDUSTRIAL MARKET

Touring activity remains solid, but we have found finalizing deals challenging through the first few weeks of 2024. Industrial vacancy has slightly increased year-over-year, particularly in larger warehouse and distribution spaces, and has resulted in plateauing net rental rates as businesses await clearer direction for the year ahead. Purchasers have been mindful of increased construction costs, preferring existing properties over new construction, especially in the \$500,000 to \$1,000,000 range where small bay purchasers are harder to find. The smaller businesses / owner-operators that are the typical buyers of these smaller bays are sitting tight and keeping powder dry.

Looking ahead, preliminary research and planning for summer/fall are underway, and we expect an uptick in activity in the second half of 2024 with expectations that delayed decisions will be made. Existing lease rates are not expected to change significantly unless there's a decrease in interest rates or a sharp rise in energy commodity prices.

February 2024	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	3,731,012	3,579,416	151,596	4.06%	-0.07%	-1.55%	0	\$11.00	\$5.40	\$14 - \$17
NW Edmonton	71,539,978	69,554,003	1,985,975	2.78%	-0.01%	-0.40%	696,642	\$10.00	\$4.85	\$12 - \$16
South Edmonton	62,420,489	60,036,369	2,384,120	3.82%	-0.22%	-0.44%	324,414	\$10.00	\$4.95	\$12 - \$17
NE Edmonton	5,516,901	5,396,291	120,610	2.19%	-0.03%	1.01%	0	\$10.00	\$4.85	\$12 - \$18
<b>Total - Edmonton</b>	<b>143,208,380</b>	<b>138,566,079</b>	<b>4,642,301</b>	<b>3.24%</b>	<b>-0.11%</b>	<b>-0.39%</b>	<b>1,021,056</b>			
St. Albert	5,656,198	5,442,262	213,936	3.78%	2.83%	-0.10%	98,220	\$12.00	\$4.90	\$14 - \$19
Fort Saskatchewan	3,258,069	3,099,135	158,934	4.88%	-0.22%	-1.10%	6,600	\$12.00	\$4.25	\$14 - \$18
Sherwood + Strathcona	12,278,600	11,776,921	501,679	4.09%	-0.05%	0.42%	8,732	\$12.50	\$4.45	\$14 - \$18
Acheson	12,681,814	12,580,056	101,758	0.80%	-0.05%	0.35%	3,752	\$16.00	\$4.45	\$17 - \$20
Spruce + Stony Plain	4,047,499	3,981,592	65,907	1.63%	0.18%	0.83%	24,260	\$13.50	\$4.90	\$14 - \$19
Leduc + Nisku	27,472,461	25,532,769	1,939,692	7.06%	0.30%	3.05%	96,634	\$14.50	\$3.95	\$15 - \$20
<b>Total - Municipalities</b>	<b>65,394,641</b>	<b>62,412,735</b>	<b>2,981,906</b>	<b>4.56%</b>	<b>0.35%</b>	<b>1.46%</b>	<b>238,198</b>			
<b>Total</b>	<b>208,603,021</b>	<b>200,978,814</b>	<b>7,624,207</b>	<b>3.65%</b>	<b>0.04%</b>	<b>0.18%</b>	<b>1,259,254</b>			



### 3 TAKEAWAYS FOR FEBRUARY 2024:

- VACANCY:** Slowly inching up heading back towards 4.0% vacancy as absorption slows and new product comes online.
- LEASE RATES:** Like interest rates, Lease Rates (\$ / SF) have plateaued. Higher than this time last year.
- SMALL BAY MARKET:** Small bay demand has slowed, especially on a sale basis. Smaller businesses/owner operators are sitting tight and keeping powder dry - looking for direction in the second half of 2024.

### RECENT NOTEABLE TRANSACTIONS

Transaction	Address	City	Zoning	Site Size (acres)	Building Size (SF)	Sale Price	\$ / SF	Year Built	Comment
Sale	14820 Yellowhead Tr.	Edmonton	IM	5.02	106,556	11,400,000	107	1963	Demised into 9,535 SF office & 97,021 SF warehouse. 10 grade & 5 dock loading doors. 16-20' ceiling height.
Sale	10918 184 Street	Edmonton	IM	7.68	66,000	\$9,400,000	\$142	2000	Fully leased at the time of sale, 12,000 SF of office, 24' Ceiling height. There are 60 dock loading doors and 2 grade loading doors.
Sale	7311/15 50 Street	Edmonton	BE	1.04	17,100	\$3,095,000	\$181	2009	Demised into 2-story 10,668 SF office area & 6,300 SF shop. 600 V, 1200 AMP power. 9' ceiling in offices & 20' in shop areas. 1-12'x12 & 2-12'x14 grade loading doors.
Lease	28435 99th Ave NW	Acheson	IND	4.5	88,160	-	\$12.00	2024	Dock & grade loading, paved & fenced yard, makeup air system. Quick access to major roadways (Highway 16, 16A & 60)
Lease	11750 170 St NW	Edmonton	IB	-	36,655	-	\$10.00	2015	New development space. Located in Armstrong Industrial, exposure to 170th St & 118 Ave. Easy access to Yellowhead Tr, Henday Drive.
Lease	6 Boulder Blvd	Stony Plain	IND	1.19	12,400	-	\$15.00	1989	12,400 SF Free Standing building 1.19+/- acre lot. The building includes 10,000+/- sf shop and 2,400+/- sf office space. Grade loading 12'x14' doors, slab heating and fenced yard.

#### LEASED: 6615 45 Street, Leduc

Congratulations to the AICRE industrial team on another successful lease deal in Leduc. Jim McKinnon (Landlord representation) and Ashley Chronik (Tenant Representation) did a fantastic job of facilitating this 6,900 SF on 1.08 Acres freestanding industrial transaction.



#### AVAILABLE: 3813 75 Street, Leduc

- FOR SALE Freestanding Manufacturing Shop w/ ample yard
- 9 Cranes
  - 400' Crane way (275' Outdoor crane way)
  - Ample yard
  - Turn-key office



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