

MARKET MONTHLY



EDMONTON INDUSTRIAL MARKET

Despite some challenges in finalizing deals in the early part of 2024, the outlook for the industrial market in Edmonton remains positive. Expectations of increased activity are fueled by ongoing major investments in the region, such as Dow Chemicals' project in Fort Saskatchewan, Shell's Polaris Carbon Capture project at Scotford and Air Products Hydrogen project in Strathcona County. These projects, along with TMX expansion coming online during Q2 and the robustness of the energy sector bode well for a strong second half of 2024.

The absorption of industrial space remains positive, and challenges persist for manufacturing and fabrication groups seeking specific property features like cranes and heavy power. Industrial vacancy sits steady in the low 3% range, with Acheson being the most tightly held submarket at under 1%, whilst Leduc-Nisku has the highest vacancy at around 6.5% (mainly due to new construction of warehouse and distribution buildings). Smaller businesses and owner-operators seem to be adopting a cautious approach, keeping their options open. Industrial investment sales have slowed, and market cap rates in Edmonton are still notably higher compared to other major cities like Vancouver and Toronto.

April 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	3,810,021	3,628,737	181,284	4.76%	-0.10%	1.15%	0	\$11.00	\$5.40	\$14 - \$17
NW Edmonton	71,857,636	70,137,144	1,720,492	2.39%	-0.06%	-0.80%	369,096	\$10.00	\$4.85	\$12 - \$16
South Edmonton	62,691,181	60,449,030	2,242,151	3.58%	0.06%	-0.66%	268,702	\$10.00	\$4.95	\$12 - \$17
NE Edmonton	5,564,978	5,482,789	82,189	1.48%	0.03%	0.26%	0	\$10.00	\$4.85	\$12 - \$18
Total - Edmonton	143,923,816	139,697,700	4,226,116	2.94%	0.00%	-0.65%	637,798			
St. Albert	5,656,198	5,441,512	214,686	3.80%	0.00%	-0.08%	98,220	\$12.00	\$4.90	\$14 - \$19
Fort Saskatchewan	3,258,069	3,092,085	165,984	5.09%	-0.01%	-0.26%	6,600	\$12.00	\$4.25	\$14 - \$18
Sherwood + Strathcona	12,278,600	11,829,087	449,513	3.66%	-0.10%	-0.43%	12,699	\$12.50	\$4.45	\$14 - \$18
Acheson	12,681,814	12,616,642	65,172	0.51%	0.00%	0.06%	18,152	\$16.00	\$4.45	\$17 - \$20
Spruce + Stony Plain	4,047,499	3,988,092	59,407	1.47%	0.02%	0.73%	16,900	\$13.50	\$4.90	\$14 - \$19
Leduc + Nisku	27,472,461	25,677,910	1,794,551	6.53%	-0.36%	2.52%	96,634	\$14.50	\$3.95	\$15 - \$20
Total - Municipalities	65,394,641	62,645,328	2,749,313	4.20%	-0.14%	1.05%	249,205			
Total	209,318,457	202,343,028	6,975,429	3.33%	-0.05%	-0.12%	887,003			



3 TAKEAWAYS FOR APRIL 2024:

- 1. VACANCY:** : Hovering in the 3 – 3.5% range through the first 4 months of 2024, vacancy continues tightening in West Edmonton and Acheson and plenty of warehouse / distribution spaces available in Nisku and Leduc.
- 2. TENANT INDUCEMENTS:** Landlords are a little more agreeable to inducements compared to this time last year, especially for longer-term deals. Perhaps an extra month of free rent is available now compared to this time last year, as long as face rates stay close to as advertised.
- 3. MAJOR PROJECTS:** A number of large projects are under way and perhaps a sweet spot as demand for traditional energy sources meets the beginning of the decarbonizing of said traditional energy sources.

2024 LEDUC NISKU REAL ESTATE FORUM

WHEN: THURSDAY, MAY 9, 2024

WHERE: THE ROYAL HOTEL / WYNDHAM, MAIN ENTRANCE
8450 SPARROW DRIVE, LEDUC

TIME: 11:30 AM - 1:00 PM BUFFET LUNCH
12:00 PM - 1:00 PM PRESENTATION

Please RSVP to katie@aicrecommercial.com OR jim@aicrecommercial.com

Join us for lunch and get the latest from experts on the industrial real estate market, developments, leasing, sales and much more.



LEASED: 4030 78 Ave, Edmonton

Congratulations to the AICRE industrial team on a impressive 11,600 SF lease deal in South Edmonton. The team is thrilled for Ride Motor Company Edmonton as they expand into their second location. Best wishes to the tenant as they settle into their new space!



AVAILABLE: #108 3912 77 Ave, Leduc

FOR SALE Industrial Bay With Crane

- Owner/user opportunity
- 3,640 SF (+/-)
- Fully serviced 10 ton crane
- Yard compound included



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