

YoY Chg      12-Mo. Forecast

**3.6%**  
Overall Vacancy Rate



**1,231,998**  
Net Absorption, SF



**\$11.30**  
Asking Rent, PSF



Overall, Net Asking Rent  
Source: CoStar

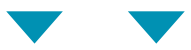
### ECONOMIC INDICATORS Q3 2022

YoY Chg      12-Mo. Forecast

**805.6K**  
Edmonton  
Employment



**4.8%**  
Edmonton  
Unemployment Rate



**5.2%**  
Canada  
Unemployment Rate



Source: Statistics Canada

### ECONOMY

Alberta's August CPI was 100 basis points (bps) lower than Canada's, coming in at 6% YoY (year over year) compared to the national 7%. Due in part to softening commodity prices and reduced demand for consumer goods. The combination of high inflation, faster interest rate hikes and geopolitical instability has dampened the global outlook and increased economic uncertainty. These factors are weighing on consumer sentiment and spending on goods in Alberta. However, a strengthening labour market, a pickup in population growth and pent-up demand for services from the pandemic are supporting householding activity. Overall, the Alberta capital continues to perform exceptionally well with solid job growth and lower unemployment. In addition, the region continues to add new jobs as more businesses make their way to the province.

### DEMAND

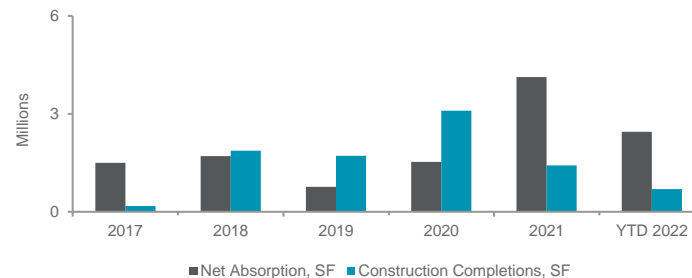
Edmonton's industrial market continues to gain momentum, dropping to 3.6% vacancy market-wide. Edmonton city-proper saw a strong quarter, seeing over 875,000 square feet of leasing, compared to submarkets which absorbed 355,000 square feet. With that said, peripheral markets are anticipated to continue to grow and/or outpace the City of Edmonton proper due in part to lower tax rates and faster turnaround times for securing permits with fewer regulatory hurdles than the City.

With record low availability and ever-increasing lease rates and property values in Toronto and Vancouver, Edmonton continues to be seen as an attractive, and affordable alternative for many multi-national industrial occupiers. That said, Edmonton's lower vacancy and consistent demand are creating an environment where rent growth is beginning to occur again. This year alone, industrial lease rates rose 5.6% year over year. Combined rent growth with a number of significant lease deals, confidence in the Edmonton market continues to grow which has encouraged further development activity from landlords and developers. Case in point, the Edmonton market currently has 5.2M square feet of industrial space under construction, 57% of which is pre-leased.

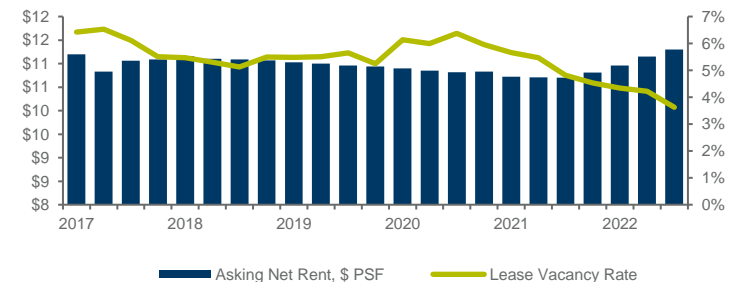
### OUTLOOK

Combined with the evaporating industrial inventory in the lower mainland, increased immigration to the province, and stability in the energy service sectors, Edmonton is poised for more industrial growth. Several pre-leased industrial buildings are slated for completion in the next two quarters, which will maintain positive absorption. While demand continues to strengthen, developers continue to bring on new speculative product, alleviating any immediate pressure on asking rents for existing inventory. Having said that, the cost of debt and new construction continues to add pressure to asking rates on new construction and will likely grow over the next 12 months.

### SPACE DEMAND / DELIVERIES



### OVERALL LEASE VACANCY & NET ASKING RENT



## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CONSTR COMPLETIONS (SF)	AVG NET RENTAL RATE	AVG NET ADDITIONAL RATE	AVG GROSS RATE
Southeast (Incl. Sherwood Park)	57,278,986	5.40%	313,102	354,443	0	154,000	\$10.94	\$4.25	\$15.19
Northeast	3,247,542	2.40%	51,023	68,302	0	0	\$9.36	\$4.11	\$13.47
Northwest (Incl. St. Albert)	55,646,054	5.70%	513,207	1,121,260	1,294,353	313,250	\$9.75	\$4.35	\$14.10
Central	1,203,195	11.40%	0	-61,808	0	0	\$9.96	\$4.49	\$14.45
Acheson	8,489,204	0.80%	9,144	209,561	2,920,000	46,024	\$13.16	\$3.91	\$17.07
Leduc/Nisku	20,213,101	4.40%	274,649	358,970	622,969	20,038	\$12.14	\$4.00	\$16.14
<b>EDMONTON TOTALS</b>	<b>146,078,082</b>	<b>3.60%</b>	<b>379,876</b>	<b>2,050,728</b>	<b>4,837,322</b>	<b>533,312</b>	<b>\$11.30</b>	<b>\$4.11</b>	<b>\$14.14</b>

## KEY LEASE TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
220 Carnegie Dr	St. Albert	Dura-Line	149,207	Lease
Discovery Business Centre III	Leduc/Nisku	Rocanda Enterprises	75,857	Lease
Building 1 –Anthony Henday Business Park	St. Albert	OK Tire	196,700	Lease

\*Renewals not included in leasing statistics

For more information, contact:

## INDUSTRIAL TEAM

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## KEY SALES TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
Papaschase Industrial Park	Southeast	CLIP Edmonton II Nominee Inc / Firm Capital (AB) Industrial Centre Inc	234,424	\$36,296,699 / \$154.83
3001 Buckingham Dr	Sherwood Park (Southeast)	Chester Developments Ltd / BKGHM Properties Ltd	146,000	\$34,000,000 / \$232.88
North Rail Building	Southeast	Gregg Properties Co Ltd / Northrail Holdings Ltd	251,959	\$31,600,000 / 125.42

## KEY PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	SF	OWNER / DEVELOPER	COMPLETION DATE
Amazon YEG2 Slingshot	Acheson	2,900,000	Panattoni	Q4 2022
Building 3 - Apex Business Park	Northwest	548,124	Panattoni	Q4 2023
Horizon Building F - Horizon Business Park	Northwest	300,000	Hopewell	Q2 2023
Pioneer Skies BP Building 1	Leduc/Nisku	375,320	York	Q2 2023
Monarch Business Park	Leduc/Nisku	240,000	York	Q4 2022

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