



MARKET FUNDAMENTALS

	YOY Chg	Outlook
3.0% Vacancy Rate	▼	▲
2.96M YTD Net Absorption, SF	▲	▼
\$11.10 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
881.9K Edmonton Employment	▲	▲
7.4% Edmonton Unemployment Rate	▲	▬
6.7% Canada Unemployment Rate	▲	▬

Source: Statistics Canada, The City of Edmonton

ECONOMY: INDUSTRIAL INVESTMENT SEEING GROWTH

Interest rates in Canada continued to ease in late 2024, as the Bank of Canada reduced the policy rate from 4.25% in September to 3.25% by December. Alberta continued to experience significant population growth, welcoming 127,252 new residents from January to September 2024, reinforcing its status as Canada's top destination for migration. Despite temporary dips in oil production caused by maintenance activities, year-to-date (YTD) output rose by 4.5%, reflecting the resilience of the province's energy sector. Meanwhile, industrial investment surged, with spending on industrial buildings climbing 36% YTD to its highest level since 2016.

Source: Statistics Canada, Bank of Canada, Government of Alberta

SUPPLY AND DEMAND: ELEVATED LEASING ACTIVITY

The Edmonton industrial market recorded a quarterly net absorption of 1.41 million square feet (sf), up 199.4% year-over-year (YOY). As a result, the regional vacancy rate dropped 40 basis points quarter-over-quarter, and 90 basis points YOY to 3.0% in the fourth quarter of 2024. The Southeast submarket contributed 23.1% of this quarter's total absorption, with YTD absorption reaching 495.2k sf - a substantial YOY increase of 381.9k sf.

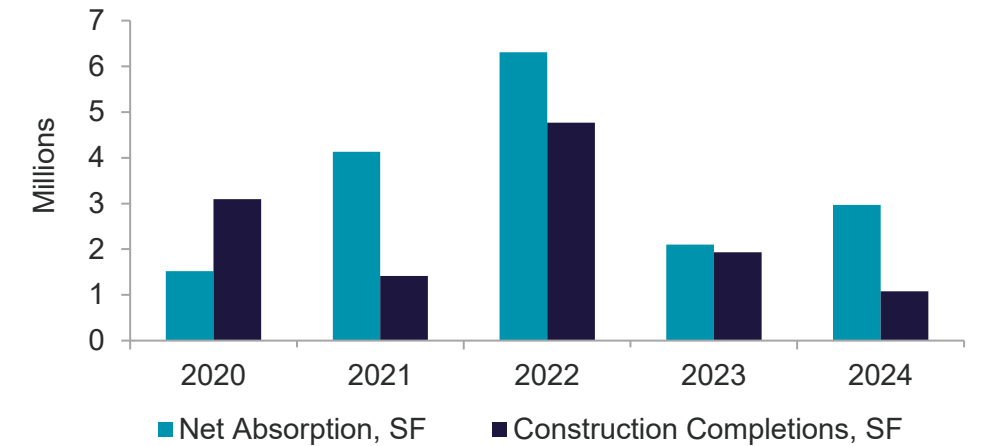
The delivery of The Brick and Leon's distribution centre, a transaction facilitated by Doug MacKay of Cushman & Wakefield Edmonton, added 497.2k sf to the overall inventory, pushing the regional total above 162.6 million sf. Additional deliveries are expected in the first half of 2024, including 41 Business Park Building 1, which will add 366.9k sf to the market.

Average asking rents rose \$0.20 per square foot (psf) YOY, with the Leduc/Nisku submarket recording the largest YOY increase. Net rental rates in the Leduc/Nisku region increased by \$1.06 psf, from \$10.59 psf in the fourth quarter of 2023 to \$11.65 psf in the fourth quarter of 2024. Average additional rents increased \$0.21 psf YOY, reflecting the ongoing pressures from rising construction and operating costs.

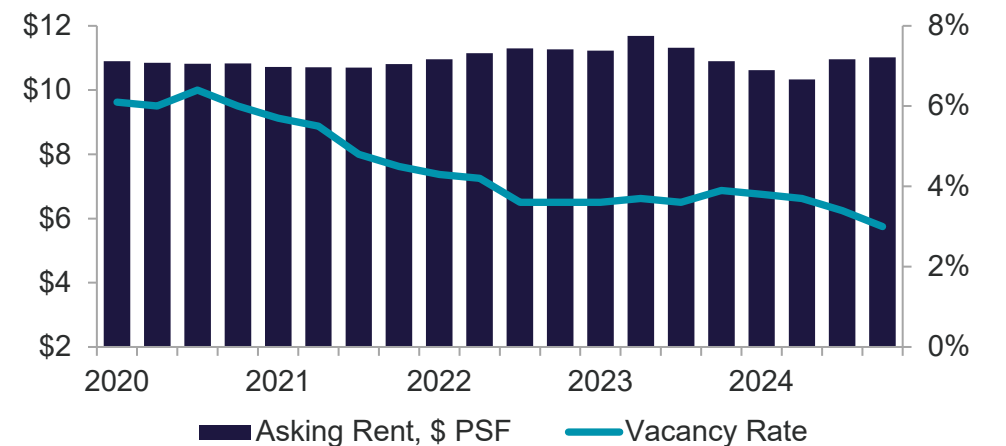
OUTLOOK: VACANCY LIKELY TO INCREASE

The Edmonton industrial market experienced a downward trend in vacancy rates throughout 2024. However, vacancy rates are likely to experience upward pressure as more deliveries come to the market in 2025.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & 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 CNSTR COMPLETIONS (SF)	AVG NET RENTAL RATE	AVG NET ADDITIONAL RATE	AVG GROSS RATE
Southeast	47,571,522	3.10%	313,244	495,297	469,521	103,300	\$9.46	\$5.10	\$14.56
Northeast	6,253,154	3.10%	-16,000	-4,402	0	0	\$10.72	\$4.63	\$15.35
Northwest/Central*	59,464,685	2.50%	648,558	1,180,658	415,676	847,979	\$9.08	\$4.59	\$13.67
Sherwood Park/Strathcona County	9,150,935	2.30%	148,777	408,293	121,181	0	\$10.08	\$4.66	\$14.74
Acheson**	14,724,066	0.90%	22,084	69,012	150,000	129,600	\$15.59	\$4.37	\$19.96
Leduc/Nisku	25,512,401	6.10%	302,264	818,108	468,023	0	\$11.65	\$3.69	\$15.34
EDMONTON TOTALS	162,676,763	3.00%	1,418,927	2,966,966	1,624,401	1,080,879	\$11.10	\$4.51	\$15.60

Source: CoStar, Cushman & Wakefield Edmonton Research

*Sturgeon County and **Parkland County Included In Total

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Border Business Park	Leduc/Nisku	SureWerx	212,020	Headlease
8705 24 St	Sherwood Park/Strathcona County	Bartlett Group	132,621	Headlease
50 th Street Business Park	Southeast	Microserve	51,328	Headlease
Fulton Creek Business Park	Southeast	Gentek Building Products	49,300	Headlease

*Renewals Not Included In Leasing Statistics

KEY SALES TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
28920 Acheson Rd	Acheson	Acheson TR JV Inc. / Mike Myshak Management Ltd.	22,219	\$11.0M / \$495.07
16504 121A Ave	Northwest/Central	Imperial Distributors Canada Inc./ Jim Pattison Developments Ltd.	82,713	\$10.6M / \$128.15

KEY CONSTRUCTION COMPLETIONS Q4 2024

PROPERTY	SUBMARKET	DEVELOPER	SF	OWNER
The Brick's/Leon's Distribution Centre	Northwest/Central	Qualico	497,280	Leon's, The Brick, Qualico

KEY CONSTRUCTION PROJECTS

PROPERTY	SUBMARKET	OWNER / DEVELOPER	SF	COMPLETION DATE
41 Business Park – Building 1	Leduc/Nisku	ONE Properties & Vestcor	366,932	Q1 2025
Fancy Windows Manufacturing & Distribution Centre	Southeast	Fancy Windows / Pumm Developments	227,521	2025

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