



Greater Edmonton industrial market report

Q2 2024

**AVISON
YOUNG**

Greater Edmonton area market fundamentals

- 4.4%

Greater Edmonton total vacancy
unchanged quarter-over quarter

▲ 4.4%

Edmonton vacancy
up 0.1% quarter-over quarter

▼ 4.7%

surrounding municipalities vacancy
down 0.2% quarter-over quarter

168.5M

square feet (sf) of inventory

25K

sf of negative absorption
quarter-over-quarter

1.6M

sf under construction

Greater Edmonton area industrial market trends

01

The streak of positive absorption ends

For the first time in the past 15 quarters, the greater Edmonton industrial market experienced negative absorption albeit, it was only -25,000 sf. Edmonton itself contributed 123,000 sf of negative absorption, however, the surrounding municipalities counterbalanced this with 98,000 sf of positive absorption.

Most of this negative absorption took place in the South/Southeast submarket, contributing -95,000 sf, followed by Central Edmonton with -25,000 sf.

02

Vacancy remains stable across markets

Despite the negative absorption, vacancy rates have remained relatively stable in Q2 2024. Edmonton saw a minor 10-basis point (bps) increase in vacancy, whereas surrounding municipalities experienced a slight drop of 20 bps. Consequently, the overall vacancy rate remains unchanged from Q1 2024 at 4.4%.

Two submarkets experienced significant swings in vacancy rates: Central Edmonton saw a 60-bps increase, bringing the vacancy rate to 3.3%, while Sherwood Park's vacancy rate dropped by 80-bps to 2.7%. Northeast Edmonton and Acheson continue to be the tightest markets, with vacancy rates of 1% and 1.2%, respectively.

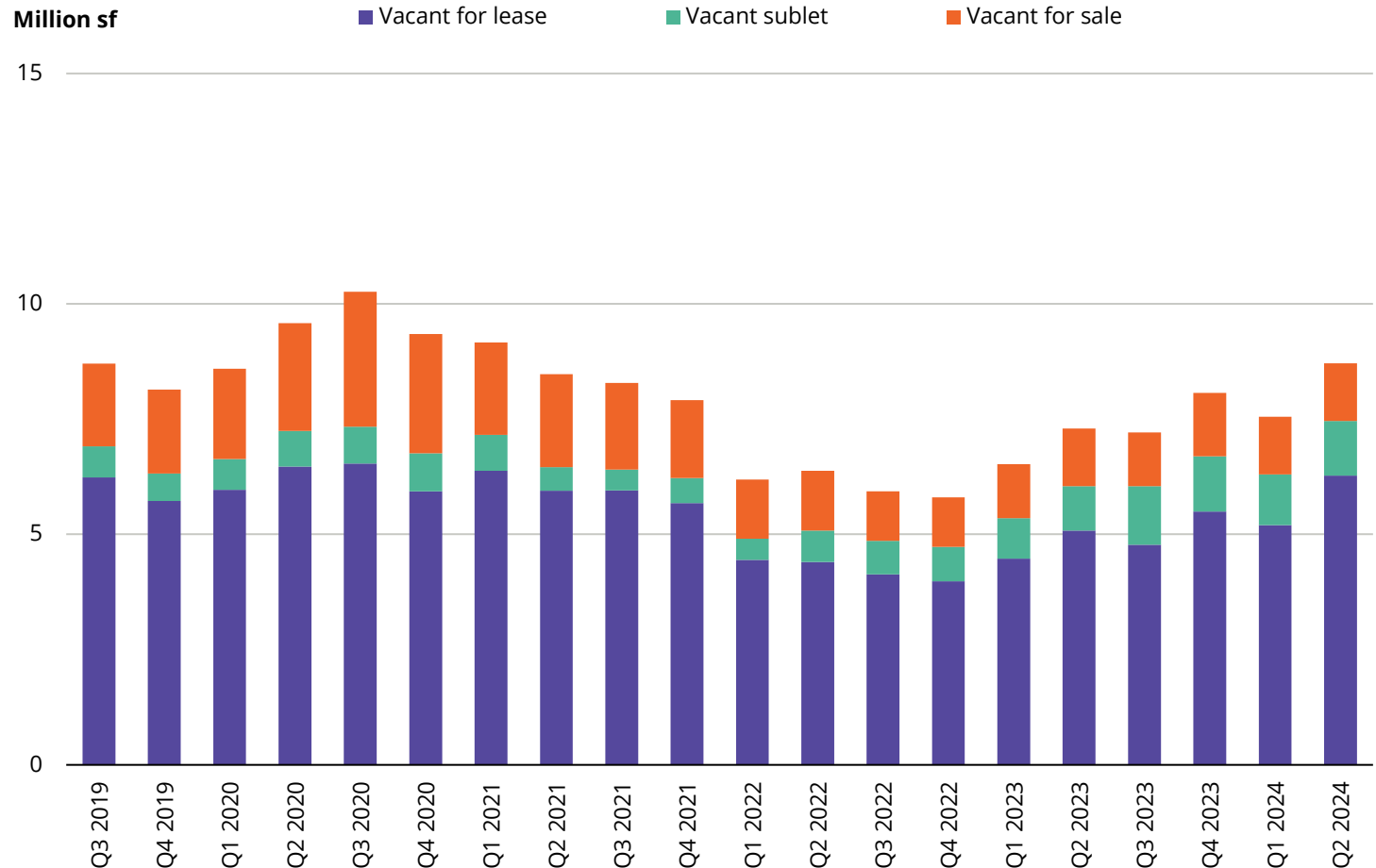
03

Sublease availability increases

Direct vacant square footage dropped across all submarkets except Central Edmonton, while sublease vacant square footage increased or remained flat across all submarkets. The most significant change was observed in South/Southeast Edmonton, where vacant headlease space dropped by 60,000 sf, but vacant sublease space increased by 154,000 sf.

Greater Edmonton area industrial market indicators

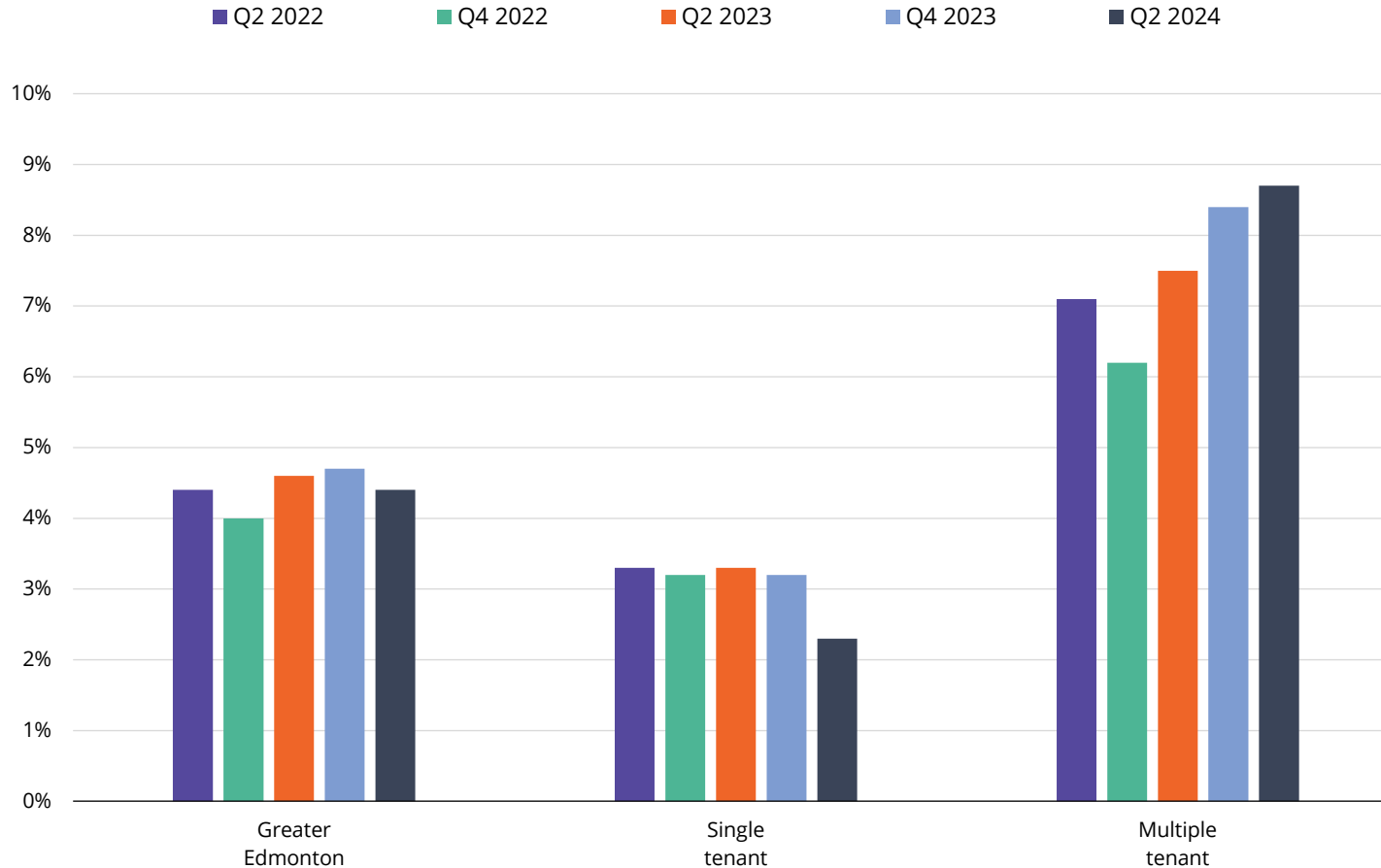
Available for sale and lease (sf)



Vacancies are peaking up to 2020/2021 levels. Sublease space is on par with H2 2023 with 1.2 msf, while headlease space sets a high not seen since Q1 2021.

Greater Edmonton area industrial market indicators

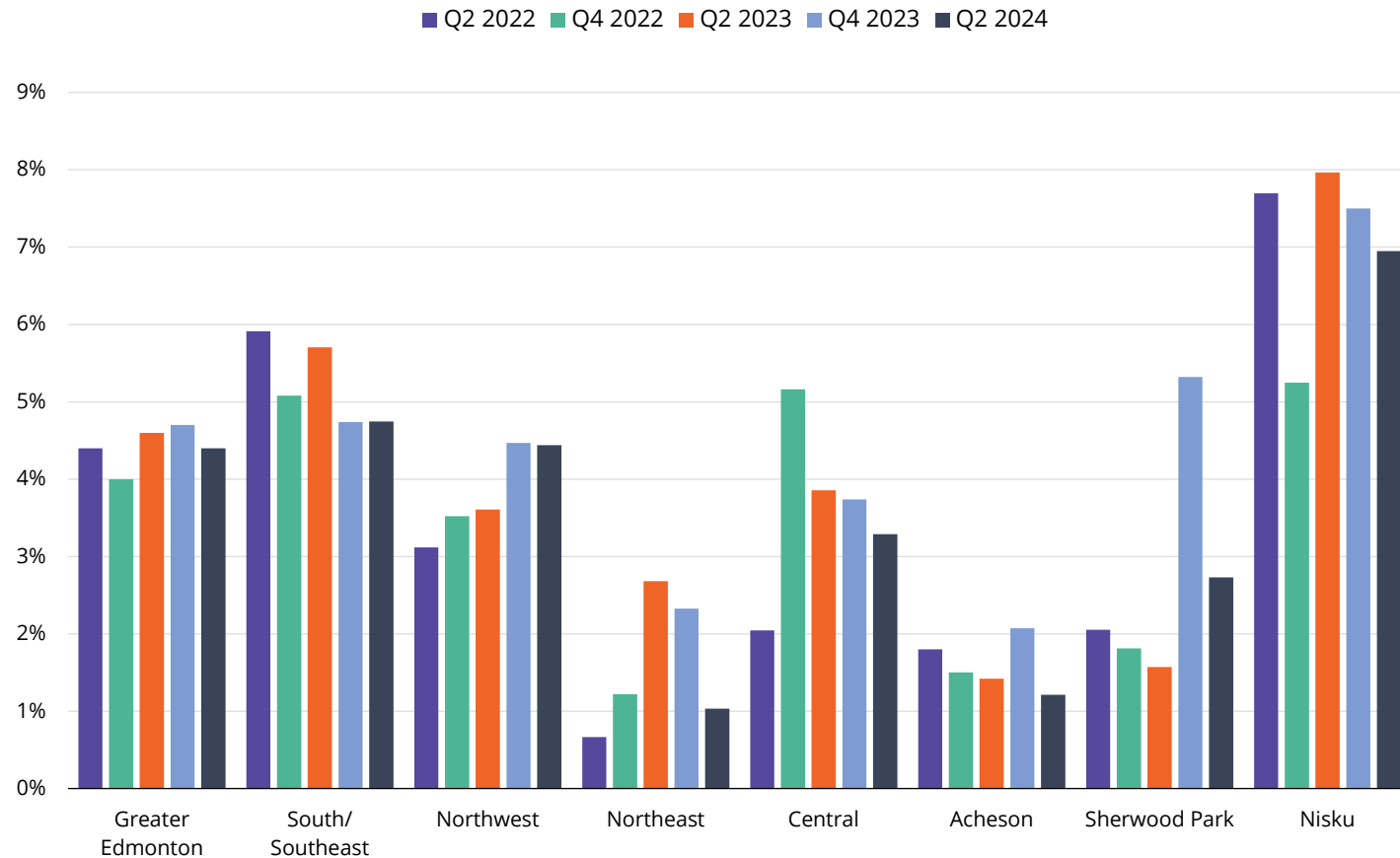
Vacancy rate by property type



Single-tenant and multi-tenant vacancies decreased by 10-bps and 30-bps (quarter-over-quarter), respectively. Single-tenant properties remain much tighter at a 2.3% vacancy rate, compared to 8.7% for multi-tenant.

Greater Edmonton area industrial market indicators

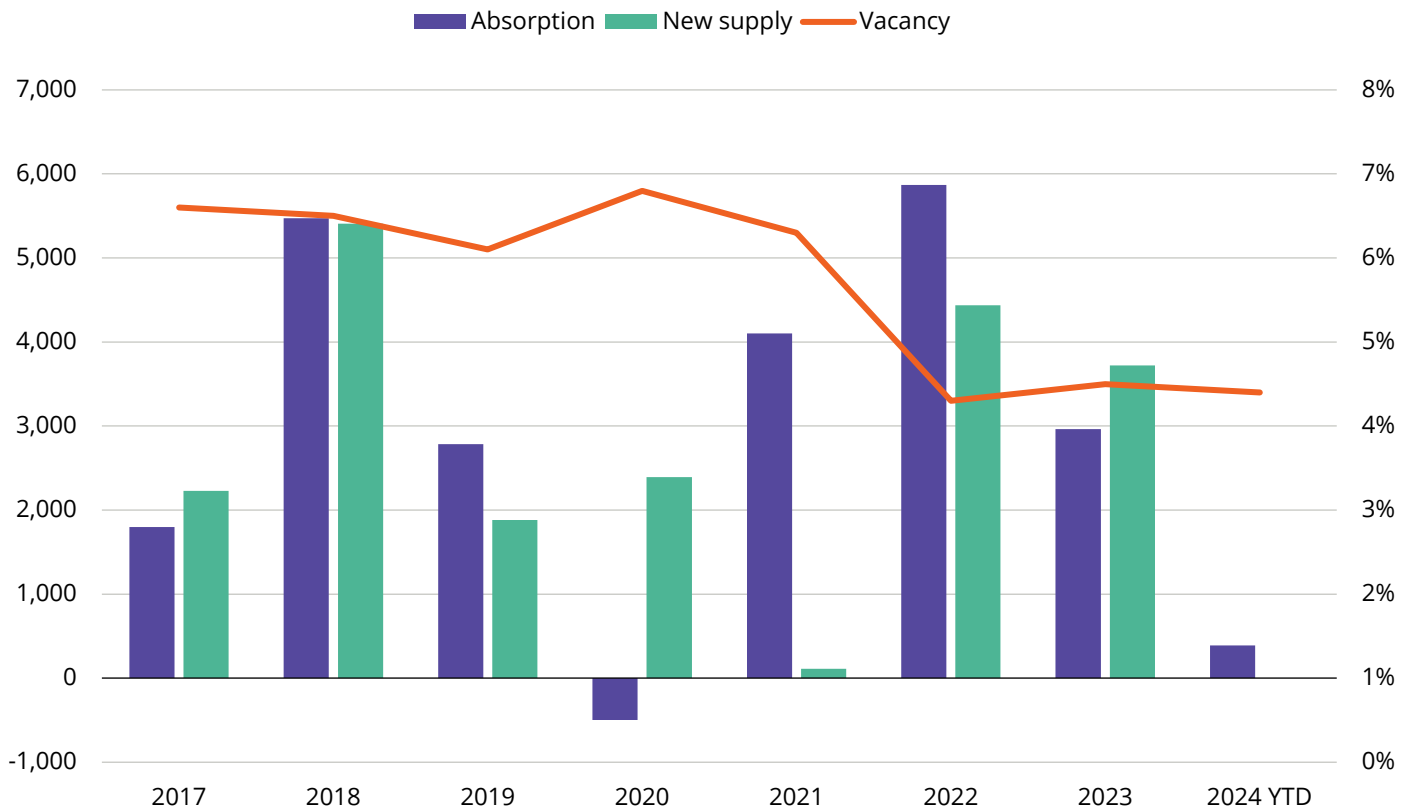
Vacancy rate by market



Vacancy rates have remained stable, apart from Central Edmonton and Sherwood Park, which saw 60-80-bps changes. The fluctuations in these submarkets are primarily due to new vacancies or deals under 20,000 sf.

Greater Edmonton area industrial market indicators

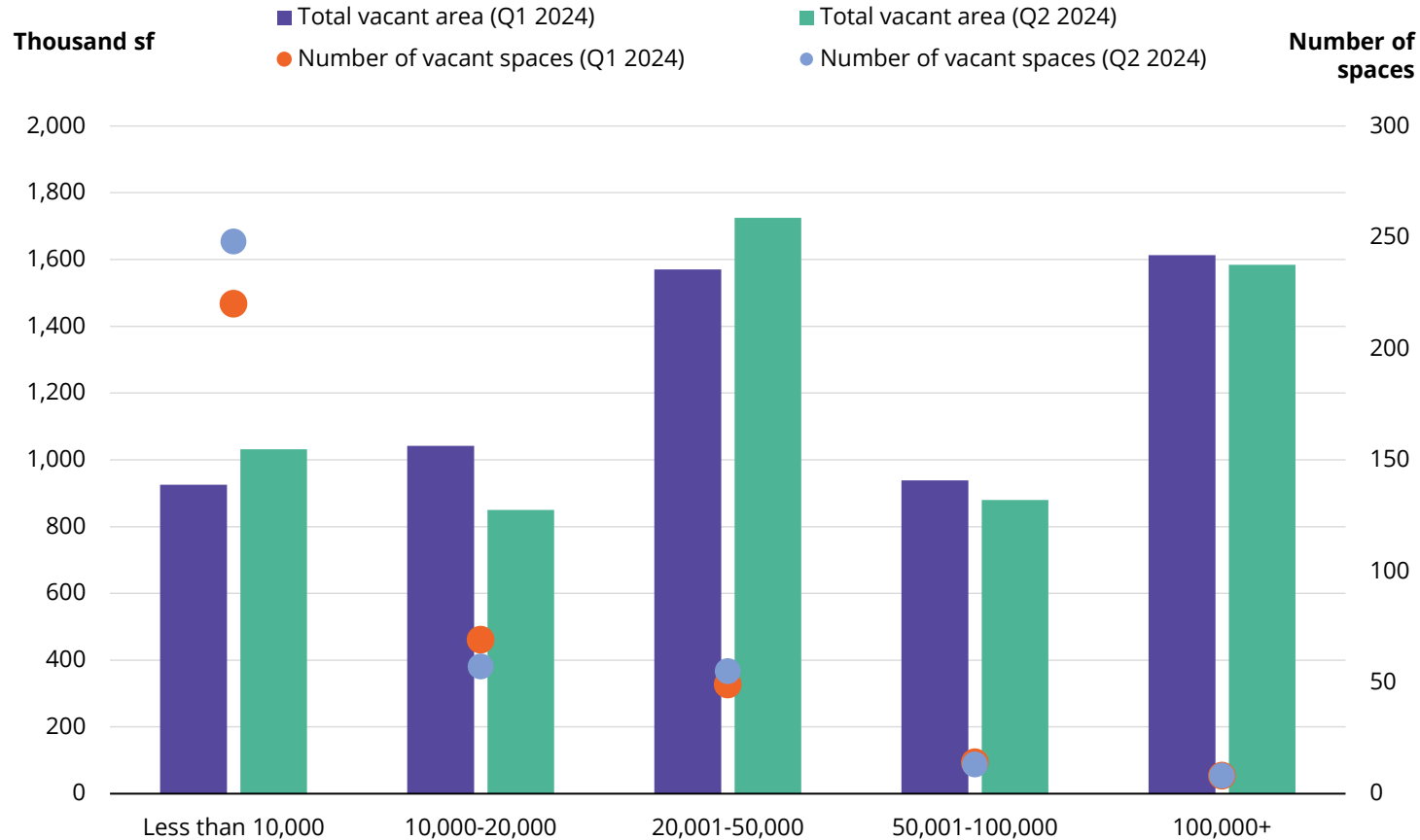
Historic industrial market trends (thousand sf)



No new supply and relatively flat absorption in Q2 2024 has led to an unchanged vacancy rate. With only 1.6 msf set to be delivered this year, we expect absorption to trend closer to 2017 levels instead of post 2020 levels.

Greater Edmonton area industrial market indicators

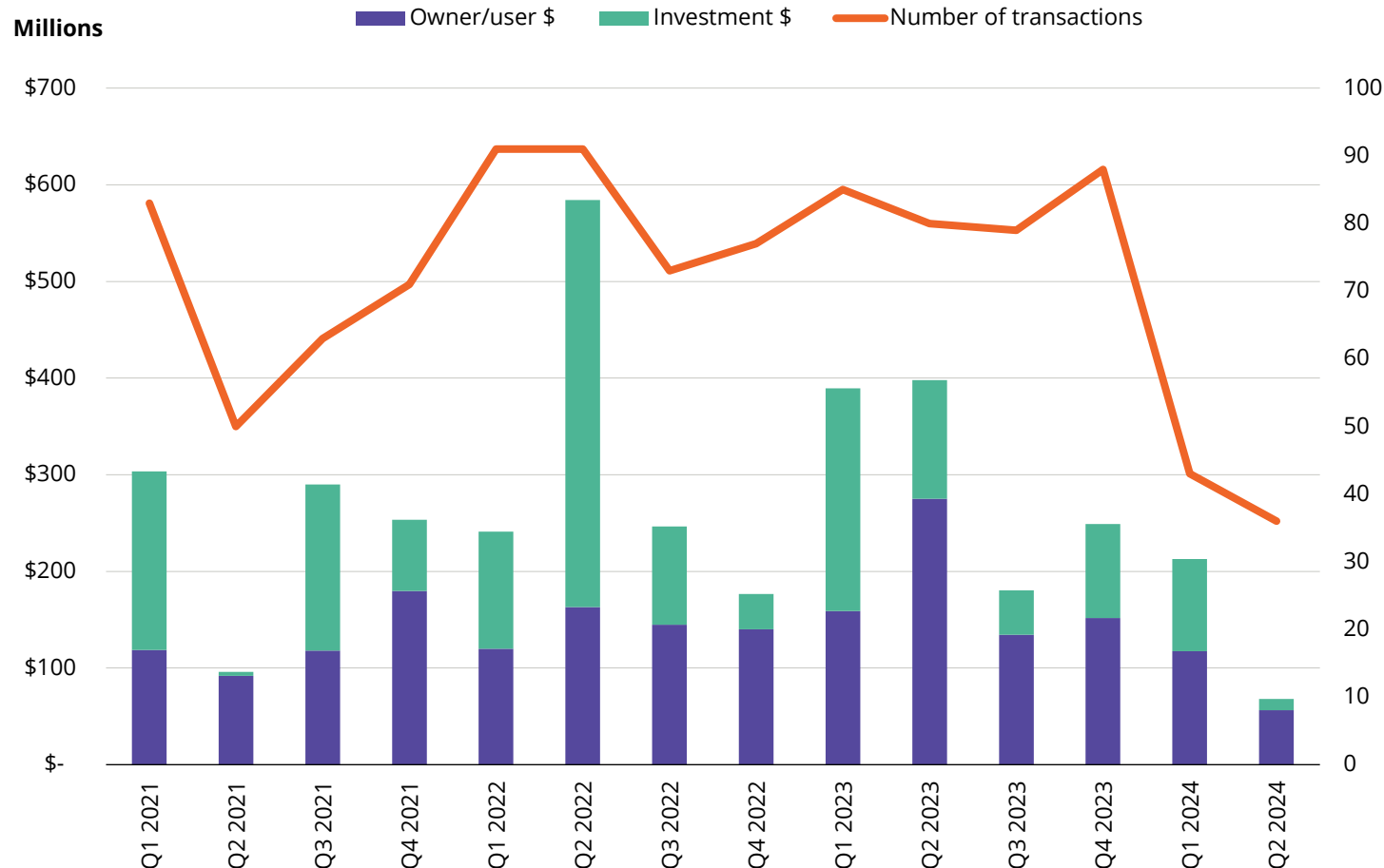
Vacant for lease by suite size (sf)



The largest decrease in vacant area was seen in the 10-20,000 size range, shrinking by 190,000 sf. The largest increase was seen in the 20-50,000 size range, seeing 155,000 sf more vacant space quarter-over-quarter.

Greater Edmonton area industrial market indicators

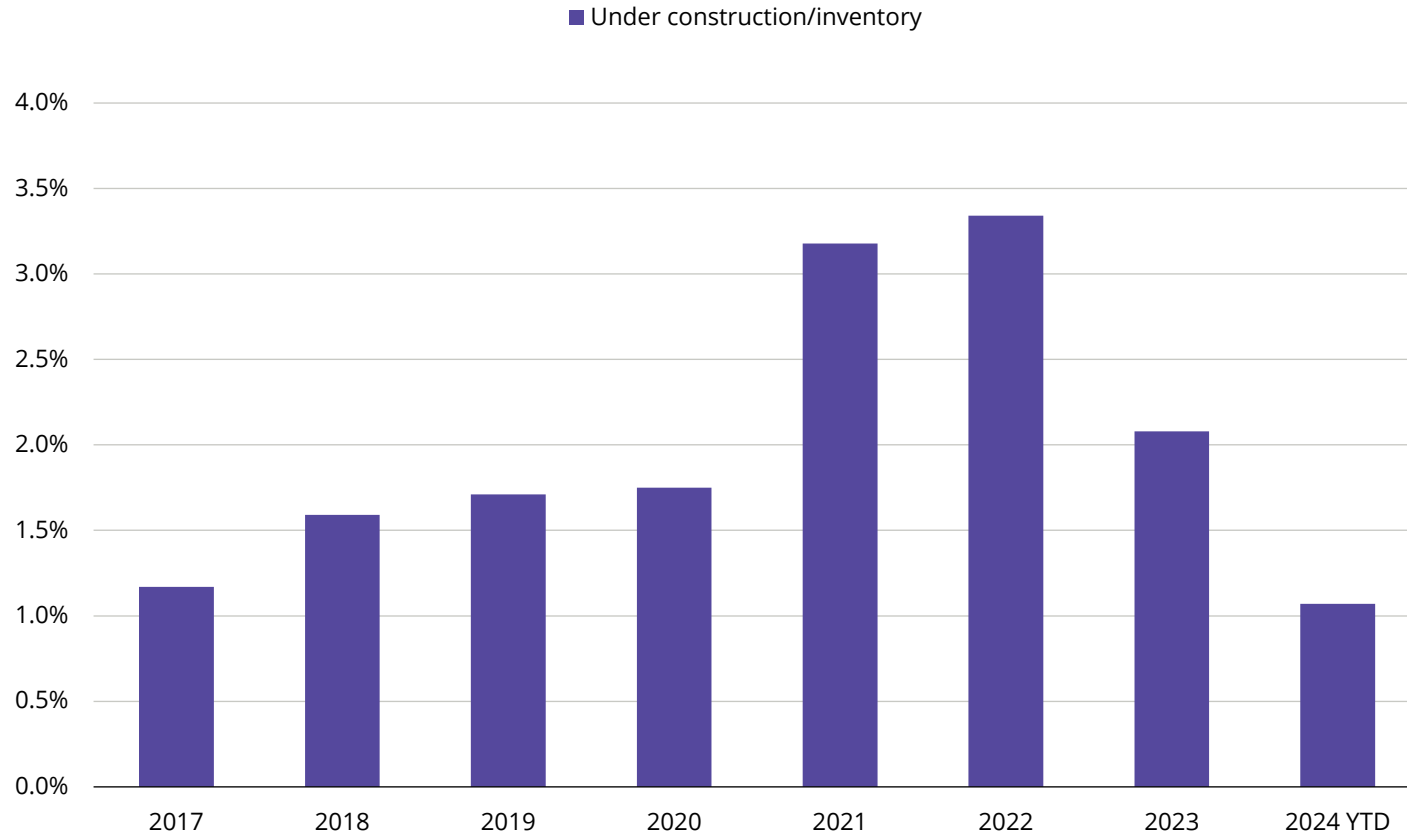
Sales volume



Sales volume is down from Q1 2024 and at its lowest since Q2 2021. We believe the recent cut in interest rates has caused lagging sales, and expect the second H2 2024 to pick up, with institutional money re-entering the market.

Greater Edmonton area industrial market indicators

Space under construction as a percentage of existing inventory



The 75,000 sf ERA Business Centre by K&H Developments began construction in Q2 2024.

Currently, there is a total of 1.64 msf set to be delivered in 2024. 670,000 sf is attributed to built-to-suit/expansion projects.

Edmonton area industrial market stats

Edmonton	Existing inventory (sf)	Direct vacancy (sf)	Sublease vacancy (sf)	Quarterly absorption (sf)	Total vacancy		Direct vacancy		Vacancy sublease		Serviced land cost per acre
South/Southeast	54,445,301	2,076,400	507,340	-94,606	4.7%	0.2%	3.8%	(0.1%)	0.9%	0.3%	\$675,000 - \$850,000
Northwest	62,992,467	2,180,476	615,106	-11,957	4.4%	0.0%	3.5%	(0.0%)	1.0%	0.0%	\$650,000 - \$850,000
Northeast	6,809,847	70,387	0	8,200	1.0%	(0.1%)	1.0%	(0.1%)	0.0%	-	\$550,000 - \$700,000
Central	3,959,926	116,823	13,437	-24,976	3.3%	0.6%	3.0%	0.3%	0.3%	0.3%	-
Edmonton total	128,207,541	4,444,086	1,135,883	-123,339	4.4%	0.1%	3.5%	(0.0%)	0.9%	0.1%	\$550,000 - \$850,000
Surrounding municipalities	Existing inventory (sf)	Direct vacancy (sf)	Sublease vacancy (sf)	Quarterly absorption (sf)	Total vacancy		Direct vacancy		Vacancy sublease		Serviced land cost per acre
Acheson	11,387,036	123,853	14,400	48,901	1.2%	(0.4%)	1.1%	(0.4%)	0.1%	-	\$450,000 - \$725,000
Sherwood Park	6,365,000	173,766	0	52,493	2.7%	(0.8%)	2.7%	(0.8%)	0.0%	-	\$650,000 - \$750,000
Nisku	22,536,848	1,534,820	31,438	-3,279	6.9%	0.0%	6.8%	(0.1%)	0.1%	0.1%	\$450,000 - \$600,000
Surrounding total	40,288,884	1,832,439	45,838	98,115	4.7%	(0.2%)	4.5%	(0.3%)	0.1%	0.0%	\$450,000 - \$750,000
Overall total	168,496,425	6,276,525	1,181,721	-25,224	4.4%	0.0%	3.7%	(0.1%)	0.7%	0.1%	\$450,000 - \$850,000

*Quarter-over-quarter vacancy change
Source: Avison Young

Edmonton area average rental rate breakdown

Square footage	South/Southeast		Northwest		Leduc/Nisku		Sherwood Park		Acheson	
	Multi	Single	Multi	Single	Multi	Single	Multi	Single	Multi	Single
Existing product										
0 - 5,000 sf	\$11.50	\$17.50	\$11.50	\$16.00	\$12.50	\$20.00	\$12.25	-	\$15.00	\$20.50
5,001 - 10,000 sf	\$11.00	\$15.00	\$11.00	\$14.50	\$11.75	\$18.00	-	-	\$14.00	\$20.00
10,001 - 20,000 sf	\$10.50	\$14.00	\$10.50	\$12.50	\$11.50	\$16.00	-	-	\$13.00	\$18.00
20,001 - 50,000 sf	\$9.50	\$13.00	\$9.50	\$12.00	\$10.25	\$15.00	\$13.00	\$15.00	-	\$16.50
50,001 - 100,000 sf	\$8.50 - \$9.00	\$10.75 - \$11.25	\$8.50 - \$9.00	\$10.50 - \$10.75	\$9.50	\$14.00	-	-	-	\$15.50
100,001 sf and up	\$8.25 - \$8.75	\$10.50 - \$10.75	\$8.25 - \$8.75	\$10.50	\$9.25	\$13.50	\$12.25	\$14.00	\$12.00	\$14.50
New, under construction and pre-leasing product										
50,001 - 100,000 sf	\$10.50 - \$11.00	\$11.75	\$10.50 - \$11.00	\$11.75	\$10.50 - \$12.00	\$14.00	-	-	-	-
100,001 sf +	\$10.00 - \$10.50	\$11.50	\$10.00 - \$10.50	\$11.50	\$10.00 - \$10.50	\$13.50	-	-	-	-

\$11.41

Edmonton average

\$14.04

Surrounding average

\$12.71

Greater Edmonton average

Rental rates are price per square foot
 *New and existing product
 Source: Avison Young

Greater Edmonton industrial market activity

Notable leasing transactions

Address	Size (sf)	Lease type	Transaction type
12810 170 St, Edmonton	156,311	Direct	Multi-tenant
14434 157 Ave, Edmonton	88,843	Direct	Multi-tenant
5711 103A St, Edmonton	69,444	Direct	Multi-tenant
2201 8 St, Nisku	45,083	Direct	Single tenant

Major industrial buildings transactions

Address	Sale price	Size (sf)	Area (acres)	Sale price (psf)	Sale date
6005 72A Ave, Edmonton	\$13.8M	58,393	7.66	\$236	May 2024
14735 124 Ave, Edmonton	\$8.5M	105,930	4.02	\$80	April 2024
12160 68 St, Edmonton	\$6.5M	20,620	3.65	\$303	May 2024
10271 279 St, Acheson	\$6.1M	30,901	4.34	\$197	April 2024
11270/92 269 St, Acheson	\$5M	18,000	3.15	\$278	April 2024

Major industrial land transactions

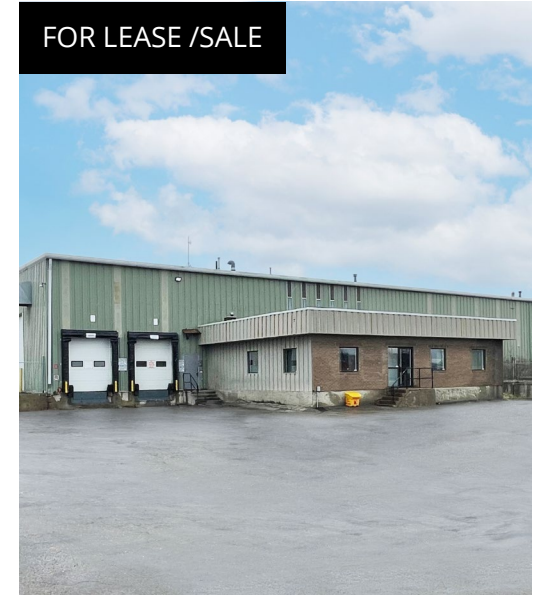
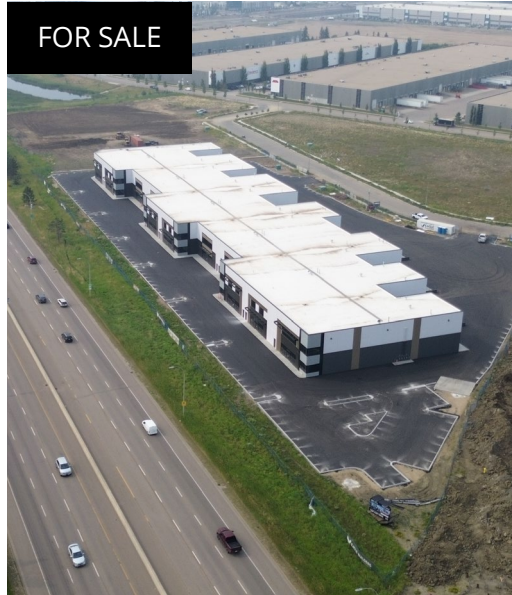
Address	Buyer	Size (acres)	Sale price	Sale price (p/acre)	Sale date
28354/28424 99 Ave	Pace Property Group Ltd.	4.01	\$2.8M	\$698,000	May 2024
50308 RR 262	2278048 Alberta Ltd.	12.55	\$2.5M	\$199,000	April 2024
7925 Argyll Rd	Trinity Mar Thoma Church	1.97	\$1.5M	\$743,000	May 2024
14415 154 Ave	YEG Imports Inc.	1.39	\$1M	\$719,000	May 2024
15140 118 Ave	AD Motors Ltd.	0.90	\$820K	\$911,000	May 2024

Greater Edmonton area industrial developments

Buildings under construction by size

Address	Project name	Building size (sf)	City	Developer	Delivery
175 St & 129 Ave	The Brick & Leon Distribution Centre	500,000	Edmonton	LFL & Qualico	Q4 2024
3925 8 St	41 Business Park – Building 1	366,932	Nisku	ONE & Vescor	Q4 2024
11 Richards Dr	Anthony Henday Business Park – Building 2B	256,970	St. Albert	QuadReal	Q3 2024
142 St & 162 Ave	Kohltech Windows & Doors Distribution Centre	140,000	Edmonton	Kohltech Windows & Doors	Q1 2025
17 St	PCLI 17 Street Development	132,800	Edmonton	Petro-Canada Lubricants Inc.	Q3 2024
279 St & 92 Ave	Convoy Supply Distribution Centre	100,000	Acheson	Convoy Supply	Q3 2024
2803 50 Ave	The WIC	99,771	Edmonton	K&H Developments	Q3 2024
15728 142 St	Rampart Business Park – Building 3	96,726	Edmonton	Camgill	Q3 2024
27654 100 Ave	ERA Business Centre	75,666	Acheson	K&H Developments	Q1 2025
5520 34 St	Siwin Foods Expansion	70,000	Edmonton	Siwin Foods	Q4 2024
9541 50 St	Eastgate Crossing	47,250	Edmonton	2310988 Alberta Ltd.	Q3 2024
3306 Allard Ave	3306 Allard Ave	28,700	Leduc	ABSK Builders Structures	Q3 2024

Featured listings



Address	The WIC	17909 107 Avenue	12810 170 Street	120 Diamond Avenue
	<ul style="list-style-type: none"> - Insulated precast concrete industrial condos - 26' clear and 14' x 16' grade loading docks - Dock levelers 40,000 lbs rollover capacity, hydraulically operated - 6" reinforced concrete, 200A at 347/600V 	<ul style="list-style-type: none"> - 23,725 sf on 1.56 acres - New flooring throughout office, new LED lights in office and warehouse - 6" concrete floor slab - Power: 600A/600V - Air lines in warehouse 	<ul style="list-style-type: none"> - 141,411 sf remaining. Includes 15,000 sf office - 30'10" clear height with 12 dock (9'x10') and 2 grade (12'x14') - Racking 10,000 lbs per post at minimum 42"x96" 	<ul style="list-style-type: none"> - 32,856 sf freestanding building on 3.58 acres - 1,600 sf of office space - 22' clear with dock and grade loading - Potential for 1.85 acres of yard
	Click to view property	Click to view property	Click to view property	Click to view property

For more market insights and information visit **avisonyoung.com**

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