



# Greater Edmonton industrial market report

Q3 2024

**AVISON  
YOUNG**

# Greater Edmonton area market fundamentals

▼ 4.1%

Greater Edmonton total vacancy  
down 0.3 quarter-over quarter (QoQ)

▼ 4.2%

Edmonton vacancy  
down 0.2 % QoQ

▼ 3.7%

surrounding municipalities vacancy  
down 1.0% QoQ

168.6M

square feet (sf) of inventory

706K

sf of positive absorption  
QoQ

2.3M

sf under construction

# Greater Edmonton area industrial market trends

## 01

### Vacancy declines as demand surges

Greater Edmonton's industrial vacancy declined from 4.4% in Q2 2024 to 4.1% in Q3 2024. The market recorded a net absorption of 706,377 sf, reflecting the tightening of available space as demand for industrial properties outpaces supply. Nisku saw a dramatic shift in quarterly absorption, increasing from -3,279 sf in Q2 2024 to 539,159 square feet in Q3 2024. With demand outpacing supply, renewals are becoming more common as tenants face a more competitive leasing market. As businesses look to secure leases or renew existing ones to avoid relocation challenges, landlords could take advantage of tighter market conditions by increasing rents.

## 02

### Interest rate decrease drives industrial expansion

The Bank of Canada's recent 50-basis-point interest rate cut to 3.75% could result in an increase in construction starts and support for ongoing projects in a market experiencing compressed vacancies due to high demand. With the reduced cost of borrowing, the number of properties under construction in the Edmonton region, currently at 2.3 million square feet (msf), is expected to rise. Notably, the growing demand in the oil and gas sector presents opportunities for new developments, such as warehouses, storage facilities, and distribution centres. An example is the Building 41 Business Park in Nisku, a 366,932-sf warehouse scheduled for completion in November 2024.

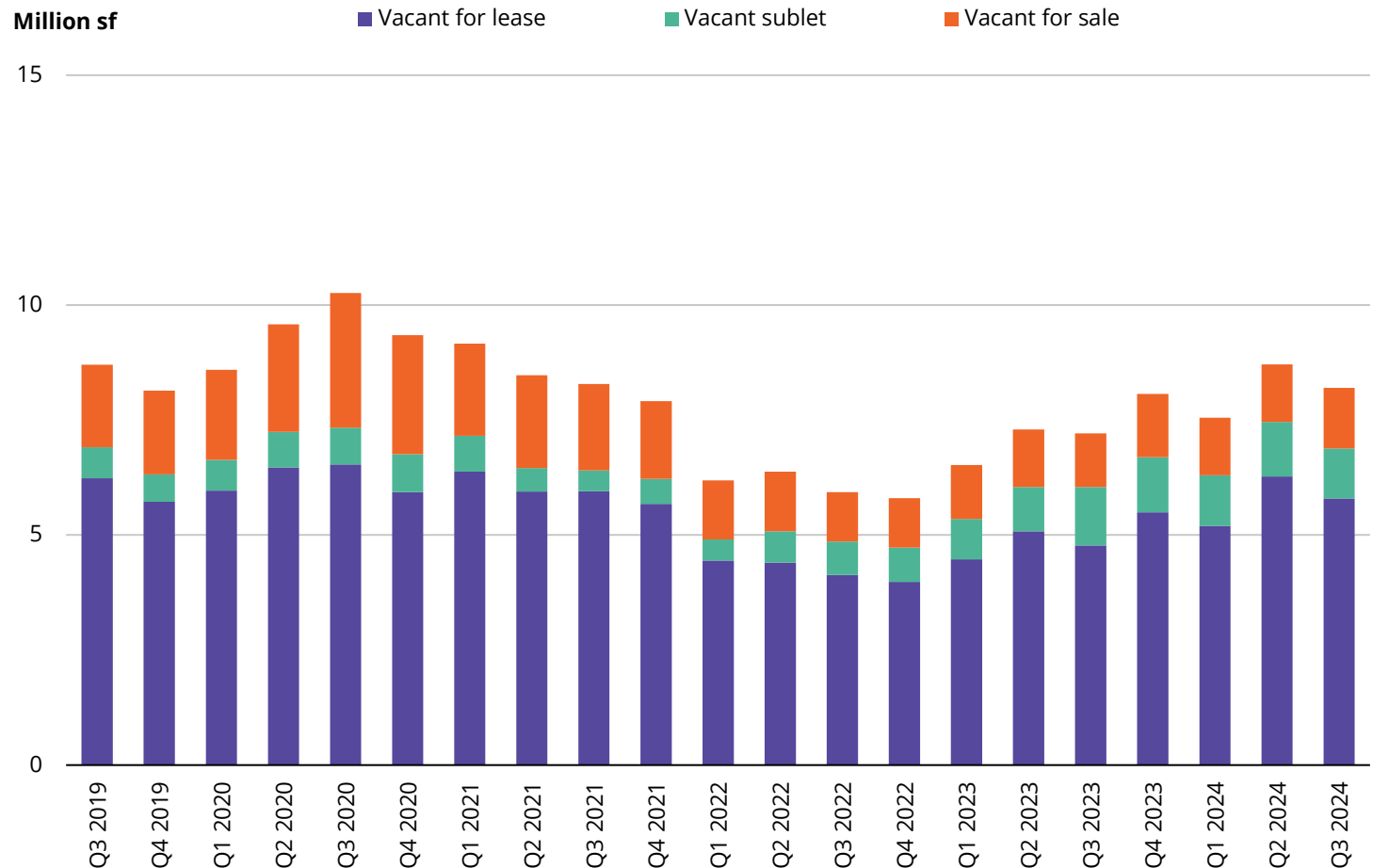
## 03

### Renewed optimism in Edmonton's industrial market

Edmonton's real estate market shows stable growth, with rent increases moderating to 2% annually post-2024. Net market rents average \$12.40 per square foot (psf), the lowest in Western Canada, making it attractive for businesses and investors seeking cost-effective expansion. For example, English Bay Blending relocated to the Stony Plain area, drawn by the Greater Edmonton region's lower operational costs. The average asking cap rate for properties is 7%, with transaction pricing around \$151 psf, significantly below the national average of \$270.

# Greater Edmonton area industrial market indicators

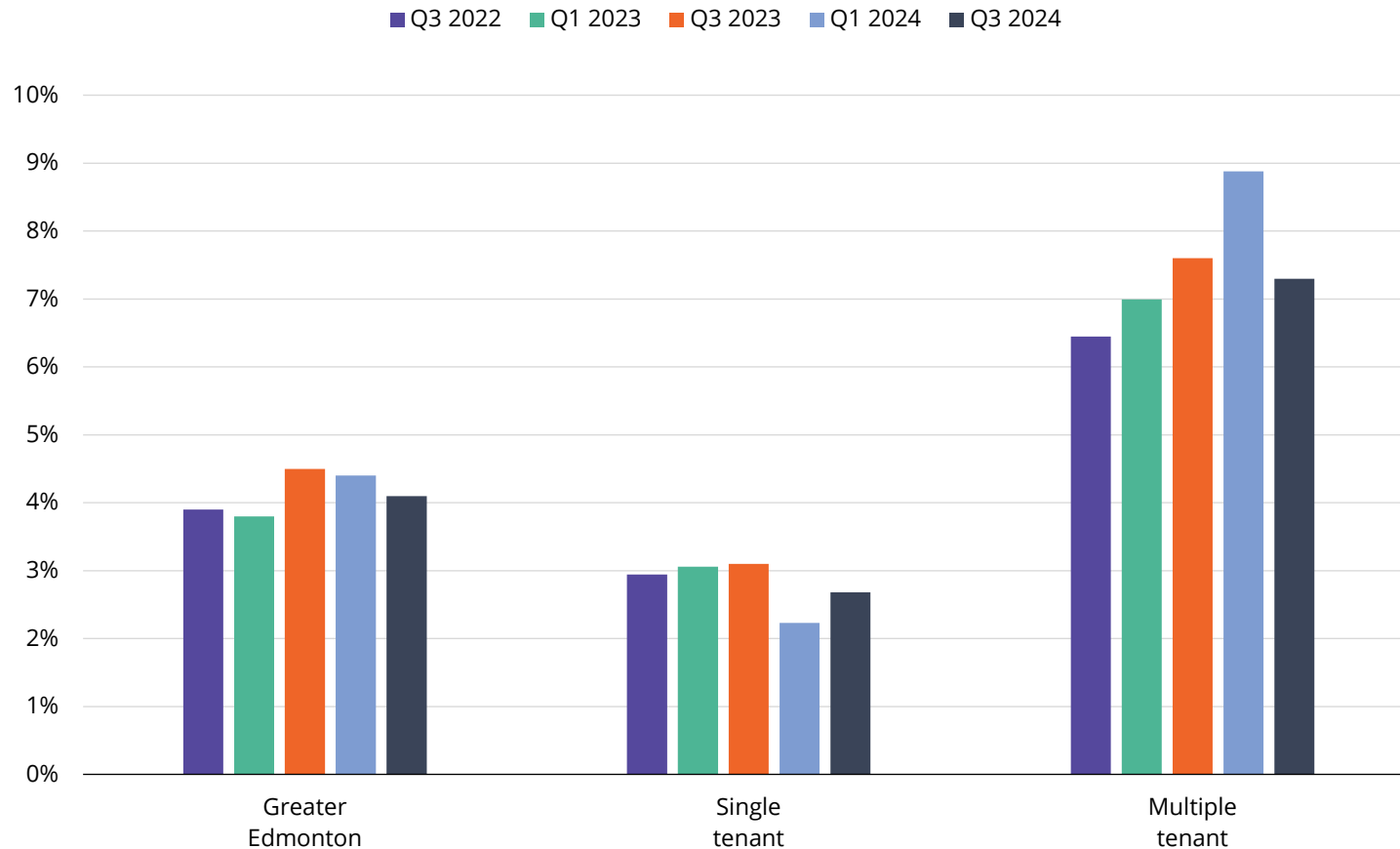
Vacant for sale and lease (sf)



**Vacant space declined to 5.8 msf, while available sublet space remained stable at 1.1 msf. Vacant space for sale also increased, to 1.3 msf.**

# Greater Edmonton area industrial market indicators

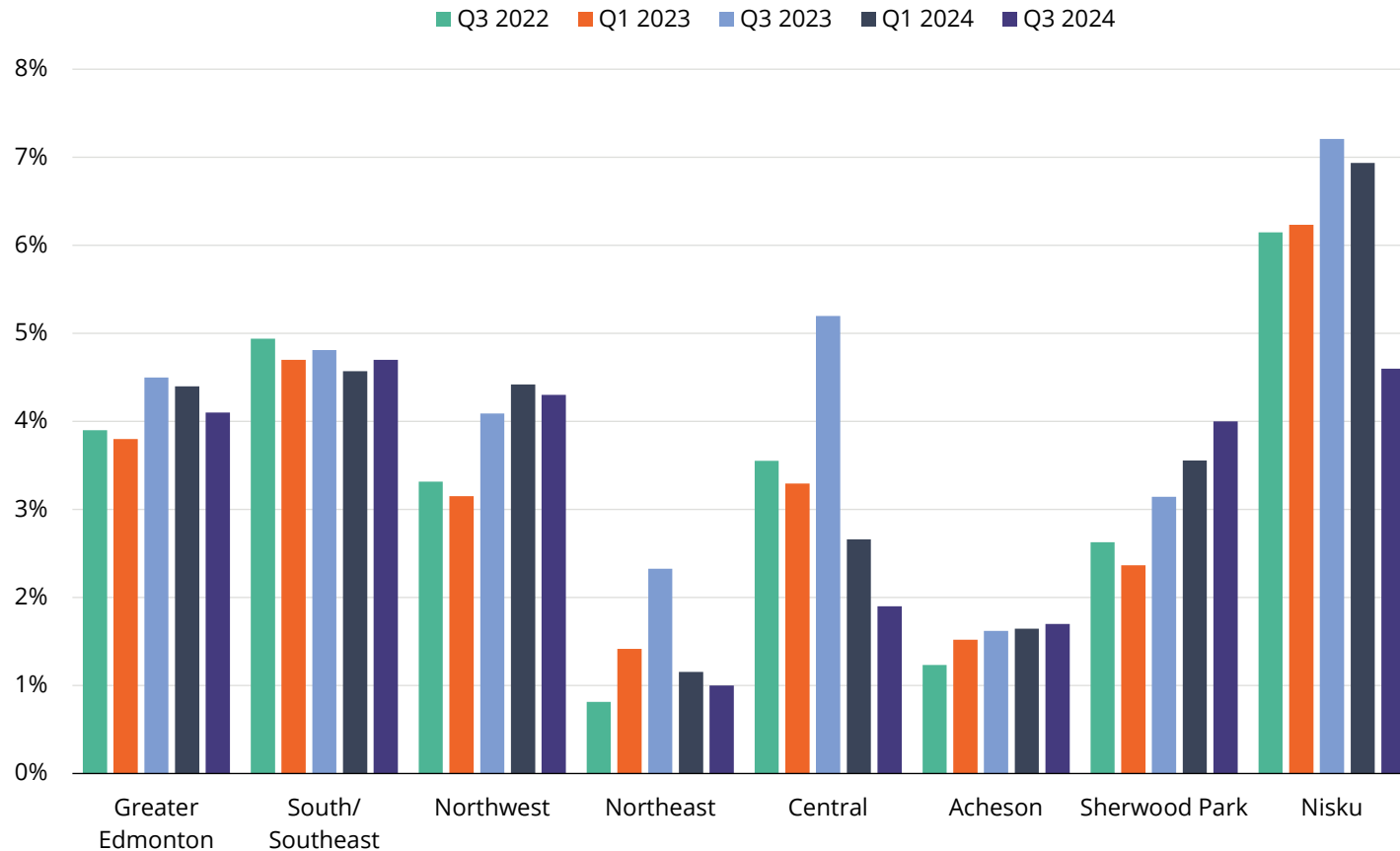
Vacancy rate by property type



**The vacancy for single-tenant properties increased to 2.68% in Q3 2024, while multi-tenant vacancies decreased to 7.30%.**

# Greater Edmonton area industrial market indicators

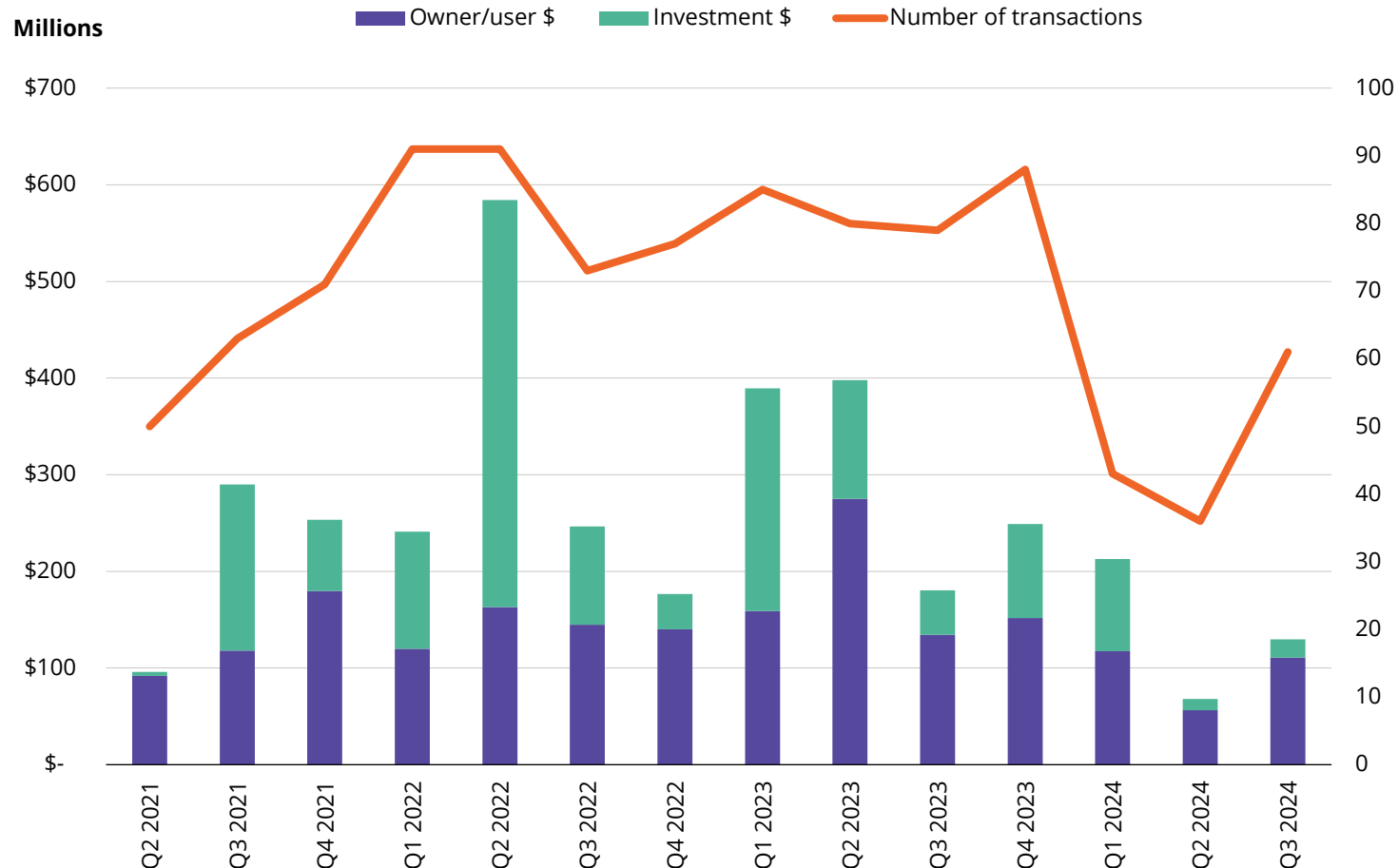
Vacancy rate by market



**Absorption was positive this quarter in Nisku, while Sherwood Park's was negative due to 140k sf under-construction and entirely for lease.**

# Greater Edmonton area industrial market indicators

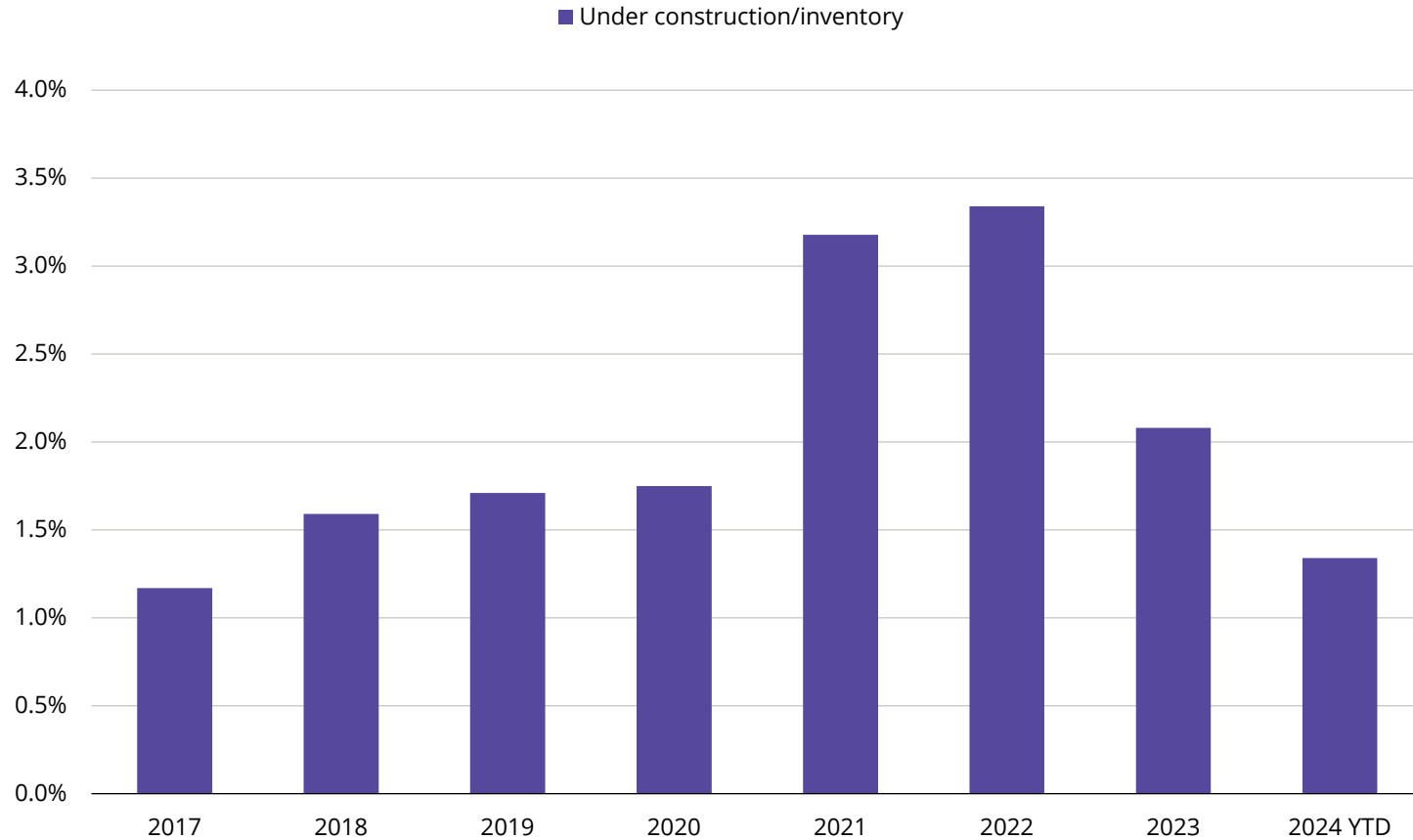
## Sales volume



**Sales volume rebounded, driven by interest rate cuts as well as activity in the manufacturing and oil and gas, sectors.**

# Greater Edmonton area industrial market indicators

Space under construction as a percentage of existing inventory



**2.3 msf is currently under construction, including several custom projects under 50,000 sf. In the past year, 1.5 msf have been delivered to the market.**



# Edmonton area industrial market stats

## Edmonton

	Existing inventory (sf)	Direct vacancy (sf)	Sublease vacancy (sf)	Quarterly absorption (sf)	Total vacancy		Vacancy sublease		Serviced land cost per acre
South/Southeast	54,527,224	2,011,389	517,975	136,299	4.6%	(0.1%)	3.7%	(0.1%)	\$675,000 - \$850,000
Northwest	62,992,467	2,195,416	482,314	117,852	4.3%	(0.2%)	3.5%	0.0%	\$650,000 - \$850,000
Northeast	6,809,847	67,430	0	2,957	1.0%	(0.0%)	1.0%	(0.0%)	\$550,000 - \$700,000
Central	3,959,926	63,544	13,437	53,279	1.9%	(1.3%)	1.6%	(1.3%)	-
<b>Edmonton total</b>	<b>128,289,464</b>	<b>4,337,779</b>	<b>1,013,726</b>	<b>310,387</b>	<b>4.2%</b>	<b>(0.2%)</b>	<b>3.4%</b>	<b>(0.1%)</b>	<b>\$550,000 - \$850,000</b>

## Surrounding municipalities

	Existing inventory (sf)	Direct vacancy (sf)	Sublease vacancy (sf)	Quarterly absorption (sf)	Total vacancy		Vacancy sublease		Serviced land cost per acre
Acheson	11,387,036	178,961	18,534	-59,242	1.7%	0.5%	1.6%	0.5%	\$675,000 - \$850,000
Sherwood Park	6,365,000	257,693	0	-83,927	4.0%	1.3%	4.0%	1.3%	\$650,000 - \$850,000
Nisku	22,536,848	976,560	50,539	539,159	4.6%	(2.4%)	4.3%	(2.5%)	\$550,000 - \$700,000
<b>Surrounding total</b>	<b>40,288,884</b>	<b>1,413,214</b>	<b>69,073</b>	<b>395,990</b>	<b>3.7%</b>	<b>(1.0%)</b>	<b>3.5%</b>	<b>(1.0%)</b>	<b>-</b>
<b>Overall total</b>	<b>168,578,348</b>	<b>5,750,993</b>	<b>1,082,799</b>	<b>706,377</b>	<b>4.1%</b>	<b>(0.4%)</b>	<b>3.4%</b>	<b>(0.3%)</b>	<b>\$425,000 - \$850,000</b>

# Edmonton area average rental rate breakdown

Square footage	South/Southeast		Northwest		Leduc/Nisku		Sherwood Park		Acheson	
Existing product	Multi	Single	Multi	Single	Multi	Single	Multi	Single	Multi	Single
0 - 5,000 sf	\$12.00	\$17.50	\$12.50	\$18.00	\$12.50	\$20.00	\$12.25	-	\$15.00	\$20.50
5,001 - 10,000 sf	\$11.50	\$15.00	\$12.00	\$16.00	\$12.00	\$18.00	-	-	\$14.00	\$20.00
10,001 - 20,000 sf	\$10.50	\$14.00	\$11.00	\$13.50	\$11.50	\$16.00	-	-	\$13.00	\$18.00
20,001 - 50,000 sf	\$9.50	\$13.00	\$9.75	\$13.00	\$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	\$11.00 - \$11.50	\$9.50	\$14.00	-	-	-	\$15.50
100,001 sf and up	\$8.50 - \$9.00	\$10.50 - \$11.25	\$8.25 - \$9.00	\$10.50	\$9.25	\$13.50	\$12.25	\$14.00	\$10.50 - \$11.50	\$14.50
New, under construction and pre-leasing product	Multi	Single	Multi	Single	Multi	Single	Multi	Single	Multi	Single
50,001 - 100,000 sf	\$11.00 - \$11.50	\$12.00	\$10.00 - \$11.50	\$12.00 - \$13.00	\$10.50 - \$12.00	\$14.00	-	-	-	-
100,001 sf +	\$10.50	\$11.50	\$10.00 - \$11.00	\$11.50	\$10.00 - \$11.00	\$13.50	-	-	-	-

**\$11.81**

Edmonton average

**\$14.04**

Surrounding average

**\$12.91**

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
4810 92 Avenue, Edmonton	116,589	Direct	Single-tenant
2930 51 Avenue NW, Edmonton	101,375	Direct	Multi-tenant
12810 58 Street, Edmonton	93,530	Direct	Single-tenant
9405 135 Street SW, Nisku	65,123	Direct	Multi-tenant

## Major industrial buildings transactions

Address	Sale price	Size (sf)	Area (acres)	Sale price (psf)	Sale date
3735 8 Street, Nisku	\$14,305,000	77,862	28.61	\$183.72	July 2024
12410 142 Street, Edmonton	\$11,066,000	122,527	6.36	\$90.31	July 2024
13304 & 13340 St. Albert Trail, St. Albert	\$6,500,000	53,700	2.07	\$121.04	September 2024
7001/05 39 Street, Leduc	\$6,500,000	17,900	6.01	\$363.12	August 2024
13630 159 Street, Edmonton	\$5,750,000	24,000	2.84	\$239.58	July 2024

## Major industrial land transactions

Address	Buyer	Size (acres)	Sale price	Sale price (p/acre)	Sale date
3521 66 Street SW, Edmonton	Mattson Developments Ltd.	42	\$12,704,160	\$302,480	August 2024
5405 51 Avenue, Edmonton	2559016 Alberta Ltd.	7.04	\$4,122,000	\$585,511	July 2024
20104/48 109 Avenue, Edmonton	Air Products Canada Ltd.	3.58	\$2,685,000	\$750,000	August 2024
906 29 Avenue, Nisku	Lukas Lands JV Inc.	4.84	\$2,516,000	\$519,834	August 2024

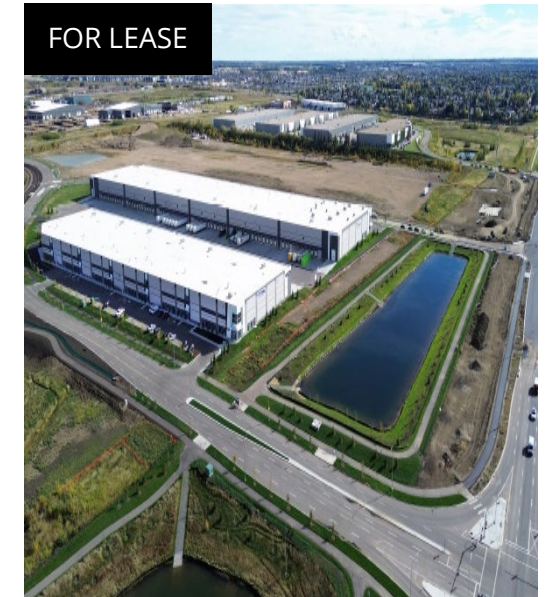
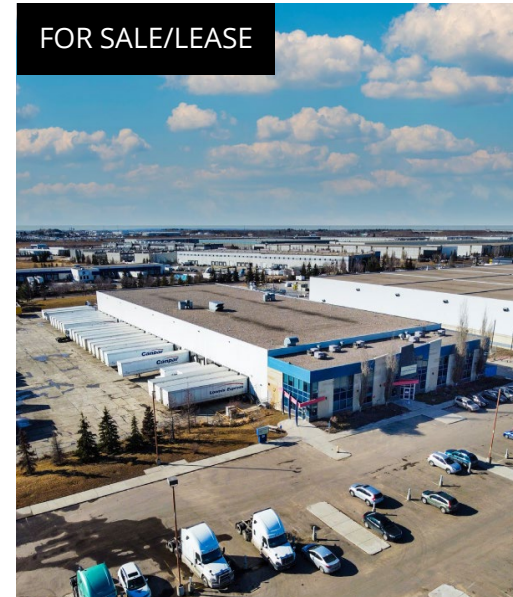
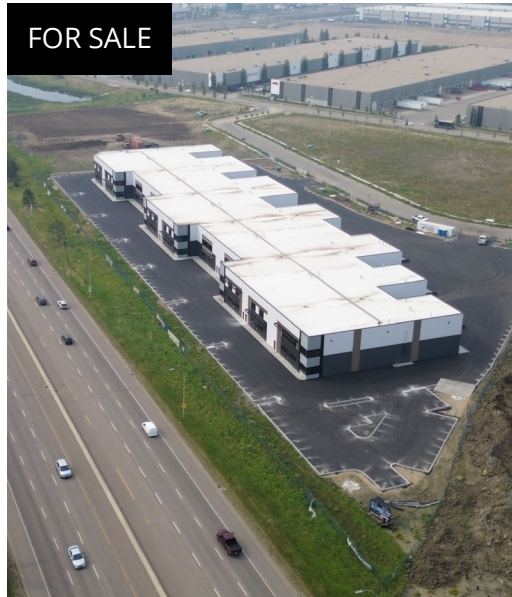
# Greater Edmonton area industrial developments

## Buildings under construction by size

Address	Project name	Building size (sf)	City	Developer	Delivery
175 Street & 129 Avenue	The Brick & Leon Distribution Centre	500,000	Edmonton	LFL & Qualico	Q4 2024
3925 8 St	41 Business Park – Building 1	366,932	Nisku	ONE Properties & Vescor	Q4 2024
1026 30 Avenue	Farm 40 Business Park	231,000	Leduc	York Realty	Q4 2024
2930 51 Avenue NW	Cornerstone Business Park – Building E	202,316	Edmonton	Triovest	Q4 2025
142 St & 162 Ave	Kohltech Windows & Doors Distribution Centre	140,000	Edmonton	Kohltech Windows & Doors	Q1 2025
279 St & 92 Ave	Convoy Supply Distribution Centre	100,000	Acheson	Convoy Supply	Q3 2024
27654 100 Ave	ERA Business Centre	75,666	Acheson	K&H Developments	Q4 2024

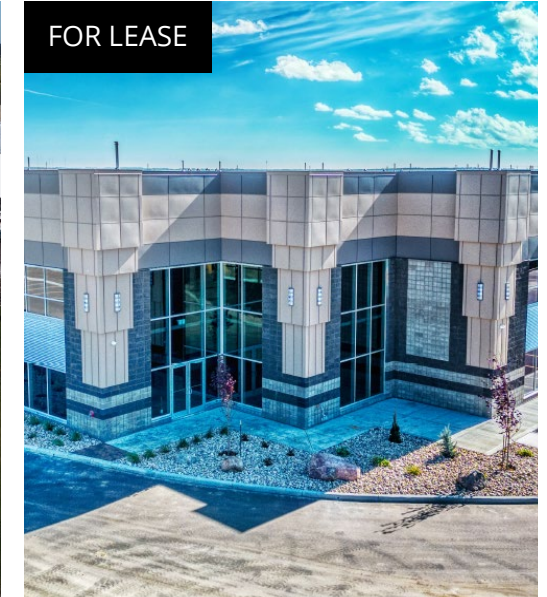
Five projects are anticipated to complete by the end of 2024. North 170 Henday Park in Edmonton will feature 500,000 sf. In Nisku, 41 Business Park - Building 1 will add 366,932 sf. The Farm 40 Business Park in Leduc will include 231,000 sf, and the ERA Business Centre in Acheson will offer 75,666 sf. The Convoy Supply Distribution Centre in Acheson will provide 100,000 sf.

# Featured listings



Address	The WIC (South)	ERA Business Centre	10918 - 184 Street	Fulton Creek Business Park
Region	South	Acheson	West	South
Features	<ul style="list-style-type: none"> <li>- Insulated precast concrete industrial condos</li> <li>- 26' clear and 14' x 16' grade loading docks</li> <li>- Dock levelers 40,000 lbs rollover capacity, hydraulically operated</li> <li>- 6" reinforced concrete, 200A at 347/600V</li> </ul>	<ul style="list-style-type: none"> <li>- 6,357 to 75,774 sf available</li> <li>- Approximately 4,000 sf of fenced, designated yard space per unit</li> <li>- Each unit features 2 loading doors - one dock door (9' x 10') and one grade door (14' x 18') or two grade doors (16' x 18')</li> <li>- 135 parking stalls available on site</li> </ul>	<ul style="list-style-type: none"> <li>- 66,133 sf on 7.68 acres</li> <li>- Fully fenced, gated, energized, and concrete yard with dual entry</li> <li>- 26 dock doors (10' x 8'), and 34 courier docks (10' x 6'), and 2 grade doors (14' x 12')</li> <li>- Building available for sale or lease, starting April 1, 2025</li> </ul>	<ul style="list-style-type: none"> <li>- 25,000 sf to 49,933 sf available immediately in Building 1</li> <li>- Up to 92,1273 sf available immediately in Building 2</li> <li>- Up to 1.8 msf and 70 acres available for build-to-suit or lease</li> <li>- 2.99 acres of retail land for sale</li> </ul>
	<a href="#">Click to view property</a>	<a href="#">Click to view property</a>	<a href="#">Click to view property</a>	<a href="#">Click to view property</a>

# Featured listings



Address	Cityview Business Centre	18410 - 118A Avenue	Rampart Building III	Blackmud Creek Industrial Estates
Region	South	South	West	Nisku
Features	<ul style="list-style-type: none"> <li>- 8,201-72,547 sf available</li> <li>- Six months gross rent on any lease of five years or longer</li> <li>- Every vacancy is move-in ready</li> <li>- Suitable for warehousing, distribution or light manufacturing</li> </ul>	<ul style="list-style-type: none"> <li>- 30,297 sf on 3.56 acres</li> <li>- 23,913 sf warehouse and 6,384 sf office space</li> <li>- 26.5 feet with drive-thru and dock loading</li> <li>- Lighting to be upgraded to LED</li> </ul>	<ul style="list-style-type: none"> <li>- 95,877 sf available</li> <li>- 32' clear and 14' x 14' grade loading docks</li> <li>- 60' concrete pad and 60' speed bay</li> <li>- 8'x6"x0' loading docks with levellers and electric openers</li> </ul>	<ul style="list-style-type: none"> <li>- 36,596 sf available for tenant fixturing</li> <li>- Direct frontage to the Nisku Spine Road, a prominent heavy/high load corridor</li> <li>- Immediate connectivity to the QEII highway and Anthony Henday Drive</li> <li>- Planned future yard area</li> </ul>
	<a href="#">Click to view property</a>	<a href="#">Click to view property</a>	<a href="#">Click to view property</a>	<a href="#">Click to view property</a>

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

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