



Market Facts

7.6%

Vacancy
(Q1 2019: 7.4%)

8.5%

Availability*
(Q1 2019: 8.6%)

276,000 SF

Absorption
(Q1 2019 - 803,000 SF)

1,718,000 SF

Under Construction
(Q1 2019: 2,189,000 SF)

713,000 SF

Completed New Supply
(Q1 2019: 0 SF)

*Includes properties under construction which are expected to be completed within 6 months

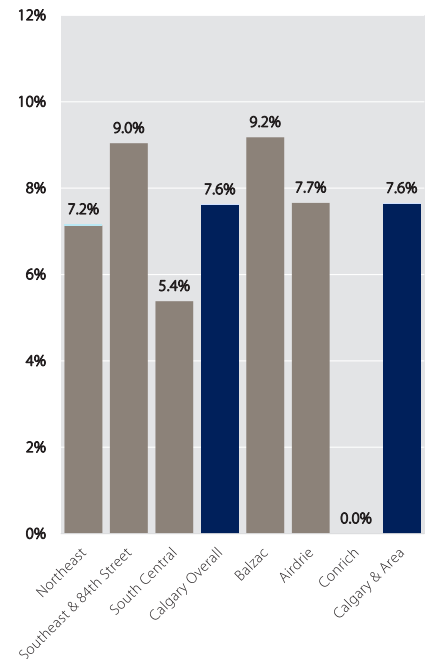
Second Quarter 2019 / Industrial Market Report

Calgary

Market Highlights

- Second-quarter (Q2) 2019 marks nine consecutive quarters of positive absorption. 2018, with 3.6 million square feet (msf) of positive absorption, was the strongest year of absorption since 2015. Meanwhile, 2019 has started on a strong foot, with over 1msf of positive absorption recorded in the first half of the year.
- While vacancy did increase in Q2 2019, versus the previous quarter, the increase came about as a result of new supply coming onto the market faster than it could be absorbed. Industrial vacancy for Calgary and area increased to 7.6% during the second quarter of 2019 from 7.4% in first-quarter 2019, but remains down from 7.7% recorded 12 months ago.
- 242,000 sf of new construction commenced in Q2 2019 and 713,000 sf of new supply was delivered in second-quarter 2019. Calgary is in the midst of a sizeable development cycle, with 2.4 msf expected to be completed in 2019, while 2018 saw 3.6 msf of new supply added to the market.
- In the owner-user market, condominium properties continue to increase in popularity and are generally an economic alternative versus freestanding buildings.
- The current forecast for the Calgary industrial market is for continuing positive absorption in 2019 and into 2020.

Calgary Average Industrial Vacancy Rates by Location



Calgary Average Industrial Rental Rates by Size



UNEMPLOYMENT RATE

(July 2019) **6.9%**

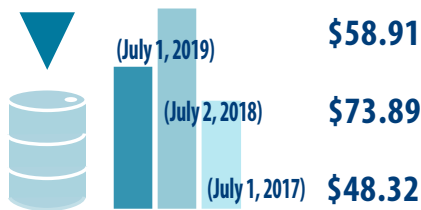
(July 2018) **7.8%**

(July 2017) **8.5%**

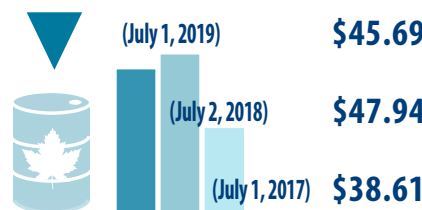
Source: Statistics Canada

		VACANCY	QUARTERLY ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	QUARTERLY NEW SUPPLY (SF)
Northeast	Q2 2019:	7.1%	-128,943	824,796	0
	Q1 2019:	6.9%	157,773	824,796	0
	Q2 2018:	7.4%	682,445	1,224,248	0
Southeast & East of 84th Street	Q2 2019:	9.0%	163,739	330,544	712,730
	Q1 2019:	8.3%	393,243	839,843	0
	Q2 2018:	9.2%	-521,350	491,788	207,296
South Central	Q2 2019:	5.4%	151,387	0	0
	Q1 2019:	5.9%	-163,292	0	0
	Q2 2018:	5.4%	-80,017	0	0
Balzac	Q2 2019:	9.2%	125,494	524,490	0
	Q1 2019:	11.2%	421,046	524,490	0
	Q2 2018:	9.6%	60,741	1,018,346	0
Airdrie	Q2 2019:	7.7%	-35,343	38,139	0
	Q1 2019:	6.9%	-5,574	0	0
	Q2 2018:	6.0%	-34,676	19,775	0
Conrich	Q2 2019:	0.0%	0	0	0
	Q1 2019:	0.0%	0	0	0
	Q2 2018:	0.0%	416,000	0	416,000
Overall	Q2 2019:	7.6%	276,334	1,717,969	712,730
	Q1 2019:	7.4%	803,196	2,189,129	0
	Q2 2018:	7.7%	523,143	2,754,157	623,296

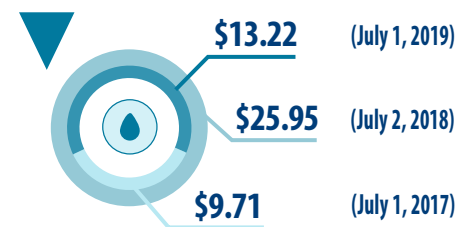
WTI SPOT PRICE (\$US/BARREL)



WCS SPOT PRICE (\$US/BARREL)

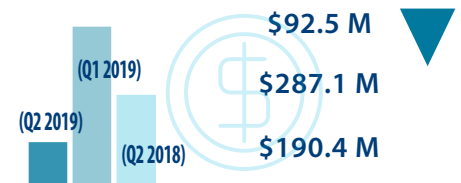


DIFFERENTIAL (\$US/BARREL)



Source: U.S. Energy Information Administration, Bloomberg

QUARTERLY PROPERTY SALES VOLUME (\$CAD)



Calgary CMA*
Industrial property sales valued >+\$1,000,000 CAD
Property Sales Source: RealNet Canada Inc.

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