

Market Facts

7.9% ↘

Vacancy
(Q3 2019: 8.1%)

8.4% ↗

Availability*
(Q3 2019: 8.3%)

719,000 SF +

Absorption
(Q3 2019 - 576,000 SF)

829,000 SF ↗

Under Construction
(Q3 2019: 376,000 SF)

456,000 SF ↗

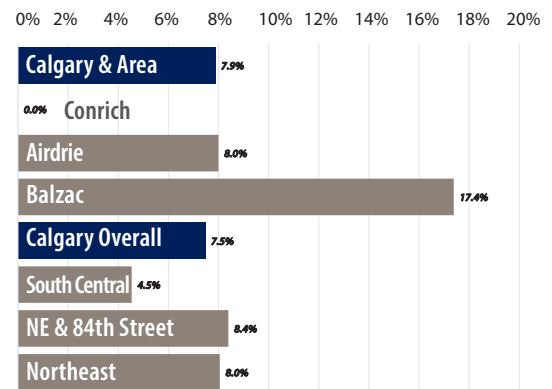
Completed New Supply
(Q3 2019: 1,342,000 SF)

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

Market Highlights

- Fourth-quarter 2019 marks 11 consecutive quarters of positive absorption. While still the second-highest absorption year since Calgary's downturn started, 2019 saw slower absorption at 2.4 msf than 2018, which saw 3.8 msf of absorption.
- As a result of slowdown in new supply being delivered to the market, industrial vacancy for Calgary and area decreased to 7.9% during the fourth quarter of 2019 from 8.1% in third-quarter 2019, and is steady with last year's vacancy at the end of fourth-quarter 2018.
- 456,000 sf of new supply was delivered in fourth-quarter 2019, a clear yet predictable slowdown in the vigorous development cycle which took place over the last two years, which has seen 6.1 msf added to the Calgary industrial market since the beginning of 2018. 829,000 sf of new industrial properties remain under construction as of the end of 2019.
- Calgary's industrial real estate market is performing well compared with other sectors in the market. Investors are attracted to the well performing distribution centre assets leading industrial real estate to take over the position as highest investment sector in Calgary.
- The current forecast for the Calgary industrial market is for continuing positive absorption in 2020 likely totaling on an annual basis roughly what was achieved in 2018. Further development in all product classes is expected to take place when the new construction season begins in the spring of 2020.

Calgary Average Industrial Vacancy Rates by Location



Calgary Average Industrial Rental Rates by Size



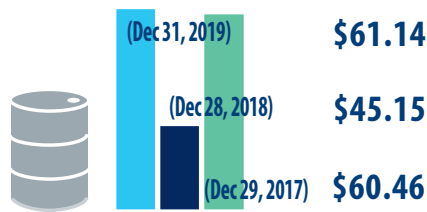
UNEMPLOYMENT RATE



Source: Statistics Canada

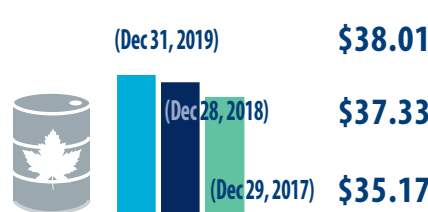
		INVENTORY (SF)	VACANCY	QUARTERLY ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	QUARTERLY NEW SUPPLY (SF)
Northeast	Q4 2019:	50,078,813	8.0%	396,165	29,250	338,124
	Q3 2019:	49,740,689	8.2%	-89,747	338,160	486,636
	Q4 2018:	49,254,053	7.2%	242,948	824,796	971,113
Southeast & East of 84th Street	Q4 2019:	63,550,837	8.4%	-70,227	344,035	0
	Q3 2019:	63,550,837	8.3%	776,396	0	330,544
	Q4 2018:	62,507,563	8.9%	640,162	839,843	203,867
South Central	Q4 2019:	30,007,953	4.5%	192,422	89,752	0
	Q3 2019:	30,007,953	5.2%	61,606	0	0
	Q4 2018:	30,007,953	5.3%	-4,817	0	0
Balzac	Q4 2019:	6,661,927	17.4%	62,613	409,360	0
	Q3 2019:	6,661,927	18.3%	-132,930	0	524,490
	Q4 2018:	6,137,437	18.1%	-94,703	524,490	684,861
Airdrie	Q4 2019:	4,832,934	8.0%	58,260	0	38,139
	Q3 2019:	4,894,795	8.5%	-39,278	38,139	0
	Q4 2018:	4,794,795	6.8%	-15,770	0	0
Conrich	Q4 2019:	680,802	0.0%	0	0	0
	Q3 2019:	680,802	0.0%	0	0	0
	Q4 2018:	680,802	0.0%	0	0	0
Overall	Q4 2019:	155,813,266	7.9%	639,233	872,397	376,263
	Q3 2019:	155,437,003	8.1%	576,047	376,299	1,341,670
	Q4 2018:	153,382,603	7.9%	767,820	2,189,129	1,859,841

WTI SPOT PRICE (\$US/BARREL)



Source: U.S. Energy Information Administration, Bloomberg

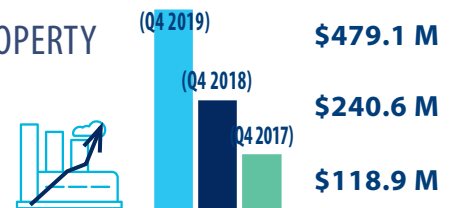
WCS SPOT PRICE (\$US/BARREL)



DIFFERENTIAL (\$US/BARREL)



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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