

# Greater Edmonton Area

## Industrial

It is no secret that COVID-19 has disrupted the flow of the Alberta market. In addition to what is now being recognized as a global pandemic, many groups in the province are feeling the impact of decade low Western Canadian Select prices – ending March at \$12.73 per barrel<sup>1</sup> – and the general decrease in demand, which is a combined result of increased quarantine measures and the price war being instigated by Saudi Arabia.<sup>2</sup>

However, a small percentage of groups are maintaining business as usual, and fewer still that are seeing growth. Because of this phenomenon, space demands have

changed to adapt to the current industrial climate. Some groups who were in the middle of real estate transition planning are looking for short term leases to store their equipment. Others require new partnerships with 3PL groups as they look to create an online presence. Many have or will need rent deferral, which means a cooperative effort from tenants, landlords, and lenders. What is clear in this constantly shifting business climate, is that every company is evaluating their current situation and will require creative, unique solutions to weather this storm.

The Avison Young Industrial team is focused on ensuring our clients are supported with the information and resources they need to persevere during this difficult time. With decades of combined experience in the industrial market, we are here to find creative solutions to your unique requirements. Should you need any help, please do not hesitate to reach out to one of our team. We are, after all, in this together.

1: <https://www.gljpc.com/price-charts>  
 2: <https://www.bloomberg.com/news/articles/2020-04-01/saudi-arabia-resists-trump-s-attempt-to-broker-an-oil-war-truce>

## Market by the Number

	Total Inventory	Direct Vacancy	Sublease Vacancy	Vacancy Rate	Vacancy Direct	Vacancy Sublease	Serviced Land Cost
<b>CITY OF EDMONTON</b>							
South/Southeast	53,630,457	2,805,638	154,647	5.5% ▼ (1.0%)	5.2% ▼ (0.9%)	0.3% ▼ (0.1%)	\$650,000 - \$800,000
Northwest	60,714,165	3,188,268	139,669	5.5% - -	5.3% - 0.0%	0.2% - 0.0%	\$625,000 - \$725,000
Northeast	6,809,847	305,531	-	4.5% ▲ 2.6%	4.5% ▲ 2.7%	- ▼ (0.1%)	\$525,000 - \$650,000
Central	3,959,926	81,076	-	2.0% ▲ 1.0%	2.0% ▲ 1.0%	- - -	-
<b>SURROUNDING DISTRICTS</b>							
Acheson	8,245,536	173,887	58,860	2.8% ▲ 0.3%	2.1% ▲ 0.1%	0.7% ▲ 0.2%	\$400,000 - \$575,000
Sherwood Park	6,365,000	255,263	-	4.0% ▼ (2.8%)	4.0% ▼ (2.8%)	- - -	\$650,000 - \$750,000
Nisku/Leduc	18,225,582	1,403,671	1,800	7.7% ▲ 0.5%	7.7% ▲ 0.7%	0.0% ▼ (0.2%)	\$450,000 - \$650,000
<b>TOTALS</b>							
City	125,114,395	6,380,513	294,316	5.3% ▼ (0.2%)	5.1% ▼ (0.2%)	0.2% - -	-
Surrounding	32,836,118	1,832,821	60,660	5.8% ▼ (0.2%)	5.6% ▼ (0.1%)	0.2% ▼ (0.1%)	-
Overall	157,950,513	8,213,334	354,976	5.4% ▼ (0.2%)	5.2% ▼ (0.2%)	0.2% - -	-

Net Asking Rent By Bay Size:	Southeast		Northwest		Northeast		Leduc/Nisku		Sherwood Park		Acheson	
	Multi-Tenant	Free-standing	Multi-Tenant	Free-standing	Multi-Tenant	Free-standing	Multi-Tenant	Free-standing	Multi-Tenant	Free-standing	Multi-Tenant	Free-standing
0 - 5,000 sf	\$10.00	\$12.00	\$11.00	\$11.00	\$9.50	-	\$10.00	\$14.00	\$14.25	-	\$11.00	-
5,001 sf - 10,000 sf	\$9.50	\$12.00	\$10.00	\$10.00	-	\$17.00	\$10.50	\$13.00	\$14.00	\$11.00	\$10.00	-
10,001 sf - 20,000 sf	\$9.25	\$11.50	\$8.25	\$10.00	-	-	\$11.00	\$12.00	\$12.00	\$12.00	\$14.50	\$15.00
20,001 sf - 50,000 sf	\$9.00	\$10.00	\$7.50	\$9.50	\$6.50	-	\$10.50	\$10.00	\$11.50	-	-	\$14.75
50,001 sf & Up	\$8.00	\$9.00	\$7.00	\$7.50	-	-	\$9.00	\$9.00	\$11.50	\$9.25	-	-

### Quick Stats

**5.4%**  
Overall Vacancy rate

**-0.8%**  
Year-over-Year change in Vacancy Rate

**0**  
New Q1 Supply

**2.2m**  
Total space under construction

**6**  
Number of properties in the Greater Edmonton Market with more than 150,000 sf available

Avison Young Industrial Team  
 780.428.7850  
 edmonton.industrial@avisonyoung.com



avisonyoung.com

