

# Edmonton



## Inside Report

Major projects in Edmonton's surrounding areas signal a change in construction output.

## Under Construction



**837,000 SF**

Vacancy  
Edmonton



**6.7%**

Nisku/Leduc



**8.0%**

## MARKET UPDATE

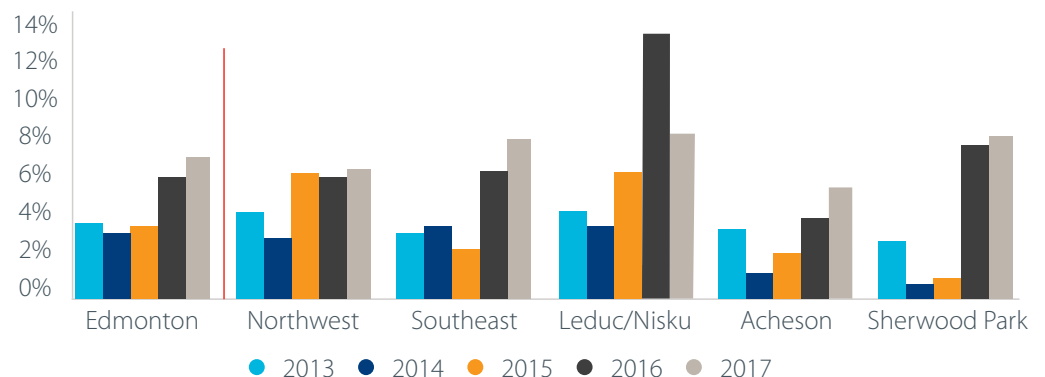
To reflect strong first half economic activity, forecasted real GDP growth was adjusted to 3.1% in 2017, up from the 2.6% growth forecast in the Government of Alberta's Budget 2017.

Alberta has added nearly 50,000 net jobs YTD in the manufacturing, natural resources, and transportation sectors - 19,000 of which are in the Greater Edmonton Area.

Exports and manufacturing sales have surged since bottoming out in 2016. Exports are expected grow by 5.8% in 2017 and 4.2% in 2018.

Alberta drilling activity through three quarters has surpassed 2016 in rig count and metres drilled. Chevron Corp commenced a development strategy in the Duvernay shale basin that could reach \$1 billion in investment over three years.

## Edmonton Industrial Submarket Vacancy



## Alberta Major Projects



### Champion Pet Foods Manufacturing Plant

Acheson Industrial Park

Area: 371,000 sf

Operational: Spring 2019

The state-of-the-art production facility will include an on-site warehouse and logistics centre. Construction began in July and is expected to bring 340 jobs to Parkland County while the plant's operations will employ 200 upon completion. The nearly 400,000 sf facility will increase Acheson's Industrial inventory space by four to five per cent in the second quarter of 2019.

Estimated Capital Cost:

**\$200 MILLION**



### Ford Motor Company Distribution Centre

Nisku-Leduc

Area: 400,000 sf

Operational: Fall 2018

Ford Motor Company will inject 400,000 sf of warehouse space in third quarter of 2018 with the completion of an automotive parts warehouse and distribution centre in Leduc Business Park. The move from its current distribution centre in Edmonton's West End will nearly double its existing operating space. The facility is expected bring 70 additional jobs to the area upon completion.

Estimated Cost:

**\$45 MILLION**

### Enbridge Line 3 Replacement Program

Hardisty, Alberta to Superior, Wisconsin

Length: 1,660 km

Operational: Fall 2019

The Enbridge Line 3 Replacement will expand crude oil exports by replacing existing 34-inch with 36-inch diameter pipe. Construction began in Hardisty, Alberta in August and is expected to employ hundreds across Alberta, Saskatchewan, Manitoba and the U.S. during its two-year construction. Upon completion, the pipeline will hold capacity of 760,000 BOE/D and represent growth in Alberta's export volumes.

Estimated Capital Cost:

**\$8.9 BILLION**



## Notable Building Sale Transactions (July, August, September)

Location	Subdivision	Sale Date	Property	Sale Price	Unit Price (psf)	Vendor	Purchaser
4103 - 84 Avenue	Morris Industrial	30-Aug-17	162,975 sf on 6.97 acres	\$13,500,000	\$82.83	Artis Sherwood Industrial Ltd.	The Goldman Group Ltd. *
20 Turbo Drive	Sherwood Park	13-Jul-17	21,000 sf on 5.93 acres	\$5,650,000	\$269.05	Tri-Line Carriers GP Inc.	North West Paving Ltd.
4104 - 99 Street	Strathcona Industrial Park	26-Jul-17	51,302 sf on 3 acres	\$5,425,000	\$105.75	York Realty Inc.	Leeken Holdings Ltd.
2323 - 4 Street	Nisku	14-Jul-17	77,775 sf on 11.24 acres	\$5,350,000	\$68.79	Esco Canada Ltd.	Western Modular Homes Inc.
35 Calder Place	St. Albert	25-Aug-17	61,503 sf on 3.66 acres	\$5,200,000	\$84.55	PIRET Holdings Inc.	Orion Plastics Inc.
6125 - 56 Avenue	Roper Industrial	31-Jul-17	33,174 sf on 1.65 acres	\$4,820,000	\$145.29	Columbia Finance Corporation Ltd.	2037741 Alberta Ltd.

\*Completed by Avison Young

## Feature Listings

### 18420 - 118A AVENUE

18420 - 118A Avenue, Edmonton, AB

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FOR LEASE

TOTAL SF: 15,216 sf  
SITE SIZE: 3.48 acres  
• Freestanding building with convenient access to major arterial roadways

### 12150 - 160 STREET

12150 - 160 Street, Edmonton, AB

FOR SALE/LEASE

TOTAL SF: 36,806 sf  
SITE SIZE: 2.99 acres  
• Freestanding distribution/manufacturing building with fully fenced yard

### RAMPART BUSINESS PARK

15812/16 - 142 Street, Edmonton, AB

FOR LEASE

TOTAL SF: 121,000 sf  
• Building 4 ready for tenant improvements Fall 2018, excellent access and egress, attractive design and curb appeal

### 74 LIBERTY ROAD

74 Liberty Road, Sherwood Park, AB

FOR SALE/LEASE

TOTAL SF: 14,776 sf  
SITE SIZE: 2.00 acres  
• Excellent curb appeal with completely fenced and graveled yard

### HOMENUK FARMS LAND

19060 - 118A Avenue, Edmonton, AB

FOR SALE

SITE SIZE: 15.63 acres  
• Close proximity to Anthony Henday Drive, Yellowhead Trail and 184 Street, excellent access/egress with all directional interchange




### 3300 - 76 AVENUE

3300 - 76 Avenue, Edmonton, AB

FOR SALE/LEASE

SITE SIZE: 9.40 acres  
• Site is fully serviced, direct exposure to 34 Street and 76 Avenue, close to Sherwood Park Freeway and only two right turns to the Anthony Henday

## Notable Lease Transactions (July, August, September)

Location	Commencement	Size (sf)	Tenant
South Central Business Park Phase II Building D	01-Oct-18	11,866	Group Six Technologies
Sunwapta Business Centre Building B	01-Apr-18	26,520	Sagiper North America Inc. * 
Cityview Business Park Building 10	01-Mar-18	29,600	GES Canada
Northwest Business Park	01-Dec-17	15,434	InStone Distribution Ltd.* 
7504 - 52 Street	01-Nov-17	35,647	Howco Group Canada Limited* 

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## Market By The Numbers

	Total Inventory	Direct Vacancy	Sublease Vacancy	Vacancy Rate	Vacancy Direct	Vacancy Sublease	Serviced Land Cost
<b>CITY OF EDMONTON</b>							
Southeast	53,261,021	3,666,549	490,671	7.8% ▲ 0.5%	6.9% ▲ 0.6%	0.9% ▼ (0.1%)	\$700,000+
Northwest	59,835,641	3,681,252	302,474	6.7% ▲ 0.3%	6.2% ▲ 0.6%	0.5% ▼ (0.3%)	\$700,000+
Northeast	6,493,830	67,773	-	1.0% ▼ (0.2%)	1.0% ▼ (0.2%)	- - -	\$525,000
Central	3,738,414	63,878	48,188	3.0% ▲ 0.7%	1.7% - -	1.3% ▲ 0.7	-

<b>SURROUNDING DISTRICTS</b>							
Acheson	7,844,536	425,581	11,825	5.6% ▲ 1.2%	5.4% ▲ 1.2%	0.2% - -	\$450,000+
Sherwood Park	6,365,000	499,027	14,348	8.1% ▼ (2.1%)	7.8% ▼ (2.1%)	0.2% - -	\$600,000
Nisku/Leduc	12,464,668	943,547	53,628	8.0% ▼ (3.0%)	7.6% ▼ (2.4%)	0.4% ▼ (0.6%)	\$500,000

<b>TOTALS</b>							
City	123,328,906	7,479,452	841,333	6.7% ▲ 0.4%	6.1% ▲ 0.5%	0.7% ▼ (0.2%)	-
Surrounding	26,674,204	1,868,155	79,801	7.3% ▼ (1.5%)	7.0% ▼ (1.3%)	0.3% ▼ (0.3%)	-
Overall	150,003,110	9,347,607	921,134	6.8% ▲ 0.1%	6.2% ▲ 0.2%	0.6% ▼ (0.2%)	-

	Southeast		Northwest		Northeast		Leduc/Nisku		Sherwood Park		Acheson	
Net Asking Rent By Bay Size:	Multi - Tenant	Freestanding	Multi - Tenant	Freestanding	Multi - Tenant	Freestanding	Multi - Tenant	Freestanding	Multi - Tenant	Freestanding	Multi - Tenant	Freestanding
0 - 5,000 sf	\$10.00	\$15.00	\$9.50	\$14.00	\$9.50	\$12.00	\$10.00	\$14.00	\$12.00	\$15.00	\$11.00	\$14.00
5,001 sf - 10,000 sf	\$9.50	\$13.00	\$9.00	\$11.00	\$9.00	\$10.00	\$10.00	\$12.00	\$12.00	\$14.00	\$10.00	\$15.00
10,001 sf - 20,000 sf	\$9.00	\$11.00	\$9.00	\$10.00	\$8.50	\$10.00	\$9.00	\$11.00	\$10.00	\$12.00	\$9.50	\$12.50
20,001 sf - 50,000 sf	\$8.50	\$10.00	\$8.00	\$9.00	\$7.50	\$10.00	\$8.50	\$10.00	\$9.00	\$10.00	\$9.00	\$13.00
50,001 sf & Up	\$7.50	\$9.00	\$7.25	\$7.75	\$6.50	\$8.00	\$8.00	\$8.50	\$8.00	\$9.25	\$9.00	\$10.00



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E. & O.E.: The information contained herein was obtained from sources which we deem reliable and, while thought to be correct, is not guaranteed by Avison Young.

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