

Q1 | 2017



CALGARY INDUSTRIAL REAL ESTATE MARKET OVERVIEW



Current Vacancy

7.99%
OVERALL Q1 RATE



+0.23%
FROM Q4 2016

Q1 2017 Absorption

+8,845
SQUARE FEET

- > Vacancy increased by 0.23% or 376,041 square feet from Q4 2016
- > Speculative construction underway is 473,517 square feet
- > YTD Absorption is **+8,845** sq.ft.
- > **Sublease Availability** is 1,773,987 square feet or 10.1% of all *available area*
- > **For Lease Availability** is 11,024,640 square feet or 62.8% of all *available area*
- > **TOTAL Availability** is 17,726,024 square feet or 12.5% of the entire market

Industrial vacancy rates continued to rise across the Calgary Area, with the exception of the Southeast market through the first quarter of 2017. Out of 140 million square feet of total inventory in the Greater Calgary Area, the amount of vacant industrial product increased at the end of the first quarter by 376,041 square feet for a total of 11,254,979 square feet of vacancy. This equates to an increased vacancy rate of 0.23% since the end of 2016 and a recorded peak of 7.99% of vacant product.

Notable transactions this quarter were the Calgary Archives expansion of 64,716 square feet, and THULE moving into GRAF's former space of 35,000 square feet. Despite an increase in overall vacancy, there has been a resurgence of activity in the quality small bay category, which could be a sign of a turning market.

Positive net absorption at the end of the first quarter totaled 8,845 square feet across the Greater Calgary Area market. This marked the second consecutive quarter of positive absorption showing a flattening in the market as absorption was near zero. As existing construction projects start to release more space to the market we may see future vacancy rise, however with the limited amount of new construction coming online, we believe leasing and sales of existing inventory will outpace new construction. As vacancy is at record highs, we are also seeing more activity which should start to translate into transactions and a lower vacancy rate for the balance of 2017.

The next two quarters will show if we are at the bottom of the market with the oil and gas service sectors or not. All other industries are showing signs of stability which is positive.

Vacancy by Quadrant

Central	4.40%	↑
North East	9.38%	↑
South East	7.96%	↓
GCA (Out of Town)	12.73%	↑

FOR SALE



AVAILABLE AREA:

Main Floor Office:	15,705 sq.ft.
2nd Floor Office:	15,715 sq.ft.
Shop:	128,041 sq.ft.
TOTAL:	159,461 sq.ft.

SITE SIZE: 36.88 acres

PURCHASE PRICE:

\$39,900,000.00 (\$250 per square foot)

This state-of-the-art Industrial Manufacturing Facility features 'A' class office and excess land in a prime location situated north of the YYC Calgary International Airport

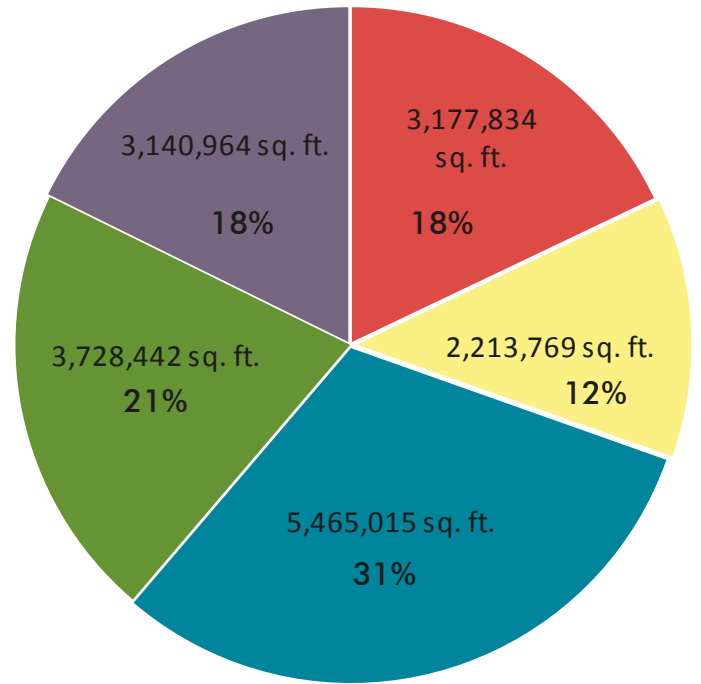
10121 BARLOW TRAIL NE, CALGARY, AB

MARKET STATISTICS

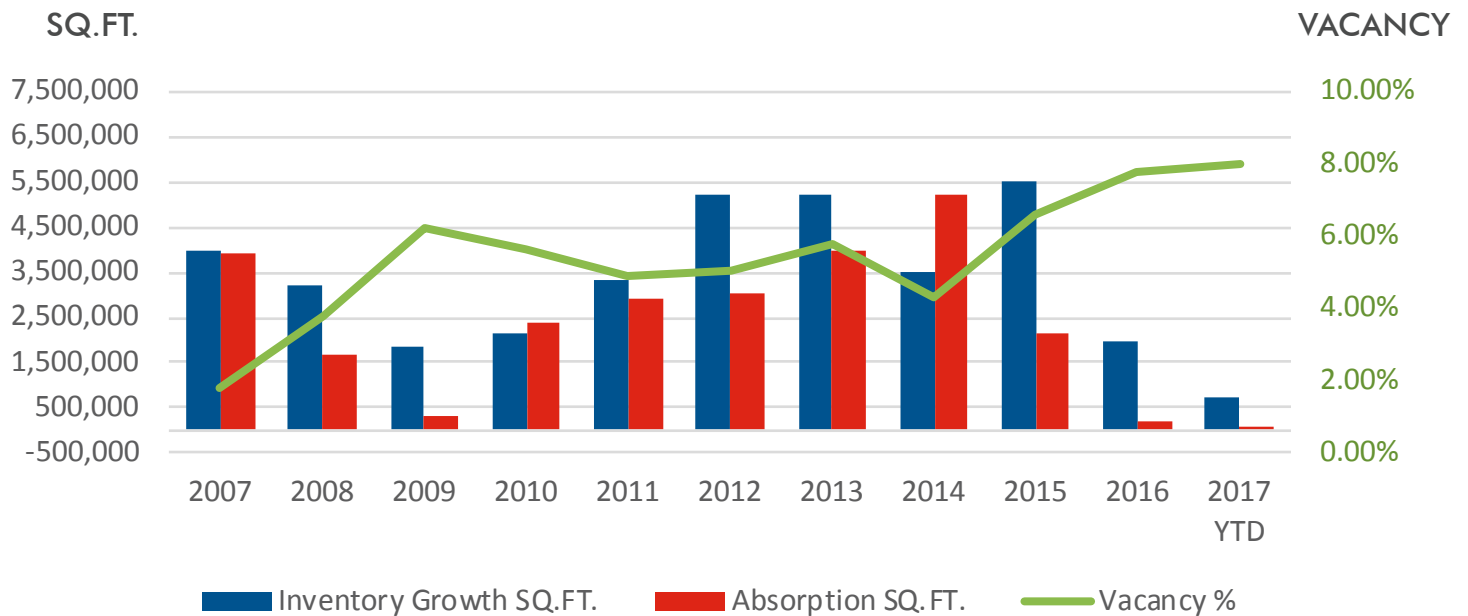
Breakdown of Industrial Availability (17,726,024 Square Feet)

Availability includes vacant space, occupied space being marketed, and speculative space under construction

SIZE (SF)	% OF TOTAL SQ.FT.	NUMBER OF OPTIONS
1 - 10,000	18%	401
10,001 - 20,000	12%	113
20,001 - 50,000	31%	110
50,001 - 100,000	21%	39
100,001+	18%	17
TOTAL	100%	680



YEARLY INDUSTRIAL INDICATORS



FEATURE PROPERTIES

NOTABLE TEAM LISTINGS



FOR LEASE



FOR LEASE

ADDRESS 7745 - 66th Street SE, Calgary
SIZE 15,784 square feet on 1.56 acres

1338 - 36th Avenue NE, Calgary
 25,364 square feet

NOTABLE TEAM TRANSACTIONS



LEASED



SOLD

ADDRESS 1819 - 120th Avenue NE, Bays 4 - 12
SIZE 76,444 square feet

4303 - 11th Street NE
 15,018 square feet



LEASED



LEASED

ADDRESS 10 Smed Lane SE, Unit 180
SIZE 18,416 square feet

4025 - 9th Street SE
 18,581 square feet

The BSRE Industrial Team would like to thank the following clients for their business in the last quarter:

- | | | | |
|-------------------------------|--------------------------------|---------------------------------|----------------------------------|
| 1758980 Alberta Ltd. | E.B. Horsman & Son | Kashka Properties Inc. | Pro-Fab (Cozeburn) Holdings Inc. |
| 1864756 Alberta Ltd. | Enerflex Ltd. | New Heights Developments Inc. | Quest Integrity (Canada) LP |
| 1989895 Alberta Ltd. | Fairways Drywall Inc. | Norgar Management Limited | R-Cal Investments Ltd. |
| 414635 Alberta Ltd. | Farrell Ventures Inc. | Panterra (6035) Properties Inc. | Two Amigos & Company |
| Chase Auto Body Supplies Ltd. | Investors Group Trust Co. Ltd. | Panterra (5830) Properties Inc. | Unified Valve Group Ltd. |
| DCI Developments Corp. | INOVA Systems Corp. | PIRET (Eastlake) Holdings Inc. | |

SOLD



316,369 sf on 40.02 acres

LEASE RENEWAL



44,100 sf

LEASE



101,200 sf

LEASE



19,441 sf

DESIGN BUILD



22,849sf on 2.86 acres

DESIGN BUILD



14,787 sf on 1.23 acres

DESIGN BUILD



10,474 sf on 0.90 acres

SOLD



50,000 sf on 5.01 acres

DESIGN BUILD



96,905 sf on 7.69 acres

SOLD



7,900 sf on 1.49 acres

SOLD



60,265 sf on 22.75 acres

SOLD



DESIGN BUILD



44,000 sf on 2.49 acres

SOLD



38,940 sf on 3.69 acres

SOLD



SOLD

LOCAL EXPERTISE MATTERS

INDUSTRIAL REAL ESTATE SOLUTIONS

LEASING

SALES

LAND

DESIGN BUILD

JON MOOK 403-616-5239
jmook@barclaystreet.com

CASEY STUART 403-828-8669
cstuart@barclaystreet.com

ERIC BRENNER 403-714-4721
ebrenner@barclaystreet.com



LOCAL EXPERTISE MATTERS

WWW.BARCLAYSTREET.COM

Bay 117, 4950 - 106th Avenue SE, Calgary, AB T2C 5E9

This Short Financial Analysis ("SFA") does not purport to be all inclusive or to contain all the information that the prospective purchaser may require in deciding whether or not to purchase the Property. This SFA provides selective information relating to certain physical, locational and financial characteristics of the property. The information on which this SFA is based has been obtained from various sources considered reliable. Barclay Street real estate Ltd. makes no representations, declarations or warranties, express or implied, as to the accuracy or completeness of the information or statements contained herein or otherwise and such information or statements should not be relied upon by prospective purchasers without independent investigation and verification.