

## CALGARY INDUSTRIAL REAL ESTATE MARKET OVERVIEW

### Current Vacancy

**7.02%**  
OVERALL Q3 RATE



-0.65%  
FROM Q2 2017

### Q3 2017 Absorption

**+1,166,858**  
SQUARE FEET

### Vacancy by Quadrant

Central	4.89%	↓
North East	8.12%	↑
South East	6.69%	↓
GCA (Out of Town)	10.31%	↓

The end of the third quarter brings healthy activity from both the sales and leasing market throughout the Calgary area. Vacancy decreased by 0.65% this quarter marking the 2nd consecutive quarter of vacancy reduction since 2014. This quarter posted positive absorption of 1,166,858 square feet with a total of 1,243,395 square feet Sold, 1,791,026 square feet Leased, and 237,712 square feet of Sublease space that came off the market. Large format users took much of this space accounting for a considerable amount of this absorption with notable transactions at Nose Creek Business Park with new users such as Enterra who leased 166,000 square feet, and Modern Sales who leased 99,000 square feet. The Great Plains district witnessed a sizeable Investment Sale transaction of two buildings totaling 652,016 square feet selling for \$65,747,110, and the North Manchester district saw part of the former Safeway portfolio sale of two buildings totalling 343,191 square feet selling for \$15,000,000.

Active listings on the market total 652 spaces, with properties between 20,000 and 50,000 square feet representing 29% of total availability.

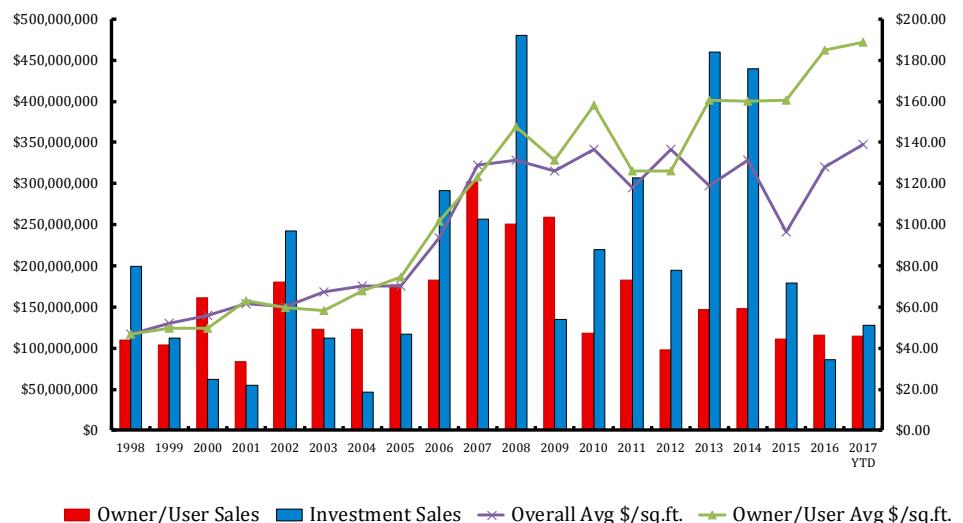
The total amount of Sublease space available this quarter is 1,400,000 square feet which represents 8.79% of total availability. This is a marked improvement from a year ago when Sublease space represented almost 13% of available space. With less Sublease space, Landlord's may encounter less competition at the lower end of the market to win a tenant, although tenants still have an abundance of Headlease options they can consider in most space categories which still provides for a competitive environment.

Next quarter's absorption will be crucial to continuing down the road of re-establishing a balanced market by the end of 2017, especially considering the increase in construction levels.

- Vacancy decreased by 0.65% or 894,739 square feet from Q2 2017
- Construction underway is 2,072,242 sq.ft.
- YTD Absorption is **+1,948,944** sq. ft.
- **Sublease Availability** is 1,409,095 square feet or 9.00% of all Available area
- **For Lease Availability** is 10,797,403 square feet or 67% of all Available area
- **TOTAL Availability** is 16,035,326 square feet or 11.00% of the entire market

Developer's shovels are back in the ground this quarter with over 2 million square feet of new industrial construction underway. This quarter's prominent projects are Amazon's 600,000 square foot building in Balzac, 266,515 square feet in Nose Creek Business Park in Balzac, and Whirlpool's 400,035 square foot design-build at CN's Calgary Logistics Park. Enright Capital has had strong success with Phase 1 at Airport Crossing and has broken ground on two additional buildings totaling 246,100 square feet. Although the Southeast district within the city limits has not recently experienced the same volume of multi-tenant development, leasing this quarter was relatively strong with the largest vacancy drop of 0.95% from last quarter for any district within city limits.

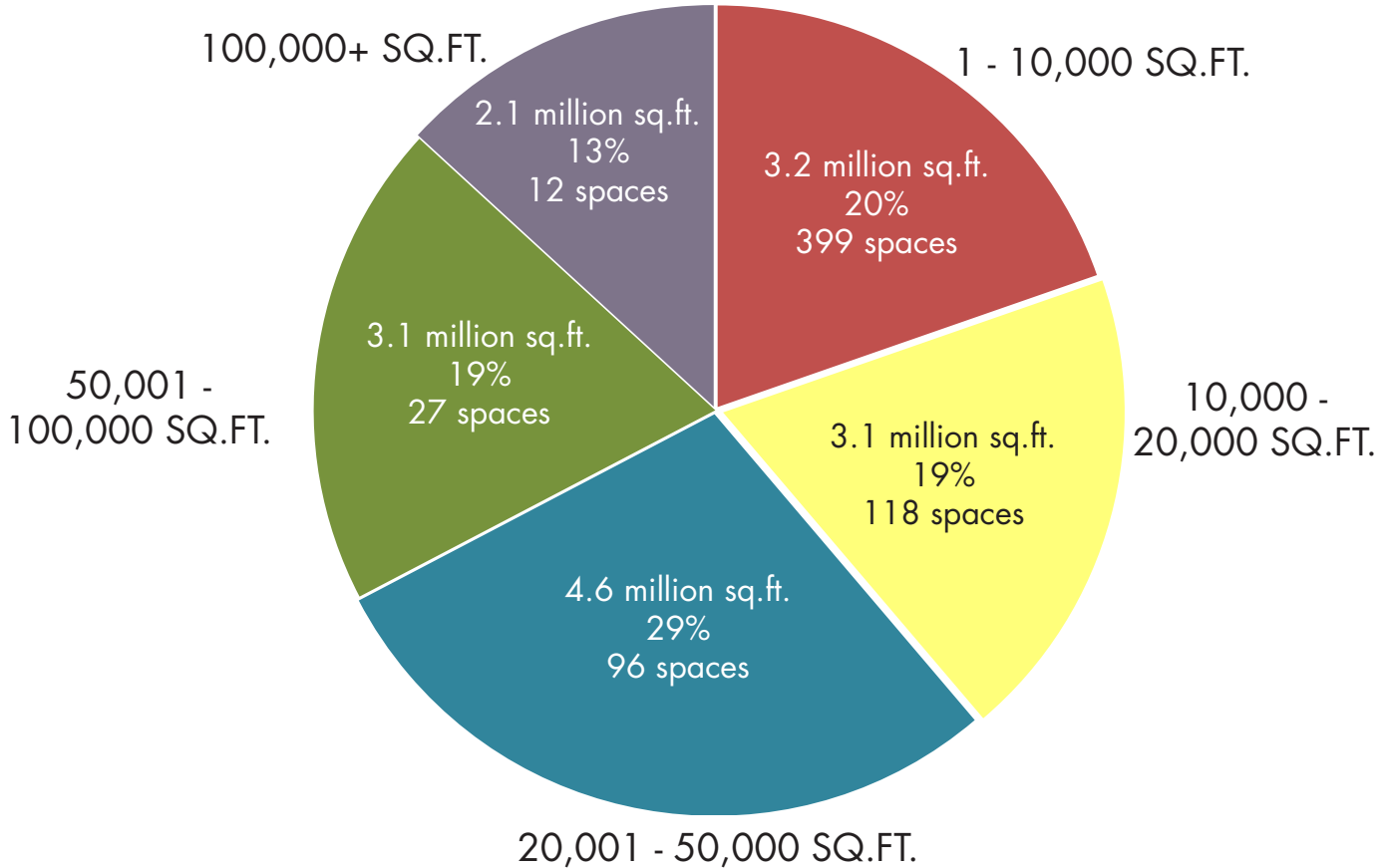
### Sales Volumes & Averages



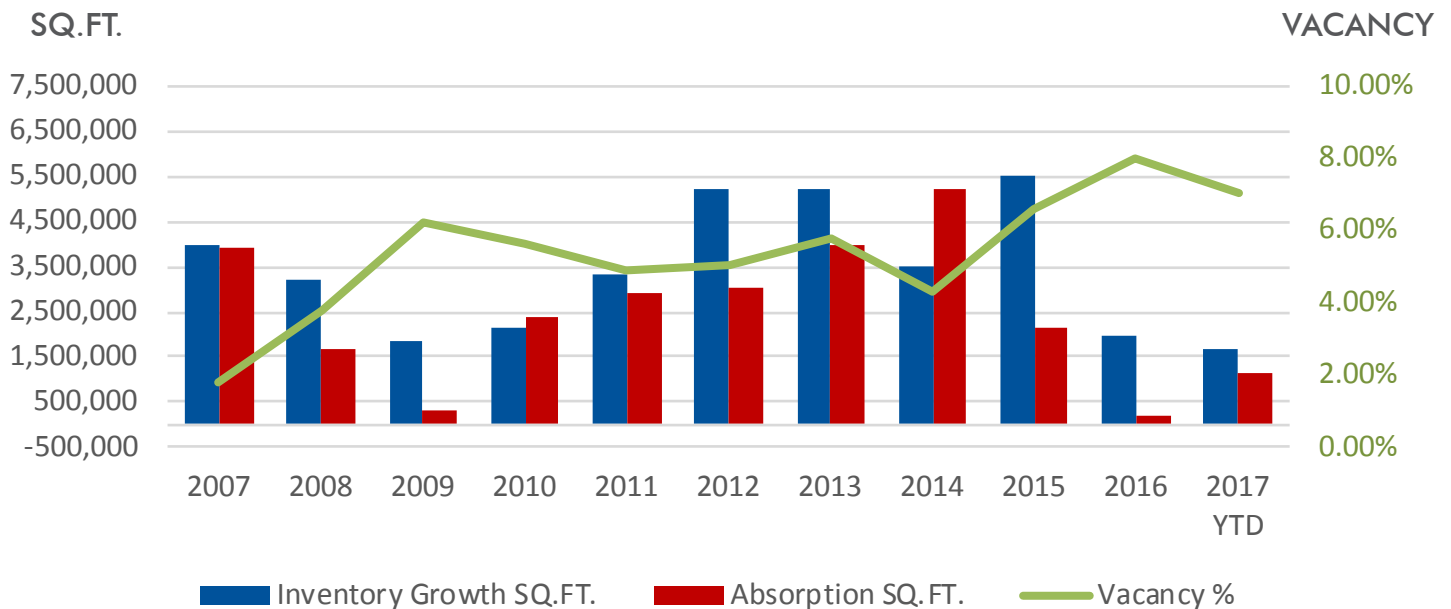
# MARKET STATISTICS

## Breakdown of Industrial Availability (16,035,326 Square Feet)

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



## YEARLY INDUSTRIAL INDICATORS



# FEATURE PROPERTIES

## NOTABLE TEAM LISTINGS



<b>ADDRESS</b>	2616 - 18th Street NE, Calgary	2721 Hopewell Place NE, Calgary
<b>SIZE</b>	45,523 square feet	28,000 square feet

## NOTABLE TEAM TRANSACTIONS



<b>ADDRESS</b>	4900 - 64th Avenue SE, Bay 10	8081 - 40th Street SE
<b>SIZE</b>	10,763 square feet	17,793 square feet



<b>ADDRESS</b>	28 Fulton Road, Fulton Industrial Park	4550 - 25th Street SE, Unit 136
<b>SIZE</b>	2.47 acres	11,680 square feet

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

EM Plastics & Electric Products Ltd.  
 Investors Group Trust Co. Ltd.  
 IntraPac Corporation  
 Fulton Industrial JV Inc.

Alberta Hardwood Flooring  
 Beau-Fab Inc.  
 Canadian Urban Limited

KCP Energy Inc.  
 Exxonmobil Canada Resources  
 Artis Stampede Ltd.

**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**

# LOCAL EXPERTISE MATTERS

## INDUSTRIAL REAL ESTATE SOLUTIONS

**LEASING**

**SALES**

**LAND**

**DESIGN BUILD**

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