

# Q1 | 2018



## CALGARY INDUSTRIAL REAL ESTATE MARKET OVERVIEW

### Q1 Vacancy

**5.66%**  
OVERALL Q1 RATE

-0.86%  
FROM Q4 2017

### Q1 Absorption

**+1,386,026**  
SQUARE FEET

### Vacancy by Quadrant

Central	4.46%	
North East	5.75%	
South East	5.70%	
Greater Area	8.25%	

The first quarter of 2018 was again characterized by strong leasing activity and a general tightening of the market. The result was a sizeable decrease in vacancy of 0.86%, bringing the overall GCA industrial vacancy rate to 5.66%. This positive trend marks five consecutive quarters of vacancy decline with a year over year decline of 2.33%. The change in vacancy equates to roughly 3,420,000 square feet of lease, sublease and sale transactions over a 12 month period. The 1,386,026 square feet of positive absorption works out to more than half of the total absorption for all of 2017.

The strength in occupier interest continued to shift away from a more heavily focused oil and gas manufacturing based industrial market to a significant distribution hub and inland port. As such, the greatest activity has been in the larger distribution type facilities.

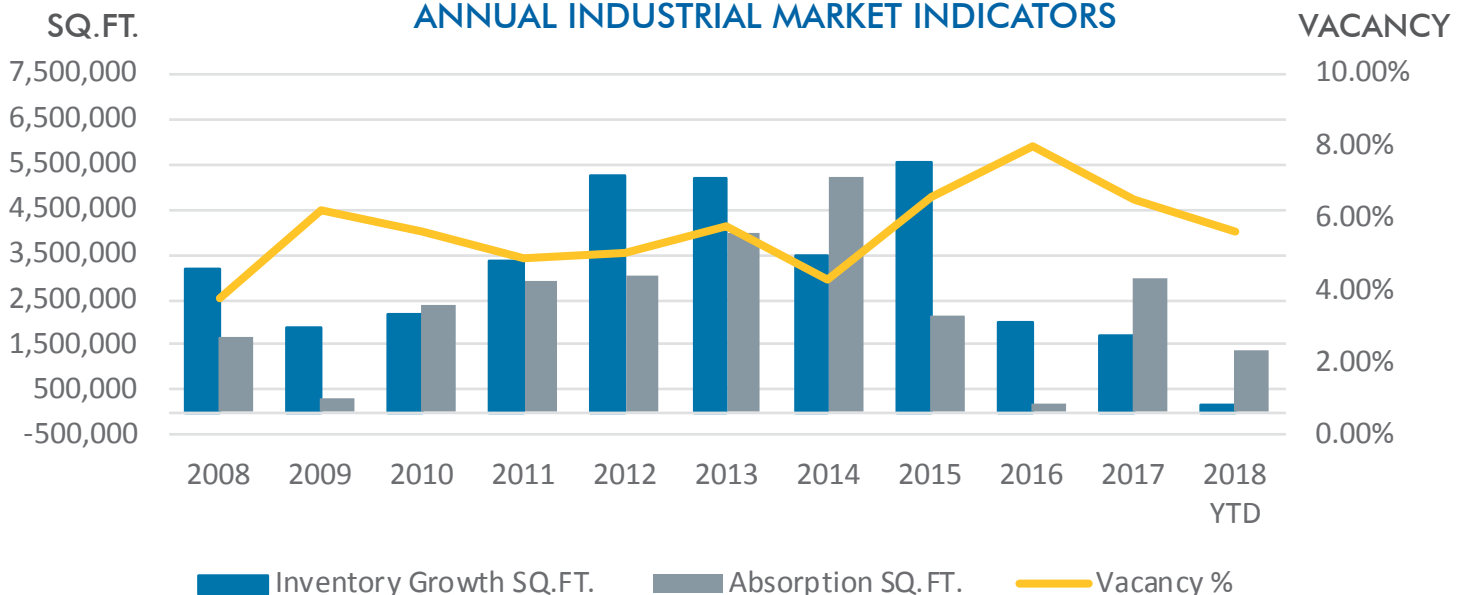
This type of product remained attractive to institutional development firms like ONE Properties, Hopewell, Triovest, QuadReal and Bentall Kennedy who collectively have over 1,900,000 sq. ft. of new product currently under construction with an additional 1,400,000 sq. ft. plus of planned institutional product on the near term horizon.

This institutional investment is largely derived from ongoing interest from large users in the Calgary area market. Examples of these types of users who have been active this past year include Amazon (600,000 sq. ft.), Whirlpool (400,000 sq. ft.), and Lowes Canada (377,000 sq. ft.).

There have been some early indications that facilities originally designed to serve as fabrication shops related to oil and gas service are being repurposed as truck and equipment service facilities for transportation and logistics companies.

Sales activity has increased with the most prominent sale transaction this quarter being a 212,032 sq. ft. distribution facility from Sobeys to TCS Alberta for \$15,000,000.

### ANNUAL INDUSTRIAL MARKET INDICATORS



# MARKET STATISTICS

## BREAKDOWN OF INDUSTRIAL AVAILABILITY\*

15,016,859 TOTAL SQ.FT. AVAILABLE | 663 TOTAL LISTINGS

0 - 10,000 SF ≡	10,001 - 20,000 SF ≡	20,001 - 40,000 SF ≡	40,001 - 80,000 SF ≡	80,001+ SF ≡
NUMBER OF LISTINGS <b>380</b>	NUMBER OF LISTINGS <b>118</b>	NUMBER OF LISTINGS <b>81</b>	NUMBER OF LISTINGS <b>43</b>	NUMBER OF LISTINGS <b>41</b>

*Availability includes vacant space, occupied space being marketed, and speculative space under construction and to be delivered within 12 months*

*\*Some listings are counted in multiple size ranges if they can be demised*

## CALGARY SUBMARKET VACANCY

	TOTAL SQ.FT.	VACANT SQ.FT.	VACANT %
Southeast	59,409,570	3,385,357	5.70%
Northeast	42,462,528	2,439,765	5.75%
South Central	29,104,774	1,298,913	4.46%
Greater Area	10,984,020	906,595	8.25%
<b>GCA Market TOTAL</b>	<b>141,960,892</b>	<b>8,030,630</b>	<b>5.66%</b>

# FEATURE PROPERTIES

## NOTABLE TEAM LISTINGS



**FOR LEASE**

4404 - 14th STREET NE  
84,094 sq.ft.



**FOR SALE**

234214 RG. RD. 285  
22.29 acres

## NOTABLE TEAM TRANSACTIONS



**SUBLEASED**

2721 Hopewell Place NE  
28,000 sq.ft.



**LEASED**

7745 - 66th Street SE  
13,889 sq.ft.



**LAND SOLD**

28 Fulton Road, Fulton Industrial Park  
2.47 acres

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

Alberta Sales Auto-Quip  
APF Holdings Ltd.  
Artis REIT Westfield McCall Lake  
Capital Mandate Canada Inc.  
Enerflex Ltd.  
Event Engineering Ltd.  
Fulton Industrial JV Inc.

Geransky Exteriors Ltd.  
Huvan Construction Ltd.  
INOVA Systems Corporation  
KST Reline Services Inc.  
M&M Industrial Development LP  
Net Safety Monitoring

Star Concrete Floor Treatments Inc.  
Strazan Inc.  
Vets to Go Properties Inc.  
Welltec Canada Inc.  
ZZ Chrome Manufacturing 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

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