

## CALGARY INDUSTRIAL REAL ESTATE YEAR END MARKET OVERVIEW

### Year End Vacancy

**6.52%** **-0.50%**  
OVERALL Q4 RATE FROM Q3 2017

Vacancy by Quadrant		
Central	5.41%	↑
North East	6.08%	↓
South East	6.27%	↓
GCA (Out of Town)	12.60%	↑

After another quarter characterized by strong leasing activity, the industrial market's positive trend continued with vacancy decreasing by another 0.50% in the fourth quarter to 6.52%.

**The vacancy rate has therefore dropped by a total of 1.47% since the beginning of 2017. This marks the fourth consecutive quarter of decreasing vacancy,** and another quarter of positive absorption, which was +537,096 square feet.

Cumulative net positive absorption was +2,486,040 square feet for 2017, which was

### Q4 Absorption

**+537,096**  
SQUARE FEET

higher than the total absorption seen in both 2015 and 2016 combined.

The most active market segment in 2017 was large format distribution space, which continues to attract interest from institutional investors and developers, particularly when annual industrial absorption stays in the positive year after year through an economic downturn.

These strong underlying fundamentals are the reason that speculative development for 2018 will ramp up with numerous developers intending to break ground on new large distribution facilities this coming Spring 2018.

This institutional confidence stems from continual interest from larger occupants organically growing their footprint, and a continual flow of new entrants into Calgary.

Notable transactions this quarter included Cascade Container that leased 93,000 square

### 2017 Total Absorption

**+2,486,040**  
SQUARE FEET

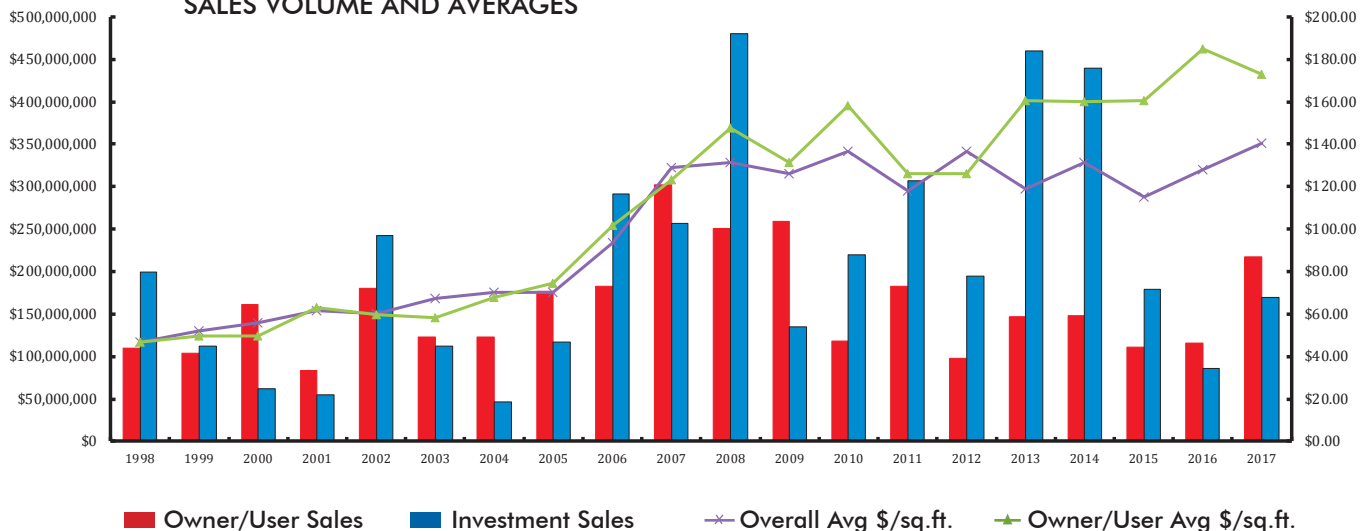
feet at bclMC's South Foothills Building, and Lowe's Canada committing to 377,000 square feet at Oxford's Airport Business Park.

The quarter's largest transaction was the 600,000 square foot Amazon distribution centre at bclMC's Nose Creek Business Park in Balzac.

Prominent sale transactions this quarter include the sale of the former Cameron Canada site on Shepard Road, which was purchased for \$11.8M by Startec Compression & Process, and the former ProLink facility at 5550 – 55th Street SE, which sold for \$9.0M to a private investor.

- Vacancy decreased by 0.50% or 709,610 square feet from Q3 2017
- Construction underway is 2,163,009 square feet

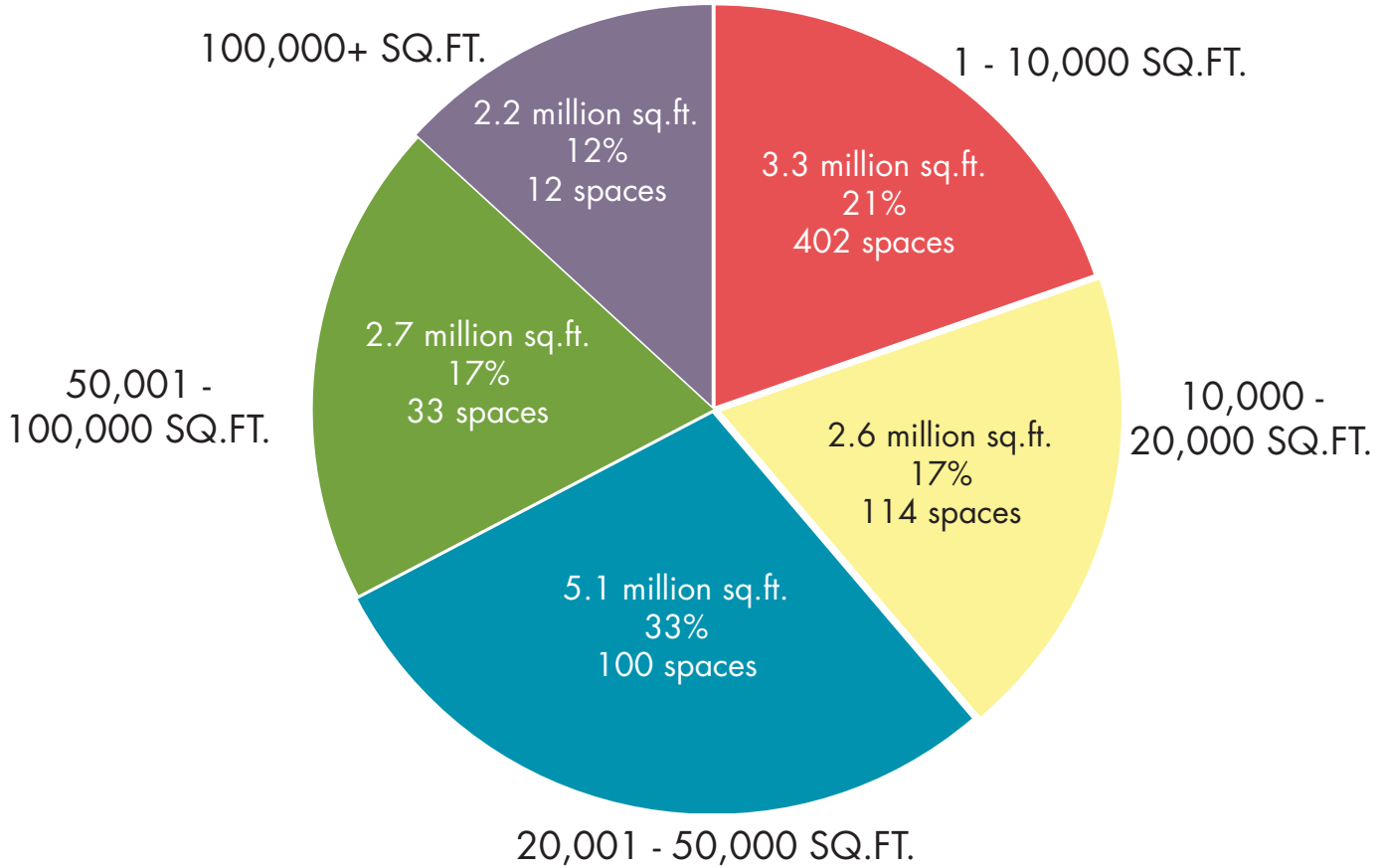
### SALES VOLUME AND AVERAGES



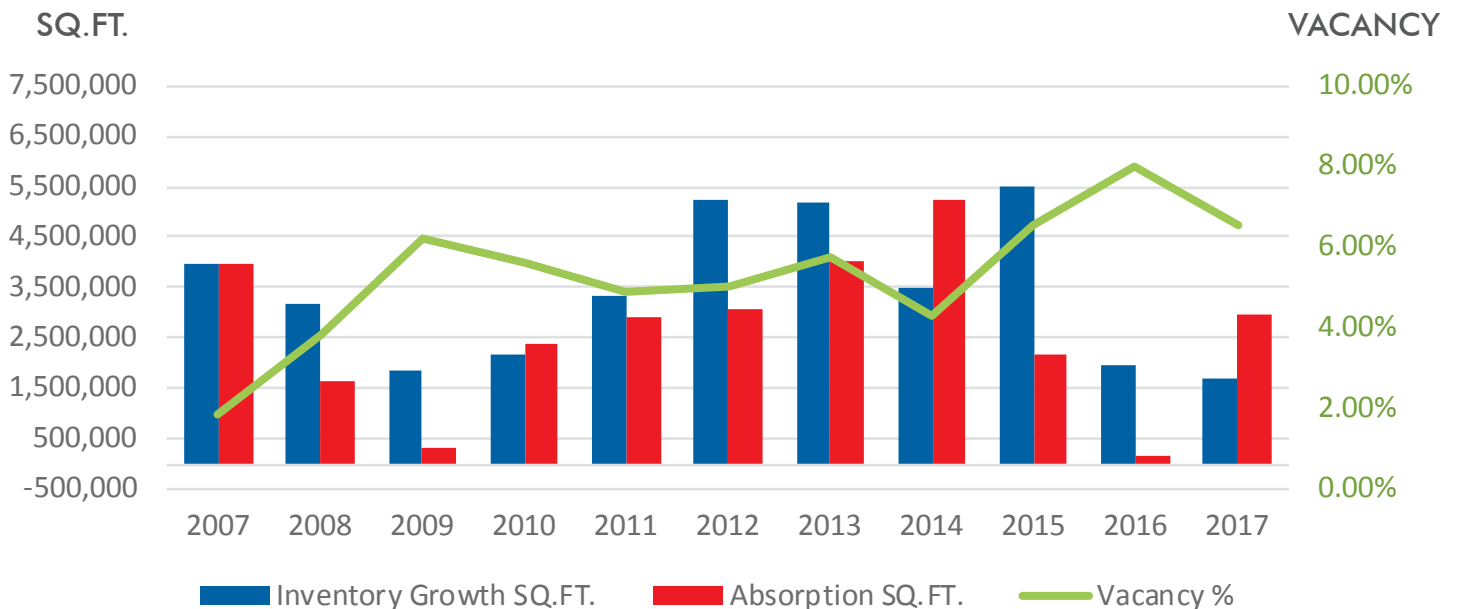
# MARKET STATISTICS

## Breakdown of Industrial Availability (15,978,807 Square Feet)

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



## YEARLY INDUSTRIAL MARKET INDICATORS



# FEATURE PROPERTIES

## NOTABLE TEAM LISTINGS

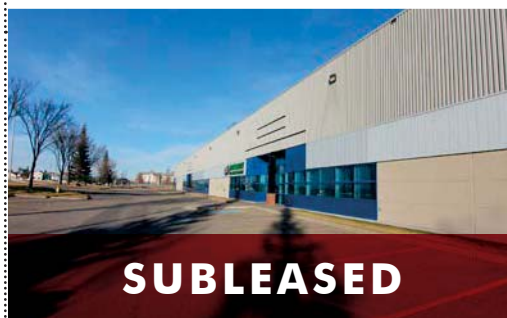


<b>ADDRESS</b>	3915 - 78th Avenue SE, Calgary	4855 - 102nd Avenue SE, Calgary
<b>SIZE</b>	34,045 square feet	26,916 square feet

## NOTABLE TEAM TRANSACTIONS



<b>ADDRESS</b>	2103 - 8th Street, Edmonton	10500 - 48th Street SE, Calgary
<b>SIZE</b>	38,279 square feet	17,847 square feet



<b>ADDRESS</b>	4550 - 25th Street SE, Unit 136, Calgary	5760 - 9th Street SE, Unit 107, Calgary
<b>SIZE</b>	11,761 square feet	32,272 square feet

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

2 Clean Inc.  
2067736 Alberta Ltd.  
Air and Gas Limited Partnership  
Artis REIT Westfield McCall Lake Industrial  
Calgary Industrial Properties Ltd.

Capital Mandate Canada Inc.  
Enerflex Ltd.  
Fleet Safety  
Fulton Industrial JV Inc.  
Fusion Capital  
Kaverit Cranes & Service ULC

Investors Group Trust Co. Ltd.  
MJK Performance  
Madjat Developments Inc.  
Royal Building Solutions  
Vets To Go Properties Inc.  
Welltec Canada 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**

# LOCAL EXPERTISE MATTERS

## INDUSTRIAL REAL ESTATE SOLUTIONS

**LEASING**

**SALES**

**LAND**

**DESIGN BUILD**

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