

# Q3 | 2016



## CALGARY INDUSTRIAL REAL ESTATE MARKET OVERVIEW

### Current Vacancy

**7.80%**  
OVERALL Q3 RATE

+0.31%  
FROM Q2 2016

### 2016 YTD Absorption

**-324,893**  
SQUARE FEET

Calgary's industrial vacancy rate has slid again slightly to 7.80% as of the end of the third quarter 2016. Vacancy has steadily increased through 2015 and 2016, from 4.30% at the end of 2014. This marks the highest recorded vacancy rate for Calgary's industrial market in the past 15+ years.

Quarterly absorption (the change in occupied space) was negative 124,373 square feet, which results in year to date absorption of negative 324,893 square feet. The impact of the negative absorption was compounded by an increase in existing inventory of 338,885 square feet, for an overall increase in vacant space to 10,893,169 square feet out of a total inventory of 139,646,680 square feet. However, we should compare Calgary to other

markets when examining vacancy rates. A vacancy rate of 7.80% would be considered within the realm of normal for a lot of the major USA industrial markets. Chicago is the USA's largest industrial market, and Chicago's vacancy at the end of 2014 was 8.0%, which has decreased to 6.6% as of Q3, in a market of 1,177,033,054 square feet.

Calgary's office markets (downtown and suburban) have now both eclipsed the 22% vacancy mark and are still likely increasing. Calgary's industrial market feels somewhat disjointed compared against the office markets. This divergence relates to each market's dependence on oil and gas and related occupiers, which is a much smaller component of the industrial than the office market in Calgary.

- > Vacancy increased by 0.31% or 575,831 square feet from Q2 2016
- > Speculative construction underway is 804,150 square feet
- > Q3 Absorption is **-124,373** sq.ft.
- > **Sublease Availability** is 2,037,828 square feet or 12.7% of all *available area*
- > **For Lease Availability** is 10,455,678 square feet or 65.1% of all *available area*
- > **TOTAL Availability** is 16,072,490 square feet or 11.32% of the entire market

#### Vacancy by Quadrant

|            |       |
|------------|-------|
| Central    | 3.49% |
| North East | 9.41% |
| South East | 7.96% |

FOR SALE OR LEASE

6285 - 76TH AVENUE SE  
CALGARY, AB



#### AVAILABLE AREA:

Main Floor Office: 3,573 sq.ft.  
Second Floor Office: 3,168 sq.ft.  
Shop: 20,589 sq.ft.  
TOTAL: 27,330 sq.ft. to 54,661 sq.ft.

#### SALE PRICE | NET LEASE RATE:

Call For Details

#### LOADING:

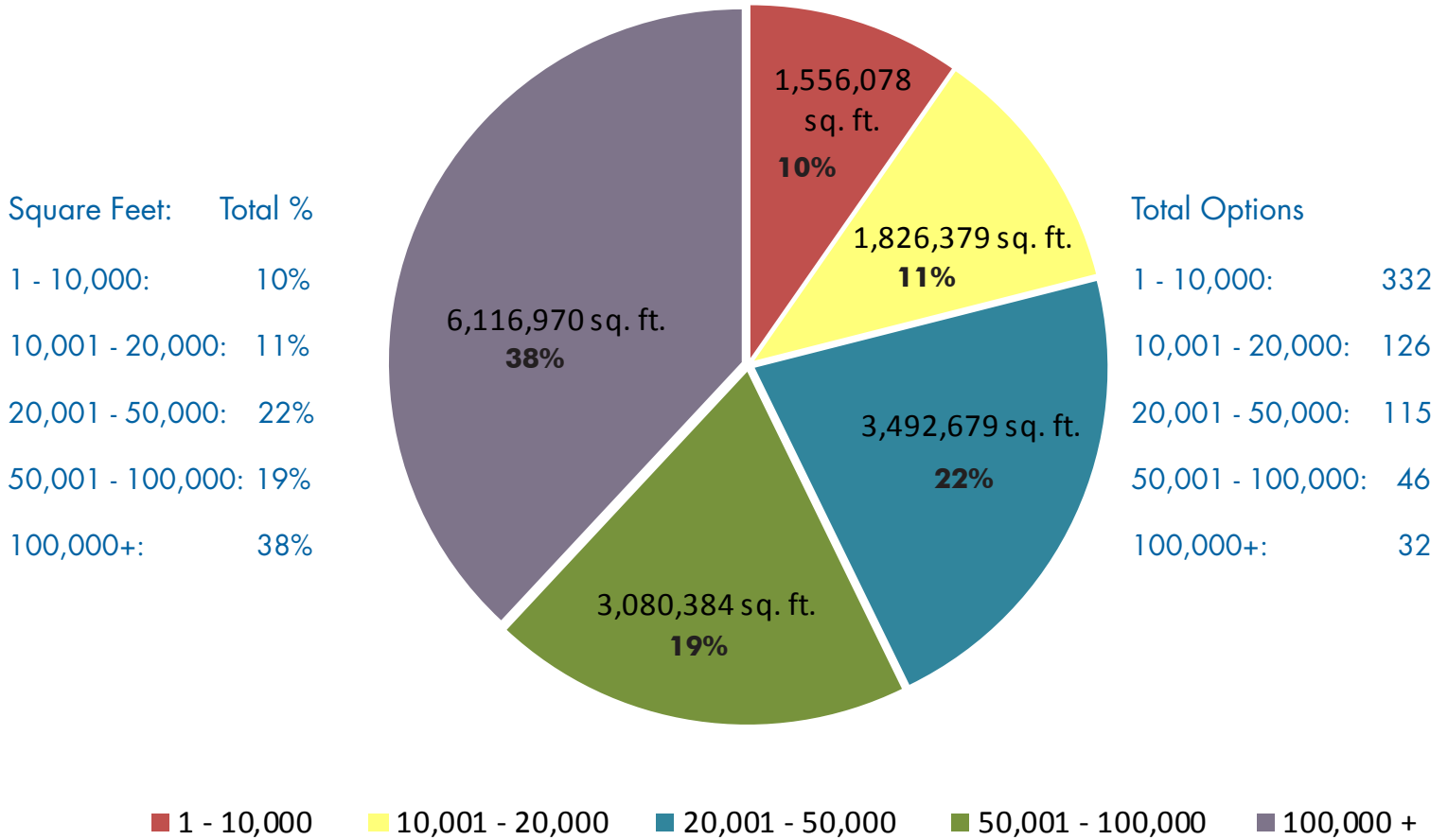
4 Dock doors  
6 Oversized Drive-in doors

#### CRANES:

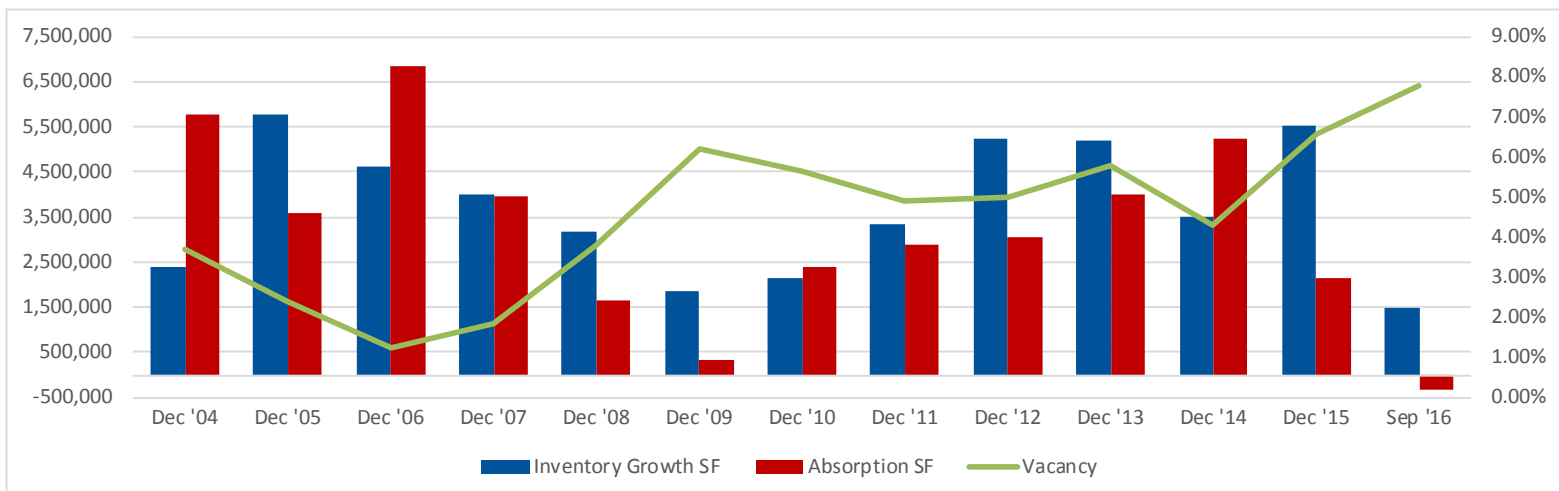
Four 20 TON  
30' clear hook height

# MARKET UPDATE

## Calgary Industrial Availability



## ANNUAL INVENTORY GROWTH, ABSORPTION AND VACANCY



# FEATURE PROPERTIES

## NOTABLE TEAM TRANSACTIONS



|                |                                  |                                     |
|----------------|----------------------------------|-------------------------------------|
| <b>ADDRESS</b> | 2015 Centre Avenue SE, Calgary   | 5604 & 5608 - 36th Street, Edmonton |
| <b>SIZE</b>    | 103,467 square feet on 6.0 acres | 15,000 square feet                  |

## NOTABLE TEAM LISTINGS



|                |                                  |                       |
|----------------|----------------------------------|-----------------------|
| <b>ADDRESS</b> | 10900 - 50th Street SE           | 2454 - 91st Avenue SE |
| <b>SIZE</b>    | 14,787 square feet on 1.23 acres | 11,040 square feet    |



|                |                                  |   |
|----------------|----------------------------------|---|
| <b>ADDRESS</b> | 10500 - 48th Street SE           | Fulton Industrial Park, Rocky View County |
| <b>SIZE</b>    | 17,847 square feet on 1.36 acres | 2.5 acres and Greater                     |

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

- |                                |                                 |                               |                                |
|--------------------------------|---------------------------------|-------------------------------|--------------------------------|
| Gas Drive Global Ltd.          | SREIT (Quest Foothills) Ltd.    | E.B. Horsman & Son            | Flair Graphics & Printing Inc. |
| Investors Group Trust Co. Ltd. | Motion Industries Canada Inc.   | Tricor Great Plains Inc.      | Skyway Canada Limited          |
| Blue Spark Energy Inc.         | Walton International Group Inc. | The Board of Governors of the | Canterbury Food Service Ltd.   |
| Enerflex Ltd.                  | Centron Development Corporation | Southern Alberta Institute of | Chase Auto Body Supplies Ltd.  |
| Whitemud Group Ltd.            | Batesville Canada Ltd.          | Technology                    |                                |
| Fulton Industrial JV Inc.      | Norgar Management Limited       | Carlson Body Shop Supply 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**

JON MOOK 403-616-5239  
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ERIC BRENNER 403-714-4721  
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LOCAL EXPERTISE MATTERS

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

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