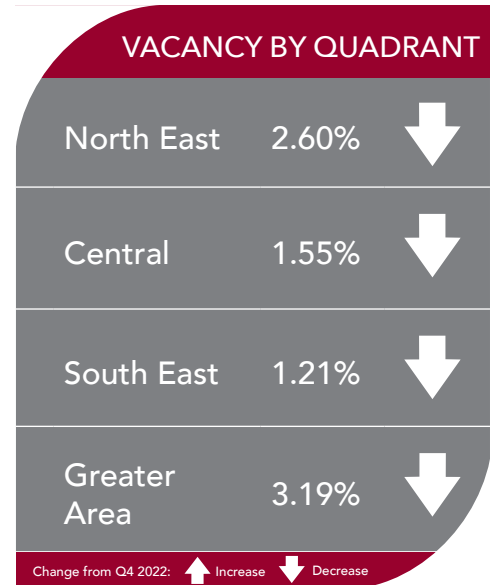
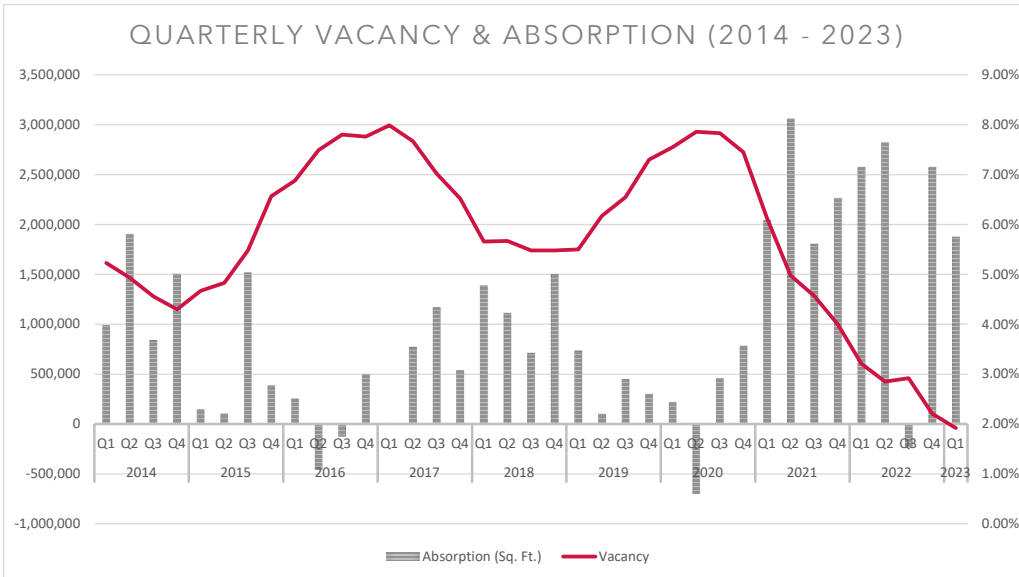


## VACANCY & ABSORPTION



## VACANCY

QUARTERLY ABSORPTION

Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
<b>1.92%</b>	<b>2.21%</b>	<b>2.92%</b>	<b>2.85%</b>	<b>3.21%</b>
+867,015 sq.ft.	+2,569,437 sq.ft.	-230,369 sq.ft.	+7,776,546 sq.ft.	+2,571,220 sq.ft.

## Land Sales

### Q1 2023

### FULL SERVICE

### LIMITED SERVICE

#### INSIDE CITY LIMITS

Total Acres Sold	47.81 acres
Net Volume (\$)	\$37,295,026.00
Avg. Price Per Acre (\$)	\$779,995.69

**11**

**2**

Total Acres Sold	6.09 acres
Net Volume (\$)	\$2,625,000.00
Avg. Price Per Acre (\$)	\$431,034.48

#### OUTSIDE CITY LIMITS

Total Acres Sold	6.67 acres
Net Volume (\$)	\$3,797,200.00
Avg. Price Per Acre (\$)	\$569,295.35

**2**

**5**

Total Acres Sold	109.54 acres
Net Volume (\$)	\$34,958,750.00
Avg. Price Per Acre (\$)	\$319,141.41

### TOTAL

Total Acres Sold	54.48 acres
Net Volume (\$)	\$41,092,226.00
Avg. Price Per Acre (\$)	\$754,262.59

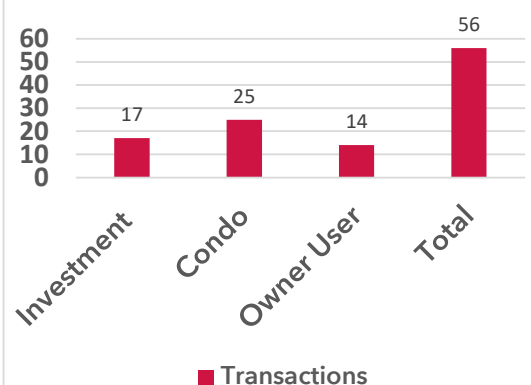
**13**

**7**

Total Acres Sold	115.63 acres
Net Volume (\$)	\$37,583,750.00
Avg. Price Per Acre (\$)	\$319,141.41

## Building Sales

Q1 2023 Sale Transactions



# Q1 SUMMARY & INDUSTRIAL MARKET STABILIZING

The Greater Calgary Area (GCA) experienced a further reduction in vacancy throughout Q1 2023, dipping below 2% for the first time in over +15 years. With leasing demand remaining prevalent and a pipeline of new industrial projects coming to market before year end, it is expected that absorption, recorded as 867,015 sq. ft. in Q1 2023, will decrease until more projects are completed, while vacancy will continue to drop, but less significantly than the last several quarters.

Vacancy decreased from 2.21% in Q4 2022 by 30 basis points to 1.92% as of March 31st, 2023. The Bank of Canada has stopped interest rate increases for the time being and is forecasting reduced inflation throughout the year. While capital remains expensive, it has done little to slow the demand for leasing industrial product in the GCA. On the other hand, the sales market has slowed with activity decreasing compared to this time last year. That being said, many sale transactions went firm in Q4 2022 but closed in Q1 2023 so the number of transactions shown in Q1 is higher than last quarter. We expect to see fewer transactions going forward for the next two quarters.

There were 56 sale transactions in Q1 2023 with 25 of them being industrial condo sales, which were up from Q4 2022. Owner-user transactions totaled 14 with the other 17 transactions being investment sales. Owner-user and condo sales were stable, both having a differential of one compared to Q4 2022, while investment sales rose by five transactions from 12 in Q4 2022. The largest transaction was the sale of 4920 - 72nd Avenue SE, a 293,761 sq. ft. multi-tenant investment property to Skyline Commercial Real Estate Holdings. Leasing remained level with 131 transactions in the first quarter totaling 2,466,373 sq. ft., which is in line with the previous quarter and reflective of the increasingly tight market. Available space is largely concentrated in older small and mid-bay buildings. Lease rates are continuing on an upward trend due to increasing construction costs

and the aforementioned tightening leasing market.

There was 686,886 sq. ft. of new industrial product completed in Q1 2023. With 4,329,883 sq. ft. currently under construction and additional planned developments nearing ground break, there will be a significant amount of new product available in the back half of 2023 and into 2024. Demand will largely depend on the continued expansion of logistics networks into the GCA and tenants desiring new over existing space. With the rent gap increasing between new and older product, it will soon be more difficult for tenants to choose newer product, unless higher ceilings and trailer parking are an absolute requirement.

## Land Transactions

There were 20 industrial land sales in Q1 2023 totaling 170 acres. This is ahead of 2022 recorded transactions, which totaled 56 transactions throughout last year and 18 in the first quarter alone. The size of parcels sold has been smaller on average this year. 11 parcels were fully serviced within city limits and two were limited serviced in the Shepard Business Park for a total of 13 in the City. Pricing for industrial land is steadily climbing in Calgary. Fully serviced parcels averaged \$779,995.69 with limited service at \$431,034.48. Similarly, Balzac is continuing its rapid expansion and is seeing prices creep upwards. Fully serviced land averaged \$569,295.35 per acre outside the City with limited-serviced parcels at an average of \$319,141.41 per acre. Land remains a viable investment for developers and owner-users alike. As the strong demand for industrial product continues in the GCA and availability continues to decrease, new development will be essential to create options for many tenants. The City of Calgary has a large land reserve and is planning on bringing it to market over a long period of time. This is further driving prices upward as the demand for land outpaces new supply being brought to market.

## NEW CONSTRUCTION

- 686,886 sq. ft. completed in Q1 2023
- 4,329,883 sq. ft. under construction as of Q1 2023

## LEASE TRANSACTIONS

- 131 Lease Transactions ↑
- 2,466,373 sq. ft. Leased ↓

## INVESTMENT SALES

- 17 Investment Sales ↑
- \$203,069,000 Sales Volume ↑
- 716,161 sq. ft. Sold ↑
- \$283.55 per sq. ft. Avg. Price ↑

## CONDO SALES

- 25 Condo Sales ↓
- \$25,029,673 Sales Volume ↓
- 106,562 sq. ft. Sold ↓
- \$234.88 per sq. ft. Avg. Price ↑

## OWNER-USER SALES

- 14 Owner-User Sales ↓
- \$61,758,995 Sales Volume ↓
- 329,696 sq. ft. Sold ↓
- \$187.32 per sq. ft. Avg. Price ↑

↑ Increase ↓ Decrease

**TOTAL MARKET INVENTORY**  
**163,290,190 SQ. FT.**

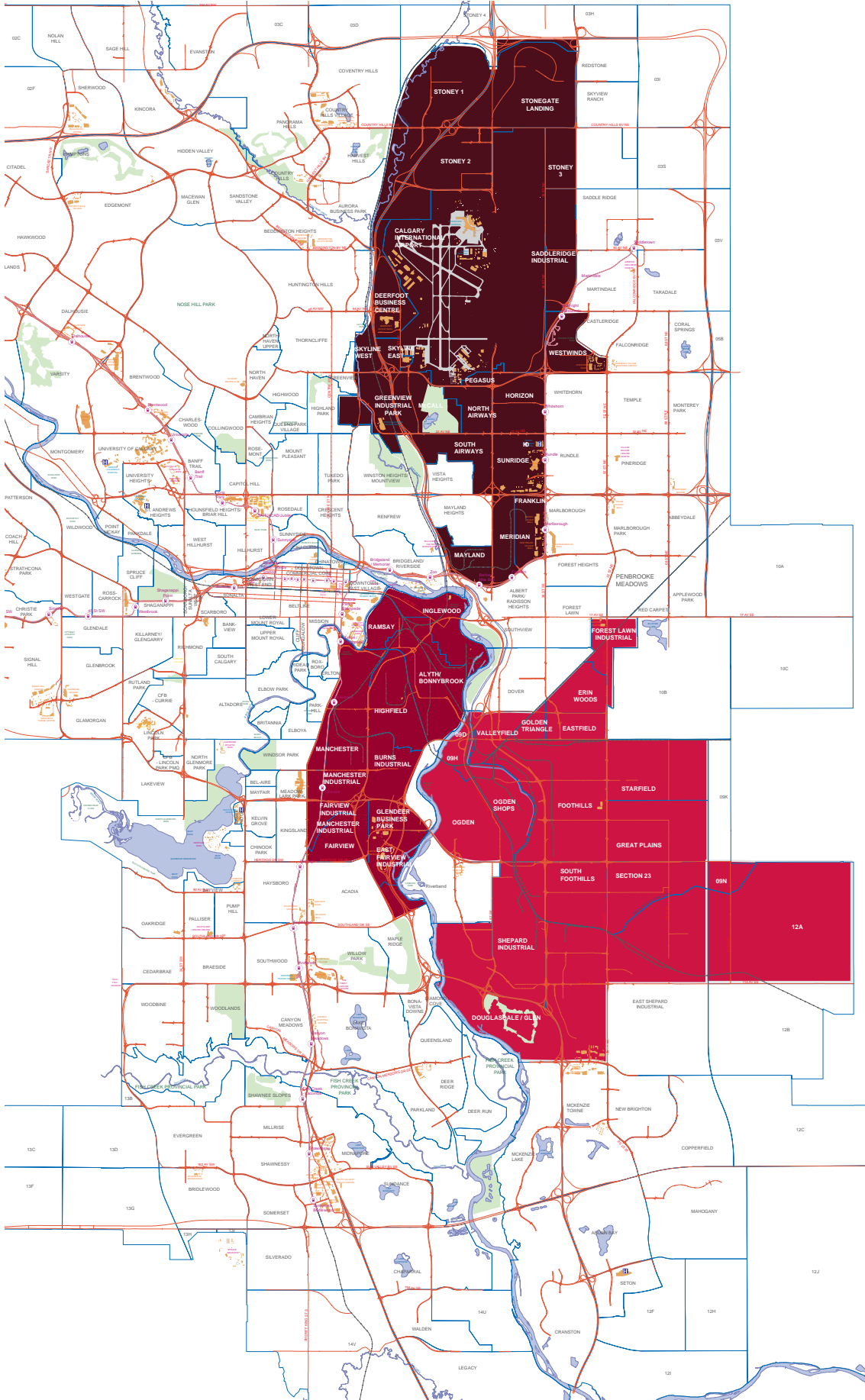
**10,894,323**  
TOTAL SQ. FT. AVAILABLE

**432**  
TOTAL LISTINGS  
\*As of March 31st, 2023




Availability includes vacant space, occupied space being marketed, and speculative space under construction.  
\*Some listings are counted in multiple size ranges if they can be demised.

# CALGARY INDUSTRIAL STATS BY AREA




**NORTHEAST**

2.60% Vacancy 

1,217,030 sq. ft. Vacancy sq. ft.

46,886,639 Total Inventory


**CENTRAL**

1.55% Vacancy 

454,757 sq. ft. Vacancy sq. ft.

29,277,140 Total Inventory


**SOUTHEAST**

1.21% Vacancy 

810,240 sq. ft. Vacancy sq. ft.

66,808,181 Total Inventory

**OUTSIDE CITY LIMITS**

3.19% Vacancy 

648,820 sq. ft. Vacancy sq. ft.

20,318,230 Total Inventory

 Increase  Decrease

## NOTABLE TEAM LISTINGS



### FOR SALE

14735-12th Avenue, Edmonton, AB  
105,930 Sq. Ft. on 4.02 acres



### FOR LEASE OR SALE OR BUILD TO SUIT

59 Heatherglen Place, Calgary, AB  
3.53 acres

## NOTABLE TEAM TRANSACTIONS



5760-9th Street SE, Unit 103, Calgary, AB  
17,890 Sq. Ft.



5049-74th Avenue, SE, Calgary, AB  
55,703 Sq.Ft. on 3.88 acres



2712-37th Avenue NE, Bays 12 & 13, Calgary, AB  
13,049 Sq.Ft.



285121 Wrangler Way, Rocky View, AB  
3.98 acres

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