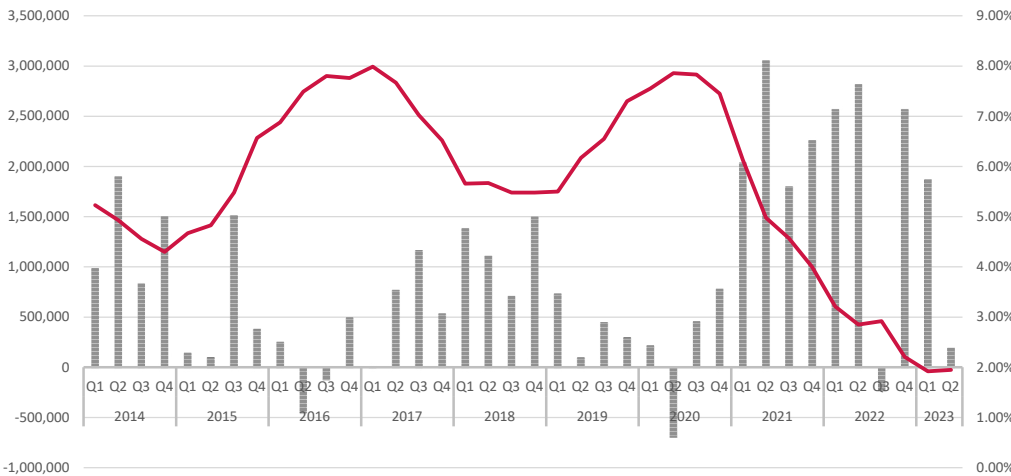
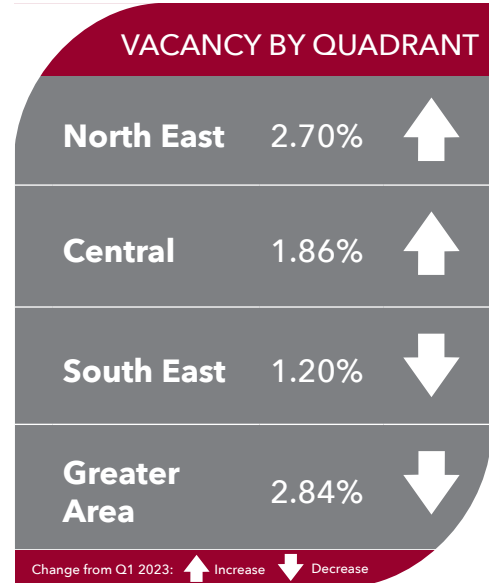


VACANCY & ABSORPTION

QUARTERLY VACANCY & ABSORPTION (2014 - 2023)



VACANCY BY QUADRANT



VACANCY QUARTERLY ABSORPTION

Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
1.95%	1.92%	2.21%	2.92%	2.85%
+196,940 sq.ft.	+867,015 sq.ft.	+2,569,437 sq.ft.	-230,369 sq.ft.	+7,776,546 sq.ft.

Land Sales

Q2 2023

FULL SERVICE

LIMITED SERVICE

INSIDE CITY LIMITS

5

0

Total Acres Sold: 11.08 acres
 Net Volume (\$): \$12,134,600.00
 Avg. Price Per Acre (\$): \$1,094,884.00

OUTSIDE CITY LIMITS

2

2

Total Acres Sold: 33.04 acres
 Net Volume (\$): \$17,337,500.00
 Avg. Price Per Acre (\$): \$524,742.74

TOTAL

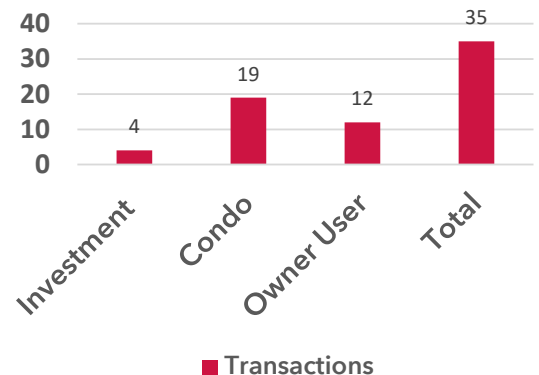
7

2

Total Acres Sold: 44.12 acres
 Net Volume (\$): \$29,472,100.00
 Avg. Price Per Acre (\$): \$667,953.22

Building Sales

Q2 2023 Sale Transactions



Q2 SUMMARY & INDUSTRIAL MARKET STABILIZING

Vacancy was up slightly in Calgary and the Greater Calgary Area's (GCA) Industrial real estate sector in Q2 2023 compared to the previous quarter, rising to 1.95% from 1.92%, still albeit remaining near record low. Leasing demand remained remarkably strong despite a timid economic environment in North America. Much of the leasing activity took place in new developments under construction which are nearing completion. Absorption was comparatively low at 196,940 sq. ft. for Q2 by way of a significant amount of small and mid-bay product being brought to market. With over 5,000,000 sq. ft. under construction, a steady pipeline of industrial product will be coming to market throughout the remainder of 2023 and into 2024. Interest rates continue to rise, which is furthering the cautionary practices of investors and owner-users alike. Pricing on a per square foot basis is still on the rise; however, most other sale metrics saw a continued decline in Q2 2023 in line with predictions. There were 35 sale transactions in Q2 2023, down from 56 in Q1 2023. Of these, 19 were condo sales where sales volume was up from the previous quarter; 12 were owner-user sales, which dropped off compared to Q1 2023. Investment transactions took the biggest hit, as there were eight fewer transactions in Q2 compared to Q1 2023. The largest sale transaction of the quarter was 2600 - 61st Avenue SE, a 407,666 sq. ft. multi-tenant building located in Ogden as part of a portfolio sale. Leasing activity was strong with 165 transactions taking place totaling 2,722,453 sq. ft., up from the previous quarter, with 131 transactions. Available space is still largely concentrated in small and mid-bay product, with much of the vacancy concentrated in older 'B' and 'C' class buildings. New development in this size range is limited, mainly due to increased costs of construction. Lease rates are continuing to push upwards as a result of the tight market.

There was 939,486 sq. ft. of new industrial product completed in Q2 2023 with the current construction

pipeline totaling 5,198,781 sq. ft. Based on the current construction underway, there will be a significant amount of new space coming available throughout the remainder of 2023 and into 2024. Thus far, tenants have been able to absorb nearly all the new availability; however, the current pipeline may finally see some product remain on the market. Hopewell, Beedie, Remington, One Properties, Panattoni, Quadreal, Anthem Properties and Dream all have notable developments underway with completion nearing for a majority of the projects. The concentration of new construction is still catering to large distribution tenants.

Land Transactions

There were 9 industrial land sales in Q2 2023 totaling 159 acres. This is behind Q1 2023 where 20 transactions were recorded, along with a slight drop-off in acreage from 170 total acres sold in Q1 2023. The size of fully serviced parcels within city limits sold remained relatively small in Q2 2023, following a similar trend seen in Q1 2023. Five fully serviced parcels within city limits were sold, while four sales took place outside city limits with two being fully serviced and two limited serviced. Pricing for industrial land continues to climb across the GCA due to a limited supply. Sales of fully serviced parcels averaged \$667,953.22 per acre. Balzac is continuing to see the greatest transaction volume for future development. Fully serviced land averaged \$524,742.74 per acre outside the city with limited serviced parcels at an average of \$250,993.82 per acre, which includes unserviced land. Industrial land remains a scarce commodity in the GCA market, with limited options due to the City's land supply failing to meet purchaser demand. There appears to be little relief in sight for the upward trend on pricing. As vacancy remains low, land will continue to be the sole viable option for certain tenants and purchasers with unique uses or facility requirements.

NEW CONSTRUCTION

- 939,486 sq. ft. completed in Q2 2023
- 5,198,781 sq. ft. under construction as of Q2 2023

LEASE TRANSACTIONS

- 165 Lease Transactions ↑
- 2,722,453 sq. ft. Leased ↑

INVESTMENT SALES

- 4 Investment Sales ↓
- \$30,900,600 Sales Volume ↓
- 92,721 sq. ft. Sold ↓
- \$333.26 per sq. ft. Avg. Price ↓

CONDO SALES

- 19 Condo Sales ↓
- \$28,179,583 Sales Volume ↑
- 115,368 sq. ft. Sold ↑
- \$244.88 per sq. ft. Avg. Price ↑

OWNER-USER SALES

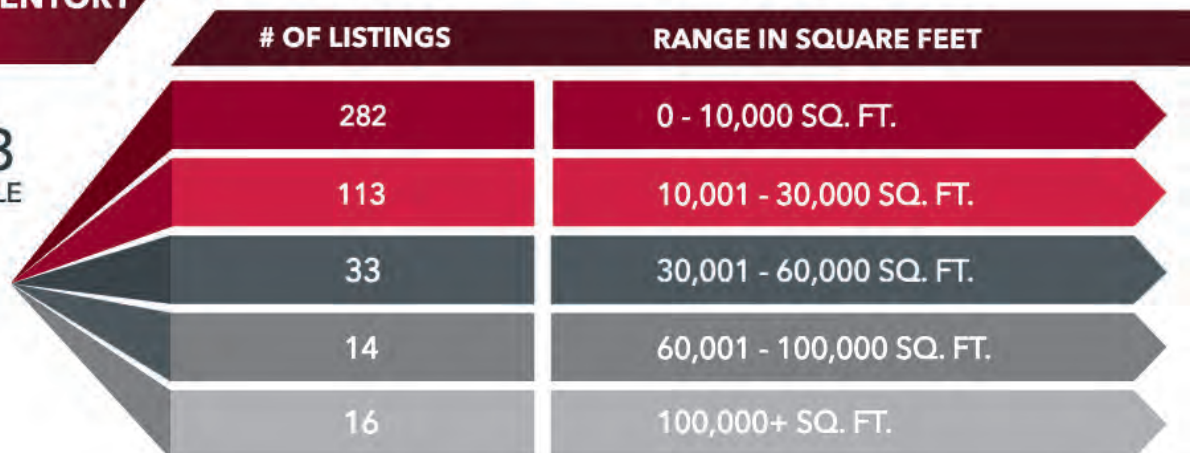
- 12 Owner-User Sales ↓
- \$39,523,451 Sales Volume ↓
- 178,491 sq. ft. Sold ↓
- \$221.43 per sq. ft. Avg. Price ↑

↑ Increase ↓ Decrease

TOTAL MARKET INVENTORY
163,585,262 SQ. FT.

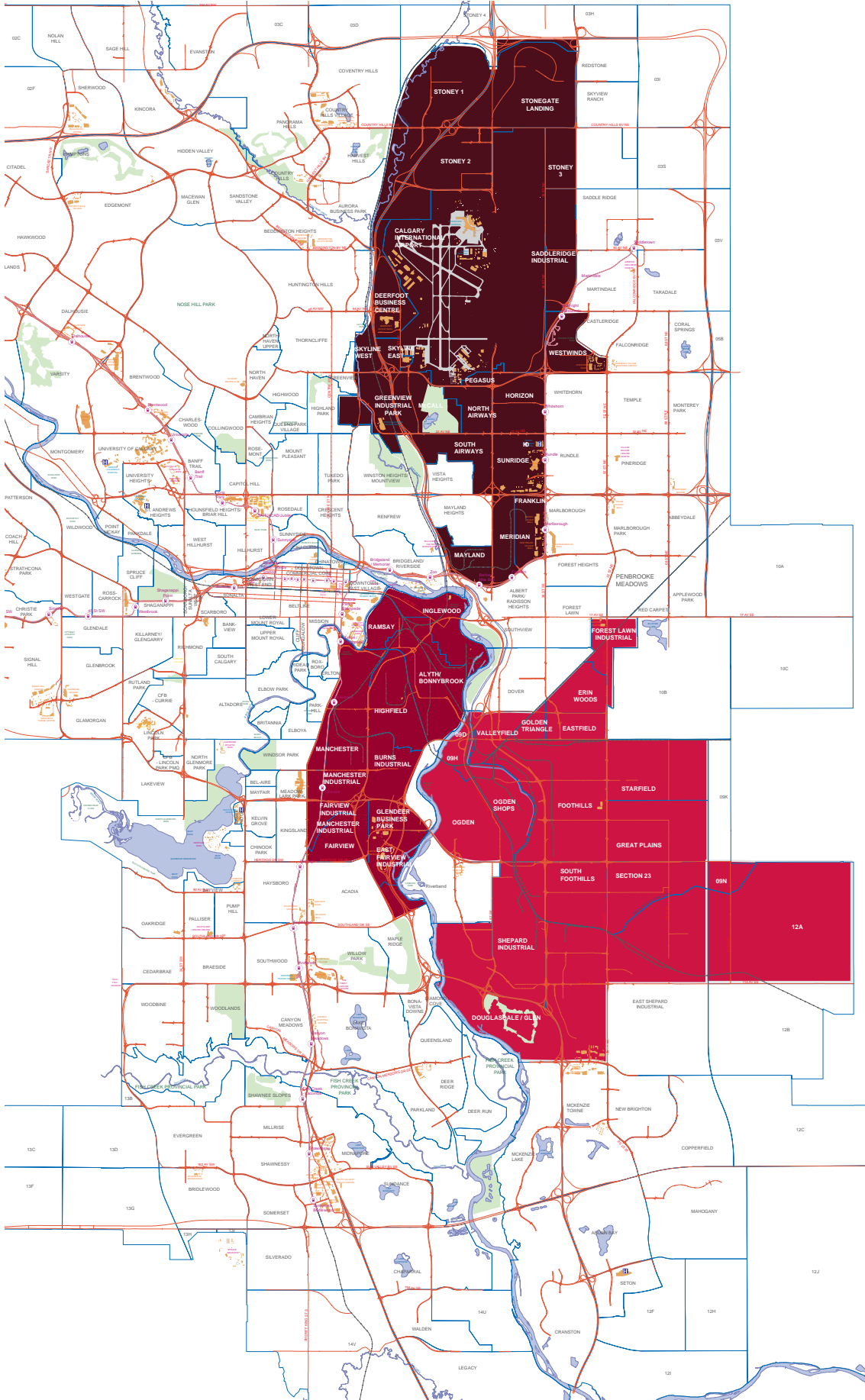
11,847,923
TOTAL SQ. FT. AVAILABLE

461
TOTAL LISTINGS
*As of June 30th, 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

2.70%
Vacancy



1,265,293 sq. ft.
Vacancy sq. ft.

46,860,506
Total Inventory

CENTRAL

1.86%
Vacancy



544,512 sq. ft.
Vacancy sq. ft.

29,283,570
Total Inventory

SOUTHEAST

1.20%
Vacancy



801,508 sq. ft.
Vacancy sq. ft.

66,804,136
Total Inventory

OUTSIDE CITY LIMITS

2.84%
Vacancy



586,121 sq. ft.
Vacancy sq. ft.

20,637,050
Total Inventory

↑ Increase ↓ Decrease





NOTABLE SINGLE-USE LEASE TRANSACTIONS

Q2 2023

	Address	Tenant	Market	Lease Type	Size (SF)
	2750 Centre Avenue NE	Beacon Roofing Supply Canada Company	Meridian-Franklin	Head Lease	32,000
	1315 - 73rd Avenue SE	Electronic Recycling Association of AB	East Fairview	Head Lease	37,645
	4404 - 14th Street NE	Darkvision Technologies Inc.	McCall	Head Lease	47,094
	5049 - 74th Avenue SE	National Process Equipment Inc.	Foothills	Head Lease	55,703

NOTABLE SINGLE-USE OWNER USER SALE TRANSACTIONS

Q2 2023

	Address	Purchaser	Market	Size (SF)	Sale Price
	2120 - 39th Avenue NE	2470637 Alberta Inc.	Airways	17,849	\$3,150,000.00
	2332 - 23rd Street NE	Wave Homes Ltd.	South Airways	15,237	\$5,600,000.00
	2620 - 22nd Street NE	New Convent Assembly	South Airways	25,674	\$5,500,000.00
	261155 Wagon Wheel Way NE	Okanagan Frozen Dough ULC	Balzac	36,279	\$8,760,000.00

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