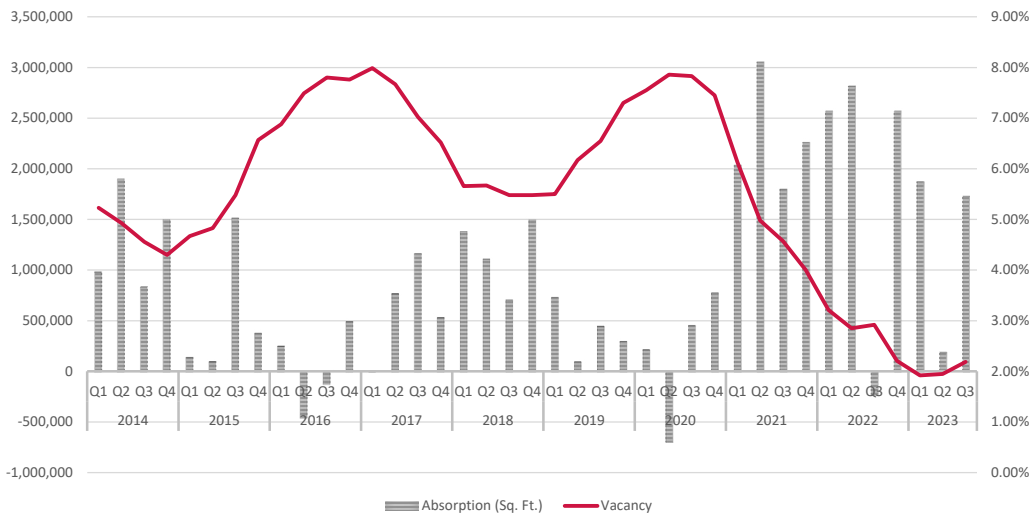


VACANCY & ABSORPTION

QUARTERLY VACANCY & ABSORPTION (2014 - 2022)



VACANCY BY QUADRANT

| | | |
|--------------|-------|---|
| North East | 3.83% | ↑ |
| Central | 1.46% | ↓ |
| South East | 1.14% | ↓ |
| Greater Area | 2.85% | ↑ |

Change from Q1 2023: ↑ Increase ↓ Decrease

Q3 2023

Q2 2023

Q1 2023

Q4 2022

Q3 2022

VACANCY
QUARTERLY ABSORPTION

2.19%
+1,734,001 sq.ft.

1.95%
+196,940 sq.ft.

1.92%
+867,015 sq.ft.

2.21%
+2,569,437 sq.ft.

2.92%
-230,369 sq.ft.

Land Sales

Q3 2023

FULL SERVICE

LIMITED SERVICE

INSIDE CITY LIMITS

5

3

Total Acres Sold: 13.61 acres
Net Volume (\$): \$13,042,998.00
Avg. Price Per Acre (\$): \$958,339.31

Total Acres Sold: 11.9 acres
Net Volume (\$): \$6,615,500.00
Avg. Price Per Acre (\$): \$555,924.37

OUTSIDE CITY LIMITS

1

3

Total Acres Sold: 9.00 acres
Net Volume (\$): \$5,085,000.00
Avg. Price Per Acre (\$): \$565,000.00

Total Acres Sold: 12.78 acres
Net Volume (\$): \$5,970,000.00
Avg. Price Per Acre (\$): \$467,136.15

TOTAL

6

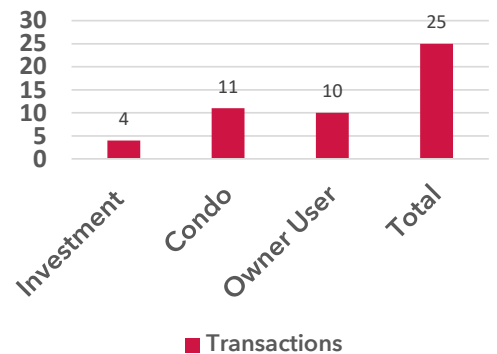
6

Total Acres Sold: 22.61 acres
Net Volume (\$): \$18,127,998.00
Avg. Price Per Acre (\$): \$801,769.04

Total Acres Sold: 24.68 acres
Net Volume (\$): \$12,585,500.00
Avg. Price Per Acre (\$): \$509,947.33

Building Sales

Q3 2023 Sale Transactions



Q2 SUMMARY & INDUSTRIAL MARKET STABILIZING

Vacancy increased slightly in Calgary and the Greater Calgary Area's (GCA) Industrial real estate sector in Q3 2023 to 2.19%, compared to the previous quarter at 1.95%. Leasing demand remained relatively strong with absorption remaining high at 1,734,001 sq. ft. for Q3 2023. This is in part to the continued strong pre-leasing activity in large bay new developments which are nearing completion.

There was well over 5,000,000 sq. ft. of industrial space under construction in the Calgary and GCA as of Q3 2023. This is reflective of a robust pipeline of new space that will continue to have strong influence on market conditions such as vacancy rates, rental rates, and competition among property owners and developers towards the end of 2023 and into 2024. Owner-user and condo sales continued to display high pricing on a per square foot basis, while investment sales experienced a sharp decline in the average price paid per square foot in Q3 2023. There were only 25 sale transactions in Q3 2023, down from 35 in Q2 2023. Of these, 11 were condo sales, 10 were owner-user sales, and 4 were investment sales. Investment transactions continued to take the biggest hit, as both transaction volume and price per square foot dropped substantially in Q3 2023, due to the current high cost of capital and upward pressure on cap rates affecting overall confidence in investors. The largest sale transaction of the quarter was 5460 - 76th Avenue SE, a 159,600 sq. ft. dock loading multi-tenant building located in Great Plains Industrial Park.

Leasing activity remained strong with 149 transactions taking place in Q3 2023 totaling 3,649,314 sq. ft. This trend is likely to persist, as Calgary and the GCA experienced some of the highest population growth rates on record. The largest lease transaction of the quarter was Stoney Industrial Building 6, with Cabela's renewal of 416,473 sq. ft. of distribution space. There was 2,867,810 sq. ft. of new industrial product completed in Q3 2023. The

high degree of positive absorption and the increase in vacancy rates occurring this quarter is reflective of some of the new developments not leasing up in full upon completion. With that said, Hopewell, Beedie, Remington, One Properties, Panattoni, Quadreal, Anthem Properties and Dream all have notable developments underway, adding crucial new inventory to a rapidly growing market in the coming months.

Land Transactions

There were 12 industrial land sales in Q3 2023 totaling 47.29 acres. Transaction volume increased compared to Q2 2023 where there were only 10 transactions, yet sales volume in acreage continued to decrease, dropping from 112.04 total acres sold in Q2 2023 to 47.29 in Q3 2023. The size of fully serviced parcels within city limits sold remained relatively small in Q3 2023, following a similar trend seen in Q2 2023. Five fully serviced and three limited serviced parcels within city limits were sold. Four land sales took place outside city limits with one fully serviced and three limited serviced parcels of land transacting. Pricing for industrial land continues to climb throughout the GCA due to a limited supply.

Sales of fully serviced parcels within the city averaged \$958,339.31 per acre. Fully serviced land averaged \$565,000.00 per acre outside the city with limited serviced parcels at an average of \$509,947.33 per acre. The scarcity of industrial land in the GCA, in large part driven by insufficient supply from the City which is the largest holder of developable industrial land, is a significant challenge for purchasers and developers. This limited availability of industrial land that continued throughout Q3 2023, alongside maintained low industrial vacancy rates, makes industrial land the primary and often only viable option for prospective owner-users wishing to grow. With such trends present, there appears to be little relief with industrial land prices.

NEW CONSTRUCTION

- 2,867,810 sq. ft. completed in Q3 2023
- 5,431,444 sq. ft. under construction as of Q3 2023

LEASE TRANSACTIONS

- 149 Lease Transactions ↓
- 3,649,314 sq. ft. Leased ↑

INVESTMENT SALES

- 4 Investment Sales ↓
- \$8,250,000 Sales Volume ↓
- 46,270 sq. ft. Sold ↓
- \$178.30 per sq. ft. Avg. Price ↓

CONDO SALES

- 11 Condo Sales ↓
- \$18,099,803 Sales Volume ↓
- 75,749 sq. ft. Sold ↓
- \$238.94 per sq. ft. Avg. Price ↓

OWNER-USER SALES

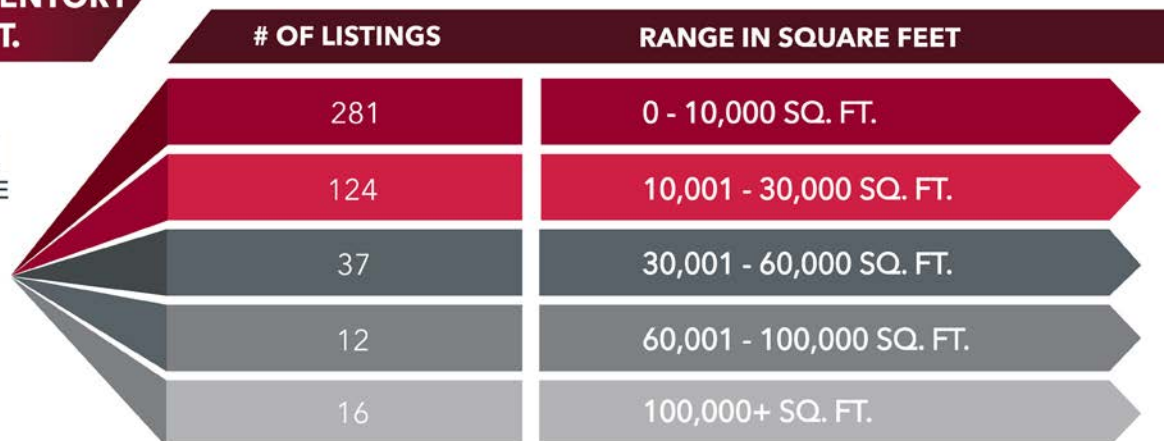
- 10 Owner-User Sales ↓
- \$57,184,718 Sales Volume ↑
- 276,592 sq. ft. Sold ↑
- \$206.75 per sq. ft. Avg. Price ↓

↑ Increase ↓ Decrease

TOTAL MARKET INVENTORY
164,612,416 SQ. FT.

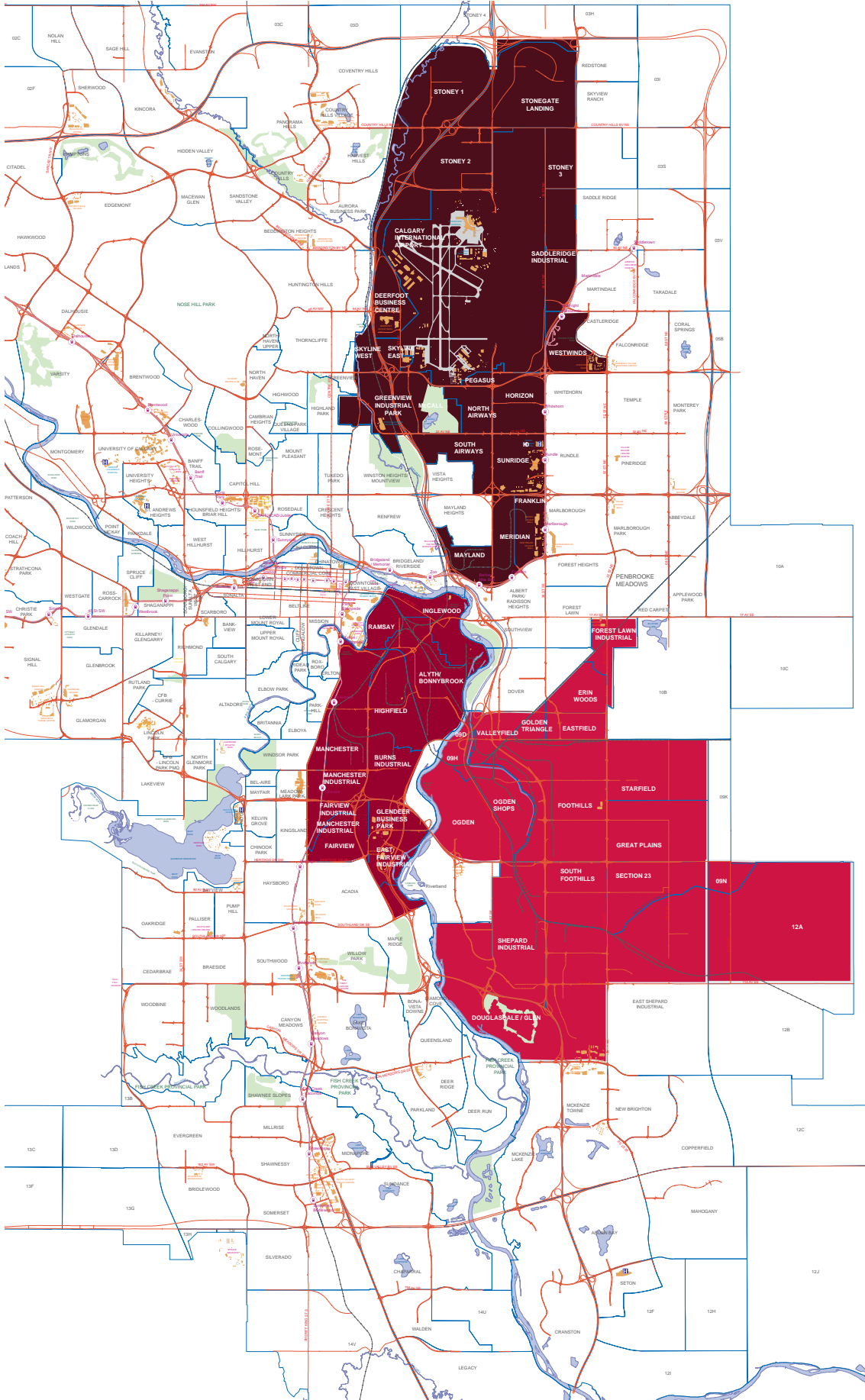
11,062,771
TOTAL SQ. FT. AVAILABLE

470
TOTAL LISTINGS
*As of Sept 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

3.83%
Vacancy 

1,822,346 sq. ft.
Vacancy sq. ft.

47,616,574
Total Inventory


CENTRAL

1.46%
Vacancy 

428,385 sq. ft.
Vacancy sq. ft.

29,318,134
Total Inventory


SOUTHEAST

1.14%
Vacancy 

765,879 sq. ft.
Vacancy sq. ft.

67,072,941
Total Inventory

OUTSIDE CITY LIMITS

2.85%
Vacancy 





586,577 sq. ft.
Vacancy sq. ft.

20,804,767
Total Inventory

 Increase  Decrease





NOTABLE SINGLE-USE LEASE TRANSACTIONS

Q3 2023

| | Address | Tenant | Market | Lease Type | Size (SF) |
|--|---------------------------------------|------------------------------|-----------------------|------------|-----------|
|  | 2716 Sunridge Way NE on 1.32 acres | Exterran Water Solutions ULC | Sunridge | Head Lease | 26,233 |
|  | 40 Technology Way SE on 8.77 acres | Undisclosed | Shepard Business Park | Head Lease | 27,866 |
|  | 8515-48th Street SE on 4.75 acres | Iconix Waterworks Ltd. | South Foothills | Renewal | 44,758 |
|  | 505 Carmek Blvd SE on 5.24 acres | Iconic Power Systems | MD of Rockyview | Head Lease | 48,827 |

NOTABLE SINGLE-USE OWNER USER SALE TRANSACTIONS

Q3 2023

| | Address | Purchaser | Market | Size (SF) | Sale Price |
|--|--|---------------------------|-----------|-----------|-----------------|
|  | 5990-51st Street SE on 0.97 acres | Uppal Holdings Ltd. | Foothills | 11,300 | \$2,800,000.00 |
|  | 1301 Hastings Crescent SE on 1.41 acres (Condo Conversion) | Hastings Development Inc. | Highfield | 26,703 | \$3,200,000.00 |
|  | 4280-23rd Street NE on 1.39 acres | Parkland Properties Ltd. | Airways | 39,330 | \$5,600,000.00 |
|  | 2916-21st Street NE on 3.06 acres | 1000399007 Ontario Inc. | Airways | 84,852 | \$12,400,000.00 |

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