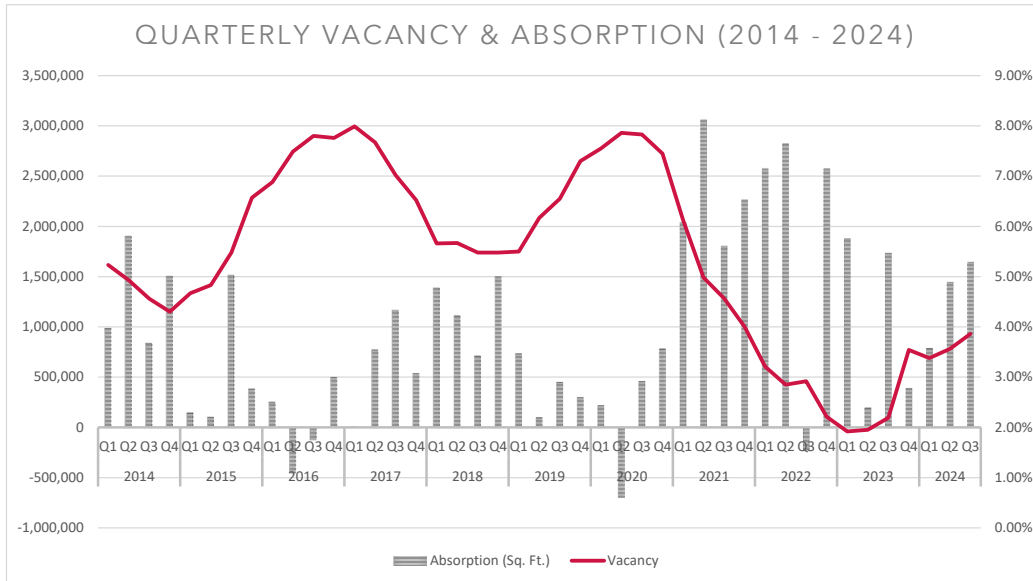


VACANCY & ABSORPTION



VACANCY BY QUADRANT

North East	3.94%	↓
Central	0.96%	↓
South East	3.32%	↑
Greater Area	8.50%	↑

Change from Q2 2024: ↑ Increase ↓ Decrease

VACANCY

QUARTERLY ABSORPTION

Q3 2024

3.86%
+1,644,502 sq.ft.

Q2 2024

3.56%
+1,444,091 sq.ft.

Q1 2024

3.38%
+786,764 sq.ft.

Q4 2023

3.54%
+390,214 sq.ft.

Q3 2023

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

Land Sales

Q3 2024

FULL SERVICE

LIMITED SERVICE

INSIDE CITY LIMITS

4

3

Total Acres Sold

3.03 acres

15.38 acres

Net Volume (\$)

\$2,258,500.00

\$9,900,000.00

Avg. Price Per Acre (\$)

\$745,379.54

\$643,693.11

OUTSIDE CITY LIMITS

0

2

Total Acres Sold

—

5.64 acres

Net Volume (\$)

—

\$1,905,000.00

Avg. Price Per Acre (\$)

—

\$337,765.96

TOTAL

4

5

Total Acres Sold

3.03 acres

21.02 acres

Net Volume (\$)

\$2,258,500.00

\$11,805,000.00

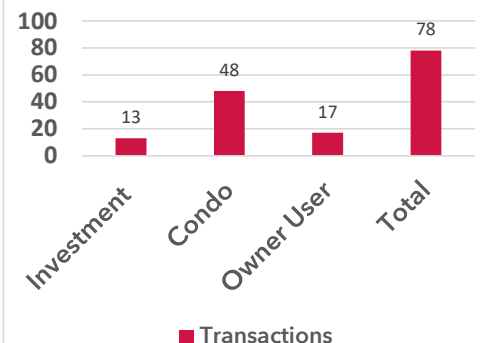
Avg. Price Per Acre (\$)

\$745,379.54

\$561,607.99

Building Sales

Q3 2024 Sale Transactions



Calgary's industrial market remained resilient in Q3 2024. The industrial vacancy rate rose from 3.56% in Q2 to 3.86% in Q3 with strong pre-leasing activity amid quarterly net deliveries of 1 million square feet contributing to positive absorption of 1.6 million square feet. The number of lease transactions in Q3 2024 dropped to 155 down from 170 in Q2.

As we approach the final quarter of 2024, the industrial construction pipeline in Calgary and the Greater Calgary Area (GCA) remains low but stable, totaling 1.5 million square feet. While both construction and demand have proven consistent, we've observed a significant drop in net deliveries and ongoing projects year-over-year, as in Q3 2023, there was 2.9 million square feet delivered, along with another 5.5 million square feet in the construction pipeline. Declining spec development, combined with moderate upward pressure on vacancy rates, signals a shift toward a more balanced market compared to the robust development seen in 2022 and 2023 as we came out of the Covid environment in 2021.

Industrial sales volume continued to surge within Calgary and the GCA in Q3 2024, as we saw 78 sale transactions compared to 58 in Q2 2024. Industrial condo sales played a crucial role in driving up transaction volume, with 48 units trading compared to 31 in Q2 2024. This increase, coupled with limited development in the sector aside from notable projects by Beedie in Point Trotter and Balzac, has resulted in ongoing price increases on a per-square-foot basis each quarter of 2024, with the average condo unit now trading at \$252 per square foot. Owner-user sale transactions also maintained strong performance in Q3 2024. 17 properties transacted with an average price per square foot of \$214 in Q3, compared to 19 transacting in Q2 2024 at an average price per square foot of \$195. These figures reflect the current constraint on the supply of quality single-use buildings with yard storage due largely in part to limited land purchase opportunities and the continued high construction costs, thus making owner occupied design-build projects a costly and often unfeasible endeavor. Investment assets also showed promising growth in Q3 2024, as we saw 13 transactions compared to eight in Q2 2024. The average per square foot price for investment assets this quarter was \$144 compared to the \$183 figure in Q2. This is partially attributed to an increase in older product transacting, as exemplified by 77% of quarterly investment sales captured in buildings aged 25 years or older. Outliers also played a role in the reduction of average price per square foot in investment transactions, as a 300,000 square foot portfolio in Forest Lawn traded for \$33 per square foot. The industrial sales outlook is set to increase momentum into Q4 2024 and 2025, fueled

by interest rate cuts from the Bank of Canada that are significantly enhancing financing accessibility for buyers.

Land Transactions

In the third quarter of 2024, Calgary and the GCA witnessed the sale of nine industrial land parcels, encompassing 24.05 acres, a slight reduction in terms of acreage from the eight parcels and 27.15 acres sold in the previous quarter. Although transaction activity remained steady for land parcels within city limits, the average size of parcels that traded notably dropped from 3.39 acres in Q2 to 2.63 acres in Q3. This is reflective of the ongoing supply constraints within city limits for industrially zoned land. Although these supply constraints are ever present, especially when it comes to mid and large size parcels, for the first time this year, land transactions within city limits outpaced sales in the GCA. We only saw two transactions outside city limits in Wheatland and Rocky View County, which accounted for 5.64 acres of land sold. Both transactions were for unserviced land so pricing per acre was lower overall. No trades took place in Balzac or Airdrie.

Although availability in the GCA is far greater than what is available within city limits, only 11 of the 51 listings tracked in the GCA are under 10 acres. In addition, many land parcels are in parks that are yet to be developed. This is most definitely a contributing factor in the quarterly outlier seen in GCA sales volume, as a high degree of availability encompasses large parcels of undeveloped land that are not serviced and shovel ready yet. This trend is likely to reverse in 2025. As more land comes to market in the GCA, the same cannot be said for supply within the city limits, apart from Stoney Industrial Park where 185 acres will be serviced and available in Q3 2025.

The average price per acre of industrial land parcels within the City decreased to \$745,379 in Q3 2024, a significant reduction from the \$906,283 per acre recorded in Q2 2024. This was driven by outliers again as dysfunctional lots sold at lower prices per acre and less quality land traded. We expect values to increase in Q4 and into 2025 as values overall have been growing over the last two years.

NEW CONSTRUCTION

- 972,296 sq. ft. completed in Q3 2024
- 1,531,266 sq. ft. under construction as of Q3 2024

LEASE TRANSACTIONS

- 155 Lease Transactions
- 2,240,904 sq. ft. Leased

INVESTMENT SALES

- 13 Investment Sales
- \$111,540,200 Sales Volume
- 773,889 sq. ft. Sold
- \$144.13 per sq. ft. Avg. Price

CONDO SALES

- 48 Condo Sales
- \$53,779,004 Sales Volume
- 212,859 sq. ft. Sold
- \$252.65 per sq. ft. Avg. Price

OWNER-USER SALES

- 17 Owner-User Sales
- \$107,072,660 Sales Volume
- 498,858 sq. ft. Sold
- \$214.64 per sq. ft. Avg. Price

↑ Increase ↓ Decrease

TOTAL MARKET INVENTORY
169,395,938 SQ. FT.

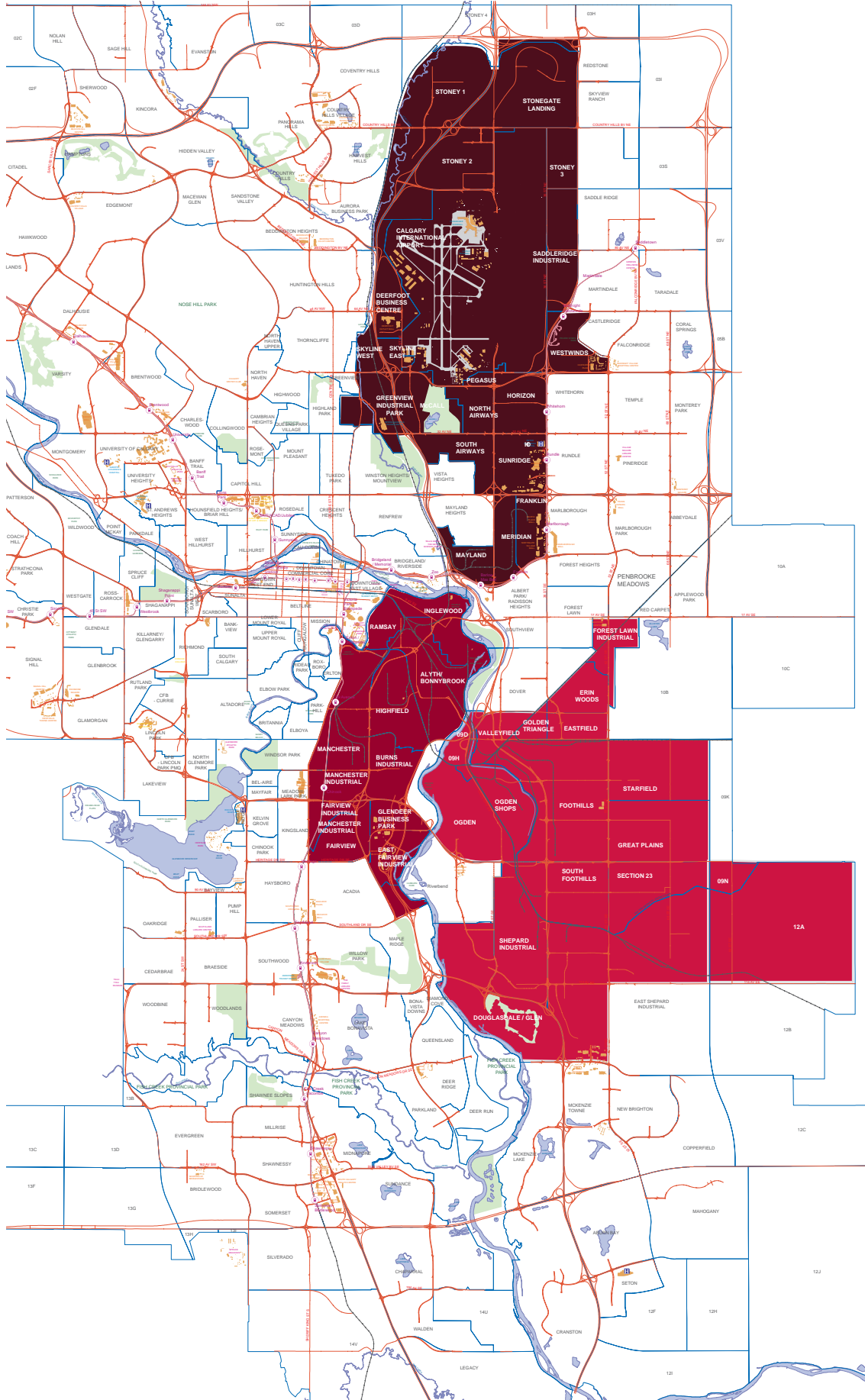
15,913,759
TOTAL SQ. FT. AVAILABLE

484
TOTAL LISTINGS
*As of Sept 30th, 2024

# OF LISTINGS	RANGE IN SQUARE FEET
273	0 - 10,000 SQ. FT.
127	10,001 - 30,000 SQ. FT.
51	30,001 - 60,000 SQ. FT.
10	60,001 - 100,000 SQ. FT.
23	100,000+ SQ. FT.

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

3.94%
Vacancy



1,883,202 sq. ft.
Vacancy sq. ft.

47,795,702
Total Inventory

CENTRAL

0.96%
Vacancy



283,698 sq. ft.
Vacancy sq. ft.

29,556,780 Total
Inventory

SOUTHEAST

3.32%
Vacancy



2,296,532 sq. ft.
Vacancy sq. ft.

69,089,459
Total Inventory

OUTSIDE CITY LIMITS

8.50%
Vacancy







2,175,248 sq. ft.
Vacancy sq. ft.



25,576,133
Total Inventory

↑ Increase ↓ Decrease

NOTABLE SINGLE-USE LEASE TRANSACTIONS Q3 2024

	Address	Tenant	Market	Lease Type	Size
	4300-116th Avenue SE	Legacy Plumbing & Heating	Southbend	Sublease	10,000 sf on 0.99 acres
	1311-25th Avenue NE	C.N. Auto Repairs Ltd.	South Airways	Head Lease	11,066 sf on 1.15 acres
	7150-104th Avenue SE	Milborn Seeds Canada Ltd.	Point Trotter	Head Lease	20,904 sf on 2.43 acres
	9903 Shepard Road SE	Undisclosed	Shepard	Sublease	28,700 sf on 3.66 acres

NOTABLE SINGLE-USE SALE TRANSACTIONS Q3 2024

	Address	Purchaser	Market	Size	Sale Price
	11079-50th Street SE	IWB Properties Ltd.	Eastlake	11,325 sf on 0.9 acres	\$3,220,000.00
	261006 High Plains Way NE	Tri Investments Inc.	MD of Rockyview	23,000 sf on 5.96 acres	\$9,550,000.00
	315 Manitou Road SE	Modern Investments Inc.	North Manchester	72,967 sf on 3.60 acres	\$14,000,000.00
	8700 Venture Avenue SE	Shepard 87 Ventures Inc.	Shepard Business Park	90,141 sf on 14.53 acres	\$18,037,500.00

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