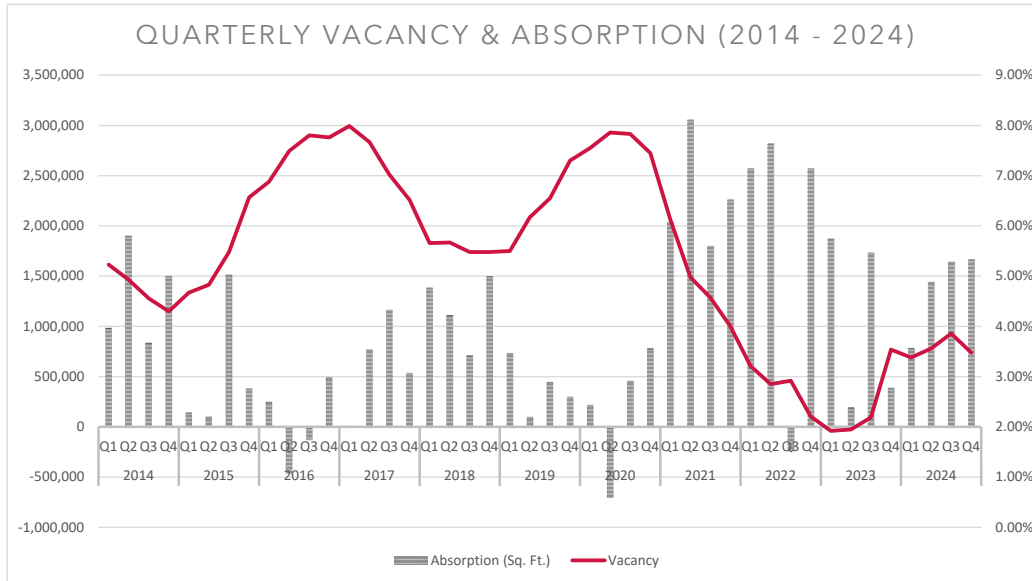


Q4 | 2024

CALGARY INDUSTRIAL MARKET REVIEW

YEAR END REVIEW

VACANCY & ABSORPTION

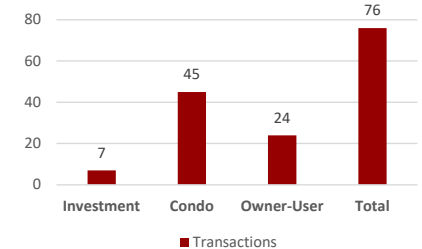


VACANCY BY QUADRANT

North East	3.95%	↑
Central	0.87%	↓
South East	3.26%	↓
Greater Area	6.12%	↓

Change from Q3 2024: ↑ Increase ↓ Decrease

Q4 2024 Sale Transactions



VACANCY

QUARTERLY ABSORPTION

Q4 2024

3.48%

+1,665,801 sq.ft.

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.

Building Sales

OF SALES

[0] [100] [200] [300]

INVESTMENT SALES

2024

2023

CONDO SALES

2024

2023

OWNER-USER SALES

2024

2023

TOTAL

2024

2023

YEAR IN TOTAL

2024

2023

INVESTMENT SALES

Net Volume (\$)

37

\$375,155,695

36

\$304,766,860

CONDO SALES

Net Volume (\$)

158

\$169,531,701

87

\$110,908,630

OWNER-USER SALES

Net Volume (\$)

81

\$375,007,138

53

\$231,978,046

TOTAL

Net Volume (\$)

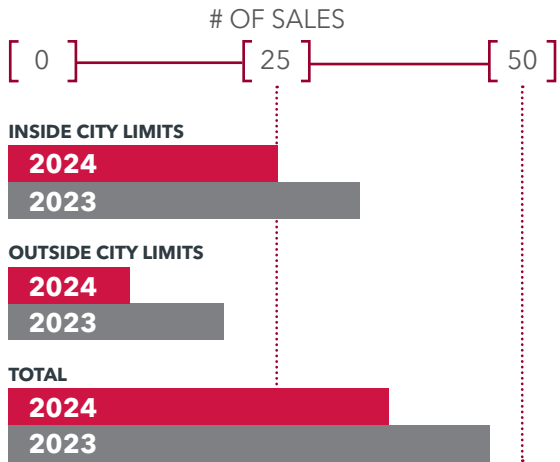
276

\$919,694,534

176

\$647,653,537

Land Sales



	2024	2023
INSIDE CITY LIMITS	25	31
Total Acres Sold	144.53 acres	111.68 acres
Net Volume (\$)	\$111,370,950	\$88,767,424
OUTSIDE CITY LIMITS	10	17
Total Acres Sold	50.50 acres	238.95 acres
Net Volume (\$)	\$27,363,600	\$84,195,150
TOTAL	35	48
Total Acres Sold	194.58 acres	350.63 acres
Net Volume (\$)	\$138,734,550	\$172,963,374

Q4 SUMMARY | TRANSACTION VOLUME AND VALUES INCREASE

The industrial market in Calgary and the Greater Calgary Area (GCA) demonstrated continued stability in Q4 2024, with vacancy rates dropping to 3.48%, down from 3.86% in the previous quarter. The quarter's absorption was 1.6 million SF, remaining positive across all quarters of 2024. Leasing activity remained strong, driven by steady demand in the small and mid-bay sectors, alongside several notable transactions in the large-bay sector, resulting in approximately 3 million SF of completed transactions.

The Calgary and GCA construction pipeline continues to regress substantially. Approximately 800,000 SF was delivered in Q4, and approximately 1 million SF is still under development. With the market showing signs of stabilization, construction activity in Calgary and the GCA is expected to hold steady but remain well below the average of approximately 4.4 million SF as seen throughout 2023. With continued leasing demand, a new construction cycle is likely imminent, with around 7 million SF in the planned pipeline. However, the timing of certain projects remains uncertain, as investors and developers are waiting to see where the market ultimately levels out. Separate from that, 2025 will see the construction of Dollarama's new 1.69 million SF distribution center located in High Plains Industrial Park in Balzac. This is an owner-user facility and will significantly inflate new construction numbers for 2026 when the facility should be substantially constructed. Another great win for Balzac as the City of Calgary is slow to release any of its +4,000 acres of future industrial land, which continues to be retained by the City, property tax exempt.

Industrial sales remained strong in Q4 2024, with 76 transactions recorded; a minor decrease from the 78 deals completed in Q3 2024. Industrial condominiums continued to drive transaction volume, accounting for 59% of quarterly transactions, trading at an average price of \$244 per square foot (PSF), down slightly from the \$253 PSF average in Q3. Owner-user product accounted for approximately 33% of sales volumes in Q4, trading at an average of \$238 PSF, down from the \$252 PSF posted in Q3. Industrial investment sales stagnated in Q4, as we saw seven transactions compared to 13 in Q3. Q4 investment sales accounted for 469,704 SF and

transacted at an average price per square foot of \$166. Notably, investment figures were inflated by Synergy Properties' acquisition of Skyline Business Park from One Properties, accounting for 348,747 SF sold.

LAND TRANSACTIONS

Calgary and the GCA recorded the sale of eight industrial land parcels in Q4 2024, consistent with the moderate transaction volumes observed throughout the year. Sales volume in acreage remained stable toward the year's end, with 27.6 acres sold in Q4, a marginal increase compared to the 24.05 acres sold in Q3. The average parcel size remained stagnant at year's end, continuing to hover at approximately 3.5 acres. This reflects the continued supply constraints on shovel ready parcels greater than five acres. Notably, transactions within city limits continued to outpace those in the GCA, as seven of the eight recorded sales throughout Q4 occurred within city limits.

The average price per acre for fully serviced industrial land within the city rose significantly in Q4, realigning with anticipated levels following the decrease in Q3. The average parcel within the city transacted at \$881,972 per acre in Q4, which is up significantly from \$745,379 seen in Q3. Notably, 71% of city land transactions occurred in the NE quadrant of the city in Q4, emphasizing a significant supply shortage in the city's SE quadrant, apart from the City of Calgary's Constellation Industrial Park. The prevailing upward pressure on industrially zoned land pricing within city limits is driven by continued limited supply, as well as a lack of existing and newly developed single-use facilities with fenced yard available for owner-users.

YEAR AT A GLANCE

The Calgary and GCA industrial markets demonstrated a shift towards stability in 2024, as vacancy rates showed very little deviation, hovering between 3.4% and 3.9%. Absorption was positive for the year at approximately 5.5 million SF, reflective of favorable trends with regard to sales and leasing demand and city-wide industry growth.

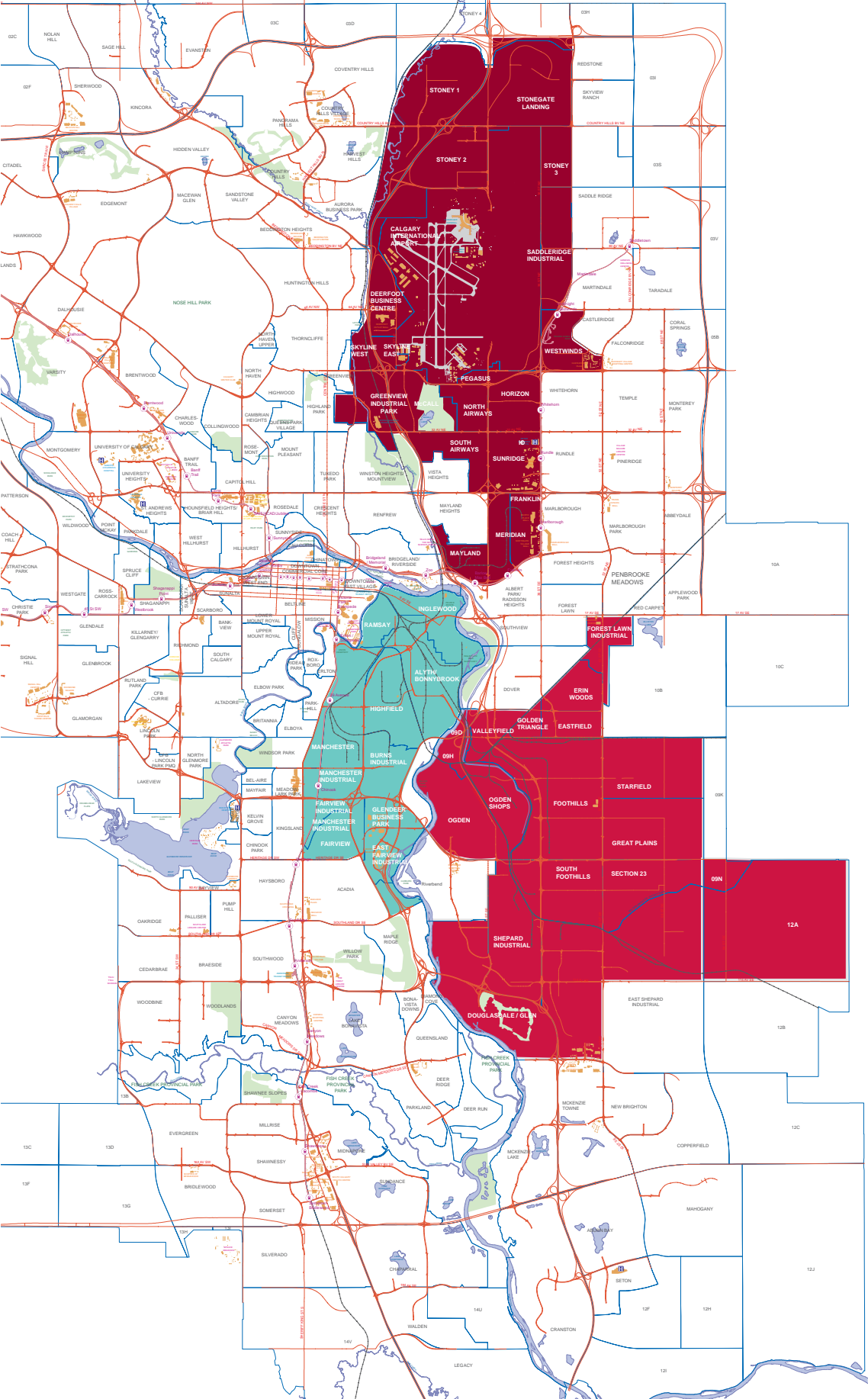
Sales volume in Calgary and the GCA surged

in 2024 with 276 transactions—an increase of approximately 100 compared to 2023. This growth in terms of total transactions was predominantly driven by the owner-user and industrial condo segments, which collectively accounted for 87% of all transactions. Although investment sales remained relatively stable year-over-year in terms of transaction volume, sale value figures grew, likely attributable to decreasing cap rates driven by the Bank of Canada (BOC) rate cuts. Industrial investment assets in 2023 accounted for approximately \$300 million in transactions, whereas 2024's figures came in at approximately \$375 million. The projected continuation of BOC rate cuts into 2025 is expected to support the persistence of this promising sales trend as we move into the new year.

The industrial land market in Calgary and the GCA experienced a decline in total transaction volume year-over-year. Inside city limits, 144.53 acres sold for a total value of \$111.37 million, an increase from the \$88.77 million recorded in 2023, despite fewer transactions (25 versus 31), reflecting upward pressure on price. GCA land sales activity also slowed significantly, with 50.50 acres sold in 2024 compared to 238.95 acres in 2023. Transaction volume dropped from \$84.19 million to \$27.36 million, largely due to a shortage of shovel-ready parcels. Limitations of industrial land in Calgary and the GCA is expected to remain a challenge for owner-users and developers in 2025.

Approximately 4.1 million SF of construction was completed in 2024, marking a notable decline from the 6.1 million SF completed in 2023. This year-over-year decrease was driven by increased vacancy rates that were first observed in Q3 2023 along with high construction costs. The reduction seen in net deliveries, alongside the current slowdown in the GCA construction pipeline signals a shift from a growth market towards a balanced market. With that said, industrial leasing and sales demand continues to remain strong in Calgary and the GCA. The upcoming disparity in projected new supply and current demand is likely to lead to continued upward pressure on both rental rates and per square foot values, especially within the small and mid-bay sectors.

CALGARY INDUSTRIAL STATS BY AREA



NORTHEAST	
3.95% Vacancy	↑
1,905,335 sq. ft. Vacancy sq. ft.	
48,197,062 sq. ft. Total Inventory	

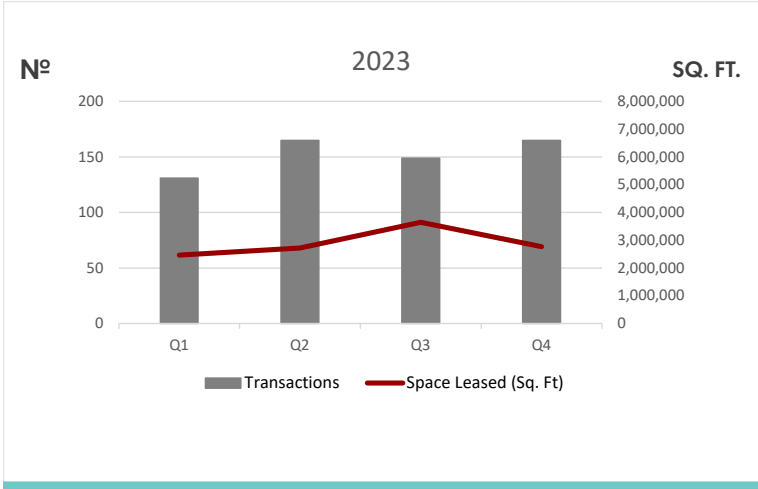
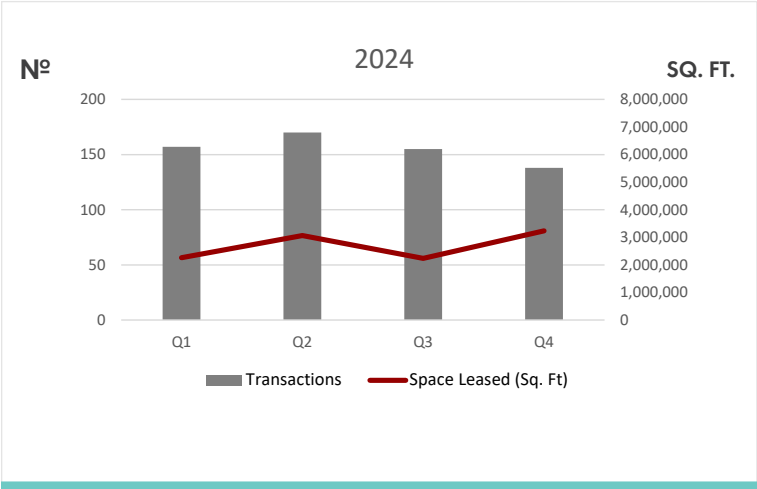
CENTRAL	
0.87% Vacancy	↓
256,421 sq. ft. Vacancy sq. ft.	
29,570,602 sq. ft. Total Inventory	

SOUTHEAST	
3.26% Vacancy	↓
2,250,451 sq. ft. Vacancy sq. ft.	
69,121,523 sq. ft. Total Inventory	

GREATER AREA	
6.12% Vacancy	↓
1,627,487 sq. ft. Vacancy sq. ft.	
26,582,737 sq. ft. Total Inventory	

↑ Increase ↓ Decrease
Data compared to Q3 2024

LEASING STATISTICS



QUARTER		2024
Q1	# of Transactions	157
	Square Feet Leased	2,260,481
Q2	# of Transactions	170
	Square Feet Leased	3,066,528
Q3	# of Transactions	155
	Square Feet Leased	2,240,904
Q4	# of Transactions	138
	Square Feet Leased	3,236,769
TOTAL # of Transactions		620
Square Feet Leased		10,804,682

QUARTER		2023
Q1	# of Transactions	131
	Square Feet Leased	2,466,373
Q2	# of Transactions	165
	Square Feet Leased	2,722,453
Q3	# of Transactions	149
	Square Feet Leased	3,649,314
Q4	# of Transactions	165
	Square Feet Leased	2,770,536
TOTAL # of Transactions		610
Square Feet Leased		11,608,676

TOTAL MARKET INVENTORY
173,471,924 SQ. FT.





15,039,997
TOTAL SQ. FT. AVAILABLE

475
TOTAL LISTINGS
*As of December 31st, 2024







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.

NOTABLE SINGLE-USE LEASE TRANSACTIONS Q4 2024

	Address	Tenant	Market	Lease Type	Size
	8716-48th Street SE	Undisclosed	South Foothills	Head Lease	12,900 sf on 4.23 acres
	10885-84th Street SE	Arctic Arrow Powerline Group	MD of Rockyview	Sublease	16,900 sf on 7.39 acres
	5550-55th Street SE	Bidell Gas Compression Ltd.	Starfield	Renewal	59,971 sf on 5.7 acres
	8225-30th Street SE	Core-Mark International, Inc.	Foothills	Renewal	75,512 sf on 3.76 acres

NOTABLE SINGLE-USE OWNER USER SALE TRANSACTIONS Q4 2024

	Address	Purchaser	Market	Size	Sale Price
	5720-84th Street SE	Undisclosed	MD of Rockyview	23,361 sf on 14.82 acres	\$10,750,000.00 (\$460.17 per sf)
	3605-32nd Street NE	JOG Holdings Inc.	Horizon	25,680 sf on 1.21 acres	\$5,050,000.00 (\$196.65 per sf)
	3236-50th Avenue SE	Pigroast Place Inc.	Golden Triangle	34,500 sf on 2.7 acres	\$8,200,000.00 (\$237.68 per sf)
	402086-81st Street E	Undisclosed	MD of Foothills	63,495 sf on 4.94 acres	\$8,700,000.00 (\$137.02 per sf)

JON MOOK 403-616-5239
jmook@lee-associates.com

EMILY GOODMAN 403-862-4348
egoodman@lee-associates.com

JORDAN LEBLANC 403-660-5141
jleblanc@lee-associates.com

LAURAE SPINDLER 403-471-4871
lspindler@lee-associates.com

ELIAS TSOUGRIANIS 403-680-4875
etsougrianis@lee-associates.com

COLE MOOK 587-432-8030
cmook@lee-associates.com

KALEEN TUCKER 587-210-2523
ktucker@lee-associates.com

