

Edmonton, AB industrial market trends

Third Quarter 2020

Quick Stats

7.5%

Overall Vacancy rate

+0.7%

Year-over-Year change in Vacancy Rate

2.7m

New Q3 Supply

198k

Total space under construction

8

Properties with 150k sf of space or more in the Greater Edmonton area

While COVID continues to impact the energy sector, interest in the industrial market continues to increase day by day.

This activity is primarily the result of supply chains getting accustomed to the new challenges brought on by the pandemic, which in turn has increased logistics activity. With Alberta well into Phase 2 of the relaunch strategy, there is currently a nationwide concern of a potential second wave of COVID. If that occurs, it is possible general market activity could once again slow down during Q4 of this year.

Oil prices continue to remain relatively stagnant, as prices have only seen minor fluctuations since last quarter. The WCS price per barrel (ppb) ended the September month at USD\$39.53, while the WCS ended at USD\$28.35, which is a \$1.22 increase and \$5.48 decrease since June 2020 respectively. It should be noted for the WCS that early October 2020 projections have it sitting at an estimated

ppb of USD\$31.10, which is indicative of the type of fluctuations that have been ongoing during the third quarter.

Another aspect to consider is the number of infrastructure-based projects that have been given the green light by the province and local municipalities. There has been a large effort exerted in ensuring projects are not cancelled wherever possible. This should increase the demand for worksite materials of all sorts, while also creating more labour jobs for those that had potentially lost their previous positions.

The months ahead may remain uncertain, however Avison Young Industrial team is here to provide clients with the insights and resources required to successfully navigate the market amidst the COVID landscape.

	Total Inventory	Direct Vacancy	Sublease Vacancy	Vacancy Rate	Vacancy Direct	Vacancy Sublease	Serviced Land Cost
City of Edmonton							
South/Southeast	53,630,457	4,493,694	227,706	8.8% ▲ 1.0%	8.4% ▲ 0.9%	0.4% ▲ 0.1%	\$650,000 - \$800,000
Northwest	61,399,639	3,672,023	192,713	6.3% ▲ 0.2%	6.0% ▲ 0.2%	0.3% - -	\$625,000 - \$725,000
Northeast	6,809,847	251,738	-	3.7% ▼ (0.8%)	3.7% ▼ (0.8%)	- - -	\$525,000 - \$650,000
Central	3,959,926	96,326	-	2.4% ▲ 0.2%	2.4% ▲ 0.2%	- - -	-
Surrounding Districts							
Acheson	8,477,036	330,043	52,810	4.5% ▼ (0.3%)	3.9% ▼ (0.3%)	0.6% - -	\$400,000 - \$575,000
Sherwood Park	6,365,000	265,627	-	4.2% ▼ (0.9%)	4.2% ▼ (0.9%)	- - -	\$650,000 - \$750,000
Nisku/Leduc	19,700,883	2,345,026	73,766	12.3% ▲ 2.8%	11.9% ▲ 2.8%	0.4% - -	\$450,000 - \$650,000
Totals							
City	125,799,869	8,513,781	420,419	7.1% ▲ 0.5%	6.8% ▲ 0.5%	0.3% - -	-
Surrounding	34,542,919	2,940,696	126,576	8.9% ▲ 1.4%	8.5% ▲ 1.4%	0.4% - -	-
Overall	160,342,788	11,454,477	546,995	7.5% ▲ 0.7%	7.1% ▲ 0.7%	0.3% - -	-

Net Asking Rent By Bay Size:	Southeast		Northwest		Northeast		Leduc/Nisku		Sherwood Park		Acheson	
	Multi-Tenant	Free-standing	Multi-Tenant	Free-standing	Multi-Tenant	Free-standing	Multi-Tenant	Free-standing	Multi-Tenant	Free-standing	Multi-Tenant	Free-standing
0 - 5,000 sf	\$9.75	\$11.75	\$10.75	\$10.75	\$9.50	-	\$9.75	\$13.75	\$14.25	-	\$11.00	-
5,001 sf - 10,000 sf	\$9.25	\$11.75	\$9.75	\$9.75	-	\$17.00	\$9.25	\$12.50	\$14.00	\$11.00	\$12.00	-
10,001 sf - 20,000 sf	\$9.00	\$11.25	\$8.00	\$9.75	-	-	\$10.00	\$12.25	\$12.00	\$12.00	\$14.50	\$15.00
20,001 sf - 50,000 sf	\$8.75	\$9.75	\$7.25	\$9.25	\$6.50	-	\$9.75	\$9.00	\$11.50	-	-	\$14.75
50,001 sf & Up	\$7.75	\$8.75	\$6.75	\$7.25	-	-	\$8.50	\$9.00	\$11.50	\$9.25	-	-

Get more market information

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