

# 2006 Calgary Real Estate Leasing Conference

## Calgary / Edmonton Industrial Overview

November 2<sup>nd</sup>, 2006

**AVISON  
YOUNG**

Intelligent  
Real Estate Solutions

partnership.  
performance.

# Inventory Levels

## Calgary

2005: 102 M + Sq. Ft.

2006: 105 M + Sq. Ft.

2007 Trend: 

There are 3.5 million sq. ft. of new projects being undertaken with another 1.6 million sq. ft. in the planning stages.

## Edmonton

2005: 75 M + Sq. Ft.

2006: 78 M + Sq. Ft.

2007 Trend: 

In 2006, there is estimated to be 2 million + sq. ft. of construction.

# Vacancy Rates

## Calgary

Q4 2005: 2.48%

Q3 2006: 0.98%

2007 Trend: 

Will slightly  
decrease in Q4 then  
increase in 2007.

## Edmonton

Q4 2005: 3.55%

Q3 2006: 1.63%

2007 Trend: 

Same story as  
Calgary.

# Absorption Levels

## Calgary

**2005: 3.3 M Sq. Ft.**

**2006: 5.5 M Sq. Ft.  
(YTD)**

**2007 Trend: ↓**

**With near zero vacancy,  
new supply won't be  
ready until mid 2007.**

## Edmonton

**2005: 2.3 M Sq. Ft.**

**2006: 2.7 M Sq. Ft.  
(YTD)**

**2007 Trend: ↓**

**Absorption levels will  
spike when the new  
development projects  
are finished.**

## Average Leasing Rates (\$'s)

### Calgary

2005: \$7.03 psf.

2006: \$8.06 psf.

2007 Trend: 

Will eventually level off as new supply become available in the North and South.

### Edmonton

2005: \$6.56 psf.

2006: \$7.69 psf.

2007 Trend: 

Many new projects in the South and Nisku won't reach the market until Fall 2007.

# Average Industrial Land Costs

## Calgary

2005: \$345,084 / acre

2006: \$489,421 / acre

2007 Trend: 

Strong demand will  
push up prices as  
developers are  
desperate for land.

## Edmonton

2005: \$305,988 / acre

2006: \$425,662 / acre

2007 Trend: 

Same story as  
Calgary.

# 2006 Industrial Building Costs

<u>Size</u>	<u>Cost</u>
20,000 sf.	\$80 to \$85 sf.
40,000 sf.	\$70 to \$75 sf.
60,000 sf.	\$65 to \$70 sf.
80,000 sf.	\$60 to \$65 sf.
100,000 sf.	\$50 to \$55 sf.

\* Add an additional 10-15% for  
groundwork and minimal  
leasehold improvements.

**2007 Trend:**  **Increasing materials costs and labor shortages will continue to drive up prices in both cities.**

## Avison Young Commercial Real Estate [Alberta]

GO



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