

A Look Back at 2009...and What's In Store for 2010







GREATER EDMONTON OFFICE MARKET

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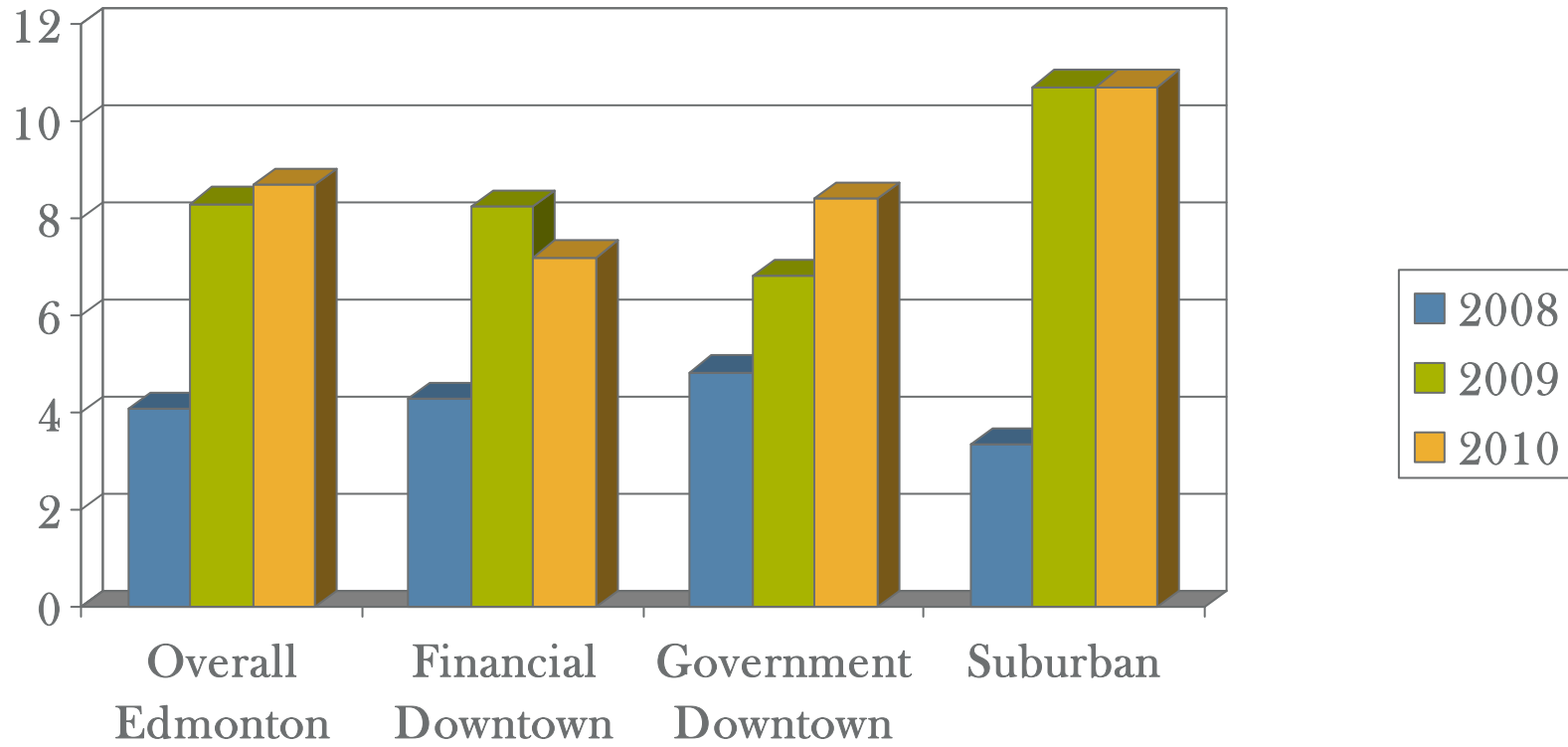


2009/2010 Edmonton Office Highlights

VACANCY	 Downtown – 7.6% Suburban – 10.7%
RENTAL RATES	Rates Falling... 
ABSORPTION	 AA was only Downtown market with positive Absorption
MARKET INCENTIVES	Construction costs high - Landlords offering more substantial incentive packages to attract tenants! 

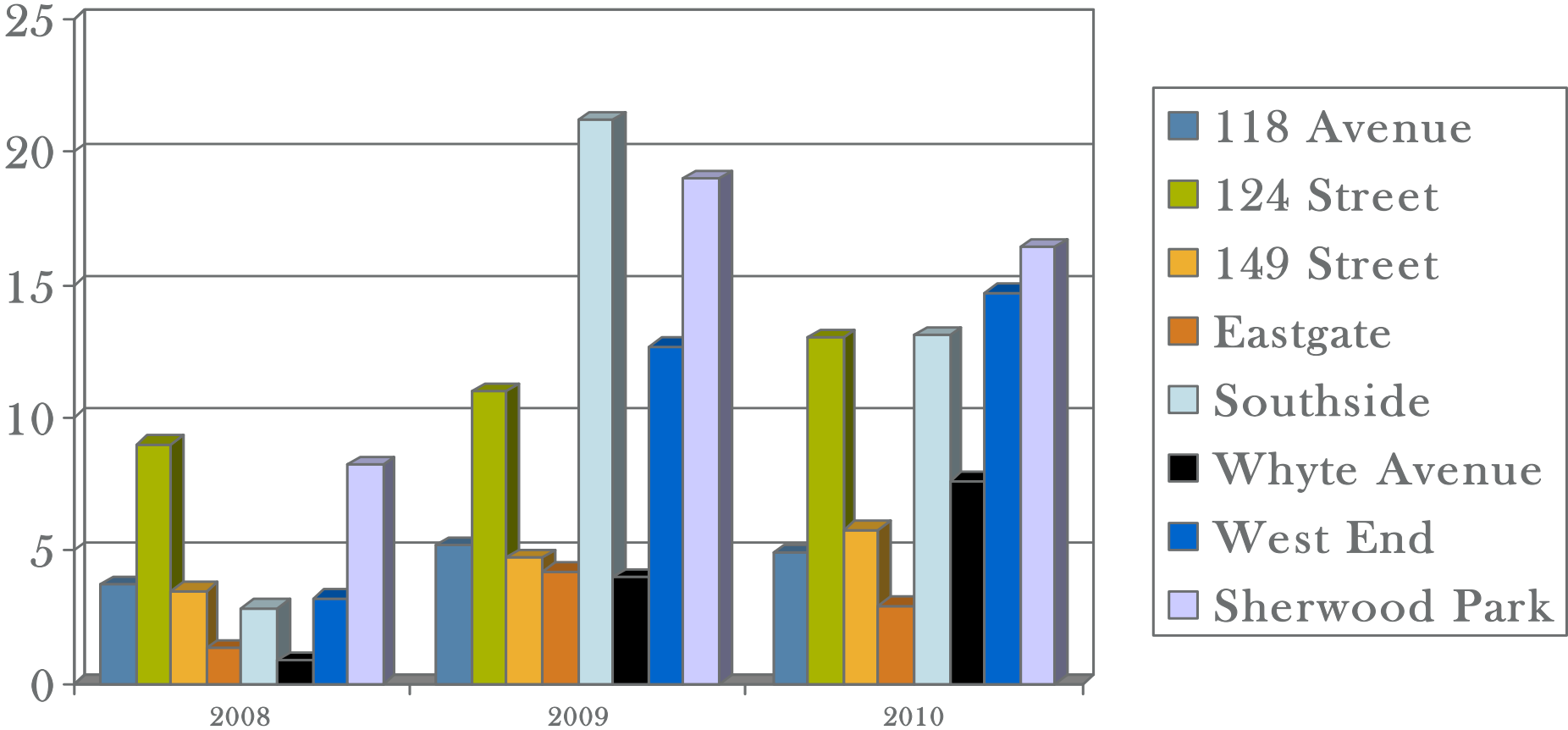
2009/2010 Edmonton Office Highlights

Edmonton Office Vacancy Rates



Edmonton Office Highlights

Edmonton Suburban Office Vacancy Rates



2009/2010 Edmonton Office Highlights

Financial District 'Class A' and 'AA' - *At A Glance...*

Average Asking Rate	\$26.00 psf
Average Occupancy Costs	\$15.86 psf
Vacancy	5.8%

2009/2010 Edmonton Office Highlights

Government District 'Class A' - *At A Glance...*

Average Asking Rate	Existing: \$22.00 psf "Newish": High \$20s, Low \$30s
Average Occupancy Costs	\$12.34 psf
Vacancy	14.3%

2009/2010 Edmonton Office Highlights

Suburban 'Class A' - *At A Glance...*

Average Asking Rate	New: \$22-\$23.00 psf Existing: \$18.00 psf
Average Occupancy Costs	\$12.21 psf
Vacancy	10.7%

Highlights of the Edmonton Office Market

- Growing trend of 'campus style office parks'
 - Ellerslie Business Campus – *Cameron Developments*
 - West Campus – *Remington Developments*
- Increasing opportunities / challenges from large blocks of space entering the Downtown Market unexpectedly
 - Telus sub-lease – 70,000 s.f.
- Current lack of activity from Provincial & Federal Governments

2010 Forecast

- Retention is #1 priority
- Increased vacancy likely in all Sectors, including the Sub-lease market
- Increased pressure on Rental Rates from Tenants
- Increased incentives by Landlords to capture market share
- A watch on the Provincial & Federal Governments...what will they do?

Thank you

For further discussion, contact:

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