

Quarterly Shifts

↑	Vacancy	0.03%
↓	Average Rent	-\$0.05/SF
↓	Net Absorption	-233,606 SF

Occupier's Perspective

There seems to be some hesitancy on speculative projects with delivery timelines into the second half of 2024 or beyond. Developers are now looking for lease commitments prior to starting construction or waiting for existing projects to be significantly leased prior to starting new projects.

Hesitancy in starting speculative developments with delivery in 2024 delivery and beyond, and the near-term demand for existing and current projects, will keep vacancy rates low and upward pressure on rental rates for the foreseeable future.

Unparalleled levels of growth and absorption have been due to the e-commerce, and transportation industries, as well as the strengthening of the oil and gas market, prompting developers to purchase land and providing more options to occupiers in an already tight market.

After eight consecutive quarters of decreasing vacancy from Q3 of 2020 to Q3 of 2022, the industrial market has experienced the third-straight quarter of stable vacancy. The vacancy rate hit a low 3.5 percent in Q3 2022, which has held steady for the last three quarters. There are currently a number of spec buildings under construction in different stages of their life-cycles of construction, from breaking ground to near completion. In the upcoming 12-16 months, we will monitor and report on the absorption of these buildings. With the unparalleled levels of growth and absorption in the Greater Edmonton Market due to e-commerce, transportation, and the uplift from the oil and gas market; developers, landlords, and investors have been purchasing development land and making the decision to build spec buildings in all quadrants of the city. As a result of these decisions, 3.9 million square feet of construction is underway, with only 560,000 square feet pre-leased. This leaves 3.3 million square feet of new industrial space coming to the market in 12-16 months with many of the developments nearing completion in the next quarter

Recent Transactions

Tenant	Size (SF)	Submarket	Type	Building
Undisclosed	42,350 SF	North West	New Lease	Industrial
Undisclosed	33,000 SF	North West	New Lease	Industrial
Undisclosed	32,700 SF	North West	New Lease	Industrial

Submarket Movement

Vacancy Rate	QOQ Change	Direct Asking Rent (\$/SF)	Submarket
4.4%	0.1% ▲	\$9.31	South East
3.0%	0.1% ▲	\$9.47	North West
2.4%	0.0% ▲	\$9.78	North East
4.0%	-0.3% ▼	\$10.06	Leduc & Nisku
4.1%	-0.2% ▼	\$12.91	Sherwood & Fort Saskatchewan
1.9%	-0.1% ▼	\$13.36	Acheson & St. Albert