



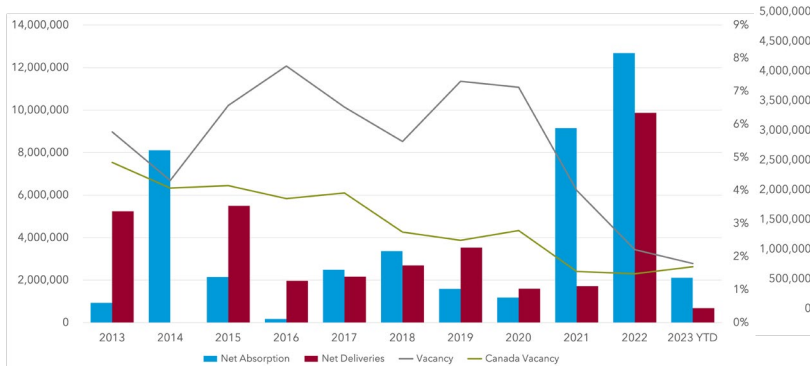
INDUSTRIAL MARKET OVERVIEW

JACK MAZURY, *Research Coordinator*

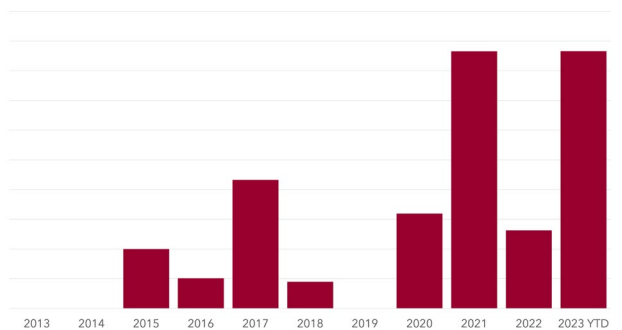
Vacancy continues to decrease toward an all-time low in Calgary's industrial market. Increasing interest rates and persistent inflation have slowed sales with owner-users impacted most. Leasing remains strong with a 1.87% vacancy rate. New speculative construction is leasing quickly and as a result, rents are continuing to increase. With heightened building costs, there is an expectation of increased demand for existing product for owner users as opposed to new construction as the cost delta between the two continues to rise. Much of the existing product available is concentrated in small bay B and C class buildings. Purchaser demand returning is dependent on the Bank of Canada decreasing rates, accompanied by slowing inflation.

| MARKET INDICATORS | Q1 2023 | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| ▼ Qtrly Net Absorption SF | 2,115,223 | 2,569,437 | (230,369) | 7,776,546 | 2,571,220 |
| ▼ Vacancy Rate | 1.87% | 2.21% | 2.92% | 2.85% | 3.21% |
| ◀ ▶ Avg NNN Asking Rate PSF | Not Tracked | Not Tracked | Not Tracked | Not Tracked | Not Tracked |
| ▲ SF Under Construction | 4,329,883 | 1,315,151 | 1,974,474 | 4,344,337 | 7,825,685 |
| ▲ Inventory SF | 163,105,942 | 162,657,499 | 162,067,331 | 159,600,115 | 155,185,570 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|--|------------|--------------------------------|--|----------------|
| 4920 - 72nd Avenue SE* Calgary, AB | 293,761 SF | \$90,300,000** \$128.62 PSF | Skyline Commercial Real Estate Holdings HOOP Realty, Inc. | Class B |
| 261090 Wagon Wheel View* Rockyview County, AB | 148,831 SF | \$19,000,000** \$127.66 PSF | BHJ Canada Meat Products Inc. Seaview Investments Ltd. | Class A |
| 2760 45th Avenue SE* Calgary, AB | 99,026 SF | \$57,200,000** \$163.97 PSF | Skyline Commercial Real Estate Holdings Hopewell Equities, Inc. | Class A |

**All numbers shown are in Canadian dollars (CAD)

*Part of a Portfolio Sale

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|--|------------|----------------------------|---------------|-----------------|
| 490 Carmek Drive SE Rockyview County, AB | 253,049 SF | Emcor Developments | Confidential | Confidential |
| High Plains Industrial Park, Bldg 10 Rockyview County, AB | 218,993 SF | Highfield Investment Group | DSV Solutions | Logistics |
| 292031 Wagon Wheel Boulevard Rockyview County, AB | 147,840 SF | Anthem Properties | Master Group | HVAC |

