

CALGARY INDUSTRIAL REAL ESTATE YEAR END MARKET OVERVIEW

Year End Vacancy

6.52% -0.50% FROM Q3 2017
OVERALL Q4 RATE

Vacancy by Quadrant		
Central	5.41%	↑
North East	6.08%	↓
South East	6.27%	↓
GCA (Out of Town)	12.60%	↑

After another quarter characterized by strong leasing activity, the industrial market's positive trend continued with vacancy decreasing by another 0.50% in the fourth quarter to 6.52%.

The vacancy rate has therefore dropped by a total of 1.47% since the beginning of 2017. This marks the fourth consecutive quarter of decreasing vacancy, and another quarter of positive absorption, which was +537,096 square feet.

Cumulative net positive absorption was +2,486,040 square feet for 2017, which was

Q4 Absorption

+537,096
SQUARE FEET

higher than the total absorption seen in both 2015 and 2016 combined.

The most active market segment in 2017 was large format distribution space, which continues to attract interest from institutional investors and developers, particularly when annual industrial absorption stays in the positive year after year through an economic downturn.

These strong underlying fundamentals are the reason that speculative development for 2018 will ramp up with numerous developers intending to break ground on new large distribution facilities this coming Spring 2018.

This institutional confidence stems from continual interest from larger occupants organically growing their footprint, and a continual flow of new entrants into Calgary.

Notable transactions this quarter included Cascade Container that leased 93,000 square

2017 Total Absorption

+2,486,040
SQUARE FEET

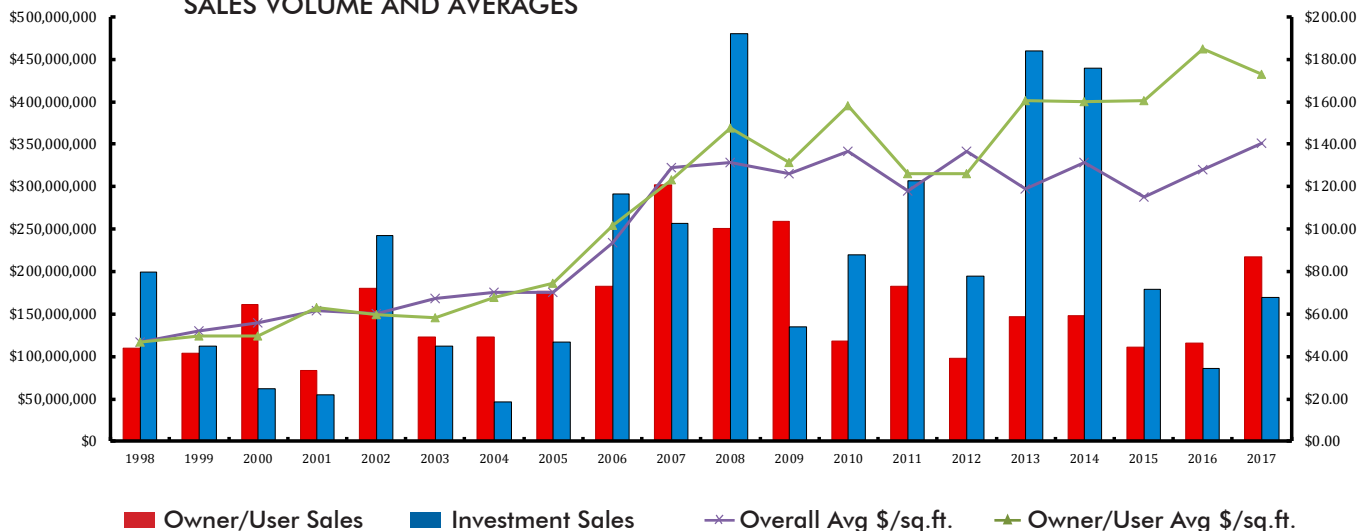
feet at bclMC's South Foothills Building, and Lowe's Canada committing to 377,000 square feet at Oxford's Airport Business Park.

The quarter's largest transaction was the 600,000 square foot Amazon distribution centre at bclMC's Nose Creek Business Park in Balzac.

Prominent sale transactions this quarter include the sale of the former Cameron Canada site on Shepard Road, which was purchased for \$11.8M by Startec Compression & Process, and the former ProLink facility at 5550 – 55th Street SE, which sold for \$9.0M to a private investor.

- Vacancy decreased by 0.50% or 709,610 square feet from Q3 2017
- Construction underway is 2,163,009 square feet

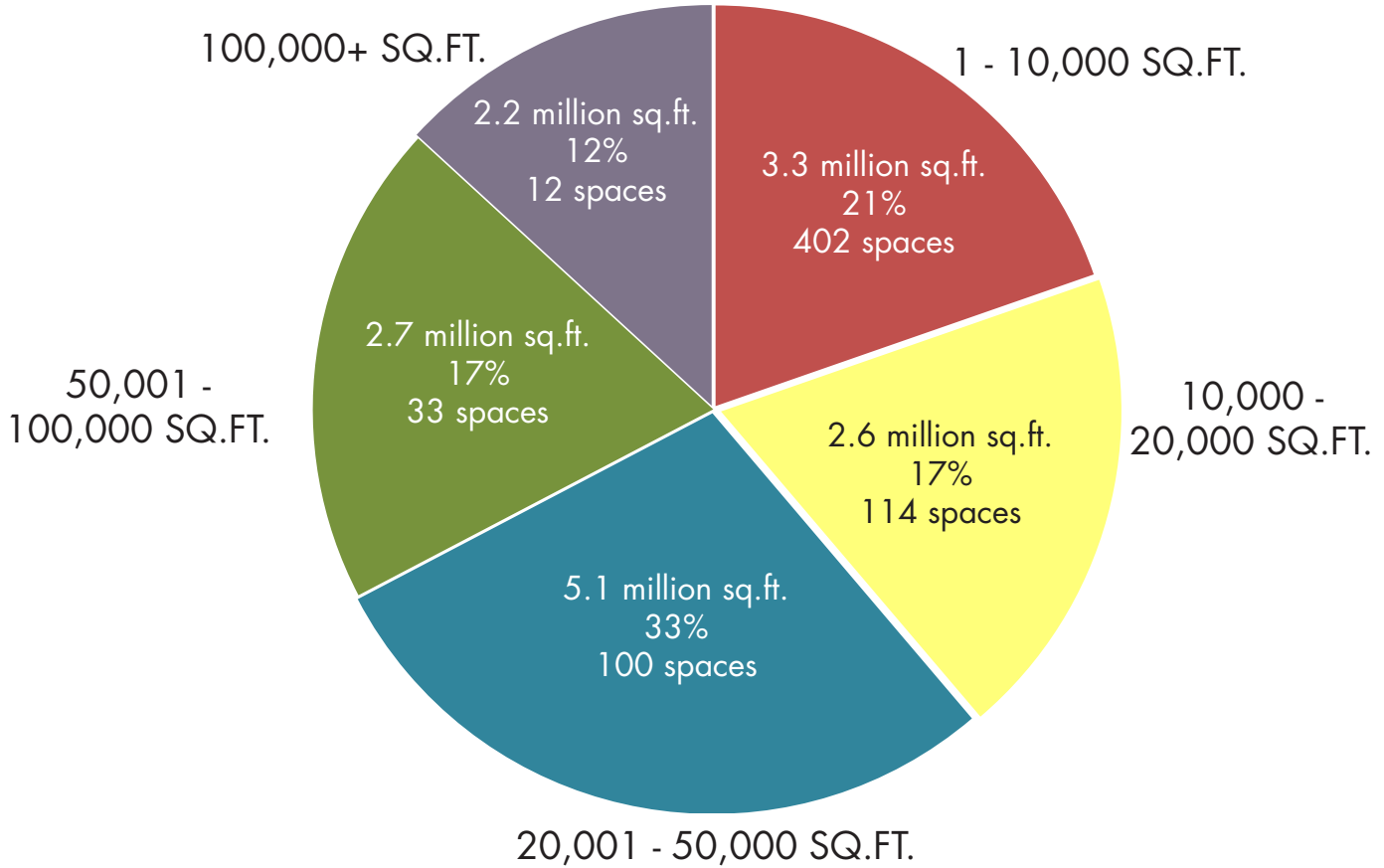
SALES VOLUME AND AVERAGES



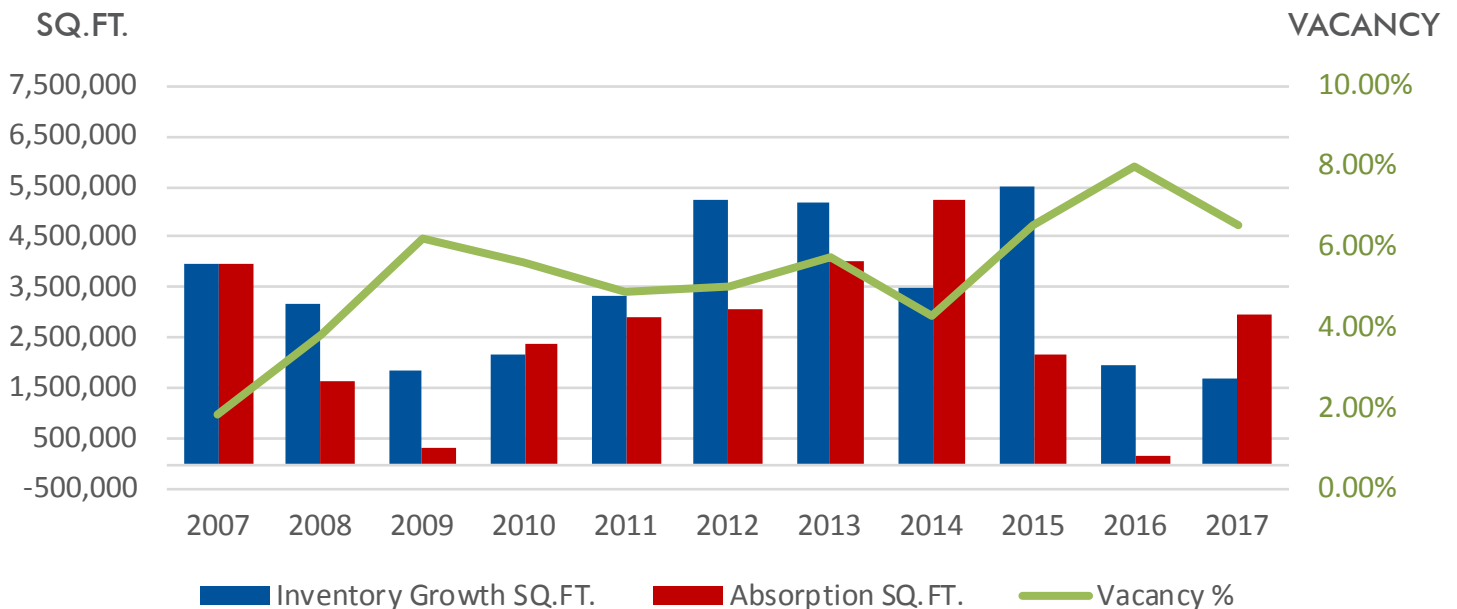
MARKET STATISTICS

Breakdown of Industrial Availability (15,978,807 Square Feet)

Availability includes vacant space, occupied space being marketed, and speculative space under construction



YEARLY INDUSTRIAL MARKET INDICATORS



FEATURE PROPERTIES

NOTABLE TEAM LISTINGS



ADDRESS 3915 - 78th Avenue SE, Calgary
SIZE 34,045 square feet

4855 - 102nd Avenue SE, Calgary
26,916 square feet

NOTABLE TEAM TRANSACTIONS



ADDRESS 2103 - 8th Street, Edmonton
SIZE 38,279 square feet

10500 - 48th Street SE, Calgary
17,847 square feet



ADDRESS 4550 - 25th Street SE, Unit 136, Calgary
SIZE 11,761 square feet

5760 - 9th Street SE, Unit 107, Calgary
32,272 square feet

The BSRE Industrial Team would like to thank the following clients for their business in the last quarter:

2 Clean Inc.
2067736 Alberta Ltd.
Air and Gas Limited Partnership
Artis REIT Westfield McCall Lake Industrial
Calgary Industrial Properties Ltd.

Capital Mandate Canada Inc.
Enerflex Ltd.
Fleet Safety
Fulton Industrial JV Inc.
Fusion Capital
Kaverit Cranes & Service ULC

Investors Group Trust Co. Ltd.
MJK Performance
Madjat Developments Inc.
Royal Building Solutions
Vets To Go Properties Inc.
Welltec Canada Inc.

SOLD

316,369 sf on 40.02 acres

LEASE RENEWAL

44,100 sf

LEASE

101,200 sf

LEASE

19,441 sf

DESIGN BUILD

22,849sf on 2.86 acres

DESIGN BUILD

14,787 sf on 1.23 acres

DESIGN BUILD

10,474 sf on 0.90 acres

SOLD

50,000 sf on 5.01 acres

DESIGN BUILD

96,905 sf on 7.69 acres

SOLD

7,900 sf on 1.49 acres

SOLD

60,265 sf on 22.75 acres

SOLD

DESIGN BUILD

44,000 sf on 2.49 acres

SOLD

38,940 sf on 3.69 acres

SOLD

LOCAL EXPERTISE MATTERS

INDUSTRIAL REAL ESTATE SOLUTIONS

LEASING

SALES

LAND

DESIGN BUILD

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