

Q1 2021

Regina Industrial Market Report

Net Absorption

This Quarter
49K SF

Previous Quarter
130K SF

12-Month Absorption
195K SF

5-Year Quarterly Avg.
33K SF

Vacancy

This Quarter
4.2%

Year-over-Year
↓ 85 bps

Asking Net Rent

This Quarter*
\$10.27 PSF

Year-over-Year
↓ 1.1%

Development

Under Construction
36K SF

New Supply
56K SF

Sales

Sale Price Avg.
\$151 PSF

Year-over-Year
↑ 8.9%

*Weighted Average
CIR Commercial Realty Inc.

Market Outlook

Industrial markets across Canada have excelled despite the global pandemic. The need for warehousing and distribution centers has increased due to do an increase in online shopping that has resulted in continued importing and exporting of goods across Canada and the US. Residential renovations have increased exponentially in the past year which has placed further strain on material supply. This draws on the point that industrial properties dedicated to warehousing and distribution will do well as we emerge from the pandemic. If there's one asset class that has benefitted from the pandemic, it's the industrial sector.

Rental rates remain stable at \$10.27 per square foot, but there could be an upward trend due to strong demand and an impending increase in construction costs. The high demand for lumber and steel has skyrocketed prices on each commodity and brought many construction projects to a pause, or at least a slowdown, while supply chains adjust.

Regina's industrial vacancy rates are moving in a downward trend, from 5.1% a year ago to 4.2% this quarter.

This trend should continue as demand remains stable to strong and speculative projects work methodically to completion. The majority of Regina's new inventory, 50,000 square feet, is located at 100 McDonald Street and is the home of Jay's Moving Corporation office and freight department.

The Regina market is well placed to take part in major exporting, in fact, it already leads the way in agri-food bulk and finished goods, as well as steel and refined oil products. Regina's land inventory is well-positioned for growth and will serve multiple types of industrial expansion including warehousing and distribution, food products and renewable energy source commodities.

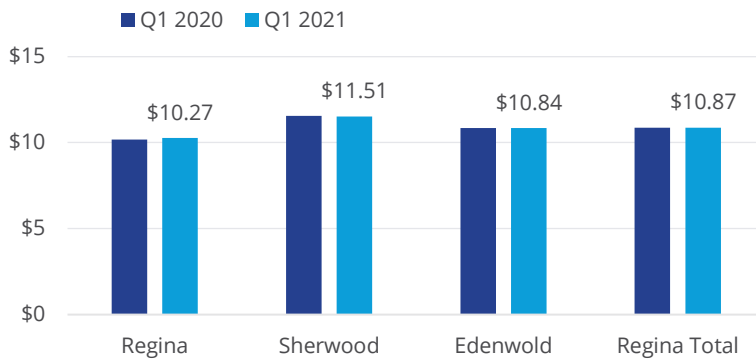
The potential for growth in the Regina market is prevalent. Seven industrial subdivisions, including Chuka Creek and the Global Transportation Hub along the Regina bypass, and Parker and Carson sites in the east-northeast could blossom in the wake of the increased demand on industrial services. The next year in the industrial sector should show a lot of activity in the Regina market.

Accelerating success.

Market Overview

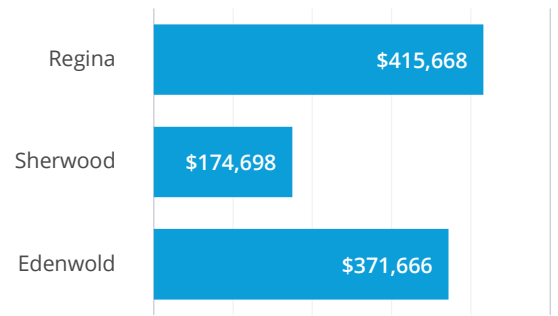
01 Rental Rates by Market

Weighted Average Asking Net Rent (PSF)



02 Land Asking Price by Market*

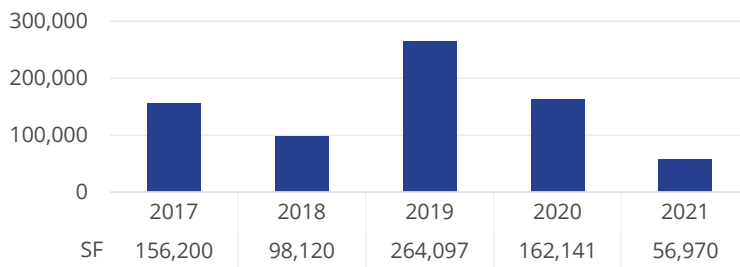
Price per Acre



* Serviced Land

03 New Supply

Total Square Feet (SF)



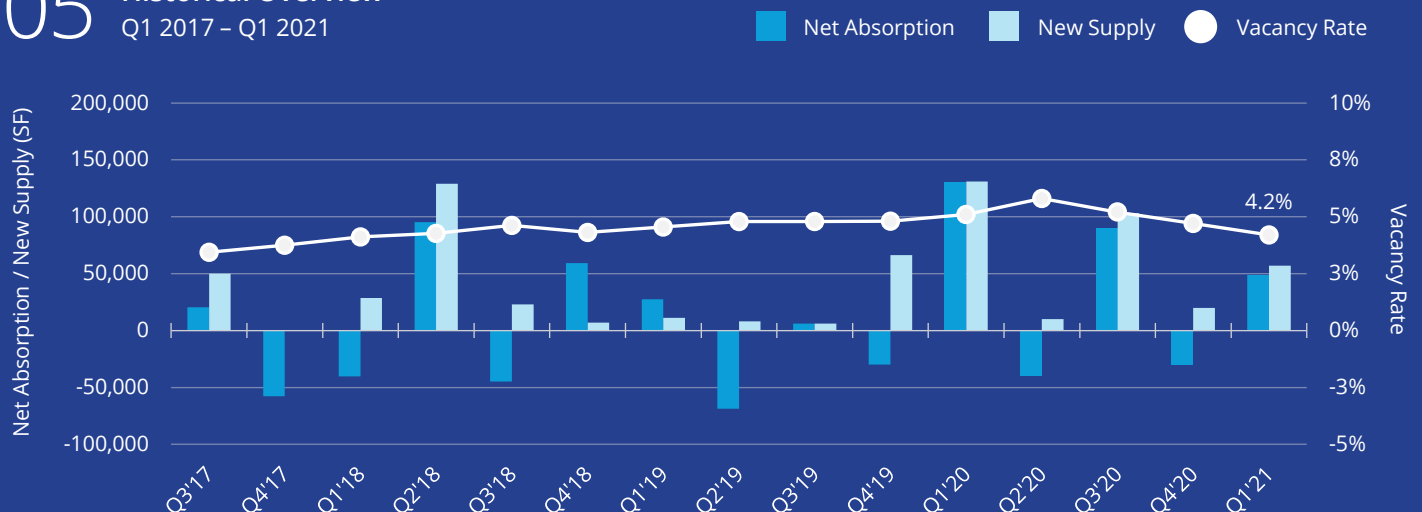
04 Average Asking Sale Price

By Building Type | Q1 2020 - Q1 2021

Condo	\$180 PSF	▲	-
Warehouse	\$142 PSF	▲	-
Regina Total	\$151 PSF	▲	8.9% year-over-year

05 Historical Overview

Q1 2017 - Q1 2021



Market Statistics & Transaction Highlights

	Regina	Sherwood	Edenwold	Total
Number of Buildings	1141	152	18	1311
Total Inventory	18,863,167	3,275,914	1,160,947 SF	23,300,028 SF
Direct Vacancy	752,774 SF (4%)	65,357 SF (2%)	23,000 SF (2%)	841,131 SF (3.5%)
Sublease Vacancy	38,900 SF (0.2%)	20,000 SF (0.6%)	3,400 SF (0.3%)	62,300 SF (0.3%)
Total Vacant Space	791,674 SF	85,357 SF	26,400 SF	903,431 SF
Vacancy Rate (Current Q)	4.2%	2.6%	2.3%	3.9%
Vacancy Rate (Previous Q)	5.2%	4.0%	6.0%	5.1%
Net Absorption	194,993 SF	46,339 SF	59,087 SF	300,419 SF
New Supply	56,970 SF	100,000 SF	0 SF	156,970 SF
Under Construction	36,475 SF	0 SF	0 SF	36,475 SF
Weighted Average Asking Net Rent (PSF)	\$10.27	\$11.51	\$10.84	\$10.87
Weighted Average Sale Price (PSF)	\$151	\$193	\$0.00	\$172

Notable Lease Transactions

Tenant	Building Name / Address	Market	Lease Type	Size (SF)
Avena Foods Limited	12222 Ewing Avenue	Regina	Head Lease	52,169
The UPS Store	702 Toronto Street	Regina	Head Lease	22,245
Future Transfer Co. Inc.	855 Park Street	Regina	Head Lease	18,381
Apex Distributions Inc.	435 Maxwell Street	Regina	Head Lease	16,250
Public Services and Procurement Canada	1735 Francis Street	Regina	Head Lease	11,470

Notable Sales Transactions

Building Name / Address	Market	Size (SF)	Sale Price	Purchaser
12200 Ewing Avenue	Regina	142,000	\$20,600,000	TriVan Capital Corp.
1110 Pettigrew Avenue East	Regina	119,230	\$12,200,000	LS Properties BT Ltd.
1120 Pettigrew Avenue East	Regina	59,343	\$6,750,000	CWS Logistics
555 Park Street	Regina	25,980	\$3,000,000	Andrew Sheret Holdings
565 Park Street	Regina	21,200	\$2,390,000	101123369 Saskatchewan Ltd

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