

Q3 2021

Regina

Industrial Market Report

Net Absorption

This Quarter
153K SF

Previous Quarter
109K SF

12-Month Absorption
280K SF

5-Year Quarterly Avg.
25K SF

Vacancy

This Quarter
2.3%

Year-over-Year
↓ 290 bps

Asking Net Rent

This Quarter*
\$10.75 PSF

Year-over-Year
↑ 1.0%

Development

Under Construction
105K SF

New Supply
0 SF

Sales

Sale Price Avg.
\$202 PSF

Year-over-Year
↑ 33.7%

*Weighted Average
CIR Commercial Realty Inc.

Market Outlook

Regina's industrial market remains relatively tight in terms of vacant space. The low vacancy is driven in part by a decline in new speculative construction as well as strong performance by the industrial sector overall. The pandemic and resulting supply chain challenges continues to put a strain on construction project velocity and volume, as well as the shipping and distribution industries as online shopping continues to hold steady. Demand continues to rise for existing income producing industrial properties over speculative builds given the inherent risks of increased construction costs and schedule certainty.

Vacancy is down to 2.3% across all submarkets; this is incidentally the lowest vacancy rate recorded in seven years when Colliers reported a vacancy rate of 1.9% in Q1 2014. The Regina market may well be on its way to similar conditions once again. The strain on industrial availability has started a chain reaction with land sales beginning to gain momentum. However, we cannot confirm development of speculative inventory at this time, although recent land sales could lead to a solution for limited industrial availability. Until more speculative developments are

undertaken, we will continue to see limitations in the industrial market and a further dip in vacancy.

We can look forward to owner-occupier developments such as the Cargill canola crushing plant announced in August, set to take up residence at the Global Transportation Hub. The news comes amidst a string of announcements in the spring about other agricultural processing facilities throughout the Regina region and the province. There is new construction underway in Ross Industrial Park, Pasqua Business Park and Parker Industrial Park. All of these are owner-occupier buildings with most scheduled for completion in early 2022.

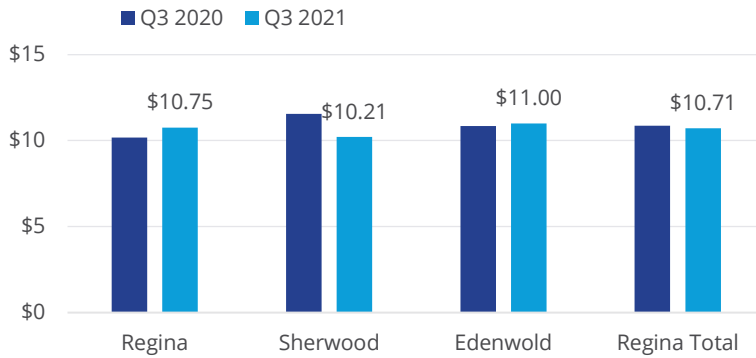
The pandemic has been a challenge to many parts of the economy. It's clear, however, that industrial real estate is a success story thus far and should emerge unscathed. Regina has the means and the opportunity for growth. The vast amount of land primed for industrial use in and around Regina bodes well for the market in the coming years post-pandemic. It's not a matter of whether this untapped well of land will start to be used for speculative development, but when.

Accelerating success.

Market Overview

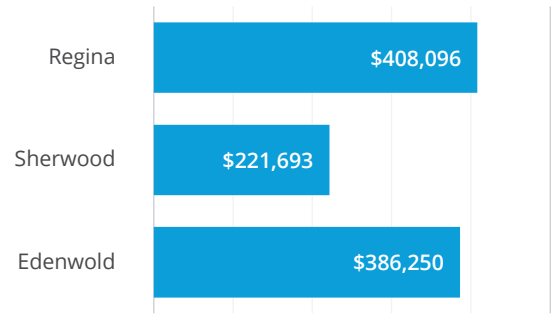
01 Rental Rates by Market

Weighted Average Asking Net Rent (PSF)



02 Land Asking Price by Market*

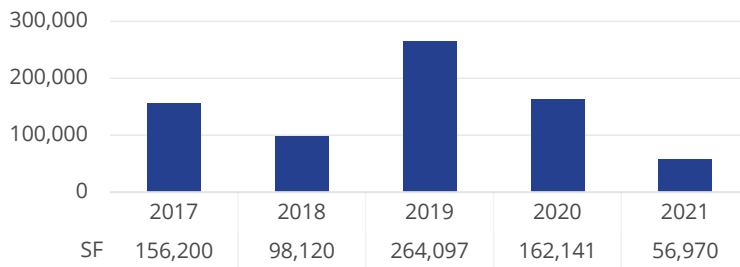
Price per Acre



* Serviced Land

03 New Supply

Total Square Feet (SF)



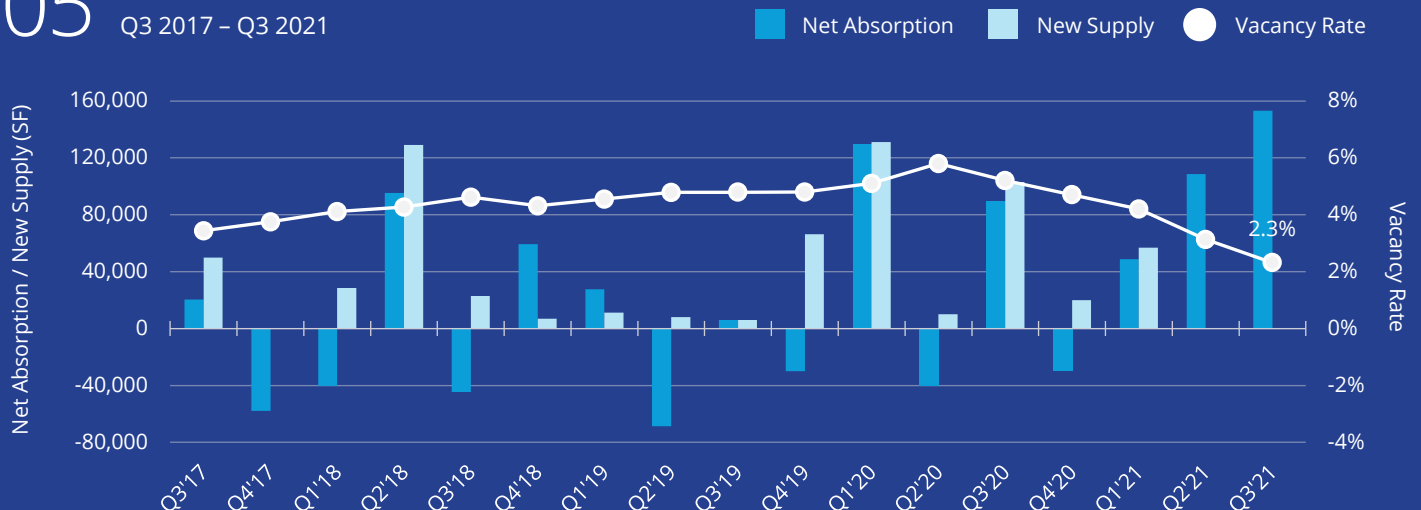
04 Average Asking Sale Price

By Submarket | Q3 2020 – Q3 2021

Regina	\$210 PSF	▲	43.3% year-over-year
RM of Sherwood	\$113 PSF	▼	6.2% year-over-year
RM of Edenwold	\$185 PSF	▲	11.4% year-over-year
Regina Total	\$202 PSF	▲	33.7% year-over-year

05 Historical Overview

Q3 2017 – Q3 2021



Market Statistics & Transaction Highlights

	Regina	Sherwood	Edenwold	Total
Number of Buildings	1,134	151	73	1,358
Total Inventory	20,827,373	3,081,299	1,052,781 SF	24,961,453 SF
Direct Vacancy*	509,506 SF (87.9%)	44,142 SF (7.6%)	25,700 SF (4.4%)	579,348 SF (100%)
Sublease Vacancy*	0 SF (0%)	0 SF (0%)	0 SF (0%)	0 SF (0%)
Total Vacant Space	509,506 SF	44,142 SF	25,700 SF	579,348 SF
Vacancy Rate (Current Q)	2.4%	1.4%	2.4%	2.3%
Vacancy Rate (Previous Q)	4.2%	2.6%	2.3%	3.9%
Net Absorption	104,174 SF	30,275 SF	18,630 SF	153,079 SF
New Supply	0 SF	0 SF	0 SF	0 SF
Under Construction	30,000 SF	70,000 SF	5,000 SF	105,000 SF
Weighted Average Asking Net Rent (PSF)	\$10.75	\$10.21	\$11.00	\$10.71
Weighted Average Asking Sale Price (PSF)	\$210	\$113	\$185	\$202

*% shown are of total vacant space

Notable Lease Transactions

Tenant	Building Name / Address	Market	Lease Type	Size (SF)
Day & Ross Inc	1715 Elliott Street	Regina	Head Lease	35,150 SF
Alero Moving and Storage	2302 2 nd Avenue	Regina	Head Lease	15,632 SF
Regina's Shine Shop Ltd	310 Hodsman Road	Regina	Head Lease	13,820 SF
Queen City Volleyball Club	1802 Stock Road East	Regina	Sublease	13,200 SF
54e Dev Studios Inc	1940 Francis Street	Regina	Head Lease	10,016 SF

Notable Sales Transactions

Building Name / Address	Market	Size (SF)	Sale Price	Purchaser
1601 Winnipeg Street	Regina	27,500 SF	\$3,600,000	Greenway Metal Processors Ltd.
1741 McDonald Street	Regina	10,500 SF	\$2,100,000	Durum REIT
3140 Pasqua Street North	Regina	7,500 SF	\$1,575,000	2296898 Alberta Ltd.
1275 Halifax Street	Regina	6,667 SF	\$1,255,000	Durum REIT
330 Dewdney Avenue	Regina	5,000 SF	\$951,000	Durum REIT

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