

GLOBAL SPOTLIGHT

Edmonton, Canada



World's Second Largest Proven Oil Reserves, Diverse Economic Base Drives Edmonton Growth

- In the past several years Edmonton has had the strongest period of economic growth of any province in the history of Canada. Much of the recent growth has been driven by the energy industry; however, the city's economic base remains broadly diverse. Specialties include manufacturing, forestry, transportation, agriculture, healthcare, education, biotechnology and nanotechnology.
- The office market has seen continued growth in both construction and rental rates. The market has matured over the last five years into one of speculative construction without preleasing. A number of building announcements have occurred with the most significant being Epcor Tower, a 28-story 618,000 SF office building that will be substantially pre-leased upon completion.
- Most of the regional players know Edmonton as the key gateway to one of the largest proven oil reserves in the world. In recent years most of the world's major oil companies have either expanded their operations or have been making significant land assemblages in the Edmonton area's Alberta's Industrial Heartland to locate plant operations. This activity has driven industrial lease rates to all-time highs, mostly due to the rapid increase in land, construction costs and labor. Lease rates are expected to maintain at current levels as pressure on construction and labor costs appear to be softening as staggering demand for new housing has abated.
- Edmonton's retail market is an anomaly in Canada as it has one of the highest retail sales per capita, likely due to the province having the highest average income and disposal income in the country. Retail rental rates continue to rise while vacancy rates remain low.
- The investment climate remains strong with many parties taking advantage of continued area growth over the past several years and positioning for long-term anticipated growth. With the recent concerns in the credit, commodities and global economic climate there have been questions about the short-term economic impact. However, all key economic indicator forecasts show Edmonton to remain in the front of the pack for Canada and strengthening over the next five years.

Edmonton At A Glance

Population	1.05 million (Greater Edmonton)
Location	Capital city of the province of Alberta
GDP	45 billion (2008)
GDP Growth	3.6%
Inflation	4.3%
Unemployment	3.7%
Interest	Prime Business Rate 4.25%
Conversion	1.27 CDN = 1 USD

Property	Rent/SF/Year		Vacancy
	Low	High	
Downtown Office Class A	\$23.75	\$30.00	1.69%
Suburban Office Class A	\$15.25	\$20.25	4.29%
Industrial Bulk Warehouse	\$5.00	\$10.00	1.3%
Retail	\$15.25	\$31.25	5.16%

NAI Global has 11 offices serving the Calgary, Edmonton, Gatineau, Halifax, Langley, Montreal, New Westminster, Ottawa, Toronto, Vancouver and Victoria markets in Canada. NAI Commercial Edmonton serves the greater Edmonton market in Alberta.

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At A Glance

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55	Countries
5,000	Professionals
\$45 billion	Annual Transaction Volume
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