

# EDMONTON DOWNTOWN OFFICE MARKET

## 1Q 08

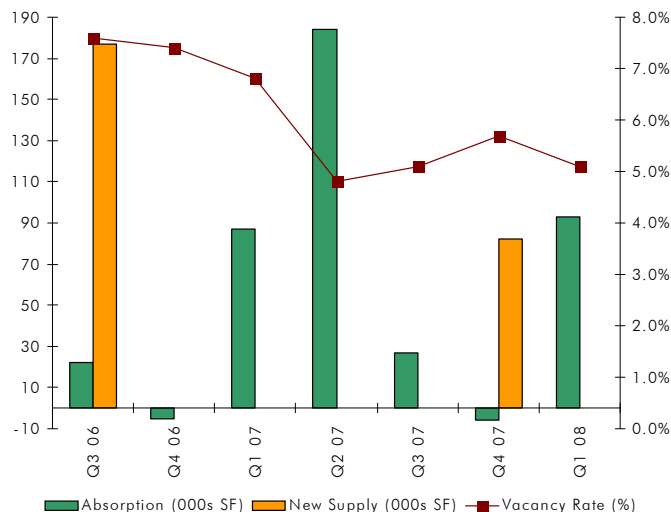
MARKET PROFILE		Change from Last Quarter
Inventory (SF)	13.9 million	↔
Vacant Space (direct and sublet) (SF)	713,318	↓
Sublet Space (SF)	43,309	↓
Vacancy Rate (direct and sublet)	5.1%	↓
Sublet as a % of Vacant Space	6.1%	↓
Absorption 1 <sup>st</sup> quarter 2008 (SF)	93,496	↑
New Supply 1 <sup>st</sup> quarter 2008 (SF)	0	↓
Under Construction (SF)	866,587	↑
Weighted Avg. Direct Net Rent (psf)	\$22.56	↑
Weighted Avg. Taxes and Op Costs (psf)	\$10.55	↑

- *Stantec Consulting has expanded into the downtown financial core and will occupy approximately 52,000 SF in the building located at 10120 – 103 Avenue. The building formerly occupied by World Health Club will undergo a redevelopment to accommodate Stantec.*
- *SNC Lavalin has expanded their downtown presence by leasing roughly 13,500 SF in Oxford Tower. Oxford Tower is a Class A building located in the financial core at 10235 – 101 Street.*

### TRENDS IN THE DOWNTOWN MARKET

- The overall Downtown Office Market had positive absorption of 93,496 SF in the first quarter of 2008. As a result, the overall Downtown vacancy rate has decreased to 5.1% from 5.7% in the previous quarter.
- The vacancy rate in the Financial Submarket has fallen to 4.7%. Asking lease rates have increased to an average of \$25.21 psf in the financial sector with a high rate of \$36.00 psf for Class AA buildings.
- The Government Submarket has seen an increase in vacancy to 6.0%. Asking lease rates have increased to an average of \$18.73 psf while reaching as high as \$25.00 psf for Class A buildings.
- The development site of the new 614,000 SF EPCOR Tower at 101 Street and 105 Avenue is currently being prepared for construction.

### SUPPLY AND DEMAND



### WEIGHTED AVERAGE OCCUPANCY COSTS

