



Second Quarter Office Market Report Edmonton, Alberta

In Edmonton Q2-2011 has seen the overall availability rate remain almost identical to Q1-2011 (10.28%). However, there has been an increase in availability in the Downtown markets (from 7.99% to 8.61%) and a decrease in availability in the Suburban submarkets (from 14.44% to 13.35%).

In Downtown Edmonton the Financial A-Class submarket saw the most change with an availability increase of 1.44%. This was primarily contributed to by the addition of 67,638 sq ft of space coming available in TD Tower and 55,825 sq ft coming available in the Bank of Montreal Building. The Government District submarkets remained fairly stable with minimal changes due to limited activity.

The Suburban Edmonton submarkets saw an availability increase in only the 124th Street submarket (1.13%), attributable to a sublease coming available in Groat Estates (11,617 sq ft). Meanwhile the remaining submarkets saw availability decreases or remained stable. The Southside submarket saw a decrease of 3.01%. This change was primarily due to 10,795 sq ft being leased at the AMP Building and 22,112 sq ft coming off the market in the Elm business Park.

Throughout Edmonton the asking rental rates remain very stable, with the exception to the Financial Downtown submarkets that continue to see decreases between \$0.25 - \$1.08 per sq ft. With a negative absorption Downtown of -100,781 sq ft and positive absorption in the Suburban markets of 97,296 sq ft resulting in an overall change of -3,485 sq ft in Q2-2011.

	Availability*	Average Rental Rates**	Average Op Costs
Downtown	8.61% ↑	\$19.14 ↓	\$14.98
Financial District	8.64% ↑	\$19.55 ↓	\$15.64
A Class	8.62% ↑	\$23.89 ↓	\$17.84
B Class	4.54% ↔	\$17.59 ↔	\$13.98
C Class	32.51% ↓	\$12.50 ↓	\$11.26
Gov't District	8.56% ↓	\$18.38 ↔	\$13.70
A Class	14.33% ↓	\$22.63 ↔	\$13.42
B Class	4.00% ↔	\$16.39 ↔	\$14.03
C Class	6.97% ↓	\$13.00 ↑	\$13.79
Suburban	13.35% ↓	\$16.13 ↔	\$10.77
118th Avenue	4.27% ↓	\$15.15 ↓	\$15.45
124th Street	20.68% ↑	\$14.70 ↔	\$12.78
149th Street	8.12% ↔	\$15.47 ↔	\$11.93
Eastgate	14.77% ↓	\$16.28 ↔	\$9.77
Southside	15.73% ↓	\$18.46 ↔	\$10.60
Whyte Avenue	5.95% ↓	\$16.60 ↔	\$13.36
West End	14.55% ↔	\$14.88 ↔	\$9.78
Edmonton Market	10.32% ↔	\$17.03 ↔	\$12.31

Note: All dollar (\$) amounts are on an per sq. ft. basis.

* - There must be a change greater than 0.25% to justify an up/down indicator.

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