

FOR LEASE

Up To 6.63 Acres (+/-)

LIZOTTE
AND ASSOCIATES REAL ESTATE INC



HARVEST INDUSTRIAL PARK | Build-To-Suit Lots

3495/3497/3499 - 63 Avenue, Leduc, AB

FOR LEASE

Harvest Industrial Park, Leduc, AB

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HIGHLIGHTS

- Build to suit lots available
- Buildings are built energy efficient with insulated concrete
- Tilt-up concrete buildings are more energy efficient
- Maintenance is minimized while security is increased
- Concrete non-conductive thermal ties do not transmit energy through walls
- Concrete tilt-up buildings retain more value compared to other technologies

LOCATION HIGHLIGHTS

- Located 34 km from Edmonton
- Minutes from Edmonton International Airport
- High exposure to future interchange at QEII Highway and 65 Avenue
- Quick access to multiple major routes: QEII Highway, Highway 18 (625), Highway 623
- Wide range of amenities nearby for employees and customers
- Prominent service industry for Fort McMurray



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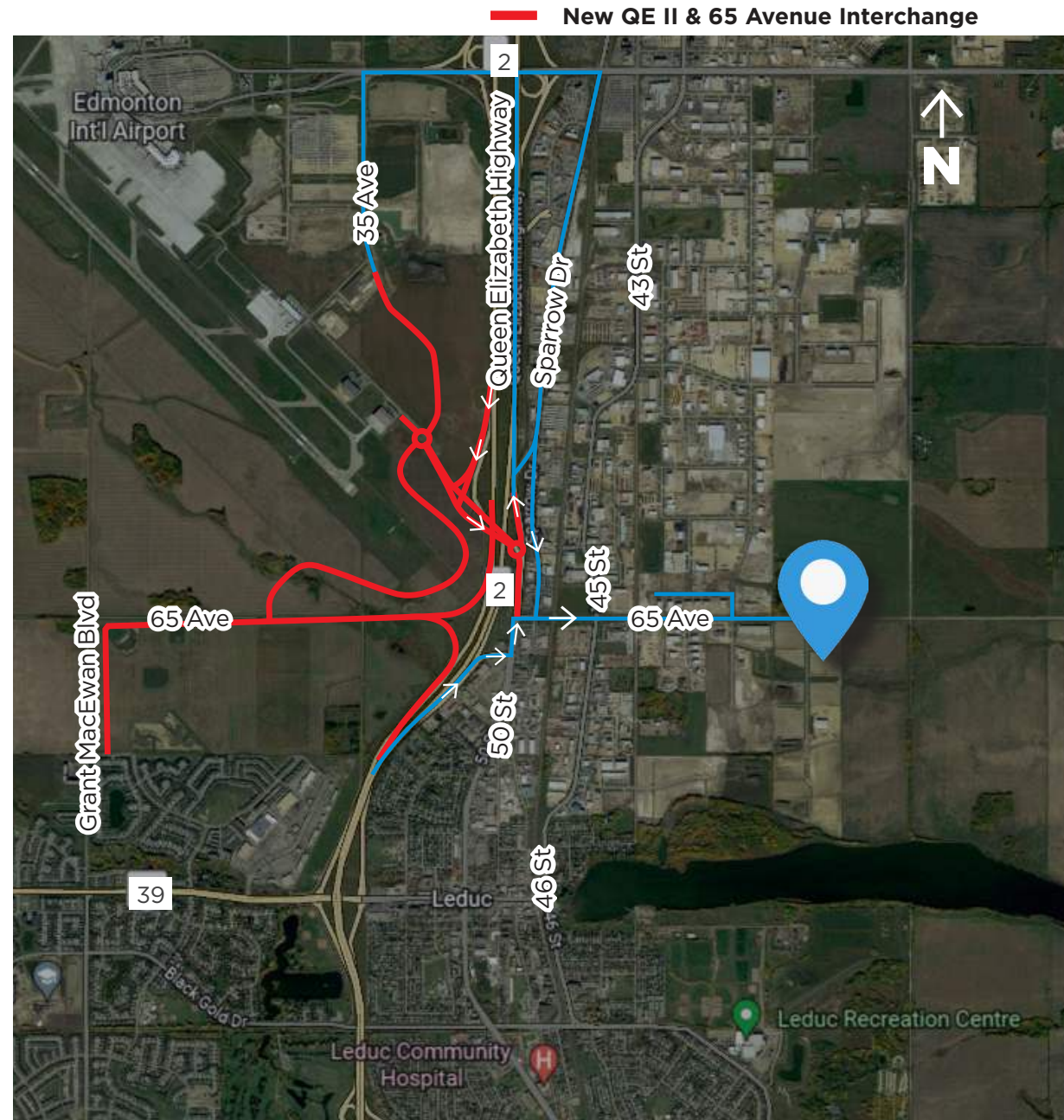
Harvest Industrial Park, Leduc, AB

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THE QEII AND LEDUC 65 AVENUE INTERCHANGE PROJECT INCLUDES:

- new overpass over the QEII
- new on-off ramps from the QEII
- improvements to some existing ramps
- intersection improvements at 65 Avenue and 50 Street in Leduc
- completion of Perimeter Road and 65 Avenue, west of the QEII
- Construction could begin in 2021, following the right-of-way acquisition and completion of the land transfer required for the project.
- Construction will take about three years and supports about 471 jobs: 274 direct and 197 indirect.
- A project of this size typically costs about \$91 million, which will be cost-shared between the Government of Alberta and the City of Leduc. The Alberta government has also submitted an expression of interest for funding from the Government of Canada under the National Trade Corridors Fund.
- About 55,300 vehicles use this section of the QEII daily, and traffic volumes have grown about 2% per year. About 12% of commercial vehicles in Alberta use the QEII Highway each day.
- About 10 per cent of vehicle traffic is large industrial or commercial vehicles.

The interchange construction is slated to start in 2022 and will be completed over the span of 3 years.

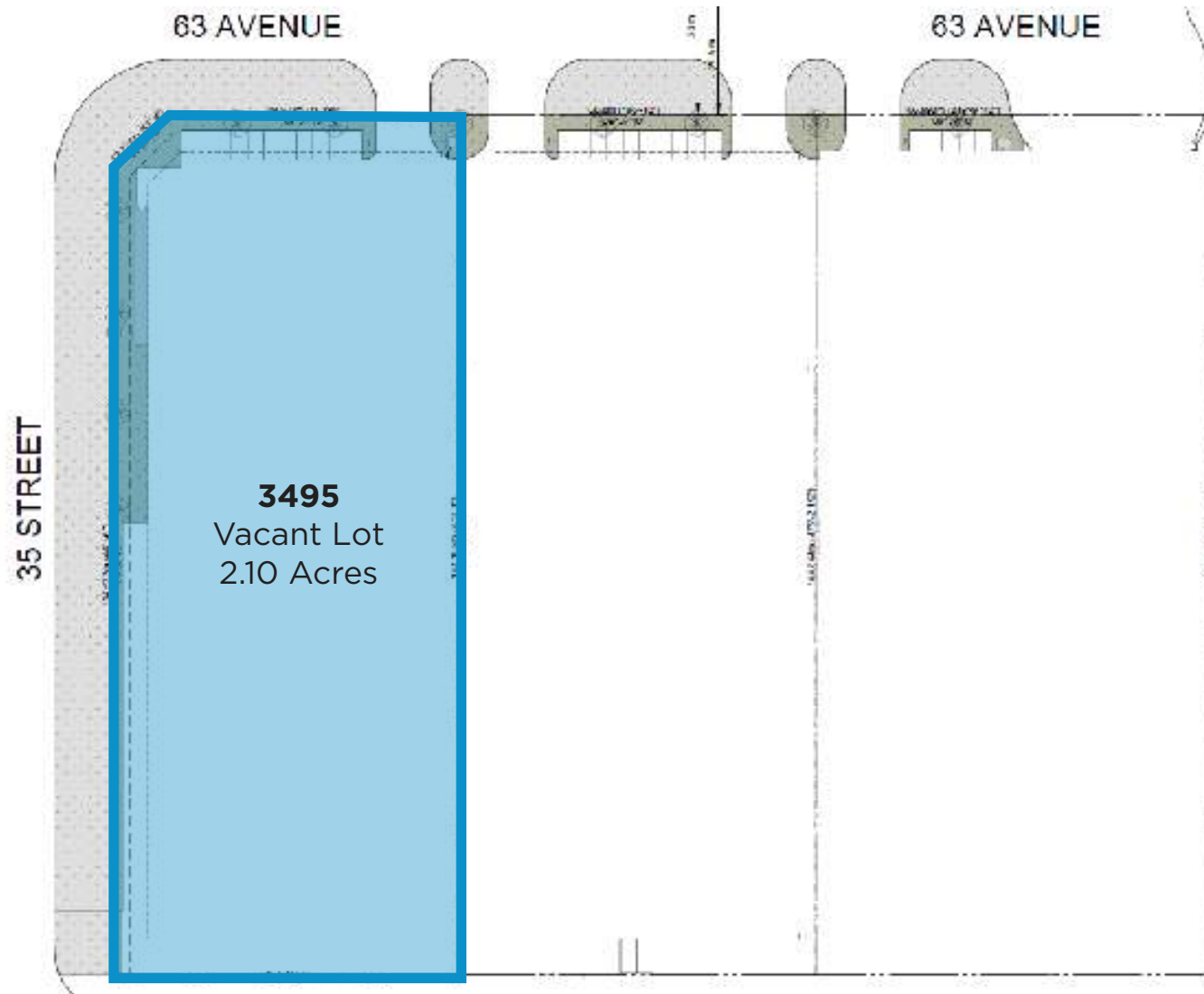


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BUID-TO-SUIT BUILDING OPTION 1 - 2.10 ACRES

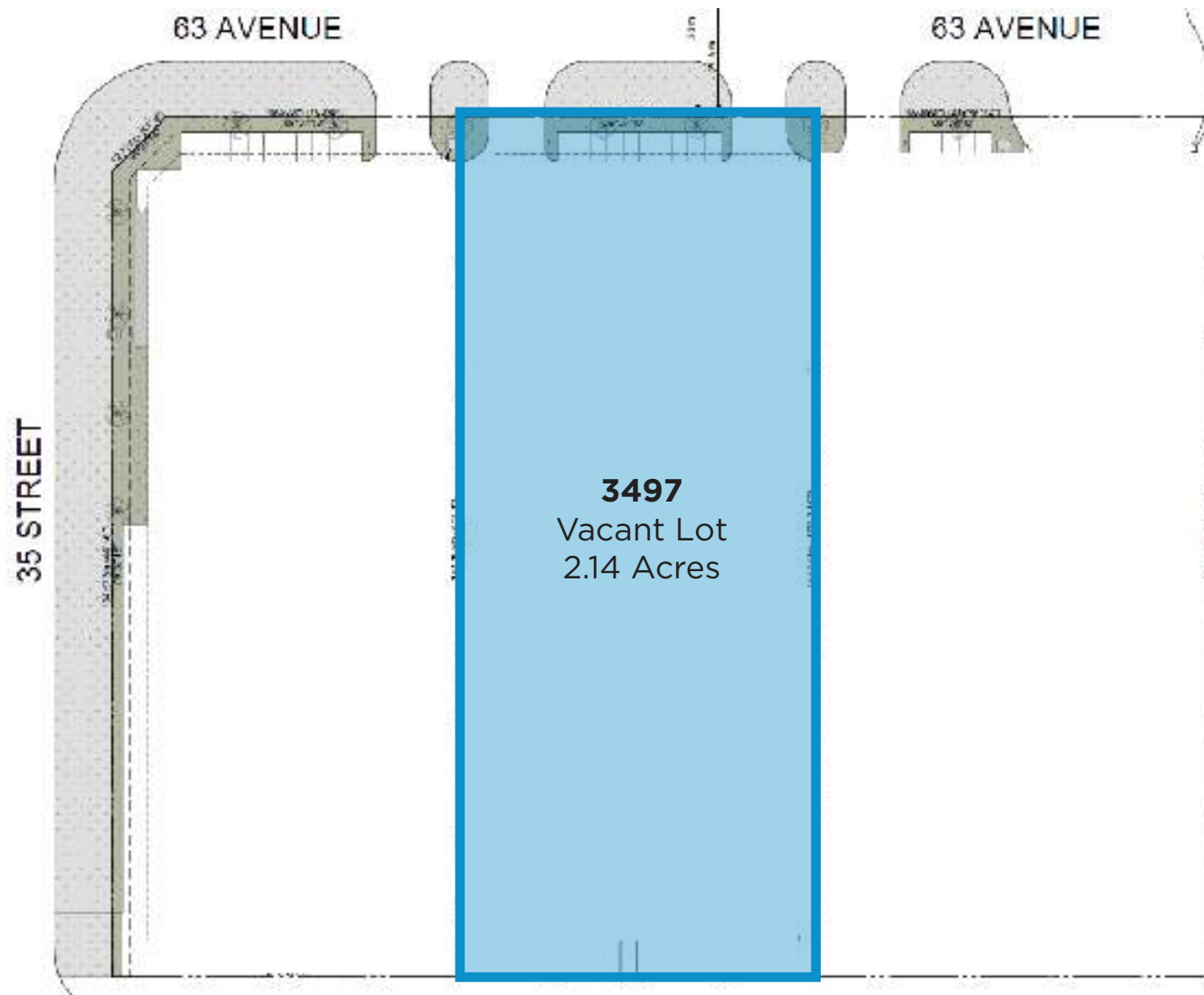


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BUID-TO-SUIT BUILDING OPTION 2 - 2.14 ACRES

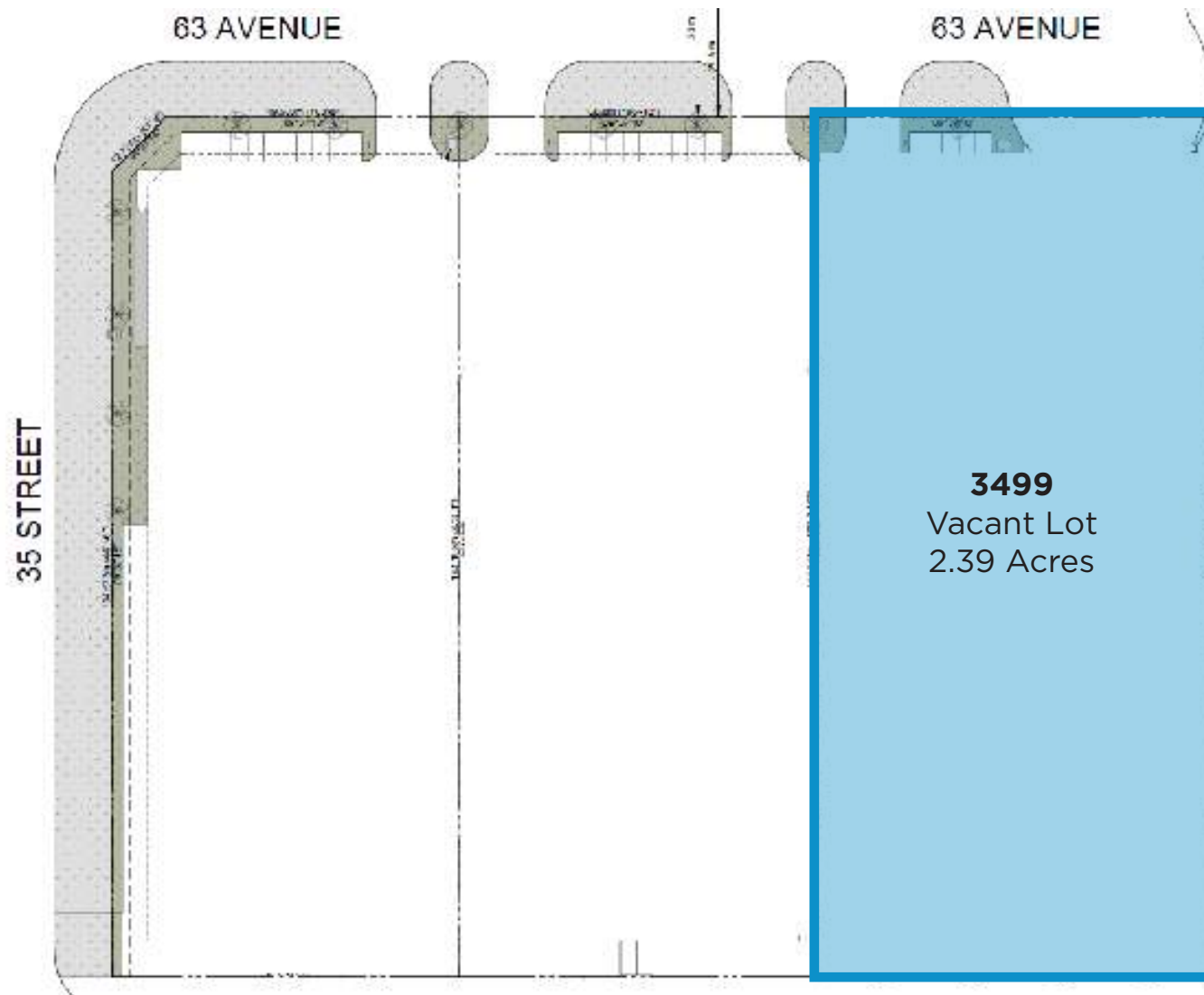


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BUID-TO-SUIT BUILDING OPTION 3 - 2.39 ACRES

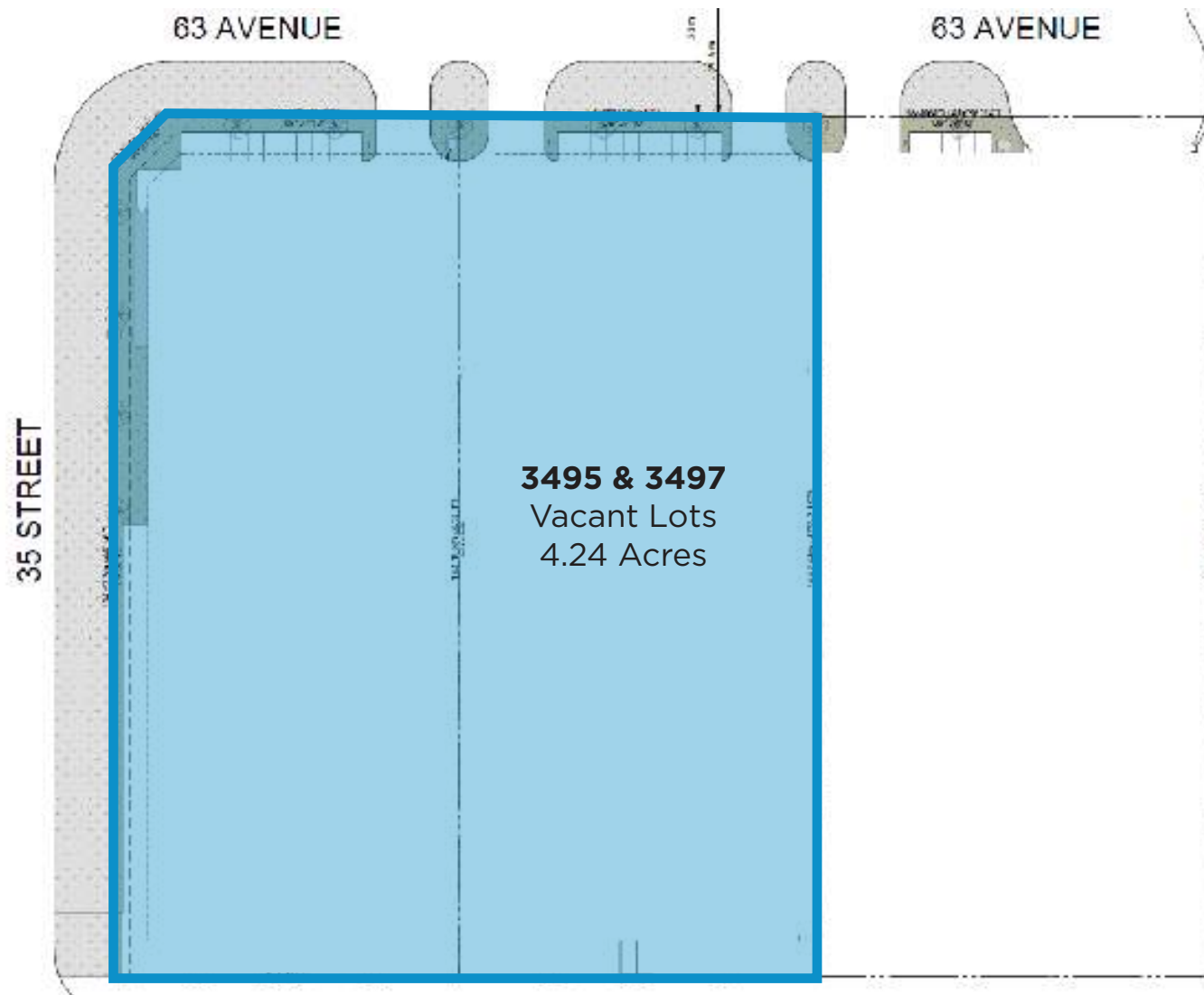


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BUID-TO-SUIT BUILDING OPTION 4 - 4.24 ACRES

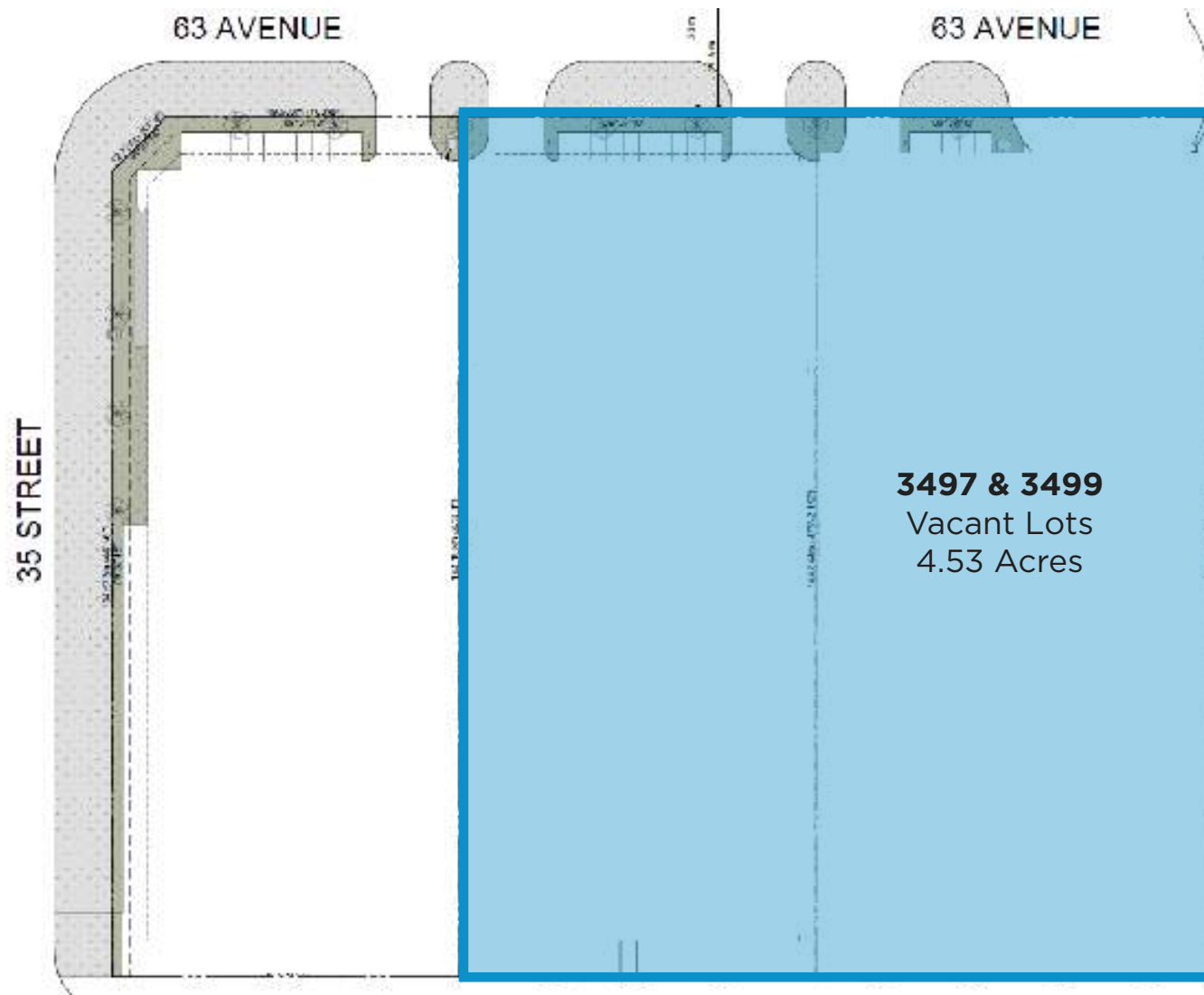


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BUID-TO-SUIT BUILDING OPTION 5 - 4.53 ACRES

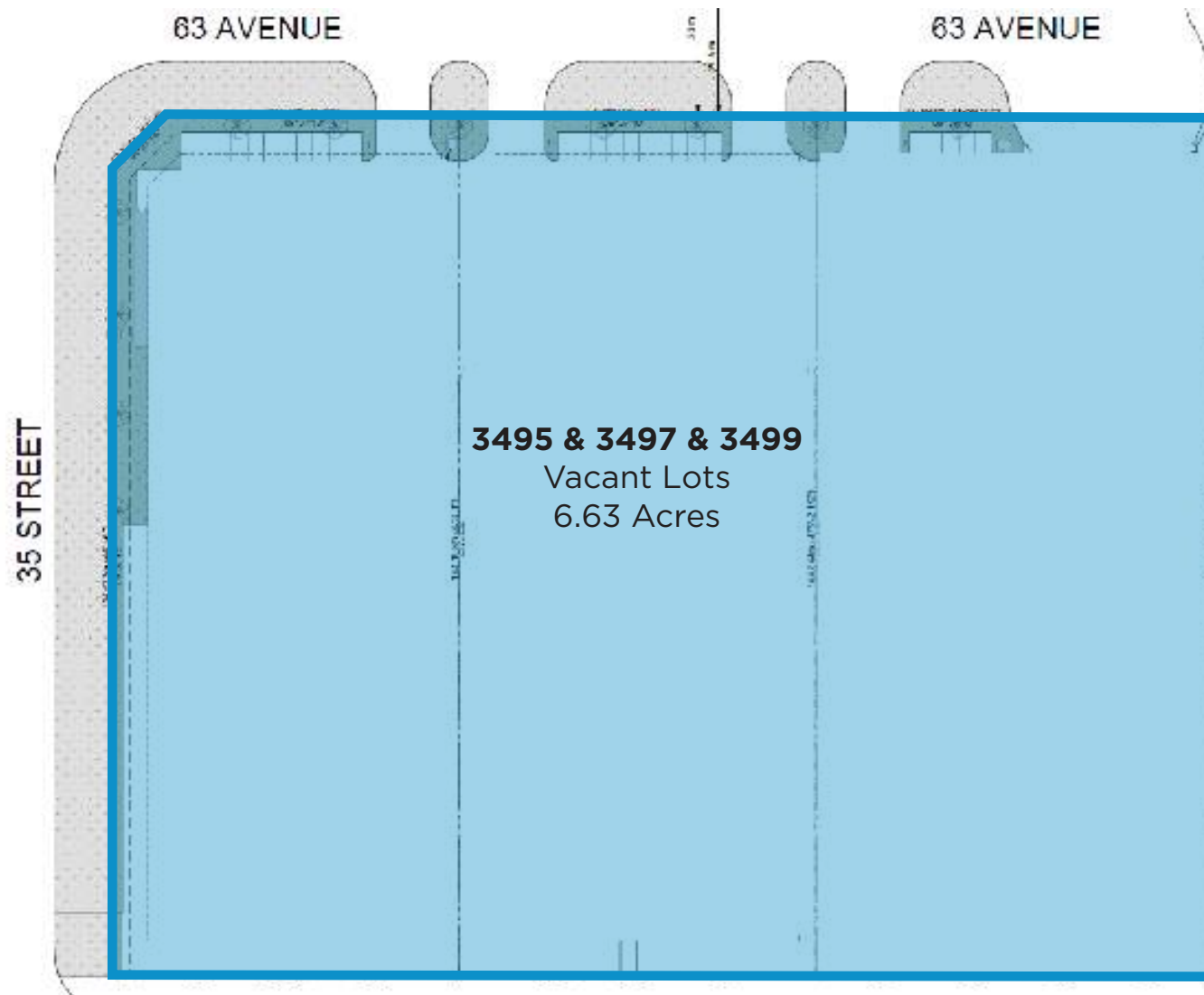


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BUID-TO-SUIT BUILDING OPTION 6 - 6.63 ACRES



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ABOUT THE DEVELOPMENT

HARVEST INDUSTRIAL PARK

Harvest Industrial is a brand new development offering fully serviced Industrial lots to companies looking for an ideal location in the heart of Alberta's most important industrial hub– Nisku/Leduc. Each lot is stripped and rough graded. In close proximity to the labor pools provided by the fastest growing residential area (south Edmonton) in the greater Edmonton region. Harvest Industrial Park provides quick access to multiple major transportation routes, the new CP Intermodal Yard, the Edmonton International Airport and abundant amenities for staff and customers.

LOCATION

Situated in the City of Leduc, Harvest Industrial Park is only minutes south of the Edmonton City limits and is ideally located to service the cluster of energy sector companies and related support companies located in Leduc, Leduc County and Nisku.

ALBERTA'S INTERNATIONAL REGION

The recently formed "Alberta International Region" is comprised of various industrial developments located adjacent to Edmonton's south boundary and is geographically centered around the Edmonton International Airport (YEG) including all of the industrial area adjacent to Highway 2 from Edmonton to the City of Leduc. This includes Nisku, the second largest industrial energy park in North America behind Houston, Texas. Nisku combines with Leduc to provide a home for over 500 industrial companies with significant roots in the energy sector.

This critical mass has formed because this particular location offers abundant features benefiting industrial business operations including:

- Access to skilled labour pools
- Proximity to major transportation routes including highways and rail
- Access to high-load and heavy-load corridors
- Proximity to Edmonton International Airport
- No business taxes & competitive property taxes
- Affordable land
- Cost-effective manufacturing services
- Abundant amenities including hotels, restaurants, and commercial facilities

Harvest Industrial Park is poised to become the next phase of Alberta's International Region. However, its IL zoning makes it ideal for those light industrial uses that would prefer not to be located next to the heavier industrial use where significant operations take place outside. Harvest Industrial Park will develop into a professional business park where "pride of ownership" and "curb appeal" are important and will combine to present an impressive corporate image for all occupants. At Harvest Industrial Park, there will be no need to worry about who your neighbor will be or what they will be doing

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LEDUC & NISKU INDUSTRIAL MARKET

The Leduc and Nisku industrial markets have undergone significant changes over the past 5 years and while nowhere near as buoyant as the first half of the last decade (2010-2014), activity has been constant – although sometimes it has felt like “whack-a-mole” where as soon as one property is leased or sold, another pops up around the corner.

Prior to the COVID-19/oil price war, owners with patience were able to find a suitable tenant or purchaser, and contrary to what many believe, potential tenants were often found but they lack the history to appease the landlord who would rather leave their property vacant than lease to an unsuitable applicant.

TOO EARLY

We are into the COVID-19/oil price issues and it is still too early to try and predict what might happen in the medium to long term, but we do expect the industrial warehousing/distribution markets to be better placed to weather the storm than any other sector of commercial real estate (except for farmland, if that can be included in the same category).

With current oil prices decreasing and a slow return of business, we expect pressure to come onto lease rates and the length of lease term over the summer months. Purchasers might struggle to get access to finance while tenants will look to preserve capital and ask more of landlords by way of Leasehold Improvements or Tenant Inducements (Free Rent Period). We can expect both sides of a lease and purchase transaction to exert extreme caution when assessing a deal. For landlords, the inclusion of a landlord condition is one way to keep a deal alive while at the same time conducting due diligence on the tenant. For tenants, there continues to be options to strategically assess current leases and deferred rents could place pressure on future tenant cash flow. Tenants and purchasers in the market should be warned that the motivation of the landlords and vendors will differ and it will pay to have an honest and clear idea of the other party's expectations.

SO FAR

We have anecdotally heard that industrial landlords (those with large single tenant portfolios and multi-tenant spaces) have collected close to 75-85% of rents for Spring. Deferred rents will place pressure on future tenant cash flow, and tenants/purchasers in the market need to be careful that the motivation of owners will differ.

Having analyzed Leduc and Nisku microscopically over the past 5 years (and been very active in both leasing and sales), we are confident of the following facts:

Lease rates have averaged around \$12 – 13 Sq.Ft. over this period (plus or minus a few dollars per Sq.Ft. depending on building quality, site coverage, etc.)

Land demand and sales have come off the boil and raw land can be found around \$400,000 - \$450,000/Acre

Majority of sales of buildings are at \$100/Sq.Ft. have been 25,000 Sq.Ft. or greater. All sales have typically been older buildings or lack amenities, limiting number of potential purchasers (Ford Distribution Centre being the exception)

LEDUC & NISKU HIGHLIGHTS

EIA SERVES **8.2m** Passengers Per Year

Edmonton International Airport offers non-stop service to 50 destinations around the world and is Canada's fifth-busiest airport. It has a Fresh Cargo Centre, with 5,000 Sq.Ft. of refrigerated warehouse space and direct airside access. Ideally suited for perishables and cold storage handling to support CEIV certification for pharmacy, meat, fruit and produce.

LEDUC

Fast Growing Population

2020 **40,000+**
2018 **33,032**
2009 **21,597**

Port Alberta Foreign Trade Zone

Reducing trade barriers
and enhancing access to
Canadian markets

FTZ

Nisku Industrial Park

Over **500** Companies

**One of the largest Energy Focused
Industrial Parks in the world**

41st Avenue

Lower taxes in Leduc and
Nisku, South of 41 Avenue
SW, Edmonton

Over **1,000,000 Sq.Ft.**
Of Warehousing Development in Leduc & Nisku

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Property Information

Municipal Address: 3495/3497/3499 - 63 Avenue, Leduc, AB

Site Size: 6.63 Acres (+/-)

Zoning: IL (Light Industrial)

Lease Rate: Market

Op Costs: \$4.00/Sq.Ft.

ADDRESS	BUILDING	ACRES
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3495 - 63 Ave	20,000 SF	2.10
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3497 - 63 Ave	21,000 SF	2.14
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3499 - 63 Ave	20,000 SF	2.39
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***Priced at Market - Contact Associate**

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