

FOR LEASE

LIZOTTE
AND ASSOCIATES REAL ESTATE INC



Harvest Industrial Park - Build-To-Suit Lots

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

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

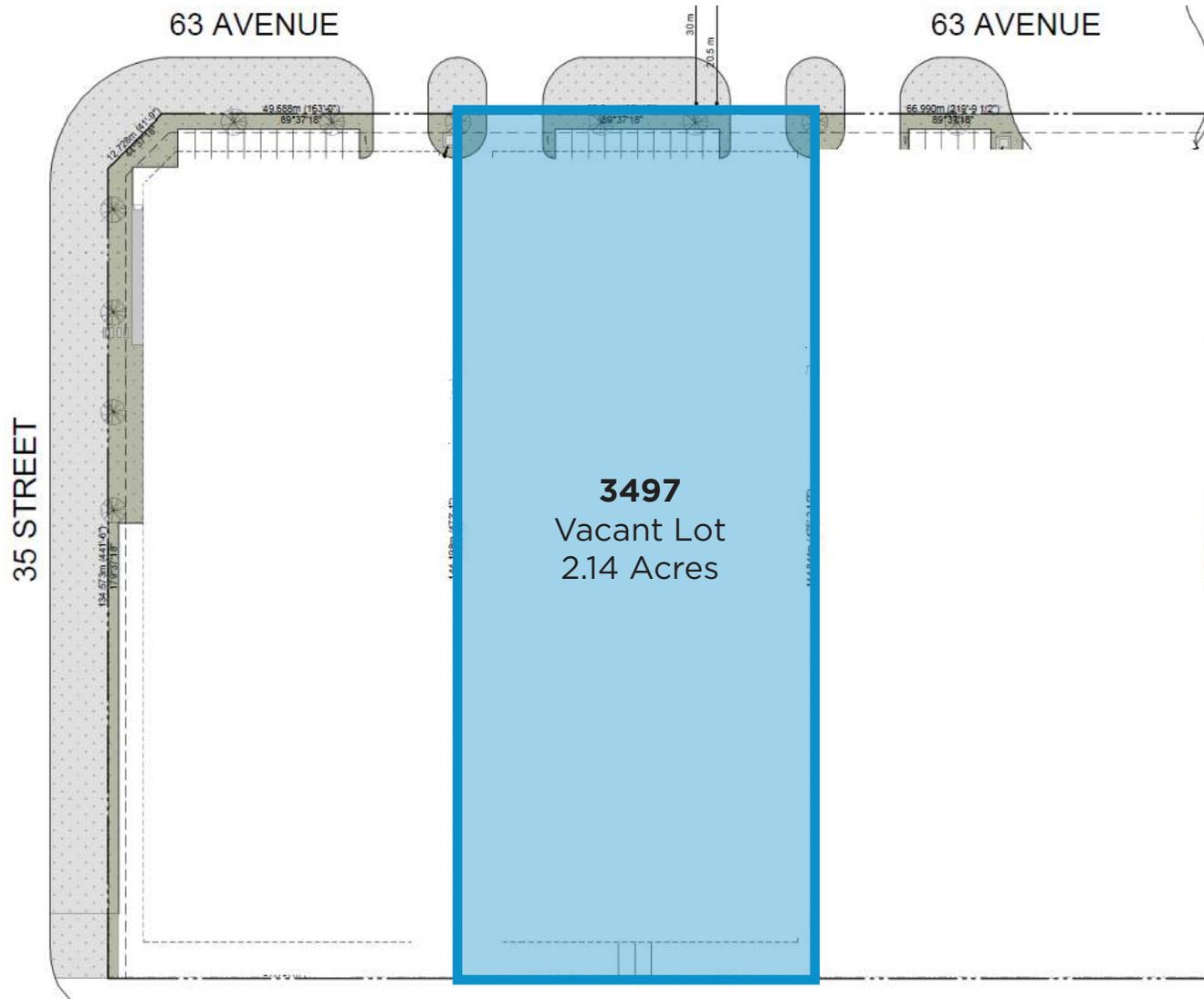


LOCATION & SURROUNDING AREA



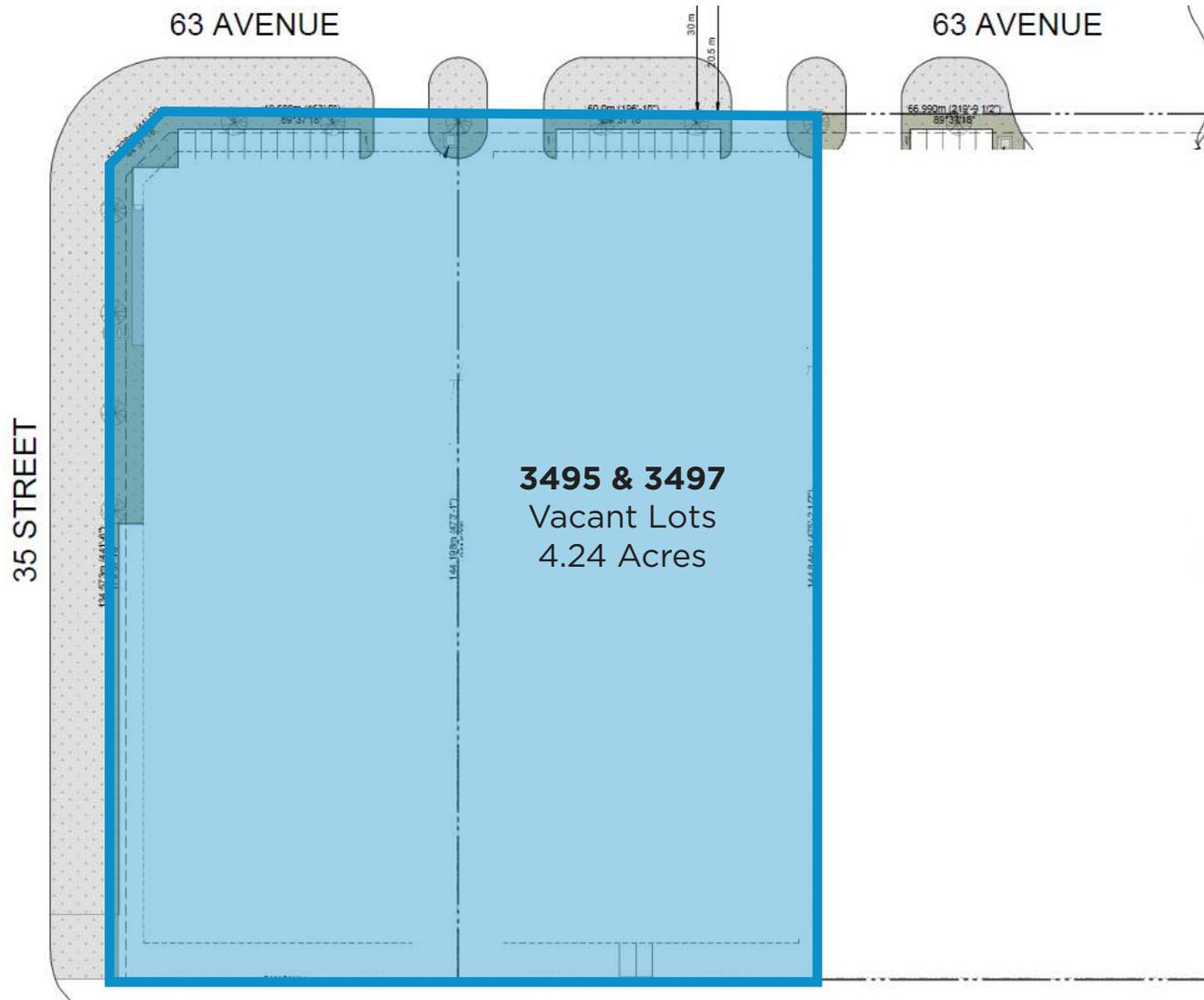
BUID-TO-SUIT

BUILDING OPTION 2 - 2.14 ACRES



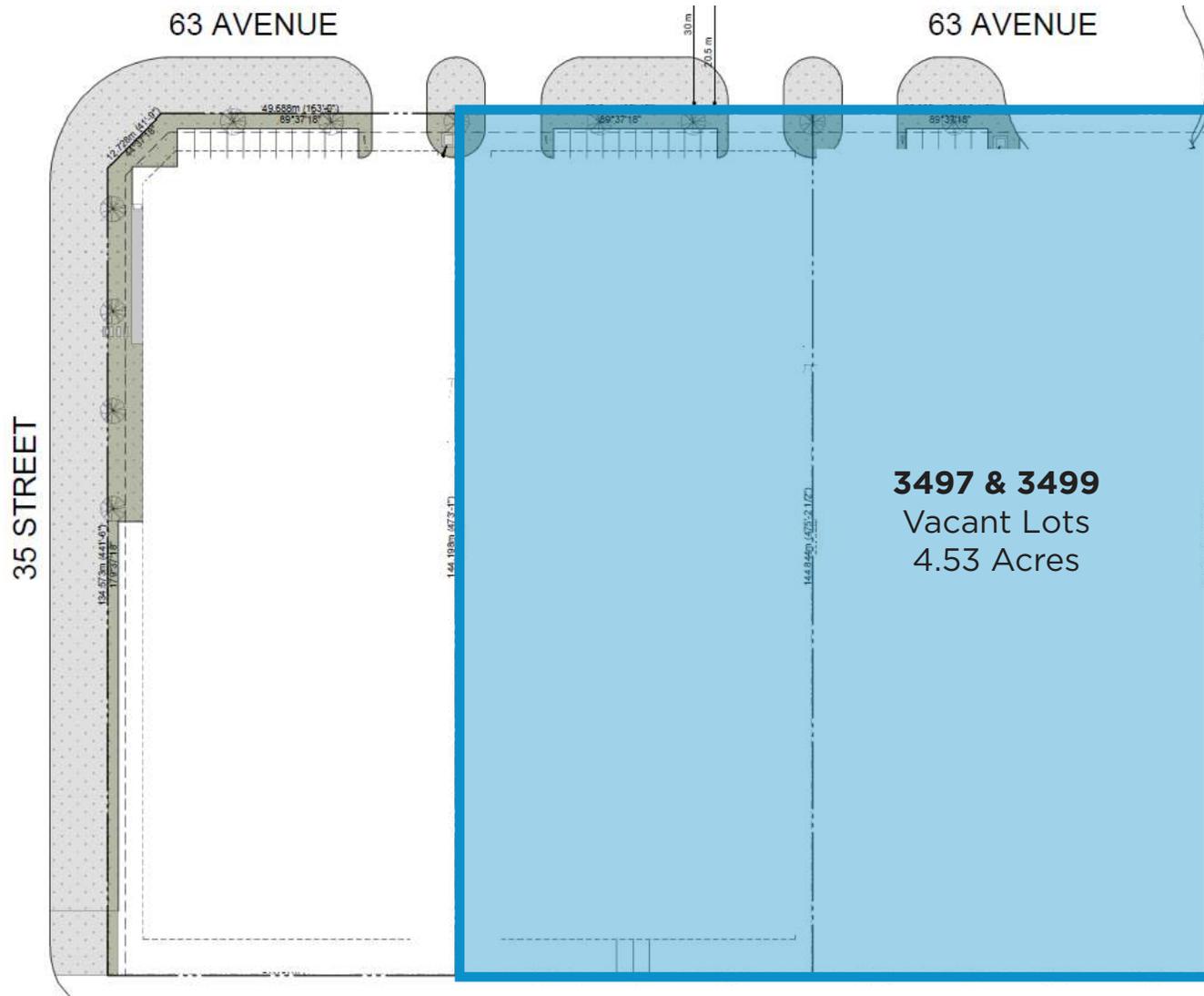
BUID-TO-SUIT

BUILDING OPTION 4 - 4.24 ACRES



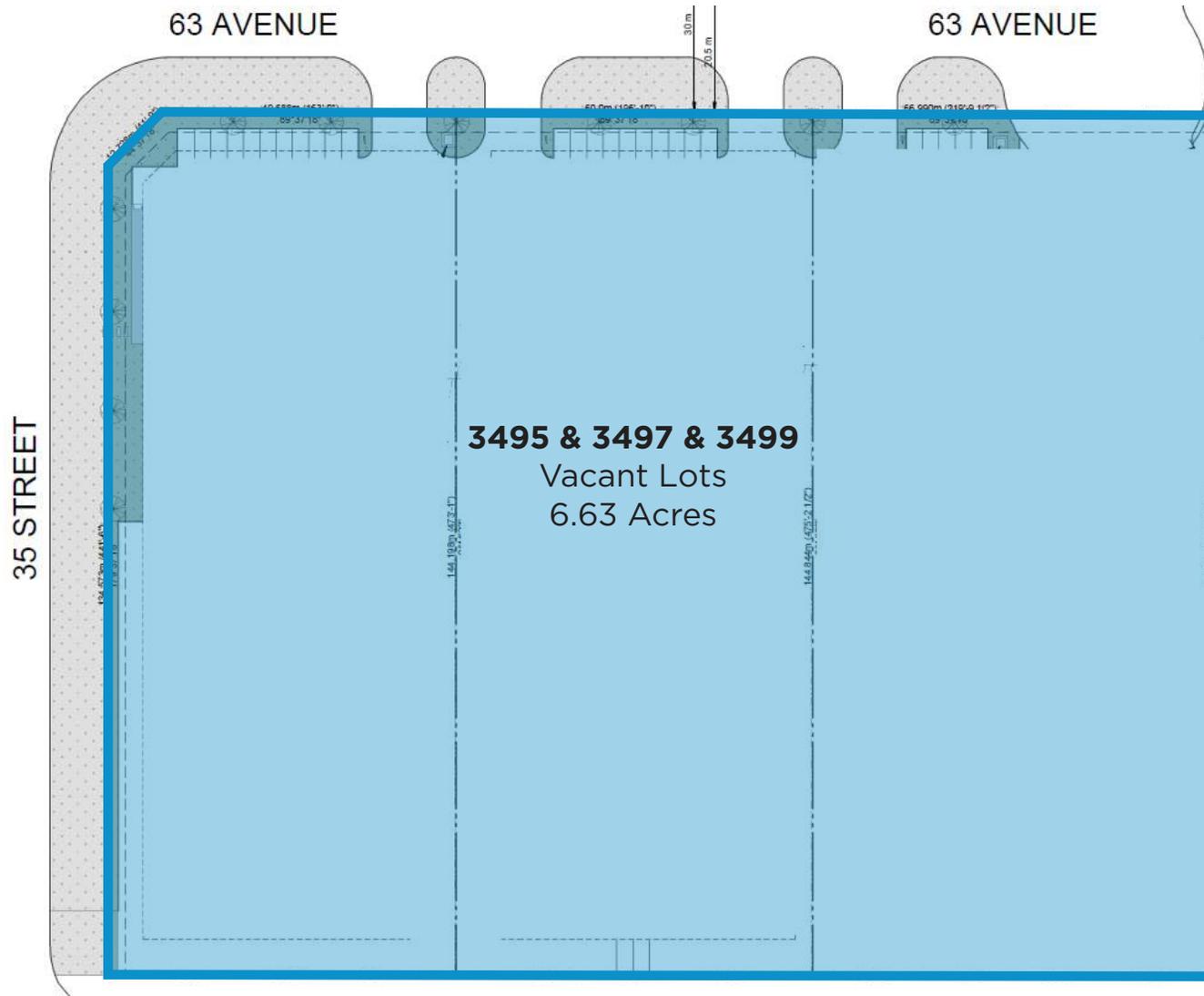
BUID-TO-SUIT

BUILDING OPTION 5 - 4.53 ACRES



BUID-TO-SUIT

BUILDING OPTION 6 - 6.63 ACRES



LEDUC 65 AVE PROJECT DRIVES RECOVERY

A new interchange at QEII Highway and 65 Avenue in Leduc will create more than 470 jobs and improve access to key freight hubs.

The project will deliver safer and more efficient connections between the City of Leduc, the Edmonton International Airport and area businesses. Giving commercial carriers easier access to the growing cargo hub at the airport will help drive economic diversification and investment.

“The QEII corridor is the busiest stretch of highway in Alberta and the Edmonton International Airport is becoming a significant cargo hub. This interchange will give carriers, commuters and consumers a safer and less congested route in a fast-growing region and create hundreds of jobs for Albertans.” - Ric McIver, Minister of Transportation

The project will move ahead with support from Alberta’s government and the City of Leduc. The government has also submitted an expression of interest for potential funding for this project under the Government of Canada’s National Trade Corridors Fund.

Alberta’s Recovery Plan is a bold, ambitious long-term strategy to build, diversify, and create tens of thousands of jobs now. By building schools, roads and other core infrastructure, we are benefiting our communities. By diversifying our economy and attracting investment with Canada’s most competitive tax environment, we are putting Alberta on a path for a generation of growth.

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
- The project design is anticipated to be completed in 2020.
- 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 two per cent per year. About 12 per cent of commercial vehicles in Alberta use the QEII Highway each day.
- About 10 per cent of vehicle traffic is large industrial or commercial vehicles.

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 pharma, 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

PROPERTY INFORMATION

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

Total Site Size: 6.63 Acres (+/-)

Zoning: IL (Light Industrial)

Lease Rate: TBD

Op. Costs: \$4.00/Sq.Ft.

CONTACT

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