Fort Saskatchewan
Non-Residential Real Estate Inventory & Analysis

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Prepared For:
City of Fort Saskatchewan

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Notice

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Study Objectives

Colliers International Consulting and Key Planning Strategies (Project Team) were commissioned by the City of Fort Saskatchewan in November 2017 to conduct a non-residential real estate inventory and an analysis of current supply and vacancies. The purpose of this study is to assist the City in developing a database for future benchmarking and assessment of market supply and demand for non-residential real estate.

Methodology and Limitations

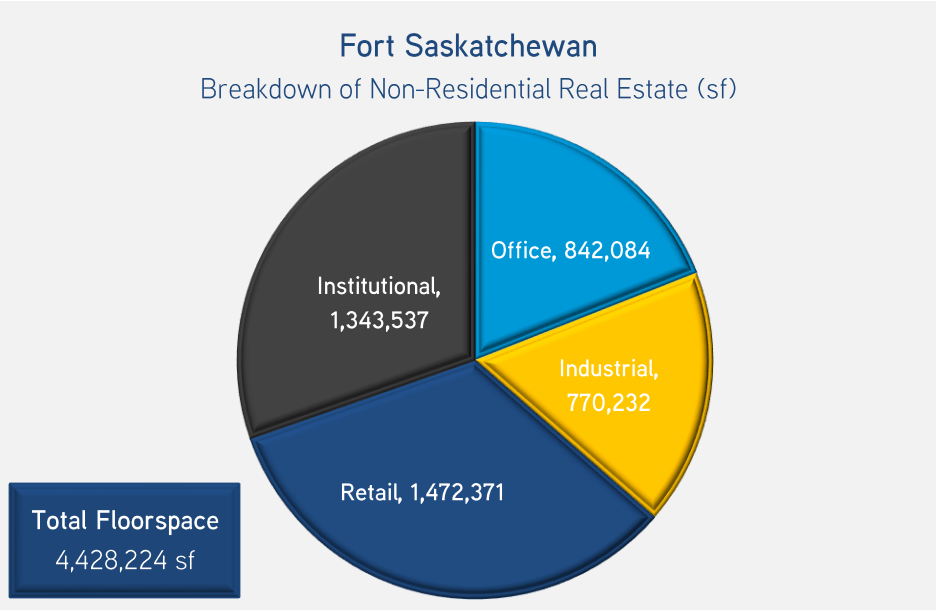
The Project Team toured the City of Fort Saskatchewan in December 2017 to identify the geographic location of the City's office, retail, industrial, and institutional land uses, and to take note of building types and quality, tenant types, and vacancies. This primary research was further augmented with the City's GIS and business license data, as well as listing brochures from brokerages and landlords. Particularly, inventory floor area was estimated through GIS footprint data and leasing brochures and is not an exact measurement of any given space.

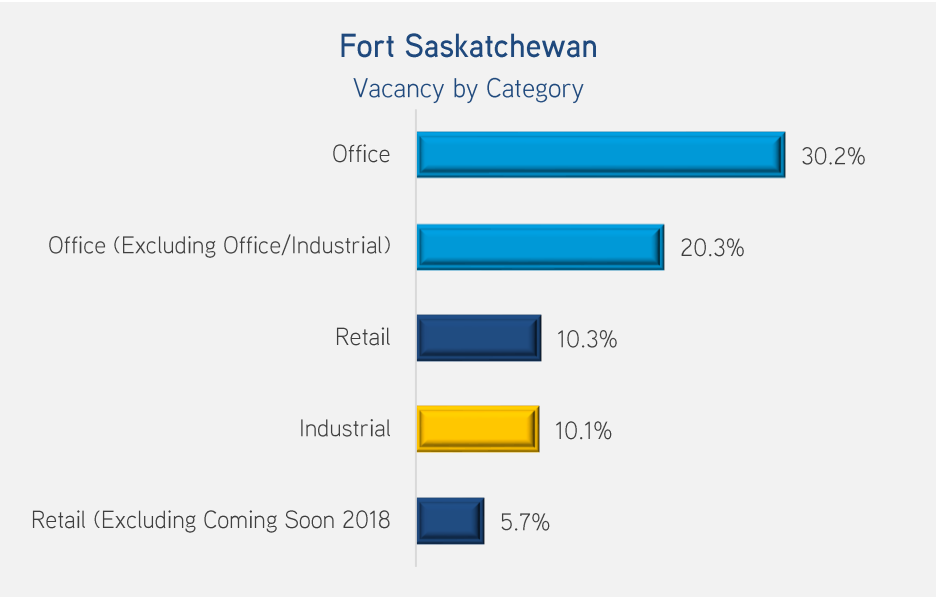
In order to ensure consistency throughout the inventory, the Project Team used the following classifications:

- **Retail:** Inventory includes all businesses that occupy a ground floor traditional retail frontage including non-traditional retail uses (professional services, institutional etc.).
- **Office:** Inventory includes only pure-use office space. To avoid double counting, this does not include the non-traditional retail uses noted above that could be classified as office space yet have already been included in the retail inventory.
- **Office/Industrial:** Light-industrial building with 30% or more dedicated to office use. Warehouse space is included in the inventory, which overestimates pure office space.
- **Industrial:** Pure industrial use with less than 30% dedicated to office use. Does not include land, and is only reflective of building floorspace.

Fort Saskatchewan Overview

- **In total, the Project Team identified 4.4 million sf of office, retail, industrial, and institutional floorspace throughout the City of Fort Saskatchewan.**
- Retail uses account for the most total floor area (1,472,371 sf), followed by institutional (1,343,537 sf), office (842,084 sf), and industrial (770,232 sf).
- Vacancy rates are highest among traditional office uses (30.2%) and lowest among retail and industrial uses (10.3% and 10.1%, respectively).
- When netting out retail space that will be tenanted soon in 2018, the overall retail vacancy rate will drop to approximately 5.7%.
- **The following pages further analyze the office, retail, industrial, and institutional inventories by NAICS tenant category and geographic location.**





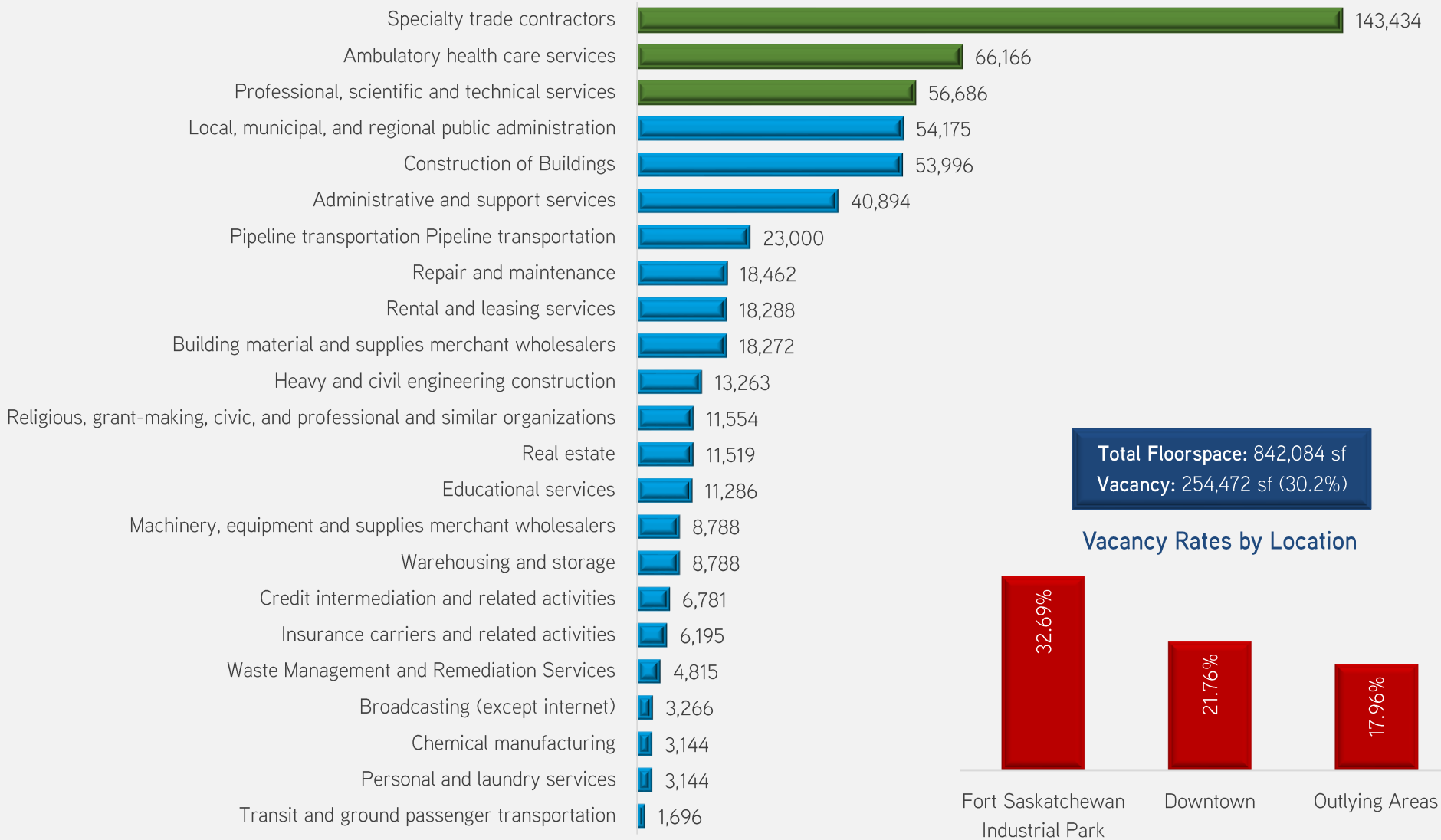
Office Inventory

- **The City of Fort Saskatchewan currently has approximately 840,000 square feet of office and office/industrial floorspace.**
- The most predominant tenant types are specialty trade contractors, ambulatory healthcare services, and professional, scientific and technical services.
- Office/industrial uses have a significant warehouse component and are primarily located in the Fort Saskatchewan Industrial Park. These uses can be excluded when examining the overall scale and properties of the City's traditional office market.
- The City currently features approximately 168,000 of traditional office floorspace, the majority of which can be found within Downtown Fort Saskatchewan.
- Vacancy rates are highest in the Fort Saskatchewan Industrial Park (32.7%), followed by Downtown (21.8%), and the Outlying Areas (17.9%). When netting out office/industrial uses, the City currently has an office vacancy rate of 20.34%.
- **The following pages display the office inventory by NAICS tenant category and geographic location.**

Gross Office Rental Rate Range by Location	
Industrial Park	$14.50 - $19.75
Downtown	$15.94 - $22.83
Outlying Areas	$21.50 - $24.00

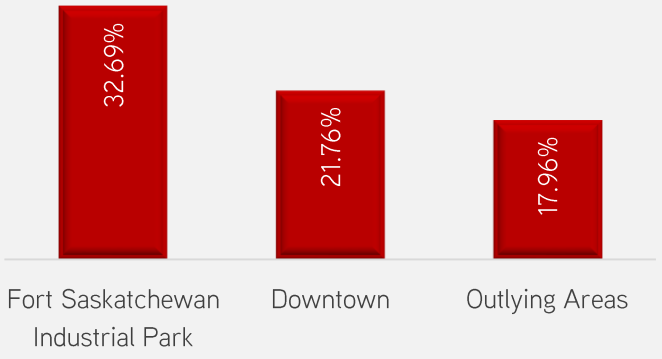
Inventory by Location	Existing (sf)	Existing (%)	Vacant (sf)	Vacancy (%)
Industrial Park	673,713	80.01%	220,226	32.69%
Downtown	105,477	12.53%	22,949	21.76%
Outlying Areas	62,894	7.47%	11,297	17.96%
Total (Including Office/Industrial)	**842,084**	**100.00%**	**254,472**	**30.22%**
Downtown	105,477	62.65%	22,949	21.76%
Outlying Areas	62,894	37.35%	11,297	17.96%
Total (Excluding Office/Industrial)	**168,371**	**100.00%**	**34,246**	**20.34%**

TOTAL Office Inventory by NAICS Category (sf)



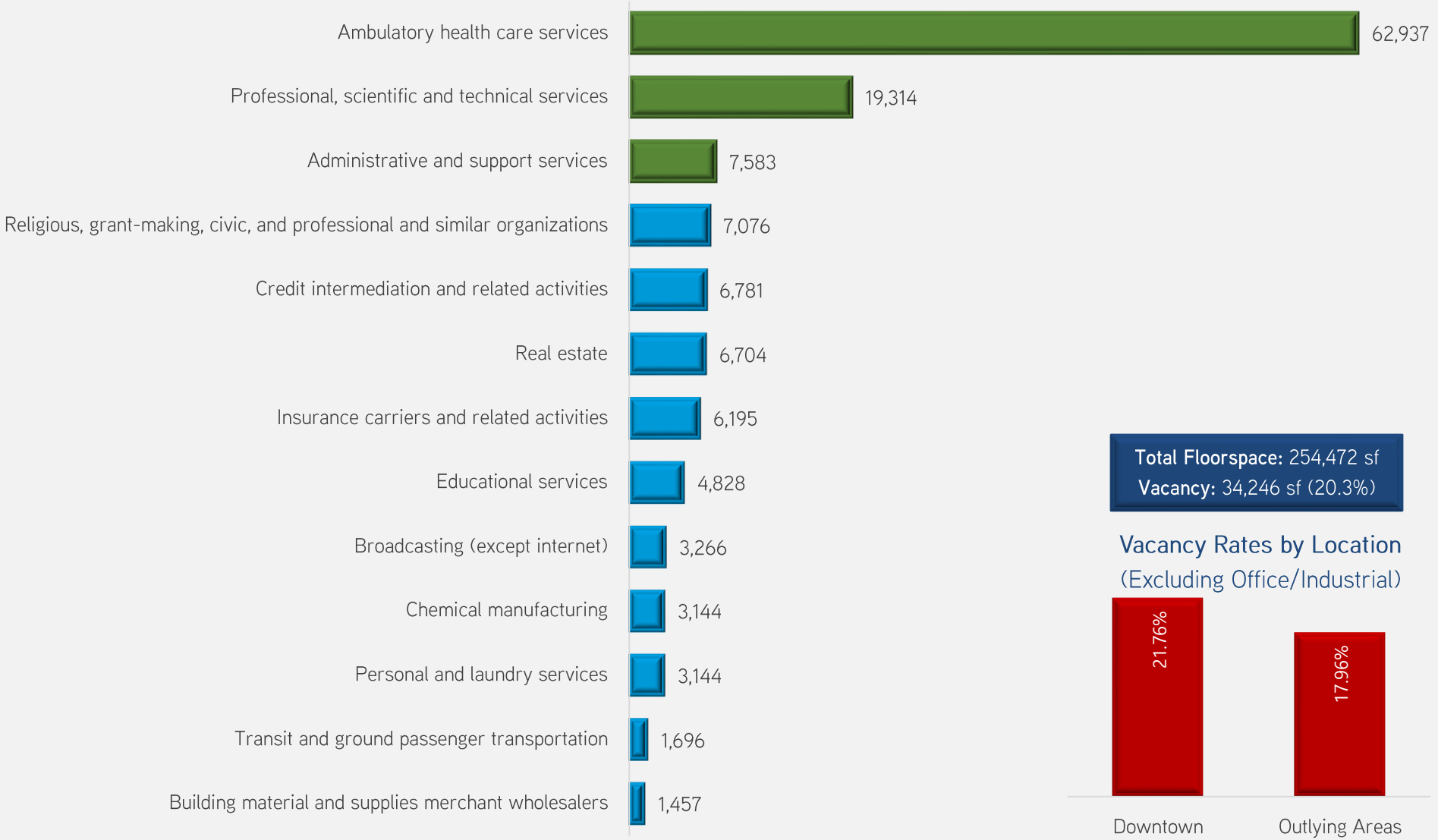
Total Floorspace: 842,084 sf
Vacancy: 254,472 sf (30.2%)

Vacancy Rates by Location



Office Inventory | Total Floorspace by NAICS Category (Excluding Office/Industrial)

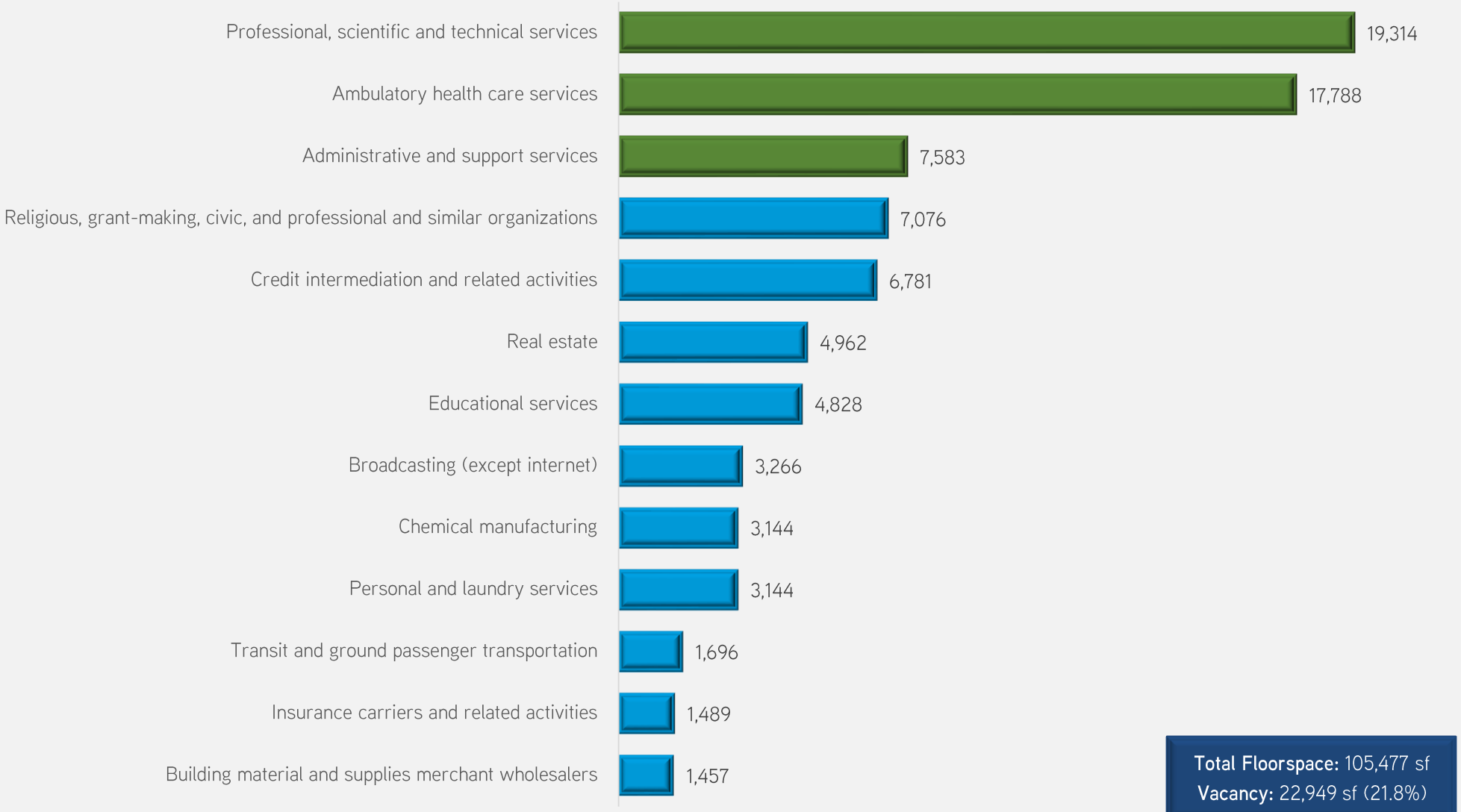
TOTAL Office Inventory by NAICS Category (sf) (Excluding Office/Industrial)



Total Floorspace: 254,472 sf
Vacancy: 34,246 sf (20.3%)

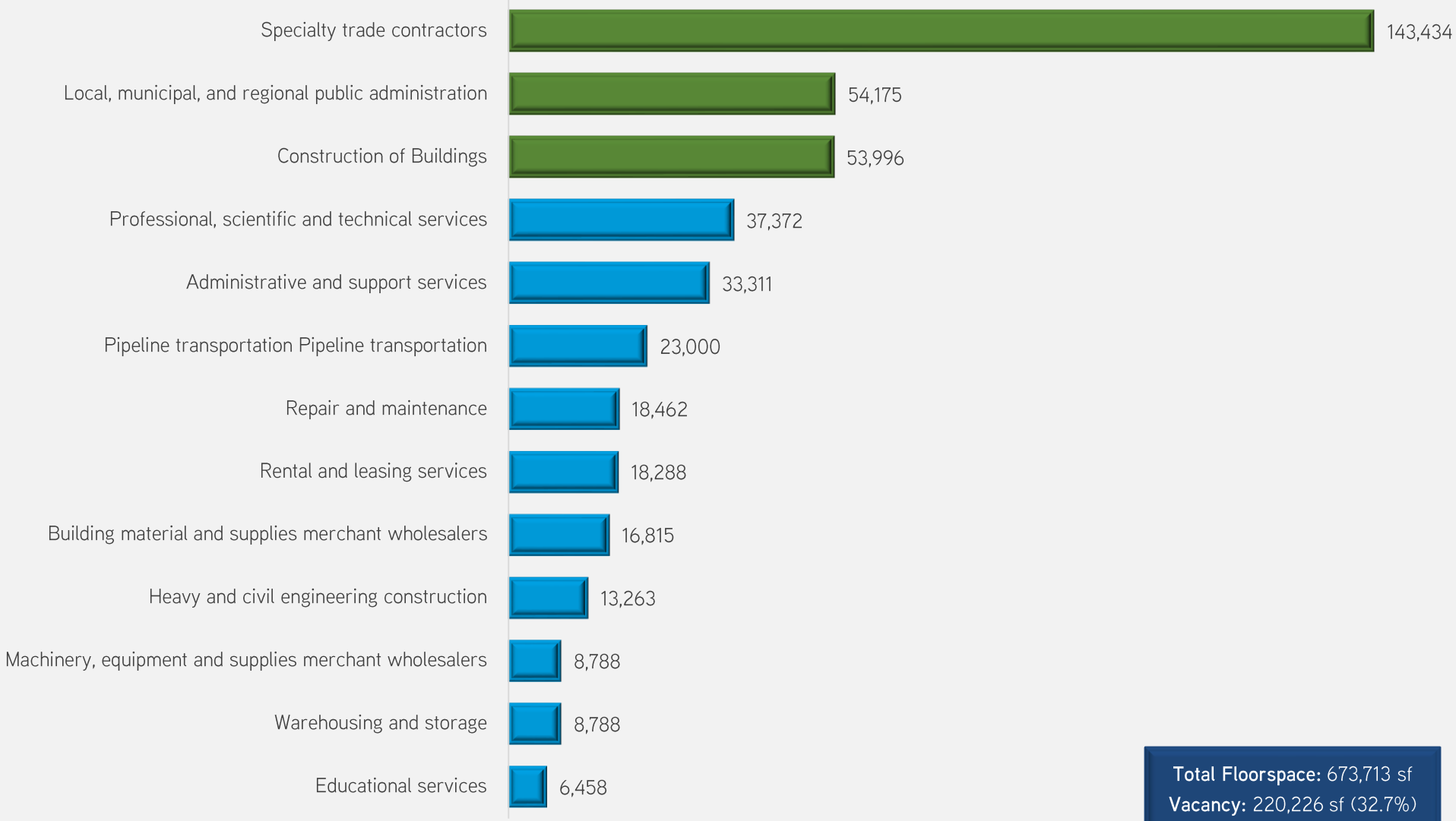
Vacancy Rates by Location
(Excluding Office/Industrial)

Downtown Office Inventory by NAICS Category (sf)



Total Floorspace: 105,477 sf
Vacancy: 22,949 sf (21.8%)

Industrial Park Office Inventory by NAICS Category (sf)



Total Floorspace: 673,713 sf
Vacancy: 220,226 sf (32.7%)

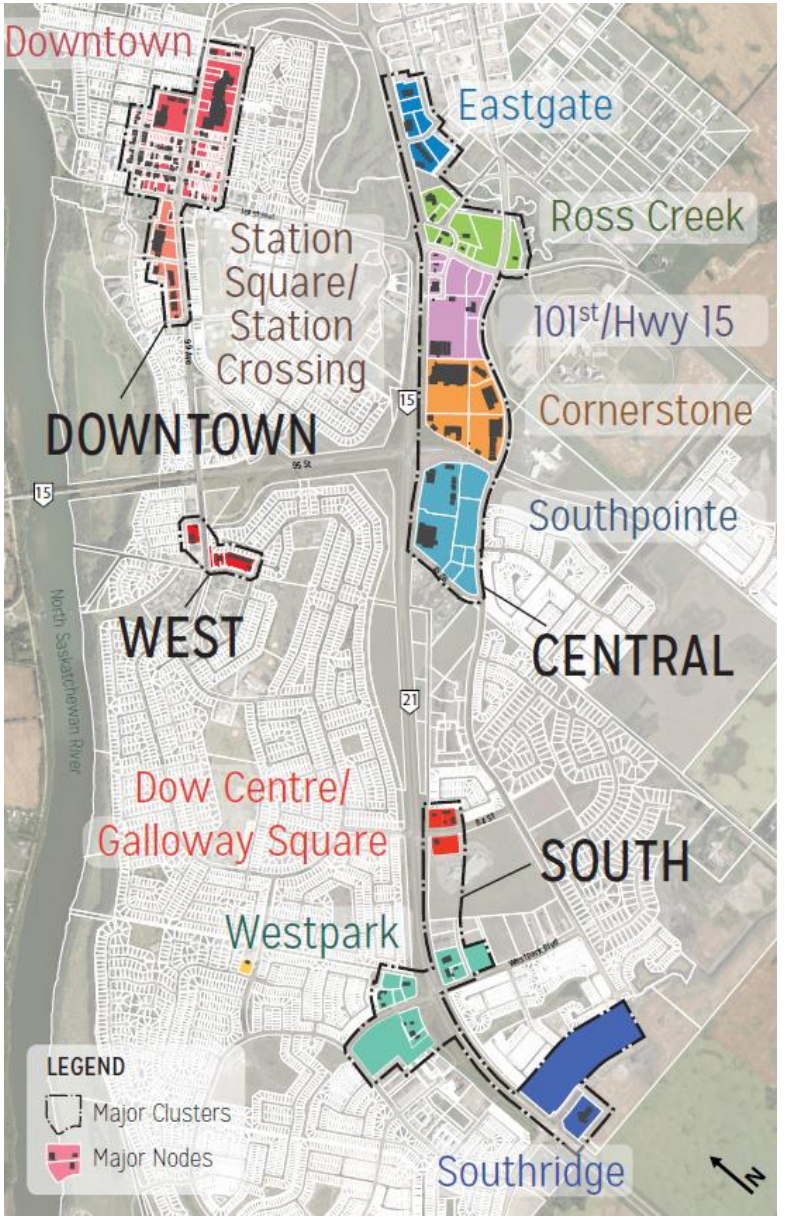
Retail Inventory

- **The City of Fort Saskatchewan currently features approximately 1.47 million square feet of retail floorspace located primarily in the Central, Downtown, South, and West clusters as identified to the right.**
- The majority of retail uses can be found in the Central cluster (51%), followed by Downtown (28%), South (18%), and West Fort Saskatchewan (3%).
- Vacancy rates (excluding units coming soon in early 2018), are highest in the West cluster (9.7%), followed by Downtown (8.3%), South (6.3%), and Central Fort Saskatchewan (3.7%).

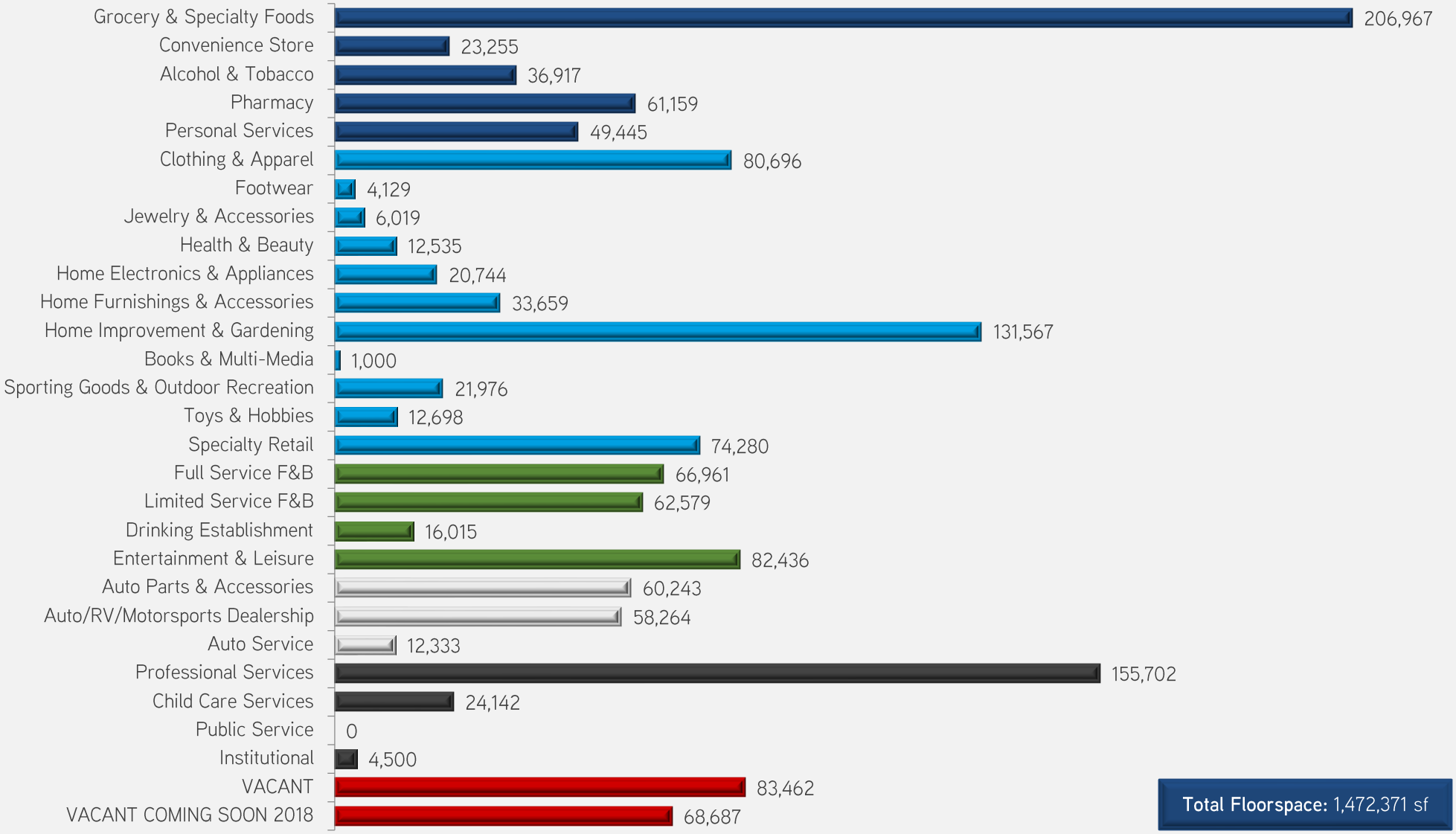
Top three retail uses by NAICS category and cluster:

- **Central:** Home improvement & gardening (17.2%), grocery & specialty food (16.1%), clothing & apparel (8.3%).
- **Downtown:** Professional services (25.8%), entertainment & leisure (12.4%), and grocery & specialty foods (9.8%).
- **South:** Grocery & specialty foods (17.4%), pharmacy (10.7%), and automotive (8.9%).
- **West:** Personal services (20.5%), convenience stores (10.3%), alcohol & tobacco (9.7%).

Inventory by Cluster	Existing (sf)	Existing (%)	Vacant (%)	Vacant Excluding Coming Soon 2018 (%)	Gross Rental Rate Range
Central	747,792	51%	3.7%	3.7%	$24.50 – $44.50 /sf
Downtown	413,392	28%	8.3%	8.3%	$16.68 - $30.23 / sf
South	270,667	18%	31.7%	6.3%	$36.00 - $41.00 / sf
West	40,520	3%	9.7%	10.0%	$25.00 - $31.00 / sf
Total	**1,472,371**	**100%**	**10.3%**	**5.7%**	**$16.68 - $44.50**

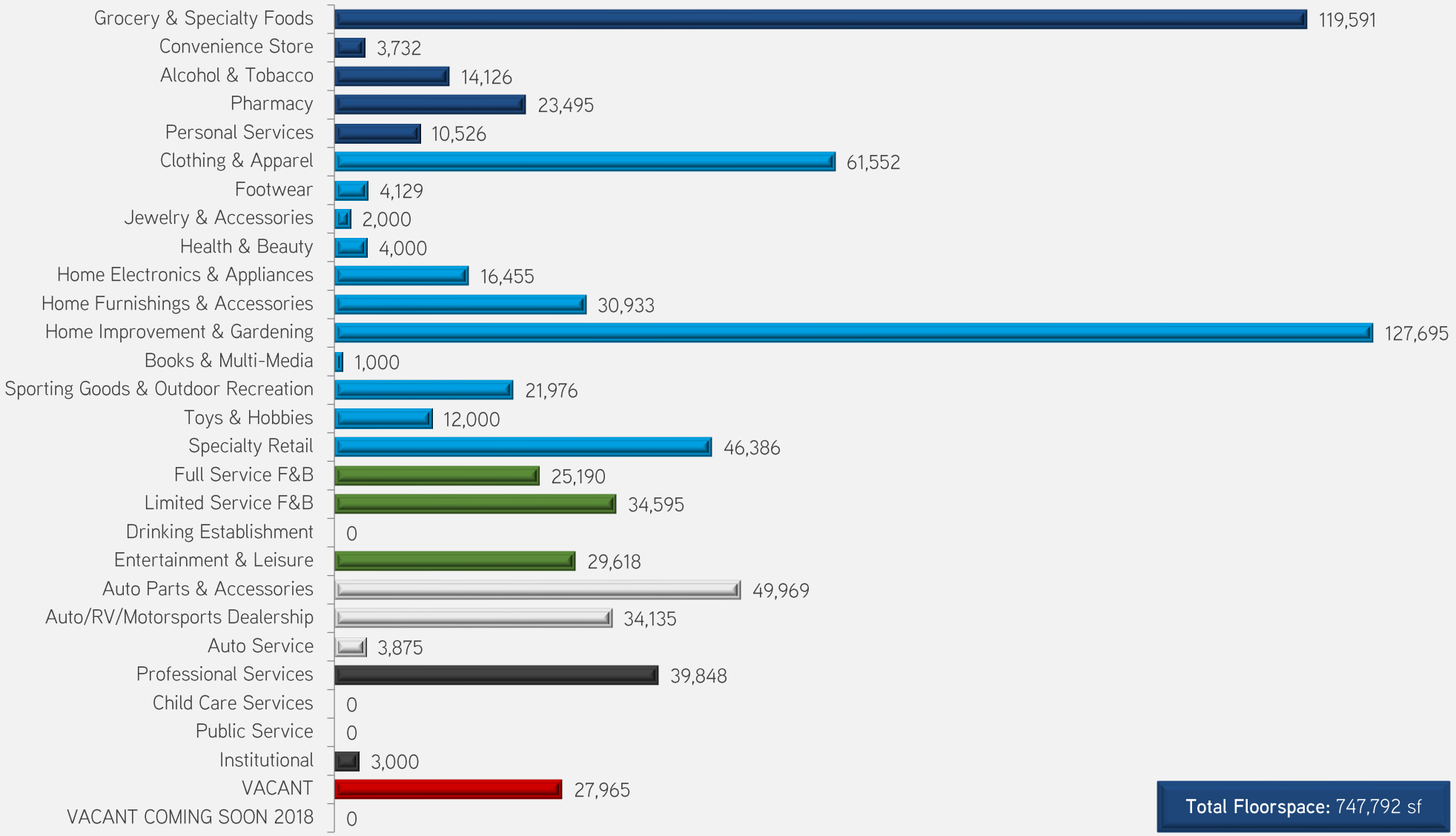


Total Retail Inventory by Merchandise Category (sf)



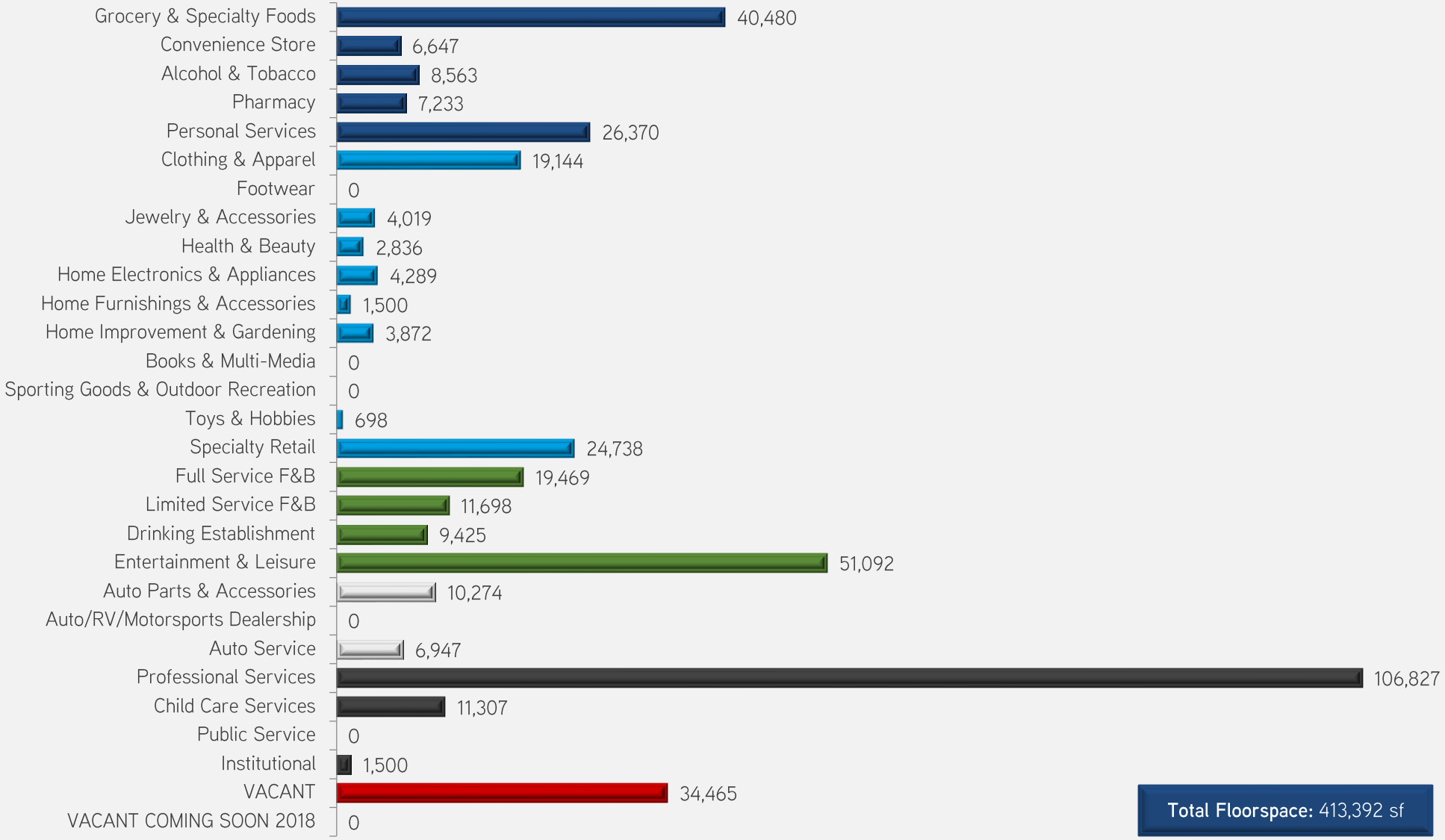
Total Floorspace: 1,472,371 sf

Central Retail Inventory by Merchandise Category (sf)



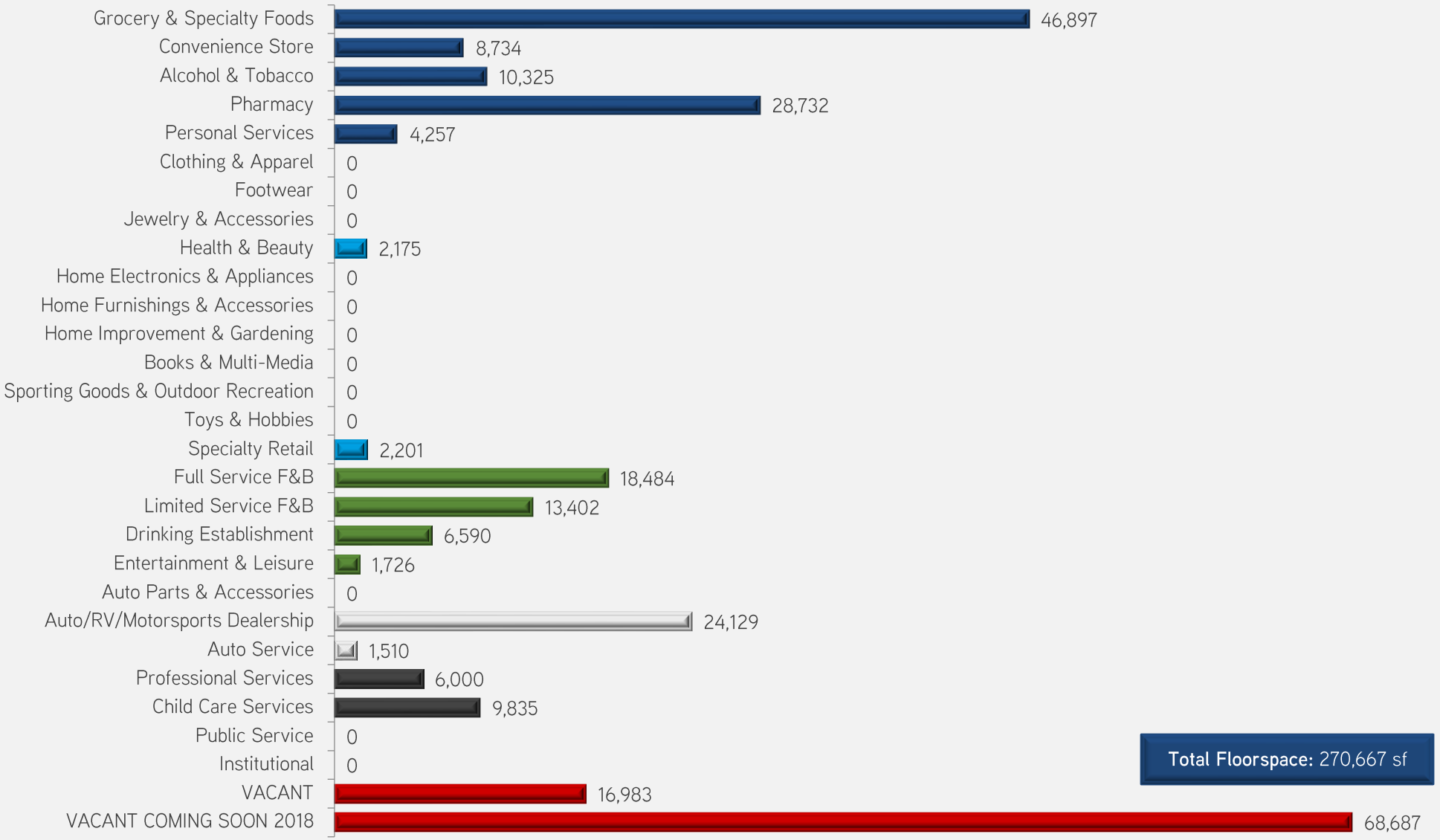
Total Floorspace: 747,792 sf

Downtown Retail Inventory by Merchandise Category (sf)



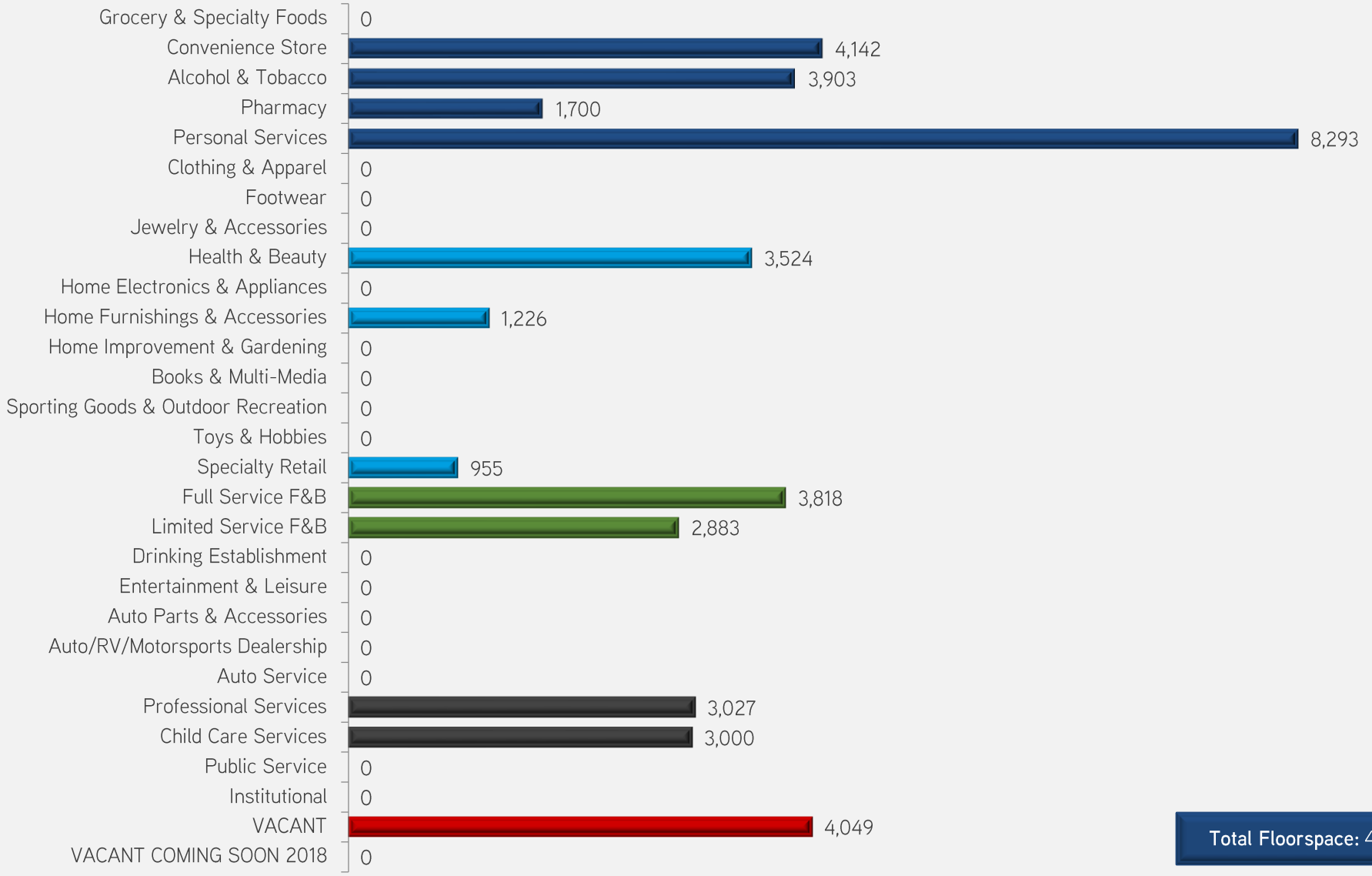
Total Floorspace: 413,392 sf

South Retail Inventory by Merchandise Category (sf)



Total Floorspace: 270,667 sf

West Retail Inventory by Merchandise Category (sf)



Total Floorspace: 40,520 sf

Industrial Inventory

- **Aside from the office/industrial floorspace accounted for in the office inventory, the City of Fort Saskatchewan has an additional 770,000 square feet of soft industrial floorspace located in the Industrial Park east of Downtown.**
- Vacancy rates are currently approximately 10%, and the most floorspace is taken up by specialty trade contractors, followed be warehousing and storage, machinery rental services, and construction equipment supplies.

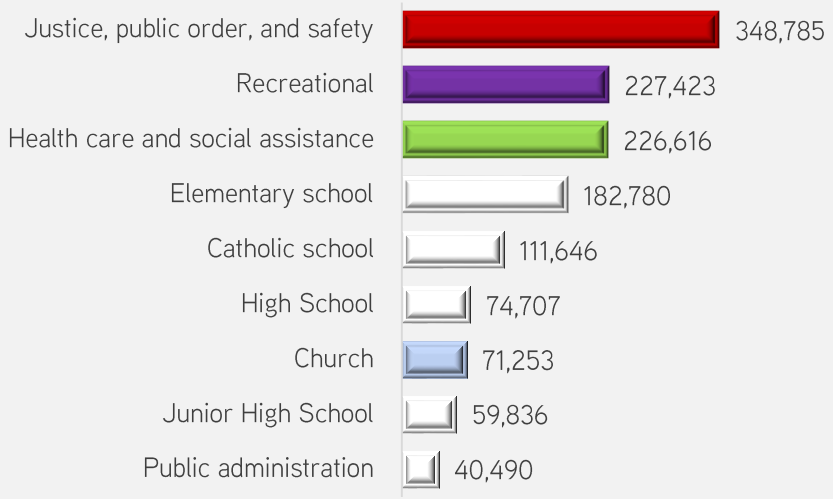
Industrial Inventory by NAICS Category (sf)

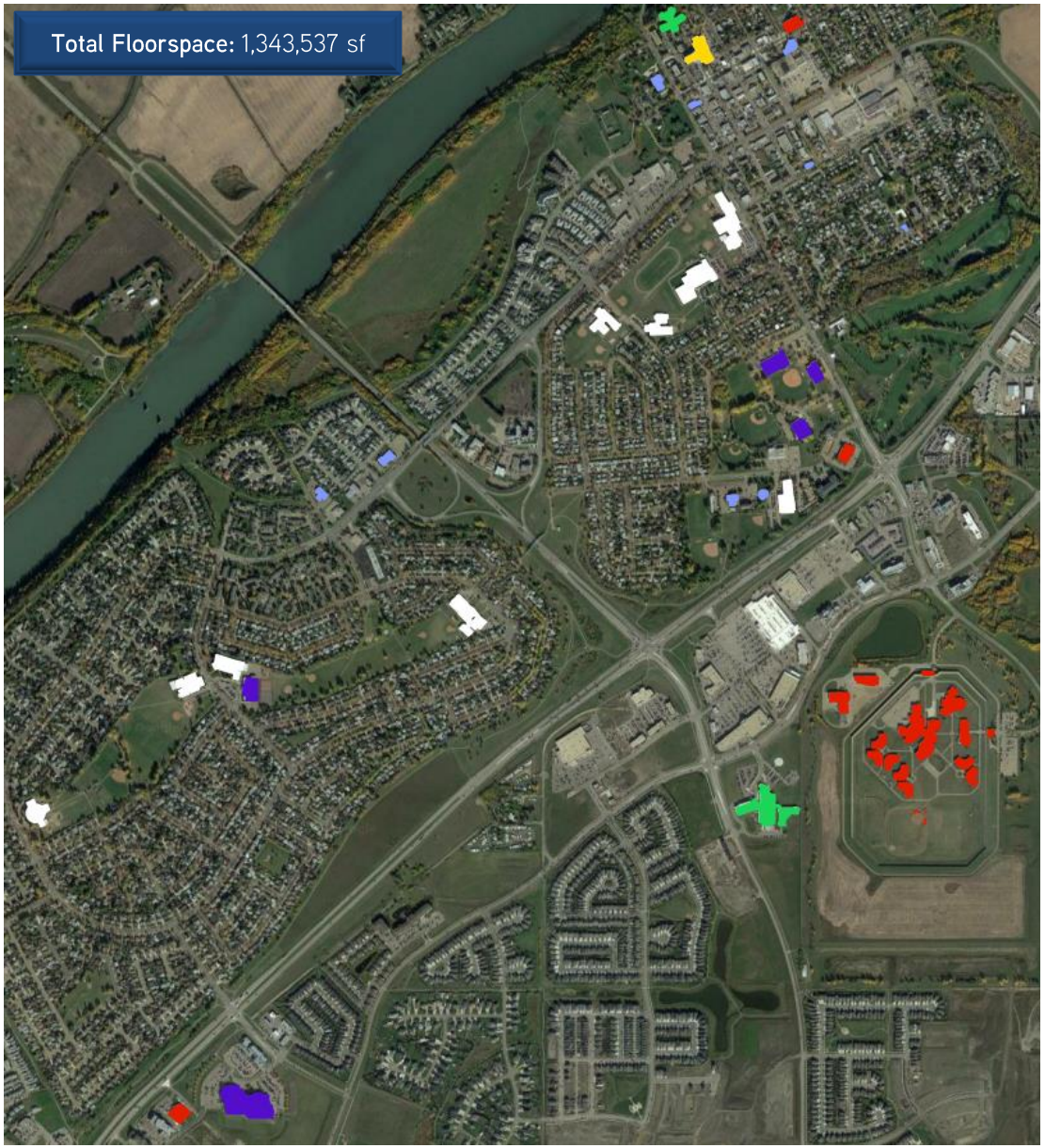
Gross Industrial Rental Rate Range:	$13.00 - $17.75 / sf

Institutional Inventory

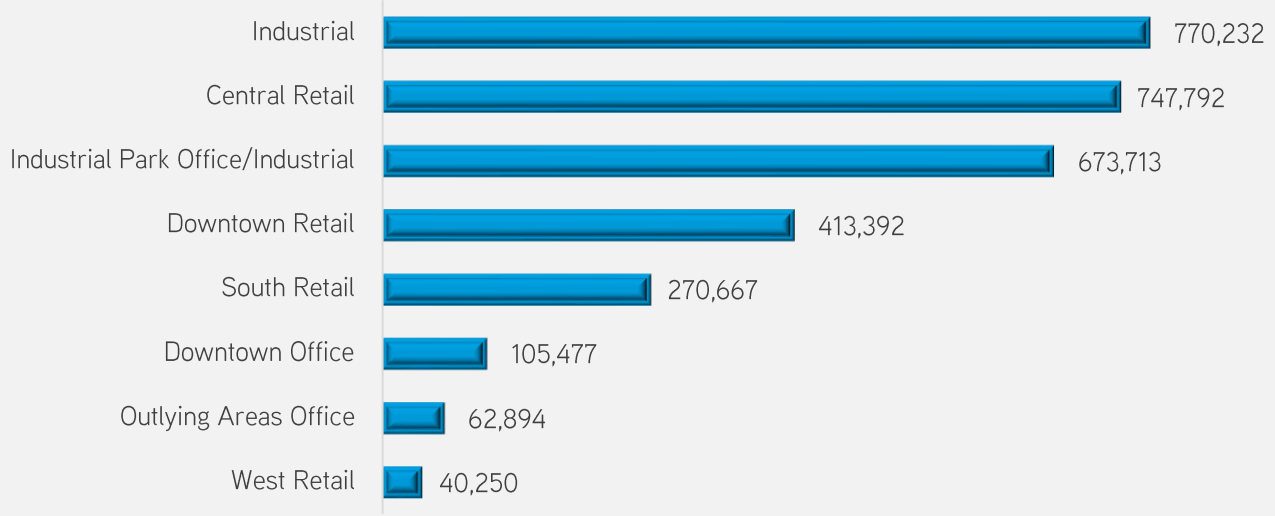
- **The City of Fort Saskatchewan is currently composed of approximately 1.34 million square feet of institutional floorspace.**
- The largest contributors to floorspace are elementary, junior, catholic, and high schools, accounting for a total of approximately 430,000 square feet of floorspace.
- Justice, public order, and safety uses are the second most prevalent, primarily due to the Fort Saskatchewan Correctional Centre.
- Recreational uses are third, followed be healthcare and social assistance (Fort Saskatchewan Community Hospital and Rivercrest Care Centre).

Total Inventory by NAICS Classification (sf)





Summary

Category	Total Floorspace (sf)	Total Floorspace (%)	Vacancy (%)	Vacancy (%) – Excluding Coming Soon 2018	Gross Rental Rate Range
Office	**842,084**	**27.3%**	**30.2%**	**-**	**$14.50 - $24.00 / sf**
Downtown	105,477	3.4%	21.8%	-	$15.94 - $22.83 / sf
Outlying Areas	62,894	2.0%	17.9%	-	$21.50 - $24.00 / sf
Industrial Park	673,713	21.8%	32.7%	-	$14.50 - $19.75 / sf
Retail	**1,472,371**	**47.7%**	**10.3%**	**5.7%**	**$16.68 - $44.50**
Central	747,792	24.2%	3.7%	-	$24.50 - $44.50 / sf
Downtown	413,392	13.4%	8.3%	-	$16.68 - $30.23 / sf
South	270,667	8.8%	31.7%	6.3%	$36.00 - $41.00 / sf
West	40,250	1.3%	9.7%	-	$25.00 - $31.00 / sf
Industrial	**770,232**	**25.0%**	**10.1%**		**$13.00 - $17.75 / sf**
Total	**3,084,687**				

Retail Inventory by Real Estate Category and Location (sf)