INDUSTRIAL LAND SUPPLY

2021 ANNUAL REPORT

URBAN GROWTH| PLANNING & ENVIRONMENT SERVICES | URBAN PLANNING & ECONOMY

OVERVIEW

Edmonton's designated industrial areas contain land for industrial operations to conduct their business safely and reliably. Industrial areas support goods and services provision, movement and storage, while also supporting commercial and other land uses in an appropriately serviced environment. These non-residential areas are important for the city's economy and viability, and support the economic development, land use and employment objectives outlined in The City Plan, the Edmonton Economic Action Plan and ConnectEdmonton.

Edmonton's non-residential taxable properties make up 25 percent of the City's total assessed property, accounting for 48 per cent of total property taxes in 2019 (Property Tax Policy Discussion Paper, p. 13, 28). This highlights the importance of monitoring developable non-residential land supply to inform fiscal outcomes. The City Plan (policy 3.3.2.1) indicates that Edmonton must "maintain land supply necessary to support continued industrial growth", while also using its established industrial lands efficiently to support ongoing business reinvestment and diversification. This report identifies the amount and distribution of vacant industrial-zoned land available for future development, as well as reserve land available for industrial use once rezoned. Future development trends were determined by comparing past and current annual data.

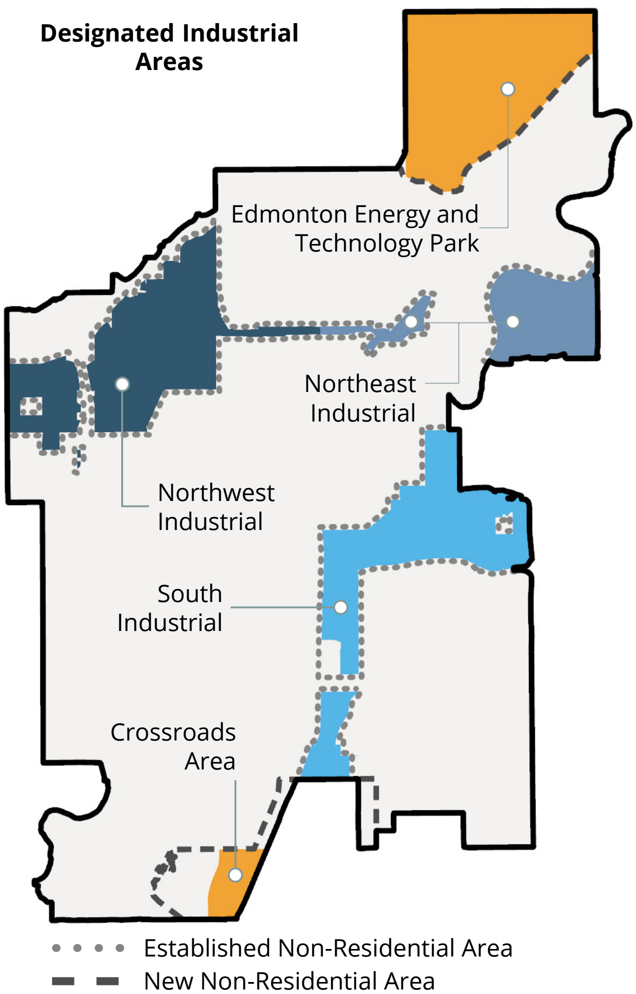


Figure 1. Designated Industrial Areas

INDUSTRIAL LAND SUPPLY

The City Plan's Non-Residential Opportunities Network identifies two distinct areas in the city designated to accommodate industrial development: the established non-residential area and the new non-residential area. The established non-residential area consists of existing industrial neighbourhoods and mixed-use neighbourhoods separated into three key industrial areas: Northeast, Northwest and South (Figure 1). The new non-residential area includes, but is not limited to, the Edmonton Energy and Technology Park (EETP) in the northeast and designated non-residential lands in the city's future growth area (Crossroads area).

Edmonton had 6,746 hectares (ha) of vacant land in designated industrial areas in 2021, a reduction of 53 ha from 6,799 ha in 2020 (Table 1). Over the past four years (2018 to 2021), the vacant industrial land supply decreased by an average of 39 ha per year. The change in land supply can be attributed to the absorption of land through new development and approval-related processes, such as rezonings, permit cancellation, changes in land use or subdivision road area removals. The Northwest Industrial area saw the greatest change in available land in 2021, with a decrease of 44 ha.

This decrease in vacant industrial land is mainly due to new industrial development and subdivision.

Table 1. Vacant Industrial Land by Industrial Area (ha)

Industrial Areas		2018	2019	2020	2021
Established Non-Residential Area	Northeast	188	188	186	175
	Northwest	802	799	796	752
	South	547	528	520	524
	Sub Total	1,537	1,515	1,502	1,451
New Non-Residential Area	EETP*	4,753	4,753	4,746	4,746
	Crossroads Area**	574	552	551	549
	Sub Total	5,327	5,305	5,297	5,295
Grand Total		**6,864**	**6,820**	**6,799**	**6,746**

**Edmonton Energy and Technology Park*

***Crossroads Area was annexed in Jan 2019. The City started tracking the associated Vacant Industrial land in 2018.*

INDUSTRIAL LAND ABSORPTION

The established non-residential areas provide employment opportunities that attract people to Edmonton. While some lands in these areas may redevelop and intensify, the majority of vacant industrial land absorption is expected through new development in the established non-residential areas. According to The City Plan, new non-residential lands in the developing area will also become available to accommodate more growth opportunities.

Industrial land absorption calculations are derived from site area (not parcel area) in hectares based on reported development permits that the City issues. In 2021, a total of 32 ha of vacant land was absorbed by new development, compared to 11 ha in 2020, representing an increase in absorption of 21 ha (Figure 2. A).

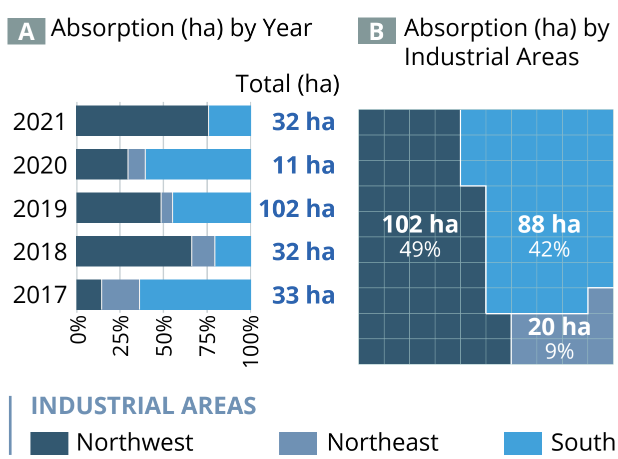


Figure 2. Industrial Land Absorption by Year and by Industrial Areas (2017- 2021)

The highest absorption of 24 ha took place in the Northwest Industrial area.

Over the past five years, a total of 210 ha of industrial land was absorbed (Figure 2. B), at an average of 42 ha per year. The Northwest Industrial area experienced the most active industrial development, with 102 ha or 49 per cent of the total land absorption, followed by the South Industrial area with 88 ha or 42 per cent of the total land absorption. Conversely, South Industrial showed the highest absorption rate with 17 per cent of its remaining vacant industrial land, compared to 14 per cent in Northwest Industrial and 11 per cent in Northeast Industrial.

VACANT LAND AVAILABILITY BY ZONE AND PARCEL SIZE

Vacant lands reserved for future long-term industrial use, including the Agricultural Zone (AG) and Industrial Reserve Zone (AGI), are typically unsubdivided parcels larger than 10 ha in size. Figure 3 shows that 74 per cent (5,022 ha) of the city's vacant industrial land supply falls in this category, including 4,053 ha of AG in the EETP. The rest of the land supply is more evenly distributed among the major industrial zones, including Industrial Business Zone (IB), Light Industrial Zone (IL), Medium Industrial Zone (IM) and Heavy Industrial Zone (IH).

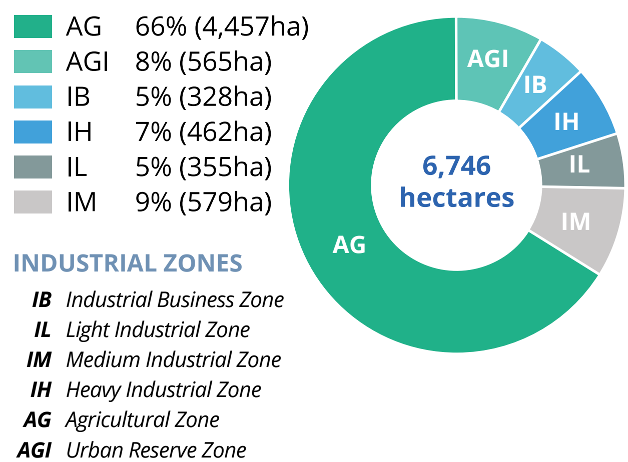
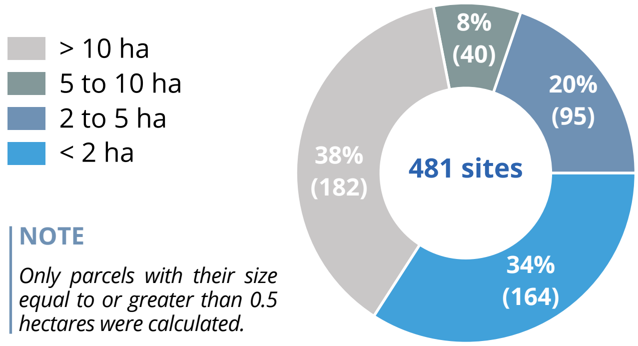


Figure 3. Vacant Industrial Land Area by Zone (2021)

The most prominent industrial land parcel size categories in Edmonton were greater than 10 ha and less than 2 ha in 2021 (see Figure 4).



NOTE

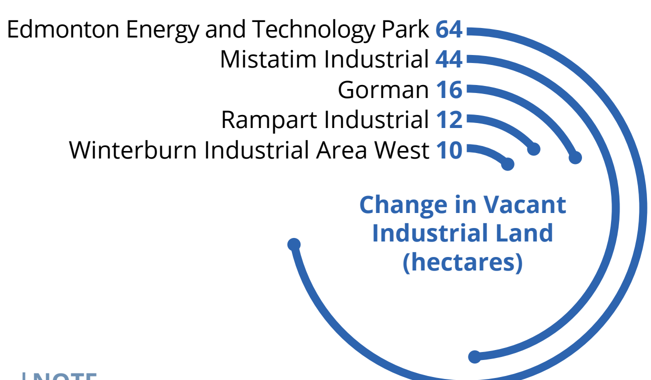
Only parcels with their size equal to or greater than 0.5 hectares were calculated.

Figure 4. Number of Vacant Industrial Land Sites by Parcel Size (2021)

Thirty-eight (38) per cent of vacant parcels (182 sites) were larger than 10 ha and 34 per cent of parcels were smaller than 2 ha (164 sites). Size inventory changes over time are most often the result of large site subdivisions and servicing.

INDUSTRIAL NEIGHBOURHOODS WITH PROMINENT CHANGES

The top five neighbourhoods with the most significant reduction in vacant industrial land inventory between 2017 and 2021 were EETP, Mistatim Industrial, Gorman, Rampart Industrial, and Winterburn Industrial Area West (Figure 5). Mistatim Industrial in the Northwest Industrial area was reduced by 44 ha of vacant land, with an average annual land supply decrease of 11 ha. This neighbourhood experienced the most active industrial planning and development activities of all the established industrial neighbourhoods over the past five years.



NOTE

The recorded decrease in EETP land supply was due to rezoning activities and site adjustments (e.g. removing two large parcels in the EETP neighbourhood boundary on the south side of Manning Drive to align with the EETP Area Structure Plan boundary).

Figure 5. Top Five Neighbourhoods with the Greatest Decrease in Vacant Industrial Land Supply (2017 - 2021)

VACANT LAND SUPPLY DISTRIBUTION

In the established non-residential area, eight neighbourhoods (Winterburn Industrial Area East, Ellerslie Industrial, Mistatim Industrial, Winterburn Industrial Area West, Clover Bar Area, Rampart Industrial, Maple Ridge Industrial and Pylypow Industrial) each have more than 100 ha available for future industrial growth (Figure 6).

The new non-residential area's vacant industrial land is located primarily in the EETP (4,746 ha) and Crossroads Area Structure Plan (549 ha). The EETP is planned with specific precincts to accommodate petrochemical development, medium industrial, and research and development.

The new non-residential area provides additional land supply that supports Edmonton's long-term industrial development.

CONCLUSION

The report shows that 22 per cent of Edmonton's industrial vacant land was located in the established non-residential area in 2021, a total of 1,451 ha including 825 ha of zoned industrial land and 626 ha of reserved land (zoned as AG and AGI). Based on the annual absorption rate of 42 ha over the past five years, it is estimated that at this pace, the zoned industrial land in established non-residential areas can accommodate industrial growth for an additional 20 years. The economic slowdown in 2016 and COVID-19 pandemic impacts in 2020 significantly decreased annual vacant land absorption rates compared to before 2017 (annual absorption rate of 156 ha from 2012 to 2016). Faster industrial growth is expected in the short term with economic recovery following the impacts of COVID-19 in 2020. However, it is yet to be seen whether recovery will sustain over the long term (City of Edmonton Mid-Year 2022 Economic Update, p. 1). Redevelopment and intensification of underutilized industrial land provide an opportunity for a more stable land supply beyond currently available vacant industrial land to support mid-term to long-term industrial growth.

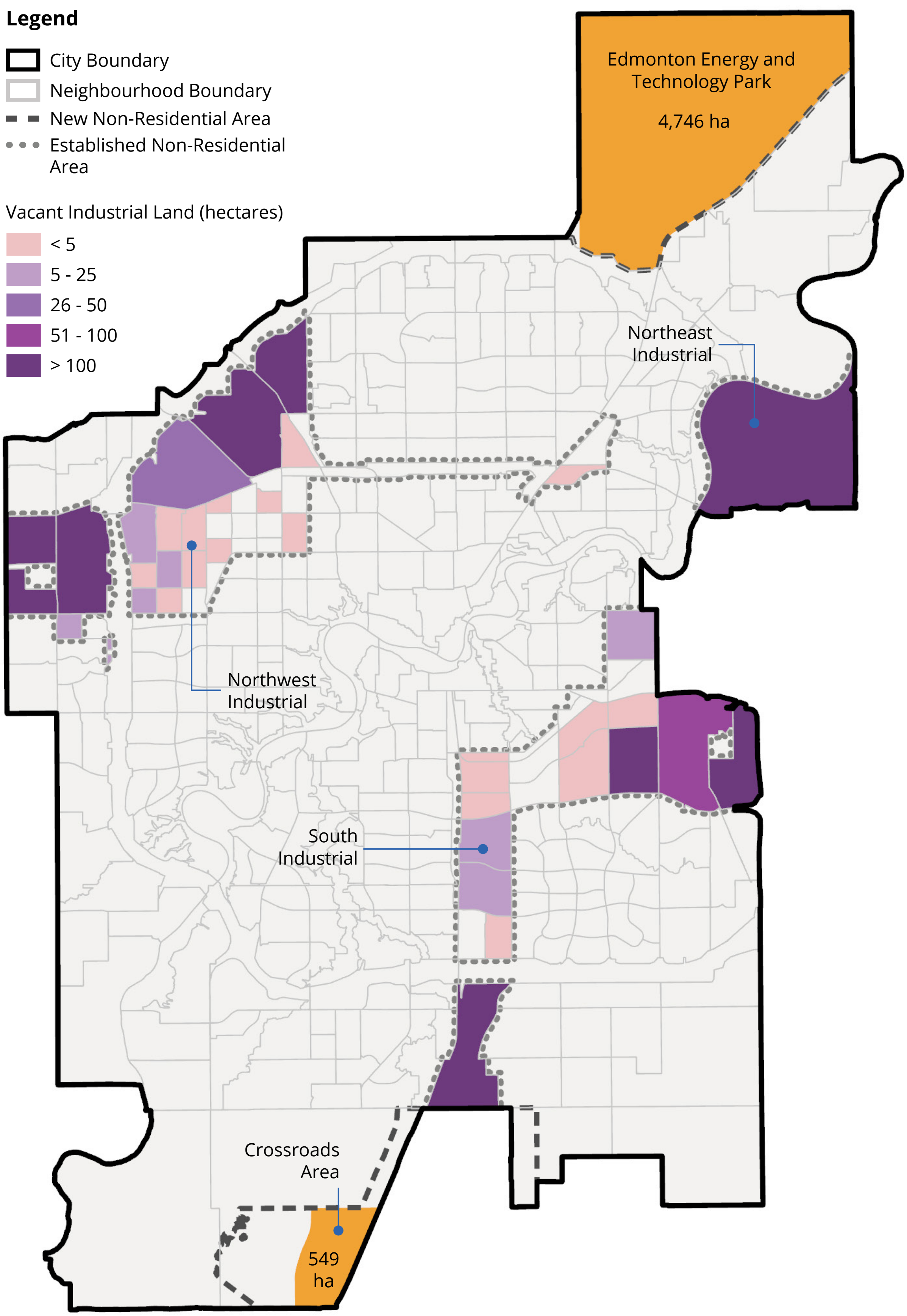


Figure 6. Vacant Industrial Land supply (2021)