

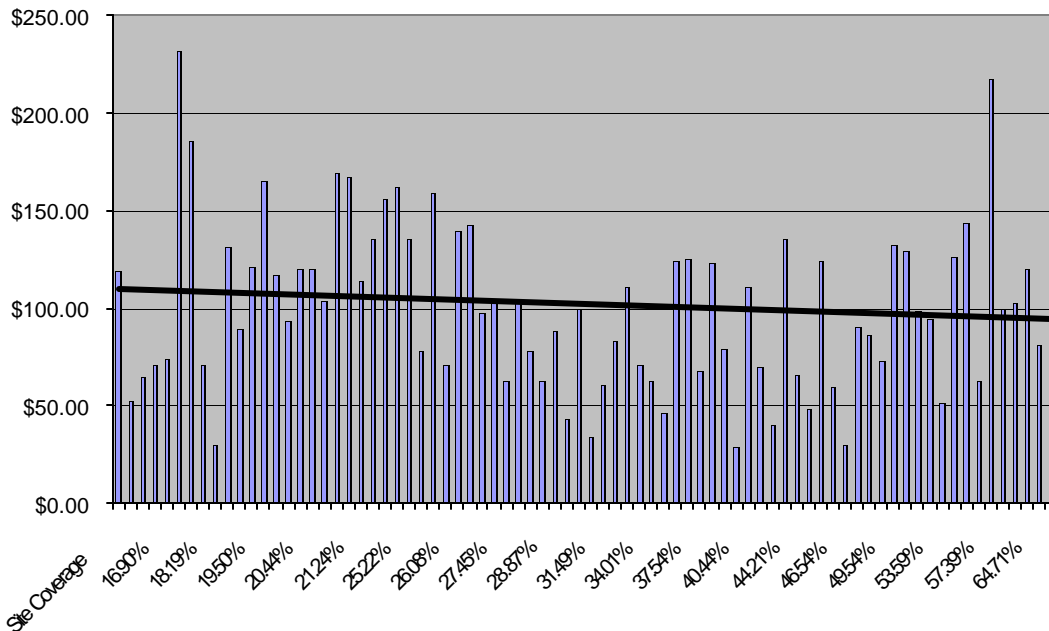


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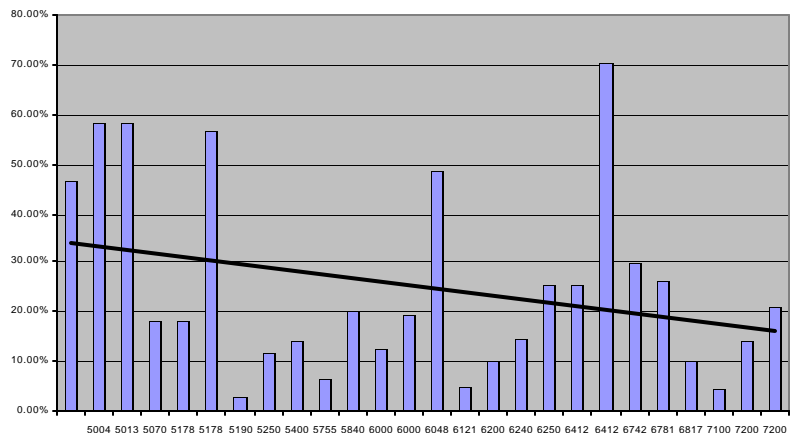
## Newsletter- November 2007

**Building Price (per sq. ft) for Office/Warehouse Properties With between 15% and 70% Site Coverage**



After researching industrial office/warehouse sales over the past year in Edmonton and surrounding areas, analysis has shown that for properties between the sizes of 5000 sq. ft. and 25,000 sq. ft. the site coverage plays very little role in determining the price per square foot. This is only significant when the building covers between 15% and 70% of the land area. Therefore no adjustment should be made for building-to-land ratios when the property falls within an average range for the size of building. Properties that fall outside this range represent extremes and adjustments for an excess or deficiency of land should be considered.

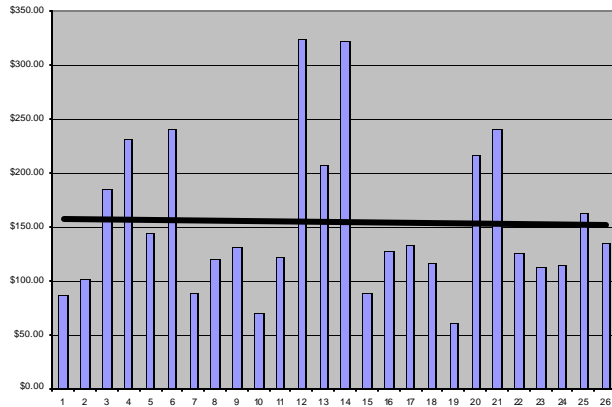
For example, office /warehouse buildings falling within the range of 5000 sq. ft. to 7500 sq. ft. typically have a building-to-land ratio of approximately 20 to 25%. No adjustment seems to be justified when a building of 5000 sq. ft. is situated on a parcel



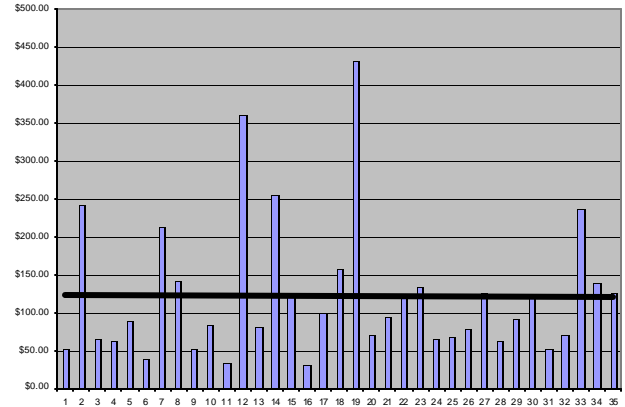
The chart above represents average building to land ratios for office/warehouse buildings with 5,000 sq.ft. to 7,500 sq.ft.

between 20,000 sq. ft. and 25,000 sq. ft. When examining a subject with a building-to-land ratio that varies significantly from the norm an adjustment should be made to represent this deviation.

Other significant findings reveal that the price of an industrial office/warehouse is not significantly affected by the age of the building. Below are charts representing the price per sq. ft. for various size categories of buildings up to 15,000 sq. ft. The overall price per square foot of space does not increase for a newer building for most sizes of office/warehouse. This indicates that office/warehouse buildings of those sizes remain desirable and retain their utility within the Edmonton market.



*The chart above depicts the relationship between price/sq.ft. and the age of the improvement for office/warehouse buildings with up to 7,500 sq. ft.*



*The chart above depicts the relationship between price/sq.ft. and the age of the improvement for office/warehouse buildings between 7,500 sq. ft. and 15,000 sq.ft.*