

City of Lethbridge Commercial and Industrial Study

Technical Report

Prepared for

Economic Development Lethbridge



November 2025

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Preface

MXD Development Strategists Ltd. (“MXD”) of Richmond, British Columbia, were commissioned Economic Development Lethbridge (EDL) in 2025 to prepare a Commercial and Industrial Development Study. This study is an update to a similar Commercial and Industrial Development study conducted by MXD in 2017. The City of Lethbridge provided funding for this study.

The primary objective of this assignment is to identify market opportunities for land development across multiple asset classes and prioritize high-value economic opportunities for Lethbridge. A secondary objective is to provide a clear roadmap for implementation that aligns land use, infrastructure, workforce development, and incentive programs with the city’s long-term growth vision.

The analysis evaluates economic and market opportunities, and combined with thorough stakeholder engagement, identifies growth scenarios for Lethbridge based on future real estate demand. The recommendations of this report, as summarized in the final Strategy Dashboard, establish a phased action plan for the next 5–10 years that can be implemented by EDL and the City. These actions will guide public investment, support private-sector decision-making, and ensure Lethbridge remains a competitive, forward-looking hub for economic growth and innovation.

The figures presented in the report are based on an evaluation of the current general level of the economy in the local and regional market, and neither take into account, nor make provisions for, the effect of any sharp rise or decline in local or general economic conditions.

MXD Development Strategies Ltd. do not warrant that any estimates contained within the study will be achieved, but that they have been prepared conscientiously on the basis of information obtained during the course of this market analysis.

Reference materials used for this report were derived from the project team, as well as from public and private sectors and government publications. This information was supplemented by MXD’s experience in urban planning and real estate development.

References

Alberta Commercials / MLS Commercial Listing

- Example listing: 406 13 St N, Lethbridge (2,500 sq ft retail building).

Alberta Government / Economic Dashboards

- Economic dashboard indicators; hotel sector data.

ATB Economics

- Alberta Economic Outlook – Q1 2024.

Avison Young

- Lethbridge Retail Market Report (Oct 2023).
 - Lethbridge Investment Market Report (Jan 2025).
 - Industrial Insights Report (Apr 2024).
 - Investment Insights Report (Jan 2025).
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- Interest Rate Announcements and Monetary Policy Reports (2023–2024).

CBRE (Hotels & Industrial)

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- Canadian industrial market snapshots (comparative benchmarks).

City of Lethbridge

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- “Lethbridge office market keeps growing: Avison Young” (Jul 2024).
 - “Lethbridge investment to pick up in 2024: report” (Jan 2024).
 - Coverage of industrial landlord trends (Apr 2024).

Economic Development Lethbridge (EDL)

- Commercial Real Estate Statistics (12.5M sq ft total inventory).
 - Industry and Employment Overview.
 - Economic Profiles; Industrial Parks Overview.
 - Commentary on economic diversification and innovation.

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- National hotel performance statistics.
 - Cap rates and transaction trends.
 - Development pipeline trends (Lodging Econometrics).

Lethbridge Herald

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Lethbridge Lodging Association

- Local lodging and hotel market insights.

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- “Retail boom in Lethbridge predicted for 2024.”
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 - “Shoppers in Lethbridge Trade Area spend \$3.8B annually.”
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 - “City approves four redevelopment project applications” (TRIP).
 - Population estimate 111,400 (2024).
 - “Industrial landlords’ market by end of 2024.”

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- Trends in Canadian Industrial Development and Investment.

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- Local agribusiness and cold storage investment announcements (various dates, news sources).

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- Crossings Phase II Leasing Brochure (2023).

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- Labour force, employment, and unemployment rates (CMA-level).

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- Hotel investment and performance reports.

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- Local tourism data and statistics.

University of Lethbridge

- South Campus Lands development concept (100 acres; long-term buildout).

Western Hotelier / Hotel News Resource

- Hotel industry trends and performance.

Western Investor

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1

Introduction

Introduction

This report builds on MXD's previous work for Economic Development Lethbridge (EDL), including the Commercial and Industrial Study completed in 2017, by providing a refreshed, multi-sector strategy tailored for the City of Lethbridge in 2025. This report focuses on planning, economics, and development within the boundaries of the City of Lethbridge.

Lethbridge, the fourth largest city in Alberta with an estimated population of approximately **111,400** as of mid-2024, is a dynamic regional hub in southern Alberta. It anchors a trade area that extends well beyond its municipal boundaries across Alberta, British Columbia, and into Montana.

Geographically positioned at the confluence of multiple provincial highways (3, 4, 5, and 25) and situated on the CANAMEX trade corridor just northwest of the U.S. border, Lethbridge is well-placed for trade, manufacturing, education, and service-based growth. The city is home to three major post-secondary institutions, the University of Lethbridge, Lethbridge Polytechnic and Red Crow College Lethbridge Satellite Campus, which together serve more than 15,000 students and provide a significant talent pipeline to the region.

This report is structured to support the City of Lethbridge in harnessing its locational, real estate, and institutional assets and scaling its economic potential strategically over the next decade.

The report is structured as follows:

Policy Overview, Infrastructure & Incentives

Reviews the current municipal and regional policy framework that shapes growth in the City Lethbridge, including the Municipal Development Plan, housing strategies, and corridor planning. It also assesses infrastructure capacity, servicing priorities, and incentive programs that influence market feasibility and guide private sector investment.

Economic Overview

Provides an overview of Lethbridge's economic context, including key demographic trends, employment composition, sector strengths, and growth drivers. It establishes the baseline conditions against which opportunities are evaluated, highlighting both local and regional market dynamics that influence investment and development potential.

Stakeholder Summary

Synthesizes the feedback and insights gathered from key stakeholders, including City staff, EDL, local businesses, developers, and industry representatives. It highlights recurring themes, opportunities, and challenges identified during the consultation process, providing critical context to ensure the strategy reflects the priorities and realities of those directly engaged in Lethbridge's growth and development.

Introduction

Building Permit GIS Analysis

Maps and analyzes recent building permit activity across Lethbridge using GIS tools to illustrate spatial development patterns. It highlights areas of growth momentum and provides a visual foundation for aligning future development with infrastructure capacity and policy priorities.

Residential Market Analysis

Examines current and projected housing demand in Lethbridge, including typology preferences, demographic drivers, pricing trends, and supply conditions. It evaluates opportunities and constraints in rebalancing the housing mix toward multi-family and affordable options.

Retail Market Analysis

Assesses local and regional retail demand, consumer spending patterns, and competitive positioning within the trade area. It identifies gaps and opportunities for new retail development, with an emphasis on supporting vibrant nodes and corridors.

Office Market Analysis

This section analyzes office market dynamics including vacancy, lease rates, and emerging trends in workplace demand. It considers the feasibility of future office development across Lethbridge.

Hotel Market Analysis

Reviews hotel performance metrics, tourism trends, and accommodation gaps within the city and region. It highlights opportunities for hospitality investment to support tourism, business travel, and the Highway 3 corridor.

Industrial Market Analysis

Evaluates Lethbridge's industrial land supply, absorption, rental rates, and competitive positioning within Southern Alberta. It considers the role of the Highway 3 agrifood corridor and logistics sectors as drivers of employment and investment.

Growth Scenarios

This section presents alternative growth pathways for Lethbridge, balancing demographic and economic trends with land capacity and infrastructure investment. It provides a framework for testing land use and development strategies under varying assumptions.

Recommendations

This section consolidates findings into clear, actionable recommendations across ten strategic focus areas. It includes a phased implementation roadmap and monitoring framework to guide delivery over the next 5–10 years.

2

Policy Overview, Infrastructure & Incentives

Policy Analysis

Policy Analysis

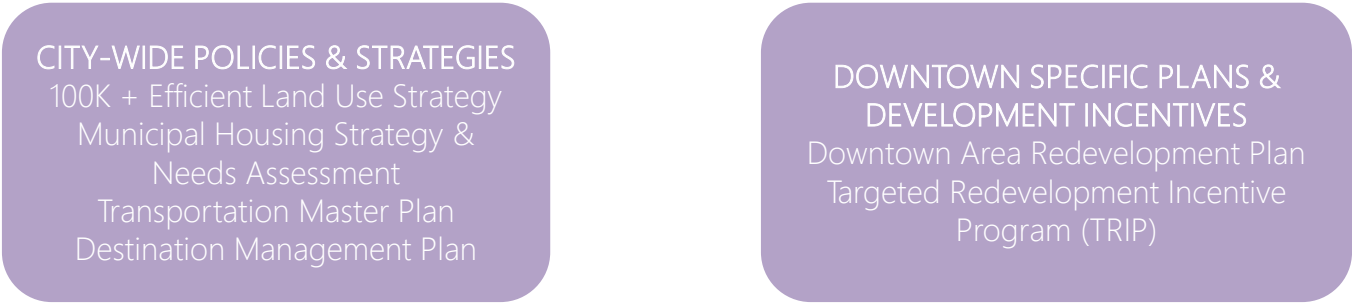
Growth and development in the City of Lethbridge are guided by several policy documents at the regional and municipal levels. These documents provide important context for development of the site, including existing and projected development patterns in the City of Lethbridge.

The below diagram illustrates the hierarchy of planning and policy documents in Lethbridge that the project will need to be cognizant of in development, as well as informing documents, strategies and studies that have been conducted to guide growth, development and investment in the City.

Statutory Planning & Policy Hierarchy



Guiding Strategies, Studies and Documents

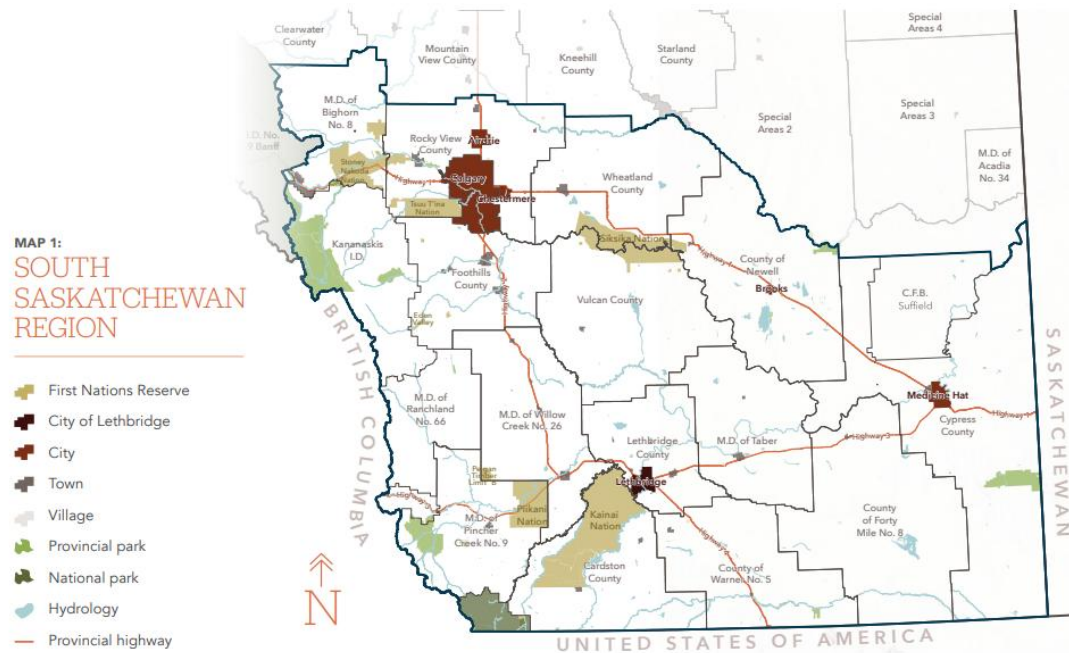


Policy Analysis

South Saskatchewan Regional Plan (SSRP)

- The SSRP provides high level policy to guide growth, development and planning across the region to implement the Alberta Land Use Framework.
- The Plan includes eight outcome areas including utilizing land as efficiently as possible, enhancing quality of life through increases in recreation and anticipating and accommodating community needs.

Figure 2.1 South Saskatchewan Region

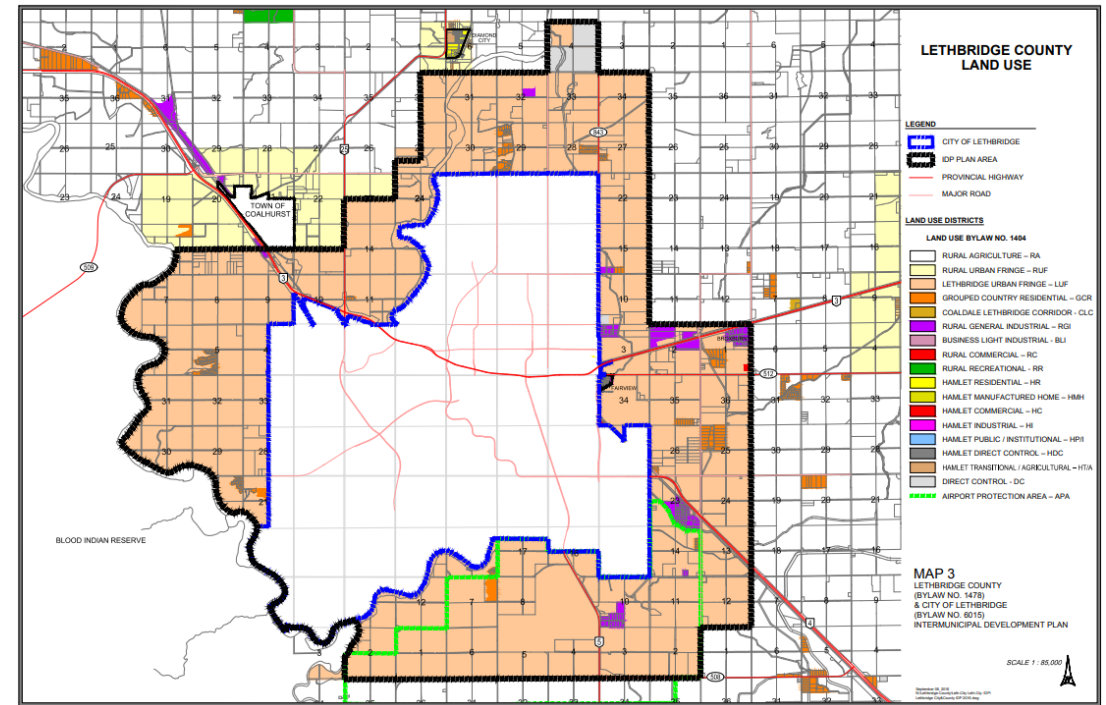


Source: Municipal Development Plan 2021

Intermunicipal Development Plan (IDP)

- The IDP directs growth for the area shown between the blue and black lines in **Figure 2.2** below, illustrating the shared planning area between City and County.
- It sets guidelines for managing urban expansion, protecting rural and sensitive lands, and addressing annexation and development near the border to prevent conflicts.

Figure 2.2 Lethbridge County Plan Use



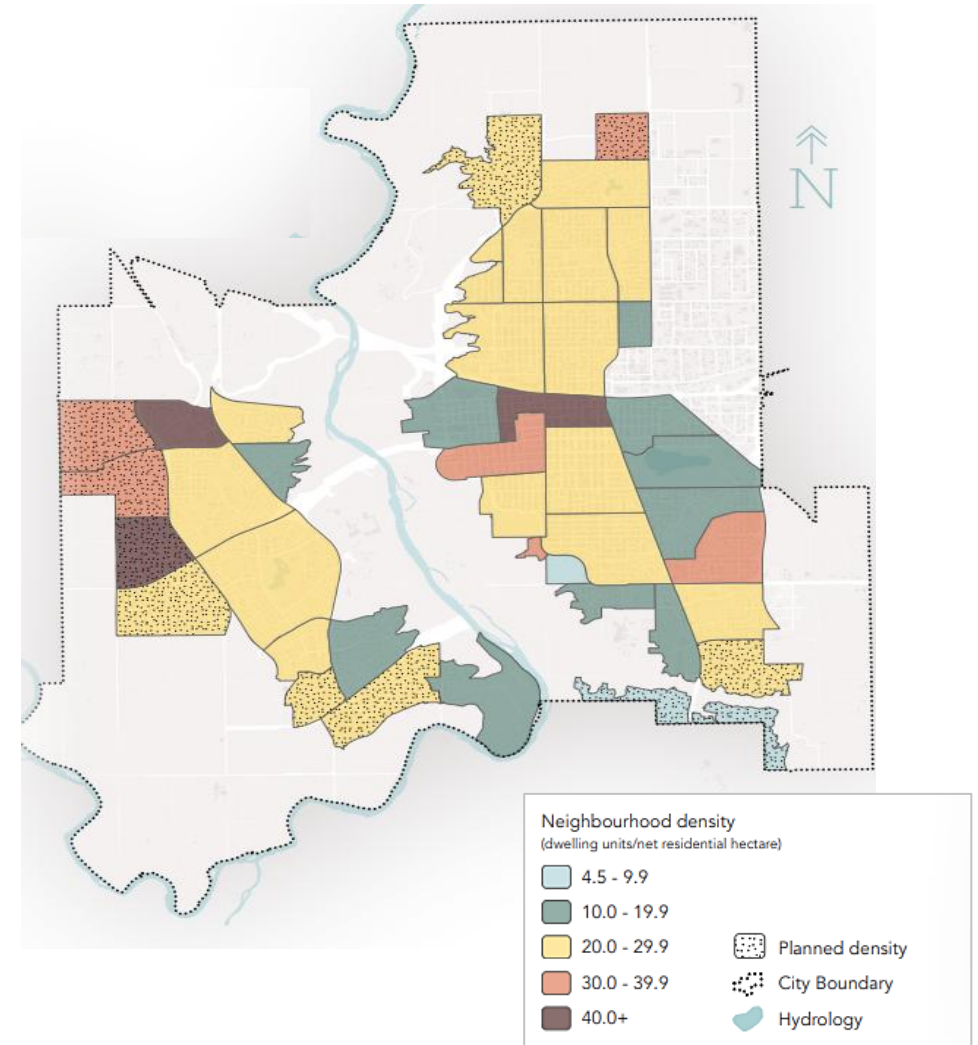
Source: Itermunicipal Development Plan 2016

Policy Analysis

Municipal Development Plan (2021)

- Adopted in June 2021, the MDP replaces the 2010 version and outlines Lethbridge's long-term growth, infrastructure, and service development.
- The MDP aims to create a city that is **economically prosperous, healthy and diverse, culturally vibrant, well-designed, environmentally responsible and region-supportive.**
- The plan focuses on **housing diversity and affordability, urban growth management, infill development, and climate adaptation.**
- Land use policies relevant to this study include:
 - **Increasing residential densities** in key areas with existing or planned infrastructure, neighborhood amenities and commercial nodes including Downtown and around the University and College.
 - **Commercial integration** for a wide range of commercial uses from community-serving retail through to agricultural and industrial-related enterprises.
 - Preparing and maintaining a **regular inventory and market analysis of commercial and industrial land** to inform land-use bylaws, Area Structure Plans and Outline Plans.
 - **Promoting key nodes of knowledge-based industries** including West Lethbridge Employment Centre, central area of the City and around the University and College.
 - **Strategic employment zones** for business parks and job creation.
- Emphasizes **sustainable infrastructure**, including green building standards and energy efficiency.
- Ensures alignment of area plans, land use bylaws, and other regulations with the MDP's vision.

Figure 2.3 Neighbourhood Densities



Source: Municipal Development Plan 2021

100K+ Lethbridge – Efficient Land Use Strategy (2016)

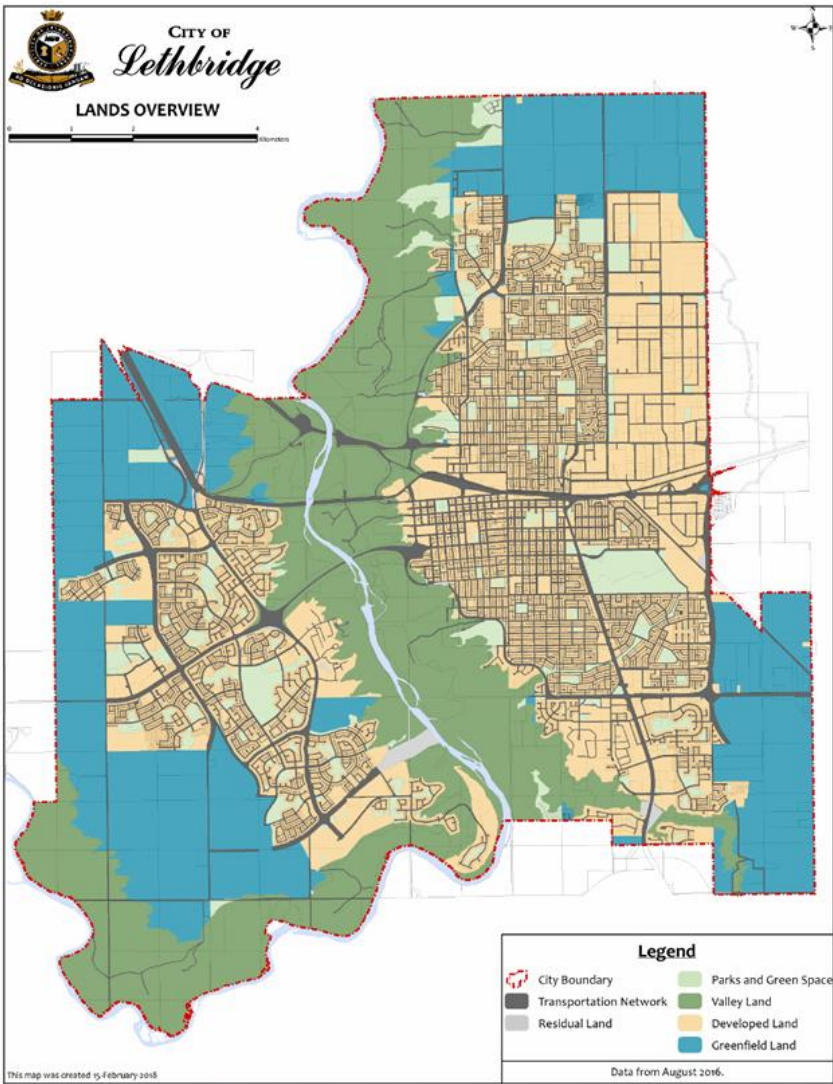
- In addition to statutory plans, the City has developed strategic studies to guide how and where growth occurs. One key initiative was the **100K+ Lethbridge – Efficient Land Use Strategy (ELUS)** completed in 2016 as the city approached 100,000 population.
- While this Strategy was prepared in 2016, almost 10 years ago, it provides a helpful baseline of land composition for the current study, as detailed on the following pages. A more recent land composition analysis has not been undertaken by the City, however this study analyzes recent building consent data.
- The ELUS analyzed past and present growth patterns and modeled future scenarios to understand the **“pattern and cost of urban growth over time.”** It examined how demographics, market trends and infrastructure capacities influence land needs, and recommended ways to use land more efficiently.
- The strategy identifies opportunities to accommodate growth with less sprawl and supports the MDP’s objective of responsible growth by encouraging infill development and more compact greenfield development, thereby reducing infrastructure costs and aligning with the SSRP principles.
- This strategy established a baseline for the existing land composition and future consumption, as detailed in **Figure 2.4** and **Table 2.1**. The following pages highlight key findings relevant to this study.

Table 2.1 ELUS Lands Overview

Total Land Composition	Hectares (ha)	% of Total Land
Gross Land	7,372.43 ha	59%
→ Developed	3,444.51 ha	47%
→ Greenfield	3,006.48 ha	41%
→ Parks and Green Space	863.04 ha	12%
→ Residual ²⁴	58.39 ha	1%
Transportation Network	1,782.14 ha	14%
River Valley	3,193.46 ha	26%
Oldman River	84.23 ha	1%
Total	12,432.11 ha	100%

Table 3: Total Land Composition (2016)

Figure 2.4 ELUS Lands Overview



Map 6: Total Land Composition (2016)

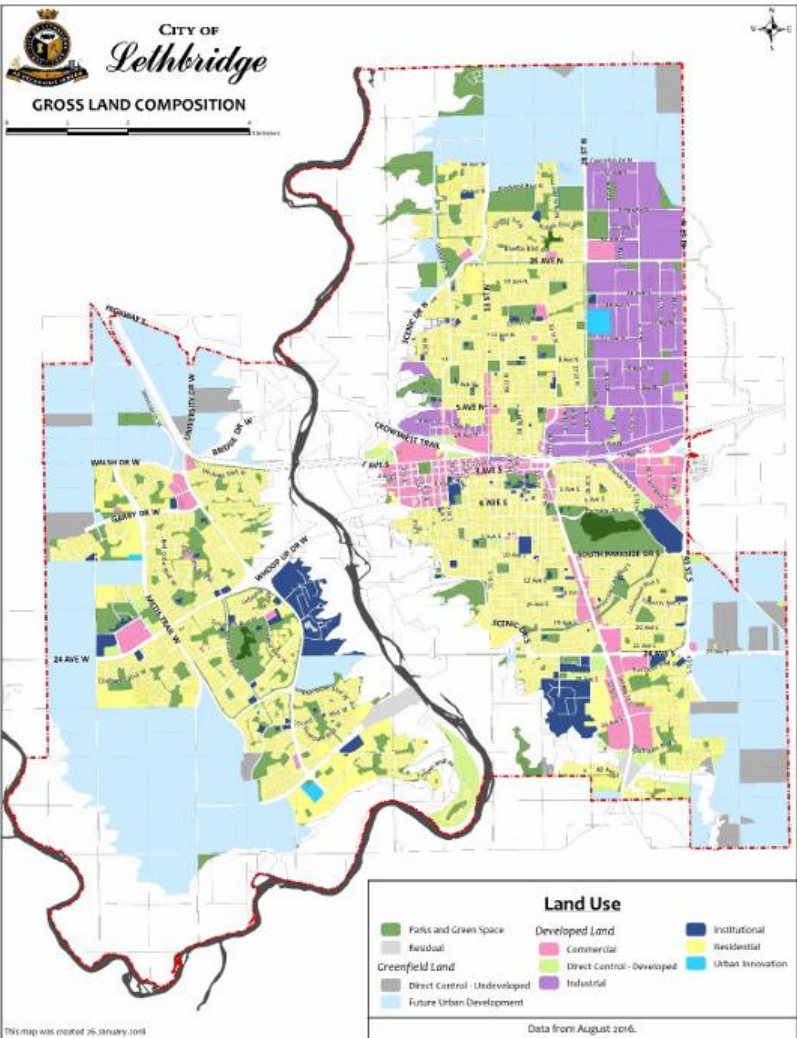
Policy Analysis

Figure 2.5 illustrates the overall composition of lands in 2016, separated into Greenfield Land – vacant land that has the potential to support future development, and Developed Land – land that has existing development. Developed Land is further separated into the broad land use categories and Greenfield Land is identified as either Direct Control, with approved development applications but remain undeveloped or vacant areas for future urban development.

Figure 2.6 further illustrates this pattern of growth, identifying the overall characteristics of neighborhood development across Lethbridge, depending on how recently it has been developed.

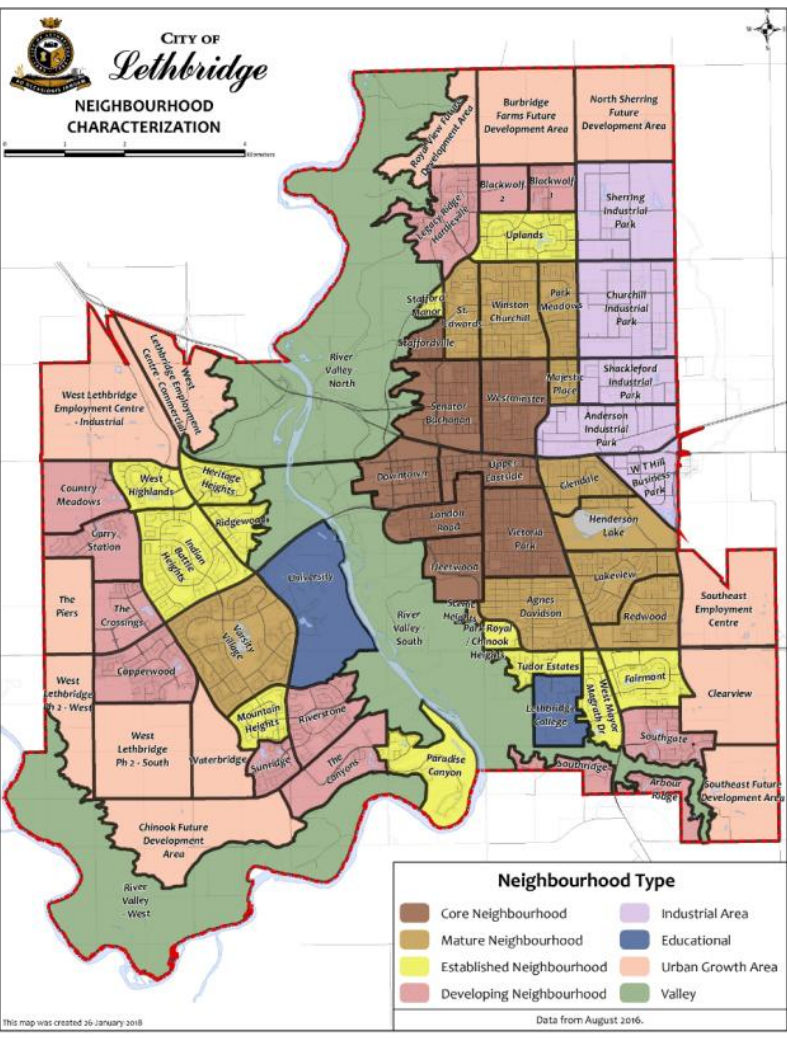
Both figures illustrate a continuous expansion of the city, with new development and future neighborhoods planned around the periphery, in vacant greenfield land. This is a trend that has continued since the ELUS was undertaken in 2016, as detailed in Section 5 of this report.

Figure 2.5 Gross Land Composition



Map 7: Gross Land Composition (2016)

Figure 2.6 ELUS Neighbourhood Characterizations



Source: ELUS, 2016

Policy Analysis

Figure 2.7 illustrates commercial areas as of April 2015. **Figure 2.8** provides an analysis of which residential neighborhoods are served by a primary or secondary grocery store or convenience store within at least 750m.

This analysis illustrates that around 50% of Lethbridge's developed land base was within 750 meters of a primary or secondary grocery store in 2016.

The ELUS suggests ensuring a more even spread of essential commercial uses across the city, creating complete neighbourhoods.

Figure 2.7 ELUS Existing Commercial Areas

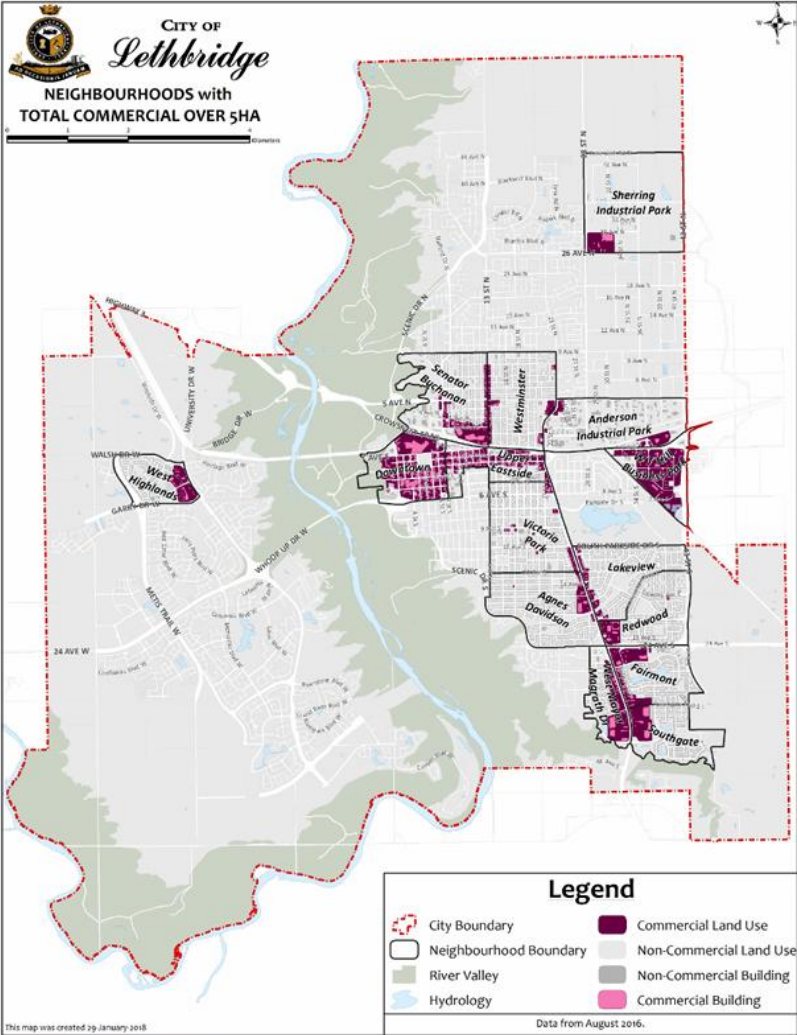
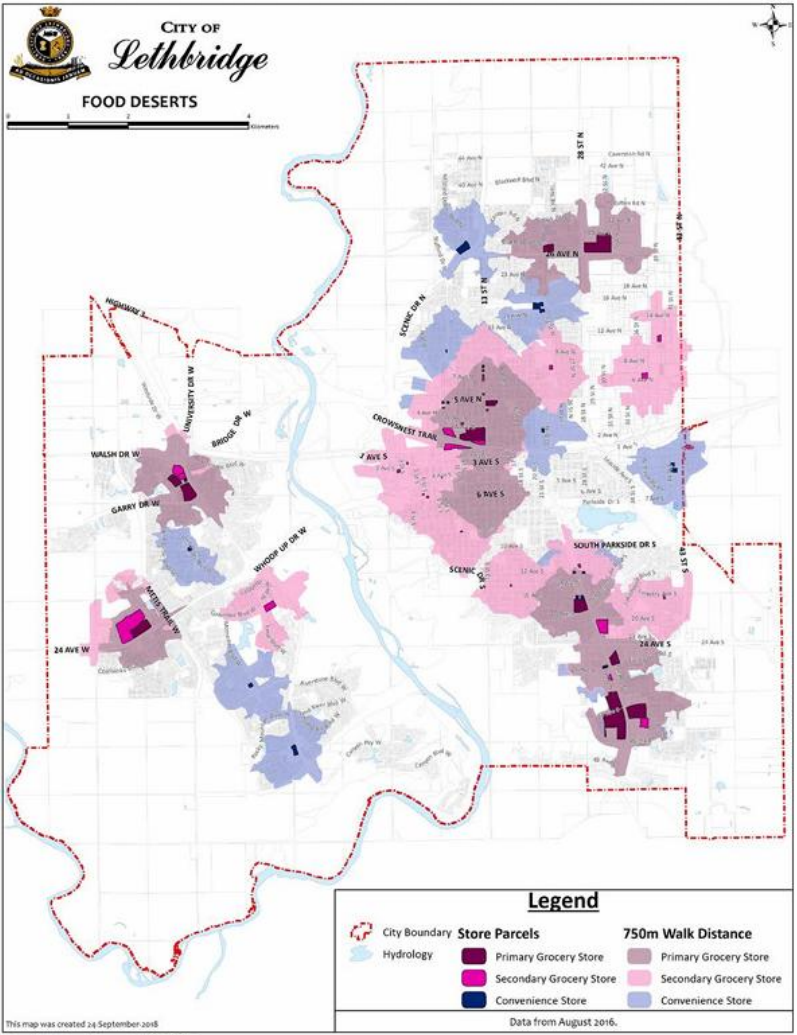


Figure 2.8 ELUS Grocery Store Accessibility



¹ELUS, 2016

Figure 2.10 illustrates industrial development patterns with large parcels of land containing small building footprints. On average, in 2016, around 18.5% of industrial land use parcels are covered by the building footprints, resulting in an average of 81.5% of underutilized land that does not contain built form. This pattern has continued since 2016.

Figure 2.9 Existing Building Footprint Coverage (ELUS, 2016)

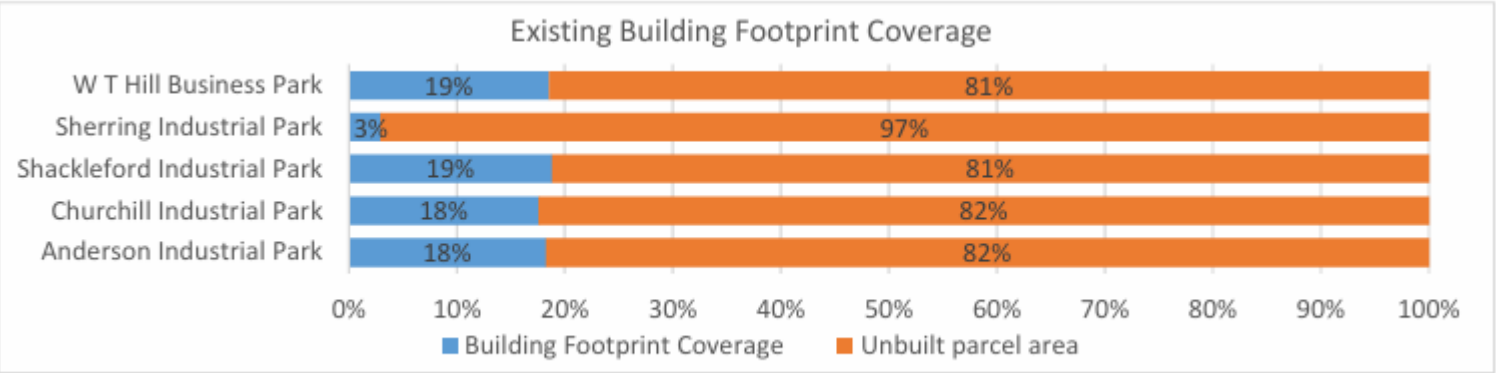
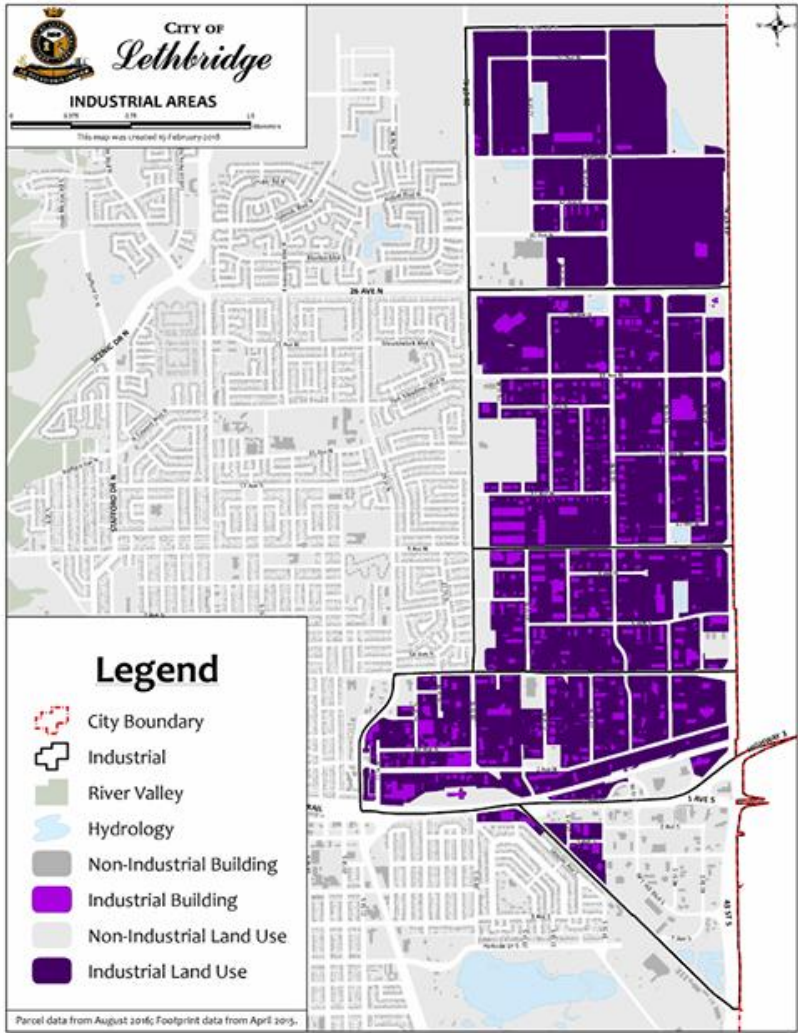


Figure 21: Percentage of Existing Building Footprint Coverage in Industrial Areas (2015)

Figure 2.10 ELUS Industrial Areas Development Patterns



³ ELUS, 2016

Policy Analysis

Municipal Housing Strategy – June 2024

The City of Lethbridge’s updated Municipal Housing Strategy (2024-2029) focuses on addressing housing needs through collaboration with multiple stakeholders, including government and non-profits.

Key updates include:

- Housing Needs Assessment (2024) providing data-driven insights into current and future housing demands – detailed on the following page.
- Strategic Alignment ensuring consistency with provincial and federal housing initiatives.
- Affordable Housing Focus emphasizing the development of affordable housing for low-to-moderate-income families and vulnerable populations.
- Sustainability focusing on long-term solutions for housing accessibility and well-being.

Figure 2.11 Housing Continuum



The housing continuum shows the different types of housing people may need throughout their lives. It’s a range of options that change as people’s needs change over time.

Housing Needs Assessment 2024

The City of Lethbridge’s Housing Needs assessment is a quantitative and qualitative research document that informed the update to the Municipal Housing Strategy and Community Wellbeing and Safety Strategy. Key data points relevant to this study include:

Existing Housing Stock

- 63% of all housing stock is single-detached (2021). According to Economic Development Lethbridge Dashboard, this has increased to 66% in recent years.
- Other mid-sized Alberta municipalities such as Medicine Hat and Red Deer are around 61% and 62% respectively.
- 70% of total housing units are 3+ bedrooms, consistent with the single-detached typology.
- Residential development in Lethbridge has slowed, from 409 building permits in 2018 to 166 in 2023.

Household Composition

- Despite the significant proportion of large, single-family homes, 66% of households in Lethbridge are only 1 or 2 person households, higher than the Alberta average of 60%.
- There is also a significant proportion of ‘Non-Census Family Households’ whereby two or more people are living with unrelated people e.g. housemates.

Overall, the data suggests there is a mis-match between the types of dwellings being built, and the composition of households.

Figure 2.12 Housing Composition Lethbridge, 2021

Chart 27: Dwelling Type Composition, 2021

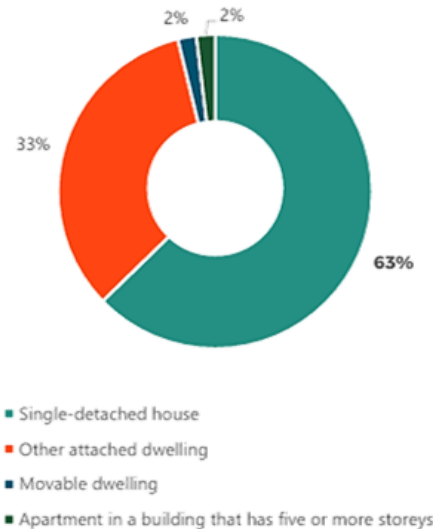


Figure 2.13 Household Size

Table 7: Household Size, Percent Comparison

Household Size	Lethbridge	Alberta
1-person	29%	26%
2-person	36%	34%
3-person	15%	15%
4-person	12%	15%
5-or-more-person	8%	10%

⁵Housing Needs Assessment, 2024

Affordability

- The median household income in Lethbridge is \$84,000 per year (before taxes) according to 2022 CMHC data. When comparing this with cost-of-living data and housing values, it suggests around 50% of households in Lethbridge can only afford an apartment or potentially a row/townhouse in the home ownership market. Affordability is considered as housing costs being 30% or less of total income.
- Approximately 50% of the population in Lethbridge cannot afford 63% of the housing stock.
- Households with Core Housing Need (spending 30% or more on housing costs), as illustrated in **Figure 2.15** are concentrated around the Downtown and surrounding core neighborhood areas.

Housing Growth Scenario

- The Housing Needs Assessment growth scenarios project additional dwellings required to 2029. The assessment projects the share of single-detached dwellings to reduce from 63% to around 52% in a baseline/medium growth scenario and 54% in a higher growth scenario, with 46% as row-houses or

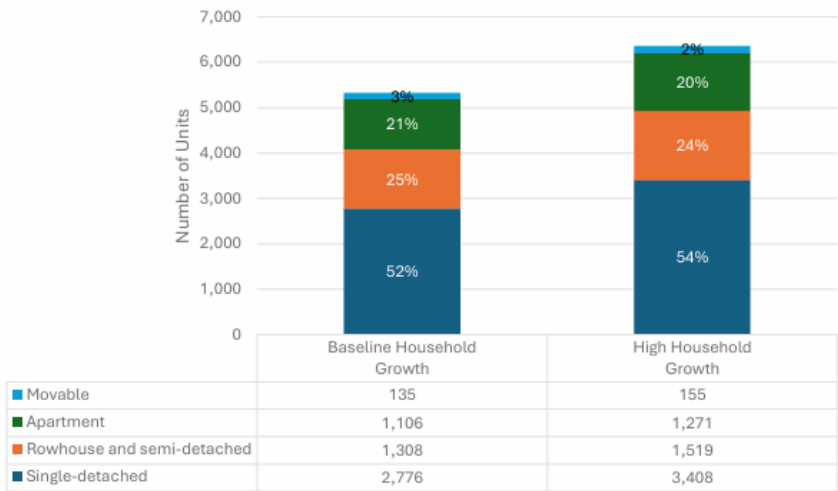
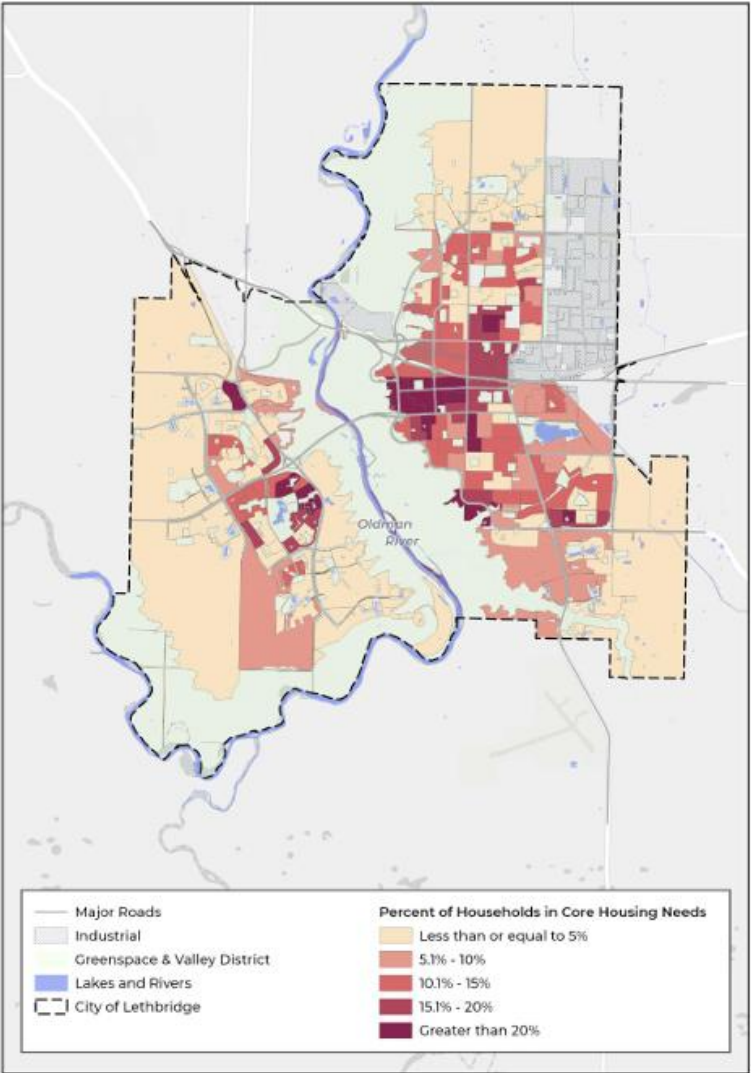


Figure 2.14 Projected Housing Growth by Typology to 2029

Figure 2.15 Core Housing Need



⁵Housing Needs Assessment, 2024

Infrastructure Plans

Transportation Master Plan (2023)

The Transportation Master Plan aims to improve the current transportation network and ensure it meets the needs of the community now and in the future. The plan includes the following key takeaways relevant to this study:

Transit

- While most of Lethbridge's residents live within 400m of a transit stop, recent subdivisions situated on the edges of west Lethbridge and south Lethbridge fall outside of this ideal range. Almost all areas where residents are outside of this ideal range are covered by Demand Response Zones.
- In 2021, Lethbridge Transit introduced the cityLINK Pilot Project to provide on-demand and high-frequency transit across the City.

Transportation, Road Network and Pedestrian Network:

- Chinook Trail Alignment considered the best alignment for a third bridge, that will be required beyond 2039.
- Construct roadway network as identified in Improvements Map shown in **Figure 2.17** on the following page.
- Expand Trucks and Dangerous Goods network in north Lethbridge as shown in **Figure 2.18** on the following page.
- Various pedestrian, cycle and transit improvements such as improving crossings, installing more protected cycling infrastructure, install floating bus stops and expanding the pathway network.

Figure 2.16 Walksheds around Lethbridge Transit Network

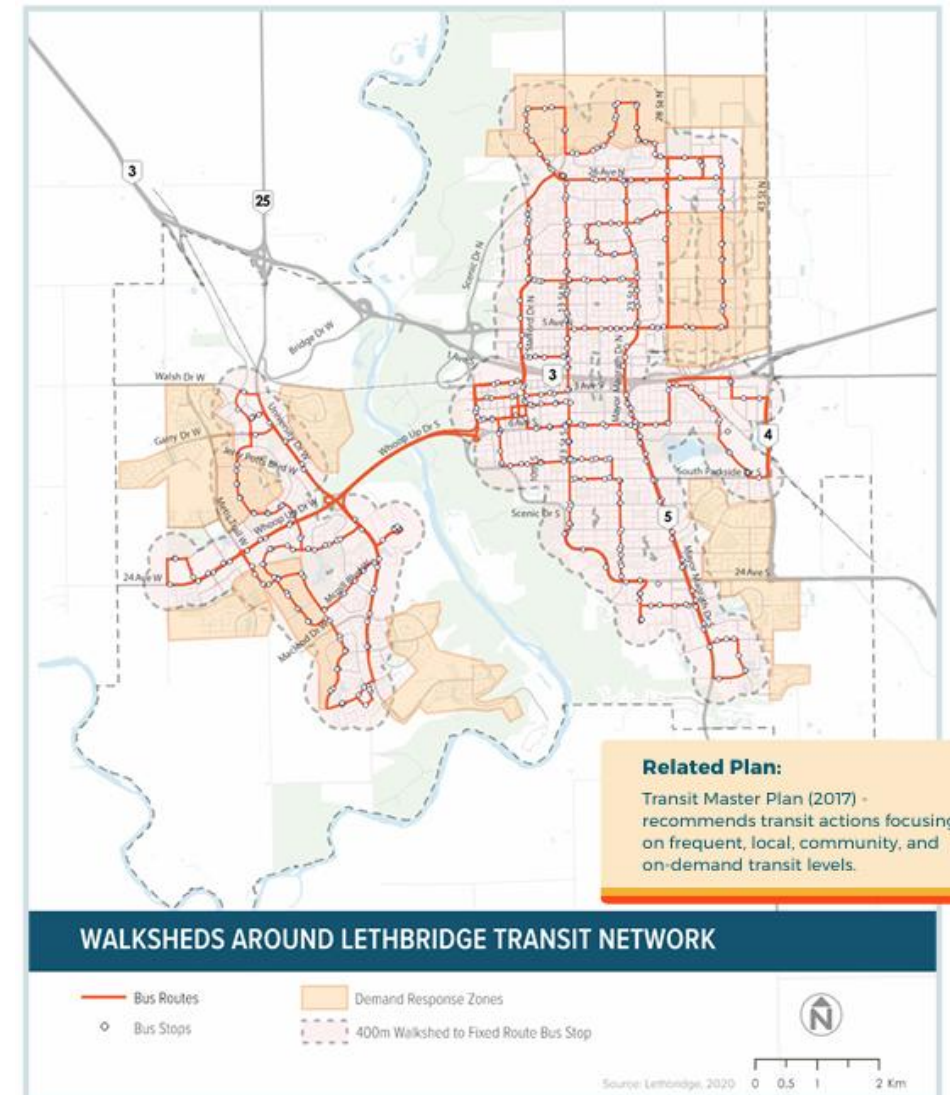


Figure 2.17 Road Network Improvements

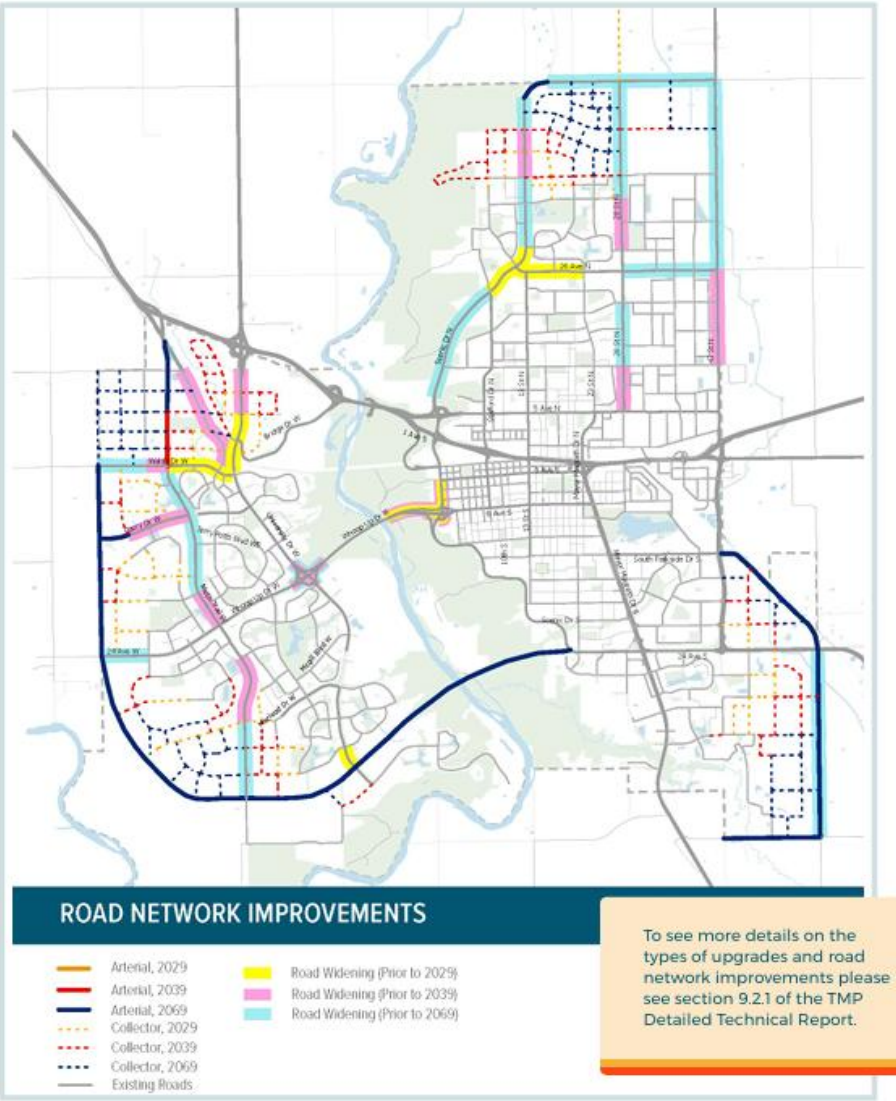
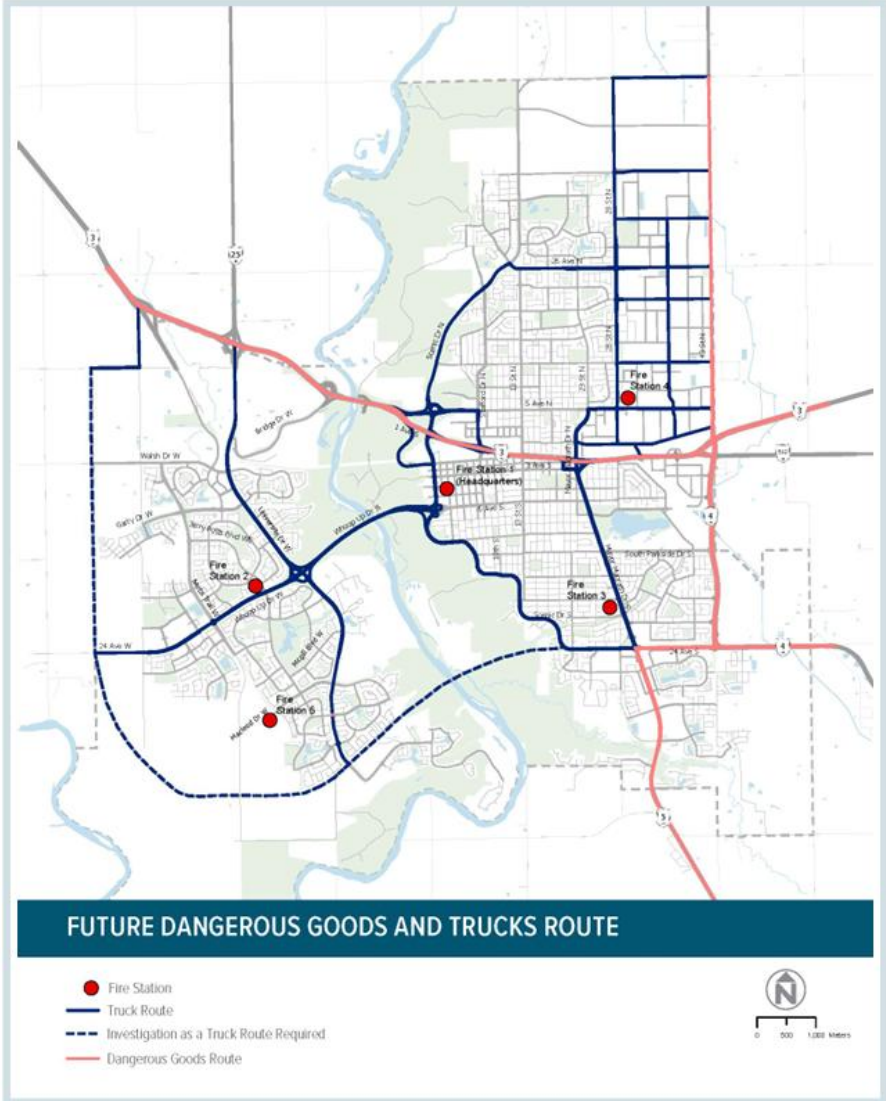


Figure 2.18 Future Dangerous Goods and Trucks Route



Policy Analysis

Destination Management Plan

The Destination Management Plan (DMP), prepared in 2016, included several recommended actions relating to events and exhibitions including:

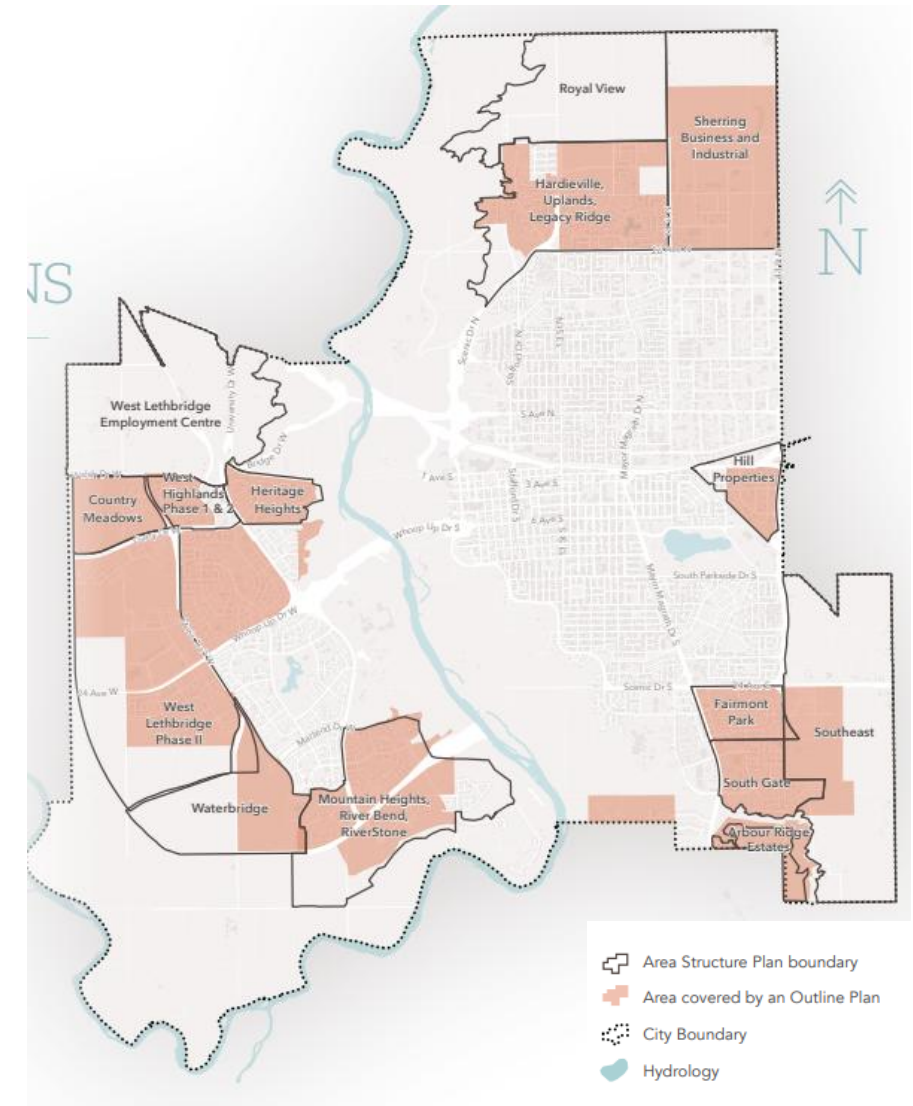
- **Attract and host more business events** including meetings, conventions and exhibitions focused on the City's and Region's main industries and academic institutions fields of research excellence.
- **Continue to pursue the development of the Lethbridge Conference and Trade Centre** (completed as of 2023).
- In conjunction with these recommended actions, several studies have been conducted relating to establishing new hotels in Lethbridge. It is noted that **studies found that the hotel market in Lethbridge had relatively low occupancy rates in 2019** and new hotels may face challenges.
- However, this **could change if a major catalytic project was developed** such as a **large-scale convention/trade centre** that would give Lethbridge the ability to host large conferences and events.



Area Structure Plans

- The City also prepares area-specific plans to manage growth in particular sectors of the city. Area Structure Plans and Outline Plans are shown in **Figure 2.19** and guide long term development in previously undeveloped areas of the City.
- These plans translate the MDP's broad vision into neighborhood-level layouts, identifying land uses, road networks, school/park sites and staging of development for each growth area.
- Each ASP is a statutory plan (adopted by bylaw) that *"proposes a sequence of development for an area, the future land uses, the density of population, and the general location of transportation and public utilities."*
- In essence, ASPs ensure that large new residential or industrial areas are comprehensively planned before development proceeds. These ASPs are generally focused on greenfield areas of the city, on the peripheries. On a smaller scale, **Outline Plans** further refine subdivision design within ASPs.
- **Area Redevelopment Plans (ARPs)** guide infill and renewal in established areas (for instance, the Downtown ARP and the Westminster ARP shape growth and revitalization in those older districts).
- For example, West Lethbridge – which has seen rapid expansion – is guided by various Area Structure Plans (ASPs) for new subdivisions (e.g. **Waterbridge, West Lethbridge Phase II**, etc.) and more detailed Outline Plans for specific development areas such as The Crossings commercial and associated residential nodes.

Figure 2.19 Area Structure Plans & Outline Plans

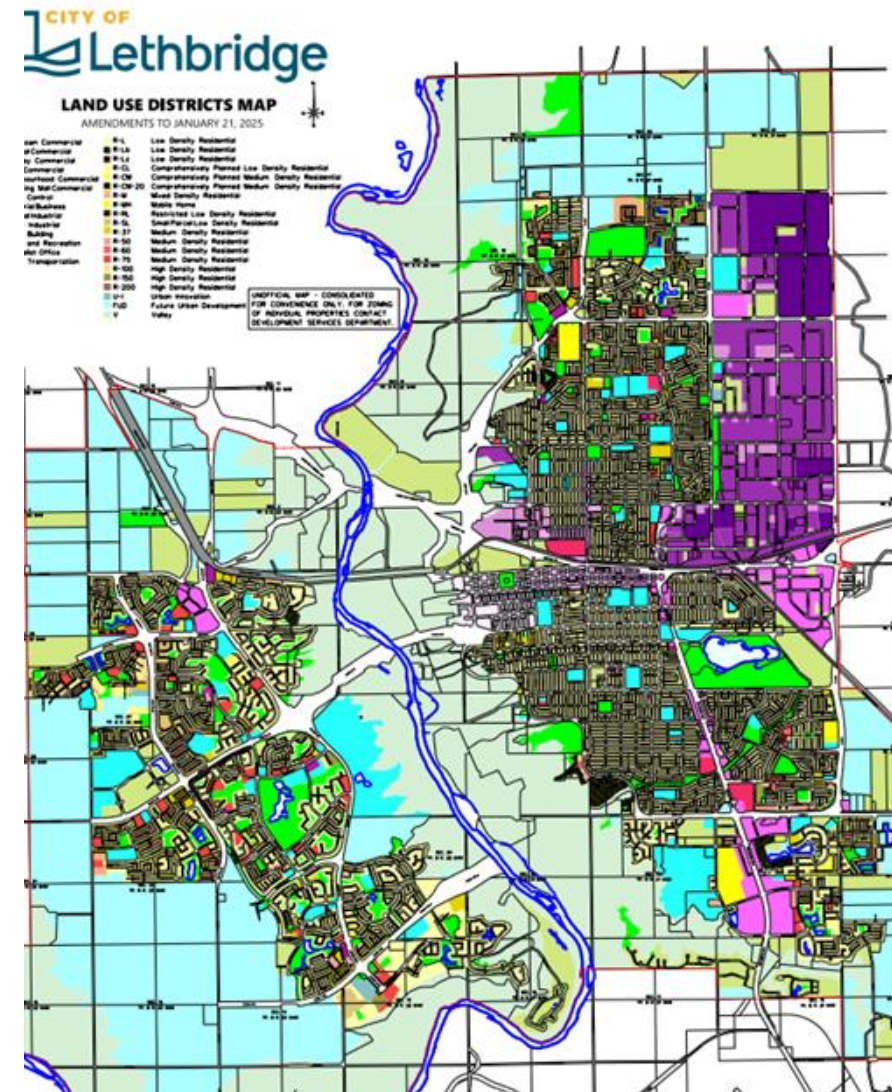


Policy Analysis

Land Use Bylaw

- Land Use Bylaw 6300 (LUB) assigns zoning for residential, commercial, industrial, and public uses, with specific zones for varying densities and purposes. It includes special zones like Urban Innovation and Future Urban Development.
- All land in the City is assigned to a **Land Use District (zone)** under this bylaw, covering a “*wide range of residential, commercial, industrial, and public service land uses.*” The LUB defines what uses are allowed in each district, along with regulations on building heights, densities, parcel sizes, setbacks, parking, and other development standards.
- The City is currently undergoing a comprehensive Land Use Bylaw Renewal Project and is within Phase 2 of Engagement.
- **Phase 1** focused on engagement with the community on Social Supports which illustrated that the community believes there is a strong need for Mental Health & Addiction Support, Poverty and Inequality Support and Education, Employment and Training.
- **Phase 2** Engagement will focus on all other land use issues including the below topics. This is potential outcomes for each topic and does not illustrate or represent community views:
 - **Housing** – potentially having fewer and broader definitions for housing and complementary non-residential uses within the new LUB.
 - **Commercial & Mixed-Use** – potentially simplifying zoning controls for commercial development to help foster a more competitive economic environment
 - **Downtown** – potentially streamlining site and building design standards within the downtown and associated overlays or land use districts
 - **Parking** – several municipalities are removing or reducing parking minimums to reduce barriers to development and encourage higher-density residential development.

Figure 2.20 Land Use Districts Map Zoning Bylaw



Source: Municipal Development Plan 2021

Policy Analysis

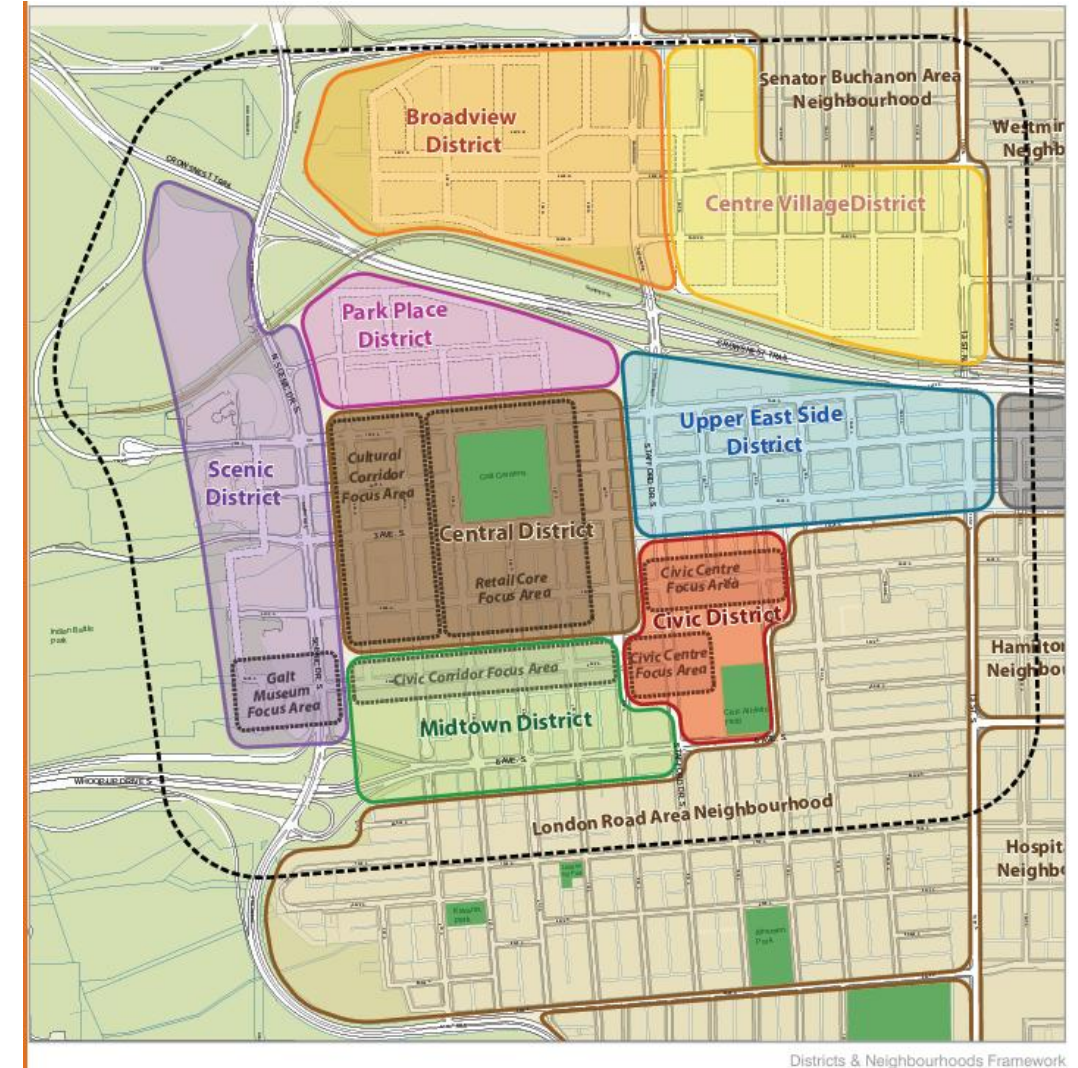
Downtown Redevelopment Plan and Heart of Our City Master Plan

- Reviving the downtown and older inner-city areas has been a major focus for Lethbridge over the past decade with several planning documents prepared to guide development and investment.
- The **Heart of Our City Master Plan (2009)** (HOC) is a 50-year blueprint for continuous improvement of the Downtown. The plan envisions a vibrant, mixed-use downtown across eight Land Use Districts as illustrated in **Figure 2.22**.
- The **Downtown Area Redevelopment Plan (2013)** (DARP) is an approved policy document to provide specific redevelopment policies and regulations with the core Downtown Area, encompassing the HOC Districts of Park Place, Central and Midtown.



**Figure 2.21 DARP 2013
Proposed Land Use Districts**

Figure 2.22 Heart of Our City Development Districts



Existing Incentives for Development

To encourage development and investment, the City offers a variety of incentives and financial supports. Incentives to encourage private development and investment that are relevant to this study include:

Targeted Redevelopment Incentive Program (TRIP)

- The TRIP Policy is a Municipal Tax deferral based on the difference between pre- and post-project municipal taxes that varies in value and length depending on the construction value of the project.
- The policy is focused on projects within the Downtown Core for new construction or significant renovation with a minimum construction value of \$500,000.
- In 2024 Council approved four mixed-use buildings by Sumus Property Group of approximately \$9 million each. Each qualified for a 9-year incentive up to \$2M, illustrating TRIP’s ability to mobilize ±\$36 M in private investment in a single meeting.
- This policy was used for the impressive redevelopment of the Post Building in Downtown and noted by developers as having a significant impact on pro-formas to make development feasible.

Urban Core Property Improvement Grant

- Provides a 50% matching incentive up to a maximum of \$175,000 per property for improvements to the Urban Core.

Figure 2.23 Post Building Redevelopment



Table 2.2 Incentive Table

Verified Minimum Construction Value	Incentive Period	Maximum Annual Municipal Incentive	Maximum Total Municipal Incentive
\$500,000 - \$999,999	5 years	\$60,000	\$300,000
\$1,000,000 - \$3,999,999	6 years	\$83,333.33	\$500,000
\$4,000,000 - \$5,999,999	7 years	\$128,571.43	\$900,000
\$6,000,000 - \$7,999,999	8 years	\$159,375.00	\$1,275,000
\$8,000,000 - \$9,999,999	9 years	\$222,222.22	\$2,000,000
\$10,000,000-\$11,999,999	10 years	\$250,000.00	\$2,500,000
\$12,000,000+	11 years	\$363,636.36	\$4,000,000

Policy Analysis

Business Development, Expansion and Retention Incentive Program

- City Council launched the “Gateway to Opportunity” Program to attract investment and support job creation in priority sectors such as agrifood, trade and logistics, and renewable energy. The program offers property tax grants on significant new investments, starting at 100% in the first year and gradually declining over five years, helping to lower upfront costs for businesses.

Re-imagine Downtown Activation Grant

- One-off grant between \$10,000 and \$15,000 to support events, initiatives or programs to activate underutilized and under-programmed Downtown spaces. For 2025, this focusses on Galt Gardens Park.

Business Improvement Loan

- Interest free loan of up to \$15,000 for downtown businesses to improve the appearance and/or function of their business.

Patio & Parklet Support

- Downtown businesses can apply to borrow patio and parklet infrastructure from the City to improve activation of the Downtown retail areas.

Affordable and Social Housing Capital Grant

- One-off grant for organizations purchasing, constructing, renovating or retrofitting affordable and social housing units in the City.

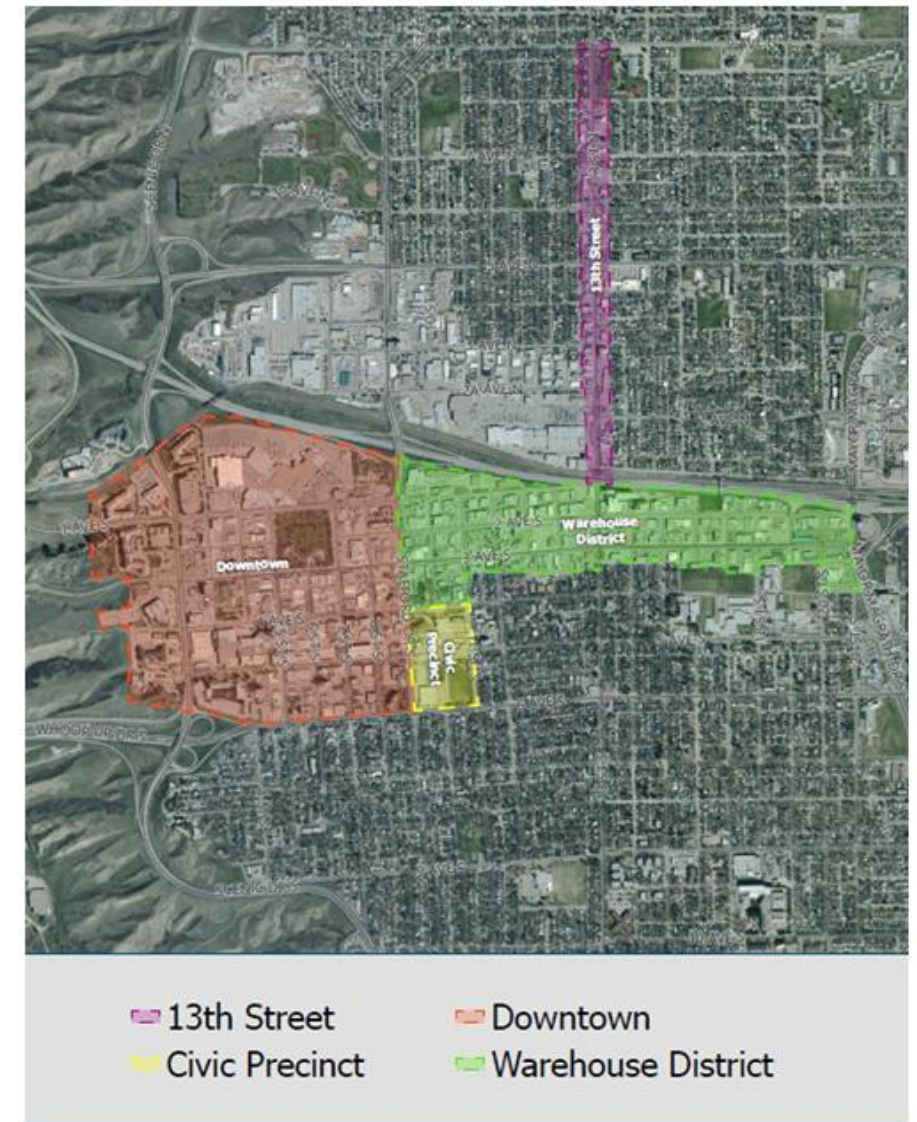
Major Community Event Hosting Grant

- Funding to host large events that positively impact the local economy and enhance the profile and visibility of the city.

Crime Prevention through Environmental Design Grant

- 50% matching grant for eligible expenses up to \$5,000 per project.

Figure 2.24 Eligible Areas for Re-Imagine Downtown Grant



Development Context

Reflecting on the Statutory Policy Framework and comprehensive guiding strategies and studies for the City of Lethbridge, **Figure 2.25** illustrates the approve building permits by land-use from 2017 to 2025.

Building Permits displayed include those for new construction, conversion of single to multiple dwellings and foundations for new development. This analysis presents the following key findings:

- Most commercial permits issued have been for industrial development.
- Most residential permits issued have been for Single-Family Residential.
- Majority of permits issued have been within greenfield/future development areas around the peripheries of the City.
- There have been limited permits issued in the Downtown area.

Figure 2.26 on the following page illustrates this via an analysis of the aerial images between 2017 and 2024 and resulting greenfield development.

Figure 2.25 Completed Building Permits by Land Use 2017 to 2025

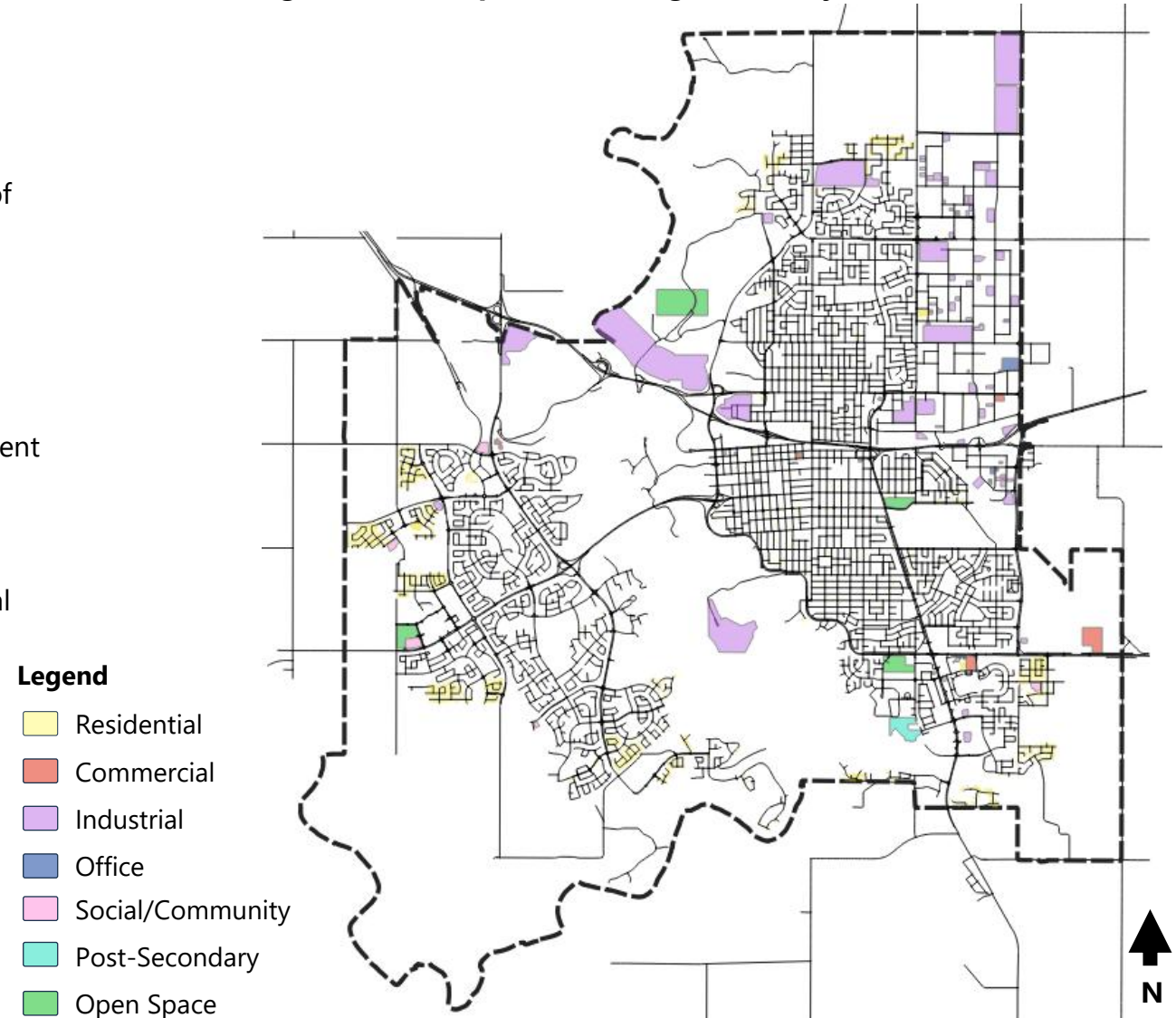
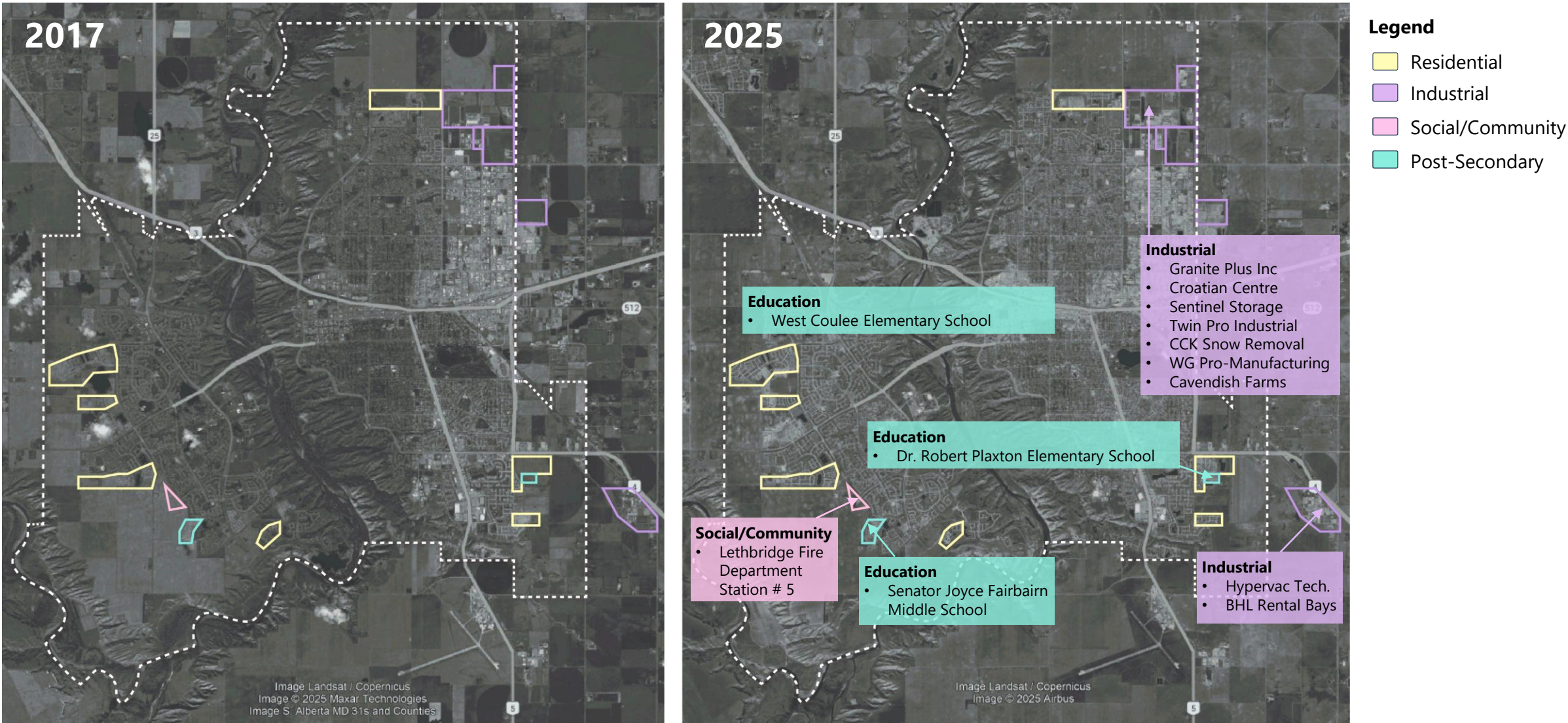


Figure 2.26 Aerial Image and Greenfield Development Patterns from 2017 to 2024



Key Takeaways

1. Municipal Development Plan 2021 promotes Mixed-Use and Employment nodes across the City

- The MDP emphasizes increasing residential density around commercial areas and promoting strategic employment zones and knowledge-based industries.
- **Impact:** Growth planning should favor employment-supportive land use around post-secondary institutions, downtown, and West Lethbridge.

2. Efficient Land Use Strategy (ELUS) Encourages Infill over Sprawl

- The ELUS identifies opportunities for more efficient use of land within established industrial and commercial areas; however, it also acknowledges that industrial users typically require lower lot coverage and more open space. The study's finding of an average 18.5% lot coverage reflects this reality.
- **Impact:** While infill and redevelopment can improve overall land efficiency in certain locations, any interpretation of "underutilization" must be balanced with the operational needs of industrial users and updated data should be considered where available.

3. Mismatch between Housing Supply and Demographics

- While two-thirds of Lethbridge households are 1–2 person, the housing stock remains largely single-detached. Despite recent growth in multi-family construction, overall supply still does not fully match shifting household sizes, affordability needs, and demographic trends.
- **Impact:** The key consideration is the continued need to expand the diversity of housing forms across the city. Ensuring a balanced mix of single-detached, townhome, and multi-family options, especially in areas supported by commercial services and transportation, will better position Lethbridge to meet future population needs and market realities.

4. Commercial Accessibility and 'Complete Communities' are Priorities

- Only around 50% of the developed land base is within 750m of a primary or secondary grocery store.
- **Impact:** Growth planning should increasingly emphasize commercial integration into residential neighborhoods and expansion of essential retail in underserved areas.

5. Area Structure Plans still focused on Greenfield Expansion

- ASPs and Outline Plans remain heavily focused on peripheral residential growth areas.
- **Impact:** Business-as-usual growth will favour greenfield expansion unless scenarios shift to prioritize urban intensification, brownfield redevelopment and commercial corridor optimization.

6. Strategic Incentives for Downtown Investment

- Incentives like the TRIP program and Urban Core Property Improvement Grant have catalyzed redevelopment in the Downtown and surrounds.
- **Impact:** These programs demonstrate the potential for targeted incentive tools to enable private-sector led revitalization in key nodes.

7. Land Use Bylaw Renewal may enable more Adaptive Zoning

- Phase 2 of the LUB Renewal is exploring streamlined definitions, reduced parking minimums and more flexible commercial mixed-use zoning.
- **Impact:** Upcoming zoning reforms may provide new opportunities to facilitate or streamline development through simplified regulatory frameworks.

3

Economic Overview

Economic Overview

3.1 International, National, and Regional Forces

Lethbridge's economic trajectory is shaped by broader trends at every level. Globally, demand for agricultural commodities and value-added food products heavily influences the region, as Lethbridge sits in an export-oriented agri-food belt. Trade policy uncertainty – such as recent U.S. tariff discussions – creates caution for local exporters, though the Canada-United States-Mexico Agreement has largely preserved cross-border market access. According to the Conference Board of Canada report “The True Cost of Trump Tariffs: Provincial Impacts”, Lethbridge is among jurisdictions with the highest impact.

Nationally, Canada's post-pandemic recovery and high immigration targets boosted population growth, benefiting Lethbridge by enlarging its labor pool and consumer base. High national interest rates introduced to curb inflation have tempered real estate activity, but Lethbridge's housing market, although having recently surged, remains relatively affordable and stable.

Regionally, Alberta's economy is rebounding from energy sector volatility, yet Lethbridge has avoided the boom-bust cycle common in oil-driven cities. Its economic growth in recent years outpaced much of the province thanks to diversification. This stability is partly because global oil price swings have a less pronounced impact here – median household incomes in Lethbridge rose 11% from 2016 to 2021 even as resource-reliant Alberta as a whole saw only 2% growth⁶.



Strong crop prices and continued U.S. demand for Canada's agri-food exports bode well for Lethbridge, while provincial initiatives (like major irrigation expansions in southern Alberta) are enhancing regional agricultural capacity.

The provincial government's Budget 2025 includes millions in local investments – from new school construction to healthcare funding – reflecting recognition of southern Alberta's rapid growth⁷. Overall, Lethbridge is entering the next decade with positive momentum, tempered by vigilance around global trade shifts, climate-related water constraints, and broader economic cycles.

Economic Overview

In 2021, Lethbridge's median household income, shown in **Figure 3.1.1**, was \$82,000, slightly below Canada's median of \$84,000. Educationally, Lethbridge surpasses the national average in residents holding a high school diploma (30.9% vs. Canada's 28.5%) but has fewer residents with a bachelor's degree or higher (21.6% vs. Canada's 26.5%), despite the strong presence of higher education in the city. However, as illustrated in **Figure 3.1.2**, the number of university degree holders in Lethbridge more than doubled, increasing from 7,350 to 17,690, indicating substantial growth in higher education attainment locally and suggesting a potential for greater retention of graduates as the city continues to grow and diversify.

Average Household Size



City of Lethbridge: 2.4
Canada: 2.4

Median Household Income (2021)



City of Lethbridge: \$82,000
Canada: \$84,000

Education: High School Diploma or Equivalent (2021)



City of Lethbridge: 30.9%
Canada: 28.5%

Education: Bachelor's Degree or Higher



City of Lethbridge: 21.6%
Canada: 26.5%

Figure 3.1.1 Lethbridge Median Household Income (2018 – 2022)

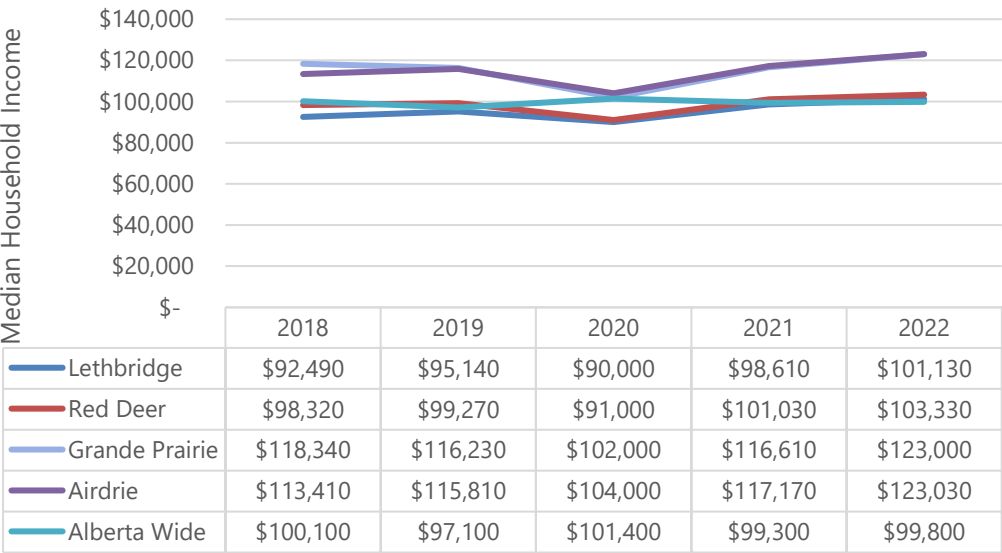
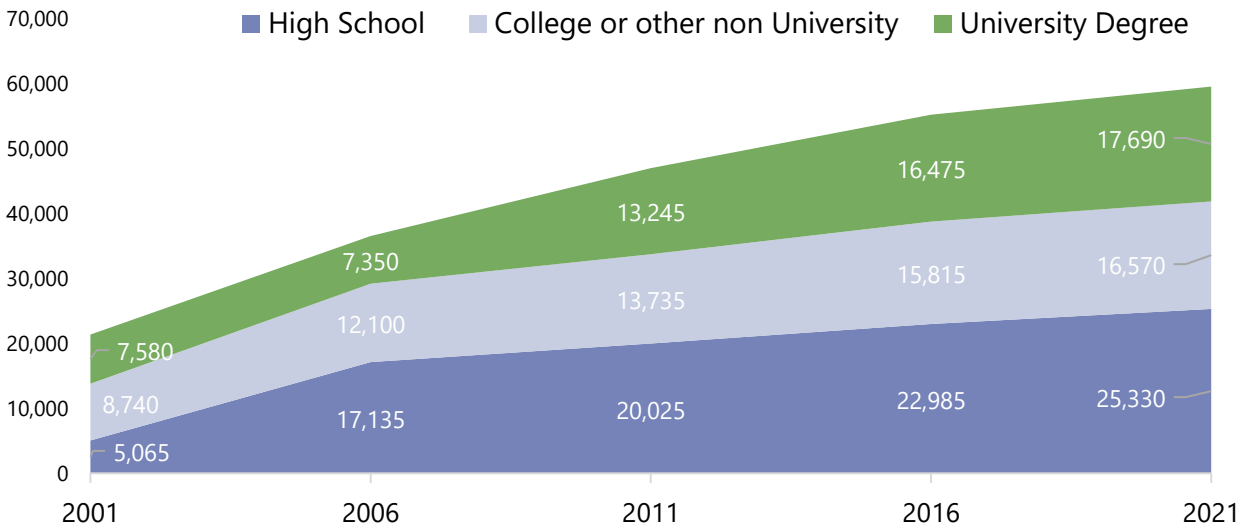


Figure 3.1.2 Lethbridge Education Statistics (2001 – 2021)



Source: Statistics Canada



3.2 Local Economic Ecosystem and Major Sectors

Lethbridge's economy is notably diversified and resilient, serving as the commercial, educational, and industrial hub of southern Alberta. Key sectors anchoring the local ecosystem include:

Public Services and Education: Nearly half the workforce is employed in health care, education, government, or related services (Figure 3.2.1). The top five employers are all public-sector or educational institutions. This provides a **stable employment base**.

Manufacturing and Logistics: Lethbridge's central location in the region and connectivity make it a growing logistics hub. Three major highways (Highways 3, 4, and 5) and the Canadian Pacific Railway mainline traverse the city. The city lies just 105 km from the U.S. border at Coutts/Sweetgrass, one of Canada's top-10 busiest land ports for trade. As a result, warehousing, transportation, and distribution firms thrive here, moving agricultural and industrial goods across North America. Eleven of the region's largest employers are in manufacturing or logistics, producing goods such as farm machinery, building materials, and prefab homes.

Manufacturing employed an annual average of 8,400 workers in the Lethbridge CMA in 2024, a total that accounted for 11.5% of the employed workforce according to Stats Canada. Major employers include Southland Trailer (545 staff), Triple MMM (400 staff), Haul-All Equipment (159 staff), Pratt & Whitney (154 staff), and Lethbridge Iron Works (115 staff). Manufacturing exports from the Lethbridge CMA totaled approximately \$1.6 billion in 2024, accounting for 71% of the total figure.

Agriculture and Agri-food Processing: Surrounded by fertile farmland and extensive irrigation networks, Lethbridge has long been an agri-food powerhouse. A \$430 million Cavendish Farms plant opened in 2019 adding an estimated 400 jobs⁹. Other major processors include Sunrise Farms (the largest private employer with 705 staff), Maple Leaf's pork plant (450 staff), PepsiCo Foods (525 staff), Richardson Oilseed (canola processing with 150 staff), and Lantic Sugar. This agri-food cluster benefits from proximity to farms and the **"Canada's Premier Food Corridor"** initiative – a regional alliance to attract ag-industries by leveraging southern Alberta's high-quality inputs, water supply, and export routes.

Retail, Hospitality and Tourism: As a regional service centre with over 110,000 residents, Lethbridge supports a robust retail and hospitality sector. Shopping centres, restaurants, and hotels draw customers from surrounding rural communities. Visitor spending in 2024 in Lethbridge rose by 5.5 % compared to 2023, according to the annual report from Tourism Lethbridge. The city hosted 639 recorded events attended by roughly 400,000 people (including over 173,000 from out-of-town) and the tourism sector supported approximately 14,600 jobs in the community in 2024.

The recent opening of the Agri-food Hub & Trade Centre (now the Lethbridge Trade & Convention Centre), a 268,000 sq. ft. event and exposition facility, enables Lethbridge to host larger trade shows, conferences, and fairs, further boosting visitation. This \$77 million project opened in 2023 as a key infrastructure to drive tourism and agri-food exhibitions.

Top 3 Industries in Goods Sector

- **Manufacturing: 8,400 workers.**
- **Construction: 7,300 workers.**
- **Agriculture: 2,600 workers.**

The Goods sector primarily comprises industries like Construction, Manufacturing, and Agriculture, collectively employing a significant portion of the workforce.

Top 3 Industries in Services Sector

- **Wholesale and retail trade: 11,100 workers.**
- **Health care and social assistance: 11,000 workers.**
- **Educational services: 5,500 workers.**

In the Services sector, Health Care, Retail, and Educational Services are the leading industries, employing a significant share of the local workforce.

Figure 3.2.1 Lethbridge Employment Sectors

Category	Sub-Category	Employment (People)
Total Employed		73,200
Services-Producing Sector		52,600
	Wholesale and retail trade	11,100
	Health care and social assistance	11,000
	Educational services	5,500
	Accommodation and food services	4,900
	Other services (except public administration)	4,000
	Public administration	3,200
	Professional, scientific and technical services	3,100
	Transportation and warehousing	2,700
	Finance, insurance, real estate, rental and leasing	2,500
	Information, culture and recreation	2,400
	Business, building and other support services	2,200
Goods-Producing Sector		20,600
	Manufacturing	8,400
	Construction	7,300
	Agriculture	2,600
	Forestry, fishing, mining, quarrying, oil and gas	2,100

Source:
Choose Lethbridge CMA Workforce Insights, 2024
Statistics Canada, Table 14-10-0468-02, 2024

Economic Overview

Emerging Sectors

Technology and Innovation: An emerging bright spot is the tech sector. Three post-secondary institutions (University of Lethbridge, Lethbridge Polytechnic and Red Crow College Lethbridge Satellite Campus) produce a young talent pool that has spurred a small but budding high-tech community.

The city's Tecconnect incubator and the regional Creative Industries initiative (supported by federal and municipal grants) are nurturing startups in digital media, software, and ag-tech. While tech is still a small slice of the economy, Lethbridge has been recognized as a significant and growing high-tech presence in Alberta. According to a Conference Board of Canada report, local manufacturers are integrating automation, AI, and advanced technologies into certain processes, supporting the need for local tech in Lethbridge, and expansion of this emerging sector.

Local stakeholders including EDL are exploring a Creative Industries Hub create a cluster of new niche tech firms and diversify the economy further. The film and digital media industry is another emerging employer with opportunities to anchor the Creative Industries Hubs with film, animation and game development companies.



Economic Overview

AgTech: Lethbridge is increasingly emerging as a provincial hub for AgTech, building on its strong agricultural base and growing applied-research capacity. Lethbridge Polytechnic's Integrated Agriculture Technology Centre (IATC) is a federally-designated Technology Access Centre that supports small and medium-sized businesses through applied research in greenhouse techniques, automation, hydroponics/aeroponics, and controlled-environment agriculture¹². Its Centre for Applied Research, Innovation and Entrepreneurship (CARIE) also notes more than 30 years of applied agri-food research at the institution. In August 2025, agricultural research at the Polytechnic received a \$2.8 million donation that will be put toward the Lethbridge Polytechnic Research Farm. This is the second-largest donation in the institution's history and will assist in expanding on-site applied agricultural research.

University of Lethbridge further reinforces this ecosystem with its Bachelor of Science in Agricultural Biotechnology, a multidisciplinary program focused on plant and microbial genetics, precision agriculture and biotechnology applications tied to agri-food production¹³.

Local economic development discussion points to increasing investment and demonstration-scale projects in precision irrigation, automation and digital agriculture services in the region, signaling a meaningful growth sector in Lethbridge¹⁴. Together, these elements suggest that AgTech is now a differentiated niche for Lethbridge, aligning competitive advantage with regional infrastructure and agricultural tradition.



In summary, Lethbridge's ecosystem is a balanced mix of traditional industries and new sectors. Its diverse base is a core strength and economic driver due to its specialization in education, government, health, agriculture and manufacturing. This diversity provides resilience against single-sector downturns and positions the city for steady growth over the next decade.

3.3 Population Growth, Demographics and Employment

Population Growth & Demographics

Lethbridge’s population has grown steadily (**Figure 3.3.1**). In 2023 the city surpassed the 100,000 milestone and, as of 2024, reached an estimated 111,400 residents (4.16% one-year growth, and 10.6% growth over five years)³⁷. This makes Lethbridge the fourth-largest city in Alberta and one of the fastest growing, in line with centres such as Red Deer. Unlike the boom-and-bust swings seen in some Alberta cities, Lethbridge has maintained steady growth for decades. This stability is attributed to a diversified economy and immigration of both young students and families.

Notably, Lethbridge’s demographics skew young. It has one of the highest proportions of youth in Canada, with 19% of residents aged 0–14 and about 14% aged 15–24. This is fueled in part by the three post-secondary campuses and affordable lifestyle attracting young families. However, many university and college graduates historically leave for larger cities after age 25, creating a “brain drain” challenge, as evidenced by the relatively low post-secondary attainment rates in the region despite large inflows of students³⁸. Retaining these highly skilled young workers is a priority, as they are crucial for filling professional and tech-oriented roles.

The city also has a growing senior population (as life expectancy rises), but overall, its median age remains slightly below national and provincial averages, bucking the aging trend seen elsewhere, likely due to the large post-secondary population.

Population (2024)



City of Lethbridge: 111,400

Canada: 41,465,298

Population % Growth (2024)



City of Lethbridge: 4.16%

Canada: 1.8%

Median Age of The Population (2024)

City of Lethbridge: 38.1

Canada: 40.3

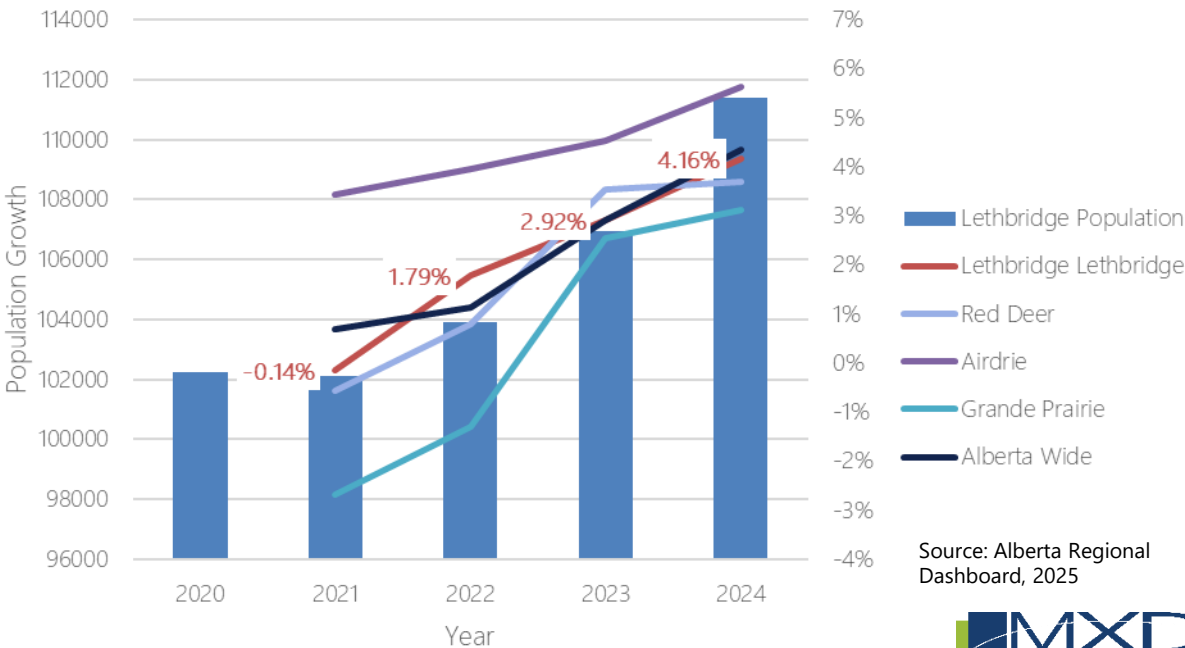
Unemployment Rate (2025)



City of Lethbridge: 5.2%

Canada: 6.6%

Figure 3.3.3 Population Growth 2020 to 2024 in Comparable Alberta Cities



Source: Alberta Regional Dashboard, 2025

University of Lethbridge & International Students

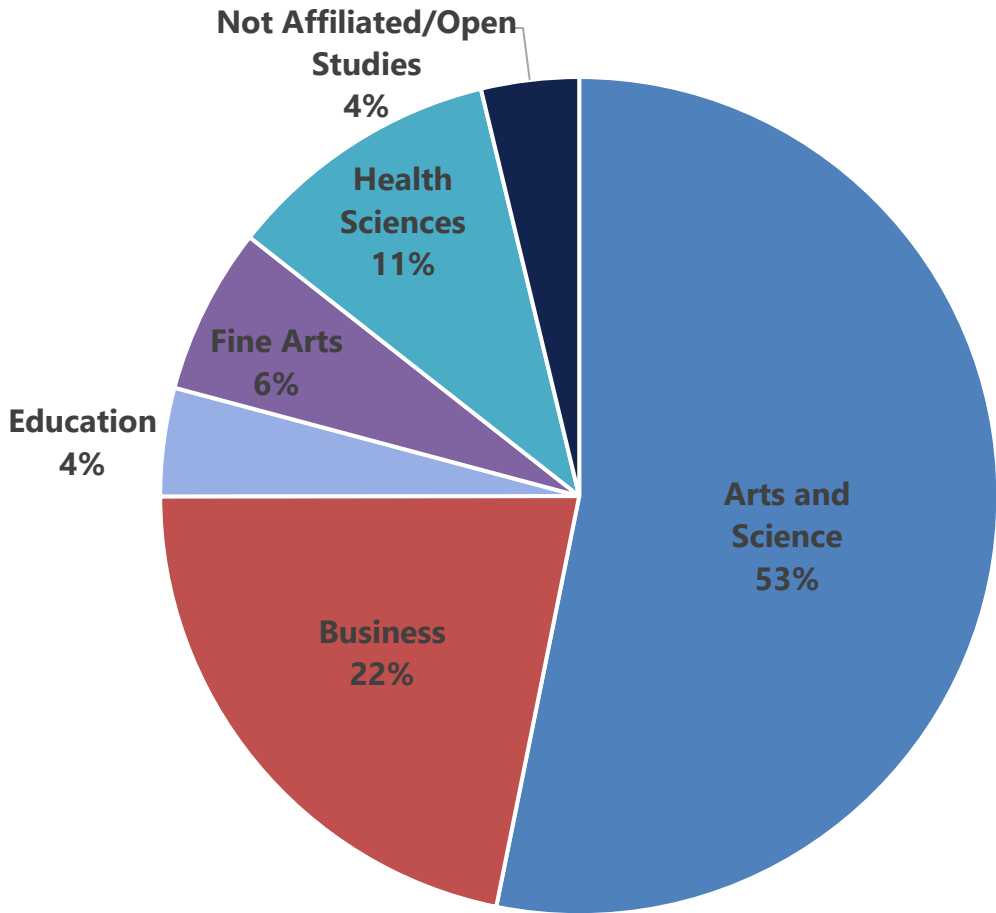
Lethbridge is increasingly multicultural as well; recent waves of immigrants (including international students and workers) are contributing to population growth and labor force supply. In fall 2023, International Student Enrolment at University of Lethbridge was around 1,600 students, making up 19.5% of the total student population (University of Lethbridge Institutional Analysis, 2024).

However, recent Immigration, Refugees and Citizenship Canada (IRCC) International Student Policy changes have impacted this, including a national cap on study permits and increased restrictions on eligibility. Programs to attract and integrate immigrants, such as through rural and regional immigration streams, are in place to address labor needs, despite on-going federal policy changes.

The vast majority of enrolments at University of Lethbridge are within Arts and Sciences, as shown in Figure 3.3.3, followed by Business. The Business school has the highest proportion of international student enrolments, representing 48% of Business School enrolments in Fall 2024.

The University of Lethbridge has consistently maintained a strong graduate employment rate, over 90% since 2013, according to the University of Lethbridge's Institutional Analysis.

Figure 3.3.4 University of Lethbridge Academic Unit Enrolment, Fall 2024



Source: University of Lethbridge
Institutional Analysis

3.3 Population Growth, Demographics and Employment

As of mid-2025, Lethbridge enjoys a healthy labor market with one of Alberta’s lowest urban unemployment rates at 5.2% as illustrated in **Figure 3.3.5**. This indicates near full employment. The flip side of low unemployment is a tight labor supply, especially for skilled trades, healthcare professionals, and tech talent. Alberta Census Metropolitan Areas (CMAs) have been used as comparative benchmarks.

Workforce availability paints two different pictures. The presence of the university and polytechnic means more than 15,000 students in the city at any time, and a steady flow of graduates in fields like nursing, education, engineering tech, and computer science. However, if local opportunities are insufficient, many grads relocate, and employers can face skill shortages.

Sectors like agri-food processing rely on a mix of local labor and in-migration (including temporary foreign workers) to fill plant and farm jobs. Professional services and emerging industries may need to attract talent from outside to sustain growth. Lethbridge’s relatively low cost of living and quality of life are selling points for recruitment. Specifically, housing costs, despite recent increases, are significantly lower than in Calgary or Edmonton, resulting in higher than national average home ownership rates.

Median household income in Lethbridge has steadily increased over the last 20 years; however, is still below comparable cities as shown in Figure 3.3.3, at \$82,000 (2021). Overall, employment trends point to moderate job growth continuing. The Conference Board projects Lethbridge’s real GDP will rise ~2.5% annually in the near term, supporting job creation.

Figure 3.3.5 Unemployment Rate 2021 to 2025 in Alberta CMAs

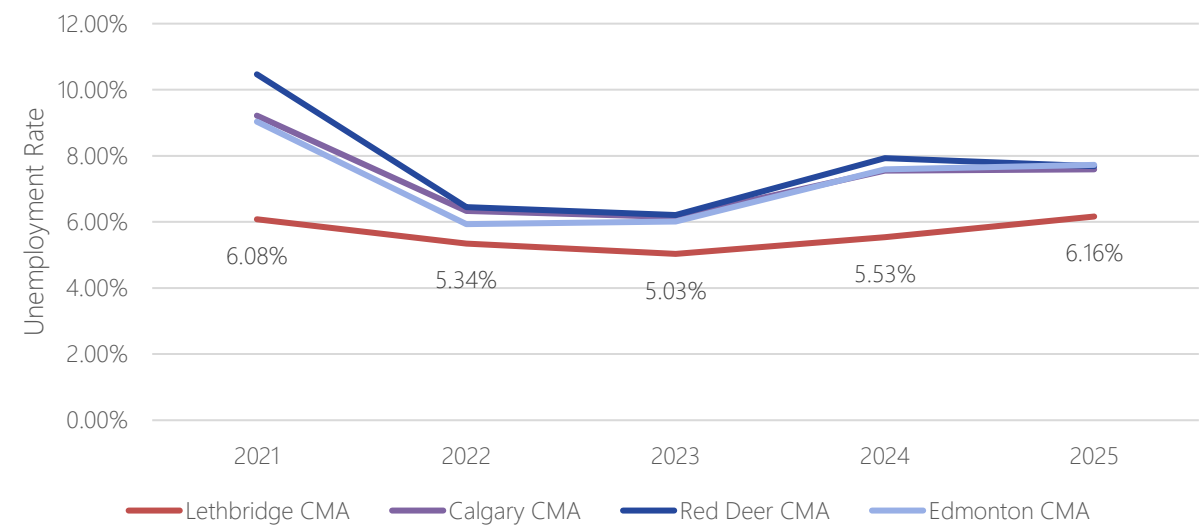
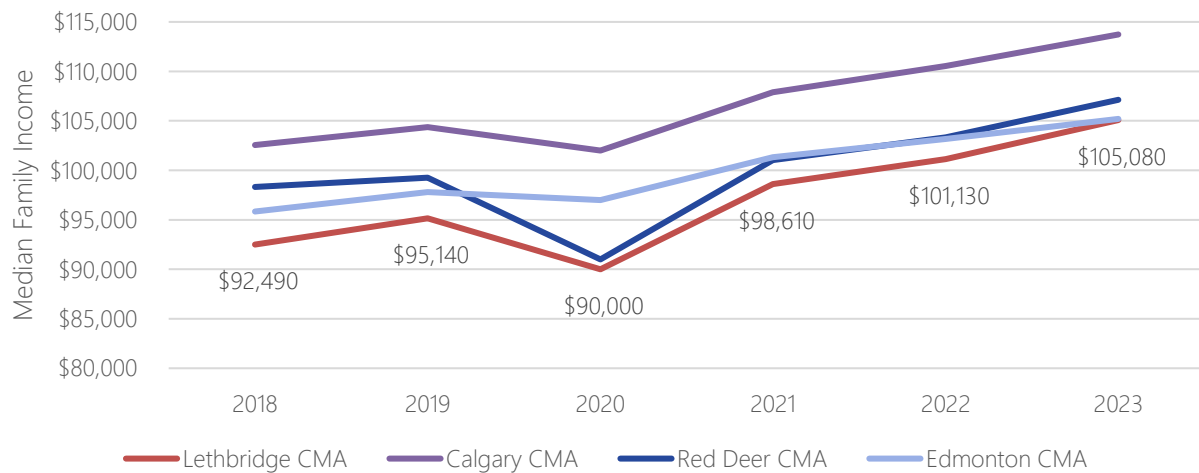



Figure 3.3.6 Median Household Income in Alberta CMAs



Source: Statistics Canada

Economic Overview


Housing in Lethbridge remains more affordable than the provincial average or national average, with an average home price of \$390,164 at year end 2024 (Source – LDAR), lower than Alberta’s average of \$493,828. Rental costs are also lower, averaging \$1,529 compared to \$2,201 nationally according to Rentals.ca (two-bedroom rental home). Although rental rates are lower than the national average, they have surged in recent years due to an influx of population. Homeownership rates in Lethbridge (70.4%) are higher than the national average (66.5%), reflecting a relatively stable housing market.



Average Home Price (2024 Year-end)

City of Lethbridge: \$390,164


Alberta: \$493,828 (CREA)



Average Rent For 2-Bedroom Apartment (2024 Year-end)

City of Lethbridge: \$1,529


Canada: \$2,201



Homeownership Rates (2024)

City of Lethbridge: 70.4%

Canada: 66.5%



Average Commute Time (2024)

City of Lethbridge: 16.6 Mins

Canada: 26.4 Mins

Figure 3.3.4 Lethbridge Ownership: Average Value (2024)



Source: Lethbridge & District Association of REALTORS (2024)

Trade Area Analysis

Economic Development Lethbridge commissioned Environics earlier in 2025 to complete an updated Trade Area analysis (last done in 2016) redefines Lethbridge's trade boundaries using mobile movement data and retail visitation patterns.

The Trade Area analysis estimates the City's population at just over 102,000, but its combined Primary and Secondary Trade Areas extend Lethbridge's reach to nearly 184,000 residents. Importantly, the city's daytime population swells to more than 105,000, reflecting its role as both an employment and retail destination for surrounding communities.

Retail visitation patterns further highlight the city's regional pull, with nearly 15 million trips made to its five major commercial corridors over a single year. More than one-fifth of these visits originate from outside the city, demonstrating Lethbridge's ability to capture spending from a broad rural and regional base.

Big-box retailers and well-known chain restaurants remain primary draws, but there is also evidence of growing demand for healthcare, recreation, and service-based amenities. This strong inflow of visitors supports the city's commercial corridors as regional anchors and underscores the importance of continued investment in commercial and retail nodes.

Household spending within the trade area is estimated at \$3.8 billion annually, with city residents accounting for roughly 60 percent of this total. Food, automotive, healthcare, and recreation-related expenditures dominate, creating significant opportunities for retail and service expansion in these categories. Notably, the Secondary Trade Area contributes \$1.2 billion in annual spending, representing a substantial pool of external demand that Lethbridge is uniquely positioned to capture. Targeted retail and service offerings could further strengthen the city's role as a regional hub and increase its capture of this spending potential.

Demographic trends also shape the composition of Lethbridge's trade area. Households outside the city skew younger and older, with higher proportions of children under 20 and seniors over 69, alongside incomes that are slightly below provincial averages. Indigenous households comprise about 13 percent of the trade area which is well above Alberta's average. This highlights both the importance of inclusive engagement and the potential for new market opportunities. Together, these demographic dynamics point to growing demand for family-oriented services, senior housing and care, and culturally responsive retail experiences.

The key findings and takeaways have been considered when conducting the market analysis for this study.

3.4 Major Transportation Initiatives

Investment in transportation infrastructure is a key driver of economic development. For Lethbridge, key initiatives include:

Highway 3 Twinning: The provincial push to twin the remaining single-lane sections of Highway 3 is underway in segments. Twinning between Taber and Burdett was funded, and more is expected. Once fully twinned, Lethbridge will have four-lane highway connectivity east-west to Medicine Hat (and ultimately to the Trans-Canada Highway) and improved connectivity west towards BC. This significantly improves freight efficiency and safety. It could make Lethbridge even more attractive as a distribution center because travel times to Calgary or to the US border will be more reliable (less risk of accidents closing a two-lane road). Industrial growth typically follows highway improvements, suggesting potential logistics development in the future.

Rail Infrastructure and CPKC: The creation of CPKC means one operator from Canada through the US deep into Mexico. Lethbridge is on a CP mainline that heads to the Coutts/Sweetgrass border then down to Montana. If CPKC starts routing more traffic through this line (instead of via Vancouver or eastern routes), it could spur the need for more rail-served logistics. The rail spur extension to NewCold's Coaldale site is one direct outcome. If that spur can also serve other nearby industrial users, it could provide a substantial economic development push.

Airport Upgrades: Lethbridge Airport saw an expansion of its terminal and services after the City took over operations. There has been discussion of trying to attract a cargo operator or leveraging the airport for freight (especially given Calgary's congested air cargo). If an integrator (FedEx, Purolator, etc.) decided to use Lethbridge as a regional air hub for Southern Alberta, there could be some potential for specialized facilities (sorting centers near the runway). However, Lethbridge Airport's limited number of direct passenger flights signals low overall aircraft activity, which makes it more difficult to support scheduled cargo operations. Cargo carriers typically rely on consistent flight volumes, group handling capacity, and a predictable operating environment – conditions that are harder to achieve at airports with low existing passenger frequency.

The presence of 37 acres of development land could eventually draw businesses that benefit from runway access such as aircraft maintenance, flying services, or cargo processing warehouses but major infrastructure and servicing improvements would be required for most uses.



3.5 Infrastructure Capacity and Utilities

Lethbridge's infrastructure systems have supported steady growth to date, but capacity constraints are now emerging as a critical barrier to future development. In particular, wastewater treatment capacity is approaching its limits, creating a challenge for attracting new industrial end-users such as agribusiness and food processing facilities that require substantial and reliable servicing. Without significant upgrades, these limitations risk slowing development across multiple asset classes, including residential and commercial projects that depend on adequate utility servicing.

Water and Wastewater: Lethbridge continues to draw water from the Oldman River, supported by a modern treatment plant and a water conservation strategy that aims to reduce per capita consumption. However, the city faces the dual pressures of climate-related drought and finite wastewater treatment capacity, which together constrain growth potential. Expanding and upgrading wastewater infrastructure in the near term will be essential for sustaining industrial expansion and supporting population growth.

Stormwater: Investments in new retention ponds and sewer upgrades are helping mitigate risks in flood-prone areas, but the system will require continued reinforcement as climate variability increases the frequency of heavy rainfall events.

Broadband and Telecommunications: Lethbridge is well-served by private telecoms, Telus has rolled out a pure fibre network to much of the city, offering gigabit internet to businesses and homes. Shaw/Rogers provides cable internet as well. A notable development is the city-supported fibre optic network in key industrial areas: in 2022 Lethbridge partnered with O-NET to light up Sherring and Churchill Industrial Parks with high-speed fibre. This ensures companies in those parks have access to the Internet Exchange and world-class speeds, appealing to high-tech or data-heavy operations. The presence of the Alberta SuperNet (a province-wide fibre backbone) means institutions like schools, libraries, and government offices are well connected.

Transportation Infrastructure: Roads within the city are in good condition with ongoing expansions as needed. West Lethbridge, the fastest growing area, recently saw major roadway upgrades (Bridge Drive, University Drive widening) to handle growth. Public transit usage is minimal and employees who do not have a car struggle with reaching their place of employment. Current public transit is not viewed as an alternative to private vehicle due to limited-service availability. Rail infrastructure via CP is underutilized for freight currently (most local industry ships by truck), but there is potential to develop a rail freight facility if demand arises.

Expanding backbone infrastructure, particularly wastewater treatment capacity, is critical to unlocking the next phase of Lethbridge's growth. Targeted servicing investments will not only ensure the city can keep pace with residential and commercial demand but also strengthen its competitiveness in attracting large-scale industrial tenants in high-priority sectors.

3.6 Summary & Implications

Lethbridge is a community defined by strong economic stability and diversity for a mid-sized city. The economic overview indicates an economy that can withstand external shocks to the energy sector and maintain steady growth, differentiating it from more volatile centres like Calgary, which are heavily reliant on oil and gas. However, as per analysis from the Conference Board of Canada, Lethbridge may have high vulnerability to US tariffs and downstream impacts due to the high-export driven economy. A robust public sector presence, anchored by education, healthcare, and government, provides a dependable employment base and consistent demand through economic cycles. This stabilizing effect has helped Lethbridge avoid the sharp downturns experienced by resource-dependent cities elsewhere in Alberta.

At the same time, the city's manufacturing sector stands out as the primary economic driver, supported by deep linkages to its agricultural base and emerging technology sector. Manufacturing continues to expand and reinforce Lethbridge's reputation as a regional production hub. The city's industrial ecosystem creates strong multiplier effects: agriculture feeds manufacturing, manufacturing drives transportation and warehousing, and all three sectors collectively sustain local employment and investment. The presence of major processors and fabricators generates demand across the supply chain, from local farms, and trade and logistics companies to equipment suppliers and maintenance firms.

These interconnected sectors form the foundation of Lethbridge's economic resilience and competitiveness. As shown in **Table 3.6.1** on the following page, the linkages between agriculture, manufacturing, logistics, and supporting industries highlight where the city's "lowest hanging fruit" lies, focusing on expanding its manufacturing and agri-processing capabilities to strengthen its regional influence and long-term economic sustainability.

Lethbridge's demographic advantages of a growing, youthful and educated population imply a rising labor force and consumer base. The city can expect tens of thousands of new residents over the next twenty years. This will increase demand for housing, retail, and services, fueling a variety of real estate development.

The challenge will be to ensure the quality of growth remains high. Unmanaged growth could strain infrastructure, some of which is already at or near capacity.

Lethbridge's low costs and high livability are a competitive asset. Businesses operating in Lethbridge enjoy some of the lowest operating costs in Western Canada. No provincial sales tax, low municipal taxes, relatively affordable land, and cheaper commercial and industrial rents compared to Calgary and other large metro areas can make it advantageous for site selection.

Economic Overview

Table 3.6.1 below maps the relationships between Lethbridge's major economic sectors, illustrating cross-sector activities and value-chain opportunity areas that can strengthen the city's competitiveness and long-term resilience, particularly in low-hanging fruit areas of manufacturing, logistics and agri-processing.

Table 3.6.1 Lethbridge Economic Sector Linkages & Opportunities

Sector	Agriculture	Manufacturing	Logistics	Retail & Hospitality	Technology	Education & Public Services	Healthcare	Renewable Energy
Manufacturing	Equipment for Farming & Processing, Food Processing							
Logistics	Crop Export, Input Supply Chains, Goods Transport, Inventory Management	Goods Transport, Inventory Management						
Retail & Hospitality	Local Produce Sourcing, Restaurants, Farmers' Markets, Agritourism	Product Sales (Local Products), Packaging Supplies, Equipment Maintenance	Inventory , Distribution of Consumer Goods					
Technology	Precision Ag-Tech Development, Remote Sensing, Ag-Tech (Precision Farming)	Automation, Robotics Integration, Advanced Manufacturing Software	Logistics Management Platforms, Freight Management Software, IoT Sensors	Retail Tech, Booking Systems, Point-of-Sale & E-Commerce Platforms				
Education & Public Services	Agricultural Programs, Research Farms	Trades & Industrial Training	Logistics & Transportation Programs	Hospitality & Tourism Training	Innovation Incubators, Education Tech (EdTech Platforms)			
Healthcare	Dietary Health Research, Food Security, Nutraceuticals, Functional Foods	Equipment Procurement & Maintenance, Medical Device Manufacturing	Medical Supply Distribution	Healthcare Accessibility, Wellness Services, Wellness Tourism, Medical Tourism	Health-Tech Innovation, Telemedicine, Health-Tech Apps & Platforms	Healthcare Programs including Medical School, Clinical Training & Research Partnerships		
Renewable Energy	Farm Solar Installations, Biomass Projects	Solar/Wind Component Manufacturing & Assembly	Energy Infrastructure Logistics, Transport & Installation of Components	Eco-Friendly Hospitality Facilities	Smart Energy Grids & IoT Integration	Renewable Energy Technician Programs, Sustainability Education & Awareness	Green Hospitals & Clinics, Energy Efficiency in Healthcare Facilities	
Creative & Digital Industries	Ag Marketing & Branding, Digital Farm Management Tools	Industrial Design & Product Visualization	Digital Solutions for Supply Chain	Digital Advertising for Retail, Event Tech	Software, Media Content Creation, Animation	Digital Education Content, E-learning	Health Promotion Campaigns & Media, Media, Arts & Digital Programs	Educational Content on Sustainability, Digital Simulations & Visualizations

3.6 Lethbridge's Economic Competitive Advantages

Lethbridge's demographic advantages of a growing, youthful and educated population imply a rising labor force and consumer base. The city can expect tens of thousands of new residents over the next twenty years. This will increase demand for housing, retail, and services, fueling a variety of real estate development.

The challenge will be to ensure the quality of growth remains high. Unmanaged growth could strain infrastructure, some of which is already at or near capacity.

Lethbridge's low costs and high livability are a competitive asset. Businesses operating in Lethbridge enjoy some of the lowest operating costs in Western Canada. No provincial sales tax, low municipal taxes, relatively affordable land, and cheaper commercial and industrial rents compared to Calgary and other large metro areas can make it advantageous for site selection.

BENEFITS OF DOING BUSINESS IN LETHBRIDGE



No provincial sales tax



Low Municipal Taxes



Some of the lowest operating costs in Western Canada



Affordable Land



Relatively low commercial and industrial rental rates



Affordable cost-of-living and strong livability factors

Economic Overview

Summary

Lethbridge is well-placed to attract investment in the coming years, especially as companies reconsider expensive metropolitan bases.

However, there are economic indicators that are flags areas for caution. Water supply constraints highlight that natural resources must be part of economic planning. The tight labor market indicates that without intervention (training, immigration, retention efforts), labor shortages could bottleneck growth, particularly in skilled trades and professions.

Another consideration is that while diversification is good, Lethbridge must continue climbing the value chain. Currently many jobs are in relatively lower-wage sectors (retail, hospitality, entry-level manufacturing). To boost overall prosperity, the city will need to attract more higher-value industries or substantial branch offices. This means creating an environment that appeals to those types of operations such as vibrant urban amenities to entice professionals, and perhaps incentives targeted at desired industries.

Overall, the outlook for the next decade is optimistic. Lethbridge is firing on multiple cylinders, with public and private investment aligning to spur growth. The key will be strategic management of this growth to maintain the qualities that make Lethbridge attractive.



4

Stakeholder Summary

Who Have We Spoken With?

As part of this strategy, MXD engaged with a wide range of stakeholders including City staff, Economic Development Lethbridge, industry representatives, developers, and community organizations. These conversations provided valuable perspectives on Lethbridge’s strengths, challenges, and opportunities, ensuring the recommendations in this report are grounded in local knowledge and aligned with the priorities of those shaping the city’s economic future.

Stakeholder engagement meetings were coordinated by EDL. Engagement with City departments was conducted as a group workshop over a series of days. Engagement with community stakeholders were conducted as one-on-one interviews either online via Teams calls or in-person. Key themes that emerged from these workshops and meetings are presented on the following pages. These themes represent perspectives shared by stakeholders and are not necessarily reflective of the study team’s analysis or conclusions; they have been summarized as expressed and anonymized to respect the privacy of participants.

- | | |
|--|------------------------------|
| ✓ Economic Development Lethbridge | ✓ Melcor |
| ✓ City of Lethbridge (Various departments) | ✓ BILD Lethbridge |
| ✓ Lethbridge Polytechnic | ✓ Triple M Homes |
| ✓ Concept Development Partners | ✓ Haul-All |
| ✓ Cedar Ridge Homes | ✓ Avison Young |
| ✓ Sumus Property Group | ✓ MKS Developments |
| | ✓ Lethbridge Family Services |



What Did We Hear?

City of Lethbridge Workshop Major Themes

1 Land Use Planning & Zoning

- Current zoning is outdated; too many residential and commercial districts.
- Industrial land use mismatches current market needs.
- City not in favour of blanket upzoning like Calgary.
- Parking and signage in downtown are growing concerns.
- Need for consolidated and more flexible zoning. Phase 2 bylaw review ongoing until 2026.

2 Infrastructure Capacity & Constraints

- Wastewater: Major constraint across city, especially in the south. Can't currently support another large industrial user like Cavendish.
- Water: Northside is ready, southside constrained.
- Airport: Significant utility issues (lagoon capacity, no city power), making development costly.
- Off-site levies under review, shift from per hectare to per door/unit being considered.
- Pipes designed for single-family housing create mismatch for denser development.

3 Industrial & Economic Development

- Sherring Industrial Park is key area for water-intensive users.
- Need sector-specific industrial incentives beyond the current underused program.
- Desire to grow the non-residential tax base, especially as residential tax revenues can't sustain service growth.
- Incentive strategy needs more targeted, comprehensive framework.

What Did We Hear?

City of Lethbridge Workshop Major Themes

4 Residential Market Trends

- Shift from single-detached to multi-family housing due to infrastructure and market demand.
- High rental rates and very low vacancy (0.6%)—rents (\$1,400/month for 1-bedroom) outpacing wages.
- Decreased household sizes and changing demographics.

5 Downtown Development & Revitalization

- Significant past investment in downtown (e.g., Heart of the City program) has struggled due to drug crises, safety concerns, and retail collapse.
- Some success in investment but lacking social outcomes.
- Mall and retail conversion needed; Park Place Mall has never been fully leased.
- Need a cohesive downtown experience—students lack a “scene” downtown.

6 Growth Areas & Future Lands Uses

- MDP outlines growth directions; west side for residential, north for industrial.
- Walmart site on north side seen as infill/redevelopment opportunity.
- Emphasis on planning where growth will occur and ensuring infrastructure is aligned.
- Need best bang for the buck.

What Did We Hear?

City of Lethbridge Workshop Major Themes

7 Community Amenities & Quality of Life

- Gaps in indoor recreation (e.g., only one indoor public pool on southside).
- VisitLethbridge Centre aging, needs redevelopment in near future.
- Limited amenities like arts venues (Performing Arts Centre proposed but funding an issue).
- Suggestions to commercialize river valley met with resistance due to flooding and environmental concerns.

8 Economic & Talent Retention

- Graduates face limited job visibility, many leave post-graduation.
- Disconnect between job availability and perceived opportunities.
- Salaries not aligned with rising housing costs.
- Need better branding/marketing of Lethbridge's opportunities, city is "too humble."

9 Governance, Partnerships & Strategy

- Importance of meeting with BILD and other stakeholders.
- Council seeking to speed up development approvals.
- Interest in leveraging Alberta's "automatic yes" pilot.
- Need clearer vision for how ready the city is for development; Lethbridge compares well economically to other cities but don't showcase it enough.

What Did We Hear? *Stakeholder Key Themes*

1

Infrastructure Constraints are a Bottleneck to Growth

- Water and wastewater capacity, especially at the airport and in key industrial areas, is limiting development.
- Road and interchange infrastructure is not keeping pace with growth, particularly between city sectors.
- Uncertainty around wastewater expansion, major road/bridge projects, and southeast servicing is limiting investment from major developers.
- Off-site levies are high and inflexible, inhibiting new development and intensification efforts.

2

Housing Affordability and Market Supply Gaps

- Demand for multifamily housing (especially townhomes, rentals, and student/senior housing) is surging.
- Rental stock is described as old and in need of reinvestment, with rising construction costs pushing more households into rental.
- High land and development costs, combined with a tight rental market (0.5%–0.6% vacancy), are driving affordability concerns.
- Permit timelines, planning barriers, and lack of data delay new housing development, including for newcomers, settlement according to several stakeholders.

3

Business Climate Hindered by Bureaucracy and Lack of Coordination

- Many businesses and developers report excessive red tape, siloed city departments, and a lack of urgency.
- Stakeholders express frustration with inconsistent application of bylaws, unclear processes, and slow approvals if it is not a typology known to the city.
- There is a need for a "concierge-style" business support model to guide applicants through city processes.

What Did We Hear? *Stakeholder Key Themes*

4

Lack of a Clear Vision and Strategic Plan

- The city is seen as lacking a unified, long-term strategy for growth and infrastructure, especially in areas like downtown, industrial lands, and momentum corridors.
- Developers cite the need for a community plan-style growth framework and better alignment across departments.
- Uncertainty deters investment; the absence of data, direction, and phasing makes planning risky.

5

Downtown Revitalization Needs Stronger Leadership and Cohesion

- While there's latent demand for urban living and mixed-use projects downtown, development is stalled by fragmented land ownership, lack of a cohesive plan, safety concerns, and infrastructure decay.
- Update the current Downtown Master Plan, identified by shovel-ready public investments, anchoring uses, and non-cash incentives.
- Civic Commons is viewed as a major opportunity but only if approached with clarity, phasing, and support.

6

Labour Force Availability and Immigration Are Shifting

- Many large employers have successfully recruited newcomers and work permit holders, but there's concern about the impact of recent immigration policy changes.
- Newcomers have difficulty reaching their place of employment due to limited transit connections.

What Did We Hear? *Stakeholder Key Themes*

7 Regional Competitiveness and Site Readiness

- Lethbridge competes with cities in Alberta. The cost of land, infrastructure servicing, and delays in city processes reduce its competitiveness.
- Current off-site levy framework disincentivizes higher-density development; conflicts with the City's housing diversification and affordability objectives.
- County developments are more cost-effective for industrial users due to cheaper taxes and faster permitting.
- Stakeholders stress the need to be "ready to go" with serviced land and infrastructure.

8 Data Gaps Undermine Decision-Making

- Across sectors, there is a strong call for a unified, transparent dataset on land inventory, absorption, housing need, lease rates, and construction costs.
- Without reliable data, investors and developers are hesitant to take on risk or try new concepts.
- CMHC and other sources are seen as incomplete or inconsistent.

9 Strategic Use of Incentives Is Needed

- Current city incentives are underutilized or poorly targeted. Developers want sector- and product-specific, non-cash-based incentives tied to measurable outcomes.
- Examples include tax abatement, redevelopment levies, and shared investment models (e.g., BIA-style or corridor-based funds).

What Did We Hear? *Stakeholder Key Themes*

10

Industrial and Logistics Growth Potential

- There is strong demand for a broader mix of industrial building types, especially mid-sized spaces and logistics.
- Stakeholders point to the airport and Highway 3 as underutilized opportunities for agrifood, logistics, and advanced manufacturing.
- Servicing remains a critical hurdle.

11

Equity and Support for Newcomers and Students

- Newcomers face major challenges in housing, childcare, and transit.
- Students (domestic and international) cite social isolation and limited off-campus opportunities as reasons for leaving Lethbridge.
- Coordination between city and service providers is needed for housing, transportation, and social supports.

12

Amenities and Quality of Life Matter

- The city has a growing food and cultural scene, but lacks student-focused downtown activity, adequate transit, and recreational amenities on the southside.
- Support is needed for small, culturally diverse businesses and placemaking that reflects Lethbridge's changing demographics.

5

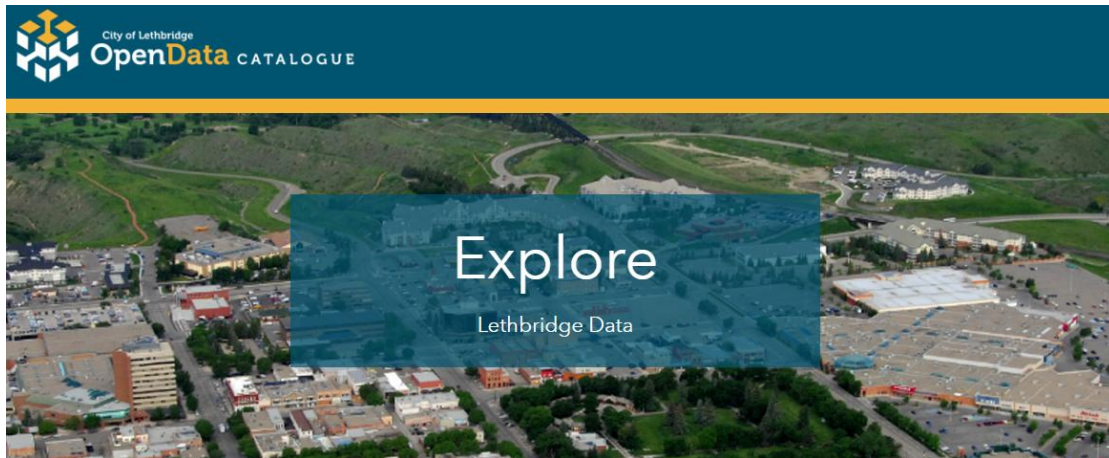
Building Permit GIS Analysis

Building Permit GIS Analysis

Introduction

A comprehensive analysis of building and construction permits issued across Lethbridge over the past decade was undertaken to better understand the city's development trends. This assessment reviewed the total number of permits issued, their size in square footage, and their distribution across residential, commercial, and industrial categories. By mapping permit activity spatially, the analysis highlights where growth has been concentrated, the relative scale of development across different land uses, and the emerging patterns that are shaping Lethbridge's urban form and economic landscape.

These insights provide an evidence-based foundation for understanding whether development has been in alignment with city policy statements, infrastructure investments, and how it can guide future land use decisions.



Building Permit GIS Analysis

Figure 5.1 Lethbridge Residential & Commercial Building Permits (2015 – 2025)

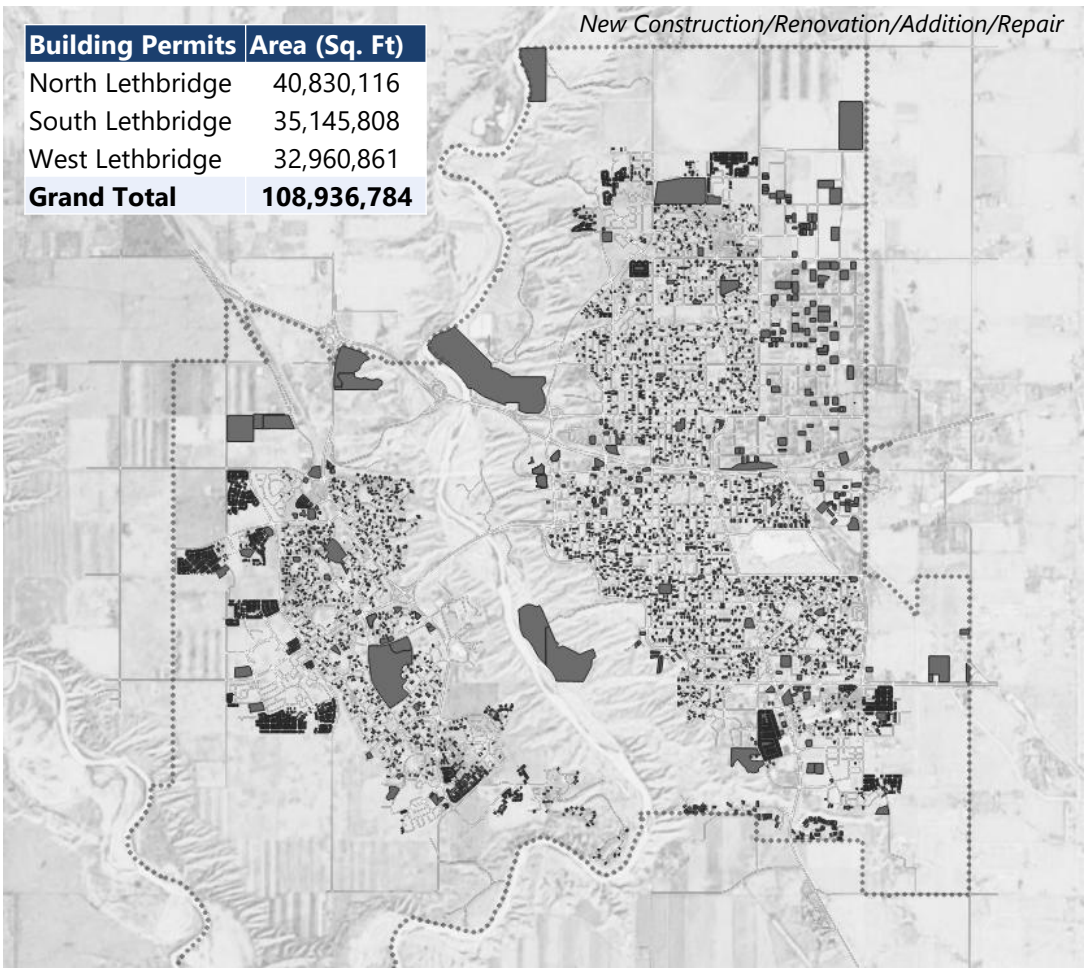
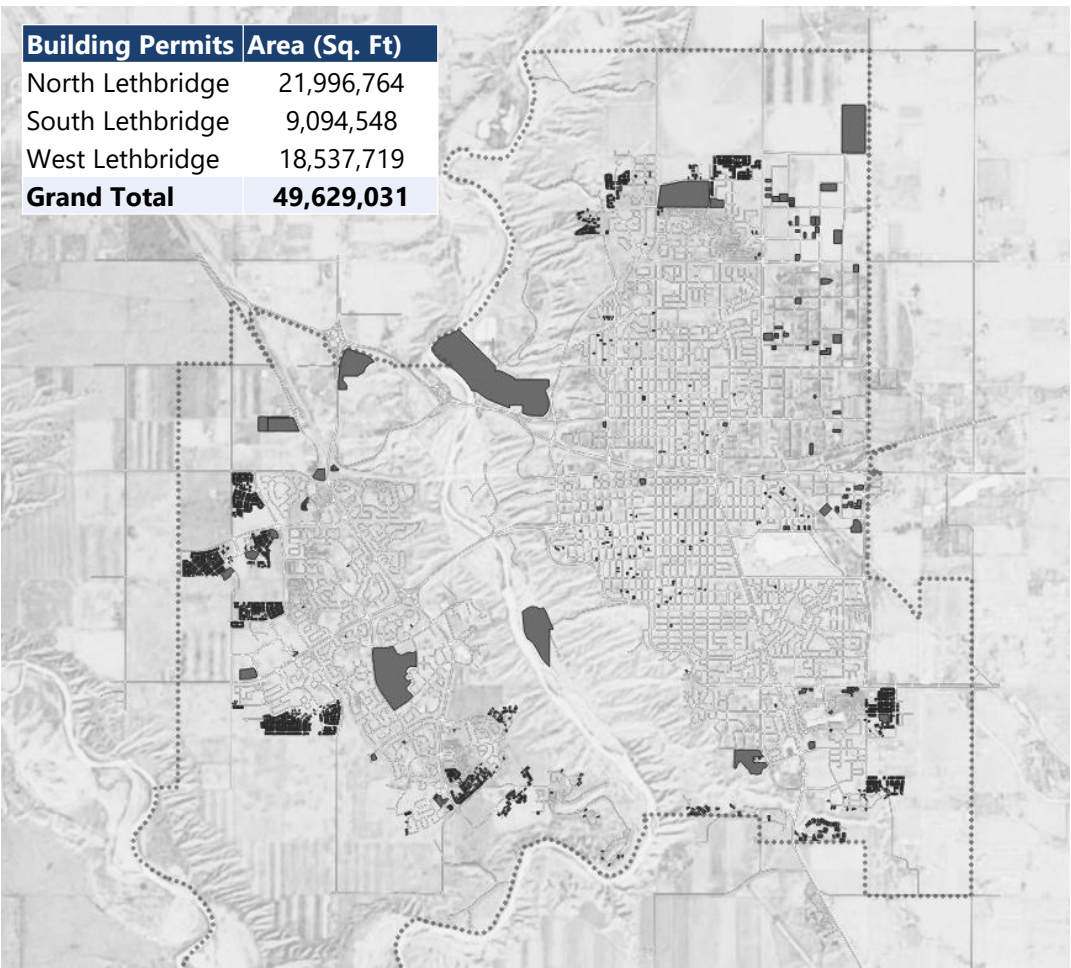


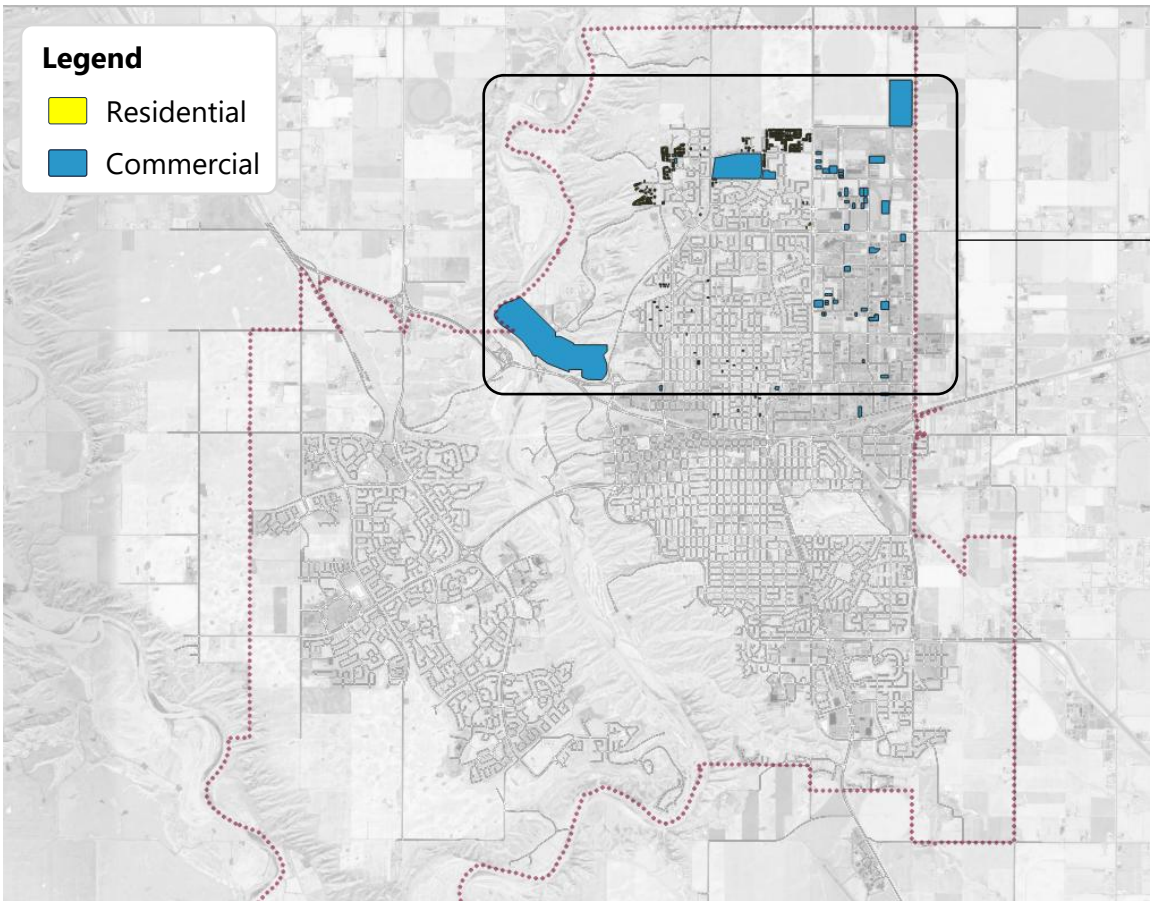
Figure 5.2 Lethbridge Residential & Commercial New Construction Permits (2015 – 2025)



Between 2015 and 2025, Lethbridge recorded 108.9 million sq. ft. in total building permits—including new construction, renovations, additions, and repairs. Of this, new construction accounted for 49.6 million sq. ft. (46%), with North Lethbridge comprising approximately 44% of new construction activity.

Building Permit GIS Analysis

Figure 5.3 North Lethbridge Residential & Commercial Building Permits (2015 – 2025)



This map shows residential and commercial building permits issued in North Lethbridge from 2015 to 2025. While most permits were residential (538), commercial permits (59) accounted for most of the total developed area (over 19 million sq. ft.).

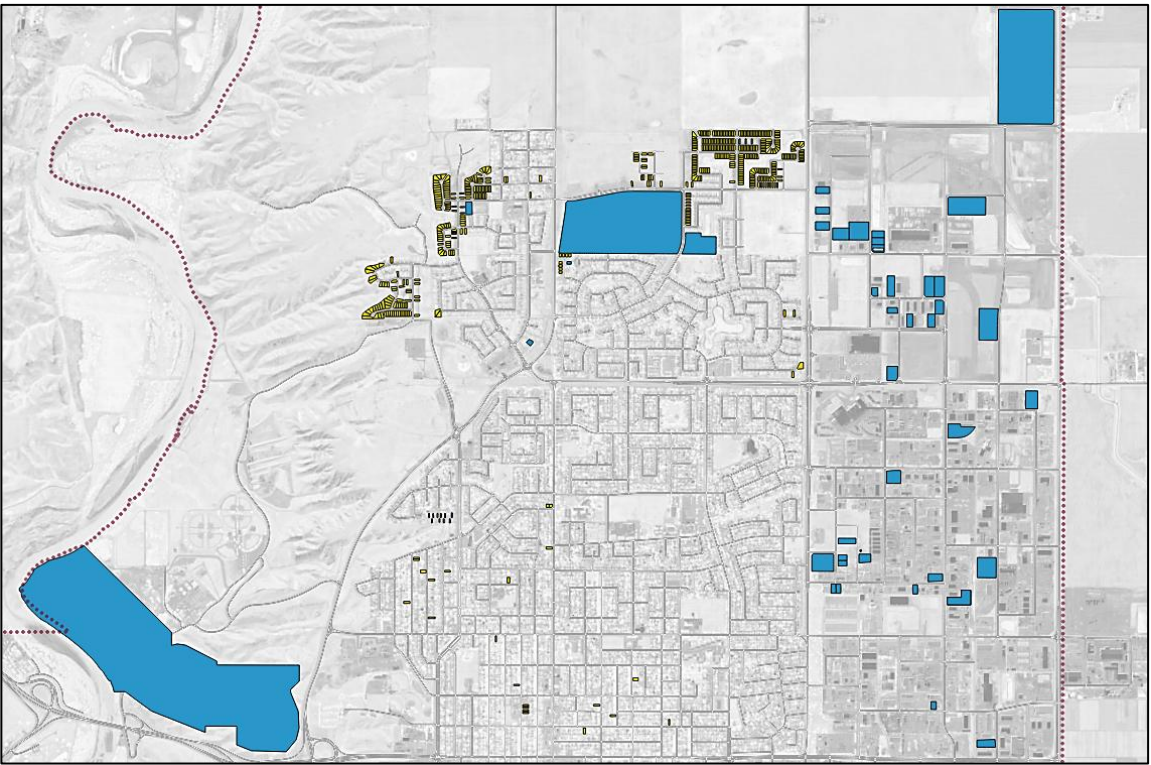


Table 5.1 Summary of Building Permits in North Lethbridge

North Lethbridge	Number of Building Permits	Total Area of the Building Permits
BUILDING - COMMERCIAL	59	19,494,252
BUILDING - RESIDENTIAL	538	2,480,787
Grand Total	597	21,975,039

Building Permit GIS Analysis

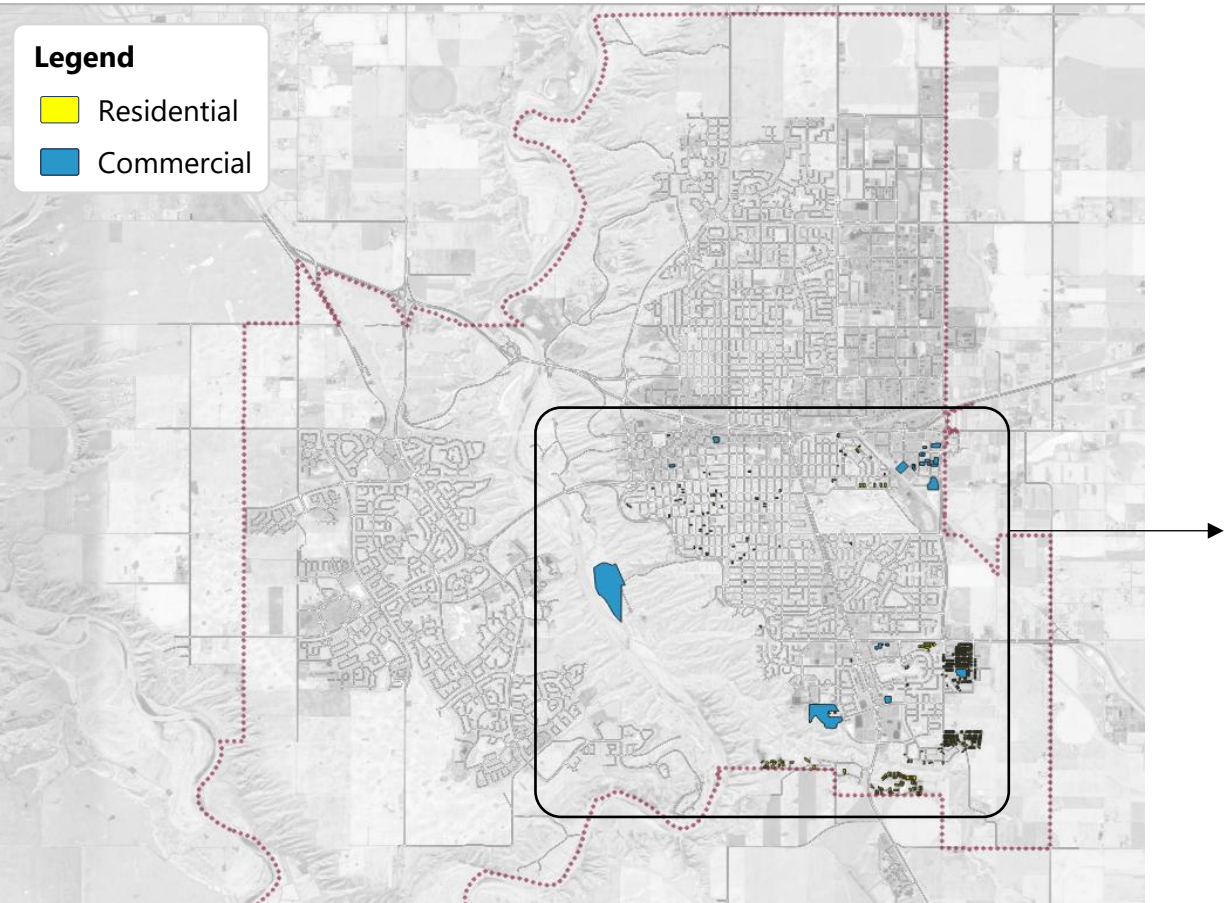
Table 5.2 North Lethbridge Building Permits by Type (2015 – 2025)

North Lethbridge	Number of Commercial Permits	Number of Residential Permits	Total Area of Commercial Permits (Sq. Ft)	Total of Residential Permits (Sq. Ft)
2015	8	66	433,199	329,664
2016	9	100	592,804	456,228
2017	12	61	3,666,224	292,544
2018	7	85	3,520,762	386,892
2019	4	33	286,874	176,469
2020	3	39	10,271,595	179,771
2021	4	59	108,689	244,628
2022	4	25	72,246	110,666
2023	3	34	74,225	144,933
2024	5	25	467,635	115,943
2025		11		43,049
Grand Total	59	538	19,494,253	2,480,787

This table shows annual building permit activity in North Lethbridge from 2015 to 2025, including both commercial and residential permits. While residential permits are more frequent (538), commercial permits (59) accounted for a much larger total area—over 19 million sq. ft. compared to 2.5 million sq. ft. for residential.

Building Permit GIS Analysis

Figure 5.4 South Lethbridge Residential & Commercial Building Permits (2015 – 2025)



This map shows residential and commercial building permits issued in South Lethbridge from 2015 to 2025. Although most of the 600 permits were residential (576), commercial permits (24) still accounted for a larger share of developed area—over 5.3 million sq. ft. compared to 3.6 million sq. ft. for residential.

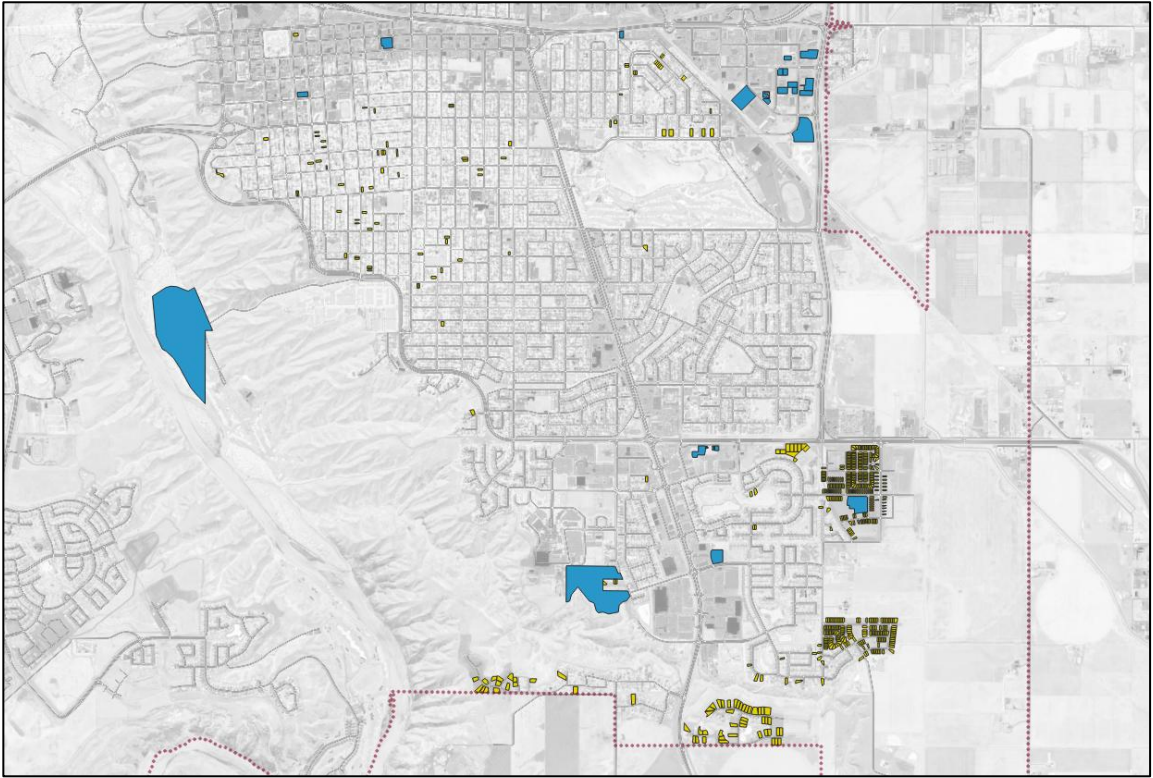


Table 5.3 Summary of Building Permits in South Lethbridge

South Lethbridge	Number of Building Permits	Total Area of the Building Permits
BUILDING - COMMERCIAL	24	5,348,636
BUILDING - RESIDENTIAL	576	3,656,171
Grand Total	600	9,004,806

Building Permit GIS Analysis

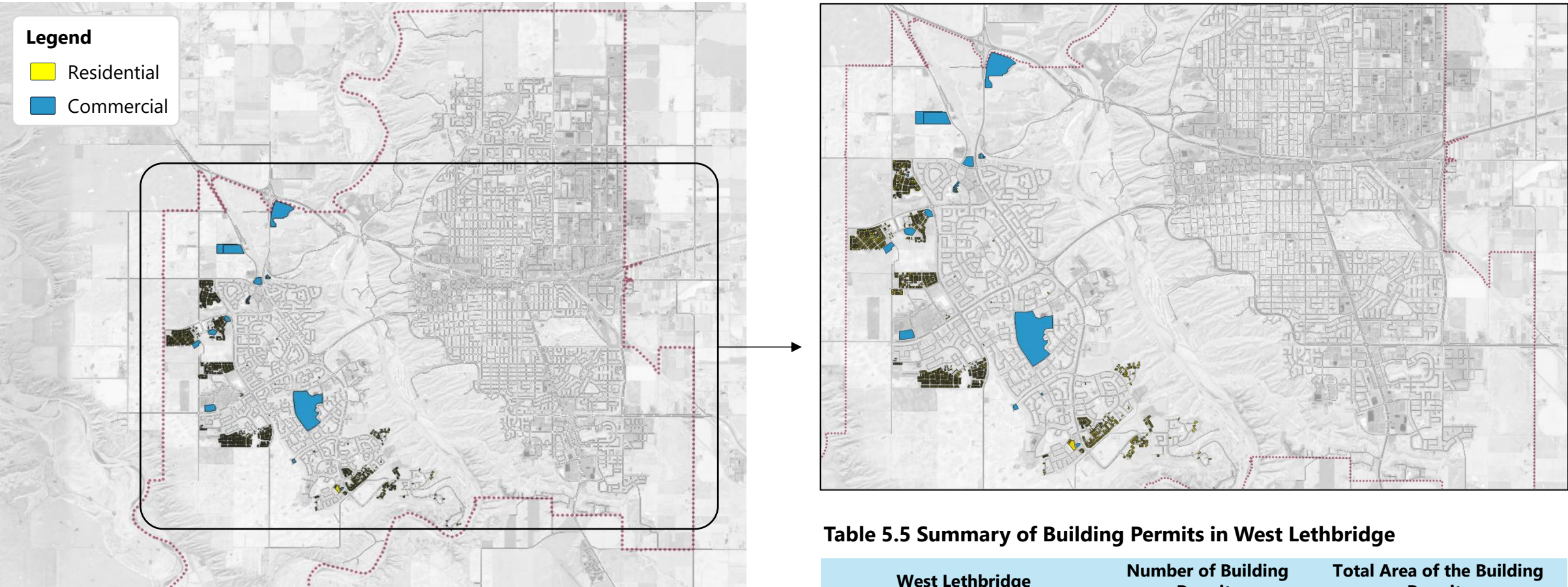
Table 5.4 South Lethbridge Building Permits by Type (2015 – 2025)

South Lethbridge	Number of Commercial Permits	Number of Residential Permits	Total Area of Commercial Permits (Sq. Ft)	Total of Residential Permits (Sq. Ft)
2015	2	68	2,776,655	600,558
2016	3	56	130,735	417,272
2017	4	51	141,640	377,521
2018	1	42	34,387	234,071
2019	4	60	298,529	290,733
2020	2	51	1,287,021	241,632
2021	1	73	2,242	366,038
2022	2	63	265,088	410,200
2023		42		278,551
2024	4	62	310,379	412,583
2025	1	8	101,961	27,013
Grand Total	24	576	5,348,636	3,656,171

This table details annual building permit activity in South Lethbridge from 2015 to 2025. A total of 600 permits were issued, with residential permits (576) far outnumbering commercial (24), though commercial projects still accounted for a larger overall floor area—over 5.3 million sq. ft. compared to 3.7 million sq. ft. for residential.

Building Permit GIS Analysis

Figure 5.5 West Lethbridge Residential & Commercial Building Permits (2015 – 2025)



This map shows residential and commercial building permits issued in West Lethbridge from 2015 to 2025. The area saw a total of 1,915 permits—most were residential (1,882), but both residential and commercial development covered nearly equal areas, around 9 million sq. ft. each.

Table 5.5 Summary of Building Permits in West Lethbridge

West Lethbridge	Number of Building Permits	Total Area of the Building Permits
BUILDING - COMMERCIAL	33	9,406,172
BUILDING - RESIDENTIAL	1,882	9,105,579
Grand Total	1,915	18,511,751

Building Permit GIS Analysis

Table 5.6 West Lethbridge Building Permits by Type (2015 – 2025)

West Lethbridge	Number of Commercial Permits	Number of Residential Permits	Total Area of Commercial Permits (Sq. Ft)	Total of Residential Permits (Sq. Ft)
2015	10	330	6,097,315	1,534,041
2016	9	262	146,797	1,231,349
2017	1	284	4,434	1,399,680
2018	2	220	1,807,176	1,167,796
2019	3	187	93,103	907,618
2020	3	137	223,312	679,063
2021	1	144	595	653,577
2022	1	115	148,922	548,349
2023	1	66	205,021	319,632
2024	2	113	679,497	549,246
2025		24		115,227
Grand Total	33	1,882	9,406,172	9,105,579

This table tracks commercial and residential building permits in West Lethbridge from 2015 to 2025. While residential permits vastly outnumbered commercial (1,882 vs. 33), the total developed floor area was nearly balanced—9.4 million sq. ft. for commercial and 9.1 million sq. ft. for residential.

Building Permit GIS Analysis

Figure 5.6 North Lethbridge Residential Building Permits (2015 – 2025)

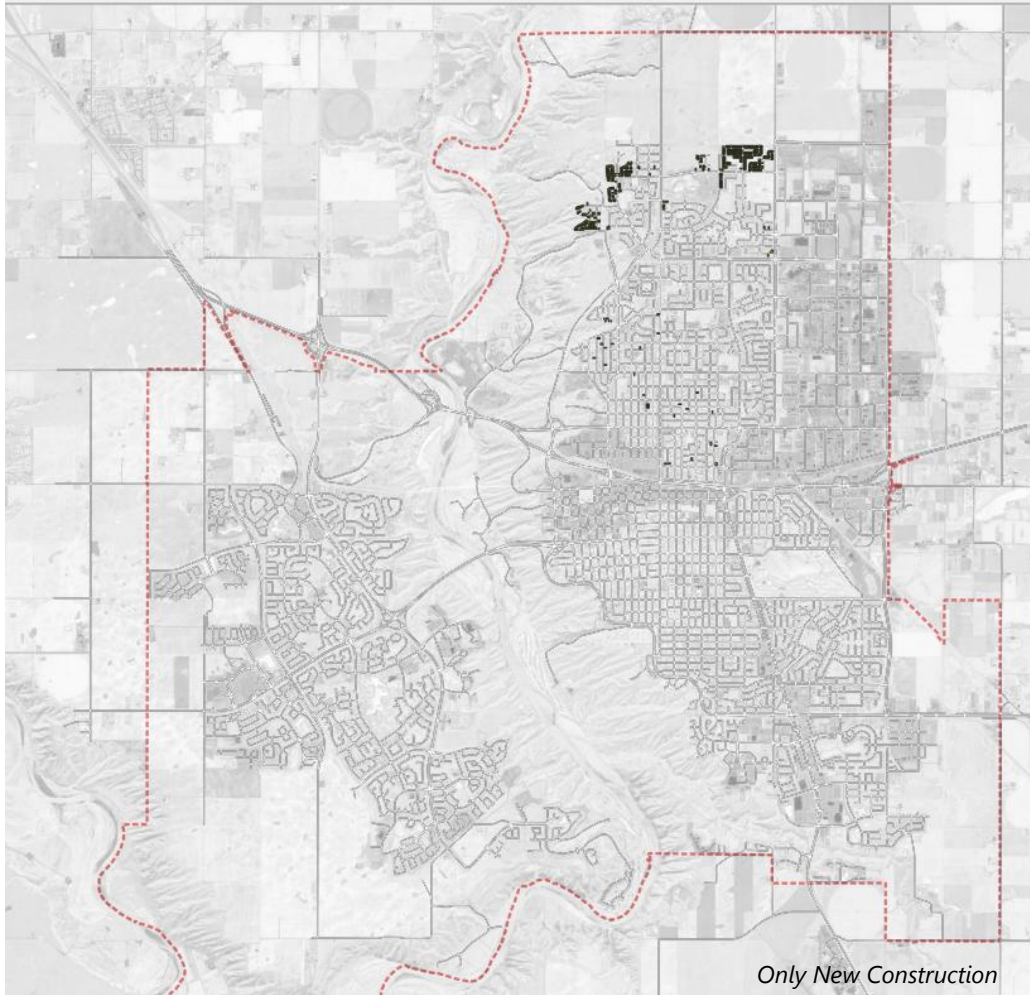
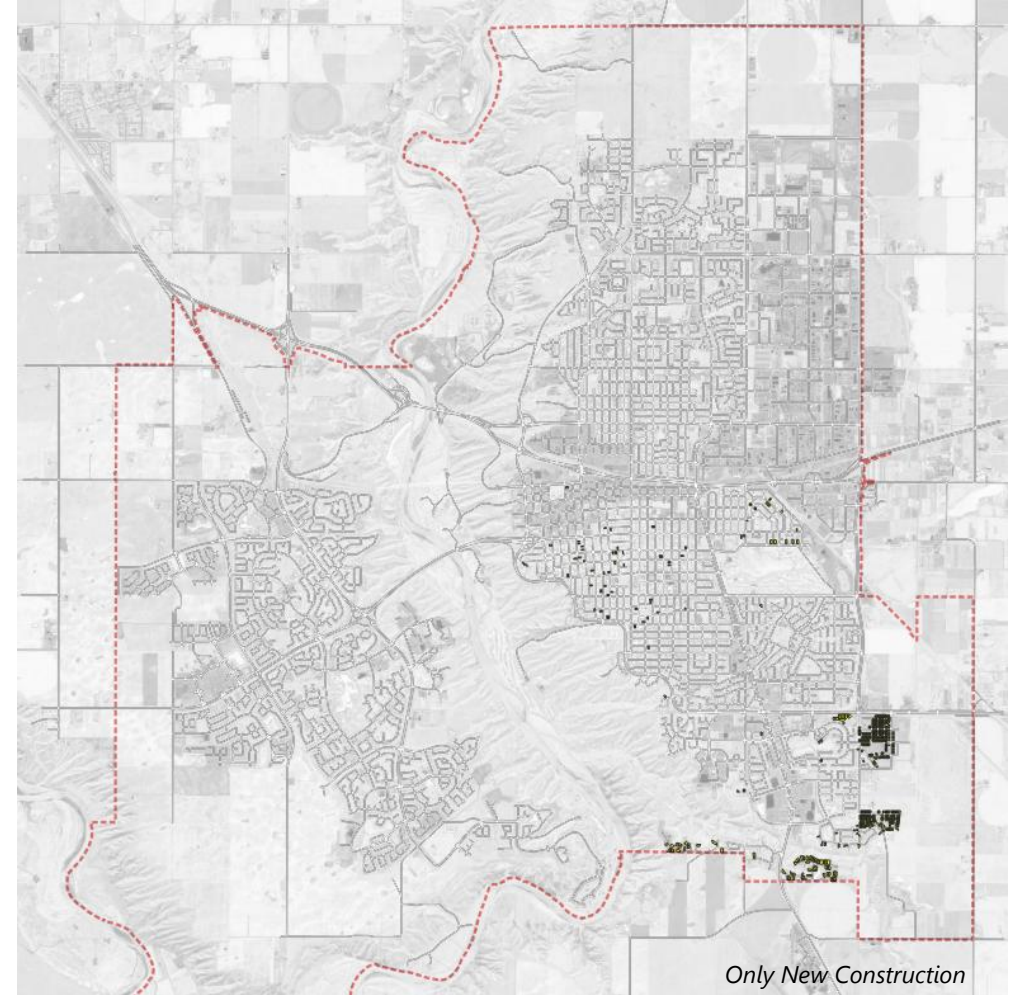


Figure 5.7 South Lethbridge Residential Building Permits (2015 – 2025)



These maps show residential building permits issued for new construction in North and South Lethbridge from 2015 to 2025. Residential development in North Lethbridge is concentrated in the northeast, while South Lethbridge shows activity primarily in the southeast corridor.

Building Permit GIS Analysis

Figure 5.8 West Lethbridge Residential Building Permits (2015 – 2025)

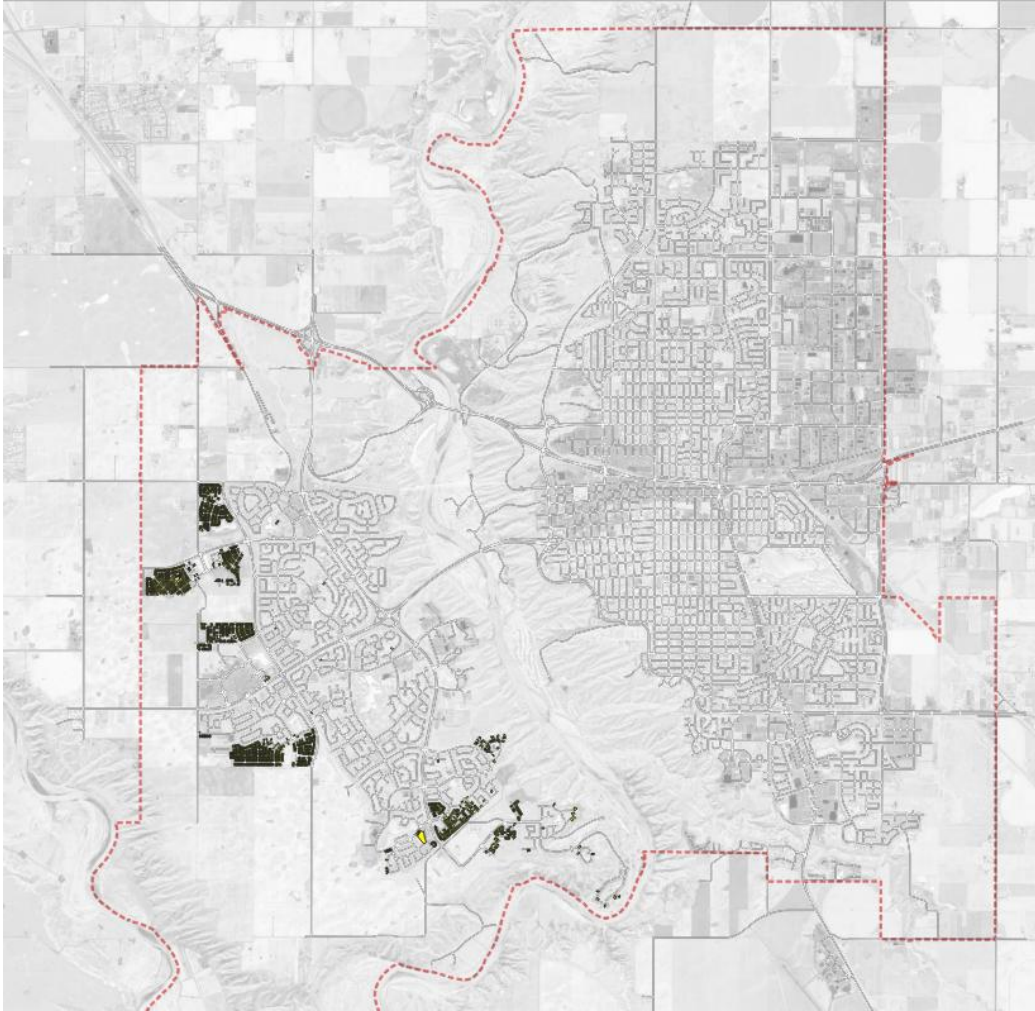
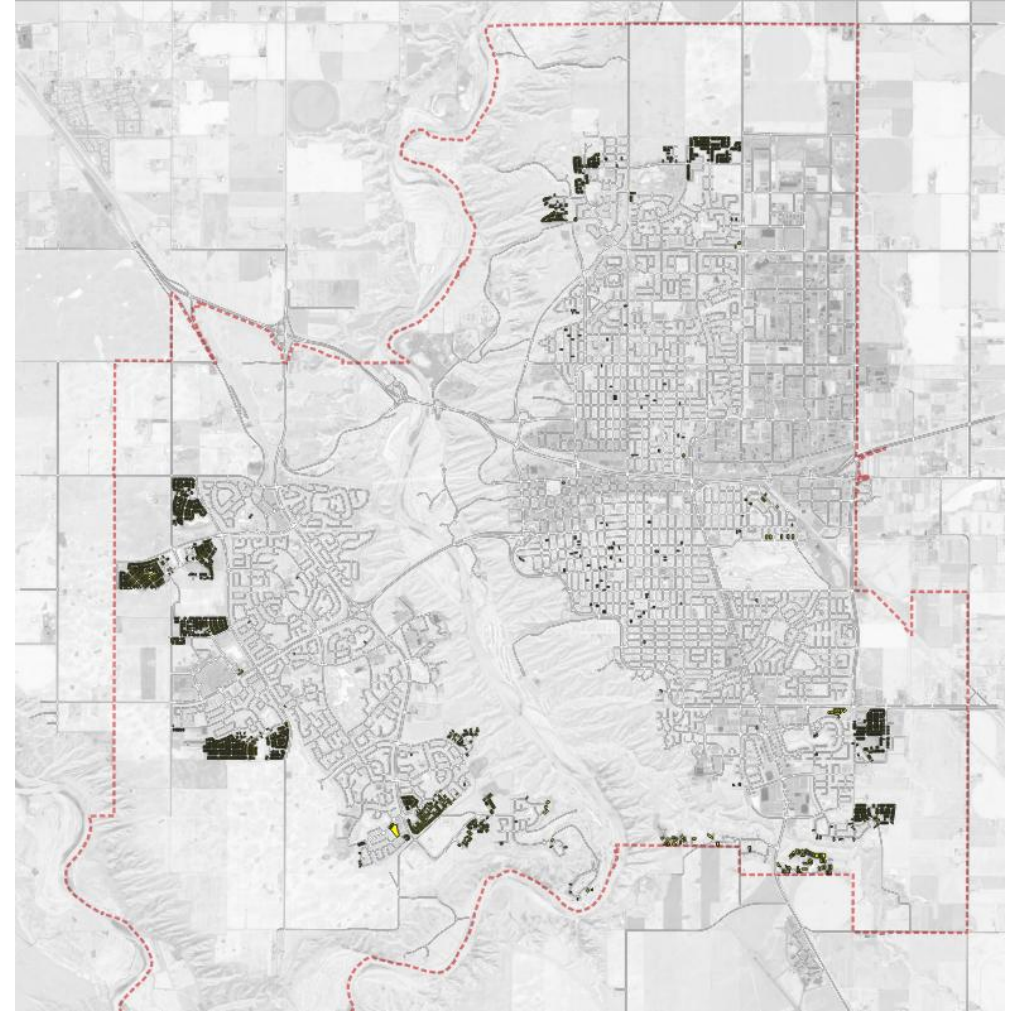


Figure 5.9 Overall Lethbridge Residential Building Permits (2015 – 2025)



The left map shows residential building permits in West Lethbridge from 2015 to 2025, with development concentrated in the northwest and southwest areas. The right map combines residential permits across all of Lethbridge, highlighting widespread residential growth in the city's north, south, and west quadrants.

Building Permit GIS Analysis

Table 5.7 Lethbridge Residential Building Permit Data by Region and Year (2015 – 2025)

This table breaks down residential building permits in Lethbridge from 2015 to 2025 by area (North, South, West), showing total floor area, permit counts, and year-over-year trends. West Lethbridge consistently led in both area and number of permits.

Row Labels	Total Area (in Sq. Ft)	Number of Permits	% of Area of Building Permits	Number of Building Permits	Number of Permits Growth %
2015	2,464,262	464			
North Lethbridge	329,664	66	13%	14%	
South Lethbridge	600,558	68	24%	15%	
West Lethbridge	1,534,041	330	62%	71%	
2016	2,104,849	418			-10%
North Lethbridge	456,228	100	21%	24%	
South Lethbridge	417,272	56	20%	13%	
West Lethbridge	1,231,349	262	59%	63%	
2017	2,069,745	396			-5%
North Lethbridge	292,544	61	14%	15%	
South Lethbridge	377,521	51	18%	13%	
West Lethbridge	1,399,680	284	68%	72%	
2018	1,788,758	347			-12%
North Lethbridge	386,892	85	22%	24%	
South Lethbridge	234,071	42	13%	12%	
West Lethbridge	1,167,796	220	65%	63%	
2019	1,374,820	280			-19%
North Lethbridge	176,469	33	13%	12%	
South Lethbridge	290,733	60	21%	21%	
West Lethbridge	907,618	187	66%	67%	
2020	1,100,466	227			-19%
North Lethbridge	179,771	39	16%	17%	
South Lethbridge	241,632	51	22%	22%	
West Lethbridge	679,063	137	62%	60%	
2021	1,264,243	276			22%
North Lethbridge	244,628	59	19%	21%	
South Lethbridge	366,038	73	29%	26%	
West Lethbridge	653,577	144	52%	52%	
2022	1,069,215	203			-26%
North Lethbridge	110,666	25	10%	12%	
South Lethbridge	410,200	63	38%	31%	
West Lethbridge	548,349	115	51%	57%	
2023	743,116	142			-30%
North Lethbridge	144,933	34	20%	24%	
South Lethbridge	278,551	42	37%	30%	
West Lethbridge	319,632	66	43%	46%	
2024	1,077,773	200			41%
North Lethbridge	115,943	25	11%	13%	
South Lethbridge	412,583	62	38%	31%	
West Lethbridge	549,246	113	51%	57%	
2025	185,290	43			
North Lethbridge	43,049	11	23%	26%	
South Lethbridge	27,013	8	15%	19%	
West Lethbridge	115,227	24	62%	56%	
Grand Total	15,242,536	2,996			

Building Permit GIS Analysis

Figure 5.10 North Lethbridge Commercial Building Permits

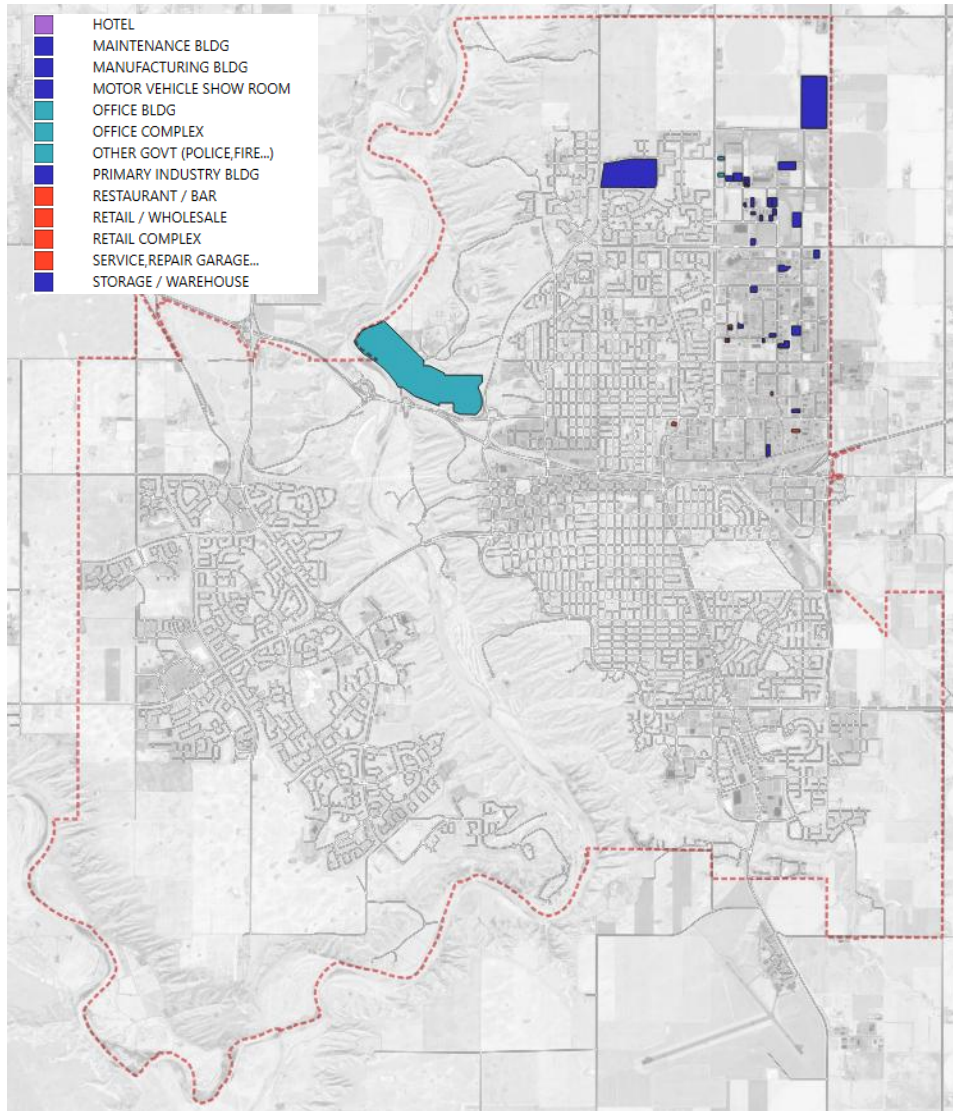


Table 5.8 North Lethbridge Building Permits by Type and Floor Area

North Lethbridge	Number of Building Permits	Area of Building Permits (Sq. Ft)
Apartment Strata	2	176,063
Community Hall	1	42,349
Daycare, Nursing Home	1	43,857
Maintenance Bldg	1	3,123,800
Manufacturing Bldg	4	3,419,810
Office Bldg	3	10,224,240
Primary Industry Bldg	2	86,626
Retail / Wholesale	3	60,595
Retail Complex	1	34,930
Service, repair Garage...	1	50,426
Storage / Warehouse	26	1,845,346
Utility Bldg	1	273,172
Grand Total	46	19,381,216

This map and table show commercial building permits issued in North Lethbridge from 2015 to 2025. A total of 46 permits were issued, with office buildings, retail, manufacturing, and storage/warehouse developments accounting for the largest share of the 19.4 million sq. ft. of total commercial floor area.

Building Permit GIS Analysis

Figure 5.11 South Lethbridge Commercial Building Permits

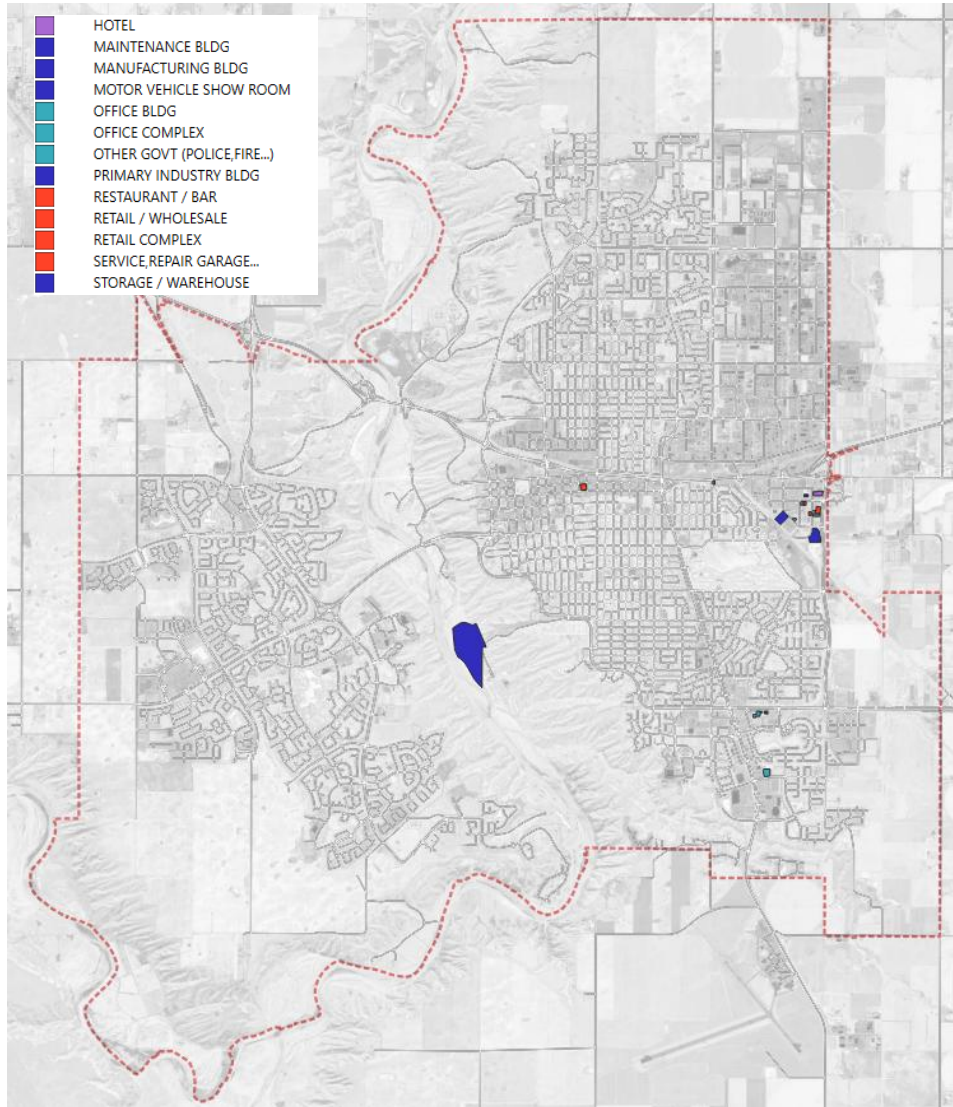


Table 5.9 South Lethbridge Building Permits by Type and Floor Area

South Lethbridge	Number of Building Permits	Area of Building Permits (Sq. Ft)
Day Religious Bldg	1	42,273
Daycare, nursing Home	2	56,519
Elementary School	1	195,235
Hotel	1	88,873
Maintenance Bldg	1	2,708,371
Motor Vehicle Show Room	2	458,329
Office Bldg	5	244,484
Office Complex	2	23,224
Post-secondary Educ.	1	1,269,399
Restaurant / Bar	2	90,457
Retail / Wholesale	2	93,643
Retail Complex	2	23,753
Storage / Warehouse	1	19,689
Transportation Terminal	1	34,387
Grand Total	24	5,348,636

This slide shows commercial building permits in South Lethbridge from 2015 to 2025. A total of 24 permits were issued, with the largest floor areas attributed to daycare, office buildings, retail and motor vehicle showroom developments, totaling over 5.3 million sq. ft.

Building Permit GIS Analysis

Figure 5.12 West Lethbridge Commercial Building Permits

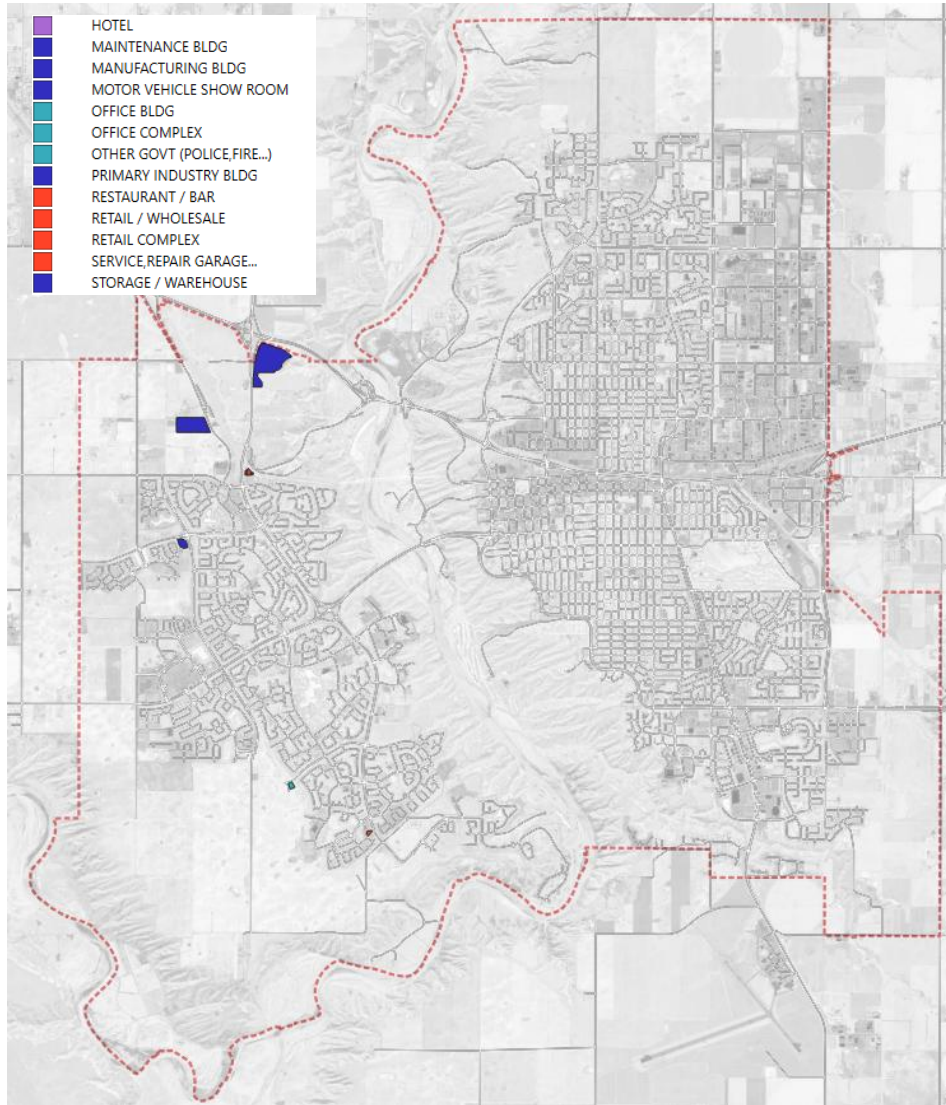


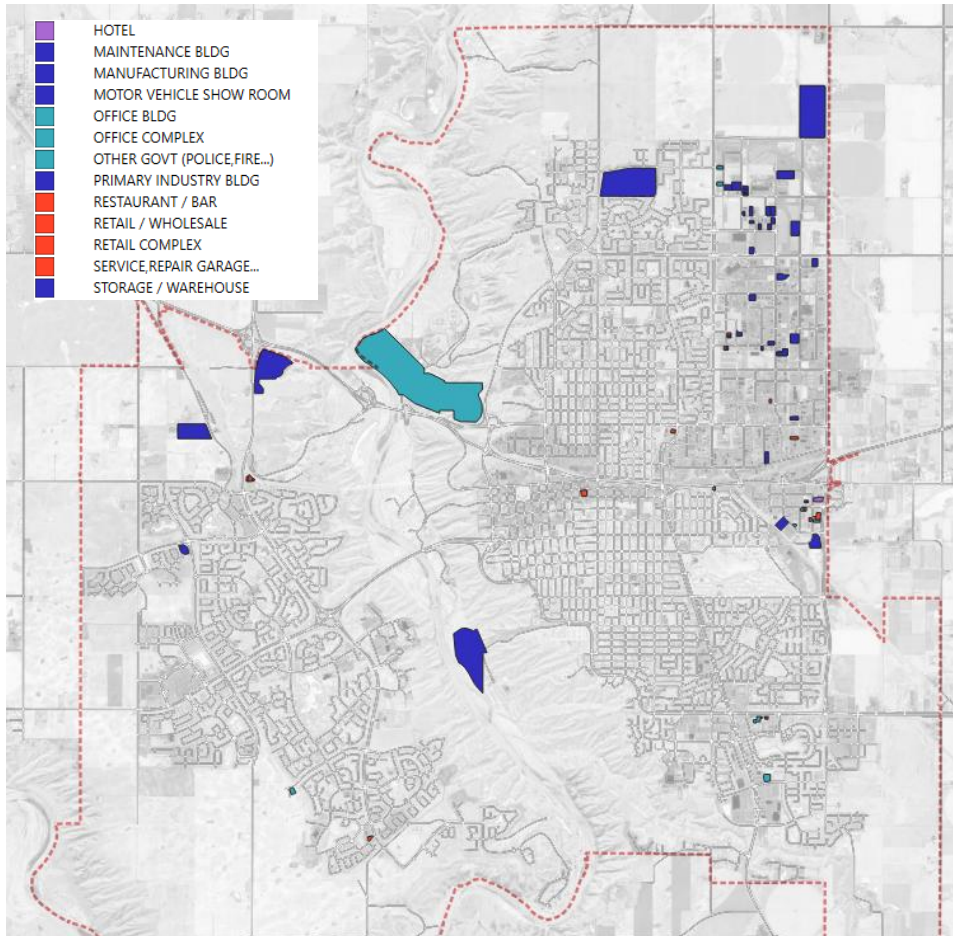
Table 5.10 West Lethbridge Building Permits by Type and Floor Area

West Lethbridge	Number of Building Permits	Area of Building Permits (Sq. Ft)
Apartment Strata	2	7,829
Day Religious Bldg	2	411,142
Daycare, nursing Home	1	280,835
Elementary School	1	205,021
Other Govt (Police, fire...)	1	70,312
Outdoor Rec Bldg	1	4,628,591
Retail Complex	2	65,947
Service, repair Garage...	1	41,784
Storage / Warehouse	3	2,934,009
Utility Bldg	1	401,908
Grand Total	15	9,047,377

This slide presents commercial building permits in West Lethbridge from 2015 to 2025. A total of 15 permits were issued, covering over 9 million sq. ft., with the largest developments in Strata apartments, religious buildings, retail complex, and warehouse/storage facilities.

Building Permit GIS Analysis

Figure 5.13 Total Commercial Building Permits in Lethbridge



This slide summarizes total commercial building permits in Lethbridge from 2015 to 2025. It shows 85 permits issued citywide, totaling over 33.7 million sq. ft., with North Lethbridge leading in permit count and area.

Table 5.11 Total Commercial Building Permits in Lethbridge (2015 – 2025)

Row Labels	Number of Building Permits	Sum of ParcelArea	Number of Building Permits (%)	Number of Permits Growth %
2015	14	9,256,099		
North Lethbridge	7	421,410	50%	
South Lethbridge	2	2,776,655	14%	
West Lethbridge	5	6,058,034	36%	
2016	13	787,604		-8%
North Lethbridge	8	587,587	62%	
South Lethbridge	3	130,735	23%	
West Lethbridge	2	69,282	15%	
2017	12	3,798,053		-8%
North Lethbridge	8	3,656,412	67%	
South Lethbridge	4	141,640	33%	
2018	9	5,357,040		-25%
North Lethbridge	7	3,520,762	78%	
South Lethbridge	1	34,387	11%	
West Lethbridge	1	1,801,892	11%	
2019	9	662,114		0
North Lethbridge	3	284,130	33%	
South Lethbridge	4	298,529	44%	
West Lethbridge	2	79,456	22%	
2020	5	11,529,110		-44%
North Lethbridge	2	10,236,816	40%	
South Lethbridge	2	1,287,021	40%	
West Lethbridge	1	5,273	20%	
2021	4	108,729		-20%
North Lethbridge	3	106,488	75%	
South Lethbridge	1	2,242	25%	
2022	5	482,374		25%
North Lethbridge	2	68,364	40%	
South Lethbridge	2	265,088	40%	
West Lethbridge	1	148,922	20%	
2023	3	277,364		-40%
North Lethbridge	2	72,343	67%	
West Lethbridge	1	205,021	33%	
2024	10	1,416,780		233%
North Lethbridge	4	426,903	40%	
South Lethbridge	4	310,379	40%	
West Lethbridge	2	679,497	20%	
2025	1	101,961		
South Lethbridge	1	101,961		
Grand Total	85	33,777,228		

Building Permit GIS Analysis

Key Takeaways

Overall Permit Activity

- **Total Permits Issued:** 3,100+ (**Residential + Commercial combined**)
- **Residential Dominance:** Residential permits vastly outnumber commercial across all districts.
- **Top Subarea – Residential:**
West Lethbridge leads with 1,882 residential permits, driven by steady neighborhood growth.
- **Top Subarea – Commercial:**
North Lethbridge leads commercial development with 46 permits totaling 19.4M sq. ft, including major office, warehouse, and manufacturing projects.

Residential Development Trends

- **West Lethbridge:** Highest residential activity (1,882 permits, 9.1M sq. ft); steady suburban expansion.
- **South Lethbridge:** Moderate residential growth concentrated in southeast pockets.
- **North Lethbridge:** Modest residential activity focused in northeast areas.
- **Growth Dips:** In the last 5 years, permit activity dropped in 2022 and 2023 but rebounded in 2024.

Commercial Development Patterns

- **North Lethbridge:** Major commercial hub with 46 permits totaling 19.4M sq. ft; led by large office and manufacturing projects.
- **South Lethbridge:** 24 permits (5.3M sq. ft); anchored by office, retail and automotive developments.
- **West Lethbridge:** Fewest permits (15) Strata apartments, religious building, and warehouse projects drive 9M+ sq. ft of activity.

Trends for Future Planning

- **North Lethbridge** has significant industrial and office development potential.
- **West Lethbridge** remains a key area for housing and land absorption.

6

Residential Market Analysis

Residential Market Analysis

6.1 Lethbridge Residential Market Overview

Over the past five years, the Lethbridge's population growth has fueled steady housing demand. The housing stock comprises roughly 40,225 dwellings city-wide, **predominately single-detached homes** (66%) The remaining one-third includes semi-detached homes (duplexes), rowhouses, and apartments – generally low-rise structures, as the city has very few high-rise towers.

This inventory spans a range of ages and types: about **45% of all homes were built before 1980**, meaning many rental units are older Class B/C stock. Newer developments (Class A rentals, modern condos, and suburban subdivisions) have been limited in recent years, creating supply pressures.

Of the 40,225 dwelling units, about **12,800 units (32%) are rentals**, including 4,177 purpose-built rental apartments and an estimated 8,600 secondary rental units (basement suites, rented condos, etc.)⁸ Rental offerings range from aging low-rise complexes (Class C) to a handful of recently built upscale apartments (Class A). The bulk of rentals are in older buildings; for example, nearly 94% of bachelor apartments in Lethbridge were built before 2006⁵. This has created an **undersupply of modern units** – a factor driving up rents for any new high-quality rentals that do enter the market (discussed further in this Section).

Multi-unit typologies (townhouses, duplexes, condos) have grown but remain a minority of stock. Average household sizes and remote work trends have led to strong demand for 3-bedroom units) though there is also a student and senior sub-market driving demand for 1–2 bedroom rentals.



Residential Market Analysis

Geographically, Lethbridge's housing stock is distributed across a **mix of older central neighborhoods and expanding suburban communities**. The market is comprised of distinct submarkets:

- **West Lethbridge** has seen the most rapid suburban expansion, with master-planned communities (e.g. The Crossings) adding new single-family homes, townhouses, and some mixed-use nodes¹⁵. Avison Young projected around 60% of newer housing built on the west side, vs ~40% in South Lethbridge in 2024, reflecting where demand is highest¹⁵. This projection has been relatively accurate in 2024/2025 new units.
- **South Lethbridge** (including downtown and older neighbourhoods) contains many of the city's apartments, including mid-century walk-ups and the few high-rises, as well as historic single-family areas. Downtown and adjacent areas (such as London Road and Upper Eastside) contain many of the city's earliest homes – often single-family houses on grid streets – along with a handful of low-rise apartment buildings. Recent infill projects near downtown, encouraged by recent policy incentives, are adding some higher-density options, but these remain limited in scale.
- **North Lethbridge** has traditionally seen less new development and remains more affordable, though it has a higher share of older rental stock.

Housing affordability and availability have become pressing concerns. As of late 2024, Lethbridge's rental vacancy plunged below 1%, and average rents jumped ~20% in one year – straining low-income households⁵.

Lethbridge's leadership has flagged this as a serious issue: over 44% rent growth in the last decade and declining vacancy have pushed a growing number of households into "core housing need" (spending >30% of income on shelter)⁵. About 9.4% of Lethbridge households were in *core housing need* as of 2021, and 85% of those cases were due to **unaffordability**⁵. Non-market housing supply (2,254 subsidized units plus 1,411 seniors' continuing care units) covers only ~5.6% of households, leaving an unmet need of ~1,700 additional affordable units⁵.

The city forecasts that **housing demand will outpace supply by ~1,400 units** (mid-scenario) over 2024–2026 if development doesn't accelerate⁵. This shortfall is exacerbated by high construction costs, labor shortages, and interest rate impacts which slowed building in 2021–2023. However, 2024 saw a resurgence in investor sentiment, with lower capital costs and increasing market rents¹⁶. Development has trended towards suburban greenfields in recent years, raising infrastructure challenges extending utilities and transit to low-density areas⁵.

In short, both prospective homebuyers and renters are encountering a market defined by low supply and rapidly rising costs.

Residential Market Analysis

6.2 Current Residential Market Conditions

Lethbridge's housing market is experiencing unprecedented supply scarcity and growth. Local real estate experts describe the market as "hot", with property values climbing and homes selling very quickly¹⁷.

At the end of 2024, **home sales were up ~7% year-over-year** and the average sale price across all housing types reached \$384,794. While \$385K is affordable relative to major markets, the speed of increase is a concern for affordability – as of 2021, Lethbridge's home price-to-income ratios were already higher than historical norms⁵ and have likely worsened. In the near term, high absorption and low supply suggest prices will remain on an upward trajectory, barring an external shock.

Realtors note that active **resale inventory has dropped to historically low levels** – only 262 residential listings in early 2025, down from the ~700 that was common in past years¹⁸. This equates to **barely 2 months of supply**, firmly indicating a seller's market. For buyers, that means intense competition, especially in the lower price brackets, while higher-end segments (>\$600k) remain somewhat more balanced¹⁸. Overall, there is **"more demand than there is supply"** in the current residential market as of Q1 2025. This is quite different than major metro areas of Canada that have seen a drop in demand from buyers.

On the rental side, tenants face a similarly tight situation. **Lethbridge's rental vacancy rate plunged below 1% by late 2024**, down from an already low 2.1% a year prior¹⁹. In practical terms, essentially no rental units are left vacant – a level of scarcity that makes it difficult for residents to find apartments and pushes rents sharply upward.

This has translated into double-digit rent inflation. **Average rent for a two-bedroom apartment rose** to roughly \$1,529 per month¹⁹. This is up from \$1,100 per month in 2022⁸. This increase was among the highest of all Alberta municipalities.

Such rapid rent escalation in one year signals that demand far exceeds rental supply. Many renters are effectively stuck, as explained by the local Building Industry and Land Development (BILD) association: when would-be first-time homebuyers cannot find or afford a house, they remain in rentals, tightening that market further. The extremely low vacancy also leads to upward rent pressure and affordability challenges for lower-income households²⁰.

Overall, there is current estimated shortfall of 1,163 to 2,133 dwelling units in Lethbridge, assuming a natural vacancy rate of 1.7% (owner-occupied 1% and rental at 3%) for housing in the city. As such, it should take several years of accelerated development to end the housing supply challenge confronting Lethbridge (along with many other Canadian communities).

Residential Market Analysis

From an investment perspective, Lethbridge’s market conditions are drawing interest. Multi-family rental properties, in particular, are seen as attractive given low vacancy and rapid rent increases¹⁶. Reported **cap rates** for apartment assets are around 5%, which is higher than in larger cities (where cap rates for similar assets can be in the 3.5–4.5% range)²¹. These healthy yields, combined with low vacancy (ensuring stable cash-flow), have prompted investors and developers to pursue more land for multi-family projects in 2024¹⁶. Indeed, land acquisition for new apartment developments ramped up last year, and several new projects are slated to break ground in 2025.

Land values themselves remain relatively moderate. Thanks to ample available land within city limits and lower competition, development land costs in Lethbridge are significantly lower than in Calgary or Edmonton²¹. This cost advantage is a key reason the city has attracted large agri-food plants and could also translate into more affordable housing construction. However, construction input costs (materials, labor, financing) have been rising, so developers still face high building costs even if land is cheap.

The City’s Housing Forecast report notes that rising interest rates, material costs, and labor shortages tempered the pace of new housing construction in 2022–2023²². Encouragingly, some of those pressures eased slightly by late 2024, such as the Bank of Canada rate cuts, helping spur the current building revival²³.

Table 6.2.1 Lethbridge Residential Market Conditions

<div>Inventory</div> <div></div> <div><ul style="list-style-type: none">• Housing Inventory: 41,000 Dwelling Units in 2021 Census• Tenure: 68% Owner-occupied and 32% rental</div>	<div>Rent Price</div> <div></div> <div><ul style="list-style-type: none">• Rental rate(base): \$1,366 average for 1-Bedroom (+14% YoY)• Median Home Prices: \$390,000 growing 8% YoY (higher than AB avg.)</div>
<div>Vacancy</div> <div></div> <div><ul style="list-style-type: none">• Vacancy Rate: 0.6%• Housing Supply: 2 months inventory• Sales-to-new-listings ratio exceeded 100% (Q4 2024)</div>	<div>Cap Rates</div> <div></div> <div><ul style="list-style-type: none">• Cap Rates: 5% in 2024.• Yields: Higher than larger cities, attracting investors.</div>
<div>Absorption</div> <div></div> <div><ul style="list-style-type: none">• Home Sales Volume: 1,740 (2024)• Median time on market: 29 days• Rental Units: New buildings lease out quickly.</div>	<div>Construction</div> <div></div> <div><ul style="list-style-type: none">• Residential Starts: 715 (2024) up from 243 in 2023• Residential Building Permits: \$183 million in 2024 (+109% YoY)• Strong pipeline in 2025, detached & multi.</div>

Source: Lethbridge and District Association of Realtors (LDAR), Canada Mortgage and Housing Corp. (CMHC), City of Lethbridge permit data, local news reports.

Residential Market Analysis

6.3 Proposed/Planned/Under Construction Residential Projects

Lethbridge's residential development landscape is undergoing significant growth to address housing shortages (Table 6.3.1). Projects range from downtown infill condominiums to expansive suburban subdivisions, shaping a competitive market for the foreseeable future.

Downtown and Central Developments: The 102 Scenic Drive condominium complex exemplifies the evolving central residential market. Overlooking the Oldman River valley, this two-phase, 342-unit project includes two six-storey buildings offering luxury penthouses and high-end amenities. The development generated strong pre-sales, **signaling robust demand for upscale, high-density living in Lethbridge**. The project's success will likely influence future downtown residential development decisions, setting benchmarks in luxury multi-family housing and potentially encouraging similar projects. Additionally, downtown revitalization efforts, bolstered by municipal incentives such as the Targeted Redevelopment Incentive Program, have spurred proposals for mixed-use developments aimed at reinvigorating the city's core.

Suburban Residential Expansion: The majority of new housing activity is concentrated in suburban growth areas, primarily West and South Lethbridge, along with northern outskirts. Developments like Garry Station, Copperwood, Legacy Ridge, and upcoming phases of Southbrook predominantly feature single-family homes, duplexes, and townhomes. New detached homes remain competitively priced below the national average, attracting both local buyers and newcomers from pricier markets.

A notable trend is the **integration of multi-family units into these suburban communities**, addressing the demand for affordable housing. Townhouse complexes, 4-plexes, and low-rise apartments increasingly complement traditional single-family homes, diversifying housing options and addressing the critical "missing middle" segment. Also of note, major institutions like the University of Lethbridge and Lethbridge Polytechnic are poised to substantially contribute to future housing supply.

After peak housing starts in 2015 (833 units), subsequent years saw fluctuating activity due to varying economic conditions and interest rates. While construction significantly declined in 2023 (only 243 units started) because of rising costs and interest rates, **a rapid rebound occurred in 2024 with approximately 715 starts—nearly triple the previous year**. Multi-family units led this recovery, driven by acute rental demand, with apartment and townhome starts surging notably.

As a result, numerous projects will simultaneously enter the market between 2025 and 2026, intensifying competition among developers. **Projects targeting underserved segments—such as moderately priced rentals or family-oriented townhomes—will likely perform strongly**, whereas higher-priced or slower-moving developments may face greater competitive pressures if market conditions stabilize.

Overall, Lethbridge's development pipeline remains robust, with ample room for diverse players to successfully navigate a dynamic, increasingly competitive residential market.

Residential Market Analysis

Table 6.3.1 Proposed/Planned/Under Construction Residential Projects

Development / Project	Size / Scale	Status	Notes
Sumus Downtown Mixed-Use (4 sites)	4 buildings, 30–35 units each (≈130 units total)	Approved (TRIP incentive granted; rezoning in progress)	Vacant downtown lots to be infilled with 4–6 storey mixed-use buildings. Tax abatement for 9 years as incentive. Will add residential + retail in core.
London Road Apartments (13 St S)	2 buildings, 39 units each (78 units total)	Approved (Land use & ARP amendments passed)	Infill rental projects in historic London Road area. Some parking relaxations (0.5 stalls/unit). Addresses central rental demand; expected start 2025.
The Crossings – “Horizon View” Apts	125 units, 4-storey apt complex	Under Construction (foundations in 2024)	One of multiple projects in The Crossings Phase II. Modern rentals targeting families and students. First occupancy likely mid-2025.
The Crossings – Additional Ph II Apts	~100 units (estimate across 2–3 smaller buildings)	Under Construction (various stages)	Other apartment builds around Aquitania Blvd and Garry Station area. Complement Horizon View. Aim to complete by end of 2025.
University of Lethbridge South Campus Lands	~100-acre master-plan; Phase 1 ~250 units (mix)	Planning (Open houses held; ASP to be drafted)	Long-term project to create new community with various housing types, commercial and park space. “Once-in-a-generation” development – first phase possibly starting 2025, full build-out ~20 years.
Stafford Drive Supportive Housing	~42 units (estimate) in 3-storey building	Pre-Development (Rezoning approved Sep 2023)	Housing First model for homeless individuals. City-owned land partnered with service provider. Funding dependent (seeking provincial support). Will fill critical supportive housing gap.
Legacy Ridge / BlackWolf Expansion	200 single-family & townhome lots (combined phases)	Planning/Engineering (subdivision phase)	Northern Lethbridge new community expansions. Developer: Avonlea Homes (BlackWolf). Gradual release of lots 2024–2026. Will supply entry-level and move-up homes.
Paradise Canyon (Riverstone) Towns	~50 townhouses (approx)	Proposed (in application)	Small-scale project near Paradise Canyon (southwest) to add medium density near golf course. Geared to young professionals. Pending approvals.
Chinook Courts Redevelopment (hypothetical)	TBD (potential 60–80 units)	Early Concept	An older public housing site (Chinook Courts) considered for redevelopment into higher-density affordable housing. Not officially launched, but under review in housing strategy.
Various Suburban Single-Family Phases	Ongoing (~100+ lots/year citywide)	Ongoing (multiple builders)	Continuous small releases in subdivisions like Country Meadows, Canyons, Garry Station, etc. Cumulatively significant. These keep the single-detached market supplied.

Table notes: “Status” reflects the latest known stage. *Approved* = has necessary council or incentive approval but may not have broken ground; *Under Construction* = actively being built; *Planning* = in community planning stage; *Proposed* = developer signaled intent but not fully approved. The list is not exhaustive but covers major known projects.

Residential Market Analysis

6.4 Redevelopment and Revitalization of Obsolete Properties

In early 2025, Lethbridge City Council approved several residential infill developments within the mature London Road district, south of downtown, reflecting a notable shift towards urban intensification. Despite facing local opposition primarily due to concerns over parking, density, and neighborhood character, these projects signify the City's pro-housing stance and willingness to support redevelopment.

Key approved projects include two 39-unit apartment buildings located on previously vacant lots along 13th Street South, and a smaller townhouse development comprising 12 units on 12th Street South. Together with an additional approved project, these developments will add approximately 153–159 new homes to this inner-city neighborhood in the near term.

Historically, Lethbridge has seen **limited multi-family infill activity**. However, current trends indicate increasing interest in transforming older, underutilized parcels—such as former small commercial sites, vacant lots, obsolete motels, aging commercial strips, and vacant upper-floor downtown spaces—into residential developments. These urban-style projects provide appealing alternatives to traditional suburban living, potentially attracting residents seeking central locations and modern amenities.

Converting obsolete motels and hotels would significantly benefit the city by addressing the current housing crisis, particularly for populations in core housing need. Additionally, removing these accommodations from the official room inventory would raise occupancy rates citywide, making Lethbridge more appealing for new developments.

Further opportunities for housing expansion exist through **adaptive reuse initiatives**. City planners have identified additional sites like outdated commercial buildings, former school properties, and underutilized parking lots as viable redevelopment candidates. For instance, a former school site in north Lethbridge recently sold for residential redevelopment. Additionally, the City is reviewing its Municipal Development Plan to further encourage adaptive reuse strategies, such as converting old office buildings into apartments.

These infill and adaptive reuse projects represent significant competition for older rental properties and suburban housing, reshaping Lethbridge's residential market landscape. While challenges such as environmental constraints and community acceptance persist, the availability of "shovel-ready" infill sites within established neighborhoods positions the city advantageously to meet future housing demands.

Residential Market Analysis

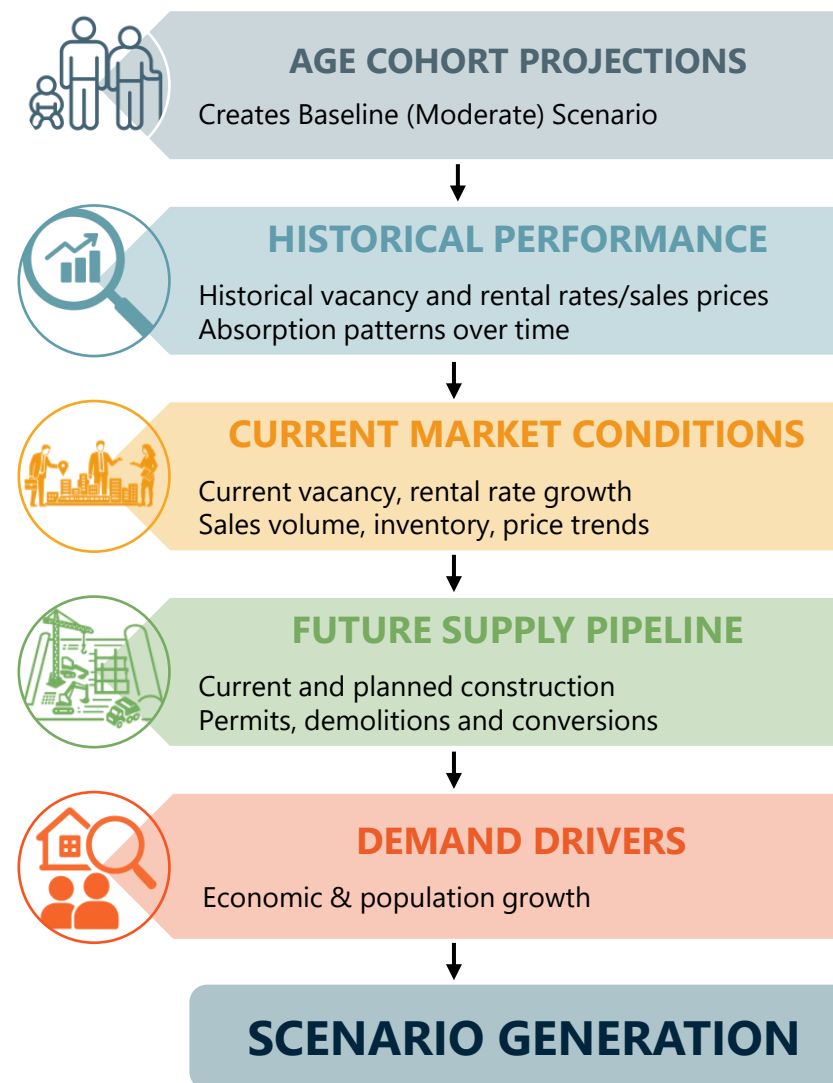
6.5 Residential Demand Forecasting

An analysis was conducted to project the demand for residential space in the City of Lethbridge over the next 20 years, employing the following structured methodology:

- The first step was to analyze official 20-year **age cohort forecasts** for Lethbridge published by the Provincial Government to establish a “Conservative”) scenario. The official forecast is considered Conservative because it projects significantly slower population growth rates out to 2045 than the historic average (particularly after 2035).
- The next step involved examining **historical market performance**, including trends in vacancy rates, rental rates, sales volume and prices. This retrospective review provided foundational insights into the market's long-term dynamics and patterns.
- Next, the analysis assessed **current market conditions** by evaluating current vacancy rates, rental rate trends, and current sales volume.
- The fourth phase considered the **future residential supply pipeline**. This step involved analyzing planned and ongoing construction projects, as well as evaluating permits issued, demolitions, and conversions. This evaluation provided clarity on expected changes in market capacity and potential shifts in housing availability.
- Lastly, the analysis focused on key **demand drivers**, such as forecasts for economic, population growth, and demographic change. This forward-looking assessment enabled anticipation of market pressures and helped highlight critical demand-side factors influencing future real estate requirements.

Together, these four analytical stages form a comprehensive and structured approach to scenario development, supporting strategic planning and informed decision-making regarding housing needs in Lethbridge.

Figure 6.5.1 Residential Demand Scenarios Methodology



Residential Market Analysis

An **Age Cohort Housing-Demand Model** was used to project the specific demand for various housing typologies and tenures across each sub-area in Lethbridge over the next 20 years. This approach uses the following methodology:

- 1. Identify Current Household Formation Patterns:** The analysis begins with identifying who currently forms households in Lethbridge, using data from the 2021 Statistics Canada Census (see **Table 6.5.1**). Specifically, the percentage of adults in each age group who serve as the main individual responsible for their household (the "**Primary Maintainer**") is calculated as well as the types of housing they occupy. To determine this, the number of households led by each age group is summed and divided by the total population of that same age group in Lethbridge—a calculation known as the "**headship rate**." For example, relatively few 18–24 year-olds maintain their own households, whereas most people age 45–54 do. By applying these headship rates, the overall population within each age group translates directly into the number of households they will form.
- 2. Determine Housing Preferences by Age:** The census also shows what kinds of homes Primary Maintainers of different ages typically choose, and whether they rent or own. This identifies clear patterns—for example, younger renters in their early 20s typically prefer apartments or shared single-family homes, while households headed by someone in their late 40s in Lethbridge are mostly to live in owner-occupied single-detached houses. This information links each age group directly to the type and tenure of housing they prefer.

- 3. Project Population Changes Over the Next Decade:** Using age cohort population forecasts provided by the Alberta Treasury Board & Finance, a forecast is made how each age group in the study area will grow or shrink between 2026 and 2035 and then 2036 to 2045 (**Table 6.5.2**). By multiplying these forecasts by the headship rates calculated earlier, it is possible to predict how many new households each age cohort will form.
- 4. Translate Household Changes into Housing Demand:** Finally, the predicted number of new households from each age group (from Step 3) is matched with their identified housing preferences (from Step 2). This results in a **precise forecast of future housing needs**, broken down by both dwelling type (such as detached houses, rowhouses, apartments, and movable homes) and tenure (ownership or rental).

This step-by-step approach, grounded in actual census data and official demographic projections, provides a transparent and accurate estimate of the types and quantities of housing likely needed in Lethbridge and its component sub-areas (**Appendix A**) over the next 20 years.

Results from the Age-Cohort Housing Demand Model provide the "Conservative" scenario for all of the city of Lethbridge and are as follows:

- **2026-2035:** 6,800 additional dwelling units
- **2036-2045:** 3,950 additional dwelling units
- **Total 20-Year (2026-2045):** 10,750 dwelling units

These preliminary estimates are further refined by accounting for the current housing shortage with the 20-year total growing to 11,283 units.

Residential Market Analysis

Table 6.5.1 Age Cohorts of Primary Maintainer and Housing Typology & Tenure, City of Lethbridge, 2021 Census

Lethbridge Households by Age of Primary Maintainer

Age Group	Owner-Occupied					Renter-Occupied					Total Households	Total Adult Population	Headship Rate
	Single-Detached	Semi-Detached	Rowhouse	Apartment	Movable Dwelling	Single-Detached	Semi-Detached	Rowhouse	Apartment	Movable Dwelling			
15-24	200	10	10	200	55	480	40	40	1,350	25	2,410	13,345	18.1%
25-34	2,540	270	270	540	110	960	160	160	1,930	40	6,980	14,375	48.6%
35-44	4,050	250	250	500	140	1,070	110	110	860	45	7,385	13,080	56.5%
45-54	3,890	230	230	230	120	850	80	85	680	35	6,430	10,850	59.3%
55-64	4,780	280	280	280	105	620	80	80	780	25	7,310	11,885	61.5%
65-74	3,600	225	225	450	45	390	65	65	770	10	5,845	9,995	58.5%
75+	2,575	275	275	550	5	190	50	45	650	5	4,620	7,815	59.1%
TOTAL	21,635	1,540	1,540	2,750	580	4,560	585	585	7,020	185	40,980	81,345	50.4%
Total	28,045					12,935							

Source: Statistics Canada, 2021 Census

% Distribution of Lethbridge Households by Age of Primary Maintainer

Age Group	Owner-Occupied					Renter-Occupied					TOTAL
	Single-Detached	Semi-Detached	Rowhouse	Apartment	Movable Dwelling	Single-Detached	Semi-Detached	Rowhouse	Apartment	Movable Dwelling	
15-24	8.3%	0.4%	0.4%	8.3%	2.3%	19.9%	1.7%	1.7%	56.0%	1.0%	100%
25-34	36.4%	3.9%	3.9%	7.7%	1.6%	13.8%	2.3%	2.3%	27.7%	0.6%	100%
35-44	54.8%	3.4%	3.4%	6.8%	1.9%	14.5%	1.5%	1.5%	11.6%	0.6%	100%
45-54	60.5%	3.6%	3.6%	3.6%	1.9%	13.2%	1.2%	1.3%	10.6%	0.5%	100%
55-64	65.4%	3.8%	3.8%	3.8%	1.4%	8.5%	1.1%	1.1%	10.7%	0.3%	100%
65-74	61.6%	3.8%	3.8%	7.7%	0.8%	6.7%	1.1%	1.1%	13.2%	0.2%	100%
75+	55.7%	6.0%	6.0%	11.9%	0.1%	4.1%	1.1%	1.0%	14.1%	0.1%	100%
TOTAL	52.8%	3.8%	3.8%	6.7%	1.4%	11.1%	1.4%	1.4%	17.1%	0.5%	100%

Residential Market Analysis

Table 6.5.2 Lethbridge, Projected 10-Year and 20-Year Demand for Housing by Typology and Tenure

Total Lethbridge – Projected Housing Demand by Structure and Tenure – 2025-2035

Age Group	Household Change Projection Forecast			Owner-Occupied					Renter-Occupied					TOTAL
	Population Change	Headship Rate	Change in Households	Single-Detached	Semi-Detached	Rowhouse	Apartment	Movable Dwelling	Single-Detached	Semi-Detached	Rowhouse	Apartment	Movable Dwelling	
15-24	1,965	18.1%	355	29	1	1	29	8	70	5	5	198	3	349
25-34	-1,410	48.6%	-685	-249	-26	-26	-52	-10	-94	-15	-15	-189	-3	-679
35-44	2,805	56.5%	1,584	868	53	53	107	30	229	23	23	184	9	1,579
45-54	4,690	59.3%	2,779	1,681	99	99	99	51	367	34	36	293	15	2,774
55-64	1,895	61.5%	1,166	762	44	44	44	16	98	12	12	124	3	1,159
65-74	-255	58.5%	-149	-91	-5	-5	-11	-1	-9	-1	-1	-19	0	-143
75+	2,985	59.1%	1,765	983	105	105	210	1	72	19	17	248	1	1,761
TOTAL	12,675	53.8%	6,814	3,983	271	271	426	95	733	77	77	839	28	6,800

Total Lethbridge – Projected Housing Demand by Structure and Tenure – 2035-2045

Age Group	Household Change Projection Forecast			Owner-Occupied					Renter-Occupied					TOTAL
	Population Change	Headship Rate	Change in Households	Single-Detached	Semi-Detached	Rowhouse	Apartment	Movable Dwelling	Single-Detached	Semi-Detached	Rowhouse	Apartment	Movable Dwelling	
15-24	1,255	18.1%	227	18	0	0	18	5	45	3	3	126	2	220
25-34	1,695	48.6%	823	299	31	31	63	12	113	18	18	227	4	816
35-44	-375	56.5%	-212	-116	-7	-7	-14	-4	-30	-3	-3	-24	-1	-209
45-54	2,485	59.3%	1,473	890	52	52	52	27	194	18	19	155	8	1,467
55-64	3,305	61.5%	2,033	1,329	77	77	77	29	172	22	22	216	6	2,027
65-74	345	58.5%	202	124	7	7	15	1	13	2	2	26	0	197
75+	-965	59.1%	-570	-317	-33	-33	-67	0	-23	-6	-5	-80	0	-564
TOTAL	7,745	51.3%	3,975	2,227	127	127	144	70	484	54	56	646	19	3,954

Residential Market Analysis

The age-cohort model based on Alberta Treasury Board & Finance projections provides the basis for the Conservative scenario as it projects an average population growth of just 1.01% per year in Lethbridge over the next 20 years. This is below the historic average and does not take into account that the Lethbridge area has recently exceeded 100,000 residents and so is likely hitting an **inflection point** where population growth typically accelerates (e.g. Red Deer, Kelowna, Nanaimo etc.) as the economy can support a broader variety of services and enterprises. The model output is described as follows:

The **Conservative** scenario assumes slower population growth over the next 20 years, along with reduced economic activity and subdued household formation, likely due to affordability pressures. Under this scenario, 6,800 housing units would be needed over the next decade, averaging about 680 units/year —comparable to the housing development pace seen during the 2010s. In this scenario, 60% of these future units are estimated to be detached (compared to 69.3% in 2021). This is due to escalating construction costs causing affordability to be a growing issue in Lethbridge. Tenure is also likely to skew more heavily towards rental than its current 32% of households.

The Conservative long-term forecast is a sluggish 3,950 new homes from 2036 to 2045 with additional housing built to meet the current scarcity to bring the total to 11,283 units (**Table 6.5.3**). This forecast shows a drop of nearly 1,000 Baby Boomers in Lethbridge (mortality-based) as well as a notable drop in 35-44 year-olds as a carryover from the drop in 25-34 year-olds forecast for the previous decade. Such a drop in younger adult population would have an acute impact on household formation and housing demand.

Table 6.5.3 Projected 20-Year Demand for Housing by Typology

Typology	Conservative		Moderate		Aggressive	
Single-Detached	6,770	60%	10,218	65%	17,048	69%
Semi-Detached	790	7%	943	6%	1,235	5%
Rowhouse	790	7%	943	6%	1,235	5%
Apartment	2,595	23%	3,301	21%	4,694	19%
Movable Dwelling	338	3%	314	2%	494	2%
TOTAL	11,283	100%	15,720	100%	24,707	100%




Conversely, the **Aggressive** scenario projects sustained high population growth, a robust economy, and rapid housing construction. It forecasts 11,400 new units over ten years, requiring sustained periods of construction exceeding 1,100 homes per year. Such growth could be driven by significant economic catalysts, such as the arrival of **major employers, affordability-driven relocation and/or substantial immigration increases**. The Aggressive 20-year scenario forecasts demand for 24,700 new units. The housing typology mix is forecast to remain at its current composition.

The **Moderate** scenario anticipates continued positive trends at a more balanced rate. **This scenario estimates 7,610 new homes will be needed by 2035 and 15,720 by 2045.** Achieving this target would mean averaging roughly 750 units per year, surpassing historical averages. Detached housing would comprise 65% of all new dwelling units. Lethbridge’s total dwelling count would grow from around 49,000 today to approximately 65,000, thus accommodating a population of about 150,000. This represents steady growth, similar to the city's development trajectory from 2001 to 2021 but with accelerated construction in the initial years.

Residential Market Analysis

Forecasting residential demand drivers for Lethbridge requires making assumptions about economic growth, regional population growth, industry trends, vacancy rate trends, and employment trends. Three scenarios – Conservative, Moderate (Baseline), and Aggressive are presented for office demand over the next 20 years. Assumptions for these three scenarios are summarized in **Figure 6.5.2**. The forecast model output is summarized in **Figure 6.5.3** with year-by-year projections detailed in **Table 6.5.4**.

Figure 6.5.2 Summary of Assumptions Used in Residential Demand Projections for Lethbridge

Scenario	Assumptions
Conservative 	<ul style="list-style-type: none"> • Economic slowdown or downturns –Gross Regional Product (GRP) growing by just 1% per annum. • Minimal new job creation, growing 1% per year. • Population growth slows to 1% per year, reducing momentum for housing. • Interest rates and construction costs remain high, limiting residential development. • Housing affordability remains an issue. Strong shift from single detached housing to higher-density alternatives. • Household formation rates are reduced. • Demand is reduced but rental vacancy and for-sale inventory remain low, impacting in-migration of people and enterprises.
Moderate (Baseline) 	<ul style="list-style-type: none"> • Continued steady economic growth with inflation-adjusted Gross Regional Product (GRP) for the Lethbridge CMA growing by its average of 2.05% from 2009 to 2021 Source: Statistics Canada. • New development narrows that gap between demand and supply, but rental vacancy and for-sale inventory remain at healthy levels. • Employment continues to grow at historic rates. • Affordability remains an issue, but house prices and asking rents begin to level off in response to stabilization of construction costs and interest rates. • Shift away from single-detached housing to higher density alternatives at a moderate pace • Household formation rates remain at historic levels.
Aggressive 	<ul style="list-style-type: none"> • Strong regional economic performance. • Gross Regional Product growing by 2.5% per annum; population and housing demand grow commensurately. • Demand accelerates but so does supply. Vacancy and for-sale inventory increase but remain at healthy levels. • Employment growth accelerates. • Housing affordability remains an issue but the ratio of housing costs to income in Lethbridge levels off. • Preference for single-detached housing remains strong as affordability returns. • Household formation rates remain at historic levels.

Residential Market Analysis

Figure 6.5.3 Summary of Residential Demand Projections for Lethbridge



Residential Market Analysis

Table 6.5.4 Residual Demand Analysis for City of Lethbridge Residential

	20-Yr Demand Model	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Conservative	2025 Housing Inventory (Units)	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468
	Inventory Demand (Units)	48,177	48,857	49,537	50,217	50,897	51,577	52,257	52,937	53,617	54,297	54,977	55,372	55,767	56,162	56,557	56,952	57,347	57,742	58,137	58,532	58,927
	Vacancy Rate (With No New Units)	0.6%	-0.8%	-2.2%	-3.6%	-5.0%	-6.4%	-7.8%	-9.2%	-10.6%	-12.0%	-13.4%	-14.2%	-15.1%	-15.9%	-16.7%	-17.5%	-18.3%	-19.1%	-19.9%	-20.8%	-21.6%
	Residual Demand (Units)	533	1,213	1,893	2,573	3,253	3,933	4,613	5,293	5,973	6,653	6,800	7,728	8,123	8,518	8,913	9,308	9,703	10,098	10,493	10,888	11,283
	Res. Demand Acres @ 6.54 DUs/Ac	82	185	289	393	497	601	705	809	913	1,017	1,040	1,182	1,242	1,302	1,363	1,423	1,484	1,544	1,604	1,665	1,725
Moderate	2025 Housing Inventory (Units)	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468
	Inventory Demand (Units)	48,177	48,842	49,516	50,199	50,891	51,593	52,305	53,026	53,758	54,499	55,251	56,013	56,786	57,569	58,364	59,169	59,985	60,812	61,651	62,502	63,364
	Vacancy Rate (With No New Units)	0.6%	-0.8%	-2.2%	-3.6%	-5.0%	-6.4%	-7.9%	-9.4%	-10.9%	-12.4%	-14.0%	-15.6%	-17.2%	-18.8%	-20.4%	-22.1%	-23.8%	-25.5%	-27.2%	-29.0%	-30.7%
	Residual Demand (Units)	533	1,198	1,872	2,555	3,247	3,949	4,661	5,382	6,114	6,855	7,607	8,369	9,142	9,925	10,720	11,525	12,341	13,168	14,007	14,858	15,720
	Res. Demand Acres @ 6.54 DUs/Ac	82	183	286	391	496	604	713	823	935	1,048	1,163	1,280	1,398	1,518	1,639	1,762	1,887	2,014	2,142	2,272	2,404
Aggressive	2025 Housing Inventory (Units)	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468	48,468
	Inventory Demand (Units)	48,177	49,167	50,177	51,207	52,259	53,333	54,428	55,546	56,687	57,851	59,040	60,252	61,490	62,753	64,042	65,357	66,700	68,070	69,468	70,895	72,351
	Vacancy Rate (With No New Units)	0.6%	-1.4%	-3.5%	-5.7%	-7.8%	-10.0%	-12.3%	-14.6%	-17.0%	-19.4%	-21.8%	-24.3%	-26.9%	-29.5%	-32.1%	-34.8%	-37.6%	-40.4%	-43.3%	-46.3%	-49.3%
	Residual Demand (Units)	533	1,523	2,533	3,563	4,615	5,689	6,784	7,902	9,043	10,207	11,396	12,608	13,846	15,109	16,398	17,713	19,056	20,426	21,824	23,251	24,707
	Res. Demand Acres @ 6.54 DUs/Ac	82	233	387	545	706	870	1,037	1,208	1,383	1,561	1,742	1,928	2,117	2,310	2,507	2,708	2,914	3,123	3,337	3,555	3,778

Scenario	Growth Rate	Assumptions
Conservative	1.01%	Based on Alberta Treasury's age-cohort forecast for Lethbridge. Slowdown from historic pace. Would likely be driven by economic slowdown, reduced in-migration and subdued household formation.
Moderate	1.38%	Continuation of historic growth patterns. Economy continues to expand and diversify. Development conditions revert to the mean in terms of interest rates and construction costs.
Aggressive	2.05%	Population growth accelerates, driven by economic acceleration, improved development conditions, immigration and in-migration, continued relative affordability.

Residential Market Analysis

6.6 Summary & Implications

The Residential Market Analysis outlines three distinct housing demand scenarios over a 20-year horizon—Conservative, Moderate, and Aggressive—each rooted in demographic modeling and grounded in current market conditions.

Under the Conservative scenario, the city adds only 11,283 new units by 2045, reflecting a muted average annual growth rate of 1.01%. This trajectory assumes slowed in-migration and economic stagnation. Such a path would fail to address the city's current housing pressures—especially in the rental market where vacancy rates have already plummeted below 1% and rents are growing at double-digit rates annually.

By contrast, the Aggressive scenario projects a robust population growth rate of 2.05% annually, driving demand for 24,707 units by 2045. This would require sustained construction of over 1,200 units per year, nearly double the city's current pace. The model envisions accelerated in-migration, a diversified economy, and relatively affordable housing costs attracting both investors and new residents. If realized, this would push Lethbridge's population to approximately 150,000, up from around 108,000 today.

The Moderate scenario, perhaps the most realistic, strikes a balance. Assuming a 1.38% population growth rate, it estimates demand for 15,720 units by 2045. This would require building roughly 800 units annually, which is above historical averages but within the realm of feasibility if development conditions stabilize.

The demographic modeling (using age-specific headship rates and tenure preferences) reveals that most demand will continue to arise from middle-aged and older adults—those aged 35 to 64—who predominantly prefer owner-occupied detached or semi-detached homes. However, growth in rental demand will persist, especially for apartments, due to ongoing affordability constraints and delayed household formation among younger cohorts.

Furthermore, the residual demand analysis shows that even under the Conservative scenario, vacancy rates would enter negative territory within two years unless significant new supply enters the market. The Moderate and Aggressive scenarios paint an even more urgent picture. Recent immigration has also been a strong driver of population growth in Lethbridge, and this segment will likely have different residential needs than the domestic population, given the challenges many newcomers face in securing credit and saving for a home.

While the city's affordability advantage and ample developable land provide a solid foundation, rising construction costs, labor shortages, and preferences toward traditional single-family development remain serious barriers. If not resolved, these constraints could cause the city to undershoot even the Conservative scenario—entrenching housing unaffordability and driving out-migration to adjacent municipalities.

In short, the data suggests that Lethbridge is at a structural tipping point: to sustain affordability and meet rising demand, annual construction must accelerate by 30–70% over recent averages. Public policy, zoning reform, and infrastructure planning will need to align with the Moderate or Aggressive trajectories—not just to meet forecasts, but to avoid deepening the housing crisis already underway.

7

Retail Market Analysis

Retail Market Analysis

7.1 Lethbridge Retail Market Overview

Lethbridge's retail sector benefits from several competitive strengths. The city's growing population and regional draw create a robust retail spending pool. According to Economic Development Lethbridge, the total annual retail expenditure in the Lethbridge Trade Area is about \$3.8 billion, of which \$1.6 billion is inflow from non-residents of the city. This means Lethbridge retailers capture significant dollars from visitors – for instance, residents of nearby towns (Coaldale, Fort Macleod, Crowsnest Pass, etc.) and rural areas regularly travel to Lethbridge for major shopping trips. This regional hub role insulates Lethbridge from some downsides of being a mid-sized city; many chain retailers locate stores here to cover Southern Alberta, even if the city population alone is borderline for their thresholds.

Another strength is the diversity of Lethbridge's economy and demographics. With two post-secondary institutions (University of Lethbridge and Lethbridge College), numerous government offices, a regional hospital, and a strong agri-business sector, the city enjoys relatively stable employment and income levels. Unemployment is generally moderate and less volatile than in Alberta's oil-centric cities, which supports steady retail spending. The mix of students, families, and seniors in the population provides demand for a wide range of retail categories (from budget-friendly to upscale). Additionally, Lethbridge's relative affordability and growth suggest a healthy pipeline of new consumers coming into the market.

Lethbridge's retail scene does have a few gaps. Owing to its size, the city lacks certain luxury or high-end retail brands – shoppers seeking high fashion or luxury goods must travel to Calgary or shop online. Similarly, some specialty chains and experiential retailers are not present in Lethbridge. These gaps can be viewed as opportunities if the market continues to grow in affluence and tourism.

Another challenge is competition from e-commerce and larger urban centers: as with elsewhere, local retailers in categories like electronics, books, and apparel face online competition. Some retail expenditure leaks to Calgary (two hours north) for those seeking greater variety or to online platforms for convenience. It is also worth noting that tenant recruitment in a smaller market can be slower; landlords often need to work to attract national brands unfamiliar with the trade area. However, lately small markets are increasingly appealing to national tenants, as they offer less saturated competition and strong market share potential¹⁶.

Lethbridge has indeed seen new entrants in recent years (for example cosmetic retailer Sephora opened in Park Place Mall in 2021). Infrastructure and traffic could be another minor weakness – during peak times, major shopping areas (like the Costco/Walmart area) experience congestion, and transit connectivity to some suburban retail nodes is limited. The City is working on roadway improvements (e.g. Mayor Magrath Drive enhancements) and downtown streetscape projects to ensure access keeps up with growth.

Retail Market Analysis







7.2 Current Retail Market Conditions

Retail **vacancy** in Lethbridge sits at an exceptionally low ~0.9% (Avison Young), with most viable space leasing quickly. This figure excludes a major vacancy—Park Place Mall’s former Sears—which, if included, would lift overall vacancy but still keep it well below 5%. Vacancy has steadily declined from ~5–6% in 2019 to ~3% in late 2022, tightening to 3.0% by Q4 2023 and finally to 0.9% in 2024. This reflects robust net absorption—estimated at 150,000 sq ft in 2024—driven by both new leases and backfilling long-vacant spaces.

This surge in **absorption** occurred despite limited new inventory. From 2022–2024, only modest retail developments were added, mainly in the form of small strip plazas. Demand, fueled by population growth and business expansion, has outpaced supply—tightening vacancies further.

Lethbridge’s retail **rents** show a bifurcated pattern. Newly built spaces in prime locations command \$30–\$35/sq ft, while older downtown or tertiary spaces rent in the low teens. Although average asking rents (~\$25/sf) dipped slightly in late 2023, this was due to a higher share of leases signed in older properties, not price weakness in new construction. High-demand formats such as pad sites with drive-thru’s are commanding record rents. Landlords of older buildings have modestly increased rents—now in the \$12–\$16 range, up from under \$10 pre-2020. Lease terms have also lengthened, averaging 7.7 years in 2023, reflecting tenant confidence in market stability.

Table 7.2.1 Lethbridge Retail Market Conditions

<div>Inventory</div> <div></div> <div><ul style="list-style-type: none">• Inventory: 1.367 million SF (Q1 2024).• Downtown: 72% of inventory• Increased by 150,000 SF over past decade.</div>	<div>Rent</div> <div></div> <div><ul style="list-style-type: none">• Base Rents (Citywide): \$18.59 per SF• Downtown (Gross Rent): \$24.34• Suburban (Gross Rent): \$31.75</div>
<div>Vacancy</div> <div></div> <div><ul style="list-style-type: none">• Vacancy Rate: 7.9% (Q4 2024)• Down from 10.1% in Q1 2024• Downtown: 11.33%• Suburban: 5.82%</div>	<div>Cap Rates</div> <div></div> <div><ul style="list-style-type: none">• 6.0% to 8.0% (estimated)• Cautious investor mood</div>
<div>Absorption</div> <div></div> <div><ul style="list-style-type: none">• Absorption: 42,419 SF (2024)• Downtown: 34,191 SF (81%)• Suburban: 7,959 SF (19%)• 10-Year Average: 15,000 SF (1.2%/year)</div>	<div>Construction</div> <div></div> <div><ul style="list-style-type: none">• Construction: 29,436 SF (2024)• Construction: 36,676 SF (2023)• Mostly owner-user or pre-leased</div>

Sources: Avison Young, CoStar, Construct Connect

Retail Market Analysis

New retail supply has been limited since 2018, with development characterized by caution. The COVID-19 pandemic and rising construction costs curtailed speculative builds. Most projects have been either build-to-suit (e.g., Tim Hortons, banks) or retail components of mixed-use developments. Retail condominiums—small commercial units sold to owner-operators—have become more common. These appeal to service-sector users like medical clinics or salons. Pricing ranges from ~\$195/sq ft for older properties to \$300–\$350/sq ft for new shell units.

Retail absorption between 2018 and 2022 averaged 50,000–100,000 sq ft annually, mostly from re-tenanting and incremental expansion. During the pandemic, temporary closures occurred, but by late 2020, the market had rebounded. Some tenant categories contracted (e.g., apparel), while others expanded—especially wellness, pet, and discount retailers. By 2023, absorption accelerated further, maxing out existing inventory. This has set the stage for new construction. Avison Young and others predicted increased development activity beginning in 2024 to address the supply-demand imbalance.

Retail **property values** in Lethbridge have appreciated over the last five years, aided by rent growth and increased investor interest in secondary markets. Cap rates compressed nationally through 2022, with prime assets in Lethbridge trading near 6%. As interest rates rose in 2023, cap rates followed. CBRE reports strip retail cap rates in Canada averaging 6.2% in early 2024. In Lethbridge, cap rates typically range 50–150 basis points higher than in major cities.

In 2023, **transaction volume** slowed as buyers adjusted to the new rate environment, though activity rebounded later in 2024. Recent deals indicate newer grocery-anchored centres trade at 6.5–7.0% caps, while older strips exceed 7.5%. Prices per square foot vary: newer properties fetch \$300–\$400/sf, while older assets or those with vacancies go for \$150–\$200/sf.

In the past five years, the retail sector has consolidated and strengthened. Demand has remained steady, supply additions have been restrained, and space has been repurposed creatively. Lethbridge has adapted to broader retail trends—experiential retail, omnichannel formats, and an expanding service economy.

Lethbridge's retail market is entering a new phase. Tight inventory, rising rents, long lease commitments, and strong absorption figures all point to increased development activity ahead. Developers are likely to respond with new projects—especially build-to-suit and mixed-use formats—to satisfy growing demand. Investment interest, despite higher borrowing costs, remains robust due to the city's demographic growth, market stability, and low vacancy environment.

The groundwork laid over the last five years—through conservative development, tenant diversification, and gradual rent growth—has left the market well-positioned for a new cycle of retail expansion. As vacancy bottoms out and land values rise, stakeholders should expect a shift toward active construction, targeted infill, and sustained investor appetite.

Retail Market Analysis

7.3 Competitive Retail Nodes

Retail in Lethbridge is generally clustered among four key nodes:

Downtown Core: Downtown Lethbridge is anchored by Park Place Mall (473,000 sq ft, 100 stores), the city's only enclosed regional shopping centre. Opened in 1988, it includes national retailers like Winners, Sport Chek, Shoppers Drug Mart, JYSK, and Cineplex. The mall is near full occupancy, with only the former Sears space remaining vacant. Surrounding downtown streets (e.g., 3rd and 4th Avenue) offer a mix of independent retailers, services, and restaurants in a traditional main street setting. While downtown accounts for a large share of retail GLA, much of the building stock is aging (including the closed Bay store). Key advantages include central location, a distinctive retail environment, and cultural attractions. However, foot traffic outside the mall is modest, and the area struggles to attract large-format tenants.

South Lethbridge: South Lethbridge, especially along Mayor Magrath Drive and near Scenic Drive, functions as the city's big-box retail hub. Major centers include Southview Shopping Centre (anchored by Walmart), and clusters around Costco, Superstore, Home Depot, Canadian Tire, and other chains. Most retail development in the past 15–20 years has occurred here, resulting in modern, large-format premises. This submarket has the largest retail inventory in the city, catering to a broad regional trade area. Strengths include a concentration of national retailers, high visibility, and access to major roads. Land for further development is limited in prime locations, and the area is heavily auto-oriented. Vacancy in newer properties is nearly zero, and asking rents often exceed \$30 per sq ft for new space.

North Lethbridge: North Lethbridge's retail is anchored by the redeveloped Centre Village Mall, originally built in the 1970s and refurbished in 2016 following a \$26 million renovation. It is now anchored by Save-On-Foods, London Drugs, Canadian Tire, and others. The overhaul significantly improved occupancy and foot traffic, however the former Save-On building is now vacant. Surrounding this node, especially along 13 St N and 2 Ave N, are older strip malls and value-oriented retailers targeting the generally modest income profile of residents in the area. North Lethbridge has retained more grocery/pharmacy spending in recent years and offers relatively low retail rents. However, fashion and specialty retail options remain limited, and some properties are still aging. Larger vacancies are generally filled quickly by discount tenants or non-retail uses.

West Lethbridge: Historically underserved, West Lethbridge (population 45,000) has seen retail growth driven by residential expansion. Until recently, it offered only small-scale neighborhood plazas. Now, The Crossings—a planned mixed-use district—has emerged as the area's main retail hub, delivering a grocery store, pharmacy, and restaurants near two high schools and a major recreation center. As of late 2024, retail vacancy was near 0%, with fewer than 10,000 sq ft available citywide in the west. Strengths include a growing, relatively affluent population and institutional anchors like the University of Lethbridge. Challenges include limited retail variety and the need to establish credibility with national chains. However, upcoming projects like Crossings Phase II suggest growing momentum.

7.4 Proposed/Planned/Under Construction Retail Projects

Lethbridge's retail development pipeline is poised to expand significantly, especially in underserved areas (**Table 7.4.1**). The most notable near-term addition is **Crossings Phase II** on the west side, which will deliver approximately 100,000 sq ft of retail space. This will address a longstanding shortage in West Lethbridge, where less than 10,000 sq ft of leasable space remains. Pre-leasing has been strong, reflecting pent-up demand, and possession is expected by spring.

Downtown is also seeing renewal through four mixed-use projects backed by private developers and city incentives. Together, they could introduce 20,000–30,000 sq ft of retail/commercial space and over 120 residential units. While modest in scale, these projects could meaningfully revitalize vacant downtown areas by attracting niche retailers and increasing the local customer base. At **Park Place Mall**, the former Sears space remains a critical pivot point. If Primaris secures a major new tenant—such as an entertainment venue or multiple strong retailers—it could significantly boost downtown's draw. If not, that retail spend may shift to other districts. The recent closure of the Bay has burdened Downtown Lethbridge with an additional obsolete anchor which could potentially be converted to a better use such as housing.

Finally, the University of Lethbridge's **South Campus** project highlights the city's long-term planning. Though primarily residential, future retail on the 100-acre site would serve as neighborhood-scale competition—possibly including a grocery store or convenience hub akin to a new suburban retail node.

7.5 Redevelopment and Revitalization of Obsolete Properties

Lethbridge has several areas with strong potential for redevelopment and revitalization beyond the major projects already underway. The City's planning documents highlight older commercial corridors, such as 5th Street South, which contains underutilized parcels between downtown and mid-south Lethbridge. Through its "Reimagine 5th Street" initiative, the City aims to foster a more vibrant, mixed-use streetscape with potential for café and retail infill. Similarly, 11th Street South (the Warehouse District) is emerging as a hub for adaptive reuse, where older industrial buildings are being converted into breweries, studios, and retail showrooms, tapping into the appeal of "brick-and-beam" aesthetics.

Downtown Lethbridge is also seeing incremental revitalization, supported by policies in the Downtown Area Redevelopment Plan and incentive programs such as TRIP and Heritage Building grants. These have encouraged conversions of obsolete retail buildings into offices, gyms, and co-working spaces—uses that reduce retail GLA but increase overall downtown vitality and foot traffic.

In suburban areas, retail development is lagging behind residential growth. Southeast Lethbridge (Fairmont/Southbrook) and West Lethbridge are examples where additional neighbourhood retail nodes could be added. Aging strip malls from the 1970s–80s may see re-tenanting or renovations. While Centre Village has been revitalized, others like West Lethbridge Town Centre (anchored by Safeway) could be redeveloped if the anchor tenant exits. Empire Company has pursued such redevelopments in other cities.

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Table 7.4.1 Proposed/Planned/Under Construction Retail Projects

Project / Development	Size / Scope	Status (2025)	Notes
Crossings Phase II (West Lethbridge)	~100,000 sq ft new retail/commercial GLA; plus integrated office, residential, seniors housing.	Planned (Pre-leasing) – Preliminary municipal approvals obtained; targeting opening by Spring 2026.	Second phase of <i>The Crossings</i> mixed-use community. Will include mid-box and small CRU retail, drive-thru's, etc., on a 7.92-acre site. High pre-lease interest; will alleviate west side space shortage. Expected to introduce new national tenants to West Lethbridge and serve 40k+ residents.
Downtown Mixed-Use Redevelopments (TRIP Incentive Projects)	4 separate mid-rise buildings, each 4–6 storeys with ~30–35 residential units above ground-floor retail. Estimated ~\$9 million construction value each.	Approved (In Design) – Approved under City's Targeted Redevelopment Incentive Program (TRIP) in 2024. Zoning and permits pending; likely staggered starts 2025–2026.	<i>Locations:</i> multiple vacant or underused lots in Downtown (e.g. 13 St S and 5 St S areas). These projects will add modern street-level retail space (likely ~5,000–10,000 sf per building) with new apartments above. Aimed at revitalizing the downtown core with mixed-use density. Incentives include property tax breaks for up to 9 years. Will provide opportunities for boutique retailers or offices in brand-new downtown space – a first in decades.
Park Place Mall Anchor Repositioning	~90,000 sq ft (approx.) former Sears anchor space within mall (1 level). Potential to re-demise into 2-4 mid-sized retail units or alternative use (e.g. entertainment, offices).	Proposed (Planning Stage) – Owner <i>exploring options</i> for redevelopment; no construction yet.	This large space has been vacant since Sears closed in 2018. Primaris REIT has indicated it is working on a plan to “ <i>address</i> ” this space. Possibilities rumored include adding an expanded Winners/HomeSense (if they choose to relocate/expand), or an entertainment venue or fitness center. Redeveloping this anchor is crucial to maintain Park Place's dominance. A plan and tenant announcements are expected in the next 1–2 years.
University of Lethbridge South Campus Lands (West Lethbridge)	~100-acre greenfield master plan for mixed-use community: primarily residential, with <i>undisclosed</i> commercial acreage (likely neighborhood retail and services).	Conceptual Planning – Draft plans unveiled 2024; first phase development anticipated ~2025, full build-out over 20 years.	A long-term project by U of Lethbridge's development arm (ULBC). Will create a new “people-centered community” between the university and RiverStone subdivision. Commercial component expected to include retail to serve residents (possibly a grocery store, cafes, etc.). While not an immediate large retail center, over two decades it will add new competitive neighborhood retail on the west side. City support is likely, given need for housing and amenities.
Other Notable Projects: Exhibition Grounds Redevelopment (South)	Agri-food Hub & Trade Centre – 268,000 sq ft events venue (non-retail) plus plans for adjacent commercial hospitality uses.	Under construction (Hub opened mid-2023). Adjacent hotel and restaurant pads proposed.	Not retail space per se, but will drive visitor traffic (events, conferences). Opportunity for ancillary retail (e.g. food and beverage) near Exhibition Park. The Trade Centre is expected to draw 1M+ visitors annually, boosting hospitality and retail spending citywide.
Potential Future: “Lifestyle Centre” Development	(No formal proposal yet; concept) – A new open-air shopping/dining district with lifestyle tenants.	Rumored / Vision stage.	Some local developers have mused about creating a lifestyle-oriented center (e.g. an outlet mall or a dining/entertainment complex) if population grows to ~130k+. No concrete plans, but this remains an opportunity on the horizon as Lethbridge matures.

Source: Avison Young Lethbridge reports; City of Lethbridge announcements; lethbridgenewsnow.com; Primaris REIT disclosures.

Retail Market Analysis

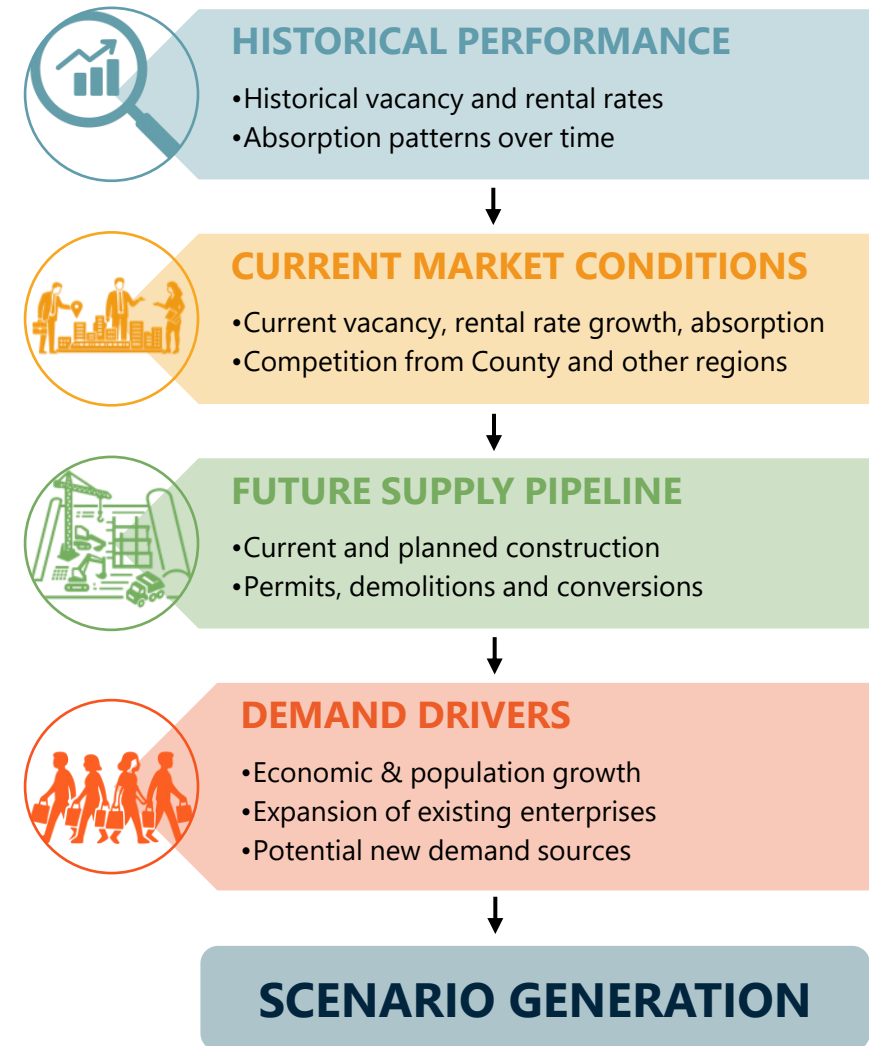
7.6 Retail Demand Forecasting

A structured analysis was undertaken to project retail space demand in the City of Lethbridge over the next 20 years. The methodology followed four key stages:

- **Historical Market Performance:** The first stage reviewed long-term trends in vacancy rates, rental rates, and absorption. This retrospective analysis established a baseline understanding of the market's historical behavior and cyclical dynamics.
- **Current Market Conditions:** The second stage examined present-day metrics, including current vacancy rates, recent changes in rental rates, and absorption levels. It also incorporated competitive influences from nearby markets to provide a well-rounded view of current market positioning and pressure.
- **Retail Space Supply Pipeline:** The third stage analyzed the future supply of retail space by reviewing ongoing and proposed developments, recently issued building permits, planned demolitions, and conversions. This helped to identify anticipated changes in available inventory and supply-side risks or opportunities.
- **Key Demand Drivers:** The final stage assessed future demand by evaluating projected population growth and economic development trends. These factors were used to estimate the likely scale and timing of future retail space needs.

Taken together, this four-part methodology offers a clear and comprehensive framework for scenario planning, enabling data-informed decisions about the future of Lethbridge's retail real estate market.

Figure 7.6.1 Retail Demand Scenarios Methodology



Retail Market Analysis

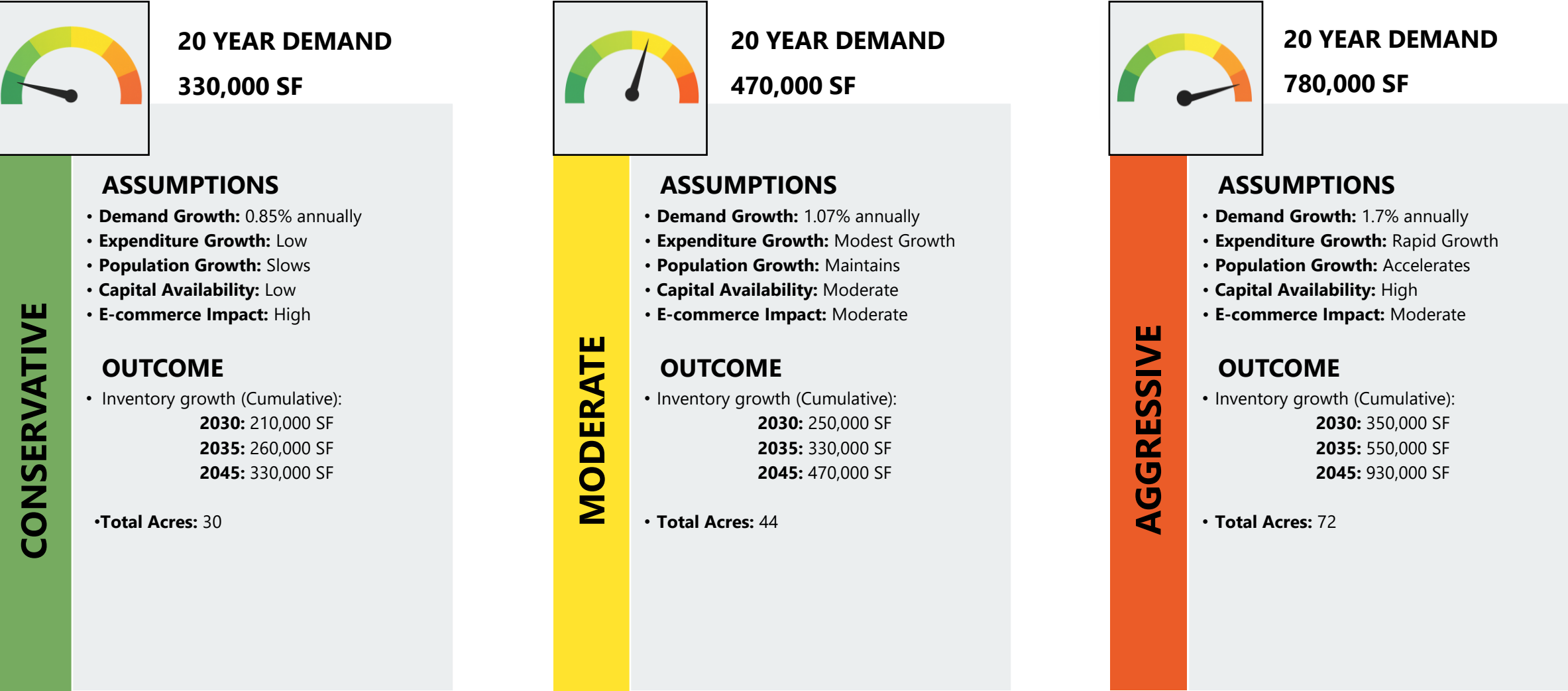
Forecasting retail demand drivers for Lethbridge requires making assumptions about economic growth, regional population growth, industry trends, vacancy rate trends, and employment trends. Three scenarios – Conservative, Moderate (Baseline), and Aggressive are presented for office demand over the next 20 years. Assumptions for these three scenarios are summarized in **Figure 7.6.2**. The forecast model output is summarized in **Figure 7.6.3** with year-by-year projections detailed in **Table 7.6.1**.

Figure 7.6.2 Summary of Assumptions Used in Residential Demand Projections for Lethbridge

Scenario	Assumptions
Conservative 	<ul style="list-style-type: none"> • Economic slowdown or downturns –Gross Regional Product (GRP) growing by just 1% per annum. • Vacancy remains at historic lows as new supply continues to trail new demand. Potential new-to-market tenants unable to find space in the market. • Interest rates remain high, limiting business investments. • E-commerce continues to make inroads on bricks-and-mortar retail. • Employment growth slows to 1% per year. • Population growth slows to 1.25% per year, reducing momentum for retail expansion.
Moderate (Baseline) 	<ul style="list-style-type: none"> • Continued steady economic growth with inflation-adjusted Gross Regional Product (GRP) for the Lethbridge CMA growing by its average of 2.05% from 2009 to 2021 (Source: Statistics Canada) • Lethbridge employment grows by its 2001-2021 average of 2% per year. • Retail development accelerates but demand continues to outpace supply. • Likely several new neighbourhood projects over the next 20 years, along with infill throughout underdeveloped commercial areas and moderately accelerated Downtown development. • Older space (including former Bay space) is redeveloped into housing or other non-retail use. • New construction outpaces demolitions. • Lethbridge continues to evolve as southern Alberta's premier retail service hub.
Aggressive 	<ul style="list-style-type: none"> • Strong regional economic performance. • Gross Regional Product growing by 3% per annum; population and employment grow commensurately. • Over the long term, multiple new-to-market tenants arrive as the Lethbridge area population exceeds their market size thresholds. • Retail development returns at an accelerating pace. Supply outstrips demand on occasion but vacancy remains below 5%. • Suburban retail demand increases with increased population growth, particularly in West Lethbridge. • Major downtown retail food & beverage and entertainment node emerges as central population base expands. • Sales leakage to Calgary is reduced as retail gaps continue to be filled.

Retail Market Analysis

Figure 7.6.3 Summary of Retail Demand Projections for Lethbridge



Retail Market Analysis

Table 7.6.1 Residual Demand Analysis for City of Lethbridge Retail

	20-Yr Demand Model	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Conservative	2025 Retail Inventory (M SF)	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150
	Inventory Demand (M SF)	3.15	3.16	3.17	3.18	3.20	3.21	3.22	3.23	3.24	3.25	3.25	3.26	3.27	3.28	3.29	3.29	3.30	3.30	3.31	3.31	3.32
	Vacancy Rate (With No New SF)	0.9%	-0.4%	-0.7%	-1.1%	-1.5%	-1.8%	-2.1%	-2.4%	-2.8%	-3.0%	-3.3%	-3.6%	-3.9%	-4.1%	-4.3%	-4.5%	-4.7%	-4.9%	-5.1%	-5.2%	-5.4%
	Residual Demand (M SF)	0.13	0.17	0.18	0.19	0.20	0.21	0.22	0.23	0.24	0.25	0.26	0.27	0.28	0.29	0.29	0.30	0.31	0.31	0.32	0.32	0.33
	Res. Demand Acres @ 0.25 FAR	12	16	17	18	19	20	21	22	22	23	24	25	26	26	27	28	28	29	29	30	30
Moderate	2025 Retail Inventory (M SF)	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150
	Inventory Demand (M SF)	3.15	3.17	3.19	3.21	3.22	3.24	3.26	3.28	3.29	3.31	3.33	3.34	3.36	3.37	3.39	3.40	3.42	3.43	3.44	3.45	3.47
	Vacancy Rate (With No New SF)	0.9%	-0.6%	-1.2%	-1.8%	-2.3%	-2.9%	-3.5%	-4.0%	-4.6%	-5.1%	-5.6%	-6.1%	-6.6%	-7.1%	-7.6%	-8.0%	-8.4%	-8.9%	-9.3%	-9.7%	-10.1%
	Residual Demand (M SF)	0.13	0.18	0.19	0.21	0.23	0.25	0.27	0.28	0.30	0.32	0.33	0.35	0.37	0.38	0.40	0.41	0.42	0.44	0.45	0.46	0.47
	Res. Demand Acres @ 0.25 FAR	12	16	18	20	21	23	25	26	28	29	31	32	34	35	36	38	39	40	41	42	44
Aggressive	2025 Retail Inventory (M SF)	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150	3.150
	Inventory Demand (M SF)	3.15	3.19	3.23	3.27	3.31	3.34	3.38	3.42	3.46	3.50	3.54	3.58	3.62	3.66	3.70	3.73	3.77	3.81	3.85	3.89	3.93
	Vacancy Rate (With No New SF)	0.9%	-1.2%	-2.5%	-3.7%	-4.9%	-6.2%	-7.4%	-8.6%	-9.9%	-11.1%	-12.4%	-13.6%	-14.9%	-16.1%	-17.3%	-18.6%	-19.8%	-21.0%	-22.2%	-23.4%	-24.6%
	Residual Demand (M SF)	0.13	0.20	0.23	0.27	0.31	0.35	0.39	0.43	0.47	0.51	0.55	0.59	0.63	0.66	0.70	0.74	0.78	0.82	0.86	0.90	0.93
	Res. Demand Acres @ 0.25 FAR	12	18	22	25	29	32	36	39	43	47	50	54	57	61	65	68	72	75	79	82	86
Scenario		Growth Rate	Assumptions																			
Conservative		0.85%	Economic slowdown. Reduced or flat disposable income. E-commerce continues rapid momentum in taking market share from physical retail stores. Population growth slows.																			
Moderate		1.07%	Economic growth and population increase remain at historic averages. E-commerce continues to gain market share but at reduced momentum.																			
Aggressive		1.70%	Strong regional economic growth. Population increase accelerates. Higher income employment grows as a share of total employment. E-commerce growth begins to plateau.																			

Retail Market Analysis

7.7 Summary & Implications

Lethbridge's 3.15M SF retail market is at a pivotal point, transitioning from a period of cautious expansion and constrained inventory to one with strong underlying fundamentals that support significant future growth. The city's low vacancy rate—dropping to just 0.9% in 2024—signals a chronic supply-demand imbalance that has pushed absorption well above historical norms. Retail development has been conservative since 2018, with only modest space added, mainly in the form of small plazas or build-to-suit projects. Yet demand continues to escalate, with pre-leasing in new projects such as Crossings Phase II on the west side already strong. This imbalance is setting the stage for a wave of new development.

The demand forecast over the next 20 years illustrates three distinct growth trajectories—Conservative, Moderate, and Aggressive—anchored in economic, population, and employment trends. The Conservative case projects only 330,000 square feet of new retail inventory over 20 years, largely constrained by slower economic and population growth, as well as continued rapid encroachment of e-commerce on bricks and mortar retailing.

The Aggressive scenario, by contrast, anticipates robust regional expansion, population growth exceeding 2% annually, and strong tenant interest from national chains, resulting in nearly 930,000 square feet of additional retail inventory by 2045.

Importantly, even under the Moderate forecast—arguably the most realistic given current trends—Lethbridge is expected to require 470,000 square feet of new retail space, requiring about 44 acres. This projection is based on demand growth of just over 1% annually, supported by Lethbridge's role as a regional hub, steady economic expansion, and a growing population, but still muted by continued e-commerce expansion, particularly into "shopping mall" type categories. Retail redevelopment and infill, particularly in West Lethbridge, will be central to meeting this demand.

Where Lethbridge differs from many peer cities is in its constrained retail supply pipeline, which has fallen behind its demographic and economic trajectory. The city will require not just more space but better-located and more diverse formats, including mixed-use urban projects and suburban nodes anchored by grocery, food service, and health-oriented tenants.

Investor appetite remains intact despite interest rate pressures, with grocery-anchored centres trading at cap rates in the mid-6% range. Newer retail space can command over \$30/sq ft, particularly in high-demand formats like pad sites and drive-thru's. These rental dynamics support the new construction.

Lethbridge's future retail growth will be shaped as much by redevelopment as greenfield expansion. Older properties, such as the former Sears and Bay anchors, present major repositioning opportunities. City-backed incentive programs and shifting consumer patterns toward experiential and service-oriented retail will accelerate adaptive reuse, especially downtown. Ultimately, the next decade will test the city's ability to align its zoning, planning, and infrastructure investments with latent retail demand.

8

Office Market Analysis

Office Market Analysis

8.1 Lethbridge Office Market Overview

The Lethbridge office market is characterized by a modest but steady demand. While most Canadian cities are still grappling with elevated office vacancies post-pandemic and downsizing due to remote work, Lethbridge's office market has been comparatively resilient.

Lethbridge's office demand is buffered by its diversified economic base (including a significant public sector presence) and the city's small size. Remote/hybrid work trends have not impacted Lethbridge as severely as larger cities. "Because Lethbridge is a '15-minute city,' a reduction in office footprints would not likely be a result of hybrid working arrangements" ³⁹ suggesting that **most offices here remain essential and in-person**. Instead of pandemic-driven downsizing, Lethbridge tenants are focused on cost control and efficiency, sometimes downsizing from oversized spaces but not abandoning offices altogether.

Nationally, offices in many cities face a "**flight to quality**," with older buildings struggling – for instance, class B/C space in some cities tops 25% vacant. By contrast, Lethbridge's overall office vacancy declined over the past several years, reaching **7.9%** as of late 2024 according to Avison Young, bucking the trend of rising vacancies seen in major metros. The implication is that Lethbridge may have **latent demand for quality space** that could justify new development even as other markets pause office construction.

Market observers note that Lethbridge office tenants increasingly seek **modern, high-quality office spaces, even at premium rents**. "Office users are prioritizing flexible, functional spaces that support their corporate culture and help retain staff, over the per-square-foot cost. Landlords looking to attract modern tenants need to invest in improvements that will increase the asset's appeal and help grow its profitability over time". This push to quality has also led to new projects in the pipeline, as detailed later in this report.

Many new office users in Lethbridge are "**non-traditional tenants** utilizing partial office buildouts, such as daycare centers or educational facilities repurposing space, which has helped backfill vacancies". Local brokers report that this creative absorption by unconventional tenants contributed to a 1.8 percentage point drop in vacancy in 2023. The impact is twofold: landlords of older properties benefit from occupancy and stable rent from these community-service tenants, though often at lower rents; at the same time, such conversions take supply off the "pure" office market, tightening availability for conventional users and potentially pushing them toward new projects.

Overall, the "bread and butter" of Lethbridge's office demand has been government and service-sector tenants that are locally rooted and less prone to relocation, contributing to the market's stability. **Table 8.1.1** on the following page profiles the dominant industries and their influence on local office real estate.

Office Market Analysis

Table 8.1.1: Lethbridge - Dominant Economic Sectors & Office Demand

Sector	Role in Lethbridge Economy	Influence on Office Demand
Public Sector (Government, Healthcare, Education)	Large employer and economic anchor. Nine of the top ten Lethbridge employers are public-sector (healthcare, education, government) entities.	Generates significant office space need , particularly for administrative and professional functions. Government departments lease downtown offices (e.g. provincial government offices), and agencies require satellite offices region-wide. Much of this demand is stable or growing with population-driven service needs. However, some public offices occupy owned facilities (campus or civic buildings) rather than leased commercial space.
Agri-Food & Manufacturing	Core of the private economy. Lethbridge has food processing plants and related manufacturing/logistics. Agri-food employment grew 24% between surveys, and manufacturing/logistics jobs among majors rose ~20% over the last decade (Source: Lethbridge Now News).	Indirect and modest office demand. Headquarters and admin offices for these companies (quality control, HR, logistics management) occupy some office space, often on-site at industrial facilities or in small corporate offices in the city. Additionally, supporting sectors – engineering firms, transportation companies – lease offices. Growth in agri-business can lead to more professional services (accountants, labs, ag-tech startups) taking up office space in Lethbridge.
Professional & Financial Services	Growing sector including law firms, accounting firms, banks, insurance, and real estate. Lethbridge serves as a regional service center for Southern Alberta. Numerous small-to-mid professional firms operate in the city.	High correlation with office demand. These businesses typically occupy downtown or suburban office suites that are proximate to clients. As the population and business activity grow, so does the need for lawyers, accountants, financial advisors, etc., directly increasing office occupancy. This sector tends to seek higher-quality office space to present a professional image to clients, supporting demand for Class A offices. Until recently, new supply was limited, so these tenants adapted within existing buildings, often renovating interiors to modern standards.
Retail, Hospitality & Tourism	Retail and hospitality together account for a large share of employment (12 of the top 45 employers are in retail/hospitality). While important economically, these sectors' activities (stores, restaurants, hotels) are not office-based. Tourism in Lethbridge is moderate (sports tournaments, conferences at the new Agri-food Hub, etc.).	Limited direct impact on office space. Most retail/hospitality jobs are in non-office settings (shops, hotels). However, regional retail chains or hospitality companies may have small local corporate offices (for managers, regional sales, etc.). Also, some spin-off demand : a vibrant retail/hospitality sector can lead to more business for marketing firms, event planners, or tourism organizations that do use offices.
Emerging Sectors (Tech, Innovation)	The presence of the University and college spurs some high-tech and research initiatives. Lethbridge has an incubator (Teconnect) and is seeing interest in ag-tech, clean energy tech, and even aerospace. The tech sector is still small in workforce terms but has high growth potential.	Niche office demand that could expand. Currently, startups and small tech firms occupy co-working or small office spaces. Only a few software companies or tech service firms operate in Lethbridge. As this sector grows, it may boost demand for flexible office layouts, co-working spaces, or proximity to the University for talent access. In the long term, successful scale-ups or the attraction of a satellite office of a larger tech firm would significantly increase office space usage.

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Another source of new tenants comes from **companies expanding into Lethbridge to serve a growing regional population**. Brokers report “an ongoing influx of new residents to smaller centres” like Lethbridge, which “anticipates more national tenants moving into [the] market... to serve the growing population”²⁷. For instance, national chain clinics, real estate franchises, and tech startups from larger cities have begun establishing a presence, drawn by lower costs and new customer bases. These entrants often seek modern space and are helping drive pre-leasing in new developments. Their impact has been to increase competition for quality offices and introduce higher expectations for amenities and build-outs.

A “**domino effect**” is noted by the Lethbridge Herald in newer suburban retail centers: as new retail-anchored sites have opened they have attracted medical and professional services to adjacent office space. This blending of retail and office tenants in emerging areas like West Lethbridge is relatively new and is raising the profile of suburban office locations.

Overall sentiment about the Lethbridge office market is **cautiously optimistic**: “Market sentiment towards office real estate is beginning to shift in Lethbridge as investors view office space as an important component of new mixed-use developments,” Avison Young notes. With stable fundamentals and vacancy tightening, Lethbridge’s office market may start to attract more outside capital looking for yield in secondary markets. Already, 2024 saw a resurgence of investment transactions.



Lethbridge Post: Mixed-use Redevelopment Project in Downtown Lethbridge

Office Market Analysis

8.2 Current Office Market Conditions

Lethbridge is a smaller office market featuring approximately 1.37 million sf of **inventory**. The majority of inventory (72%) is located downtown.







Office **vacancy** currently sits at 7.9%. This is down from 10.6% in late 2023. The current vacancy rate is considered healthy, particularly given that nearly half of vacant office space in the market is found in a small number of obsolete office towers built a number of decades ago.

Lethbridge’s office **rents** are moderate but rising, creating a two-tier system. Older and newer properties average about \$16.77/sf annually, but new suburban builds often command gross rents above \$30/sf. Older downtown buildings typically fetch mid-\$20s gross and must compete on price and incentives, while new properties can push rents higher.

According to Avison Young, Lethbridge’s average rates are slightly below comparable markets but are expected to see steady growth.

After a cautious 2022–23, characterized by rising interest rates, higher cap rates, and slower sales, confidence rebounded in late 2024. Buyers returned, drawn by lower pricing and expectations of stabilizing rents. Typical **cap rates** range around 6.5–7.5%, slightly higher than in larger Alberta cities. Industrial and retail properties enjoy very low vacancies (under 1% in retail, ~4% in industrial), so office assets must price in higher yields.

Table 8.2.1 Lethbridge Office Market Conditions

<div>Inventory</div> <div></div> <div><ul style="list-style-type: none">• Inventory: 1.367 million SF (Q1 2024).• Downtown: 72% of inventory• Increased by 150,000 SF over past decade.</div>	<div>Rent</div> <div></div> <div><ul style="list-style-type: none">• Base Rents (Citywide): \$18.59 per SF• Downtown (Gross Rent): \$24.34• Suburban (Gross Rent): \$31.75</div>
<div>Vacancy</div> <div></div> <div><ul style="list-style-type: none">• Vacancy Rate: 7.9% (Q4 2024)• Down from 10.1% in Q1 2024• Downtown: 11.33%• Suburban: 5.82%</div>	<div>Cap Rates</div> <div></div> <div><ul style="list-style-type: none">• 6.0% to 8.0% (estimated)• Cautious investor mood</div>
<div>Absorption</div> <div></div> <div><ul style="list-style-type: none">• Absorption: 42,419 SF (2024)• Downtown: 34,191 SF (81%)• Suburban: 7,959 SF (19%)• 10-Year Average: 15,000 SF (1.2%/year)</div>	<div>Construction</div> <div></div> <div><ul style="list-style-type: none">• Construction: 29,436 SF (2024)• Construction: 36,676 SF (2023)• Mostly owner-user or pre-leased</div>

Sources: Avison Young, CoStar, Construct Connect

Office Market Analysis

Absorption has been moderate over the past decade. Total inventory has seen a net increase of 150,000 SF since 2015, or by an average annual growth rate of 1.2%. It should be noted that the total office inventory was essentially unchanged between 2005 and 2015 without significant net absorption. The new construction that did occur in that period (for instance, a few medical office buildings near the hospital, some suburban offices) was offset by closures or conversions of older space. The market was in a long equilibrium – office employment growth was moderate and largely absorbed by existing space with increased utilization.

Historically, Lethbridge's office **construction** was mainly build-to-suit due to stable demand and flat inventory growth. Deliveries have been minimal in recent years. Looking forward, cautious speculative development is emerging, especially in mixed-use projects with incentives or anchor tenants.

For instance, West Lethbridge Crossings added offices only after securing pre-leasing commitments, and downtown renovations like The Post also rely on anchor users. Some developments, such as Sumus' four new downtown projects, are more speculative, incentivized by tax abatements; however, the development of a new speculative office tower remains unlikely.

Interest rate increases in recent years have had a chilling effect on new office development in Lethbridge, as they did nationwide. "High construction costs and increased interest rates have caused a slowdown... slowing new construction as well as renovations."²⁷ A basic office build-out costing double what it did four years ago, combined with expensive financing, meant some projects were on hold.

However, in 2025, the outlook is brighter. The Bank of Canada signaled a stabilization or slight reduction in rates as inflation has eased. Local experts said, "We are looking forward to the steady lowering of interest rates over the next year to stimulate commercial real estate transactions in every asset class," expressing optimism that cheaper capital will "slowly start to see positive benefits" in the near future¹⁶.

Developers now face lower financing costs on construction loans, improving project feasibility by lowering carrying costs and required return thresholds.

On the **capital markets** side, Lethbridge is still considered a secondary market, but it's gaining attention for its stability. Investors who might shy away from Calgary's volatile downtown may find Lethbridge's smaller, balanced market attractive for steady income, especially with yields a point or two higher. This could bring in more capital looking for acquisitions or development partnerships, increasing the pool of funding for projects.

In summary, Lethbridge's 1.37-million-sf office market has a healthy 7.9% vacancy, down from 10.6%. Rents are moderate but rising, with older buildings in the mid-\$20/sf range and new suburban builds above \$30/sf. After a slowdown from higher rates and construction costs, stabilizing interest rates are fueling renewed development and investor interest, drawn by higher yields and steady demand.

Office Market Analysis

8.3 Office Submarkets

Lethbridge's office market can broadly be divided into two submarkets: the Downtown Core and Suburban (which includes all areas outside the downtown, such as the south side commercial corridors, west side developments, and office nodes in north Lethbridge). These submarkets have shown markedly different conditions:

Downtown Core: The traditional central business district, encompassing the area roughly between 1st Ave and 6th Ave south, centered on 4th Ave. Downtown holds the majority of older office buildings (from mid-20th-century low-rises to a few 1970s high-rises like Melcor Centre's 11-story tower). It benefits from proximity to civic institutions, banks, restaurants, and transit. However, downtown offices currently experience higher vacancy and lower rents than the suburban market. **The downtown office vacancy rate is about 11.3%, roughly double the suburban vacancy³⁹.**

Much of the vacant space downtown is concentrated in aging buildings that struggle to attract new tenants without upgrades. Lease rates in the core **average ~\$24.34 psf gross** (roughly ~\$18 psf net) according to Construct Connect which is notably lower than new suburban product.

Still, well-maintained downtown properties with good amenities (e.g. parkade access, renovated interiors) do command decent rents and retain key tenants. The downtown also has the advantage of hosting large space users (government offices, etc.) that are anchored by **location necessity**.

Recent trends show downtown improving slightly. **Absorption has been positive** as unique projects like The Post come online and as some firms downsize from multiple floors to one, freeing some older space that is then eyed for redevelopment. But overall, downtown's value proposition lies in its **centrality** and **walkability**.

Suburban Office Markets: This category includes any offices outside the downtown core. Key concentrations are along Mayor Magrath Drive South (where several professional buildings, medical offices, and financial institutions are located), the Research Station area on Southgate, the growing West Lethbridge (Crossings), and scattered sites like industrial park offices.

The suburban market features generally **newer product**. Employees often like these locations for the **ample parking** and **proximity to residential neighborhoods** (especially true on the west side). Suburban office **vacancy is low, around 5.8%**. In some suburban nodes it is effectively 0% for quality space, with **waitlists for small office bays**. Rents in suburban developments are higher: new builds **average \$31.75 psf gross** (\$5 psf more than downtown averages) according to Construct Connect.

Tenants have shown willingness to pay this premium for modern build-outs, surface parking, and locations nearer where many employees live. Suburban supply is also expanding (Crossings, etc.), but demand is keeping up so far, keeping vacancy low.

In effect, Lethbridge has a **two-speed office market**: a landlord-favorable suburban segment and a tenant-favorable downtown for older properties. The implication is that modernization is key strategy for Lethbridge office space.

8.4 Proposed/Planned/Under Construction Office Projects

Several planned projects underscore a cautious but notable uptick in development. **The Sumus TRIP projects** represent a significant injection of mixed-use density downtown – they collectively amount to the largest wave of downtown construction in many years. If all four proceed, downtown Lethbridge will gain new modern storefronts and office floors in the next 2–3 years, which could attract the very tenants currently missing (tech startups, small corporate branch offices, etc.).

One of these projects, it's worth noting, is just outside the traditional "**urban core**" boundary (on 13 Street South), for which Council even made an exception to extend the incentive²⁸– indicating the city's determination to spur redevelopment slightly beyond downtown proper as well. The market will be watching how quickly these fill up; successful leasing could encourage even more applications to the incentive program.

The Crossings Phase 2 is also transformative in that it geographically balances the city. West Lethbridge has boomed residentially but lacked commercial offices (residents often commute to jobs in the south or downtown). With offices at Crossings, there's potential to recapture some of that leakage. Over time, this could create a self-sustaining submarket on the west side, with lower vacancy and good rents due to limited supply. The real estate community explicitly noted excitement for Crossings Phase 2 "because it will bring new build-to-suit options and quality tenants to the local market"¹⁶.

8.5 Redevelopment and Revitalization of Obsolete Properties

With many older, high-vacancy office buildings in Lethbridge (especially downtown), there is growing interest in repurposing them, resulting in a net reduction in office inventory and reduced market-wide vacancy rates. The city and developers are pursuing a number of initiatives:

Office-to-Residential Conversions: Lethbridge's Heart of Our City incentive offers up to \$30k per new downtown residential unit, making conversions from office financially attractive. This both reduces office vacancy and adds much-needed rentals, given the city's low rental vacancy (under 3%).

Major Renovations and Repositioning: Not all older spaces must stop being offices. Renovations—such as new HVAC, elevators, and lighting—can transform a Class "C" building into Class "B+." The City's TRIP incentive rewards projects that substantially boost assessed value, encouraging upgrades over demolition.

Adaptive Reuse: Former offices are being converted into daycare or educational uses, as seen with the Bowman Arts Centre. Other possibilities include coworking hubs or incubators, creating micro-scale multi-tenant space for remote workers or startups.

Mixed-Use Destinations: Redesigning single-purpose offices to include ground-floor retail, office floors, or apartments can revitalize older areas. Lethbridge's flexible downtown zoning supports these mixed uses, fostering renewed vitality.

Office Market Analysis

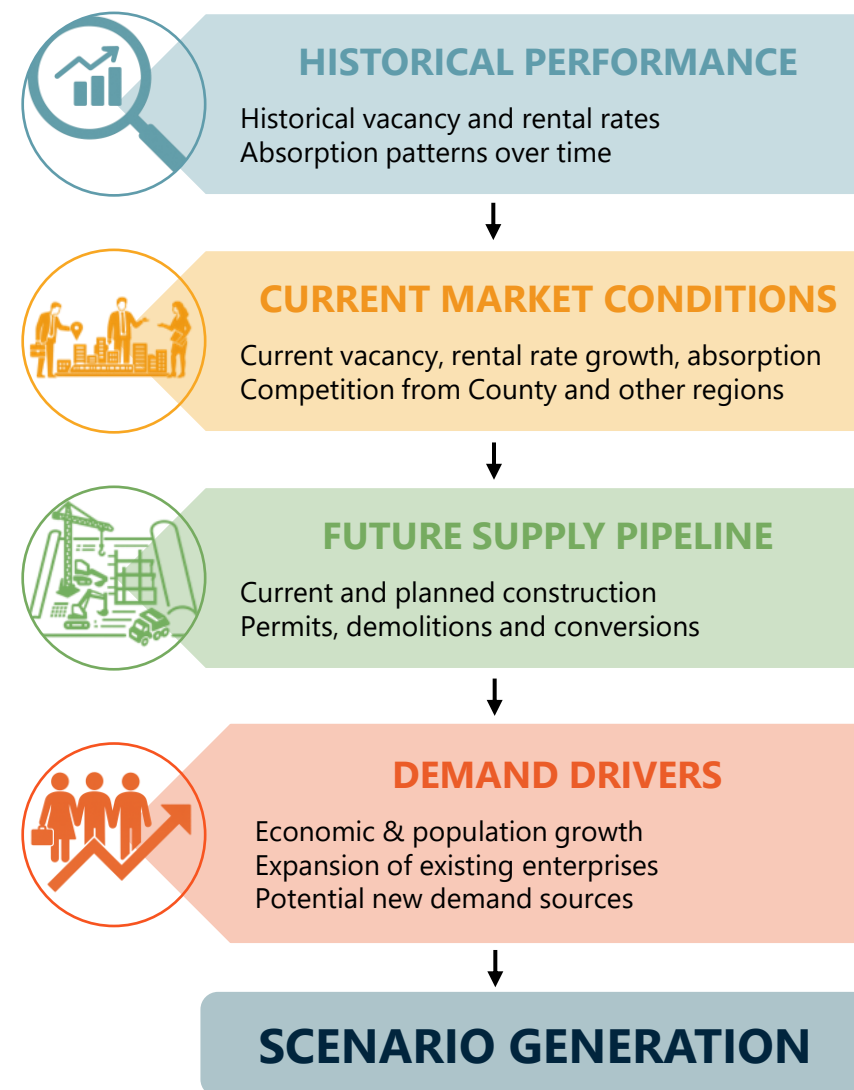
8.6 Office Demand Forecasting

An analysis was conducted to project the demand for office space in the City of Lethbridge over the next 20 years, employing the following structured methodology:

- The first step involved examining **historical market performance**, including trends in vacancy rates, rental rates, and absorption. This retrospective review provided foundational insights into the market's long-term dynamics and patterns.
- Next, the analysis assessed **current market conditions** by evaluating current vacancy rates, recent rental rate fluctuations, and current absorption levels. This stage also factored in competitive pressures from surrounding markets, offering a comprehensive picture of the existing market environment and competition.
- The third phase considered the **future office space supply pipeline**. This step involved analyzing planned and ongoing construction projects, as well as evaluating permits issued, demolitions, and building conversions. This evaluation provided clarity on expected changes in market capacity and potential shifts in office space availability.
- Lastly, the analysis focused on key **demand drivers**, such as forecasts for economic and population growth, expansions by existing businesses, and the identification of new demand opportunities. This forward-looking assessment enabled anticipation of market pressures and helped highlight critical demand-side factors influencing future real estate requirements.

Together, these four analytical stages form a comprehensive and structured approach to scenario development, supporting strategic planning and informed decision-making regarding office space needs in Lethbridge.



Figure 8.6.1 Office Demand Scenarios Methodology



Office Market Analysis

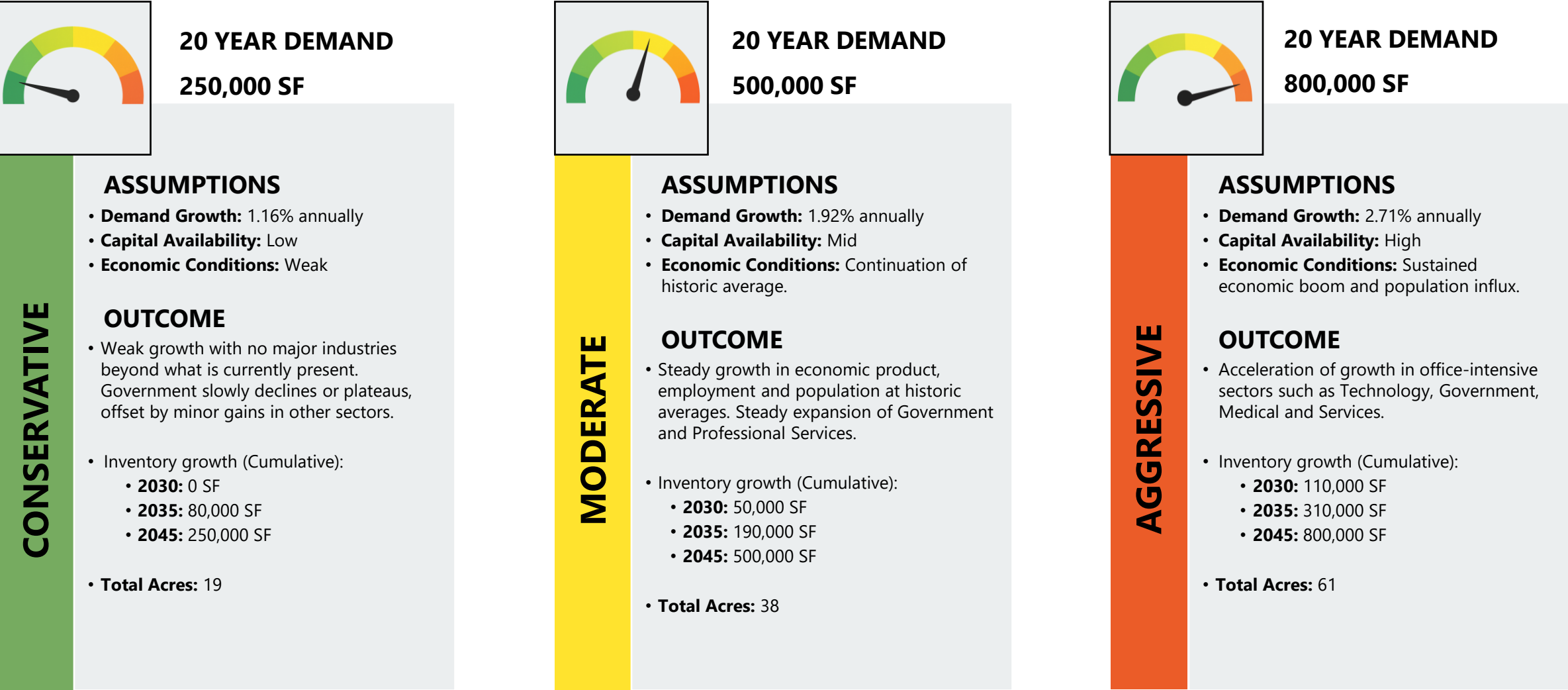
Forecasting office demand drivers for Lethbridge requires making assumptions about economic growth, regional population growth, industry trends, vacancy rate trends, and employment trends. Three scenarios – Conservative, Moderate (Baseline), and Aggressive are presented for office demand over the next 20 years. Assumptions for these three scenarios are summarized in **Table 8.6.1**. The forecast model output is summarized in **Figure 8.6.2** with year-by-year projections detailed in **Table 8.6.2**.

Table 8.6.1 Summary of Assumptions Used in Office Demand Projections for Lethbridge

Scenario	Assumptions
Conservative 	<ul style="list-style-type: none"> • Economic slowdown or downturns –Gross Regional Product (GRP) growing by just 1% per annum. • Vacancy falls to 6% as new supply continues to trail new demand. • Interest rates remain high, limiting business investments. Only committed projects built. • Minimal new job creation in offices (public sector hiring freeze, etc.). Local office employment growth averages 1.0% per year. • Technological and changes to work culture reduce floor space per job (online meetings, hot-desking, remote work). • Population growth slows to 1.25% per year, reducing momentum for office-based services.
Moderate (Baseline) 	<ul style="list-style-type: none"> • Continued steady economic growth with inflation-adjusted Gross Regional Product (GRP) for the Lethbridge CMA growing by its average of 2.05% from 2009 to 2021 (Source: Statistics Canada). • Lethbridge office employment grows by its 2001-2021 average of 2% per year. • Demand continues to outpace supply, reducing overall vacancy rate to 5%. • Likely one major new project over the next 20 years. • Older space is retired/redeveloped but new construction outpaces demolitions. • Office jobs grow with the economy (especially in professional services, tech and public sector). • Lethbridge continues to evolve into a small regional office centre.
Aggressive 	<ul style="list-style-type: none"> • Strong regional economic performance. • Gross Regional Product growing by 2.5% per annum; population and office employment grow commensurately. • Over the long term, multiple large employers set up offices (e.g. a federal agency regional office, 2-3 smaller tech firms, large call centre, etc.). • Vacancy reduced to below 5% putting upward pressure on asking rents and development return on investment. • Suburban office demand increases with increased population growth, particularly in West Lethbridge. • Possible new office building downtown as central population base and amenity offering expands.

Office Market Analysis

Figure 8.6.2 Summary of Office Demand Projections for Lethbridge



Office Market Analysis

Table 8.6.2 Residual Demand Analysis for City of Lethbridge Office

	20-Yr Demand Model	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Conservative	2025 Office Inventory (M SF)	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367
	Inventory Demand (M SF)	1.23	1.24	1.26	1.27	1.29	1.30	1.32	1.33	1.35	1.36	1.38	1.40	1.41	1.43	1.44	1.46	1.48	1.50	1.51	1.53	1.55
	Vacancy Rate (With No New SF)	10.1%	9.1%	8.0%	6.9%	5.8%	4.7%	3.6%	2.5%	1.4%	0.2%	-0.9%	-2.1%	-3.3%	-4.5%	-5.7%	-6.9%	-8.2%	-9.4%	-10.7%	-12.0%	-13.3%
	Residual Demand (M SF)						0.00	0.02	0.03	0.05	0.07	0.08	0.10	0.11	0.13	0.15	0.16	0.18	0.20	0.21	0.23	0.25
	Res. Demand Acres @ 0.3 FAR						0	1	3	4	5	6	7	9	10	11	12	14	15	16	18	19
Moderate	2025 Office Inventory (M SF)	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367
	Inventory Demand (M SF)	1.23	1.25	1.28	1.30	1.33	1.35	1.38	1.40	1.43	1.46	1.49	1.52	1.54	1.57	1.60	1.64	1.67	1.70	1.73	1.76	1.80
	Vacancy Rate (With No New SF)	10.1%	8.4%	6.6%	4.8%	3.0%	1.1%	-0.8%	-2.7%	-4.7%	-6.7%	-8.8%	-10.9%	-13.0%	-15.2%	-17.4%	-19.6%	-21.9%	-24.3%	-26.7%	-29.1%	-31.6%
	Residual Demand (M SF)				0.00	0.03	0.05	0.08	0.11	0.13	0.16	0.19	0.22	0.25	0.28	0.31	0.34	0.37	0.40	0.43	0.47	0.50
	Res. Demand Acres @ 0.3 FAR				0	2	4	6	8	10	12	14	17	19	21	23	26	28	31	33	36	38
Aggressive	2025 Office Inventory (M SF)	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367	1.367
	Inventory Demand (M SF)	1.23	1.26	1.30	1.33	1.37	1.40	1.44	1.48	1.52	1.56	1.61	1.65	1.69	1.74	1.79	1.84	1.89	1.94	1.99	2.04	2.10
	Vacancy Rate (With No New SF)	10.1%	7.7%	5.2%	2.6%	-0.1%	-2.8%	-5.6%	-8.4%	-11.4%	-14.4%	-17.5%	-20.7%	-23.9%	-27.3%	-30.8%	-34.3%	-37.9%	-41.7%	-45.5%	-49.5%	-53.5%
	Residual Demand (M SF)				0.03	0.07	0.11	0.14	0.18	0.22	0.26	0.31	0.35	0.40	0.44	0.49	0.54	0.59	0.64	0.69	0.74	0.80
	Res. Demand Acres @ 0.3 FAR				3	5	8	11	14	17	20	24	27	30	34	37	41	45	49	53	57	61

Scenario	Growth Rate	Assumptions
Conservative	1.16%	Minimal new office job creation. Reduced office space per worker due to changing work trends. Reduced population growth causes service office growth to slow.
Moderate	1.92%	Steady growth in economic product, employment and population at historic averages. Growth in professional services, tech and public sector.
Aggressive	2.71%	Strong regional economic performance. Multiple larger employers set up offices. Rapid suburban population spawns substantial suburban service office development.

Office Market Analysis

8.7 Summary & Implications

As of 2024, Lethbridge's office market encompasses approximately 1.37 million SF, with 72% of this space located in the downtown core. Despite national trends showing rising office vacancies post-pandemic, Lethbridge has experienced declining vacancy rates, currently at 7.9%, down from 10.6% the previous year.

This stability is attributed to the city's diversified economic base, with strong public-sector employment (government, healthcare, and education) serving as an anchor for office demand. Professional and financial services also contribute substantially to occupancy, with growth in legal, accounting, and real estate firms. Although the tech sector remains small, its presence is growing, particularly in ag-tech and clean energy, supported by institutions like the University of Lethbridge and Lethbridge College.

The market demonstrates a bifurcation between older downtown stock and newer suburban developments. Downtown properties, often aging and in need of upgrades, command gross rents of ~\$24.34 per square foot, whereas new suburban builds reach ~\$31.75 psf gross. Vacancy in suburban markets is substantially lower at 5.8%, with some areas functionally at 0%, indicating strong demand for modern, well-located office space.

Suburban areas are currently preferred, reflecting demand shifts toward locations offering better parking and proximity to residential neighborhoods. Meanwhile, the downtown area is seeing incremental revitalization through projects like The Post and the Sumus TRIP mixed-use developments.

Investment activity rebounded in 2024 following a cautious period marked by high interest rates and inflation. Lower financing costs have improved project feasibility, leading to renewed land sales and pre-leasing activity. Capitalization rates for office properties in Lethbridge range from 6% to 8%, reflecting higher yields compared to Alberta's major cities and attracting investors seeking stable, secondary markets.

The city is also encouraging redevelopment of obsolete downtown office buildings. Strategies include office-to-residential conversions, adaptive reuse (e.g., daycares, coworking spaces), and major renovations supported by incentives such as the Heart of Our City and TRIP programs. These efforts aim to reduce excess supply and revitalize underutilized buildings.

Looking forward, three growth scenarios were developed:

- **Conservative:** 1.2% annual demand growth, 250,000 sf added by 2045. Economic stagnation, limited new office employment.
- **Moderate (Baseline):** 1.9% annual growth, 500,000 sf added by 2045. Reflects historical trends and steady expansion.
- **Aggressive:** 2.7% annual growth, 800,000 sf added. Envisions economic boom, population influx, and new major employers locating in Lethbridge.

In summary, Lethbridge's office market is transitioning. Despite national headwinds, it benefits from local resilience, rising suburban demand, and redevelopment momentum downtown. Future growth will hinge on economic conditions, the success of new projects, and the city's ability to attract and accommodate evolving tenant needs.

9

Industrial Market Analysis

Industrial Market Analysis

9.1 Lethbridge Industrial Market Overview

Lethbridge's industrial real estate market is characterized by a moderate-sized inventory of about 10.25 million sq. ft. of industrial space in 2024 according to Avison Young. The city's economy is diverse and strongly rooted in manufacturing, agri-business, and food processing. This agriculturally-anchored economic base has spurred significant industrial investment in the Lethbridge area, with several large-scale investments in recent years (discussed further in this report).

Lethbridge's strategic location between Calgary and the U.S. border also supports warehousing and logistics activity, as it sits on key transportation corridors (Highway 3 east-west, and connections to Highway 2 north, and U.S. Interstate via Coutts/Sweetgrass). This makes the city attractive to national industrial occupiers seeking a lower-cost hub for distribution or production.

The industrial building stock in Lethbridge ranges from older, large-format facilities to newer, modern warehouses. A significant portion of the existing inventory consists of older industrial buildings, some of which are functionally obsolete or in need of upgrades.

1820 31 St N - Ring Building – For Lease



3525 32 Av N – Built in 2024



Industrial Market Analysis

Table 9.1.1 summarizes the major local economic sectors that underpin demand for industrial space:

Table 9.1.1 Lethbridge Sectors Driving Industrial Real Estate Demand

Sector	Role in Lethbridge’s Economy	Industrial Real Estate Impact
Agriculture & Agri-food Processing	The city is a hub for food processing. Notably, major agribusiness firms are investing heavily – e.g. McCain Foods is doubling its local processing plant (a \$600 million expansion) and Cavendish Farms opened a \$430M frozen potato facility in 2019.	The agri-food sector anchors the market and creates spin-off requirements for storage, logistics, and equipment maintenance facilities.
Manufacturing & Industrial Fabrication	Lethbridge has a well-established manufacturing base beyond food. Over 100 manufacturing firms operate in the city, producing agricultural equipment, building materials, metal products, plastics, etc. They account for over \$1.6 billion in annual export values and ~8,400 jobs in the Lethbridge CMA (2024). Companies like Southland Trailer Corp. (trailers and heavy equipment), Haul-All Equipment, Meridian Manufacturing, and Lethbridge Iron Works are local success stories and continue to expand, underpinning demand for specialized industrial buildings.	This sector often requires large land parcels for yards and custom-built facilities, which Lethbridge has been able to accommodate.
Distribution & Logistics	Thanks to its geographic position, Lethbridge functions as a distribution node for southern Alberta and beyond. The city’s “inland port” location between Calgary and the U.S. border (Montana) makes it ideal for regional warehousing. Wholesale distributors, trucking firms, and third-party logistics providers take advantage of Lethbridge’s connections to Highway 3/4 (the CANAMEX Export Highway linking to I-15) and the CP rail line. For example, national wholesalers and retailers have regional distribution centres here to serve the 250,000 population in the broader trade area.	This logistics sector drives demand for large-bay warehouses and truck terminals.
Construction & Services	A portion of industrial space is occupied by construction companies, oilfield service firms, and other trades/services that need workshops or yards. While Lethbridge is not an oil & gas center, it has some spillover of fabrication and maintenance firms that serve the broader Alberta market. Overall economic growth (the city’s population surpassed 106,000) has supported these local light-industrial services.	This sector drives demand for multi-tenant flex spaces (which often house small trade businesses) in demand.

Industrial Market Analysis







9.2 Current Industrial Market Conditions

The past decade for Lethbridge industrial real estate can be characterized by **steady growth interspersed with brief plateaus**. The market focused on its strengths in agri-food and distribution, weathered the closure of an older plant, and is now essentially at a new equilibrium of low vacancy and higher rents. **Table 9.2.1** summarizes current market conditions in Lethbridge. Additional insight can be garnered from a relative comparison of Lethbridge’s market performance with its main competitors.

Lethbridge **industrial inventory** (~10.3 million SF) is much smaller than Calgary (198 million SF) or Edmonton (205 million SF). Among Alberta’s secondary cities, Lethbridge’s industrial base is comparable to Red Deer and larger than Medicine Hat or Grande Prairie (which each have 5–7 million SF). Overall Lethbridge is one of the major secondary industrial markets in Alberta. **In terms of land inventory, Western Investor reported in 2024 that the City of Lethbridge contains 2,400 acres of industrial land of which 934 acres is available for development. However, this includes the larger airport area which requires servicing for development.**

Lethbridge’s ~4% **vacancy** is comparable to other Alberta markets of its size and to its larger cities. Other secondary cities like Red Deer or Medicine Hat also reported very low vacancies (<5%) in recent years, thanks to a province-wide industrial boom. Thus, Lethbridge is on par or tighter in vacancy than most peers – indicating a broadly strong Alberta industrial sector. One important difference: some cities have more “shadow vacancy” (space technically leased but underused), whereas Lethbridge’s occupancy is truly constricted (owner-users keep space utilized).

Table 9.2.1 Lethbridge Industrial Market Conditions

<div>Inventory</div> <div></div> <div><ul style="list-style-type: none">• Inventory: 10.25 million SF (Q1 2024).• Industrial Land Inventory: 2,400 acres of which 934 developable• Manufacturing-oriented: 40% (high)</div>	<div>Rent</div> <div></div> <div><ul style="list-style-type: none">• Base Rents (Citywide): \$10.65 per SF• Gross Rents” \$14-15 per SF• Rent Growth: Forecast to average 5% per year near term.</div>
<div>Vacancy</div> <div></div> <div><ul style="list-style-type: none">• Vacancy Rate: 4.08% (Q1 2024)• Vacant Space: Concentrated in a few older or obsolete large buildings.• Redevelopment: Older properties being upgraded/incentivized.</div>	<div>Cap Rates</div> <div></div> <div><ul style="list-style-type: none">• 6.5% to 7.25%• Have increased slightly due to increased interest rates in recent years.• Projected rental growth outweighing cap rate increases for investor sentiment.</div>
<div>Absorption</div> <div></div> <div><ul style="list-style-type: none">• Absorption: 512 acres over past decade.• Recent absorption sluggish due to lack of move-in ready space and dev costs.• Latent tenant demand for modern facilities that are unavailable.</div>	<div>Construction</div> <div></div> <div><ul style="list-style-type: none">• New construction limited in recent years.• No speculative multi-tenant buildings.• Pipeline is growing in terms of permits.• Increased inquiries for industrial lands.</div>

Sources: Avison Young, CoStar, Construct Connect

Industrial Market Analysis

Lethbridge's **net rents** are slightly lower than Calgary/Edmonton and directly comparable markets. Current new-build base rents in Calgary or Edmonton can be \$12–\$13+ psf net, whereas Lethbridge new deals are ~\$10–\$11¹⁶. Even Medicine Hat or Grande Prairie have seen \$12+ for premium space due to oilfield-related tenants willing to pay a premium²⁷. However, the gap is closing – Lethbridge's average base rent (\$10.65 in Q1 2024) is now not far off, and premium spaces here will command \$13 rents. For tenants, this means Lethbridge is more affordable than larger cities, but **the cost advantage is narrowing**.

Absorption has been steady in Lethbridge. One unique aspect: Lethbridge's industrial market is more diversified (mix of manufacturing, agri-food, logistics) whereas a city like Grande Prairie is skewed to oilfield services, and Medicine Hat has a heavy oil/gas and petrochemical slant. This diversification has made Lethbridge's net absorption more stable over cycles. **The City of Lethbridge reports 512 acres of industrial land have been absorbed over the past decade (although 59% of this was from two major deals in 2018).**

At this pace, the City has approximately 18 years of supply remaining, with likely more if lower-density industrial uses were to migrate to the County.

Over the past decade, **cap rates** for good quality industrial assets in Lethbridge compressed from around 7.0–7.5% down toward the 5.5–6.25% range, reflecting a national trend of cap rate compression. However, rising interest rates in 2022–2023 put upward pressure on cap rates globally, and local cap rates have ticked up slightly to 6.5%–7.25% for typical deals.



Industrial Market Analysis

9.3 Competitive Industrial Infrastructure

Lethbridge's industrial market must be viewed in both a local context and a regional context (competing cities and counties). To begin an analysis of the major industrial nodes within Lethbridge City and County, is made including current and planned developments. The distribution of inventory is geographically concentrated in the city's established industrial parks (Churchill and WT Hill Parks) and expanding to new areas like Sherring Industrial Park on the northeast edge.

Recent expansions in Lethbridge County and nearby towns (for instance, Coaldale's new industrial park) are also adding modern inventory to the regional market, effectively extending Lethbridge's industrial footprint beyond the city limits.

City of Lethbridge Industrial Nodes

Lethbridge's industrial lands are concentrated in several well-defined areas. The city has **a number of industrial/business parks**, each with different characteristics:

Sherring Industrial Park (NE Lethbridge): The newest and one of the largest industrial parks, Sherring is a **350-acre** fully serviced park in northeast Lethbridge. Sherring features **large greenfield parcels** suitable for logistics and heavy industrial uses. Occupancy is still ramping up – much of Sherring's land is **available for build-to-suit**.



Industrial Market Analysis

Sherring is Lethbridge's flagship park. It was developed by the City to accommodate growth and attracted the Cavendish Farms plant. Today about 100 acres remain available in Sherring's current phase⁴⁰. The City's pricing strategy (recently around \$230k/acre then rising toward **\$300k+/acre**) and deliberate release of lots means **Sherring competes by offering shovel-ready sites with city utilities**. However, sales have been slower as the market adjusts to higher land prices. Sherring's competitiveness is critical, as a city-owned park, it can influence land supply.

Sherring's current occupants include manufacturing and distribution facilities. With direct access to Highway 3 and long-term rail spur potential, Sherring is positioned for major warehousing or food processing tenants.

Sherring is fully serviced and has enough land to accommodate several more large users or a cluster of smaller ones. A key advantage is that this land is contiguous and ready to be tailored to heavy or light industrial as needed, with zoning categories I-B, I-G, I-H all present.

While Sherring Industrial Park provides serviced, developable land in the short-term - a key advantage relative to other similar sized municipalities – it may not be sufficient for long-term industrial land requirements if quick absorption occurs.

Sherring Industrial Park



Industrial Market Analysis

Churchill Industrial Park: An established industrial area in the north side, Churchill contains many of Lethbridge's **older industrial buildings**. Notably, the former Nestlé ice cream plant is in this area (now closed), as are various older distribution warehouses. Churchill is largely built-out, with high occupancy but some **functionally obsolete space** (low clear heights, older layouts) which will likely generate occasional infill opportunities. It benefits from a central location and good access to Highway 3 and rail. In recent years, the park has seen some **revitalization**: older facilities being repurposed or subdivided for smaller users. It remains a key industrial cluster, housing dozens of mid-sized businesses, albeit with limited room for large new facilities. Churchill's mix of tenants (manufacturing, services, distribution) and its centrality mean it's always a sought-after location. Its competitiveness now is more about existing buildings – any modern space there gets leased quickly. **The park recently set a new market-wide high industrial land price at \$365k/acre. The high cost of new land development (servicing, etc.) suggests these land values may hold or increase in Lethbridge.**

W.T. Hill Business Park: This area in the southeast quadrant is a **commercial-industrial hybrid node**. W.T. Hill Park includes light industrial and highway commercial uses – for example, construction yards, truck dealerships, a casino, and service centers. It's strategically located near Highway 4 (to the U.S. border) and the airport. Occupancy is high, with many **small-to-medium enterprises** present. The park caters to businesses needing a mix of showroom/office and yard space (e.g. HVAC companies, auto services). W.T. Hill plays an important role for local service industrial demand. A few parcels remain for infill development, but most of the area is active.

Broadcast Business Park: A new mixed-use business park that is planned on the site of the old Global TV Studio and Broadcast Tower, and will house residential, commercial and light industrial uses.

Infill Industrial Areas: Lethbridge also has older industrial corridors such as along 2 Avenue North and the "Warehouse District" east of downtown. These areas host smaller-scale flex industrial spaces – older brick warehouses, trade shops, and self-storage. While not large in aggregate, they contribute to the flex space inventory with high occupancies. Redevelopment plans (like the Warehouse District ARP) aim to maintain these as vibrant mixed-use industrial-commercial zones.

Industrial Market Analysis

Lethbridge Airport / Fairview Area (South): Around the Lethbridge Airport and along Highway 5 is another cluster of industrial activity. This includes aviation-related hangars, warehousing for agricultural products, and some trucking firms. While not a formal “industrial park,” **the Airport vicinity offers larger land parcels often used for outdoor storage, agri-logistics (like seed and fertilizer depots), and transportation companies.** Occupancy is lower here due to the specialized nature of users, but the planned expansion of airport infrastructure could spur more industrial development (e.g. air cargo or logistics hubs) in the long term.

The Lethbridge Airport, now run by the City, has 900 acres of un-serviced land earmarked for industrial/commercial use. This includes airside lots and groundside lots which can attract aviation-related businesses or logistics companies. The airport land offers a unique value proposition (possible air freight, and perhaps future customs port advantages). However, it requires interested niche users; it’s not fully proven as a future city industrial park yet. A notable development could be if an aerospace or air cargo firm set up a facility there, which would diversify the industrial base.



Industrial Market Analysis

Despite the available land base, the **Airport area faces a key constraint: the high cost of extending full municipal servicing to the undeveloped parcels.** Much of the 900 acres identified for industrial or commercial use currently lacks water, wastewater, stormwater, and in some locations, upgraded road access.

Running City infrastructure to these lands would require significant upfront capital investment, and at current industrial land absorption rates, the return on that investment would be difficult to justify. In practical terms, the infrastructure cost burden would exceed the land value uplift generated by typical light industrial users, making conventional speculative development financially prohibitive.

Given these realities, **development in this area is unlikely to occur without a major end-user tenant capable of justifying the servicing investment.**

Examples might include an aerospace manufacturer, research & development, or another operation with large employment impacts, export activity, or high-value specialized facilities. In such cases, the broader economic benefits (jobs, supply chain activity, tax revenue, sector diversification) could warrant a servicing strategy supported by multiple partners, including the City, the Airport, and potentially the Province or federal agencies. Absent such a catalyst, however, the economics for full municipal servicing remain weak.

For the near term, the **most realistic opportunity is to target users whose operations are airport-dependent but do not require extensive municipal servicing.** These could include aviation maintenance and repair facilities, flight schools, aircraft storage, small freight-forwarding operations, and other runway-access tenants that can operate with limited infrastructure or rely on on-site servicing solutions.

This approach allows development to occur incrementally without imposing large capital requirements on the City, while still strengthening the airport ecosystem and positioning the area for larger-scale investment in the future.

Taken together, this suggests that the Airport lands should be pursued strategically rather than treated as a conventional industrial expansion area. The opportunity exists, but it is niche, long-term, and contingent on attracting the right tenants whose needs align with the airport's competitive advantages, particularly airside access, and who can help justify the significant servicing costs required for broader development.

Industrial Market Analysis

9.4 Lethbridge County Industrial Nodes

Historically, the City has captured a majority of industrial land absorption in the region due to servicing, planning certainty, and infrastructure provision. However, industrial development has been growing outside of Lethbridge City limits due to the County's attractive tax regime. For example, Lethbridge County introduced Tax Incentive Bylaw No. 22-006 in 2022 offering 75% tax rebate in Year 1, 50% in Year 2, 25% in Year 3 for new industrial developments exceeding \$500,000 in assessed value. Such incentives, plus somewhat lower land servicing costs, have drawn interest.

The County submarket caters to users who need larger parcels or have uses that benefit from a rural setting (e.g. transport companies needing big yards, agricultural processing with odors, etc.). Plenty of un-serviced land is available. Industrial buildings are mostly owner-used so not much is listed for lease. Currently, lease rates in the county can be slightly lower due to fewer services (some properties may be on well water/septic) and location outside city conveniences, but for big format uses, the county is increasingly the choice.

Frontier Business Park (Lethbridge County, adjacent north): Located just outside city limits, Frontier Park directly competes with city industrial parks. Frontier's selling point is "City adjacency with County taxes." Located immediately northeast of Lethbridge (in the County), Frontier is a new **265-acre** industrial subdivision on County land (Phase I around 43rd Street)²⁹. It has attracted significant interest because of **lower property taxes in Lethbridge County** while still tapping the Lethbridge workforce and infrastructure.

Lethbridge-based developers (like SUMUS) have purchased large tracts (63 acres) in Frontier for future development according to Western Investor. The City's own industrial land sales may be influenced by this alternative option nearby. Frontier's quick uptake shows latent demand for industrial land that is cost-efficient. The park's success could spur more such private ventures in the County. Also, as Frontier tenants build out, it will add to the lease supply. The park potentially competes directly with Sherring (for general industrial uses) and Coaldale Industrial Parks.

Coaldale Industrial Parks: Coaldale (15 minutes from Lethbridge) has become a true competitor after securing the NewCold facility and launching its West Industrial Park (~95 acres). The NewCold project (a 30,000 m² high-tech cold storage) not only uses significant land but also raises Coaldale's profile. Coaldale could draw industrial growth that might have otherwise bolstered Lethbridge's tax base. However, for the regional market, Coaldale's capacity helps prevent a supply crunch. In terms of rents, if Coaldale can deliver lower-cost space (due to cheaper land), it might marginally cap how high Lethbridge rents can go before tenants consider relocating there.

Broxburn Business Park: This park has smaller parcels and hosts agri-food businesses (e.g., Greenhouse operations, food ingredient firms) and other light industries. Its advantage is proximity to the city (just outside), highway frontage and lower County taxes. It competes with city industrial offerings by potentially cheaper overall occupancy costs. Broxburn has absorbed some companies that might otherwise locate in the city, thereby slightly easing city demand but pushing the notion of a metro-wide market.

Industrial Market Analysis

These County developments as a whole contribute new supply but also stoke demand by drawing new firms and expansions. Specifically, County industrial parks increase land supply, which helps accommodate growth, but their quick sales show they might not glut the market – instead, they are filling a need. On the other hand, if Coaldale's low costs siphon too many deals, Lethbridge might need to respond with its own incentives to keep investment within city limits.

9.5 Current and Planned Developments

Several new developments are in planning or progress:

- **Agri-Food Expansions:** The most high-profile projects are the **McCain Foods expansion** (doubling that facility) and ancillary buildings related to it. While McCain's \$600M expansion is on an existing site (thus not new inventory to lease), it signals robust industrial activity.
- Similarly, **PIP International** is scaling up its pea protein processing operations in phases. PIP opened a pilot plant in 2022 and has plans for a full-scale protein fractionation facility that could exceed 100,000 SF within a few years, likely at either Sherring or an existing large building. These projects will boost demand for supporting warehouse and logistics space (cold storage, packaging facilities, etc.).
- **Frontier Business Park Phase I:** As noted, multiple *build-to-suit* projects are expected here. One confirmed example is **Ward Bros. Construction's** new project as they purchased land at 3802 14 Ave N (Frontier) for a build-to-suit development. Other lot purchasers include distribution companies and small manufacturers. The park is effectively an extension of Lethbridge's industrial supply, even though it sits in the County.

43 Rd Street North & Township Rd



Industrial Market Analysis

- **Industrial Park Infill and Expansion:** In Churchill and other built areas, some **infill projects** are occurring. These smaller projects (5,000–20,000 sf) are not widely reported but contribute to supply. The City's 2023 Industrial Land Sale program successfully sold a few infill parcels to companies like heavy equipment dealers.
- **Sherring Park New Builds:** The City of Lethbridge has been marketing sites in Sherring, and at least one medium-size **speculative warehouse** was reportedly planned by a local developer for late 2024 start (around **30,000–50,000 SF**, divisible for multi-tenant). If it proceeds, this would be the first speculative industrial construction in Lethbridge in several years, a response to market conditions.
- **West Lethbridge:** Historically, West Lethbridge had almost no industrial development, it is primarily residential and institutional. However, the West Lethbridge Employment Centre ASP (Area Structure Plan) outlines a future mixed commercial/industrial area to the north of current development. The land is currently un-serviced and would require significant funding to make it development ready according to city engineering. New light industrial or business park uses will likely be in demand in West Lethbridge to serve that growing side of the city (for example, contractors or distributors who want proximity to west-side clients); however, this is likely many years out.
- **Modernization of Existing Stock:** While not “new development,” it's worth noting some planned **retrofits**. Owners of aging industrial buildings (especially those contributing to the “obsolete” vacancy) are investing in upgrades – e.g. installing higher loading doors, adding sprinkler systems, or even facade improvements – to reposition properties. These improvements will effectively **add usable supply** by turning dormant older space into attractive lease options. It's a trend spurred by the rent increases which now justify reinvestment.
- The recent low supply market conditions are pushing rents to levels that can justify **spec construction**. Additionally, improved market sentiment and the prospect of interest rate relief may embolden developers. Therefore, a few speculative or at least partially speculative projects could enter the pipeline in the near as developers seek to capitalize on the need for space (Source: Avison Young).
- In terms of **occupancy and scale:** The older parks (Churchill, others) are essentially **fully occupied** aside from obsolete vacancies, demonstrating the tight market. Newer areas (Sherring, Frontier) represent the **scale of future growth** – Sherring with ~175 acres free and Frontier with >200 acres available mean Lethbridge has capacity for millions more square feet long-term. Each node has its niche: Sherring for big modern facilities, Churchill for existing mid-size firms, W.T. Hill for light/service uses, etc.

9.7 Redevelopment Opportunities

Avison Young notes that “much of the available inventory [in Lethbridge] requires redevelopment” emphasizing that the current vacancy is not “turn-key” space but rather likely needs an overhaul. **A tight market and the presence of some obsolete industrial properties open the door for redevelopment:** Some older industrial buildings in Lethbridge (30-40+ years old) have features like sub-18-foot clear heights, limited loading bays, or inefficient layouts. Given current demand, these sites are underutilized assets. Because land is still relatively cheap and rental rates have trended upwards in recent years, the economics of tear-down and rebuild work.

The city’s **Industrial Municipal Tax Incentive** also encourages substantial redevelopment by offering a tax break on the increased assessment for expansions. Under the program, **25% of the incremental property tax from that improvement could be forgiven, boosting return on investment (ROI).** This incentive improves the financial case for refurbishing or expanding an old facility.

Potential targets for redevelopment include sites **in central or north Lethbridge where industrial use is still appropriate, but the current structure is functionally obsolete.** Also, any property that hits the market due to a company relocating becomes a candidate. One interesting redevelopment angle is **converting a single-use industrial site to multi-tenant industrial condos** (to accommodate smaller users or repurposing a redundant warehouse into a self-storage facility or a trades incubator space.)

Industrial Market Analysis

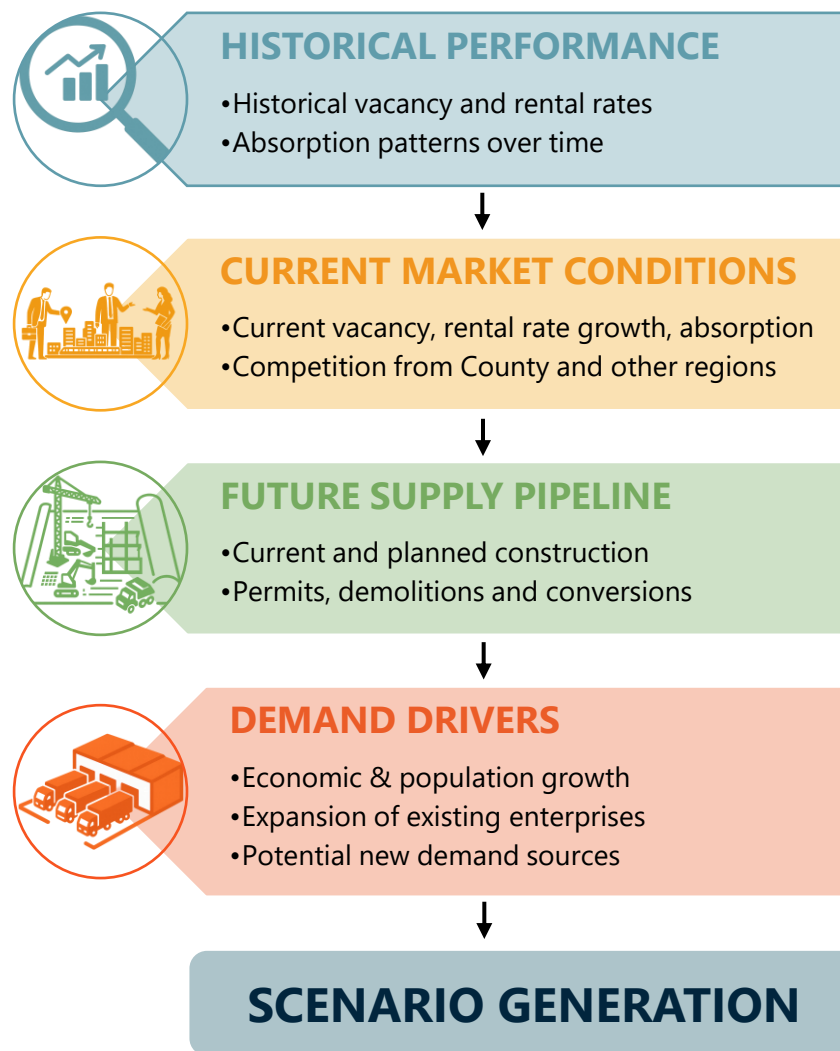
9.8 Industrial Demand Forecasting

An analysis was undertaken to project the amount of industrial land in demand within the City of Lethbridge over the next 20 years. The methodology for scenario generation is as follows:

- The analysis begins with an analysis of **historical performance**, reviewing past vacancy rates, rental rate trends, and absorption patterns. This retrospective insight forms the foundation for understanding long-term trends and market dynamics.
- Next, an assessment of **current market conditions** is conducted, examining present-day vacancy rates, recent changes in rental rates, and absorption levels. This analysis also incorporates competitive pressures from the surrounding area, providing a snapshot of the market's immediate environment and competitive landscape.
- Following this, attention turns toward the **future supply pipeline**, which considers current and forthcoming construction projects. The analysis evaluates permits, demolitions, and building conversions that might affect future market supply, giving clarity to anticipated market capacity and potential shifts in availability.
- The final analytical stage focuses on **demand drivers**, including economic and population growth forecasts, expansions among existing businesses, and identification of new potential sources of demand. This forward-looking evaluation helps anticipate future market pressures and demand-side factors influencing real estate needs.

These four components inform a structured scenario generation process, enabling comprehensive and informed strategic planning and decision-making.




Figure 9.8.1 Industrial Demand Scenarios Methodology



Industrial Market Analysis

Forecasting industrial land demand for Lethbridge requires making assumptions about economic growth, regional population growth, industry trends, vacancy rate trends, and infrastructure development. Three scenarios – Conservative, Moderate (Baseline), and Aggressive are presented for industrial land demand over the next 20 years. Assumptions for these three scenarios are summarized in **Table 9.8.1**. The forecast model output is summarized in **Figure 9.8.2** with year-by-year projections detailed in **Table 9.8.2**.

Table 9.8.1 Summary of Assumptions Used in Industrial Demand Projections for Lethbridge

Scenario	Assumptions
Conservative 	<ul style="list-style-type: none"> • Economic slowdown or downturns –Gross Regional Product (GRP) growing by an average of 1% per annum. • Interest rates remain high, limiting business investments. Escalating material costs from prolonged tariff disputes curtails additional development. • Potential delays or scaling down of major projects. Local employment growth averages 1% per year. • Technological advancements reduce industrial floorspace per job (automation, high-density storage). • Increased competition from surrounding area and region. • Population growth slows to 1.5% per year, slowing demand for local warehousing and logistics. • Limited amount of new large tenants subsequent to current known expansions.
Moderate (Baseline) 	<ul style="list-style-type: none"> • Historical trends continue apace. • Continued steady economic growth with inflation-adjusted Gross Regional Product (GRP) for the Lethbridge CMA growing by its average of 2.05% from 2009 to 2021 (Source: Statistics Canada). • Lethbridge employment grows by its 2001-2021 average of 2.81% per year (Source: Statistics Canada). • Known projects (e.g., agri-food expansions) proceed, stimulating new space uptake. • Incremental expansions of local manufacturers and entry of medium-sized enterprises (e.g., farm equipment makers, logistics centers). • Organic growth of warehouse space demand aligned with regional population growth which continues its 20-year average annual growth rate of 2.14%¹¹ • Older space is retired/redeveloped but new construction outpaces demolitions. • The City of Lethbridge continues to capture most new demand for industrial demand in the region due to servicing but does lose some market share to the County.
Aggressive 	<ul style="list-style-type: none"> • Strong regional economic performance with Gross Regional Product growing by 2.5% per annum; population and employment grow commensurately. • Multiple large industrial projects such as major logistics/distribution centers (200k+ SF), substantial manufacturing plants (such as agricultural machinery), and rapid expansions of existing local businesses. • Attraction of significant external investors (e.g., building materials prefab factories, distribution warehouses, etc.). • Strategic infrastructure development (logistics parks, improved rail access). • City continues to attract industrial tenants requiring serviced properties with take-up in the County largely for un-serviced land.

Industrial Market Analysis

Figure 9.8.2 Summary of Assumptions Used in Industrial Demand Projections for Lethbridge



Industrial Market Analysis

Table 9.8.2 Residual Demand Analysis for City of Lethbridge Industrial

	20-Yr Demand Model	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Conservative	2025 Industrial Inventory (M SF)	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25
	Inventory Demand (M SF)	9.83	9.95	10.08	10.20	10.33	10.46	10.59	10.72	10.86	10.99	11.13	11.27	11.41	11.55	11.70	11.84	11.99	12.14	12.29	12.45	12.60
	Vacancy Rate (With No New SF)	4.1%	2.9%	1.7%	0.5%	-0.8%	-2.0%	-3.3%	-4.6%	-5.9%	-7.2%	-8.6%	-9.9%	-11.3%	-12.7%	-14.1%	-15.5%	-17.0%	-18.4%	-19.9%	-21.4%	-22.9%
	Residual Demand (M SF)	0.09	0.22	0.34	0.47	0.59	0.72	0.85	0.99	1.12	1.26	1.39	1.53	1.67	1.82	1.96	2.11	2.25	2.40	2.56	2.71	2.86
	Res. Demand Acres @ 0.2 FAR	11	25	39	53	68	83	98	113	128	144	160	176	192	208	225	242	259	276	293	311	329
Moderate	2025 Industrial Inventory (M SF)	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25
	Inventory Demand (M SF)	9.83	10.06	10.29	10.53	10.78	11.03	11.29	11.55	11.82	12.09	12.38	12.66	12.96	13.26	13.57	13.89	14.21	14.54	14.88	15.23	15.58
	Vacancy Rate (With No New SF)	4.1%	1.9%	-0.4%	-2.8%	-5.2%	-7.6%	-10.1%	-12.7%	-15.3%	-18.0%	-20.7%	-23.6%	-26.4%	-29.4%	-32.4%	-35.5%	-38.6%	-41.9%	-45.2%	-48.6%	-52.0%
	Residual Demand (M SF)	0.09	0.32	0.56	0.80	1.04	1.29	1.55	1.81	2.08	2.36	2.64	2.93	3.22	3.52	3.83	4.15	4.47	4.80	5.14	5.49	5.84
	Res. Demand Acres @ 0.2 FAR	11	37	64	91	119	148	178	208	239	270	303	336	370	404	440	476	513	551	590	630	671
Aggressive	2025 Industrial Inventory (M SF)	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25	10.25
	Inventory Demand (M SF)	9.83	10.12	10.43	10.74	11.06	11.40	11.74	12.09	12.45	12.83	13.21	13.61	14.01	14.44	14.87	15.31	15.77	16.25	16.73	17.24	17.75
	Vacancy Rate (With No New SF)	4.1%	1.2%	-1.7%	-4.8%	-7.9%	-11.2%	-14.5%	-17.9%	-21.5%	-25.1%	-28.9%	-32.7%	-36.7%	-40.8%	-45.1%	-49.4%	-53.9%	-58.5%	-63.3%	-68.2%	-73.2%
	Residual Demand (M SF)	0.09	0.39	0.69	1.00	1.33	1.66	2.00	2.35	2.71	3.09	3.47	3.87	4.28	4.70	5.13	5.58	6.04	6.51	7.00	7.50	8.02
	Res. Demand Acres @ 0.2 FAR	11	44	79	115	152	190	230	270	312	354	399	444	491	539	589	640	693	747	803	861	920

Scenario	Growth Rate	Assumptions
Conservative	1.25%	Weak growth with no major industries beyond what is currently present. Ag-business slowly declines or plateaus, offset by minor gains in other sectors.
Moderate	2.33%	Steady growth in economic product, employment and population at historic averages. Sustained expansion of agricultural industries, manufacturing and logistics. Moderate capital availability.
Aggressive	3.00%	One or major economic catalysts such as sustained agricultural boom. New manufacturing activity. E-commerce boom. High capital availability.

Industrial Market Analysis

9.9 Summary & Implications

Lethbridge's industrial real estate market is underpinned by a diverse economic base, anchored in agri-food processing, manufacturing, and logistics. As of 2024, the city had approximately 10.25 million square feet of industrial space and 2,400 acres of industrial land, of which 934 acres remain developable. The city's strategic location along Highways 3 and 4, with proximity to the U.S. border, enhances its logistics advantage and reinforces its role as a cost-effective distribution hub.

The industrial market is currently characterized by low vacancy (4.08%), stable absorption, and upward rental pressure, with net base rents averaging \$10.65 per SF and gross rents nearing \$14–\$15 per sq.ft. Vacancy is primarily concentrated in older stock, as modern move-in-ready space remains scarce. New construction has been modest, although interest is rising, and approximately 200,000 SF of new projects are anticipated by late 2025.

Among Lethbridge's industrial parks, Sherring Industrial Park is the flagship city-owned site with remaining inventory for small to medium sized businesses, offering shovel-ready serviced lots. Sherring Industrial Park is reaching capacity for larger businesses. Frontier Business Park in Lethbridge County and Coaldale's industrial expansion are creating competitive pressure by offering lower taxes and cheaper land, effectively expanding the region's industrial footprint. Major developments include McCain's \$600 million plant expansion and PIP International's growth in the protein processing sector. These projects reinforce the strength of the agri-food sector while stimulating demand for support facilities such as cold storage and logistics hubs.

A number of emerging industrial demand drivers are identified as having potential to accelerate Lethbridge's industrial expansion including data centers, bio-industrial processing, renewable energy manufacturing, AgTech startups, circular economy infrastructure, and film production facilities. These trends signal a diversification of industrial uses and tenants beyond traditional sectors.

Lethbridge's regulatory framework is described as efficient and pro-development, with zoning flexibility and targeted incentives like municipal tax breaks for industrial redevelopment. However, the city faces challenges in servicing costs, the need to modernize older buildings, and rising competition from nearby municipalities.

Looking ahead, three growth scenarios are forecast to 2045:

- **Conservative:** 329 acres absorbed, based on 1.25% annual demand growth;
- **Moderate (baseline):** 671 acres, based on continuation of historical trends at 2.33% growth;
- **Aggressive:** 920 acres, assuming 3% growth tied to economic catalysts and major industrial investments.

Overall, Lethbridge remains one of Alberta's most competitive secondary industrial markets, with the land inventory, infrastructure, and sector diversity to accommodate significant future growth—provided that timely investments are made in servicing and inventory expansion.

10

Hotel Market Analysis

Hotel Market Analysis

10.1 Lethbridge Hotel Market Overview

Lethbridge has approximately 1,500 hotel rooms across 20 properties, primarily in the 2- to 3.5-star category. Hotels are concentrated in three main areas: Downtown Core, South Lethbridge (Scenic Drive & Mayor Magrath Corridor), and the Southeast Gateway (W.T. Hill Business Park). Each area is discussed in detail later in this report.

The visitor market in Lethbridge is heavily oriented toward personal and family travel. According to Tourism Lethbridge, 51% of visitors report their primary purpose as **"Visiting Friends and Relatives" (VFR)**, significantly higher than the typical market average of 20% to 35%. In contrast, **leisure tourism** comprises only 39% of visitors, notably lower than the typical range of 50% to 70% found in comparable markets.

Lethbridge employs a "hub-and-spoke" tourism strategy, positioning itself as a central base for tourists exploring nearby attractions including four UNESCO World Heritage sites located within a daytrip distance. This strategy is likely to be further enhanced in the future by both federal and provincial government initiatives. Specifically, both levels of government have recognized the **Highway 3 Corridor** as a potential **"Prairies to Pacific"** tourism sector, similar to Route 66 in the United States. This corridor would leverage the area's scenery and proximity to the South Canadian Rockies, and provide an alternative destination to Banff and Jasper, both of which are at capacity. With sufficient investment in this strategy, Lethbridge could increase overall tourist volumes, particularly in the coveted Leisure segment.



Hotel Market Analysis

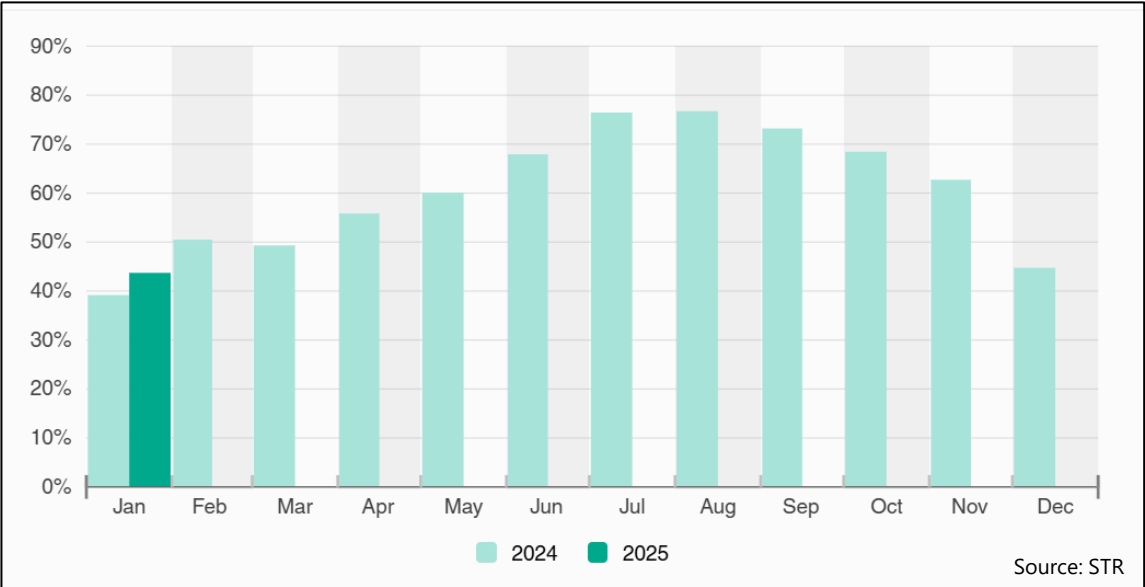
Visitor stays in hotels tend to be short, typically a brief 1–2 nights travelers enroute to other destinations or for event attendees. Essentially, Lethbridge lacks the “must-see” attractions or large corporate base that drive year-round hotel demand in other cities – it is primarily a regional stopover and event-based market³⁰.

Lethbridge is not currently a major international tourist destination, as approximately **75% of visitors originate from Southern Alberta or Calgary, and only about 1% come from overseas** according to the City of Lethbridge. The dominance of local and regional visitors underscores both the market's heavy reliance on VFR and the challenge of attracting international travelers.

Business travelers account for just 4% of Lethbridge visitors, significantly below the 10% to 25% average in similar cities. This low figure reflects the city's industry profile, which does not drive substantial business travel. The lack of air connectivity further hampers this sector. In terms of conferences, a local developer commented that Lethbridge has “1000 companies booking 30 rooms a year” rather than a few big clients booking thousands, meaning hotels must fight for many small pieces of demand rather than relying on a few large accounts (Source: Lethbridge Herald).

Seasonality significantly impacts the Lethbridge hotel market (**Figure 10.1.1**). Occupancy rates fall well below 50% during winter months, negatively affecting hotel cash flow and staffing stability. Major events, such as the 2022 Tim Hortons Brier (national curling championship), can temporarily boost occupancy and spending, highlighting the impact of such events.

Figure 10.1.1 Monthly Occupancy Rate – Lethbridge Hotels



Alberta’s 4% Tourism Levy (applied to hotel room revenues) plummeted during Covid. By 2022, tourism spending province-wide rebounded to \$10.7 billion (up \$600M vs 2019), signaling a return to pre-pandemic activity. **Lethbridge has undergone the greatest recovery in tourism of any region in the province.** Moving forward, any increase in sustained visitation (through the new trade centre, sports tournaments, or tourism initiatives) will positively impact both hotel revenues and the associated municipal/provincial tax receipts.

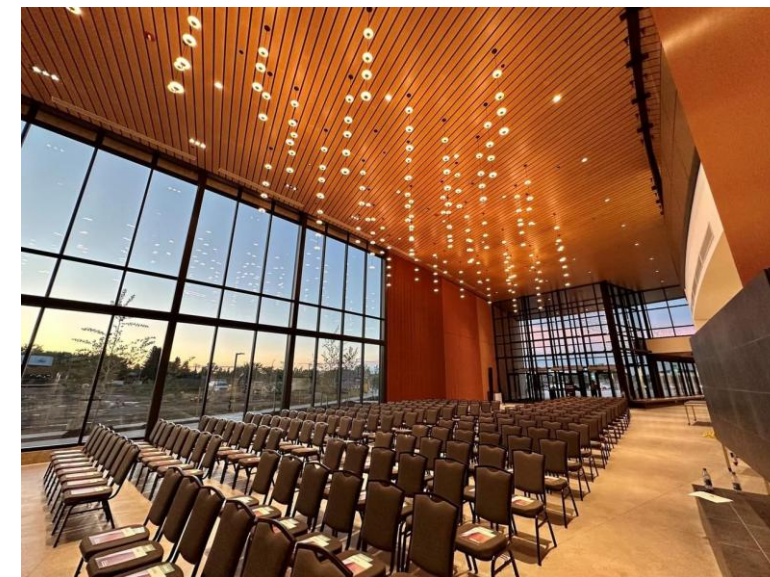
Hotel Market Analysis

Tourism is growing in Lethbridge year-on-year with a diversifying tourism industry, targeted campaigns and events and increased visitation. In 2024, total visitor spending increased by 5.5% compared to 2023 and tourism jobs increasing by 30% in the same time period. The City has invested in targeted events, generating a return-on-investment of \$27:1 in 2024³¹. This increasing push by Tourism Lethbridge supports the hotel market and a burgeoning tourism industry.

Several developments are also positioning Lethbridge for future tourism growth. In 2023, the new **Agri-food Hub & Trade Centre** opened at Exhibition Park, adding a 268,000 SF venue for conferences, agricultural exhibitions, and events. This modern trade centre is expected to attract larger regional and provincial events, generating new demand for hotel stays, especially from business travelers and event attendees³².

The city's **Destination Management Plan** identifies opportunities in emerging niches like Indigenous tourism and culinary tourism. For example, "farm-to-table" culinary experiences are a growing trend, with over one-third of Canadian travelers willing to travel primarily for food and drink experiences³³. Lethbridge's local breweries, agri-tourism sites, and farm-to-table dining can be leveraged to lengthen visitor stays.

Likewise, **Indigenous cultural tourism** is gaining traction nationally, and Lethbridge's location in Blackfoot territory offers potential for authentic Indigenous tourism products. These niche markets, combined with Lethbridge's traditional strengths in sports and agri-tourism, represent demand upside if properly developed.



Source: DIALOG



Source: Tourism Lethbridge







Hotel Market Analysis

10.2 Current Hotel Market Conditions

Lethbridge contains two distinct hotel markets: two upmarket properties that are performing well and 18 other properties that range from marginally-performing economy hotels to obsolete properties being used for temporary housing. Overall market conditions are characterized by moderate occupancy and low room rates relative to provincial and national averages. As of the 12 months ending Q1 2025, the market-wide **occupancy** is approximately 59–60%. Room night demand is showing anemic growth. Similarly the **average daily rate** (ADR) is a modest \$130³⁴ compared to \$150 to \$180 in other Albera cities. **RevPAR** (revenue per available room) **is a modest \$78**. Conversely occupancy and room rates are much higher for the upmarket segment resulting in **RevPAR that is nearly double the market-wide average**.

A key challenge for the economy segment is that the city currently has a **glut of hotel rooms relative to demand**. Over the past decade, multiple new limited-service hotels opened in the SE “W.T. Hill” business park. With limited growth in overnight visitors, the influx of new rooms drove citywide occupancy down to 48% in 2019 according to city data and RevPAR to the lowest among comparable Alberta cities. The occupancy rate has since recovered to 60% and to 63% for newer properties but remains below the threshold occupancy of 70% typically triggering new hotel development. As shown in **Table 10.2.1**, no new hotel **construction** has completed since 2021, however one is planned at 2401 Walsh Drive as part of a wider commercial development permit to the north of West Highlands Towne Centre in West Lethbridge. A moderate amount of demolition is anticipated in the next several years due to prolonged poor performance of a few marginal properties in the market which will improve market performance data.

Table 10.2.1 Lethbridge Hotel Market Conditions

<div>Inventory</div> <div></div> <div><ul style="list-style-type: none">• Inventory: 1,500 rooms• Market Positioning: Primarily 2- to 3.5-star facilities.• Many obsolete properties in inventory.</div>	<div>Revenue</div> <div></div> <div><ul style="list-style-type: none">• Average Daily Rate (ADR): \$130• Revenue Per Available Room (RevPAR): \$78 but \$130 for upper segment</div>
<div>Vacancy</div> <div></div> <div><ul style="list-style-type: none">• Occupancy Rate: 60% (all inventory)• Occupancy Rate: 64% (upmarket segments)• Seasonality: (40% occupancy in Winter)</div>	<div>Cap Rates</div> <div></div> <div><ul style="list-style-type: none">• High at 10.3% market-wide.• Low at 7.8% for upmarket segments.</div>
<div>Visitor Profile</div> <div></div> <div><ul style="list-style-type: none">• 51% "Visiting Friends and Relatives" (VFR), significantly higher than the typical market average of 20% to 35%.• Leisure tourism comprises only 39% of visitors (average is 50% to 70%).</div>	<div>Construction</div> <div></div> <div><ul style="list-style-type: none">• No new hotel construction since 2021.• One planned at 2401 Walsh Drive north of West Highlands Towne Centre• Demolition likely in next several years due to prolonged poor performance.</div>

Sources: Avison Young, CoStar, Construct Connect

Hotel Market Analysis

New construction is inhibited by elevated financing and construction costs, which has driven up building costs by an estimated 20–30% since 2019. Indeed, investors note that borrowing costs have, until recently, risen to nearly match cap rates, compressing the spread and making development less attractive according to Colliers. While cost inflation has eased slightly, the Altus Construction Cost Index for Alberta remains elevated. Local hoteliers estimate current hard costs for a select-service hotel in Lethbridge around \$135k per key. When land costs, soft costs and financing are included, all-in development cost can approach \$200k per room. This means a new 100-room economy hotel could require \$20 million, which is difficult to underwrite when existing hotels are selling (if at all) at far lower per-room prices and when RevPAR remains flat (**Figure 10.2.1**).

Additionally, builders report challenges in securing skilled trades, and smaller markets like Lethbridge often have to pay a premium to attract contractors. These factors (high costs, moderate revenues, tight lending) have effectively paused new construction – as noted, no hotels are under construction in the area as of 2025. Instead, owners are focusing on renovating and repositioning older assets to remain competitive. For example, the Sandman Signature (former Lethbridge Lodge) underwent extensive renovations after its acquisition. Other 1970s-era properties may need similar upgrades or risk closure.

Financing conditions are currently challenging in Southern Alberta. Lenders are scrutinizing cash flows that have not fully stabilized post-COVID, and debt service coverage is tighter with interest rates roughly double what they were in 2019. As a result, **cap rates** have widened to entice buyers (**Figure 10.2.2**)³⁴. The spread between cap rates and borrowing rates became very thin in early 2023 (sometimes under 100 bps), which put many deals on hold. The absence of any hotel transactions in Lethbridge in the past couple of years reflects this cautious climate.

Figure 10.2.1 RevPAR – Lethbridge Hotels

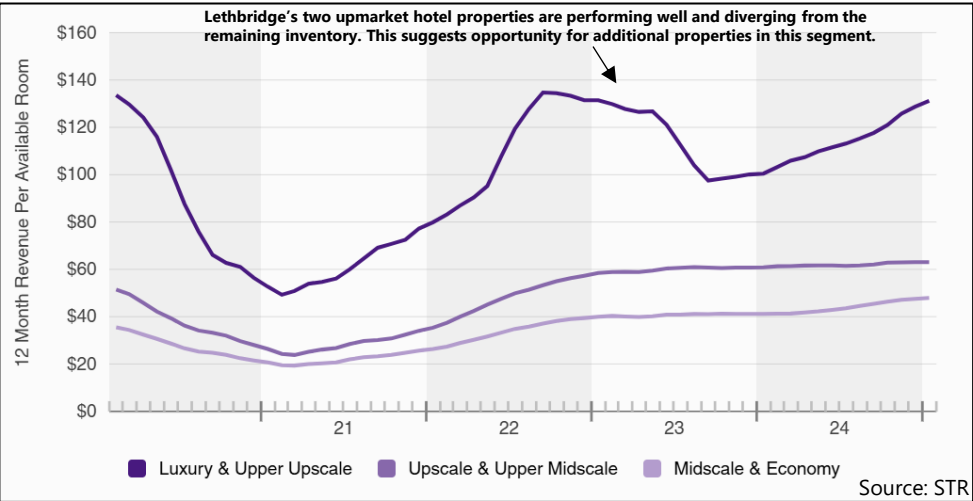
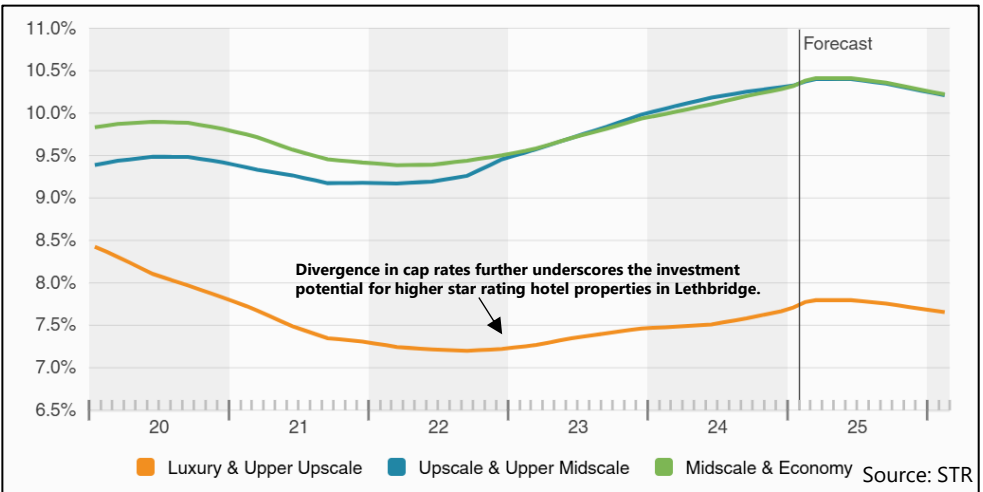


Figure 10.2.2 Market Cap Rates – Lethbridge Hotels



Hotel Market Analysis

10.3 Hotel Submarkets

Geographically, Lethbridge’s hotel market can be viewed in three submarkets: **Downtown, South Lethbridge** (Mayor Magrath Drive corridor), and **Southeast Gateway** (W.T. Hill Business Park). Trends in these submarkets will influence where future demand gets absorbed and where new projects (or closures) happen first.

Table 10.3.1 details the imbalance between submarkets: newer hotels on the east and south periphery are doing reasonably well (but at the expense of older inner-city properties). Downtown Lethbridge’s hotel stock is in need of rejuvenation to compete. West Lethbridge remains an untapped area – as that side’s population grows, it could likely support a limited-service hotel in the future (currently residents/visitors there must drive 15+ minutes to the east or south side hotels). The City has explicitly encouraged hotel development in West Lethbridge and the introduction of a higher-end hotel downtown to diversify the geographic spread of rooms³⁵.

Table 10.3.1 Hotel Submarket Summary

Submarket	Inventory	Performance	Outlook
Downtown Core	Sandman Signature (Lethbridge Lodge) and Coast Hotel & Conference Centre + several boutique inns. Lack of flagship upscale property.	Older properties that are struggling with occupancy in the high 40% range and low ADR. Excess supply introduced in other submarkets has put downward pressure on downtown hotels.	Large event facilities and trade centre opening could boost some demand for downtown hotels
South Lethbridge (Scenic Drive & Mayor Magrath Corridor)	Traditional motel/hotel strip along Mayor Magrath Drive. 400 – 500 rooms across eight properties. Some mid-tier properties (Holiday Inn, Travelodge, etc.).	Demand stems from highway travelers and sports teams (proximity to Enmax Centre and other sports venues). Occupancy averages 50-55% and ADR is \$100-\$120 for branded hotels.	Renovated/newer properties with family amenities perform better while older ones may face obsolescence. The planned Exhibition Park hotel (if built) could add competition but also potentially boost the profile of the submarket with a new upscale flag.
Southeast Gateway (W.T. Hill Business Park)	Newer cluster which emerged with four hotels built 2008 to 2019. Total of 390 hotels in branded select service brands all with similar offerings.	Occupancies of 55 – 60% which is above market average but still low. Highest ADRs of \$130+ in peak season. Succeed in capturing many small corporate and leisure bookings.	Limited room for further hotel growth in this submarket without demand growth. More supply would simply depress the entire market’s occupancy rate.

Sources: Smith Travel Research, HVS

Hotel Market Analysis

10.4 Competitive Hotel Infrastructure

Lethbridge's existing hotel inventory primarily consists of 1,500 rooms. Inventory ranges from small budget motels to select-service chain establishments and a full-service conference hotels. The city's most prominent properties include the **Coast Lethbridge Hotel & Conference Centre**, a longstanding full-service hotel with 103 rooms featuring the city's largest meeting facilities, and the **Sandman Signature Lethbridge Lodge**, a historic 190-room downtown hotel that opened in 1978 and was recently renovated under new ownership.

The southeastern area near the Crowsnest Highway and Lethbridge's eastern gateway is notable for its **cluster of select-service hotels**, such as the Holiday Inn Lethbridge, Best Western Plus Service Inn & Suites, Fairfield Inn & Suites by Marriott, Hampton Inn & Suites, and Holiday Inn Express & Suites³⁰. Ownership of these properties is mixed, with local entrepreneurs often operating multiple franchise brands and outside investors attracted by Lethbridge's stability as a secondary market.

Future hotel developments in Lethbridge include two primary proposed projects, although neither is currently under construction. The most significant is the **Exhibition Park Hotel**, an upscale, select-service property envisioned to have approximately 150 rooms, meeting spaces, and brand affiliation such as Marriott Courtyard or Hilton Garden Inn. This is planned adjacent to the new Agri-food Hub & Trade Centre; however, no timeline has been established as of this report.

Local hoteliers have questioned the project's feasibility, arguing that existing hotels located "extremely close" to Exhibition Park can adequately serve event attendees. Specifically, the hotel cluster in the W.T. Hill area is only a few minutes' drive from Exhibition Park. The Lodging Association suggests that improved road connectivity between these hotels and the Exhibition grounds could negate the need for an additional on-site hotel.

Additionally, the first hotel in the growing **West Lethbridge** area is anticipated within the next decade, spurred by increasing population, local amenities such as a recreation centre, shopping facilities, and proximity to the university. This initial West Lethbridge hotel will likely be a limited-service or extended-stay property with approximately 80 to 100 rooms, strategically positioned to test market demand. Extended-stay hotels, currently absent from Lethbridge but increasingly popular in secondary markets nationwide, would likely cater to visitors associated with healthcare services and university activities, such as traveling nurses, visiting faculty, visiting parents and medical rotations. Brands like TownePlace Suites or Homewood Suites could find an opportunity to pioneer this market niche in Lethbridge.

Other potential **future developments remain speculative**. The City's tourism strategy envisions eventually attracting a boutique or 4-star hotel downtown, possibly linked to broader downtown redevelopment initiatives. A boutique or luxury property could capture higher-paying segments and introduce new amenities such as fine dining and spa services, currently not offered by Lethbridge hotels.

Hotel Market Analysis

Given current market conditions characterized by oversupply, the near-term industry focus may shift toward renovating or repurposing older properties rather than adding new rooms. Aging motels and hotels dating from the 1950s through the 1970s may be prime candidates for conversion into alternative uses such as apartments or student housing if they continue to lose market share. Hotels that remain unrenovated could ultimately exit the market after sustained periods of low occupancy, naturally helping to balance local supply and demand.

The rise of **Airbnb** presents both challenges and opportunities for the hotel industry in Lethbridge. Nearly 200 active Airbnb listings currently operate in the city, maintaining a high occupancy rate of 77% and offering competitive pricing averaging around \$97 per night. These listings primarily cater to larger groups—averaging about four guests—who stay for longer periods, approximately 4.8 nights on average⁴¹.

For hotels, Airbnb's emergence represents increased competition, particularly because these larger groups might otherwise have booked multiple hotel rooms. However, Airbnb also has the potential to expand the market by attracting travelers who prefer residential-style accommodations, such as large families or groups. Hotels have responded by emphasizing their strengths, such as regulated standards, consistent quality of service, and amenities like pools, features that many Airbnb rentals lack.

Meanwhile, the City of Lethbridge is closely monitoring short-term rentals and may consider implementing stricter regulations or fees. Such actions could help level the playing field between hotels and short-term rental properties.

In essence, Lethbridge's competitive hotel infrastructure is in a holding pattern: owners are optimizing existing assets and implementing small improvements drawn from wider industry trends, but big changes (new hotels, major upscale offerings) will likely wait until demand justifies them.



Source: Airbnb

Hotel Market Analysis

10.5 Market Segmentation

The existing Lethbridge hotel landscape is heavily weighted toward mid-scale and economy flags that cater to drive-through leisure, sports teams, and cost-sensitive corporate crews. Fewer than 200 rooms in the entire Alberta South submarket fall into the upper-midscale or better category, and within the city itself only the Coast Lethbridge Hotel & Conference Centre and a recently re-branded Sandman Signature offer anything approaching an upscale experience.

These properties are aging and geared toward smaller social banquets rather than the new class of business events Lethbridge is now courting.

Segmenting the market by class, purpose of trip, and booking channel shows a clear gap at the intersection of corporate-group demand and higher-rated accommodation, particularly at the Agri-Food Hub area.

Demand segments for a new upmarket hotel are as follows:

- **Agri-Food Hub & Trade Centre (“the Exhibition”):** The \$70 million Exhibition facility opened in 2023 with 268,000 ft² of flexible space, positioning Lethbridge to capture provincial-scale agriculture shows, regional conventions, and multi-day conferences previously lost to Calgary or Red Deer. Early-stage booking data indicate 120+ event-days annually by 2026, translating to ±35,000 delegate room-nights—well above what nearby limited-service hotels can absorb without compression.

- **Corporate & Institutional Anchors:** Lethbridge benefits from a diversified economic base—ag-tech, post-secondary (U of L, Lethbridge Polytechnic), health care, provincial government, and a growing logistics node linked to Highway 4 and the Coutts border. These users prefer brands with robust loyalty programs, full-service F&B, and on-site meeting space—all features largely absent today.
- **Market-Wide Rate Segmentation:** The city’s 2023 ADR averaged ≈ \$124, yet select weekday peaks already approach \$160 at the better properties, indicating head-room for a purpose-built, globally branded hotel to establish an introductory ADR around \$150–\$165—a 20–30 % premium that still undercuts Calgary comparables.

An on-site hotel removes the 10-minute commute from existing hotels. A 120- to 150-key branded property would introduce modern amenities—club rooms, meeting pods, coworking—that older hotels lack. Bundled packages with the Exhibition would boost RevPAR and banquet revenue while improving competitiveness for 400–600 delegate conferences, a currently underserved segment.

While macroeconomic headwinds and higher interest rates pose timing risks, deferring until occupancy across the market drifts closer to 60 % could invite a competitor to pre-empt the opportunity. By leveraging the Exhibition’s unique traffic generators and aligning brand selection with corporate loyalty programs, a first-mover upscale hotel can **capture market share that existing inventory is structurally unable to serve**, elevate the city’s meetings profile, and set a new ADR benchmark.

Hotel Market Analysis

10.6 Hotel Demand Forecasting

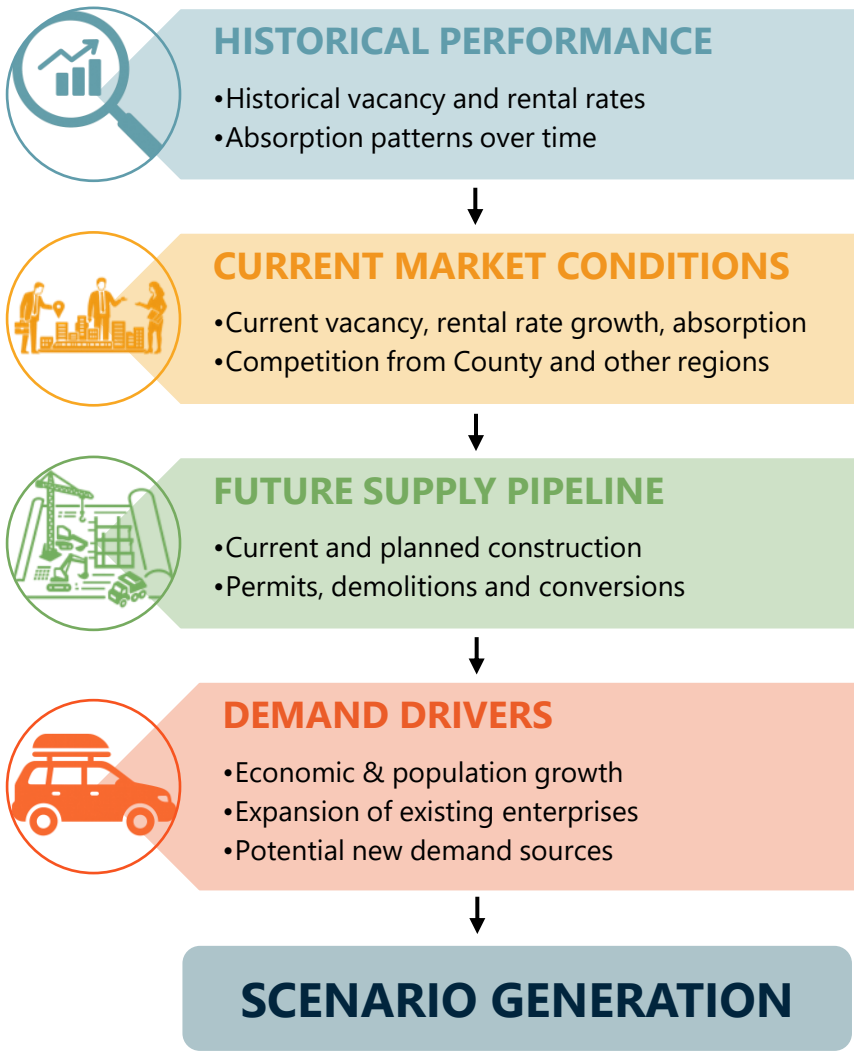
An analysis was undertaken to project the number of new hotel rooms needed in Lethbridge over the next 20 years. Quantitative analysis and qualitative insight are both used to project future hotel demand in Lethbridge. On the quantitative side, historical room night growth, population and employment forecasts, and prior supply absorption trends are examined. The base year of 2024 provides known values for occupancy, ADR, and occupied room nights, and historical absorption rates and market elasticity are applied to refine the estimates.

From 2010 to 2019 (just prior to the pandemic), Lethbridge’s occupied room nights grew by about 2.5% annually³⁰. This historic rate of growth forms the basis of future projections. Although new hotels built between 2014 and 2019 temporarily reduced occupancy, the market recovered in two to three years. Similar absorption lags are expected for future additions.

If occupancy consistently surpasses certain thresholds (typically about 70%), new hotel developments may be introduced. Conversely, persistent oversupply may lead some hotels to close, boosting occupancy for the remainder. A supply adjustment mechanism is incorporated to either add or remove rooms once occupancy remains above or below specific benchmarks.

Lethbridge’s **population** surpassed 100,000 in 2019 and could reach 125,000 by 2035, with **employment** projected to increase by 1.5–2%³⁵. Hotel demand growth is assumed to track these demographic and economic trends.



Figure 10.6.1 Hotel Demand Scenarios Methodology



Hotel Market Analysis

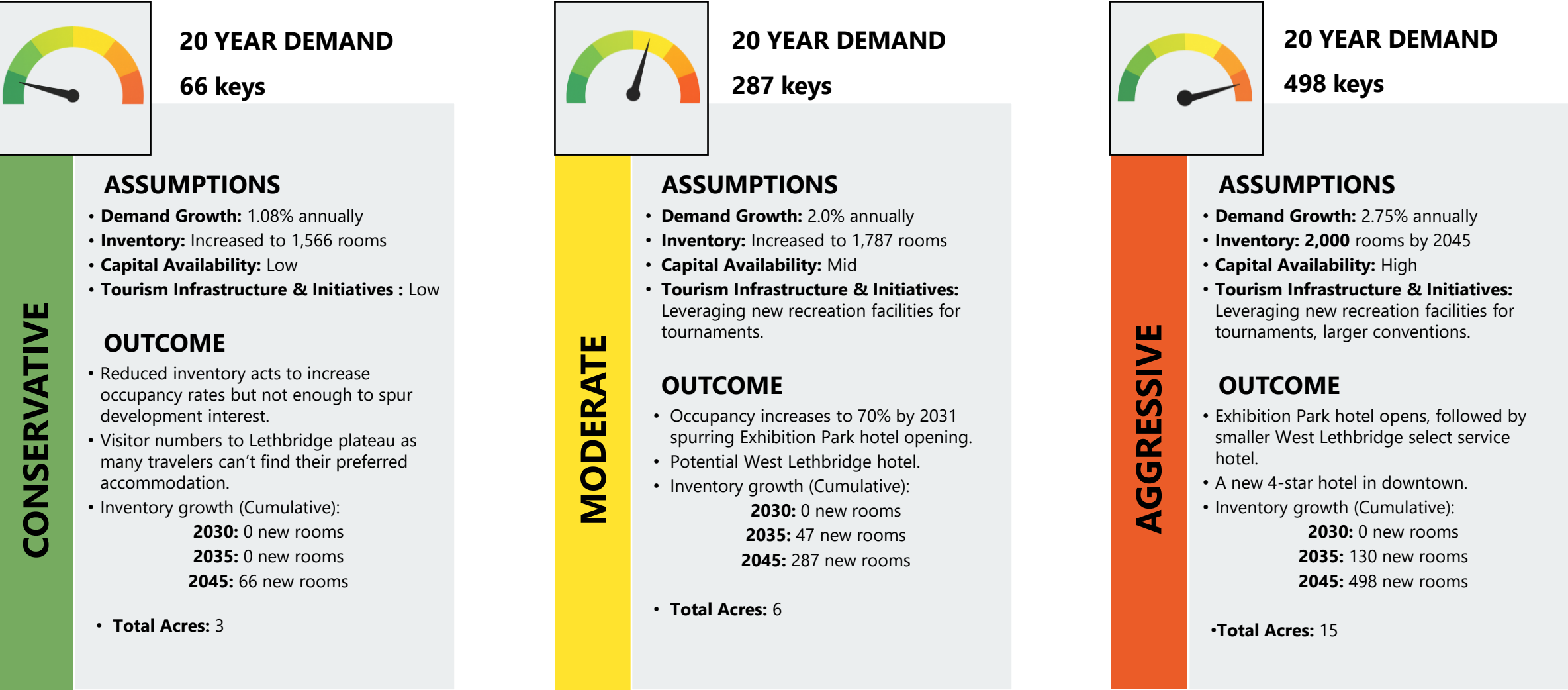
Forecasting hotel demand drivers for Lethbridge requires making assumptions about economic growth, regional population growth, industry trends, occupancy trends, and employment trends. Three scenarios – Conservative, Moderate (Baseline), and Aggressive are presented for hotel demand over the next 20 years. Assumptions for these three scenarios are summarized in **Table 10.6.1**. The forecast model output is summarized in **Figure 10.6.2** with year-by-year projections detailed in **Table 10.6.2**.

Table 10.6.1 Summary of Assumptions Used in Hotel Demand Projections for Lethbridge

Scenario	Assumptions
Conservative 	<ul style="list-style-type: none"> • Economic slowdown or downturns –Gross Regional Product (GRP) growing by just 1% per annum. • Tourism does not diversify away from predominantly “Visiting Friends and Relatives” (VFR) to expand into Leisure, MICE, and Business. • Development costs remain high but room rates and occupancy do not keep pace, making new hotel development financially infeasible. • Minimal new job creation in offices (public sector hiring freeze, etc.). Local employment growth averages 1% per year, reducing business travel momentum. • New hotels largely supplant obsolete older properties, resulting in minimal net change in room inventory. • Population growth slows to 1.25% per year, reducing momentum for Lethbridge’s VFR-dominated tourism industry.
Moderate (Baseline) 	<ul style="list-style-type: none"> • Continued steady economic growth with inflation-adjusted Gross Regional Product (GRP) for the Lethbridge CMA growing by its average of 2.05% from 2009 to 2021 (Source: Statistics Canada). • Lethbridge office employment grows by its 2001-2021 average of 2% per year. • New hotels supplant one or two older properties resulting in reduced net new hotel room inventory than demand growth would otherwise suggest. • Occupancy increases to 70% by 2031 spurring Exhibition Park hotel opening. • Potential West Lethbridge hotel.
Aggressive 	<ul style="list-style-type: none"> • Strong regional economic performance. • Gross Regional Product growing by 2.5% per annum; population and office employment grow commensurately. • Substantial diversification of tourism to Leisure, MICE and Business sectors. • Exhibition Park, West Lethbridge and potential upmarket Downtown Boutique Hotel are developed. • Improved air access to Lethbridge. • New recreation facilities are leveraged for tournaments. • Larger conventions are attracted to Lethbridge.

Hotel Market Analysis

Figure 10.6.2 Summary of Hotel Room Demand Projections for Lethbridge



Hotel Market Analysis

Table 10.6.2 Hotel Room Demand Projections for Lethbridge

20-Yr Demand Model		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Conservative	2025 Room Supply	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
	2025 Room Night Supply	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875
	Room Night Demand Projection	328,725	332,275	335,864	339,491	343,158	346,864	350,610	354,396	358,224	362,093	366,003	369,956	373,952	377,990	382,073	386,199	390,370	394,586	398,848	403,155	407,509
	Occupancy Rate (With No New Rooms)	60.8%	60.6%	61.3%	62.0%	62.6%	63.3%	64.0%	64.7%	65.4%	66.1%	66.8%	67.5%	68.3%	69.0%	69.7%	70.5%	71.3%	72.0%	72.8%	73.6%	74.4%
	Residual Demand (Rooms)	-138	-140	-130	-121	-110	-100	-90	-80	-69	-59	-48	-37	-26	-15	-4	7	19	30	42	54	66
Moderate	2025 Room Supply	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
	2025 Room Night Supply	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875
	Room Night Demand Projection	328,725	335,300	342,005	348,846	355,823	362,939	370,198	377,602	385,154	392,857	400,714	408,728	416,903	425,241	433,746	442,421	451,269	460,294	469,500	478,890	488,468
	Occupancy Rate (With No New Rooms)	60.8%	61.2%	62.4%	63.7%	64.9%	66.2%	67.6%	68.9%	70.3%	71.7%	73.1%	74.6%	76.1%	77.6%	79.2%	80.8%	82.4%	84.0%	85.7%	87.4%	89.2%
	Residual Demand (Rooms)	-138	-132	-114	-95	-76	-56	-36	-16	4	26	47	69	91	114	138	161	186	210	235	261	287
Aggressive	2025 Room Supply	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
	2025 Room Night Supply	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875	547,875
	Room Night Demand Projection	328,725	337,765	347,053	356,597	366,404	376,480	386,833	397,471	408,402	419,633	431,172	443,030	455,213	467,731	480,594	493,810	507,390	521,343	535,680	550,412	565,548
	Occupancy Rate (With No New Rooms)	60.8%	61.7%	63.3%	65.1%	66.9%	68.7%	70.6%	72.5%	74.5%	76.6%	78.7%	80.9%	83.1%	85.4%	87.7%	90.1%	92.6%	95.2%	97.8%	100.5%	103.2%
	Residual Demand (Rooms)	-138	-125	-100	-74	-47	-19	9	38	68	99	130	163	196	231	266	302	339	377	417	457	498
Scenario		Growth Rate	Assumptions																			
Conservative		1.08%	Minimal expansion of tourism infrastructure. Weak economic growth. Capital availability is low. Population growth slows.																			
Moderate		2.00%	Leveraging of new recreation facilities for tournaments. Moderate expansion of tourism infrastructure. Average economic growth and capital availability. Population growth rate continues.																			
Aggressive		2.75%	Expanded convention activity, leveraging of new recreation facilities for tournaments. Rapid expansion of tourism infrastructure. Strong economic growth and capital availability. Population growth accelerates.																			

Hotel Market Analysis

10.7 Summary & Implications

With approximately 1,500 hotel rooms across 20 properties, Lethbridge's accommodation market is shaped by regional travel patterns, limited business activity, and significant seasonal variation. The primary visitor segment in Lethbridge is "Visiting Friends and Relatives" (VFR), accounting for 51% of travel, compared to a typical 20–35% in other markets. Leisure tourism is relatively weak at 39% (versus 50–70% in comparable cities), and only 4% of visitors are business travelers. This reflects a lack of large corporate anchors or international demand. Most visitors originate from Southern Alberta or Calgary, with just 1% from overseas.

Substantial interest by the federal and provincial government to create a Highway 3 "Prairies to Pacific" corridor would tap into the popularity enjoyed by Banff and Jasper, which could substantially elevate Lethbridge's prominence on the national and international leisure travel sector.

Hotel performance data varies considerably by market segment with the city's two upmarket properties performing moderately well, and significantly better than the rest of the local inventory, suggesting near-term opportunity for new development. Several functionally obsolete properties will likely be removed from official inventory figures in the near future. As such, the City's recorded occupancy, room rate and RevPAR should improve substantially.

Hotels are distributed among Downtown, South Lethbridge, and the Southeast Gateway (W.T. Hill). Downtown faces pressure from newer peripheral properties and requires reinvestment. South Lethbridge, with 400–500 rooms, caters to sports and highway travelers but varies widely in performance.

The Southeast Gateway, built out between 2008 and 2019 is nearing saturation. West Lethbridge currently lacks hotel supply, prompting interest in limited-service or extended-stay formats to serve a growing population and proximity to the university.

Proposed developments include an upscale hotel adjacent to the new 268,000 SF Agri-food Hub & Trade Centre, though its necessity is debated given proximity to existing hotels in the W.T. Hill cluster. A West Lethbridge hotel is anticipated in the next decade, likely serving healthcare and education-related visitors. There is also long-term potential for a boutique or four-star downtown property linked to broader redevelopment efforts.

Short-term rentals, especially Airbnb, present both competition and opportunity. With about 200 listings averaging \$97/night and high occupancy (77%), they attract longer-staying, larger groups. However, the City may consider regulation to ensure parity with hotels.

Hotel demand forecasts to 2045 consider three growth scenarios:

- **Conservative:** 1.08% annual growth, yielding demand for just 66 new rooms by 2045.
- **Moderate:** 2.0% growth, resulting in 287 new rooms.
- **Aggressive:** 2.75% growth, projecting 498 additional rooms.

Overall, Lethbridge's hotel market is stable but constrained. While some redevelopment and modest new builds are expected, significant expansion will depend on sustained growth in tourism infrastructure, economic activity, and demographic momentum.

11

Growth Scenarios

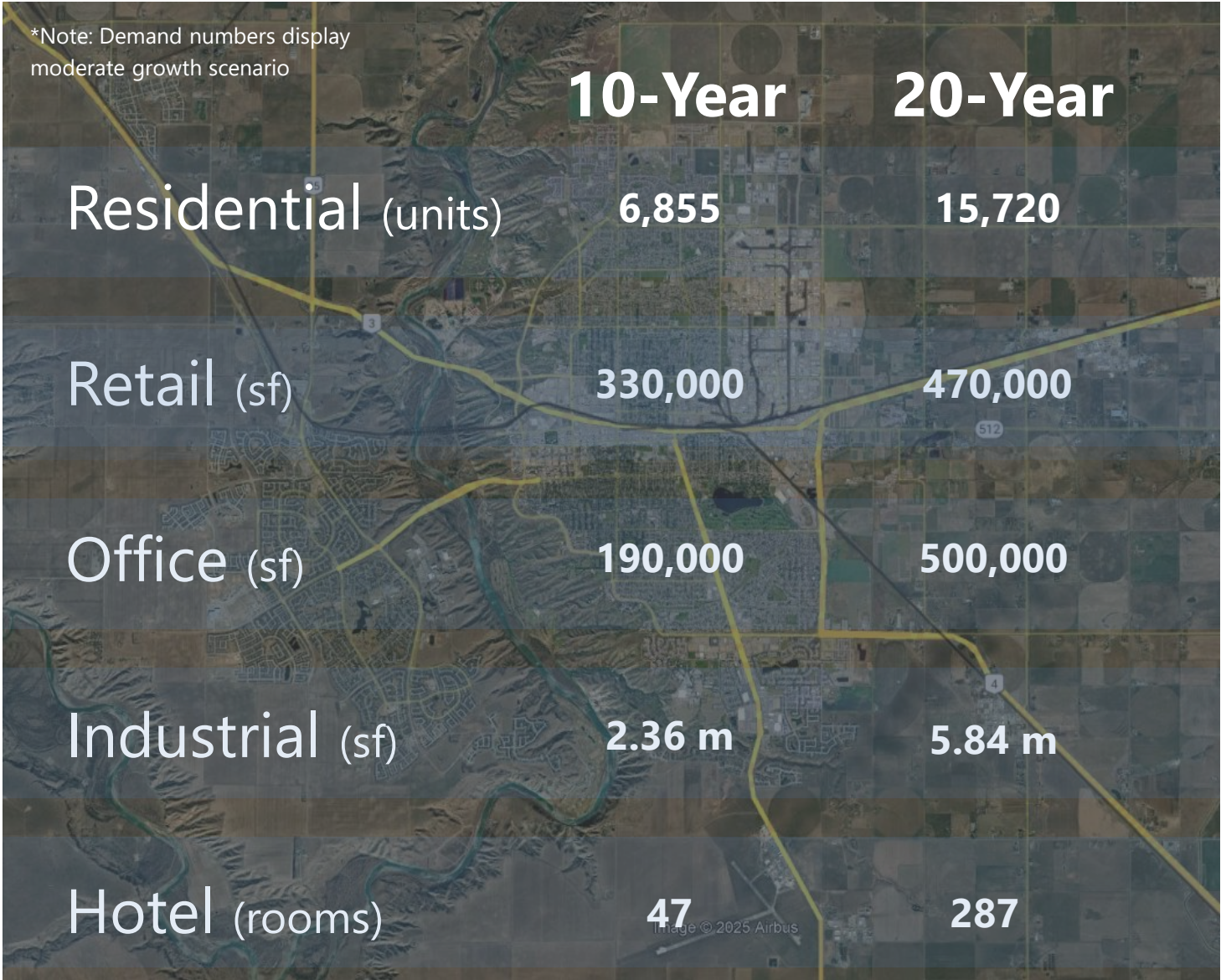
Growth Scenarios

Demand Summary

To synthesize the findings of the market analyses, a consolidated demand summary was prepared using the **moderate demand projections** across all real estate asset classes. The summary in Figure 11.1 presents projected demand over both 10-year and 20-year cumulative intervals, providing a clear picture of expected development needs across residential, retail, office, hotel, and industrial uses. These demand projections are based on population growth data as detailed in the Market Analysis.

By integrating all market findings into a single framework, the demand summary highlights the scale and balance of growth anticipated in Lethbridge and serves as the foundation for the Growth Scenarios and Recommendations that follow.

The Growth Scenarios presented on the following pages are all based on the Demand Summary presented in Figure 11.1, using consistent population growth data as detailed in the Market Analysis.



Growth Scenarios

Growth Scenarios

Three growth scenarios have been established based on the **market analysis, policy review, and case studies of other cities**, as illustrated on the following pages, providing a grounded yet forward-looking framework for Lethbridge's potential growth pathways. These growth scenarios apply the moderate demand projections detailed on the previous page, to three different patterns and densities of growth across the City.

Across the scenarios, a clear trend emerges toward **more efficient use of commercial and industrial land**. Industrial, retail, and office uses are increasingly accommodated on smaller footprints without sacrificing total floor space, achieved through higher floor area ratios (FARs) and strategic location in accessible, high-traffic areas. This intensification aims to support more sustainable infrastructure investment and greater economic output per acre.

On the residential side, total acres decline from Scenario 1 to Scenario 3 while housing output is maintained through higher densities and a greater share of multi-family forms, reflecting a shift toward **a more compact, transit-supportive, and mixed-use urban forms**.

Scenario 1: Business As Usual

Maintains historic development patterns with low-density commercial/industrial and majority single-detached housing, consuming the most land.

Scenario 2: Moderate

Increases commercial/industrial efficiency through higher FARs while introducing a more balanced and diverse residential mix.

Scenario 3: Aggressive

Maximizes land efficiency for both commercial/industrial and residential uses, achieving the most compact urban form.

Growth Scenarios

Scenario 1: Business As Usual

Maintains historic development patterns with low-density commercial/industrial and majority single-detached housing. This scenario consumes the most land.

This scenario projects future growth based on Lethbridge's historic development trends and the current zoning framework. It reflects continuation of existing suburban growth patterns, with limited change in the balance between housing typologies.

- Large allocation to industrial land (670 acres), supporting employment growth but maintaining low FAR (0.2).
- Retail and office land allocations remain moderate (54 and 51 acres), with relatively low intensities.
- Majority of new residential units delivered as single-detached homes, representing 69% of all new dwellings.
- Lower overall residential density results in the highest total land consumption at 1,692 acres.
- Minimal change in housing choice or density compared to historic patterns, limiting compact growth potential.
- Development continues to occur primarily at the urban fringe, following existing ASPs and subdivision approvals.

Table 11.1 Scenario 1 Density & Acreage Projections

Scenario 1: Business As Usual Density & Acreage Projections				
Commercial	Acres	FAR	SF	
Industrial	670	0.2	5,840,000	
Retail	54	0.2	470,000	
Office	51	0.25	550,000	
Hotel	6	N/A	287 Rooms	
Residential	Acres	DU/Acre	Dwellings	% Mix
Single-Detached	743	10	7,427	69%
Semi-Detached	44	12	530	5%
Row-homes	30	18	534	5%
Apartments	59	35	2,056	19%
Moveable Dwellings	63	6	214	2%
TOTAL	1,692 Acres			

Growth Scenarios

Scenario 2: Moderate

Increases commercial/industrial efficiency through higher FARs while introducing a more balanced and diverse residential mix.

This scenario aligns growth with the City's Municipal Housing Strategy, responding to changing demographics, shifting household sizes, and evolving housing preferences, while also optimizing land use for employment-generating commercial and industrial sectors.

- Industrial land allocation drops significantly to 447 acres but is intensified with a higher FAR of 0.3, achieving the same total SF as Scenario 1.
- Retail and office uses require less land (31 and 36 acres) but are built more intensively (FAR 0.35), accommodating the same total SF in a smaller footprint.
- Greater emphasis on infill and redevelopment within the existing urban area, along key momentum nodes and corridors, supports transit and walkability.
- Increased share of multi-family units (semi-detached, row housing, and apartments), with single-detached reduced to 52% of dwellings.
- Higher residential densities reduce total land consumption to 1,310 acres.
- More compact growth pattern enhances infrastructure efficiency and broadens housing choice.

Table 11.2 Scenario 2 Density & Acreage Projections

Scenario 2: Moderate Density & Acreage Projections				
Commercial	Acres	FAR	SF	
Industrial	447	0.3	5,840,000	
Retail	31	0.35	470,000	
Office	36	0.35	550,000	
Hotel	6	N/A	287 Rooms	
Residential	Acres	DU/Acre	Dwellings	% Mix
Single-Detached	561	10	5,610	52%
Semi-Detached	90	15	1,349	12.5%
Row-homes	67	20	1,349	12.5%
Apartments	45	50	2,266	21%
Moveable Dwellings	27	8	216	2%
TOTAL	1,310 Acres			

Growth Scenarios

Scenario 3: Aggressive

Maximizes land efficiency for both commercial/industrial and residential uses, achieving the most compact urban form.

This aspirational scenario models outcomes if Lethbridge pursued higher-density, mixed-use, and transit-supportive patterns similar to progressive peer cities. It represents a significant shift toward multi-family housing and land efficiency.

- Industrial maintains FAR 0.3, retail and office at 0.35, sustaining the same SF output in less land than Scenario 1.
- Commercial land allocations match Scenario 2 (447 acres industrial, 31 acres retail, 36 acres office) but accommodate more growth through higher-density housing integration nearby.
- Significant reliance on intensification and mixed-use momentum nodes along key corridors to accommodate population growth.
- Single-detached share drops further to 44%, with substantial increases in row-homes (17.5%) and apartments (23%).
- Highest overall residential densities reduce total land consumption to 1,269 acres, the lowest of all scenarios.
- Supports a transit-oriented and pedestrian-friendly urban form, positioning the city for long-term economic competitiveness.

Table 11.3 Scenario 3 Density & Acreage Projections

Scenario 3: Aggressive Growth Density & Acreage Projections				
Commercial	Acres	FAR	SF	
Industrial	447	0.3	5,840,000	
Retail	31	0.35	470,000	
Office	36	0.35	550,000	
Hotel	6	N/A	287 Rooms	
Residential	Acres	DU/Acre	Dwellings	% Mix
Single-Detached	475	10	4,747	44%
Semi-Detached	90	15	1,349	12.5%
Row-homes	94	20	1,888	17.5%
Apartments	50	50	2,481	23%
Moveable Dwellings	40	8	324	3%
TOTAL	1,269 Acres			

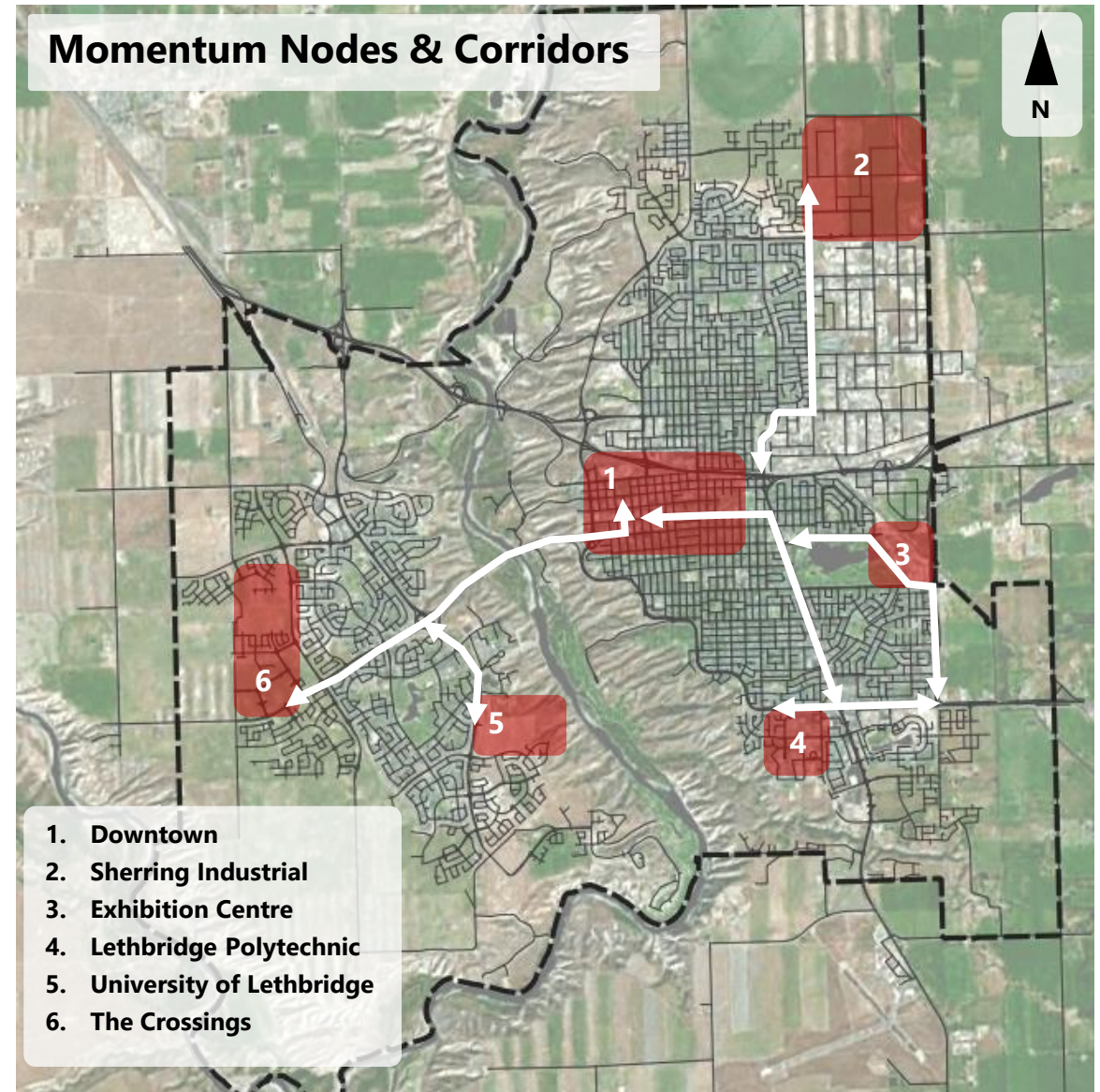
Growth Scenarios

Momentum Nodes & Corridors

The Momentum Nodes and Corridors framework identifies strategic locations across Lethbridge where growth and redevelopment efforts can deliver the greatest impact. These areas are already supported by key infrastructure, strong access, or existing concentrations of employment, education, and community activity. Focusing investment on these locations can help intensify land use, strengthen economic performance, and create more vibrant, connected districts. The current MDP (2021) and Efficient Land Use Strategy have goals and policies that support a momentum node and corridor framework.

Key Characteristics of the Momentum Nodes & Corridors Approach:

- Directs new development to areas with existing infrastructure capacity, reducing the cost of growth.
- Concentrates employment, commercial, and residential activity in accessible, high-visibility locations.
- Leverages existing destinations such as Downtown, post-secondary institutions, and major event venues to anchor surrounding development.
- Reinforces industrial nodes with improved connections to the broader road and logistics network.
- Aligns growth along corridors that can support enhanced public transit and active transportation.
- Encourages mixed-use and higher-density formats in targeted areas to promote economic diversity and vibrancy, as well as supporting key areas of housing need.



Growth Scenarios

Priority Development Opportunities

The following opportunities represent the most actionable, high-impact areas for near- to medium-term development in Lethbridge. Each **aligns with the market readiness and policy direction**, offering a strong return on effort and investment. They do not consider infrastructure readiness and availability; thus, this would be a much-needed additional step to identify the potential opportunity. These “priority opportunities” are considered the city’s low-hanging fruit—projects or areas where momentum already exists, market analysis demonstrates strong potential, and immediate progress can help catalyze broader economic growth.

Table 11.4 Priority Development Opportunities

Opportunity	City Location	Development Opportunity Type	Alignment With City Goals	Why This Matters
Multifamily Infill Development	City-wide	Rental apartments (4 to 6 stories), and rental townhomes/rowhomes.	Supports the City’s Housing Strategy and Municipal Development Plan objectives to diversify housing options, increase density in serviced areas, and promote efficient land use within existing neighbourhoods.	Encouraging multifamily infill strengthens housing affordability, optimizes existing infrastructure, and attracts a broader demographic mix; supporting both population growth and economic viability.
Manufacturing and Agri-business development in Sherring	Sherring Industrial Park	Single-tenant manufacturing and agri-business industrial, and modern multi-tenant high-bay flex industrial.	Advances the City’s Economic Development Strategy and Industrial Land Use objectives by supporting high-value manufacturing and agri-business growth within an established serviced park, taking advantage of existing infrastructure investments in Sherring and promoting the area as a regional manufacturing centre.	Attracting single-tenant manufacturers and modern multi-tenant high-bay flex users will expand the city’s export capacity, create quality jobs, and generate significant non-residential tax revenue, reinforcing manufacturing as a cornerstone of Lethbridge’s economy.
Lethbridge Polytechnic to Downtown to Sherring Corridor	South, Downtown, North	Mixed-use redevelopment, multifamily rental apartments (4 to 6 stories), student housing, employment and light industrial flex, medical office, institutional uses, infill retail and services.	Supports the City’s transportation, land use, and economic development objectives by establishing a primary north–south mobility spine that connects major employment and education anchors. This corridor leverages existing infrastructure and planned growth areas to promote higher-density and transit-oriented development along a consistent and reliable transit route.	Creating a continuous connection between Lethbridge Polytechnic, Downtown, and Sherring Industrial Park will strengthen workforce accessibility, reduce commuting barriers, and stimulate corridor-based investment that enhances the city’s economic cohesion and livability.

12

Recommendations

Recommendations

12.1 Introduction

Based on the comprehensive policy review, economic and real estate market analyses, and extensive stakeholder outreach, MXD has developed a series of recommendations to guide Lethbridge's next decade of growth across various asset classes. These recommendations are designed to ensure the city not only captures its full economic potential but also builds resilience in the face of shifting demographic, sectoral, and market dynamics.

The recommendations span ten focus areas, ranging from sector prioritization and workforce alignment to infrastructure investment, housing supply, data transparency, and performance monitoring. Together, they form an integrated framework that links land use, economic development, and implementation strategies. The intent is to provide the City of Lethbridge and EDL with actionable steps that balance immediate priorities with long-term vision, ensuring Lethbridge strengthens its role as Southern Alberta's economic hub and creates opportunities for residents, businesses, and future generations.

Recommendations at a Glance

1. *Rank Economic Sectors by Net Benefit* – Identify sectors with the strongest ROI.
2. *Align High Priority Sectors with Funding and Incentives* – Match top sectors with funding tools.
3. *Synchronize Workforce Development with Sector Needs* – Align training with industry demand.
4. *Work with Adjacent Jurisdictions on Fair Share Agreement* – Partner regionally to lobby province.
5. *Concentrate Development at Momentum Nodes & Corridors* – Focus growth where infrastructure exists.
6. *Expand and Align Infrastructure* – Sequence utilities and mobility with development demand.
7. *Address Housing Typology Imbalances* – Shift supply toward multifamily and affordable units.
8. *Publish an Integrated Implementation Roadmap* – Lay out phased actions and milestones.
9. *Create a Unified Open Data Portal* – Centralize real-time public sector data.
10. *Embed Monitoring & Evaluation (M&E) Metrics* – Track progress with a shared scorecard.

Recommendations

Rank Economic Sectors by Net Benefit

Quantitatively compare each sector's projected GDP growth or job creation against necessary enabling infrastructure, to identify the commercial and industrial sectors that offer the strongest return on investment for the city.

- Map existing assets, supply chain strengths, and gaps.
- Identify whether current city infrastructure is available to support specific economic sectors.
- Identify capital required for necessary enabling infrastructure that will improve the ability to attract specific economic sectors to the city.
- Factor labour wages and potential economic impacts from each sector.
- Consider the opportunity cost of not pursuing or attracting certain economic sectors that have viability in Lethbridge.
- Highlight alternative delivery models e.g., public-private partnerships (P3s) similar to Regina's wastewater plant to lower public outlay and speed of delivery.

Involvement:

- Economic Development Lethbridge
- City of Lethbridge

Where it has been done before

Rural B.C. Connectivity Benefits Study

Led by BC Stats for the Government of British Columbia in 2024, this study quantified the economic returns of investing in high-speed internet infrastructure in rural regions of B.C. The study ranked connectivity infrastructure by net economic benefit including short term build phase GDP boost, long term productivity gains, and total return on initial provincial investment. This study provided quantitative stats for economic sectors that would benefit from increased infrastructure investment.

Potential Challenges

- Requires consistent data for each economic sector. Localized GDP and job projections may not publicly available.
- Infrastructure costs may be variable between sectors and specific parcels of land.
- Some sectors may have longer timelines to build out and attract tenants, so the City must weigh out quick wins versus long term strategy.

Recommendations

Potential Solutions

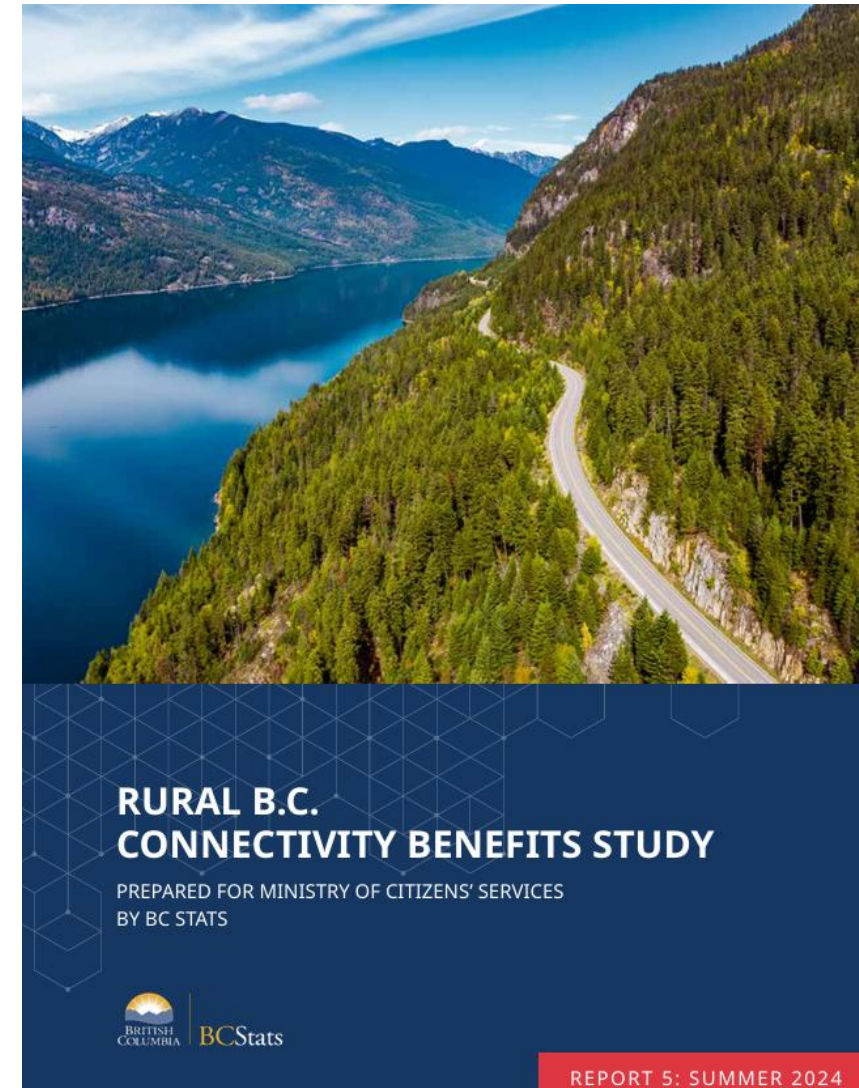
- Partner with regional institutions to commission localized economic impact studies or purchase specific data for a fee from private industry.
- Create a servicing cost matrix to identify “shovel ready” areas for employment for priority sectors that have strong return on investment potential.
- Create an ROI Index Scoring system per sector or district in the city that would measure total economic return on infrastructure spending.
- Implement a phased investment strategy that balances short-term wins (such as logistics or light industrial) with long-term strategy (agribusiness).

Outcome

By aligning infrastructure investment with sector-level economic returns, the City of Lethbridge can maximize the impact of public infrastructure funding, prioritize high-performing sectors, and improve capital planning. This approach enhances economic resilience, supports targeted investment attraction, and provides a data-driven guide to decision-making and justification for funding certain projects.

Recommended KPI's:

- GDP growth per dollar of public infrastructure investment.
- Job creation (per sector) for every dollar invested in infrastructure upgrades to a specific area.



Recommendations

Align High Priority Sectors with Funding and Incentives

For each top ranked sector, specify:

- Incentives the municipality can control (tax holidays, fast tracked permits, fee rebates).
- Where Lethbridge's talent pipelines can be scaled through local post-secondary institutions and training programs, ensuring workforce readiness supports business growth.
- Sectors that can leverage existing or feasibly expanded infrastructure (servicing, utilities, mobility), so growth is both cost-effective and sustainable.
- Provincial and federal programs that fit: e.g., Destination Canada tourism grants, Agribusiness fund allocations or supply chain funds.
- Financing structures beyond grants such as green bonds, community investment funds, tax increment financing, revenue/risk sharing, etc.

Involvement:

- Economic Development Lethbridge
- City of Lethbridge
- Provincial Ministry of Jobs, Economy, and Trade

Where it has been done before

Port Alberta and Edmonton International Airport

Port Alberta is a partnership between Edmonton Global, Edmonton International Airport, and industry groups to position the region as a logistics, transportation, and advanced manufacturing hub. The initiative connects priority employment sectors with coordinated incentives including Foreign Trade Zone benefits, duty/tariff exemptions, provincial workforce grants, and federal trade/export funding and provides a single gateway for businesses to access municipal and higher-level programs. By aligning targeted sectors with financial tools and government programs, Port Alberta has attracted multimillion-dollar logistics and manufacturing investments while minimizing municipal risk.

Potential Challenges

- Requires coordination between multiple groups that adds complexity to the process.
- Aligning multiple municipal, provincial, and federal incentive programs can create administrative bottlenecks.
- Lethbridge may lack the political will and funding to offer competitive local incentives.

Recommendations

Potential Solutions

- Create a team that is dedicated to managing all local, provincial, and federal funding streams for priority industries. This may be beneficial if it includes staff from both Economic Development Lethbridge and the city.
- Combine more modest municipal incentives with industry association support along with available provincial and federal grants.

Outcome

By strategically aligning municipal incentives with higher-level programs and alternative financing, Lethbridge can attract high-value employers, accelerate job creation in its top growth sectors, and secure more investment leverage per municipal dollar, all while reducing reliance on local tax revenue.



Our Partners

Port Alberta and our network of experts are committed to helping you expand your business internationally



Recommended KPI's:

- Private investment leveraged per dollar of municipal incentive.
- External versus municipal funding ratio (annual basis) to evaluate proportion of investment sourced from provincial and federal sources.

Recommendations

Synchronize Workforce Development with Sector Needs

Leverage the City's post-secondary institutions and training providers to build a future-ready workforce that matches the skills required by Lethbridge's High Priority sectors.

- Collaborate with the University of Lethbridge, Lethbridge Polytechnic, and trades training schools to codesign credentials, co-ops, apprenticeships, and research programs that address the skills gap for each priority industry.
- Establish and maintain an annual or biannual workforce forecast, to track emerging skills gaps and align talent pipelines with industry needs. This forecast should be integrated into the City's economic development monitoring efforts and tied to the top-ranked industry sectors identified through this strategy.

Involvement:

- Economic Development Lethbridge
- City of Lethbridge
- University of Lethbridge
- Lethbridge Polytechnic
- Industry-specific associations
- Local employment and workforce agencies

Where it has been done before

Hamilton, ON Workforce Strategy

The City of Hamilton developed a comprehensive Workforce Strategy (2023), crafted in collaboration with local education and training institutions, employers, and workforce groups. The process included extensive labour market analysis, stakeholder consultations, and a coordinated framework that aligns training programs with employer needs and emerging industry demands. The strategy explicitly involves education and training providers and sets an objective to “work with educational institutions and industry partners” to respond to market needs. This city-level approach is assisting Hamilton to identify sector-specific skill gaps and build responsive, partnership-driven talent pipelines.

Potential Challenges

- Coordination between the City, multiple post-secondary institutions, and diverse industry partners can be complex and slow-moving.
- Identifying proportion of students that leave Lethbridge for employment in other cities/regions.
- Labor market forecasts can quickly become outdated if they don't adapt to rapid industry shifts.
- Cost of post-secondary expansion and length of time it takes to address service gaps.

Recommendations

Potential Solutions

- Establish a recurring governance body that meets annually. The body should be composed of representatives from the City, EDL, U of L, Lethbridge Polytechnic, industry, and training stakeholders to co-design programs, apprenticeships, and forecasting tools.
- Work with post-secondary institutions to account for proportion of students who leave the city each year upon graduation.
- Leverage feedback from EDL job board and better understand which sectors have opportunities for co-op that are not being fully realized.
- Pool municipal, institutional, and business association funding to support co-op program development, shared staffing for forecasting, and run pilot initiatives targeting high-priority sectors.

Outcome

By integrating post-secondary training with real-time sector needs, Lethbridge can generate a workforce ready for priority industries that will spur job growth, improve graduate employment outcomes, and reinforce its economic competitiveness. It will also position existing Lethbridge companies for expansion by ensuring consistent access to a skilled and dependable workforce.

Recommended KPI's:

- Number of sector aligned co-ops added on an annual basis.
- Graduate employment rate in priority industries (within 3 or 6 months of graduation).



Hamilton's Workforce Strategy:
Harnessing the Ecosystem for Shared Success
September 2023



Recommendations

Work with Adjacent Jurisdictions to Create Fair Share

Agreement with Province of Alberta

Establish a working group to lobby the Provincial Government in launching a fund for vital major improvements to infrastructure and transportation to provide services to industries and businesses in their respective communities. This will also be used to support the growth of the Highway 3 agrifood corridor that is recognized by the province.

- Build upon the Local Government Fiscal Framework Act which establishes a framework for providing infrastructure funding to all Alberta municipalities.
- Collaborate with Lethbridge County and other municipalities such as Coaldale and Coalhurst to form a Southern Alberta Partnership.
- Lobby the Province of Alberta to create a Fair Share Agreement that provides annual funds that are then redistributed to parties of the partnership.
- The Fair Share Agreement will fund infrastructure growth and important community supports that cannot otherwise be funded directly through development.

Involvement:

- Economic Development Lethbridge
- City of Lethbridge
- Lethbridge County
- Coaldale and Coalhurst
- Provincial Ministry of Jobs, Economy, and Trade

Where it has been done before

Peace River Agreement

The Peace River Agreement is a long-term funding arrangement (signed in 2015) between the Province of British Columbia and eight local governments in the Peace River Regional District. It provides annual payments from the province to compensate municipalities for the added burden of major provincial initiatives in the region. The agreement pools these funds and redistributes them among the participating municipalities to support infrastructure, transportation upgrades, and community amenities directly linked to servicing economic sectors and residents of the communities. This collaborative, multi-jurisdictional model has enabled the region to finance projects that would otherwise be beyond local tax capacities, while fostering a unified regional alliance in negotiations with the province.

Potential Challenges

- Requires buy-in from the Province of Alberta. The Province may be reluctant to commit to an ongoing revenue sharing model.
- Reaching agreement amongst partnership municipalities on priorities, funding allocation, and governance structure.
- Disagreements on eligible targeted projects.

Recommendations

Potential Solutions

- Create a value proposition/business case for the Province. Present data on the Highway 3 agrifood corridor's economic impact, job creation, tax contributions, and potential future growth.
- Create a Memorandum of Understanding (MOU) between City of Lethbridge, Lethbridge County, Coaldale, Coalhurst and other local jurisdictions to define the decision making process and future distribution of funds.
- Evaluate and prioritize infrastructure projects through an objective process.

Outcome

By securing a Fair Share Agreement modeled after the Peace River precedent, the City of Lethbridge can collectively unlock sustained provincial funding for critical infrastructure, enabling growth in priority sectors like agrifood while reducing the financial burden on local taxpayers.

Recommended KPI's:

- Annual Provincial funds secured (in dollars).
- Number of projects that received partial or full funding from the agreement (reviewed every five years).
- Economic impact per dollar spend of agreement funds.



Recommendations

Concentrate Development at Momentum Nodes & Corridors

Prioritize infill and redevelopment and investment in Momentum Nodes and Corridors where infrastructure, transit access, institutions and latent commercial market potential already exist such as the Downtown, Lethbridge Polytechnic area, University of Lethbridge area, and established industrial areas.

- Focus on enabling residential, commercial, and industrial development in key Momentum Nodes and Corridors by aligning infrastructure upgrades with existing demand dynamics
- Focus incentives and catalytic investments in areas that demonstrate a convergence of assets and align with the MDP's vision and market dynamics for high-quality infill, transit-oriented development, and economic diversification.
- Include housing/employment growth targets into the momentum nodes to establish benchmarks for developers.
- Encourage a shift from outward expansion on the west side of the city to optimizing existing urban areas in alignment with the MDP recommendations and infrastructure cost-efficiencies.

Involvement:

- Economic Development Lethbridge
- City of Lethbridge
- Building Industry and Land Development Association (BILD) Lethbridge

Where it has been done before

Edmonton's City Plan, Nodes and Corridors Network

Edmonton's City Plan established a comprehensive network of nodes and corridors throughout the city that guides growth, infrastructure investment, and zoning across the city. Due to the Edmonton's larger population size, it also includes a hierarchy of priority areas. Policies are aligned to promote higher density development in these nodes and corridors, especially along frequent transit routes. The network prioritizes nodes that have institutional anchors, university campuses, major employers, and downtown.

Potential Challenges

- May not match current development outlook from City planning and infrastructure staff, along with the private development community.
- Limited existing transit infrastructure throughout Lethbridge may make it harder to justify and attract private investment in infill / redevelopment along the corridors.
- Existing zoning and land use regulations may not permit certain land uses, densities, and urban form in the identified nodes and corridors.
- Local resistance to change in established neighbourhoods.

Recommendations

Potential Solutions

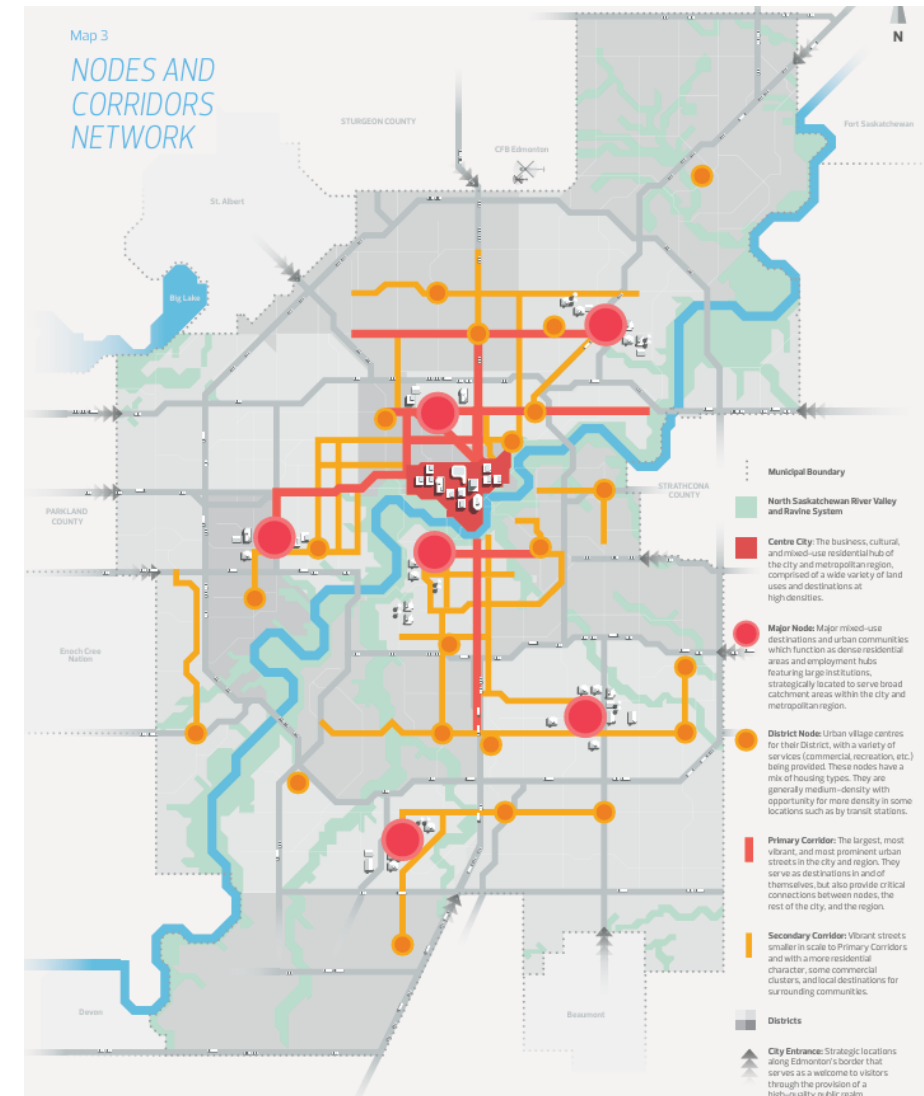
- Identify underdeveloped and infill areas where higher and better use could occur and succeed.
- Enhance transit reliability on identified corridors and designate them as “Priority Growth Corridors” to align route planning and land use decisions.
- Use targeted incentives, catalytic public projects and infrastructure investment to stimulate development activity in the nodes and corridors.
- Integrate a Momentum Nodes & Corridors framework into the City’s current zoning bylaw rewrite, enabling appropriate densities, mix of land uses, and other policy provisions in designated areas.

Outcome

If implemented, a Momentum Nodes and Corridors strategy would focus Lethbridge’s growth into well-connected, high-potential areas that maximize infrastructure efficiency, increase transit ridership, and support multi-use districts. This targeted approach would accelerate infill, attract investment, and provide certainty to the private development community on where development will occur into the future.

Recommended KPI’s:

- Percent of development occurring within designated nodes and corridors (through square footage or number of permits).
- Private investment dollars within the nodes and corridors.
- Transit ridership growth along key corridors.



Recommendations

Expand and Align Infrastructure with Momentum Nodes and Corridors

Support high-value development areas with coordinated utility and mobility investments.

- Prioritize backbone utilities (water, sewer, power, broadband, and multimodal road networks) in areas identified for high value investment, intensification or high employment yield.
- Sequence infrastructure investment to match development phasing and market demand in Momentum Nodes, corridors, and employment districts.
- Coordinate infrastructure upgrades with land use planning to ensure servicing capacity supports the intended density, mix of uses, and employment targets in priority areas.
- Bundle utility and mobility investments so that water, sewer, power, broadband, and road improvements are delivered as a coordinated package to minimize disruption and accelerate development readiness.

Involvement:

- City of Lethbridge

Where it has been done before

Downtown East Village, Calgary

Calgary's East Village redevelopment is an example of coordinated infrastructure investment focusing on a key urban node. This project was led by the Calgary Municipal Land Corporation and the City directed approximately \$400 million toward utility and mobility upgrades. The city used a Community Revitalization Levy (CRL) to obtain the funds required for the upgrades that included flood-proof road elevations, streetscape enhancements, public plazas, and major utility modernization. This example displays how prioritizing backbone infrastructure in a targeted node catalyzed redevelopment with the East Village now being one of the urban success stories of Calgary. Investment into East Village infrastructure has spurred private investment totaling upwards of \$3 billion, demonstrating a strong return on investment (ROI).

Potential Challenges

- High upfront capital costs may mean significant initial investment from the City which could strain the municipal budget.
- Misalignment between utility upgrades and market-driven development phasing can lead to underutilized infrastructure.
- Difficulty of synchronizing multiple utilities to come online in specific areas within similar timelines.

Recommendations

Potential Solutions

- Create a phased investment strategy that stages infrastructure investment closely with development readiness and demand forecasts in the momentum nodes and corridors.
- Establish a city-led task force that is a multidisciplinary team (engineering, utilities, planning, etc.) to synchronize timeline, scope, and delivery of infrastructure to match development demand.
- Investigate cost savings tracking including per-unit servicing costs (greenfield vs. infill) and lifecycle costing (long-term maintenance).

Outcome

By aligning utility and mobility investments with development phasing, Lethbridge can strategically catalyze high-value projects in Momentum Nodes and Corridors. This will boost development readiness, control costs, and ensure infrastructure serves targeted sectors efficiently. Additionally, by formalizing savings, the City can communicate that concentrating growth doesn't just save money now, it protects taxpayers from future costs. *"Fewer miles of pipe to replace, fewer roads to maintain, and more efficient services per tax dollar"* helps connect the technical rationale with outcomes residents care about.

Recommended KPI's:

- Time of infrastructure completion to development occupancy to ensure alignment of infrastructure roll-out with developer demand.
- Percent of new growth occurring within serviced nodes and corridors.



Recommendations

Address Housing Typology Imbalances and Supply Gaps

Support the City's existing housing priorities, as identified in the Municipal Development Plan (MDP) policies and recommendations of the Municipal Housing Strategy, by targeting actions that respond to demographic shifts and market feasibility.

- Enable the development of housing that reflects changing demographics and demand dynamics, including rebalancing land use allocation to support more multi-family and affordable housing typologies in Designated Growth Areas/Momentum Nodes and Corridors as identified in the MDP.
- Continue incentive program such as the TRIP and UCHIP and expand programs to offer tax or permit incentives for reuse/redevelopment of obsolete commercial or light industrial sites into residential or mixed-use to help address high land and development costs that are driving affordability concerns.
- Align these actions with the Municipal Housing Strategy, which projects a slight shift in demand away from single-detached housing over the next five years.

Involvement:

- Economic Development Lethbridge
- City of Lethbridge
- Lethbridge Housing Authority
- BILD Lethbridge

Where it has been done before

Edmonton's Missing-Middle Zoning Reform

In 2023, the City of Edmonton implemented comprehensive zoning reforms to explicitly allow missing-middle housing types such as duplexes, triplexes, and fourplexes. These changes enabled a wider range of housing forms to be developed as-of-right in traditional residential neighborhoods, aiming to boost housing diversity and affordability. This city-wide shift in zoning policy reflects an intentional strategy to rebalance housing typologies in response to changing market and demographic needs.

Potential Challenges

- Lethbridge builders may still find single-detached housing more financially viable than missing-middle forms due to land prices and construction costs.
- A mismatch between trends and targets when identifying housing types.
- Residents in established neighbourhoods may oppose zoning changes that introduce more density, affecting community character, traffic, overburdening schools, or parking dynamics.

Recommendations

Potential Solutions

- City-led demonstration projects such as Civic Commons redevelopment.
- Work closely with local developers to identify the tools, incentives, and regulatory adjustments needed for them to deliver the housing types the city requires.
- Start with pilot neighborhoods or pilot site and then scale missing-middle gradually to build public confidence and monitor infrastructure impact.
- Ensure housing targets reflect who is moving to Lethbridge (demographics, household types) and align demand for multi-family and affordable housing.
- Pair zoning changes with design standards that ensure higher-density infill development is context-sensitive and neighborhood-friendly.

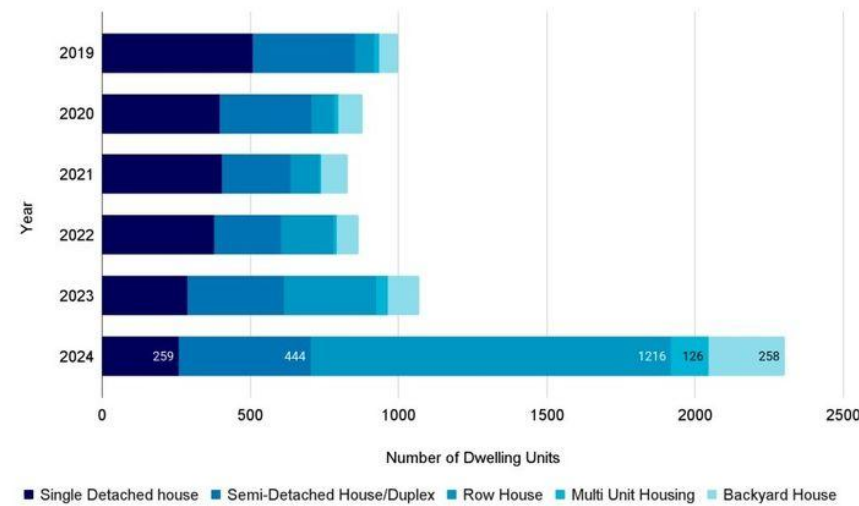
Outcome

By adapting zoning and the Municipal Development Plan to specifically enable missing-middle housing and support it with measured incentives and design guidelines; Lethbridge can diversify its housing stock, improve affordability, and better align development with evolving demographic and market realities. This will support the city’s broader goal of attracting and retaining residents, ensuring supply supports economic and workforce growth.

Recommended KPI’s:

- Percent of housing starts (using annual building permits) that are duplexes, triplexes, fourplexes, and townhome/rowhomes.

Graph 3 - Number of Dwelling Units Approved from 2019 - 2024



Note: 2019-2023 data includes the RF1, RF2, RF3 and RF4 Zones and 2024 data includes the RS Zone

Number of missing middle housing units approved from 2019 to 2024 compared to single detached homes. Source: City of Edmonton

Recommendations

Publish an Integrated Implementation Roadmap

Lay out annual actions for the next 5–10 years, showing when major moves occur. This can include but is not limited to program launches, major capital improvement assumptions, P3 tenders, skills training cohorts, incentive rollouts, and milestone reviews.

- This implementation roadmap should build-upon and be created in conjunction with the updated Integrated Growth Management Strategy that is expected to be completed in 2026.
- Define actions and milestones such as program launches, major capital improvement assumptions, P3 tenders, skills training cohorts, incentive rollouts, and milestone reviews to guide implementation.
- Developing a clear “when, not if” plan would increase private-sector confidence and timing.
- The Integrated Implementation Roadmap should be a highly-visual executive summary (20 to 30 pages) of the work to date completed by the city.

Involvement:

- Economic Development Lethbridge
- City of Lethbridge

Where it has been done before

Saskatoon’s Plan for Growth

The City of Saskatoon created Plan for Growth, which included a detailed phased implementation roadmap spanning 30 years. The plan mapped out near, medium, and long-term actions such as BRT (Bus Rapid Transit) launch, land use intensification, corridor redevelopment, infill at strategic locations, and capital investment timing. This roadmap was published alongside updates to the City’s Growth Management Strategy, giving clear accountability milestones, defined roles for civic departments, and predictable investment timelines. It provided clarity for both public partners and private developers, aligning infrastructure sequencing with population and employment growth.

Potential Challenges

- Aligning capital planning, housing policy, transit investment, and economic development actions into a single roadmap requires strong cross-department leadership and buy-in from various departments and entities.
- An implementation roadmap may become out-of-date due to changing market, economic, and demographic conditions.

Recommendations

Potential Solutions

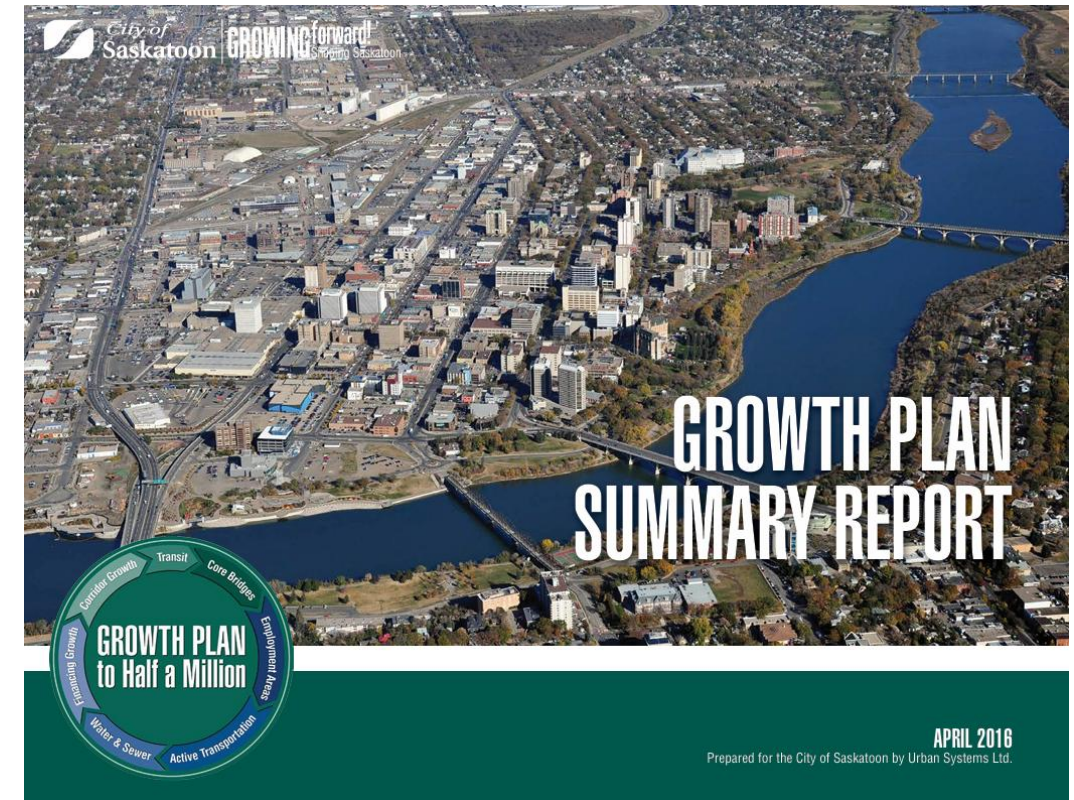
- Establish an internal cross-departmental Implementation Committee.
- Proactive plan that links major infrastructure (wastewater plant, 3rd bridge, southeast servicing, etc.) to timing, funding sources, and development areas.
- Commit to publishing a refreshed 5-year action horizon at certain agreed upon intervals to ensure the roadmap adapts to market and funding changes while holding to long-term goals.

Outcome

An integrated Implementation Roadmap will provide a collaborative, sequenced plan of action that aligns land use planning, transportation, capital investment, incentive programs, and workforce initiatives with the Growth Management Strategy. This gives developers, employers, and various stakeholders confidence and ensures Lethbridge can adapt to change while staying accountable to its long-term vision.

Recommended KPI's:

- Percent of implementation actions completed on schedule (tracked every five years).
- Percent of actions delivered on-time versus deferred.



Recommendations

Create a Unified Open Data Portal

Integrate real-time data on demographics, workforce, land inventory, real estate, permitting timelines, and incentive take-up.

- Build upon the Open Data portal the City of Lethbridge currently has online.
- Provide public sector real estate data to developers to improve and expedite their decision-making process.
- Provide enhanced public-sector data to inform development feasibility and private-sector investment.

Involvement:

- Economic Development Lethbridge
- City of Lethbridge
- Public and Community Stakeholders
- Open Data Champions
- Nonprofit data groups such as Open North

Where it has been done before

Toronto's Open Data Portal

City of Toronto's open data has implemented a robust Open Data Portal and an Open Data Master Plan (2018–2022). The portal aggregates datasets that includes demographics, housing, real estate, permits, infrastructure, and more, making them accessible via APIs, visual dashboards, and data stories. An accompanying Master Plan was built around the principles of transparency, participation, accountability, and accessibility, ensuring the portal serves both civic needs and developer decision-making. A Public Open Data Advisory Group was formed to co-develop the roadmap while Open North (a Canadian nonprofit focused on open data and civic tech) offered expertise in governance, public engagement, and data strategy. To keep data up to date, IT and "data stewards" collaborate to ensure data licenses are managed and are compliant with open data standards.

Potential Challenges

- Aggregation and standardization of datasets across departments may be complex.
- Data sensitivity may be raised by certain departments or groups who have privacy concerns or require anonymity of data.
- Budget and technical resources to support the API development, data curation, and ongoing maintenance of a unified open data portal.

Recommendations

Potential Solutions

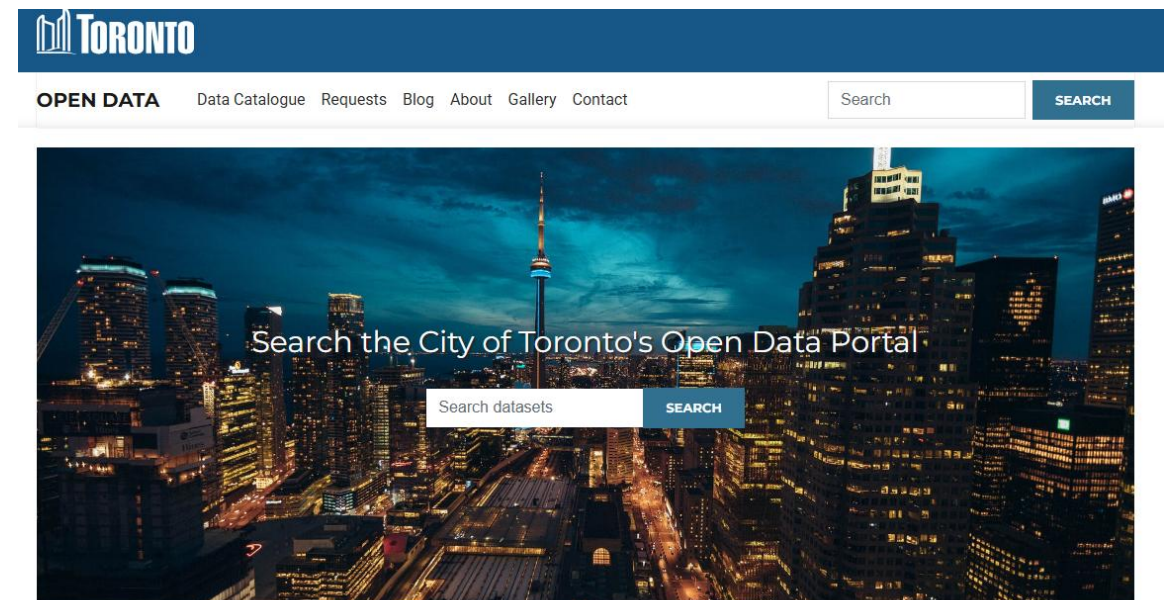
- Create a phased dataset release strategy that begins with publishing easily accessible data that is non-sensitive and has high impact.
- Clarify and provide developers / end-user tenants the most important data needed to make investment decisions. Create a feedback process.
- Work with open data partners, local businesses, and nonprofits to obtain data, share best practices, and technical support.
- Partner with post-secondary IT programs to connect and interact with the city.
- Leverage open-source platforms to ensure data consistency.

Outcome

By creating a unified open data portal, Lethbridge can make real-time information on land, development, real estate, permitting, demographics, and incentives more accessible, improving decision-making for both developers and the City. Following best practices from Canadian leaders like Toronto, this would enhance transparency, cut down on routine data requests, and foster innovation by enabling public and private stakeholders to build new tools and insights. Over time, the portal would strengthen investor confidence and position Lethbridge as an open, data-driven community.

Recommended KPI's:

- Number of datasets published online
- API Access requests and usage rates on a monthly or annual basis
- Data portal update frequency



Recommendations

Embed Monitoring & Evaluation (M&E) Metrics

Track progress, measure impact and ensure accountability through a shared scorecard that is monitored collaboratively between the City and EDL.

- City and EDL staff collaborate to define KPIs for annual monitoring.
- Publish annual scorecards to guide course corrections and maintain momentum. Recommended KPI's (annual):
 - Square footage of new industrial constructed
 - Employment growth
 - Employment density
 - Housing starts by typology
 - Land absorption
 - Incentive uptake

Involvement:

- Economic Development Lethbridge
- City of Lethbridge
- BILD Lethbridge

Where it has been done before

Ottawa's Economic Development Strategy

The City of Ottawa embedded a shared monitoring framework into its Economic Development Strategy, creating a public-facing scorecard updated annually with clear KPIs. Indicators include employment growth, new business licenses, land absorption, and incentive program uptake. The framework is co-managed by the City and Invest Ottawa (the city's economic development agency), ensuring shared accountability and transparency. Annual reports are published for council, stakeholders, and the public, and the data directly informs mid-course corrections in policy and program design.

Potential Challenges

- Data collection and quality across all departments of the city. This may also be resource intensive.
- Stakeholder buy-in due to added accountability if metrics highlight underperformance in certain categories.
- Consideration of annual performance across various metrics.

Recommendations

Potential Solutions

- The Monitoring and Evaluation Scorecard could be created in conjunction and reinforce the Open Data Portal. Instead of collecting data twice, datasets from the portal could feed into the scorecard.
- Establish measurable annual targets for each KPI so that monitoring efforts are tied to clear outcomes. Without defined benchmarks, tracking performance provides data but no way of knowing whether progress is on track or falling short.
- Engage stakeholders in KPI design and selection for the scorecard. This could involve city departments, EDL, local developers, and business groups.

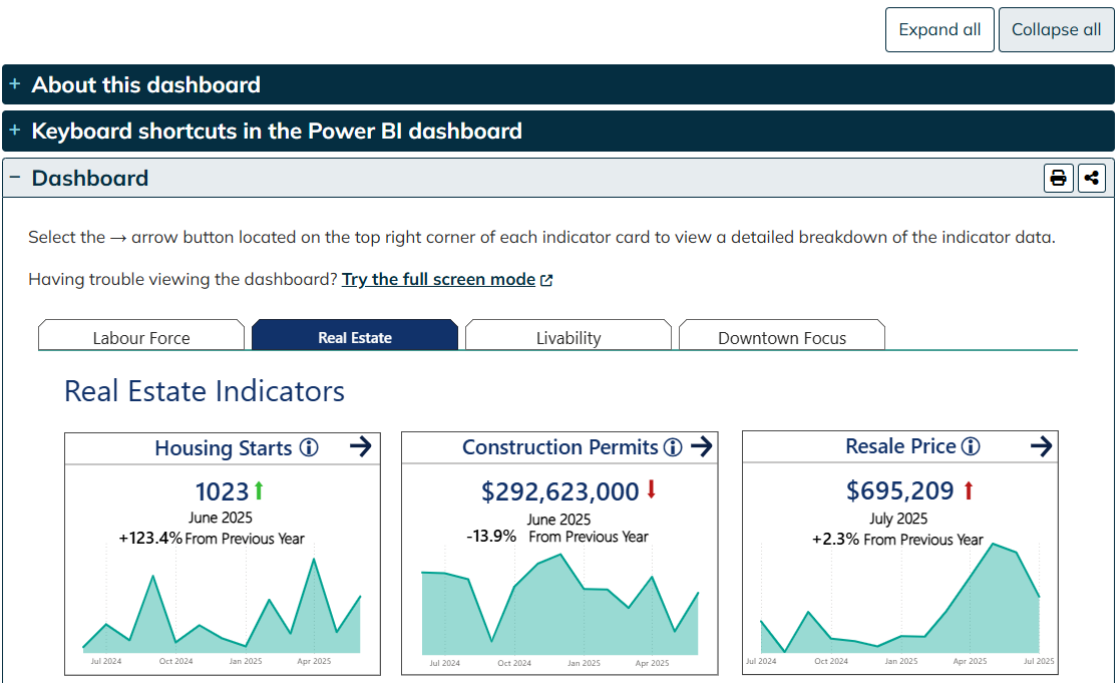
Outcome

Creating a robust framework for monitoring and evaluation will provide Lethbridge with a transparent way to track progress, measure impact, and adjust city-strategy as economic conditions change. A public scorecard co-managed by the City and EDL will strengthen accountability and help ensure momentum is maintained over the next decade. This approach emulates best practices in cities like Ottawa, where consistent performance reporting keeps economic strategies responsive and credible.

Recommended KPI's:

- Recommended KPI's are listed on the previous page but are not to be considered an exhaustive list.

Economic Development Dashboard



The City of Ottawa Economic Development Dashboard highlights economic indicators on an annual basis. Source: City of Ottawa

Recommendations

Summary Dashboard of Recommendations & Timing

Recommendation	Intent	Timing
Rank Economic Sectors by Net Benefit	Quantitatively compare projected GDP/job growth against enabling infrastructure needs to identify sectors with the strongest ROI.	Short Term – Can be completed early using available data and economic modelling.
Align High Priority Sectors with Funding and Incentives	Match top sectors with municipal incentives, provincial/federal programs, and innovative financing tools.	Medium Term – Requires coordination across governments and design of incentive programs.
Synchronize Workforce Development with Sector Needs	Partner with post-secondary institutions and training providers to co-design programs that align talent pipelines with priority industries.	Medium Term – Program development and forecasting can be initiated within a few years.
Work with Adjacent Jurisdictions to Create Fair Share Agreement with Province of Alberta	Form a Southern Alberta partnership to lobby for a Fair Share Agreement that funds infrastructure and corridor development.	Long Term – Requires provincial negotiations and inter-municipal alignment.
Concentrate Development at Momentum Nodes & Corridors	Prioritize infill and redevelopment in areas with infrastructure, transit, and market potential (Downtown, Polytechnic, U of L, industrial areas).	Long Term – Policy direction and land use prioritization can be advanced quickly; however, implementation will take significant time.
Expand and Align Infrastructure with Momentum Nodes and Corridors	Support high-value development areas with phased backbone utility and mobility investments.	Long Term – Requires capital planning, funding, and phasing tied to development.
Address Housing Typology Imbalances and Supply Gaps	Rebalance housing supply toward multifamily and affordable typologies through incentives, zoning, and land allocation.	Medium Term – Zoning reform and incentives will take several years to influence supply.
Publish an Integrated Implementation Roadmap	Lay out annual actions, milestones, and capital assumptions tied to the Growth Management Strategy.	Short Term – Can be drafted in parallel with the updated Growth Management Strategy.
Create a Unified Open Data Portal	Integrate real-time data on demographics, land, real estate, permits, and incentives into a single platform.	Medium Term – Securing funding, technical build-out and data integration require 2 to 3 years.
Embed Monitoring & Evaluation (M&E) Metrics	Track progress through a shared scorecard co-managed by City and EDL, with annual public reporting.	Short Term – Can launch early with basic KPIs and evolve over time.

Appendix A

Submarket Housing Projections

Residential Market Analysis

Table A.1 North Lethbridge, Projected 10-Year and 20-Year Demand for Housing by Typology and Tenure

North Lethbridge - Projected Housing Demand by Structure and Tenure - 2025 to 2035

Age Group	Household Change Projection Forecast			Owner-Occupied					Renter-Occupied					TOTAL
	Population Change	Headship Rate	Change in Households	Single-Detached	Semi-Detached	Rowhouse	Apartment	Movable Dwelling	Single-Detached	Semi-Detached	Rowhouse	Apartment	Movable Dwelling	
15-24	750	18.1%	135	11	0	0	11	3	26	2	2	75	1	131
25-34	-630	48.6%	-306	-111	-11	-11	-23	-4	-42	-7	-7	-84	-1	-301
35-44	595	56.5%	336	184	11	11	22	6	48	5	5	39	2	333
45-54	1,060	59.3%	628	380	22	22	22	11	83	7	8	66	3	624
55-64	210	61.5%	129	84	4	4	4	1	10	1	1	13	0	122
65-74	265	58.5%	155	95	5	5	11	1	10	1	1	20	0	149
75+	1,000	59.1%	591	329	35	35	70	0	24	6	5	83	0	587
TOTAL	3,250	51.4%	1,669	972	66	66	117	18	159	15	15	212	5	1,645

North Lethbridge - Projected Housing Demand by Structure and Tenure - 2035 to 2045

Age Group	Household Change Projection Forecast			Owner-Occupied					Renter-Occupied					TOTAL
	Population Change	Headship Rate	Change in Households	Single-Detached	Semi-Detached	Rowhouse	Apartment	Movable Dwelling	Single-Detached	Semi-Detached	Rowhouse	Apartment	Movable Dwelling	
15-24	285	18.1%	51	4	0	0	4	1	10	0	0	28	0	47
25-34	695	48.6%	337	122	13	13	26	5	46	7	7	93	1	333
35-44	-435	56.5%	-246	-134	-8	-8	-16	-4	-35	-3	-3	-28	-1	-240
45-54	475	59.3%	281	170	10	10	10	5	37	3	3	29	1	278
55-64	780	61.5%	480	313	18	18	18	6	40	5	5	51	1	475
65-74	-110	58.5%	-64	-39	-2	-2	-4	0	-4	0	0	-8	0	-59
75+	35	59.1%	21	11	1	1	2	0	0	0	0	2	0	17
TOTAL	1,725	49.9%	861	447	32	32	40	13	94	12	12	167	2	851

Sources: Statistics Canada, Alberta Treasury Board & Finance

Residential Market Analysis

Table A.2 South Lethbridge, Projected 10-Year and 20-Year Demand for Housing by Typology and Tenure

South Lethbridge - Projected Housing Demand by Structure and Tenure - 2025 to 2035

Age Group	Household Change Projection Forecast			Owner-Occupied					Renter-Occupied					TOTAL
	Population Change	Headship Rate	Change in Households	Single-Detached	Semi-Detached	Rowhouse	Apartment	Movable Dwelling	Single-Detached	Semi-Detached	Rowhouse	Apartment	Movable Dwelling	
15-24	525	18.1%	95	7	0	0	7	2	18	1	1	53	0	89
25-34	-230	48.6%	-112	-40	-4	-4	-8	-1	-15	-2	-2	-30	0	-106
35-44	610	56.5%	344	188	11	11	23	6	49	5	5	40	2	340
45-54	1,465	59.3%	868	525	31	31	31	16	114	10	11	91	4	864
55-64	285	61.5%	175	114	6	6	6	2	14	1	1	18	0	168
65-74	-765	58.5%	-447	-275	-17	-17	-34	-3	-29	-4	-4	-58	0	-441
75+	540	59.1%	319	177	19	19	38	0	13	3	3	44	0	316
TOTAL	2,430	51.1%	1,243	696	46	46	63	22	164	14	15	158	6	1,230

South Lethbridge - Projected Housing Demand by Structure and Tenure - 2035 to 2045

Age Group	Household Change Projection Forecast			Owner-Occupied					Renter-Occupied					TOTAL
	Population Change	Headship Rate	Change in Households	Single-Detached	Semi-Detached	Rowhouse	Apartment	Movable Dwelling	Single-Detached	Semi-Detached	Rowhouse	Apartment	Movable Dwelling	
15-24	345	18.1%	62	5	0	0	5	1	12	1	1	34	0	59
25-34	495	48.6%	240	87	9	9	18	3	33	5	5	66	1	236
35-44	10	56.5%	6	3	0	0	0	0	0	0	0	0	0	3
45-54	665	59.3%	394	238	14	14	14	7	52	4	5	41	2	391
55-64	1,000	61.5%	615	402	23	23	23	8	52	6	6	65	2	610
65-74	-190	58.5%	-111	-68	-4	-4	-8	0	-7	-1	-1	-14	0	-107
75+	-975	59.1%	-576	-321	-34	-34	-68	0	-23	-6	-5	-81	0	-572
TOTAL	1,350	46.7%	630	346	8	8	-16	19	119	9	11	111	5	620

Sources: Statistics Canada, Alberta Treasury Board & Finance

Residential Market Analysis

Table A.3 West Lethbridge, Projected 10-Year and 20-Year Demand for Housing by Typology and Tenure

West Lethbridge - Projected Housing Demand by Structure and Tenure - 2025 to 2035

Age Group	Household Change Projection Forecast			Owner-Occupied					Renter-Occupied					TOTAL
	Population Change	Headship Rate	Change in Households	Single-Detached	Semi-Detached	Rowhouse	Apartment	Movable Dwelling	Single-Detached	Semi-Detached	Rowhouse	Apartment	Movable Dwelling	
15-24	690	18.1%	125	10	0	0	10	2	24	2	2	69	1	120
25-34	-550	48.6%	-267	-97	-10	-10	-20	-4	-36	-6	-6	-73	-1	-263
35-44	1,600	56.5%	903	495	30	30	61	17	130	13	13	105	5	899
45-54	2,165	59.3%	1,283	776	45	45	45	23	169	15	16	135	6	1,275
55-64	1,400	61.5%	861	563	32	32	32	12	73	9	9	91	2	855
65-74	245	58.5%	143	88	5	5	11	1	9	1	1	18	0	139
75+	1,445	59.1%	854	476	50	50	101	0	35	9	8	120	0	849
TOTAL	6,995	55.8%	3,903	2,311	152	152	240	51	404	43	43	465	13	3,874

West Lethbridge - Projected Housing Demand by Structure and Tenure - 2035 to 2045

Age Group	Household Change Projection Forecast			Owner-Occupied					Renter-Occupied					TOTAL
	Population Change	Headship Rate	Change in Households	Single-Detached	Semi-Detached	Rowhouse	Apartment	Movable Dwelling	Single-Detached	Semi-Detached	Rowhouse	Apartment	Movable Dwelling	
15-24	625	18.1%	113	9	0	0	9	2	22	1	1	63	1	108
25-34	505	48.6%	245	89	9	9	18	3	33	5	5	67	1	239
35-44	50	56.5%	28	15	0	0	1	0	4	0	0	3	0	23
45-54	1,345	59.3%	797	482	28	28	28	14	105	9	10	84	4	792
55-64	1,525	61.5%	938	613	35	35	35	13	79	10	10	100	3	933
65-74	645	58.5%	377	232	14	14	29	2	25	4	4	49	0	373
75+	-25	59.1%	-15	-8	0	0	-1	0	0	0	0	-2	0	-11
TOTAL	4,670	53.2%	2,484	1,432	86	86	119	34	268	29	30	364	9	2,457

Sources: Statistics Canada, Alberta Treasury Board & Finance



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