

Cannabis store applications high in Calgary's core

By Mario Toneguzzi on June 26, 2018

A Barclay Street Real Estate report says vacancy rates are declining downtown and in the Beltline as potential retailers prepare to open marijuana stores



The retail real estate market warmed up in Calgary's Central Business District (CBD) in the second quarter of the year. And the legalization of cannabis is expected to heat things up even further in the near future.

A mid-year retail report by Barclay Street Real Estate says CBD vacancy decreased to 10 per cent in the second quarter from 11 per cent in the first quarter.

"While this remains well-above the 2013 to 2015 average of seven per cent, we anticipate seeing a significant drop when Bill C-45 (the Cannabis Act) is hammered-out and following royal assent, the province and the City of Calgary move through the cannabis retail store approval process," says the report.

The federal government has announced that cannabis sale and consumption will be officially legal on Oct. 17.

"The greatest density of retail cannabis store applications is in the downtown and Beltline, where (there were) several dozen of the approximately 245 applications submitted from across the city at mid-June."

Barclay Street says the downtown and the Beltline had more than 40 retail applications submitted by June 15.

"We anticipate seeing a marked increase in retail subleases from prospective cannabis vendors whose

retail applications have been declined, whether this be for reasons such as market share limits or oversaturation in certain neighbourhoods. This latter factor is likely to become a significant determining factor in hot spots where multiple competing applications have been made for locations that are less than 300 metres apart; the minimum distance requirement set out by the City of Calgary. This is especially true in Kensington, Inglewood and the 17th Avenue/4th Street corridor," says the report.

"Development permits rolled into City Hall en masse in late April, as potential retailers eagerly sought to be the first to open recreational cannabis stores. A total of 226 development permit applications were registered on opening day, with 199 of the applications submitted online. The city said most submissions arrived in the first 17 minutes of the office opening. It is anticipated that approval and issuance licences by the province, however, will begin almost immediately to allow successful applicants sufficient time to set up and stock up."

Barclay Street says there is a heavy emphasis of retail applications in the Downtown and Beltline, with notable clusters of proposed shops in Kensington, Bridgeland, Inglewood and along the Macleod Trail corridor down to Chinook Centre.

Respected business writer Mario Toneguzzi is a veteran Calgary-based journalist who worked for 35 years for the Calgary Herald in various capacities, including 12 years as a senior business writer.