

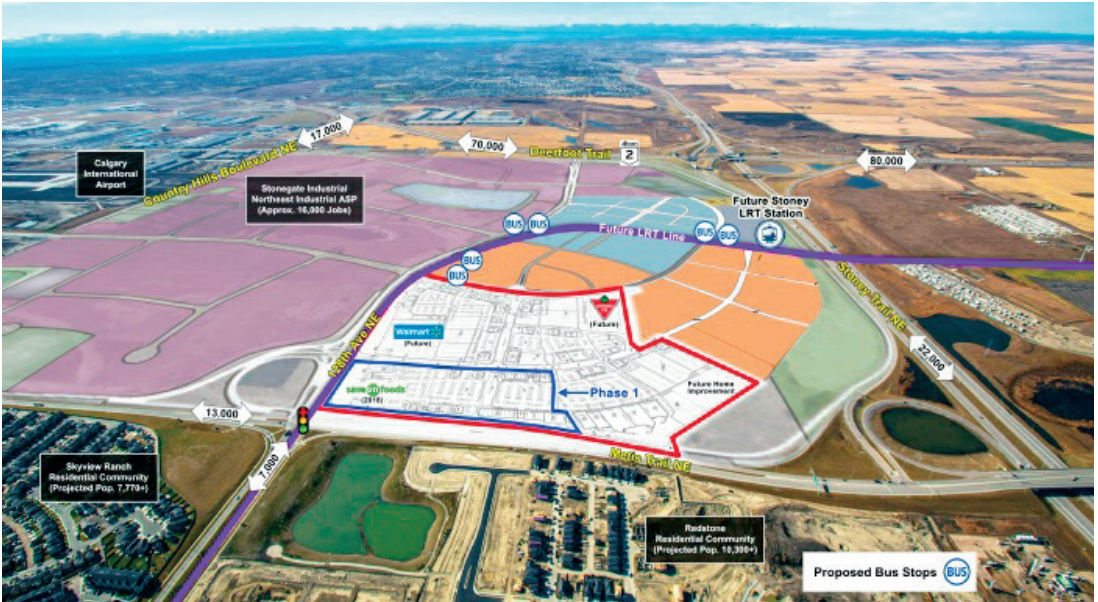


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STONEGATE ON ARRIVAL



New retail development to take shape near airport

A major regional shopping centre is being planned just north of Calgary's airport, in a burgeoning district.

ONE Properties has plans to develop StoneGate Common as the retail portion of the overall StoneGate Landing project and turn it into a "signature" retail development that will serve northeast Calgary and the greater Calgary region from its location at 128th Avenue N.E. and Barlow Crescent.

StoneGate Landing, directly north of the airport, will include a 10-million-square-foot industrial park, a 2.5-million-square-foot suburban office development, hotels and auto dealerships on about 800 acres.

A brochure for the StoneGate Common retail project says the total retail area will consist of 720,000 square feet anchored by a Walmart Supercentre (97,000 square feet) and a Canadian Tire (93,000 square feet). Phase one of the project is expected to open in the fall of 2018. A site plan for the development shows a home improvement store and a grocery store are also part of the shopping centre.

ONE Properties would not comment at this time on the planned development, but Michael Kehoe, a retail specialist with Fairfield Commercial Real Estate Inc., in Calgary says the project is significant news for the retail development scene in the Calgary market.

"The project will evolve as a dominant retail centre in north Calgary. The Highway 2 corridor from the airport to Airdrie is a retail development hotspot," said Kehoe.

Starting at the new Deerfoot City, which was previously known as Deerfoot Mall, the corridor includes the CrossIron Mills shopping centre, other retail stores nearby CrossIron, and the New Horizon Mall that is just being built.

Alberta's economy is, and has been throughout the recession, strong. The fraction of working age adults that are employed is the highest in Canada, and the average (and median) earnings are the highest in Canada.

Calgary's retail market continues to remain strong despite an economy that is slowly recovering from two years of a recession.

"Significant retail projects in this zone include the redevelopment of Deerfoot Mall into Deerfoot City, StoneGate, the Asian mall in Balzac (New Horizon Mall) and the CrossIron Commons power centre," said Kehoe.

According to a report by Barclay Street Real Estate, the retail vacancy rate was unchanged in the first quarter of this year at 3.4 per cent. That consisted of about 1.39 million square feet available for lease in a total inventory of 40.5 million square feet. The amount of space available for lease was up 32,000 square feet from the previous quarter.

The report says Calgary continues to draw significant interest from major retailers and an expected 1.64 million square feet of new space is expected to be completed this year.

"Alberta's economy is, and has been throughout the recession, strong. The fraction of working age adults that are employed is the highest in Canada, and the average (and median) earnings are the highest in Canada," said Trevor Tombe, economics professor at the University of Calgary and the School of Public Policy."

These facts are as true today as they were at the bottom of the recession in 2014, says Tombe.

"Though we shrank economically, we shrank from a very high level. We never shrank from our overall number one position economically in Canada. So, with high income and big employment rates comes a strong retail sector among other sectors."