

Calgary retail real estate market resilient in 2015



MARIO TONEGUZZI, CALGARY HERALD

[More from Mario Toneguzzi, Calgary Herald \(HTTP://CALGARYHERALD.COM/AUTHOR/MTONEGUZZI\)](http://CALGARYHERALD.COM/AUTHOR/MTONEGUZZI)

Published on: January 19, 2016 | Last Updated: January 19, 2016 9:58 AM MST



Shoppers look for deals on trendy 17th Avenue S.W. in Calgary. CRYSTAL SCHICK / CALGARY HERALD

Calgary's retail real estate market remained resilient during 2015 despite the drop in discretionary spending, says a new report by Barclay Street Real Estate.

The overall vacancy rate rose to 2.7 per cent, up by 0.4 per cent from 2014.

"The major impact on vacancy stemmed largely from successive retail chain store closures with Big Box space, which had been essentially zero for years, suddenly coming to market as Target Canada exited after two years of successive losses and Best Buy began a rebranding campaign that included closing down its sister brand Future Shop," said the report.

As a retail class, street front was the largest source of retail vacancy and accounts for nearly half of the vacant space in the city.

"This is due largely to the current overabundance of opportunities within this format and expansion of Business Revitalization Zones," said Barclay Street Real Estate.

"More than 226,000 square feet of new product was introduced to the market over the previous two years, largely as a result of the City of Calgary's emphasis on mixed-use projects as a strategy to reduce the burden on infrastructure and curb perceived urban sprawl."

The retail vacancy distribution was in the following areas — 49.6 per cent street front; 19.1 per cent big box retail; 14.1 per cent community shopping centre; 6.5 per cent power shopping centre; 6.4 per cent neighbourhood shopping centre; and 4.3 per cent enclosed shopping centre.

The report said an additional 2.4 million square feet of retail inventory is anticipated this year with the majority of it in street front space at mixed-use developments.

The most recent retail sales report from Statistics Canada indicates that in October Alberta saw its third month in a row of decreased sales falling by 0.8 per cent to close to \$6.3 billion. Year-over-year, sales in the province were off by 5.8 per cent.

A provincial outlook by the Conference Board of Canada last fall forecast retail sales in the province to dip by 2.9 per cent to \$76.3 billion in 2015 from 2014 but then see a hike of 2.5 per cent this year to \$78.2 billion and a further increase of 3.2 per cent in 2017 to \$80.7 billion.

mtoneguzzi@postmedia.com

[Twitter.com/MTone123](https://twitter.com/MTone123)