

# Calgary Retail Market Update

Third Quarter, 2017



## Market Highlights

- Overall retail vacancy in Calgary decreased slightly to 2.9% in Q3 2017.
- Approximately 1.2 million square feet (msf) of inventory is now available for lease; a net decrease of 41,000 sf since mid-year.
- Rental rates in Calgary’s suburban markets remained stable, supported by strong demand for space in or near new residential areas.
- Rental rates in the Central Business District (CBD) softened at the upper-end as leases increasingly reflected the high-vacancy environment.
- Overall CBD vacancy saw a slow but ongoing decrease. Contributing to the Downtown retail recovery was the leasing of the Mango Shiva and Riley & McCormick locations on Stephen Ave. In the Beltline, the retail portion of Mark On 10<sup>th</sup> saw strong leasing activity.
- At the other end of the spectrum, Calgary will be affected in the near term by pending corporate retail closures.
  - Starbucks’ announcement that it will close all of its Teavana stores, beginning with Canada, will affect five locations in Calgary.
  - UFA Co-operative Ltd.’s plans to close 12 Wholesale Sports stores across Western Canada will affect one Calgary location.

Market Overview		Vacancy (%)		Asking Rate Ranges (p/sf)	Construction Pipeline (sf)		
Total Retail Inventory (sf)		Q2 2017	Q3 2017	Q3 2017	2016 Completions	2017 Remaining Deliveries	YTD 2017 Completions
Suburban NE	8,300,000	2.8%	2.5%	\$25 - \$40	7,900	50,000	108,000
Suburban NW	7,600,000	1.3%	1.3%	\$25 - \$70	132,300	101,000	17,000
Suburban SE	12,900,000	2.8%	2.7%	\$20 - \$55	329,100	58,000	369,000
Suburban SW	8,000,000	1.7%	1.9%	\$20 - \$55	11,300	-	193,000
Central Business District	3,800,000	10.8%	10.3%	\$20 - \$65	24,700	-	24,000
Overall	40,600,000	3%	2.9%	\$20 - \$70	505,000	209,000	711,000

## Barclay Street Retail Team

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