

Strong leasing activity in city industrial real estate market

By Mario Toneguzzi on May 7, 2018

Five consecutive quarters of vacancy decline with a year-over-year drop of 2.33%: Barclay Street Real Estate



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The first quarter of 2018 was characterized by strong leasing activity in Calgary and a general tightening of the industrial real estate market, says a report by [Barclay Street Real Estate](#).

The result was a sizable decrease in vacancy of 0.86 per cent, bringing the overall Greater Calgary Area industrial vacancy rate to 5.66 per cent.

"This positive trend marks five consecutive quarters of vacancy decline with a year-over-year drop of 2.33 per cent," says the commercial real estate company.

The report says the change in vacancy equates to roughly 3,420,000 square feet of lease, sublease and sale transactions over a 12-month period. The 1,386,026 square feet of positive absorption in the first quarter works out to more than half of the total absorption for all of 2017.

"The strength in occupier interest continued to shift away from a more heavily focused oil and gas manufacturing based industrial market to a significant distribution hub and inland port. As such, the greatest activity has been in the larger distribution type facilities. This type of product remained attractive to institutional development firms like ONE Properties, Hopewell, Triovest, QuadReal and Bentall Kennedy, who collectively have over 1,900,000 square feet of new product currently under construction with an additional 1,400,000 square feet plus of planned institutional product on the near term horizon," says Barclay Street.

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.