OPTIMISTIC ABOUT RETAIL

Genesta Walz, Calgary Herald

Ellisa Asaria, a retail specialist with Barclay Street Real Estate Ltd. in Calgary, says consumers in Calgary seem to remain resilient and optimistic in the current economy.

Wave of new stores tightens available space

MARIO TONEGUZZI
CALGARY HERALD

The wave of U.S. retailers expanding into Calgary will continue to grow, further tightening available retail space in the city, states a new report.

Besides giant discount retailer **Target**'s entry into the Canadian marketplace in 2013, the list of retailers looking at Canada includes **Kohl's**, **Marshalls**, **J. Crew**, **Express**, **Zumiez**, **Intermix** and **J.C. Penney,** according to Barclay Street Real Estate.

"Consumers in Calgary seem to remain resilient and optimistic in the current economy," said Ellisa Asaria, associate, retail leasing for Barclay Street.

"The demand for retail space in the city is outstripping supply and this is leading to low vacancy rates and high competition for prime locations."

The Barclay Street report pegs Calgary's retail vacancy rate at 2.5 per cent and anticipates space remaining tight until more developments come on stream.

"With a limited amount of retail space available in the market, landowners are considering this to be an opportunity to develop land for new retail locations," said Asaria.

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"There are some exciting new retail locations that will be ready in the near future."

The upbeat market has U.S. retailers viewing Alberta as an opportunity for cross-border growth, Asaria said.

"Retailers in both the food and consumer goods spaces are actively seeking to enter the under-serviced Canadian market. In the short-term, there are expansion plans by discount stores like **Dollar Tree** and U.S. food retailers like **PF Chang's.** In the medium term, we will see new American-style outlet centres with high-end retailers."

The Conference Board of Canada found Calgary had the highest average annual retail sales growth in the country between 2001 and 2010, at 6.8 per cent. Last year, retail sales grew by 5.6 per cent from the previous year, reaching $21.6 billion.

The Barclay Street report said annual retail spending is projected to be almost $23 billion in 2011

Asaria said the current market conditions are beneficial to landlords as they have the option to be selective in their choice of tenants while maintaining high rental rates.

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