

Commercial real estate investment in Calgary grows

By Mario Toneguzzi on July 29, 2020

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Investors remained confident and active in Calgary's commercial real estate market through the first half of 2020, according to a new report by [The Network \(Real Estate Intelligence\)](#).

The report said sales activity of 241 increased by 10 per cent in the second quarter over the second quarter of 2019 and total dollar volume broke \$1 billion, which was a year-over-year increase of 22 per cent.

"Commercial condos were in very high demand, with investors scooping-up 134 units totalling \$111.6 million. Industrial warehouses drew \$314.7 in total investment – by far the most of any of the asset classes we track. At the other end of the spectrum, no office buildings changed hands in Q2, leaving investment flat at \$174 million (at mid-year)," said the report.

"Commercial investment sentiments and activity to the mid-point of 2020 overall were very

positive. The situation moving forward however is anticipated to be much different, given the ongoing adjustments to business and investment stemming from the Covid 19 Pandemic. With world oil prices having risen to about two-thirds of pre-Covid levels and the Province of Alberta moving into Stage 2 of its 'economic relaunch', any economic recovery is expected to be very long and drawn-out. This, in turn, will continue to have a significant impact on the commercial real estate market.

"Landlords continue to wrestle with rent rebate requests from tenants and potential tenant losses. The lockdown we experienced is unprecedented and the medium-to-long term effects unknown as of the date of the writing of this report. The Network therefore anticipates that this will have a very significant impact on sales activity for the remainder of the year. While we saw a net year-over-year increase in sales and commercial real estate investment through June 30th, sales activity overall is anticipated to decline and potential remains for noticeable value declines."