

# Calgary Commercial Landlords Confident About Future

By Mario Toneguzzi

Investment sales in Calgary's retail real estate market are slightly down this year with not many listings currently on the market.

A report by Barclay Street Real Estate says Calgary's retail asset class demonstrated less robustness during the first half of 2016, decreasing to \$74 million from \$137 million at the mid-point of last year.

The commercial real estate firm says this is due in large part to the absence of big-ticket transactions of \$10 million or greater, while two sales took place in this price category by June 30, 2016.

The largest purchase to mid-year 2017 was Roxboro River Shoppes, which was acquired by Suri Holdings, Inc. for \$9 million.

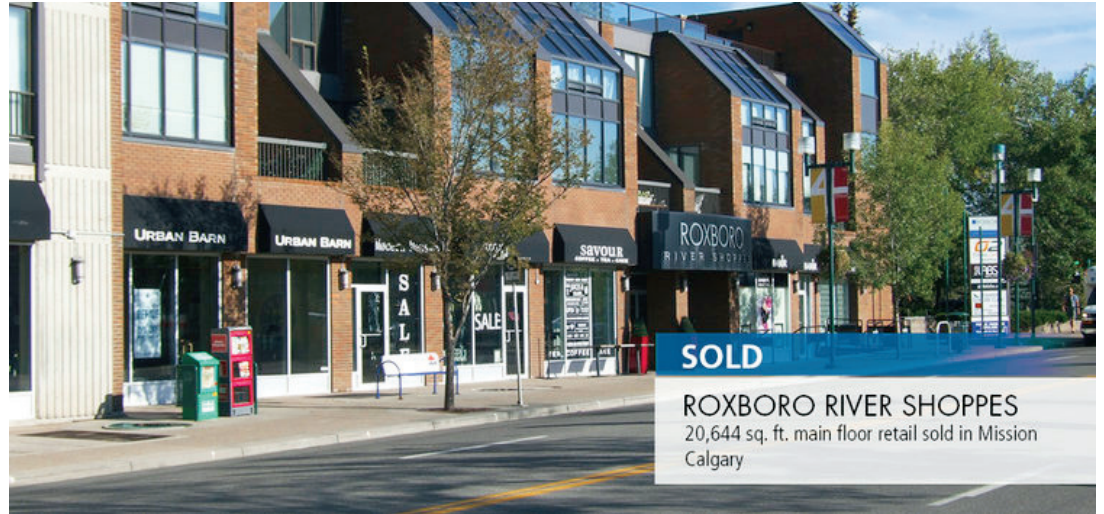


Nicolas Earl

Nicholas Earl, associate in investment sales for Barclay Street Real Estate.

"I think the transaction volume is a little bit down in Calgary recently just because there is that gap between what the price expectation on the vendor side is and what purchasers are willing to pay. So that's kind of caused a decrease."

The Barclay Street report says the majority of activity continued to focus on retail properties priced in the \$1 million to \$3 million dollar range "though we also



observed an increased appetite for higher-priced product in the \$5 to \$10 million dollar range."

It says price per square foot continued a multi-year upward trend, sitting at \$417 per square foot year-to-date compared to \$371 in 2014, \$384 in 2015 and \$399 in 2016.

Barclay Street says positive market forces in Calgary's suburban markets have contributed significantly to the increase in price per square foot with retail vacancy rates decreasing.

Earl says there is high interest from investors in highly-coveted assets which have national tenants on long-term leases in good demographic neighbourhoods.

"The quality assets aren't really available. They're not particularly for sale but the way people will acquire them is by going with unsolicited offers. It's a sign of the demand that there is for those properties and the fact that it is a seller's market," he says.

"There is optimism. The prices seem to be holding despite where our economy is. We're trending upwards."



Mario Toneguzzi, based in Calgary has 37 years of experience as a daily newspaper writer, columnist and editor. He worked for 35 years at the Calgary Herald covering sports, crime, politics, health, city and breaking news, and business. For 12 years as a business writer, his main beats were commercial and residential real estate, retail, small business and general economic news. He nows works on his own as a freelance writer and consultant in communications and media relations/training. Email: mdtoneguzzi@gmail.com.