

# Greater Calgary & Area's Third Quarter Industrial Landscape

Market Analysis Q3 2024

## Overall

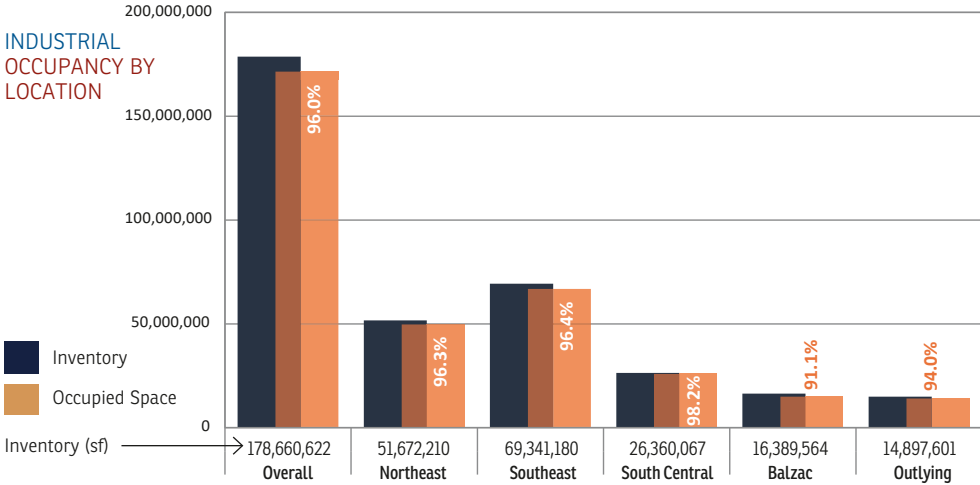
- 4.0% ↓** VACANCY RATE (Space marketed for headlease)
- 1.7% ↓** BALANCE OF AVAILABLE SPACE (Space marketed for sublease/sub-sublease, etc.)
- 5.7% ↓** AVAILABILITY (Total amount of space available for lease/sublease, etc.)

The Greater Calgary & Area (GCA) industrial market posted net decreases in vacancy (space available for direct lease from the landlord) and in available space (space available for sublease) through the third quarter of 2024. This is due in large part to the decrease in construction allowing leasing activity catch up and absorb the additional inventory. With the bulk of new construction now complete, we saw encouraging indications that the industrial market has acclimated to the latest construction cycle. This brings the possibility that the CGA has passed the overall availability peak reached at mid-year – with the proviso that demand continues at present levels.

The trajectory to this point has been historically steep and fuelled by multiple consecutive quarters of tremendous volumes of new inventory deliveries; the cumulative volume of which has been immense. More than 6.5 msf of new industrial product was delivered in the final half of 2023 and an additional 5.1msf from January through September of this year – the majority of which has been large-format

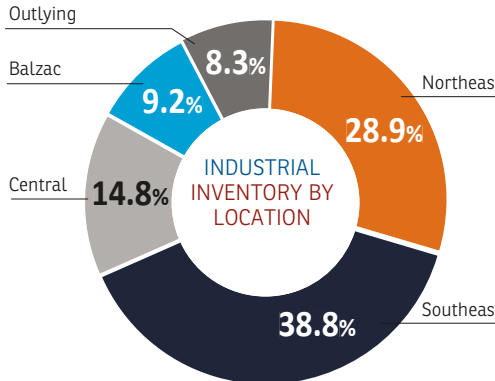
## By Area

- NORTHEAST**  
3.7% ↓ VACANCY  
5.1% ↓ AVAILABILITY
- SOUTHEAST**  
3.6% ↓ VACANCY  
6% ↓ AVAILABILITY
- CENTRAL**  
1.8% ↓ VACANCY  
3.2% ↓ AVAILABILITY
- BALZAC**  
8.9% ↑ VACANCY  
9.9% ↑ AVAILABILITY
- OUTLYING**  
6% ↓ VACANCY  
6.2% ↓ AVAILABILITY



space and speculative construction. This has been terrific news for larger users, as they've been provided with numerous options and negotiating power but left small-bay and medium-bay inventories largely unchanged and underserved. The limited options for prospective tenants in these subsets has created a very competitive environment for users seeking space in the 7,500 square foot and under size range.

We view the small-bay and medium-bay as being a prime market for future construction, given the extremely constricted nature of available spaces. With the Bank of Canada's recent half-percentage interest rate cut, the



**CALGARY & AREA INDUSTRIAL COMPLETION SUMMARY**

Market	Property Name	Location	Building Size (sf)	Expected Completion	Developer
Balzac	Balzac 50 Light Industrial	Balzac	650,000	Q3 2024	Dream Developments
	Calgary Logistics	Balzac	486,000	Q3 2024	Matthews Southwest, Tribal Partners, CN
	DREAM - Balzac50 Building 1	Balzac	354,000	Q3 2024	Dream Developments
	Five66 - Bldg A	Balzac	65,000	Q3 2024	Beedie
	Five66 - Bldg B	Balzac	55,000	Q3 2024	Beedie
	Five66 - Bldg C	Balzac	83,000	Q3 2024	Beedie
	Five66 - Bldg D	Balzac	68,000	Q3 2024	Beedie
Outlying	Charger Logistics	Rockyview	150,000	Q3 2024	Highfield Investment Group
<b>TOTAL</b>			<b>1,911,000 sf</b>		

**CALGARY & AREA CONSTRUCTION SUMMARY**

Market	Property Name	Location	Building Size (sf)	Expected Completion	Developer
Balzac	DREAM - Balzac50 Building 2	Balzac	296,000	Q4 2024	Dream Developments
	Hub Logistics Centre, Building 2	Balzac	317,000	Q4 2024	Anthem
Outlying	Frontier Place	Rockyview	149,000	Q4 2024	Remington
	Heatherglen	Rockyview	35,000	Q4 2024	Greystone Developments
	Mikhael Logistics / Hagen	Rockyview	201,000	Q4 2024	Highfield Investment Group
	Frontier Distribution Centre	Rockyview	297,000	Q4 2024	Remington
	Interlink Logistics Park, Building 2B	Rockyview	650,000	Q4 2025	Highfield Investment Group
Northeast	YYC Global Distribution Centre - Phase 4, Bldg A	Deerfoot South Tradepark	113,000	Q4 2024	Ascendant Commercial
	YYC Global Distribution Centre - Phase 4, Bldg B	Deerfoot South Tradepark	201,000	Q4 2024	Ascendant Commercial
Southeast	Fastlane Transport Ltd. Bldg.	Point Trotter	39,000	Q4 2024	Design Build
<b>TOTAL</b>			<b>2,298,000 sf</b>		

carrying costs for increased development in the smaller-user segment may become easier to justify - particularly if construction costs can be managed.

Balzac was once again the dominant market for new supply, with the majority of new inventory being introduced there and as such, both vacancy and overall availability rates increased in that submarket. As noted in the construction table, the Balzac area will

continue to see significant delivery of new inventory for the duration of the current production cycle but the balance shifts to Rockyview County for the final quarter of the year. With the recent uptick in user demand in positive market sentiment among prospective tenants, we anticipate overall availability to continue to slowly decrease through the balance of 2024, though there may be small increases in specific submarkets such as Balzac and Rockyview County. ■

**SIGNIFICANT MOVES, ANNOUNCEMENT AND NOTABLE TRANSACTIONS:**



Scotts Canada Ltd. leased 120,000 square foot in Nose Creek Business Park – Bldg. H.



Fastlane Logistics leased 117,000 square foot in Nose Creek Business Park – Bldg. C.



AMC Trading Inc. subleased 90,000 square foot at 225 42 Avenue SE.



Super-Pufft Snacks leased 86,000 square foot in Crosspointe North.

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LOCAL EXPERTISE MATTERS