

Greater Calgary & Area's Year-End Industrial Landscape

Market Analysis **Year-End 2024**

QUARTERLY STATS - Q4 2024

Overall

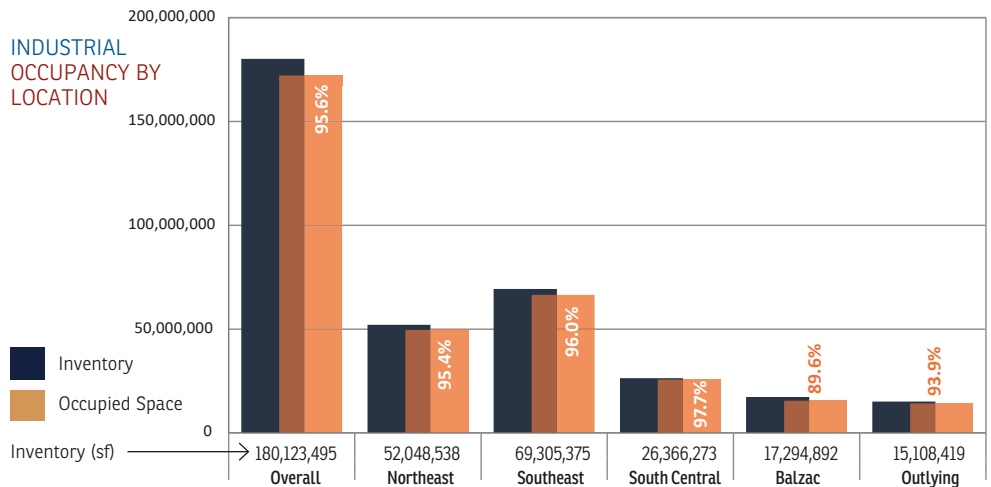
3.9% ↓	VACANCY RATE (Space marketed for headlease)
1.6% ↓	BALANCE OF AVAILABLE SPACE (Space marketed for sublease/sub-sublease, etc.)
5.5% ↓	AVAILABILITY (Total amount of space available for lease/sublease, etc.)

By Area

NORTHEAST	3.6% ↓ VACANCY	4.9% ↓ AVAILABILITY
SOUTHEAST	3.7% ↑ VACANCY	6% ↔ AVAILABILITY
CENTRAL	2.2% ↑ VACANCY	3.5% ↑ AVAILABILITY
BALZAC	9.8% ↑ VACANCY	11.2% ↑ AVAILABILITY
OUTLYING	5.8% ↓ VACANCY	6.3% ↑ AVAILABILITY

The Greater Calgary & Area (GCA) industrial market posted a net decrease in both vacancy (space available for direct lease from the landlord) and in the balance of available space (space available for sublease) through the fourth quarter of 2024. This continued downward change was due, as it was in the previous quarter, in large part to the constricting construction pipeline, which allowed leasing activity to catch up and absorb the additional inventory. With the post-pandemic construction cycle nearly complete, we saw encouraging indications that the industrial market has successfully absorbed nearly all new product delivered through the latest construction cycle.

Tenants remained bullish on the GCA and the 4th quarter availability numbers definitely show it. In addition to several large-user leases that closed during this period, we noted increased movement among small-bay and medium-bay users as they made moves to expand, took small businesses out of their homes and into commercial spaces and/or moved businesses into the GCA from elsewhere in



SIGNIFICANT MOVES, ANNOUNCEMENT AND NOTABLE TRANSACTIONS:



Pet Valu leased 296,000 sf in Cross Iron Distribution Centre - Bldg. 2



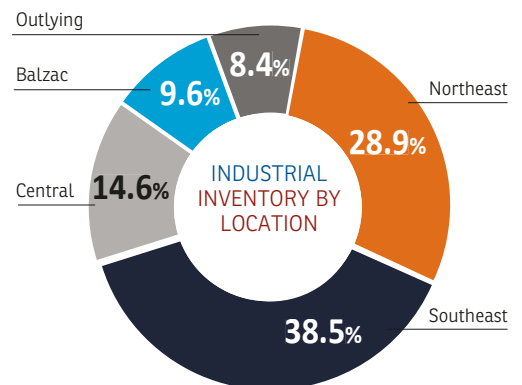
Anixter Canada Inc. renewed 90,000 sf in Oxford Airport Business Park - Bldg. F



Big Rock Brewery leased 88,000 sf at 5840 - 76 Avenue SE.

the province or Canada. This was a substantial source of activity despite a lingering environment of comparatively limited options for prospective tenants in these subsets.

On the above point and given the presently constricted nature of available sub-7,500 sf spaces, we continue to view the small-bay and medium-bay markets as being a prime market for future construction if construction costs can be managed. With the Bank of Canada's two, half-percentage interest rate cuts through the fourth quarter, the carrying costs for increased development in the smaller-user segment may have become easier for developers to justify.



**CALGARY & AREA
INDUSTRIAL
COMPLETION
SUMMARY**

Q1 2024

Market	Property Name	Location	Building Size (sf)	Completed	Developer
Outlying	Nose Creek Business Park - Bldg. G	Rocky View County	474,000	Q1 2024	BentallGreenOak
	CityLink Logistics Centre - Building 2	Rocky View County	543,000	Q1 2024	Hopewell Development
	Interlink Logistics Park - Building 2A	Balzac	534,000	Q2 2024	Hopewell Development
Balzac	Crossroads Corner - Building 1	Balzac	210,000	Q1 2024	Dream Developments
	Stoney North Logistics Centre - Building 1	Balzac	468,000	Q1 2024	Enright
	Stoney North Logistics Centre - Building 2	Balzac	243,000	Q1 2024	Enright
TOTAL			2,472,000 sf		

Q2 2024

Market	Property Name	Location	Building Size (sf)	Expected Completion	Developer
Balzac	Sysco - Nose Creek Build-To-Suit	Balzac	382,000	Q2 2024	BentallGreenOak
Southeast	Project Starfield: Bldg 4	Starfield	178,000	Q2 2024	Triovest
	Project Starfield: Bldg 5	Starfield	195,000	Q2 2024	Triovest
TOTAL			755,000 sf		

Q3 2024

Market	Property Name	Location	Building Size (sf)	Expected Completion	Developer
	Balzac 50 Light Industrial	Balzac	650,000	Q3 2024	Dream Developments
	Calgary Logistics	Balzac	486,000	Q3 2024	Matthews Southwest, Tribal Partners, CN
Balzac	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
TOTAL			1,911,000 sf		

Q4 2024

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
	Frontier Place	Rockyview	149,000	Q4 2024	Remington
Outlying	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
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
TOTAL			1,648,000 sf		

**CALGARY & AREA
CONSTRUCTION
SUMMARY**

Market	Property Name	Location	Building Size (sf)	Expected Completion	Developer
Outlying	Interlink Logistics Park, Building 2B	Rockyview	650,000	Q4 2025	Highfield Investment Group
TOTAL			650,000 sf		

In general, however, 2024 was a banner year for the Greater Calgary Area in terms of new supply. More than 6.7 million square feet of new industrial product was delivered through the year – approximately 1.6 million in Q4 alone – with the majority of it being large-format space and speculative construction geared toward consumer goods and construction materials distributors. As we noted in a previous report, this has been terrific news for larger

users, as they've been provided with numerous options and negotiating power.

As we note in our construction and delivery chart above, the latest building cycle is quickly coming to an end with less than one million square feet remaining in the pipeline. Should the current strong leasing environment remain in place, a very real risk exists of availability continuing to constrict and lease rates – which have been quite negotiable with Landlords as of late – moving upward in all size segments. ■

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