

Calgary's Year-End Retail Landscape

Market Analysis **Year-End 2024**

4.3% ↓	VACANCY RATE (Space marketed for headlease)
0.1% ↔	BALANCE OF AVAILABLE SPACE (Space marketed for sublease)
4.4% ↓	AVAILABILITY (Total amount of space available for lease/sublease)

After creeping up ever-so-slightly each quarter over the first nine months of 2024, Calgary's overall retail availability rate fell to 4.3% during the final quarter of the year and just about wound the clock back to last December. At year-end, Calgary remained below what we consider to be a balanced market and the relative scarcity of space (less than 2 million square feet, city-wide) for new leases or expansions began to place upward pressure on rental rates.

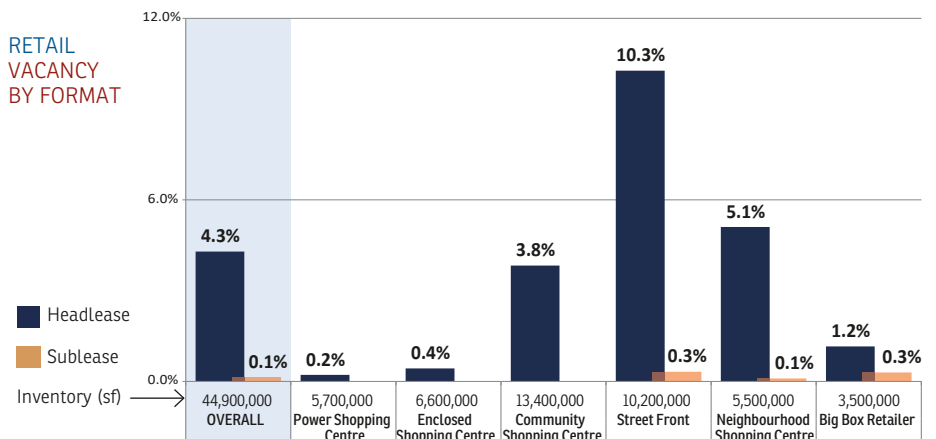
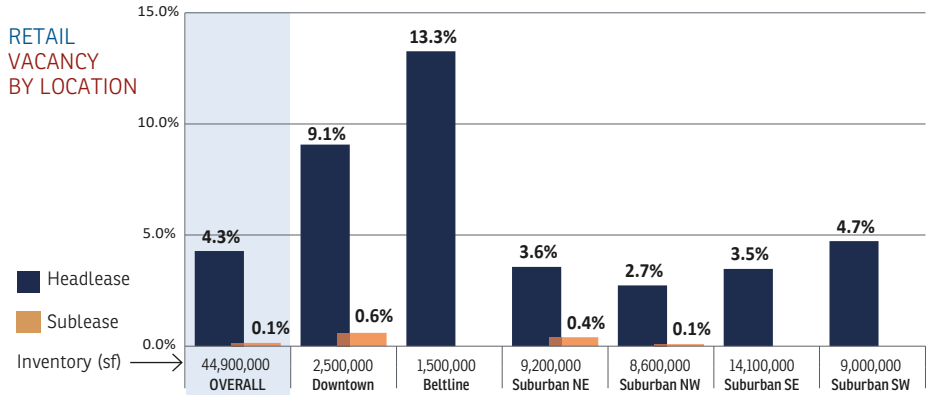
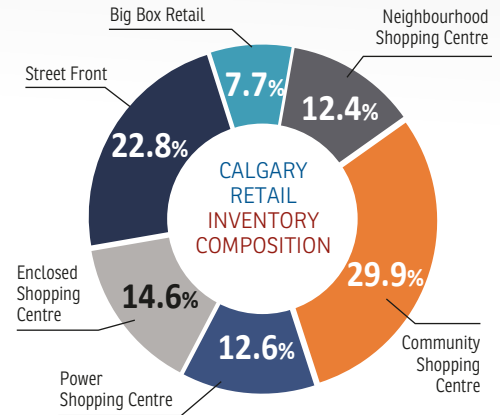
We observed a substantial uptick in activity early in the fourth quarter and quickly noticed that Landlords of choice locations began exercising their ability to be more selective of prospective tenants. This manifested in requests for proposals, early-in-the-process financial due diligence and intake of multiple offers to contemplate – as well as extended consideration periods. Meanwhile, spaces that were considered more challenging to lease earlier this year quickly gained attention and traction, particularly through late November and into December.

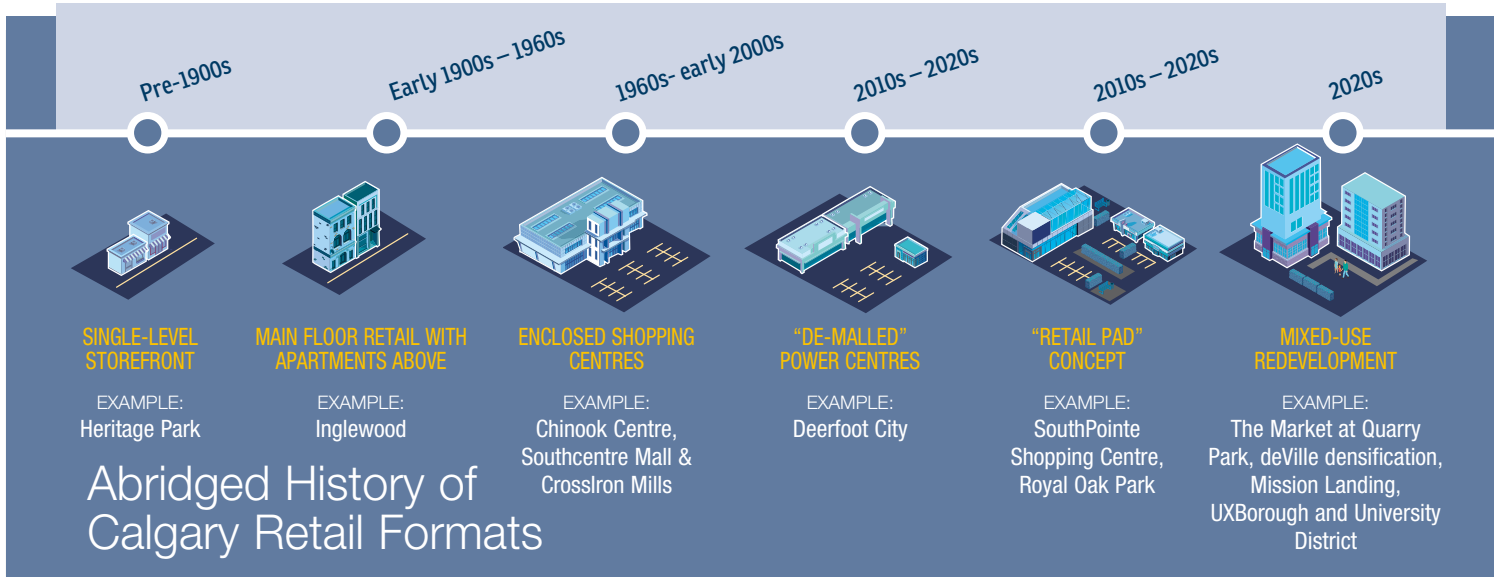
Net availability reductions were tracked in the NW (-1.2%), the NE (-0.6%) and Downtown (-0.5%) quadrants. The SE quadrant witnessed 0.4% increase in availability and is mostly tied to natural space 'churn'. The remaining submarkets remained largely static.

As for new retail inventory, the pipeline is quickly constricting. While several developments remain on the horizon with delivery anticipated through 2025 – most of which are in early

stages of construction - several others remain in the pre-leasing phase but are nonetheless anticipated in 2026/27. As depicted in our *Abridged History of Calgary Retail Formats* graphic (see next page), new and pending retail inventory has become an integrated aspect of residential communities and mixed-use developments. This is in response to the City of Calgary's emphasis on commercial and residential densification to combat urban sprawl through the '15-minute community' urban planning concept.

The majority of new and pending retail space is comprised of ~2,000 square foot units and we've found a sustained strong demand for units of this size and smaller, as the spaces are versatile, easy to build out and manage. Landlords with commercial retail units (CRUs) meeting the above criteria have been actively seeking service users such as esthetics, clothiers and repair shops to round-out and diversify





their tenant-mixes while quick-service restaurants (QSRs) have come to dominate many shopping plazas.

In larger spaces, "retailtainment" continued to take hold. This retail approach merges indoor family activities such as virtual golf, video games, pool, shuffleboard, ping pong with family dining such as found with The Rec Room and Greta Bar. Calgary's latest entries in this category are a new Speeders in Manchester Industrial and Power Play Entertainment[†]. The latter is an 80,000 sf venue that "...celebrates the future of entertainment with an energetic blend of cutting-edge attractions, high-tech experiences, and chef-driven dining to offer an unparalleled destination for fun and connection." This newest experiential retail entry is located on the third floor of the old Sears space in SouthCentre mall. ■

[†] Transaction facilitated by Joshua Gill, Sr. Associate with Barclay Street Real Estate.

CBD RETAIL CONSTRUCTION SUMMARY

RETAIL FORMAT	PROPERTY	COMMUNITY	RETAIL AREA (SF)	EXPECTED COMPLETION	DEVELOPER
Street Front	Fourth Street Lofts	Beltline	3,500	2025	Western Securities
	Francesco	Cliff Bungalow	8,000	2026	Arlington Group

SUBURBAN SOUTH RETAIL CONSTRUCTION SUMMARY

RETAIL FORMAT	PROPERTY	COMMUNITY	RETAIL AREA (SF)	EXPECTED COMPLETION	DEVELOPER
Street Front	The Podium at Medicine Hill	WinSport/Paskapoo	19,000	2025	Deveraux Developments Ltd.
	Junction at Market & Main (88, 21, Blocks B and C)	Seton	31,000	2025	Brookfield Residential
	Oak & Olive	West Springs	23,000	2025	Truman
	Belmont Village	Belmont	40,000	2025	Anthem Properties
Community Shopping Centre	Seton Market Street	Seton	175,000	2027	Brookfield Residential

SUBURBAN NORTH RETAIL CONSTRUCTION SUMMARY

RETAIL FORMAT	PROPERTY	COMMUNITY	RETAIL AREA (SF)	EXPECTED COMPLETION	DEVELOPER
Street Front	Frontier	Kensington	22,800	2025	Truman
	Shoppes at Sage Hill	Sage Hill	32,000	2025	Certus
	The Mondrian	West District	~ 20,000	2026	Truman
	Plaza	West District	15,000	2027	Truman
Neighbourhood Shopping Centre	Conerbrook View - Phase I	Cornerbrook	~ 22,000	2025	Luxuria Group
Community Shopping Centre	Northland (prev. Northland Village)	Brentwood	~ 60,000	2025	Primaris
	University District (remaining)	University Heights	~150,000	2025	West Campus Devel. Trust

OTHER RETAIL PROJECTS IN THE PIPELINE

RETAIL FORMAT	PROPERTY	COMMUNITY	RETAIL AREA (SF)	EXPECTED COMPLETION	DEVELOPER
Street Front	Quarry Station Island	Quarry Park	24,000	Pre-leasing	Remington Development Corp.
	The District at North Deerfoot (Phase II)	-	39,000	Pre-leasing	Melcor
Neighbourhood Shopping Centre	Redstone Market Square	Redstone	60,000	Pre-leasing	Qualico

2024 RETAIL COMPLETIONS

RETAIL FORMAT	PROPERTY	COMMUNITY	RETAIL AREA (SF)	DEVELOPER
Street Front	New Brighton Landing	New Brighton	30,000	Red Maple Enterprises
	The Oliver West	Beltline	11,000	Centron
	Sirocco At Pine Creek	Creekside	20,000	Anthem Properties
	West Tenth	Beltline	17,000	Trimount
	Uxborough - Phase I	University Heights	25,400	Western Securities
Community Shopping Centre	Mahogany Village Commons	Mahogany	169,700	Hopewell
	Seton North Retail District	Seton	68,000	Brookfield Residential

Hat-tip: Mario Toneguzzi, RENx. <https://retail-insider.com/retail-insider/2024/12/powerplay-to-unveil-the-future-of-entertainment-at-calgarys-southcentre-mall-video-photos/>

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