Calgary's First Quarter Retail Landscape

Market Analysis | Calgary • Q1 2024

4.2% VACANCY RATE (Space marketed for headlease)

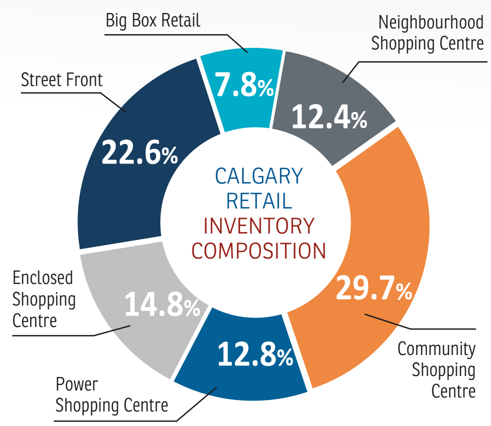
0.1% BALANCE OF AVAILABLE SPACE (Space marketed for sublease)

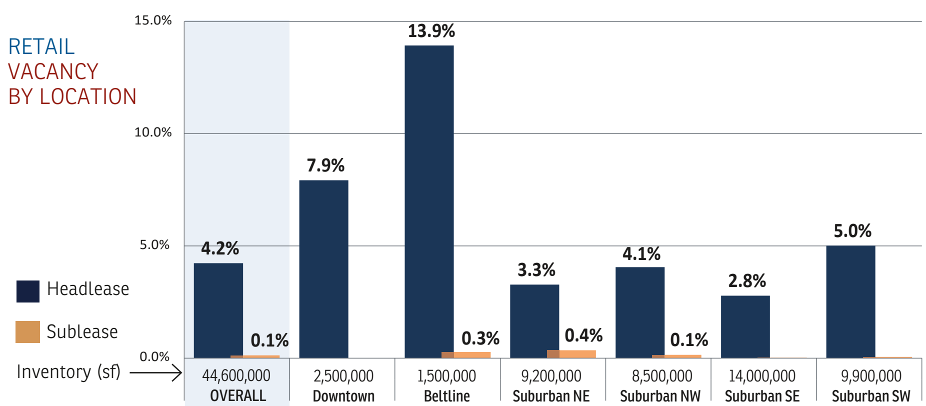
4.3% AVAILABILITY (Total amount of space available for lease/sublease)

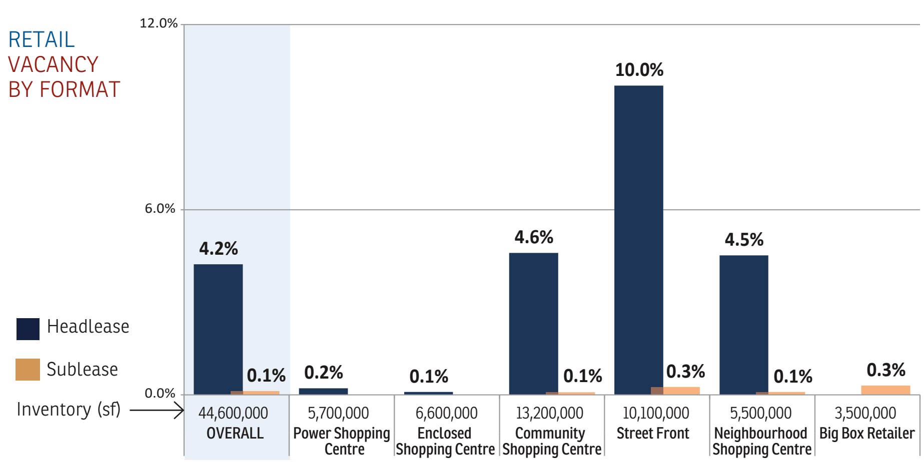
Calgary's overall retail availability rate increased during the first quarter of 2024, reaching 4.3%. This level of available space has Calgary approaching what we consider to be a balanced market; there is a variety of options for would-be tenants and existing tenants alike which is allowing rental rates to stabilize after several quarters of increases. Calgary experienced overall availability in this 4.5%–5.5% range in the not-too-distant past, when the closure of Sears Canada put 650,000 square feet of retail space on the market in Q1 2018. Availability increased to 5.1% in that quarter but by year-end, overall availably had dropped to 4.6% and remained in the low-to-mid 4% range through 2019.

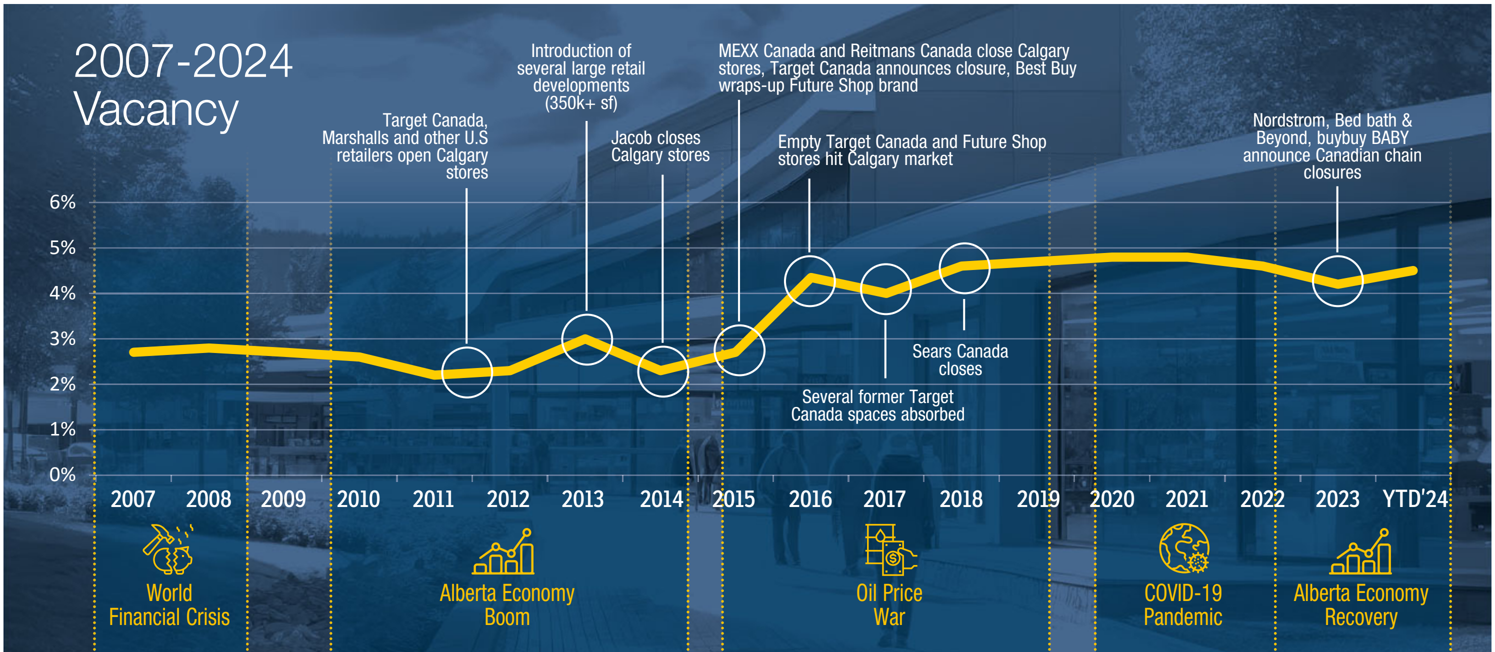
This time around, the increase in Calgary's availability rate is organic with the primary contributors being recently-completed retail spaces plus multiple new listings in major retail centres and an ongoing increase in Beltline spaces being brought to market.

One significant change on the horizon for Calgary is the pending closure and demolition of Calgary's iconic Eau Claire market on the north end of Downtown to make way for the future Green Line LRT and a future station on the site. The 170,000-square-foot indoor market opened in 1993 and will become City of Calgary property at the end of May, with demolition to take place through the next few months. The expected closure will affect approximately 50 retail tenants, forcing them to close although Joey Eau Claire and Local Public Eatery will remain in operation. The removal of Eau Claire Market from our inventory in a few months' time is expected to make a small but noticeable increase in our Downtown vacancy calculations unless we see an equivalent amount of space absorbed in the remaining submarket.









Other anticipated changes to Calgary's retail landscape for the year are few. As we noted in our 2023 year-end report, the pipeline of pending retail product is steadily focusing on new product being a component of mixed-use developments such as **the Oliver** – the second and final phase of which is expected to reach completion later this year and **Frontier and Junction at Market & Main** which are expected in 2025. The balance of anticipated new retail product slated for 2024 is on small, retail/professional services spaces in places such as **Copperpond Passage, Canada Olympic Common, Creekside** and the final phase of **Seton North Retail District**.

As noted in our Construction Summary tables at right, the City of Calgary's near decade-old focus on commercial and residential densification has taken firm hold and nearly all pending retail space is a central element of residential communities and mixed-use developments. ■

CBD RETAIL CONSTRUCTION SUMMARY

RETAIL FORMAT	PROPERTY	COMMUNITY	RETAIL AREA (SF)	EXPECTED COMPLETION	DEVELOPER
Street Front	The Oliver - Phase II	Beltline	11,000	Q3 2024	Centron
	West Tenth	Beltline	17,000	Q3 2024	Trimount

SUBURBAN SOUTH RETAIL CONSTRUCTION SUMMARY

RETAIL FORMAT	PROPERTY	COMMUNITY	RETAIL AREA (SF)	EXPECTED COMPLETION	DEVELOPER
Street Front	Sirocco At Pine Creek	Creekside	20,000	Q3 2024	Anthem Properties
	The Podium at Medicine Hill	WinSport/Paskapoo	19,000	2025	Deveraux Developments Ltd.
	New Brighton Landing	New Brighton	30,000	2025	Red Maple Enterprises
	Junction at Market & Main (88, 21, Blocks B and C)	Seton	31,000	2025	Brookfield Residential
	Oak & Olive	West Springs	23,000	2025	Truman
Community Shopping Centre	Seton North Retail District Phase III	Seton	68,000	Q3 2024	Brookfield Residential
	Mahogany Village Commons	Mahogany	169,700	2025	Hopewell

SUBURBAN NORTH RETAIL CONSTRUCTION SUMMARY

RETAIL FORMAT	PROPERTY	COMMUNITY	RETAIL AREA (SF)	EXPECTED COMPLETION	DEVELOPER
Street Front	Frontier	Kensington	22,800	2025	Truman
	Uxborough - Phase I	University Heights	25,400	2025	Western Securities
Community Shopping Centre	Northland (prev. Northland Village)	Brentwood	387,000	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	Reminton 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

RETAIL INVENTORY ADJUSTMENTS

RETAIL FORMAT	PROPERTY	COMMUNITY	RETAIL AREA (SF)	EXPECTED ADJUSTMENT	DEVELOPER
Community Shopping Centre	Eau Claire Market	Downtown	170,000	Q3 2024	Harvard Developments

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