

# Calgary's Fourth Quarter Retail Landscape

## Retail Market Analysis | Calgary • Year-End 2023

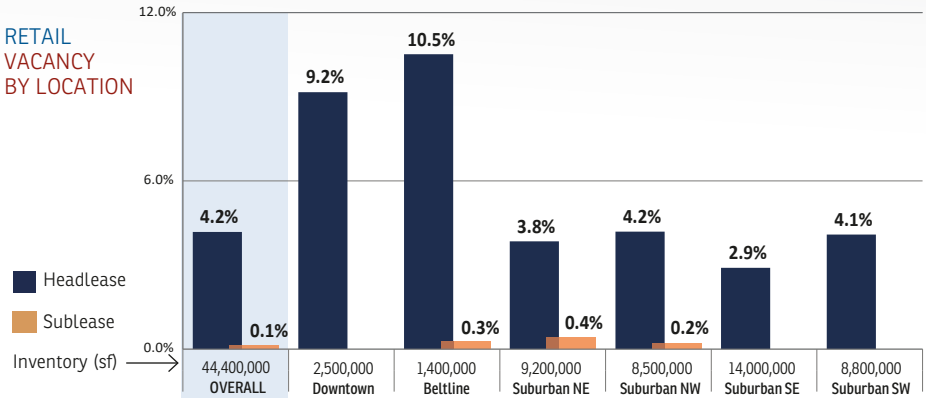
**4.2%**  
OVERALL  
VACANCY RATE

↔ NO CHANGE  
FROM Q3'23

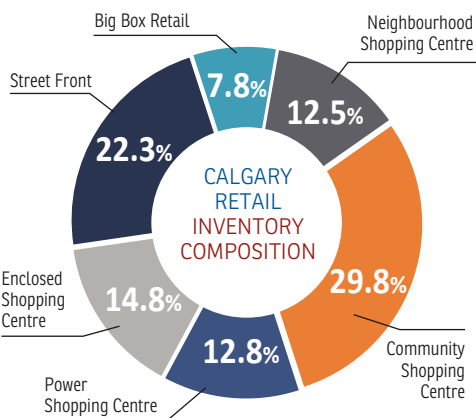
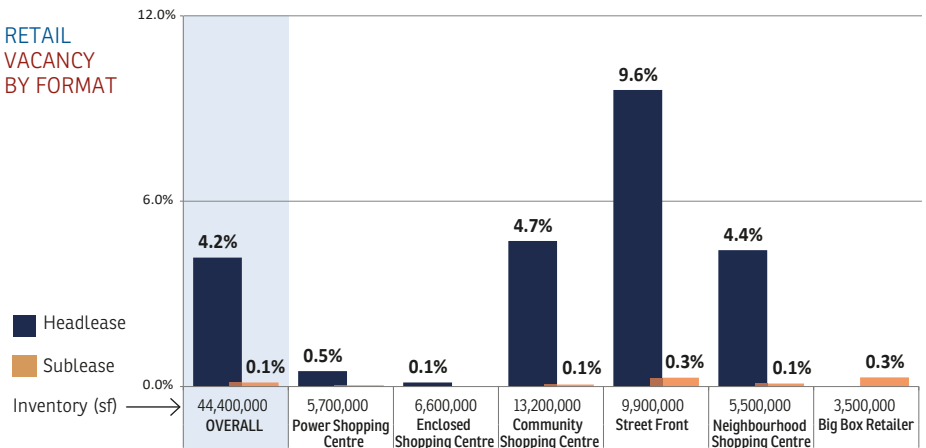
Calgary's retail vacancy rate remained stable through the fourth quarter of the year, showing no overall change despite significant activity and changes within its constituent parts. Several new developments were added to our inventory, with notable additions including the final phase of **The Shops at Buffalo Run**, plus smaller retail plazas like **New Brighton Landing** and mix-use developments such as **Shawnessy Station** and **Solo on 4th**.

Strong leasing and pre-leasing activity in the Suburban South markets reduced vacancy rates markedly from the previous quarter. The Suburban North markets however, experienced a burst of street-front retail listings, leading to a slight rise in overall vacancy rates. The Central Business District (Downtown and Beltline) saw the greatest quarter-over-quarter change, with a large overall increase in vacancy driven by the introduction of new food court units, restaurants, and large main floor retail spaces to the market.

### RETAIL VACANCY BY LOCATION



### RETAIL VACANCY BY FORMAT



Several notable transformations in the size, location, and structure of retail centers have occurred over just the previous few years (see our "Abridged history of Calgary retail formats" on the next page, illustrating the evolution of Calgary's retail landscape). The City of Calgary's near decade-old focus on retail densification has led to the end of large power centers like **Beacon Hill**, **Deerfoot City**, and **East Hills**. In their place, two parallel strategies have emerged to meet Calgary's retail needs that align with the '15-minute city/complete community' concepts that emphasize local shopping, services, and entertainment.

On one hand was the introduction of the 'retail pad' concept that gained momentum in 2016 and 2017. This strategy allows owners of large properties to densify their developments by constructing additional restaurants and clusters of small shops in their vast parking lots. Notable successes include Choice Properties' retail pad at **SouthPointe** shopping center and similar pads incorporated into **Royal Oak Park** and **Hunterhorn Plaza**.

On the other hand – and stemming directly from the 'live, work and play' idea incorporated into new residential developments – has been the proliferation of small 40,000 square foot convenience store-anchored retail plazas and mixed-use developments, which are now commonplace in the suburban markets.

Beginning in 2022, we saw the next phase of the retail densification process emerge, which entails a merging of the two above-noted strategies. Calgary is now witnessing a major move

Pre-1900s

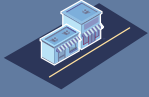
Early 1900s – 1960s

1960s- early 2000s

2010s – 2020s

2010s – 2020s

2020s



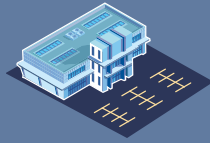
**SINGLE-LEVEL STOREFRONT**

- ✓ PROS: Often owner operated
- ✗ CONS: Stores/services spread over large areas  
Often single-purpose/single-service
- THINK: Heritage Park



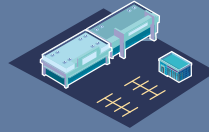
**MAIN FLOOR RETAIL WITH APARTMENTS ABOVE**

- ✓ PROS: Increases urban density
- ✗ CONS: Often single-purpose/single-service
- THINK: Inglewood



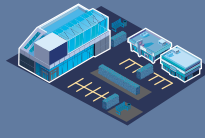
**ENCLOSED SHOPPING CENTRES**

- ✓ PROS: Provides access to numerous services and product retailers in a single excursion  
Provides consumers with increased competition and selection of similar products & services
- ✗ CONS: Vast amounts of land are used for parking lots, both surface and multi-level parkades
- THINK: Chinook Centre, Southcentre Mall & CrossIron Mills



**"DE-MALLED" POWER CENTRES**

- ✓ PROS: "Big Box" stores introduced  
"Walkability" concept introduces landscaping and small shops into parking lots
- ✗ CONS: Need for parking remains, causing increased land consumption as centres expand in proportion to retail space
- THINK: Deerfoot City



**"RETAIL PAD" CONCEPT**

- ✓ PROS: Increases density of existing retail power centres  
"Walkability" concept continues to be a focus and small shops into parking lots
- ✗ CONS: Need for vast amounts of parking space remains
- THINK: SouthPointe Shopping Centre, Royal Oak Park



**MIXED-USE REDEVELOPMENT**

- ✓ PROS: Further increases density of existing retail power centres  
Addresses housing needs  
Increases pedestrian traffic
- THINK: The Market at Quarry Park, deVillie densification, Mission Landing, UXBorough and University District

# Abridged History of Calgary Retail Formats

toward redevelopment and densification of older retail locations by incorporating a multi-family component. Examples include the three-tower **deVillie** residential addition to **The Market at Quarry Park**, Calgary CO-OP's partnership with RoyOp to redevelop its North Hill location into **Munro** with over 189 residential units, and Opus's 70-unit Mission Landing development at Mission Road and MacLeod Trail SW. This concept has been incorporated into **UXBorough** and University District from the design stage. The built-in convenience of this latest strategy appears bodes well for nearby retailers as resident customers spend time and money that would otherwise have been spent in traffic, locally. ■

## CBD RETAIL CONSTRUCTION SUMMARY

RETAIL FORMAT	PROPERTY	COMMUNITY	RETAIL AREA (SF)	EXPECTED COMPLETION	DEVELOPER
Street Front	The Oliver	Beltline	19,000	2024	Centron

## SUBURBAN SOUTH RETAIL CONSTRUCTION SUMMARY

RETAIL FORMAT	PROPERTY	COMMUNITY	RETAIL AREA (SF)	EXPECTED COMPLETION	DEVELOPER
Street Front	New Bighton Landing Junction at Market & Main (88, 21, Blocks B and C)	New Brighton	30,000	2025	Red Maple Enterprises
		Seton	31,000	2025	Brookfield Residential
		Oak & Olive	23,000	2025	Truman
Community Shopping Centre	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 Melcom Plaza Uxborough - Phase I	Kensington	22,800	2024	Truman
		Nolan Hill	24,300	2024	Melcom
		University Heights	25,400	2025	Western Securities
Community Shopping Centre	Northland (prev. Northland Village) University District (remaining)	Brentwood	387,000	2025	Primaris
		University Heights	~150,000	2025	West Campus Devel. Trust

## OTHER RETAIL PROJECTS IN THE PIPELINE

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

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