

AICRE INSIGHT

CALGARY MARKET UPDATE - FALL

Rising energy prices, an influx of people moving into Alberta during the first half of 2022 and the rebound from COVID-19 continue to strengthen Alberta's economy (outpacing all Canadian Provinces), however, historical high inflation levels, a tightening labour market and rising interest rates hover over the market. Recent positive announcements in Calgary from De Havilland (Aircraft Manufacturing), Infosys (Digital Centre) and AIMCo (Investment Management) show confidence across a range of business sectors. The municipalities surrounding the City of Calgary with plenty of affordable developable land available as well as a property tax advantage have seen continued activity through 2022.

While the Industrial market runs hot, Calgary's Office sector continues to see record high vacancy rates. In an effort to revitalize the downtown core, the City of Calgary has identified a 10-year, \$1 billion plan which includes incentives for landlords to convert empty office and commercial space to one of several infrastructure improvements that include pedestrian and cycle paths, green space, and cultural expansion. As of Summer 2022, the city has received more than a dozen expressions of interest from landlords to convert their vacant buildings and approved five projects that will remove 665,000 SF of obsolete office space.

30%

OFFICE VACANCY RATE

2.7%

INDUSTRIAL VACANCY RATE

3.0%

RETAIL VACANCY RATE

MARKET HIGHLIGHTS

OFFICE - The Calgary office market continues to distance itself from nearly all other North American markets in terms of availability, home to the highest rates of all major markets, ranging from 19.4% across the entire region for all office buildings, up to 27% to 30% for select regional and select downtown buildings.

INDUSTRIAL - Calgary's industrial sector, comprised of 171 million square feet, has had remarkable activity since 2021. Spurred on by a dramatic increase in online shopping during the pandemic, demand for distribution space spiked, leading to the highest level of net absorption per annum, 8.7 million SF in 2021, more than double the previous best year.

RETAIL - Leasing activity in 2022 is on pace to post one of its best years and may match 2021's volume, resulting in a significant uptick in new construction projects scheduled to complete throughout the balance of 2022. 2021 saw 1.86 million square feet leased/renewed/sublet, a record level and more than double the activity recorded in 2020.

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REAL ESTATE ADVISORY SERVICES

AICRE Commercial is a full-service real estate brokerage capable of all commercial property assignments. Our team is comprised of dedicated professionals with extensive market knowledge and experience.

AICRE Commercial's Advisory Services include, but are not limited to:

- Client Needs Analysis / Strategic Planning
- Market / Sub-Market Research
- Tenant Sourcing and Vetting
- Property Tour Coordination / Tour Review
- Lease Negotiations
- Formal Lease Review
- Sale & Purchase Negotiations
- Property Marketing Services
- Property Valuation & Performance Analysis

Contact our experts today and let us help you with your next commercial real estate transaction

NOTEABLE PROPERTIES

SOLD: Aberdeen Block

AICRE is pleased to announce the sale of Aberdeen Block to Ronmor, a local Calgary-based real estate management company. The historic building was constructed in 1912 and features 14 residential units atop four popular street-front food/restaurant businesses.



AVAILABLE: 1918 Kensington Road NW

For Lease - Class A Office Space

- 4th Floor office space - 1,118 SF (+/-)
- Under new ownership - Tenant Incentives now available
- High ceilings, natural light and panoramic views
- Surface and underground parking



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