

# OFFICE NEED TO KNOWS

## The Top Five Facts About Calgary's Office Market

# 1

### RISING INTEREST RATES

Increasing inflation has created barriers to entry for smaller businesses and increased costs for the consumer/business owner. At the end of 2022, the Consumer Price Index (CPI) finished at 160.80 points, a 6% increase from December 2021 at 151.70 points. Smaller Interest rate increases are expected in 2023, finally showing signs of leveling out.



# 2

### DOWNTOWN OFFICE

Downtown office is seeing a "flight to quality" with higher-class spaces leasing out faster than lower class.

AA Vacancy: 17.60%

A Vacancy: 39.8%

B Vacancy: 45.60%

C Vacancy: 42.10%



# 3

### ECONOMY

As Canada's top oil and gas-producing province, Alberta is expected to have the country's strongest comeback this year on improved commodity prices after taking the biggest dive in 2020.



# 4

### DEVELOPMENT TRENDS

Calgary is one of the first Canadian cities to participate in the Downtown Conversion Program. The aim is to convert unused office space into residential units. Approximately 251,000 SF has already been approved for conversion. 2,000,000 SF is expected to be converted by 2024.



# 5

### VACANCY

Beltline office sits at 32% and the Suburban office market has the lowest vacancy at 25%. Downtown office vacancy has finally started to decrease as businesses start to return to work and now sits at 30%.

