

NAIOP

COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION

CALGARY  CHAPTER



2020 Fall Market Update

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Fall Market Update Presenters

NAIOP Chapter Update
Investment Sales
Office
Industrial
Retail
Multifamily

Ryan Sirski
Duncan MacLean
Justin Mayerchak
Kent Bacon
Ryan Rutherford
Matthew Boukall

Board Member
SVP
SVP & Partner
Principal
Vice President
Vice President

NAIOP Calgary
CBRE
Colliers
Avison Young
Cushman & Wakefield
Altus Group

Submit Your Questions!

Please use the **Sli.do** link provided in the webinar chat box to submit your questions throughout the event or visit www.slido.com and use **Event Code #78643**

Questions will be answered during the Q&A session

NAIOP CALGARY CHAPTER UPDATE

NAIOP CALGARY CHAPTER UPDATE (as of September 2020)

- 217 Members
 - 101 Principal
 - 106 Associate
 - 81 of the 106 are developing leaders
- In 2020, NAIOP Calgary has secured 45 new members
- In December 2019 there were 232 members. We have done a fantastic job with only a 15 member net change in our current environment.

KEY ADVOCACY WORK FOR FALL & BEYOND

- Outreach to 'Key' Members
- RECA - Getting members on new Board and committees
- CECRA & Bill 23
- Industrial/Established Growth & Change Strategy
- Industrial Growth Strategy
- 2021 OSL & Centre City Bylaws
- GGC - Guidebook for Great Communities

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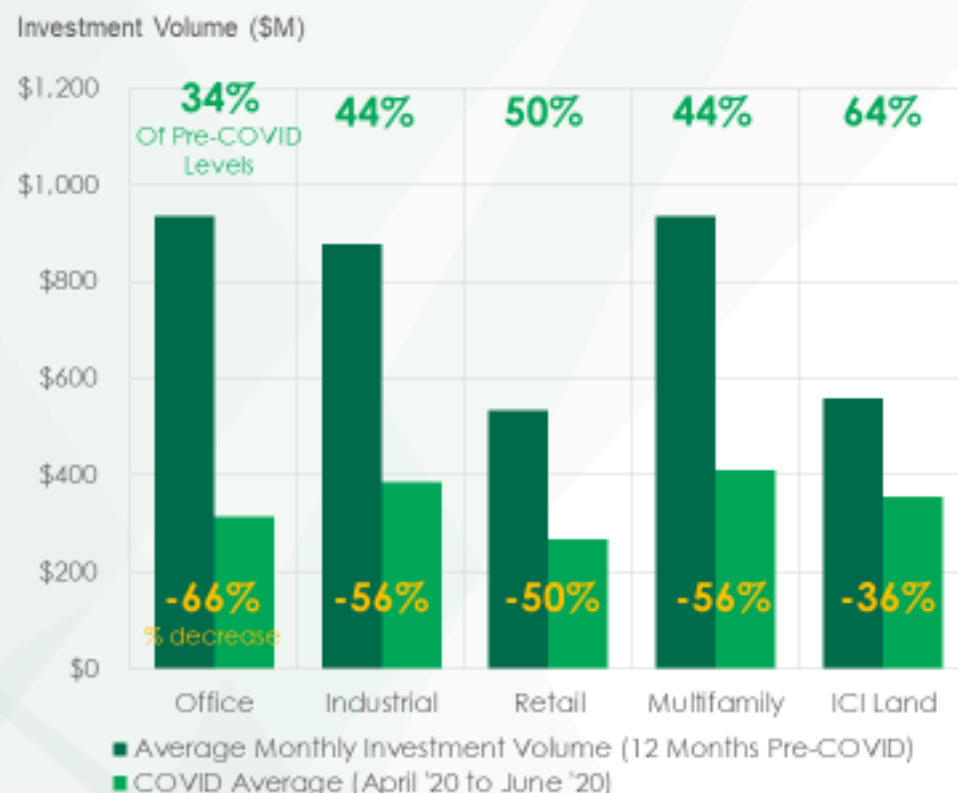
Sign up for e-alerts

INVESTMENT SALES MARKET UPDATE

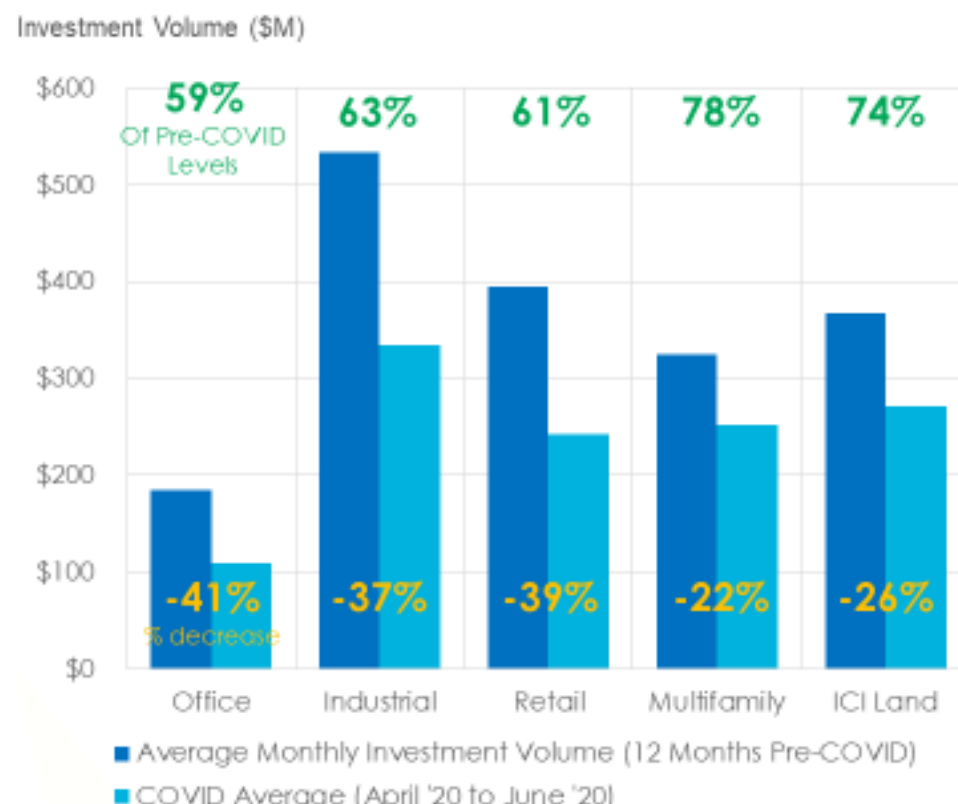
CBRE

CANADA INVESTMENT ACTIVITY BY ASSET CLASS

ALL TRANSACTIONS



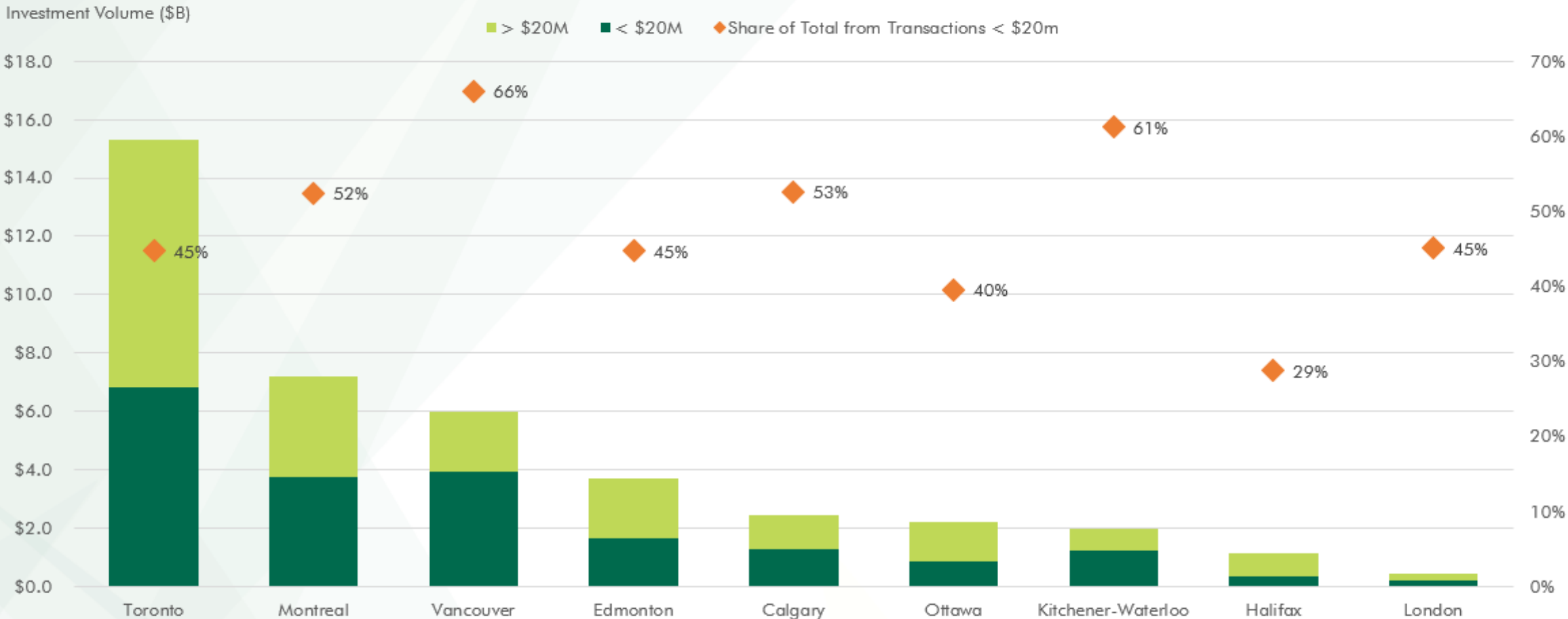
TRANSACTIONS < \$20M



Note: Volumes for Q2 2020 are still preliminary and subject to change.

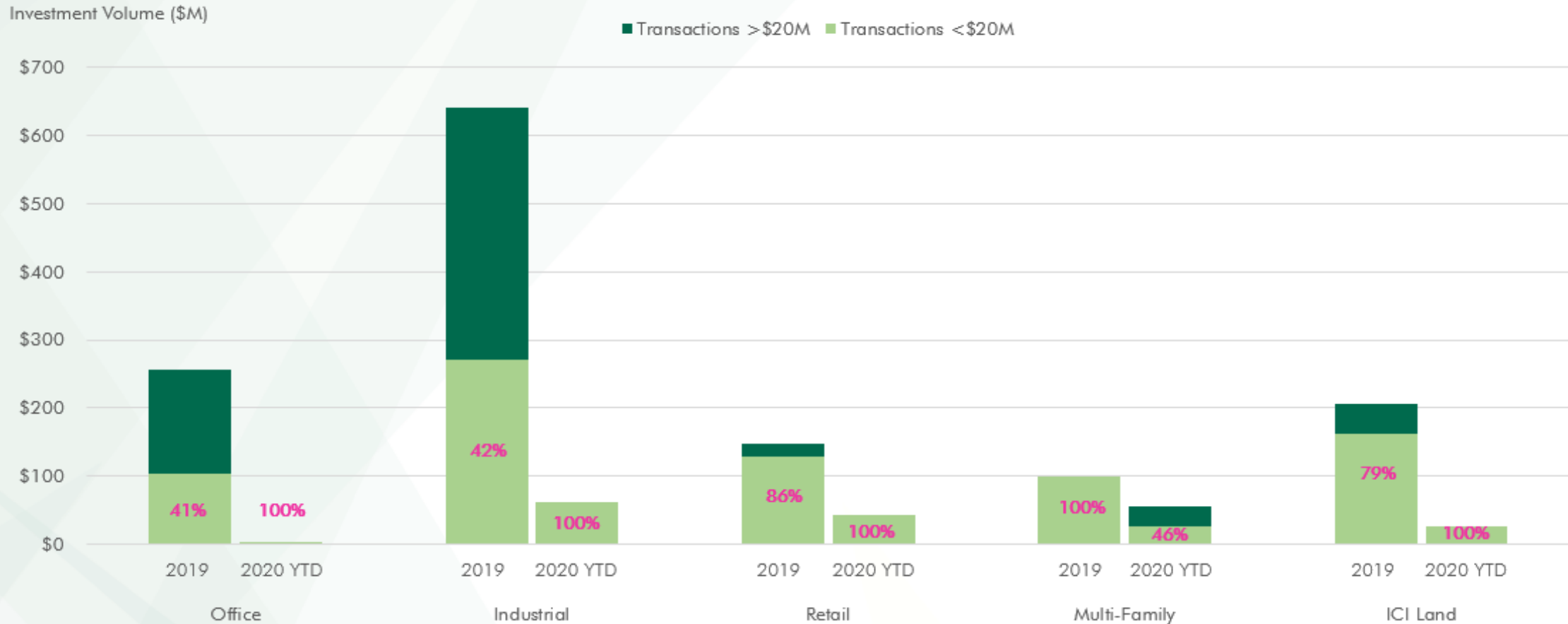
Source: CBRE Research, Realnet Canada, RealTrack Limited, Collette Plante, JLR Land Title Solutions, Real Capital Analytics, Q2 2020.

CANADA INVESTMENT ACTIVITY BY MARKET | Q3 2019 – Q2 2020



Note: Volumes for Q2 2020 are still preliminary and subject to change.
Source: CBRE Research, RealNet Canada, RealTrack Limited, Collette Plante, JLR Land Title Solutions, Real Capital Analytics, Q2 2020.

CALGARY INVESTMENT VOLUME BY ASSET CLASS



Note: Volumes for April 2019 – December 2019 & April 2020 – 2020 YTD

Source: CBRE Research, Realnet Canada, Q2 2020

SIGNIFICANT CALGARY TRANSACTIONS | 2020 YTD

	OFFICE	INDUSTRIAL	RETAIL	MULTI-FAMILY	ICI LAND
					
	SOLD BY CBRE	SOLD BY CBRE		SOLD BY CBRE	
Property:	STAMPEDE STATION & TRANSALTA PLACE	INSTITUTIONAL INDUSTRIAL PORTFOLIO	THERE HAS BEEN NO RETAIL TRANSACTION ABOVE \$10M IN 2020	QUEENS PARK VILLAGE	260253 HIGH PLAINS WAY
Sale Date:	January 2020	March 2020		July 2020	January 2020
Sale Price:	\$85,000,000	\$131,900,000		\$30,500,000	\$10,472,000
Total Size:	497,674 SF	1,177,202 SF		188 Units	24 Acres
Unit Price:	\$171 PSF	\$112 PSF		\$162,234 per Unit	\$440,000 per Acre
Vendor:	Artis REIT	IMCO		CAPREIT	Highfield Investment Group
Purchaser:	Crestpoint	Skyline REIT		Mainstreet	Hillwood Investment Properties

Note: Transactions greater than \$10 M

Source: CBRE Research, Q2 2020

OFFICE MARKET UPDATE



OFFICE MARKET TRENDS



Workplace Strategy
Shifts

M&A / VC Capital

Vacancy Rising

Proactive Ownership
& Creative Deals

Flight to
Unique & Quality

DOWNTOWN MARKET

DOWNTOWN STATS

Inventory

44,305,807 SF

Total Vacancy

11,886,474 SF

Headlease Vacancy

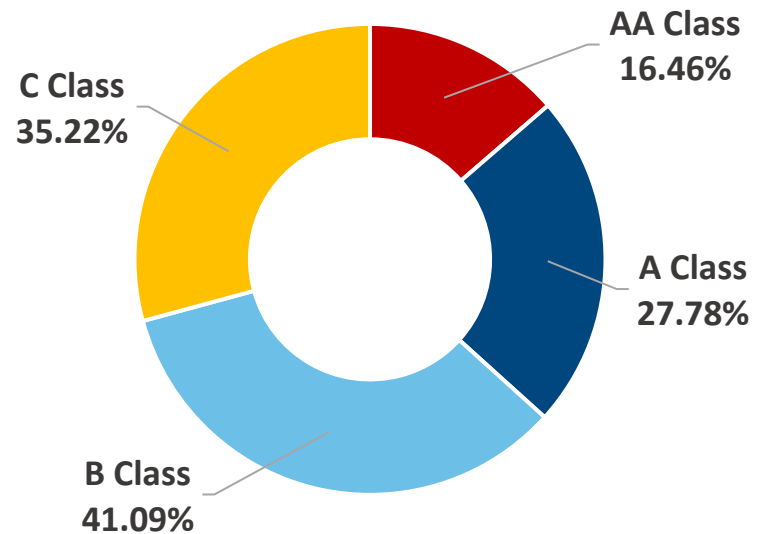
9,210,504 SF

Sublease Vacancy

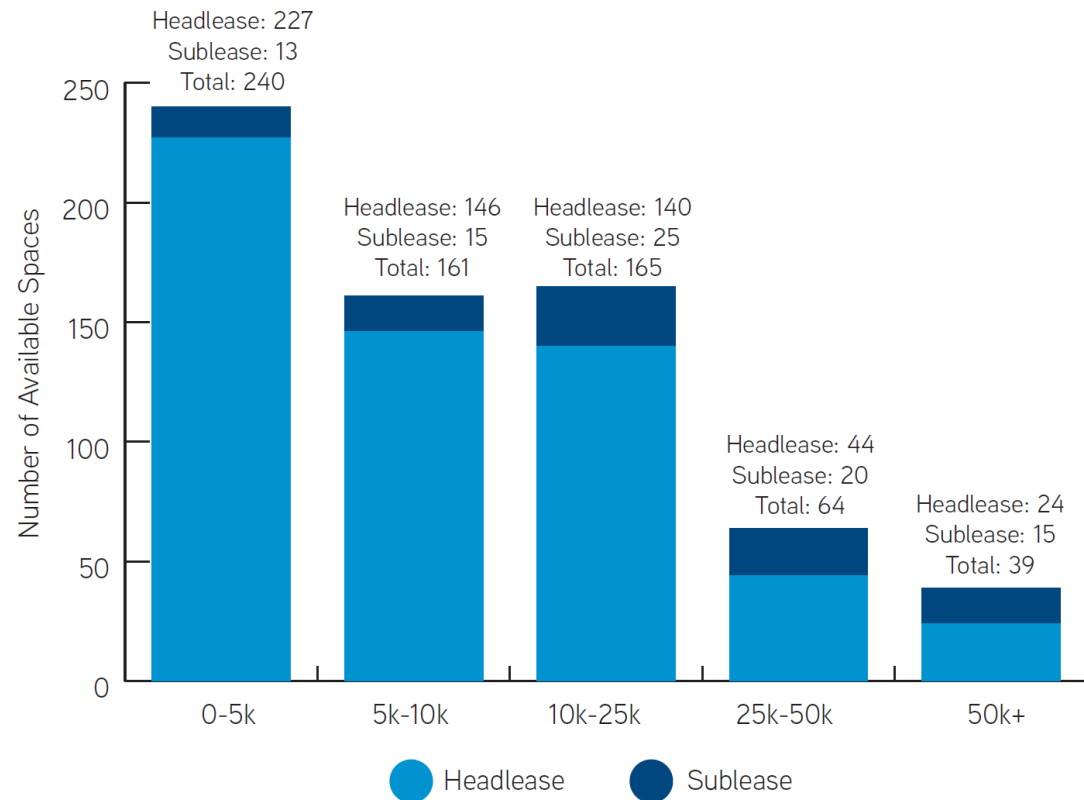
2,675,970 SF

Q2 Vacancy Rate 26.95%

COMPOSITION OF VACANCY



Downtown Vacancy Analysis by Blocks of Available Space



BELTLINE STATS

Inventory

7,373,653 SF

Total Vacancy

1,747,725 SF

Headlease Vacancy

1,275,253 SF

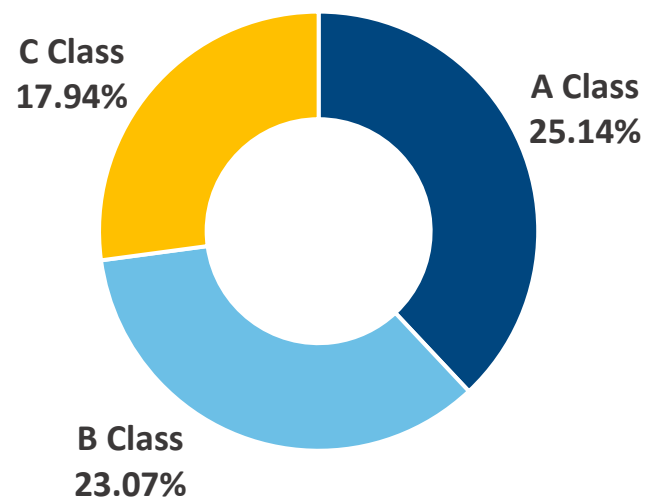
Sublease Vacancy

472,472 SF

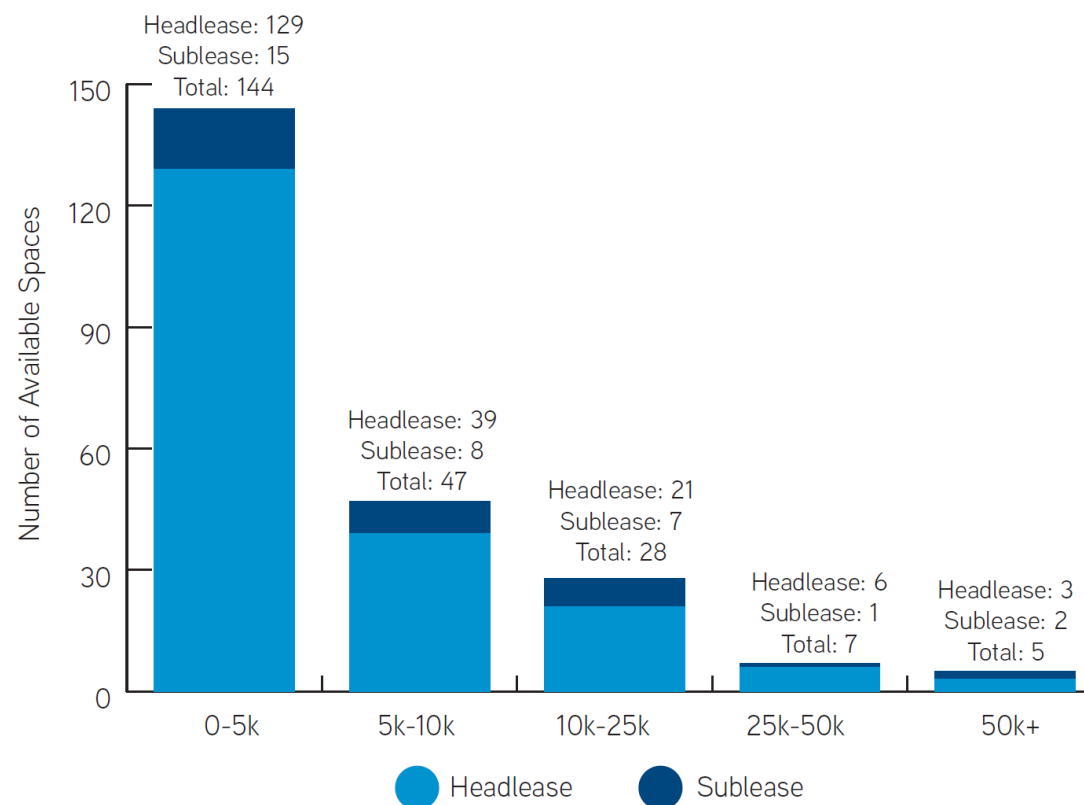
Q2 Vacancy Rate

23.70%

COMPOSITION OF VACANCY



Beltline Vacancy Analysis by Blocks of Available Space



SUBURBAN MARKET

SUBURBAN STATS

Inventory

21,251,852 SF

Total Vacancy

3,674,435 SF

Headlease Vacancy

3,111,843 SF

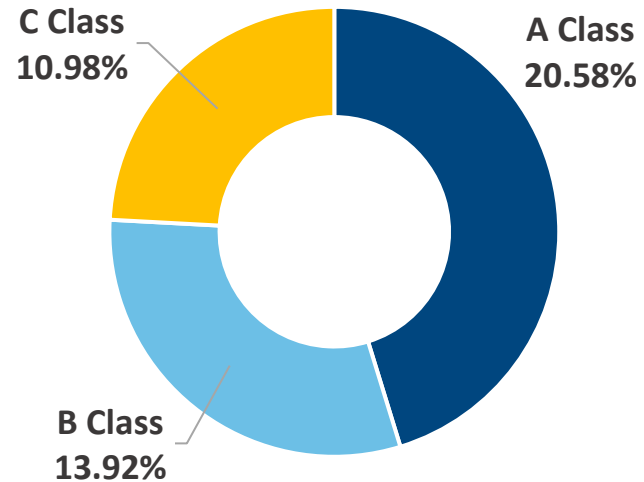
Sublease Vacancy

562,592 SF

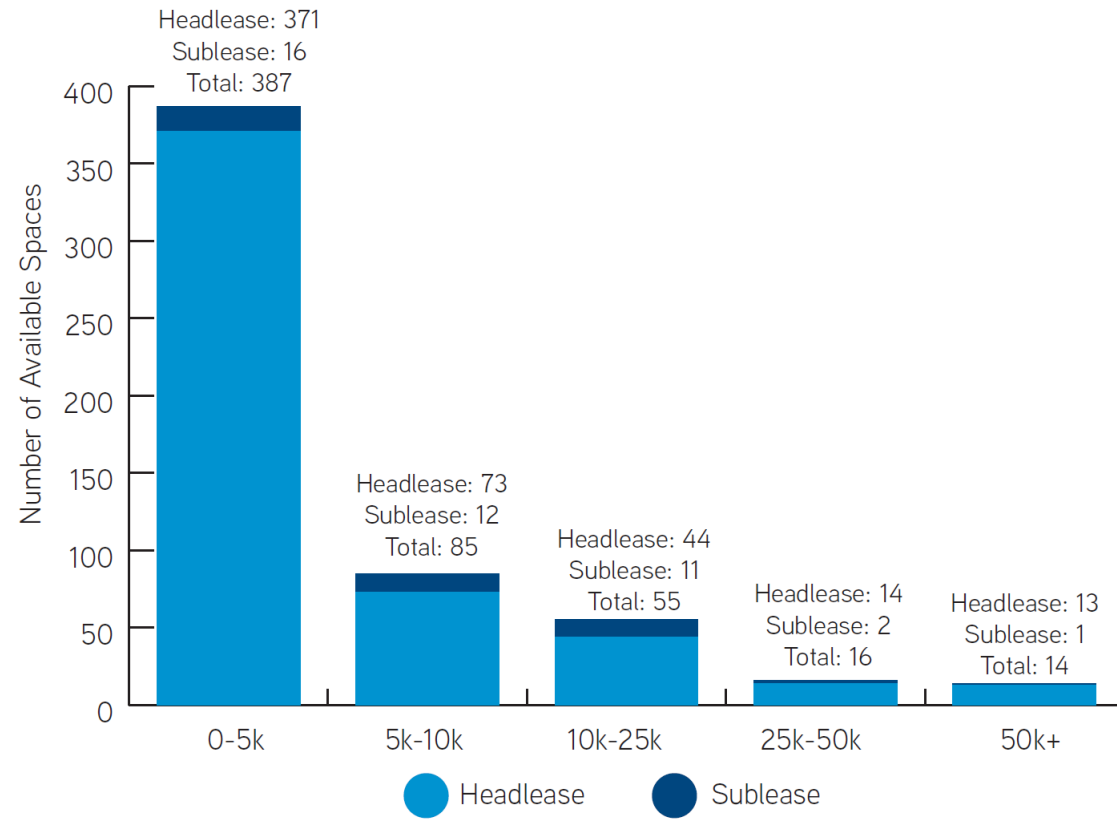
Q2 Vacancy Rate

17.30%

COMPOSITION OF VACANCY



Suburban Vacancy Analysis by Blocks of Available Space



NOTABLE TRANSACTIONS



51,000 SF
Q2 2020



Phase 2: 23,300 SF
Total Size +/- 185,000 SF
Q2 2020



78,000 SF
Q3 2020

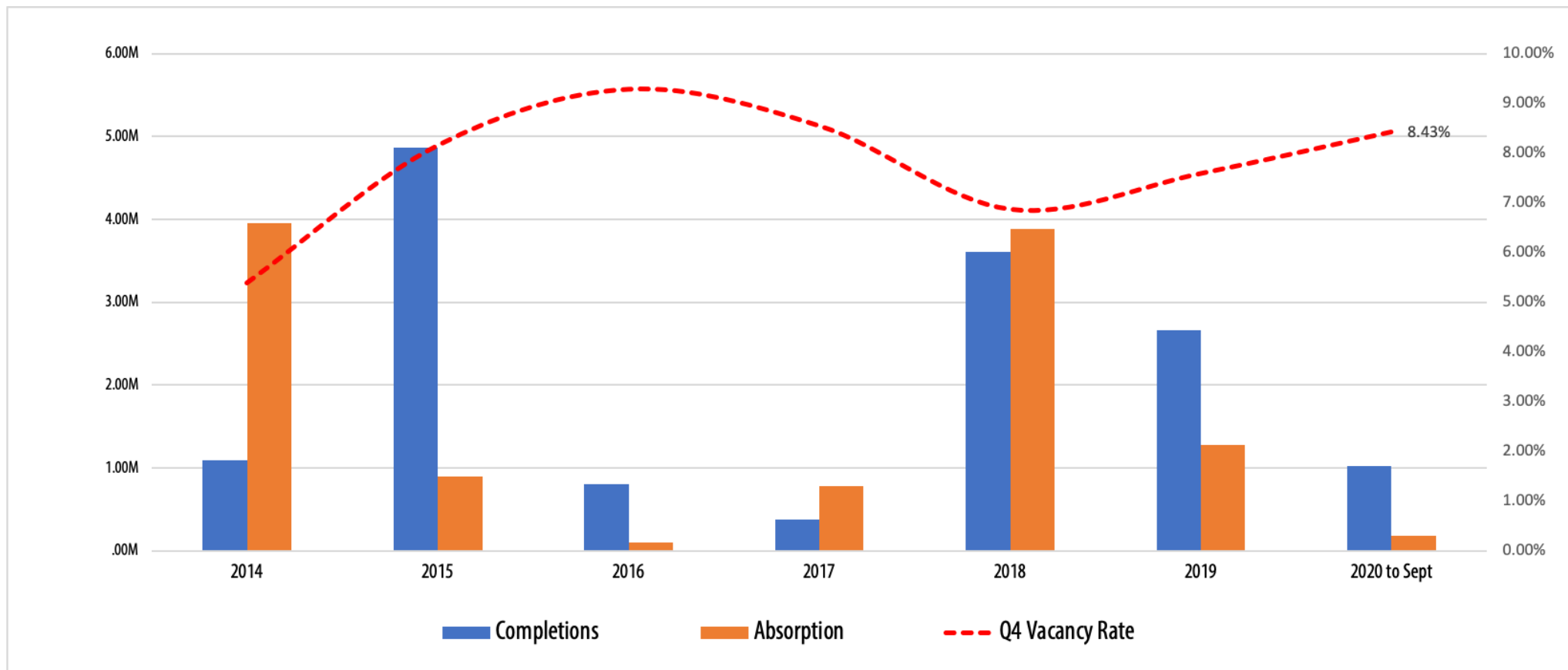


42,000 SF
Q3 2020

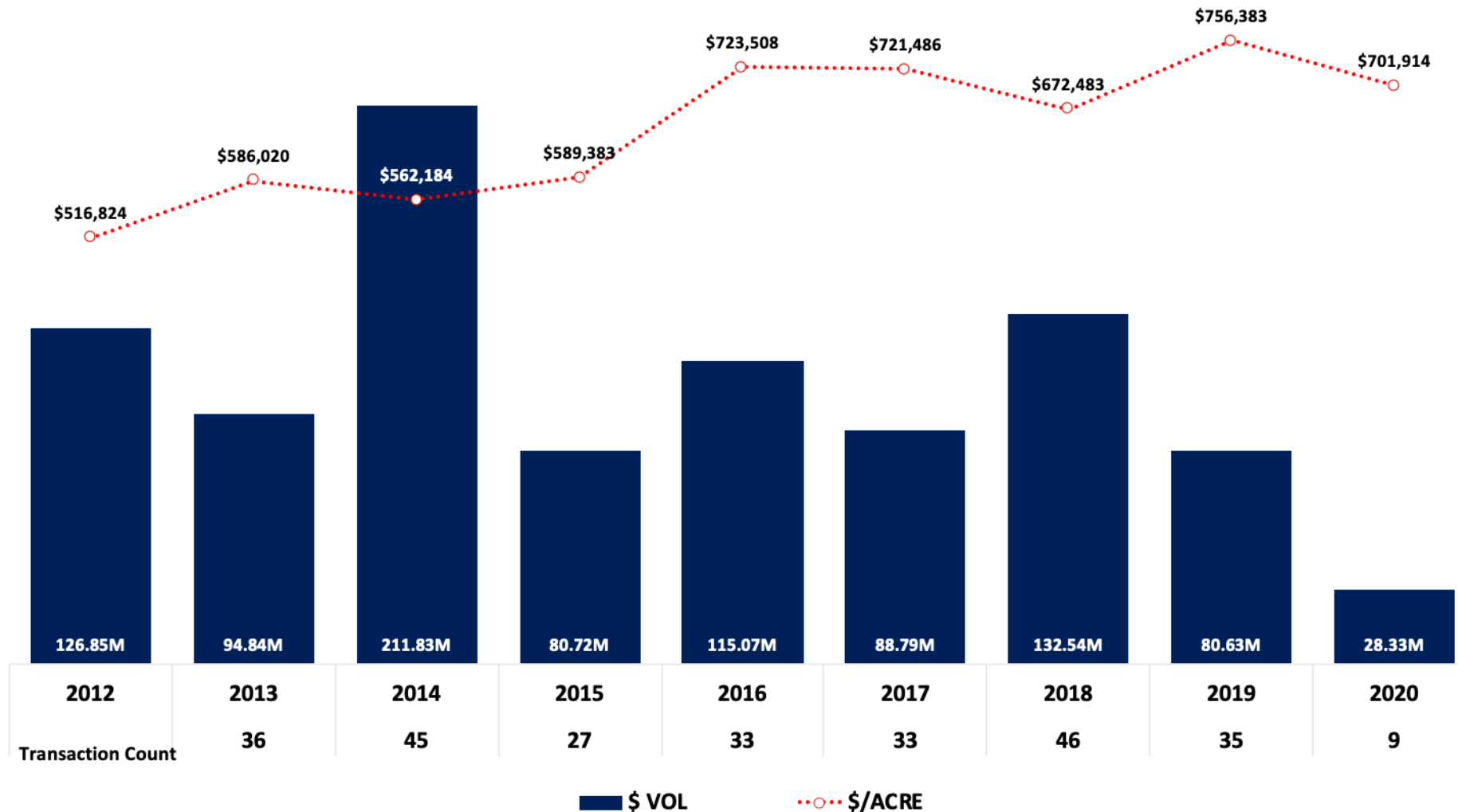
INDUSTRIAL MARKET UPDATE

AVISON
YOUNG

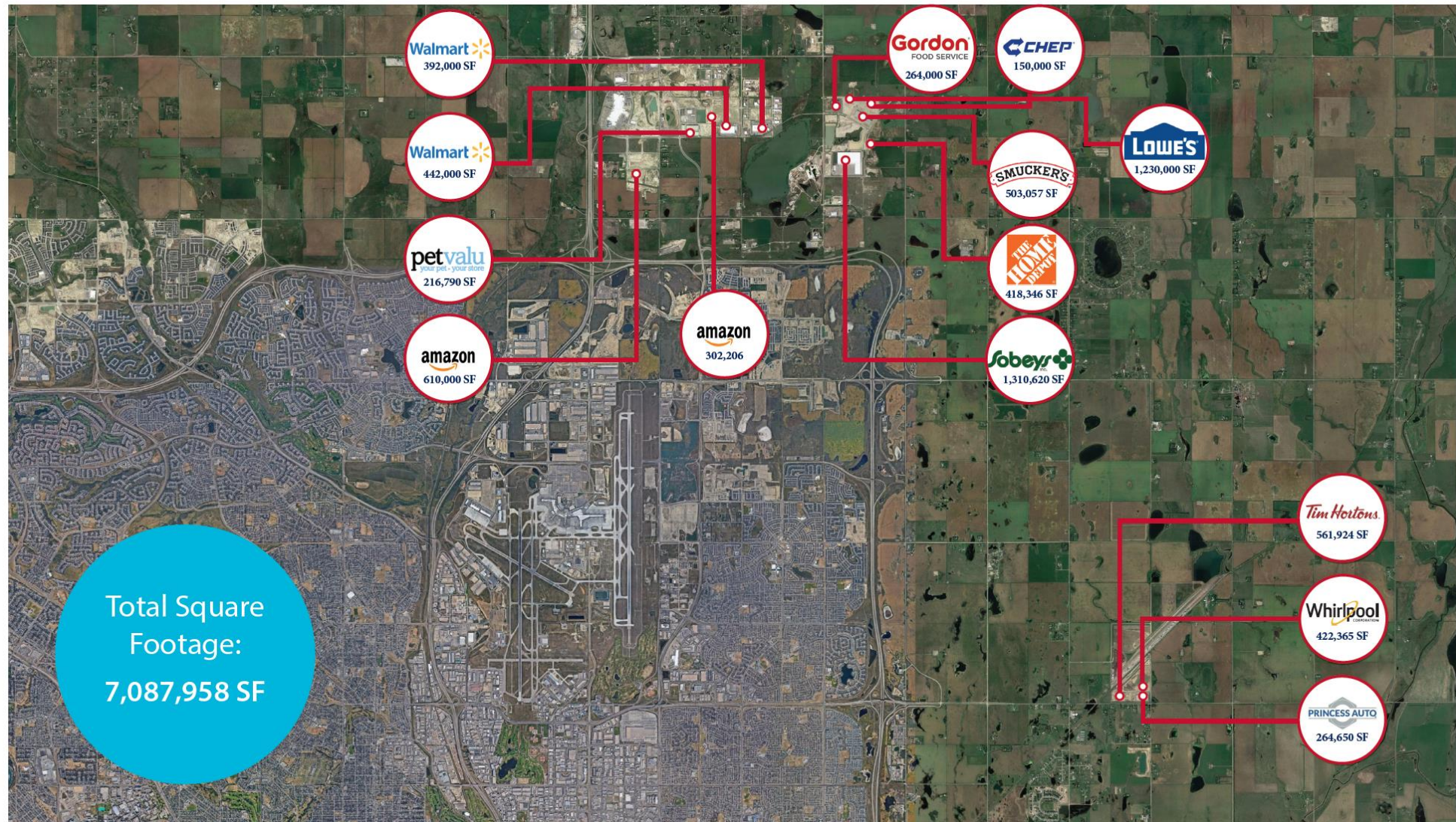
Greater Calgary Industrial Vacancy & Absorption



Calgary Industrial Land Sales



Balzac/Conrich – Major Tenants



2020 Notable Industrial Lease Transactions

Tenant	Business Park	Size (SF)	Commencement	Term	Average Rent
Lowe's (build to suit)	High Plains Industrial Park	1,230,000	Fall 2021	15 years	undisclosed
Amazon	Crosspointe Industrial Park	302,206	Q2 2020	10 Years	undisclosed
Hopewell Logistics Inc.	3, 5505 – 72 Avenue SE	188,071	Q1 2020	6 years	\$6.38 psf
Aosome	High Plains Building 3	170,000	Q4 2020	10 years	\$6.65 psf
Amazon	Great Plains	157,067 (on 10.72 acres)	Q2 2020	10 years	undisclosed
CHEP (build to suit)	High Plains	150,000	FALL 2021	5 years	\$8.90 psf
Sokil Express Lines Ltd.	11 Dufferin Place SE	47,000 sf (growing to 98,000 sf over the term)	Q1 2020	2 years 8 months	\$5.50 psf
Wesco	Oxford Airport Business Park	85,000	Q4 2020	5 years	\$8.90

RETAIL MARKET UPDATE



CURRENT RETAIL MARKET



Federal Assistance Programs continue with short-term extensions



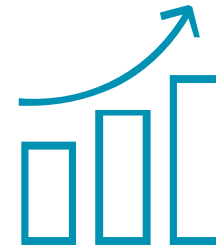
Continued uncertainty limiting growth & long term decisions



Property Taxes weigh on Tenants and compressing rates



Tenants seeking flexibility in leases



Availabilities on the rise & shadow vacancy



Landlords working with Tenants in creative ways (rent deferral, percentage rent, capping op cost increases)

RETAIL TRENDS

“Consumer trends are ever evolving, and that is no more true than right now – the retail landscape has experienced a significant shift in recent years, and those that have been unable to adapt, have not survived.”

AT-HOME EXPERIENCES



FOOD DELIVERY



INNOVATION



eCOMMERCE



LOCAL FOCUS



NOTABLE CLOSURES

25 Largest Retail Chain Closures in Canada

YTD 2020 (Actual & Announced)



Total Number of Stores: 1,334
Approx. MSF: 3.8 MSF

SOME NOTABLE CALGARY OPENINGS



EAST VILLAGE
MAY 2020



17TH AVE & 4TH STREET
JULY 2020



DUFFERIN BLVD SE
JULY 2020



TAZA EXCHANGE
AUGUST 2020



MISSION
AUGUST 2020



SHEPARD REGIONAL
SEPTEMBER 2020



MACLEOD TRAIL
SEPTEMBER 2020

COMING SOON

HOMESENSE™

RICHMOND SQUARE
FALL 2020

大統華 T&T

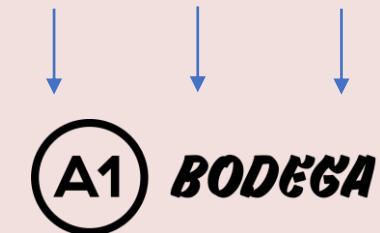
DEERFOOT MEADOWS
FALL 2020

TRANSFORMATIONS

BRAS·SE·RIE
KENSINGTON
food for the people



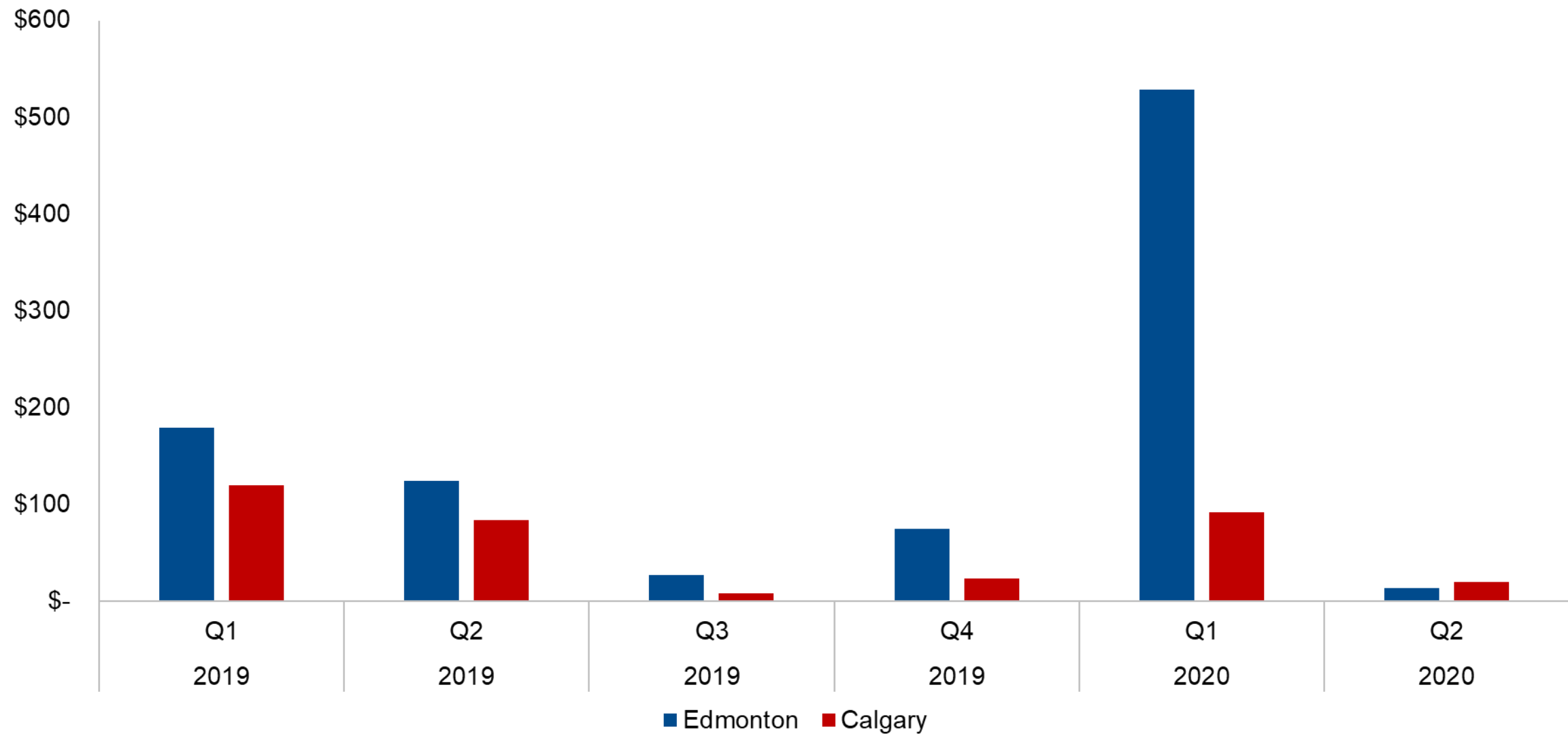
TWO PENNY
Tea House



MULTIFAMILY MARKET UPDATE



Apartment Transactions Activity – Calgary and Edmonton



Industry Response: Investment Strategy

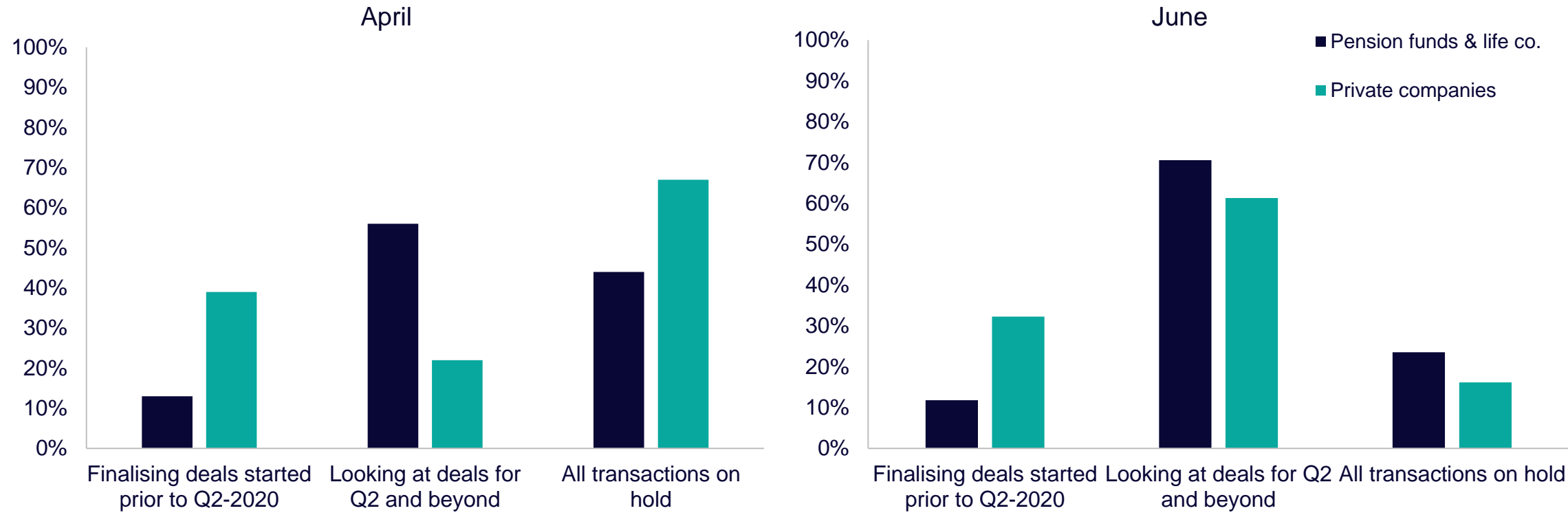
How has the outbreak of the COVID-19 pandemic changed your investment plans?



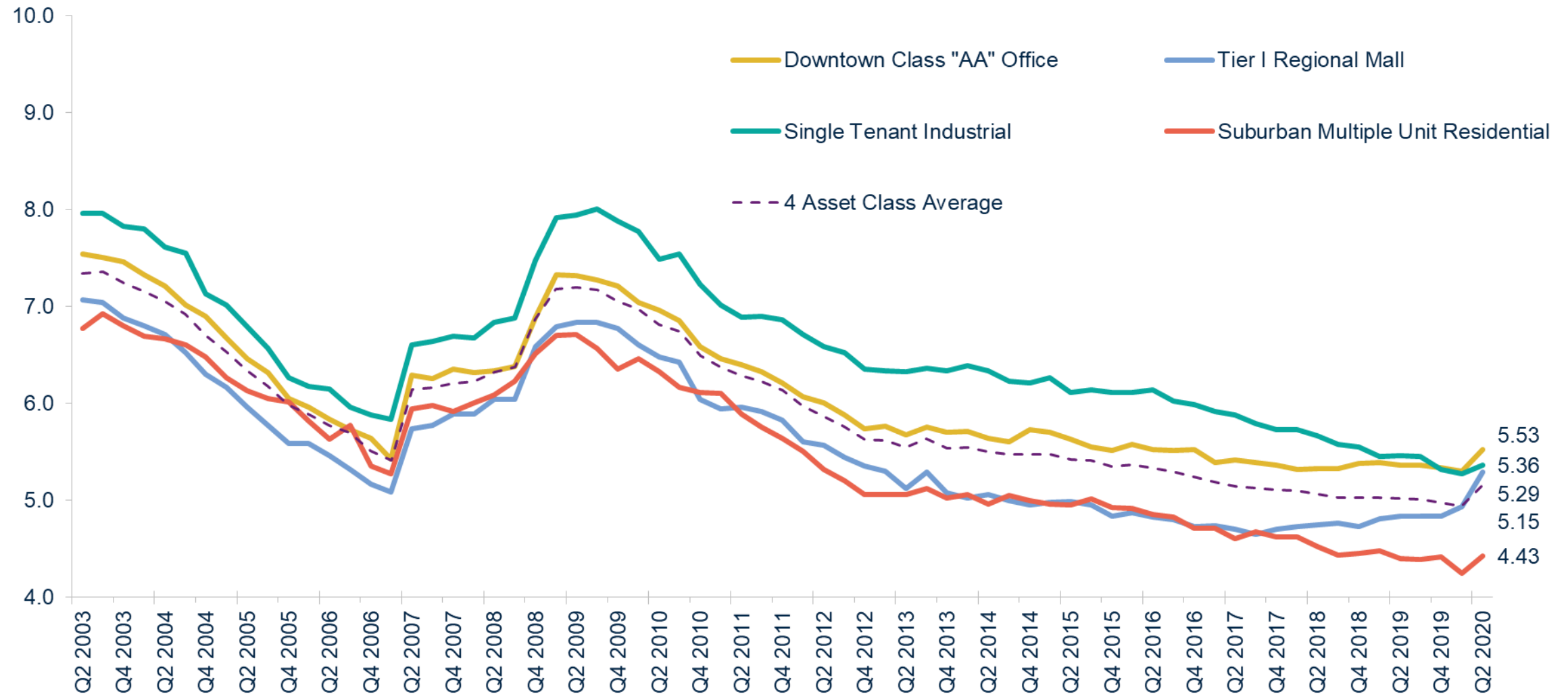
Multi-Residential | Transactions in the Pipeline – by Owner Type



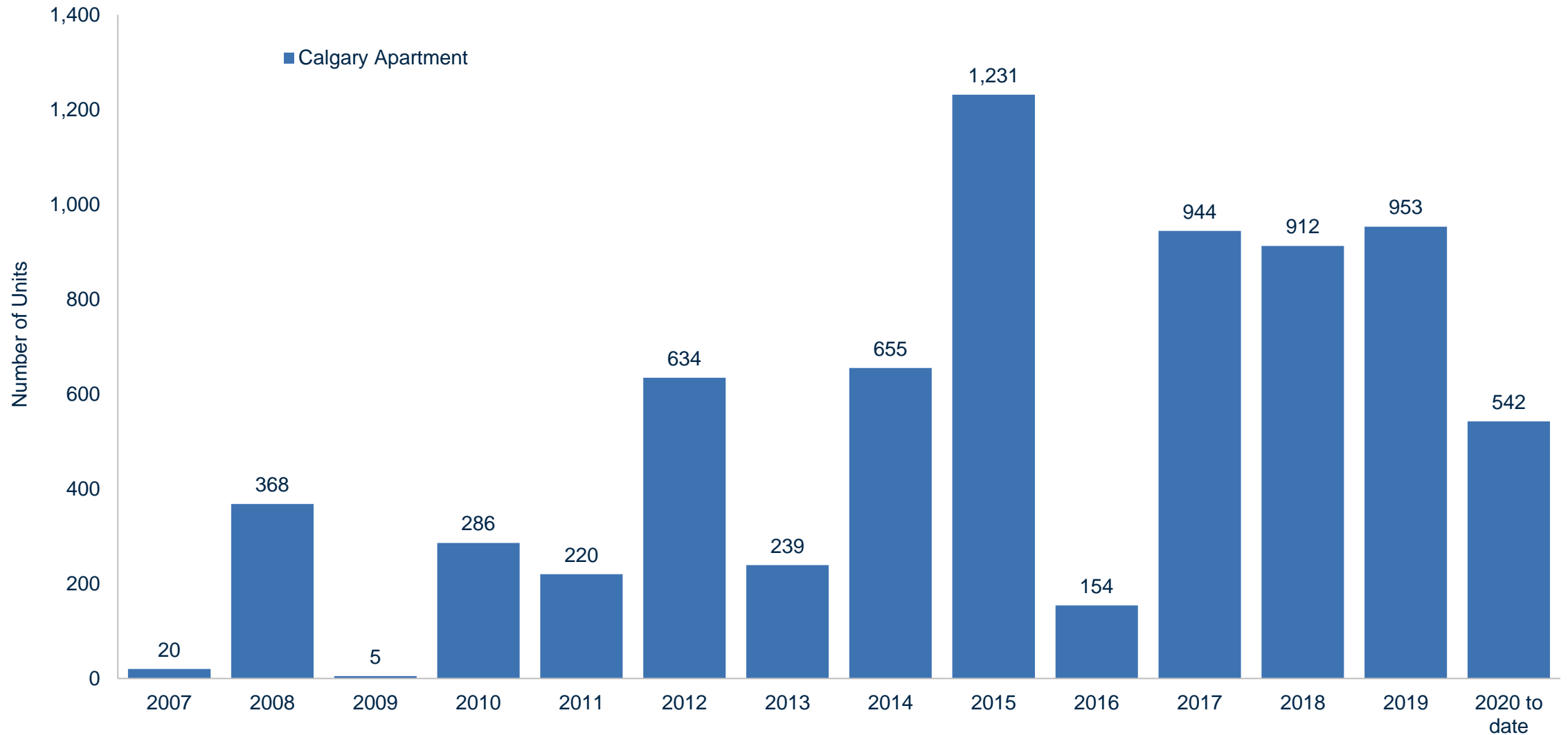
Do you currently have transactions in the pipeline?



National Markets | OCR Trends - 4 Benchmark Asset Classes

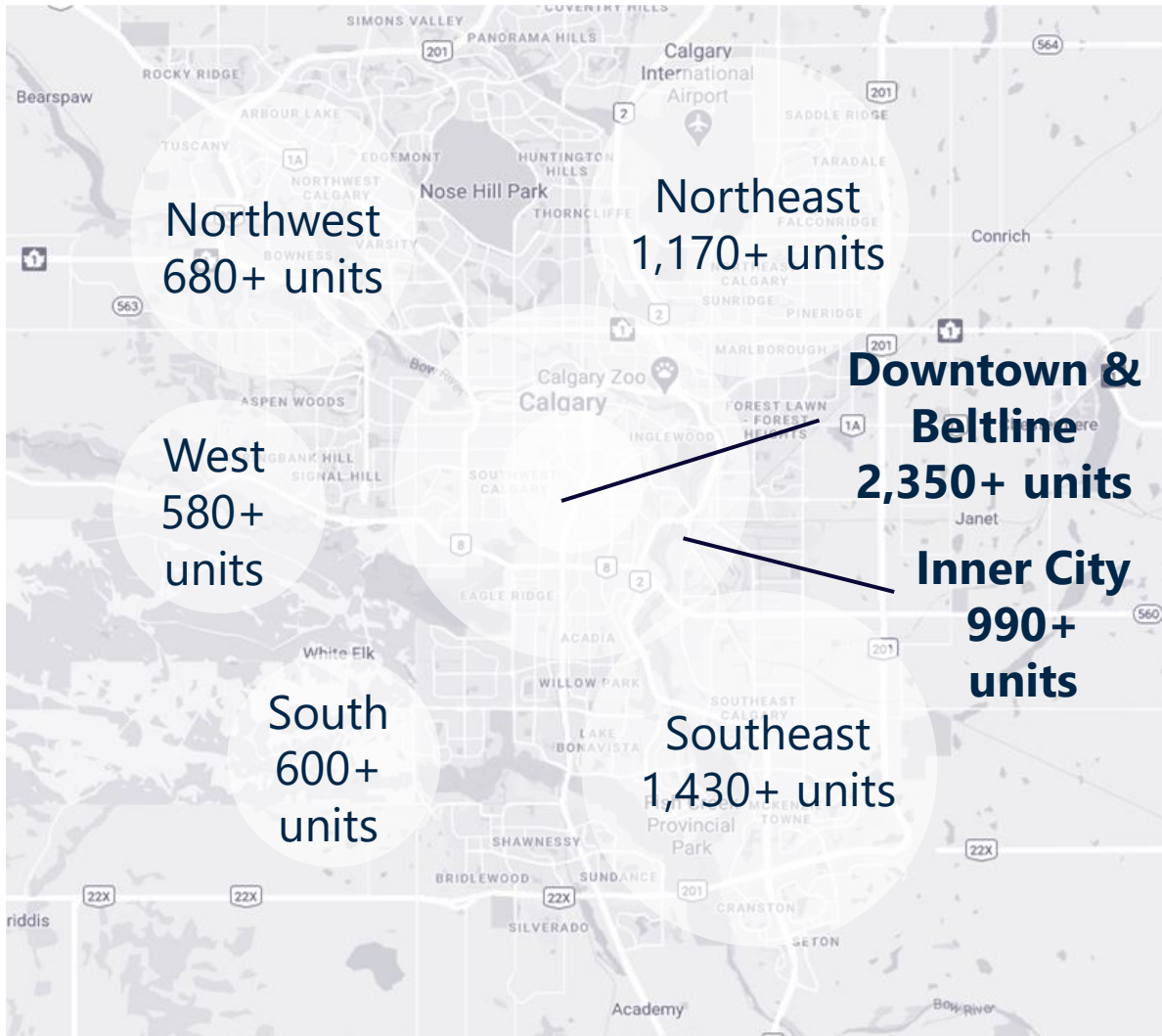


New Apartment Starts - Calgary

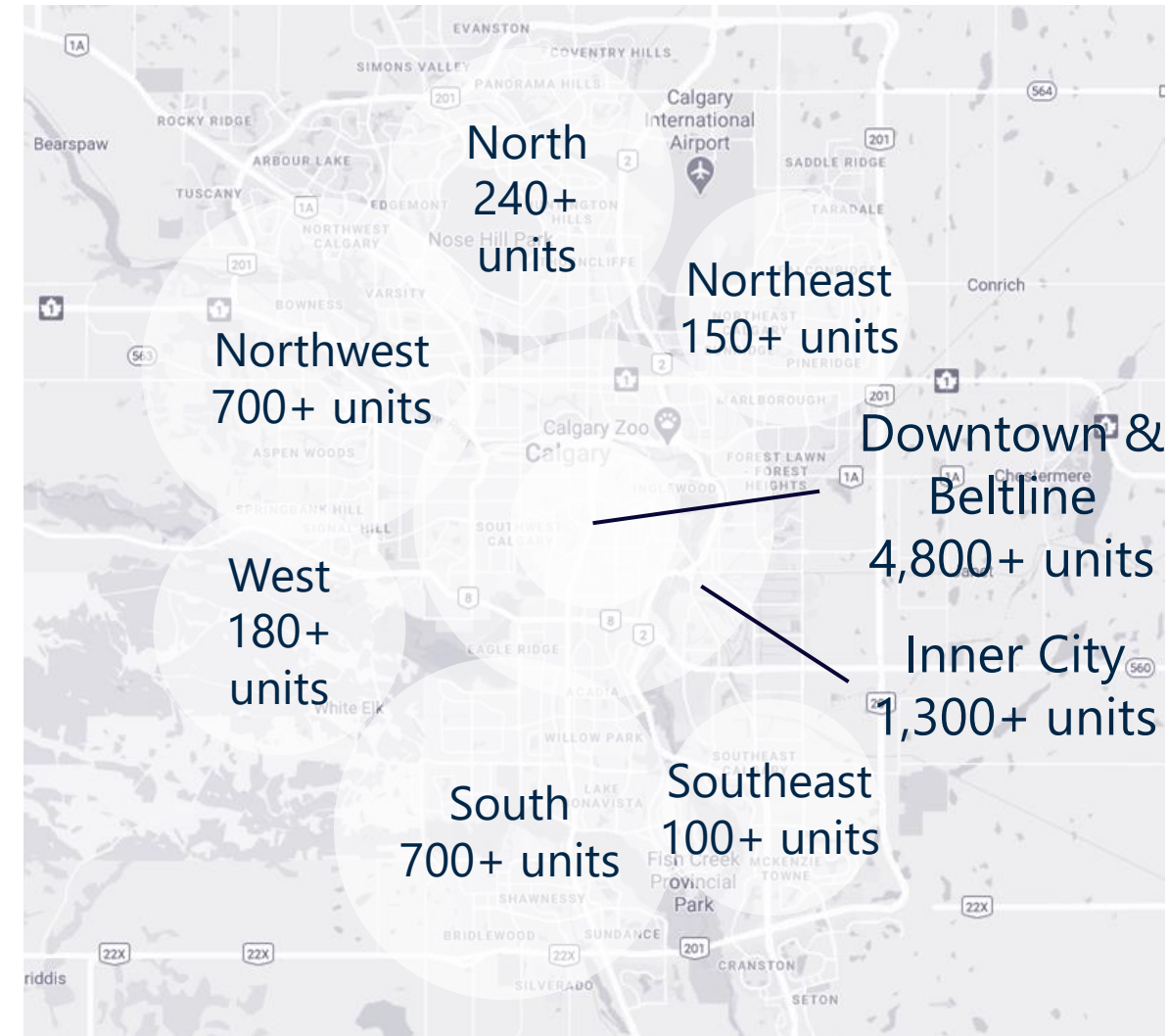


New Multi-Family Apartment Supply

New Construction – 2013-2020



Pipeline Supply 2020-2023



Q&A SESSION

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