Research & Forecast Report

CALGARY RETAIL REPORT

Winter 2018/2019

Colliers INTERNATIONAL

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Retail Market Summary

Economic Overview

Alberta's energy sector continued to face many challenges in Q4 of 2018 that extended an already sluggish economic recovery. However, Alberta's retail sector remained resilient with the highest retail sales per capita of all provinces in 2018. Our focus now shifts towards what to expect in 2019 and the question of how Alberta will continue to move towards economic stability.

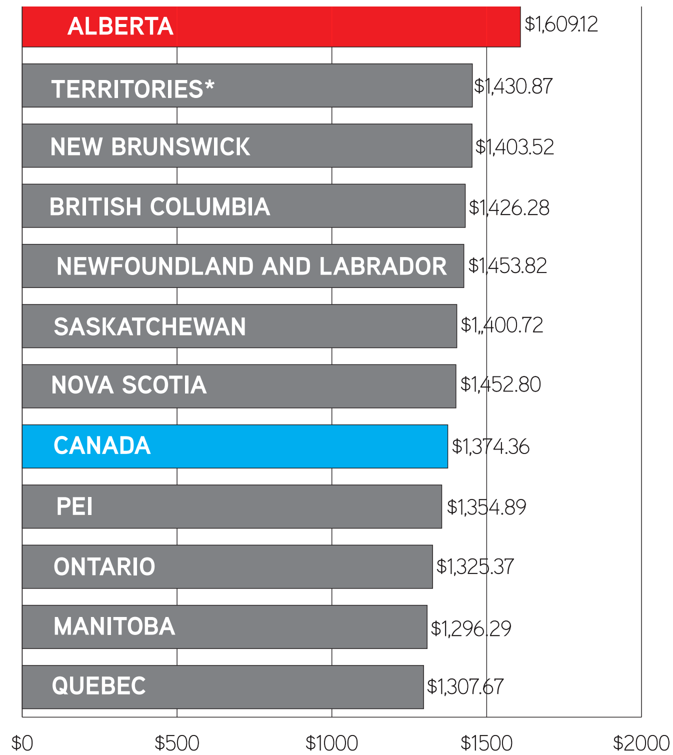
Economists are confident that the Alberta recession ended in 2017. However Calgary hasn't recovered to the degree that was expected and this is evident in the stubbornly high unemployment rate. Furthermore, Q4 saw the price of Western Canadian Select drop to a record low of $11.03/BBL (WTI differential $45.93). Government mandated production cuts went into place January 1, 2019 and have helped curtail the price differential, while rising global oil prices are calming fears of what a prolonged oil crisis could mean to Calgarians. However, a long-term solution is still needed to get Alberta's energy to international markets.

Some pipeline pressure is expected to be alleviated with the expansion of Enbridge Line 3 and the government plan to purchase rail cars to move oil to refineries in the east. Furthermore, scheduled refinery maintenance in Cushing, Oklahoma has come to an end and the $9.7 Billion Sturgeon Refinery near Edmonton is expected to reach full production sometime in 2019. All of these are good signs of efforts being made to bolster Alberta's energy sector in 2019.

High office vacancy rates in Calgary's downtown core have left city hall with a conundrum in how to make up lost property taxes in 2019. The assessed value of the downtown core has dropped from roughly $16 Billion to $12 Billion. Subsequently the tax burden will shift to businesses operating in Calgary's suburban market. Simply put, if your assessment remained constant between 2018 and 2019 the property tax increase will be roughly 15%.

Table I

MONTHLY RETAIL SALES PER CAPITA (OCT. 2018)



***N.W.T., Nunavut, and Yukon combined**

This poses a substantial challenge for retail businesses operating outside of Calgary's downtown core.

It is not all bad news as downtown's high office vacancy rates have led to some interesting opportunities for Tenants in the way of very competitive lease deals being offered by downtown Landlord's across the core. A potential shift out of the suburbs to offices in the core can be expected and more office workers downtown could mean more retail amenities and services will be needed.

Economic diversification is still important to hedge against oil price volatility, and Alberta has been moving towards this objective. However our reliance on the energy industry continues to be the strongest indicator of economic well-being, uncertainty surrounding the addition of new pipelines will continue to add an element of risk to potential investors.

Table II

2018 KEY ECONOMIC INDICATORS FORECAST - PROVINCIAL							
Metric	**Leader**		**Second**		**Third**		**Canada**
Real GDP Growth	Nunavut	10.31%	Alberta	4.59%	British Columbia	4.01%	3.20%
Total Employment Growth	P.E.I.	1.57%	Newfoundland	0.72%	Alberta	0.66%	-0.02%
Unemployment Rate	Newfoundland	14.1%	P.E.I.	9.4%	New Brunswick	7.9	4.7
House Hold Income (Per Capita)*	Alberta	56,969	British Columbia	50,751	Saskatchewan	48,544	48,575
Population Growth	Yukon	2.7%	P.E.I.	2.4%	Nunavut	2.0%	1.3%
Housing Starts-Single Family (000s)	Ontario	69.72	Quebec	36.47	British Columbia	34.41	23,376
Retail Sales Growth	British Columbia	9.3%	Nova Scotia	7.8%	Manitoba	7.8%	7.1%

Retail Market Overview

The overall retail industry continued its state of transition throughout 2018 as the gap between luxury and discount brands grew smaller. Online retail giants reversed their online only presence to include brick and mortar stores and once illegal and illicit cannabis entered the Canadian free market.

The current retail landscape in Canada has maintained steady sales increases since 2014 but there are telling signs of a slow-down. Specifically a dip in year over year retail sales increases from 7.3% to 7.1% and transitioning into 2019, sales aren't expected to move the needle, especially with a decrease in gasoline prices.

The food and drug sector experienced the lowest sales increases in five years at only 1.5% while the automotive sector enjoyed the highest at 5.8%. Surprisingly, electronics and appliance stores had significant sales increases of 13.4% from last year bringing the total to $16.6 billion. Other notable positive sector increases include specialty food at 9.4%, automotive parts at 10.9% and convenience stores up 6.3% while both home furnishings and supermarkets remained almost flat at 0.4% and 0.3%, respectively. Outside of Alberta, retail sales continue at a steady pace with British Columbia leading the charge at 9.3%, and Nova Scotia and Manitoba at 7.8%.

2018 was somewhat of a historic year for Alberta and Canada as a whole, as legalization of recreational cannabis was introduced on October 17th. Prior to October 2018, the most significant legislation in the public retail sector would have been the privatization of liquor stores in Alberta and other provinces in 1994, which was preceded by the end of Canadian prohibition which dates back to 1920. Earlier this year, the provinces announced legislation to framework the rules which would govern the development and licensing guidelines for retail cannabis stores with subsequent optional municipality rules announced by each city. The province of Alberta announced two use rules including a 100-meter buffer between schools and provincial healthcare facilities while the City of Calgary announced additional rules including a 300-meter separation between Cannabis stores and a complete ban on any location adjacent to an existing liquor store. With these announcements came a flurry of activity in the form of would-be cannabis entrepreneurs to the market. However, most Landlords did not show the same level of excitement at the prospect of having a cannabis store as a tenant. With the pairing of both stigma and exceptional demand for cannabis space, most Landlords were charging over market rental rates (double or triple, in some instances) and seeking non-refundable deposits and other monetary Landlord inducements in order to secure locations before legalization. In Calgary alone, there were over 250 applications filed for a Cannabis Use Development Permit. Of these, approximately 120 were immediately approved, the balance either being appealed or cancelled. It is notable that of the 120 that were approved, many of these permits were appealed by competing businesses in hopes of the applicant not being able to financially hold-out for the lengthy appeal process. For many of these tenants not approved by the municipality for a development permit, hundreds of thousands of dollars in lost deposits were paid to the Landlords with some Tenants even being on the hook for long-term leases with the inability to open for business. Furthermore, the Alberta Gaming, Liquor and Cannabis commission (AGLC) have placed a moratorium on new cannabis permits for up to potentially 18 months to address the shortages of legal cannabis.

Stateside, Amazon has opened its second AmazonGo location in downtown Seattle which is essentially a checkout-less convenience store. The stores are controlled by a set of secure glass doors which customers can gain access to using the AmazonGo app on their smartphones. Similar to an automated check-out at a grocery store, weight sensors automatically track what customers pick up and take from the store. Upon exiting, the app automatically debits the customers account for their purchases

Table III

Alberta Economics at a Glance	2012	2013	2014	2015	2016	2017	2018
Real GDP	3.9	5.1	4.5	-4.0	-2.2	4.4	1.8%
Nominal GDP	4.3	10.2	9.1	-12.1	-5.5	10.5	0.0%
Employment	3.5	2.5	2.2	1.2	-1.6	1.0	0.7%
Unemployment Rate	4.6%	4.6%	4.7%	4.6%	8.0%	7.0%	6.4%
Retail Sales	7.0	6.9	7.5	-4.6	-1.6	7.8	2.37%
Housing Starts	33,396	36,011	40,600	37,300	24,000	26,154	23,376
Consumer Price Index	1.1	1.4	2.6	1.2	1.3	2.0	2.47%

Table IV

Alberta Unemployment Rate

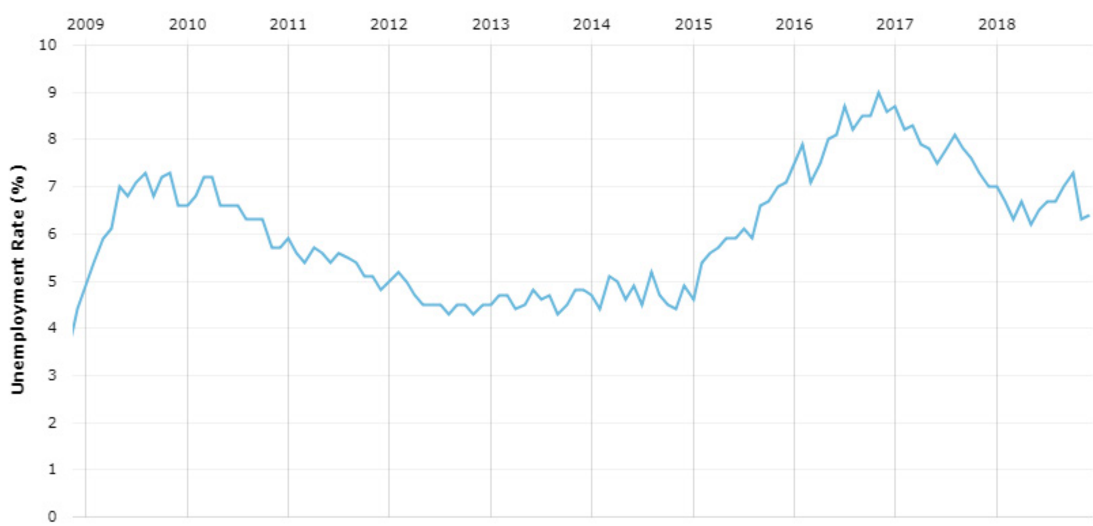


Table V

SHOPPING CENTRE INVENTORY & VACANCY BY DISTRICT					
DISTRICT	INVENTORY (SF)	VACANCY (SF)	VACANCY RATE	VACANCY (SF)	VACANCY RATE
	Winter 2018	Winter 2018	Winter 2018	Fall 2017	Fall 2017
Northeast	4,981,266	338,843	**6.80%**	409,735	**6.97%**
Northwest	7,113,087	143,645	**2.02%**	156,086	**2.27%**
Downtown	864,080	91,444	**10.58%**	71,356	**8.26%**
Macleod Trail	3,921,431	67,730	**1.73%**	94,035	**2.40%**
Southeast	7,940,463	346,196	**4.36%**	245,476	**3.08%**
Southwest	4,324,981	128,537	**2.97%**	91,116	**2.09%**
Total:	**29,145,308**	**1,116,395**	**3.83%**	**1,067,804**	**3.58%**

and sends a receipt. Although Amazon plans to open this platform in 6 other US markets, it remains to be seen if and when this type of experience will be shifting to the Canadian marketplace. Considering the ever-increasing minimum wage, this could prove to be a significant point in the retail evolution experience on the Canadian retail landscape.

With E-commerce sales steadily increasing, innovative retailers shifting more focus to the overall customer experience and targeted social media marketing becoming a necessity, some retailers who have not been able to adjust to these strategies and withstand the pressure from consistently evolving competitors are unfortunately shutting their doors. Most notably, Town Shoes announced the closure of 38 Canadian stores this year, citing high competition in the mid-luxury footwear landscape for the exodus. While E-commerce sales continue to rise, it's important to note that current online sales account for only 2.8% of Canadian retail sales. Of this 2.8%, 57.7% is attributed to retailers with an only online presence and 42.3% is dedicated to retailers who offer both location-based and online sales.

New Horizon Mall located in Balzac, opened its doors to the public this year in what is being described as a catastrophic failure. The Asian-inspired enclosed mall which was modelled after the successful Pacific Mall in Ontario, sold retail units to small scale Landlords and owner-users with the hopes of creating an atmosphere of boutiques, restaurants, markets and cafes. But with no anchor tenant or major draw and currently only 39 out of 500 stores open, the future of this development remains bleak with hundreds of owners footing the bill for empty bays and operating expenses.

Calgary's retail forecast for 2019 is one of optimism and stability, even amongst the obvious municipal issues of unprecedented office vacancy, Western Canada Select Oil prices and property taxation being offset and pushed to retail and industrial owners. There still remains exciting current and future developments on the horizon including the much-anticipated Phase 2 of Seton, the University District which is well under construction, The Legion development in Kensington, and Cityscape Corner which will be under construction in early 2019.

Table VI

LEASE RATES & OPERATING COSTS ($/SF/YEAR)

		2019 Forecast
Strip Shopping Centre		
Lease Rate: *Operating Costs:*	$24.00 - $32.00 $7.50 - $14.00	↔
Neighbourhood Shopping Centre		
Lease Rate: *Operating Costs:*	$25.00 - $45.00 $8.00 - $16.00	↔
Community Shopping Centre		
Lease Rate: *Operating Costs:*	$28.00 - $50.00 $8.00 - $20.00	↔
Enclosed Community Centre		
Lease Rate: *Operating Costs:*	$20.00 - $55.00 $14.00 - $28.00	↓
Regional Shopping Centres		
Lease Rate: *Operating Costs:*	$60.00 - $150.00 $21.00 - $60.00	↔
Streetfront		
Lease Rate: *Operating Costs:*	$30.00 - $55.00 $10.00 - $26.00	↓

Table VII

SHOPPING CENTRE CATEGORY VACANCY BY DISTRICT (2018)

DISTRICT	STRIP		NEIGHBOURHOOD		COMMUNITY		ENCLOSED COMMUNITY		REGIONAL		TOTAL	
	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%
Northeast	55,219	17.48%	14,814	2.42%	42,845	1.96%	14,377	3.21%	211,588	14.90%	338,843	6.80%
Northwest	20,224	3.18%	14,358	1.26%	41,072	2.02%	14,839	2.87%	53,152	1.91%	143,645	2.02%
Downtown	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	91,444	10.58%	91,444	10.58%
Macleod Trail	16,754	6.68%	8,381	2.86%	30,711	1.55%	N/A	N/A	11,884	0.85%	67,730	1.73%
Southeast	62,289	8.70%	15,847	1.74%	214,602	6.10%	18,210	3.83%	35,248	1.52%	346,196	4.36%
Southwest	33,991	4.61%	43,931	3.69%	43,396	2.39%	7,219	1.14%	N/A	N/A	128,537	2.97%
TOTAL	**188,477**	**7.10%**	**97,331**	**3.39%**	**372,626**	**3.23%**	**54,645**	**2.64%**	**403,316**	**4.23%**	**1,116,395**	**3.83%**

Calgary, once a fly-over city to many retailers during the last downturn, has weathered the storm and is now once again, a city in demand.

Streetfront Overview

The streetfront districts throughout Calgary experienced substantial increases in the vacancy rates in all streetfront districts over the last six months. The overall streetfront vacancy rate climbed from 5.34% in the Fall of 2016, to 5.74% in 2017, and finally to 8.72% in the Fall of 2018. In the 20+ years of writing this bi-annual Calgary retail report, this is the highest streetfront vacancy rate ever recorded; and by a significant degree. The previous highwater mark was in 2017 at 5.74%. The increases, which are wide spread and significant in every streetfront district, can be largely traced back to the massive, and unsustainable property tax increases as a result of re-distribution from the downtown core to the retail, industrial and vacant land market segments. Inner-city areas, where streetfront districts are concentrated have been particularly impacted.

Not included in our vacancy calculations are the countless retail units that are leased to hopeful cannabis retailers that have lease agreements in place, are paying monthly rent, but unable to operate due to either the appeal process, or a restriction imposed by AGLC on new licenses due to a lack of cannabis product. If these units were to be placed back on the market, the true city-wide vacancy rate would be closer to 10%

4th Street SW has the distinction of having the highest streetfront vacancy rate in the entire City at 10.36%. As recently as Fall 2015, the vacancy rate was a mere 2.80%. The latest retailer to close their location along 4th Street is Urban Barn, while Roots will be vacating in early 2019. On a positive note, the re-development of the buildings in the 2300 block of 4th Street for Lululemon will be welcome addition. With upheaval, comes opportunity, and we expect retailers that have had a challenging time securing a prominent location along 4th Street to actively pursue a location with numerous options available. Over the next 6 months, we expect the vacancy rate along 4th street to drop to 9%.

Stephen Avenue has the second highest vacancy rate among streetfront areas at 9.31%, however will unfortunately earn the distinction of having the highest vacancy rate once Sports Chek closes in early 2019. The vacancy rate along Stephen Avenue Mall has increased by over 50% since 2015, with several prime vacancies such as the former Out There location remaining available after considerable time on the market. New retail offerings along Stephen Avenue mall include Modern Steak in the former Catch restaurant premises, and a new Italian restaurant offering by Oliver & Bonacini / Concorde Group in the former Scotia Bank premises. Unless Landlords with perpetual vacancy issues along Stephen Avenue Mall get creative and / or aggressive, we do not expect any material change in the vacancy rate over the next 6 months.

At the other end of the spectrum, Kensington has the lowest vacancy rate of all streetfront areas of

Table IX

HISTORICAL SHOPPING CENTRE VACANCY

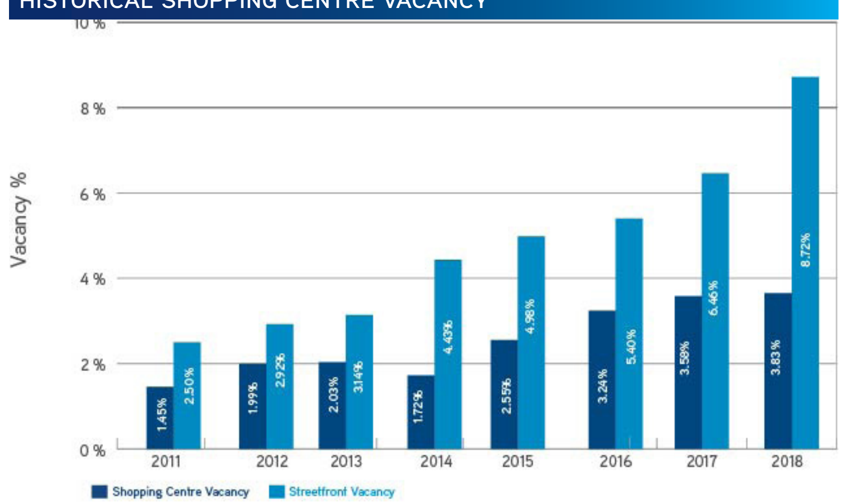


Table X

STREETFRONT VACANCY				
Area	Total Frontage	Vacant Frontage	Fall 2018 Vacancy Rate	Fall 2017 Vacancy Rate
Kensington	5,253	325	**6.19%**	**4.04%**
17th Avenue SW	8,425	781	**9.26%**	**7.58%**
4th Street SW	3,708	384	**10.36%**	**6.42%**
Stephen Avenue	4,660	434	**9.31%**	**7.25%**
TOTAL	**22,046**	**1,924**	**8.72%**	**6.46%**

Calgary at 6.19%. That said, the vacancy rate in 2015 was a mere 2.00% . The rise in vacancy is due in part to numerous smaller independent retailers closing, rather than one or two larger retailers. Kensington is always near the top of the list for retailers looking for a streetfront location in Calgary, and as such we expect the vacancy rate to drop to below 5% before mid-2019.

17th Avenue SW, Calgary has been hard hit not only by the increase in property tax levies, but what seems like never ending utility and street construction closing road access for blocks at a time. The vacancy rate for 17th Avenue is at an all time high of 9.26%, a 50% increase from the 4.99% vacancy rate just 3 years ago. Despite the number of stores closing, 17th Avenue witnessed the very first Canadian Tire to open in the inner city of Calgary which will be followed by the opening of Urban Fare in March 2019. 17th Avenue has always enjoyed the distinction of being the most sought-after area by retailers of all streetfront districts in Calgary, and as such, we expect the vacancy rate to decrease to below 8% by mid-2019.

Proposed Projects

In the face of economic turbulence, the Calgary retail market continues to experience impressive growth, albeit with cautious optimism. Retailer demand paired with developers' aspirations to develop new projects continues with confidence. In response to the interest level in the Calgary market, there are 48 projects comprising slightly greater than 8.36 million square feet spread throughout the City of Calgary in the planning, permitting or construction stages (See Tables XII and XIII).

The northwest area has both the greatest number of proposed projects at 15, and the greatest amount of square footage proposed at just over 2.95 million square feet. The focal point of activity in the northwest will be the various projects in the Sage Hill area. Additionally, the University District project will be of significant interest to many retailers as construction of this significant mixed-use community has commenced.

The southwest quadrant continues to experience steady growth with 14 projects and a combined square footage of 1.78 million square feet. The projects expected to create the greatest level of interest from retailers will be Springbank Hill and Eau Claire Market. One of the biggest influences on the southwest retail market will be the future Taza projects is located on the Tsuut'ina Nation lands bordering the City of Calgary. The Taza projects covers approximately 1,280 acres and will include significant projects centered around retail, entertainment, resort, health, cultural, and residential / senior's facilities.

The northeast quadrant remains an area of focus for many retailers due in large part to the steady and continual residential growth in the trade area. There are 10 projects in the northeast quadrant encompassing an area of 2.16 million square feet. The hot spot of activity in the northeast over the ensuing 12 months will continue to be Cityscape and Sky Pointe.

The southeast district has the least amount of both square footage planned and the number of projects proposed. There is a total of 9 projects planned or under construction encompassing 1.47 million square feet. The "slowdown" in the southeast quadrant is due in large part to the significant number of large projects completed over the past 3 years including the first phases of Seton, Auburn Bay, Mahogany and East Hills. The most active areas in the southeast over the next 12 months will continue to be the future phases of Seton and Township.

Table XII

RETAIL PROJECTS UNDER CONSTRUCTION			
Project Name	**Quadrant**	**Completed Size (SF)**	**Anchor Tenants**
Deerfoot City Expansion (Net New Space)	NE	232,098	Canadian Tire, Sport Chek, Cabela's, Rec Room
Sky Point Landing (Phase 1)	NE	53,000	McDonald's, Banks
Savanah Bazaar	NE	92,000	Asian Food Centre, Medical, Liquor
Redstone Plaza	NE	15,400	Medical, Liquor, Small Grocery
One North	NW	6,600	Coffee, Medical
University District (Phase 1)	NW	78,900	Save-On Foods, Analog, Wine, Dental
Sage Hill Quarter	NW	170,000	Calgary Co-op, Shoppers Drug
Sage Meadows Corner	NW	16,860	7-11, Dental and Medical
Riocan 5th and 3rd	SE	180,000	Loblaws, Shoppers Drug Mart, Scotiabank
Cranston	SE	13,600	7-11, Little Ceasar's, Medical, Liquor
Westman Village	SE	25,000	Analog, Chopped Leaf, Dental, Pharmacy
Legacy Village	SE	35,700	Fitness, Pizza, Liquor, Cannabis
Easthills (remaining phases)	SE	203,300	Wal-Mart, Cineplex, Costco
Beacon	SW	8,725	Medical
2107 - 34th Avenue SW	SW	8,946	TBD
The Windsor	SW	22,700	Planet Organic, Pet Planet, Orange Theory
Total Under Construction	**16**	**1,162,829**	

Table XIII

PROPOSED RETAIL CONSTRUCTION PROJECTS			
Project Name	**Quadrant**	**Proposed Size (SF)**	**Proposed Anchor Tenants**
Cityscape	NE	85,700	Grocery, daycare, medical. Gas bar / C-store
The District of North Deerfoot (Phase 2)	NE	45,300	Coffee
Keystone Common	NE	800,000	TBD - Mass Merchandiser
Redstone Market Square	NE	115,000	TBD - Grocery Anchored
Stonegate Common (Phase 1)	NE	95,000	TBD - Grocery Anchored
Stonegate Common (Phase 2)	NE	625,000	Canadian Tire, Wal-Mart
Carrington	NW	89,000	Grocery
Greenwich	NW	100,000	TBD - Grocery Anchored
Hawkwood	NW	350,000	TBD - Grocery Anchored
Kensington Legion	NW	25,500	TBD - Food Service
North Stoney Greens	NW	530,000	TBD - Mass Merchandiser
Calgary West	NW	500,000	TBD
Sunnyside Centre	NW	145,000	Real Canadian Superstore
Northland Village (Net New Space)	NW	150,000	Wal-Mart, Grocery
Stadium Shopping Centre (net new space)	NW	60,600	Sunterra
Trinity Hills	NW	700,000	Save-On Foods, MEC, Goodlife, Petsmart
Sage Hill Corner	NW	29,735	TBD - C-store / Gas, Automotive
Township (Phase 1)	SE	400,000	Sobeys, Bed Bath & Beyond, Winners
Quarry Station Island	SE	70,000	A&W, Esso
Seton (Design, Hight Street, Entertainment)	SE	325,000	Restaurants, service retail
Mahogany Village Market (Phase II)	SE	215,500	Winners
Crestmont	SW	17,400	TBD
Crosstown Erlton	SW	65,890	TBD - Grocery Anchored
Westbrook Station	SW	51,000	TBD - Grocery or Drug Anchored
Springbank Hill Market	SW	242,000	Co-op
Currie Barracks	SW	245,000	Sunterra
Eau Claire Market (Net New Space)	SW	470,000	Cineplex, grocery
Co-op South	SW	200,000	Calgary Co-op
Providence	SW	112,000	TBD - Grocery Anchored
The Block	SW	8,500	TBD - Restaurant and service retail
Gateway at West District	SW	250,000	TBD - Specialty Grocery
West Springs Landing	SW	80,000	TBD - Grocery Anchored
Total Proposed	**32**	**7,198,125**	

Retail Spending VS. West Texas (WTI) Price

A relevant indicator of the resiliency of the Alberta retail market is the ebb and flow of the crude benchmark WTI (see Table XI). With the exception of Fall 2008 and Fall 2015, retail sales in Alberta have continued to grow at a healthy pace, with little fluctuation, despite the significant swings in the price of WTI. Unfortunately, the price differential between Western Canadian Select (WCS) and WTI, has been growing since May of 2018 and has had an impact on retail sales in Alberta. However, spending has increased in the third quarter and that was expected to continue through the balance of 2018 once sales data is available. The government of Alberta has taken steps to reduce this differential by capping production in January of 2019, and this action has effectively tightened the differential gap. However, without a long-term solution for Alberta, this issue could persist well into 2019 and the full impact on spending is yet to be seen.

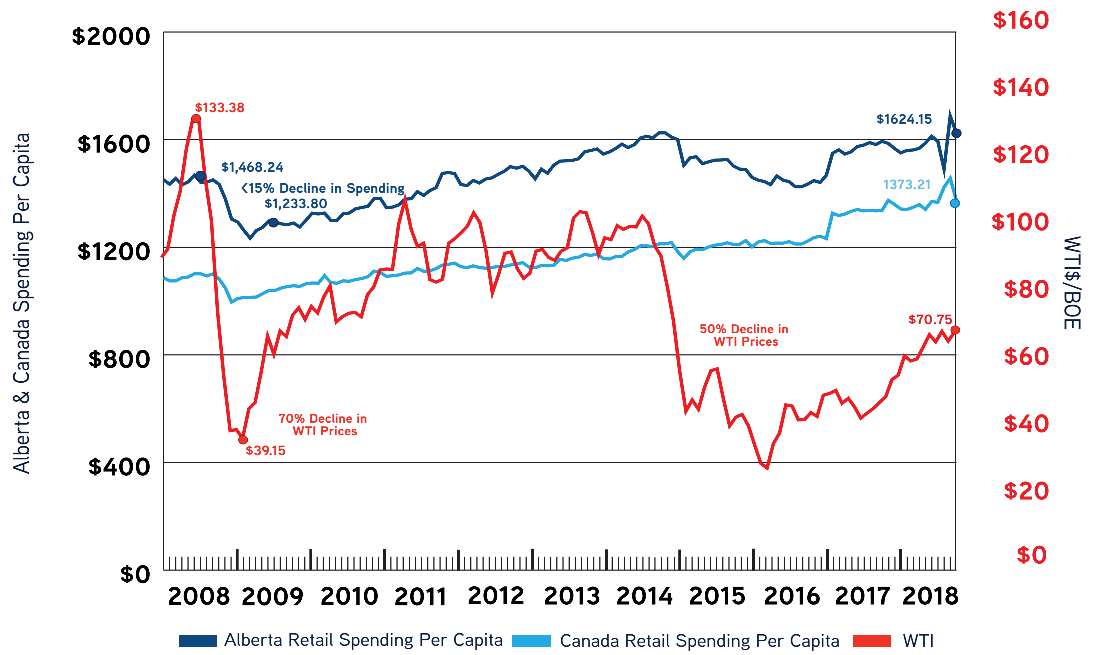
There is some light at the end of the tunnel as, in addition to Enbridge's Line 3 Project, the commencement of construction on Keystone's XL and/or the Trans-Mountain Expansion Project will give much needed confidence within Alberta. This essential increase to pipeline capacity will allow all Albertan's once again to benefit from rising oil prices.

It is noteworthy to point out that over a decade ago in the Fall of 2008, WTI declined by 70% to a low of $39.15 ppb, while corresponding retail sales slipped only 15%. Again, in the fall of 2014, WTI dropped by 50%, yet retail sales dropped by only 9%. To put Alberta's retail sales into perspective, total per capita sales could drop by up to 14%, and Alberta sales would remain higher than the national average.

In Alberta, retail sales in a "$50 per barrel" environment exceed sales in the 2011 to 2014 period when oil hovered at or above $100 per barrel. This signifies that Alberta's economy has matured beyond just the oil and gas industry, with most other industries performing at a healthy and growing pace.

Table XI

Alberta Per Capita Retail Spending VS. West Texas Intermediate Price Per Barrel



Colliers Research 2018

Forecast

While dark clouds have loomed over the Alberta economy for the better part of the last 2 years, bright rays of light are beginning to shine through. While the recession is deemed officially over, Alberta still faces stiff headwinds such as energy investment, pipeline approvals, job creation and trade both nationally and internationally. The price differential between WTI and WCS has narrowed significantly; consultation and NEB hearings for the Trans Mountain Pipeline have re-commenced, value-add energy activities like petrochemicals, increases in manufacturing, and burgeoning high-tech sector including development in artificial intelligence are taking root in Alberta. There are pivotal elections coming in Spring of 2019 (Provincially) and the Fall of the 2019 (Federally). The likelihood of a repeat NDP government in Alberta is slim, with the United Conservative Party believe to be odds on favorite to form government.

Of continuing concern is the City's ever-increasing red tape to obtain approvals for new retail projects in the suburban markets. The City should not be a market influencer by applying their social engineering views and practices. The city should, on the other hand, encourage and be a facilitator of high-quality projects to ensure timely approvals. Investment dollars are highly mobile, and if the approval process is too cumbersome in Calgary, those investment dollars will potentially seek out other more accommodating markets.

The Calgary retail market is expected to endure current economic conditions and remain in a relatively strong position. Vacancy is expected to ease slightly more over the coming months, likely to 3.5% by mid-year 2019. For shopping centres, rental rates are expected to remain stable, however inducements such as tenant allowances, free rent, early occupancy are all expected to increase. Increased property tax levies will put downward pressure on net rental rates and streetfront retail Landlords will have to remain very competitive by way of inducements in order to attract the best Tenants for their spaces.

Current Colliers Listings

MARQUEE

201 16TH AVENUE NE

THE GEORGE

921 17TH AVENUE SW

WEST 85TH

8650 85TH STREET SW

WATERFRONT

200 RIVERFRONT AVENUE SW

KENSINGTON ROAD

1130 KENSINGTON ROAD NW

MIDNAPORE MALL

240 MIDPARK WAY SE

EASTPORT

200 52ND STREET NE

NEW DEVELOPMENTS

GRAND PLAZA, COCHRANE

216 GRANDE BLVD

LEGION

1918 KENSINGTON ROAD NW

52ND STREET LANDING

52ND STREET SE & DUFFERIN BLVD SE

SETON PHASE 2

SETON BOULEVARD & SETON WAY

FISHCREEK

6 STREET & SHAWNEE BLVD SW

CRANSTON

35 CRANFORD WAY SE

396 offices in **68** countries on **6** continents

United States: **153**
Canada: **29**
Latin America: **24**
Asia Pacific: **79**
EMEA: **111**

$2.6

Billion US* in annual revenue

2.0

Billion square feet under management

15,000

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About Colliers International Group Inc.

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Colliers professionals think differently, share great ideas and offer thoughtful and innovative advice that help clients accelerate their success. Colliers has been ranked among the top 100 outsourcing firms by the International Association of Outsourcing Professionals' Global Outsourcing for 11 consecutive years, more than any other real estate services firm.

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