

CALGARY



LANDMARK

Market Insights for Tenants: At Exis, our loyalties aren't compromised; because we do not represent landlords, we are 100% focused on providing market conditions and strategies that can benefit tenants in each marketplace – leveraging this information for your economic advantage. We're pleased to provide the below in-depth information; contact us for ways we can help you get the BEST deal on your commercial space needs.

OVERVIEW

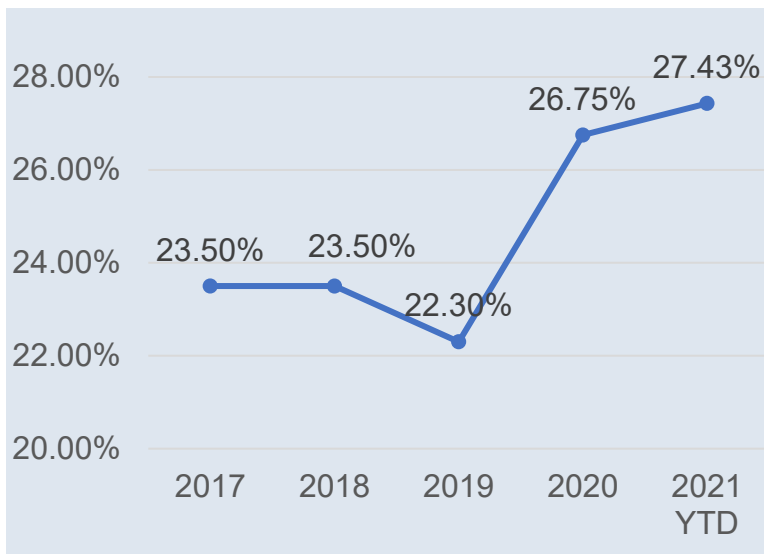
The Calgary office market has continued its downward spiral as vacancy rates set record highs and entire buildings sit vacant in both the downtown core and suburban office markets. There is more than 19 million square feet of vacant space currently on the market. Local stakeholders, investors and the City of Calgary are exploring options to convert these empty office buildings into mixed use or residential properties. However, there are early signs of recovery as the city is becoming increasingly attractive to the technology sector. Several start-ups and emergent tech firms have recently located their head offices in Calgary. So far in 2021, nearly 20,000 net new jobs have been added to the economy, lead by the finance and insurance sectors, as well as technology and scientific industries. New construction is very limited, with no projects in the downtown core, while a small amount of new office space growth is primarily tied to mixed use development in suburban areas.

FUNDAMENTALS

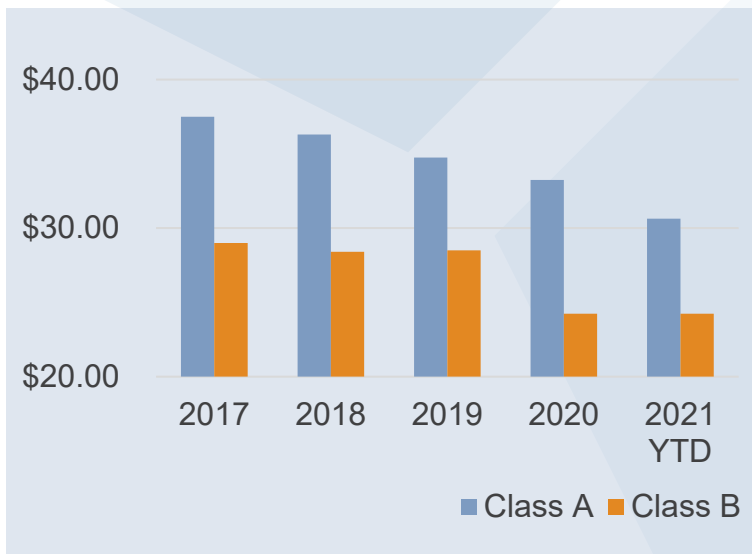
Forecast

YTD net absorption	-1,376,257	▼
Under construction	38,986 SF	▼
Average asking rent (gross)	\$27.43	▼
Concessions	INCREASING	▲
 Market Size	 Largest Office Deal	 Total Vacancy
70,227,619 SF	352,603 SF	19,263,435 SF

TOTAL VACANCY



AVERAGE ASKING RENTS



Detail Metrics:

All figures are in CDN\$

Measurements are based on a per square foot basis

For more information, please contact:

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WHAT THIS MEANS FOR TENANTS

- Tenants hold a distinct advantage in this market, as landlords are willing to provide significantly below market rates for renewals of existing leases to prevent their space from going empty.
- Landlords are also willing to provide incentives for new leases, as competition is high for new tenants. These incentives include free rent, tenant improvement allowances and flexible lease terms.
- Many believe the market has bottomed-out, providing opportunity for tenants to lease high quality space for attractive rates compared to other prominent office markets.
- There is a trend towards consolidation and downsizing of space, as many companies shift towards long term remote workforces. This is accompanied by a flight-to-quality trend, as Class A properties have accounted for 63% of leasing activity in 2021, while Class B and C landlords struggle to attract and retain tenants.

KEY LEASE TRANSACTIONS

Tenant	Building Address	Submarket	Type	Sq Feet
Pembina Pipeline Corporation	525 8 Ave SW, Calgary	Downtown Core	Headlease	352,603
CNOOC	500 Centre Street SE	Downtown Core	Sublease	290,000
IPC Canada	215 9 Avenue West	Downtown Core	Sublease	32,014
Immigrant Services Calgary	910 7 Avenue SW	Downtown Core	Headlease	29,000
Peloton Computer Enterprises	525 8 Avenue SW	Downtown Core	Headlease	24,000
Westbrick Energy Ltd.	520 3 Avenue SW	Downtown Core	Headlease	22,000
UPI Projects	700 9 Avenue SW	Downtown Core	Sublease	21,010
Telus	685 Centre Street SW	Downtown Core	Headlease	18,749
Work Nicer Coworking	23 Sunpark Drive SE	Suburban South	Headlease	12,627
The Newly Institute	2304 4 Street SW	Beltline	Headlease	11,169

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