

CALGARY



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

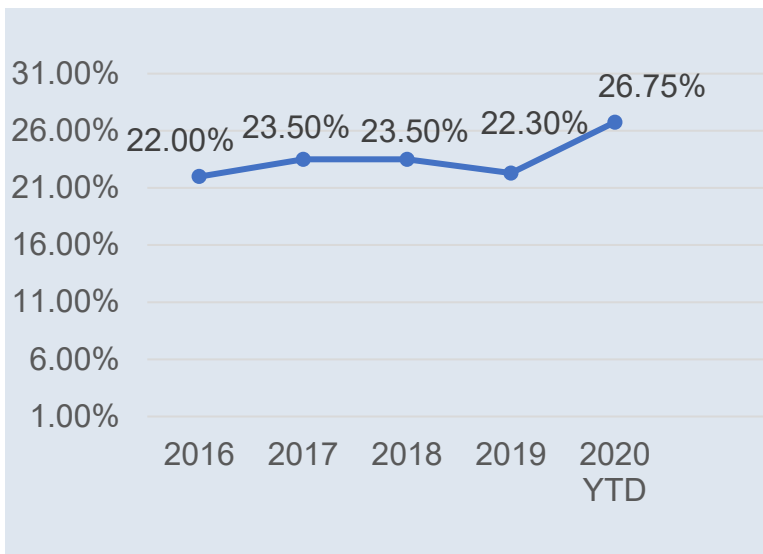
Calgary's commercial real estate market continues to be effected by low oil prices, disputes regarding pipeline construction, and general uncertainty in the energy industry. The global COVID-19 pandemic has further affected office leasing activity, as remote working has kept employees at home and offices empty. There is uncertainty surrounding the recovery of the office market as employers adapt to the cost savings associated with a remote workforce. Other landlords have turned to converting existing office space into residential or commercial uses (with support from City Hall) to help alleviate the burden of their excess vacancy. New office building construction is limited, and mostly confined to smaller spaces in suburban areas.

FUNDAMENTALS

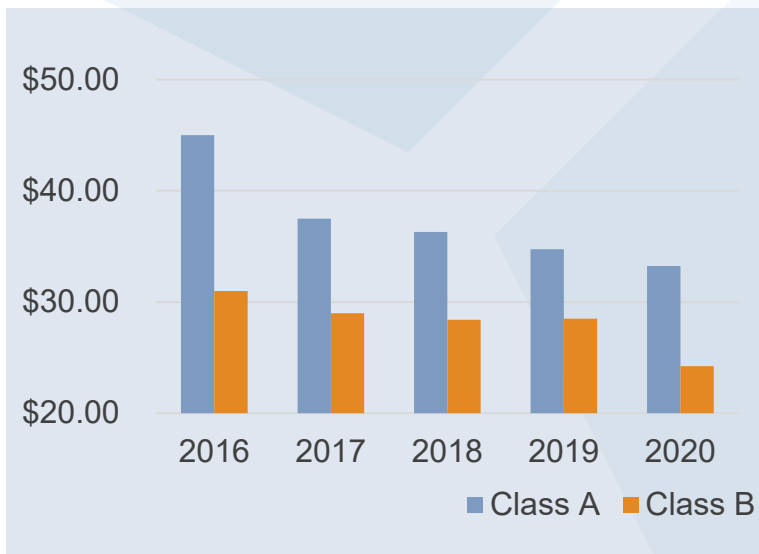
| | Forecast |
|------------------------------------|--------------|
| YTD net absorption | -464,701 ▼ |
| Under construction | 183,375 ▶ |
| Average asking rent (gross) | \$34.11 ▼ |
| Concessions | INCREASING ▲ |

| | | |
|--------------------|----------------------------|----------------------|
| | | |
| Market Size | Largest Office Deal | Total Vacancy |
| 75,521,243 | 79,000 | 26.75% |

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

- Many landlords, especially in the downtown core, have begun offering significant incentives to prospective tenants to alleviate the excessive vacancy in their portfolios.
- The the vacancy rate is expected to continue to rise despite optimism of economic recovery in 2021.
- There is a significant flight to quality trend occurring in office space with interest and construction occurring almost exclusively in AAA class buildings. This provides tenants with an opportunity to upgrade their office spaces, while also exploring the cost savings of reducing their office footprint due to remote work possibilities.

KEY LEASE TRANSACTIONS

| Tenant | Building Address | Submarket | Type | Sq Feet |
|----------------------|--------------------------------|-----------|------------|---------|
| Symend | 441 1 st Street SE | Downtown | New Tenant | 79,000 |
| Teck Resources | 500 Centre Street SE | Downtown | New Lease | 72,000 |
| Alberta Central | 227 11 th Avenue SW | Beltline | New Tenant | 51,333 |
| Dialog | 134 11 th Avenue | Beltline | Renewal | 44,000 |
| People Corporation | 215 2 nd Street SW | Downtown | Sublease | 27,000 |
| Userful | 441 1 st Street SE | Downtown | New Lease | 26,170 |
| Freedom 55 Financial | 227 11 th Avenue SW | Beltline | Renewal | 23,277 |

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