

# Calgary's Second Quarter Retail Landscape

Market Analysis Q2 2025

|                                   |  |
|-----------------------------------|--|
| <b>96.2%</b> <small>+0.2%</small> | OVERALL OCCUPANCY RATE<br>(Total leased space)                                   |
| <b>3.8%</b> <small>-0.2%</small>  | OVERALL VACANCY RATE<br>(Space marketed for headlease)                           |
| <b>4.0%</b> <small>-0.2%</small>  | OVERALL AVAILABILITY<br>(Total amount of space available for headlease/sublease) |

This quarter marked another dynamic period for Calgary's retail landscape, highlighted by strong occupancy gains and evolving market trends. Overall occupancy edged up from the start of the year to 96.2%, while the availability rate decreased by 20 basis points Quarter-on-Quarter (QoQ) and 60 basis points Year-Over-Year (YoY), highlighting strong tenant demand and consistent leasing activity.

Reviewing the current inventory, street-front spaces continue to represent the largest share of marketed options, with 8.5% of this category currently available. Despite being the highest vacant submarket, compared to last quarter, availability in the Central Business District (Downtown and Beltline) has tightened significantly. This change is largely driven by increased demand coupled with a slowdown in construction. Overall, the market remains below what is typically considered balanced, with total availability across the city now sitting at under 2 million square feet.

A key contributor to this positive absorption was a surge in daycare leasing activity early in the quarter, driven by a new federal subsidy program designed to make childcare more accessible across Alberta. This initiative encouraged many small business owners to expand into this essential service category, reflecting continued confidence in the retail sector's adaptability.

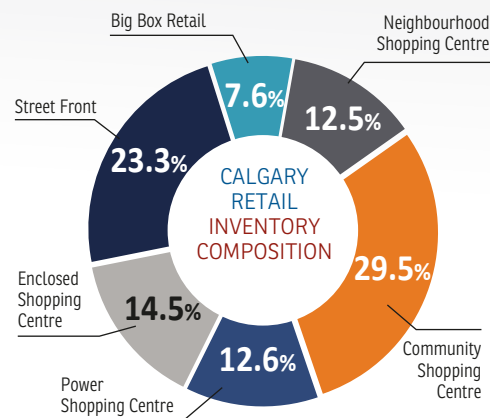
While there were adjustments mid-quarter following changes to funding eligibility, the strong start set a solid foundation for market performance. Looking ahead, some spaces

may re-enter the market, providing new opportunities for tenants seeking well-located retail space. Landlords are closely monitoring the evolving daycare segment and remain open to supporting diverse tenant needs.

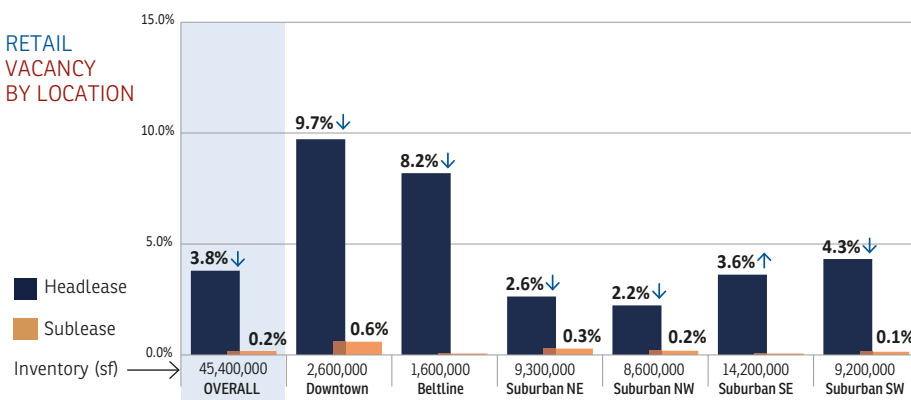
## Welcome to the "Local" Era

Retail is transforming in response to shifting global dynamics. As globalization moderates, retailers are embracing more localized strategies. The rise of the "15-minute city" exemplifies this shift, as suburban neighborhood centers evolve into vibrant, community-focused hubs.

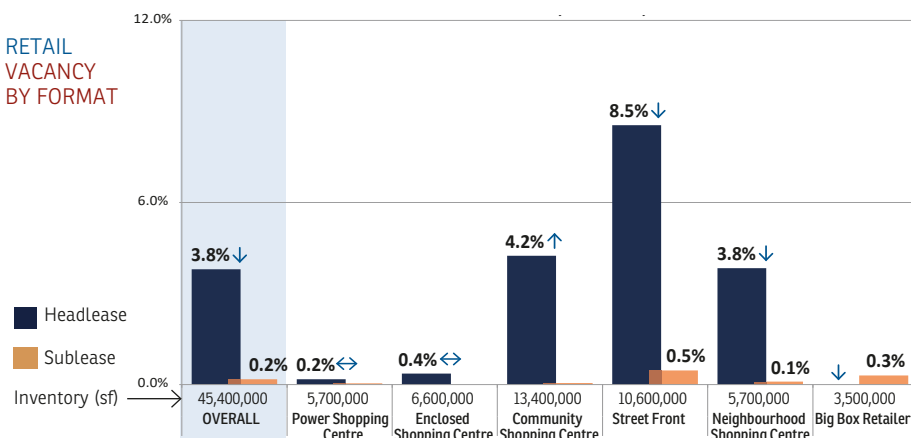
Convenience, walkability, and lifestyle integration are driving this renewed focus on local living. At the same time, traditional enclosed malls are being reimaged. Once known primarily as shopping destinations, these centers are shifting toward experiential, multi-use environments that encourage social interaction and in-person engagement — offering what online retail cannot.



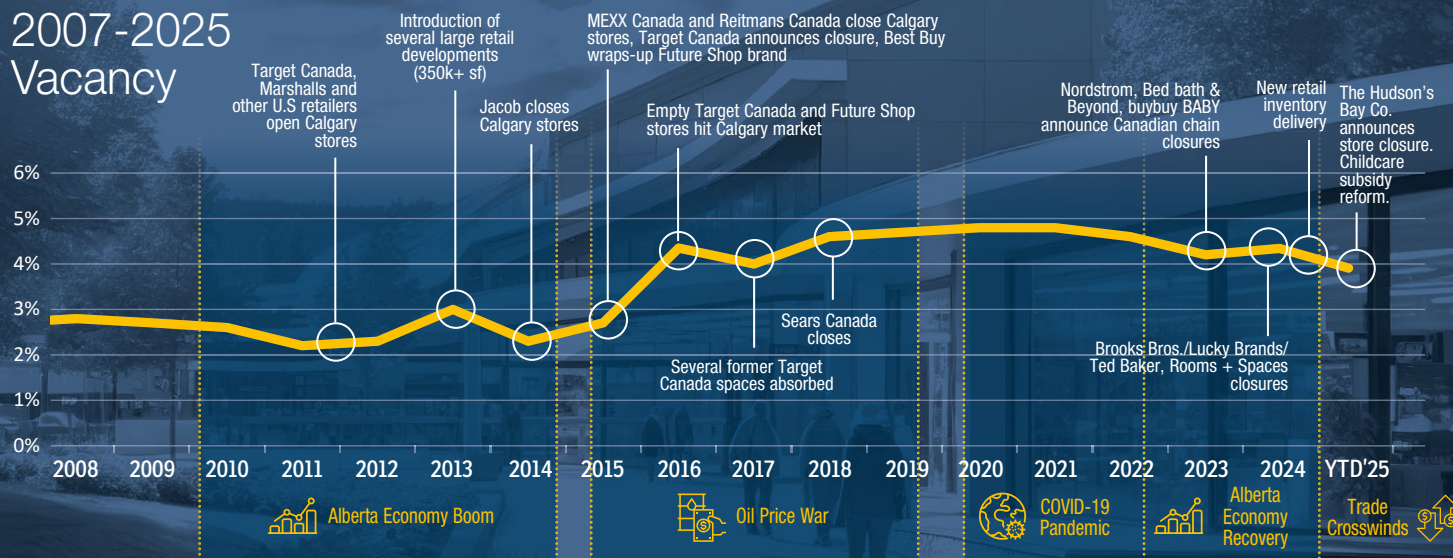
## RETAIL VACANCY BY LOCATION



## RETAIL VACANCY BY FORMAT



# 2007-2025 Vacancy



The recent closure of The Hudson's Bay Company has evoked discussions on the future of large-format retail spaces. In Calgary, five major Bay locations are prompting landlords to explore innovative uses, from mixed-use redevelopment to entertainment concepts. As our retail team emphasizes, success today is about clicks and bricks.

## Tenant Sentiment: Strategy and Optimization

In the current environment, tenants are taking a thoughtful, strategic approach. Many are prioritizing the optimization of existing operations and refining business models to better align with evolving consumer behaviours.

Demand remains strong for service-oriented retailers such as specialty grocers, aesthetic clinics, restaurants, and wellness services. These businesses continue to see significant consumer interest,

## CBD RETAIL CONSTRUCTION SUMMARY

| RETAIL FORMAT | PROPERTY            | COMMUNITY      | RETAIL AREA (SF) | EXPECTED COMPLETION | DEVELOPER          |
|---------------|---------------------|----------------|------------------|---------------------|--------------------|
| Street Front  | Fourth Street Lofts | Beltline       | 3,500            | 2025                | Western Securities |
|               | Francesco           | Cliff Bungalow | 8,000            | 2026                | Arlington Group    |

## SUBURBAN SOUTH RETAIL CONSTRUCTION SUMMARY

| RETAIL FORMAT             | PROPERTY   | COMMUNITY    | RETAIL AREA (SF) | EXPECTED COMPLETION | DEVELOPER              |
|---------------------------|--|--------------|------------------|---------------------|------------------------|
| Street Front              | Junction at Market & Main (88, 21, Blocks B and C) | Seton        | 31,000           | 2025                | Brookfield Residential |
|                           | Oak & Olive  | West Springs | 23,000           | 2027                | Truman                 |
|                           | Belmont Village                                    | Belmont      | 40,000           | 2025                | Anthem Properties      |
|                           | Township Phase 2                                   | Legacy       | 85,000           | 2026                | RoyOp                  |
|                           | EV606  | East Village | 6,000            | 2025                | Alston Properties      |
| Community Shopping Centre | Seton Market Street                                | Seton        | 175,000          | 2027                | Brookfield Residential |

## SUBURBAN NORTH RETAIL CONSTRUCTION SUMMARY

| RETAIL FORMAT             | PROPERTY                        | COMMUNITY          | RETAIL AREA (SF) | EXPECTED COMPLETION | DEVELOPER                     |
|---------------------------|---------------------------------|--------------------|------------------|---------------------|-------------------------------|
| Street Front              | Shoppes at Sage Hill            | Sage Hill          | 32,000           | 2025                | Certus                        |
|                           | The Mondrian                    | West District      | ~ 20,000         | 2026                | Truman                        |
|                           | Plaza                           | West District      | 15,000           | 2027                | Truman                        |
| Community Shopping Centre | University District (remaining) | University Heights | ~150,000         | 2025                | Uni. of Cal. Properties Group |
|                           | Saddle Ridge Crossing           | Saddle Ridge       | ~80,000          | 2026                |                               |
|                           | Westwinds Superstore            | Westwinds          | ~50,000          | 2027                |                               |

## OTHER RETAIL PROJECTS IN THE PIPELINE

| RETAIL FORMAT                 | PROPERTY                               | COMMUNITY   | RETAIL AREA (SF) | EXPECTED COMPLETION | DEVELOPER                   |
|-------------------------------|--|-------------|------------------|---------------------|-----------------------------|
| Street Front                  | Quarry Station Island                  | Quarry Park | 24,000           | Pre-leasing         | Remington Development Corp. |
|                               | The District at North Deerfoot (Ph II) | -           | 39,000           | Pre-leasing         | Melcor                      |
|                               | FARM                                   | Marda Loop  | 12,000           | Pre-leasing         | Rkays Development           |
| Neighbourhood Shopping Centre | Redstone Market Square                 | Redstone    | 60,000           | Pre-leasing         | Qualico                     |

## NOTABLE Q2 RETAIL COMPLETIONS

| RETAIL FORMAT | PROPERTY | COMMUNITY  | RETAIL AREA (SF) | DEVELOPER |
|---------------|----------|------------|------------------|-----------|
| Street Front  | Frontier | Kensington | 22,800           | Truman    |

even as they navigate rising operating costs and global supply chain considerations.

Rents remain relatively high, though early signs of softening are emerging as new supply enters the market. As inventory expands, tenants may find greater flexibility and more opportunities to secure well-located space. With many moving parts, having an experienced retail partner by your side can be a key advantage — helping you navigate today's market complexities and position your business for growth. ■

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LOCAL  
EXPERTISE  
MATTERS