



Greater Calgary investment review

H1 2024

**AVISON
YOUNG**

Interest rate drops and population growth fuel Calgary's real estate

The market saw increased activity across the board due to multiple factors including the declining interest rates and the growing Alberta migration.

\$2.62B

total commercial real estate investment volume during H1 2024 up **42% from first half 2023**

406

total transactions in H1 2024 across the Greater Calgary Area (GCA) up **26% from H1 2023**

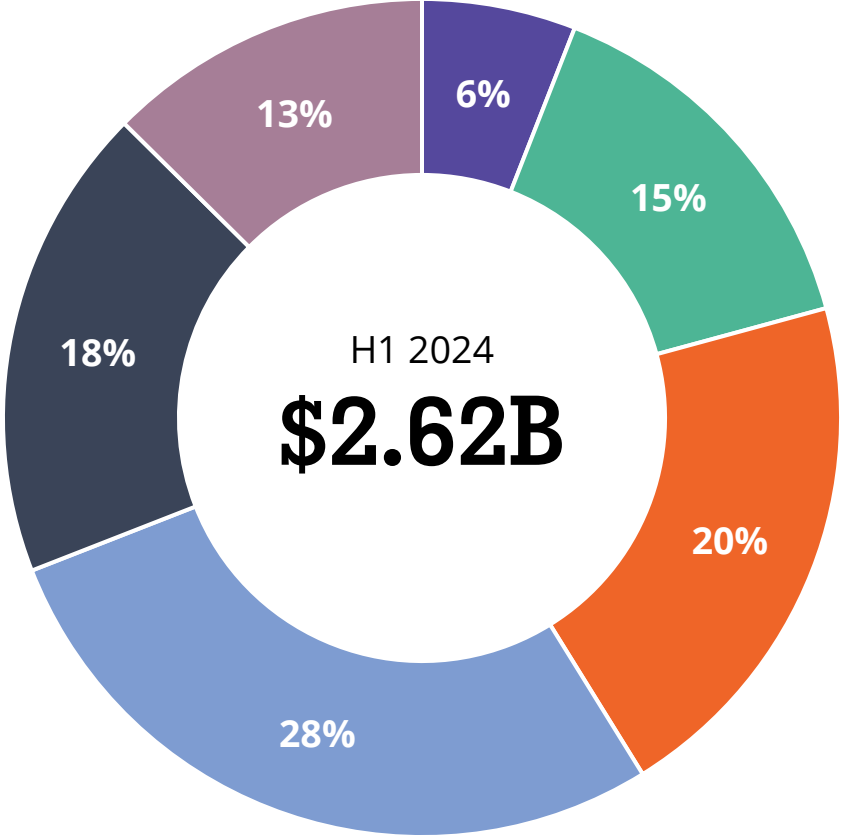
\$731M

multifamily, number one asset class by volume up **140% from H2 2023**

\$534M

retail, number two asset class by volume up **475% from H2 2023**

Greater Calgary investment activity



Property type	H2 2024	Q1 2024	Q2 2024
Office	\$155.7M	\$87.2M	\$68.5M
Industrial	\$388.8M	\$269.1M	\$119.7M
Retail	\$534.4M	\$377.8M	\$156.6M
Multifamily	\$731.0M	\$584.4M	\$146.6M
ICI land	\$480.8M	\$295.1M	\$185.7M
Residential land	\$329.8M	\$242.1M	\$87.7M
Total	\$2.62B	1.86B	\$764.7M

Source: Altus Data Studio and The Network

Investment trends to watch



Alberta is poised for demand with migration on the rise

With the influx of new migrants from other provinces and new temporary residents, Alberta is at the forefront of the nation's population growth, bringing about a new boom for major centres like Calgary. A growing population drives up increased demand in the market for real estate, and more capital to spend as properties and land are more affordable compared to other well-established markets such as the Vancouver area and Greater Toronto Area.



Interest rates reawakening dormant players in the market

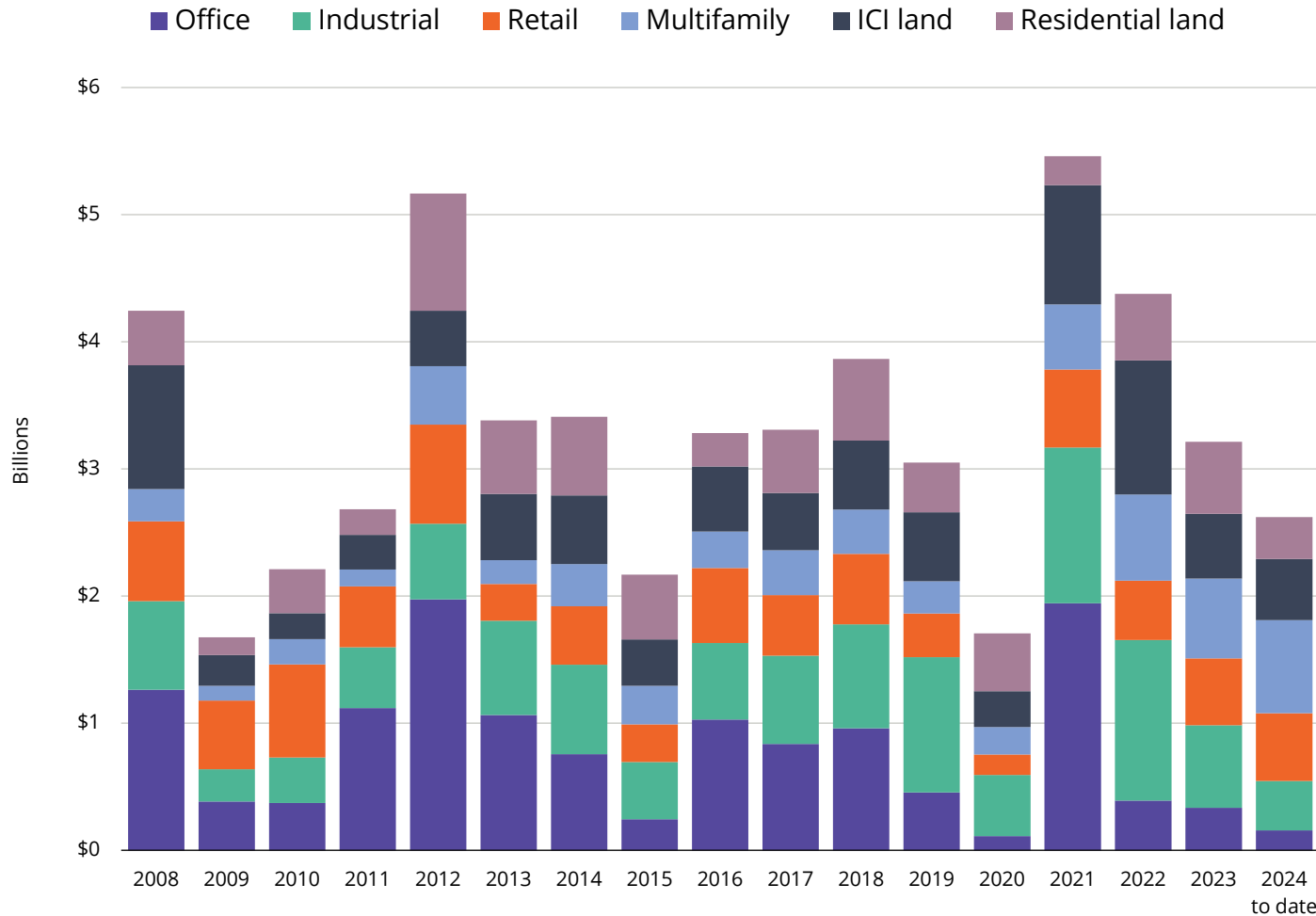
Interest rates are finally coming down after a long hold of 5% by the Bank of Canada, now placed at 4.50% since July 2024. Older players are re-emerging into the fray as the cost of lending has decreased, bringing about more demand and competition in the market. Additional cuts are anticipated this year, which will further drive up this trend as lenders and purchasers become more willing to take on risk in their investments.



Competition grows as the bid-ask spread begins to narrow

Competition is on the rise, narrowing the gap between asking prices and offers. Many are becoming more comfortable taking on a higher risk profile and are moving quickly to get into the current market before prices inevitably go up as more migrants come into the province. With supply already being limited in most asset classes, vendors are being more strategic about their timing and when gauging offers from potential purchasers.

Greater Calgary investment overview



Source: Altus Data Studio and The Network

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Investment activity in Calgary’s commercial real estate sector remains strong, fueled by robust investor confidence and favorable economic conditions, including solid population growth and expectations of falling interest rates. Most of the market activity has been driven by private capital investors, both local and out-of-province.”



Ryan Swelin
Principal,
Investment Sales
Calgary, AB

Office

Rising demand for housing spurs office market growth and conversion projects

The office market improved in H1 2024 as investment grew 23% to \$155 million making for 6% of the GCA total. Additionally, the number of office transactions increased with 64 sales. The largest transaction was for Encor Place which sold for \$21.5 million by Cadillac Fairview, accounting for 14% of the total office sales volume.

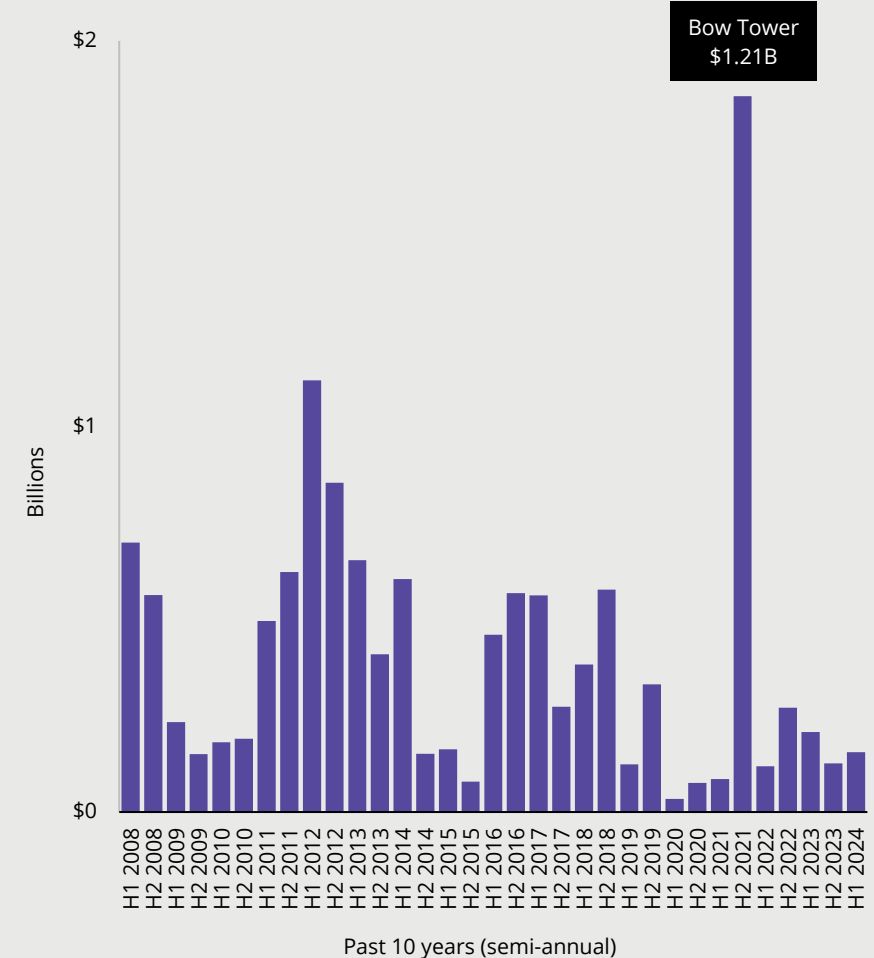
The prospect of repurposing office buildings continues to attract developers. With the rising

demand for housing units, the government remains committed to incentivizing developers to acquire and apply for funding to convert office spaces. The latest addition to this list of conversions is Place 800. The City's initiative has made these projects appealing to investors. However, the introduction of the federal government's Housing Accelerator Fund has further enhanced the attractiveness of these opportunities for potential buyers.

Significant sale transactions in H1 2024

Name and address	Market	Sale price / \$psf	Purchaser	Vendor
Encor Place 645 7 Ave SW	Downtown	\$21,500,000 / \$60	Soltron Group	The Cadillac Fairview Corporation
Canada Place 407 2 St SW	Downtown	\$19,000,000 / \$97	Caloff Properties	HOOPP Realty
McCall Court 1 4311 12 St NE	Suburban Northeast	\$14,500,000 / \$142	Caloff Properties	9318470 Canada
640 Fifth 640 5 Ave SW	Downtown	\$13,913,790 / \$55	Kansas Corporation	Sun Life Financial
Quarry Park Professional Centre 109 Quarry Park Blvd SE	Suburban Southeast	\$12,971,100 / \$155	His Majesty in Right of Alberta	BentallGreenOak

Office investment volume



Source: Altus Data Studio and The Network

Industrial

Despite downturn, industrial properties continue to attract investors in expanding Calgary market

The industrial market experienced a slight downturn H1 2024, with a 17% decrease in investment to \$389 million (15% of GCA total). With 84 transactions, the largest deal was in Balzac—Rocky View Business Park sold for \$62.2 million by Morguard, contributing 16% to total industrial volume for the first half of 2024.

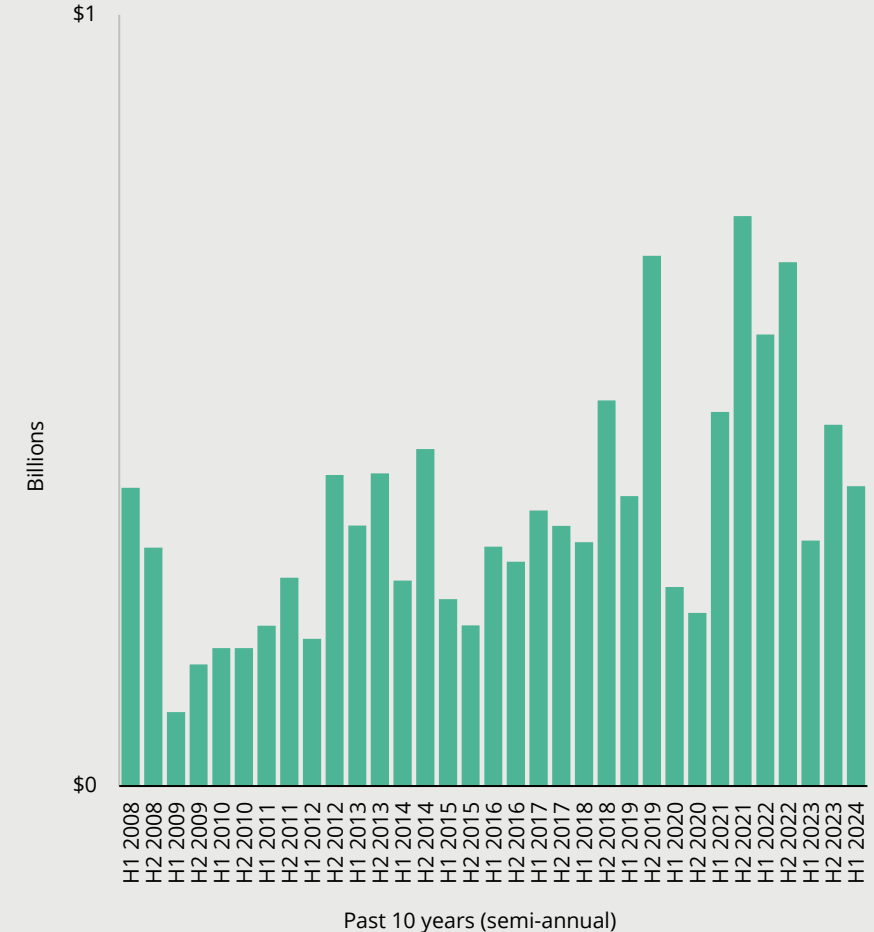
Demand for industrial properties remains strong and consistent, solidifying their status as

a reliable asset for investors. As growth continues, the need for additional warehousing and distribution facilities is pronounced in expanding urban centers like Calgary. The influx of new migrants from other provinces and abroad further intensifies the need for enhanced supply chain infrastructure to meet the rising demands of both consumers and businesses. Further underscoring the enduring appeal of investing in industrial properties.

Significant sale transactions in H1 2024

Name and address	Market	Sale price / \$psf	Purchaser	Vendor
Rocky View Business park 292136 Crossiron Drive	Balzac	\$62,250,000 / \$143	Concert Properties	Morguard Corporation
2255 29 St NE	Suburban Northeast	\$50,340,000 / \$118	CP REIT Alberta Properties	Shoppers Realty
2222 16 Ave NE	Suburban Northeast	\$17,075,000 / \$188	2533142 Alberta	924643 Alberta
3111 Shepard Place SE	Suburban Southeast	\$15,500,000 / \$144	ATCO Group	Gillfor Distribution
824 41 Ave NE	Suburban Northeast	\$14,000,000 / \$116	U-Haul	FGL Sports

Industrial investment volume



Source: Altus Data Studio and The Network

Retail

Retail sector booms with investment growth, driven by shifts in investor focus

The GCA retail market experienced a shift in H1 2024, with a whopping 474% increase in investment to \$534.4 million (20% of GCA total). Transactions dropped to 53, with the largest deal being The Quarry, selling for \$138.7 million and contributing 26% of total retail volume.

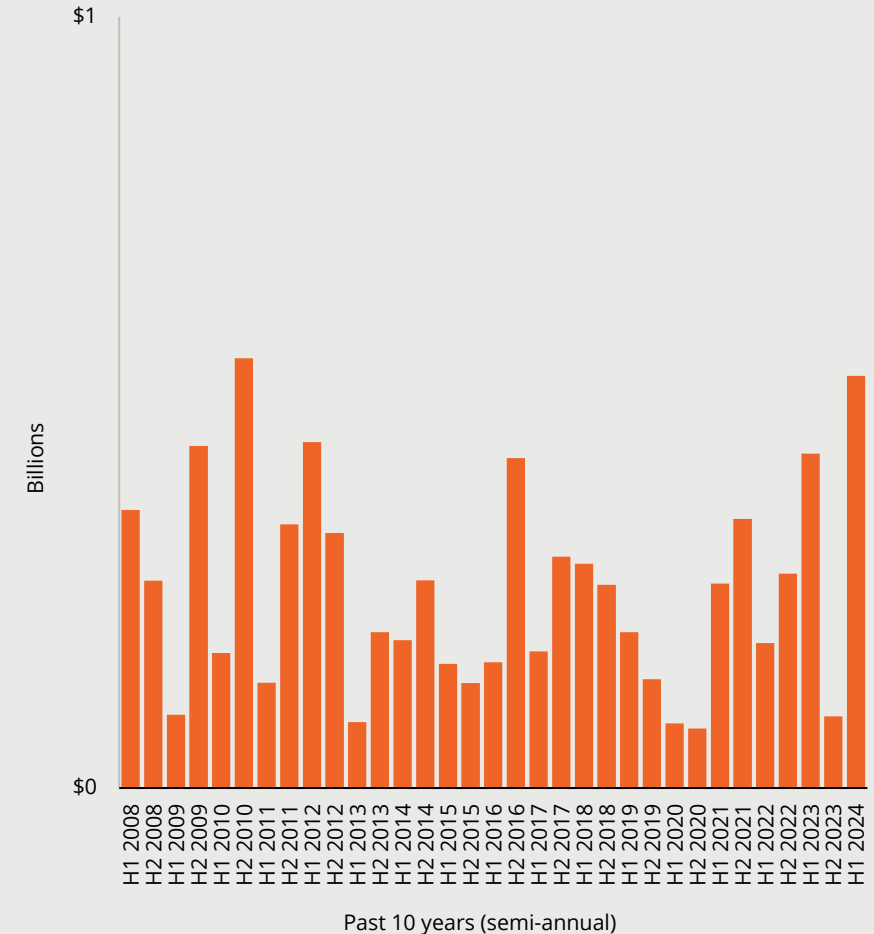
The retail market has shown significant improvement in 2024, bolstered by a strong performance since our last update. This growth

is largely driven by shifting investor sentiment and interest in diversifying beyond the traditionally favored industrial and Multifamily sectors. With Alberta's population continuing to rise, demand for retail spaces is increasing, particularly as consumers seek convenient access to essential goods and services. This trend is especially evident in the suburbs, where new communities are emerging to accommodate the influx of new residents.

Significant sale transactions in H1 2024

Name and address	Market	Sale price / \$psf	Purchaser	Vendor
The Quarry 55 Quarry Street East	Cochrane	\$138,670,638 / \$370	Rosedale Developments	Springwood Land Corporation
Country Hills Town Centre 500 Country Hills Blvd NE	Suburban Northeast	\$83,750,000 / \$510	ARI CHTV GP	Country Hills Town Centre Holdings
Cornerstone Okotoks Unit 100, 201 Southbridge Dr	Okotoks	\$47,000,000 / \$300	Trinity Development Group	Choice Properties REIT
Heritage Towne Centre 750 Heritage Dr SE	Suburban Southeast	\$37,500,000 / \$280	Arlington Realty	Morguard Corporation
Seton Gateway Shopping Centre 19489 Seton Cres SE	Suburban Southeast	\$33,450,000 / \$523	First Capital REIT	QuadReal Property Group

Retail investment volume



Source: Altus Data Studio and The Network

Multifamily

Multifamily sector booms with 140% increase, driven by investor sentiment and tax changes

The multifamily market championed H1 2024, with a 140% increase in investment to \$731 million (28% of GCA total). With 39 transactions, the largest deal was for Glenmore Gardens, selling for \$176 million and representing 24% of the total multifamily volume.

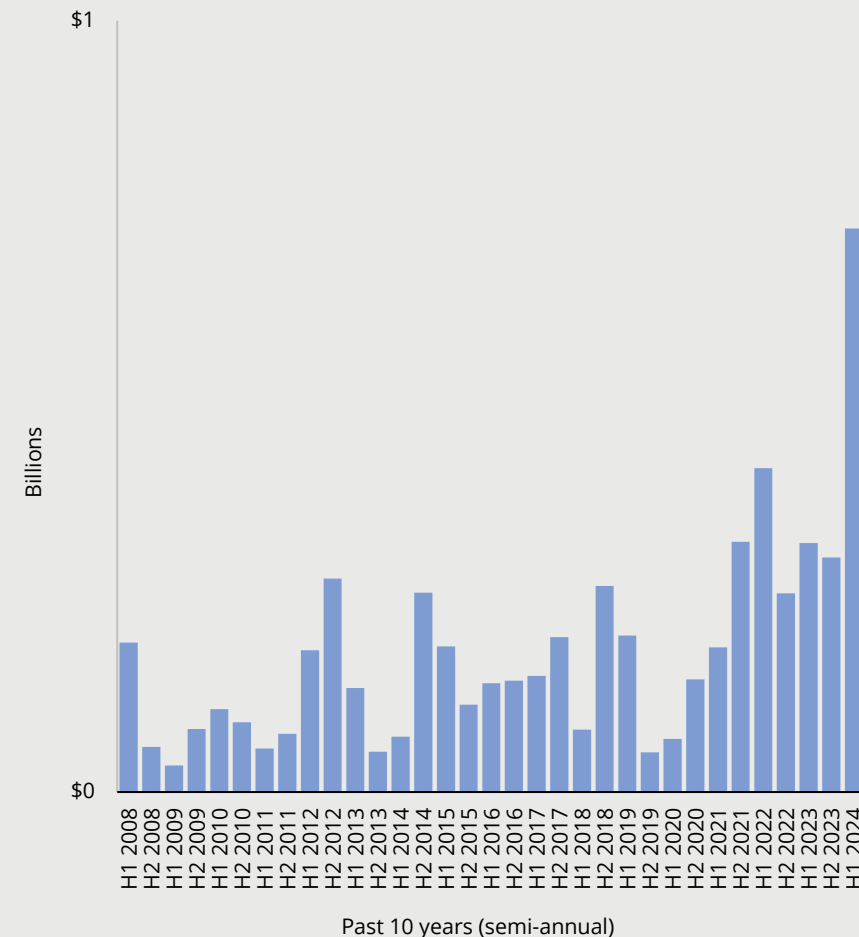
The multifamily sector experienced its highest volume in recent years. This unprecedented surge is primarily attributed to shifting investor

sentiment combined with recent changes to capital gains tax regulations. With the inclusion rate increasing from 50% to 66%, there was a significant rush to close deals before the June 25th deadline, leading to a remarkable spike in transaction volumes. Sellers who had been holding out for better offers or more favorable timing quickly realized that delaying would result in substantially lower take-home profits if held beyond the deadline.

Significant sale transactions in H1 2024

Name and address	Market	Sale price / \$ per unit	Purchaser	Vendor
Glenmore Gardens 2105 90 Ave SW	Suburban Southwest	\$176,000,000 / \$250,000	Boulevard Real Estate Equities	bclMC Realty
The Level at Seton Circle 1070 Seton Circle SE	Suburban Southeast	\$77,750,000 / \$263,599	Boardwalk REIT	Rohit Group
Skyward Living 1 181 Skyview Bay NE	Suburban Northeast	\$64,550,000 / \$290,766	Ferrovia Capital	Anderson Builders Group
The Underwood Apartments 202 14 Ave SW	Suburban Southwest	\$52,875,000 / \$470,000	RioCan REIT	Western Securities
Chelsea Estates 1302 14 Ave SW	Suburban Southwest	\$48,250,000 / \$269,553	Globe Capital Management	Unitii Corp

Multifamily investment volume



Source: Altus Data Studio and The Network

ICI land

Calgary's growing demand incites rise in land sales; \$480.8M invested in H1 2024

Land sales rose in H1 2024, with a 140% increase in investment volume to \$480.8 million (18% of GCA total). Transactions increased to 80, with the largest deal being 2255 29 St NE which sold for \$50.3 million by Shoppers Realty, making up 10% of the total land volume.

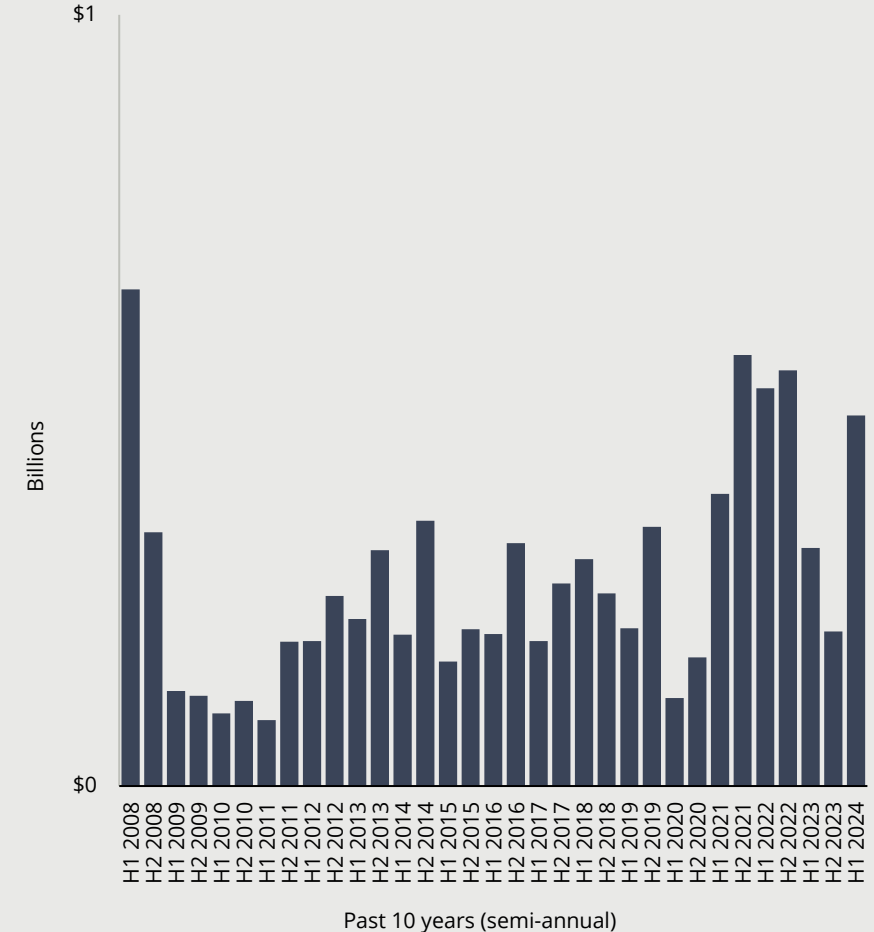
As Calgary's population continues to grow, the demand for more shopping and business centers has prompted many landowners to sell

land they've held for some time, recognizing the increasing value as demand soars. Coupled with the city's lower cost of construction, Calgary has emerged as a prime destination for investment and land development, particularly in previously undeveloped areas. This trend is expected to persist, supported by downward-trending interest rates and minimal rental rate controls.

Significant sale transactions in H1 2024

Name and address	Market	Sale price / \$ per acre	Purchaser	Vendor
2255 29 St NE	Suburban Northeast	\$50,340,000 / \$2,091,400	CP REIT	Shoppers Realty
2222 16 Ave NE	Suburban Northeast	\$17,075,000 / \$1,697,316	2533142 Alberta	924643 Alberta
Old Banff Coach Road	Springbank	\$12,600,000 / \$74,201	Bridgebank Development	1181814 Alberta
253208 84 St NE	Suburban Northeast	\$8,342,455 / \$60,947	Calgary Gateway Developments	Crossroads Furniture Mart
Bluerock Common & Northridge Drive	Okotoks	\$7,623,000 / \$1,051,448	High River Toyota	Anthem Properties

ICI land investment volume



Source: Altus Data Studio and The Network

Residential land

Investors and developers compete for land in hot market as sales trend up and transactions rise

Residential land sales increased slightly in H1 2024, with a 3% increase in investment volume to \$329.8 million (13% of GCA total). The number of transactions rose to 87, and the largest deal was for 9250 Lower Springbank Road SW, which sold for \$44 million by Burdett Properties, attributing to 13% of the total residential land volume.

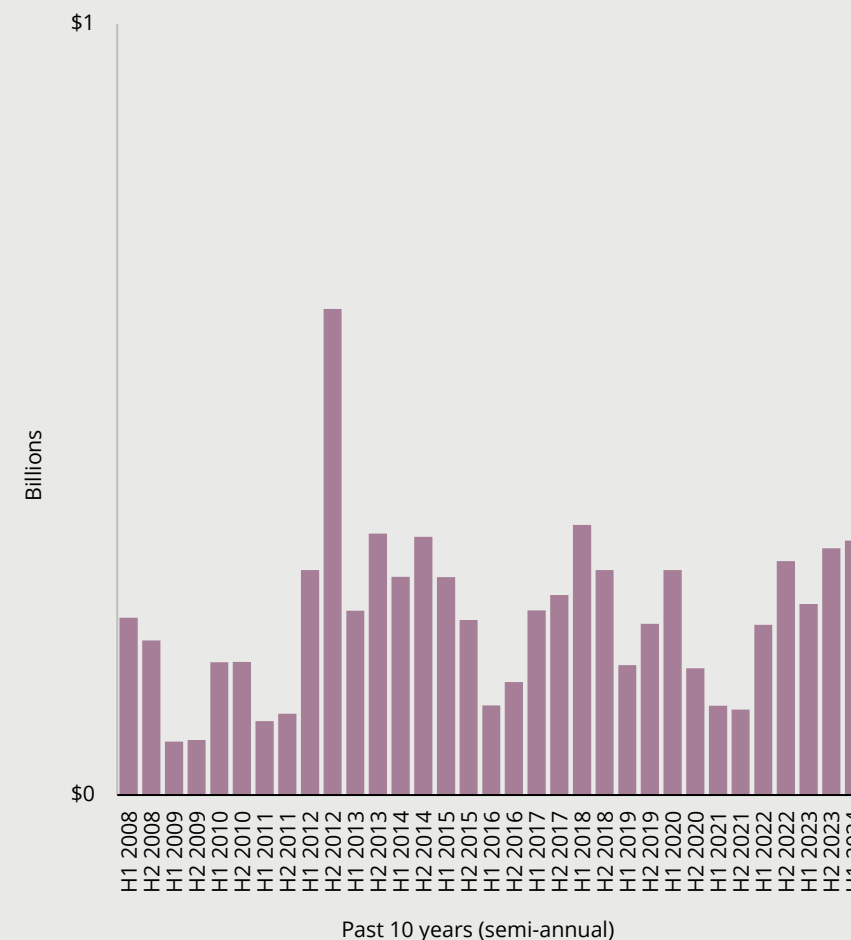
The need for housing continues to make headlines, and developers have been keen on

getting more projects in their pipelines. Additionally, the need for affordable housing has been a concern to many homebuyers as prices have grown significantly in recent years, moving out of reach for some first-time buyers. A unique situation arises that allows vendors to leverage the current housing market, and sell to developers who are racing to get homes built to meet current demands. Exemplified by Truman Homes and Vesta Properties.

Significant sale transactions in H1 2024

Name and address	Market	Sale price / \$ per acre	Purchaser	Vendor
9250 Lower Springbank Road SW	Springbank	\$44,058,300 / \$394,929	Truman Homes	Burdett Properties
1701 33 St SW	Suburban Southeast	\$43,067,600 / \$2,171,518	The City of Calgary	MATCO
1414 210 Ave SW	Suburban Southwest	\$35,500,000 / \$221,875	Yorkville West GP	Citiland Spruce Meadows Venture
5115 110 Ave SE	Suburban Southeast	\$32,878,000 / \$860,680	York Realty	Enright Capital
1520 4 St SW	Suburban Southwest	\$25,488,849 / \$15,262,784	Vesta Properties	Grosvsnor Group

Residential land investment volume



Source: Altus Data Studio and The Network

GCA investment market stats

Property type	Total dollar volume	Q1 dollar volume	Q2 dollar volume	Total sales	Q1 sales	Q2 sales
Office	\$155,695,390	\$87,225,000	\$68,470,390	64	34	30
Industrial	\$388,774,698	\$269,067,937	\$119,706,761	83	50	33
Retail	\$534,400,095	\$377,840,486	\$156,559,609	53	32	21
Multifamily	\$731,013,937	\$584,427,049	\$146,586,888	39	34	5
ICI Land	\$480,782,909	\$295,110,733	\$185,672,176	80	53	27
Residential Land	\$329,820,883	\$242,087,520	\$87,733,363	87	43	44

Property type	Total size (sf)	Q1 size (sf)	Q2 size (sf)	Average price per (sf/unit/acre)	Q1 price per (sf/unit/acre)	Q2 price per (sf/unit/acre)
Office	1,559,465	752,601	806,864	\$100 per sf	\$116 per sf	\$85 per sf
Industrial	2,281,758	1,682,603	599,155	\$180 per sf	\$160 per sf	\$200 per sf
Retail	2,054,215	1,584,882	469,333	\$286 per sf	\$238 per sf	\$334 per sf
Multifamily	3,829 units	2,797 units	1,032 units	\$175,495 per unit	\$208,948 per unit	\$142,042 per unit
ICI land	7,250 acres	3657 acres	3593 acres	\$66,187 per acre	\$80,697 per acre	\$51,676 per acre
Residential land	293 acres	187 acres	106 acres	\$1,061,361 per acre	\$1,292,857 per acre	\$829,865 per acre

For more market insights
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Kevin Morgans

Principal
Capital Markets Group
+1 403 232 4318
kevin.morgans@avisonyoung.com

Ryan Swelin

Principal
Capital Markets Group
+1 587 293 3368
ryan.swelin@avisonyoung.com

Walsh Mannas

Principal
Capital Markets Group
+1 403 232 4381
walsh.mannas@avisonyoung.com

Nathan Drury

Vice President
Capital Markets Group
+1 587 293 3372
nathan.drury@avisonyoung.com

Ben Tatterton

Research Manager
Research, Market Intelligence
+1 403 232 4344
ben.tatterton@avisonyoung.com

Jatin Thapar

Market Intelligence Analyst
Research, Market Intelligence
+1 403 232 4304
jatin.thapar@avisonyoung.com