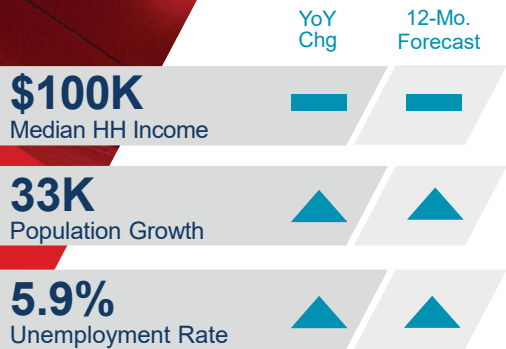


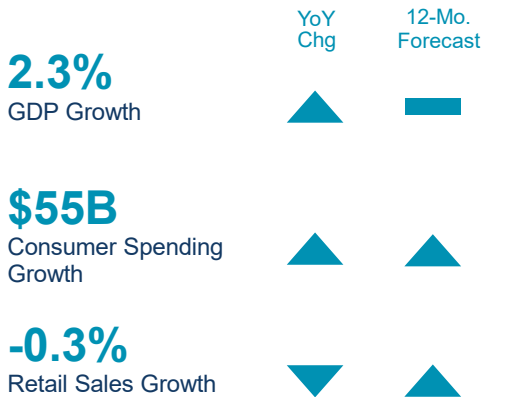
CALGARY, AB

Retail Q4 2019



Source: Statistics Canada

ECONOMIC INDICATORS Q4 2019



Source: Statistics Canada

ECONOMY: Increasing Diversification Leaves Calgarians Cautiously Optimistic

While Calgarians received some longer-term certainty following the October 2019 federal election, the ultimate fate of the Trans Mountain Pipeline remains to be determined. The general sentiment is that the pipeline project will ultimately be approved; but until such time, the protracted uncertainty in the energy sector has resulted in growth in other sectors.

During the past 12 months, Calgary added 31,900 net new jobs – the bulk of which were in education, healthcare, professional services, as well as the hospitality sectors. As a result, total employment increased 4.6% year-over-year. Annual consumer spending also increased, closing the fourth quarter of 2019 at \$55.1 billion, and accounted for nearly 5.0% of total Canadian consumer spending for 2019.

DEMAND: Suburban Retail Gets Urban Attention

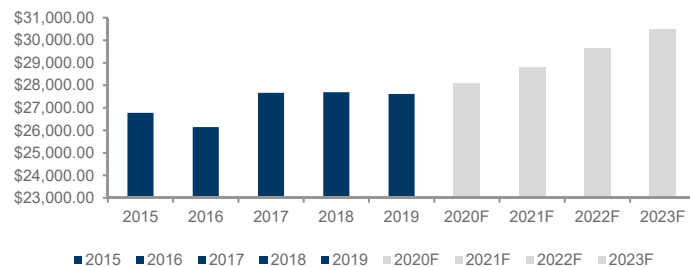
The fourth quarter of 2019 included a number of leases and openings of retailers in the suburbs that traditionally would only seek out urban locations. The long-standing 17th Avenue-based Una Pizza + Wine signed a lease to open a second location in the West Springs neighbourhood. The quick-service, salad-provider Fork & Salad will also be joining the West Springs neighbourhood, with a planned opening in the first quarter of 2020. In the deep southeast neighbourhood of Mahogany, Alvin's Jazz Club opened its doors at Westman Village, joining Analog Coffee and Diner Deluxe, both of which opened earlier in 2019.

Overall, Calgarians' appetite for healthy food options and group fitness classes has shown no signs of waning. US-based Barry's bootcamp opened its third Canadian location at the recently renovated Bannerman Block in Mission, adjacent to the relocated Lululemon. Rise Athlete opened its first Calgary location, a 13,000-square foot gym at 333 28th Street NE, in the last quarter of the year.

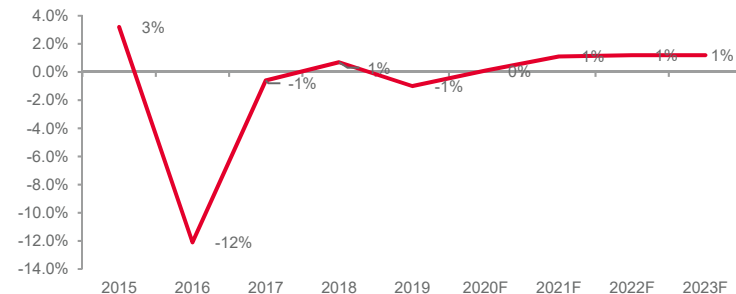
PRICING: Landlords Hold Asking Rents

Given Calgary's prolonged economic recovery in the downtown core, asking rent ranges have continued to decline as landlords look to backfill lingering vacancies. The City of Calgary's tax hike earlier in 2019 further incentivized landlords to keep asking rents at current levels as tenants face rising operating expenses in the city's high street neighbourhoods. However, with less tax pressure and proximity to desirable demographics, the city's suburban neighbourhoods saw positive asking rent growth.

ANNUAL RETAIL SALES (MILLIONS)



PERSONAL DISPOSABLE INCOME GROWTH



CALGARY, AB

Retail Q4 2019



HIGH STREET ASKING RENT Q4 2019

HIGH STREET	ASKING RENT (LOW)	ASKING RENT (HIGH)
Mission (4 th Street SW)	\$30.00	\$50.00
17 th Avenue SW	\$30.00	\$50.00
Stephen Avenue	\$30.00	\$40.00
Marda Loop	\$35.00	\$55.00
Kensington	\$35.00	\$45.00

NOTABLE RETAIL OPENINGS Q4 2019

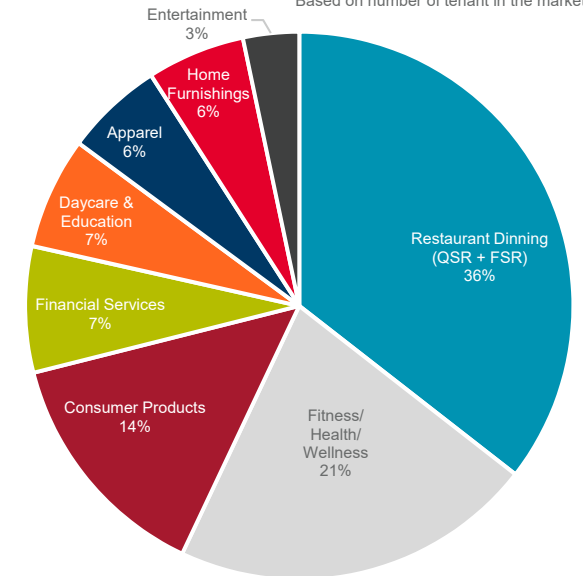
PROPERTY	PROPERTY TYPE	SUBMARKET	TENANT	RETAIL TYPE
Bow Valley Square (205 5 th Avenue SW)	Office Retail	Downtown	Holy Grill	Licensed QSR
Bannerman Block (2306 4 th Street SW)	Storefront	Mission	Barry's Bootcamp	Fitness
Bannerman Block (4 th Street SW)	Storefront	Mission	Lululemon	Apparel
Bear's Den (254028 Bears paw Road NW)	Freestanding	Bears Paw	Flores & Pine	FSR
Westman Village (176 Mahogany Centre SE)	Neighbourhood	Mahogany	Alvin's Jazz Club	Entertainment

NOTABLE RETAIL CLOSURES Q4 2019

PROPERTY	PROPERTY TYPE	SUBMARKET	TENANT	RETAIL TYPE
612 5th Street SE	Storefront	East Village	Hart Healthy Foods	QSR
1116 17 th Avenue SW	Freestanding	17 th Avenue	Boston Pizza	FSR
Cross Iron Mills (261055 Crossiron Boulevard)	Enclosed Mall	Rocky View County - Balzac	Forever21	Apparel
295 Shawville Boulevard SE	Big Box	Shawnessy	Lowe's	Home Improvement
14815 Bannister Road SE	Big Box	Midnapore	Rona	Home Improvement

RETAIL DEMAND BY SECTOR

Based on number of tenant in the market



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