

Commercial real estate investment on the upswing in Calgary

By Mario Toneguzzi on November 2, 2018

Total volume invested to the end of September reached \$2.1 billion, up \$619 million from the same period last year



Investor interest in the Calgary commercial real estate market remained consistent in the third quarter of the year with total investment year to date up 41 per cent compared with a year ago.

A report by [Barclay Street Real Estate](#) says total dollar volume invested this year to the end of September reached \$2.1 billion, which was up \$619 million from the same period last year. The number of deals closed also has increased by 13 per cent.

“Notable contributors to investment volume were office and retail properties, each of which saw total dollar volume increase by 69 per cent. Investment in land – both ICI (industrial, commercial, investment) and residential – and industrial assets were also up year over year. Multi-residential assets however, were again out of favour with investors and posted a third consecutive quarter in which dollar volume was down,” said the report.

Barclay Street said the office investment market in Calgary saw 29 office transactions equal to or greater than \$1 million, totalling more than \$602 million during the first nine months of 2018. During the third quarter, investment in the office asset class was supported primarily by two transactions: the purchases the Hexagon Calgary Campus by Novatel Inc. in August and IBM Corporate Park by Spear Street Capital in

September. Year-to-date activity in this asset class was similar to that at the same point of 2017 while dollar volume was up by approximately \$246 million. The majority of that increase – \$205 million – is directly attributable to those two transactions, added the report.

The report’s highlights include:

- Dollar volume in Calgary’s retail asset class was up by more than \$121 million to \$295 million. Investor activity was also up by 24 per cent. Of the 46 transactions concluded to Sept. 30, 10 closed above \$10 million with the largest being the purchase of the Market at Quarry Park by LCPF Realty Inc;
- Industrial asset class posted a year-over-year increase to \$490 million from \$404 million. To Sept. 30, 77 transactions closed versus 75 transactions one year earlier.
- Year-to-date investment activity in Calgary’s multi-residential market was consistent with that seen one year prior, with 34 transactions completed at Sept. 30. But dollar volume decreased to \$112 million versus \$149 million last year.

Respected business writer Mario Toneguzzi is a veteran Calgary-based journalist who worked for 35 years for the Calgary Herald in various capacities, including 12 years as a senior business writer.