



## Mario Toneguzzi

Journalist/Writer/Editor/Content Producer/Communications Specialist

# Beltline office market sees decline in vacancy rate

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During the fourth quarter of 2016, Beltline vacancy decreased by 1.8% to end the year at 17.9%, says a new report by Barclay Street Real Estate.

The quarter also experienced net positive absorption of 135,000 square feet, bringing full-year absorption

to negative 41,000 square feet. Barclay says this is a significant improvement over 2015 when 429,000 square feet was returned to the market.

"Barclay Street Real Estate's vacancy calculation takes into account all space available for occupancy within a 6 month period. Additional 116,000 sf of space will become available for occupancy from January through June, 2017," says the report.

"A further 30,000 sf comes available in 7 – 18 months, which includes Mount Royal Village - West by First Capital Realty which is scheduled for completion in the second quarter of 2018. Taking into account the unleased portion of this development, shadow vacancy brings the Beltline's projected vacancy rate to an estimated 18.6%."

"The expectation is that tenant inducements such as free rent, furnished space and improvement allowances will continue until the economy improves and a sustained demand for space demand from tenants begins to erode the large inventory of available spaces."