

Calgary Retail Market Overview



Our Knowledge is your Property

2007 Calgary Retail Market Highlights

- ▶ Overall Vacancy Rate of 1.30%
- ▶ Streetfront Vacancy Rate of 1.33%
- ▶ Inventory added in 2007: 856,900 sq. ft.
- ▶ Inventory under construction: 987,677 sq. ft.
- ▶ Proposed retail to be developed: 6,651,653 sq. ft.

2007 Calgary Retail Market Highlights

- ▶ Retail sales in Alberta are projected to increase 10.8% in 2007 ²
- ▶ Retail sales in Calgary are projected to increase 11.2% in 2007 ²
- ▶ In 2006 retail sales in Alberta exceeded BC by approximately \$3.4 billion ¹
- ▶ In 2007 retail sales in Alberta are projected to exceed BC by \$6.5 billion ²

1 - Statistics Canada

2 - Kubas Consultants Retail Sales Outlook Q2 2007

2007 Calgary Retail Market Highlights

- ▶ In July 2007 retail sales in Alberta exceeded BC by \$476 million ¹
- ▶ Alberta has approximately 900,000 fewer residents than BC ¹
- ▶ Calgary Flames will beat the Vancouver Canucks in the standings this year!
- ▶ Annually Alberta's retail sales exceed the combined sales of Newfoundland, PEI, Nova Scotia, New Brunswick, Manitoba, Saskatchewan, NWT, Yukon and Nunavut

1 - Statistics Canada

2 - Kubas Consultants Retail Sales Outlook Q2 2007

Monthly Retail Trade by Province

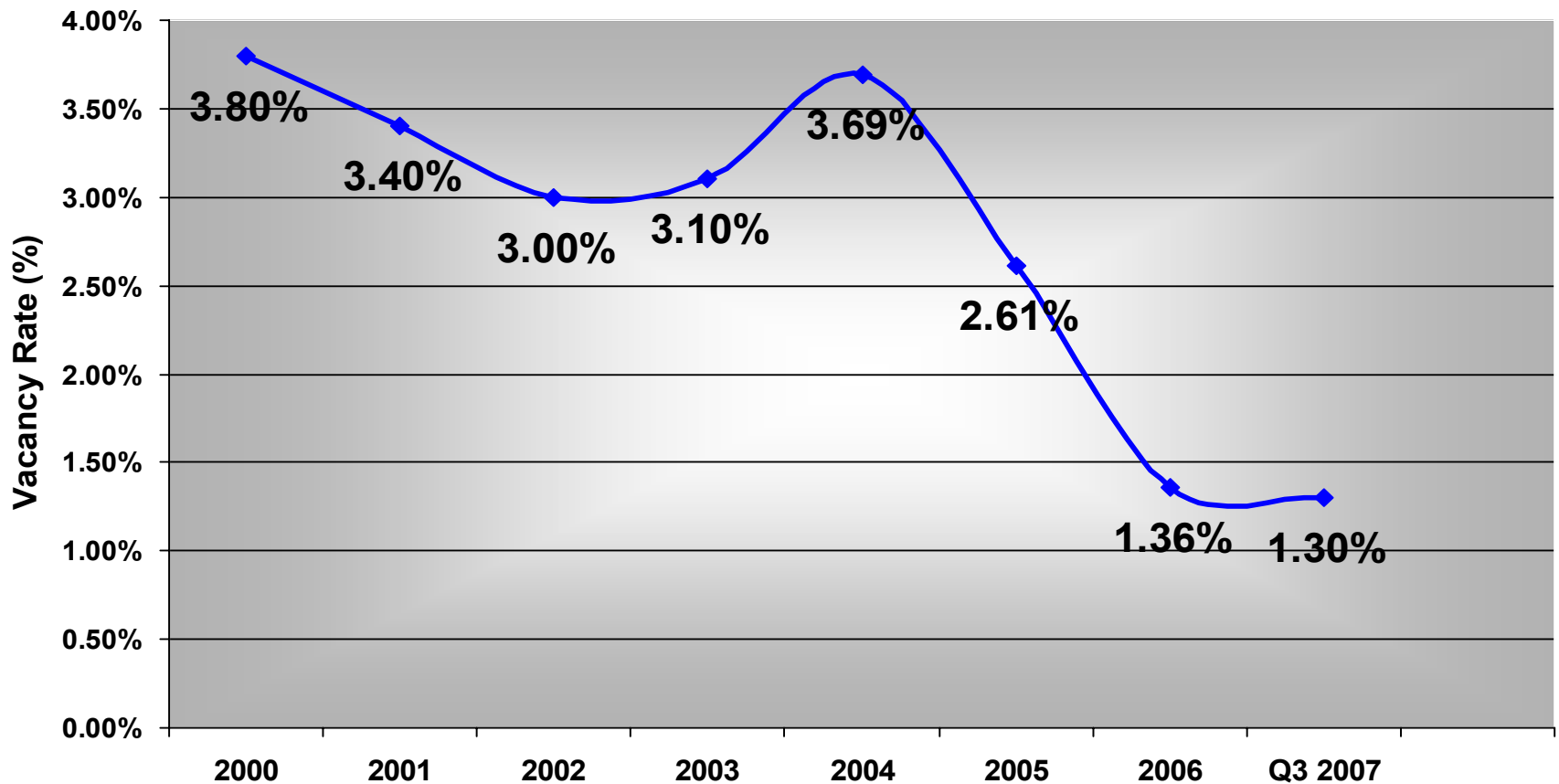
Province / Territory	Population (July 2007)	Monthly Retail Sales (July 2007)	Retail Trade Per Capita
Newfoundland	506,275	\$ 551,000,000.00	\$ 1,088.34
Prince Edward Island	138,627	\$ 132,000,000.00	\$ 952.20
Nova Scotia	934,147	\$ 974,000,000.00	\$ 1,042.66
New Brunswick	749,782	\$ 789,000,000.00	\$ 1,052.31
Manitoba	1,186,679	\$ 1,179,000,000.00	\$ 993.53
Saskatchewan	996,869	\$ 1,079,000,000.00	\$ 1,082.39
Yukon	30,989	\$ 41,000,000.00	\$ 1,323.05
Northwest Territories	42,637	\$ 58,000,000.00	\$ 1,360.32
Nunavut	31,113	\$ 23,000,000.00	\$ 739.24
TOTAL (above)	4,617,118	\$ 4,826,000,000.00	\$ 1,045.24
Alberta	3,473,984	\$ 5,210,000,000.00	\$ 1,499.72
British Columbia	4,380,256	\$ 4,734,000,000.00	\$ 1,080.76
Quebec	7,700,807	\$ 7,516,000,000.00	\$ 976.00
Ontario	12,803,861	\$ 12,047,000,000.00	\$ 940.89

Source – Statistics Canada

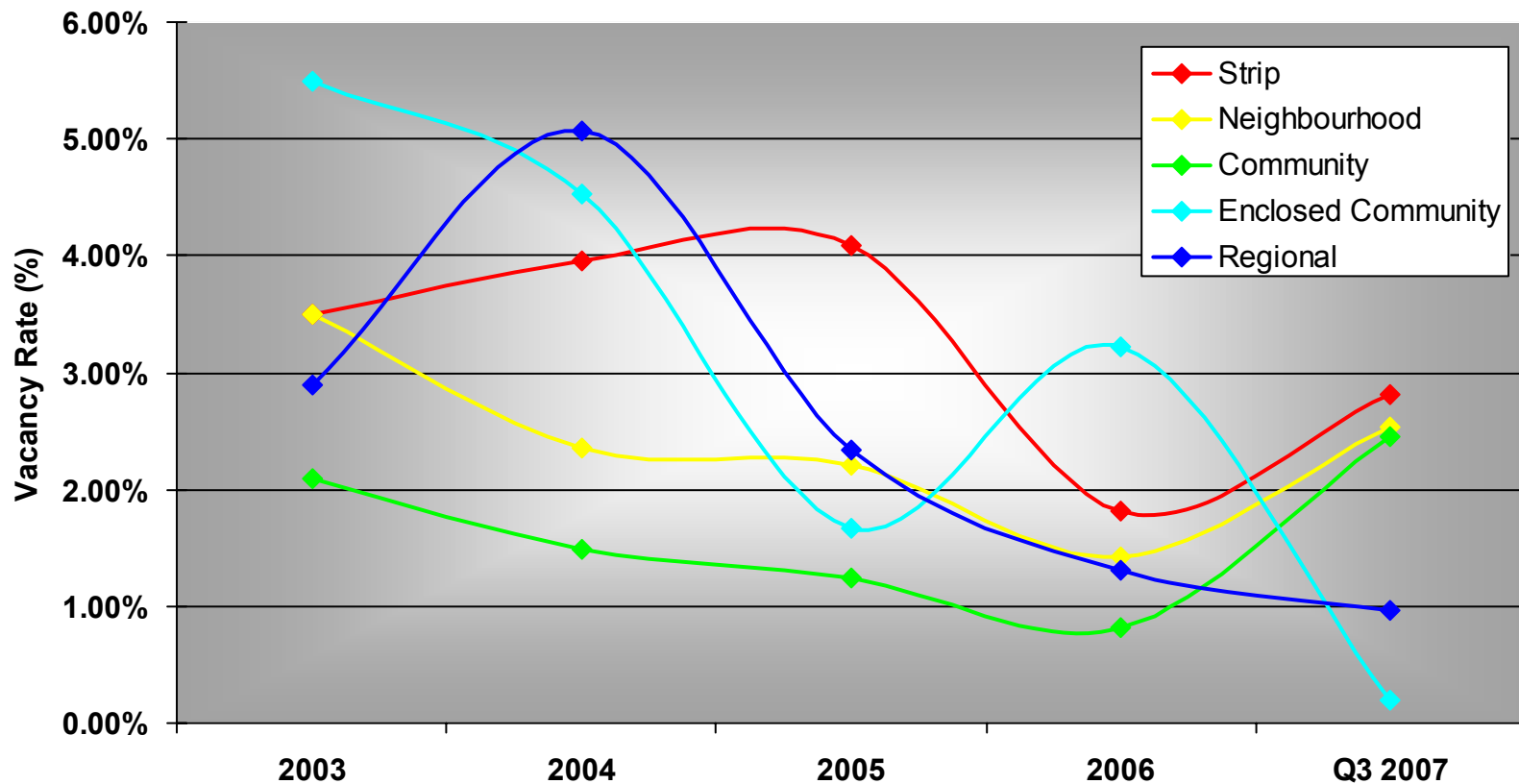
Challenges Facing the Retail Market

- ▶ Staffing shortages
- ▶ Construction costs
- ▶ Permitting process and new zoning bylaws proposed for 2008
- ▶ Rising rents (Basic Rent and CAM / taxes)

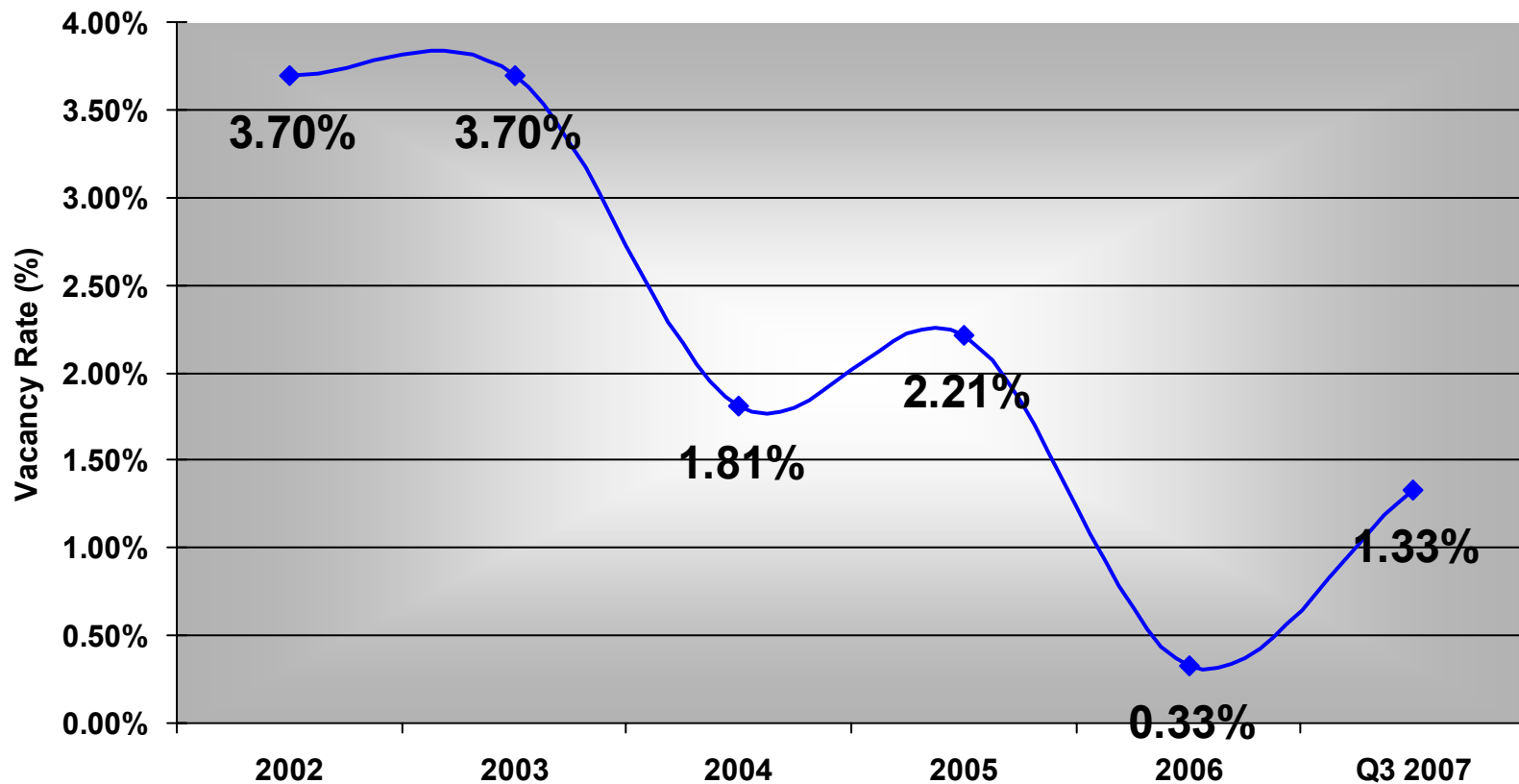
Calgary Retail Vacancy Rates



Vacancy Rate by Shopping Centre Category



Streetfront Vacancy Rate



Construction Projects

- ▶ 10 projects currently under construction in Calgary
- ▶ Combined area of 987,677 square feet
- ▶ Summary by quadrant:

NE = 159,000 SE = 121,000

NW = 427,677 SW = 280,000

Proposed Projects

- ▶ 23 projects currently proposed in Calgary
- ▶ Combined area of 6,651,653 square feet
- ▶ Summary by quadrant:

NE = 1,904,200 SE = 1,930,153

NW = 2,011,300 SW = 806,000

Potential Retailers New to Calgary

- ▶ Lowe's
- ▶ Apple
- ▶ Cabela's
- ▶ Whole Foods
- ▶ Louis Vuitton
- ▶ Café Artigiano
- ▶ Tiffany's
- ▶ Ferrari
- ▶ Boathouse
- ▶ McCormick and Schmick's
- ▶ Ki
- ▶ Hermes

Noteworthy Retail Projects Outside Calgary City Limits

Cross Iron Mills

- ▶ Located 1.5 km north of Calgary on QE2 Highway
- ▶ 1.1M sq. ft. enclosed centre with up to 12 anchor tenants (proposed Bass Pro Shop)
- ▶ 1.28M sq. ft. of out parcel development with proposed anchors such as Costco and Lowe's
- ▶ Horseracing entertainment centre
- ▶ Canadian Equine Centre
- ▶ Proposed 2009 opening

Noteworthy Retail Projects Outside Calgary City Limits

Bingham Crossing

- ▶ Located on Highway #1 at Springbank Road
- ▶ 309 acres (residential, commercial and open space)
- ▶ 1.5M sq. ft. of commercial space
- ▶ 2/3 of land commercial, 1/3 residential
- ▶ Proposed Cabela's



Thank you