



RE Forum

October 23, 2018



Partnership. Performance.

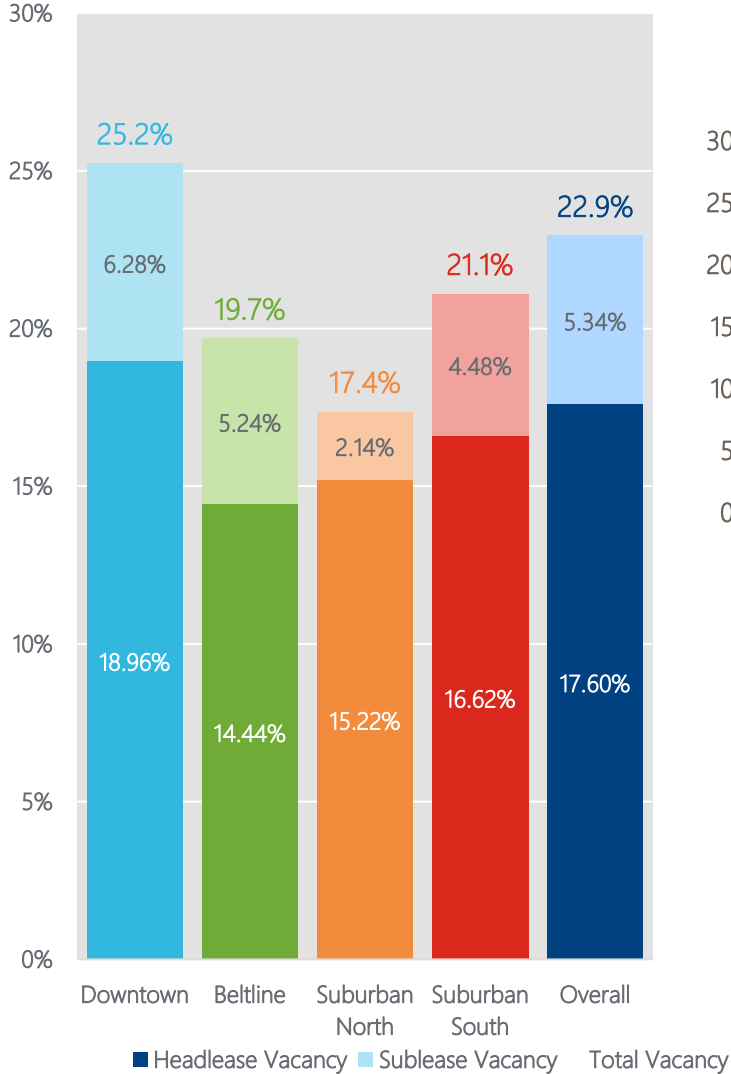


Platinum member

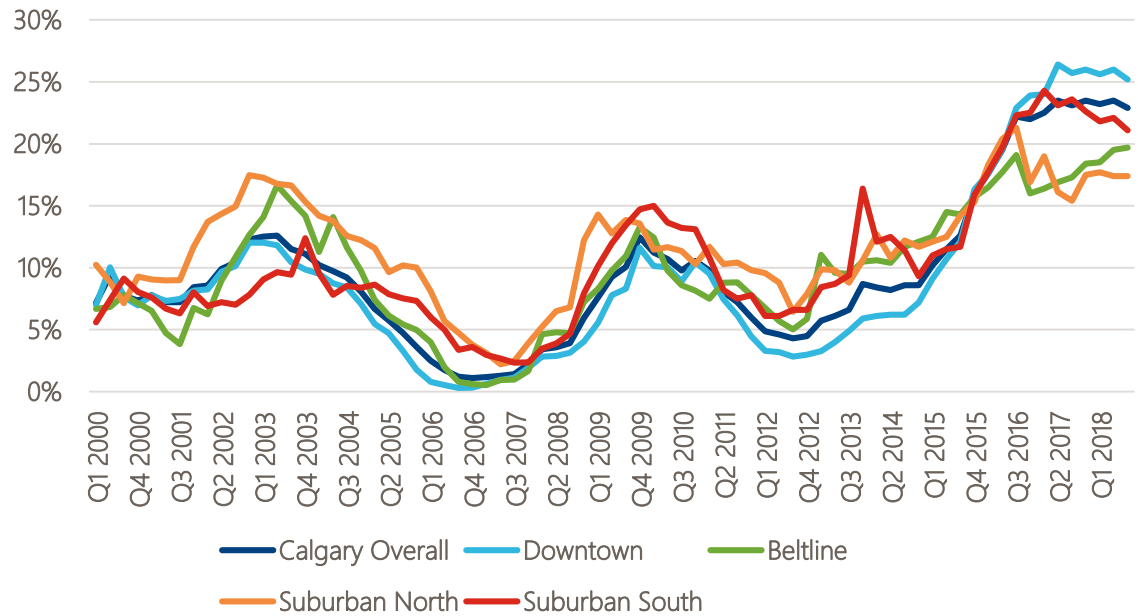
1. Calgary Market Overview

Vacancy

Overall Calgary Office Vacancy Rates

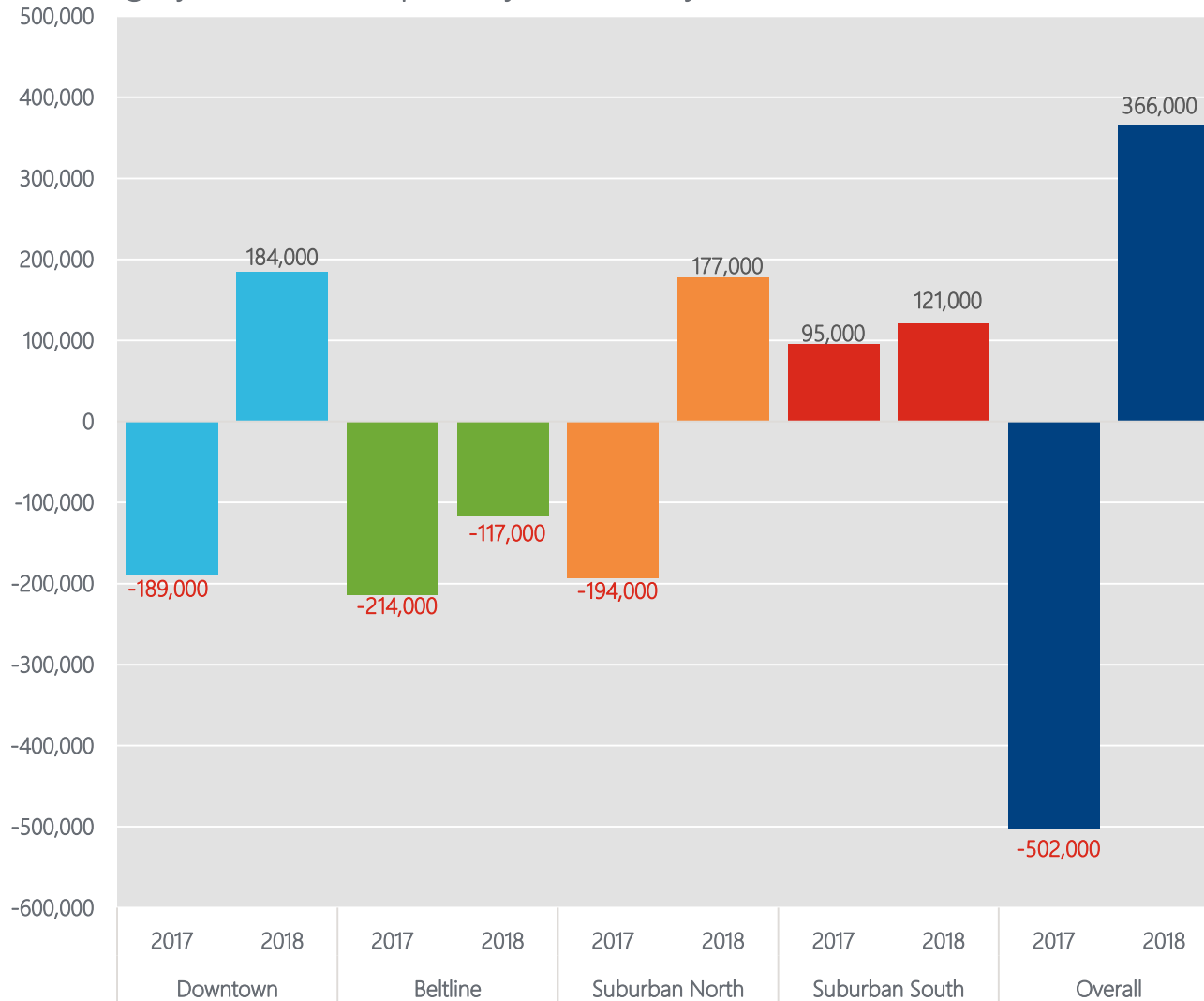


Calgary Office Market Historical Vacancy by Submarket



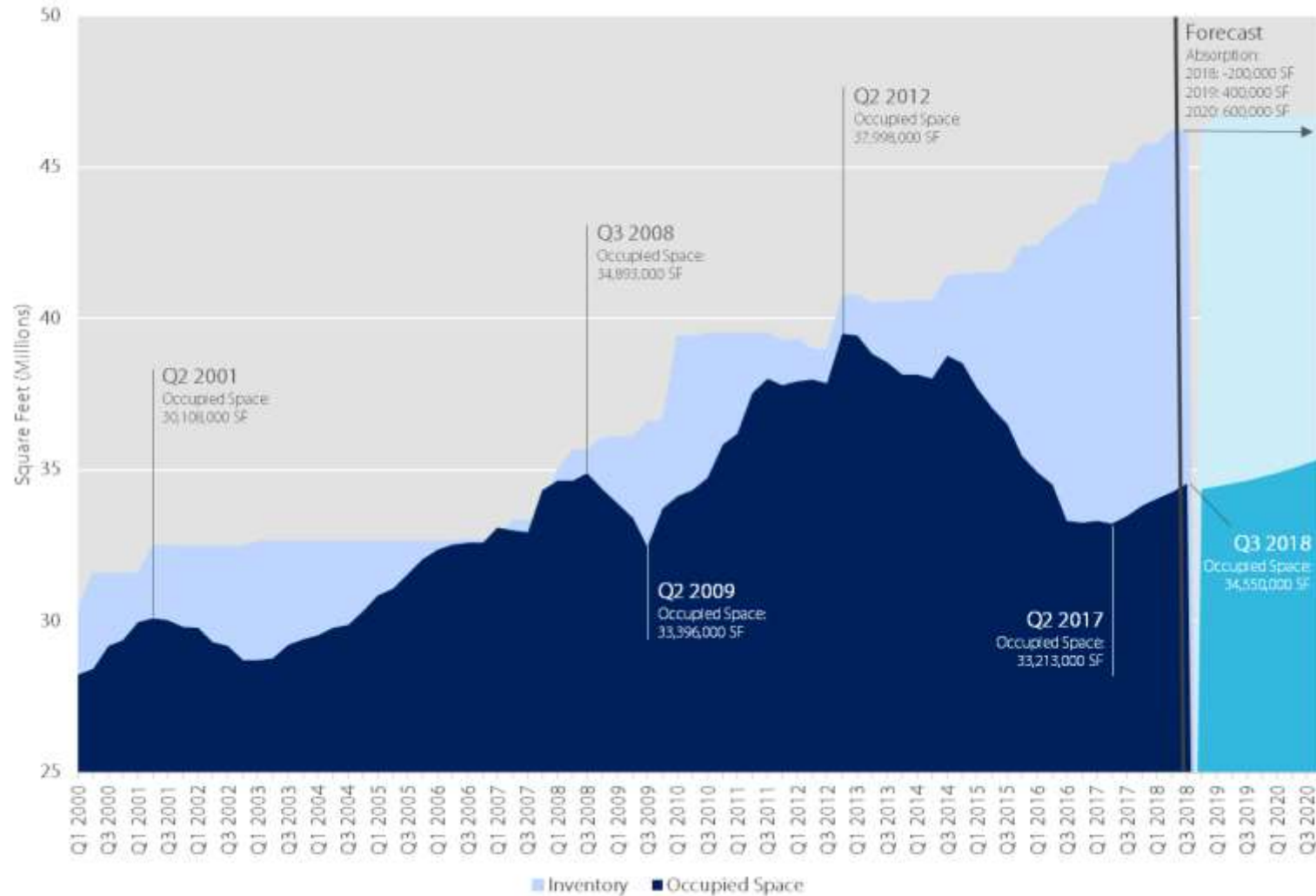
Absorption

Calgary Annual Absorption by Area of City



Inventory vs Occupancy

Calgary Downtown Office Inventory & Occupied Space



New Construction



Calgary Q3 2018 Office Construction Summary

Downtown Under Construction

Office Area (sf)	Expected Completion	% Leased / Pre-Leased
460,000	Q1 2019	38%

Suburban South Under Construction

Office Area (sf)	Expected Completion	% Leased / Pre-Leased
75,800 (Two Buildings)	Q1-Q2 2019	61%

Suburban North New Supply

Office Area (sf)	Expected Completion	% Leased / Pre-Leased
47,600 (Two Buildings)	Q3 2018	15%

Calgary Downtown Occupancy (sf) Change

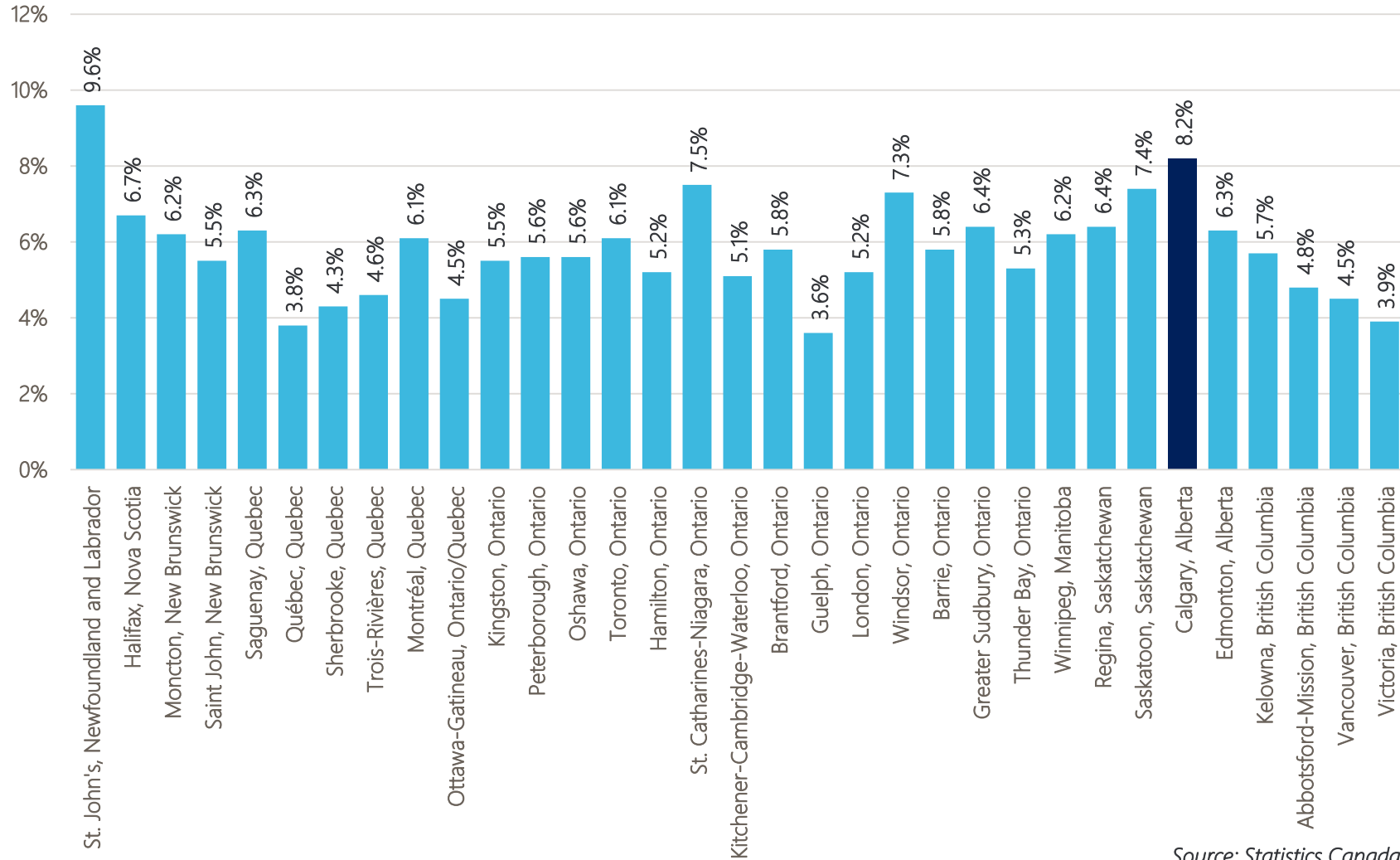
	2011	2018	Change
Energy	19,837,100	16,563,666	-16.5%
Finance	2,399,700	2,528,972	5.4%
Engineering	1,628,500	859,241	-47.2%
Law Firm	1,611,700	1,727,898	7.2%
Communications	1,015,600	568,398	-44.0%
Information Technology	843,500	678,012	-19.6%
Accounting	748,800	666,236	-11.0%
Education	635,000	1,112,151	75.1%
Real Estate	368,400	490,143	33.0%
Human Resources	167,800	206,192	22.9%



2. Contributing Challenges

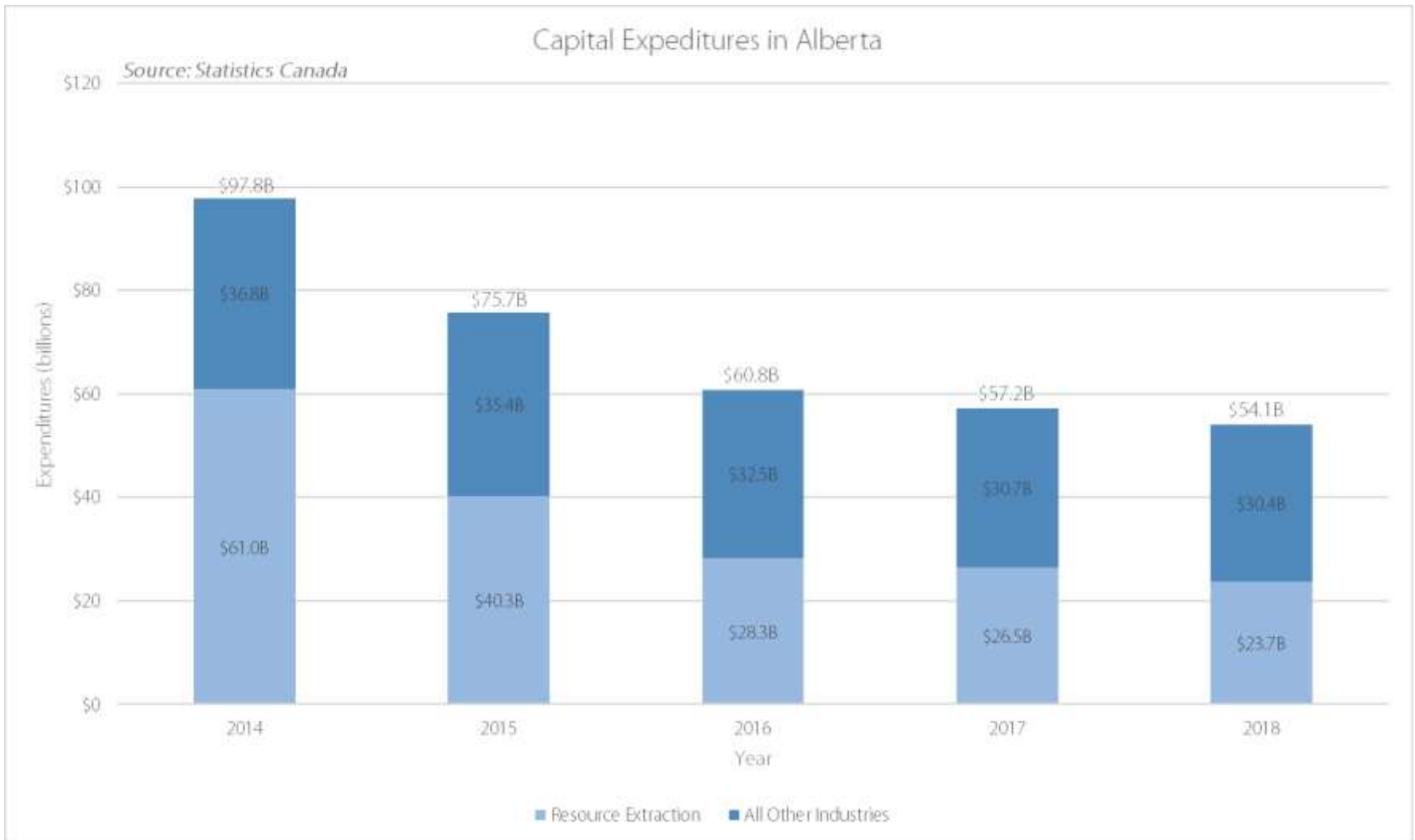
Unemployment Rate

CMA Unemployment Rates (September 2018)

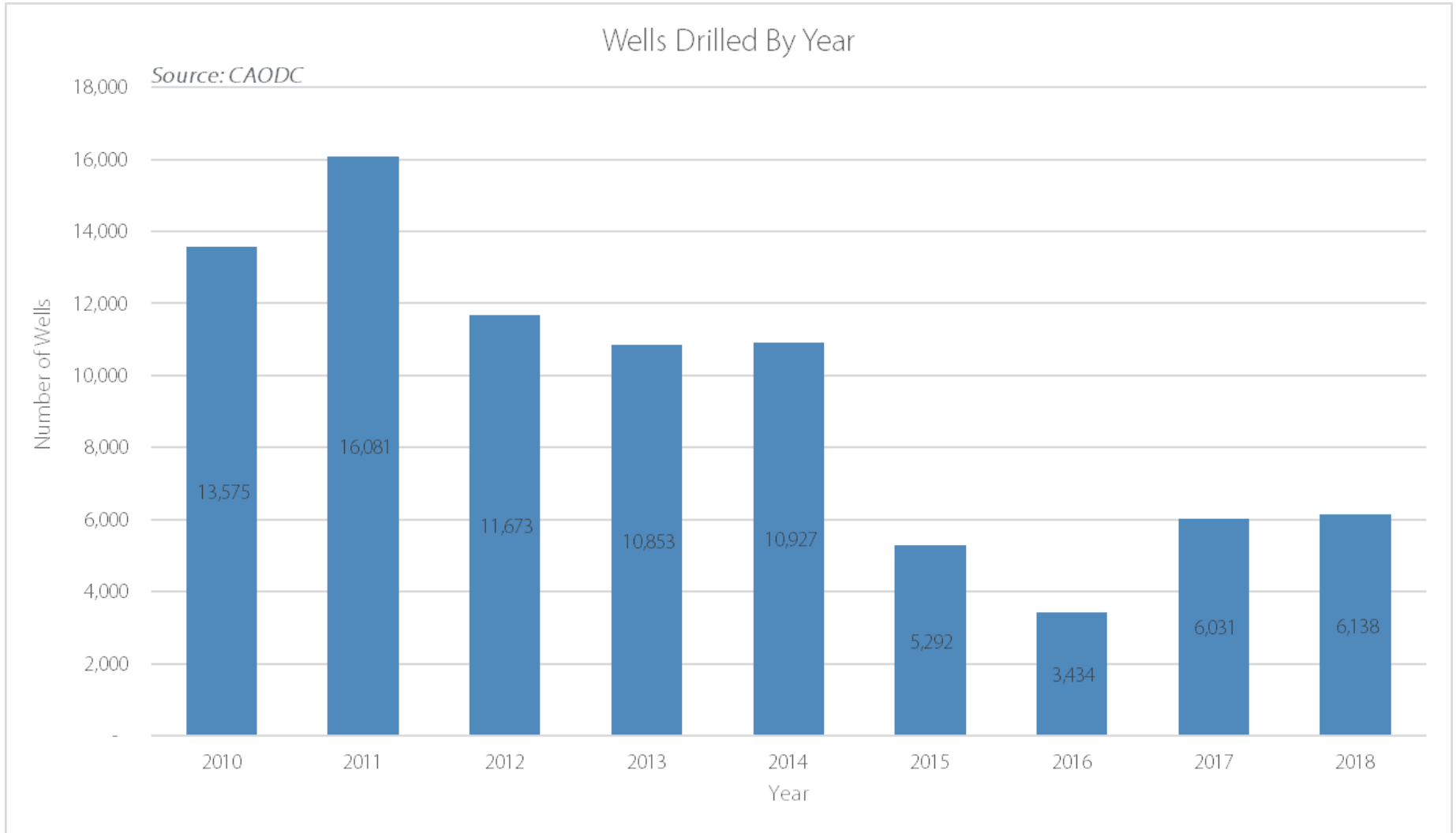


Source: Statistics Canada

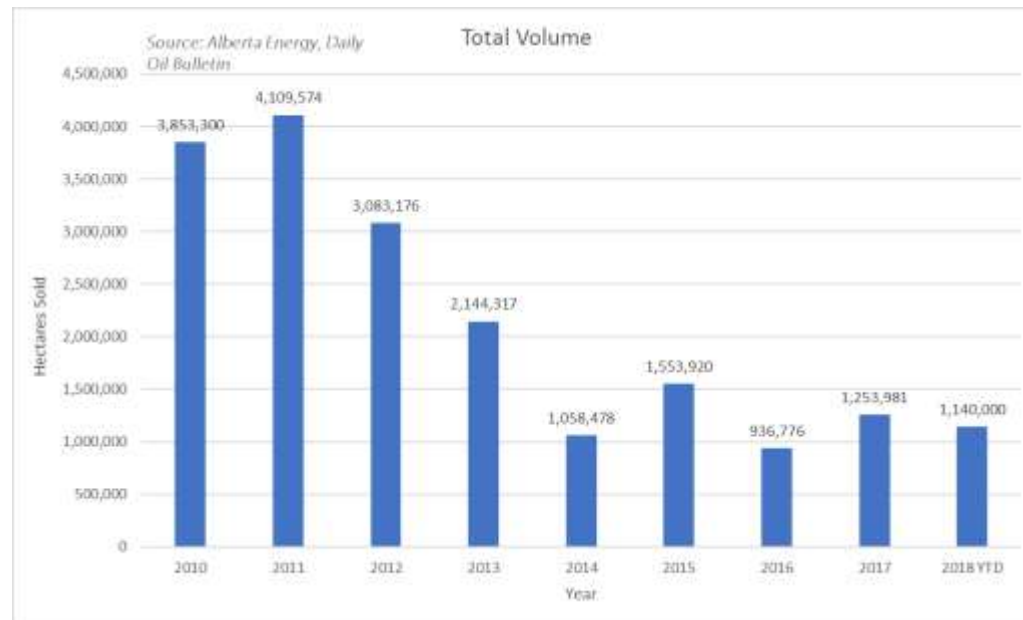
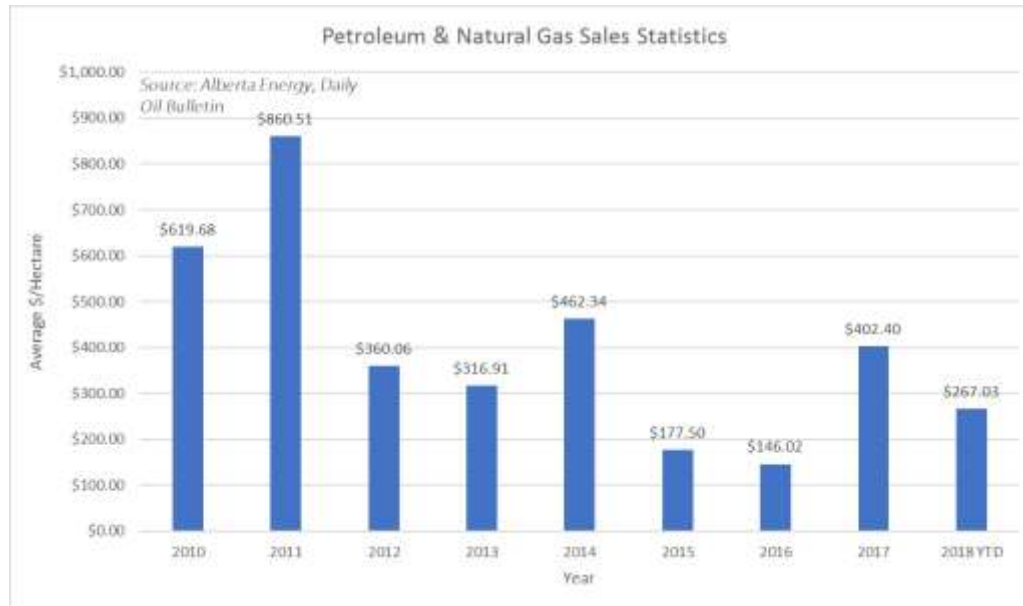
Capital Expenditures



Oil Activity



Crown Land Sales



Differential in WTI and WCS

West Texas Intermediate (WTI) vs Western Canadian Select (WCS)
Daily Spot Prices





Trans Mountain's delay costs Canadians \$40 million every day.

Let's fix this.

If we don't act, the recent court decision on the Trans Mountain Pipeline expansion could mean big delays and big losses for our country, until it's built, Canada is forced to ship oil by more expensive, more environmentally damaging means – and to sell Canadian oil to America at a discount. This hurts Canadian governments, communities, businesses and workers.

We need a **national plan** to reduce delays, to end uncertainty – and to **#KeepCanadaWorking**.

Let Ottawa know how important this is to you.

Find out how at keepcanadaworking.ca



FINANCIAL POST

NEWS - INVESTING - MARKETS - PERSONAL FINANCE - FP TECH DESK - FP COMMENT - ENTREPRENEUR - EXECUTIVE - FP MAGAZINE - SUBSCRIBE - MORE - NATIONAL POST

Despite court setback, Ottawa vows to move forward on Trans Mountain pipeline

The decision is not what the Calgary oilpatch was expecting — with many analysts and executives expressing both surprise and vexation

FINANCIAL POST TOOLS

Calgary-based Husky Energy makes \$6.4B bid to acquire MEG Energy



Husky said the proposed merger 'will create a stronger Canadian energy company'

The Canadian Press - Posted: Sep 30, 2018 2:47 PM MT | Last Updated: September 30



Husky Energy's headquarters in downtown Calgary. (David Bell/CBC)

Precision Drilling to buy Trinidad in all-shares white knight merger



Combined Precision-Trinidad would have more than 200 active rigs in North American fleet after transaction

The Canadian Press - Posted: Oct 05, 2018 7:58 AM MT | Last Updated: October 5



Precision Drilling to buy Trinidad Drilling, both Calgary-based companies, agreed to combine in \$1-billion deal to create the third-largest contract drilling fleet in the United States. In this file photo, workers join sections of pipe on a Trinidad Drilling natural gas drilling rig leased by Chesapeake Energy in Wyoming. (Associated Press)

3. Potential Solutions

New Marketing Platforms



UNCOMMON SPACES

Given its close proximity to Stephen Avenue and 10th Avenue SW, The Edison is conveniently located near shopping, cafes, convention space, hotels and restaurants.

The Edison is a dog friendly building and can offer your pup a "coffee break" spot as well. The third floor patio includes an exclusive, year round area available for your dog to do their business during business hours.

CONNECTIONS & ACCESS

In addition to The Edison's underground parkade, the +15 connected Palliser Parkade is able to provide parking to suit any user. The Palliser Parkade contains one thousand four hundred (1,400) parking stalls and has access and egress off 9th Avenue and 10th Avenue SW.

Cryptocurrency could be 'innovative tool' for Calgary office vacancy problem, says landlord



Calgary office building will be first in Alberta to accept bitcoin for rental payments

Sarah Rieger - CBC News - Posted: Feb 27, 2018 1:16 PM MT | Last Updated: February 27



Offices at 1716 16th Ave, N.W. in Calgary are available for rent, and the landlords will accept bitcoin, ether and litecoin payments. (Google Maps)

Inside Benevity's Dog-Friendly, Mural-Filled Office in Bridgeland

Around 400 staff members work at the company's new Calgary office, which is filled with natural light, colourful furniture and roaming puppies.

BY ALANA WILLERTON

May 23, 2018



PHOTOGRAPH BY ALANA WILLERTON

Petro Chemical Renaissance

\$40B LNG facility is the light at the end of a long tunnel for Canada's natural gas sector



Struggling gas industry faces several more years of low prices until new Asia export project is built



Kyle Bakx · CBC News · Posted: Oct 03, 2018 4:00 AM ET | Last Updated: October 3

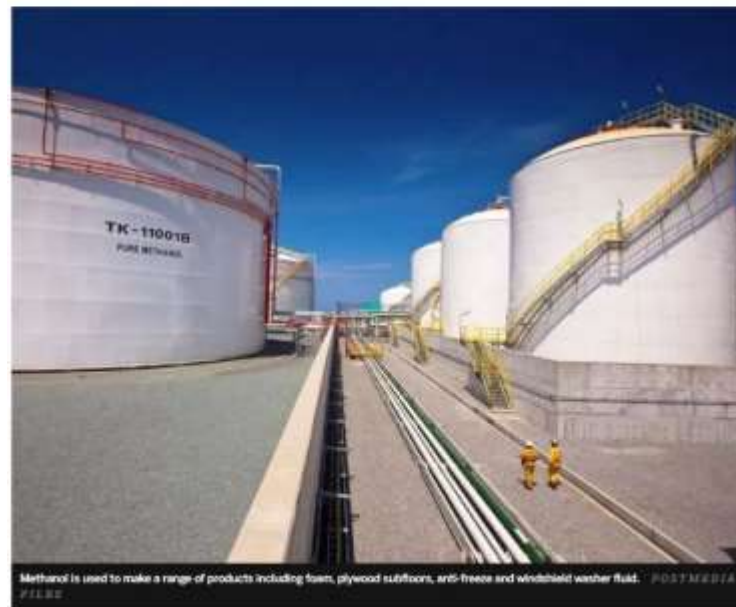


The proposed liquefied natural gas facility by LNG Canada, one of the largest industrial projects ever undertaken in Canada, is a joint venture between Shell, PetroChina, KOGAS and Mitsubishi Corporation. (Photo courtesy of LNG Canada)

Alberta joins petrochemicals boom with \$2B methanol project proposal

Nautical is working through the regulatory process for the project and plans to make an investment decision in 2019 on the facility

GEORGEY MORGAN · Updated: October 9, 2018



Methanol is used to make a range of products including foam, plywood subfloors, anti-freeze and windshield washer fluid. POSTMEDIA PRESS

MARKETS & INVESTMENT RESEARCH & CONSULTING

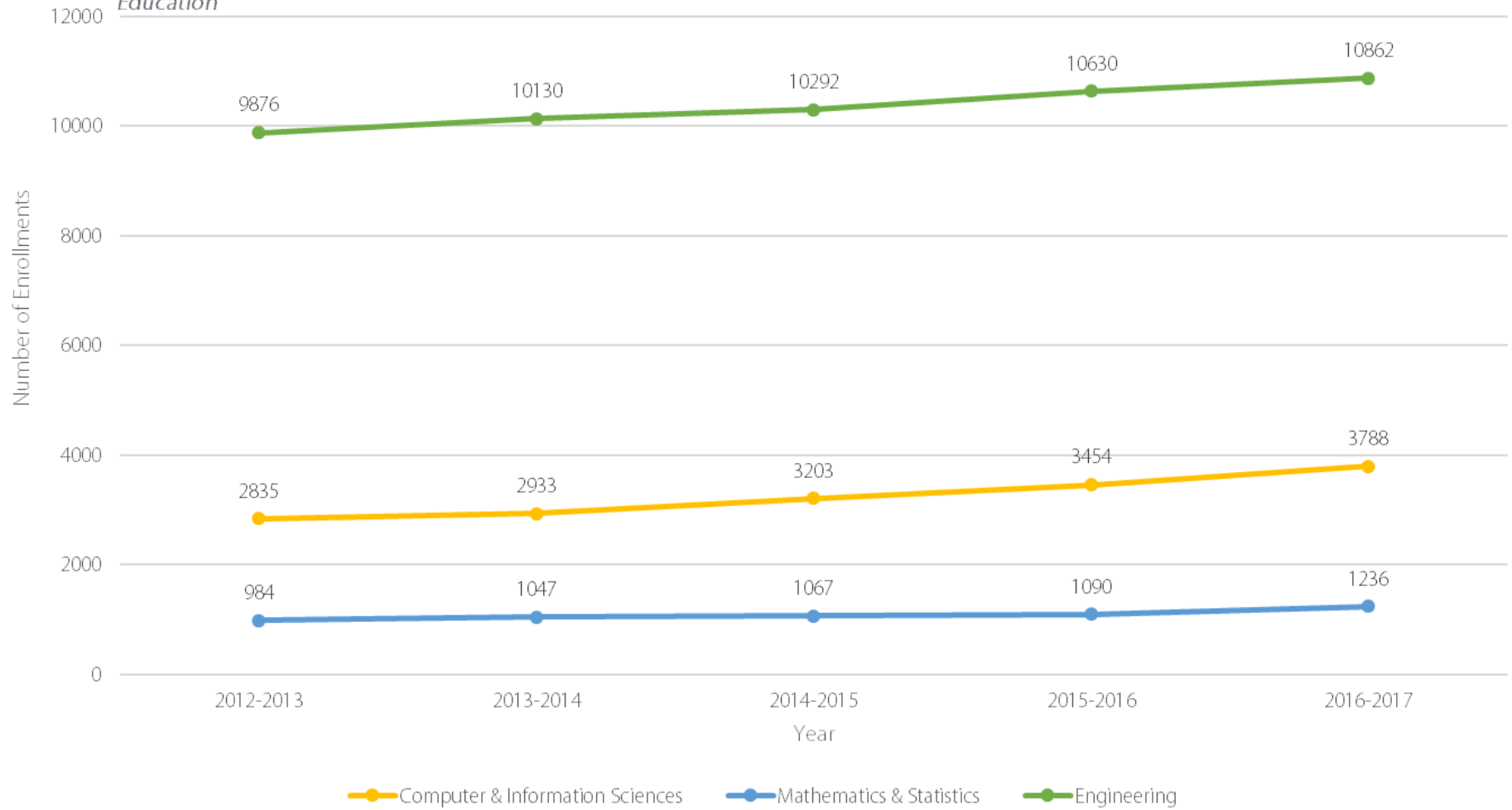
Petrochemicals to lead future global oil demand growth: IEA

By JAMES WATSON | 20th Oct 2018, 7:38 AM GMT | [Share](#) [Facebook](#) [Twitter](#) [LinkedIn](#) [Print](#)

Educational Drivers

Source: Alberta Advanced Education

Education Enrollments in Alberta by Subject



400 new post-secondary seats for tech training funded by the province

The Alberta government is funding more than 400 new post-secondary seats, including a new master's program in software engineering at the University of Calgary, in an effort to boost the province's growing tech sector.

AMANDA STEPHENSON, CALGARY HERALD | Updated: August 16, 2018



OKAY, ANY OTHER CONCERNS BEFORE YOU SIGN THE LEASE?



I'M CONCERNED THAT WE'RE SITTING HERE LIKE I'M A RESPONSIBLE ADULT. I'M PRETTY SURE I STOPPED GROWING UP IN MY TEENS AND HAVE BEEN FAKING EVER SINCE.



FOR GOD'S SAKE, YOU'RE ENTRUSTING ME WITH A *BUILDING*. I STILL MAKE LEGO BUILDINGS SOMETIMES.



SIR, DOES ANY OF THIS IMPACT YOUR FULFILLMENT OF THE LEASE TERMS?

I DON'T KNOW WHAT YOU JUST SAID BECAUSE I WAS THINKING ABOUT BATMAN.



Thank you.



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Solutions

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