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Office vacancies to double in downtown Calgary in '10: Avison Young

BY MARIO TONEGUZZI, CALGARY HERALD OCTOBER 20, 2009



The Bow rises at the rate of about one story per week in this latest update Tuesday Sep 22, 2009.

Photograph by: Ted Jacob, Calgary Herald

CALGARY - Calgary's downtown office market is in for some dramatic changes in the next few years as more new office space is completed.

According to commercial real estate firm Avison Young, it is forecasted that the downtown office vacancy rate will close this year below six per cent, and just over 10 per cent including sublease space, but will double in 2010.

The current vacancy rate including the sublease market is 8.3 per cent, said Avison Young.

“Sublease space available in the downtown market could potentially double by spring 2012 if current economic conditions continue,” said the company in its third quarter 2009 office market report. “The biggest reason for this being the fact that EnCana will complete their move up into the Bow between second quarter 2011 and first quarter 2012, and their existing 1.7 (million square feet) will be placed on the sublease market.”

Avison Young said there are eight office building currently under construction in the downtown containing 5.7 million square feet. They include Palliser South, Penn West Centre West, Le Germain, Centennial Place East and West, Jamieson Place, Eighth Avenue Place East and The Bow.

"These eight buildings are currently 69 per cent pre-leased, however there is 565,000 square feet of sublease space currently being marketed in these eight buildings, 10 per cent of the total space under construction," said Avison Young.

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