

# Construction begins on fourth building at Stoney Industrial Centre

Stoney Warehouse 4 anticipated to be largest LEED certified building in Canada

BY MARIO TONEGUZZI, CALGARY HERALD    MAY 26, 2011

Presented By:



Jay Balkwill, vice-president of leasing, left, and Timothy Hogan, senior vice-president of WAM Development Group are announcing more development by the company in Calgary at the Stoney Industrial Centre.

**Photograph by:** Lorraine Hjalte, Calgary Herald

CALGARY — Construction has begun on another massive building in the Stoney Industrial Centre — the fourth structure in the project by WAM Development Group in partnership with Alberta Investment Management Corporation.

Stoney Warehouse 4 will be a 436,000-square-foot building and is projected to be completed by the fourth quarter of this year. It will be the fourth of an eventual six buildings on the northwest corner of Deerfoot Trail and Country Hills Boulevard.

The new building is also registered to be a LEED (Leadership in Energy and Environmental Design) certified candidate. Once complete, and upon anticipated certification, Stoney Warehouse 4 will be the largest LEED certified building in Canada.

“At WAM, we understand that tenants are increasingly budget oriented,” said Darren Durstling, partner with the development group. “While looking to improve productivity, pressure is simultaneously placed on reducing operating costs.

“Our sense is that not only are tenants looking for ways to make their core operation cost effective, they are realizing that the whole environment in which they operate can be made more environmentally sustainable.”

Two more buildings are planned just north of the site totalling about 750,000 square feet. They are currently in the permit process.

The first two buildings of the Stoney development are 100 per cent leased. They are 325,000 square feet and 440,000 square feet, respectively. The third building of 320,000 square feet is under contract for 96 per cent of the space to be leased. The fourth building is being built on speculation and is in the pre-leasing stages now.

Durstling said the location near Stoney Trail and Deerfoot Trail is an attractive feature of the development.

“Calgary is so well positioned as a distribution hub and network and this just has the best location,” he said.

“Access to the airport, a direct link to Stoney Trail and Deerfoot. It works well.”

Many other commercial real estate developments are taking place in the area to take advantage of the location.

The Stoney Industrial Centre is the first phase of the massive StoneGate Landing project, which will provide over 10 million square feet of industrial space, up to 1.5 million square feet of retail and the opportunity for suburban campus office buildings and hotels of over two million square feet. StoneGate Landing, to be situated on the northeast corner of Deerfoot Trail and Country Hills Boulevard, is forecast to be completed by 2021.

“On the retail front, it’s our intent to start looking at developing small service-related retail on the corner of Country Hills and Barlow (Trail), getting that ready for delivery in 2012,” said Durstling. “Hotels and restaurants and that kind of thing.”

A recent industrial market report by CB Richard Ellis Ltd. said the Calgary industrial market remained strong in the first quarter of this year with decreasing vacancy. Vacancy dropped to 3.6 per cent, down 20 basis points from year-end 2010.

“The bulk of space currently under construction comes from two new projects: WAM’s fourth building at the Stoney Industrial Park . . . and Oxford’s Airport Industrial Park, which will ultimately consist of two buildings and total approximately 600,000 square feet when completed,” said CBRE.

“Developers are only just beginning to build on spec again.”

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