

Balzac mall project more than 80% leased, developer says

BY MARIO TONEGUZZI, CALGARY HERALD MARCH 12, 2009



CrossIron Mills aerial.

Photograph by: Courtesy, CrossIron Mills

Despite the current economic downturn, the massive CrossIron Mills shopping centre at Balzac is more than 80 per cent leased, with commitments from 15 of 17 anchor tenants, and scheduled to open on time in August this year.

“Like all projects going through this phase of the economy — the earlier phase — we have certainly had increases (in costs) but we’re still very pleased with the direction we’re going,” said John Scott, vice-president of development for Ivanhoe Cambridge, which is building the 1.4 million square foot shopping centre at a cost of \$495 million — the first enclosed mall to be built in Alberta in 20 years.

The development is on 700 acres and will include 200 stores and restaurants and 6,000 parking stalls. It is located just north of Calgary city limits off of the Queen Elizabeth 2 Highway and Highway 566.

Scott said the leasing schedule is on track for August.

“We’re where we want to be which is really important in this environment obviously,” he said.

Ivanhoe Cambridge also operates the Vaughan Mills shopping centre in Ontario which is similar to the CrossIron Mills concept. Scott said when Vaughan Mills opened there were only 10 anchors.

“At CrossIron we’re going to have 15 anchors. That’s very significant and very illustrative of how well our leasing has been,” added Scott.

The anchor tenants include: Bass Pro Shops; Bed, Bath and Beyond; Forever XXI; H&M; Holt Renfrew, Last Call; HomeSense; Indigo; La Senza; Laura Outlet; Pro Hockey Life; SportChek; The Children’s Place; Tommy

Hilfiger Outlet; Toys 'R' Us/Babies 'R' Us; and Winners.

CrossIron Mills will include 29 retail outlets opening their first stores in Alberta and seven retail outlets opening their largest stores in Alberta.

"We don't worry too much about the percentage (of leasing) at this particular time. It's never the intent to have it fully leased prior to opening. We do need the flexibility as the project matures to have space to move around," said Scott, adding a certain number of tenants have changed their plans since the beginning of the economic downturn in the fall but "in the grand scheme of things there hasn't been nearly the impact that one might think."

"That's due to the fact that this is a very unique project in the market and in the province. And we are getting that kind of response because of that."

Scott said Vaughan Mills offers some interesting retail data that bodes well for the CrossIron Mills project. Year-over-year until the end of January, traffic in the mall was up 9.6 per cent - just under 13 million customers for the year. Also, retail sales in the same period were up 12.4 per cent and when you compare January 2009 to January 2008 retail sales increased by 14.7 per cent.

"Those are tremendous statistics put into the context of the Canadian retail environment right now," added Scott. "And I think that really goes to the point of CrossIron and the Mills concept being a destination. Having a very different merchandise mix than a traditional shopping centre and a high component of outlet stores."

The massive Bass Pro Shops , sporting goods store, is targeted to open in early April.

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