MARKETBEAT
CALGARY
OFFICE Q1 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
21.2% Vacancy Rate	▼	▼
-136K Net Absorption, SF	▼	▲
$35.28 Asking Net Rent, PSF	▲	—

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.0M Calgary Employment	▲	▲
6.6% Calgary Unemployment Rate	▼	—
6.7% Canada Unemployment Rate	▲	▲

Sources: Statistics Canada (February 2026), Moody's Analytics

ECONOMY

In its February 2026 Labour Force Survey, Statistics Canada reported that Canadian employment levels dropped for the second consecutive month, while the unemployment rate climbed by 20 basis points (bps) from last month to 6.7%, a combination of falling employment levels and more people searching for work. Within the Calgary CMA, employment reached 1.02 million, representing growth of 22,000 from one-year-ago. The unemployment rate now sits below the overall Canadian rate at 6.6%, a notable decline of 80 bps from February 2025. While the economy in Calgary is forecasted to have modest growth in 2026, it is still anticipated to outperform the country as a whole - supported by population growth, energy production, and continued diversification in the economy from the traditional driver of the oil and gas sector.

Source: Statistics Canada

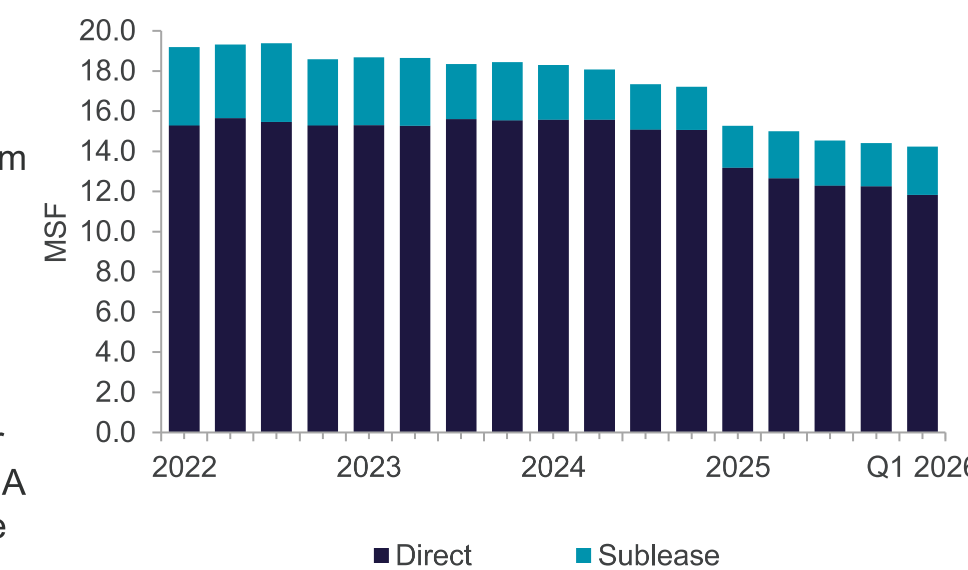
STABLE CONDITIONS TO BEGIN 2026

Overall office vacancy reached 21.2% this quarter, a minor decrease from last quarter but more notably 200 bps lower than a year ago. As vacancy within the Central Class A market (Downtown Core and Beltline) remained unchanged at 23.2%, it was a decline in vacancy within the Suburban Class A market that pushed overall vacancy downwards. Although the overall vacancy rate did decrease, this was a result of an increased inventory size, as the amount of vacant space climbed from last quarter. As a result, total absorption turned negative at 136k square feet (sf). Central Class A accounted for the bulk of the decline at 231k sf, partially offset by continued momentum in Suburban Class A, which posted 137k sf of positive absorption in Q1 2026 - extending the recovery trend underway for the past two years.

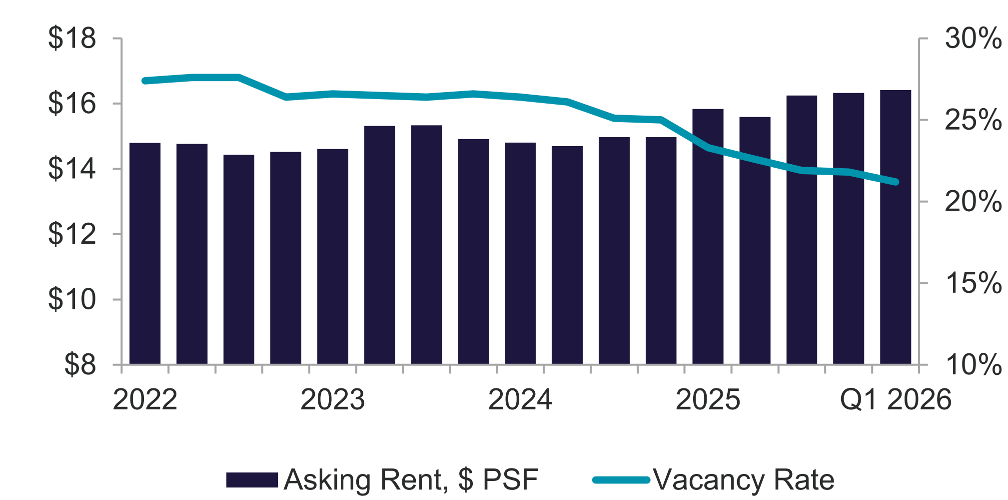
Despite negative net absorption this quarter, leasing momentum remained strong, with new leasing activity reaching approximately 1.2 million square feet, up 34.9% quarter-over-quarter. Demand was concentrated in the Downtown Core Class A segment, which accounted for roughly 52.5% of total citywide leasing activity. This volume of deal-making positions the market for a rebound in absorption, as tenants that committed this quarter are expected to take occupancy throughout the balance of 2026.

The overall direct asking net rental rates held steady from last quarter to reach $16.41 per square foot (psf), with the gross rate climbing to $35.28 psf – largely the result of the increase in the additional rent component. While it is not anticipated there will be substantial change in the overall asking net rent through the remainder of 2026, there may be modest upward pressure in top-tiered assets, as vacancy in these buildings is anticipated to continue to tighten.

DIRECT VS. SUBLEASE VACANT SPACE



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	CNVRS or REDEV (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Central Core	29,201,593	798,709	5,704,858	22.3%	32,505	32,505	605,777	-	-	$19.82	$20.15
East Core	3,609,137	385,244	435,040	22.7%	-188,294	-188,294	8,999	-	-	$20.78	$22.03
West Core	9,785,449	908,292	2,859,526	38.5%	-194,182	-194,182	155,069	-	-	$11.20	$19.89
DOWNTOWN SUBTOTAL	**42,596,179**	**2,092,245**	**8,999,424**	**26.0%**	**-349,971**	**-349,971**	**769,845**	**-**	**-**	**$16.87**	**$20.28**
Beltline	5,771,386	181,704	727,345	15.8%	100,333	100,333	82,273	-	-	$14.87	$19.75
TOTAL CENTRAL AREA	**48,367,565**	**2,273,949**	**9,726,769**	**24.8%**	**-249,638**	**-249,638**	**852,118**	**-**	**-**	**$16.75**	**$20.25**
Northeast	5,180,753	30,217	510,511	10.4%	-2,368	-2,368	118,973	-	-	$13.78	$15.72
Northwest	2,171,618	12,704	251,743	12.2%	-1,153	-1,153	89,213	-	-	$13.59	$19.30
TOTAL NORTH AREA	**7,352,371**	**42,921**	**762,254**	**11.0%**	**-3,521**	**-3,521**	**208,186**	**-**	**-**	**$13.74**	**$16.09**
Southeast	8,127,263	81,229	849,905	11.5%	38,063	38,063	136,600	-	-	$15.22	$16.03
Southwest	3,429,796	16,079	488,745	14,7%	78,593	78,593	28,569	-	-	$14.45	$16.41
TOTAL SOUTH AREA	**11,557,059**	**97,308**	**1,338,650**	**12.4%**	**116,656**	**116,656**	**165,169**	**-**	**-**	**$14.99**	**$16.13**
TOTAL SUBURBAN AREA	**18,909,430**	**140,229**	**2,100,904**	**11.9%**	**113,135**	**113,135**	**373,355**	**-**	**-**	**$14.65**	**$16.12**
CALGARY TOTALS	**67,276,995**	**2,414,178**	**11,827,673**	**21.2%**	**-136,503**	**-136,503**	**1,225,473**	**-**	**-**	**$16.41**	**$19.41**

**Rental rates reflect weighted net asking $psf/year weighted on vacant space*

KEY Q1 2026 CALGARY LEASE TRANSACTIONS

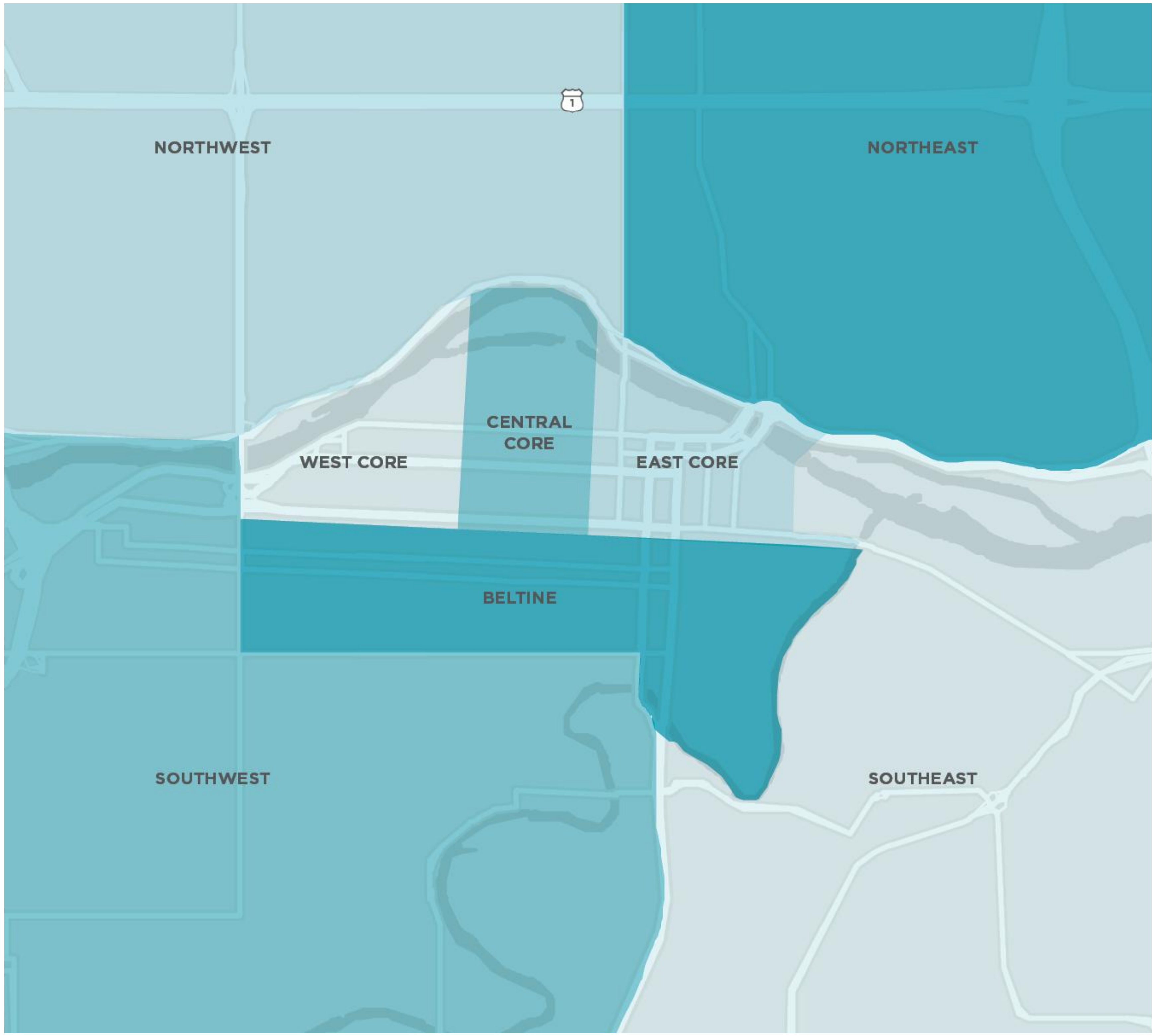
PROPERTY	SUBMARKET	TENANT	SF	TYPE*
707 8th Avenue SW (Western Canadian Place North)	Downtown – West Core	Neo Financial	73,945	Sublease
205 5th Avenue SW (Bow Valley Square II)	Downtown – Central Core	Western Corp Business Centre	29,827	Headlease
425 1st Street SW (Fifth Avenue Place East)	Downtown – Central Core	Enbridge Inc.	24,233	Headlease
4520 16th Avenue NW (Northwest Centre II)	Northwest	Luna Child & Advocacy	24,226	Headlease
237 4th Avenue SW (Fifth Avenue Place West)	Downtown – Central Core	Alberta Petroleum Marketing Commission	24,152	Sublease

**Renewals not included in leasing activity totals*

KEY Q1 2026 CALGARY SALES TRANSACTIONS

PROPERTY	SUBMARKET	SELLER/BUYER	GLA (sf)	PRICE / $ PSF
Unit 102, 3016 5th Avenue NE	Northeast	Sky Vision Development / 2773424 Alberta Inc.	9,121	$1,660,000 / $182
601 67th Avenue SW	Sothwest	Intra-health Studio Inc. / 2747172 Alberta Ltd.	2,095	$1,320,000 / $630

OFFICE SUBMARKETS



KRISTINA BOWMAN
Senior Research Manager
Tel: +1 416 359 2419
kristina.bowman@ca.cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In 2025, the firm reported revenue of $10.3 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com..