MARKETBEAT
CALGARY, AB
INDUSTRIAL Q1 2026

MARKET FUNDAMENTALS

	YOY Chg	Outlook
5.2% Vacancy Rate	▼	▲
-231K Net Absorption, SF	▼	▲
$10.53 Asking Rent, PSF	▼	▬

(Overall, Net Asking Rent)

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

INDUSTRIAL FUNDAMENTALS HELD STEADY TO BEGIN 2026

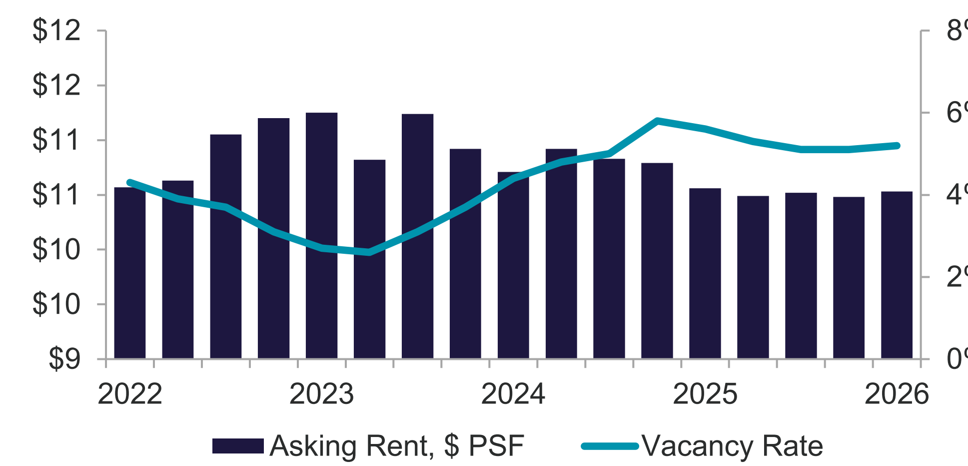
The overall industrial vacancy rate in Q1 2026 was almost unchanged from last quarter, increasing by only 10 bps from 5.1% to 5.2%. This rise in vacancy was a result of new direct space arriving on the market, as after bumping up slightly last quarter, vacant sublet space trended back downwards. Similar to what was witnessed across other major Canadian markets, most sublet space remains in blocks of over 10k square feet (sf), with close to 44.0% of all sublet vacancy in pockets over 25k sf.

With the small increase in vacancy the market did post negative absorption in Q1 2026, reaching close to 231k sf. This was primarily driven by the Southeast market, but important to note that the negative absorption in this market of 289k sf was not indicative of any pervasive weakening, but rather a result of approximately 499k sf of vacancy arriving on the market in one property alone. While new leasing activity did slow from last quarter to 1.4 million square feet, this total is aligned with the historical three-year average. For transactions where tenants were disclosed, occupiers within the transportation and warehousing sector dominated in Q1 2026.

The Q1 2026 overall average net asking rate in the Calgary industrial market was almost unchanged from last quarter at $10.53 per square foot and has held relatively flat over the course of the last year. Substantial change is not anticipated in the short term; however, there may continue to be some rental rate pressure in small to mid-bay product where demand is concentrated and is currently garnering the highest posted asking rates.

SPACE DEMAND / DELIVERIES

OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD NEW LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT*	OVERALL WEIGHTED AVG ADD. RENT	OVERALL WEIGHTED AVG GROSS RENT
Central	22,727,719	309,501	1.4%	-22,429	-22,429	84,875	0	0	$12.41	$6.06	$18.48
Northeast	63,305,440	4,197,957	6.6%	80,997	80,997	592,736	3,335,749	60,097	$10.03	$4.54	$14.57
Southeast	79,994,118	3,921,241	5.2%	-289,469	-289,469	730,447	491,483	0	$10.97	$5.28	$16.25
CALGARY TOTALS	**161,027,277**	**8,428,699**	**5.2%**	**-230,901**	**-230,901**	**1,408,058**	**3,827,232**	**60,097**	**$10.53**	**$4.91**	**$15.44**

**Rental rates reflect weighted average net asking $psf/year*

KEY Q1 2026 LEASE TRANSACTIONS

PROPERTY	SUBMARKET	TENANT	SF	DEAL TYPE**
Great Plains Industrial Park Bldg 1	Southeast	Pepsi Co.	243,947	Sublease
Rockyview Business Park Building B	Northeast	Cabro Pets	154,775	Headlease
Eastlake Industrial Business Park - Building 1	Southeast	EMCO Corporation	110,231	Headlease
HUB Logistics Centre - Building 1	Northeast	Undisclosed	110,000	Headlease
iPort Starfield - Building 5	Southeast	Confidential	95,555	Headlease (Expansion)
*Foothills Phase II Building B	Southeast	Snap-on Tools of Canada Ltd.	85,431	Renewal

**Transaction facilitated by Cushman & Wakefield Calgary*
***Renewals not included in leasing activity totals*

KEY Q1 2026 SALE TRANSACTIONS

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
11510 40th Street SE	Southeast	2618979 Alberta Ltd. / 2772300 Alberta Ltd.	29,675	$6,625,000 $223
635 35th Avenue NE	Northeast	Amazon Kitchen's Ltd. / 2407294 Alberta Inc.	5,450	$1,638,000 / $301

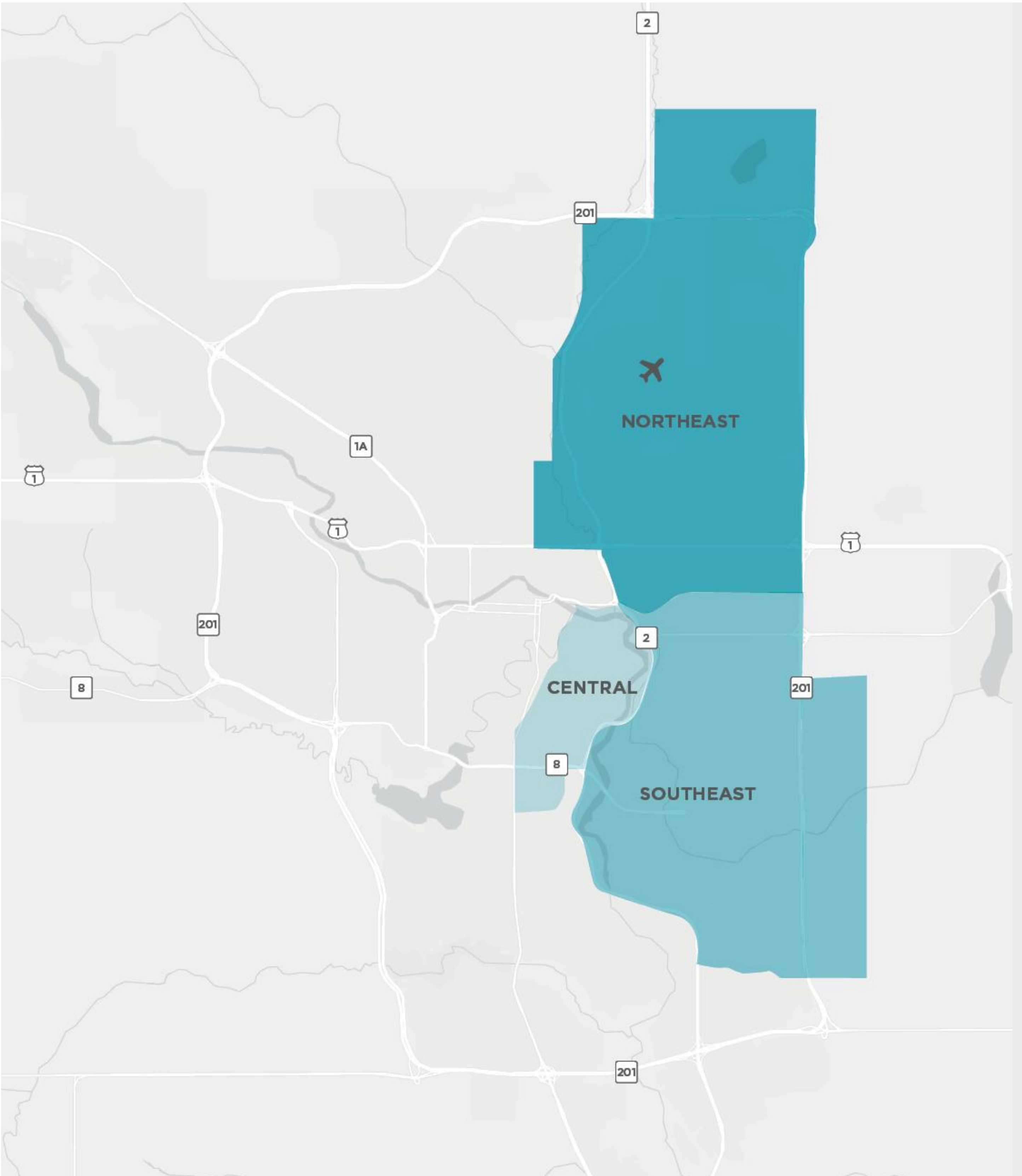
KEY Q1 2026 CONSTRUCTION COMPLETIONS

PROPERTY	SUBMARKET	SF	OWNER/DEVELOPER	Major Tenant
3851 23rd Street NE	Northeast	60,097	Coca – Cola Company	Coca – Cola Company (Expansion)

KEY PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	SF	OWNER/DEVELOPER	Major Tenant
Stoney North Logistics Centre – Building 1	Northeast	606,669	Canada Life Assurance Company	Princess Auto
Points North Business Park – Building C	Northeast	352,300	Camgill Development Corporation	Vacant
Gateway 290	Northeast	328,723	RCG Group	Vacant

INDUSTRIAL SUBMARKETS



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