MARKETBEAT
CALGARY
OFFICE Q2 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
21.3% Vacancy Rate	▼	▼
-536K YTD Net Absorption, SF	▼	▲
$16.13 Asking Net Rent, PSF	▲	—

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.0M Calgary Employment	▲	▲
7.0% Calgary Unemployment Rate	▼	—
6.6% Canada Unemployment Rate	▼	▲

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

ECONOMY

According to Statistics Canada's May 2026 Labour Force Survey, Canadian employment increased by 88,000 positions from the previous month, marking the first significant monthly employment gain since November 2025. The national unemployment rate also declined to 6.6%. Within the Calgary CMA, employment reached 1.05 million, up 62,000 positions year-over-year (YOY). The unemployment rate increased modestly to 7.0% in May from 6.7% in April; however, this was largely driven by labour force growth as more individuals entered the job market amid continued population growth and migration to Calgary. Calgary's economic outlook remains favourable, with GDP projected to grow by 1.2% in 2026, outperforming all other major Canadian CMAs.

Source: Statistics Canada

MIXED RESULTS IN THE CALGARY OFFICE MARKET IN Q2 2026

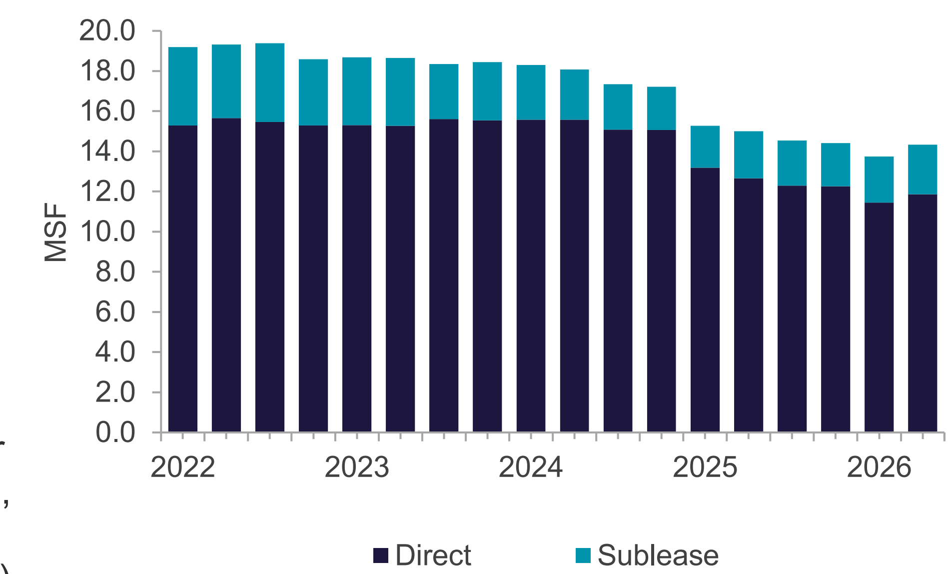
Overall office vacancy rose to 21.3% in Q2 2026, up slightly from the previous quarter but down 130 basis points YOY. Vacancy remains concentrated in the downtown core, where the overall vacancy rate reached 25.8%. Downtown vacancy increased during the quarter as six new blocks of Class AAA/A space exceeding 20,000 square feet (sf) were added to the market, four of which were offered for sublease. As a result, available sublease space in downtown Calgary increased to 2.1 million square feet (msf), creating additional opportunities for occupiers seeking high-quality, move-in-ready space at a discount to direct market rents.

New vacancy outpaced occupancy gains during the quarter, resulting in negative absorption of nearly 590,000 sf—the weakest quarterly performance in more than five years. In addition to the new downtown vacancies, the suburban market experienced a significant increase in available space following the sale of Imperial Oil Campus Building C, which added 163,000 sf to market availability.

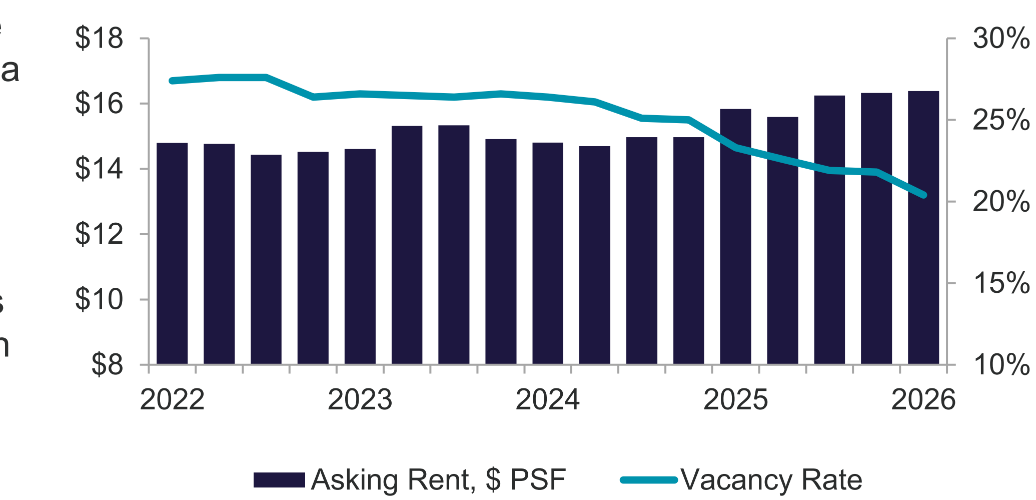
Despite the soft absorption figures, market fundamentals continue to show some positive momentum. Leasing activity remains strong, reaching 2.2 msf year-to-date. However, the market could face increased pressure through the remainder of 2026 as several additional large blocks of sublease space are expected to become available in the downtown core.

Direct asking net rents remained stable at $16.13 per square foot (psf), while gross asking rents averaged $34.99 psf. Rental rates are expected to remain relatively flat through the balance of the year, as landlords—particularly those in the downtown market—continue to compete with elevated levels of available sublease space.

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	776,506	5,744,281	22.3%	-140,501	-38,140	804,288	-	-	$19.76	$19.82
East Core	3,609,137	363,636	393,201	21.0%	8,999	-124,847	10,709	-	-	$15.35	$16.12
West Core	9,785,449	975,051	2,728,677	37.8%	-153,227	-335,801	323,062	-	-	$11.07	$18.73
DOWNTOWN SUBTOTAL	**42,596,179**	**2,115,193**	**8,866,159**	**25.8%**	**-284,729**	**-498,788**	**1,138,059**	**-**	**-**	**$16.50**	**$19.19**
Beltline	5,771,386	135,435	783,761	15.9%	-54,680	57,477	205,317	-	-	$15.19	$19.91
TOTAL CENTRAL AREA	**48,367,565**	**2,250,628**	**9,653,854**	**24.6%**	**-339,409**	**-441,311**	**1,343,376**	**-**	**-**	$16.43	$19.22
Northeast	5,175,673	110,730	445,657	10.8%	-48,638	-18,027	168,519	-	-	$13.43	$15.92
Northwest	2,171,618	5,568	240,595	11.3%	11,148	17,131	116,703	-	-	$13.54	$19.91
TOTAL NORTH AREA	**7,347,291**	**116,298**	**686,252**	**10.9%**	**-37,490**	**-896**	**285,222**	**-**	**-**	$13.46	$14.98
Southeast	8,125,505	96,330	1,037,757	14.0%	-214,802	-174,349	417,616	-	-	$14.93	$15.68
Southwest	3,444,247	16,079	486,417	14.6%	1,832	80,921	164,435	-	-	$15.59	$17.84
TOTAL SOUTH AREA	**11,569,752**	**112,409**	**1,524,174**	**14.1%**	**-212,970**	**-93,428**	**582,051**	**-**	**-**	**$15.14**	**$16.38**
TOTAL SUBURBAN AREA	**18,917,043**	**228,707**	**2,210,426**	**12.9%**	**-250,460**	**-94,324**	**867,273**	**-**	**-**	**$14.60**	**$16.06**
CALGARY TOTALS	**67,284,608**	**2,479,335**	**11,860,346**	**21.3%**	**-589,869**	**-535,635**	**2,210,649**	**-**	**-**	**$16.13**	**$18.54**

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

KEY Q2 2026 CALGARY LEASE TRANSACTIONS

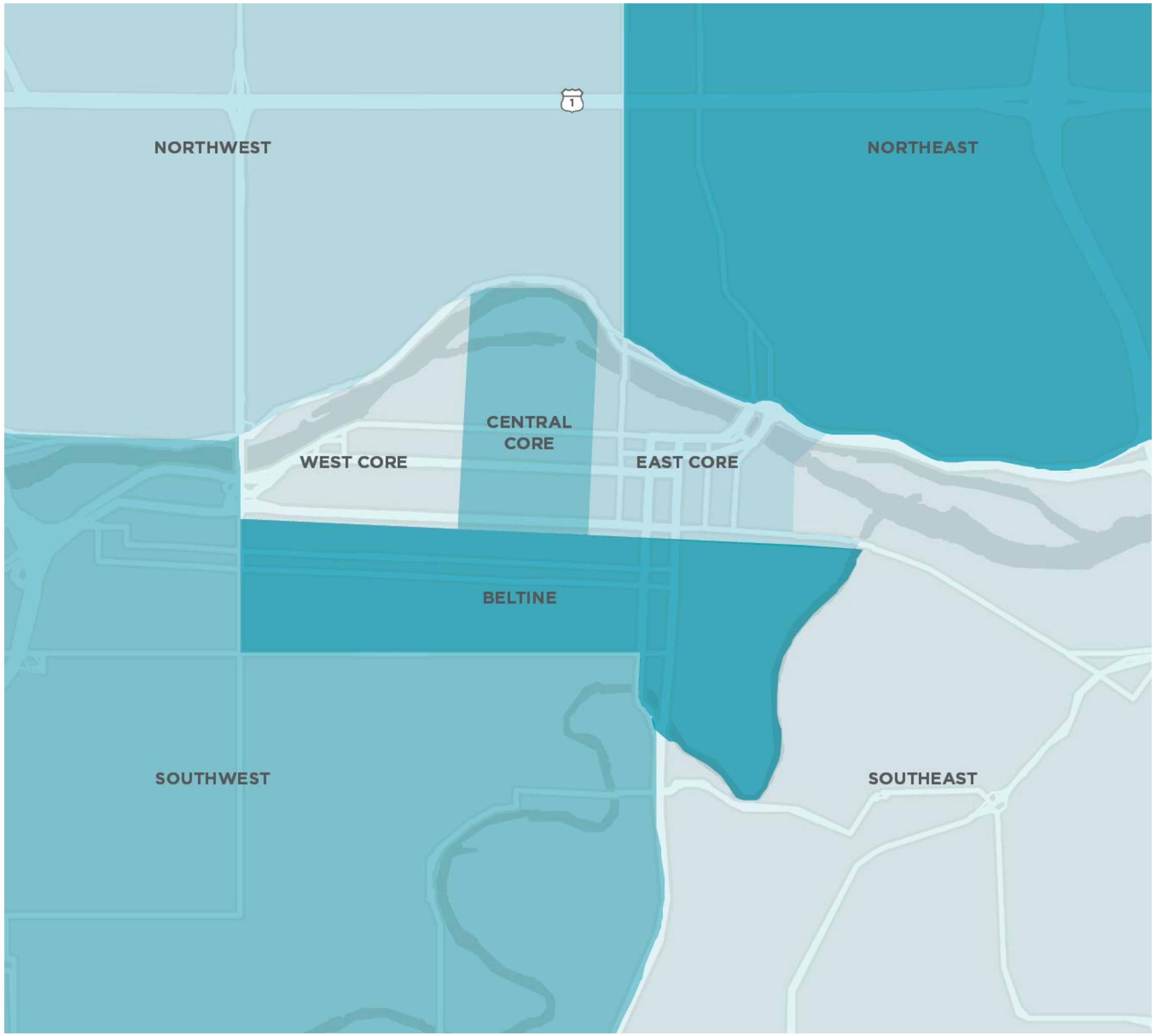
PROPERTY	SUBMARKET	TENANT	SF	TYPE*
385 Quarry Park Boulevard Southeast	Southeast	Kiewit	160,175	Direct
600 3rd Avenue SW	Downtown – West Core	Saturn Oil & Gas Inc.	84,597	Sublease
10333 Southport Road SW	Southwest	Government of Alberta	64,800	Direct
333 96th Avenue NE	Northeast	Farm Credit Canada	22,713	Sublease
215 9th Avenue SW	Downtown – Central Core	Journey Energy	22,353	Sublease

**Renewals not included in leasing activity totals*

KEY Q2 2026 CALGARY SALES TRANSACTIONS

PROPERTY	SUBMARKET	SELLER/BUYER	GLA (sf)	PRICE / $ PSF
401 9th Avenue SW – Gulf Canada Square	Downtown – Central Core	Hydro Quebec / GWL Realty Advisors (50% Interest Sale)	1,125,780	$68,050,000 / $120
217 7th Avenue SW / 225 7th Avenue SW / 218 8th Avenue SW / 220 8th Avenue SW	Downtown – Central Core	MNP Ltd. / Armco Capital Inc. (Distress Sale)	644,910	$45,800,000 / $71

OFFICE SUBMARKETS



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