

ECONOMY:

The Calgary Metropolitan Region (CMR) unemployment rate rose to 7.8% in the second quarter of 2025, up 30 basis points (bps) from Q1 2025. The Calgary Economic Region (CER) unemployment rate was up notably however, rising to 8.1% from 7.2% in the previous quarter.

Educational Services led job growth in Calgary during the second quarter, adding approximately 17,000 more jobs within the sector on a year-over-year (YOY) basis, followed by the retail sector and construction sectors. Sizeable YOY workforce decreases were observed in the Administrative & Support sector, which contracted by approximately 5,400 workers. The Accommodation and Food Services as well as Manufacturing workforces each contracted as well, by 4,800 and 4,700 workers, respectively.

Source: City of Calgary

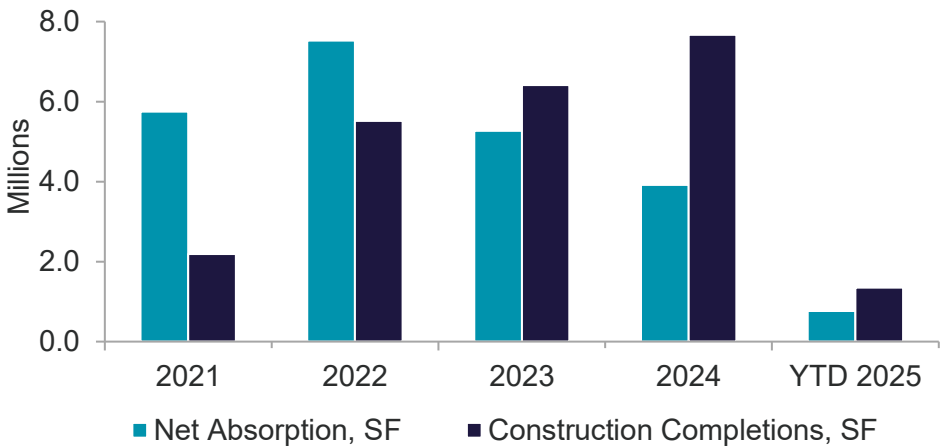
OVERALL CALGARY INDUSTRIAL MARKET:

The Q2 2025 overall average net asking rate in the Calgary industrial market was essentially unchanged from \$10.57 per square foot (psf) in Q1 2025. The Northeast & Southeast markets recorded slight quarterly rent decreases while the Central market average net rate posted an increase from Q1 of this year. The latter was a result of ongoing competition for space in a submarket with just 3.1% vacancy.

Taking a wide-angle view of Calgary’s overall industrial market, the vacancy rate ended its previous seven-quarter climb and decreased by 10 bps to 6.0% from 6.1% last quarter. At the submarket level, vacancy in the Southeast markets posted an increase of 40 bps to 5.0% and Central market vacancy increased by 50 bps to 3.1%. Meanwhile, the Northeast markets reported a 90 bps decrease in vacancy quarter-over-quarter to reach 8.2%

Leasing activity remained largely consistent with that seen during the first quarter of the year. Close to 1.7 million square feet (msf) transacted from April through June, compared to approximately 1.4 msf through Q1 2025. Through the first six months of this year, leasing activity fell just shy of the first half of 2024 where close to 3.5 msf of space was leased.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET FUNDAMENTALS

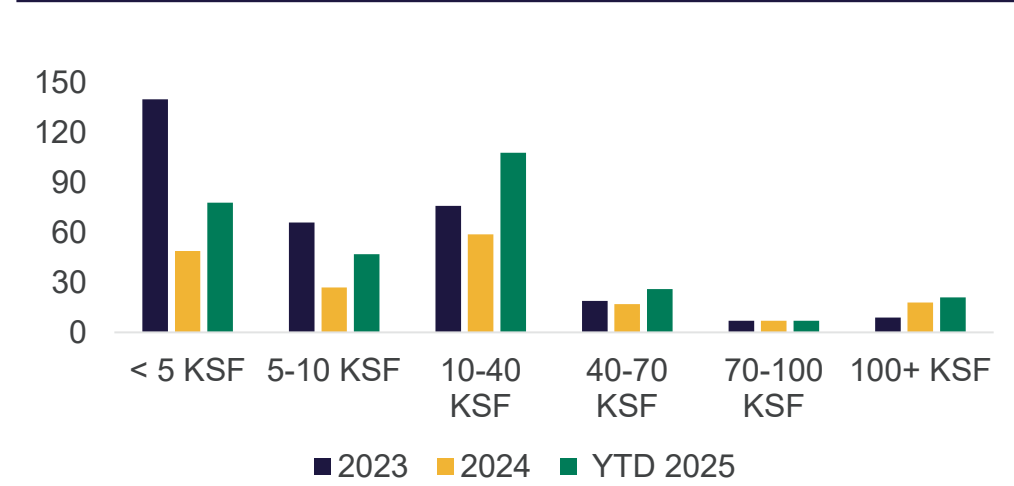
	YOY Chg	Outlook
6.0% Vacancy Rate	▲	▼
766k YTD Net Absorption, SF	▼	▼
\$10.55 Asking Rent, PSF <small>(Overall, Net Asking Rent)</small>	▼	▲

ECONOMIC INDICATORS

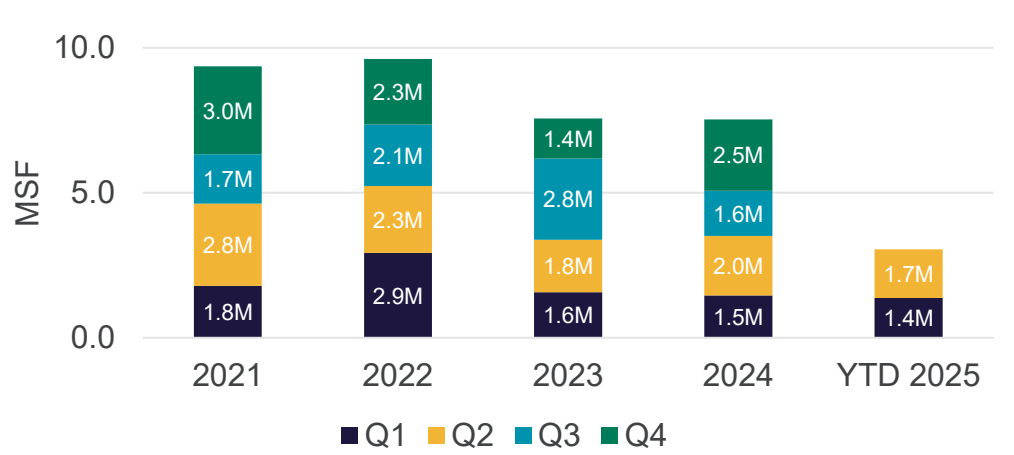
	YOY Chg	Outlook
1.03M CMR Employment (May. 2025)	▲	—
7.8% CMR Unemployment Rate	▼	—
7.0% Canada Unemployment Rate – May 2025	▲	▲

Sources: Alberta Economics Dashboard, City of Calgary, Statistics Canada

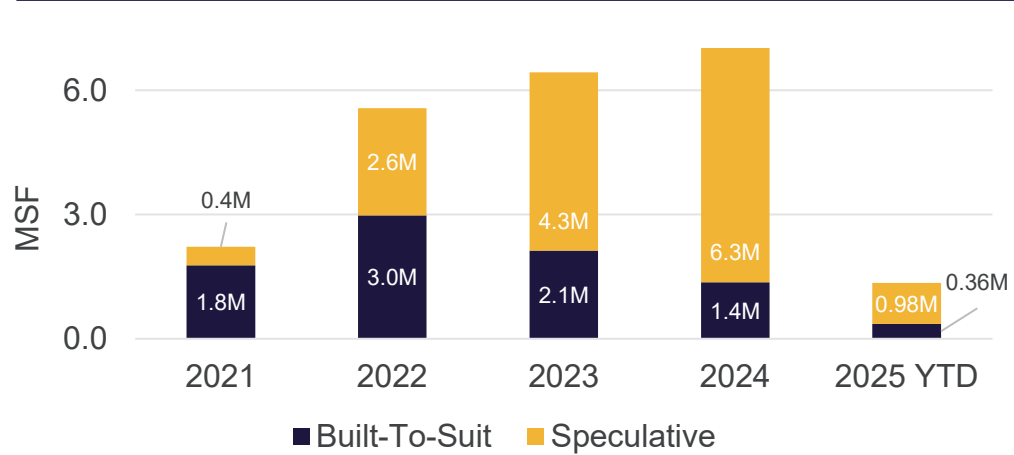
VACANT SPACE BY BAY SIZE (# OF OPTIONS)



INDUSTRIAL LEASING BY QUARTER



CONSTRUCTION COMPLETIONS BY TYPE



SUPPLY & DEMAND: Vacancy, New Product & Tenant Behaviour

Calgary reached a 16-year low vacancy rate of 2.6% in June 2023 but in the 18 months following, a wave of completions across all market segments resulted in several million square feet of new industrial product being introduced. To the end of Q2 2025 the Greater Calgary Area (GCA) industrial market had a little more than 1.3 msf of new supply added with approximately half of that being design-build product.

The 1.3 msf that has been delivered for the year to date puts aggregate delivered square footage slightly above mid-year 2024 but well below the three previous years. This, however, represents the bulk of new product for 2025. It is anticipated an additional 400k square feet (sf) to be delivered through the remainder of the year.

Late in the first quarter and early in the second, we observed leasing decisions slowing notably. As the second quarter progressed however, we observed tenants adjusting to the ‘new normal’ with the on again-off again tariff announcements, implementations and removals by the U.S. administration. Some lingering trepidation and cautious activity among decision-makers did manifest in slowed leasing activity in Central and Southeast markets.

City-wide absorption was recorded at slightly above net positive 1.0 msf and ended two consecutive quarters of net negative absorption (-201k sf in Q1 ‘25 and -87k sf in Q4 ‘24). A major contributor to the turnaround was due to a few large-user leases being finalized, rather than a frenzy among small-to-midsized spaces. As noted in the *Industrial Leasing by Quarter* chart at left, leasing through Q2 2025 nearly matched the intra-quarter levels those seen in previous years. This was due in large part to activity among several 100,000-plus sf spaces.

PRICING: Rates Dipped Slightly

The overall average asking rate dipped marginally in Q2 2025 to \$10.55 psf from \$10.57 psf, as all submarkets except the Central reported a slight decline in average net asking rates QOQ. As mentioned earlier, given that much of the second-quarter activity was in large bay developments, the less active aspects of the market saw minor downward pressure on rents and affected the broader average. In addition, overall market continued to recalibrate as the 7.7 msf of new completions delivered through 2024, plus the additional deliveries in the first half of this year are worked into the ecosystem.

Sublease rates are expected to face downward pressure in the near term as well, with sublease space representing approximately 9.8% of overall availability at the end of Q2 2025, up from just 7.2% in Q1 2025. The SE market had the highest proportion of available sublease space at 12.4% while the Central and SE market were tighter at 8.3% and 8.2%, respectively.

OUTLOOK

- The coming six to twelve months present a mixed-bag of often contradictory variables such as a diminishing amount of new supply in the construction pipeline, continued interest from tenant-occupiers, but also ongoing economic uncertainty despite a pending new trade deal between Canada and the U.S.
- Despite a general acclimation to the tariffs – both proposed and already imposed - by the U.S. administration, plus the counter-tariffs by the Canadian Federal Government, some specific subindustries such as shipping and logistics are anticipated to remain under pressure.

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	22,695,400	692,875	3.1%	(96,742)	(80,488)	307,166	0	0	\$12.19	\$6.00	\$18.19
Northeast	63,145,003	5,195,476	8.2%	1,346,297	551,471	1,109,278	903,001	1,238,405	\$10.15	\$4.17	\$14.33
Southeast	73,415,786	3,660,910	5.0%	(224,274)	295,142	1,636,995	493,057	110,085	\$10.87	\$4.67	\$15.54
CALGARY TOTALS	159,256,186	9,549,261	6.0%	1,025,281	766,125	3,053,439	1,396,058	1,348,490	\$10.55	\$4.48	\$15.03

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

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	DEAL TYPE**
Hopewell Distribution Park Building L	Southeast	Direct Limited Partnership	259,477	Renewal
Cross Iron Distribution Centre – Bldg 1	Balzac	Aluma-Form Manufacturing, ULC *	107,887	Headlease
Portland Street Depot Building B	Southeast	Scott Springfield Mfg. Inc. *	100,684	Renewal
Cross Roads Corner - Building 2	Balzac	Mobis Parts Canada Corporation *	52,952	Headlease

\*Transaction facilitated by Cushman & Wakefield Calgary

\*Renewals not included in leasing activity totals

KEY SALE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
9559 40 Street SE	Southeast	Lions Gate Industries Ltd./CP REIT Alberta Properties Ltd.	64,551	\$18,000,000 (\$279.00/SF)
2728 Hopewell Place NE	Northeast	IG Investment Management/Qct College	126,760	\$18,000,000 (\$149.89/SF)
2980-3016 58th Ave. SE	Southeast	2624304 Alberta Ltd./ADSS Holding Ltd. *	58,194	\$9,810,000 (\$168.57/SF)
727 33 Street NE	Northeast	Camargue Properties Inc./Buchmann Properties *	47,342	\$9,000,000 (\$190.87/SF)
2626 12 Street NE	Northeast	IPO Ventures Inc./0777334 BC Ltd. *	43,426	\$4,950,000 (\$114.00/SF)
512 Moraine Rd. NE	Northeast	515476 Alberta Ltd./Undisclosed *	21,258	\$4,475,000 (\$210.51/SF)
5110 77th Ave. SE	Southeast	Tedian Building Corp./Undisclosed *	19,459	\$4,250,000 (\$218.41/SF)

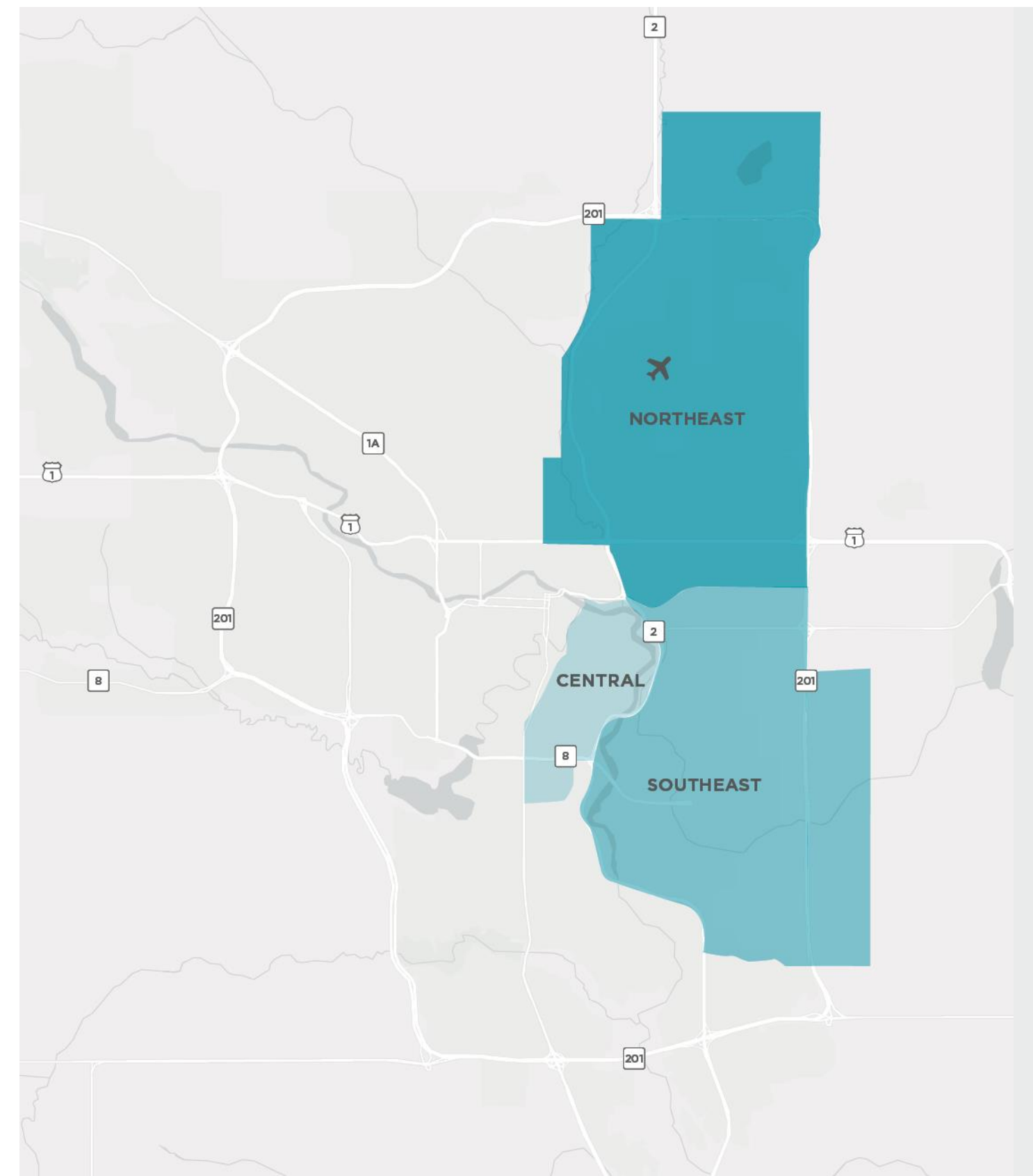
\*Transaction facilitated by Cushman & Wakefield Calgary

KEY CONSTRUCTION COMPLETIONS YTD 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
290189 Township Road 261	Rocky View County	Triple Eight Transport Inc.	202,395	Highfield Investment Group Inc.
240012 Frontier Place	Rocky View County	North Country Tire Distributors	149,330	Remington Development Corp.
4750 102 Ave. SE	Southeast	Spalding	114,675	Nexus Industrial REIT



INDUSTRIAL SUBMARKETS



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