

ECONOMY

The Calgary Metropolitan Area (CMA) unemployment rate decreased slightly to 7.7% in the third quarter of 2025, down 10 basis points (bps) from Q2 2025. The Calgary Economic Region (CER) unemployment rate also posted a quarter-over-quarter (QOQ) decrease, falling to 7.5% from 8.1% in the previous quarter.

The Public Administration industry led job growth in Calgary during the third quarter, adding approximately 10,000 more jobs within the sector on a year-over-year (YOY) basis, followed by the Finance & Insurance sector, Real Estate Rental & Leasing and Transportation & Warehousing sectors. Sizeable YOY workforce decreases were observed in the Accommodation and Food Services sector, which contracted by more than 11,000 jobs. The Mining, Quarrying, and Oil and Gas Extraction and Retail Trade sectors each contracted as well, by 5,900 and 3,700 jobs, respectively.

Source: City of Calgary

OVERALL CALGARY INDUSTRIAL MARKET

The Q3 2025 overall average net asking rate in the Calgary industrial market decreased slightly from last quarter to \$10.32 per square foot (psf). After peaking in Q1 2023 at \$11.24 psf, a historic benchmark, asking net rental rates have largely trended downwards since that point. The pace of the QOQ decreases has been relatively low however, averaging 1.5%.

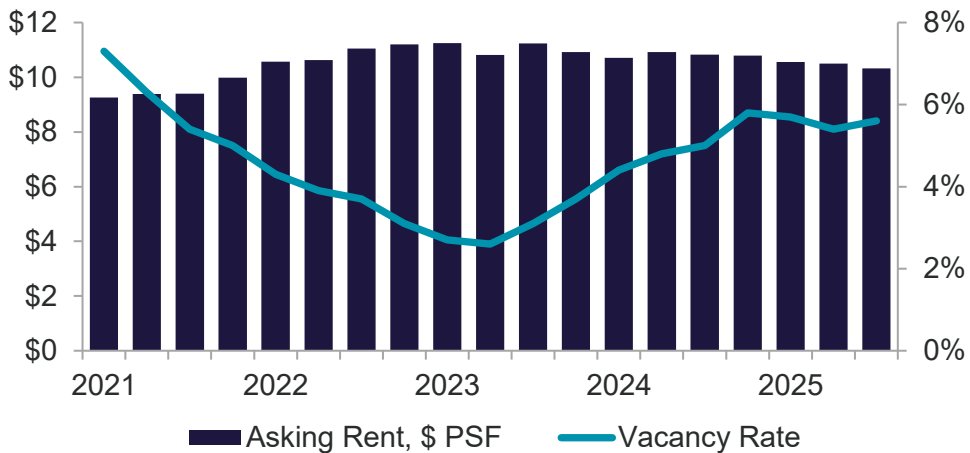
The overall vacancy rate in Q3 2025 was 5.6% and has held relatively stable since the beginning of 2025. Vacancy has trended downwards over the first three quarters of the year in the Central and Northeast submarkets while vacancy within the Southeast market has increased by 80 bps from Q1 2025 to reach 4.9% this quarter.

Leasing activity contracted slightly on a QOQ basis but remained generally consistent with the previous quarter. Close to 1.5 million square feet (msf) transacted from July through September, compared to approximately 2.0 msf in Q2 2025. On a YOY basis, the picture is much rosier as approximately 5.4 msf of leasing activity took place through the first nine months of this year versus approximately 5.1 msf of space leased during the same time frame in 2024.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET FUNDAMENTALS

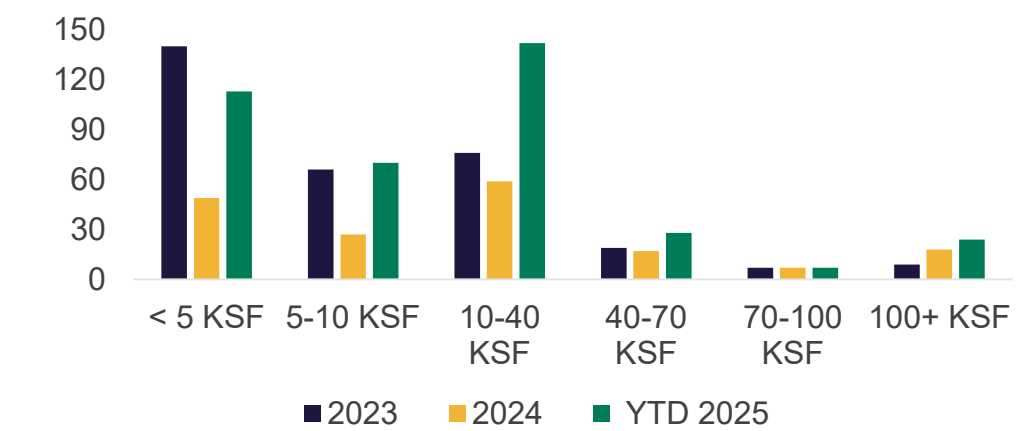
	YOY Chg	Outlook
5.6% Vacancy Rate	▲	▼
1.9M YTD Net Absorption, SF	▼	▼
\$10.32 Asking Rent, PSF (Overall, Net Asking Rent)	▼	▬

ECONOMIC INDICATORS

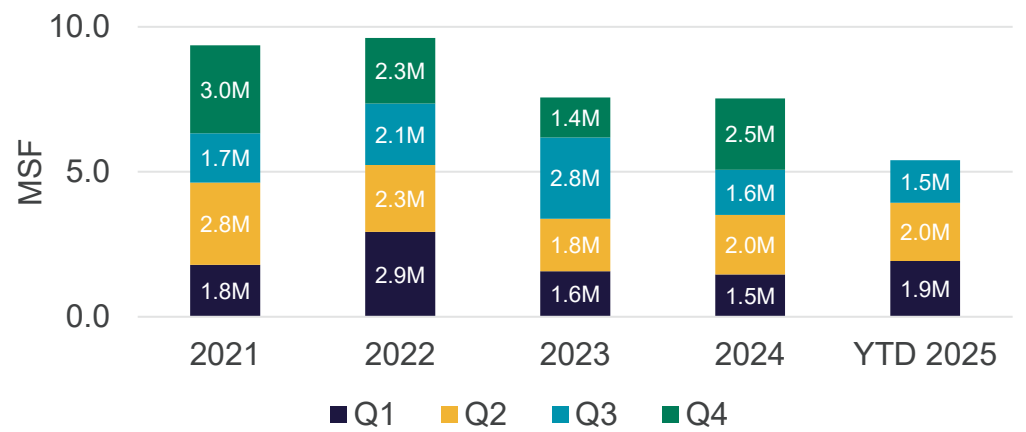
	YOY Chg	Outlook
1.07M CMR Employment (August 2025)	▲	▼
7.7% CMA Unemployment Rate	▲	▲
7.1% Canada Unemployment Rate – August 2025	▲	▬

Sources: City of Calgary August 2025
Labour Force Survey, Statistics Canada

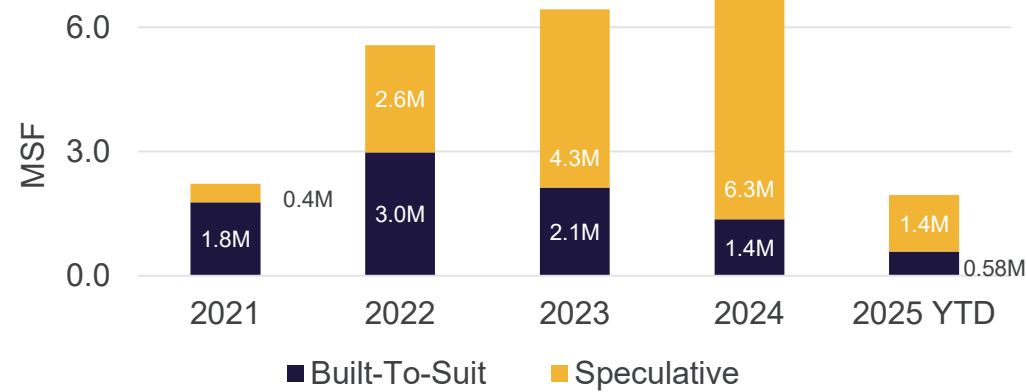
VACANT SPACE BY BAY SIZE (# OF OPTIONS)



INDUSTRIAL LEASING BY QUARTER



CONSTRUCTION COMPLETIONS BY TYPE



SUPPLY & DEMAND: Vacancy, New Product & Tenant Behaviour

As noted in prior reports, nearly 20.0 msf of new industrial product was introduced across all market segments between mid-2022 and the end of 2024. While this brought high-quality space to the market, it also temporarily oversaturated it, with newly delivered inventory exceeding total absorption by approximately 1.0 msf in 2023 and 3.8 msf in 2024.

To demonstrate the reduction in new inventory coming to market in 2025, less than 2.0 msf of new supply has been delivered year-to-date. This new inventory is less than one-third of Q3 2024 completions (~6.4 msf) and below Q3 2023 completions (2.5 msf). Approximately 1.4 msf of industrial space remains in the pipeline for completion through the remainder of 2025 and into 2026. Of that, the pending supply of new industrial space for the final quarter of 2025 is limited to just two buildings totaling 60k sf.

The significantly reduced volume of new inventory introduced in 2025 has allowed leasing activity to catch up. With three consecutive quarters of positive absorption and strong leasing activity particularly in the last two quarters, industrial vacancy in the Greater Calgary Area (GCA) has been relatively stable so far in 2025.

City-wide absorption of approximately 470k sf was recorded for the quarter, building on the performance from last quarter and bringing year-to-date totals to 1.9 msf. As in Q2 2025, a key driver of this strong performance was the finalization of large-user leases, which helped absorb substantial volumes of space. This trend is reflected in the “Industrial Leasing by Quarter” chart at left, which shows leasing through Q3 2025 was close to the previous quarter and nearly matched Q3 2024. This positions the Calgary market for full-year leasing activity comparable to last year.

PRICING: Rates Dipped Slightly Through Q3 2025

The overall market continued to adjust to the volume of new completions delivered through the past 24 months and as such, the overall average asking rate dipped marginally in Q3 2025 to \$10.32 psf. The Central & Southeast markets recorded slight quarterly rent decreases, while the Northeast market posted a small QOQ increase.

Sublease rates are expected to remain under downward pressure in the near term as sublease space continued to grow as a proportion of overall available space for a second consecutive quarter. At the end of Q3 2025, sublease space accounted for approximately 13.0% of overall availability, up from 9.8% last quarter and 7.2% in Q1 2025. The Southeast market again had the highest proportion of sublease space at 15.5% while the Central and Northeast market were tighter at 13.4% and 9.1%, respectively.

OUTLOOK

- The coming three to nine months present a mixed-bag of variables such as a reduced pipeline of new industrial inventory, continued interest from tenant-occupiers, and rising construction costs. The latter will inevitably drive-up lease rates as developers seek to recoup their costs.
- Ongoing development of the Balzac, Constellation and Starfield industrial parks is expected to continue moving at a strong pace. Developer interest remains high, prompting continued work.

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	22,727,466	482,851	2.1%	156,861	155,632	493,579	0	0	\$11.30	\$5.93	\$17.23
Northeast	63,080,924	4,863,587	7.7%	86,073	643,492	2,242,667	1,337,966	1,013,309	\$10.18	\$4.27	\$14.45
Southeast	74,266,453	3,648,057	4.9%	227,017	1,133,789	2,660,174	95,504	953,321	\$10.45	\$4.73	\$15.18
CALGARY TOTALS	160,074,843	8,994,495	5.6%	469,951	1,932,913	5,396,420	1,433,470	1,966,630	\$10.32	\$4.51	\$14.83

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

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	DEAL TYPE**
Nose Creek Business Park – Building D	Northeast	PACCAR Inc.	233,485	Headlease
25 Aero Drive NE	Northeast	Staples Canada	210,000	Sale/Leaseback
East Foothills Industrial Park Building 3	Southeast	Future Transfer Co. Inc.	196,227	Headlease
2719 3rd Avenue NE – Suites A & B	Northeast	Undisclosed	65,811	Headlease

**Renewals not included in leasing activity totals

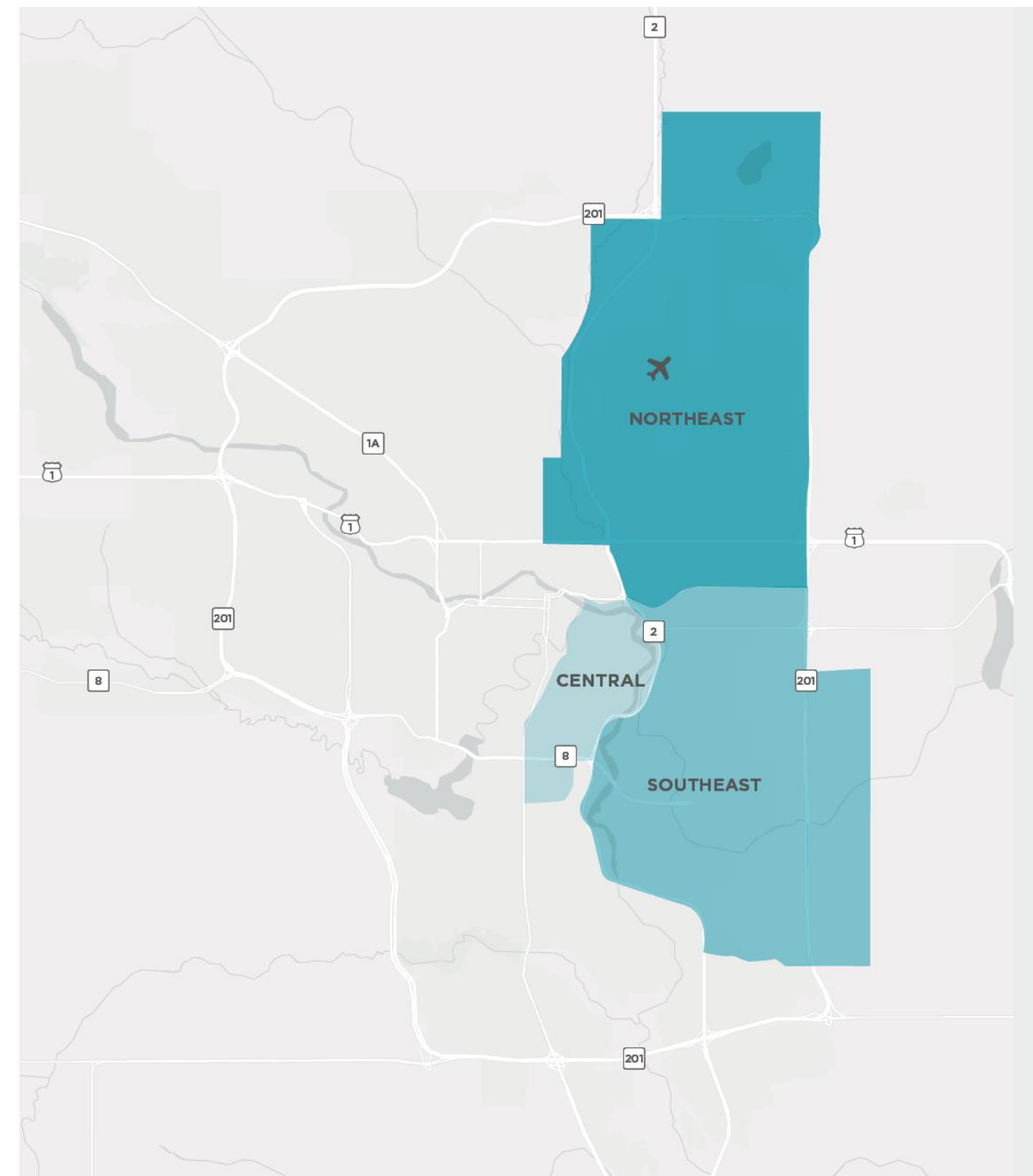
KEY SALE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
25 Aero Drive NE	Northeast	Staples Canada/XXIII Capital Inc.	210,000	\$13,500,000 (\$64.29/SF)
7155 57 Street SE (Park 72)	Southeast	Enright Capital/Undisclosed	103,646	\$27,200,000 (\$262.43/SF)
4440 78 th Avenue SE	Southeast	BHJ Canada Meat Products Inc./United Roofing	65,592	\$11,950,000 (\$182.19/SF)
3516 66th Avenue SE	Southeast	York Realty/Cornad Contracting	30,271	\$3,850,000 (\$127.18/SF)
512 Moraine Road NE	Northeast	515476 Alberta Ltd./Stiles Management Inc.	21,258	\$4,475,000 (\$210.51/SF)
234155 Wrangler Road SE	Northeast	Westpower Group/Quest Fabrication	20,000	\$5,900,000 (\$295/SF)
11222 42 Street SE	Southeast	Control Innovations Inc./Solution Control Systems	13,608	\$3,812,000 (\$280.17/SF)

KEY CONSTRUCTION COMPLETIONS YTD 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
11235 52nd Street SE	Southeast	MTE Logistix	364,483	York Realty Inc.
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.

INDUSTRIAL SUBMARKETS



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