



### MARKET FUNDAMENTALS

	YOY Chg	Outlook
<b>5.1%</b> Vacancy Rate	▼	▼
<b>2.98M</b> 2025 Net Absorption, SF	▼	▼
<b>\$10.48</b> Asking Rent, PSF (Overall, Net Asking Rent)	▼	—

### ECONOMIC INDICATORS

	YOY Chg	Outlook
<b>1.05M</b> CMR Employment (November 2025)	▲	—
<b>7.3%</b> CMA Unemployment Rate	▼	—
<b>6.5%</b> Canada Unemployment Rate – November 2025	▼	—

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

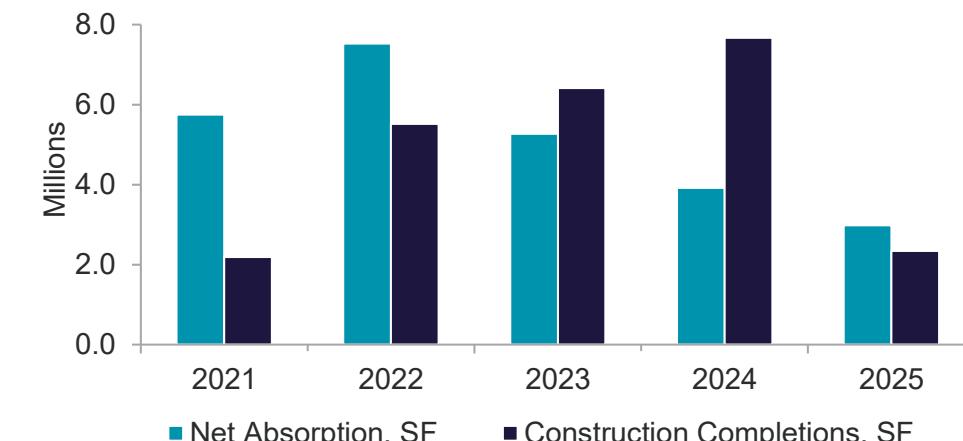
### ECONOMY

The Calgary Metropolitan Area (CMA) unemployment rate decreased slightly to 7.3% in the fourth quarter of 2025, down 40 basis points (bps) from Q3 2025. Similarly, the Calgary Economic Region (CER) unemployment rate posted a quarter-over-quarter (QOQ) decrease, falling to 7.0% from 7.5% in the previous quarter.

The Public Administration sector led job growth in Calgary during the fourth quarter, adding approximately 16,000 jobs on a year-over-year (YOY) basis. This was followed by the Real Estate Rental & Leasing and Administrative & Support sectors, which grew by 7,400 and 7,200 positions, respectively. Sizeable YOY workforce decreases, however, were observed in the Professional Scientific & Technical Services industry, which contracted by approximately 11,000 jobs. The Arts Entertainment & Recreation, Health Care & Social Assistance sectors also contracted by approximately 3,000 and 2,000 jobs, respectively.

Source: City of Calgary

### SPACE DEMAND / DELIVERIES



### OVERALL CALGARY INDUSTRIAL MARKET

The Q4 2025 overall average net asking rate in the Calgary industrial market increased slightly from last quarter to \$10.48 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 overall pace of the QOQ decreases showed a slowing trend over the previous few quarters and the fourth quarter of 2025 represents the first QOQ increase since Q2 2024.

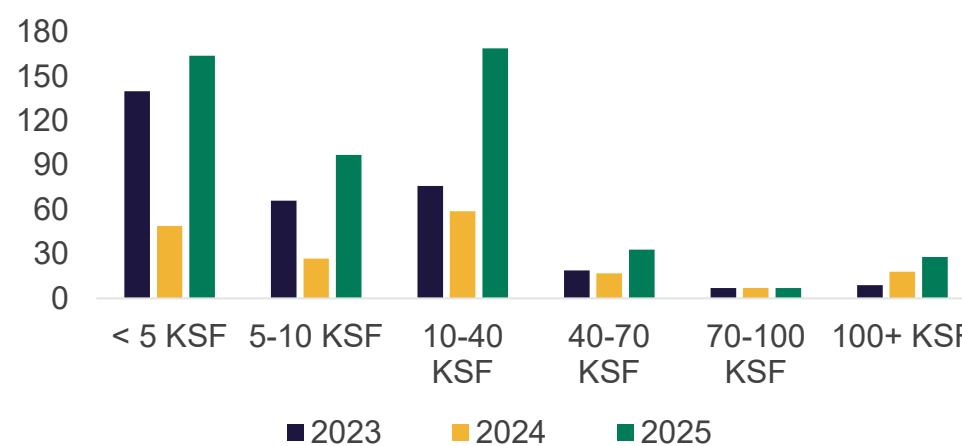
The overall vacancy rate in Q4 2025 was 5.1% and marks a notable drop from 5.8% registered at the end of 2024. Vacancy trended downward over each successive quarter this year for the market as a whole, with the Central market getting increasingly tight. This market with an inventory size of 22.7 million square feet (msf) ended 2025 at just 1.4% vacancy.

Leasing activity accelerated during the final quarter of 2025 with 1.89 msf occurring; an increase from the 1.7 msf that transacted in Q3 2025. On a YOY basis, the story remains positive. More than 7.48 msf of leasing activity took place through this year versus approximately 7.45 msf of space leased during 2024.

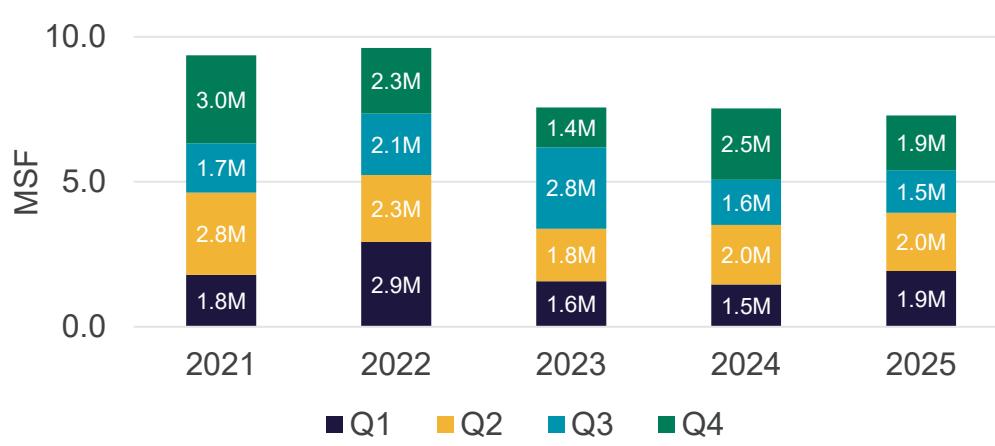
### OVERALL VACANCY & ASKING RENT



## VACANT SPACE BY BAY SIZE (# OF OPTIONS)



## INDUSTRIAL LEASING BY QUARTER



## CONSTRUCTION COMPLETIONS BY TYPE



## SUPPLY &amp; DEMAND: Vacancy, New Product &amp; Tenant Behaviour

As noted in prior reports, 2025 marked the end of a massive industrial construction boom in the Greater Calgary Area (GCA). From 2022 through 2024, nearly 20.0 msf of new industrial product was introduced across all market segments. With newly-delivered inventory exceeding total absorption by approximately 1.0 msf in 2023 and 3.8 msf in 2024, the market became temporarily oversaturated – albeit with new, high-quality space.

By contrast, a little more than 2.3 msf of new supply was delivered over the course of 2025. This new inventory comprised less than one-third of 2024 deliveries (~7.7 msf) and was well below each of the two preceding years, ending roughly on-par with total 2021 deliveries (~2.2 msf). Approximately 1.8 msf of industrial space remains in the pipeline for completion through 2026 and into 2027. Of that, most of the pending supply of new industrial space – approximately 1.7 msf – is slated to occur in the Northeast zone, primarily in Balzac.

The reduced volume of new inventory introduced during 2025 allowed leasing activity to catch up, and with four consecutive quarters of positive absorption and strong leasing activity, industrial vacancy in the GCA returned to Q3 2024 levels.

City-wide absorption of approximately 652k square feet was recorded for the quarter, building on the performance from last quarter and bringing year-to-date totals to 2.98 msf. As in Q3 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 the fourth quarter of 2025 far surpassed the previous quarter and returned to Q1 and Q2 2025 levels. This strong final quarter brought full-year leasing activity in the GCA to a level nearly equal to 2024 and 2023.

## PRICING: Overall Rates Rose Slightly Through Q4 2025

The overall market has demonstrated remarkable resilience in adjusting to the volume of new completions delivered through the past 24 months. As such, the overall average asking rate posted a marginal uptick in Q4 2025 to \$10.48 psf. The Central & Northeast markets recorded very slight quarterly rent decreases, while the Southeast market posted a notable 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 third consecutive quarter. At the end of 2025, sublease space accounted for approximately 13.6% of overall availability, up from 13.0% last quarter and 9.8% in Q2 2025. The Southeast market again had the highest proportion of sublease space at 15.3% while the Central and Northeast market were tighter at 12.7% and 7.4%, respectively.

## OUTLOOK

- The coming six to twelve months look positive for Calgary. With continued positive net migration, a strengthening oil & gas sector and strong retail demand, the industrial market is expected to continue its current path of recovery and further firming-up.
- 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	22,729,510	288,225	1.4%	121,078	328,815	589,631	0	0	\$11.11	\$6.03	\$17.14
Northeast	63,415,581	4,271,883	6.9%	301,219	1,140,934	3,279,462	1,666,689	1,055,231	\$9.88	\$4.29	\$14.18
Southeast	74,598,672	3,246,911	4.8%	230,166	1,509,618	3,612,255	132,553	1,286,191	\$11.53	\$5.34	\$16.88
<b>CALGARY TOTALS</b>	<b>160,743,763</b>	<b>7,807,307</b>	<b>5.1%</b>	<b>652,463</b>	<b>2,979,367</b>	<b>7,481,348</b>	<b>1,799,242</b>	<b>2,341,422</b>	<b>\$10.48</b>	<b>\$4.73</b>	<b>\$15.21</b>

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

## KEY Q4 2025 LEASE TRANSACTIONS

PROPERTY	SUBMARKET	TENANT	SF	DEAL TYPE**
292031 Wagon Wheel Boulevard HUB Building 1	Northeast	Article.com	316,394	Expansion
* 60 Carmek Drive	Northeast	Modine/Scott Springfield	251,856	Expansion
260221 Range Road 292 (CrossIron Dist. Centre)	Northeast	Electrolux	246,323	Headlease
293026 Colonel Robertson Way	Northeast	PACCAR Inc.	233,405	Headlease
11550 Barlow Trail NE (Stonegate Building B)	Northeast	MTE Logistix	159,580	Headlease
7504 30 <sup>th</sup> Street (Foothills S Business Park 1 & 2)	Southeast	DIRTT	138,518	Headlease

\*Transaction facilitated by Cushman & Wakefield Calgary

\*\*Renewals not included in leasing activity totals

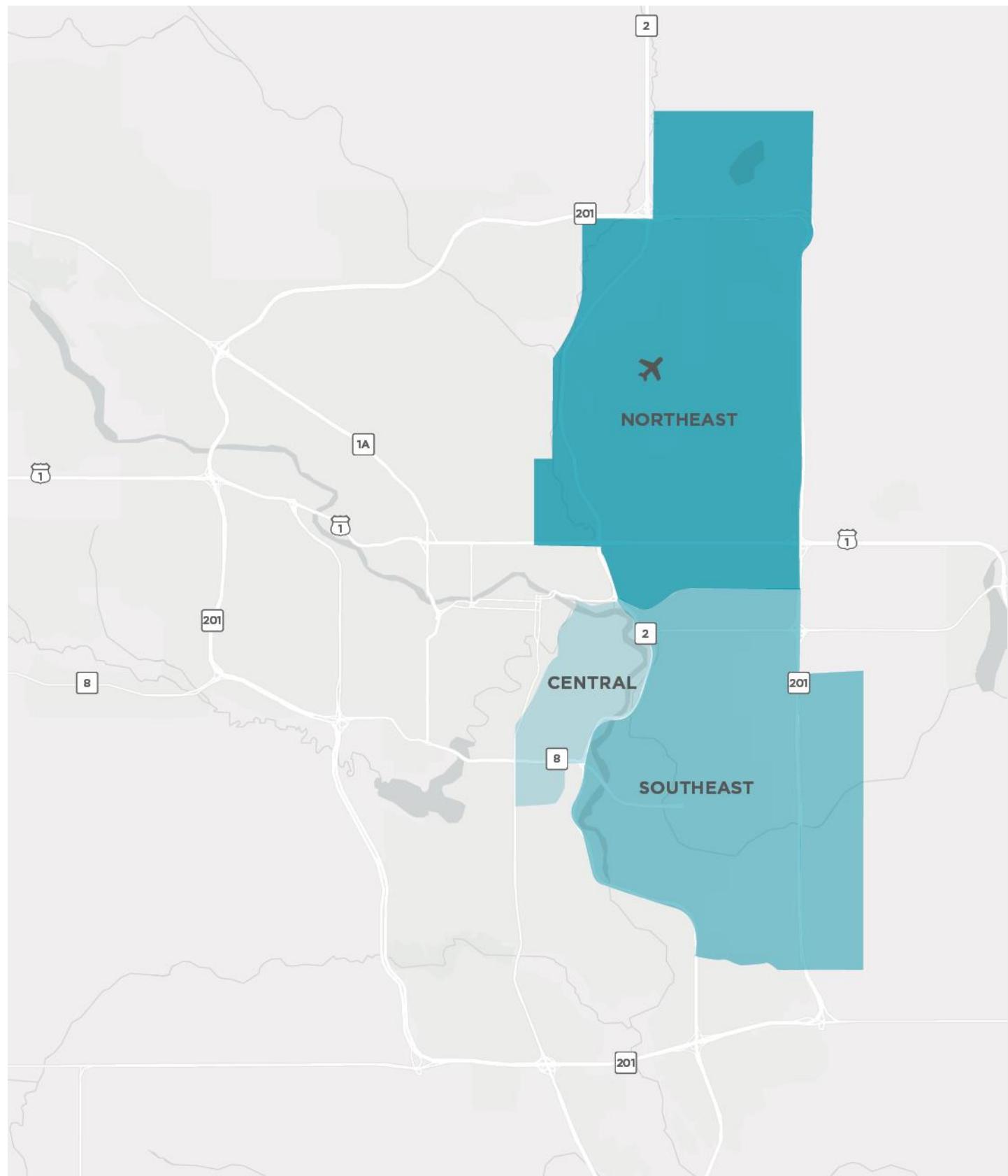
## KEY Q4 2025 SALE TRANSACTIONS

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
2015 60th Street SE Southeast	Southeast	RONA/ Minhas Furniture House Ltd.	330,889	\$41,200,000 (\$124.51/SF)
1261090 Wagon Weel View	Northeast	BHJ Canada Meat / Mapei Inc.	148,831	\$19,700,000 (\$132.36/SF)
898 55th Avenue NE	Northeast	Noble Grounds Inc. / Undisclosed	80,236	\$5,000,000 (\$62.30/SF)
7910 42 <sup>nd</sup> Street SE	Southeast	1916904 Alberta Ltd./ 2743555 Alberta Ltd.	17,081	\$5,250,000 (\$307.36/SF)
292176 Wagon Wheel Boulevard	Northeast	Beedie Group / 2737173 Alberta Inc	14,280	\$3,498,600 (\$245.00/SF)
18 Heatherglen Crescent	Southeast	Greystone Developments Ltd./Griffin Glass Hodlings Ltd.	13,300	\$3,900,000 (\$298.00/SF)

## KEY Q4 2025 CONSTRUCTION COMPLETIONS

PROPERTY	SUBMARKET	SF	OWNER/DEVELOPER	Major Tenant
11235 52 <sup>nd</sup> Street SE	Southeast	204,281	York Realty Inc.	Factor Meals (47,500 sf)
11390 14 <sup>th</sup> Street NE	Northeast	96,905	Hyatt Investments	Vacant
6 Wrangler Place (Wrangler Bays 1 & 2)	Northeast	60,000	Adapt Properties	Vacant

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