

MARKET FUNDAMENTALS

	YOY Chg	Outlook
21.8% Vacancy Rate	▼	▼
1.4 MSF 2025 Net Absorption, SF	▲	▬
\$16.33 Asking Net Rent, PSF <small>(Overall, All Property Classes)</small>	▲	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.05M CMR Employment (November 2025)	▲	▬
7.3% CMA Unemployment Rate	▼	▬
6.5% Canada Unemployment Rate - November 2025	▼	▲

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

ECONOMY

The Calgary Metropolitan Area (CMA) unemployment rate decreased slightly to 7.3% in Q4 2025, down 40 basis points (bps) from last quarter. 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 Q4 2025, 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

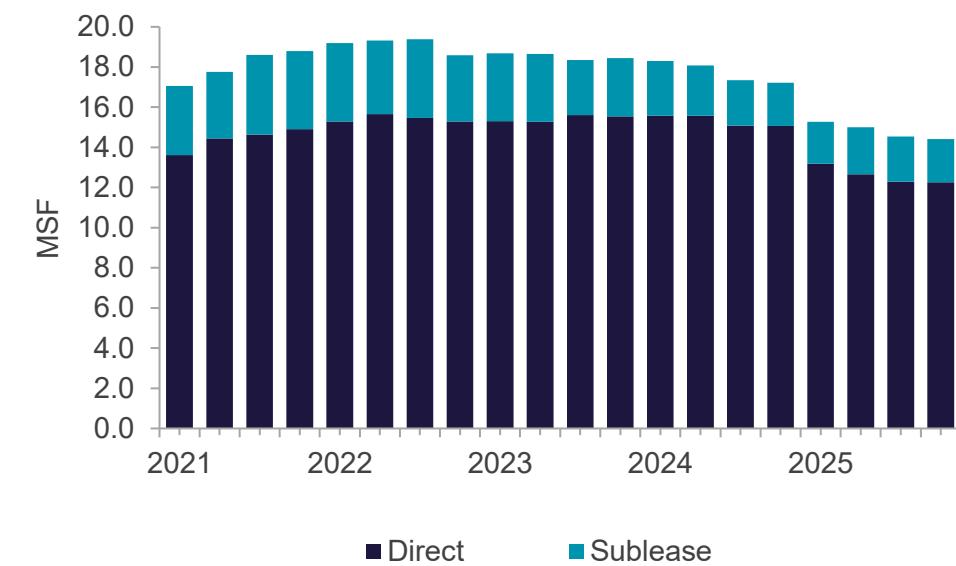
CALGARY OVERALL OFFICE MARKET

The average direct net asking rent across Calgary's office market reached \$16.33 per square foot (psf) in Q4 2025. In the Central area - encompassing the Beltline and Downtown Core - Central Class A building asking rates have remained stable. Suburban markets remained relatively flat, with the overall average direct net asking rate contracting by approximately 3.0% YOY to \$14.65 psf.

Looking at leasing activity, there were several indicators of continued confidence in the Calgary market. Similar to last quarter, the Downtown submarket led the city with approximately 571k square feet (sf) of new leasing activity occurring in Q4 2025, providing a boost to future occupancy levels as tenants take possession. The Suburban South markets reported the next highest total with an additional 121k sf of space being secured by tenants through the quarter. On a YOY basis, city-wide leasing activity surpassed 2024 levels at nearly 4.5 million square feet (msf) compared to just over 4.1 msf last year.

During Q4 2025, approximately 381k sf of net positive absorption was recorded city-wide and brought full-year absorption to approximately 1.4 msf. This marks the seventh consecutive quarter of net positive absorption for the city, following more than two years of perpetual QOQ contraction.

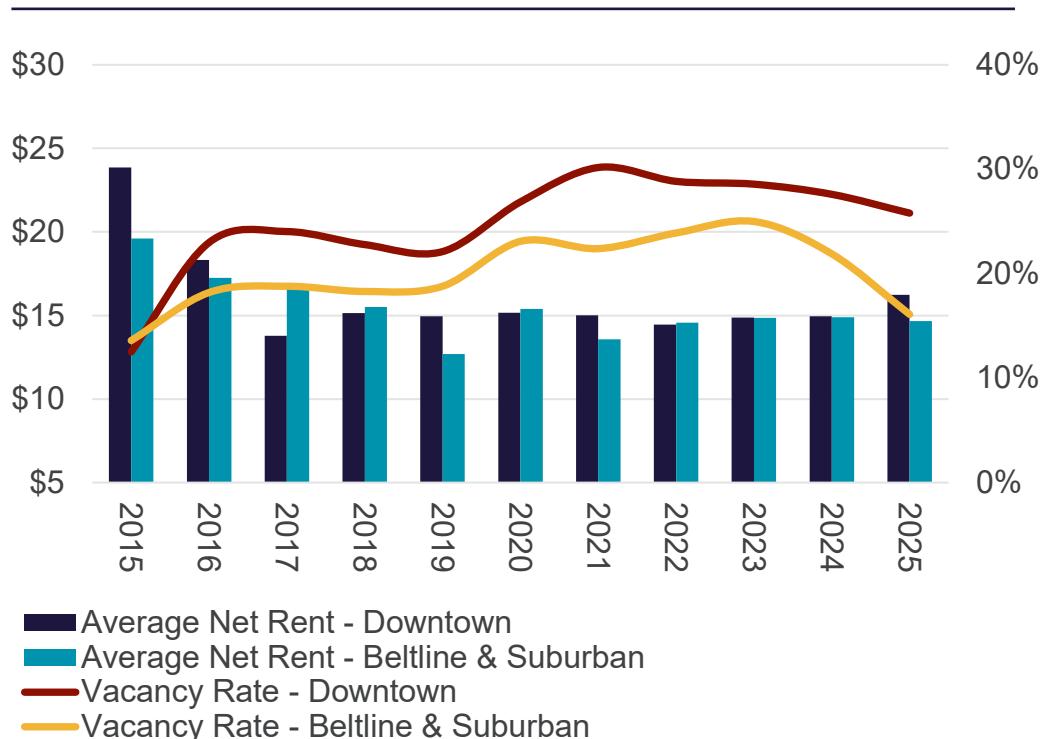
DIRECT VS. SUBLICENSE VACANT SPACE



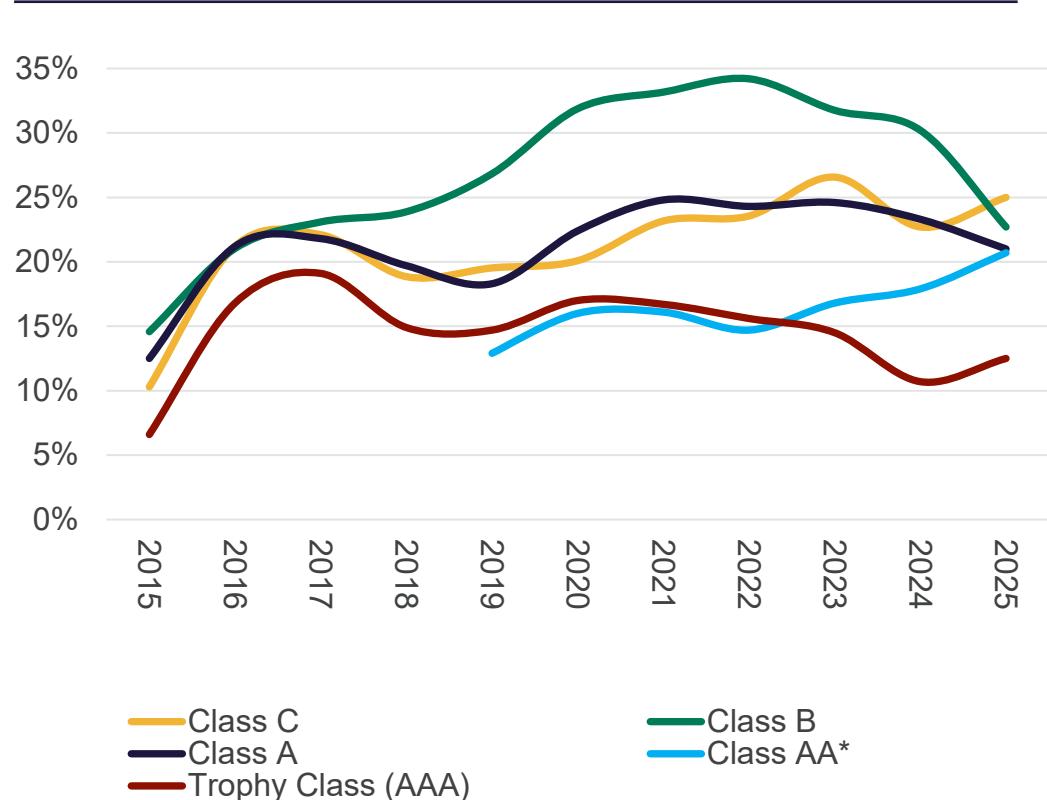
OVERALL VACANCY & ASKING RENT



HISTORICAL RENT VS. VACANCY



OVERALL MARKET VACANCY BY CLASS



* AA Class-specific data not tracked prior to 2019

DOWNTOWN MARKET:

The Downtown office market recorded approximately 207k sf of positive absorption in Q4 2025, bringing overall vacancy in that submarket to 25.8%. While Q4 2025 marked a modest step forward for Calgary's overall Downtown, the Central Core remained the most desirable office location in this submarket, with the lowest overall vacancy at 22.0%.

Calgary's Downtown office market continued to change through the final quarter of the year, with 149-5th Avenue SW, 441 Fifth (441-5th Avenue SW) and 622-5th Avenue SW moving toward residential conversion. Such is the success of the Downtown Development Incentive Program that Calgary City Council approved a third round of financial support to the program, in principle, in the 2026 city budget. Entering the final quarter of this year the program was oversubscribed, and strong interest remained from developers who saw additional repurposing opportunities.

Class B properties comprise the bulk of the buildings being repurposed under this program, and the removal of vacant space within these properties from the market has had a notable impact on overall Downtown vacancy levels.

BELTLINE & SUBURBAN MARKETS:

As with Q3 2025, the suburban south markets were very active through Q4 2025. Within these submarkets combined quarterly leasing activity reached approximately 121k sf, with the overall suburban market posting nearly 177k sf of cumulative leasing this quarter.

Several changes came to the Beltline and Suburban submarkets by way of redevelopments and planned office building repurposing. In the suburban southwest submarket, another significant change to the landscape is moving forward with the former Condon Building at 1609-14th Street SW becoming the latest commercial office/retail property to make way for a new residential development. In the Beltline, Epique House became the next office building to undergo office-to-residential conversion.

VACANCY AND LEASING ACTIVITY:

Overall vacancy in the Beltline continued to improve, falling to 18.5% in Q4 2025 due to a combination of net positive absorption and inventory adjustments. The suburban markets also posted a net QOQ reduction in vacancy on approximately 119k sf of positive absorption.

For 2025, absorption levels posted in the Beltline and suburban markets far surpassed the annual totals from 2024. As with Downtown, this signals renewed interest and optimism in the broader Calgary market.

Market Shifts – Conversions & Redevelopments

- As anticipated, Calgary's Downtown densified substantially through 2025 – particularly through the second half of the year – as multiple new office-to-residential conversions were completed and the new developments opened-up to the public for apartment rentals.
- A notable uptick in office property sales occurred in the second half of 2025, with the intent being to keep the properties as-is and remarket/reposition under new ownership.
- The Beltline continued to undergo inventory adjustments stemming from office building repurposing. While not funded via the *Downtown Development Incentive Program*, additional properties have been identified by developers as opportunities for conversion to other uses.

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)	Cntrs or ReDev (sf)	Overall Avg Asking Rent (All Classes)*	Overall Avg Asking Rent (Class A)*
Central Core	19,646,954	489,390	3,832,164	22.0%	198,921	365,989	1,324,301	-	(93,539)	\$16.50	\$17.98
East Core	15,949,118	742,119	3,016,242	23.6%	55,307	-223,679	936,092	-	-	\$21.94	\$20.78
West Core	6,089,311	601,187	2,084,903	44.1%	-47,577	202,199	519,031	-	-	\$10.28	\$19.40
Downtown Subtotal	41,685,383	1,832,696	8,933,309	25.8%	206,651	344,509	2,779,424	-	(93,539)	\$16.24	\$19.39
Beltline	5,562,629	190,466	836,766	18.5%	55,234	216,744	580,465	-	(29,000)	\$14.68	\$19.24
Total Central Area	47,248,012	2,023,162	9,770,075	25.0%	261,885	561,253	3,359,889	-	(122,539)	\$16.66	\$19.39
Northeast	5,180,753	33,330	740,956	14.9%	-18,455	134,134	238,876	-	-	\$13.59	\$15.78
Northwest	2,176,465	11,704	252,663	12.1%	3,851	10,773	67,837	-	-	\$15.07	\$19.24
Total North Area	7,357,218	45,034	993,619	14.1%	-14,604	144,907	306,713	-	-	\$13.95	\$16.16
Southeast	8,126,613	64,943	923,520	12.2%	133,949	643,112	541,965	-	-	\$15.36	\$16.24
Southwest	3,429,796	14,964	573,844	17.2%	-428	44,221	252,367	-	(20,635)	\$14.44	\$16.54
Total South Area	11,556,409	79,907	1,497,364	13.6%	133,521	687,333	794,332	-	-	\$15.08	\$16.32
Total Suburban Area	18,913,627	124,941	2,490,983	13.8%	118,917	832,240	1,101,045	-	-	\$14.65	\$16.28
Calgary Totals	66,161,639	2,148,103	12,261,058	21.8%	380,802	1,393,493	4,460,934	-	(143,174)	\$16.33	\$17.83

KEY Q4 2025 CALGARY OFFICE LEASE TRANSACTIONS

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

Property	Submarket	Tenant	SF	Type*
111 5 th Avenue SW (Suncor Energy Centre – East Tower)	Downtown – East Core	Keyera Corp.	208,000	Headlease
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308 4 th Avenue SW (Jamieson Place)	Downtown – Central Core	Gibson Energy Inc.	80,000	Headlease
3212 12 th Street NE (Deerfoot Junction II)	Suburban NE	Siksika Family Services**	47,048	Headlease
530 8 Avenue SW (Watermark Tower)	Downtown – Central Core	Invico Capital Corp.	15,000	Headlease

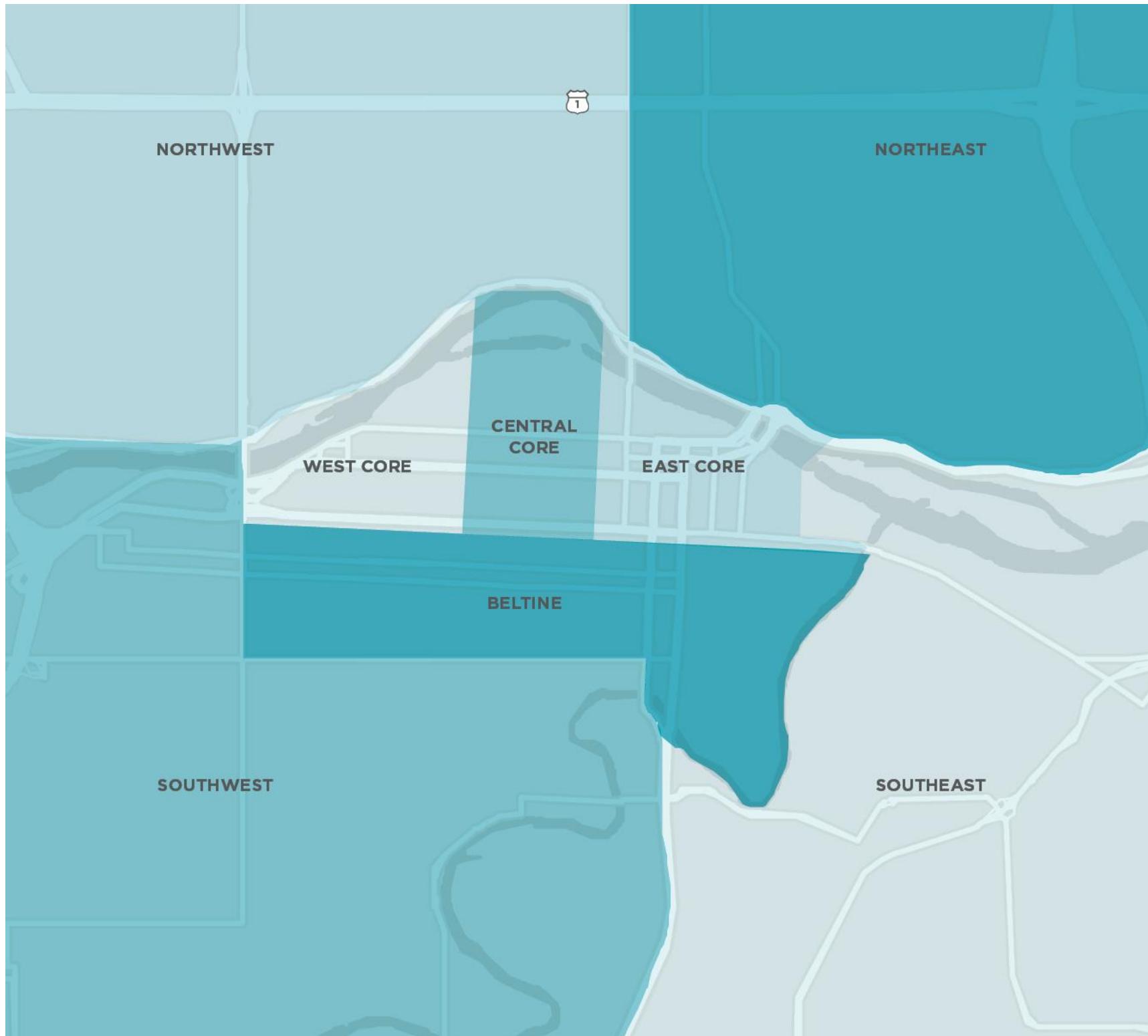
*Renewals not included in leasing activity totals

**Facilitated by Cushman & Wakefield Calgary

KEY Q4 2025 CALGARY SALES TRANSACTIONS

Property	Submarket	Seller/Buyer	GLA (sf)	Price / \$ psf
505 Quarry Park Boulevard SE (Imperial Oil Campus)	Suburban Southeast	Imperial Oil/Dominium Residential Inc.	~800,000	Undisclosed
4600 Crowchild Trail NW (Northland Professional Centre)	Suburban Northwest	Primaris REIT/GWL Realty Advisors Inc.	58,045	Undisclosed
255 – 17 th Avenue SW (Notre Dame Place)	Beltline	Telus Pension Fund & Alberta Teacher's Retirement Fund/Blackstone Commercial	48,635	\$7,650,000 (\$157.29/SF)
280 Midpark Way SE*	Suburban Southeast	ICM Asset Management/Lansdowne Equity Ventures	31,206	\$5,675,000 (\$181.85/SF)
367 Nolanridge Crescent NW (Melcom Plaza)	Suburban Northwest	Melcom Homes Ltd./Umbrella Properties Inc.	10,689	\$3,900,000 (\$365/SF)

OFFICE SUBMARKETS

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