

Strong quarter pushes Calgary towards an under-supplied market

▼ 3.6%

Availability Rate

▼ 2.0%

Vacancy Rate

▲ 3.8M

SF Net Absorption

▲ 999K

SF New Supply

▼ 4.0M

SF Under Construction

▲ \$11.54

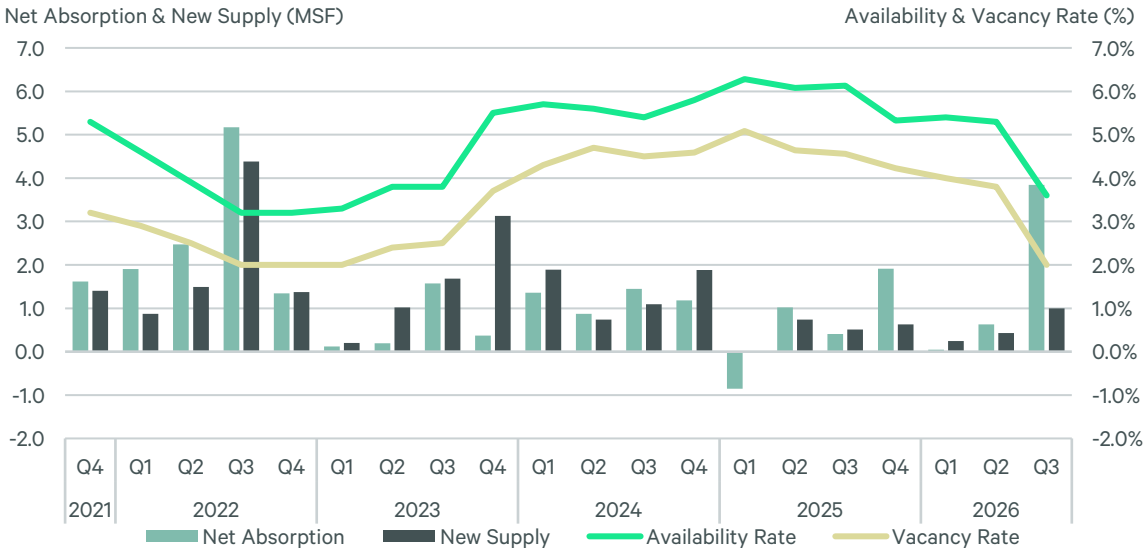
PSF Net Asking Rate

Note: Arrows indicate change from previous quarter.

MARKET SUMMARY

- Calgary’s industrial market recorded 3.8 million sq. ft. of net absorption in Q3 2026, driven by numerous significant transactions completed this quarter over 100,000 sq. ft. Net absorption was further boosted by 999,000 sq. ft. of new supply that came to the market at 91.7% pre-leased.
- The availability rate declined to 3.6% in Q3 2026, driven by a 42.8% reduction in available large-bay space. Continued tenant demand across all size segments has constrained market choice and placed upward pressure on rents, resulting in a 2.7% quarter-over-quarter increase in net rental rates.
- Of the 4.0 million sq. ft. currently under construction, 1.8 million sq. ft. is speculative development, with only 6.9% pre-leased as of Q3 2026. While this speculative development pipeline will provide some near-term supply relief, the majority of new development is geared toward small and mid-bay users, leaving limited new options for large-format occupiers through 2027.
- Available options for owner-user sales fell by 27.7% in Q3 2026, with only 1.1 million sq. ft., or 65 total options available. This has put an upward pressure on prices across the market and caused heavy competition amongst prospective buyers.

FIGURE 1: Market Fundamentals



Source: CBRE Research, Q3 2026.

Market fundamentals

Calgary's industrial market recorded 3.8 million sq. ft. of net absorption in Q3 2026, the second largest quarterly net absorption figure ever recorded in Calgary. Year-to-date net absorption now totals approximately 4.5 million sq. ft., the highest level seen through the first three quarters of the year since 2022. The availability rate declined by 170 basis points (bps) to 3.6%, returning market conditions to their tightest levels since Q1 2023.

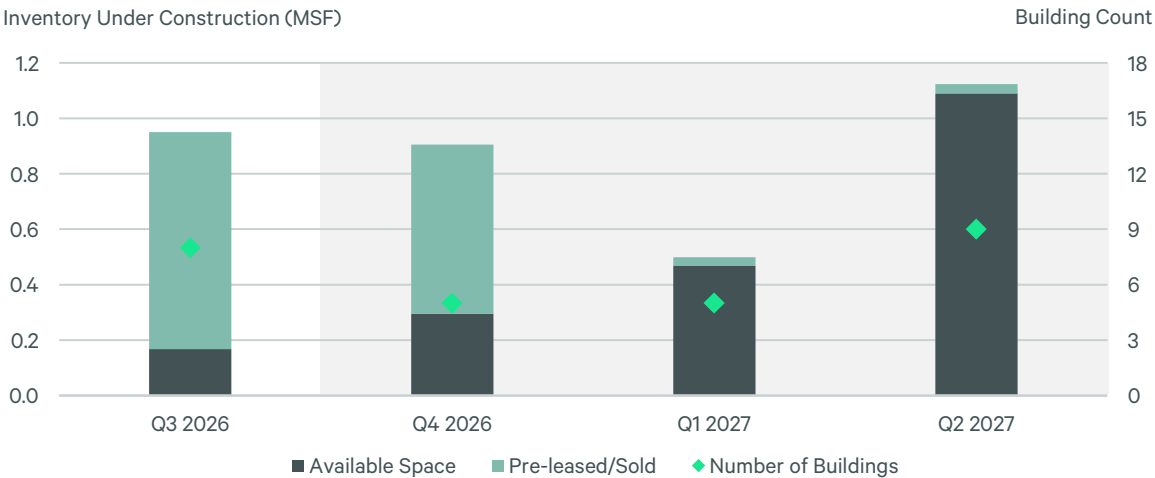
The primary driver of net absorption this quarter was a surge of large lease deals from a variety of different users. However, net absorption was also further boosted by 999,000 sq. ft. of new supply delivered during the quarter, of which 916,000 sq. ft. was pre-leased. Year-to-date, 91.6% of all new supply was pre-leased upon completion, reflecting a development cycle dominated by design-build projects. The lack of available new speculative construction space has left the market constrained in all size ranges.

Large bay availability sees significant contraction

Total large bay availability declined significantly during Q3 2026, with available space in pockets of 40,000 sq. ft. or greater falling by 42.8% from 5.8 million sq. ft. in Q2 2026 to 3.3 million sq. ft. This contraction was concentrated among the market's largest options, as readily available space in blocks of 100,000 sq. ft. or greater declined by approximately 2.5 million sq. ft. The reduction was driven largely by atypical occupiers, most notably SLB Canada's (formerly Schlumberger) infrastructure division, which leased a collective 1.4 million sq. ft. across three buildings to support the construction and development of Meta's \$13.0B data centre project in Sturgeon County, AB.

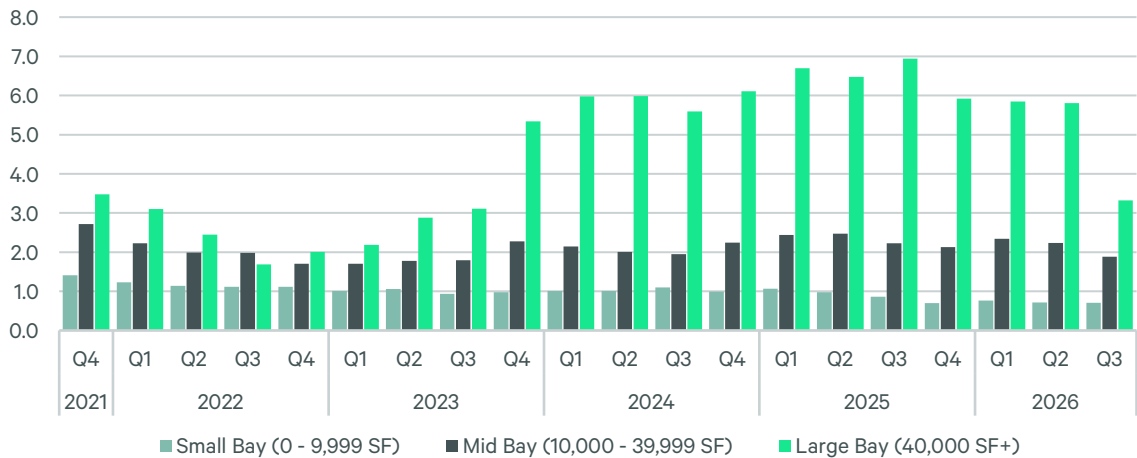
The market for tenants requiring more than 100,000 sq. ft. remains undersupplied, with only nine existing options on the market. As the majority of speculative development under construction targets small and mid-bay occupiers, large-bay availability is expected to remain limited until additional purpose-built developments are delivered or existing large-bay spaces return to the market.

FIGURE 2: Under Construction Pre-Leasing Activity by Forecasted Scheduled Delivery
Inventory Under Construction (MSF)



Source: CBRE Research, Q3 2026.

FIGURE 3: Industrial Availability by Bay Size (MSF)



Source: CBRE Research, Q3 2026.

Speculative construction activity

The sharp reduction in market availability during the quarter has strengthened the case for new speculative development. Developers are responding to tightening market conditions by advancing new projects across several submarkets, particularly within the mid-bay and large-bay segments, where leasing options have become increasingly limited.

Several speculative developments are currently under construction, which will provide much-needed inventory to the market. 1.8 million sq. ft. of speculative inventory is currently under construction, with 6.9% pre-leased as of Q3 2026. Pre-leasing numbers for these new speculative developments are expected to trend upwards due to the limited existing options and strong demand. Despite this, the current pipeline remains undersupplied for new development geared towards large occupiers. Notable projects under construction, including Country Hills Industrial, South Foothills 52 Buildings 1 and 2, and Gemini 52, are primarily geared toward small and mid-bay tenants. This will provide some relief to these market segments, which have recently seen constrained availability.

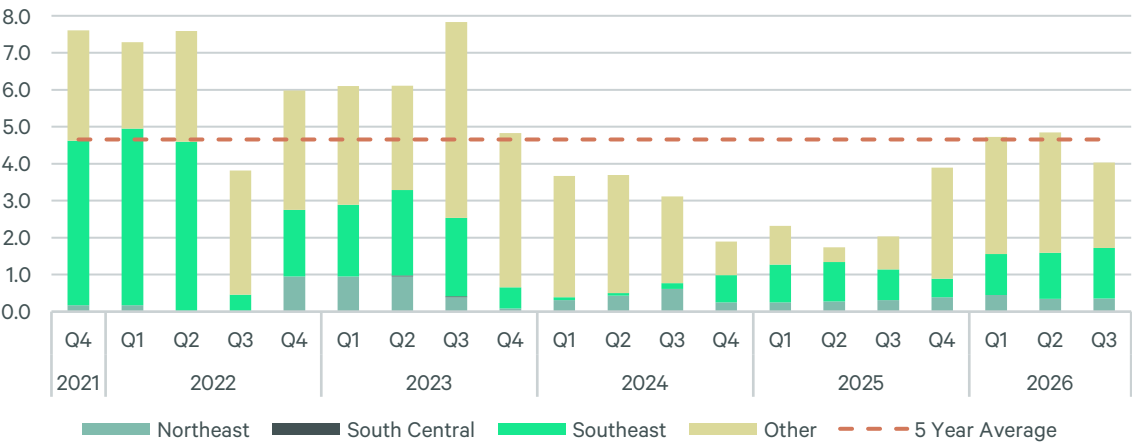
Owner-user market and rental rates

Available options for owner-user sales fell by 27.7% in Q3 2026, with only 1.1 million sq. ft., or 65 total options available. This has put upward pressure on prices across the market and caused heavy competition amongst prospective buyers. The combination of rising prices and limited opportunities is shifting more owner-user demand toward industrial condominium projects and supporting additional condo development, with Triple Crown in High Plains Industrial Park representing a notable example.

Tightening market fundamentals continue to support rental rate growth across Calgary’s industrial sector. Limited availability has strengthened landlord leverage and reduced tenants’ ability to negotiate against competing alternatives, resulting in a 2.7% increase in average net asking rates to \$11.54 per sq. ft. in Q3 2026. Net rental rates have now increased 45.5% since the end of 2020, reflecting a combination of persistent supply constraints, strong occupier demand, and higher construction costs that have materially increased the cost of delivering new industrial product.

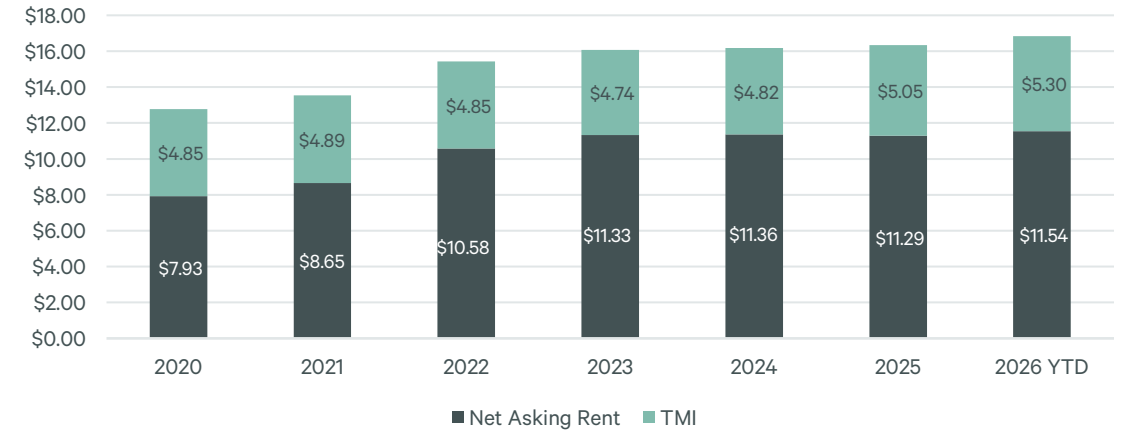
FIGURE 4: Quarterly Under Construction (MSF)

Inventory Under Construction (MSF)



Source: CBRE Research, Q3 2026.

FIGURE 5: Net Asking Rents and TMI (\$PSF)



Source: CBRE Research, Q3 2026.

FIGURE 6: Q3 2026 Industrial Market Statistics

	Inventory (SF)	Vacant Space (SF)	Vacancy Rate (%)	Available Space (SF)	Availability Rate (%)	Occupied Space (SF)	Net Absorption (SF)	YTD Net Absorption (SF)	New Supply (SF)	YTD New Supply (SF)	Under Construction (SF)	Net Asking Rent (PSF)	TMI (PSF)	Gross Asking Rent (PSF)
Northeast	49,988,839	1,047,420	2.1%	1,854,239	3.7%	48,134,600	800,766	263,936	24,000	168,722	358,024	\$12.10	\$5.95	\$18.05
Southeast	63,013,356	1,343,851	2.1%	2,297,425	3.6%	60,715,931	1,106,900	2,034,004	24,087	335,603	1,365,539	\$11.35	\$5.56	\$16.91
South Central	28,525,963	175,779	0.6%	438,447	1.5%	28,087,516	65,396	128,991	0	0	0	\$12.68	\$6.58	\$19.26
Other	24,465,926	708,169	2.9%	1,315,698	5.4%	23,150,228	1,870,679	2,090,489	951,197	1,169,453	2,305,400	\$10.70	\$3.49	\$14.19
Calgary Total	165,994,084	3,275,219	2.0%	5,905,809	3.6%	160,088,275	3,843,741	4,517,420	999,284	1,673,778	4,028,963	\$11.54	\$5.30	\$16.84

Source: CBRE Research, Q3 2026.

FIGURE 7: Notable Projects Under Construction

Submarket	Property	Size (SF)	Type	Expected Delivery
Other	Dollarama Warehouse	1,660,000	Design Build	Q3 2027
Other	Interlink Logistics TJX Expansion	248,000	Design Build	Q4 2026
Other	eStruxture CAL-3 Data Centre	195,000	Design Build	Q4 2026
Southeast	Glenmore Yards Business Park – Building 2	186,000	Speculative	Q3 2027
Southeast	Gemini 52 – Building 1	182,700	Speculative	Q2 2027
Southeast	Gemini 52 – Building 2	176,250	Speculative	Q2 2027
Southeast	South Foothills 52 – Building 1	146,000	Speculative	Q3 2027
Southeast	Glenmore Yards Business Park – Building 3	141,000	Speculative	Q3 2027
Other	Symmetry Industrial Building A	141,000	Speculative	Q3 2027
Southeast	Constellation – Hopewell & XXIII Capital	133,000	Speculative	Q3 2026
Southeast	South Foothills 52 – Building 2	119,000	Speculative	Q3 2027
Southeast	Glenmore Yards Business Park – Building 1	112,000	Speculative	Q3 2027

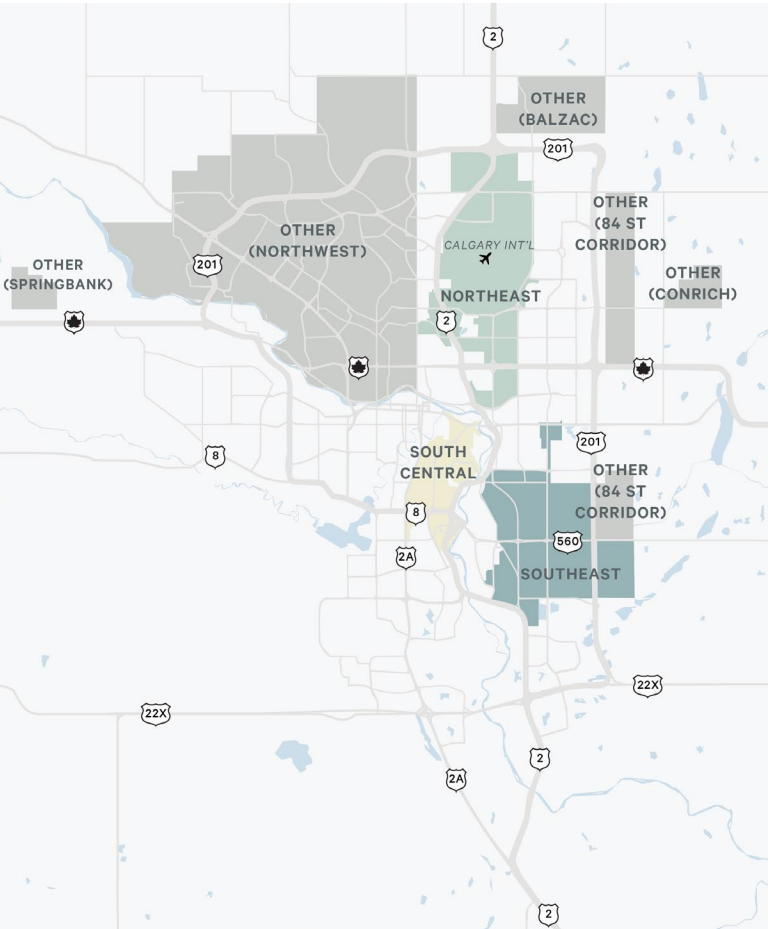
Source: CBRE Research, Q3 2026.

FIGURE 8: Notable Lease Transactions (> 50,000 SF)

Size (SF)	Tenant	Address	Submarket
499,000	SLB	6600 72 Avenue SE	Southeast
486,000	SLB	30 High Plains Trail	Other
368,000	SLB	5201 110 Avenue SE	Southeast
177,000	Aosom Canada Inc.	9840 70 Street SE	Southeast
172,000	Nippon Express	285243 Frontier Road	Other
151,000	Imperial Oil	11575 Stonehill Drive NE	Northeast
119,000	Black Earth	11550 Barlow Trail NE	Northeast
111,000	D-Home	292039 Wagon Wheel Boulevard	Other
89,000	Bell Textron Canada	58 Aero Drive NE	Northeast
74,000	Intelcom Courier Canada	240 Aero Way NE	Northeast
60,000	SKF Canada	1115 68 Avenue SE	Southeast

Source: CBRE Research, Q3 2026.

Market Area Overview



Definitions

- Available sq. ft.:** Space in a building, ready for occupancy within six months; can be occupied or vacant.
- Availability Rate:** Total Available sq. ft. divided by the total building Area.
- Net Absorption:** The change in Occupied sq. ft. from one period to the next.
- Net Lease Rate:** Rent excludes one or more of the "net" costs (real property taxes, operating costs, building insurance, and major maintenance) typically included in a gross Lease Rate.
- Vacancy Rate:** Total Vacant sq. ft. divided by the total Building Area.
- Vacant sq. ft.:** Space that can be occupied within 30 days.
- TMI:** Taxes, Maintenance, & Insurance.

CBRE Office

525 – 8th Avenue SW, Suite 3200
Calgary, AB T2P 1G1

Contacts

Alexander Robins

Associate
+1 403 750 0543
alexander.robins@cbre.com

Lane Burton

Research Manager
+1 403 750 0509
lane.burton@cbre.com