

Large-bay availabilities mask underlying healthy fundamentals

▲ 4.9%

Availability Rate

▼ -215K

SF Net Absorption

▲ 1.6M

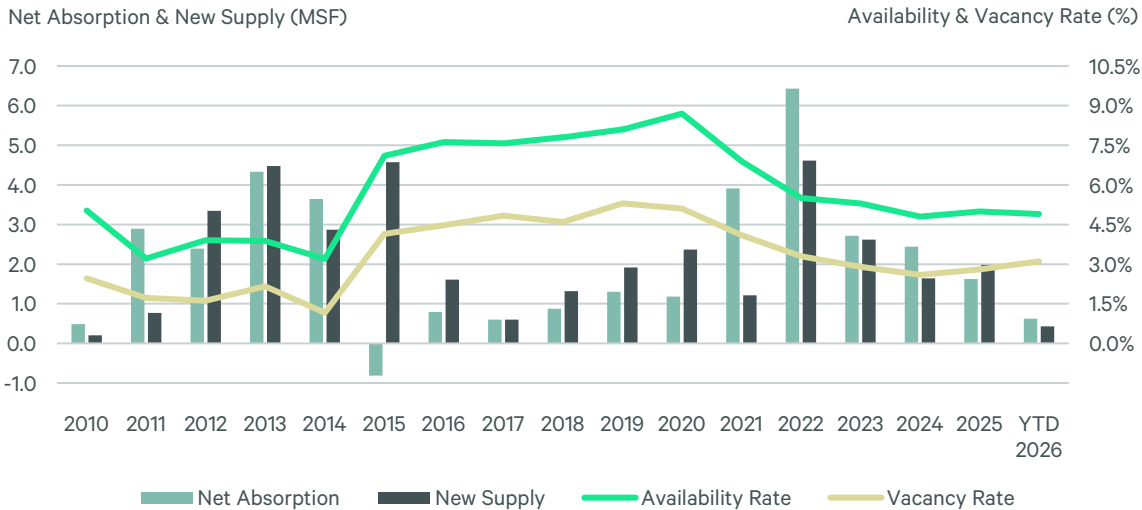
SF Under Construction

Note: Arrows indicate change from previous quarter.

Executive Summary

- Negative net absorption exceeded 215,000 sq. ft. this quarter, lifting availability and vacancy by 40 basis points (bps). Several large spaces returning to inventory outweighed above-average leasing activity and deal volume.
- Transactions of 25,000 sq. ft. or less accounted for 82.4% of deals, down from over 91.0% last quarter. Larger-format leasing strengthened, with seven deals above 50,000 sq. ft. comprising nearly one-third of total deal volume.
- Nearly 383,000 sq. ft. of speculative space was delivered this quarter, with 282,000 sq. ft. more expected by year-end. Q4 deliveries are 40.0% pre-leased, compared with 11.2% for Q3 supply.
- Meta’s proposed \$13B, 1-gigawatt data centre in Sturgeon County is expected to create 3,000 construction jobs and 300 permanent positions while supporting additional industrial growth and demand across the Edmonton market.

FIGURE 1: Historical Leasing Fundamentals



Source: CBRE Research, Q3 2026.

Negative absorption obscures underlying market strength

Edmonton’s industrial market recorded more than 215,000 sq. ft. of negative net absorption this quarter, contributing to a 40 bps increase in both availability and vacancy rates. Vacancy rose above 3.0% for the first time since Q3 2024. Despite this increase, availability remained below 5.0% for the third consecutive quarter, suggesting resilient underlying market conditions.

This quarter’s negative net absorption was not the result of softer leasing activity. Transaction volume surpassed the ten-quarter average, reflecting healthy leasing activity. However, the reintroduction of five availabilities exceeding 75,000 sq. ft., totaling more than 610,000 sq. ft., returned a significant amount of space back to the market and was the primary driver of negative absorption this quarter.

Another positive indicator is the continued decline in sublease availability. Available sublease space fell below 900,000 sq. ft. for the first time since Q3 2022 and now represents just 11.1% of total available inventory, down substantially from 16.1% last quarter. The continued absorption of sublease space highlights resilient occupier demand and constrained direct availability, reinforcing overall market tightness despite the presence of secondary supply while contributing to stronger tenant retention.

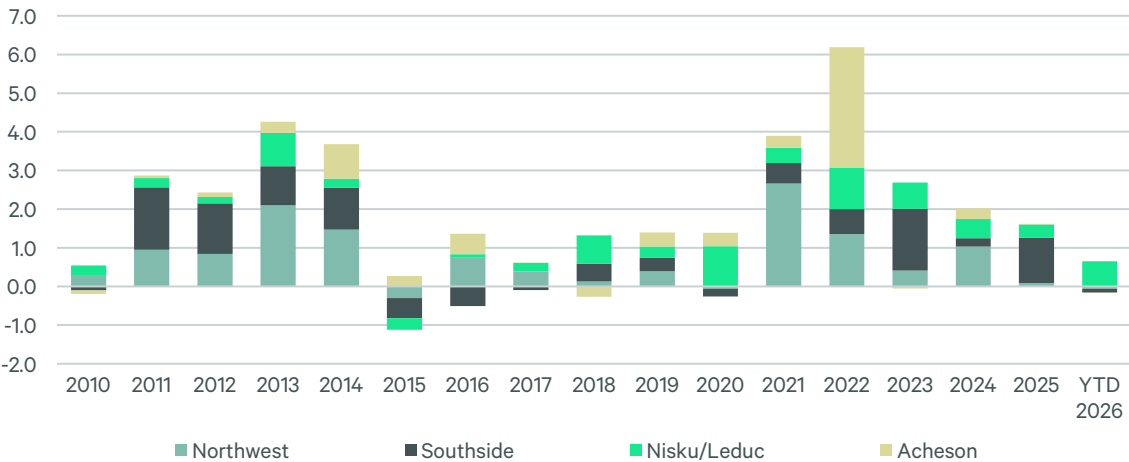
Small-bay activity still prevalent

Leasing demand continued to be led by smaller-format users, as transactions of 25,000 sq. ft. and under accounted for 82.4% of total deal count, down from more than 91.0% in the previous quarter, and more in line with Q1’s 83.3%. Larger-format leasing activity gained momentum, with seven transactions exceeding 50,000 sq. ft., up from five in the prior quarter, collectively accounting for nearly one-third of total transaction volume.

Asking rental rates continue to trend upwards

Despite negative absorption this quarter, relatively limited supply is continuing to support upward pressure on rental rates, particularly in the small-bay segment. Average asking net rents for bays 25,000 sq. ft. and under rose 5.5% year-over-year, highlighting continued demand for smaller-format industrial space.

FIGURE 2: Net Absorption in Select Submarkets (MSF)



Source: CBRE Research, Q3 2026.

FIGURE 3: Edmonton Industrial Market Statistics

	Inventory (SF)	Vacancy Rate (%)	Sublease Space (SF)	Availability Rate (%)	Net Absorption (SF)	YTD Net Absorption (SF)
Central	7,366,600	0.0%	0	0.0%	-2,500	2,696
Northwest	57,420,485	3.7%	404,433	5.8%	63,351	-64,079
Northeast	2,462,331	2.2%	0	3.1%	6,773	-14,736
Southside	53,033,086	2.2%	272,022	4.1%	-471,423	-93,716
Nisku/Leduc	22,611,769	6.6%	97,506	8.6%	169,375	651,213
Acheson	11,675,216	1.2%	106,788	2.8%	14,954	-5,395
Sherwood Park	7,005,911	0.4%	0	0.5%	4,019	145,899
Total Market	161,575,398	3.1%	880,749	4.9%	-215,451	621,882

Source: CBRE Research, Q3 2026.

Speculative space enters market as new projects break ground

Nearly 383,000 sq. ft. of speculative space was delivered this quarter, with an additional 282,000 sq. ft. expected by year-end. Pre-leasing of scheduled Q4 speculative deliveries rose to 40.0%, significantly outpacing Q3 speculative completions, which entered the market just 11.2% pre-leased.

Three speculative developments totaling nearly 487,000 sq. ft. broke ground this quarter, including two in Acheson. Despite adding only 382,000 sq. ft. of new supply since Q1 2023, of which just 76,000 sq. ft. was speculative, Acheson is on track to exceed that total over the next five quarters. The third speculative development that commenced construction this quarter is ReOptimize’s project in the Northwest submarket’s Henday Industrial Park. The project will offer flexible bay sizes to appeal to a large segment of the market.

First new space in over half a decade coming to Sherwood Park

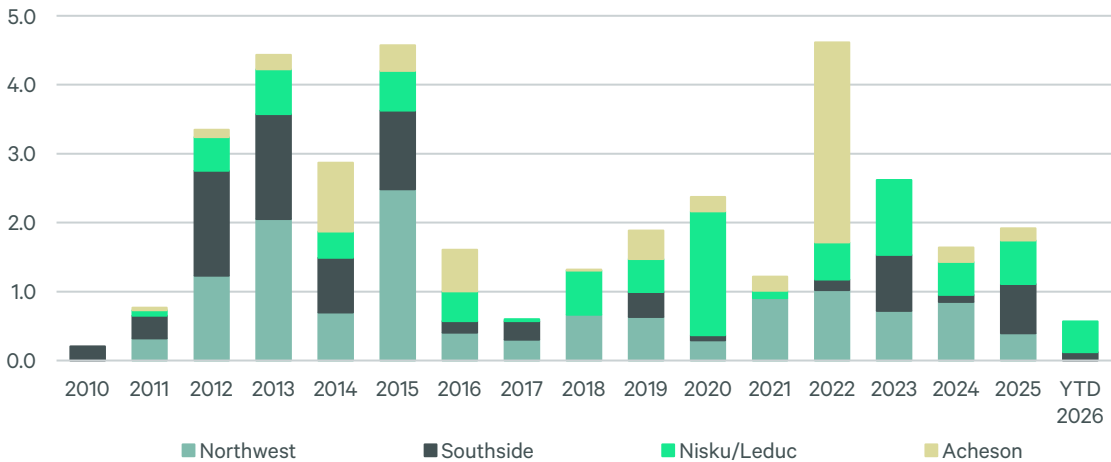
Another supply-constrained submarket, Sherwood Park, is set to welcome the completion of Building 1 at Prairie Sky Business Park next quarter, an 80,000 sq. ft. speculative development. Vacancy in the submarket has remained below 2.0% since Q1 2022 and under 1.0% for the past four quarters, suggesting the new inventory will provide some relief. However, the impact may be limited, as the project is already 43.8% pre-leased.

Meta data centre set to bolster Edmonton’s industrial market

Meta’s July announcement of a \$13 billion, 1-gigawatt data centre in Sturgeon County marked a major milestone for Edmonton’s industrial landscape. As one of the largest data centre investments in Canadian history, the project is expected to create at least 3,000 construction jobs and 300 permanent roles, strengthening Alberta’s competitiveness in the AI sector.

The investment is also expected to have a positive spillover effect on industrial fundamentals, supporting market growth, construction activity, and demand throughout the Edmonton area. Furthermore, the requirement to update the facility’s technological components every five to seven years offers the Edmonton Region an economic driver well into the future.

FIGURE 4: Completed Construction in Select Submarkets (MSF)



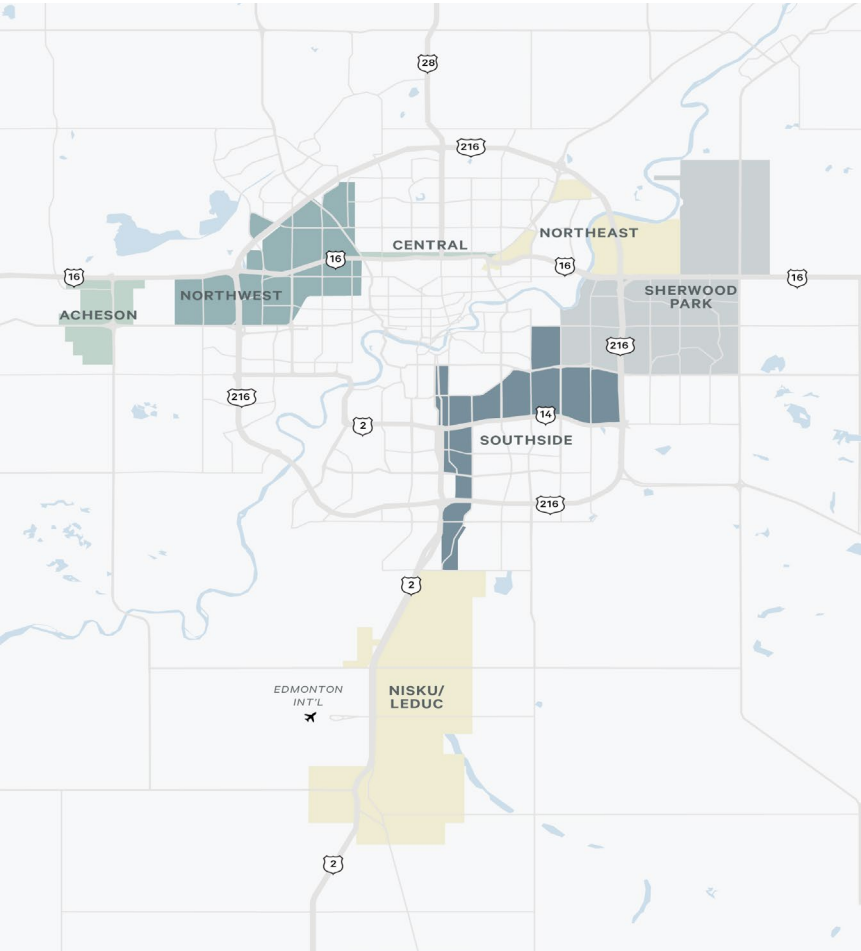
Source: CBRE Research, Q3 2026.

FIGURE 5: Select Projects Under Construction

Development	Development Type	Market	Approx. Size (SF)	Est. Completion Date
UFA Distribution Center	Design Build	Nisku/Leduc	200,000	Q4 2026
A.R Thompson Facility	Design Build	Nisku/Leduc	163,342	Q4 2026
Tower Industrial Park – Building 1	Speculative	Acheson	112,260	Q4 2026
Ranchland Business Park – Building 1	Speculative	Acheson	214,500	Q3 2027
Upfield Industrial Park – Building 1	Speculative	Acheson	61,050	Q4 2027
Mistatim Business Park – Buildings 1 & 2	Speculative	Northwest	90,000	Q4 2026
Henday Industrial Park Speculative Build	Speculative	Northwest	211,200	Q3 2027
Prairie Sky Business Park	Speculative	Sherwood Park	80,000	Q4 2026

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, based on Availability Rate.
Net Lease Rate: Rent excludes one or more of the "net" costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate.
Occupied Sq. Ft.: Building Area not considered vacant.
Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area.
Vacant Sq. Ft.: Space that can be occupied within 30 days.

Survey Criteria

Includes all industrial buildings 10,000 sq. ft. and greater in size in Edmonton, as well as buildings that have begun construction as evidenced by site excavation or foundation work.

Contacts

Mark Anderson
Managing Director
+1 780 293 6275
Mark.Anderson2@cbre.com

Chelsea Davidson
Senior Research Analyst
+1 780 917 4635
Chelsea.Davidson@cbre.com

Adam Hundert
Research Analyst
+1 780 917 4629
Adam.Hundert@cbre.com

Kora Martin
Associate
+1 780 229 4650
Kora.Martin@cbre.com

Zachary Evanoff
Associate
+1 780 229 4653
Zachary.Evanoff@cbre.com