CBRE

Calgary industrial market maintains momentum

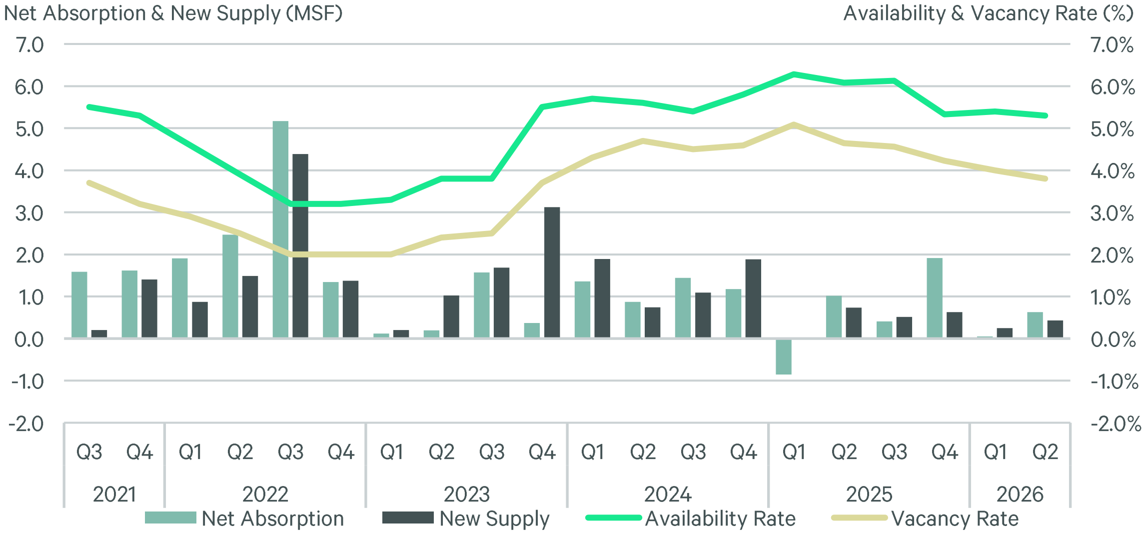
▼ 5.3%	▼ 3.8%	▲ 626K	▲ 429K	▲ 4.8M	▲ $11.24
Availability Rate	Vacancy Rate	SF Net Absorption	SF New Supply	SF Under Construction	PSF Net Asking Rate

Note: Arrows indicate change from previous quarter.

MARKET SUMMARY

- Calgary's industrial market remained stable in Q2 2026, with moderate net absorption supported by the delivery of 429,000 sq. ft. of new supply, 89.0% of which was pre-leased. Pre-leased new supply continues to be the primary driver of net absorption.
- The availability rate declined by 10 basis points (bps), as demand continues to grow slowly. The decline continues to be most pronounced in the small-bay segment, where options under 10,000 sq. ft. have decreased 25.1% year-over-year.
- Construction activity expanded for a fourth consecutive quarter, with inventory under construction reaching approximately 4.8 million sq. ft. Growth was supported by increased speculative development activity, including the commencement of Enright Capital's Gemini 52 and Remington's Symmetry Industrial Park.
- Available sublease space increased by 334,000 sq. ft. during the quarter, primarily due to the addition of Sobeys' 308,000 sq. ft. former Voilà grocery delivery facility. Despite the increase, overall sublease market conditions remained relatively stable, as the change was largely attributable to a single large-format listing.

FIGURE 1: Market Fundamentals



Source: CBRE Research, Q2 2026.

Market fundamentals

Calgary's industrial market showed consistent growth in Q2 2026, with net absorption increasing from the previous quarter and bringing year-to-date absorption to 673,000 sq. ft. Calgary's availability rate remains largely unchanged this quarter, declining 10 bps to 5.3%. The sustained decline in availability has returned market conditions to their tightest levels since Q3 2023. Net absorption continues to be supported by new supply deliveries, with 429,000 sq. ft. of new construction being completed during this quarter, 89.0% of which was pre-leased. Over the past year, 92.6% of all new supply was pre-leased, contributing more than 1.7 million sq. ft. to net absorption. This trend has supported occupancy growth and reinforced the steady market fundamentals seen so far in 2026. The completion of new design-build projects continues to be a significant contributor to net absorption. However, pre-leasing is expected to resurface with new projects underway.

Small-bay availability continues to tighten

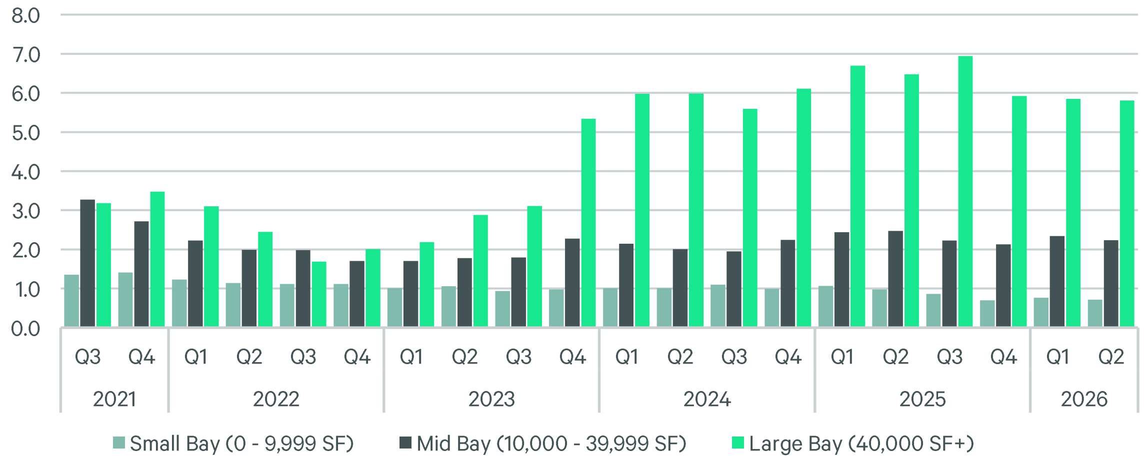
Consistently strong activity in the small-bay market continues to be a significant driver of declining availability across Calgary's industrial sector. Total options under 10,000 sq. ft. fell by 4.8% during the quarter and have contracted by 25.1% over the past year, extending a trend that has persisted through much of the past two years. At its peak, the market offered more small-bay options than the total number of industrial opportunities currently available across Calgary, highlighting the extent of this segment's contraction.

The continued tightening of the small-bay market reflects the depth and diversity of occupier demand within this size range. As availability continues to contract, occupiers seeking a small bay are faced with a limited selection of options. The sustained reduction and year-to-date trends in available space reinforces the small-bay position as one of the most constrained within Calgary's market.

FIGURE 2: Under Construction Pre-Leasing Activity by Forecasted Scheduled Delivery

Source: CBRE Research, Q2 2026.

FIGURE 3: Industrial Availability by Bay Size (MSF)



Source: CBRE Research, Q2 2026.

Speculative construction activity

Construction activity continued to expand in Q2 2026, rising to 4.8 million sq. ft. and remaining above the five-year average of 4.5 million sq. ft. This marks a second consecutive quarter of growth and the highest level of inventory under construction since Q4 2023. Growth in the pipeline has been driven by a continued increase in speculative development activity, with speculative inventory under construction reaching 1.9 million sq. ft.

Growth in speculative development has been supported by strengthening fundamentals across the industrial market. Tight small-bay availabilities and rising rates have improved development fundamentals, enabling developers to justify investing in new speculative projects. At the same time, increased demand from large-bay occupiers has encouraged developers to expand the speculative pipeline in anticipation of future leasing activity.

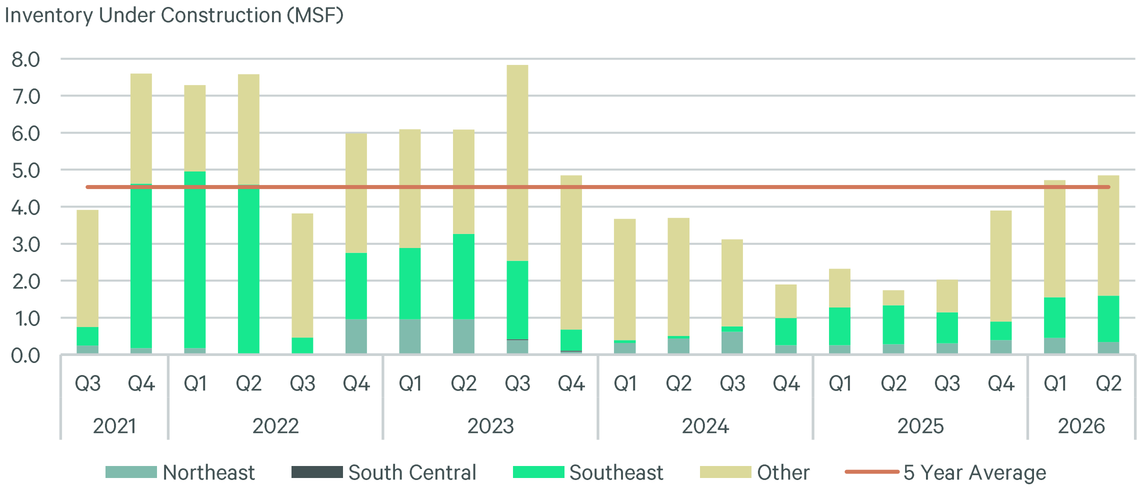
This quarter's increase in speculative inventory is due to the commencement of two major developments, Enright Capital's Gemini 52 and Remington Development Corporation's Symmetry Industrial Park. These projects will add to Calgary's future supply of speculative industrial space, while large-bay design-build projects continue to account for a significant share of construction activity.

Sublease market

Available sublease space increased by 334,000 sq. ft. this quarter, reaching 1.7 million sq. ft. The increase was largely attributed to the addition of Sobeys' 308,000 sq. ft. via Voilà grocery delivery facility, which was brought to market following the company's decision to discontinue its online grocery delivery operations in Alberta.

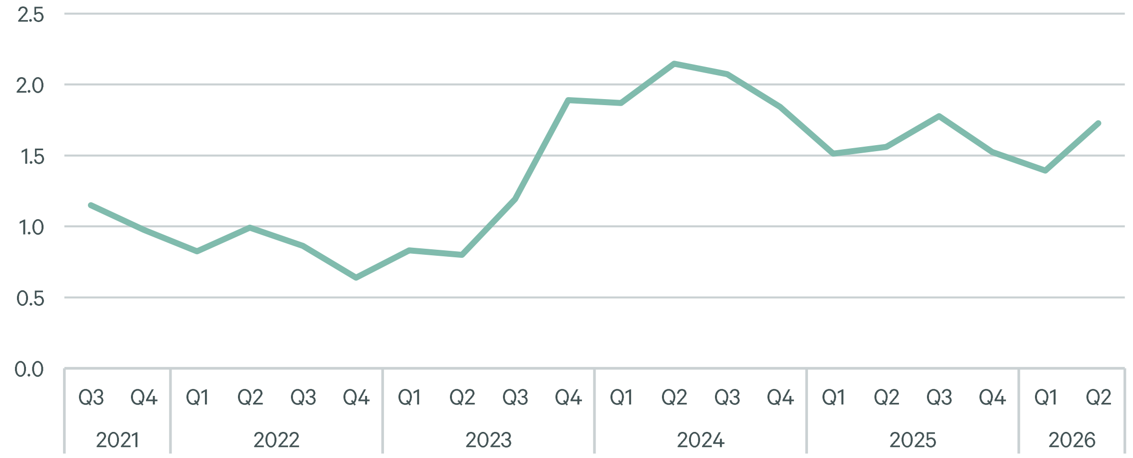
While the increase represents a notable quarter-over-quarter change, sublease availability remains broadly consistent with levels observed over the past two years. The rise was primarily driven by a single large listing; this increase in available sublease space is not market-shifting but rather driven by an outlier. Overall, sublease space continues to account for a limited share of Calgary's industrial inventory. Although overall sublease availability has declined over the past two years, the market remains susceptible to quarter-to-quarter fluctuations resulting from the addition of large offerings.

FIGURE 4: Quarterly Under Construction (MSF)



Source: CBRE Research, Q2 2026.

FIGURE 5: Available Sublease Space (MSF)



Source: CBRE Research, Q2 2026.

FIGURE 6: Q2 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	49,964,839	1,906,950	3.8%	2,631,005	5.3%	47,333,834	62,728	-536,830	111,932	144,722	341,801	$11.88	$5.84	$17.72
Southeast	62,989,269	2,378,304	3.8%	3,380,238	5.4%	59,609,031	673,851	927,104	204,525	311,516	1,254,511	$11.05	$5.29	$16.34
South Central	28,525,963	291,007	1.0%	503,843	1.8%	28,022,120	89,167	63,595	0	0	0	$12.51	$6.65	$19.16
Other	23,514,729	1,703,672	7.2%	2,235,180	9.5%	21,279,549	-199,554	219,810	112,606	218,256	3,247,669	$10.49	$3.36	$13.85
Calgary Total	**164,994,800**	**6,279,933**	**3.8%**	**8,750,266**	**5.3%**	**156,244,534**	**626,192**	**673,679**	**429,063**	**674,494**	**4,843,981**	**$11.24**	**$5.04**	**$16.28**

Source: CBRE Research, Q2 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	Stoney North Logistics Centre – Phase I – Princess Auto	607,000	Design Build	Q3 2026
Other	Gateway 290	329,000	Speculative	Q3 2026
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	Q2 2027
Southeast	South Foothills 52 – Building 1	146,000	Speculative	Q2 2027
Southeast	Glenmore Yards Business Park – Building 3	141,000	Speculative	Q2 2027
Other	Symmetry Industrial Building A	141,000	Speculative	Q2 2027
Southeast	Constellation – Hopewell & XXIII Capital	133,000	Speculative	Q3 2026
Southeast	South Foothills 52 – Building 2	119,000	Speculative	Q2 2027
Southeast	Glenmore Yards Business Park – Building 1	112,000	Speculative	Q2 2027

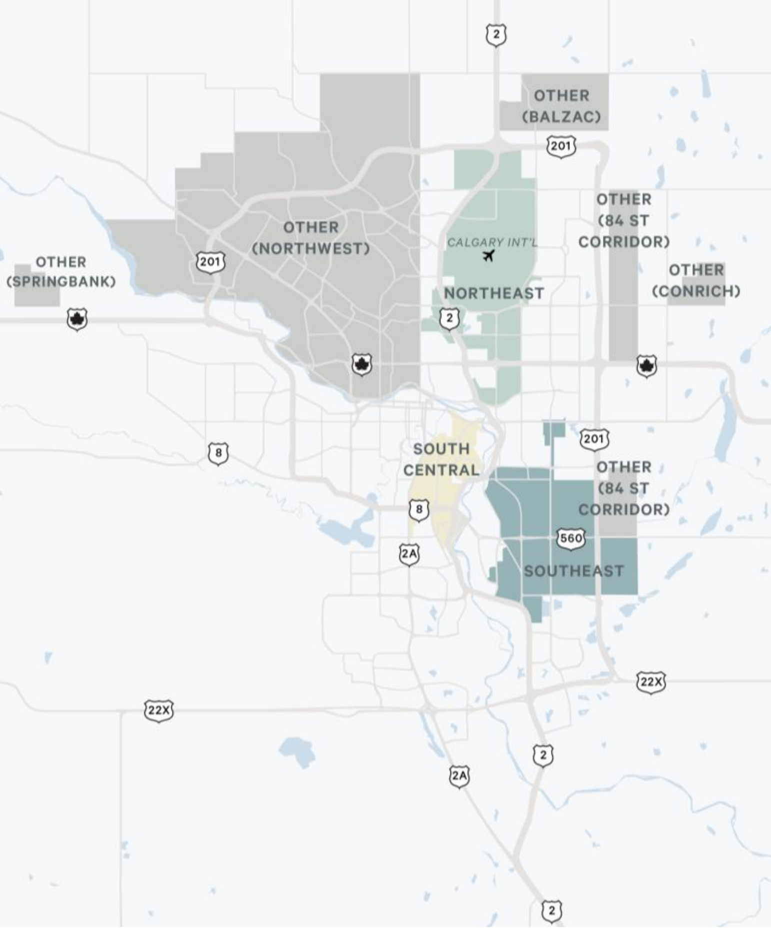
Source: CBRE Research, Q2 2026.

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

Size (SF)	Tenant	Address	Submarket
260,000	Goodcang Logistics	292179 Nose Creek Boulevard Interlink Logistics Park	Balzac
109,000	Alliance Labelling	9840 70 Street SE 68 Street Logistics Park	Southeast
96,000	Bestar	5505 72 Avenue SE	Southeast
87,000	TDG Furniture	9840 70 Street SE 68 Street Logistics Park	Southeast
77,000	Sabre Ltd	8077 40 Street SE	Southeast
66,000	Luxfer Canada	4410 46 Avenue SE	Southeast
62,000	Beauty Systems Group	5381 72 Avenue SE	Southeast

Source: CBRE Research, Q2 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.

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