CBRE

Market remains steady as construction pipeline grows

▲ 5.4%
Availability Rate

▼ 4.0%
Vacancy Rate

▼ 47K
SF Net Absorption

▼ 245K
SF New Supply

▲ 4.7M
SF Under Construction

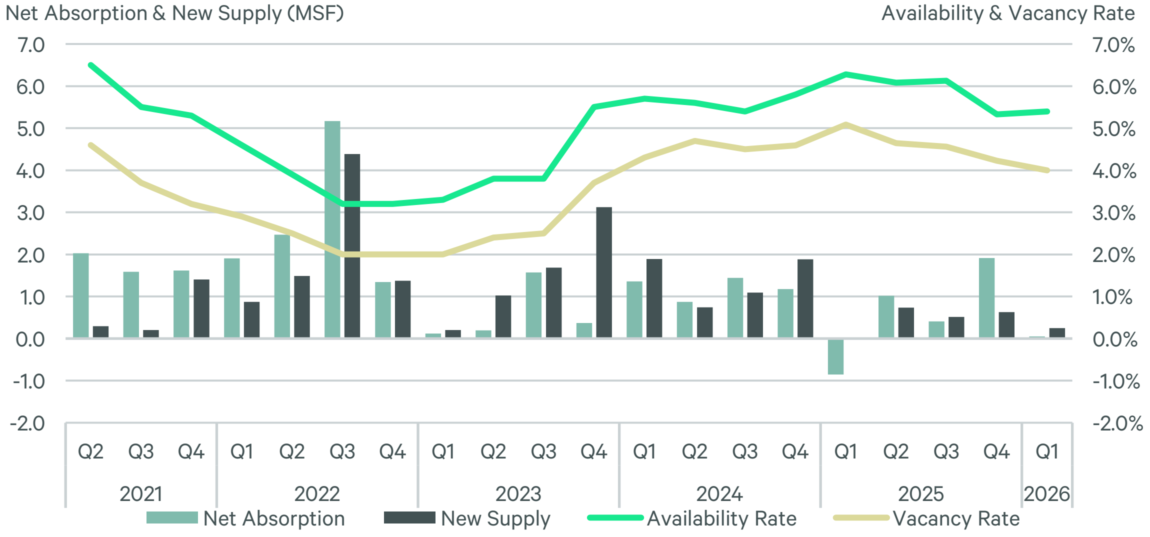
▼ $11.21
PSF Net Asking Rate

Note: Arrows indicate change from previous quarter.

MARKET SUMMARY

– As a result of limited construction completions in 2025, the number of options available to tenants has dropped across most size ranges. This is especially true for space under 5,000 sq. ft., where total options available have fallen by 33.0% year-over-year
– Q1 2026 saw 47,000 sq. ft. of positive net absorption primarily driven by 245,000 sq. ft. of new supply delivered at 95.9% pre-leased. Over the past three years, 59.2% of all new supply has been pre-leased. This contributed over 8.1 million sq. ft. of positive net absorption during this time. Throughout 2025, this stabilized market indicators amid otherwise modest activity.
– Inventory under construction continues to rise, reaching 4.7 million sq. ft., the highest it has been since Q4 2023. Speculative inventory under construction rose to 1.7 million sq. ft. as developers have begun to see opportunity again after several years of a declining pipeline.
– 894,000 sq. ft. of speculative new supply is expected to be delivered in 2026, providing some relief to a tightening market.

FIGURE 1: Market Fundamentals



Source: CBRE Research, Q1 2026.

Market fundamentals

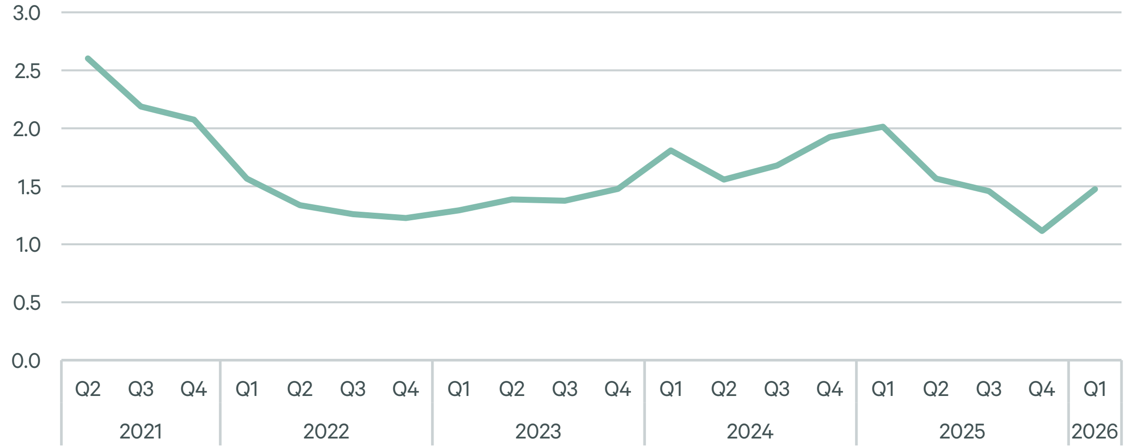
Calgary's industrial market saw a modest expansion in Q1 2026, recording a fourth consecutive quarter of positive net absorption, primarily driven by 245,000 sq. ft. of new supply delivered at 95.9% pre-leased. However, excluding the pre-leased new supply, the market recorded negative 188,000 sq. ft. of net absorption this quarter which increased the availability rate by 10 bps to 5.4%. Despite this, the market remains active and relatively balanced, as the reduced sales and leasing activity seen since the start of 2025 has been combined with a reduced speculative new supply pipeline. Most key indicators have contracted over the past year, including availability, vacancy, available space for sale, and available sublease space, suggesting that current demand has outpaced new supply, despite the slower quarter.

Market availability

Availability in the small and mid-bay segments increased in Q1 2026 as strong tenant demand was met by a notable volume of new space becoming available. While the overall sq. ft. of small bay space available went up in Q1 2026, options under 5,000 sq. ft. remain the most in demand in the market and total availabilities have decreased by 33.0% over the past year. The smaller, more locally focused businesses that occupy this product have benefited from Calgary's rapid population growth, leading to new tenants seeking entry-level space facing immense challenges in securing suitable locations.

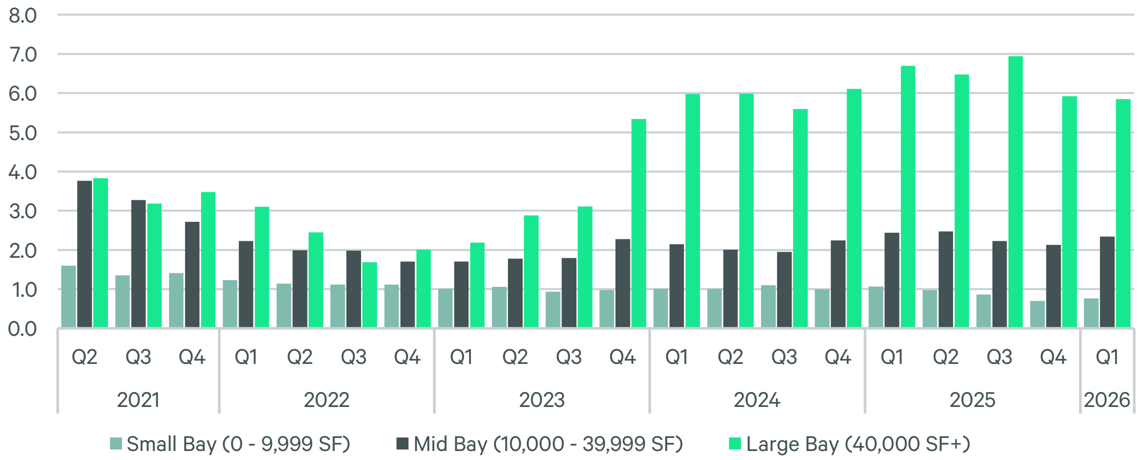
Renewed activity among large-format tenants following a slowdown at the beginning of 2025 emphasizes the healthy conditions of Calgary's industrial market. In contrast, the mid-bay segment has experienced a lack of activity, resulting in high quantities of mid-bay listings remaining on the market for extended periods of time.

FIGURE 2: Space Available for Sale (User Sales Only, For Sale or Lease options Included) (MSF)



Source: CBRE Research, Q1 2026.

FIGURE 3: Industrial Availability by Bay Size (MSF)



Source: CBRE Research, Q1 2026.

Construction pipeline

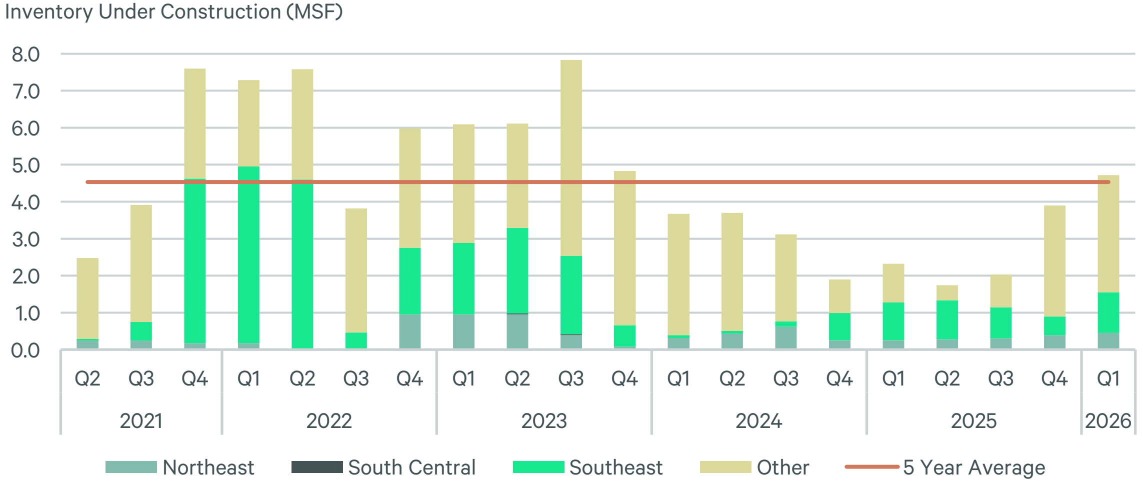
The construction pipeline rose to 4.7 million sq. ft. in Q1 2026, surpassing the five-year average of 4.5 million sq. ft. This marks the most inventory under construction since Q4 2023. A resurgence in speculative construction projects targeting small and mid-bay users commenced this quarter and will help replenish the lack of available inventory we currently have in these size ranges.

While speculative development activity has risen in small and mid-bay product, many large-format design-build projects are underway and concentrated in the growing Balzac submarket. Notable design-build projects currently under construction include Dollarama's 1.7 million sq. ft. warehouse, Princess Auto's 607,000 sq. ft. facility at Stoney North Logistics Centre, TJX's 248,000 sq. ft. expansion of its Interlink Logistics warehouse, and eStruxture's 195,000 sq. ft. data centre development.

Pre-leasing activity

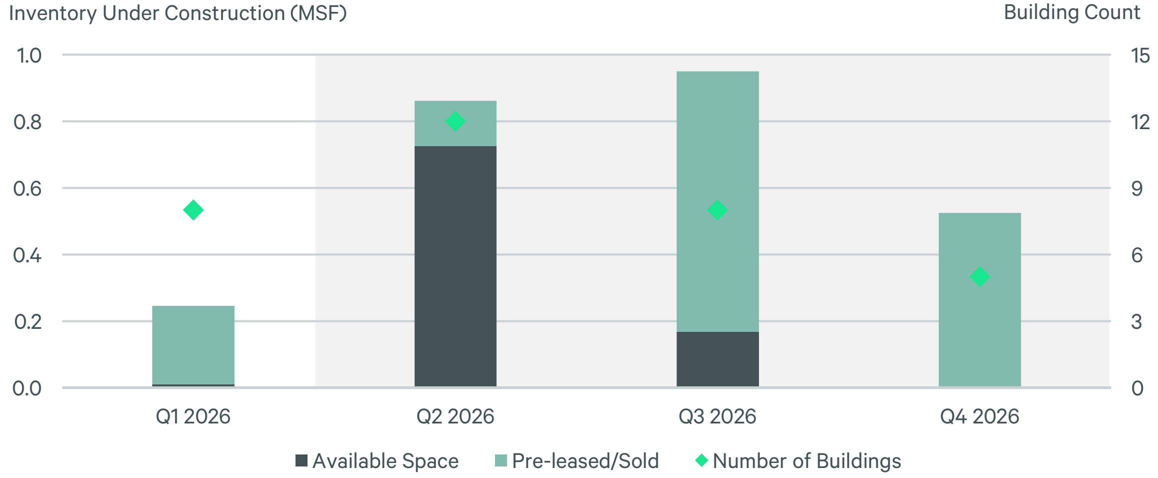
Pre-leasing has been consistently stronger in the past few years due to limited market supply and sustained demand for new generation industrial space that meets evolving user requirements. As new speculative construction predominantly targets users below 40,000 sq. ft., pre-leasing levels are expected to continue trending upward, providing some relief to constrained inventory within this size range. A notable pre-leasing transaction completed this quarter was TELUS's 255,000 sq. ft. commitment at the Gateway 290 project in Balzac, scheduled for delivery in Q2 2026. As a result of this deal, the 329,000 sq. ft. facility is now 77.5% pre-leased, with the remaining 74,000 sq. ft. pocket yet to be committed.

FIGURE 4: Quarterly Under Construction (MSF)



Source: CBRE Research, Q1 2026.

FIGURE 5: Under Construction Pre-Leasing Activity by Forecasted Scheduled Delivery



Source: CBRE Research, Q1 2026.

FIGURE 6: Q1 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	49,852,907	1,859,191	3.7%	2,581,801	5.2%	47,271,106	-599,558	-599,558	32,790	32,790	453,733	$11.83	$5.68	$17.51
Southeast	62,784,744	2,658,906	4.2%	3,849,564	6.1%	58,935,180	253,253	253,253	106,991	106,991	1,100,086	$10.95	$5.30	$16.25
South Central	28,525,963	377,056	1.3%	593,010	2.1%	27,932,953	-25,572	-25,572	0	0	0	$12.40	$6.72	$19.12
Other	23,402,123	1,642,108	7.0%	1,923,020	8.2%	21,479,103	419,364	419,364	105,650	105,650	3,167,303	$10.52	$3.38	$13.90
Calgary Total	**164,565,737**	**6,537,261**	**4.0%**	**8,947,395**	**5.4%**	**155,618,342**	**47,487**	**47,487**	**245,431**	**245,431**	**4,721,122**	**$11.21**	**$5.09**	**$16.30**

Source: CBRE Research, Q1 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	Q2 2026
Other	Interlink Logistics TJX Expansion	248,000	Design Build	Q4 2026
Southeast	Eastlake Industrial Business Park – Building 2	205,000	Speculative	Q2 2026
Other	eStruxture CAL-3 Data Centre	195,000	Design Build	Q4 2026
Southeast	Glenmore Yards Business Park – Building 2	186,000	Speculative	Q1 2027
Southeast	South Foothills 52 – Building 1	146,000	Speculative	Q2 2027
Southeast	Glenmore Yards Business Park – Building 3	141,000	Speculative	Q1 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	Q1 2027

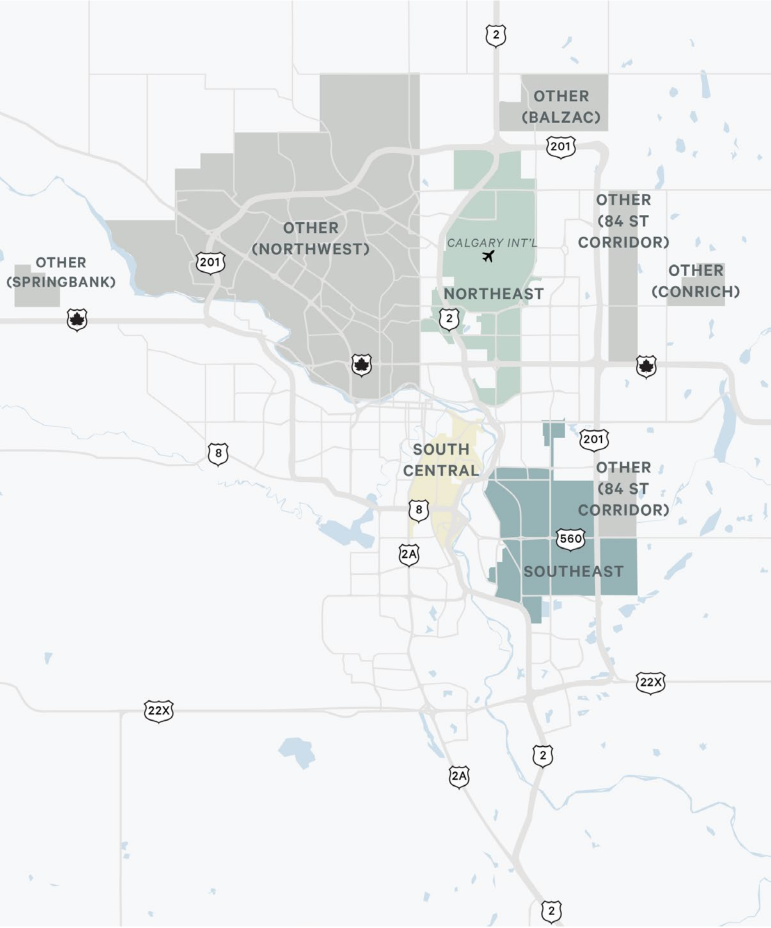
Source: CBRE Research, Q1 2026..

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

Size (SF)	Tenant	Address	Submarket
255,000	TELUS	260238 High Plains Way Gateway 290	Other
244,000	Pepsi Co	5800 79 Avenue SE Great Plains – Building 1	Southeast
167,000	Cargill	10 Freeport Way NE	Northeast
155,000	Ryder Systems Inc.	89 Freeport Boulevard NE	Northeast
155,000	Cabro Pets	292136 CrossIron Drive Rockyview Business Park – Building B	Other
58,000	Petals West	11500 Stonehill Drive NE StoneGate Industrial – Building 5B1	Northeast

Source: CBRE Research, Q1 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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