

Calgary

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Slower demand for speculative large distribution spaces contributes to softening market

After several years of significant deliveries of new industrial product, Calgary experienced a more modest year-over-year inventory growth of 1.4 million square feet (msf). While the end of 2024 marked the bottom of the last construction cycle, Calgary’s construction pipeline began to increase in 2025 but is expected to taper off again as several major projects deliver later this year. Although net absorption was only slightly positive in Q2 2025, a substantial increase is expected next quarter when Amazon moves into the nearly completed Interlink Logistics Park 2B. Hopewell recently closed on a partnership with 23 Capital to develop a 135,000-square-foot (sf) facility in Constellation Business Park.

Rents continue to face downward pressure

Average asking rents declined 2.9% year over year, shifting to \$10.35 per square foot (psf). As in recent quarters, speculative distribution space remains the primary source of downward pressure. The recent build-to-suit projects for Amazon and Princess Auto have contributed to this oversupply of large speculative space, concentrated primarily in Balzac and Rockyview. Meanwhile, demand for small-bay space continues to be robust and inner-city purchase options with land continue to be scarce.

Alberta eyes new pipeline under recently passed Bill C-5

The federal government has passed the One Canadian Economy Act which, in combination with recent statements by the Prime Minister, has created a high-potential opportunity for a fast-tracked oil pipeline. Alberta’s provincial government is actively exploring private funding for a pipeline to the West Coast, while British Columbia’s provincial government remains open to a privately funded project but opposes a publicly funded pipeline. A new pipeline project would serve as a significant catalyst for Alberta’s economy and could lead to heightened demand for industrial real estate across the province. The mid- to long-term outlook for Calgary’s industrial market will be closely tied to the extent to which Bill C-5 can expedite infrastructure investment.

Key Statistics

	Q2 2024	Q2 2025	Y-O-Y
Inventory	163.0 msf	164.4 msf	+1.4 msf
Vacancy Rate	3.4%	3.2%	-20 bps
Asking Rental Rate	\$10.66	\$10.35	-2.9%
Net Absorption YTD	5.3 msf	0.2 msf	-5.1 msf
Deliveries YTD	3.1 msf	0.0 msf	-3.1 msf
Under Construction	2.5 msf	1.6 msf	-0.9 msf

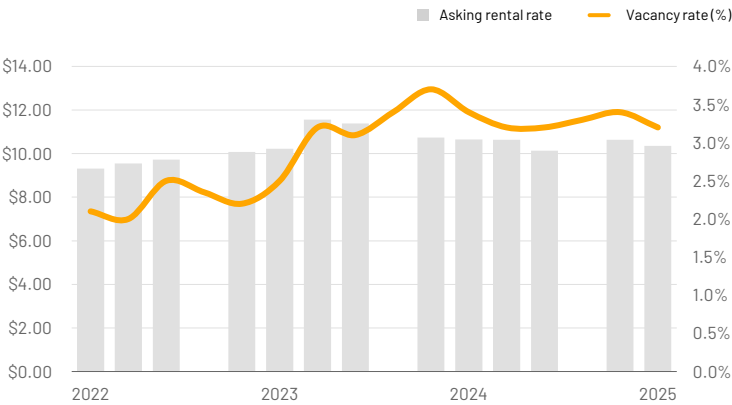
Outlook

01 Glenmore Yards Phase 1 is expected to begin construction in the second half of 2025, adding nearly 0.5 msf to Calgary’s construction pipeline

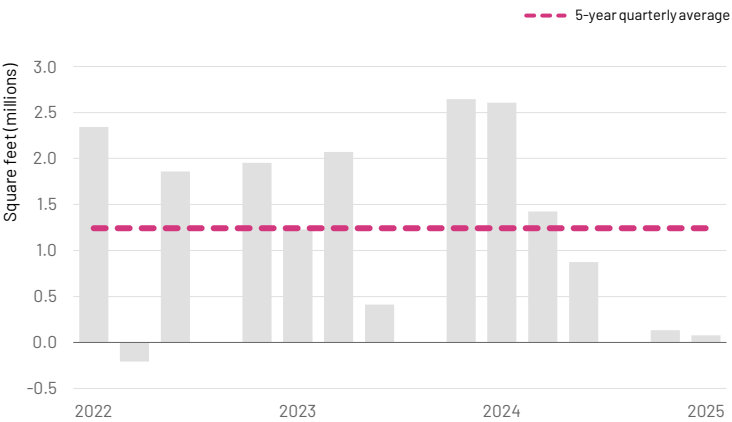
02 A proposed carbon capture project by Pathways Alliance could help unlock oil sands growth within the emissions cap, bolstering long-term industrial demand

03 If the construction pipeline remains low, a boost in demand from C-5 fast-tracked projects could have a material impact on rental rates or spur additional development

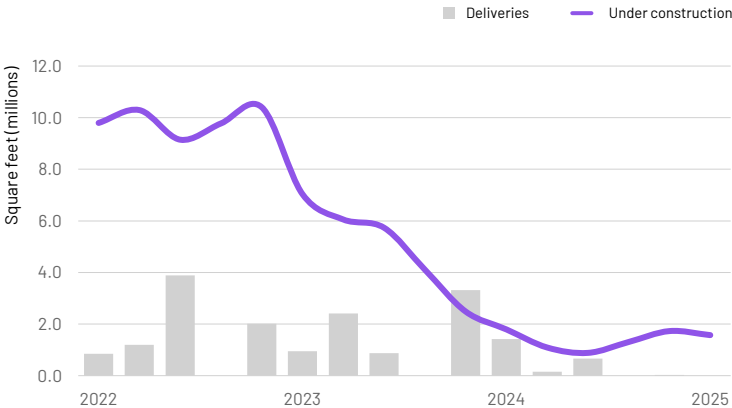
Asking Rent and Vacancy



Net Absorption



Deliveries and Under Construction



Top Leases

Source: Savills Research

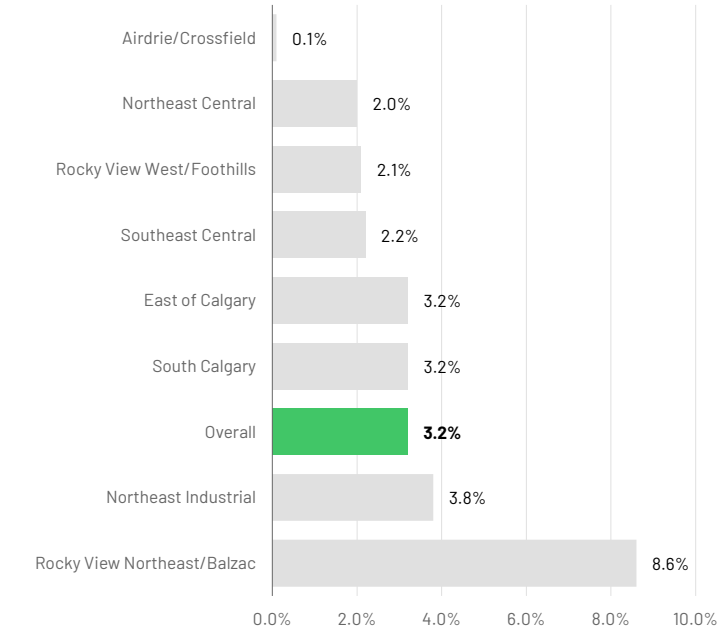
Tenant	Size (sf)	Submarket	Address	Transaction Type	Industry
Confidential	72,967	Southeast Central	315 Manitou Road SE	New Lease	Confidential
Pason Systems Corp	55,760	South Calgary	7010 106 Avenue SE	New Lease	Energy
Delcan Manufacturing Ltd.	33,347	South Calgary	7010 106 Avenue SE	Relocation	Manufacturing
Boss Lubricants	31,287	Southeast Central	7803 35 Street SE	New Lease	Energy
Shoot360	16,779	Northeast Industrial	11358 Barlow Trail NE	New Lease	Professional & Business Services

New Developments

Owner/Developer	Size (sf)	Submarket	Address	Development Type	Status
Hopewell	651,938	Rocky View Northeast / Balzac	292205 Nose Creek Boulevard	Build-to-suit	Under Construction
York Realty	204,525	Southeast	11235 52 Street SE	Speculative (available)	Under Construction
Triple Eight Transport	202,395	Rocky View Northeast / Balzac	290189 Township Road 261	Speculative (available)	Under Construction
Eagle Builders	121,604	Southeast Central	4750 102 Avenue SE	Speculative (available)	Under Construction
Remington Development Corporation	100,040	South Calgary	7010 106 Avenue SE	Speculative (pre-leased)	Under Construction

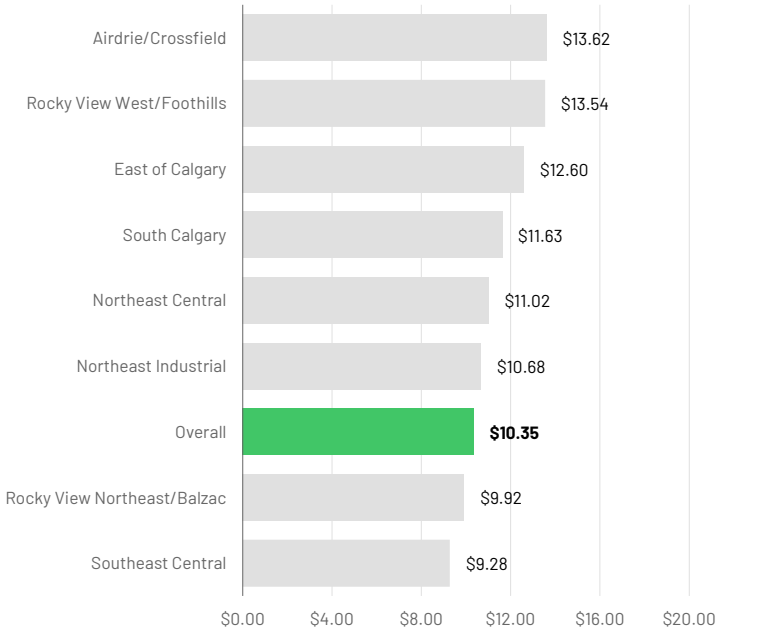
Vacancy Rate Comparison (%)

CALGARY SUBMARKETS



Rental Rate Comparison (\$/sf)*

CALGARY SUBMARKETS



*based on all classes of available inventory

Calgary Q2 2025 - Industrial

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Unless otherwise noted, all rents quoted throughout this report are average asking net (NNN) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical availability and rent data are subject to change due to changes in inventory.

The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills Research.

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