FALL 2025

CALGARY | ALBERTA

MARKET REPORT

ADVENT COMMERCIAL REAL ESTATE CORP.

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DOWNTOWN OFFICE TRENDS

Vacancy Rate	↑	19.74%
Asking Rental Rates (PSF)	↔	$27.67

BELTLINE OFFICE TRENDS

Vacancy Rate	↓	19.2%
Asking Rental Rates (PSF)	↑	$24.60

SUBURBAN OFFICE TRENDS

Vacancy Rate	↔	18.1%
Asking Rental Rates (PSF)	↔	$16.40

MULTI-FAMILY TRENDS

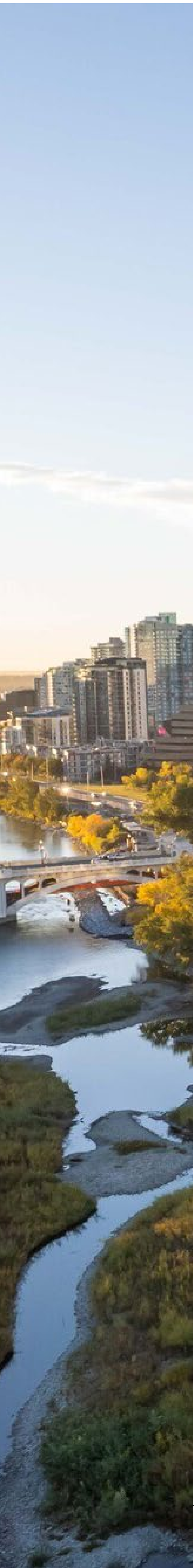
Vacancy Rate (Q3)	↓	6.5%
Asking Rental Rates (PSF) (Q3)	↓	$2.41

INDUSTRIAL TRENDS

SQ FT Net Absorption (Q3)		1,000,335
Vacancy Rate (Q3)	↑	4.60%
Asking Rental Rates (PSF) (Q3)	↑	$12.84
SQ FT Delivered to Market (YTD)		1,336,135
SQ FT Under Construction		2,278,123

RETAIL TRENDS

SQ FT Net Absorption (Q3)		240,153
Vacancy Rate (Q3)	↓	2.66%
Asking Rental Rates (PSF) (Q3)	↔	$26.15
SQ FT Delivered to Market (YTD)		179,621
SQ FT Under Construction		2,007,177



ALBERTA MACRO-ECONOMIC OVERVIEW

Alberta continues to demonstrate economic resilience, with real GDP growth projected at approximately 1.8% to 2.2% in 2025, underpinned by robust energy exports, steady migration, and firm consumer demand. Population growth remains a key driver, as Alberta continues to lead the nation in net interprovincial migration. Labour force participation remains strong, though unemployment has edged higher, indicating moderation in job creation as more entrants join the workforce. Demand for housing, infrastructure, and services continues to be elevated as Alberta maintains its position among North America's fastest-growing regions.

ENERGY SECTOR AND TRANSITION MOMENTUM

The completion and operation of the Trans Mountain Expansion (TMX) has significantly increased Alberta's export capacity and improved market access for provincial producers. At the same time, the province is placing growing emphasis on the energy transition, with major carbon capture, utilization, and storage (CCUS) initiatives—led by the Pathways Alliance—gaining strategic importance. Alberta remains a vital global energy supplier, benefitting from stable oil prices and expanding LNG export opportunities through new West Coast terminals. The province's mix of traditional energy strength and targeted investment in renewables continues to anchor long-term economic stability.

TRADE DIVERSIFICATION AND POLICY CHALLENGES

Trade policy remains a key area of both opportunity and risk. While the United States remains Alberta's principal market, the province is pursuing diversification through expanded trade discussions with India, Japan, and the European Union. Agricultural exports have faced near-term pressure from softer canola and wheat prices, yet demand fundamentals remain solid. Alberta is also positioning itself in critical minerals and clean-technology supply chains, aiming to broaden its industrial base and attract new investment beyond the energy sector.

MONETARY POLICY AND INFLATION OUTLOOK

Following a series of rate cuts earlier in 2025, the Bank of Canada has maintained its policy rate at 2.25%, signaling a cautious stance as inflation gradually moves toward target levels. National inflation has eased, though Alberta's remains slightly higher due to elevated housing and energy costs. Lower borrowing rates are beginning to support business investment and new housing starts, particularly in Calgary and Edmonton, where demand remains resilient despite affordability challenges. Renewed credit availability is expected to strengthen construction and commercial real estate through early 2026.

CURRENCY AND FISCAL CONDITIONS

The Canadian dollar continues to trade near 1.405 CAD/USD, weighed down by global uncertainty and interest-rate differentials. This level benefits Alberta's export revenues, even as it raises costs for import-dependent industries. The province's fiscal position remains stable but sensitive to energy royalties, with a projected C$2.2 billion surplus for the 2025–26 fiscal year. Ongoing population growth and strategic infrastructure spending are expected to shape the province's fiscal path going forward.

CONCLUSION

As Alberta enters late 2025, it does so on a foundation of strong demographics, a resilient energy sector, and expanding export infrastructure. Risks persist—ranging from trade friction and commodity-price volatility to environmental policy uncertainty—but Alberta's overall fundamentals remain sound. With sustained population growth, investment in energy and infrastructure, and an active construction sector, the province is well-positioned for continued momentum into 2026.

Sources: ATB Financial, Reuters, Trans Mountain Corporation, Bank of Canada, Financial Post, Government of Alberta, RBC Economics, Pathways Alliance, Statistics Canada

INDUSTRIAL MARKET OVERVIEW: ANALYZING Q2 & Q3 2025 REPORT

Calgary's industrial market showed renewed strength through Fall 2025, with leasing demand rebounding in Q3 after a subdued second quarter. Net absorption returned to solidly positive territory, while average asking rents climbed and vacancy edged lower across most major submarkets. Investment activity remained disciplined but steady, with modest cap rate compression reflecting confidence in stabilized fundamentals.

ECONOMIC OVERVIEW

Calgary's industrial sector continues to benefit from population growth, robust in-migration, and shifting supply chains that favor Western Canadian logistics hubs. Despite ongoing macroeconomic uncertainty, demand for efficient warehouse and distribution space remains resilient. Access to major highways, competitive operating costs, and availability of skilled labor continue to position Calgary as a strategic logistics node. Capital markets remain selective, yet pricing for modern, well-located assets has held firm.

MARKET PERFORMANCE OVERVIEW

These shifts reflect durable tenant demand and a measured pace of new construction. The balance between supply absorption and development completions continues to support healthy market fundamentals.
(See figures 1 & 2)

Total Net Absorption:
Q2 2025: -983,700 SF | Q3 2025: +2,582,246 SF

Average Asking Net Rent:
Q2 2025: $14.52/SF | Q3 2025: $15.18/SF

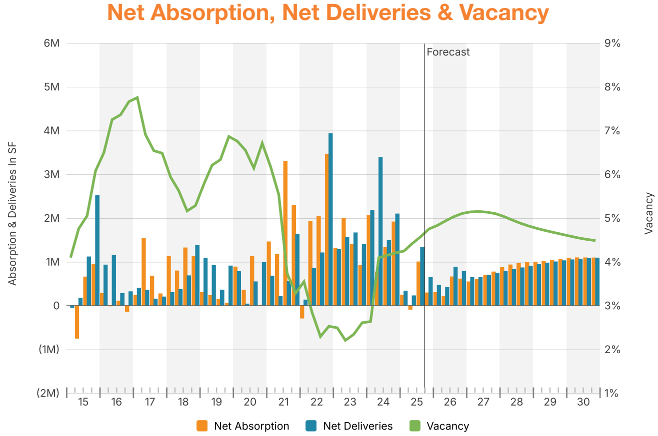
Average Market Net Rent:
Q2 2025: $13.32/SF | Q3 2025: $13.61/SF

Vacancy Rate:
Q2 2025: 4.34% | Q3 2025: 3.88%

Availability Rate:
Q2 2025: 5.47% | Q3 2025: 4.94%

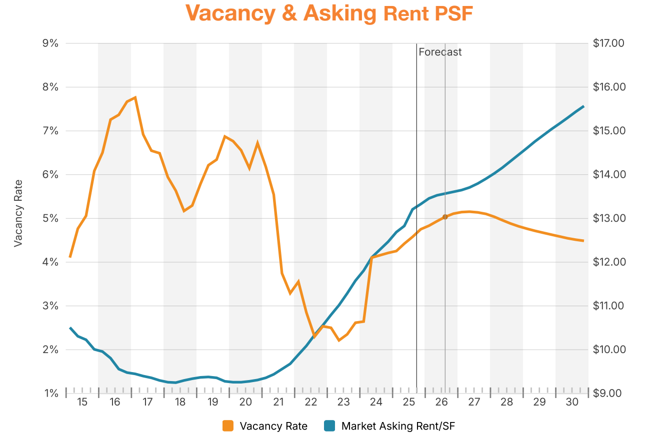
Market Cap Rate:
Q2 2025: 7.02% | Q3 2025: 6.92%

Figure 1: Calgary Industrial Net Absorption, Net Deliveries & Vacancy



Source: CoStar

Figure 2: Calgary Industrial Vacancy & Asking Rent PSF



Source: CoStar

CONSTRUCTION PIPELINE

New industrial development remains active yet disciplined. A 200,000 SF warehouse at East Shepard Industrial received a permit in June 2025, while Dollarama's Western Canada Distribution Centre—announced in late 2024—continues to advance toward its planned 2027 completion.

Meanwhile, the Shepard Logistics Centre concept in Rocky View County has gained approval, representing long-term growth potential for the Calgary region. Near-term, moderate mid- and large-bay construction keeps the pipeline steady without risking oversupply.

KEY DEALS & MARKET ACTIVITY

Significant 2025 milestones included Pet Valu's 295,000 SF distribution centre opening in September and the launch of YYC AeroNex, an airport logistics and training hub introduced mid-year.

Dollarama's land acquisition signals future network expansion and additional absorption ahead. Leasing demand remains healthy, particularly for modern large-bay product with strong transportation connectivity. Sublease opportunities continue to be limited but are quickly absorbed when functional and well-located.

OUTLOOK FOR 2026

Calgary's industrial market is expected to maintain balanced conditions into 2026. Leasing momentum should remain positive, with occupiers benefiting from improved space options while fundamentals stay stable.

Asking rents are projected to level off with modest growth, and vacancy is anticipated to hover in the mid-4% range. With financing costs stabilizing, investor interest in prime assets should persist, supporting steady values through the coming year.

Industrial Land Update

In 2025, Calgary and the Greater Calgary Area (GCA)—including Okotoks, Rocky View County, Airdrie, and Balzac—continue to show resilient industrial land demand, supported by strong population growth, logistics expansion, and regional distribution advantages. While overall sales volumes have moderated from record 2023–2024 levels, activity remains steady, with industrial land transactions exceeding $1 billion year-to-date. Demand has been reinforced by elevated energy revenues, solid private investment, and Alberta's relative land affordability compared to other major Canadian markets.

Calgary continues to face increasing competition from surrounding municipalities, particularly Rocky View County and Balzac, where developers and occupiers benefit from larger parcel availability, streamlined approvals, and operating cost savings of up to 15–20%. High Plains Industrial Park, a 1,500-acre master-planned development, remains a key logistics hub, attracting national tenants including Walmart, Sobeys, and Home Depot. Its proximity to Highway 2, Stoney Trail, and Calgary International Airport continues to position it as one of Western Canada's premier distribution nodes.

In Airdrie, the East Points Commercial Centre and nearby Gateway developments have maintained steady interest from light-industrial users seeking build-to-suit opportunities. Okotoks continues to draw attention from small-to-mid-sized businesses pursuing cost-efficient lots with access to Calgary's labour pool and growing infrastructure. Balzac remains a strategic location for large-format logistics and e-commerce facilities, though limited transit and emergency-service coverage present modest operational challenges.

Across the GCA, industrial vacancy and land availability remain tight, particularly for parcels under 50,000 SF, keeping upward pressure on land values and lease rates through mid-2025. Developers continue to face rising construction costs and municipal servicing fees, yet regional fundamentals remain strong. The City of Calgary's ongoing review of Land Use Bylaw 1P2007 aims to streamline permitting and encourage more consistent industrial zoning across districts. While Calgary offers superior servicing and infrastructure, outlying municipalities retain advantages in cost, speed, and flexibility.

Looking ahead, the industrial land market across the Calgary region is expected to remain active through 2026, supported by robust logistics demand, balanced construction pipelines, and strong regional population growth. Competitive dynamics between Calgary and its surrounding municipalities will continue to shape investment decisions, ensuring ongoing development momentum across the broader metropolitan area.

South Central Market Industrial Update

Resilient Market with Evolving Use Patterns Calgary's South Central industrial submarket remains balanced and resilient through Q3 2025, with steady leasing momentum across key nodes. While absorption levels varied, the market continues to attract long-term occupiers seeking functional, accessible spaces close to downtown and major transportation corridors.

7.05% CAP RATE

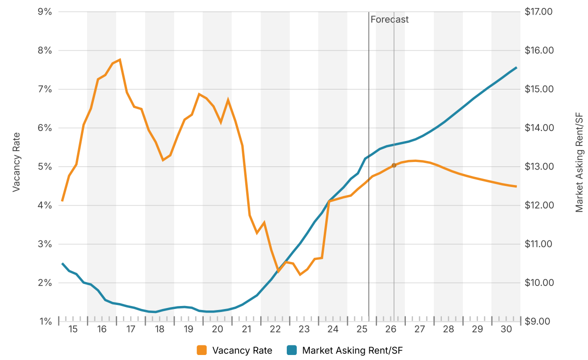
2.23% VACANCY

$13.78 RENTAL RATE

PERFORMANCE SNAPSHOT

• Vacancy: Holding steady near historical averages, with balanced supply and demand. (See figures 3 & 4)
• Rents: Gradually rising, led by sustained activity in high-demand areas such as Inglewood and Manchester.
• Investment Climate: Cap rates compressed modestly amid stabilized borrowing costs and renewed investor confidence.

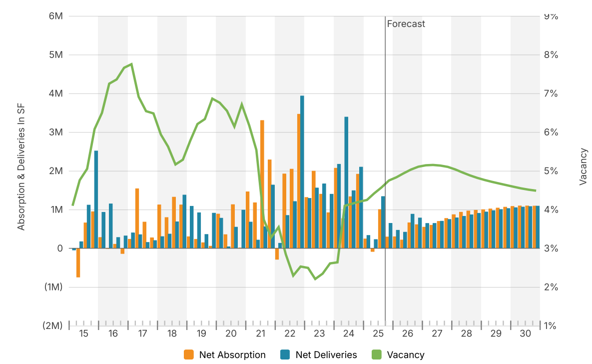
Figure 3: Calgary South Central Vacancy & Asking Rent PSF



SUBMARKET HIGHLIGHTS

• Inglewood & Manchester: Continued strong leasing and rent growth supported by proximity to the Beltline and flexible industrial-retail zoning.
• Ramsay & Fairview: Short-term turnover but enduring demand from creative, boutique, and service-industrial users.
• Highfield & Burns Industrial: Experiencing ongoing repositioning as older product is modernized; rents expected to stabilize through year-end.

Figure 4: Net Absorption, Net Deliveries & Vacancy



Source: CoStar

MARKET COMMENTARY

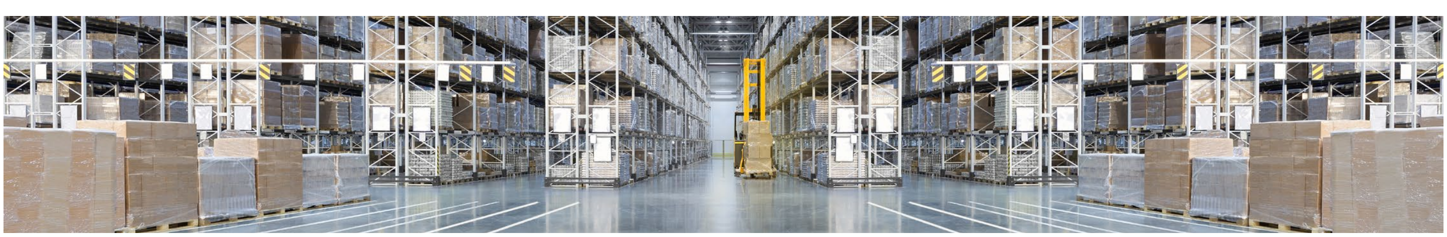
Long-established businesses in the core industrial districts are increasingly evaluating relocation as redevelopment pressures and elevated land costs limit expansion potential. Despite some outward migration, existing assets in South Central continue to perform well, supported by location advantages, accessibility, and proximity to a dense urban labour base.

OUTLOOK

The South Central market is expected to maintain its stability through late 2025, underpinned by steady occupier demand, constrained supply, and competitive rental fundamentals. However, a gradual transition is underway—particularly along major retail corridors—where portions of traditional industrial stock are evolving toward light retail, hybrid showroom, and storage-oriented uses. This trend is expected to accelerate as surrounding residential density and retail foot traffic continue to grow.

TREND WATCH

Asking rents and achieved market rates are trending upward across most South Central nodes.
Insight: Expect sustained demand from users seeking smaller, well-located facilities near Calgary's urban core.



South East Industrial Market

In Q3 2025, Calgary's Southeast industrial market showed renewed strength following a softer first half of the year, reflecting balanced fundamentals and steady leasing activity across key submarkets.

6.89% CAP RATE

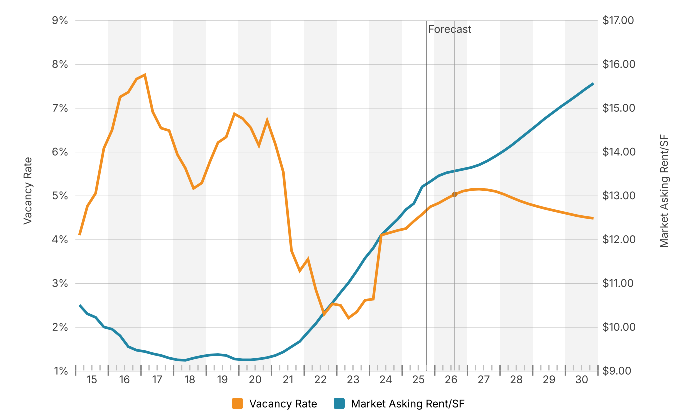
3.76% VACANCY

$14.17 RENTAL RATE

The region recovered from a total net absorption loss of 132,888 square feet in Q2 to achieve a modest gain of 26,186 square feet, supported by solid rebounds in East Shepard (+313,784 SF), Wrangler (+94,401 SF), and Forest Lawn (+34,843 SF), which helped offset notable declines in Foothills (-271,408 SF) and Great Plains (-111,143 SF). Despite fluctuating performance between submarkets, average vacancy edged down from 3.84% to 3.76%, while availability decreased from 5.43% to 5.32%, indicating a stable tenant base and ongoing interest in well-located industrial product.

Leasing values remain competitive, with average net asking rents easing slightly from $14.46 to $14.17 per square foot, while the average net market rent climbed to $13.82, suggesting continued depth in transaction activity. Cap rates compressed from 6.99% to 6.89%, signaling investor confidence and sustained appetite for quality industrial assets. The Golden Triangle and Frontier submarkets continue to command premium rents—$16.78 and $18.24 per square foot respectively—benefiting from modern building stock, highway proximity, and access to major logistics networks. (See figures 5 & 6).

Figure 5: South East Calgary Vacancy and Asking Rent Per Square Foot



Although select submarkets continue to experience turnover, the broader Southeast corridor remains a preferred destination for logistics, construction, and distribution users. Developers have shifted toward pre-leased and build-to-suit projects, balancing speculative risk with sustained demand. With vacancy stabilizing and investor sentiment strengthening, Calgary's Southeast industrial market enters late 2025 on solid footing, positioned for steady absorption and long-term growth heading into 2026.

Figure 6: South East Calgary CoStar Data Tables

Area	Net Absorption SF (Q2 2025)	Net Absorption SF (Q3 2025)	Avg. Net Asking Rate (Q2 2025)	Avg. Net Asking Rate (Q3 2025)	Avg. Net Market Rate (Q2 2025)	Avg Net Market Rate (Q3 2025)	Market Cap Rate (Q2 2025)	Market Cap Rate (Q3 2025)	Vacancy (Q2 2025)	Vacancy (Q3 2025)	Availability (Q2 2025)	Availability (Q3 2025)
Forest Lawn	-10,096	34,843	$8.34	$9.47	$11.69	$12.04	7.11%	7.02%	7.70%	5.60%	9.70%	10.00%
Eastfield	20,935	-1,852	-	-	$13.57	$13.91	7.17%	7.07%	0.10%	0.10%	0.10%	0.30%
Golden Triangle	-489	-15,735	$14.52	$16.78	$14.92	$15.26	6.78%	6.68%	0.80%	2.10%	1.80%	1.50%
Valleyfield	-36,789	27,248	$12.75	$12.75	$12.60	$12.93	7.12%	7.03%	5.30%	3.80%	5.30%	3.70%
Foothills	30,346	-271,408	$11.44	$10.96	$12.26	$12.57	7.08%	6.99%	2.40%	3.60%	4.70%	5.70%
Starfield	-179,689	25,619	$12.39	$12.39	$11.76	$12.06	6.98%	6.89%	8.50%	7.80%	7.80%	7.70%
Great Plains	187,571	-111,143	$18.34	$17.92	$12.28	$12.61	6.88%	6.79%	0.90%	2.10%	11.40%	12.40%
South Foothills	-31,777	-57,990	$16.39	$16.57	$13.34	$13.64	6.95%	6.85%	1.90%	2.90%	3.00%	1.90%
Shepard	7,741	-13,447	$16.34	$13.30	$15.16	$15.47	7.07%	6.98%	0.50%	1.20%	1.30%	1.70%
East Shepard	-98,064	313,784	$14.00	$11.49	$12.13	$12.45	6.86%	6.77%	4.90%	4.80%	6.20%	7.40%
Shepard Industrial Park	-	-2,884	$15.92	$15.92	$15.58	$15.95	7.01%	6.91%	0.60%	0.70%	2.00%	1.20%
Wrangler	-13,300	94,401	$14.42	$14.20	$15.66	$16.04	7.05%	6.96%	6.60%	4.60%	7.70%	5.90%
Frontier	-9,277	4,750	$18.68	$18.24	$14.29	$14.67	6.77%	6.69%	9.70%	9.60%	9.60%	9.80%
Total	**-132,888**	**26,186**	**$14.46**	**$14.17**	**$13.48**	**$13.82**	**6.99%**	**6.89%**	**3.84%**	**3.76%**	**5.43%**	**5.32%**

Source: CoStar

North East Industrial Market

6.89%	**4.67%**	**$13.40**
CAP RATE	**VACANCY**	**RENTAL RATE**

Calgary's Northeast industrial market remained resilient through Q3 2025, underscoring strong fundamentals and consistent tenant demand despite rising costs and ongoing construction activity. Overall vacancy declined from 4.54% in Q1 to roughly 4.2% by Q3, supported by broad-based positive absorption across most submarkets, led by Balzac. The Balzac area alone recorded over 1.08 million square feet of net absorption during the quarter, reversing earlier softness and reinforcing its status as the region's dominant large-bay logistics hub. Notable transactions included PACCAR Inc.'s 233,045-square-foot lease at Nose Creek Business Park – Building D, contributing to a decline in Balzac's vacancy from 13.0% to 11.6%.

Looking ahead, construction underway in Balzac is expected to reshape supply dynamics through 2026, with major deliveries including Enright Capital's 606,669-square-foot warehouse on 144th Avenue NE, RCG Investments' 328,723-square-foot Gateway 290 project, and Dollarama's forthcoming 1.66-million-square-foot distribution centre in High Plains Industrial Park. These developments underscore sustained institutional confidence in Calgary's logistics sector and reflect continued migration of large-format users toward modern, high-clear distribution space outside the city's core.

Within Calgary proper, smaller-bay product remains exceptionally tight. Vacancy in Westwinds (0.0%), Stoney 1 (0.7%), and North Airways (1.2%) highlights the limited supply available to tenants seeking spaces under 20,000 square feet. This scarcity continues to push rents upward, with average asking net rent in the Northeast climbing from $13.51 earlier in the year to $13.90 per square foot by Q3. As pre-pandemic leases come due, renewal rates are rising noticeably, mirroring the sustained value appreciation seen across Calgary's industrial market since 2020.

Operating costs have trended higher, reflecting inflationary service expenses and property tax increases, yet demand across logistics, light manufacturing, and e-commerce users remains steady. With high absorption, limited small-bay inventory, and continued investor interest, the Northeast market is positioned for ongoing stability. Vacancy is expected to hold near current levels through late 2025, with moderate rental growth sustained for modern assets along key transportation corridors.

DOWNTOWN OFFICE MARKET OVERVIEW

12.79% CAP RATE

19.74% VACANCY

$27.67 RENTAL RATE

The downtown Calgary office market continues to rebalance in Q3 2025, showing steady investor activity, modest leasing with a continued flight-to-quality trend, and ongoing conversion of office assets to residential.

At a more granular scale, market conditions vary by asset class; AA and A-class assets remain resilient, while older buildings face pressure from rising vacancy and conversion trends. Overall vacancy and availability sit between 25% and 27%, reflecting a marginal quarterly increase but still a year-over-year improvement.

With construction costs still elevated and many “plug-and-play” Class AA options already absorbed, tenants are increasingly looking toward well-located Class A assets that offer comparable amenities at more competitive rates. This shift underscores a value-driven approach to leasing as occupiers seek balance between quality and cost efficiency.

Equinor’s lease expiry in Jamieson Place has returned approximately 124,000 square feet of headlease space to the market. Ongoing mergers and acquisitions in the energy sector continue to influence sublease availability, with the Whitecap Resources merger with Veren Inc. bringing roughly 120,000 square feet to the market at Eighth Avenue Place. Additional activity includes Sunoco’s acquisition of Parkland Corporation and the ongoing Cenovus Energy and Strathcona Resources bid to acquire MEG Energy, both contributing to a fluid corporate landscape that continues to shape downtown Calgary’s office demand.

MAJOR LEASING TRANSACTIONS

Source: CoStar

TENANT	BUILDING NAME/ADDRESS	SQAURE FEET
HWN Energy	Penn West Plaza – East Tower	23,000
Greenfire Resources	First Canadian Centre	19,000
Lauren Services	Western Canadian Place – North Tower	18,000
Alberta Investment Management Corp.	Fifth Avenue Place – West Tower	35,000

SUBURBAN OFFICE MARKET OVERVIEW

Positive momentum continues across both the Suburban and Beltline office markets, which maintained a trend of positive absorption through the latter half of 2025. The first two quarters saw steady activity from smaller occupiers, while more recent quarters have seen renewed leasing interest from mid-sized tenants averaging between 4,500 and 15,000 square feet. The ongoing flight-to-quality trend remains evident, with strong demand concentrated in higher-quality A-class buildings offering modern design and amenity-rich environments.

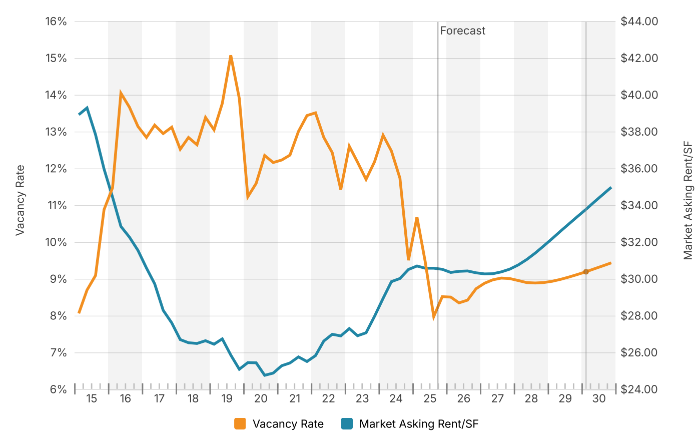
11.90%
CAP RATE

18.10%
VACANCY

$16.40
RENTAL RATE
(SUBURBAN)

Vacancy rates declined in the Beltline and South Suburban markets, with similar improvement in the Northeast, where increased absorption has supported stronger fundamentals. (See figure 7). The Northwest submarket remains softer, posting a modest vacancy increase amid limited leasing activity. In the Southeast, availability is expected to rise following Imperial Oil's announcement to return additional space at its Quarry Park campus—representing nearly one-third of the total office inventory in that node. Despite this, the Suburban market continues to outperform the downtown core, supported by affordability, accessibility, and newer product offerings.

Figure 7: South Calgary Suburban Vacancy and Asking Rent Per Square Foot



Beltline – Vacancy: 19.2% | Average Net Rent: $24.60 psf
Suburban – Vacancy: 18.1% | Average Net Rent: $16.40 psf

MAJOR LEASING TRANSACTIONS

Source: CoStar

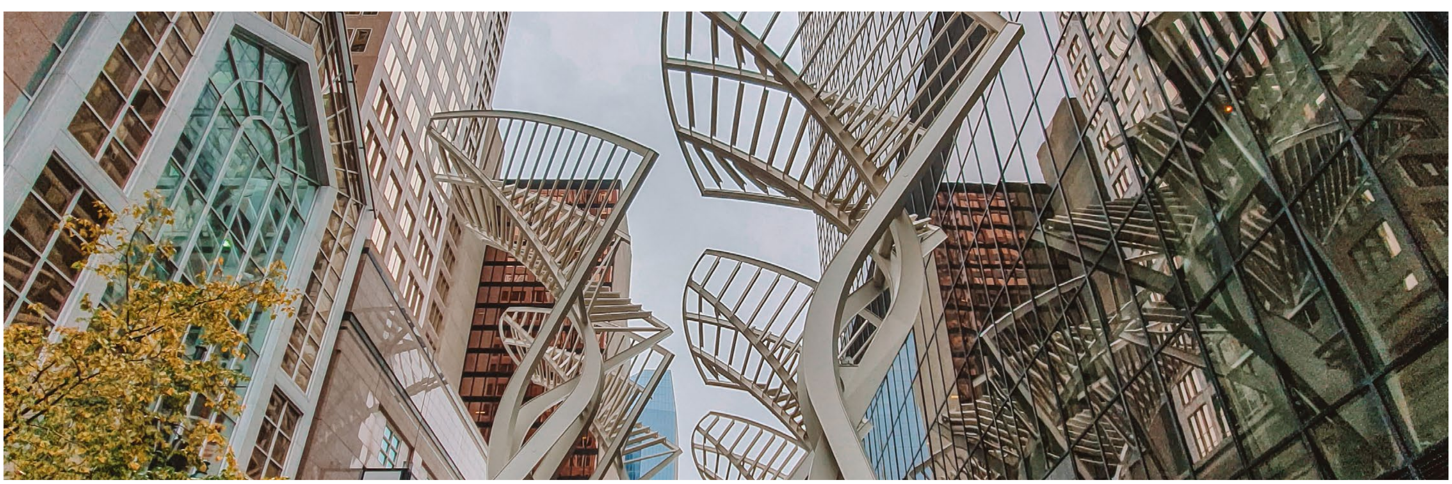
TENANT	BUILDING NAME/ADDRESS	SQAURE FEET
Smart Technologies	11th Avenue Place – 214 11th Ave SW	76,000
Rockwell Automation Canada	709 64 Avenue SE	20,000
Magna Insurance	Vintage II – 326 11th Ave SW	15,000

RETAIL MARKET OVERVIEW

Calgary's retail investment market has remained strong through 2025, underpinned by investor confidence in income stability and long-term fundamentals. This strength persists despite a mixed global economic environment. Growth in Europe has softened amid U.S. trade policy impacts, while China continues to slow as investment activity moderates. Domestically, Canada's GDP contracted by approximately 1.5% in Q2 2025, largely due to tariff-related volatility and weaker exports. National unemployment has stabilized around 7.1%, and although wage growth has moderated, September posted an unexpected employment gain of 60,000 jobs—led by manufacturing (+28,000). Alberta captured roughly 43,000 of these new positions. Locally, Calgary's record population growth—up nearly 12% over two years, with more than 80,000 new residents annually—remains a key driver of consumer demand and retail spending momentum.

MARKET TRENDS

Acquisition volumes are underpinned by clear investment logic: in-place income, the opportunity to re-price below-market leases, and redevelopment or intensification potential. Suburban expansion has amplified retail opportunity, and capital preferences have shifted toward defensive, food-anchored strip centres and mixed-use formats that support the live-work-shop paradigm. Grocery-anchored and convenience-based retail continues to attract the most competition among institutional buyers.



INTEREST RATES

Monetary conditions have eased modestly as underlying bond yields moderated through 2025. The 10-year Government of Canada yield oscillated between roughly 3.0% and 3.9% before settling near 3.1%. On October 29, the overnight policy rate was reduced by 25 basis points to 2.25%, with headline inflation tracking around 2.5% while spending on housing and energy components remains elevated.

CAP RATES

Strong transaction volume and softer financing costs have created a competitive pricing environment that favours sellers. Reported cap rates currently sit in the 6.5%–7.0% range, with core food-anchored centres trading at tighter, premium valuations. (See figure 8) Value-add plays that capture below-market rents and reposition assets are underwriting materially lower initial cap rates as investors pursue yield and growth through active management.

VACANCY & LEASE RATES

Calgary's retail vacancy has remained remarkably stable near ~3% since late 2023, with only a modest recent uptick of about 0.25% that has not materially affected fundamentals. Average net lease rates have eased slightly from peak levels to about $28.00 per square foot, while top-tier centres continue to command $38+/SF for prime spaces. (See figure 10)

Figure 8: Calgary Retail Data Tables from Costar

Area	Net Absorption SF (Q2 2025)	Net Absorption SF (Q3 2025)	Avg. Net Asking Rate (Q2 2025)	Avg. Net Asking Rate (Q3 2025)	Avg. Net Market Rate (Q2 2025)	Avg Net Market Rate (Q3 2025)	Market Cap Rate (Q2 2025)	Market Cap Rate (Q3 2025)	Vacancy (Q2 2025)	Vacancy (Q3 2025)	Availability (Q2 2025)	Availability (Q3 2025)
North West	11,759	70,720	$29.94	$29.33	$32.72	$32.27	6.69%	6.73%	1.80%	1.60%	1.90%	1.70%
North East	23,412	13,435	$28.00	$28.34	$28.63	$28.24	6.76%	6.80%	2.40%	2.50%	3.40%	3.20%
South West	90,361	-238,491	$27.41	$27.46	$29.61	$29.21	6.67%	6.72%	2.15%	3.18%	2.85%	2.77%
South East	11,960	14,841	$30.64	$30.87	$27.14	$26.74	6.45%	6.49%	0.94%	0.88%	1.45%	1.01%
Downtown	-43,233	5,593	$15.70	$14.34	$29.93	$29.54	6.90%	6.94%	6.30%	6.00%	7.10%	6.60%
Beltline	7,336	-13,868	$22.02	$24.75	$25.37	$24.96	6.76%	6.80%	4.80%	5.40%	5.10%	6.10%
Total	**101,595**	**-147,770**	**$25.62**	**$25.85**	**$28.90**	**$28.49**	**6.71%**	**6.75%**	**3.07%**	**3.26%**	**3.63%**	**3.56%**

Figure 9: Calgary Retail Cap Rate

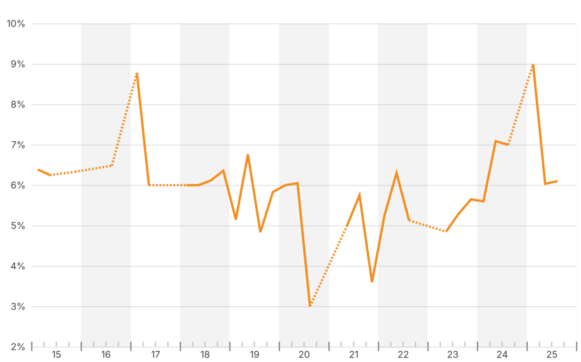
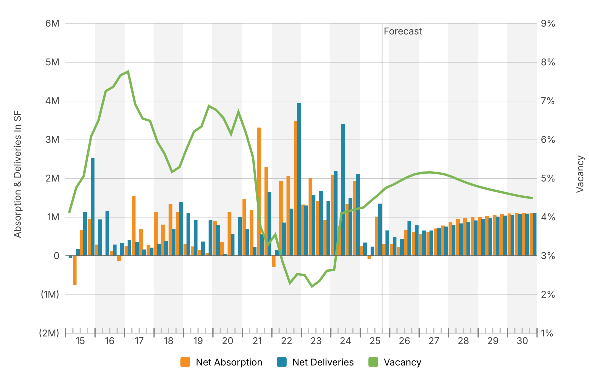


Figure 10: Calgary Retail Vacancy & Asking Rent PSF



RETAIL OUTLOOK

National retail volumes showed marginal annualized declines in Q3 2025—particularly in Food & Beverage (-1.3%) and Clothing (-2.9%)—but Alberta's performance remains a positive outlier. Two dynamics stand out: currency movement and domestic tourism support. The Canadian dollar has weakened to approximately US$0.71, improving cost competitiveness for foreign investors and stimulating cross-border acquisition activity. At the same time, Ottawa's Canada Strong Pass program—offering discounted admission to national parks, cultural sites, and VIA Rail travel—has extended through mid-2026, supporting domestic tourism and local spending. With fewer Canadians travelling to the U.S. (land crossings down roughly 35%, air travel down 26%), more discretionary income is being spent locally. Combined with Calgary's population growth and sustained consumer demand, these factors contributed to a 5.3% year-to-date increase in Alberta's retail trade during the first half of 2025.

MULTI-FAMILY MARKET OVERVIEW

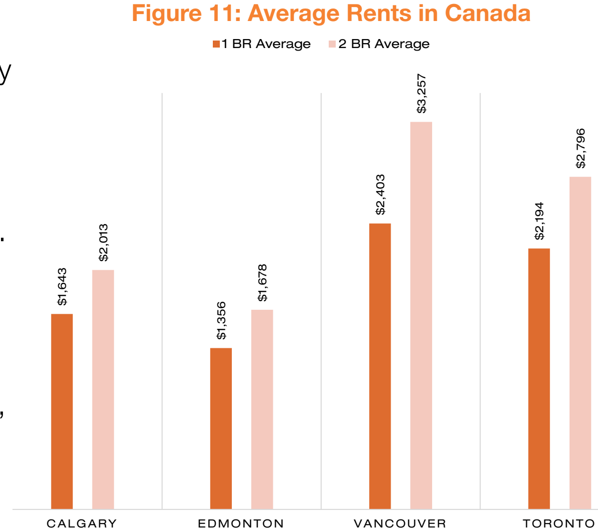
Calgary's multi-family sector in 2025 is shifting from years of extremely tight conditions toward a more balanced market, as a surge in rental housing completions eases supply pressure and tempers rent growth. Record numbers of apartment starts and completions have been delivered: in Q2 2025, Calgary had 5,119 housing completions, leading all Canadian cities, with apartments making up the majority and purpose-built rentals accounting for over 40% of new units. By Q2 2025, Calgary's apartment vacancy reached 6.7%—the largest annual increase among major CMAs and now one of the highest in Canada—showing that new supply is finally catching up to demand. Rent escalation has moderated, with average two-bedroom rents currently at $2,013 and one-bedroom units at $1,643 per month, providing more options and price differentiation for renters.

Despite higher vacancy and more competitive rents, Calgary's demand fundamentals remain robust. The city continues to attract newcomers, including students, young professionals, and interprovincial migrants—drawn by affordability, high incomes, and sustained job growth within a diversified economy. Investor sentiment remains positive, supported by stable policy and attractive yields compared to other major Canadian cities

BIG CATALYSTS ARE IN PLAY:

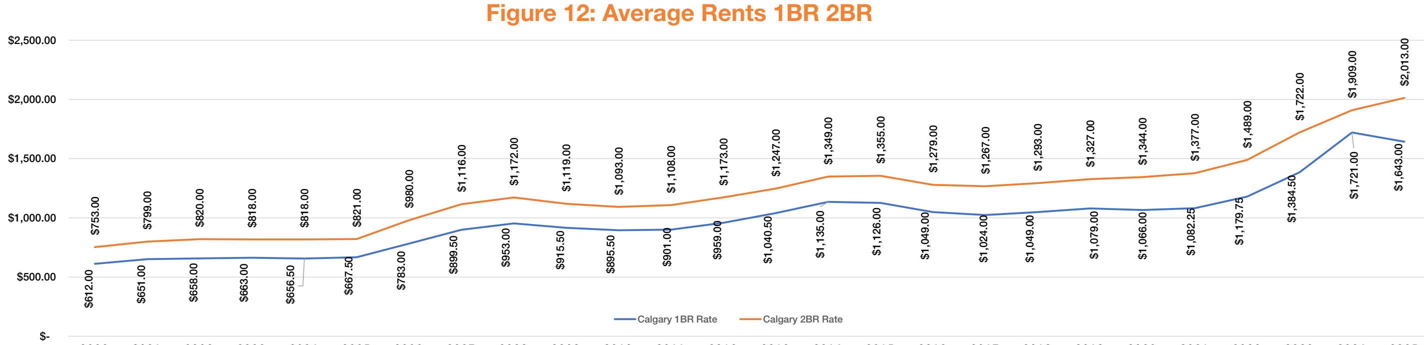
- Green Line LRT construction is supporting job creation today and will further stimulate transit-oriented rental development in years ahead
- Ottawa's new Major Projects Office aims to fast-track financing and approvals for "national interest" developments.
- The Prairie Economic Gateway (Calgary–Rocky View inland port) positions the region for multi-year gains in logistics and light industrial, drawing additional renter households.
- Downtown office-to-residential conversions are adding units, while corridor investment is attracting more multifamily supply around future station areas.
- Downtown office-to-residential conversions, strongly encouraged by City incentives, are rapidly increasing available units and shifting multi-family supply towards transit and amenity-rich corridor nodes. Over 1.7 million square feet of obsolete office space are being converted, with notable projects completed and many more underway.

Figure 11: Average Rents in Canada



Calgary's apartment market has demonstrated adaptability, resilience, and sustainability over the past 25 years, rewarding investors and stakeholders with solid returns and a stable platform for future growth. The steady climb in average rental rates, punctuated by periods of adjustment and renewed momentum, reflects a market guided by supply-demand fundamentals rather than external restrictions. As 2025 unfolds, Calgary stands out for the scale of its new rental supply, its ability to balance surges in demand, and its transparent environment for both residents and investors. With durable long-term demand supported by ongoing population growth and economic opportunity, Calgary remains a benchmark for how a free and well-functioning multi-family sector can self-correct, sustain, and prosper in the Canadian housing landscape

Figure 12: Average Rents 1BR 2BR



1BR – 4.29% Compounded Annual Growth Rate | 2BR – 4.18% Compounded Annual Growth Rate

HOUSING STARTS

Calgary recorded another record-breaking year for housing starts in 2024, totaling 24,369 units—well above the 20,000-unit threshold reached the year prior. This represents a 24.5% year-over-year increase, reinforcing the city's sustained momentum in residential construction. Growth was again led by multi-family development, particularly apartments, which rose from 9,034 in 2023 to 11,505 in 2024—a 17.2% gain. Semi-detached homes also climbed by 34.5%, signaling strong demand across product types.

Calgary continues to outperform other major Canadian cities, including Toronto, in total housing starts. The surge is being fueled by rapid population growth—over 100,000 new residents in 2024 alone—alongside lower mortgage rates that have improved buyer confidence and supported developer activity despite broader national uncertainty. In Q2 2025, the city recorded 7,157 housing starts (up 55.6% year-over-year), led by apartments, with a record 71% designated as purpose-built rentals.

Figure 13: Calgary Multifamily Stats

	Q2 2024	Q1 2025	Q2 2025	YoY Change
Mortgage Rate (5-year Conventional Chartered Banks)	6.80%	6.50%	6.20%	-0.6 percentage points
Population Change	1,535,700	1,598,000	1,614,500	+78,800
Job Growth	1,010,200	1,023,100	1,059,100	+48,900
Unemployment Rate	8.20%	7.70%	7.30%	-0.9 percentage points
Labour Income (average weekly all-industry wage rate)	$1,443	$1,443	$1,456	+$13

Through the first half of 2025, total starts reached 12,152 units, the highest among Canadian municipalities and on pace for a third consecutive record year. Units under construction climbed to 23,117 in Q2, including approximately 11,224 rentals (up about 45% year-over-year), ensuring a steady flow of completions into 2026. Completions also remained high at 5,119 units in Q2, helping rebalance the market and moderate rent growth.

APARTMENT SALES PERFORMANCE

Calgary's apartment investment market has remained active and balanced throughout 2025. Year-to-date, there have been 45 closed transactions totaling approximately $695 million. Newer buildings continue to dominate investment activity despite representing a smaller portion of the total deal count. Of the 45 total sales, only 11 were post-2000 assets, yet they accounted for roughly $552 million—about 80% of total traded value. These same deals represented 1,697 units, or nearly three-quarters of all suites sold, highlighting their influence on market dynamics.

For **post-2000** product, the average **price per unit is $343,000,** with an average deal size of $50 million. For **2000-and-older assets**, the average price per unit sits around **$236,000** with a average deal size of $4.07 million. In short, newer assets trade larger and at higher valuations, reflecting stronger finishes, amenities, and rent rolls—even as lease-up incentives remain a factor in underwriting newer deliveries.

Calgary's 2025 multifamily investment market continues to show two clear layers of activity. Larger, post-2000 assets account for most of the dollar volume, driven by investor demand for modern, efficient buildings with robust amenity packages, contemporary suites, and proximity to transit and employment hubs. These assets align with institutional mandates focused on long-term, stable returns. Meanwhile, smaller, older value-add properties remain an important part of deal flow, attracting private investors seeking upside through renovations, repositioning, and operational improvements. Together, these segments reflect a well-rounded market—where quality and scale command pricing premiums, while older assets maintain liquidity and offer opportunities for hands-on growth.

Figure 14: Calgary Multi-Family Sales

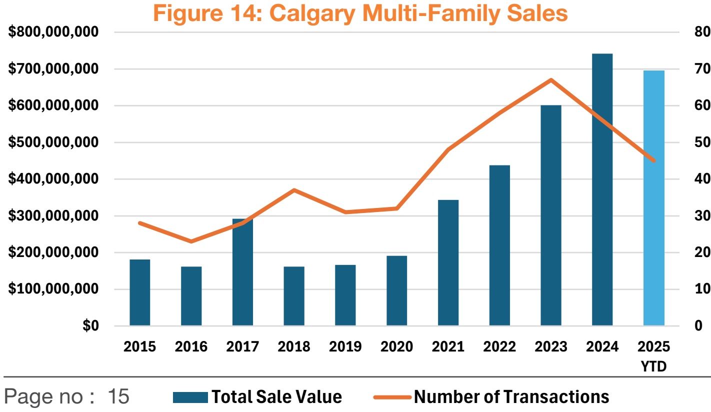
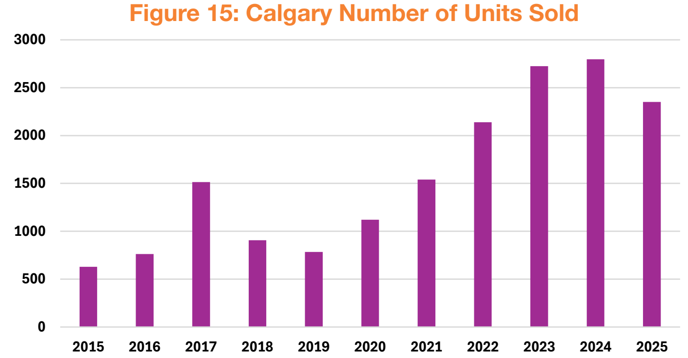


Figure 15: Calgary Number of Units Sold



We are geared to handle all our clients' needs under one roof. We specialize in buying, selling and leasing of Commercial Real Estate as well as Property Management, Consulting and Group Investment.

Our goal is to provide a collaborative personalized approach with our clients in creating superior real estate solutions. We offer a unique project-driven approach to the industry which encourages a more long-term strategy than just simply buying, selling, or leasing a property. By doing so, we are able to offer more value to our clients.

OUR BROKERAGE

NAI Advent is a full service commercial real estate firm located in Calgary Alberta Canada

We are locally owned and operated yet we have the advantage of being part of one of the largest commercial real estate networks in the world: NAI Global. NAI Global offices are leaders in their local markets and work in unison to provide clients with exceptional solutions to their commercial real estate needs. NAI Global has more than 400 offices strategically located throughout North America, Latin America, Europe, Africa and Asia Pacific, with over 7,000 local market professionals, managing in excess of 425 million square feet of property. Annually, NAI Global completes in excess of $20 billion in commercial real estate transactions throughout the world.

Our membership in NAI Global keeps our firm on the leading edge of the industry, while allowing us to maintain our local ownership and hometown loyalty. We benefit from the resources of a “corporate office” and hundreds of affiliated account executives worldwide without getting bogged down in bureaucracy. This arrangement makes it possible for us to take advantage of the best resources NAI has to offer and integrate them into a market-specific, and even client-specific approach.

NAI Advent is a progressive full service commercial real estate brokerage serving our five-county area, providing our brokers and their clients with a quality and quantity of services unmatched by our competitors. With our broad based list of specialists in house, we offer a unique project driven approach to real estate which encourages a more strategic and long term strategy than just simply buying, selling, or leasing a property. By doing so, we are able to offer more value-add to most types of commercial real estate.

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OUR SALES TEAM

NAI Advent offers peace of mind that comes from knowing your real estate needs are in capable hands. We take a unique project-driven approach to commercial and industrial real estate which encourages a more strategic and comprehensive focus than just buying, selling or leasing. Our knowledgeable professionals offer extensive experience in their disciplines and a proven track record of successful commercial real estate projects.

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PROPERTY & ASSET MANAGEMENT

NAI Advent actively manages properties for both investors and owner occupiers to help enhance investment returns. Our wide range of property management capabilities extends to all types of properties, from office, to industrial, to retail facilities. In all instances, our day to day focus ensures properties are managed with quality care and attention to detail and in lock-step with our leasing team to ensure value is maximized whenever possible.

Our services include:

- Financial Management
    - Full accounts receivable and account payable accounting
    - Comprehensive monthly Property Management reports
    - Banking; Monthly financial statements and analysis
    - Annual Budgeting; Financial reporting
    - Annual Operations cost reconciliations
- Property Management Services
- Renewals and Leasing Service
- Owner/Client Liaison

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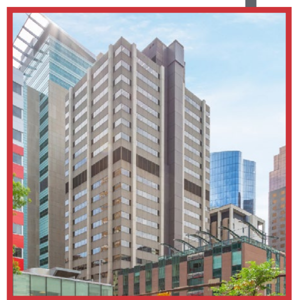
NAI Advent

FEATURED LISTINGS

431 6 AVENUE SE

Located in the heart of the vibrant East Village District. This site is perfectly suited for a mixed-use development, with potential for residential, commercial, or retail applications. Steps away from numerous urban amenities, including the Bow River, LRT line, and city landmarks, the property offers unparalleled accessibility and visibility. **Contact Harvey Russell for details.**



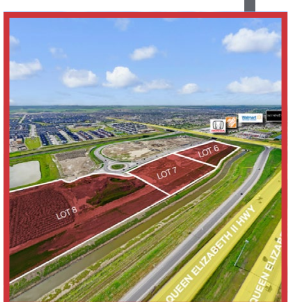
633 6 AVENUE SW

FORD TOWER

Ford Tower is a 20 storey, high quality office building with approximately 150,000 square feet of office, located centrally in Calgary's downtown core and directly adjacent to the Court House. Surrounded by an abundance of amenities and easy access to the +15 system.

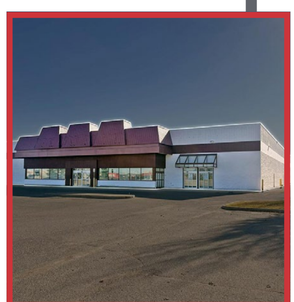
3 floors already leased

Contact Loveleen or Roseleen Bhatti for more details.



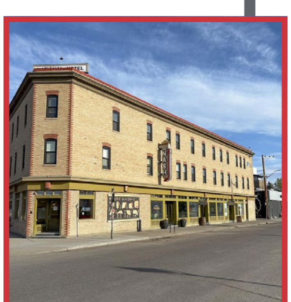
SOUTH POINT VILLAGE

Located in the South Point Village commercial district, this high-exposure development opportunity offers premium visibility along QEII Highway in Airdrie, one of Alberta's fastest-growing cities. Surrounded by new residential development and supported by strong population growth, this site is ideal for retail, office, or service-oriented users. **Contact Jamie Coulter for more details.**



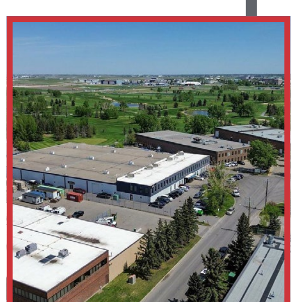
2929 32 AVENUE NE

The building is well-suited for another retailer, national Sports Recreation brand, or Religious Services seeking a high-exposure location.The building also includes an emergency generator. Located within walking distance of Sunridge Mall, Peter Lougheed Hospital, and major transit route **Contact Aaron Gunn or Tyler Guluche for more details.**



929 11 STREET SE

Now available; best character office space in Calgary. Both floors fully furnished and office intensive. Single floor tenancies available, preference towards single tenant occupancy of both floors. **Contact Chris Howard for more details.**



1324 36 AVENUE NE

Situated on a ±2.78-acre site, the ±71,140 SF property offers an ideal blend of stability and flexibility, with longstanding tenants in place and the potential for partial owner-user occupancy. With excellent access to Deerfoot Trail, 32 Avenue NE, and just minutes from Calgary International Airport.

Contact Brian West for more details.

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1.5 Billion Total 2022 Gross Revenue	**1.1 Billion** Square Feet Managed		

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