

FALL 2026

CALGARY | ALBERTA

MARKET REPORT

NAI Advent

ADVENT COMMERCIAL REAL ESTATE CORP.

Table of Contents

Macro-Economic Overview 03

Commercial RE Market
- INDUSTRIAL 04
- DOWNTOWN OFFICE 13
- SUBURBAN OFFICE 14
- MULTI-FAMILY 18

Our Brokerage
- ABOUT US 20
- OUR SALES TEAM 21
- PROPERTY MANAGEMENT 22
- FEATURED LISTINGS 23

References
- SOURCES 24

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DOWNTOWN OFFICE TRENDS

Vacancy Rate	27.80%
Mkt Asking Rental Rates (PSF)	$34.97

BELTLINE OFFICE TRENDS

Vacancy Rate	19.51%
Asking Rental Rates (PSF)	$23.50

SUBURBAN OFFICE TRENDS

Vacancy Rate	14.73%
Asking Rental Rates (PSF)	$14.75

MULTI-FAMILY TRENDS

Vacancy Rate (Q1)	6.8%
Asking Rental Rates (PSF) (Q3)	$2.36

INDUSTRIAL TRENDS

SQ FT Net Absorption (Q3)	+1,775,595
Vacancy Rate (Q3)	3.10%
Mkt Asking Rental Rates (PSF) (Q3)	$12.52
SQ FT Delivered to Market (YTD)	727,543
SQ FT Under Construction	4,894,533

RETAIL TRENDS

SQ FT Net Absorption (Q3)	291,217
Vacancy Rate (Q3)	2.67%
Mkt Asking Rental Rates (PSF) (Q3)	$31.16
SQ FT Delivered to Market (YTD)	346,295
SQ FT Under Construction	1,417,405

Source: CoStar



ALBERTA MACRO-ECONOMIC OVERVIEW

Alberta's economy has maintained a relatively strong position through Q3 2026, with real GDP growth forecast at approximately 2.6% for the year, significantly above the national forecast of 0.9%. Economic momentum has been supported by higher energy prices, continued population growth, employment gains and resilient consumer activity. At the same time, elevated inflation, trade uncertainty and borrowing costs continue to create challenges for households and businesses. Alberta's population reached approximately 5.1 million as of July 2026, increasing 1.5% year-over-year and leading all provinces in population growth. Strong interprovincial migration continues to reinforce domestic demand and support long-term economic expansion.

ENERGY AND RESOURCE ECONOMY

Alberta's resource sector remains a central driver of provincial economic activity. Higher crude prices and expanded access to international markets have improved the outlook for producers, while continued growth in oil production is supporting activity throughout the broader energy supply chain. The province is also benefiting from growing LNG exports and efforts to expand international market access. Despite these conditions, capital investment remains sensitive to commodity prices, regulatory conditions and uncertainty surrounding future pipeline and oil sands projects.

POPULATION, EMPLOYMENT AND DOMESTIC DEMAND

Population growth continues to be one of Alberta's strongest economic advantages. The province recorded its 20th consecutive quarter of positive net interprovincial migration in Q2 2026, with 5,893 more people moving to Alberta from other provinces than leaving. This continued inflow is supporting housing demand, consumer spending and business formation. Employment has also grown faster than in many other provinces, although Alberta's unemployment rate remained elevated at 6.8% in August.

INFLATION, INTEREST RATES AND BUSINESS CONDITIONS

Monetary conditions have become more accommodative, with the Bank of Canada maintaining its policy rate at 2.25% through Q3 2026. However, inflationary pressures have returned, with Canadian CPI increasing 3.0% year-over-year in August and Alberta's inflation rate at 3.8%. Higher energy prices, tariffs and geopolitical instability are contributing to renewed inflation risks, creating uncertainty for borrowing, investment and consumer spending heading into 2027.

TRADE, INVESTMENT AND ECONOMIC DIVERSIFICATION

International trade remains an important consideration for Alberta's outlook. U.S. tariffs and Canadian countermeasures have increased uncertainty for exporters and businesses exposed to cross-border supply chains. Alberta has remained relatively resilient because of its resource base and lower exposure to several industries most affected by tariffs. The province continues to pursue diversification through energy exports, agriculture, manufacturing, technology and other emerging sectors.

ECONOMIC OUTLOOK

Alberta is entering the final quarter of 2026 with stronger growth prospects than most of Canada, supported by energy, population growth and domestic demand. ATB Financial forecasts real GDP growth of 2.6% in 2026 and 2.3% in 2027, compared with national forecasts of 0.9% and 1.5%, respectively. Risks remain from inflation, trade policy, unemployment and geopolitical instability. Nevertheless, Alberta's resource base, population growth, relative affordability and improving market access provide a solid foundation for continued economic expansion.

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

CALGARY INDUSTRIAL MARKET OVERVIEW

The Calgary industrial market strengthened through Q3 2026, with demand accelerating significantly from the first half of the year. Net absorption reached over 3 million square feet, the second-highest quarterly total on record, driven primarily by large-bay transactions. Availability declined by 170 basis points quarter-over-quarter, reflecting stronger leasing activity and continued demand for quality industrial space. Asking rents also continued to firm, with Calgary recording 2.7% quarterly rent growth. Overall, market conditions have shifted toward tighter availability and stronger tenant demand.



KEY ECONOMIC DRIVERS

Calgary's industrial market continues to benefit from population growth, economic diversification, and its position as a Western Canadian logistics hub. Strong interprovincial migration and continued investment in distribution, manufacturing, and energy-related infrastructure are supporting long-term demand for industrial space.

The city's transportation network remains a competitive advantage, with access to major highways, rail infrastructure, the Calgary International Airport, and the Ring Road. Calgary also continues to benefit from comparatively lower occupancy costs than major Canadian gateway markets.

INDUSTRIAL MARKET CONDITIONS

Following moderate activity through the first half of 2026, market performance accelerated sharply in Q3. Large-bay leasing drove over 3 million square feet of net absorption, while availability declined substantially. Rental rates also moved higher, indicating that stronger demand is beginning to place renewed pressure on available inventory.

The market remains balanced across product types, although smaller and well-located industrial units continue to experience tighter availability. Large-bay activity has become a major driver of quarterly absorption, particularly in distribution and logistics-oriented properties (See Figure 1).

Figure 1: Market Performance Overview (Calgary Industrial)

METRIC	Q2 2026	Q3 2026
Net Absorption	+1,338,142 SF	+1,775,595 SF
Avg. Net Asking Rent	$11.99 psf	$12.52 psf
Avg. Net Market Rent	$13.14 psf	$13.10 psf
Vacancy Rate	3.90%	3.10%
Availability Rate	5.70%	4.60%
Market Cap Rate	6.92%	6.88%

Source: CoStar Calgary Market

SUPPLY AND DEVELOPMENT

Development activity remains active, with approximately 3.3 million square feet of industrial space under construction at the end of Q2. New supply continues to be concentrated in large-format projects and key logistics corridors, with several major facilities progressing toward completion.

Notable projects include:

- Gemini 52: A new speculative industrial development that commenced construction in 2026, adding to Calgary's pipeline of modern industrial space.
- Glenmore Yards: A three-building, 438,300-square-foot industrial development in southeast Calgary, offering small- and mid-bay warehouse and showroom space, with completion anticipated in mid-2027.

New development continues to expand across Calgary's industrial districts, while infrastructure investment and serviced land initiatives are supporting longer-term growth. With demand strengthening and smaller industrial units remaining relatively scarce, the timing and type of new supply will be important in shaping future market conditions.



LEASING AND USER DEMAND

Leasing activity strengthened considerably during Q3, led by large-bay distribution and logistics requirements. The quarter's 3.8 million square feet of absorption represented one of the strongest quarterly performances in recent years and demonstrates renewed demand for existing industrial inventory.

Recent activity includes:

- Schlumberger recently leased approximately 1.3 million SF across multiple buildings throughout Calgary and Balzac. This significant transaction is expected to further reduce industrial vacancy rates and reinforce demand for industrial space across the greater Calgary area.
- A 500,000 square foot lease at 6600 72nd Avenue SE to an oil and gas equipment manufacturer.
  Princess Auto's 605,000 square foot distribution facility in Stoney North.
- Large distribution transactions in Balzac and the southeast that contributed to Q2's 1.54 million square feet of absorption.

Small- to mid-bay users continue to face tighter availability, particularly for well-located properties with yard space and efficient access.

2026 MARKET OUTLOOK

Q3 2026 marked a significant strengthening in Calgary's industrial market. Record-level leasing activity, declining availability, and firming rents point to renewed momentum following a more measured first half. With continued population growth, infrastructure investment, and demand from logistics and distribution users, Calgary remains one of Canada's strongest industrial markets.

Industrial Land Market Overview - Calgary & Greater Calgary Area

Calgary and the Greater Calgary Area (GCA) remain attractive for industrial investment in 2026, supported by competitive operating costs, a strategic location, and strong transportation links. However, a shortage of shovel-ready industrial sites is creating challenges for businesses seeking to establish or expand operations. Limited availability of construction-ready properties is increasing competition and prompting businesses to explore opportunities throughout the surrounding region.

SUPPLY AND DEMAND DYNAMICS

Across Calgary, Rocky View County, and Foothills County, the availability of construction-ready industrial parcels remains limited. Infrastructure constraints and outstanding municipal approvals reduce the number of viable options, increasing competition for sites with established services, strong transportation access, and appropriate land-use permissions. Properties that can accommodate immediate construction are particularly attractive to businesses seeking to minimize delays and avoid the uncertainty associated with preparing undeveloped land.

DEVELOPMENT TRENDS

Rising land, construction, and financing costs, combined with limited shovel-ready industrial land, are influencing development and site selection across Calgary and the Greater Calgary Area. Longer approval timelines and infrastructure requirements are constraining new supply, while rising lease rates are driving interest in build-to-suit facilities. Surrounding municipalities may offer more affordable, serviced land, but businesses must balance lower acquisition costs against transportation, labour, and operating expenses. Increasing the supply of construction-ready sites will be essential to accommodating growth and minimizing project delays.

DEMAND DRIVERS

Demand is supported by logistics and distribution, manufacturing, energy services, and agribusiness. Calgary's access to Highway 2, proximity to Calgary International Airport, and role as a Western Canadian distribution hub continue to attract industrial investment. Population growth and evolving supply chains further support demand, while businesses increasingly consider locations throughout the GCA to secure suitable land and accommodate future expansion

OUTLOOK

The long-term outlook for Calgary and the GCA industrial land market remains positive, although limited shovel-ready supply is expected to influence investment decisions. Continued competition for well-located properties may encourage businesses to pursue opportunities in surrounding municipalities, where available serviced land can support expansion. Coordinated infrastructure investment and timely municipal approvals will be essential to bringing more construction-ready parcels to market, attracting industrial investment, and maintaining the region's competitiveness as a major industrial and logistics centre.



South Central Market Industrial Update

The Calgary South East Central industrial submarket remains fundamentally strong in Q3 2026, supported by continued demand for well-located space near the urban core. While leasing activity has moderated in select areas, the submarket continues to attract a diverse mix of logistics, service-industrial, and retail-oriented users due to its proximity to downtown and major transportation corridors.



MARKET FUNDAMENTALS

Vacancy increased modestly to 1.71% in Q3 2026 from 1.61% in Q2, remaining well below long-term equilibrium and continuing to indicate a tight industrial market. Net absorption was slightly negative at -6,475 square feet in Q3, following positive absorption of 70,963 square feet in Q2. The relatively limited negative absorption in Q3 suggests that overall demand remains stable despite some tenant movement and additional space entering the market.

Average net asking rents softened slightly across the broader submarket, declining from $16.92 per square foot in Q2 to $16.38 per square foot in Q3. However, this remains a strong rent level and market conditions continue to support firm pricing in well-located, functional properties. Fairview recorded one of the strongest rent increases, with average net asking rates rising from $15.33 to $15.92 per square foot. Highfield also saw a notable increase from $13.23 to $14.17 per square foot.

Demand remains strongest for small- to mid-bay industrial space, particularly properties offering convenient access to the urban core and major transportation routes. Overall availability declined from 2.66% in Q2 to 2.15% in Q3, reinforcing the limited supply of functional space across the submarket.

6.91%
CAP RATE ↓

1.71%
VACANCY ↑

$13.78
RENTAL RATE ↔

SUBMARKET TRENDS

Highfield was the strongest-performing submarket in Q3, recording 72,165 square feet of positive net absorption and reducing vacancy from 3.80% to 2.10%. Fairview also maintained positive momentum, with 3,550 square feet of absorption and vacancy declining to just 0.60%.

Manchester recorded a significant improvement in Q3, moving from -18,589 square feet of absorption in Q2 to positive absorption of 9,155 square feet. Vacancy also declined from 1.90% to 1.80%. Inglewood remained exceptionally tight, with vacancy unchanged at 2.30% and asking rents holding at $19.00 per square foot.

Ramsay experienced modest negative absorption of 3,202 square feet in Q3, with vacancy increasing from 0.70% to 1.00%, although the submarket remains one of the tightest in South East Central. Alyth/Bonnybrook recorded the largest negative absorption in Q3 at -66,009 square feet, with vacancy increasing from 0.00% to 1.90%. This increase appears to be concentrated in a relatively small amount of newly available space rather than reflecting a broader deterioration in market conditions.

Burns Industrial and East Fairview also recorded negative absorption in Q3, while Fairview, Highfield, Manchester, and Inglewood continued to demonstrate relatively strong fundamentals.



SUPPLY AND OUTLOOK

South East Central continues to benefit from constrained industrial supply and its strategic location within Calgary's established urban industrial market. Overall availability declined to 2.15% in Q3 from 2.66% in Q2, while vacancy remained below 2% across the broader submarket. These conditions continue to favour landlords, particularly for functional, well-maintained properties with good access and smaller bay configurations.

Average net market rents remained essentially unchanged at $13.93 per square foot, suggesting that while asking rents have fluctuated across individual nodes, underlying market rents remain stable. Market cap rates also remained relatively consistent, declining slightly from 7.14% in Q2 to 7.12% in Q3.

Rising land values and redevelopment pressures continue to influence tenant and owner-user decisions, with some occupiers considering peripheral markets where larger land parcels and newer industrial space are available. Nevertheless, centrally located properties continue to benefit from accessibility, proximity to labour, and established transportation infrastructure.

Overall, the South East Central industrial market remains fundamentally strong heading into the final quarter of 2026. While Q3 absorption was slightly negative, the decline was modest relative to the market's overall size, and vacancy remains exceptionally low. Stable market rents, declining availability, and continued demand for centrally located industrial space should continue to support a landlord-favourable environment through the remainder of 2026.

South East Industrial Market Update

SE Calgary's industrial market strengthened considerably in Q3 2026, recording 701,928 SF of positive net absorption, nearly double the 365,001 SF recorded in Q2. At the same time, the overall vacancy rate declined from 3.28% to 3.12%, while availability fell more significantly from 5.82% to 5.09%. The combination of strong absorption and declining availability points to continued leasing momentum and increasing net asking rents across the broader SE industrial market.

6.92%
CAP RATE ↓

3.12%
VACANCY ↑

$13.84
RENTAL RATE ↔

Average net asking rates increased from $13.15/SF in Q2 to $14.07/SF in Q3, representing an increase of $0.92/SF. However, the average net market rate remained stable at $13.84/SF. This divergence suggests that current listings are being marketed at higher rates, while the broader market-rate measure remained unchanged during the quarter. The trends also continue to indicate higher net rental rates for units under 10,000 SF than for mid- to large-bay distribution space.



SUBMARKET TRENDS

The strongest Q3 absorption was concentrated in Great Plains (+331,942 SF), East Shepard (+205,293 SF), and Foothills (+179,945 SF). Together, these three areas accounted for more than 700,000 SF of positive quarterly absorption before accounting for negative absorption elsewhere in the submarket. Frontier (+29,179 SF), Valleyfield (+16,123 SF), Wrangler (+21,839 SF), and Golden Triangle (+10,587 SF) also recorded positive absorption in Q3.

The most significant tightening occurred in Great Plains, where vacancy declined from 10.50% to 7.20% and availability fell from 9.20% to 2.80%. Foothills vacancy declined to 2.40%, while East Shepard improved to 3.10%. Golden Triangle also tightened considerably, with vacancy declining from 1.20% to just 0.30% and availability effectively reaching zero in Q3, based on the data collected.

Not all SE submarkets experienced the same conditions. Forest Lawn recorded -60,134 SF of net absorption in Q3, with vacancy increasing from 4.00% to 7.80%. South Foothills recorded -19,820 SF of absorption, while Starfield recorded -10,750 SF. Shepard Industrial Park and Wrangler also experienced modest increases in vacancy despite recording positive absorption.

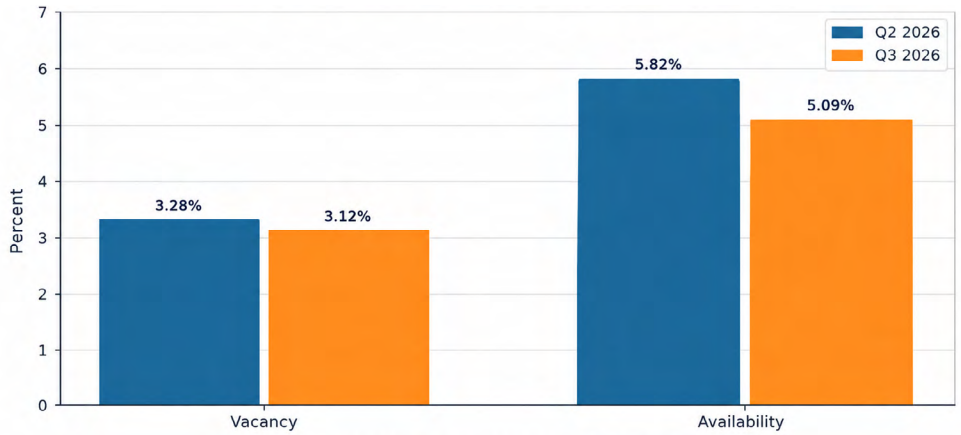
 Source: CoStar

Q3 SE INDUSTRIAL SUBMARKET HIGHLIGHTS

Compare these south Calgary Industrial submarkets with the overall SE industrial market (See Figure 2)

- Great Plains: +331,942 SF absorption; vacancy declined to 7.20%; availability fell to 2.80%.
- East Shepard: +205,293 SF absorption; vacancy declined to 3.10%.
- Foothills: +179,945 SF absorption; vacancy declined to 2.40%.
- Golden Triangle: +10,587 SF absorption; vacancy declined to 0.30%.
- Forest Lawn: -60,134 SF absorption; vacancy increased to 7.80%.
- South Foothills: -19,820 SF absorption; vacancy increased to 3.20%.

Figure 2: Vacancy and Availability (SE Calgary Industrial)



SE Calgary tightened modestly in Q3, supported by strong positive absorption.
Source: CoStar

INVESTMENT MARKET

From an investment perspective, the overall market cap rate declined slightly from 6.94% in Q2 to 6.92% in Q3. Individual submarket cap rates remained relatively stable, ranging from approximately 6.71% to 7.09% in Q3. This indicates limited quarter-over-quarter movement in investment yields despite stronger leasing activity (See Figure 3).

MARKET OUTLOOK

Overall, Q3 2026 was characterized by stronger leasing momentum and a modest tightening of the SE Calgary industrial market. Increased net absorption, combined with lower vacancy and availability, indicates that a significant volume of industrial space was absorbed during the quarter. However, conditions remain highly dependent on individual submarkets, with strong activity in Great Plains, East Shepard, and Foothills offsetting weaker performance in areas such as Forest Lawn and South Foothills.

Figure 3: Key Market Indicators (SE Calgary Industrial)

METRIC	Q2 2026	Q3 2026	Q/Q CHANGE
Net Absorption	+365,001 SF	+701,928 SF	+336,927
Avg. Net Asking Rent	$13.15 psf	$14.07 psf	+$0.92/SF
Avg. Net Market Rent	$13.84 psf	$13.84 psf	Flat
Market Cap Rate	6.94%	6.92%	-2 bps
Vacancy	3.28%	3.12%	-0.16 pts
Availability	5.82%	5.09%	-0.73 pts

North East Industrial Market

NE Calgary's industrial market moderated in Q3 2026, recording 64,449 SF of negative net absorption compared with 600,109 SF of positive absorption in Q2. Despite the negative quarterly absorption, the overall vacancy rate improved from 4.00% to 3.63%, while availability declined modestly from 4.75% to 4.55%. This suggests that, at the aggregate level, available industrial space remained relatively constrained even as tenant movement and occupancy patterns varied considerably across individual nodes.



Average net asking rates edged lower, declining from $15.17/SF in Q2 to $14.97/SF in Q3, while the average net market rate remained unchanged at $13.52/SF. The relatively stable market rate indicates limited movement in underlying market pricing despite changes in absorption and available space during the quarter.

6.93%
CAP RATE ↓

3.63%
VACANCY ↓

$13.52
RENTAL RATE ↔

SUBMARKET TRENDS

The strongest positive absorption in Q3 came from Skyline East (+121,577 SF), Stoney 2 (+120,469 SF), and Horizon (+69,473 SF). Several other areas also recorded positive absorption, including Stonegate Landing, Saddleridge Industrial, Stoney 3, Pegasus, and Meridian. Conversely, Balzac (-273,470 SF) recorded the largest negative absorption in the submarket, followed by Mayland (-39,681 SF) and South Airways (-39,146 SF). Deerfoot Business Centre also recorded notable negative absorption of 88,695 SF.

Vacancy performance was similarly mixed. Several areas experienced substantial tightening during Q3, most notably Saddleridge Industrial, where vacancy fell from 6.50% to 0.70%, and Skyline East, where it declined from 6.60% to 1.10%. Pegasus also tightened, with vacancy declining from 5.60% to 1.70%. In contrast, vacancy increased in Balzac, Deerfoot Business Centre, and Mayland, highlighting the uneven nature of leasing conditions across the broader NE market.

Q3 NE SUBMARKET HIGHLIGHTS

- Great Plains: +331,942 SF absorption; vacancy declined to 7.20%; availability fell to 2.80%.
- East Shepard: +205,293 SF absorption; vacancy declined to 3.10%.
- Foothills: +179,945 SF absorption; vacancy declined to 2.40%.
- Golden Triangle: +10,587 SF absorption; vacancy declined to 0.30%.
- Forest Lawn: -60,134 SF absorption; vacancy increased to 7.80%.
- South Foothills: -19,820 SF absorption; vacancy increased to 3.20%.

INVESTMENT MARKET

From an investment perspective, the overall market cap rate remained essentially unchanged at 6.93%, compared with 6.94% in Q2 (See figure 4). Individual submarket cap rates generally remained within a relatively narrow range of approximately 6.23% to 7.27%, suggesting limited quarter-over-quarter movement in investment pricing.

Figure 4: Key Market Indicators (NE Calgary Industrial)

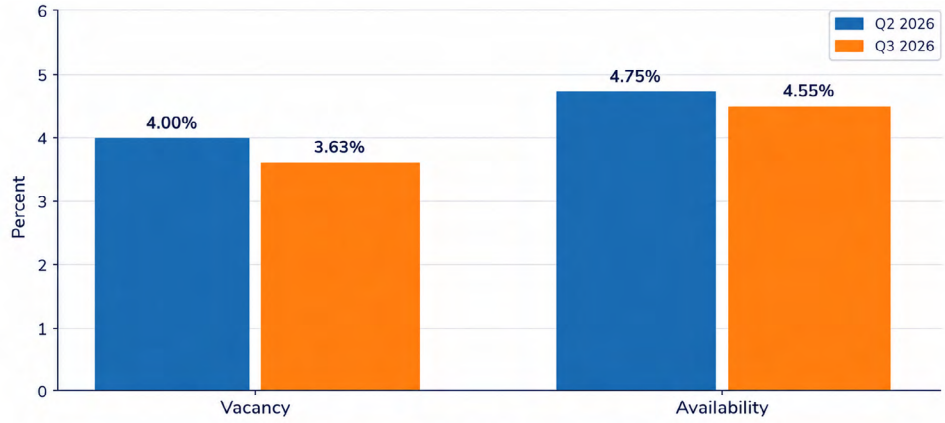
METRIC	Q2 2026	Q3 2026	Q/Q CHANGE
Net Absorption	+600,109 SF	-64,449 SF	-664,558
Avg. Net Asking Rent	$15.17 psf	$14.97 psf	-$0.20/SF
Avg. Net Market Rent	$13.52 psf	$13.52 psf	Flat
Market Cap Rate	6.94%	6.93%	-1 bp
Vacancy	4.00%	3.63%	-0.37 pts
Availability	4.75%	4.55%	-0.20 pts

Source: CoStar

MARKET OUTLOOK

Overall, Q3 presents a mixed picture for NE Calgary. Although aggregate vacancy and availability improved, negative net absorption indicates that leasing conditions were not uniformly positive. The data instead points to a market where performance varies considerably by property and submarket, with some established industrial areas experiencing significant tightening while larger pockets of space are being absorbed or released elsewhere.

Figure 5: Vacancy & Availability (NE Calgary Industrial)



Vacancy and availability remained relatively tight at the aggregate NE Calgary level.
Source: CoStar

DOWNTOWN OFFICE MARKET OVERVIEW

Calgary's downtown office market showed moderate improvement in Q2 2026, recording approximately 74,000 SF of positive net absorption. This was supported in part by increased optimism in the energy sector and project-based firms requiring additional space. However, vacancy remained elevated at 27.8%, indicating that the market continues to favour tenants.

27.8%
VACANCY

LEASING ACTIVITY AND SUBLEASE SUPPLY

Mergers and acquisitions within the energy sector continue to influence downtown office conditions. Shell Canada's acquisition of ARC Resources was a notable Q2 transaction, with potential for additional sublease space to enter the market as operations and office requirements are consolidated. Conversely, Saturn Oil & Gas subleased approximately 84,000 SF in Eau Claire Tower, while Cenovus removed approximately 72,000 SF from the sublease market at The Bow for its own use. These transactions highlight how corporate decisions can create both new supply and renewed occupancy in the downtown market (See Figure 6).

CLASS AA DEMAND AND MARKET SEGMENTATION

Class AA buildings continued to attract the strongest demand, recording approximately 200,000 SF of positive net absorption during the first half of 2026. This trend reflects tenants' preference for quality buildings, amenities, and improved workplace experiences as return-to-office requirements evolve. Demand remains uneven across building classes, with premium properties generally better positioned to attract tenants than older buildings with fewer amenities.



MARKET OUTLOOK

Overall, Q2 2026 showed signs of improvement in downtown leasing activity, but high vacancy and the potential for additional sublease space indicate that the market remains tenant-favourable. Conditions are expected to vary by building quality and location, with well-amenitized properties better positioned to capture demand while older inventory may require competitive rental terms and incentives.

Figure 6: Notable Downtown Office Transactions - Q2 2026

TENANT	BUILDING	SIZE (SF)	LEASE TYPE
CNOOC	The Bow 500 Centre Street SE	180,000	Sublease
Saturn Oil & Gas	Eau Claire Tower 600 3rd Avenue SW	85,000	Sublease
Journey Energy	Penn West Plaza 215 9th Avenue SW	22,000	Sublease
Bantrel Co.	Stephen Avenue Place 700 2nd Street SW	60,000	Sublease
National Bank	Intact Place 311 6th Avenue SW	22,000	Headlease

Sources: CoStar

SUBURBAN OFFICE MARKET OVERVIEW

Calgary's suburban office market entered Q3 2026 with strong fundamentals, following nine consecutive quarters of positive absorption. At the end of Q2, vacancy stood at 14.73%, with 116,875 SF of positive absorption during the quarter. Demand continues to be supported by engineering, construction, and operational users seeking larger, functional office spaces. Limited new construction is also restricting future supply.

A notable Q2 transaction was Kiewit's approximately 160,000 SF lease at 505 Quarry Park Boulevard SE, the largest suburban office transaction in Calgary since 2018. This highlights continued demand for well-located suburban space that accommodates larger operations.

11.90%
CAP RATE ↓

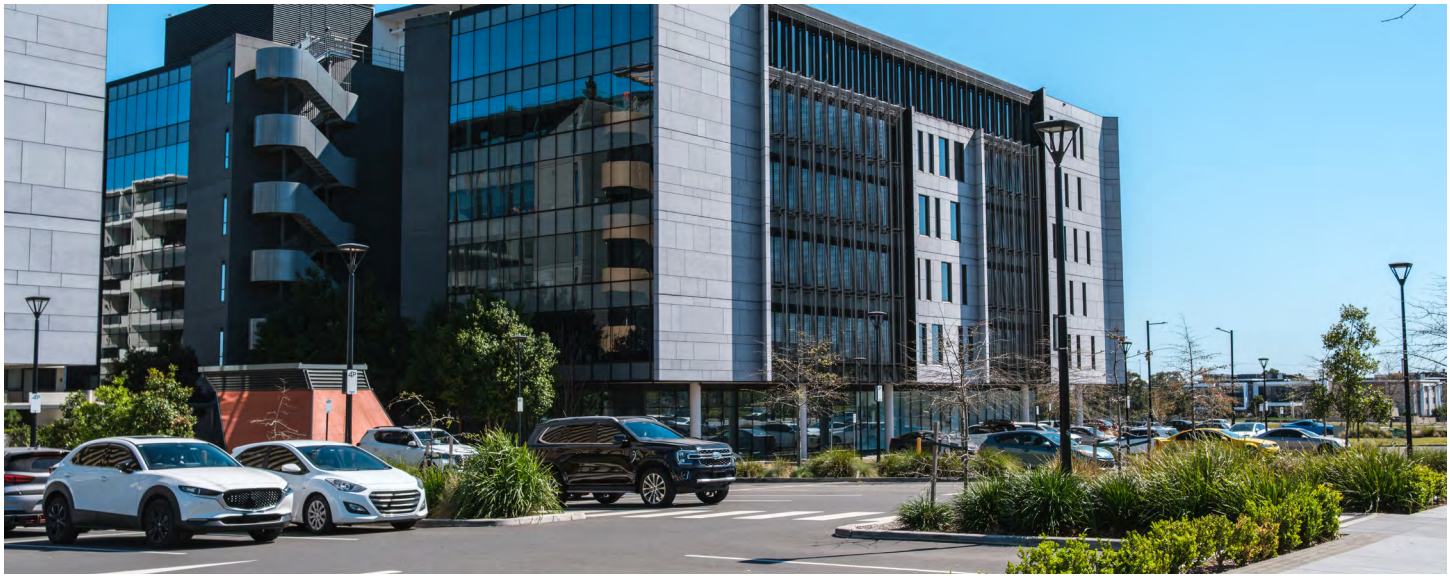
14.73%
VACANCY ↓

$14.75
RENTAL RATE ↔

BELTLINE OFFICE

The Beltline entered Q3 with higher vacancy and greater tenant choice than the suburban market. Vacancy stood at 19.51% at the end of Q2, alongside 71,614 SF of negative absorption. Significant Class AA sublease availability contributed to elevated supply.

However, Calgary's available office sublease inventory declined by approximately 540,000 SF during Q3, providing a positive signal for market conditions. The recovery remains building-specific, with upgraded, amenitized properties better positioned to attract tenants than older inventory. Limited new construction may also support conditions for competitive properties over time.



MARKET OUTLOOK

Calgary's office market remains segmented, with suburban properties benefiting from stronger fundamentals while the Beltline continues to offer greater tenant choice. Landlords will need to prioritize building quality, amenities, and competitive lease terms to attract and retain tenants. While opportunities remain available in the Beltline, high-quality suburban space, particularly larger contiguous blocks, may become more constrained.

RETAIL MARKET OVERVIEW

Alberta is forecast to enter 2027 with strong economic momentum and a substantial pipeline of investment opportunities. As outlined at the recent Canada Investment Summit, the province had more projects in the federal investment deal book than any other, with 27 opportunities valued at nearly $100 billion. Many of these initiatives align with Calgary's strengths in energy, technology, transportation and logistics, defence, and advanced manufacturing.

Alberta's real GDP is forecast to grow 2.6% in 2026 and 2.3% in 2027, compared with national growth of 0.9% and 1.5%, respectively. Despite Alberta's stronger growth outlook, ongoing affordability pressures and geopolitical turbulence remain challenges.

Alberta continues to weather global turbulence better than most, supported by strong energy fundamentals, expanding market access, and lower overall tariff sensitivity than the national average. The province's focus must remain on building confidence, improving competitiveness, and giving companies and workers every reason to choose Calgary.



EMPLOYMENT

Calgary's employment outlook remains an important consideration for the retail sector, with the city forecast to experience a more tempered gain than other major Canadian metropolitan areas and national averages in 2026.

International immigration into Alberta is down significantly, by 37%, while interprovincial migration has increased by 6.7% as Canadians pursue lower housing costs and economic opportunities. With the headquarters of many of Canada's largest energy companies located in Calgary, the city is well positioned to benefit from increased sector investment, generating positive employment and income effects across the provincial economy.

Meanwhile, Alberta is poised to attract substantial data centre investment due to its abundant natural gas supply, established infrastructure, and cooler climate. These factors could provide an additional catalyst for household and consumer spending, strengthening retail sales and commercial property investment fundamentals over the longer term.

VACANCY & RENTAL RATES

Calgary remains among Canada's stronger economies, with GDP and employment expected to outperform national averages in the coming years. A steady influx of skilled workers and comparatively high household incomes should support continued gains in disposable income and consumer spending.

Retail vacancy rates remain relatively consistent at approximately 2.5%–3.0%, with a slight increase expected. However, approximately 1 million SF of additional inventory will help accommodate retail leasing demand. These consumer fundamentals are expected to support above-average retail sales growth, strengthening retailer demand and property performance. Calgary is also well positioned amid North American trade renegotiations and renewed national efforts to expand energy infrastructure and diversify export markets.

Rental rate growth is forecast to slow across all retail formats in 2026 and could potentially decline as rising vacancy and broader economic uncertainty temper near-term pricing power.

Grocery stores, pharmacies, and quick-service restaurants continue to demonstrate resilience as inflation and cost-of-living pressures remain top of mind for Canadians. Consumers are increasingly focused on value, particularly in grocery retail. Major grocery operators, including Loblaw, Sobeys, and Metro, continue to perform strongly, while their value-oriented banners have expanded. No Frills and FreshCo are examples of retailers responding to consumers' heightened focus on affordability.

Entertainment tenants can increase dwell time at shopping centres, encouraging visitors to play, shop, and dine during their visits. Landlords are making strategic decisions around tenant mix, selecting retailers that strengthen the overall customer experience and support the long-term performance of their retail centres.



BOND RATES & INTEREST RATES

During the summer of 2026, Government of Canada 10-year benchmark bond yields traded between approximately 3.8% and 4.3%, trending upward from around 3.7% in the previous quarter. This movement was primarily driven by the strong correlation with rising U.S. Treasury yields, diminishing expectations for aggressive Bank of Canada policy rate cuts, and growing federal and provincial budget deficits.

Canada's overnight policy rate remained at 2.25%, as elevated geopolitical tensions and broader international trade uncertainties prompted central bankers to maintain near-term flexibility. Since 10-year government bond yields serve as a foundation for commercial mortgage lending rates, lenders have also adjusted their fixed rates in response to these fluctuations.

Purchasers should prepare for the possibility of higher commercial mortgage rates, while sellers need to account for potential pressure on purchaser affordability. Astute purchasers are seeking opportunities before further increases in mortgage rates.

CAP RATES

Income quality continues to drive investor demand across real estate asset categories. Investors are willing to pay a premium for top-performing assets that offer positive and durable cash flows.

Asset values have remained resilient despite higher interest rates. Average retail sale pricing in Calgary during the quarter was approximately $350/SF, with a wide range of $180–$750/SF. While prices are down 5% from the 2024 high, sale prices remain 10% above 2019 levels.

Cap rates have moved higher from their 2022 lows and have recently stabilized in the 5.75%–6.4% range, offering investors more attractive going-in yields. Pricing remains highly asset-dependent, with newer, stabilized properties and prime retail assets commanding premiums over older properties. Key investment criteria include location, amenities, high occupancy rates, covenant strength, a strong leasing track record, and minimal anticipated capital costs.



INVESTMENT ACTIVITY

Plaza 28: July 2026; 128–28 Street SE; $9.7 million ($193.61/SF); 4.1% cap rate; 50,100 SF; 27% vacant. Purchased by Honeywell Development Corp.

Marlborough Mall: July 2026; 515 Marlborough Way NE; $67.5 million ($112.39/SF); 600,000 SF of retail space; 17% vacant. Purchased by Marlborough Mall GP (Lansdowne).

Barlow Crossing: May 2026; 4026–90 Avenue SE; $87.8 million ($232.20/SF); 378,000 SF of retail space; 2% vacant. Purchased by Mancal Property Crossings Inc.

~6%
CAP RATE

2.67%
VACANCY

MULTI-FAMILY MARKET OVERVIEW

Calgary's multi-family market appears to have moved past the peak of its supply cycle. Vacancy has stabilized after rising through early 2026, new apartment construction has slowed considerably, and institutional investors are back in the market, most notably with Crestpoint's $2.3 billion acquisition of Minto Apartment REIT, which includes four Calgary apartment buildings. Rents remain soft for now as recently completed buildings lease up, but conditions should begin to tighten once that supply is absorbed.

Demand fundamentals remain supportive. Employment in the Calgary region is up 5.9% year over year, adding about 62,000 jobs, and steady interprovincial migration continues to bring younger households to the city. As lower immigration and an aging population shrink the 20-to-34 renter-age population nationally, Calgary is expected to outperform markets such as Toronto and Vancouver that rely more heavily on international arrivals. With solid job growth, steady interprovincial migration and a slowing construction pipeline, Calgary's multi-family market is well positioned heading into 2027.

INVESTMENT ACTIVITY

Through the first three quarters of 2026, NAI Advent tracked 25 apartment sales in the Calgary region totaling $272.4 million and 909 suites, an average of about $299,700 per suite (See Figures 7 & 8):

- Small apartments (6 to 50 units) were the most active segment, with 15 trades.
- New-build rental townhomes accounted for seven sales averaging about $397,000 per unit.
- Large-format assets were few but significant. Three sales accounted for $192.2 million, more than 70% of total volume: Riverview Pointe in Cochrane (209 units) in Q1, then Legacy Place (311 units) and Catalyst (75 units) in Q2.

Cap rates generally ranged from 4.7% to 5.0% for newer institutional-quality product and 5.4% to 5.7% for older walk-ups.

The year's headline transaction closed in August, when Crestpoint and Minto Group completed their $2.3 billion take-private of Minto Apartment REIT at an implied 4.7% cap rate. The roughly 7,600-suite national portfolio includes four Calgary properties: The International, The Quarters, The Laurier and Kaleidoscope.* The new partnership has named Calgary among its target markets for future acquisitions and development.

The largest single-asset sale of the year was Legacy Place in Calgary's southeast. Montreal-based Ferrovia Capital acquired the 311-unit, 2016-built community from City Vibe Developments in May for $95.8 million, about $308,000 per unit, at a 5.0% cap rate. It was Ferrovia's second major acquisition in the region this year, following its $67.4 million purchase of the 209-unit Riverview Pointe in Cochrane in Q1. Both deals point to continued appetite from out-of-province investors for stabilized suburban rental product (See Figure 9).

Figure 7: Multifamily Transactions by Year

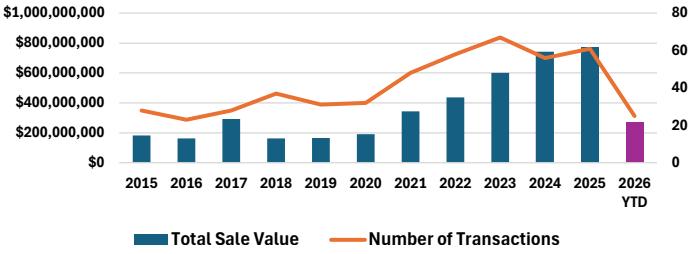
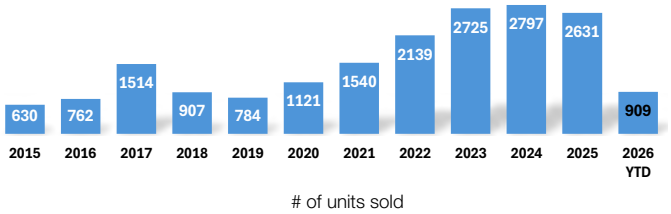


Figure 8: Multifamily Units Sold by Year



**Excludes the Minto Apartment REIT portfolio sale (The International, The Quarters, The Laurier and Kaleidoscope), as no property-level sale prices were disclosed. Totals and charts reflect NAI Advent's tracked single-asset and small-portfolio sales.*

Figure 9: Notable Multifamily Transactions 2026

BUILDING	ADDRESS	YEAR BUILT	# OF UNITS	SUBMARKET	SALE PRICE	PRICE / UNIT
Legacy Place	150 Legacy Main St SE	2016	311	Legacy	$95,800,000	$308,039
Catalyst	1450 20 Ave NW	2023	75	Capitol Hill	$29,000,000	$386,667
Riverview Pointe	25 Clydesdale Avenue	2024	209	Cochrane	$67,402,500	$322,500

Sources: Altus Group, CoStar, City of Calgary Housing Review.

VACANCY TRENDS AND CURRENT RENTAL RATES

Calgary's apartment vacancy has held steady over the past year, staying in a range of roughly 6% to 7%. Vacancy rose from 6.1% at the end of 2025 to 7.3% in Q1 2026, a seasonally slow quarter, before easing to 6.8% in Q2. That remains the highest among major Canadian markets and above CMHC's balanced range for Calgary of 3.0% to 5.5%, as renters continue to have plenty of new buildings to choose from.

Figure 10: Average Multifamily Rates 2026

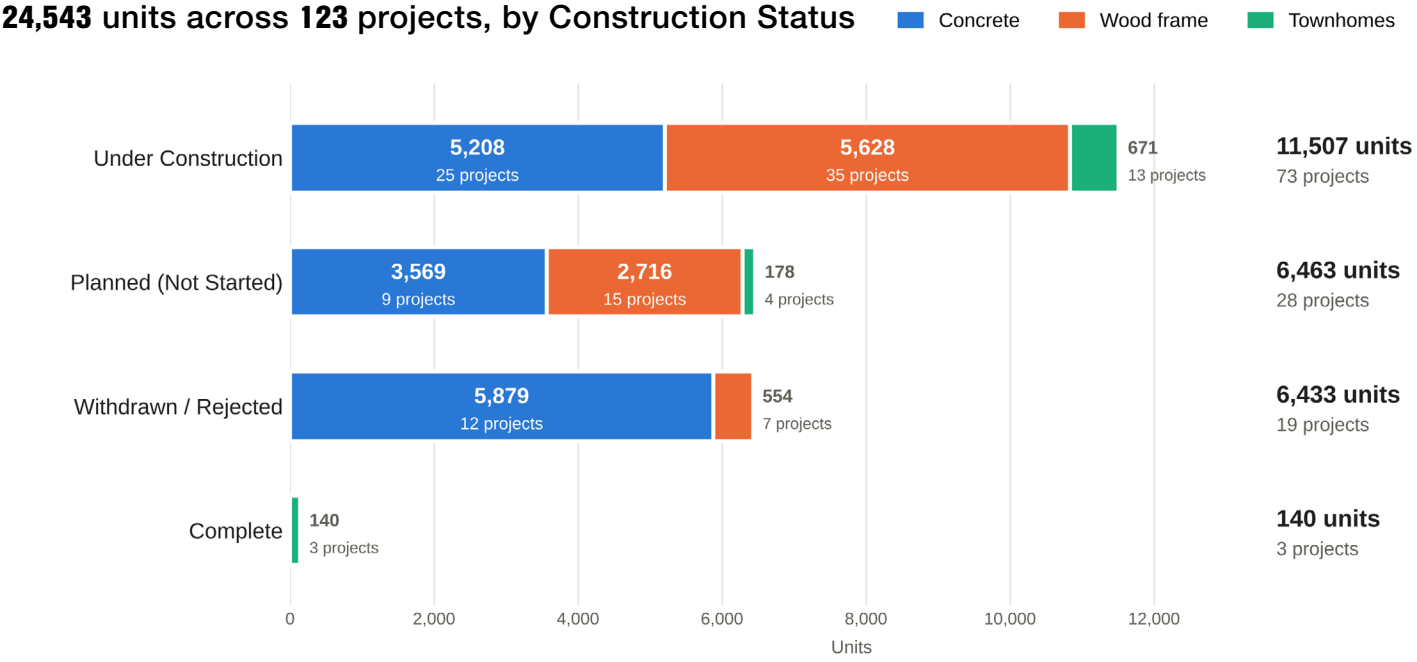
PRODUCT TYPE	STUDIO	1-BED	2-BED	3-BED
Concrete (new build)	$1,662	$2,052	$2,740	$3,943
Wood Frame (new build)	$1,475	$1,822	$2,265	$2,527
Average Rates New and Old Product (as of Jul 2026)	–	$1,513	$1,847	$2,326

SUPPLY PIPELINE AND DEVELOPMENT TRENDS

The construction cycle is turning. The City of Calgary recorded 5,686 housing starts in Q2 2026, down 20% from a record 7,157 a year earlier. Builders are focusing on finishing current projects as completed but unsold or unleased inventory builds up. Calgary still led all Canadian municipalities in housing starts for the eighth consecutive quarter. Units under construction held steady at 22,805, with purpose-built rental the only segment still growing, while 5,181 homes were completed during the quarter (City of Calgary). Across the wider region, apartment starts totalled 8,176 through August, down 16.9% year over year (CMHC).

Looking ahead, Zonda is tracking about 24,500 contemplated rental units, including townhomes, across 123 projects. Roughly 11,500 of these are already under construction and 6,500 are in planning, while about 6,400 units, mostly large concrete towers, have had applications withdrawn or rejected. Wood-frame product now leads new construction, as higher costs make concrete high-rise projects harder to finance. With deliveries continuing through 2027 and fewer projects starting, the pipeline is expected to thin considerably, setting up tighter conditions later in the decade (See Figures 10 & 11).

Figure 11: Contemplated Rental Pipeline - Calgary



 Sources: CMHC Spring 2026 Housing Supply report, Yardi National Multi-family Report, Zonda Urban Analytics

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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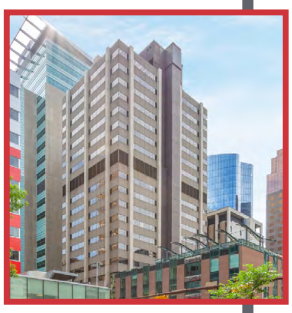
NAI Advent

FEATURED LISTINGS



CALGARY WEST DEVELOPMENT LAND

An exceptionally rare boutique mixed-use community nestled within a naturally treed hillside beside the established southwest community of Crestmont. The community combines panoramic Bow River Valley views, immersive access to nature, planned retail and entertainment amenities, and exceptional regional connectivity. **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.**



19 AERO DRIVE NE BAY 13

Located less than five minutes from Calgary International Airport, 19 Aero Drive NE offers excellent connectivity to major transportation routes, including Deerfoot Trail, Stoney Trail, Airport Trail, and the Trans-Canada and QEII highways. **Contact Brody Butchart or Kaile Landry for more details.**



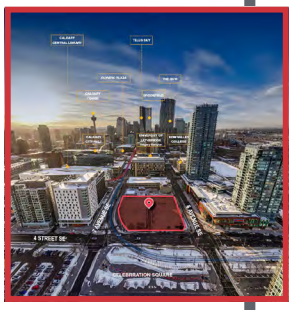
3636 7 STREET SE UNIT 2

Industrial/commercial building with upgraded power infrastructure. Ideal for a range of users including light manufacturing, flex, and showroom. Flexible zoning and layout suitable for tenants in industrial, logistics, or clean tech sectors. **Contact Tyler Guluche for more details.**



460 ERIN WOODS DRIVE SE

Located in the established community of Erin Woods in southeast Calgary, this ±4,200 SF freestanding building sits on a fully paved and serviced ±0.46-acre site, featuring recently renovated high-end finishes, a new 2025 roof, and an occupancy capacity of 150 people. **Contact Brody Butchart for more details.**



EAST VILLAGE MIXED-USE DEVELOPMENT SITE

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 **Contact Harvey Russell for more details.**

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SOURCES

- Costar
- Zonda Urban
- Government of Alberta
- ATB Economics
- TD Economics
- Deloitte
- RBC Economics
- CMHC Spring 2026 Housing Supply report
- Yardi National Multi-family Report
- City of Calgary Housing Review
- NAI Advent Q1 - Rental Survey Report
- Reuters
- Trans Mountain Corporation
- Bank of Canada
- Financial Post
- Government of Alberta
- Pathways Alliance
- Statistics Canada

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5,800+
Professionals

65
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$20 Billion
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325+
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1.1 Billion
Square Feet Managed

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