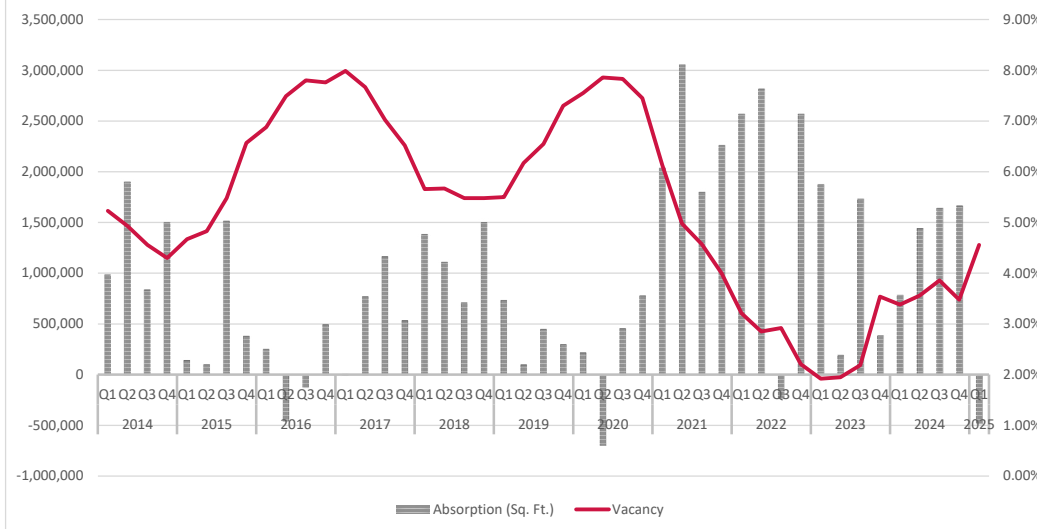


Q1 | 2025

CALGARY INDUSTRIAL MARKET REVIEW

VACANCY & ABSORPTION

QUARTERLY VACANCY & ABSORPTION (2014 - 2025)



VACANCY BY QUADRANT

North East 4.31%



Central 0.88%



South East 3.79%



Greater Area 10.97%



Change from Q4 2024: ↑ Increase ↓ Decrease

Q1 2025

Q4 2024

Q3 2024

Q2 2024

Q1 2024

VACANCY
QUARTERLY ABSORPTION

4.56%
-481,109 sq. ft.

3.48%
+1,665,801 sq. ft.

3.86%
+1,644,502 sq. ft.

3.56%
+1,444,091 sq. ft.

3.38%
+786,764 sq. ft.

Land Sales

Q1 2025

FULL SERVICE

LIMITED SERVICE

INSIDE CITY LIMITS

6

0

Total Acres Sold

12.46 acres

-

Net Volume (\$)

\$11,681,617.00

-

Avg. Price Per Acre (\$)

\$937,529.45

-

OUTSIDE CITY LIMITS

3

1

Total Acres Sold

112.71

7.32 acres

Net Volume (\$)

\$50,913,484.00

\$5,307,000.00

Avg. Price Per Acre (\$)

\$627,940.98 *

\$725,000.00

TOTAL

9

1

Total Acres Sold

123.17 acres

7.32 acres

Net Volume (\$)

\$62,595,101.00

\$5,307,000.00

Avg. Price Per Acre (\$)

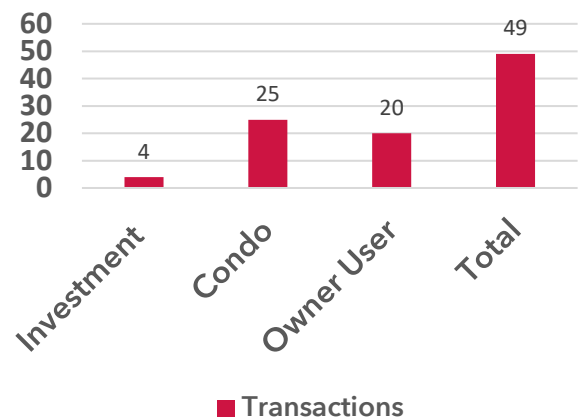
\$829,165.41 *

\$725,000.00

* Excludes Dollarama Transaction

Building Sales

Q1 2025 Sale Transactions



In the first quarter of 2025, Calgary's industrial market showed signs of recalibration to a more balanced market after an exceptionally active 2024 characterized by consistent absorption, low vacancy, and robust transaction volume. Q1 2025 marked a shift in sentiment, as evidenced by rising vacancy, a pullback in leasing and sales activity, and the first quarter of negative absorption in over two years. Broader economic headwinds including newly imposed trade tariffs and heightened political uncertainty have contributed to a more cautious environment among both occupiers and investors. Pricing has held and long-term planning activity indicates confidence in Calgary's industrial market going forward. As macroeconomic conditions stabilize, transaction activity is expected to increase in the latter half of 2025.

Vacancy & Absorption

Calgary's industrial vacancy rate increased to 4.56% in Q1 2025 from 3.48% in Q4 2024, marking the sharpest quarterly vacancy increase since the early stages of the post-pandemic recovery. This shift was largely driven by a decrease in leasing activity and persistent vacancy in newly delivered, unoccupied big-box distribution space. Net absorption for the quarter was negative at -481,109 square feet, a notable decline from the +1.6 million square feet of absorption recorded in Q4 2024. While demand remains present in the small and mid-bay segments, big-box leasing slowed considerably, reflecting broader uncertainty in the market.

Construction Activity

New construction deliveries slowed at the start of 2025, with approx. 661,409 square feet of industrial space completed in Q1 - down from just over 800,000 square feet delivered in the previous quarter. However, the +1.9 million square feet delivered in the last two quarters drove the increased vacancy. The total active construction pipeline was at just over 1 million square feet in Q1 2025, marking a sharp decline from the 3.2 million square feet under construction during the same period last year. Speculative development is slowing, driven by persistently high construction costs and challenging capital markets. The increase in land activity that was seen in 2023 and 2024 allowed the construction pipeline to grow with approximately 9.5 million square feet of new industrial space in the 'planned pipeline', signaling long-term developer confidence in Calgary's industrial market. However, with a decrease in land sales in Q1 2025 and a shrinking available inventory, we can expect minimal growth in construction, and even a potential decline past 2026.

Sales & Leasing Transactions

The pullback in sales and leasing activity was evident in Q1 2025. 110 lease transactions were completed during the quarter, down 20% from the 138 in Q4 2024. On the sales side, 49 transactions were recorded, down from 76 in Q4 2024, reflecting a 31% decline. This pullback was evident across all

asset classes, although pricing remained relatively steady. Industrial condominium sales accounted for 25 transactions at an average price of \$248.76 per square foot (PSF), a slight increase from \$244 PSF in Q4 2024. There were 20 owner-user sales completed at an average price of \$198.49 PSF, a decrease from the \$238 PSF figure in Q4 2024. Investment sales slowed significantly, with only four recorded transactions averaging \$169.09 PSF, up modestly from \$166 PSF in the previous quarter. This decline in volume is consistent with broader investor caution and elevated geopolitical uncertainty. The implementation of new tariffs in Q1 2025 further contributed to market hesitancy, particularly among users and investors reliant on imported goods and materials or exports to the USA.

Land Transactions

In Q1 2025, six fully serviced industrial land sales occurred within Calgary city limits, totaling 12.46 acres with a combined value of \$11,681,617. This reflects an average price per acre of \$937,529, a notable increase compared to the \$881,972 per acre price recorded in Q4 2024. Although the City of Calgary's newest industrial park referred to as "Constellation Industrial Park" is 83% under contract, the majority of purchasers appear to be speculative developers, so we anticipate these figures may be subject to adjustment. Pricing in this Park is \$800,000 to \$850,000 per acre.

Four land transactions were recorded outside the City of Calgary. The largest and most significant was Dollarama's purchase of 106 acres in High Plains Industrial Park in Balzac for their new 1.69 million square foot distribution facility. Pricing on this transaction was below market at \$440,566 per acre, based on the size of the parcel. Overall, land transaction activity was at an all-time low due in part to a lack of land availability both inside and outside the City, despite the abundance of raw land in the City.

The City of Calgary remains the single largest holder of future industrial land, which is released to the market at an extremely slow pace. As a result, there is a supply issue for both developers and owner users, which will hinder development growth in the not-too-distant future, as the last five years of robust growth has consumed what inventory we had available.

TOTAL MARKET INVENTORY
174,314,405 SQ. FT.

15,592,853
TOTAL SQ. FT. AVAILABLE

463
TOTAL LISTINGS
*As of March 31st, 2025

Availability includes vacant space, occupied space being marketed, and speculative space under construction. *Some listings are counted in multiple size ranges if they can be demised.

NEW CONSTRUCTION

- 661,409 sq. ft. completed in Q1 2025
- 1,120,300 sq. ft. under construction as of Q1 2025

LEASE TRANSACTIONS

- 110 Lease Transactions
- 2,520,681 sq. ft. Leased

INVESTMENT SALES

- 4 Investment Sales
- \$22,000,000 Sales Volume
- 130,105 sq. ft. Sold
- \$169.09 per sq. ft. Avg. Price

CONDO SALES

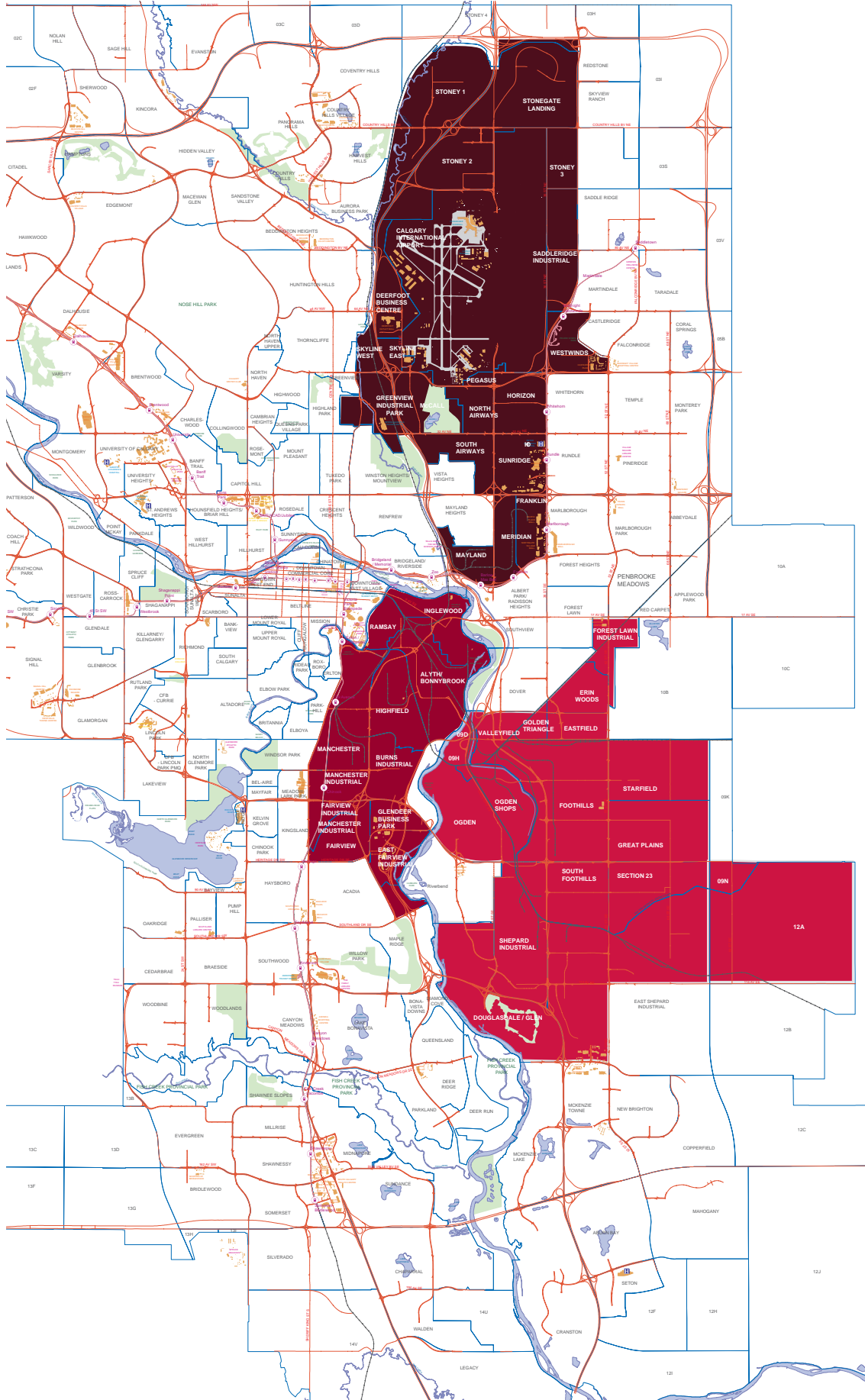
- 25 Condo Sales
- \$29,629,122 Sales Volume
- 119,105 sq. ft. Sold
- \$248.76 per sq. ft. Avg. Price

OWNER-USER SALES

- 20 Owner-User Sales
- \$97,150,000 Sales Volume
- 489,439 sq. ft. Sold
- \$198.49 per sq. ft. Avg. Price

Up Arrow Increase Down Arrow Decrease

CALGARY INDUSTRIAL STATS BY AREA



NORTHEAST

4.31%
Vacancy



2,087,568 sq. ft.
Vacancy sq. ft.

48,447,222
Total Inventory

CENTRAL

0.88%
Vacancy



260,615 sq. ft.
Vacancy sq. ft.

29,665,248 Total
Inventory

SOUTHEAST

3.79%
Vacancy



2,611,178 sq. ft.
Vacancy sq. ft.

68,952,600
Total Inventory

OUTSIDE CITY LIMITS

10.97%
Vacancy



2,989,769 sq. ft.
Vacancy sq. ft.





27,249,335
Total Inventory

↑ Increase ↓ Decrease

NOTABLE SINGLE-USE LEASE TRANSACTIONS Q1 2025

	Address	Tenant	Market	Lease Type	Size
	6285-76th Avenue SE	Dynamic Source Manufacturing Inc.	Great Plains	Expansion	27,331 sf on 3.68 acres
	2345 Alyth Road SE	Undisclosed	Alyth-Inglewood	Head Lease	42,230 sf on 6.87 acres
	315 Manitou Road SE	Mega Courts Pickleball & Tennis Ltd.	North Manchester	Head Lease	72,967 sf on 3.60 acres
	Units 3-6, 5630-61st Avenue SE	CoolIT Systems INC.	Starfield	Head Lease	111,644 sf

NOTABLE SINGLE-USE SALE TRANSACTIONS Q1 2025

	Address	Purchaser	Market	Size	Sale Price
	1561 & 1517 Hastings Crescent SE	Resman Holdings Ltd.	Highfield	69,906 sf on 3.69 acres	\$11,220,000.00
	2008-48th Street SE	LCPNDD Holding Ltd.	Forest Lawn	71,730 sf on 12.75 acres	\$5,500,000.00
	4747-54th Avenue SE	Suncoast Built	Foothills	75,560 sf on 4.14 acres	\$10,500,000.00
	2728 Hopewell Place NE	2062895 Alberta Ltd.	Horizon	126,760 sf on 7.88 acres	\$19,000,000.00

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