



Greater Calgary & Area's
First Quarter 2026
Industrial Leasing Landscape

Market Analysis



LOCAL
EXPERTISE
MATTERS

Greater Calgary & Area's First Quarter 2026 Industrial Leasing Landscape

96.6% <small>+0.1%</small>	OVERALL OCCUPANCY RATE (Total leased space)
3.4% <small>-0.1%</small>	OVERALL VACANCY RATE (Space marketed for headlease only)
5.3% <small>-0.1%</small>	OVERALL AVAILABILITY (Total amount of space available for headlease, sublease and sub-sublease)

“Q1 2026 showed Calgary industrial has evolved from a speculative sprint into a disciplined marathon — tight vacancy, steady absorption, and confidence replacing hype.”



Darren Abrahamson
Senior Associate
Barclay Street Real Estate

BY LOCATION	
NORTHEAST	4.2% <small>+0.8%</small> VACANCY
	6.5% <small>+1.5%</small> AVAILABILITY
SOUTHEAST	3.9% <small>+0.5%</small> VACANCY
	6.0% <small>+0.5%</small> AVAILABILITY
SOUTH CENTRAL	1.4% <small>NO CHANGE</small> VACANCY
	2.2% <small>-0.2%</small> AVAILABILITY
BALZAC	4.6% <small>-1.5%</small> VACANCY
	7.7% <small>NO CHANGE</small> AVAILABILITY
OUTLYING	4.3% <small>-0.8%</small> VACANCY
	5.5% <small>-0.8%</small> AVAILABILITY

Calgary's industrial market carried its strong year-end momentum into the first quarter of 2026, with occupancy holding at 96.6% and vacancy remaining below 3.5%. Sustained demand from both national and international users continues to reinforce the market's position as one of Canada's strongest industrial hubs. Building on trends observed in the latter half of 2025, the Greater Calgary Area's industrial sector remains stable, competitive, and well positioned for continued growth.

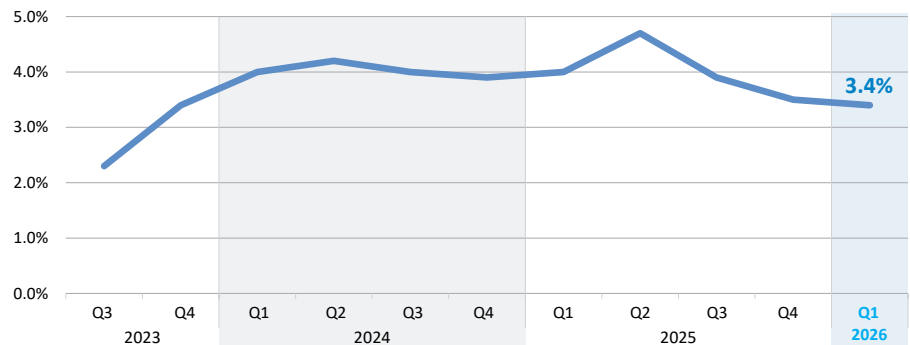
Market Fundamentals

As noted in our year-end report, vacancy has been on a downward trend since Q1 2025, and that trend is continuing. Despite limited new supply, demand remains steady, with brokers reporting an uptick in tours across the market. Smaller-bay space, particularly under 5,000 square feet, remains extremely constrained, with available units leasing quickly as they come to market.

Industrial vacancy is currently sitting at 3.4%, representing a 60 basis-point decrease year-over-year.

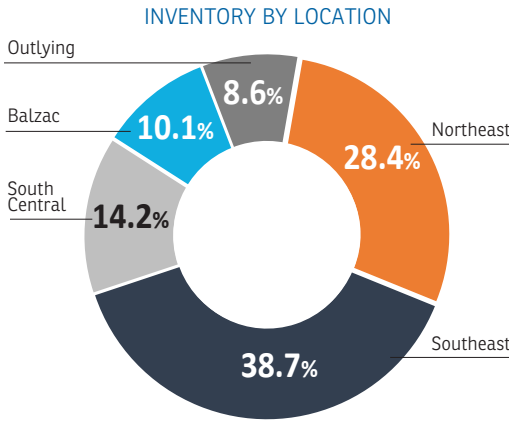
BY SIZE (CALGARY)	
0-5,000 SF	0.32% <small>-0.66%</small> VACANCY
5,001-17,500 SF	1.87% <small>+0.3%</small> VACANCY
17,500+ SF	5.22% <small>+0.19%</small> VACANCY

OVERALL VACANCY

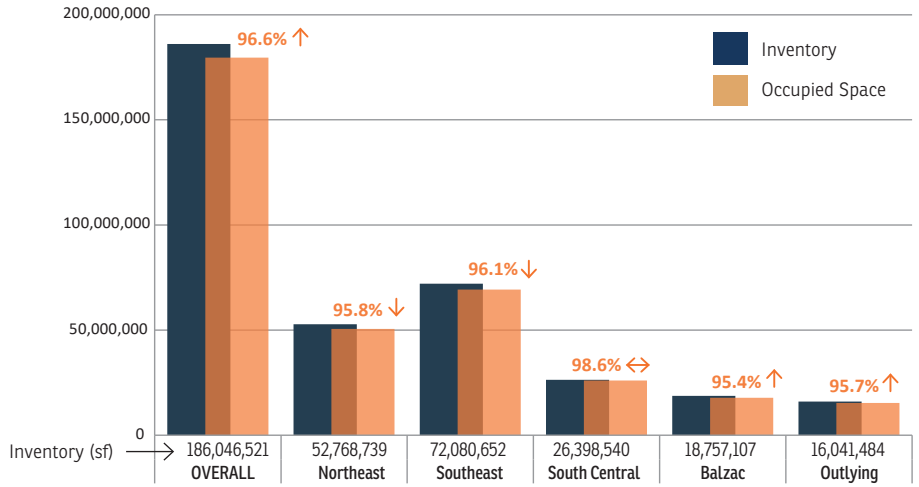


Source: CoStar

Overall availability – which includes both headlease and sublease space – is 5.3%. While this reflects a modest decrease of 10 basis points quarter over quarter and 30 basis points year over year, it also marks a subtle shift in trend direction. After a period of steady decline, availability is beginning to level out, suggesting a slight increase in sublease inventory and evolving tenant requirements. This shift, while early, points to a more nuanced demand environment.



OCCUPANCY BY LOCATION



Outlying markets continue to gain traction as a strategic alternative to Calgary. Balzac recorded a 150-basis-point reduction in vacancy, reaching 4.6%, while outlying areas overall saw vacancy decline to 4.3%, down 80 basis points this quarter. This sustained activity reflects both cost competitiveness and increased tenant willingness to consider locations outside core city limits. While these markets are tightening, they are gradually moving toward more balanced conditions, with landlords still maintaining a slight advantage.

Tenant Activity

Leasing activity remains concentrated in small- to mid-sized bays, where availability continues to sit near the 1% mark, highlighting ongoing supply constraints in this segment. In response, developers are increasingly incorporating demising options within larger-format buildings to better accommodate this demand.

With limited construction completions since the latter half of 2025, space scarcity remains a key theme across the market. Delivering new small-format product continues to be economically challenging, further contributing to tight conditions.

A notable development addressing this gap is Glenmore Yards Business Park. Currently under construction, this 95-acre mixed-use business park in southeast Calgary is designed to prioritize small- to mid-sized industrial users, directly targeting one of the most supply-constrained segments of the market.

Mid-sized spaces are showing slightly more flexibility, with vacancy at 1.87%, a modest increase

from year-end, while larger-format space is sitting at 5.22%. Market sentiment also indicates a gradual increase in large-bay availability, rising from 5.00% in Q4 2025 to 5.22% this quarter. Leasing activity at the smaller end of the market continues to reflect tight conditions. A recent transaction by Barclay Street at *Southbend Business Centre* saw 1,568 square feet leased, reinforcing ongoing demand for small-bay product.



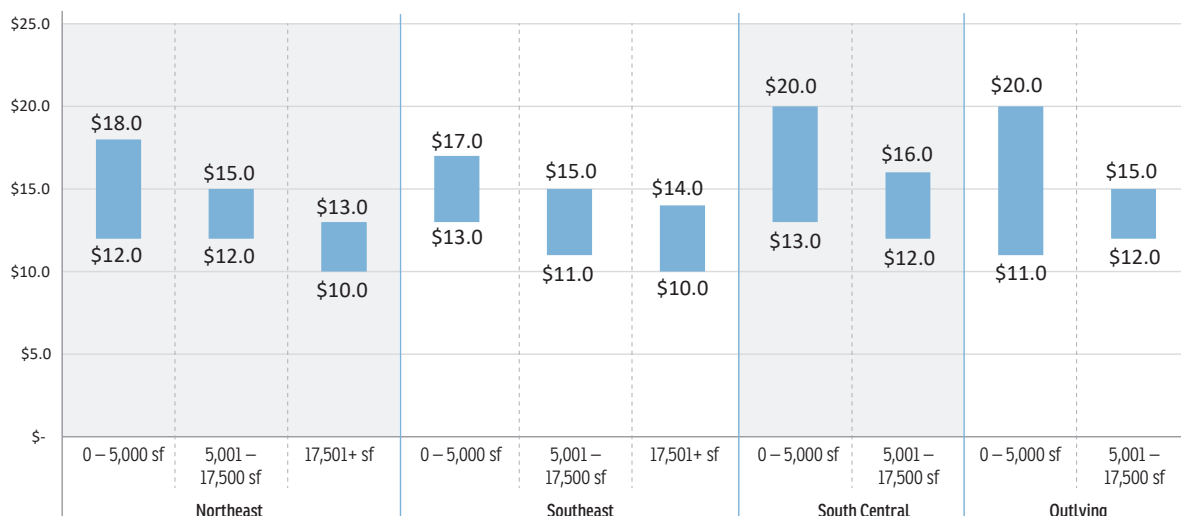
Southbend Business Centre



5050 106 Avenue SE

Current availability remains limited, with opportunities such as our current exclusive listing – the 2,310 square foot unit at 5050 106 Avenue SE – representing an option for tenants seeking functional small-bay space in the southeast market.

AVERAGE ASKING RATES BY LOCATION AND SIZE



Significant moves, announcement and notable transactions



Telus pre-leased 255,000 sq. ft. in Gateway 290 – High Plains Industrial Park



PepsiCo leased 244,000 sq. ft. in Great Plains Industrial Park – Building 1

Market Activity & Development

Development and investment activity this quarter further reinforce confidence in Calgary's industrial market.

CanFirst and Enright Capital Ltd. acquired 15 acres of land at 5520–5540 47th Avenue from the City of Calgary for \$11.4 million, with plans to develop approximately 359,000 square feet across two industrial buildings. Meanwhile, Coke Canada Bottling unveiled a new warehouse of 60,000 square feet in the northeast, supporting its growing distribution needs across Western Canada.

In Foothills East, two British Columbia–based groups partnered on a \$105-million, 95.6-acre, A-class industrial development, with the initial phase already underway.

More broadly, Calgary's continued population growth is driving expansion across warehousing, distribution, and logistics sectors. Following a brief slowdown in construction activity, there has been a noticeable increase in new development proposals, particularly in emerging sectors such as data centres and cybersecurity, signalling continued evolution within the industrial landscape.

Market Outlook

Calgary's industrial market is expected to remain tight through 2026, supported by sustained tenant demand and limited near-term supply. While a slight increase in sublease availability and larger-bay options may introduce some flexibility, overall conditions will likely remain landlord-favoured. Ongoing constraints in small-bay product are expected to persist, reinforcing upward pressure in that segment.

Outlying markets will continue to gain importance as cost-effective alternatives, while steady population growth and expanding logistics and distribution needs should support continued development activity. As new projects begin to address existing supply gaps, a gradual rebalancing may emerge, though tight market conditions are expected to hold in the near term. ■

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