# Greater Calgary & Area's Second Quarter 2026 **Industrial Leasing** Landscape

Market Analysis

BARCLAY STREET
REAL ESTATE
LOCAL EXPERTISE MATTERS

#not in my city

# Greater Calgary & Area's Second Quarter 2026 Industrial Leasing Landscape

| | | |
|---|---|---|
| 96.5% | –0.1% | OVERALL OCCUPANCY RATE (Total leased space) |
| 3.5% | +0.1% | OVERALL VACANCY RATE (Space marketed for headlease only) |
| 5.3% | NO CHANGE | OVERALL AVAILABILITY (Total amount of space available for headlease, sublease and sub-sublease) |

BY LOCATION

| | | | |
|---|---|---|---|
| NORTHEAST | 4.2% | NO CHANGE | VACANCY |
| | 6.1% | –0.4% | AVAILABILITY |
| SOUTHEAST | 3.4% | –0.4% | VACANCY |
| | 5.5% | –0.5% | AVAILABILITY |
| SOUTH CENTRAL | 1.4% | NO CHANGE | VACANCY |
| | 2.5% | +0.2% | AVAILABILITY |
| BALZAC | 3.9% | –0.7% | VACANCY |
| | 7.6% | –0.1% | AVAILABILITY |
| OUTLYING | 4.6% | +0.3% | VACANCY |
| | 5.8% | +0.3% | AVAILABILITY |

BY SIZE (CALGARY)

| | | | |
|---|---|---|---|
| 0–5,000 SF | < 0.5% | | VACANCY |
| 5,001–17,500 SF | 1.4% | –0.47% | VACANCY |
| 17,500+ SF | 4.6% | –0.62% | VACANCY |

Source: CoStar

> *"With small-bay vacancy so low and demand so high, the question becomes: can a developer bring new small-bay inventory to market while balancing construction costs against the $23 to $25 per square foot rental rates needed to make a project work?"*

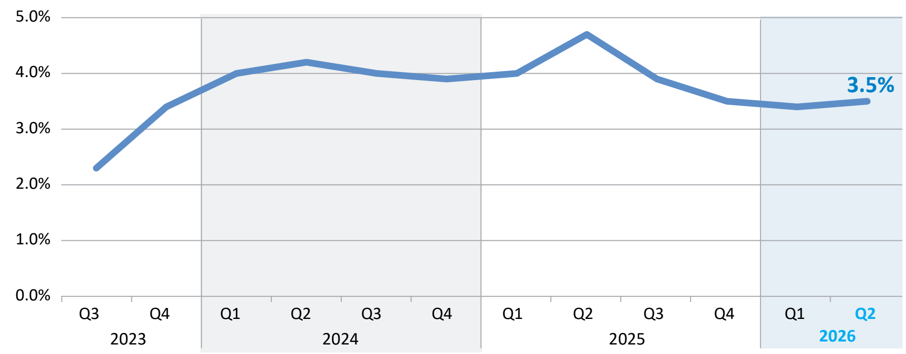
Luke Stiles
Senior Associate
Barclay Street Real Estate

Calgary's industrial market held steady through the second quarter of 2026, with occupancy easing slightly to 96.5% and vacancy edging up to 3.5%. Availability held flat at 5.3%, continuing a gradual tightening trend. Sustained demand from both national and international users continues to reinforce the market's position as one of Canada's strongest industrial hubs, and the Greater Calgary Area's industrial sector remains stable, competitive, and well positioned for continued growth.

## Market Fundamentals

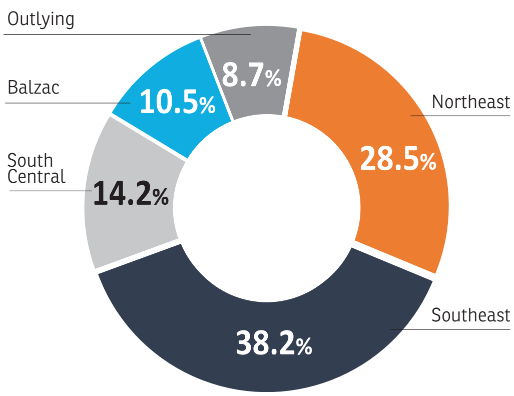
Industrial vacancy edged up 10 basis points to 3.5% in the second quarter, while overall availability held flat at 5.3%. Smaller-bay units, particularly under 5,000 square feet, remains extremely constrained at an estimated 0.3% to 0.5% vacancy, with available units leasing quickly as they come to market.

OVERALL VACANCY

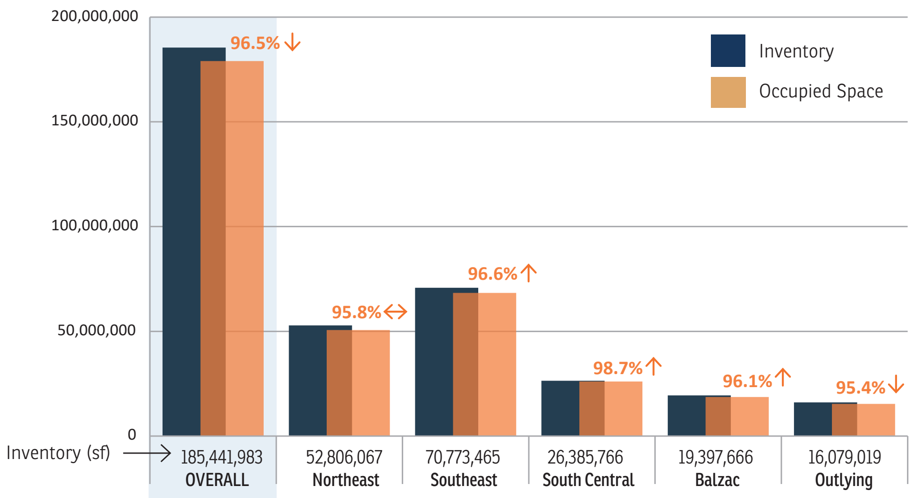


Balzac posted the most notable improvement, with vacancy down 70 basis points to 3.9% and availability down 10 basis points to 7.6%. High Plains Industrial Park alone is set to add more than 600,000 square feet of new industrial space this cycle, with additional land available for purchase, underscoring Balzac's continued pull as a supply source. Southeast Calgary also tightened, with vacancy down 40 basis points to 3.4% and availability down 50 basis points to 5.5%. South

INVENTORY BY LOCATION




OCCUPANCY BY LOCATION




Central Calgary remains the tightest submarket in the city at 1.4% vacancy and 2.5% availability, with vacancy holding flat even as availability edged up 20 basis points. Outlying areas softened, with vacancy up 30 basis points to 4.6% and availability up 30 basis points to 5.8%. Northeast Calgary held steady, with vacancy flat at 4.2%, though availability there eased 40 basis points to 6.1%; the quadrant's comparatively older product continues to be a factor with a higher vacancy relative to newer product elsewhere in the city.

## Tenant Activity

Leasing activity remained concentrated on small-to-mid-sized bays, where limited supply continues to place upward pressure on rents; asking rates across the market are expected to rise approximately 3% over the course of 2026. Tenant preferences are also shifting toward higher clear ceiling heights, with users increasingly evaluating space on a cubic footage basis rather than square footage alone.

Demising remains the primary near-term fix for small-bay scarcity, though brokers expect standalone small-bay construction to move forward regardless of cost as the pricing threshold continues to climb. Construction on the first phase of *Glenmore Yards Business Park*, 96.6-acre mixed-use industrial developments in South Foothills East, is now underway, with pre-leasing ahead of a mid-2027 completion.

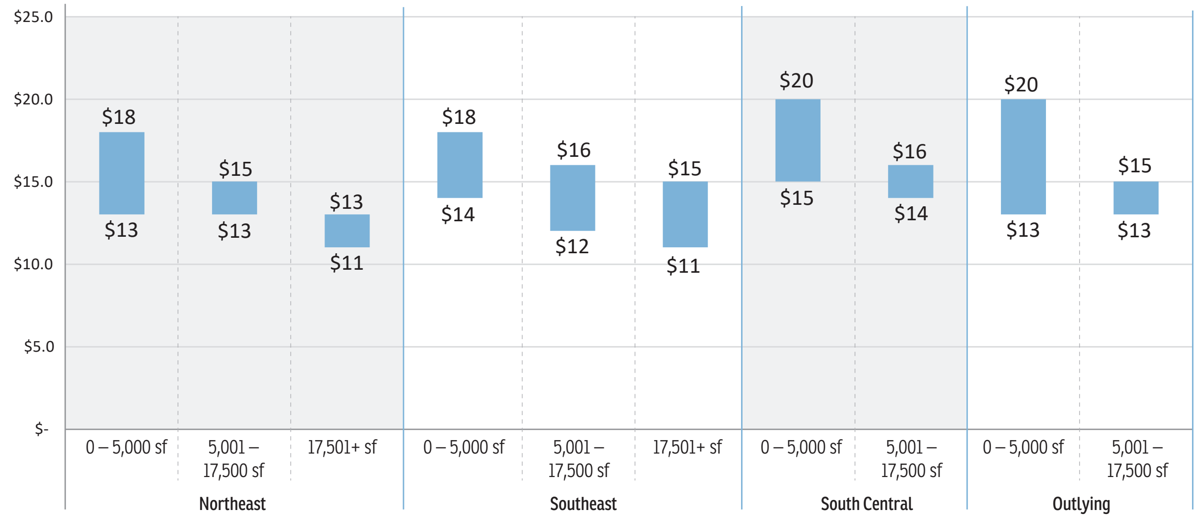
Our own listing activity reflects the same conditions. Current exclusive availability is led by a demisable 14,280 square foot warehouse and office unit at 5316 36 Street SE with a bonus 0.25-acre secured yard. A 2,928 square foot sublease at

5316 36 Street SE is available for lease by Barclay Street

*908 53 Avenue NE* is available through February 2027 in Skyline Industrial Park. A recent transaction by Barclay Street saw the 2,310 square foot small-bay unit at *5050 106 Avenue SE* leased which reinforces ongoing demand for small-bay product.

2,310 square foot bay at 5050 106 Avenue SE was leased by Barclay Street

AVERAGE
ASKING RATES
BY LOCATION AND SIZE




## Significant moves, announcement and notable transactions

Goodcang Logistics leased 260,000 sq. ft. at 292179 Nose Creek Blvd (Interlink Logistics Park)

Alliance Labelling leased ~200,000 sq. ft. at 9840 70 Street SE (68 Street Logistics Park)

## Market Activity & Development

Investment and leasing activity was active through the quarter. Dream's industrial joint venture with Singapore's GIC acquired the 618,000 square foot *Foothills North* portfolio, a four-building, nearly fully occupied complex with rail-served capability. Hammond Manufacturing opened a 55,000 square foot distribution centre at *5353 72 Avenue SE*, and Factor Meals opened a 55,000 square foot kitchen and distribution centre to anchor its Western Canadian expansion. Elsewhere in the region, a $210-million drywall manufacturing facility opened on 214 acres southeast of the city.

On the policy side, the City's Industrial Growth Strategy and Action Plan continues to advance, with recent Land Use Bylaw changes removing height limits on most General Industrial parcels and expanding permitted uses; the City has also re-released additional land parcels into the market.

## Market Outlook

Calgary's industrial market is expected to remain tight through the second half of 2026, supported by continued population growth and a constrained pipeline of new small-and mid-bay product. Some developers remain cautious on new starts given trade uncertainty and elevated steel costs, even as they position for larger long-term opportunities like *Prairie Gateway* project. Alberta's traditional cost advantage over Vancouver is also narrowing as local rents and transportation costs climb, a trend worth watching through the back half of the year. Balzac and the outlying areas should continue gaining share, while larger developments now under construction, including *Glenmore Yards*, are expected to gradually ease pressure in the small-to-mid-bay segment over the next 12 to 18 months. Near-term conditions are expected to remain landlord favoured, but with new supply on the way and demand holding firm, Calgary's industrial market remains well positioned to sustain its momentum. ■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