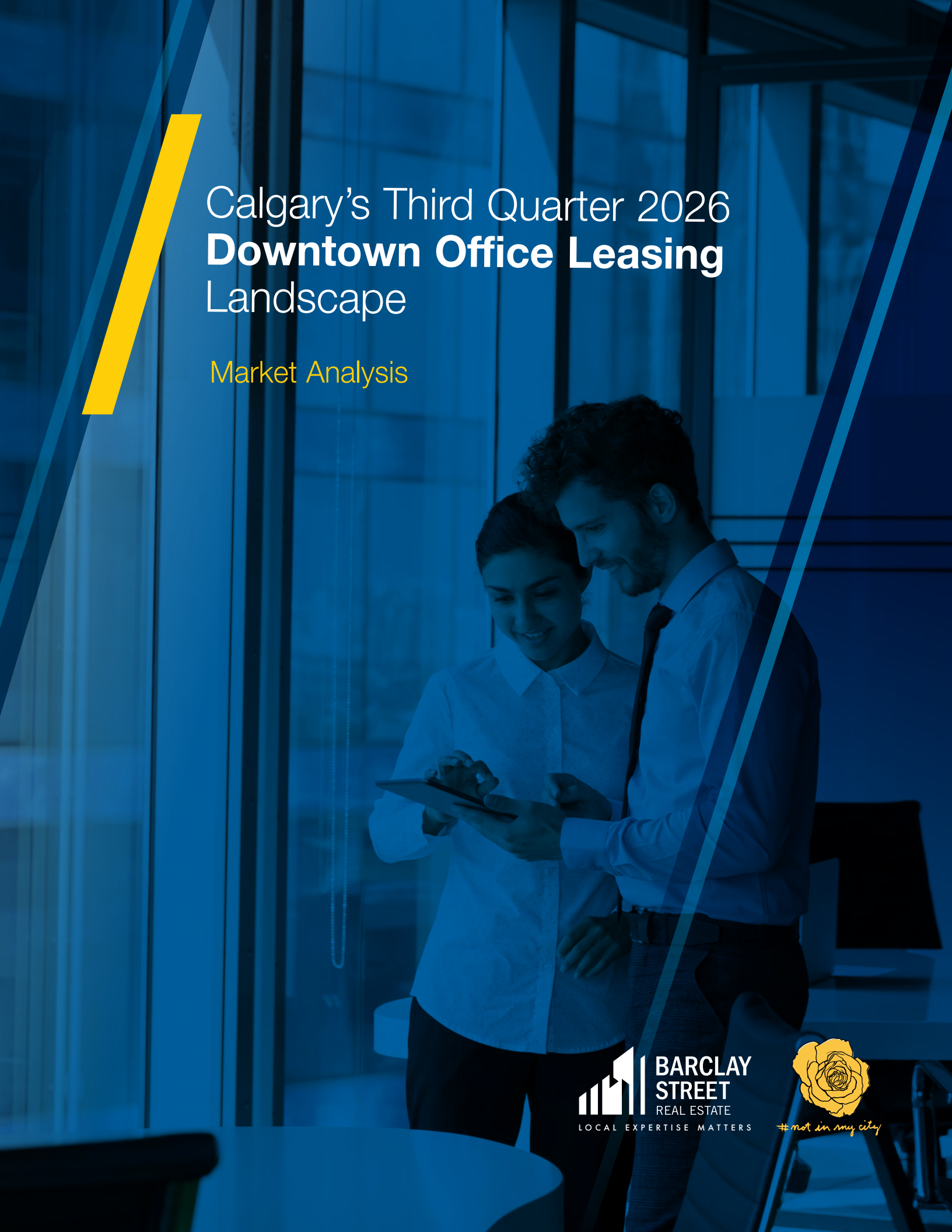
Calgary's Third Quarter 2026 **Downtown Office Leasing** Landscape

Market Analysis



BARCLAY STREET REAL ESTATE
LOCAL EXPERTISE MATTERS

#not in my city

Calgary's Third Quarter 2026 Downtown Office Leasing Landscape

"Positive absorption in every quarter this year tells you tenants are committing to downtown. Space is being filled while conversions take inventory off the market, and both are moving the market in the right direction."



Kris Hong
Executive Vice President, Partner
Barclay Street Real Estate

81.6% +0.7% OVERALL OCCUPANCY RATE
Total leased space (32,974,465 sf)

18.4% –0.7% OVERALL VACANCY RATE
Space marketed for headlease only (7,416,791 sf)

22.6% –0.2% OVERALL AVAILABILITY
Total amount of space available for headlease/sublease/sub-sublease/office-share, etc. (9,132,461 sf)

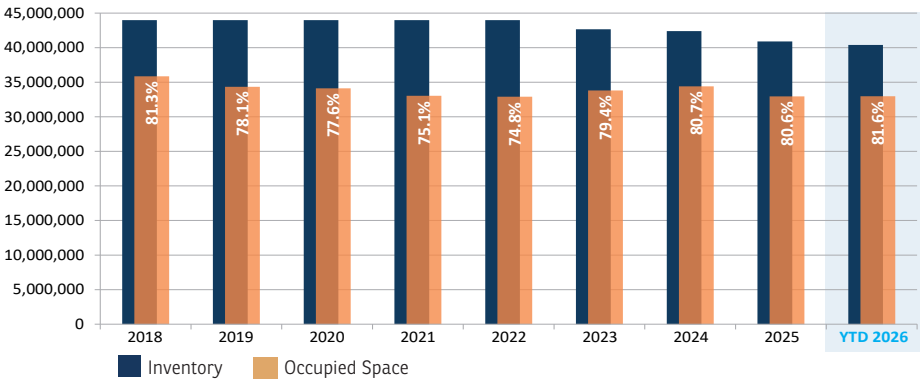
WITHIN-CLASS

CLASS AA	91.6% +0.4%	OCCUPANCY
	8.4% –0.4%	VACANCY
	13.5% +0.7%	AVAILABILITY
CLASS A	82.3% +1.5%	OCCUPANCY
	17.7% –1.5%	VACANCY
	22.9% –1.2%	AVAILABILITY
CLASS B	67.1% +0.2%	OCCUPANCY
	32.9% –0.2%	VACANCY
	34.8% NO CHANGE	AVAILABILITY
CLASS C	72.7% –5.5%	OCCUPANCY
	27.3% +5.5%	VACANCY
	27.3% +5.2%	AVAILABILITY

Occupancy Climbs Higher

Downtown Calgary's occupancy rose 70 basis points to 81.6% in Q3 2026, vacancy tightened to 18.4% and total availability eased to 22.6%. Net absorption came in at a positive 180,178 square feet. Absorption has been positive in every quarter of 2026, and year-to-date absorption now stands at 769,789 square feet.

ANNUAL OCCUPANCY & INVENTORY CHANGES



QUARTERLY DOWNTOWN MARKET STATISTICS

	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Total Available Space	23.6% (9,657,650 sf)	23.0% (9,413,050 sf)	23.0% (9,312,639 sf)	22.6% (9,132,461 sf)
Vacancy	19.4% (7,940,227 sf)	19.4% (7,946,351 sf)	19.1% (7,792,870 sf)	18.4% (7,416,791 sf)
Balance of Available Space	4.20% (1,717,423 sf)	3.59% (1,466,699 sf)	3.72% (1,519,769 sf)	4.25% (1,715,670 sf)
Inventory	40,895,829 sf	40,895,829 sf	40,895,829 sf	40,391,256 sf

Sublease space now makes up 18.8% of all available space, up from 16.3% last quarter. Part of the increase reflects consolidation in the energy sector, as merged companies return surplus space to the market as sublease. More than half of all sublease listings are blocks over 15,000 square feet, many of them in Class AA and A buildings, with most offering furnished and move-in-ready space.

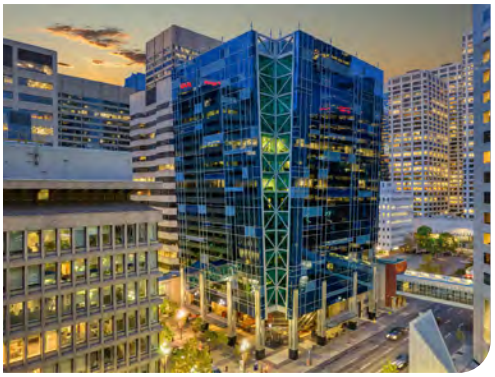
Class A drove the quarter. Occupancy rose 150 basis points to 82.3%; vacancy improved to 17.7% and availability tightened 120 basis points to 22.9%, the largest gain of any class. In Class AA, occupancy climbed to 91.6%; vacancy tightened to 8.4% and headlease options under 15,000 square feet fell from 73 to 28 in a single quarter. Class AA availability edged up to 13.5%, with the increase coming entirely from sublease space.

Class B posted gains this quarter. Occupancy rose 20 basis points to 67.1%; vacancy improved to 32.9% and availability held steady at 34.8%. Class C occupancy came in at 72.7%, following two consecutive quarters of gains. All Class C availability is headlease, with most options being under 4,000 square feet.

Demand Broadens

Demand is coming from tenants of every size. Demand for suites under 5,000 square feet has been especially active, and multi-floor commitments of 20,000 to 50,000 square feet had a strong run in the first half of the year, with activity carrying into the second half of the year. Suites of 5,000 square feet to 20,000 square feet accounted for more than 40% of space leased over the past year.

CES Energy completed a 92,191-square-foot blend-and-extend at *Centrium Place* on 332 6th Avenue SW, where Carscallen also renewed 28,714 square feet. SLB signed an 85,058-square-foot headlease at *Millennium Tower* on 440 2nd Avenue SW.



Centrium Place recorded one of the largest transactions.

Barclay Street Real Estate's own exclusive listings in the West part of downtown saw the same activity.





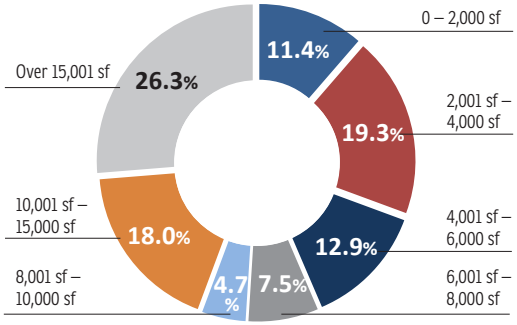
Petex Building and Place 9-6 are examples of successful leases completed by Barclay Street Real Estate.

Availability by Size and Building Class

HEADLEASE OPPORTUNITIES BY BUILDING CLASS AND SIZE RANGE

Size Range	AA	A	B	C
0 – 2,000 sf	1	9	45	19
2,001 sf – 4,000 sf	5	33	77	37
4,001 sf – 6,000 sf	5	26	60	12
6,001 sf – 8,000 sf	6	17	27	10
8,001 sf –10,000 sf	5	14	14	4
10,001 sf – 15,000 sf	6	55	76	9
15,001+	47	76	41	6
Overall	**75**	**230**	**340**	**97**

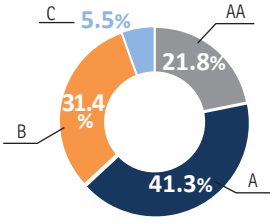
DISTRIBUTION OF OPTIONS BY SIZE RANGE



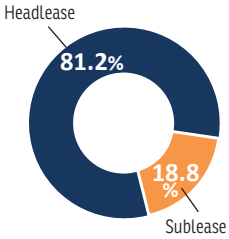
SUBLEASE OPPORTUNITIES BY BUILDING CLASS AND SIZE RANGE

Size Range	AA	A	B	C
0 – 2,000 sf	5	13	8	0
2,001 sf – 4,000 sf	0	5	5	0
4,001 sf – 6,000 sf	2	3	1	0
6,001 sf – 8,000 sf	2	3	2	0
8,001 sf –10,000 sf	1	1	1	0
10,001 sf – 15,000 sf	1	6	1	0
15,001+	24	36	5	0
Overall	**35**	**67**	**23**	**0**

DISTRIBUTION OF TOTAL AVAILABLE SPACE BY BUILDING CLASS

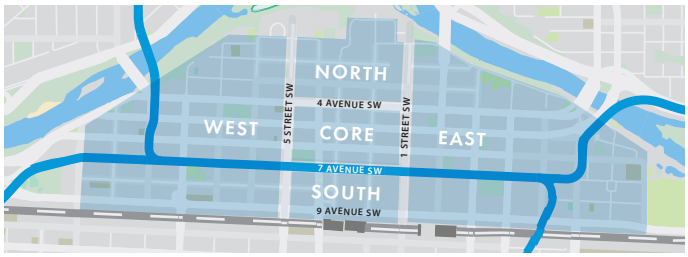


HEADLEASE VS. SUBLEASE DISTRIBUTION OF TOTAL AVAILABLE SPACE



Availability by Location

CORE	22.9%	↓
NORTH	16.8%	↓
EAST	20.0%	↑
SOUTH	12.3%	↓
WEST	38.8%	↓



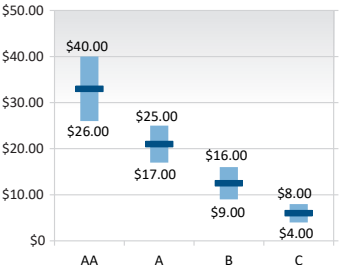
At the *Petex Building* on 600 6th Avenue SW, a tenant leased the 4,128-square-foot penthouse office.

At *Place 9-6* on 940 6th Avenue SW, a tenant subleased the full 15,359-square-foot ninth floor, adding to the West's 110-basis-point improvement this quarter.

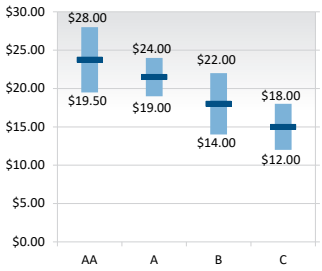
Energy-sector consolidation has added sublease space, and some of it has already been absorbed. Cenovus Energy's acquisition of MEG Energy brought 140,000 square feet to the sublease market, roughly 60% of which is no longer available. Shell's acquisition of ARC Resources, which occupies more than 220,000 square feet at *Jamieson Place*, is expected to bring additional sublease options to market. Tamarack Valley Energy and Headwater Exploration agreed in September to combine, and in October Cenovus agreed to acquire Athabasca Oil. Consolidation is continuing, and if recent mergers are a guide, these combinations could add to sublease supply and widen the range of options for tenants.

Average Costs

AVERAGE HEADLEASE RATES BY BUILDING CLASS



AVERAGE OPERATING COSTS BY BUILDING CLASS



Capital Returns Downtown

Investment activity continued through the quarter and into October. Hines acquired *Life Plaza* at 734 7th Avenue SW, a 17-storey, 226,000-square-foot Class B tower, with Timbercreek staying on as its lending partner. Hines plans hands-on management, a targeted capital investment program and fresh leasing capital, the kind of reinvestment that helps buildings compete for tenants. In October, Calgary-based Ayrshire Group acquired *400 4th Avenue SW*, the 33-storey, 683,000-square-foot former Shell Canada building, which is fully leased to Canadian Natural Resources under a 15-year lease starting in 2027.



Life Plaza was acquired by Hines



400 4 Ave SW was acquired by Ayrshire Group

Laying the Groundwork

The *City's Downtown Office Conversion Program* closed its latest application window on July 27, with funding decisions expected by the end of Q4 2026. The program has already supported 21 projects converting 2.68 million square feet. Calgary's talent base is broadening: the city recently ranked 15th among North America's top 50 tech talent markets and was one of only two markets where tech job creation outpaced tech graduates between 2022 and 2024.

Momentum Heading into Year-End

Downtown occupancy climbed 70 basis points to 81.6% this quarter. Absorption has been positive in every quarter of 2026, reaching 769,789 square feet year to date. Class A posted the strongest improvement of any class. Class B is slowly improving in occupancy. Meanwhile, investors such as Hines and Ayrshire are bringing fresh capital to downtown buildings. Funding decisions under the conversion program are expected by year-end. Downtown Calgary heads into Q4 with positive absorption and more capital committed to its buildings. ■

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