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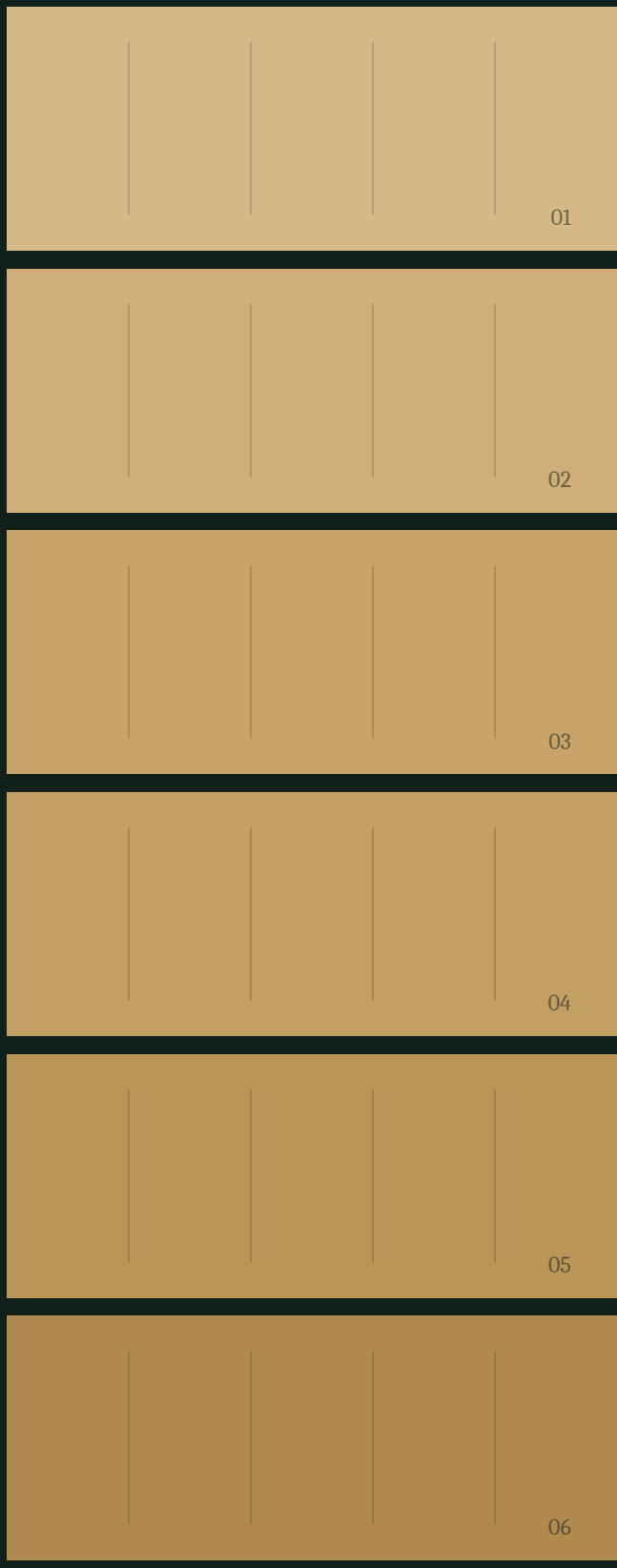
MARKET REPORT

Calgary

Real Estate Market

Q4 2026

Fundamentals, capital markets and supply across Calgary's office, industrial, retail and residential sectors.



Office · Industrial · Retail · Residential

Calgary, Alberta | Published November 2026 | resovogroup.com

KEY TAKEAWAYS

- A split market: structural office oversupply vs sub-5% industrial and retail availability.
- Office demand has inflected: 500,000+ sf downtown absorption in Q3; suburban vacancy is the lowest since 2014.
- Industrial nears undersupply: 3.8M sf absorbed, rents up 2.7% q/q.
- Necessity retail is fully leased, giving landlords pricing power.
- High-density residential is repricing as completions outpace absorption.

CITY INCENTIVES & OPPORTUNITIES

Up to $75/sf
Downtown office conversion incentive. 21 projects and 2.7M sf committed toward a 6M sf target.

$228.5M
Federal Housing Accelerator Fund awarded to the City across seven housing initiatives.

$60M
Housing Capital Initiative over three years, paired with other government funding for affordable housing.

Below market
Surplus City land, plus pre-development grants and fee rebates for non-profit housing.

Source: City of Calgary; Money.ca (June 2026).

INTEREST RATES

2.50% ▲ 25 bps
BoC policy rate, Oct 28, 2026

- First hike since 2023, ending seven holds at 2.25%, to contain energy-driven inflation.
- Higher for longer: CPI ~3.5% at year-end, ~3% in 2027, 2% by mid-2028.
- Further hikes possible; expect higher debt costs and tighter loan sizing. Next decision Dec 9.

Source: Bank of Canada, Oct 28, 2026.

Market Overview

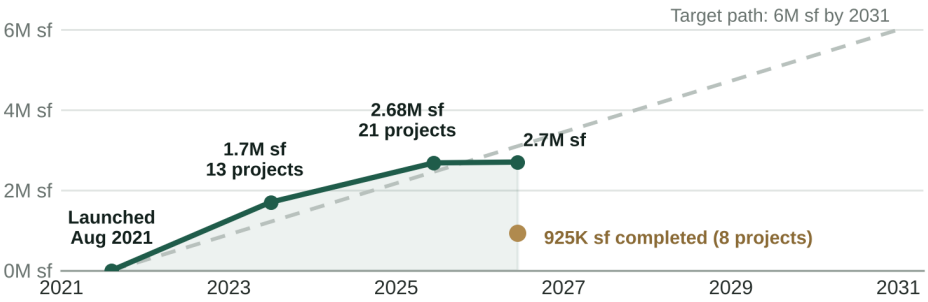
Calgary enters late 2026 as a market moving in two directions. Downtown office still carries the deepest structural vacancy among Canada's major markets, yet two consecutive quarters of positive absorption and an ongoing conversion program are steadily retiring obsolete inventory. Industrial and suburban retail sit at the opposite end of the cycle, with availability near historic lows and rents firming. Residential is repricing at the high-density end as new completions outpace absorption. With the Bank of Canada resuming tightening, cost of capital and debt sizing now matter as much as market fundamentals in underwriting.

MARKET INDICATORS

Sector	Indicator	Current	Period	Change
Office	Downtown vacancy	26.96%	Q2 2026	n/a
Office	Citywide availability	20.5%	Q3 2026	n/a
Office	Overall vacancy (C&W)	21.0%	Q3 2026	▼ 0.9 pts y/y
Office	Downtown net absorption	500,000+ sf	Q3 2026	vac. ▼ 0.8 pts
Industrial	Availability	3.6%	Q3 2026	n/a
Industrial	Vacancy (C&W)	4.6%	Q3 2026	stable q/q
Industrial	Net rent	—	Q3 2026	▲ 2.7% q/q
Retail	Vacancy	5.8%	H1 2026	▼ 0.1 pts h/h
Residential	Benchmark price	$564,200	Oct 2026	▼ 0.4% y/y
Rental	Vacancy	5.1%	2025	▲ 0.5 pts y/y

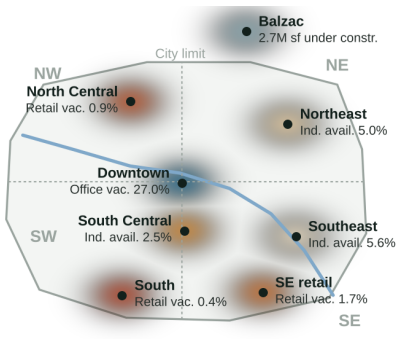
Source: Cresa (Q2 downtown vacancy), CBRE (Q3 downtown absorption and vacancy change), Cushman & Wakefield, Altus Group, CMHC, CREB via The Canadian Press. Vacancy and availability are measured differently by each firm.

FIGURE 1 | Downtown office space removed through conversions vs City target



Source: City of Calgary (Jun 2025, Jun 2026 releases); Everyday Tourist (2023 program totals). Cumulative office space committed to conversion; target is linear to 6M sf by 2031.

FIGURE 2 | Calgary market heat map



Red = tightest (lowest vacancy), blue = most supply. Source: JLL (Q4 2025), CBRE (H1 2026), Cresa (Q2 2026).

FIGURE 3 | Where capital went: 2025 investment

	2025 volume	Share	Y/Y
Industrial	$1,400M	26%	+82%
Office	$872M	16%	+100%
Multi-family	$848M	16%	−32%
Retail	$776M	15%	−11%
ICI land	$745M	14%	−11%
Residential land	$530M	10%	−36%

Source: Altus Group, Calgary Q4 2025. Total ~$5.3B, +1% y/y.

Sector Snapshot

Office remains the market's structural overhang but demand has turned; industrial is tightening toward undersupply; necessity retail is effectively fully leased. Residential is softening at the high-density end while population growth continues to underpin demand.

OFFICE

Measure	Latest
Downtown vacancy (Q2)	26.96%
Downtown vac. change (Q3)	▼ 0.8 pts
Downtown absorption (Q3)	500,000+ sf
Overall vacancy (Q3)	21.0%
Suburban absorption, YTD	935,000 sf
Availability vs Canada	20.5% / 15.1%

Source: Cresa, CBRE, Cushman & Wakefield, Altus Group.

Back-to-back quarters of positive absorption suggest downtown vacancy may have peaked. The recovery is a flight to quality: Class AA vacancy of 17.5% vs 38.8% for Class C. Obsolete Class B/C stock is a conversion and redevelopment play, not a leasing play.

INDUSTRIAL

Measure	Q3 2026
Availability (CBRE)	3.6%
Vacancy (C&W)	4.6%
Net absorption	3.8M sf
New supply	999,000 sf
Pre-leased	91.7%
Under construction	4.0M sf

Source: CBRE; Cushman & Wakefield. sf = square feet.

Q3 was the strongest absorption quarter since 2022, led by 100,000+ sf transactions. With just 6.9% of 1.8M sf of speculative space pre-leased, large-bay supply stays constrained into 2027, supporting rent growth and pricing for well-located assets.

RETAIL

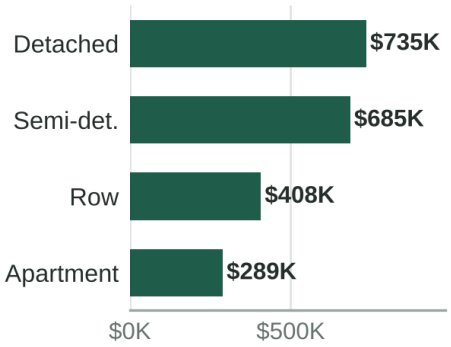
Measure	H1 2026
Vacancy	5.8%
Change vs H2 2025	▼ 0.1 pts
Net absorption	267,000 sf
South vacancy	0.4%
North Central vacancy	0.9%
Southeast vacancy	1.7%

Source: CBRE, H1 2026.

Vacancy tightened despite Hudson's Bay closures. Sub-2% vacancy in the South, North Central and Southeast reflects undersupplied necessity retail tied to suburban population growth. Risk is concentrated in the CBD and regional malls.

RESIDENTIAL & GROWTH

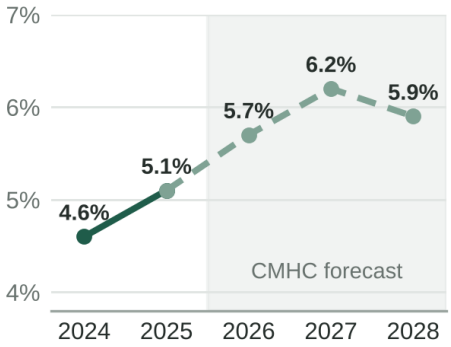
FIGURE 4 | Benchmark price by type, Oct 2026



Source: CREB via The Canadian Press.

Low-density product is holding value; apartments (−7.9%) and row homes (−5.1%) are absorbing the correction as completions outpace demand.

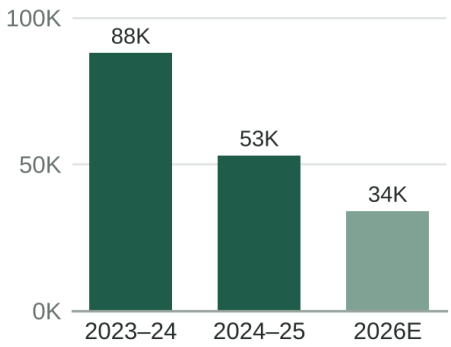
FIGURE 5 | Rental vacancy trend & forecast



Source: CMHC via City of Calgary.

Rising vacancy toward a 6.2% CMHC peak in 2027 implies longer lease-ups, more concessions and softer effective rents for new supply.

FIGURE 6 | New residents per year



Source: City of Calgary. E = estimate.

In-migration is normalizing from its 2023–24 peak, but ~34,000 new residents in 2026 still underpins absorption across housing and necessity retail.

REQUEST THE FULL REPORT

Get the complete analysis

Submarket and building-class analysis, industrial supply pipeline, retail by node, redevelopment targets and our sector-by-sector investment thesis.

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