

INVESTMENT FORECAST

Industrial
Calgary

IPA
INSTITUTIONAL
PROPERTY
ADVISORS

2026

New Policies Aid Long-Term Growth While Near-Term Uncertainties Linger

Space demand to recover at a measured pace. Lower interest rates and increased oil production will be tailwinds in 2026, supporting demand for industrial space. While larger-bay facilities are likely to continue benefiting from Calgary's growing distribution presence, smaller-bay spaces are expected to attract rising interest from tenants serving local communities. As a result, net absorption is forecast to improve gradually. Construction will also edge higher alongside the uptick in net absorption, helping to stabilize the metro's vacancy rate. Over the long term, the metro's Citywide Growth Strategy will advance Alberta's Industrial Action Plan, aiming to strategically focus industrial development and attract investment. Key Industrial Area Structure Plans — such as Southeast 68 Street and Shepard — are included in this process, with targeted policy amendments and infrastructure planning. Meanwhile, potential energy infrastructure projects and talks about a new oil pipeline under the One Canadian Economy Act could also unlock development potential and reinforce Calgary's position as a leading logistics and distribution hub in Western Canada.

INVESTMENT TRENDS

- Domestic private investors continued to account for the majority of transaction activity last year, while end-users slowed their pace of acquisitions amid trade-related uncertainty.
- Industrial investment made up about 30 per cent of dollar volume last year, which Alberta's Industrial Action Plan could boost in the future by attracting capital and unlocking new supply.

2026 Industrial Trends



**2.2 MILLION
SQUARE FEET**
will be completed

CONSTRUCTION:

With the completion of several large-bay spaces, deliveries are projected to increase. Major projects this year include sections of Rosemont Industrial Park and Stoney North Logistics Centre.



**30
BASIS POINT**
decrease in vacancy

VACANCY:

Leasing is projected to improve, albeit constrained by lingering trade risks. On top of more controlled supply pressures, the vacancy rate is likely to stabilize around 3.5 per cent by year-end.

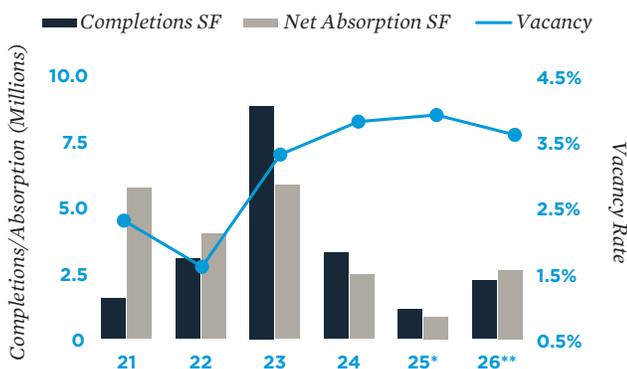


**2.5%
INCREASE**
in asking rent

RENT:

Greater availability is easing some of the competitive pressure on rents. This will result in overall modest growth in the average asking rent in 2026 compared with the year prior.

Supply and Demand

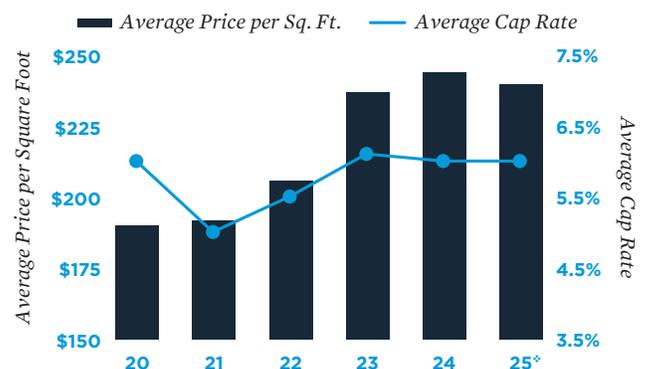


* Estimate; ** Forecast; † Trailing 12 months through 3Q

Sources: Altus Data Solutions; CoStar Group, Inc.; Statistics Canada

Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of February 2026. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Forecasts for employment and retail data are made during the first quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.

Price and Cap Rate Trends



Calgary Office:

Michael Heck | Senior Managing Director -
Market Leader, Western Canada
602-16 Ave NW, Suite 211
Calgary, Alberta T2M 0J7
Tel: (587) 349-1302
michael.heck@marcusmillichap.com