

## Calgary's Office Sector Transitioning Towards A More Stable Foundation

**Market steadies after years of recovery.** Calgary's office market lost some momentum in 2025 after two years of outside vacancy declines, with the rate increasing over the second half of the year to just below 18 per cent. Trade risks and continued consolidation within the energy sector contributed to this slowdown, trends likely to linger into 2026. Even so, underlying demand stayed positive. Office-using employment posted strong gains through 2025, pointing to potential future expansions if hiring persists. Population gains and corporate migration have also diversified Calgary's tenant base. The city's growing technology ecosystem — anchored by active venture-capital and emerging AI and data-centre activity — is beginning to provide a meaningful counterweight to traditional sectors. Combined with limited construction, ongoing conversions and an Alberta economy expected to lead the country this year, office fundamentals are improving. With the federal government's new Major Projects Office also anchoring additional institutional presence, and clean-energy and tech-driven industries gaining traction, Calgary's office market is positioned for gradual and sustainable improvement beyond 2026.

### INVESTMENT TRENDS

- Dollar volume transacted over the past year ended September 2025 reached its highest level since 2018, reflecting the partial interest sales between CPP Investments and Oxford Properties.
- Recent trades underscore substantial value declines since pre-pandemic levels. These lower prices present compelling opportunities for strategic investors and residential conversions.

### 2026 Office Trends



**30,000  
SQUARE FEET**  
*will be completed*

#### CONSTRUCTION:

Some medical space will open this year, pushing deliveries higher. Since vacancy has not dropped below 15 per cent since 2016, builders have shifted focus, with some undertaking office-to-residential conversions.



**30  
BASIS POINT**  
*decrease in vacancy*

#### VACANCY:

Vacancy will drop to roughly 17 per cent this year, down 550 basis points from the 2022 peak. This will largely be fuelled by continued office conversions, an economy set to outperform and a growing tenant base.

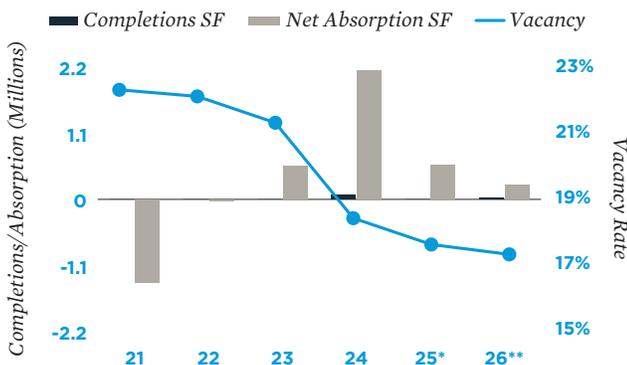


**0.6%  
INCREASE**  
*in asking rent*

#### RENT:

Despite recent improvements in Calgary's office market, vacancy remains elevated, which will temper annual rent gains. That said, oil and gas consolidation will put high-quality space on the market, which could yield higher asking rents.

### Supply and Demand

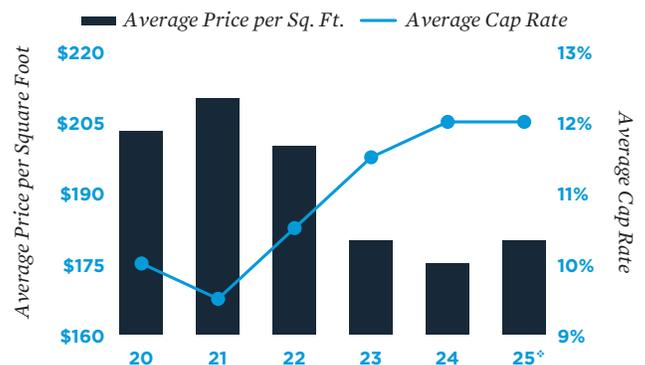


\* Estimate \*\* Forecast; \* Trailing 12 months through 3Q

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