

# Greater Calgary & Area's First Quarter Industrial Landscape

Market Analysis Q1 2025

## QUARTERLY STATS - Q1 2025

### Overall

**96.1%** NO CHANGE OVERALL OCCUPANCY RATE  
(Total leased space)

**4.0%** +0.1% OVERALL VACANCY RATE  
(Space marketed for headlease only)

**5.6%** +0.1% OVERALL AVAILABILITY  
(Total amount of space available for headlease, sublease and sub-sublease)

### By Area

NORTHEAST **3.7%** +0.1% VACANCY  
**5.1%** +0.2% AVAILABILITY

SOUTHEAST **3.7%** NO CHANGE VACANCY  
**6.2%** +0.2% AVAILABILITY

SOUTH CENTRAL **2.0%** -0.2% VACANCY  
**2.9%** -0.6% AVAILABILITY

BALZAC **12.5%** +2.7% VACANCY  
**14.9%** +3.7% AVAILABILITY

OUTLYING **7.0%** +1.2% VACANCY  
**7.3%** +1.0% AVAILABILITY

### By Size (Calgary)

0-5,000 SF **1.26%** VACANCY

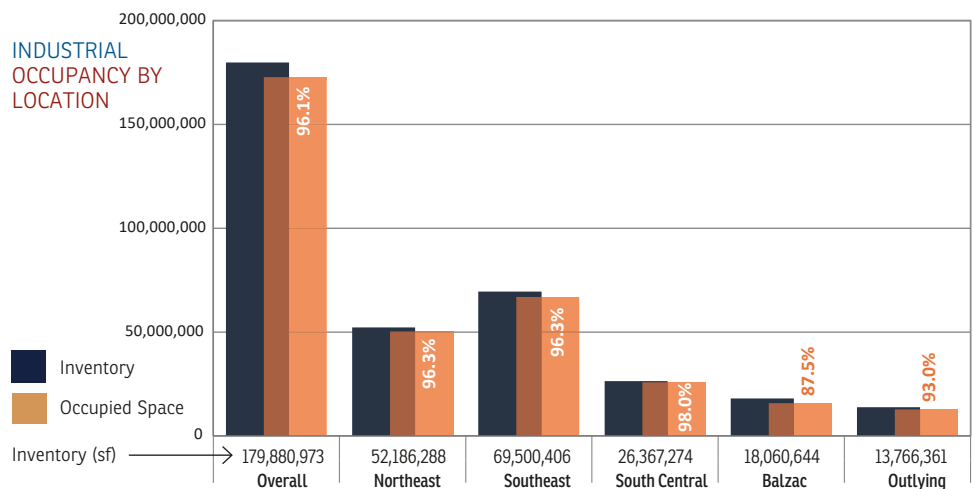
5,001-17,500 SF **2.36%** VACANCY

17,500+ SF **3.76%** VACANCY

Source: CoStar

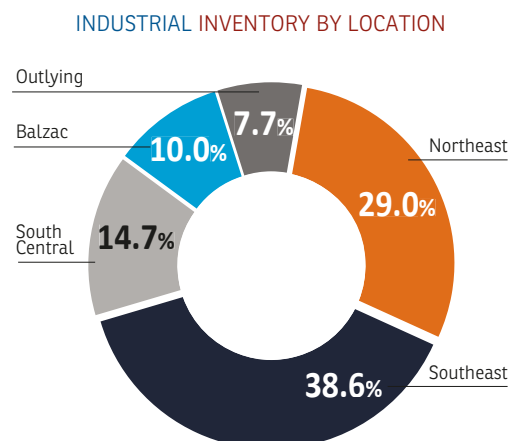
The first quarter of 2025 reflected continued resilience and opportunity in the Greater Calgary & Area (CGA) market. A modest increase in both vacancy and available space brought overall availability to 5.6%. Net positive absorption remains a strong indicator of underlying demand. As the recent construction cycle slows down, the pressure for future supply is expected to ease. The quarter also saw a rise in the availability of large-scale distribution spaces, signaling sustained demand within the warehousing sector.

Tenants operated with momentum this quarter with trends indicative of a balanced market and available spaces moving off the market quickly. During this quarter, we continue to observe strong demand within small-bay and medium-bay properties. Much of this increase is attributed to newly completed construction, primarily contributing large-format space to the market. The supply of small- to medium-sized spaces remained relatively unchanged, driving the increased demand in this segment. This trend is particularly evident in the south-central quadrant, where the majority of

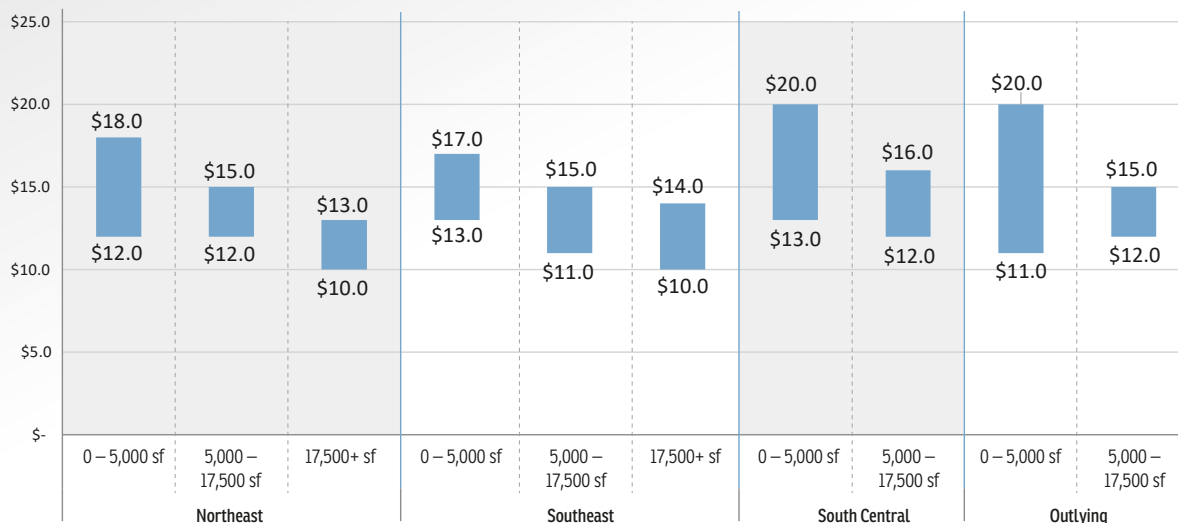


buildings are comprised of smaller-format units. The limited availability of small- to medium-sized spaces has resulted in heightened demand, as reflected in the low vacancy rate of 2%. Most available inventory now consists of larger-format spaces, which currently account for the bulk of vacancy. The variety of vacancies in the market has increased this quarter as indicated by the slight rise in availability. Higher vacancy rates are also seen in larger formatted spaces.

With leases closing rapidly, making quick decisions is necessary for buyers to secure



**AVERAGE  
ASKING RATES  
BY LOCATION  
AND SIZE**



the spaces they want. Buyer demand was especially strong for properties that include yard space, with rates reflecting these desires. As Calgary develops more of its available land, properties with yard offerings become increasingly rare, while demand persists.

Following the banner year of 2024, with more than 6.7 million square feet of mostly large-format space delivered, the construction pipeline for the immediate future is in a period of constriction for new deliveries. Fortunately, this quarter was marked by the monumental announcement of Prairie



Prairie Gateway – a collaborative project between The City of Calgary and Rocky View County

Gateway. Prairie Gateway is a collaborative project between The City of Calgary and Rocky View County which will introduce a state-of-the-art rail to truck facility supporting both warehousing and industrial uses.

The benefits of the Prairie Gateway development will extend beyond the project itself. Piped in utilities will provide opportunities to develop surrounding areas using the utilities laid. Drawing on Calgary's infrastructure and Rocky View's land, this project will allow Calgary to reach markets directly on CPKC's Class 1 railway. Tenants and businesses will have opportunities to experience global connectivity like never before in Calgary.

Over the next 10 years, we expect to see growth of over 30,000 jobs and \$7 billion in economic activity. Barclay Street is proud to announce a listing of 100.86 acres of land for sale within this notable future development. Even in the proposal stage, this development is exciting for the future of the industrial market. ■

**SIGNIFICANT  
MOVES,  
ANNOUNCEMENT  
AND NOTABLE  
TRANSACTIONS:**



Princess Auto signed a 15-year lease on 605,000 sf in the Stoney North Logistics Center to occupy in 2026.



Saputo renewed their lease on over 170,000 sf on a 10-year term at their facility in Northeast Calgary.



The Government of Canada (RCMP) subleased 499,000 sf in building 1 of the South Calgary Distribution Centre.

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