# Calgary's Second Quarter Downtown Office Landscape

Market Analysis | Q2 2025

QUARTERLY STATS – Q2 2025

## Overall

**79.3%** NO CHANGE — OCCUPANCY RATE
Total leased space (32,966,160 sf)

**20.7%** NO CHANGE — VACANCY RATE
Space marketed for headlease only (8,581,404 sf)

**25.4%** +0.7% — AVAILABILITY
Total amount of space available for headlease/ sublease/sub-sublease/ office-share, etc. (10,554,310 sf)

## Within-class

| | | | |
|---|---|---|---|
| CLASS AA | 90.3% | –1.4% | OCCUPANCY |
| | 9.7% | +1.4% | VACANCY |
| | 16.0% | +2.4% | AVAILABILITY |
| CLASS A | 79.2% | +2.0% | OCCUPANCY |
| | 20.8% | –2.0% | VACANCY |
| | 25.6% | –1.7% | AVAILABILITY |
| CLASS B | 66.3% | –1.7% | OCCUPANCY |
| | 33.7% | +1.7% | VACANCY |
| | 34.4% | +0.7% | AVAILABILITY |
| CLASS C | 76.1% | –2.2% | OCCUPANCY |
| | 23.9% | +2.2% | VACANCY |
| | 27.4% | +4.6% | AVAILABILITY |

SIGNIFICANT MOVES, ANNOUNCEMENT AND NOTABLE TRANSACTIONS:

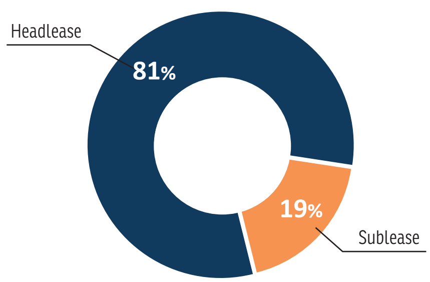
Enbridge has renewed approx. 450,000 sf in Fifth Avenue Place at 425 1st Street SW.

Superior Plus Corp. has renewed approx. 50,000 sf in Jamieson Place at 308 4th Avenue SW.

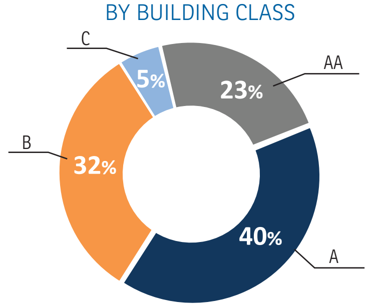
This quarter, Calgary's downtown is buzzing with energy and transformation as innovative projects and a renewed sense of vibrancy are redefining the market landscape. Overall occupancy and vacancy remained stable at 79.3%. Meanwhile, the availability climbed up to 25.4% largely driven by ongoing sublease activity and tenant adjustments. Class A spaces continue to command a premium; driven by sustained demand and low within-class vacancy levels. Class B and C properties are experiencing rate compression as many are in the conversion pipeline.

Leasing activity this quarter has maintained a steady pace, supported by cautiously optimistic and ready to adapt tenants. The mood reflects a "wait and see" approach, with organizations adapting to a new post-pandemic norm. These pressures – compounded by higher construction costs

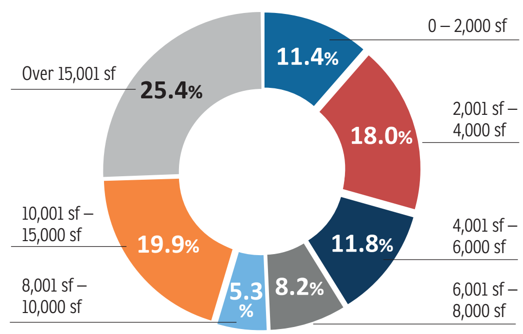
HEADLEASE VS. SUBLEASE DISTRIBUTION OF TOTAL AVAILABLE SPACE




DISTRIBUTION OF TOTAL AVAILABLE SPACE BY BUILDING CLASS




DISTRIBUTION OF OPTIONS BY SIZE RANGE




and uncertainties in the socioeconomic landscape – opens the door to creative repositioning.

### Buyer Confidence & Downtown Conversions

Interest in downtown conversions continues to grow, reflecting the market's evolving potential. Class A buildings are enjoying strong occupancy and sustained interest, highlighting the ongoing appeal of high-quality space. Although some new leases result from footprint optimization, these shifts often create opportunities for new tenants to enter the market.

Calgary's downtown revitalization continues with the latest removal of Chevron Plaza and 606 Fourth from the office inventory. This adjustment reduces the downtown office supply by 387,968 square feet. Currently, the conversion pipeline consists of ten buildings set to transform a total of 2.1 million square feet into residential space.

The long-term success of downtown initiatives – and broader revitalization efforts – relies on attracting businesses from beyond the core, particularly from suburban areas. Programs such as the post-secondary incentives play a vital role to enhance institutional presence downtown, bringing fresh energy and activity to the area.

### Tenant Preferences & Emerging Trends

A notable trend this quarter is the ongoing return-to-office movement. Many organizations that previously favored hybrid models are now encouraging more consistent in-office attendance; fueling demand for modern, amenity-rich buildings that support a vibrant workplace culture. Upper class buildings – offering high-end amenities and superior environments – remain especially sought after, reflecting tenants focus on fostering employee engagement and productivity.

**Notable Moves** A standout move this quarter is the expansion of Vancouver based Pavilion Co-Working, which is set to fit out a 14,906 square-foot space at 800–550 6th Avenue SW. Directly connected to the +15 pedestrian network, this new space will feature 47 private offices and four meeting rooms, adding valuable flexible workspace options to the downtown landscape.

Equally exciting is Calgary's first hospitality conversion: The Element by Westin Hotels officially opened this summer, marking the city's first successful conversion of a former office building into a hotel under the *Downtown Development Incentive Program (DDIP)*. In addition to this milestone, Truman Homes is moving forward with three new towers in partnership with Marriott: the 69-storey W Calgary, the 62-storey JW Marriott Calgary, and an Autograph Collection Hotel at Stampede Park.

**Conclusion** Downtown Calgary's office market is in the midst of an exciting evolution. While the oil and gas sector remain a major anchor, the market is embracing new cycles of growth and innovation. Forward-thinking strategies, revitalization initiatives, and the rising demand for premium, engaging spaces are fueling positive momentum. To unlock its potential, downtown Calgary must continue to transform into a true destination of choice – not just for current tenants, but for bold new players ready to invest and shape the future of the city's core. ■

## Distribution of Available Space


OVERALL AVAILABILITY BY LOCATION

CORE 30.3%↑ NORTH 19.3%↑ EAST 21.1% ↑ SOUTH 15.1%↓ WEST 37.8%↓

## Opportunities by Building Class and Size

HEADLEASE OPPORTUNITIES BY BUILDING CLASS AND SIZE RANGE

| Size Range | AA | A | B | C |
|---|---|---|---|---|
| 0 – 2,000 sf | 1 | 10 | 45 | 20 |
| 2,001 sf – 4,000 sf | 6 | 30 | 95 | 35 |
| 4,001 sf – 6,000 sf | 4 | 28 | 58 | 12 |
| 6,001 sf – 8,000 sf | 5 | 21 | 29 | 11 |
| 8,001 sf –10,000 sf | 6 | 15 | 20 | 5 |
| 10,001 sf – 15,000 sf | 8 | 73 | 95 | 11 |
| 15,001+ | 54 | 86 | 41 | 1 |
| Overall | 84 | 263 | 383 | 95 |

SUBLEASE OPPORTUNITIES BY BUILDING CLASS AND SIZE RANGE

| Size Range | AA | A | B | C |
|---|---|---|---|---|
| 0 – 2,000 sf | 8 | 15 | 10 | 0 |
| 2,001 sf – 4,000 sf | 2 | 4 | 3 | 2 |
| 4,001 sf – 6,000 sf | 4 | 2 | 2 | 3 |
| 6,001 sf – 8,000 sf | 2 | 2 | 5 | 5 |
| 8,001 sf –10,000 sf | 1 | 4 | 1 | 1 |
| 10,001 sf – 15,000 sf | 3 | 2 | 5 | 0 |
| 15,001+ | 36 | 34 | 3 | 0 |
| Overall | 56 | 63 | 29 | 11 |

## Downtown Market Statistics

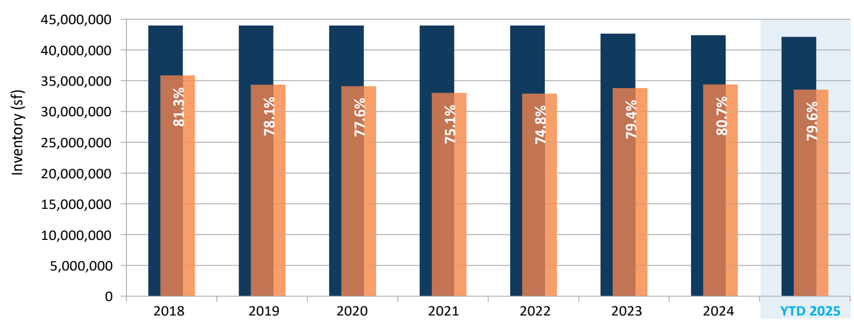
| | Q2 2025 | Q1 2025 | Q4 2024 |
|---|---|---|---|
| Total Available Space | 25.4% (10,554,310 sf) | 24.7% (10,397,872 sf) | 24.7% (10,453,822 sf) |
| Vacancy | 20.7% (8,581,404 sf) | 20.7% (8,707,842 sf) | 19.3% (8,194,225 sf) |
| Balance of Available Space | 4.75% (1,972,906 sf) | 4.0% (1,690,030 sf) | 5.4% (2,259,597 sf) |
| Inventory | 41,547,564 sf | 42,127,725 sf | 42,399,873 sf |

## Changes in Occupancy

HISTORICAL ANNUAL OCCUPANCY & INVENTORY CHANGES

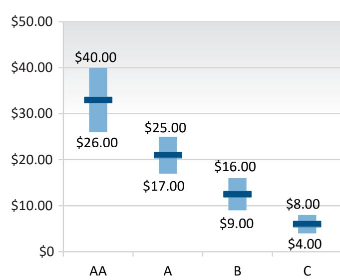
Inventory

Occupied Space

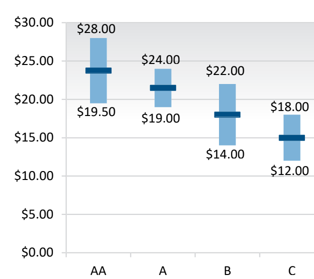



## Average Costs

AVERAGE HEADLEASE RATES BY BUILDING CLASS




OPERATING COSTS BY BUILDING CLASS





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