NAI Commercial

THIRD QUARTER MARKET REPORT **2026**

GREATER EDMONTON, ALBERTA





Economic Outlook

The third quarter of 2026 was the first in a while where Edmonton's commercial real estate market gave back a little ground. But a softer quarter is a blip in what stands as a stronger market.

Regional vacancy across all property types rose to 6.3%, up slightly from 6.0% in Q2, with office and retail both loosening while industrial was the lone sector to tighten. Average asking rents moved the other way, climbing to about $24.10 per square foot from $23.50. Landlords are not discounting, developers are not slowing down, and the region now has roughly 4.8 million square feet of commercial space under construction, more than at any point in the past two-and-a-half years.

Economics point to continued success, with Alberta's real GDP growing 2.6% in 2026 against the national 0.9% growth, with projections of 2.3% growth in 2027. Economists have attributed Alberta's relatively high unemployment rate of 6.8% to population growth (Alberta's population now sits at over 5.1 million) rather than signs of a slowing workforce, pointing to 3.5% employment growth – the highest in Canada. The make-or-break oil market, meanwhile, has swung in Alberta's favour (for better or worse at the pumps), with the previously forecasted provincial deficit of nearly $9.5 billion being replaced by a $2-billion surplus, thanks to oil prices.

The positive fallout is being seen in commercial development and real estate. Retail investment is up over 125% year-over-year, helped by recent retail trades for the purchase of Kingsway Mall and Edmonton City Centre. Supporting this growth, the City spent Quarter 3 focused on its economic strategy released in June, with Council giving first reading to taxation on derelict commercial properties. Meanwhile, a business expansion credit is reportedly in the works for companies that grow within Edmonton; and City administration is bringing forward a 25% property tax abatement over three years for new industrial buildings in priority sectors.

Meta's $13-billion campus in Sturgeon County moved from announcement to construction, and in July Pembina Pipeline and its partners sanctioned the first 932-megawatt phase of the $4.6-billion Greenlight Electricity Centre that will power it, with start-up targeted for 2030. Walton Global Investments applied to redesignate 253 hectares of the Edmonton Energy and Technology Park in the city's far northeast for a "hyperscale-ready" data centre district, with public engagement ongoing. Still, there is public pushback on these projects, with a recent survey conducted Angus Reid finding that 64% of Albertans want their government to limit large data centres – something that will have to be contended with at the zoning level rather than commercially. Still, an Edmonton City Council motion tabled in October seeks options to regulate the sector by year end.

Heading into the year's final quarter, the biggest dark cloud has lifted, with Albertans having voted against a referendum on separation. That was an unknown that cast a shadow over Q3 successes, and numerous economists pointed to the potential negative fallout of uncertainty created by separation conversations. With the referendum vote now passed, there's renewed optimism for Q4 and beyond. A survey conducted by the Business Council of Alberta shows that 65% of Alberta CEOs expect the economy to improve over the next year, and 55% plan to increase capital spending.

That's telling, considering industrial is tightening into a growing pipeline, retail is pricing new space at record rents, and the office market has handed back a chunk of what it gained in the spring. The Edmonton area continues as a steady, resilient market.

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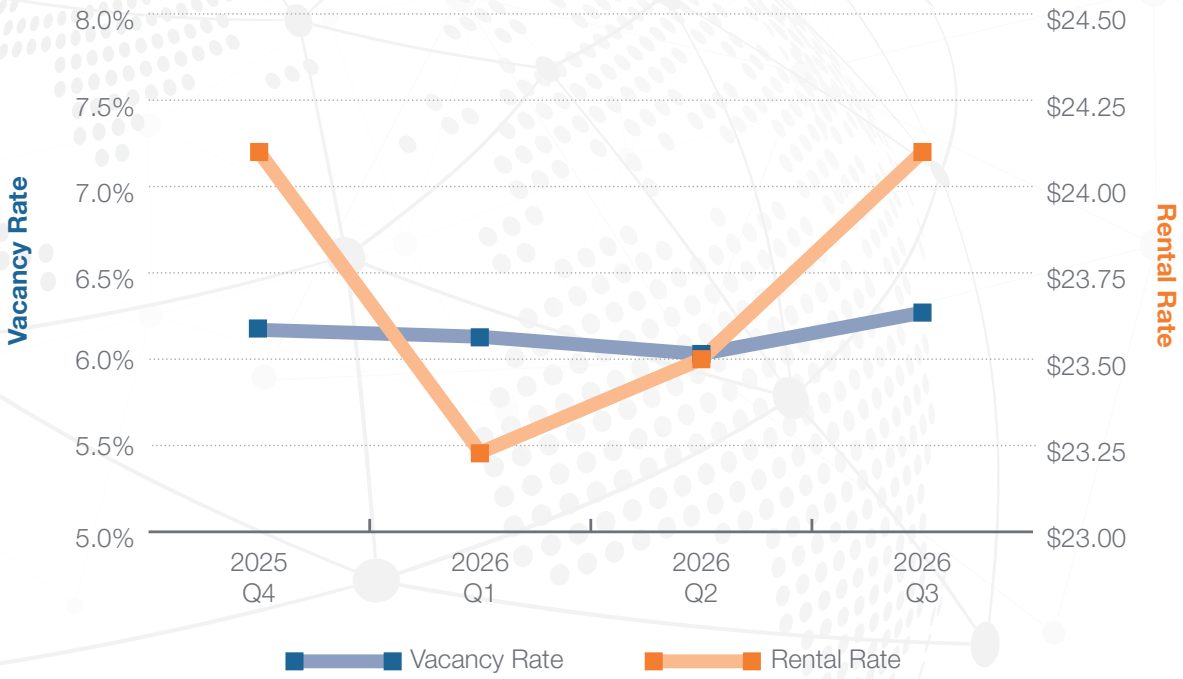


2026-Q3 Greater Edmonton
Market Highlights

GREATER EDMONTON AT A GLANCE OVERALL VACANCY TRENDS	2025-Q4	2026-Q1	2026-Q2	2026-Q3
Buildings Surveyed: 12,613 Existing SF: 328.2M	**6.2%**	**6.1%**	**6.0%**	**6.3%**

Average Rental Rates vs. Vacancy

GREATER EDMONTON AT A GLANCE OVER THE PAST 12 MONTHS



About NAI Commercial

https://www.naiedmonton.com/about-us/

NAI Commercial is a market-leading, full service commercial real estate brokerage providing exceptional service and expertise in Edmonton and surrounding areas since 1966. We are your ideal partner given our depth of local market knowledge and the transaction volume we close on year after year for our clients.

We build our network of successful relationships based on trust and loyalty, and many of our clients choose to deal with us exclusively for all their commercial real estate needs. We offer trusted advice in Edmonton, across Canada and around the world.

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Retail Market

Edmonton's retail market spent Q3 with positive messaging of vacancy up and rents up more. Regional vacancy ticked up to 4.4% from 4.1% (and 3.8% a year ago) on 74,723 square feet of negative net absorption across 5,046 buildings and 74.9 million square feet. Yet, the average asking rent jumped to $27.87 per square foot from $26.12, a 6.7% move in a single quarter and the highest figure in the region. Fourteen buildings totalling 183,246 square feet were delivered, and the pipeline grew to about 1.53 million square feet across 101 buildings, also a series high. Developers are building into a market that is pricing new space aggressively and absorbing it a little more slowly than it did in the spring.

The quarter's two defining deals were both malls, including Montreal's Westcliff buying Kingsway Mall in August, at 880,049 square feet on 41.8 acres. Two weeks earlier, Westrich Pacific's purchase of Edmonton City Centre was approved out of receivership, a 1.4-million-square-foot, two-block complex that sold for roughly $300 million in 2019 and whose retail was just over 41% occupied in early-2026 marketing materials. Westrich's first phase puts about 1,500 homes on the former Hudson's Bay footprint, with street-fronting retail, a rooftop Nordic spa and construction targeted for early 2027.

Downtown's street-level retail is still sorting itself out. There were some notable Q3 restaurant exits in the downtown core, with operators citing construction, parking, and costs. The Edmonton Chamber said nearly 20 core businesses had closed in 2026, though work continues by the Chamber, the City, and multiple other groups to collaborate in rejuvenating the downtown footprint. The suburbs, by contrast, maintained a positive. Grocery-anchored space is leasing fastest, food-and-beverage turnover is a fraction of downtown's, and Edmonton ranks among the three most active daily-needs development markets in the country at a time when Canadian retail construction starts have fallen by more than 40%.

In Sherwood Park, Ever Real Estate's 76,000-square-foot Ever on Baseline at Baseline Road and Broadmoor Boulevard landed The Brick as its anchor, and in early October announced numerous other retailers, including two making their Edmonton-area and Western Canadian debuts, ahead of a 2027 opening. A Costco will anchor an 18-acre business park on Highway 16A at the eastern edge of Stony Plain, while a new Costco at Manning Town Centre in the northeast is already under construction. Calmar broke ground on the 33,000-square-foot Calmar Crossing plaza in July; Sobeys reopened the Valleyview IGA in west Edmonton in August (five months after L'OCA closed their store); and Jollibee committed to 10 more Edmonton-area restaurants on top of its current four. A national closure announced in May also finished playing out here over the summer, with Warehouse One and Bootlegger liquidating all 128 stores nationally – 31 of them in Alberta, including eight in the Edmonton region.

South Edmonton saw vacancy rise to 4.4% from 3.8% as 86,017 square feet of new space arrived and absorption turned slightly negative, while still acting as the region's growth engine with 611,210 square feet under construction in 42 buildings. West Edmonton vacancy sits at 6.0%, but its pipeline more than doubled to 509,038 square feet. Central Edmonton, at 10.3%, remains the softest corner of the market; and Whyte Avenue-Garneau improved from 7.1% to 6.8% quarter-over-quarter. Leduc vacancy tightened to 2.7% from 3.6%; Sherwood Park-Fort Saskatchewan held at 2.1%; and St. Albert at 7.4% carries the highest vacancy.

Expect more of the same through year-end, with some vacancy drifts as the record 1.5-million-square-foot pipeline delivers. Edmonton retail has been one of the most dependable stories in Canadian commercial real estate for several years, and one quarter of negative absorption does not change that.

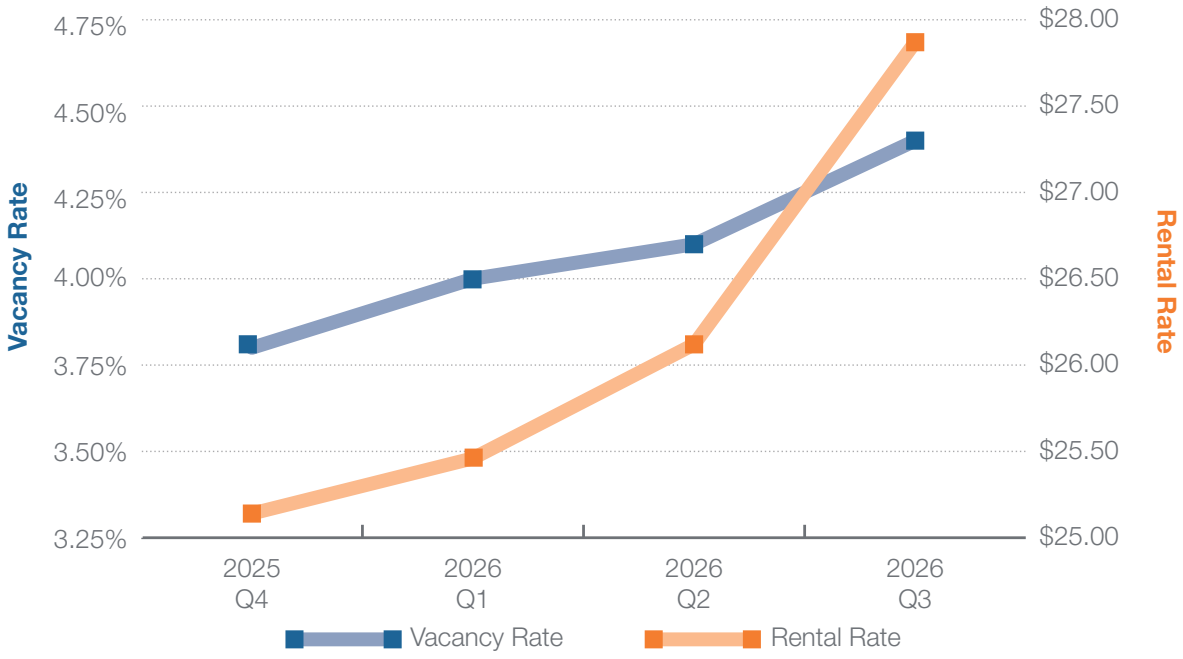
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RETAIL
Vacancy Trends

	2025-Q4	2026-Q1	2026-Q2	2026-Q3
GREATER EDMONTON Buildings Surveyed: 5,046 Existing SF: 75.1M	3.8%	4.0%	4.1%	4.4%
EDMONTON WEST Buildings Surveyed: 1,203 Existing SF: 22.0M	5.6%	5.9%	5.8%	6.0%
EDMONTON SOUTH Buildings Surveyed: 1,566 Existing SF: 24.1M	3.2%	3.4%	3.8%	4.4%
EDMONTON CENTRAL Buildings Surveyed: 600 Existing SF: 7.1M	9.7%	9.7%	9.8%	10.3%
LEDUC Buildings Surveyed: 164 Existing SF: 1.9M	4.1%	4.0%	3.6%	2.7%
ST. ALBERT Buildings Surveyed: 228 Existing SF: 3.5M	3.7%	7.5%	7.4%	7.4%
SHERWOOD PARK / FORT SASKATCHEWAN Buildings Surveyed: 423 Existing SF: 6.4M	2.1%	1.9%	2.3%	2.1%
WHYTE AVENUE / GARNEAU Buildings Surveyed: 189 Existing SF: 1.5M	7.6%	6.7%	7.1%	6.8%

Average Rental Rates vs. Vacancy

GREATER EDMONTON OVER THE PAST 12 MONTHS



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Office Market

If the second quarter was the moment Edmonton's office market finally looked like it had turned, the third quarter showed that cautious optimism is still the best path forward.

Regional vacancy rose to 10.8% from 10.3%, back to where it sat a year ago, on 203,927 square feet of negative net absorption across 1,376 buildings and 47.8 million square feet. That hands back a little more than half of the 359,807 square feet absorbed in Q2. Average asking rents held at $32.84 per square foot, while leasing activity was thin at 264,152 square feet for the quarter; and the construction pipeline is now the smallest in at least three-and-a-half years, with just 75,281 square feet under way across four buildings.

Downtown carried the brunt of the retreat. Vacancy in the core climbed by a full point from 14.2% to 15.2% quarter-over-quarter, with net absorption of -230,532 square feet, and no new space delivered to explain it. The quarter offered one clear example of older stock dropping occupancy, with WSP Place, the 12-storey, 191,435-square-foot tower at Jasper Avenue and 109 Street, placed in receivership in August over $44.6 million in debt, after Alberta Health Services and AIMCo departed and occupancy fell from 92% to 67%. Adjacent surface parking lots owned by the same group went into receivership the same month.

Ownership keeps consolidating around the buildings that are working, however. Calgary's Aspen Properties brought Edmonton's Rohit Group in as co-owner of the 580,000-square-foot former Bell Tower complex and the 340,000-square-foot MNP Tower in July, with both running near 80% occupancy. Rohit CEO Rohit Gupta's reasoning was straightforward, citing federal support for the energy sector, data centre demand, and non-energy business growth adding up to "positive tailwinds for the next decade for Alberta." The Gather Co. picked up the Paramount block on Jasper Avenue out of receivership in July, and Westrich Pacific's purchase of Edmonton City Centre brings TD Tower, Centre Point Place and the 102A Tower under local ownership when the deal closes.

The more durable downtown story is residential. The conversion of the 11-storey former Financial Building wrapped up this year with 112 apartments renting from $1,325 a month. The City approved a 696-unit student housing complex that will wrap the historic Massey Ferguson warehouse at 103 Avenue and 106 Street, with a first phase due in 2028; and Westrich's City Centre plan starts with roughly 1,500 homes on the former Hudson's Bay site. Add federal and provincial employees back in the office full time; Westrich taking possession soon, in November; and underground cell service finally arriving in the downtown LRT stations, and the case for the core is being made by people who live and commute there rather than by lease comparables.

Outside of that downtown snapshot, the broader picture barely moved between Q2 and Q3. Suburban vacancy held at 7.2% for a third straight quarter on 22,075 square feet of absorption, and took delivery of the quarter's only new building, at 33,816 square feet. Windermere-Summerside tightened again to 2.3% from 2.9%, and still posts the region's highest asking rent at $36.80 per square foot, as the area continues to host massive road construction projects to improve ease of access moving forward. University-Garneau softened to 12.3% from 11.5%, though that remains a shade better than the 12.5% it carried a year ago. Blended rates between a challenging downtown core and suburban growth fails to tell the full picture, but recovery is expected in years rather than months.

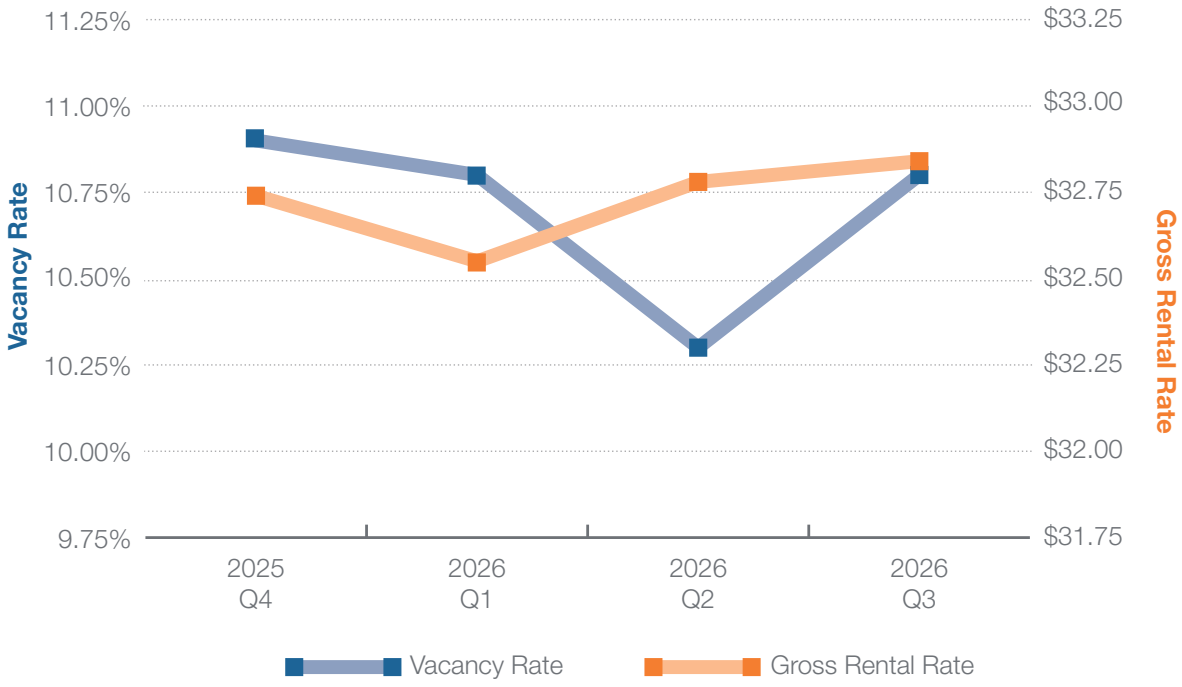
**Some reports show a significant higher vacancy, as they do not account for all downtown office properties.*

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OFFICE
Vacancy Trends

	2025-Q4	2026-Q1	2026-Q2	2026-Q3
GREATER EDMONTON Buildings Surveyed: 1,376 Existing SF: 48.0M	10.9%	10.8%	10.3%	10.8%
EDMONTON DOWNTOWN Buildings Surveyed: 276 Existing SF: 23.4M	15.4%	15.1%	14.2%	15.2%
EDMONTON SUBURBAN Buildings Surveyed: 816 Existing SF: 19.0M	6.9%	7.2%	7.2%	7.2%
WINDERMERE / SUMMERSIDE Buildings Surveyed: 68 Existing SF: 2.1M	2.8%	3.4%	2.9%	2.3%
UNIVERSITY / GARNEAU Buildings Surveyed: 61 Existing SF: 939.9K	11.9%	10.4%	11.5%	12.3%

Average Gross Rental Rates vs. Vacancy
GREATER EDMONTON OVER THE PAST 12 MONTHS



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Industrial Market

Greater Edmonton's industrial market shrugged off its second-quarter wobble. Regional vacancy held steady at 3.6%, a tick below where it stood a year ago, on 309,850 square feet of positive net absorption across 6,191 buildings and 205.6 million square feet of inventory. That reverses the roughly 149,000 square feet of negative absorption posted in Q2, all while eight new buildings totalling 226,886 square feet came to market, and tenants signed about 1.2 million square feet of leases during the quarter.

The construction pipeline jumped to roughly 3.17 million square feet across 32 buildings, up from 2.25 million in Q2 and 1.95 million at the start of the year, and the largest figure recorded for the region since mid-2023. Most of the new starts landed in the northwest, where the pipeline swelled from about 532,000 square feet to 1.56 million in a single quarter. Leduc-Nisku carries another 859,000 square feet across 10 buildings. Meanwhile, a Meta-related lease of over a million square feet in Calgary has been attributed to the fact that Edmonton just doesn't have enough space right now.

Twin Willows Golf Club closed for good on September 30 after 61 years, clearing the way for Panattoni's 100-acre Twin Willows Business Park at 137 Avenue and 156 Street, planned for up to two million square feet with servicing to start in 2027. In Acheson, Upfield Capital and Arrowleaf Real Estate began construction on a $22-million, 61,050-square-foot precast building beside the Home Depot distribution centre they bought last fall, targeting a March 2027 completion; and BTB REIT followed its March purchase in Leduc by paying $18.75 million in mid-October for a 52,197-square-foot building leased to North American Construction Group. Near the airport, FedEx Office renewed its lease on the full 108,197-square-foot Discovery Centre II in Leduc. The pattern is consistent: single-tenant, modern, and often just outside city limits.

The submarket detail tells two different stories. The northwest loosened again, with vacancy at 4.5% (up from 3.7% a year ago) and net absorption of about -87,000 square feet, though that is a marked improvement on the -346,000 square feet posted last quarter, particularly given that no new space was delivered. South Edmonton held at 2.9% vacancy while absorbing 210,241 square feet and taking delivery of seven buildings, totalling 214,712 square feet.

Sherwood Park-Fort Saskatchewan tightened to a near-nothing vacancy rate of just 1.3%. That gives them the title of lowest vacancy in the region, likely contributing to an average asking rent of $16.15 per square foot. Leduc-Nisku vacancy fell to 6.0% from 6.5% quarter-over-quarter (and 7.6% year-over-year) on 137,905 square feet of absorption, marking its third straight quarter of positive net absorption.

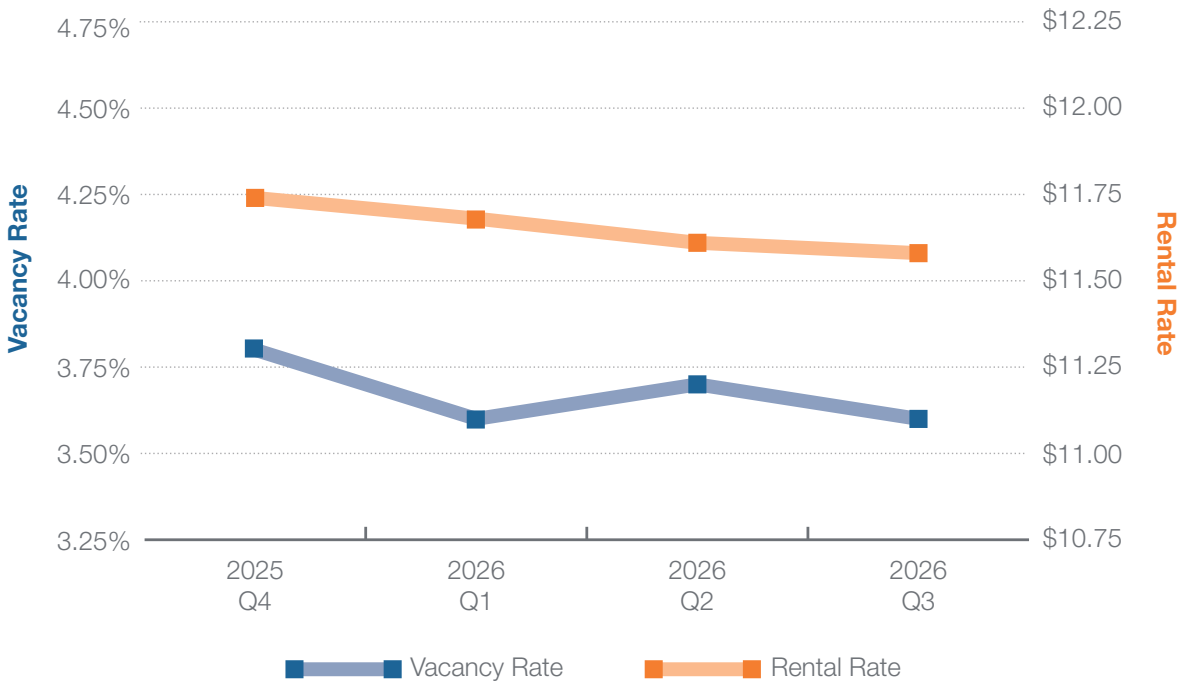
Policy may matter as much as product over the next year. Administration's proposed three-year, 25% tax abatement for new industrial construction and its infrastructure first-mover program, headed to committee in October; this marks the City's most direct attempt yet to compete on cost rather than on location alone. At the same time, City administration has recommended refusing a request to convert a 107-hectare Winterburn industrial parcel to residential because, in its own words, Edmonton "lacks shovel-ready land." That'll be an important storyline to keep tabs on moving forward, particularly given work being undertaken on the Meta campus, Dow's Path2Zero complex, and the province's second designated industrial zone in Greenview, with the demand side of the ledger well stocked. Expect vacancy to hold steady while developers test whether 3-million square feet of new supply can be leased as quickly as the last round.

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INDUSTRIAL
Vacancy Trends

	2025-Q4	2026-Q1	2026-Q2	2026-Q3
GREATER EDMONTON Buildings Surveyed: 6,191 Existing SF: 205.6M	3.8%	3.6%	3.7%	3.6%
EDMONTON WEST Buildings Surveyed: 1,931 Existing SF: 71.0M	3.8%	4.1%	4.4%	4.5%
EDMONTON SOUTH Buildings Surveyed: 1,850 Existing SF: 66.6M	3.2%	2.9%	2.9%	2.9%
SHERWOOD PARK / FORT SASKATCHEWAN Buildings Surveyed: 398 Existing SF: 12.6M	2.2%	1.5%	1.5%	1.3%
LEDUC / NISKU Buildings Surveyed: 899 Existing SF: 28.6M	7.9%	6.7%	6.5%	6.0%

Average Rental Rates vs. Vacancy
GREATER EDMONTON OVER THE PAST 12 MONTHS



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Notable Transactions in the Market

PROPERTIES **SOLD**

NOTES PROUDLY SOLD BY NAI COMMERCIAL



16311 - 117 Avenue NW
Price: $43,400,000
$113.87/sq.ft.
Area: Norwester Industrial
Property Type: Industrial
Size: 381,142 sq.ft.
on 26.60 acres



6901/02 - 98 Street &
7001/02 -09 Street
Price: $23,125,000
$154.43/sq.ft.
Area: Grande Prairie
Property Type: Industrial
Size: 149,745/sq.ft.



9404 - 39 Avenue NW
Price: $15,250,000
$154.46/sq.ft.
Area: Strathcona Ind. Park
Property Type: Industrial
Size: 98,730 sq.ft.
on 5.90 acres



1215 - 95 Street SW
Price: $11,800,000
$178.80/sq.ft.
Area: Ellerslie Industrial
Property Type: Industrial
Size: 65,997 sq.ft.
on 2.99 acres



16310 - 121A Avenue NW
Price: $9,650,000
$161.94/sq.ft.
Area: Carleton Sq. Industrial
Property Type: Industrial
Size: 59,590 sq.ft.
on 3.21 acres



101/107 Broadway Blvd
Price: $5,300,000
$394.76/sq.ft.
Area: Sherwood Park
Property Type: Office
Size: 13,426 sq.ft.



2835 - 19 Street NE
Price: $3,900,000
$130.26/sq.ft.
Area: Calgary
Property Type: Industrial
Size: 29,940 sq.ft.



6112 - 45 Street &
4503 - 63 Avenue
Price: $3,300,000
$150.19/sq.ft.
Area: Leduc
Property Type: Industrial
Size: 21,972 sq.ft.

NAI Listing Highlights

AVAILABLE PROPERTIES **FOR SALE**



10703 - 205 Street NW
Sale Price: $3,250,000
Area: Winterburn Ind. East
Property Type: Industrial
Size: 18,560 sq.ft.±
1.06 acres±



5316 Adm. Girouard St NW
Sale Price: $1,250,000
Area: Griesbach
Property Type: Retail
Size: 1,980 sq.ft.±



15860 - 114 Avenue NW
Sale Price: $10,750,000
Area: Huff Bremner
Lease Rate: $12.00/sq.ft.
Size: 35,030 - 39,727 sq.ft.±



1911 - 50 Street SW
Sale Price: $15,895,000
Area: Meltwater
Property Type: Land
Size: 39 acres±

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