

Calgary



2025 Property Assessment **Industrial Market Trends**

Updated: January 27, 2025

Executive Summary


I’m pleased to present the 2025 Market Trends Report series from Assessment & Tax. These reports provide property owners with key insights into Calgary’s real estate market conditions from July 1, 2023, to July 1, 2024.

This year’s findings highlight the strength and resilience of both residential and non-residential sectors. A surge in migration, driven by Calgary’s affordability compared to other major markets, has fueled sustained demand across the city. Single residential property values continue to rise due to population growth, while condominiums have seen strong performance as buyers increasingly opt for cost-effective housing. Multi-residential rental properties remain highly sought after, reflecting higher rents and low vacancy rates. For 2025, typical residential assessment changes include single residential properties up 14%, condominiums 22%, and multi-residential properties 10%.

The non-residential sectors also show resilience and growth. Retail properties benefit from new business activity and quick occupancy of vacant spaces, despite broader market challenges. Downtown office values are rebounding, driven by demand for high-quality spaces and the Downtown Development Incentive Program, which has spurred office conversions and sales activity. The industrial sector remains Calgary’s strongest, with tight availability of large-format distribution spaces continuing to push values higher. For 2025, the typical non-residential assessment change is 3%, with industrial properties up 5%, offices up 2% and retail increasing by 2%. Overall, Calgary’s real estate market reflects sustained growth, adaptability, and resilience, showcasing the city’s capacity to attract investment and meet evolving demands in both residential and non-residential markets.

I encourage property owners to explore the Market Trends Reports and supplementary resources at calgary.ca/assessment for a comprehensive understanding of these changes. Our team is available to assist at 403.268.2888.

Sincerely,



Eddie Lee
Director/City Assessor
Assessment & Tax



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Sales information for Industrial properties is also available on Assessment Search (calgary.ca/assessmentsearch).

For industrial warehouse sales please use this comprehensive list. ([industrial-sales.pdf](#))

For industrial condominium sales please use this comprehensive list. ([industrial-condominium-sales.pdf](#))



Introduction

What Is Property Assessment?

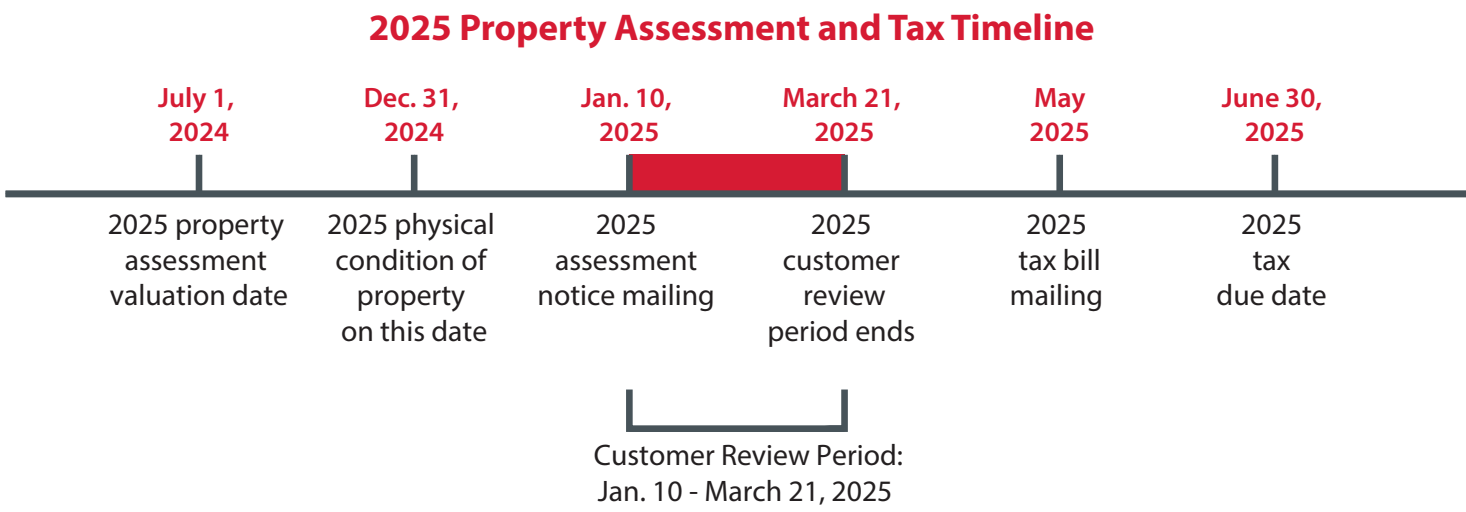
Property Assessment is the determination of a value for a property for taxation purposes. As required by provincial legislation, the 2025 property assessment reflects the market value of property on July 1, 2023 and the physical condition and characteristics of property as of December 31, 2023.

How We Assess Properties

The City annually assesses properties under a market value standard using mass appraisal techniques. Depending on the type of property, we use one of three approaches to determine market value:

- **sales comparison:** comparing to sales of similar properties.
- **income:** capitalize the income being generated by the property.
- **cost:** land value and the depreciated replacement cost of the improvement.

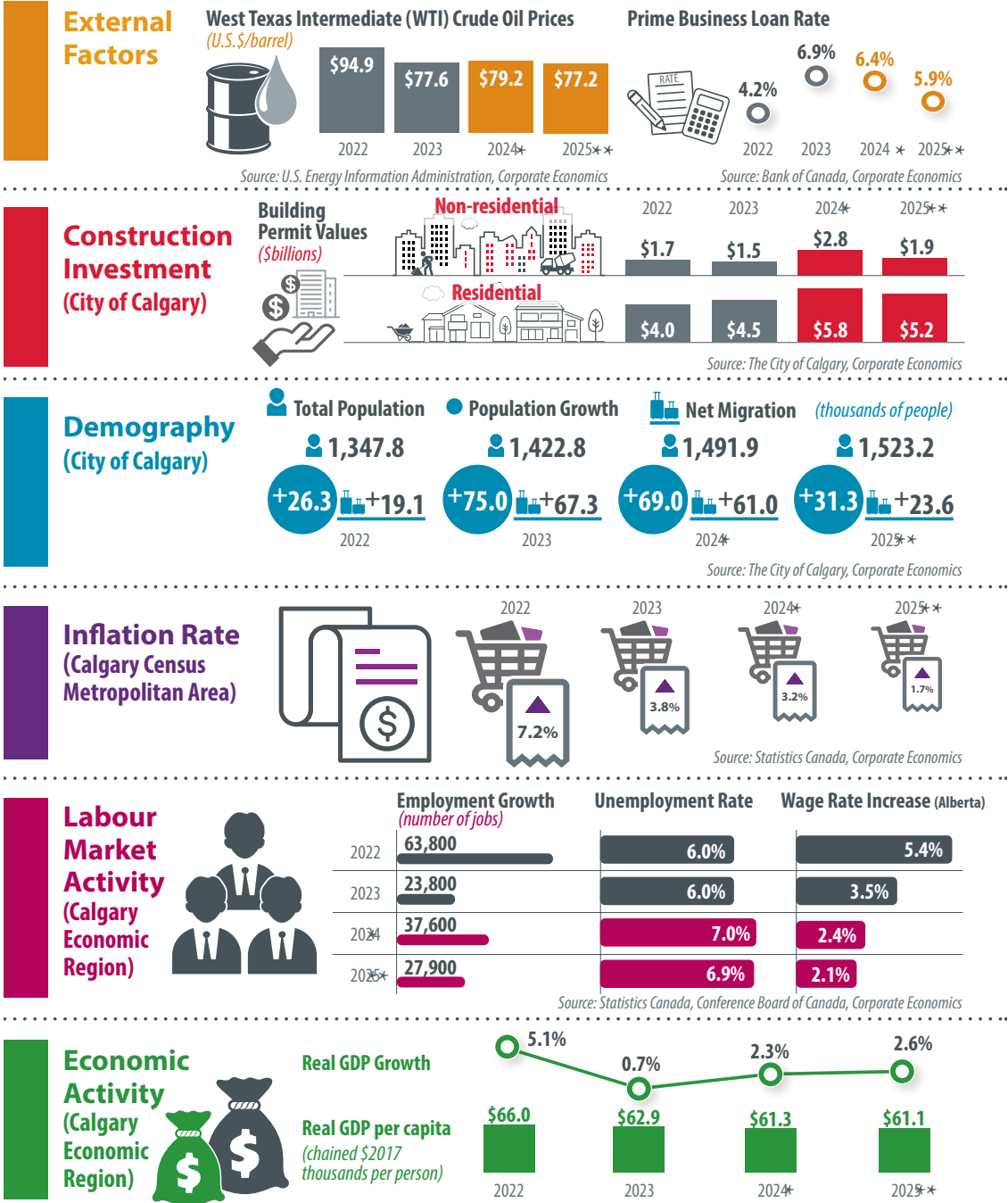
Most residential properties are assessed using the sales comparison approach. For non-residential properties, we may use any one of the three approaches. Some property types, such as farm land, are subject to standards other than market value.



Calgary Region Economic Trends

Calgary economy has remained resilient in the face of tight monetary policy initiated by the Bank of Canada to curtail the elevated inflation environment experienced in 2023 and 2024. The economy is expected to see real GDP growth increase by 2.3 per cent in 2024, supported by public and private investments in infrastructure and real estate, robust consumer expenditures and exports. Though, regional consumer price inflation remains above the national rate of inflation and above 3.0 per cent, the apparent end of restrained monetary policy cycle in H2 2024 is a welcome relief to consumers and business confidence. The Calgary economy in 2024, is expected to outperform Alberta and Canada. The expected lower crude oil price path and the evolving environmental regulatory emissions restrictions in Canada should continue to pose significant production and investment challenges to the oil and gas industry in Alberta.

Strong influx of net migration into the region saw population grow in 2023 (by 5.6 per cent) and in 2024 (by 4.9 per cent). The subsequent lack of initial housing stock availability has driven shelter cost inflation, a culprit to the sustained consumer price inflation of 3.2 per cent experienced in the region in 2024. However, the strong influx of net migration into the region in 2024 saw labour force growth outpace employment absorption causing unemployment rate to rise to 7.0 per cent in 2024. This influx of people to Calgary supported not just increased household consumption but slower industry aggregate wage pace growth as more people were generally available to work. The persistent, strong population growth and weak labour productivity growth has aided a lower standard of living (represented/measured using the real GDP per capita) in the Calgary region in 2024.



Inflation Rate
(Calgary Census Metropolitan Area)

2022

2023

2024*

2025**

7.2%

3.8%

3.2%

1.7%

Source: Statistics Canada, Corporate Economics

Labour Market Activity
(Calgary Economic Region)

Employment Growth
(number of jobs)

Unemployment Rate

Wage Rate Increase (Alberta)

2022

2023

2024*

2025**

63,800

23,800

37,600

27,900

6.0%

6.0%

7.0%

6.9%

5.4%

3.5%

2.4%

2.1%

Source: Statistics Canada, Conference Board of Canada, Corporate Economics

Economic Activity
(Calgary Economic Region)

Real GDP Growth

Real GDP per capita
(chained \$2017 thousands per person)

2022

2023

2024*

2025**

5.1%

0.7%

2.3%

2.6%

\$66.0

\$62.9

\$61.3

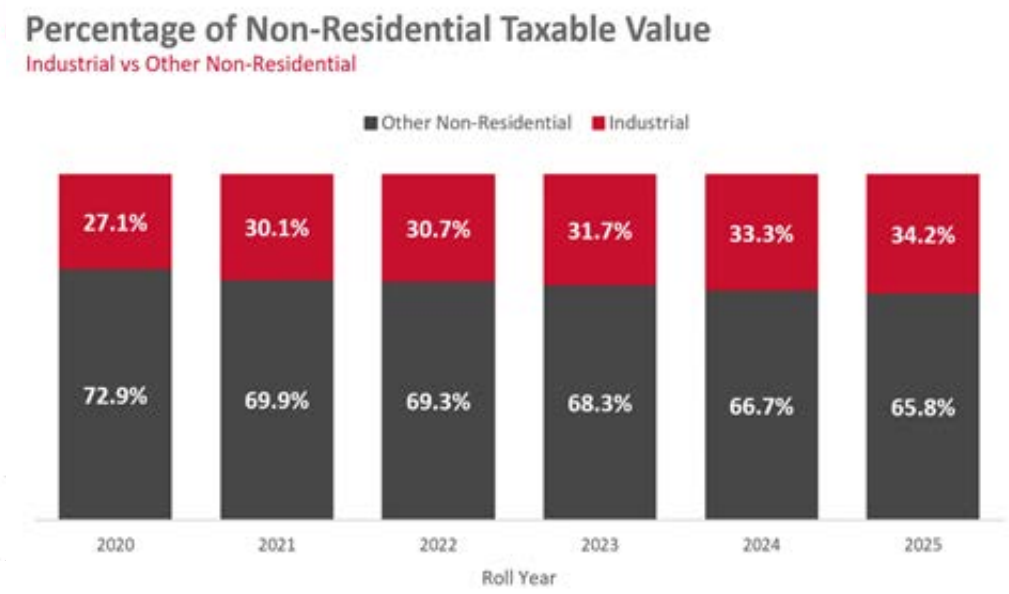
\$61.1



General Industrial Market Overview

The Industrial market remains among the most sought-after non-residential property types in the city, driven by strong growth and rising property values. In 2024, sales activity has moderated as intense competition for industrial assets has prompted owners to retain their properties. This follows stronger market interest and sales activity in 2023, which demonstrated sustained demand for the sector. Despite the decrease in sales volume, the industrial market remains robust and continues to grow at a healthy pace.

The overall desirability of Calgary’s industrial property market has driven a significant addition of new developments, which have influenced vacancy trends and market dynamics. In particular, warehouses under 100,000 square feet have experienced a modest increase in vacancy rates as a result of the influx of new supply. Calgary’s economy, transportation, and logistical advantages, along with the continued trends in e-commerce demands, have all led to increased property value of Calgary’s Industrial market.



In previous years, industrial supply struggled to meet demand. However, the completion of large-scale projects has since resulted in a moderate rise in vacancy rates. This shift indicates that the industrial market is approaching economic equilibrium, balancing the effects of increased supply with diverse demand across property types. Simultaneously, demand continues to grow for both small and mid-sized properties, as well as large warehouses and logistics centers.

Calgary’s competitive advantage over other areas of Canada makes it a desirable location for businesses and investors. Benefitting from access to major highways, rail lines and an international airport, it is strategically located close to suppliers and customers. In addition, the ongoing decline in interest rates is expected to stimulate increased demand for industrial properties. This is anticipated to support steady market growth through consistent sales activity and encourage new developments across various submarkets.

Demand

Low Vacancy

Supply

Limited supply has spurred development

Sales

Strong demand and shortage of supply has resulted in increased sales volume and value



Industrial Warehouse Sales Activity

To determine the value of industrial properties, 438 sales transactions over a five-year timeframe, representing approximately 17 per cent of the warehouse and distribution inventory, were used to determine 2025 assessment values.



Inventory average change	Sales used	Valuation period	Sample size
6.04%	438	5 years	17.36%

Notable Sales				
Address	Size (ft²)	Economic Zone	Sale date	Sale price
7912 10 ST NE	181,211	North	11/20/2023	\$31,500,000
5760 9 ST SE	179,690	South	7/13/2023	\$15,500,000
5498 76 AV SE	159,677	South	09/21/2023	\$24,500,000
4242 21 ST NE	99,202	North	7/13/2023	\$23,500,000

A five-year timeframe was reviewed to provide a greater sample size of sales, which results in more accurate and stable assessments. Within the last five years, Q4 of 2019 was noted as being a strong quarter in terms of sale value, with Q1 of 2023 also showing significant value and volume of sales transactions. While Q1 and Q2 of 2024 have seen a decrease in sales volume, this is due to the exceptionally high benchmarks set by previous quarters, highlighting the continued strength and resilience of the industrial market.

Calgary’s industrial market remains strong, supported by record population growth and strong consumer spending. While large-format facilities remain a key focus due to their alignment with e-commerce needs, market dynamics such as lower interest rates have encouraged a slight shift toward smaller and medium-bay warehouses. Investors who had previously been restrained by higher interest rates are now capitalizing on lower rates, releasing pent-up demand into the market and driving renewed purchasing activity. A slight increase in vacancy rates was observed, primarily due to the completion of new construction projects. This has expanded market options for tenants, facilitating both business expansion and entry opportunities. For the 2025 Assessment Roll, a typical large-bay warehouse over 100,000 square feet will experience a year-over-year increase in value of 9.3 per cent. Furthermore, the increased demand has contributed to an overall warehouse inventory increase of 5.3 per cent in property value in comparison to 2024.



New Supply

Industrial space supply eased in 2024 as several new developments became available. This led to a modest rise in vacancy rates, although they remain relatively low. The demand for modern facilities in the e-commerce and logistics sectors remains strong, while pre-leasing activity continues to drive the absorption of high-quality space.

The City has actively worked to expand the supply of Industrial lands, including the new 600-acre Constellation Industrial Park in South Calgary and the proposed Stoney Industrial Park. The Prairie Economic Gateway adds to these efforts by establishing a new 2,190-acre industrial hub featuring direct rail access located east of Stoney Trail. This landmark collaboration between the private sector and public authorities is set to create over 6,750 jobs, generate more than \$1.6 billion in economic impact, and strengthen Calgary’s role as a critical logistics and trade center in North America.

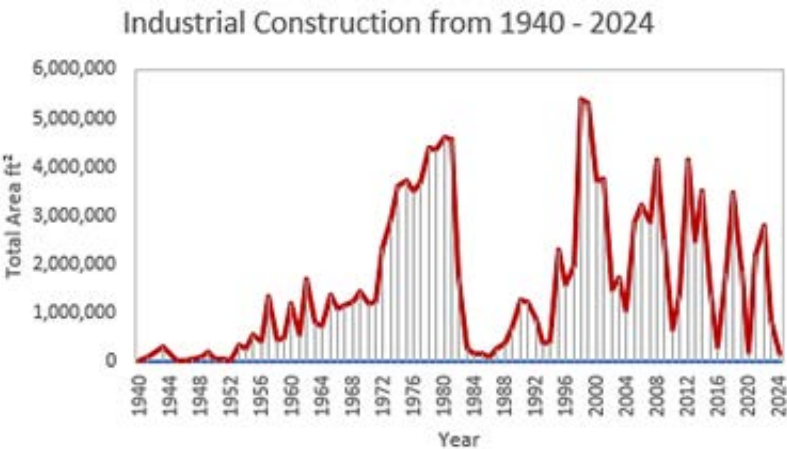
The following warehouse developments were completed in 2024:

Project Name	Permit Value	Size (ft²)	Economic Zone	Building Type	Developer
Stonegate Industrial Building 5A &5B	\$82.2M	692,004	North	Warehouse	One Properties
68th Street Logistics Park - Building 1 & 2	\$64.0M	782,227	South	Warehouse	Panattoni Canada
iPort Starfield - Building 4 & 5	\$36.1M	387,242	South	Warehouse	Triovest
Great Plains Warehouse Expansion	\$19.5M	220,122	South	Warehouse	Triovest

The following warehouse developments are anticipated to be completed by late 2025:

Project Name	Permit Value	Size (ft²)	Economic Zone	Building Type	Developer
Coca-Cola Facility Expansion & Upgrades	\$41.3M	67,748	North	Warehouse	Omicron AEC
YYC Global Distribution Centre – Phase IV	\$26.8M	313,897	North	Warehouse	Ascendant Commercial
4750 102 Avenue SE Warehouse	\$12.1M	114,675	South	Warehouse	Eagle Builders
7010 106 Avenue SE Warehouse	\$11.3M	101,987	South	Warehouse	Remington Development

The first construction boom within the industrial inventory of the city was between 1970 and 1983. Construction slowed through the 1990s and increased again in the early 2000s. Since then, construction has progressed in steady waves up until 2019. In 2019, industrial growth had again stalled, with very limited new supply entering the market. Beginning in 2021, the city started seeing record levels of absorption in distribution spaces resulting from dramatic increases in online shopping trends. Construction costs in Calgary remain high in 2024, though the rate of increase has slowed. Labor shortages and elevated material costs, particularly for concrete and steel, continue to drive up prices, while strong demand maintains pressure on costs. In 2025, construction costs are expected to remain elevated, although the rate of their increase is anticipated to moderate.



Industrial Condominiums

The demand for industrial condominiums remains strong. While the sales market for industrial product saw strong levels of activity, owner occupied properties and condominium sales dominated this front, driving up both sales volumes and value. A total of 874 sales were analyzed within the 5-year valuation timeframe, this representing 28 per cent of the condominium inventory. Condominium sales activity has represented approximately 67 per cent of all industrial sales over the past year. Sales numbers remain robust, both in terms of volume as well as price per square foot. Sales volume remained high in Q2 of 2024 with 43 transactions that totaled over \$38 million in value. Condo sales transactions are predominantly completed by owner-users who steer towards purchase as an attractive alternative to leasing. Given the continued demand for these properties, a 5 per cent increase in total condominium values from last year has been observed.



Inventory average change	Sales used	Valuation period	Sample size
4.82%	874	5 years	28.26%

Notable Sales				
Address	Size (ft²)	Economic Zone	Sale date	Sale price
124 10450 50 ST SE	19,348	South	3/22/2024	\$6,100,000
103 11127 15 ST NE	6,261	North	12/14/2023	\$2,520,940
149 7121 104 AV SE	5,760	South	9/25/2023	\$2,725,800
2145 6027 79 AV SE	3,147	South	12/1/2023	\$2,325,000

The following condominium developments were completed in 2024:

Project Name	Permit Value	Size (ft²)	Economic Zone	Building Type	Developer
RISE at Point Trotter – Building B	\$11.5M	124,101	South	Condominium	Beedie Development
Central at Sunridge – Building A	\$8.4M	69,782	North	Condominium	Bucci Developments



Appendix A : Industrial Valuation Methodology

Market Factors

The following are observed market factors that exist within the industrial market:

Market Factors	Description
Assessable Area	The assessable area of an industrial building is based on its gross building area in accordance with industry standards. Gross building area is best described as the total area of the building – measured from the exterior walls – plus rentable mezzanine or upper floor space. All else being equal, the larger the building, typically the higher the market value of the property.
Finished Area	Finished area refers to finished space, such as office and retail tenant improvements, expressed as a percentage of the total assessable area. Finished area is typically worth more than warehouse or storage space.
Land Use Designation	The land use designation refers to the permitted and discretionary uses of a parcel under the current Land Use Designation Bylaw 1P2007. The land use of industrial property governs what can and cannot be built on a parcel of land. As such, some land uses are observed to trade at a premium versus others.
Location	Certain industrial parks may be considered to trade at a premium or a discount depending on the market evidence available and supply and demand of each. The factor values for location change from year to year.
Outbuilding	An outbuilding refers to structures that are any combination of unheated, non-insulated, non-permanent or poorly constructed structure with limited utility that adds less value to a property than a typical industrial building.
Site Coverage	Site coverage (also referred to as site density) captures the site area and utility of a property and is calculated by dividing the total building footprint of a property by its lot size. All else being equal, a property with lower site coverage has a larger piece of land and greater site utility, when compared to a property with higher site coverage and would therefore be expected to trade for more.
Tenancy	Tenancy has been broken down into two categories based on the number of bays within an improvement. Industrial Warehouse Single (IWS) properties are characterized by properties with one or two bays. Industrial Warehouse Multiple (IWM) properties consist of three or more bays. Typically, IWM properties trade at a premium with lower attributed risk and typically higher rental rates attributed to smaller bays, all else being equal.
Year of Construction	The age of an industrial building is measured by the actual year of construction as per its development permit. Properties that have undergone significant renovations or have had newer additions added may require an Effective Year of Construction (EYOC) to appropriately value the improvements. The older the building, the less economic life remaining, and typically, the lower its contributory value.

Appendix A : Industrial Valuation Methodology

Data Collection

Accurate data is the foundation for creating high quality market value assessments. In order to find the most accurate data possible, a variety of sources are relied upon.

Assessment Request for Information (ARFI)



Every year, The City distributes a survey to industrial property owners. This survey asks owners to confirm the physical data on record for their property. It also asks them to confirm the accuracy of lease information for their property. Property owners are able to identify any errors or required changes and then return that information for use in future years assessments.

Highlights

- For more information about the ARFI process, visit calgary.ca/assessment
- Of the 2,810 ARFIs that were sent to industrial property owners in 2023, 2,099 (75%) were returned.

Physical Inspections



The City of Calgary regularly conducts site inspections; the purpose of which is to confirm the accuracy of physical data associated with the property.

Permits



Permit information is reviewed as it is submitted. This includes new developments that are monitored throughout the construction process along with changes to existing inventory.

Market Information



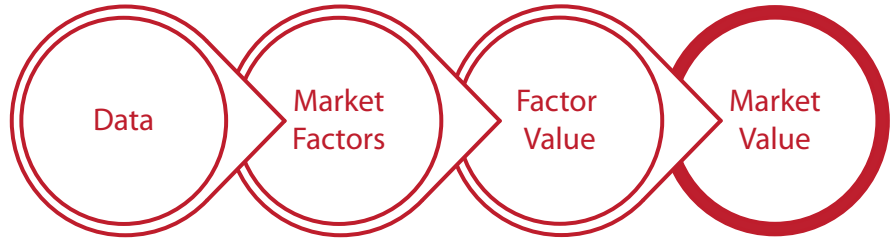
The City of Calgary receives all property land transfers directly from the Government of Alberta's Land Titles Office. While this information provides insight into the market, The City closely reviews the information and research provided from industry market reports and real estate data services.

Appendix A : Industrial Valuation Methodology

Direct Sales Comparison Approach

In order to develop accurate assessments, economic (sales) data is compared to physical data in order to determine what market factors contribute to value within the industrial sector. Once the factors that impact value are determined, market analysis is conducted to determine each specific factor value. The factor values are applied to industrial properties to arrive at market value.

There are three primary approaches to value in appraisal theory: the direct sales comparison approach, the income approach, and the cost approach. For industrial property, The City considers all three approaches. With the abundance of sales within the industrial inventory the direct comparison approach is relied on for the typical industrial property.

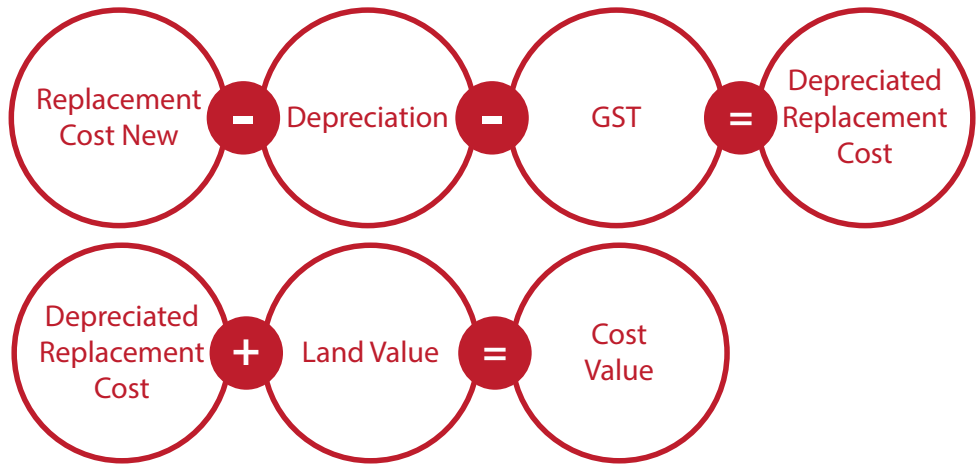


Cost Approach

Market value assessments using the cost approach are comprised of two main components: the depreciated replacement cost of an improvement and the estimated land value. The replacement cost of an industrial building is calculated by using industry standard construction cost data which is updated annually.

Depreciation is the reduction in value of an asset due to general wear and tear over time. GST is also removed from the replacement cost calculation. The land value component is calculated using the sales of similar parcels of land within Calgary.

Industrial properties typically valued using the cost approach are those that rarely transfer in the open market or have unique construction characteristics where there is limited market data to lend comparability.



Definitions:

Market Factors

The physical and legal characteristics of a property that contribute to its market value. For a list of the market factors that impact industrial properties (excluding condominiums), see page 6 of this report.

Factor Value

The amount by which a specific market factor impacts the market value of a property.

Market Value

The most probable price, for which the property rights should sell after reasonable exposure in a competitive market.

The Cost Approach

A valuation indication is derived by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, deducting depreciation from the total cost and adding the estimated land value.

The Appraisal of Real Estate, Third Canadian Edition

Depreciation

Depreciation is the difference between the market value of an improvement and its reproduction or replacement cost at the time of the appraisal.

The Appraisal of Real Estate, Third Canadian Edition

Industrial Properties

Commonly Valued on the Cost Approach Include:

- Mini-warehouse/self storage
- Purpose built properties
- Garden centres

Land Value - for more information on the valuation of industrial land, see Calgary Land Market Trends - 2025, at: calgary.ca/assessment



Questions about your 2025 Property Assessment

Phone:
403-268-2888
(Mon. – Fri., 8 a.m. – 4:30 p.m.)

Online:
calgary.ca/assessment

Hearing impaired:
Contact 711 to request 403-268-2888

In-person:
Call 403-268-2888 to book an appointment

Mail:
The City of Calgary (#8002)
P.O. Box 2100, Stn. M, Calgary, AB T2P 2M5

Declare my school support:
calgary.ca/schoolsupport
or call 311

Change your mailing address with Alberta Land Titles:
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Toll-Free in Alberta dial 310-0000 first
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710 – 4th Ave. S.W.
Calgary, Alberta T2P 0K3
Visit **alberta.ca/land-titles**

The Customer Review Period is your opportunity to review your 2025 property assessment. If you have any questions, our website offers helpful resources. If further clarification is needed, please contact us before the end of the Customer Review Period to talk to an Assessment & Tax team member.

Make budgeting easier, pay your property tax monthly. Sign up for **Tax Instalment Payment Plan (TIPP)**



Filing an Assessment Review Board (ARB) complaint
Property owners may file a complaint with the ARB before the Final Date to File a Complaint on the front of this notice. The complaint form, complaint agent authorization form, and more information are available at calgaryarb.ca or 403.268.5858.



Go Paperless! Make a sustainable choice by switching to eNotice.



Learn more at **calgary.ca/assessment**

Additional information about your assessment rights: An assessed person is entitled to see or receive sufficient information about how their property assessment was prepared in accordance with Section 299 or 299.1 (or both) of the *Municipal Government Act*. An assessed person is also entitled to see or receive a summary of an assessment of any other assessed property in accordance with Section 300 or 300.1 (or both) of the *Municipal Government Act*. Please review the information on this notice above on how to view and or request the information.