MARKETBEAT
EDMONTON
OFFICE Q2 2026

CUSHMAN & WAKEFIELD
Edmonton

MARKET FUNDAMENTALS

	YOY Chg	Outlook
17.5% Vacancy Rate	▼	▬
217.5K YTD Net Absorption, SF	▲	▲
$32.93 Gross Asking Rent, PSF	▼	▬

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
887K Edmonton Employment	▲	▼
7.1% Edmonton Unemployment Rate	▼	▲
6.6% Canada Unemployment Rate	▼	▲

Source: Statistics Canada, Moody's Analytics

ECONOMY:

The Government of Alberta has reported that the province's economy continues to demonstrate resilience, supported by strong employment growth and increasing non-residential construction activity. Employment rose 3.6% year-to-date through May 2026, led by gains in health care and social assistance, public administration, and information, culture, and recreation. At the same time, non-residential building investment is strengthening, driven by sustained commercial and institutional activity and a recovery in industrial construction.

DEMAND:

The Edmonton office market recorded positive net absorption of 194,261 square feet (sf) in Q2 2026, reducing the citywide vacancy rate to 17.5%, a 120-basis-point decline from 18.7% in Q2 2025. Leasing activity was evenly distributed between the Central Business District (CBD) and the suburban market, which recorded net absorption of 94,477 sf and 99,784 sf, respectively. This strong quarterly performance brought year-to-date net absorption to 217,539 sf, nearly matching the 254,520 sf recorded across all of 2025 and highlighting the market's accelerated recovery.

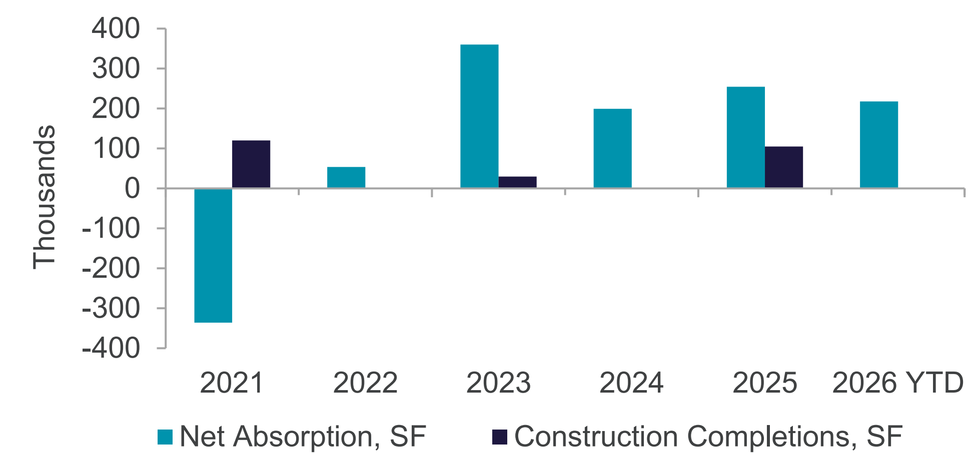
The largest office sale of the quarter was the Bassani Building, which traded for $4.3 million ($117.07 per square foot) at a capitalization rate of 7.49%. The 36,730-sf property, located just north of MacEwan University, was acquired by the Board of Governors of Grant MacEwan University, which intends to occupy the building's second floor. The acquisition represents another strategic purchase by the university as it continues to expand its real estate holdings adjacent to campus.

Average gross asking rents declined to $32.93 per square foot (psf) in Q2 2026 from $33.14 psf in Q1 2026, representing a quarter-over-quarter decrease of $0.21 psf. City-wide average net asking rents remained stable at approximately $16.25 psf, with the modest decline in gross asking rents primarily attributable to lower operating costs. Average operating costs decreased to $16.68 psf in Q2 2026 from $16.85 psf in the same period last year.

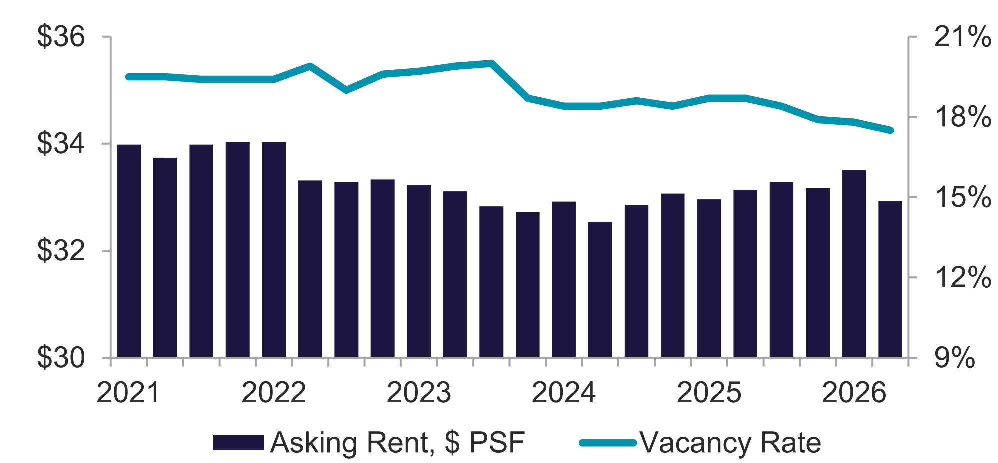
OUTLOOK:

The office market is expected to stabilize in the second half of 2026. Net absorption is not anticipated to increase significantly, while rents are expected to remain largely stable with minimal fluctuations.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

	TOTAL BUILDINGS	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Financial Core	54	12,778,903	149,403	2,344,745	19.5%	60,141	143,694	0	$36.51	$40.25
Government	34	5,052,776	1,227	630,754	12.5%	34,336	38,380	0	$29.91	$30.90
CENTRAL TOTAL	88	17,831,679	150,630	2,975,499	17.5%	94,477	182,074	0	$35.23	$38.23
124th Street	18	954,012	0	239,864	25.1%	2,145	-18,721	0	$31.26	$39.09
149th Street	27	1,324,476	0	200,000	15.1%	-19,973	-7,357	0	$26.15	$32.83
West End	39	2,169,704	49,611	254,119	14.0%	17,027	38,395	0	$28.95	$34.67
118th Avenue	17	822,639	0	166,145	20.2%	-30,223	-14,406	0	$35.69	$37.34
Whyte Avenue	15	572,096	0	111,943	19.6%	17,496	24,181	0	$32.97	$33.28
Southside	64	3,421,982	13,500	657,339	19.6%	108,196	53,063	0	$30.09	$34.50
Summerside	23	974,997	9,901	32,328	4.3%	6,770	519	0	$35.71	$35.71
Eastgate	16	1,393,618	6,752	337,314	24.7%	-3,949	-36,230	0	$24.98	$32.02
Windermere/Ambleside	11	325,234	0	12,492	3.8%	2,295	-3,979	0	$44.07	$44.07
SUBURBAN TOTAL	230	11,958,758	79,764	2,011,544	17.5%	99,784	35,465	0	$29.51	$34.83
EDMONTON TOTALS	**318**	**29,790,437**	**230,394**	**4,987,043**	**17.5%**	**194,261**	**217,539**	**0**	**$32.93**	**$37.26**

*Rental rates reflect full gross asking rents

SUMMARY BY CLASS	TOTAL BUILDINGS	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*
Class AA	8	4,419,060	88,422	486,464	13.0%	3,005	24,078	0	$49.30
Class A	125	14,357,528	70,882	2,364,519	17.0%	202,248	230,197	0	$34.63
Class B	144	9,399,878	71,090	1,919,859	21.2%	-13,246	-31,431	0	$27.45
Class C	41	1,613,971	0	216,201	13.4%	2,254	-5,305	0	$24.54

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
Ford Credit Building	West End	Confidential	17,486	Headlease
4723 52 Ave	Southside	CDI College	12,152	Renewal
Quinco Building	149th Street	CapitalCare	12,296	Headlease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
Bassani Building	118th Ave	766385 Alberta Ltd. / The Board of Governors of Grant MacEwan University	36,730	$4.3M / $117.07
20 Perron St	Outlying	Drayden Holdings Ltd. et al / Perronix Holdings Ltd.	12,125	$3.6M / $296.30
11710 Kingsway Ave	118th Ave	1133332 Albertta Ltd. / 1295981 Alberta Ltd.	12,486	$2.3M / $187.77

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