Canadian National Multifamily Report

Third Quarter 2025

Canadian Apartment Insights and Analysis

- Canada's multifamily market metrics continue to be healthy, but rent growth and demand are weakening amid a pullback on immigration and uncertainty about the direction of the economy. After a strong first quarter, GDP contracted slightly early in April. Growth is expected to remain weak in the second half of the year as segments such as manufacturing, transportation equipment and wholesale trade feel the impact of tariffs. Sectors that are holding up include services and tourism, which is growing moderately as Canadians stay home and take fewer trips to the U.S.

> Canada's multifamily market remains healthy, but immigration cutbacks and economic uncertainty have slowed demand and rent growth.

- Volatile trade relations with the U.S. make forecasting difficult. President Trump extended a pause on tariffs to August 1, but continues to threaten a 35% tariff rate on many Canadian goods. The effective rate of tariffs has been relatively subdued up to now due to continued enforcement of existing trade agreements with the U.S. Nearly 90% of the U.S. imports from Canada were duty-free in April, per the U.S. Census Bureau, and the average effective tariff rate on U.S. imports from Canada was only 2.3%. But those numbers—and the U.S. policies—are subject to change.

- Employment took a surprising upturn in June, after six months of a flat labour force. Canada added 83,000 jobs in June, with the unemployment rate declining by 10 basis points to 6.9%. Jobs grew in the wholesale and retail trade and healthcare segments. The transportation sector continues to feel the impact of exposure to tariffs. Recent layoffs in the auto sector include General Motors cutting 1,200 jobs in Oshawa, Stellantis temporarily laying off 4,500 workers in a short-term plant shutdown in Windsor, and more than 1,000 workers furloughed at smaller firms in Ontario.

- The boost in employment growth complicates the Bank of Canada's next decision on interest rates. The BOC kept the policy rate at 2.75% in its last two announcements and had been expected to cut the rate at the end of July, but the positive June employment data and uncertainty around tariffs could prompt the bank to sit tight for another cycle. Lower rates would boost the weak for-sale housing market.

Weakening Demand Slows In-Place Rent Growth

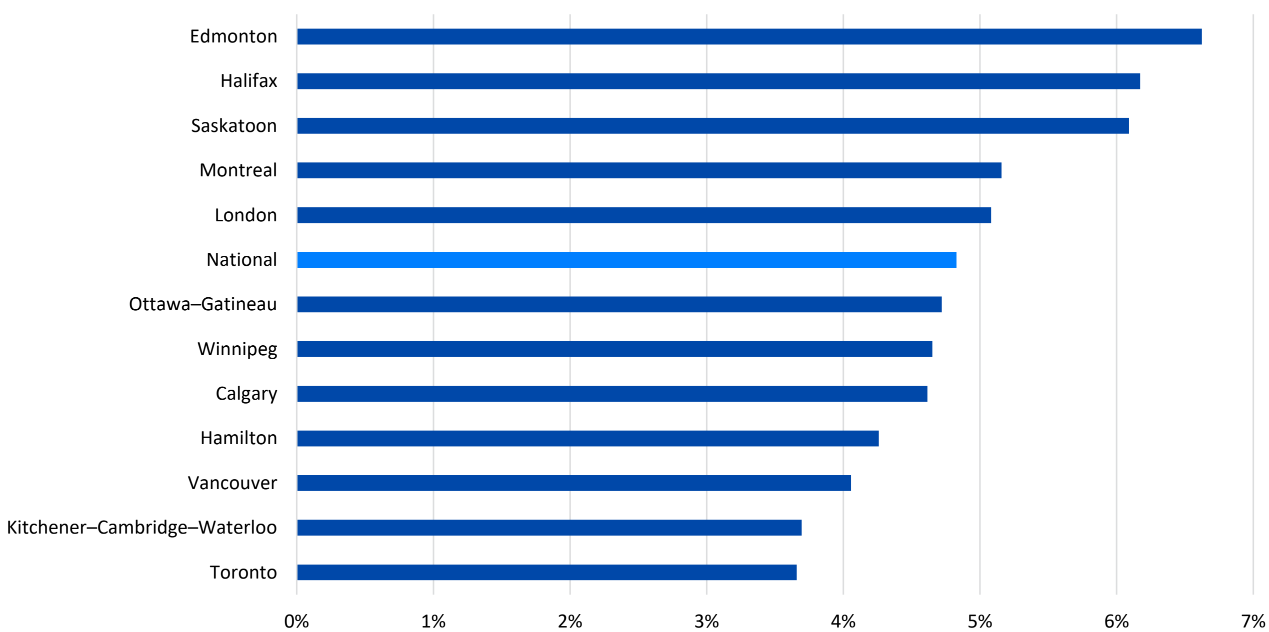
- Despite cooling demand, multifamily rents in Canada continue to rise, albeit at a slower pace. The average national in-place rent increased $14 in Q2 2025 to $1,720 and is up $79 over the past four quarters. The rate of growth fell to 4.8% year-over-year, down 50 basis points during the quarter and 150 basis points over the year. In-place rents represent an aggregation of all rents in a given Census Metropolitan Area (CMA), including those for new leases, renewals and existing leases.

- In-place rents rose consistently across Canadian CMAs. Those with the largest increases included Edmonton (up 6.6%, or $94 year-over-year, to $1,513), Halifax (up 6.2%, or $93, to $1,603) and Saskatoon (up 6.1%, or $83, to $1,449). Edmonton's relative affordability makes it a convenient landing spot for immigrants that take jobs in services such as construction and health care. Kitchener–Cambridge–Waterloo and Toronto had the slowest growth rate at 3.7% year-over-year.

- The Canadian government's pledge to admit fewer non-permanent residents in 2025 is contributing to softening rental demand. The federal government aims to reduce the percentage of non-permanent residents from 7.4% in 2024 to 5% by the end of 2026. That would mean about 950,000 fewer non-permanent residents over a two-year period, although progress getting to the 5% figure is slow. During the first quarter of 2025, Canada's population increased by only 20,000, the smallest quarterly growth since Covid-19 restrictions went into effect in 2020, according to Statistics Canada. Alberta added 20,500 residents, but population shrank slightly in Ontario, British Columbia and Quebec.

- Because the set of properties used for this analysis varies slightly each quarter, we recalibrated historical in-place rent values to reflect the latest sample set, and will continue to do so for each report. The change does not materially affect previously reported trendlines or market performance.

Year-Over-Year In-Place Rent Growth (Q2 2025)



Source: Yardi

New Lease Rent Growth Falls to Multi-Year Low

- The growth rate for lease-over-lease rents—which represent new leases on units that are re-leased after becoming vacant—fell to its lowest level since Yardi began tracking the metric in 2020. The rate fell in Q2 2025 to 2.8%, down from 4.0% the previous quarter and 10.0% in Q2 2024. Leases not subject to rent control serve as a good measure of supply-demand metrics. Lease-over-lease rates rose the most year-over-year in Q2 2025 in London and Ottawa–Gatineau (both 5.7%) and Halifax (5.3%).

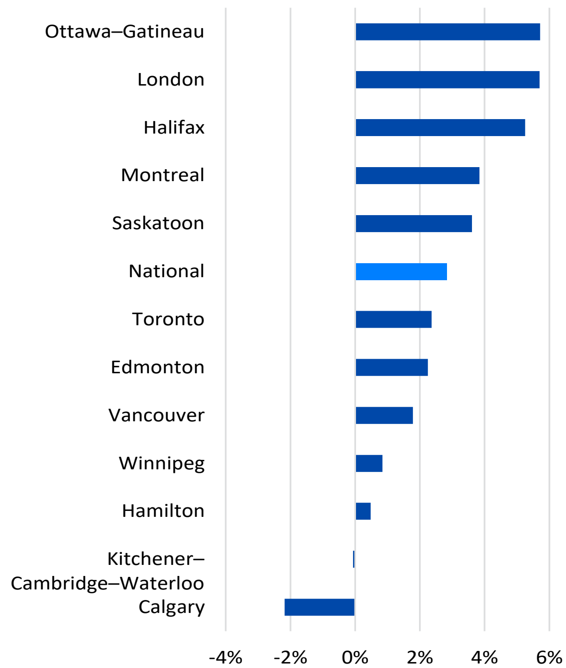
- Most CMAs have seen a stark deceleration over the last few years. For example, Toronto is at a 2.4% growth rate in the most recent quarter after peaking at 20.3% year-over-year in Q3 2023. Vancouver is at 1.8% in the most recent quarter after peaking at 17.1% in Q3 2023. Kitchener–Cambridge–Waterloo, which peaked at 20.3% in Q4 2022, was at -0.1% in the most recent quarter, while Calgary was at -2.2% in the most recent quarter after peaking at 16.4% in Q3 2023.

- Calgary's weakening rent metrics stem from several factors, including the increase in apartment supply relative to stock, which has led to higher vacancy rates. Other provinces are delivering a similar number of units, but those markets have a much larger population and apartment stock. Another factor is a slowdown in interprovincial migration, particularly as the government imposes caps on new immigrants admitted into the country.

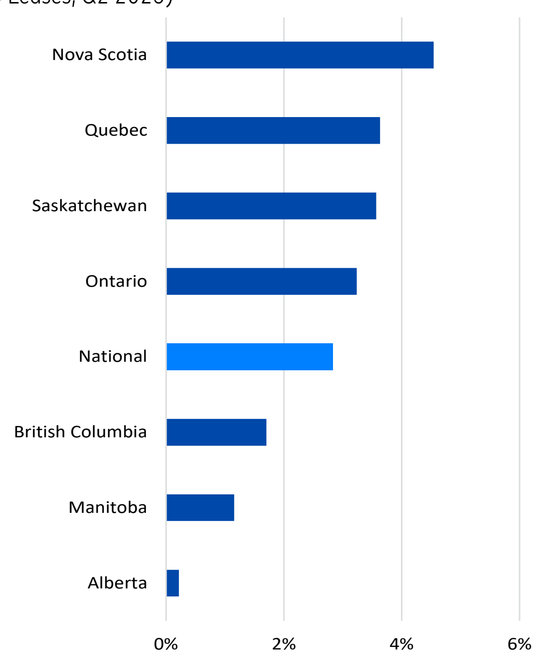
- As population growth slows and rent growth decelerates, vacant units in new complexes are taking longer to lease up, especially in larger urban markets such as Toronto, Vancouver and Calgary. Meanwhile, an increasing number of owners are offering concessions such as free rent, moving allowances and signing bonuses to attract and retain tenants.

- The average lease rate for renewals continues to slide, down to 3.4% nationally in Q2 2025. The rate has dropped every quarter since peaking at 4.4% in Q1 2024.

CMA Lease-Over-Lease Rent Growth
(New Leases, Q2 2025)



Province Lease-Over-Lease Rent Growth
(New Leases, Q2 2025)



Source: Yardi

Vacancy Rate Edges Up in Most Markets

- The national apartment vacancy rate inched up in Q2 2025, with the rate rising 10 basis points from the previous quarter to 4.1%. Although the rate is firm by historical standards, it is up 110 basis points over the past year, with increases in every province and major CMA. The biggest increases among CMAs over the past year have been in Calgary, where the rate increased by 270 basis points to 6.7%; Halifax, up 170 basis points to 3.0%; Toronto, up 140 basis points to 4.2%; and Edmonton, up 120 basis points to 4.6%.

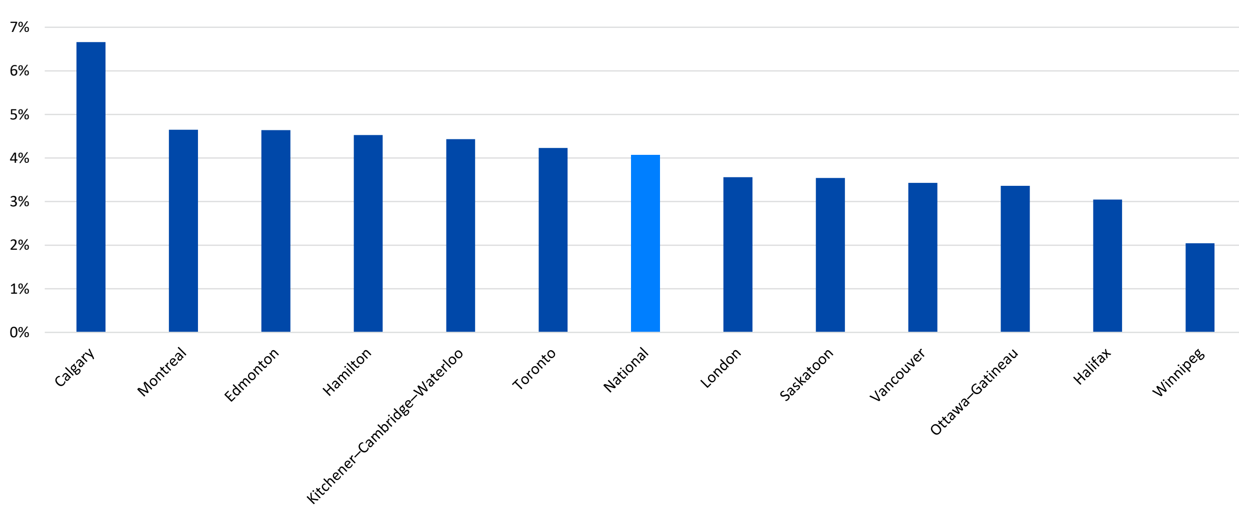
> The vacancy and turnover rates inched up, a sign of loosening.

- We added a new metric in this report, the average length of stay for tenants. Tenants stay longest in supply-constrained CMAs such as Toronto (47 months) and Hamilton (45 months).

- To restore affordability, Canada must double the current rate of housing starts to between 430,000 and 480,000 per year, according to a report published in June by the Canada Mortgage Housing Corp. (CMHC). Areas with a particular need for more housing development include sections of Ontario outside of Toronto, Montréal and Nova Scotia. The report stressed the need for more private-sector investment in housing, more construction workers, and a reduction in construction costs through technology such as automation and modular construction. However, new multifamily projects are difficult to pencil because of the rising cost of land, labour and materials. Significant increases in multifamily supply will be unlikely unless there is a concerted effort to reduce municipal development fees and layers of taxes.

- The annual turnover percentage, which measures the number of residents that did not renew leases over the previous 12 months, rose to 24.2% in Q2 2025, up 130 basis points from Q2 2024. While still low, the rising rate indicates loosening conditions in CMAs such as Kitchener–Cambridge–Waterloo and Vancouver, where turnover remains low but increased year-over-year.

CMA Vacancy Rates (Q2 2025)



Source: Yardi

Rent, Vacancy, Turnover and Digital Prospects by CMA (Total)

CMA	Year-Over-Year Change in In-Place Rents	Lease-over-Lease Change in New Lease Rents	Vacancy Rate	Annual Turnover %	Digital Prospect Conversion %	Digital Prospects Per 100 Units Per Month
Edmonton	6.6%	2.2%	4.6%	36.7%	8.2%	24
Halifax	6.2%	5.3%	3.0%	19.8%	4.6%	27
Saskatoon	6.1%	3.6%	3.5%	39.8%	10.1%	22
Montreal	5.2%	3.8%	4.6%	27.7%	*	*
London	5.1%	5.7%	3.6%	20.0%	11.8%	13
National	**4.8%**	**2.8%**	**4.1%**	**24.2%**	**8.1%**	**16**
Ottawa–Gatineau	4.7%	5.7%	3.4%	21.5%	10.7%	9
Winnipeg	4.7%	0.8%	2.0%	28.3%	8.0%	23
Calgary	4.6%	-2.2%	6.7%	42.1%	8.7%	28
Hamilton	4.3%	0.5%	4.5%	15.9%	12.1%	10
Vancouver	4.1%	1.8%	3.4%	21.9%	7.5%	20
Kitchener–Cambridge–Waterloo	3.7%	-0.1%	4.4%	21.3%	7.3%	14
Toronto	3.7%	2.4%	4.2%	14.4%	7.5%	11

** Sample size is too small to produce a reliable data set in this category. | Source: Yardi, all data as of Q2 2025*

Average Resident Length Of Stay (Months)

CMA	Q2 2025
Toronto	47
Hamilton	45
Halifax	42
London	40
Kitchener–Cambridge–Waterloo	39
Ottawa–Gatineau	38
National	**37**
Vancouver	36
Winnipeg	33
Montreal	32
Calgary	27
Edmonton	26
Saskatoon	26

Source: Yardi

Rent, Vacancy and Turnover by CMA (Bedroom Type)

Bachelor Unit Data by CMA	In-Place Rents	Lease-over-Lease Rents	Vacancy Rate	Annual Turnover %
Vancouver	$1,723	-0.3%	6.6%	25.6%
Toronto	$1,576	0.6%	8.4%	21.6%
Calgary	$1,381	*	6.5%	45.0%
National	**$1,359**	**2.0%**	**6.6%**	**29.4%**
Hamilton	$1,316	*	6.6%	8.4%
Ottawa–Gatineau	$1,313	4.7%	5.9%	26.0%
Halifax	$1,243	*	3.6%	26.1%
Montreal	$1,230	4.6%	5.2%	34.2%
London	$1,212	*	7.3%	23.3%
Edmonton	$1,139	*	6.5%	42.8%
Kitchener–Cambridge–Waterloo	$1,045	*	7.2%	25.9%
Winnipeg	$1,030	-0.5%	2.3%	32.6%
Saskatoon	$995	*	5.7%	52.5%

** Sample size is too small to produce a reliable data set in this category. | Source: Yardi*

1-Bedroom Unit Data by CMA	In-Place Rents	Lease-over-Lease Rents	Vacancy Rate	Annual Turnover %
Vancouver	$1,882	1.1%	3.3%	22.7%
Toronto	$1,741	1.3%	4.6%	16.8%
Calgary	$1,660	-1.6%	6.9%	44.5%
Kitchener–Cambridge–Waterloo	$1,572	1.2%	4.9%	25.1%
National	**$1,563**	**2.4%**	**4.3%**	**26.4%**
Ottawa–Gatineau	$1,552	4.5%	3.6%	24.0%
Montreal	$1,545	3.7%	5.0%	29.4%
Halifax	$1,425	4.2%	3.8%	23.3%
London	$1,358	4.0%	4.0%	24.8%
Winnipeg	$1,340	1.1%	2.0%	26.9%
Edmonton	$1,314	3.1%	5.0%	39.7%
Hamilton	$1,313	2.4%	5.7%	17.7%
Saskatoon	$1,228	2.7%	3.8%	42.9%

Source: Yardi

Rent, Vacancy and Turnover by CMA (Bedroom Type)

2-Bedroom Unit Data by CMA	In-Place Rents	Lease-over-Lease Rents	Vacancy Rate	Annual Turnover %
Vancouver	$2,368	2.6%	2.7%	19.8%
Montreal	$2,072	4.2%	4.2%	25.5%
Calgary	$2,017	-2.2%	6.6%	38.7%
Toronto	$1,986	3.9%	3.5%	11.8%
Ottawa–Gatineau	$1,884	6.5%	3.2%	18.6%
National	**$1,868**	**3.4%**	**3.7%**	**22.4%**
Kitchener–Cambridge–Waterloo	$1,770	-0.5%	3.8%	18.7%
Winnipeg	$1,667	0.4%	2.0%	29.4%
Halifax	$1,652	5.6%	2.6%	16.6%
London	$1,621	6.4%	3.1%	16.9%
Edmonton	$1,600	2.4%	4.0%	34.9%
Hamilton	$1,561	-1.1%	3.5%	15.1%
Saskatoon	$1,496	4.4%	3.3%	39.8%

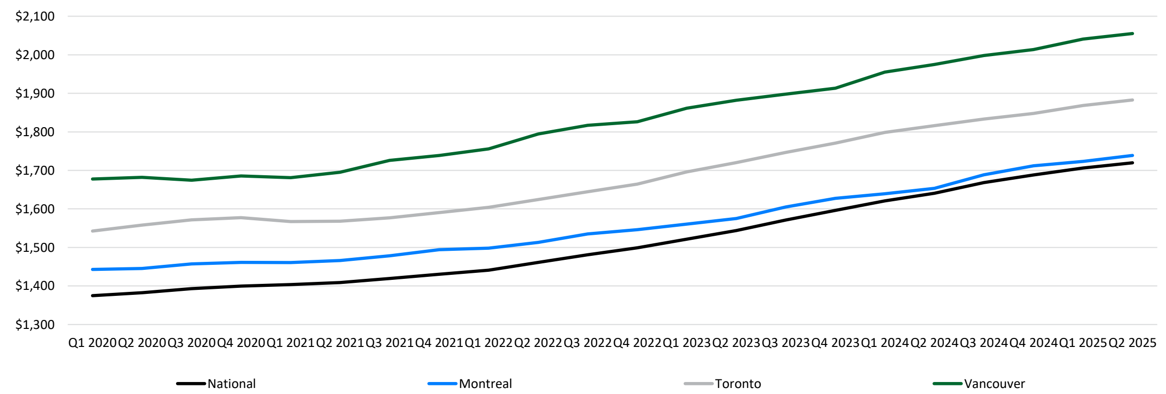
Source: Yardi

3-Bedroom Unit Data by CMA	In-Place Rents	Lease-over-Lease Rents	Vacancy Rate	Annual Turnover %
Vancouver	$2,842	3.9%	3.1%	18.4%
Montreal	$2,777	3.4%	5.8%	20.5%
Calgary	$2,255	-7.4%	7.7%	39.5%
Toronto	$2,200	3.1%	2.5%	7.7%
National	**$2,074**	**3.7%**	**3.3%**	**18.1%**
Winnipeg	$2,057	1.9%	3.1%	33.1%
Ottawa–Gatineau	$1,946	13.5%	1.8%	14.4%
Kitchener–Cambridge–Waterloo	$1,926	*	3.8%	18.2%
Halifax	$1,902	8.4%	2.0%	16.0%
Saskatoon	$1,801	*	3.9%	35.0%
Hamilton	$1,768	*	1.9%	8.7%
London	$1,750	*	3.2%	15.1%
Edmonton	$1,731	1.7%	5.1%	32.7%

** Sample size is too small to produce a reliable data set in this category. | Source: Yardi*

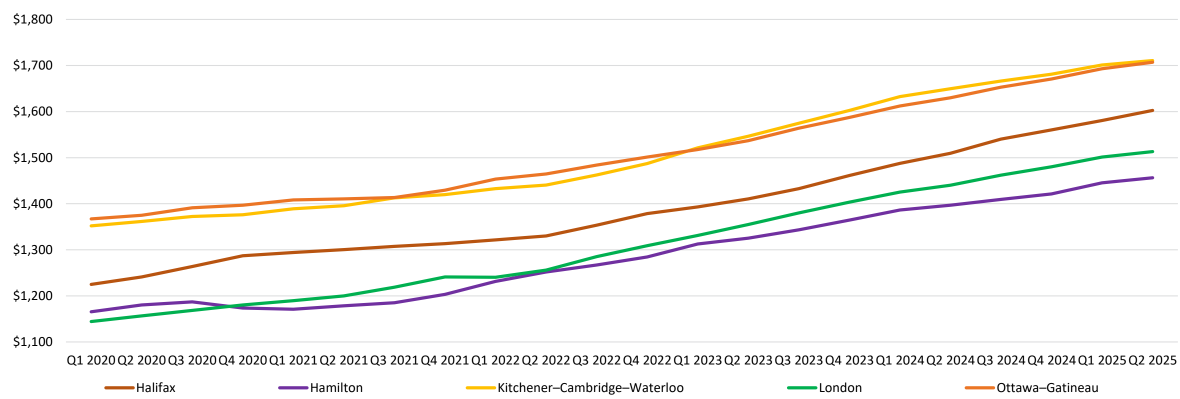
Historical In-Place Rents

National and Major CMA In-Place Rents



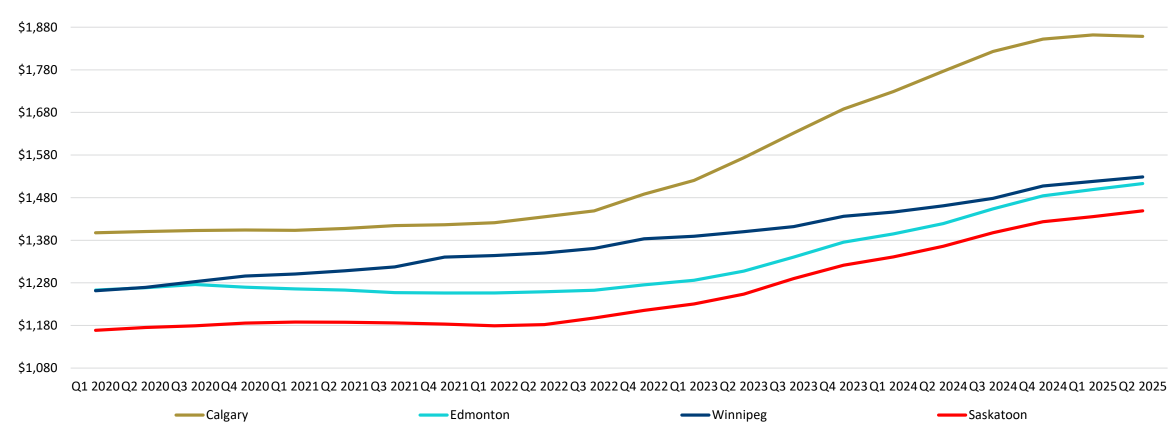
Source: Yardi

Smaller Eastern CMA In-Place Rents



Source: Yardi

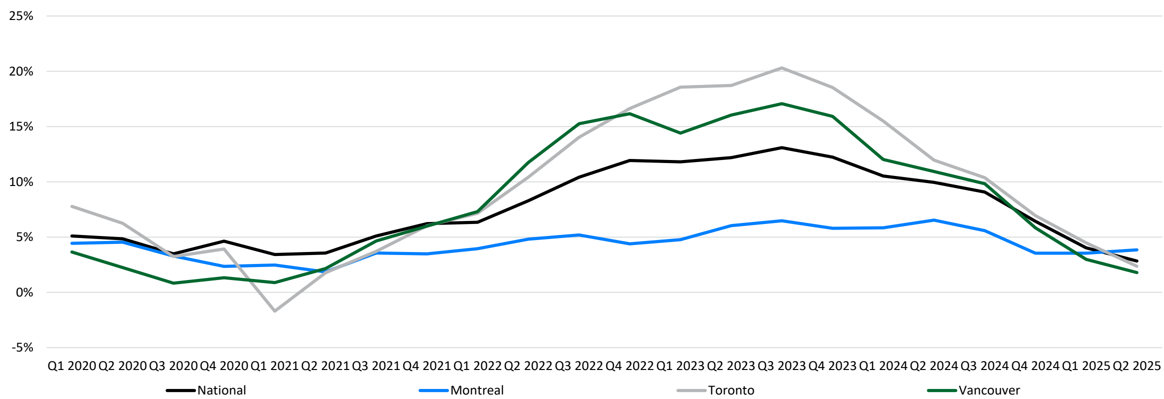
Smaller Western CMA In-Place Rents



Source: Yardi

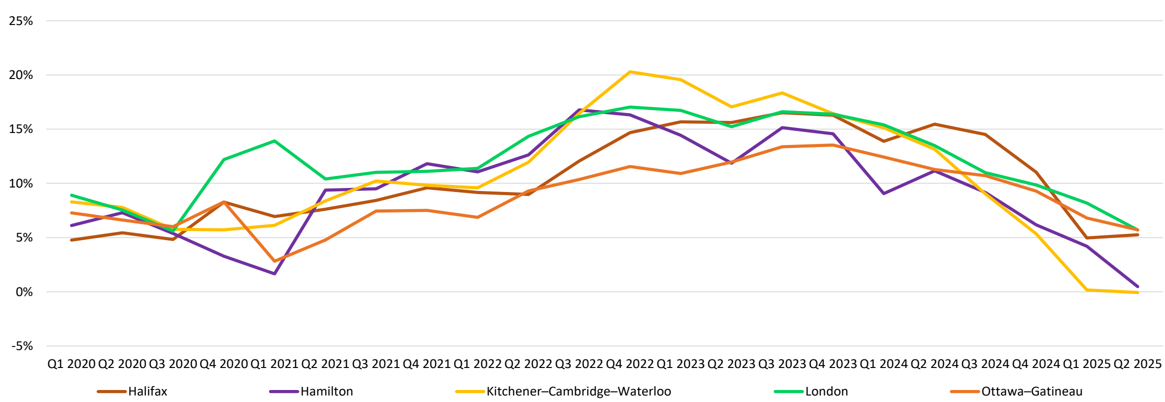
Historical New Lease Rent Growth

National and Major CMA New Lease Rent Growth



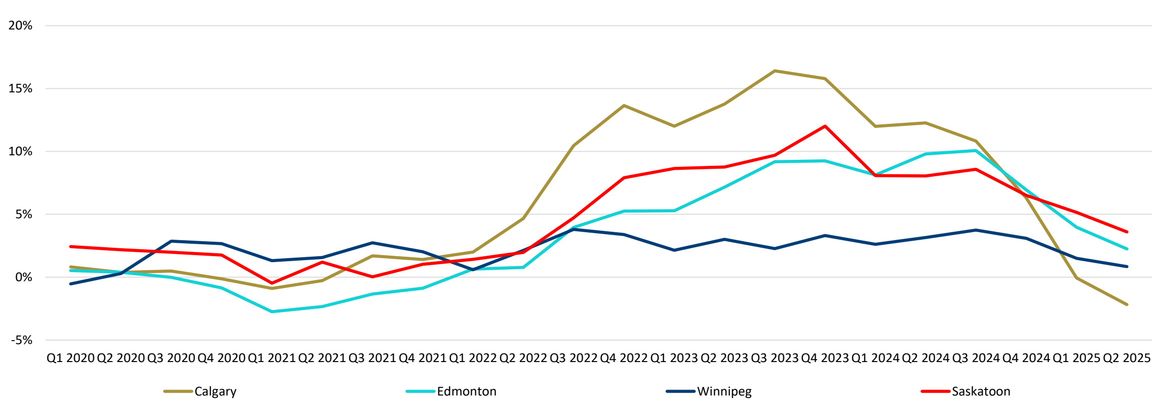
Source: Yardi

Smaller Eastern CMA New Lease Rent Growth



Source: Yardi

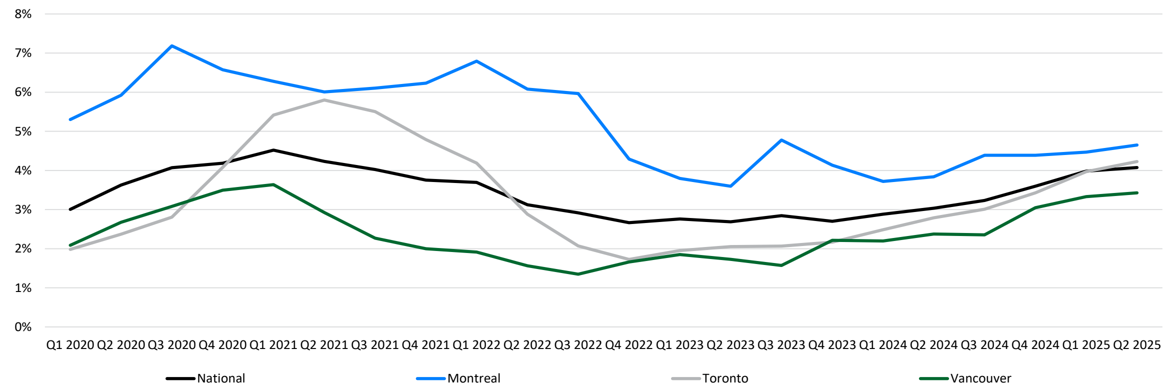
Smaller Western CMA New Lease Rent Growth



Source: Yardi

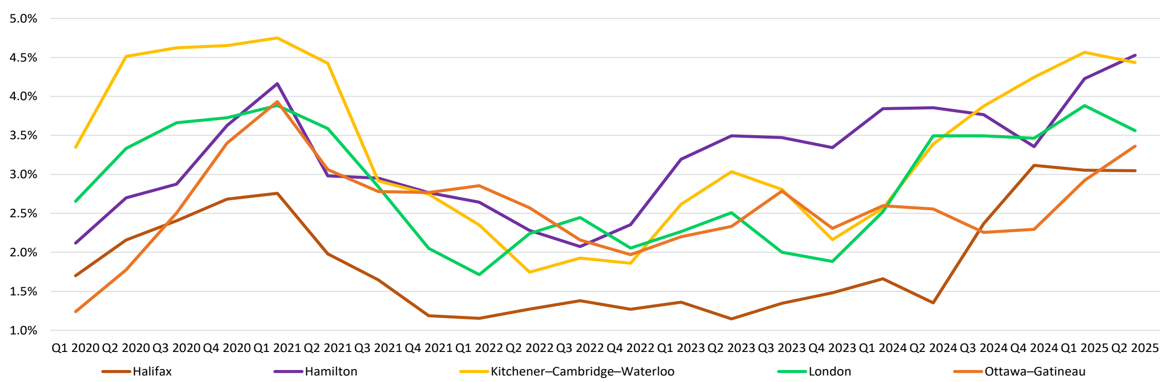
Historical Vacancy Trends

National and Major CMA Vacancy Trends



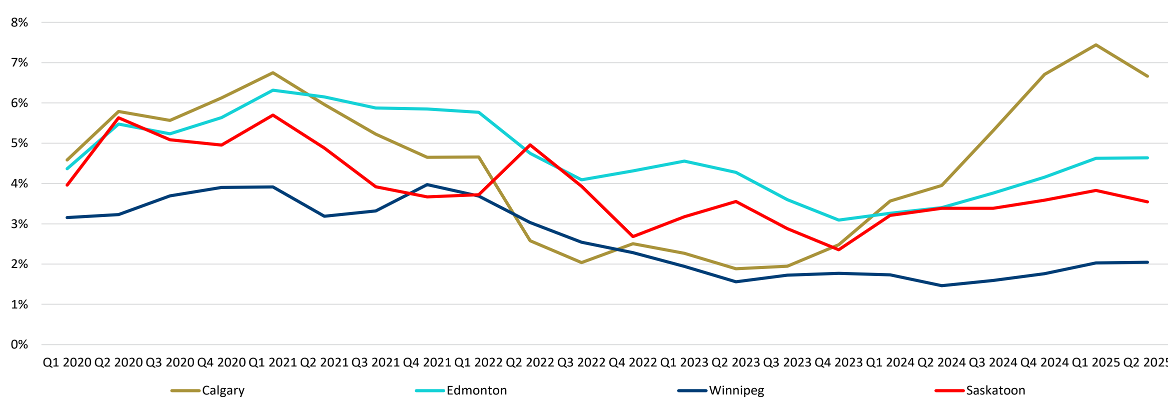
Source: Yardi

Smaller Eastern CMA Vacancy Trends



Source: Yardi

Smaller Western CMA Vacancy Trends



Source: Yardi

Definitions

Lease-Over-Lease Rent Growth (New Leases): Percentage change in monthly rent between a new lease and the previous lease for the same unit

In-Place Rent Per Unit: Monthly rent per unit for all leases, including new lease rents, renewal lease rents and existing leases

Vacancy Percent: Property vacancy percentage based on average number of units vacant in the month

Turnover %: Tenant move-outs as a percent of total units

CMA: Census Metropolitan Area

Digital Prospect Conversion %: Percentage of prospects who first contacted a property through digital sources, who became residents.

Digital Prospects Per 100 Units Per Month: Count of prospects who first contacted a property through digital sources, normalized for a 100-unit property.

Average Resident Length Of Stay: Average number of months of residency among residents that have vacated units.

Digital sources include the Property's Website, ILS, Online Search, Classified Sites, Social Media Sites, SEM, and Ratings Sites. Excludes brick and mortar sources, such as referrals and walk-ins.

The data in the report encompasses 5,800 properties that represent more than 511,000 private rental units across Canada.

Contacts

Peter Altobelli
Vice President & General Manager
Peter.Altobelli@Yardi.com
(800) 866-1124 x99255

Paul Fiorilla
Director of Research
Paul.Fiorilla@Yardi.com
(800) 866-1124 x15849

Author

Paul Fiorilla
Director of Research

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