



Canadian National Multifamily Report

Second Quarter 2025



Canadian Apartment Insights and Analysis

- Amid heightened economic uncertainty and tensions with the U.S., Canada's multifamily market remains healthy, although key fundamental metrics such as rent growth and occupancy are decelerating from extremely strong levels. The economy is operating under a great deal of uncertainty due to tariffs imposed by U.S. President Donald Trump. Canada's response and other economic policies are to be determined as Canada is set for a federal election in late April.
- Donald Trump's second term is proving to be a shock for Canada, as the new president has implemented tariffs on a range of Canadian products, provoking retaliation from the Canadian government. The U.S. imposed 25% tariffs on many Canadian goods, including aluminum, steel and automobiles, and 10% on energy and potash exports from Canada to the U.S. The tariffs are limited to goods that are not compliant with the Canada-US-Mexico Agreement. In response, Canada announced tariffs on American products, including non-CUSMA-compliant vehicles, orange juice, peanut butter, wine, spirits, beer, coffee, appliances, apparel, footwear, motorcycles, cosmetics, and paper products.
- Noting that 76.3% of Canada's exports go to the U.S., including more than 90% in industries such as energy, transportation, plastics and wood, Moody's Analytics forecast that tariffs imposed by the U.S. will increase inflation, reduce GDP growth and increase unemployment in Canada, though the exact toll will depend on the tariff rates and how long they remain in place.
- While Canadian businesses and government officials try to craft appropriate responses, the uncertainty caused by the repeated changes in U.S. policy means that businesses cannot effectively plan because input costs are changing frequently. On balance, Canada shed 33,000 jobs in March, with the unemployment rate increasing 10 basis points to 6.7%, leading to worries that this could be a sign of trends to come. The bulk of job losses came from the wholesale and retail trade sector, which shed 29,000 jobs. Also impacted was the culture and recreation segment, which lost 20,000 jobs.

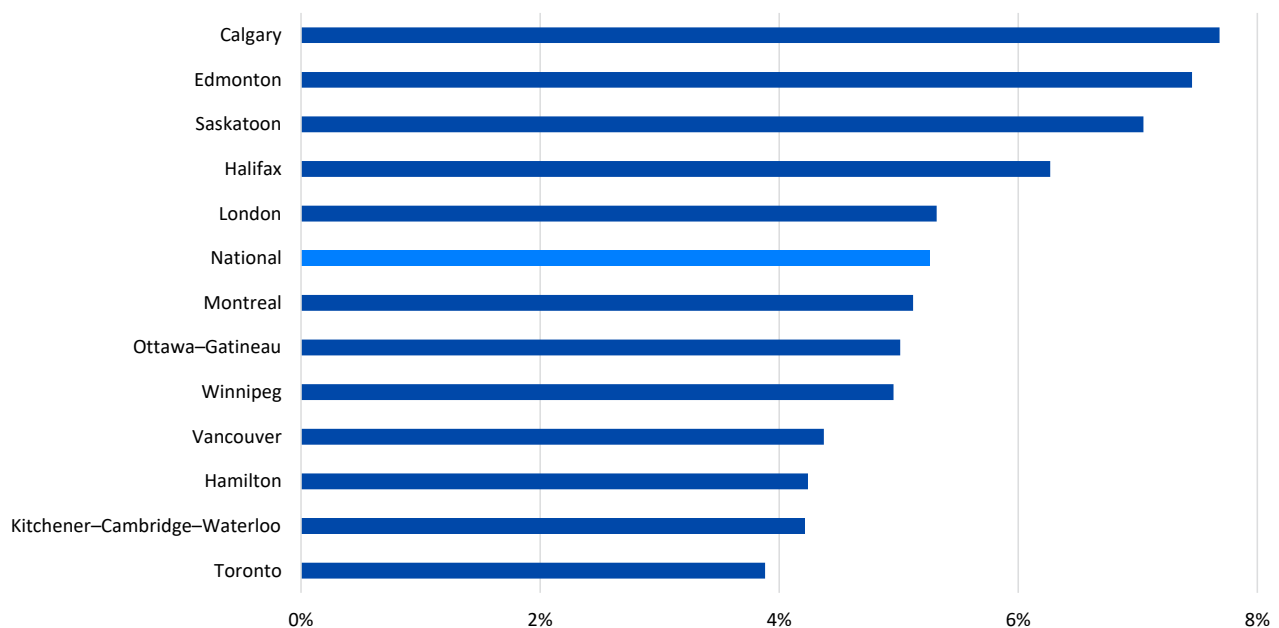
Canada's multifamily fundamentals remain strong, but growth has slowed and tariffs imposed by the U.S. are creating economic uncertainty.



In-Place Rent Growth Continues Deceleration

- Multifamily rents in Canada continue to increase but the growth rate is slowing. The average national in-place rent increased \$17 in Q1 2025 to \$1,582 and rose \$79 over the last four quarters. In-place rent growth fell 50 basis points during the quarter to 5.3% and declined 120 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. Rent increases are slowing as demand is softening from red-hot levels, with much of the growth coming from raising the rates on renewal units to bring them closer to market rents for new leases.
- Despite recent cooling of rents, CMAs in Alberta and Saskatchewan led year-over-year rent growth in Q1 2025 because the numbers still reflect rapid growth during the first half of 2024. In-place rents rose 7.7% year-over-year in Calgary (up \$117 to \$1,641), 7.5% in Edmonton (up \$104 to \$1,494) and 7.0% in Saskatoon (up \$97 to \$1,476). Year-over-year growth was weakest in Ontario CMAs Toronto (3.9%), and Kitchener-Cambridge-Waterloo and Hamilton (4.2%).
- While the outcome of the national election remains uncertain heading into the final weeks, increasing housing stock is an issue on the radar of all the candidates, including the Liberal Party leader, Prime Minister Mark Carney, and Conservative Party candidate Pierre Poilievre. Candidates understand the need to build housing to relieve the shortage that has developed in recent years and contributed to rising housing costs. The Liberal Party pledged to build 500,000 homes with policies that include funds to finance prefabricated and affordable housing, efforts to simplify the entitlement process, and reducing municipal development charges for multifamily housing. The Conservative Party pledged to cut taxes on construction of new homes and spur a homebuilding boom by incentivizing local governments to approve building permits more quickly.

Year-Over-Year In-Place Rent Growth (Q1 2025)

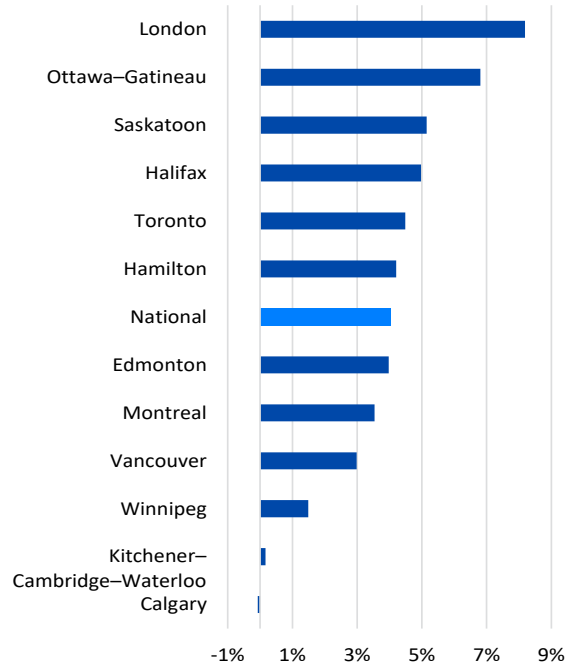


Source: Yardi

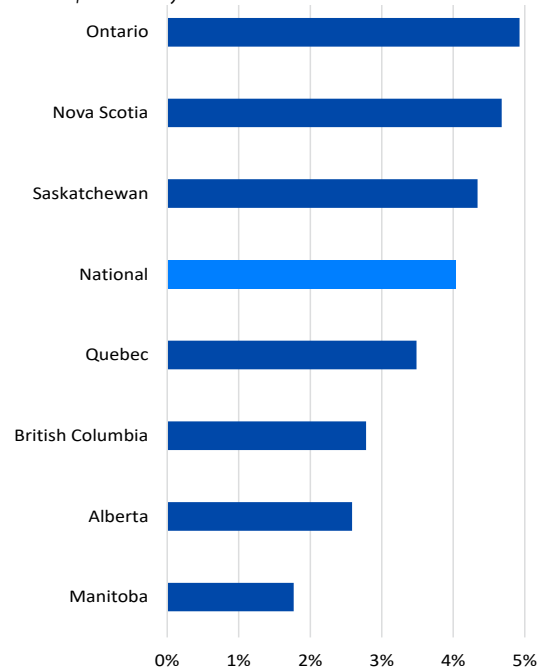
New Lease Rent Growth Drops Again, Still Positive

- The growth rate for lease-over-lease rents—which represent new leases on units that are re-leased after becoming vacant—dropped sharply for the second straight quarter. The rate fell in Q1 2025 to 4.0%, down 240 basis points from the previous quarter and 510 basis points over two quarters. Leases not subject to rent control serve as a good measure of supply-demand metrics.
- Rent increases took a sharp U-turn in Calgary, where the growth rate in new leases fell slightly (-0.1%) year-over-year in Q1. A year ago, Calgary's growth rate was 12.0%. Supply growth has been more rapid in Calgary than other markets in recent quarters, while in-migration has also slowed. Rent growth was also flat in Kitchener-Cambridge-Waterloo (0.2%) in Q1 2025. CMAs with the highest year-over-year growth rates include London (8.2%), Ottawa (6.8%), Saskatoon (5.1%) and Halifax (5.0%).
- The Canadian Real Estate Association reported that uncertainty from worries about the impact of tariffs contributed to a 10% year-over-year reduction in home sales, with lower sales in three-quarters of local markets. That means fewer renters will move out for homeownership, but softening consumer confidence also reduces household formation and multifamily demand.
- Apartment development trended up in 2024, but more supply is needed to meet the nation's housing needs. Apartment deliveries nationally in 2024 totaled 84,273, up 32.4%, according to Statistics Canada. CMAs with the most deliveries were Quebec (25,741 units, up 9.0% year-over-year), Ontario (17,784 units, up 21.8%), and Alberta (17,237 units, up 108.5%).
- The average renewal lease rate dropped for the fourth straight quarter, but remained above long-term averages at 3.7% nationally in Q1 2025. Edmonton (6.0%) and Halifax (5.2%) led markets in growth, while Hamilton (2.5%) and London and Toronto (2.7%) produced the lowest growth.

CMA Lease-Over-Lease Rent Growth
(New Leases, Q1 2025)



Province Lease-Over-Lease Rent Growth
(New Leases, Q1 2025)



Source: Yardi

National Vacancy Rate Climbs

■ The national apartment vacancy rate continued to move upward in Q1 2025, with the rate rising 40 basis points from the previous quarter to 4.0%. The vacancy rate is up 80 basis points over the last two quarters and 110 basis points over the last year.

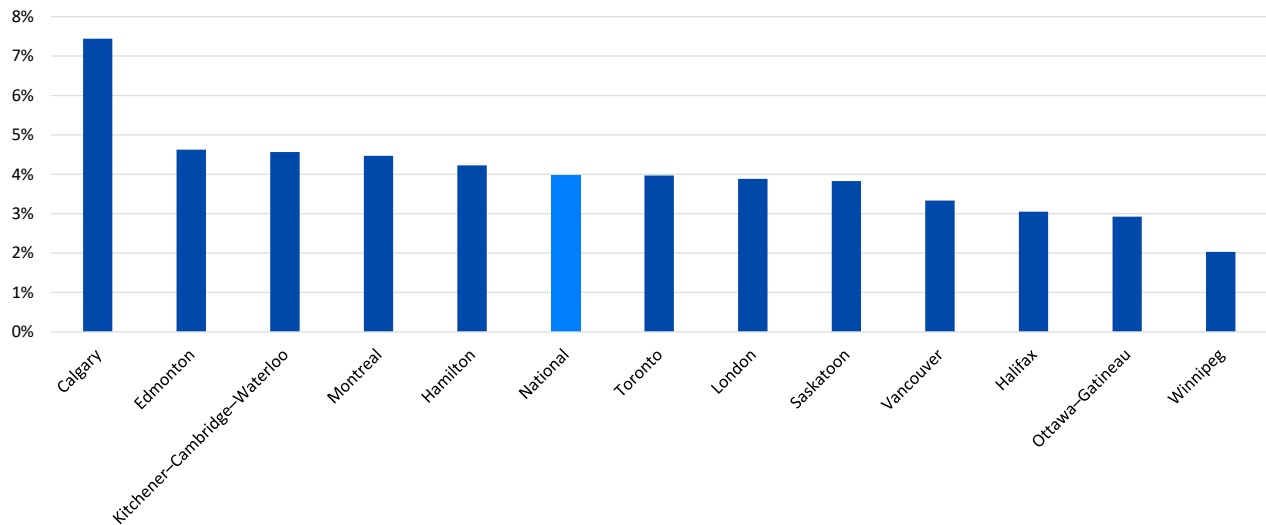
■ Vacancy rates are rising in select pockets such as bachelor units, which at 5.8% had the highest vacancy rate nationally among bedroom types. Toronto (7.7%), Calgary (7.1%) and Vancouver (6.1%) have the highest bachelor vacancy rates, as renters in expensive markets are choosing to live with roommates. The national vacancy rate is 4.2% for one-bedroom apartments, 3.6% for two-bedroom units and 3.4% for three-bedroom apartments. Calgary, at 7.4%, has by far the highest overall vacancy rate among CMAs. Calgary's Q1 vacancy rate is up from 6.7% in the prior quarter and 3.6% from Q1 2024. Other metros with higher vacancy rates are Edmonton and Kitchener-Cambridge-Waterloo (both 4.6%). The lowest rates are in Winnipeg (2.0%) and Ottawa (2.9%).

After years at low levels, the national vacancy rate is rising.

■ Immigration will continue to drive multifamily demand, but Canada's population growth is slowing. In 2024, the population grew by 744,000, a 1.8% increase, according to Statistics Canada, down from 3.1% growth in 2023 and 2.5% in 2022. Well over 95% of population growth came from immigration, but that will wane in 2025 as the number of new foreign residents is being reduced. Meanwhile, more than 100,000 people left the country permanently in 2024, the most in more than 50 years.

■ The annual turnover percentage, which measures the number of residents that did not renew leases over the previous 12 months, rose slightly to 23.4% in Q1 2025, but remains extremely low by historical levels. Turnover rates are rising slowly in markets such as Toronto (13.5%) and Vancouver (20.4%), but conditions remain tight due to undersupply and high rents.

CMA Vacancy Rates (Q1 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
Calgary	7.7%	-0.1%	7.4%	41.5%	8.5%	22
Edmonton	7.5%	4.0%	4.6%	36.1%	8.1%	20
Saskatoon	7.0%	5.1%	3.8%	39.8%	10.9%	18
Halifax	6.3%	5.0%	3.1%	18.8%	4.0%	21
London	5.3%	8.2%	3.9%	20.3%	10.2%	11
National	5.3%	4.0%	4.0%	23.4%	7.7%	14
Montreal	5.1%	3.5%	4.5%	26.2%	*	*
Ottawa-Gatineau	5.0%	6.8%	2.9%	21.4%	10.2%	9
Winnipeg	5.0%	1.5%	2.0%	28.4%	6.7%	21
Vancouver	4.4%	3.0%	3.3%	20.4%	7.0%	17
Hamilton	4.2%	4.2%	4.2%	15.5%	8.8%	12
Kitchener- Cambridge-Waterloo	4.2%	0.2%	4.6%	20.4%	5.4%	14
Toronto	3.9%	4.5%	4.0%	13.5%	7.2%	10

* Sample size is too small to produce a reliable data set in this category. | Source: Yardi, all data as of Q1 2025

Rent, Vacancy and Turnover by CMA (Bedroom Type)

Bachelor Unit Data by CMA	Lease-over-Lease			Annual Turnover %
	In-Place Rents	Rents	Vacancy Rate	
Vancouver	\$1,573	-0.9%	6.1%	23.0%
Toronto	\$1,501	4.3%	7.7%	20.7%
Calgary	\$1,288	*	7.1%	47.7%
National	\$1,278	4.3%	5.8%	29.2%
Hamilton	\$1,209	*	4.3%	8.6%
Halifax	\$1,200	*	3.8%	30.8%
Montreal	\$1,197	5.3%	5.1%	33.9%
Ottawa-Gatineau	\$1,162	6.5%	5.0%	25.4%
London	\$1,135	*	5.5%	25.5%
Edmonton	\$1,116	4.8%	5.6%	43.6%
Saskatoon	\$1,061	*	5.1%	57.5%
Kitchener- Cambridge-Waterloo	\$1,053	*	3.0%	22.9%
Winnipeg	\$982	2.3%	1.6%	31.9%

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

1-Bedroom Unit Data by CMA	Lease-over-Lease			Annual Turnover %
	In-Place Rents	Rents	Vacancy Rate	
Vancouver	\$1,840	2.8%	3.2%	21.5%
Toronto	\$1,653	3.7%	4.3%	15.8%
Kitchener- Cambridge-Waterloo	\$1,525	-0.5%	5.2%	24.7%
National	\$1,457	3.2%	4.2%	25.7%
Calgary	\$1,443	0.7%	7.8%	43.7%
Halifax	\$1,375	3.4%	3.3%	22.9%
Montreal	\$1,372	2.1%	4.8%	27.9%
Ottawa-Gatineau	\$1,367	5.8%	3.2%	23.9%
Hamilton	\$1,322	4.2%	5.5%	17.5%
Saskatoon	\$1,309	4.7%	4.9%	43.7%
Edmonton	\$1,295	4.0%	5.1%	39.3%
London	\$1,281	6.3%	4.6%	24.6%
Winnipeg	\$1,274	1.1%	1.8%	27.1%

Source: Yardi

Rent, Vacancy and Turnover by CMA (Bedroom Type)

2-Bedroom Unit Data by CMA	Lease-over-Lease		Vacancy Rate	Annual Turnover %
	In-Place Rents	Rents		
Vancouver	\$2,192	3.2%	2.6%	18.7%
Montreal	\$1,859	4.3%	3.9%	23.7%
Toronto	\$1,857	5.1%	3.3%	11.0%
Calgary	\$1,741	-0.5%	7.1%	38.4%
Kitchener- Cambridge-Waterloo	\$1,711	0.6%	4.3%	18.0%
National	\$1,708	4.5%	3.6%	21.7%
Halifax	\$1,596	6.1%	2.4%	15.0%
Ottawa-Gatineau	\$1,580	7.1%	2.7%	18.5%
Winnipeg	\$1,572	1.4%	2.3%	29.3%
Hamilton	\$1,568	3.9%	3.4%	14.9%
Edmonton	\$1,545	3.9%	4.1%	34.8%
Saskatoon	\$1,520	5.8%	3.8%	39.0%
London	\$1,466	9.0%	3.6%	17.3%

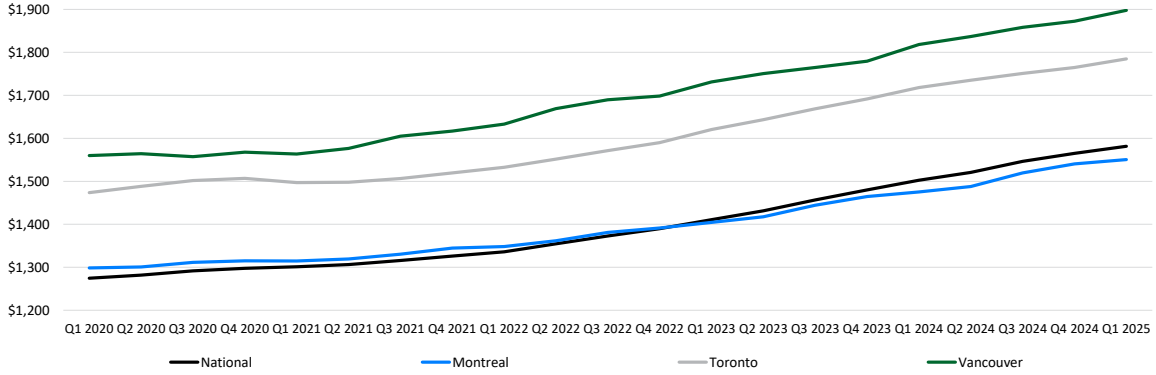
Source: Yardi

3-Bedroom Unit Data by CMA	Lease-over-Lease		Vacancy Rate	Annual Turnover %
	In-Place Rents	Rents		
Vancouver	\$2,543	8.5%	3.4%	15.6%
Montreal	\$2,312	3.9%	4.6%	20.3%
Toronto	\$2,093	8.6%	2.4%	7.2%
Calgary	\$1,991	-5.0%	9.5%	39.5%
Kitchener- Cambridge-Waterloo	\$1,956	*	3.7%	16.2%
National	\$1,943	6.3%	3.4%	17.8%
Winnipeg	\$1,919	3.8%	2.0%	32.8%
Hamilton	\$1,855	*	2.6%	8.5%
Ottawa-Gatineau	\$1,763	13.6%	1.4%	13.8%
Edmonton	\$1,751	4.7%	5.7%	30.4%
Saskatoon	\$1,701	*	2.7%	36.3%
Halifax	\$1,700	*	4.7%	14.8%
London	\$1,661	*	4.3%	16.7%

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

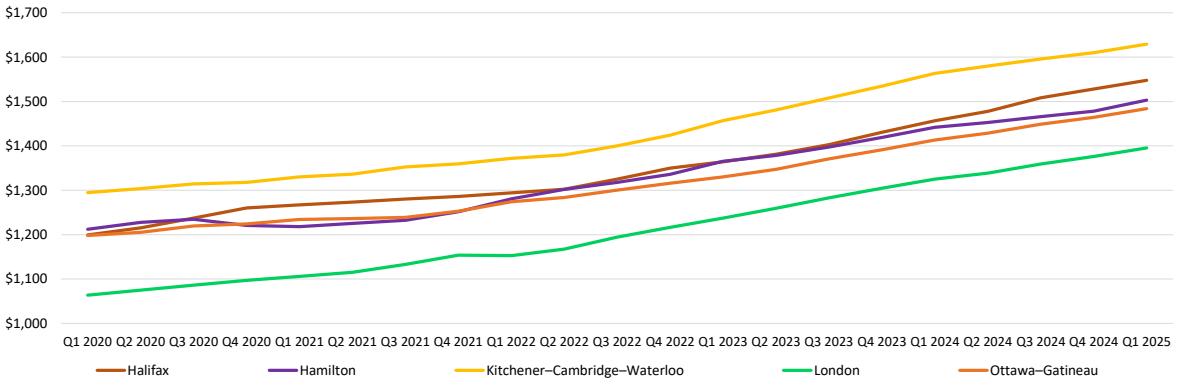
Historical In-Place Rents

National and Major CMA In-Place Rents



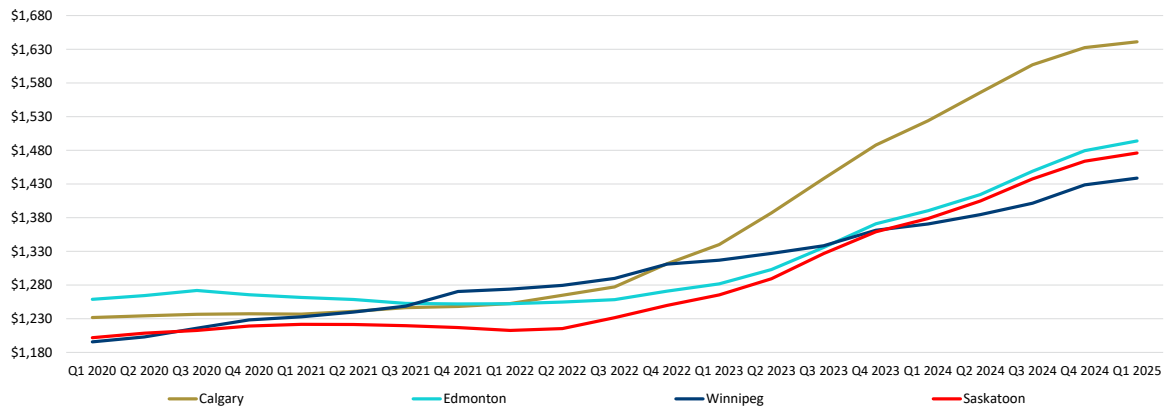
Source: Yardi

Smaller Eastern CMA In-Place Rents



Source: Yardi

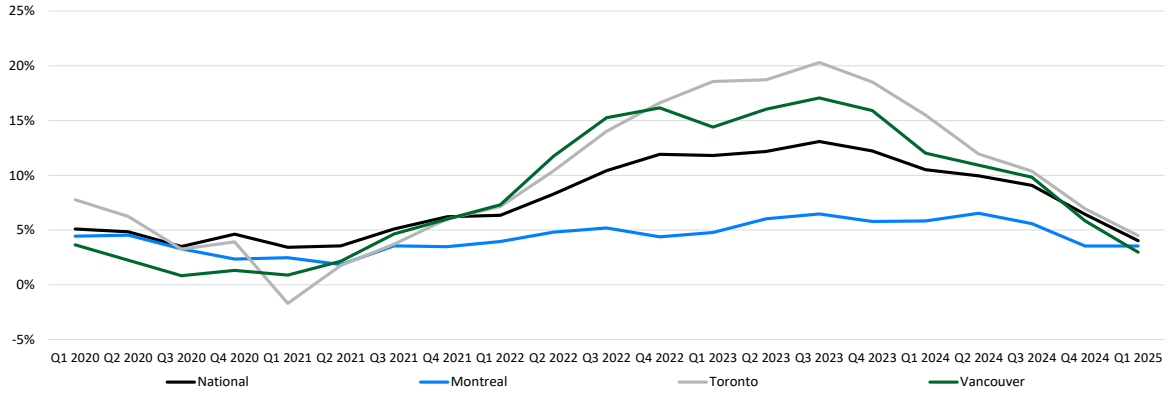
Smaller Western CMA In-Place Rents



Source: Yardi

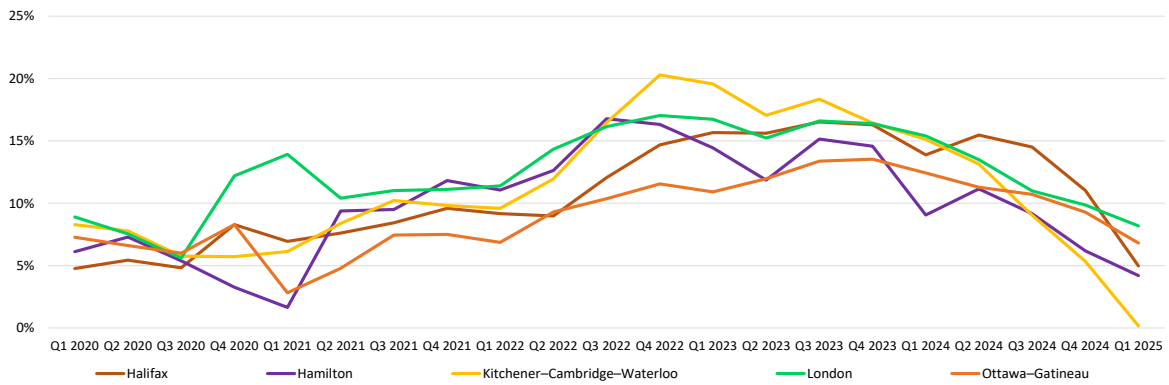
Historical New Lease Rent Growth

National and Major CMA New Lease Rent Growth



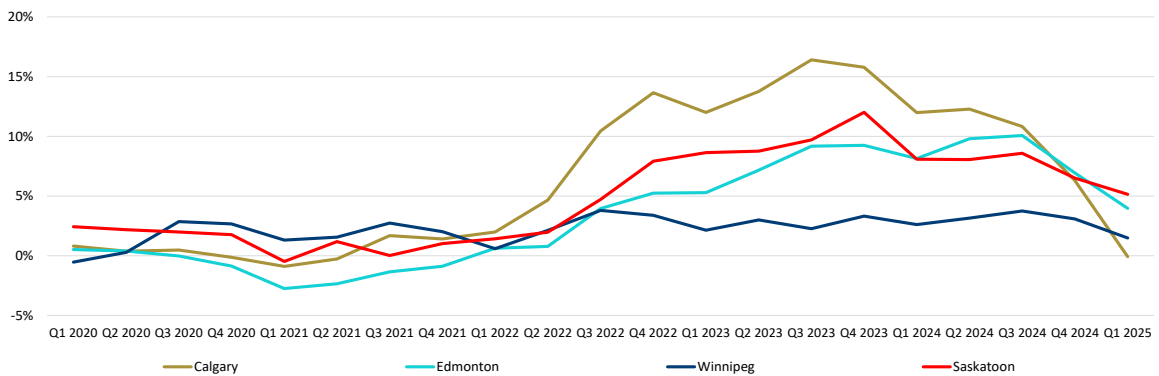
Source: Yardi

Smaller Eastern CMA New Lease Rent Growth



Source: Yardi

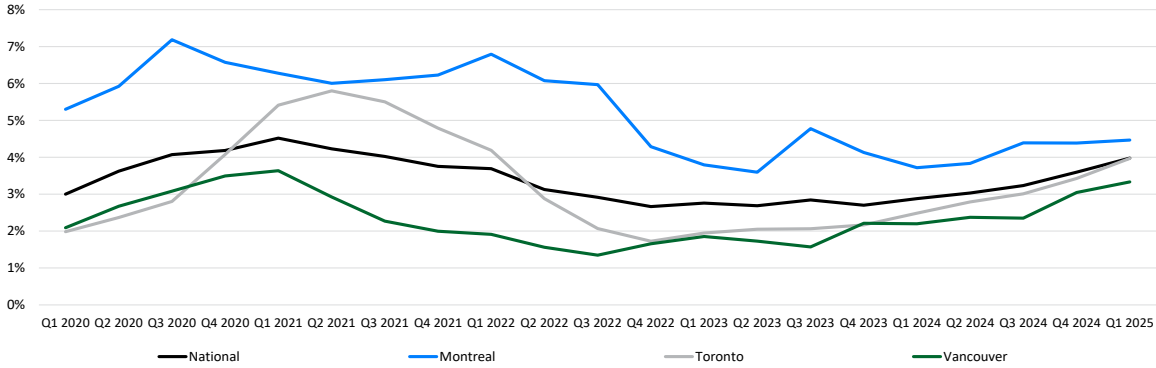
Smaller Western CMA New Lease Rent Growth



Source: Yardi

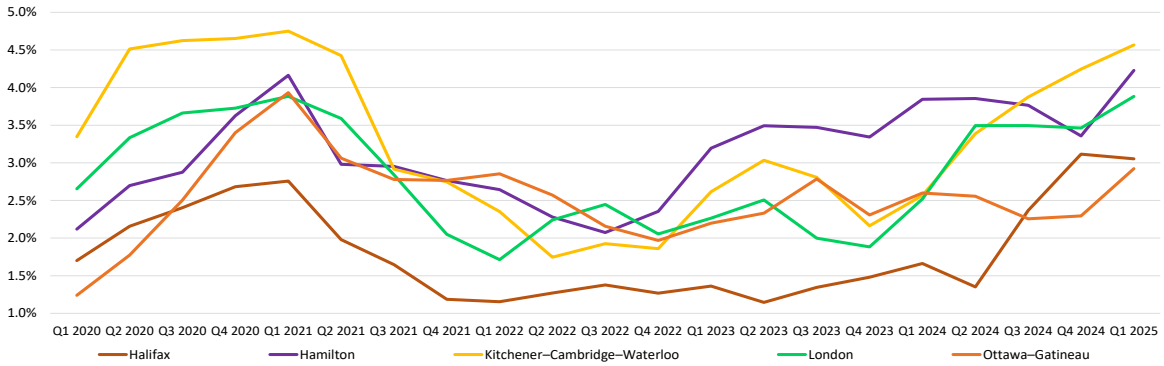
Historical Vacancy Trends

National and Major CMA Vacancy Trends



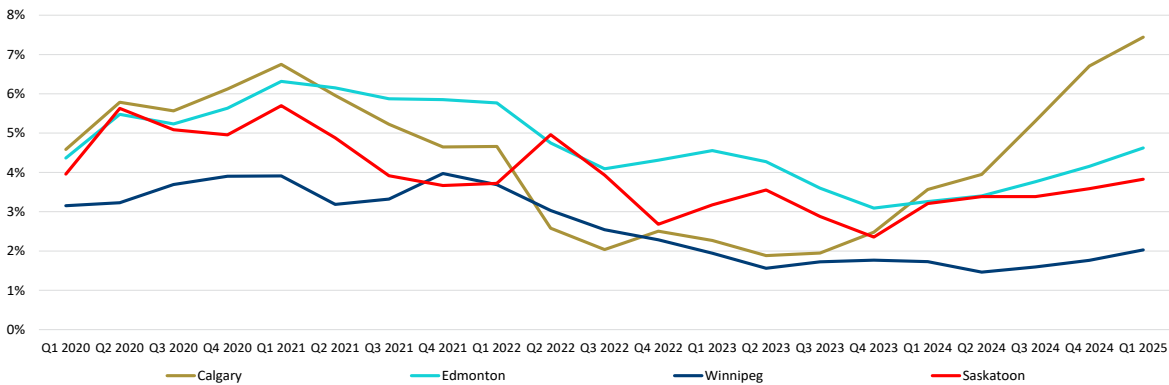
Source: Yardi

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.

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 5,700 properties that represent more than 499,000 private rental units across Canada.

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