Canadian National Multifamily Report

Fourth Quarter 2025

Canadian Apartment Insights and Analysis

- Canada's multifamily market continues to loosen amid economic uncertainty and slowing population growth. The vacancy rate is increasing, rent growth has decelerated for six straight quarters, and there are questions about efforts to build enough housing units to meet demand, but the overall tone remains solid.

- The Canadian economy is struggling under the weight of tariffs imposed by its largest trading partner. Goods not covered by the U.S.-Mexico-Canada trade agreement face a 35% tariff rate, with rates up to 50% for steel and aluminum exports to America. The effective tariff rate is 12%, according to Moody's Analytics. The Bank of Canada reduced the benchmark interest rate to 2.50% to stimulate consumer activity.

In the midst of an uncertain economic climate, Canada's multifamily market is maintaining moderate rent growth and strong demand in most markets.

- Preliminary figures found that the economy grew by 0.2% in July, led by a boost from the mining, manufacturing and wholesale trade segments. That came after the economy shrunk by an annualized 1.6% rate in the second quarter, in large part due to a 7.5% drop in exports caused by tariffs. The consensus is that GDP will grow roughly 1.0% for the year, but analysts are split on whether and how much the goods and services sectors will rebound.

- The employment market has weakened as growth stalls, though a strong September provides hope for a rebound. The economy created only about 8,000 jobs per month year-to-date through September, far below the 18,000-per-month long-term average. The economy shed more than 100,000 jobs in July and August combined, though September was strong with 60,400 jobs added. Sectors exposed to tariffs such as manufacturing and warehousing have been the hardest hit over the course of the year. The unemployment rate increased 40 basis points year-over-year to 7.1% in September, and the outlook is that it is more likely to rise than fall.

- Population growth has slowed, increasing by about 47,000, or 0.1% during Q2 2025, the slowest second-quarter growth since 1946. The number of non-permanent residents (NPRs) dropped by nearly 60,000 in the quarter, down to 7.3% of population after peaking at 7.6% in the fall of 2024.

In-Place Rent Growth Rises, but Rate is Slowing

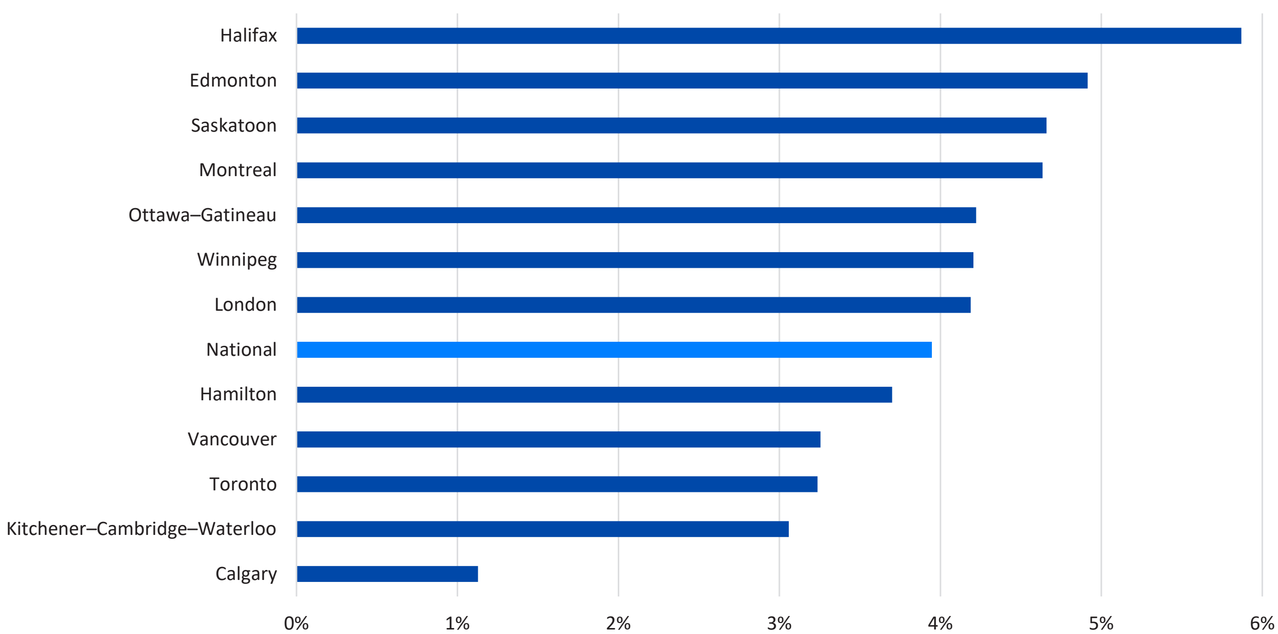
- After several years of above-trend rent increases, growth is diminishing. The average national in-place rent increased $14 in Q3 2025 to $1,734. The annual rate of growth dropped 90 basis points from the previous quarter to 3.9%. In-place rents represent an aggregation of all rents in a given Census Metropolitan Area (CMA), including those for new leases, renewals and existing leases.

- Halifax, benefitting from its growing technology market, led the nation with 5.9% year-over-year in-place rent growth. Rents in Halifax increased $29 during Q3 2025 to $1,634. Brokerage firm CBRE recently ranked Halifax as the No. 2 emerging tech market in North America, citing 6,500 new jobs in tech led by startups such as Volta and COVE and a stream of science and technology graduates produced by colleges such as Dalhousie University and the Nova Scotia Community College.

- Edmonton (4.9%), Saskatoon (4.7%) and Montreal (4.6%) also posted strong gains, while increases were lowest in Calgary (1.1%), Kitchener-Cambridge-Waterloo (3.1%) and Toronto (3.2%).

- Canada's for-sale housing market remains spotty. Home sales remain well below the long-term average as economic uncertainty and worries about inflation shake consumer confidence, but that is a positive for multifamily demand. At the same time, condominium sales in high-cost markets such as Toronto and Vancouver have slumped, and unsold units are being rented, competing with multifamily. The Building Industry and Land Development Association said that in August condo sales in Toronto were down 42% year-over-year and 90% below the 10-year average. The Missing Middle, a housing advocacy group, said all housing starts in the Greater Toronto Area in the first half of 2025 are 40% below the 2021-24 average, with condominium starts 54% below. The sales slump has put a damper on new starts when more housing is needed to meet the needs of the population.

Year-Over-Year In-Place Rent Growth (Q3 2025)



Source: Yardi

New Lease Rent Slows as Market Loosens

- The growth in lease-over-lease rents— which represent new leases on units that are re-leased after becoming vacant—continues to slide. Lease-over-lease rates dropped in Q3 2025 to 2.4%, down 40 basis points from the previous quarter and down from 9.1% in Q3 2024. Leases not subject to rent control serve as a good measure of supply-demand metrics. The combination of slowing population growth and reduced affordability after several years of strong rent increases is contributing to the deceleration.

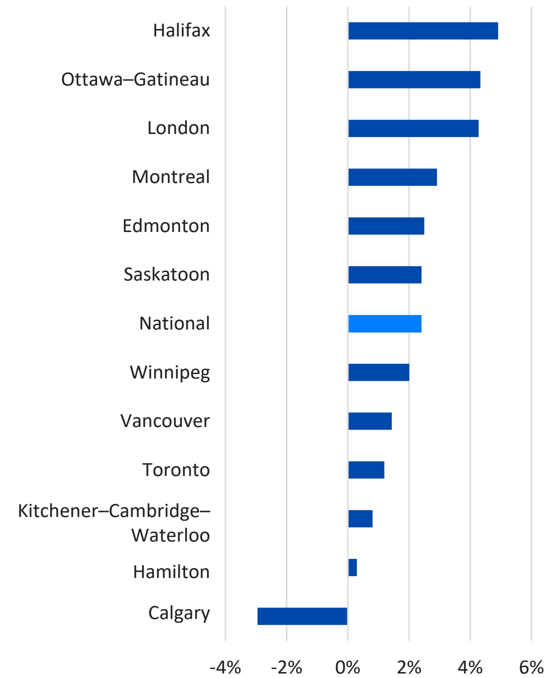
- New lease rent increases in Q3 were led by Halifax (4.9%), Ottawa-Gatineau and London (both 4.3%) and Montreal (2.9%). The worst performing markets were Calgary (-3.0%), Hamilton (0.3%), Kitchener–Cambridge–Waterloo (0.8%), Toronto (1.2%) and Vancouver (1.4%).

- Curtailing immigration growth has helped alleviate some of the imbalance between demand and supply, causing lower rent growth and increased turnover in many markets. The annual turnover percentage rose sharply in Q3 2025 in Vancouver (up 5.2 percentage points from Q3 2024), Kitchener-Cambridge-Waterloo (up 4.3 percentage points) and Toronto (up 3.6 percentage points).

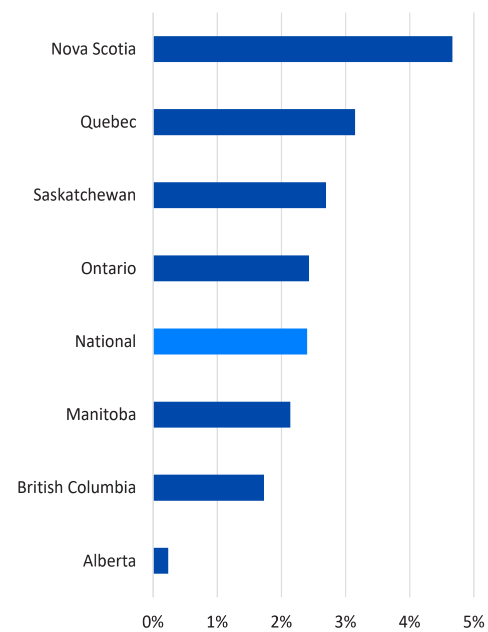
- Despite legislative efforts to increase the badly needed supply of housing, the Canada Mortgage and Housing Corporation (CMHC) forecasts that purpose built rental starts will drop in 2025 relative to 2023 in markets including Vancouver, Toronto and Ottawa. CMHC forecasts starts to increase in 2025 in Calgary, Edmonton and Montreal.

- The average lease rate for renewals, which is less volatile than new leases because of rent control in many provinces, fell 40 basis points to 3.0% nationally in Q3 2025. In a sign of the market's cooling, renewal leases in Calgary, which is not subject to rent control, were negative (-2.2%) year-over-year in Q3. Calgary has had a greater increase in deliveries than other markets, while in-migration is slowing.

CMA Lease-Over-Lease Rent Growth
(New Leases, Q3 2025)



Province Lease-Over-Lease Rent Growth
(New Leases, Q3 2025)



Source: Yardi

Supply Growth Bumps Up Montreal's Vacancy Rate

- The national apartment vacancy rate continues to rise, though most markets remain tight and the increase is concentrated in a handful of market segments. The overall rate in Q3 2025 was 4.3%, up 20 basis points from the previous quarter and 110 basis points year-over-year. Calgary maintains the highest rate at 5.8%, but vacancies there fell 90 basis points from the previous quarter. Winnipeg (2.4%) and Halifax (2.8%) have the lowest vacancy rates. Toronto's bachelor unit vacancy rate increased to 8.9% in Q3.

> Canada's vacancy rate rose, driven by a handful of segments.

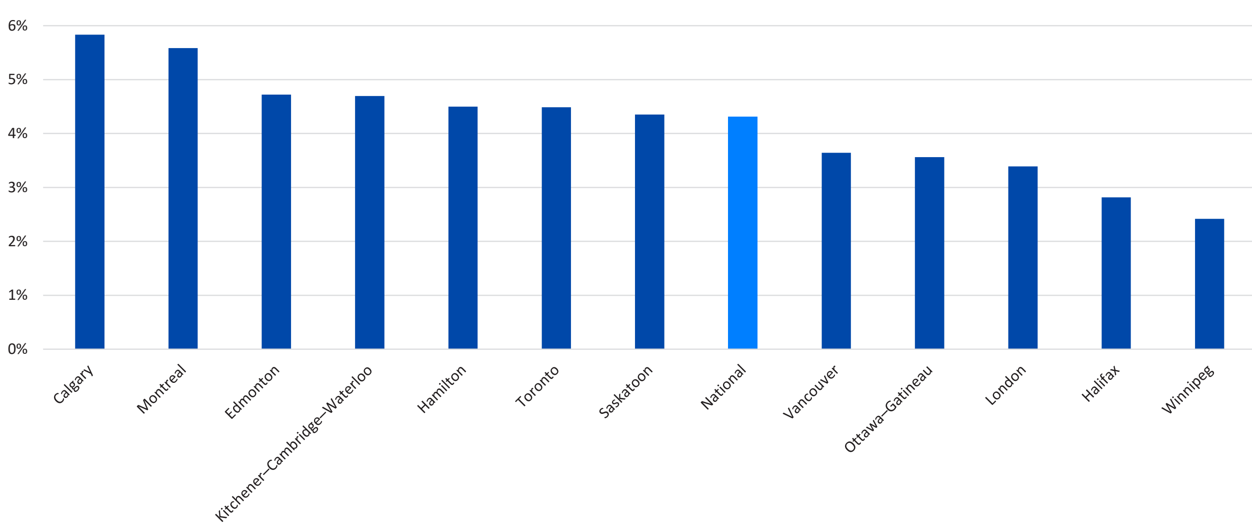
- Montreal saw the biggest gain in its vacancy rate in Q3 2025, rising 100-basis points quarter-over-quarter to 5.6%. Montreal added 3.3% to its purpose-built rental stock in 2024 and another 2,136 units in the first quarter of 2025, according to the CMHC. The increase in deliveries has not yet impacted rent growth, as in-place rents were up 4.6% year-over-year in Q3.

- The annual turnover percentage, which measures the number of residents that did not renew leases over the previous 12 months, was 25.0% in Q3 2025, up 220 basis points from the same period the previous year and the highest level in three years. Turnover increased quarter-over-quarter in every CMA except Calgary, reflecting loosening conditions brought about by reduced immigration and the weaker job market.

- The length of stay for tenants averaged 36 months across Canada in Q3 2025, up from 34 months in the same quarter a year ago. Tenants stay longest in Toronto (47 months), Hamilton (41) and Halifax (40) and the fewest months in Calgary and Saskatoon (26).

- This quarter's report introduces new datasets including three new expense measures that benchmark operating costs per unit.

CMA Vacancy Rates (Q3 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
Halifax	5.9%	4.9%	2.8%	20.1%	4.7%	21
Edmonton	4.9%	2.5%	4.7%	37.0%	8.3%	24
Saskatoon	4.7%	2.4%	4.4%	40.7%	10.0%	23
Montreal	4.6%	2.9%	5.6%	28.7%	*	*
Ottawa–Gatineau	4.2%	4.3%	3.6%	22.4%	12.3%	9
Winnipeg	4.2%	2.0%	2.4%	29.0%	7.9%	25
London	4.2%	4.3%	3.4%	21.4%	12.7%	11
National	**3.9%**	**2.4%**	**4.3%**	**25.0%**	**8.7%**	**16**
Hamilton	3.7%	0.3%	4.5%	16.9%	16.3%	8
Vancouver	3.3%	1.4%	3.6%	23.6%	9.4%	17
Toronto	3.2%	1.2%	4.5%	15.5%	7.1%	14
Kitchener–Cambridge–Waterloo	3.1%	0.8%	4.7%	22.2%	8.7%	17
Calgary	1.1%	-3.0%	5.8%	41.8%	10.4%	23

** Sample size is too small to produce a reliable data set in this category. | Source: Yardi, all data as of Q3 2025*

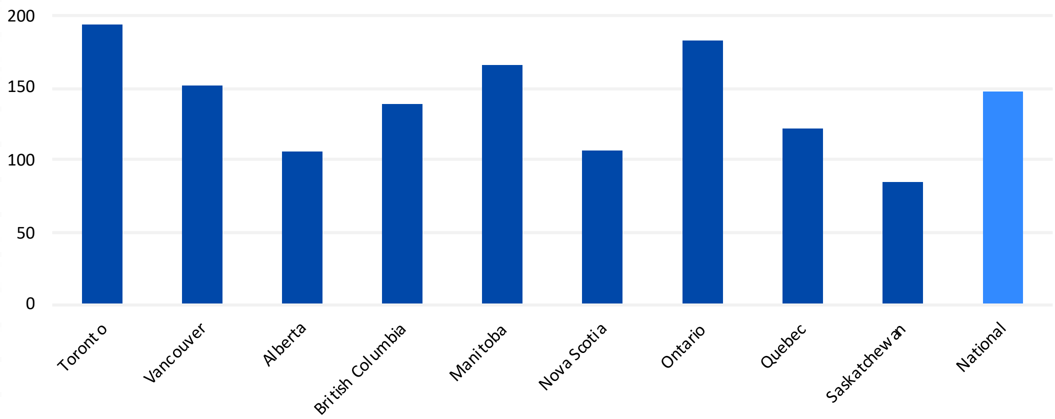
Average Resident Length Of Stay (Months)

CMA	Q2 2025	Q3 2025
Toronto	47	47
Hamilton	45	41
Halifax	42	40
Ottawa–Gatineau	38	37
Kitchener–Cambridge–Waterloo	39	37
Vancouver	36	37
London	40	37
National	**37**	**36**
Winnipeg	33	36
Montreal	32	30
Edmonton	26	28
Calgary	27	26
Saskatoon	26	26

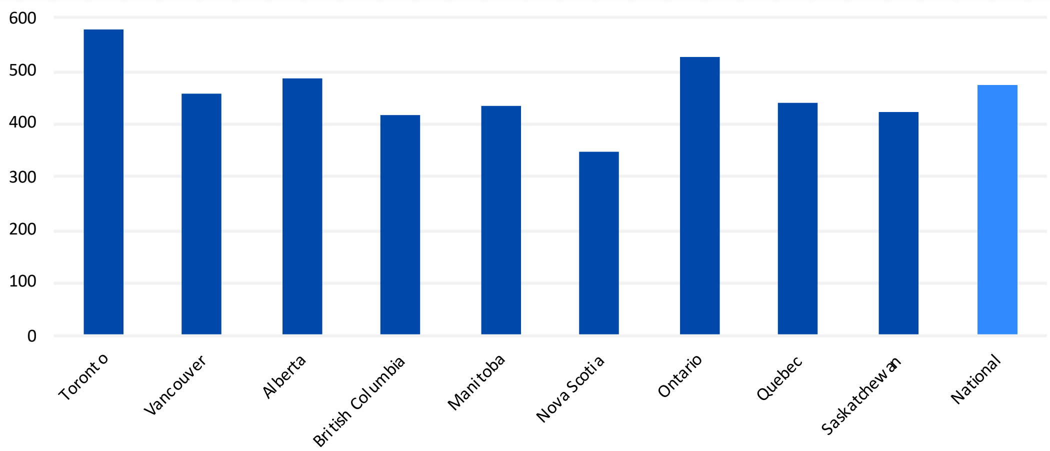
Source: Yardi

Annual Average of Financial Measures

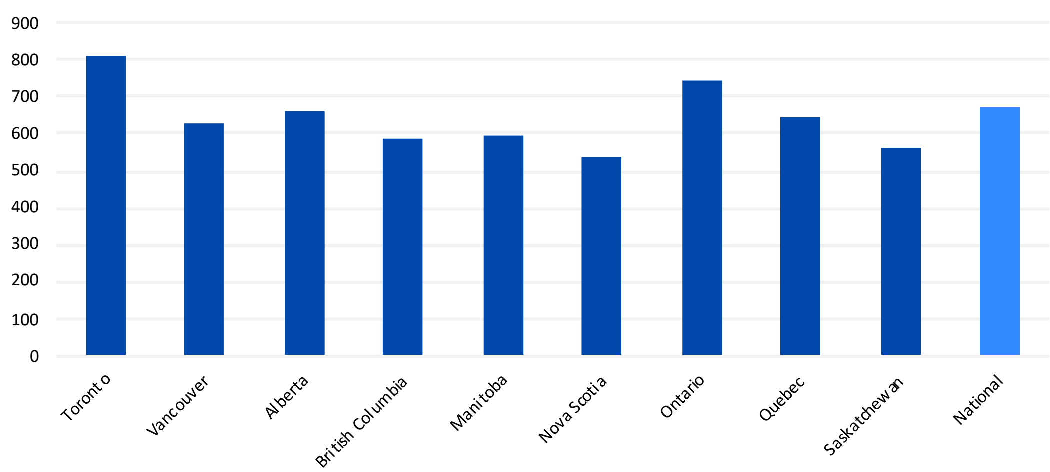
Repairs & Maintenance Expense Per Unit



Controllable Expense Per Unit



Expense Per Unit



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	$1,724	-0.8%	6.6%	28.1%
Toronto	$1,590	-1.5%	8.9%	22.5%
Calgary	$1,382	*	7.1%	48.5%
National	**$1,376**	**1.1%**	**6.7%**	**30.0%**
Ottawa–Gatineau	$1,332	4.3%	5.9%	28.1%
Kitchener–Cambridge–Waterloo	$1,325	*	12.0%	15.5%
Hamilton	$1,289	*	7.6%	9.2%
Montreal	$1,265	2.9%	6.5%	34.9%
Halifax	$1,258	4.5%	3.8%	28.5%
London	$1,203	*	5.9%	24.1%
Edmonton	$1,157	2.9%	5.5%	42.0%
Winnipeg	$1,010	0.9%	2.5%	30.9%
Saskatoon	$1,000	*	5.3%	49.5%

** 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	$1,893	0.9%	3.5%	24.6%
Toronto	$1,768	0.3%	4.8%	18.2%
Calgary	$1,640	-2.7%	5.8%	44.5%
National	**$1,576**	**1.7%**	**4.5%**	**27.3%**
Montreal	$1,571	2.6%	5.6%	30.3%
Ottawa–Gatineau	$1,561	2.5%	3.7%	24.8%
Kitchener–Cambridge–Waterloo	$1,549	0.4%	5.0%	26.6%
Halifax	$1,440	2.8%	3.7%	23.7%
London	$1,373	3.2%	3.7%	26.7%
Edmonton	$1,341	2.1%	5.0%	38.9%
Winnipeg	$1,339	2.2%	2.2%	28.0%
Hamilton	$1,321	0.6%	5.7%	18.7%
Saskatoon	$1,243	2.0%	5.0%	44.7%

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	$2,392	2.4%	2.8%	21.1%
Montreal	$2,123	3.1%	5.4%	26.3%
Toronto	$2,012	2.4%	3.7%	12.9%
Calgary	$1,967	-2.8%	5.7%	38.7%
Ottawa–Gatineau	$1,908	5.6%	3.4%	19.5%
National	**$1,885**	**3.0%**	**3.9%**	**23.2%**
Kitchener–Cambridge–Waterloo	$1,769	1.7%	4.3%	19.5%
Halifax	$1,679	6.9%	2.4%	16.9%
Winnipeg	$1,675	2.1%	2.5%	30.0%
London	$1,644	4.9%	3.1%	18.3%
Edmonton	$1,620	2.4%	4.2%	35.8%
Hamilton	$1,568	-0.2%	3.3%	15.2%
Saskatoon	$1,505	2.4%	4.0%	40.4%

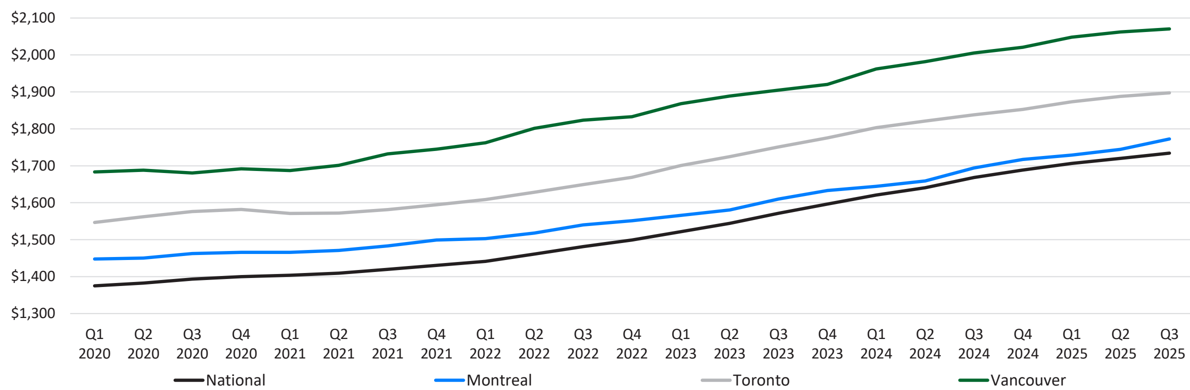
Source: Yardi

3-Bedroom Unit Data by CMA	In-Place Rents	Lease-over-Lease Rents	Vacancy Rate	Annual Turnover %
Vancouver	$2,966	2.4%	4.0%	19.9%
Montreal	$2,290	4.7%	4.6%	21.4%
Toronto	$2,223	5.1%	2.8%	8.7%
Calgary	$2,190	-7.2%	5.4%	37.9%
National	**$2,105**	**4.6%**	**3.4%**	**18.7%**
Winnipeg	$2,041	1.4%	3.1%	31.7%
Ottawa–Gatineau	$1,969	9.9%	2.2%	15.7%
Kitchener–Cambridge–Waterloo	$1,942	*	4.4%	17.8%
Halifax	$1,940	*	1.6%	14.8%
Saskatoon	$1,826	3.9%	4.5%	34.7%
Hamilton	$1,772	7.8%	1.9%	8.4%
Edmonton	$1,755	3.6%	5.0%	32.9%
London	$1,748	*	3.0%	14.1%

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

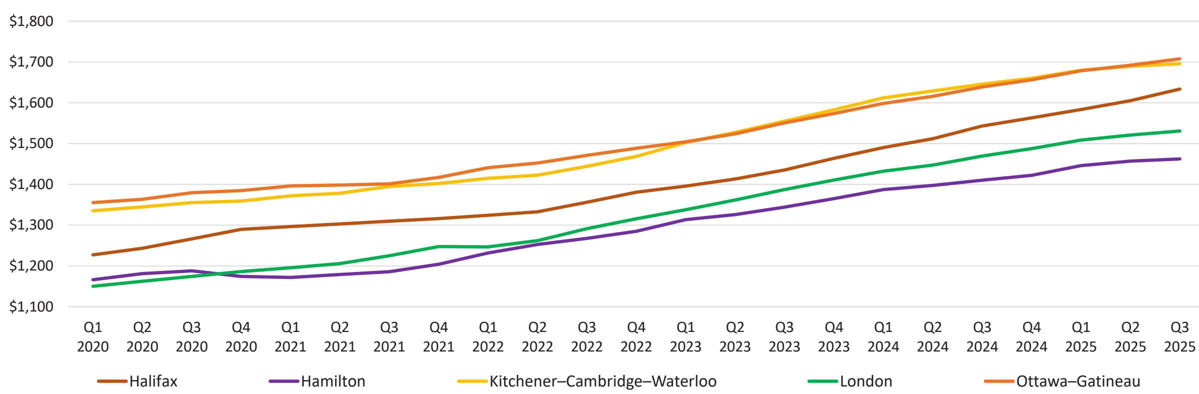
Historical In-Place Rents

National and Major CMA In-Place Rents



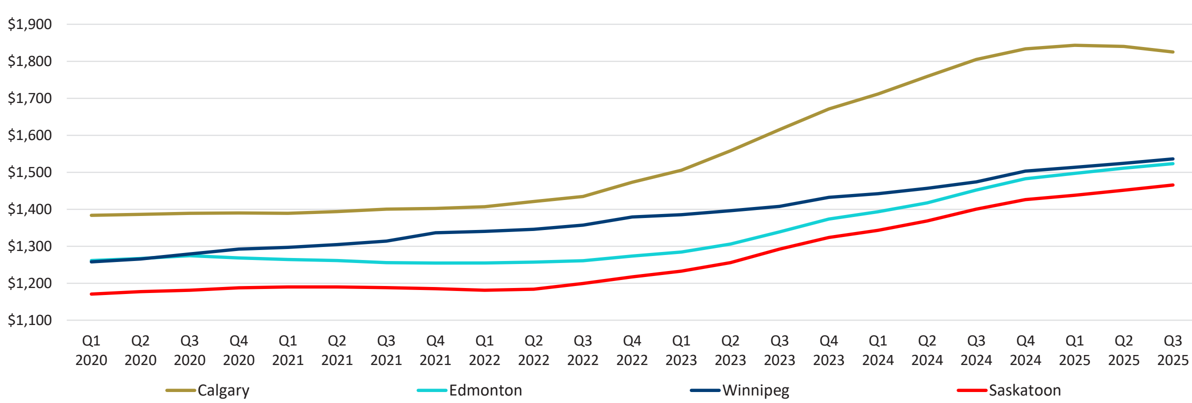
Source: Yardi

Smaller Eastern CMA In-Place Rents



Source: Yardi

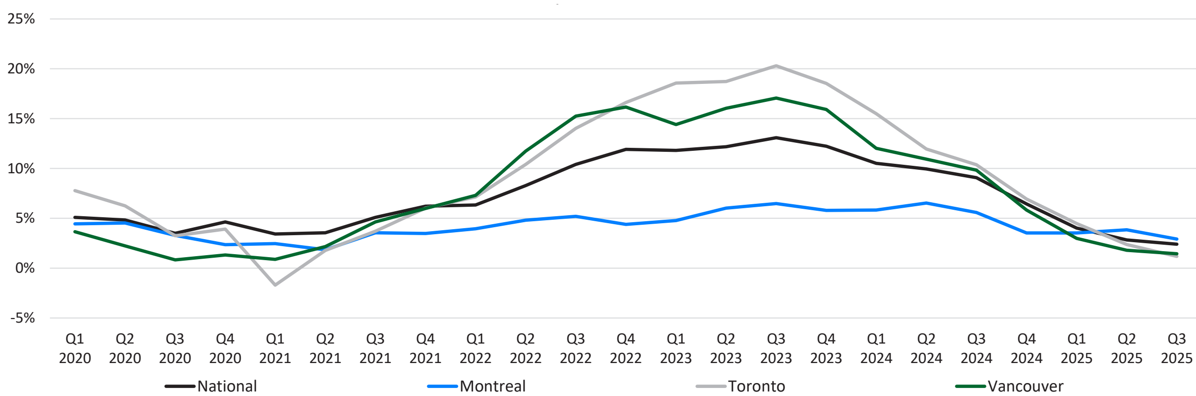
Smaller Western CMA In-Place Rents



Source: Yardi

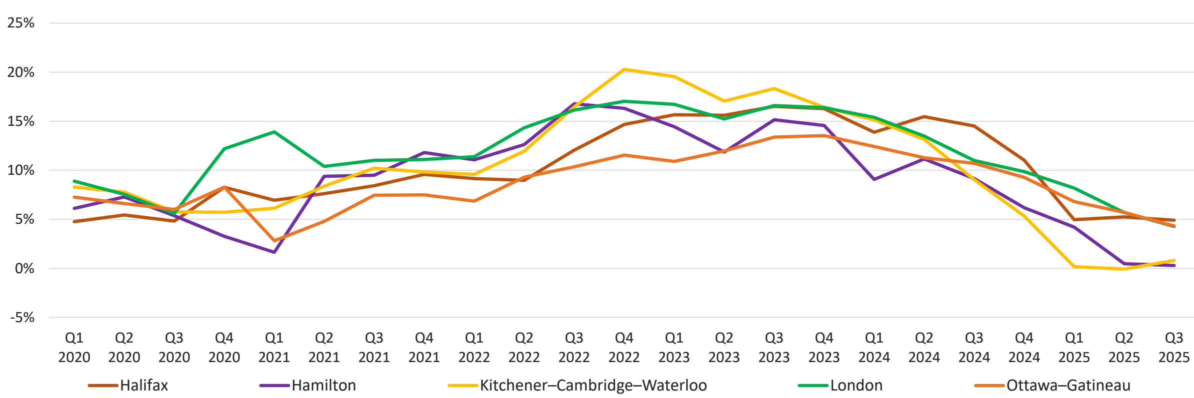
Historical New Lease Rent Growth

National and Major CMA New Lease Rent Growth



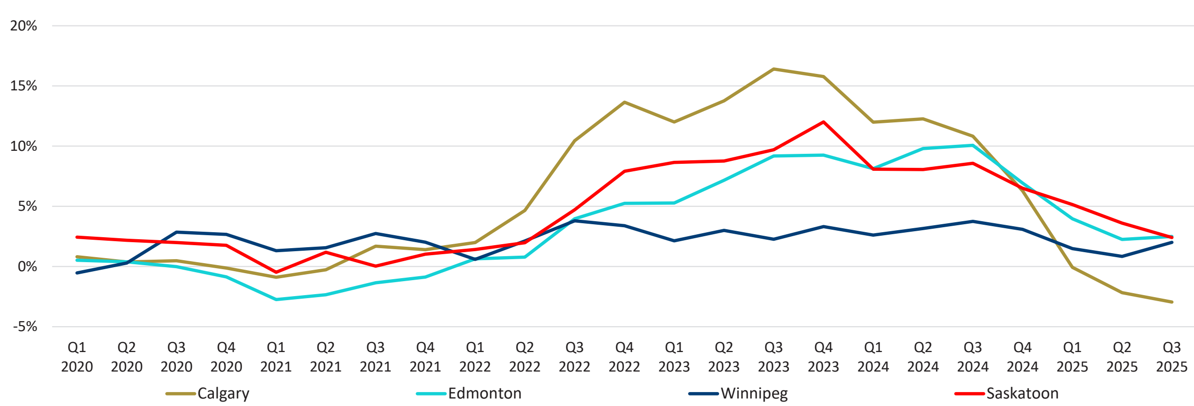
Source: Yardi

Smaller Eastern CMA New Lease Rent Growth



Source: Yardi

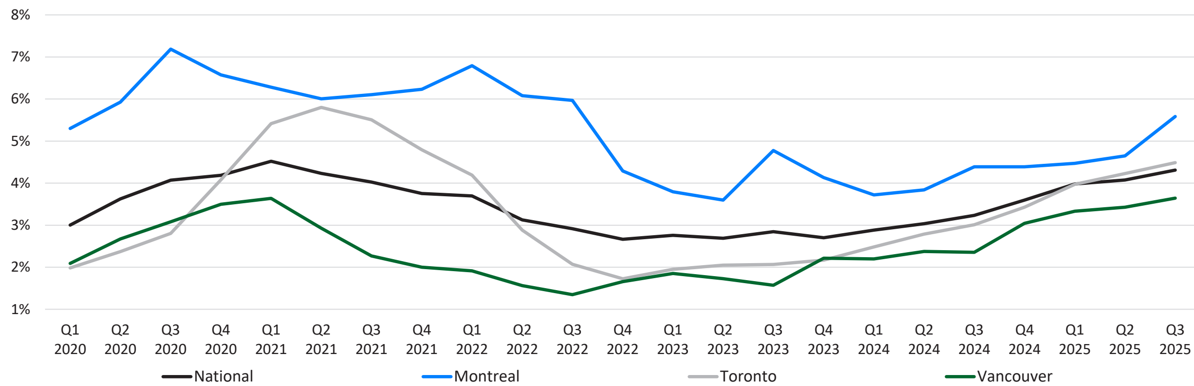
Smaller Western CMA New Lease Rent Growth



Source: Yardi

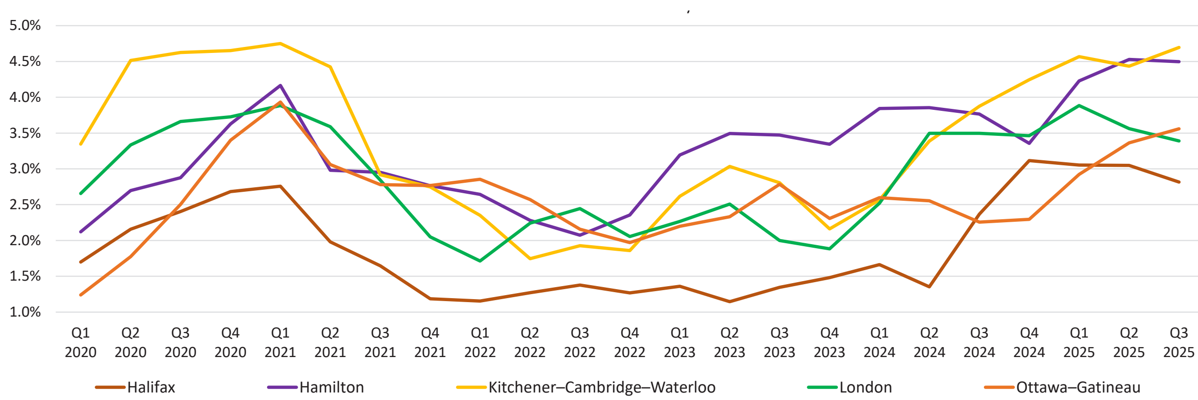
Historical Vacancy Trends

National and Major CMA Vacancy Trends



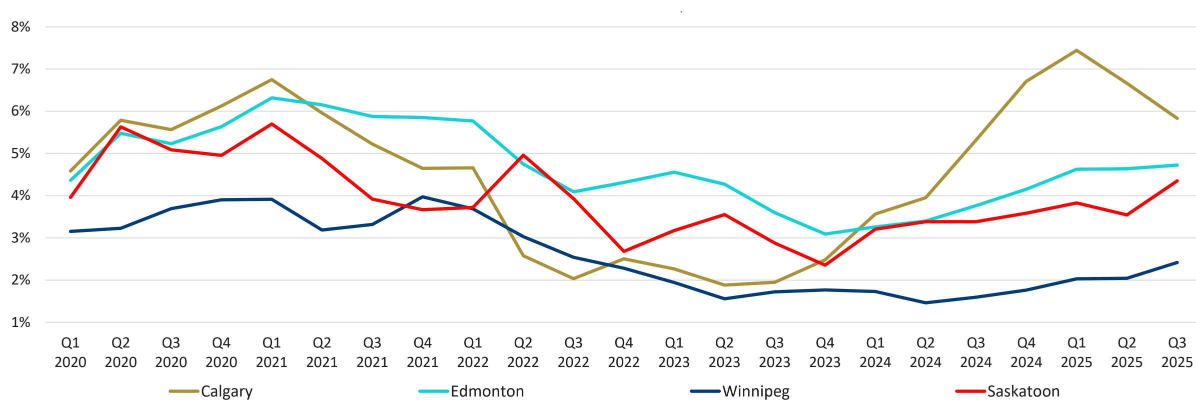
Source: Yardi

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.

Repairs & Maintenance Per Unit: Monthly average repair and maintenance costs per unit, including expenses for electrical and appliance repairs, elevator maintenance, and general unit turnover, parking lot, garage and landscaping maintenance, cleaning and related supplies, as well as payments to third party providers for these services.

Controllable Expense Per Unit: Monthly average operating costs per unit, including expenses for administration, payroll, repairs and maintenance, utilities, marketing and advertising, and management fees.

Expense Per Unit: Monthly average operating costs per unit, including controllable expenses, real estate & other taxes, insurance, and other operating costs.

The data in the report encompasses 5,900 properties that represent more than 520,000 private rental units across Canada.

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