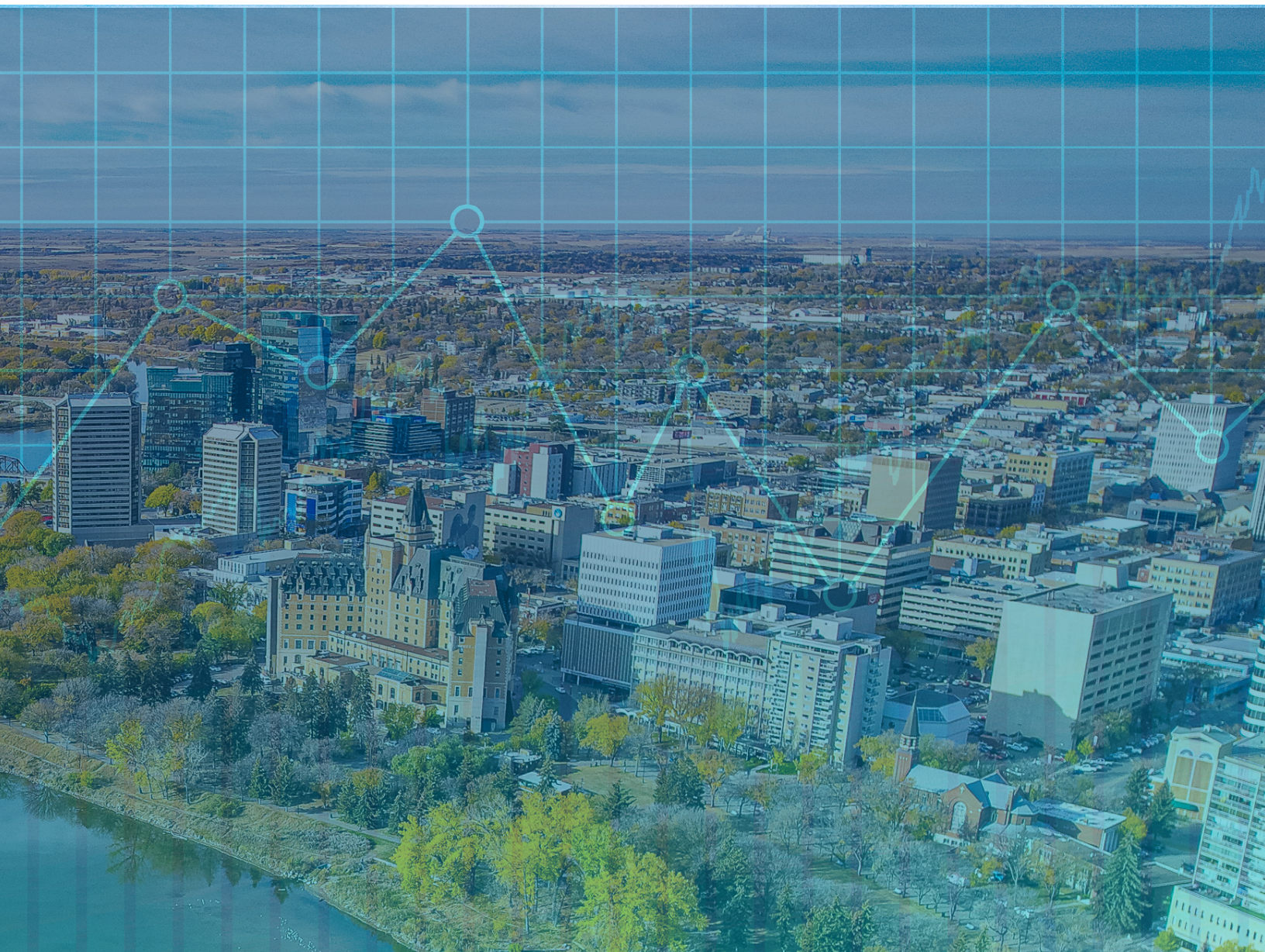




# Canadian National Multifamily Report

First Quarter 2025





# Canadian Apartment Insights and Analysis

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- Canada's multifamily market conditions remain tight coming into 2025, but the supply-demand imbalance is moderating and rent growth is decelerating. Meanwhile, the economy faces a mixed outlook fraught with uncertainty. While lower interest rates create optimism for housing market activity and consumer spending, unknowns include the impact of the second Donald Trump administration and the unsettled political situation in Canada. Prime Minister Justin Trudeau's resignation will trigger a national election, and polling indicates a strong likelihood that the new Canadian leadership will implement different policies that include reducing taxes and spending and shaving immigration quotas.
- Growth in 2025 should continue to be positive but weak. Moody's Analytics expects GDP of 1.3% for full-year 2024 and about 1.0% in 2025. The economy created 414,000 jobs in 2024, but the workforce grew by almost double that amount. The unemployment rate rose 90 basis points in 2024, ending the year at 6.7%. Canadian households have pent-up savings that can be deployed, and growth is expected to be boosted by a two-month holiday in the goods and services tax and lower interest payments.
- The possibility of tariffs hangs over the economy. Three-quarters of Canada's exports go to the U.S., driven by energy, vehicles, machinery, commodities and plastics. Canada sports an annual trade surplus with the U.S. topping \$100 billion. Two million jobs in Canada are related to trade with the U.S., including automobile manufacturing plants operated by General Motors and Ford, so the stakes are high. Tariffs on Canadian exports into the U.S. could increase inflation and force Canada's lawmakers to decide whether and how to reciprocate.
- With inflation moderating below the Bank of Canada's 2.0% target, at 1.9% in November, the bank repeatedly reduced the benchmark rate to 3.25%. Lower rates have a profound impact on consumers. Vanguard estimates that interest payments for Canadians in 2025 will fall to less than 10% of income, down from the peak of 11% in 2024, freeing cash for consumers to spend.

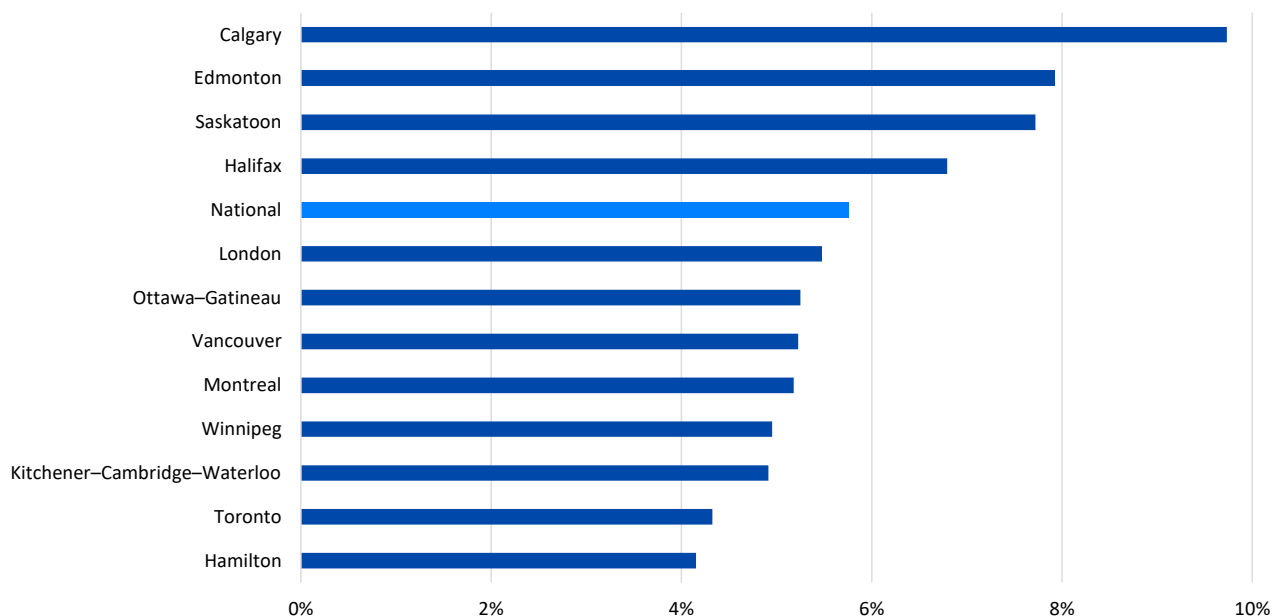
Canada's apartment fundamentals will remain strong in 2025, though rent increases are waning due to slowing population growth and worsening affordability.



## In-Place Rents Up but Growth Drops Sharply

- Multifamily rents in Canada moderated throughout 2024 but remain high by historical standards. The average national in-place rent increased \$18 in Q4 2024 to \$1,565 and rose \$85 over the last four quarters. In-place rent growth fell 40 basis points during the quarter to 5.8% and declined 70 basis points over the year. In-place rents represent an aggregation of all rents in a given Census Metropolitan Area, including those for new leases, renewals and existing leases.
- Gains continue to be led by markets in Alberta and Saskatchewan, as the population searches for more affordable units away from the most expensive CMAs. Calgary (rents up \$145, or 9.7% year-over-year), Edmonton (rents up \$109, 7.9%) and Saskatoon (rents up \$105, 7.7%) led CMAs in growth. Ontario CMAs that produced the least growth in 2024 included Hamilton (rents up \$59, 4.2%), Toronto (rents up \$73, 4.3%) and Kitchener–Cambridge–Waterloo (rents up \$75, 4.9%).
- The city of Toronto has proposed incentives to try to stimulate construction of 20,000 new purpose-built rental units, including 4,000 for low-income renters. The incentives involve deferring the development charges, property tax reductions and foregoing taxes and fees on affordable units. Metro Vancouver is considering a proposal to waive utility connection fees for affordable rental units. Rental housing construction is picking up compared to single-family, but the numbers remain small relative to the demand. Through three quarters in 2024, apartment completions nationally increased 28.2% year-over-year to 63,000, while starts were up 20.3% to 68,000.
- Immigration growth is set to slow. The target for permanent residents is 390,000 in 2025, down from 500,000 in 2024. Admissions of temporary workers and students will decrease, while some already in the country may not have visas renewed.

### Year-Over-Year In-Place Rent Growth (Q4 2024)

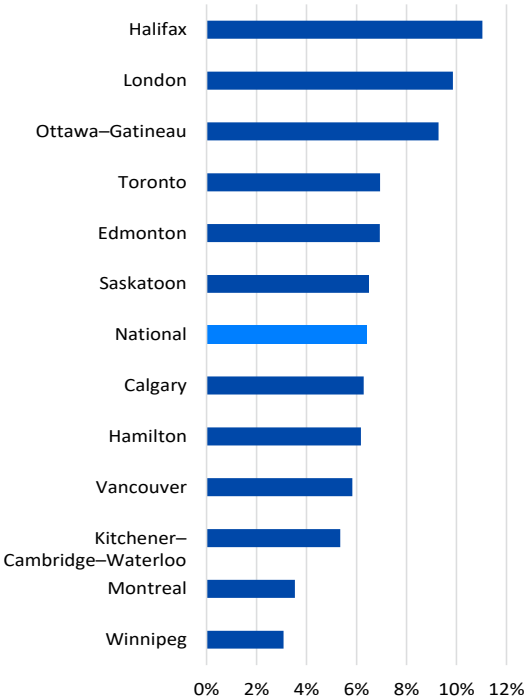


Source: Yardi

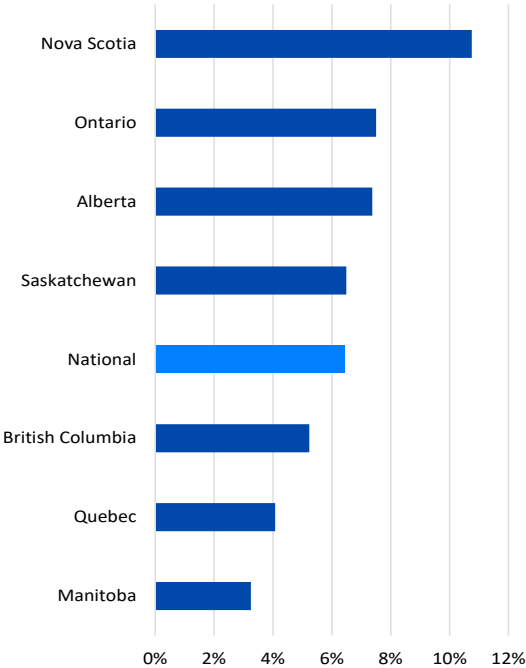
# New Lease Growth Slows to Lowest Level since Q1 2022

- The growth rate for lease-over-lease rents—which represent new leases on units that are re-leased after becoming vacant—dropped steeply in Q4 2024 to 6.4%, down 260 basis points from Q3 and almost half the Q4 2023 rate of 12.2%. Leases not subject to rent control serve as a good measure of supply-demand metrics.
- CMAs with the highest lease-over-lease growth in Q4 included Halifax (11.0% year-over-year), London (9.9%) and Ottawa-Gatineau (9.3%). Winnipeg (3.1%) and Montreal (3.5%) were the only CMAs with growth below 5.0%. The drop in growth in some CMAs was steep. For example, Toronto's lease-over-lease growth in 2024 was 6.9%, or 11.6 percentage points below the 2023 increase of 18.5%; Kitchener-Cambridge-Waterloo's 2024 growth was 5.3%, or 11.1 percentage points below the 2023 increase of 16.4%; and Vancouver's 2024 growth was 5.8%, or 10.1 percentage points below the 2023 increase of 15.9%.
- Supply growth is weak where it is most needed. For example, only 14,600 apartment units came online in Ontario in the first nine months of 2024. Meanwhile, during that time starts declined by 8.2% year-over-year to 13,000 due to high construction costs and developer fees and delayed permitting processes. Deliveries of purpose-built rentals trail the growth in the renter population in every major province. The difference was most acute in Toronto, where the prime 20-to-34-year-old renter cohort increased by 20 for each new apartment unit delivered between 2013 and 2023, according to GWL Realty Advisors. In Vancouver, the 20-to-34-year-old cohort increased by 12 times the number of new apartments during that time, per GWL.
- The average renewal lease rate was 4.1% nationally in Q4 2024. The rate peaked at 4.4% in Q1 2024 and has dropped 10 basis points in each of the last three quarters. Growth was led by markets without rent control: Calgary (7.6% year-over-year) and Edmonton (7.3%).

**CMA Lease-Over-Lease Rent Growth**  
(New Leases, Q4 2024)



**Province Lease-Over-Lease Rent Growth**  
(New Leases, Q4 2024)



Source: Yardi

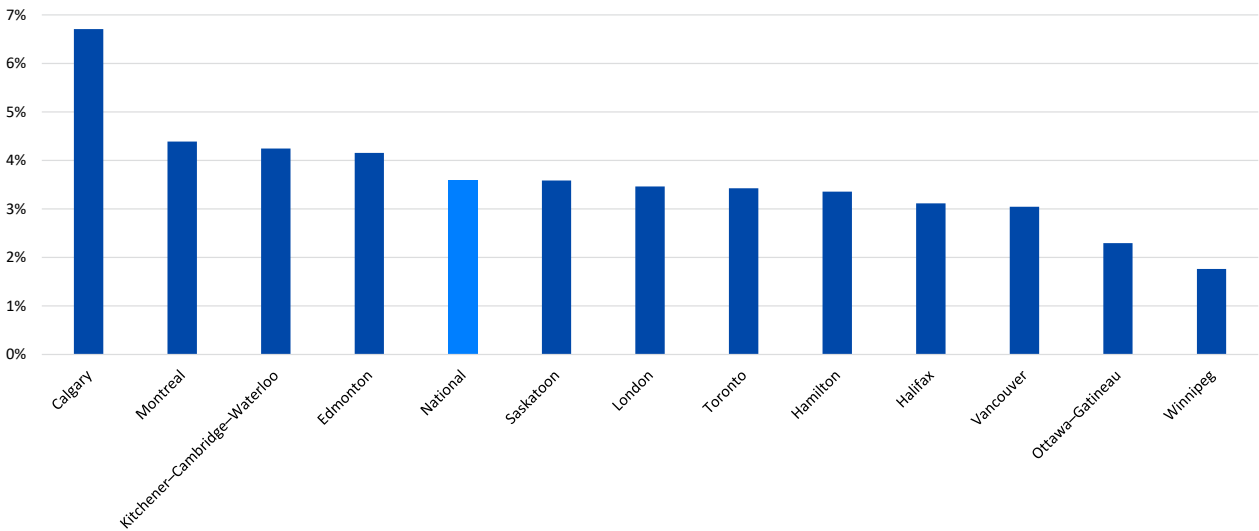


# Signs of Loosening as Vacancy Rate Rises

- The national apartment vacancy rate in Q4 2024 was 3.6%, up 40 basis points from Q3 and 90 basis points from a year ago. While the market is still tight, there are signs of loosening, particularly among bachelor units, which sport a 5.6% national vacancy rate, two full percentage points above the average for all units. The bedroom type divergence is highest in Toronto, where bachelor units are 7.2% vacant, more than double the 3.4% rate for all units. Some renters are seeing more value in living with roommates in a bigger apartment with more amenities than paying high prices to live in a small bachelor unit.
- Calgary recorded the biggest vacancy rate increase, to 6.7% in Q4 2024, up 1.4 percentage points from Q3 and 4.2 percentage points year-over-year. Calgary's supply grew more rapidly than those of other CMAs in 2024, while in-migration moderated a little (although it remains strong). In Ontario, vacancies increased in Kitchener-Cambridge-Waterloo (up 2.1 percentage points year-over-year to 4.2%), London (up 1.6 percentage points year-over-year to 3.5%) and Toronto (up 1.3 percentage points year-over-year to 3.4%), while Hamilton's vacancy rate was flat year-over-year at 3.4%.
- The annual turnover percentage, which measures the number of residents that did not renew leases over the previous 12 months, rose slightly to 23.1% in Q4 2024, but remains extremely low by historical levels. On the provincial level, Ontario (15.5%) and Nova Scotia (18.2%) have the lowest turnover, while Saskatchewan (41.8%) and Alberta (38.2%) have the highest.
- Winnipeg and Edmonton topped Yardi's ranking of the top trending cities for renter interest (see page 12), an analysis of interactions on RentCafe.com. Winnipeg performed well in key metrics such as availability, pageviews, favourite apartments and saved searches relative to its renter population. Edmonton was strong in the favourite apartments and saved searches categories.

Bachelor units are driving an increase in vacancy rates.

CMA Vacancy Rates (Q4 2024)



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	9.7%	6.3%	6.7%	40.8%	9.5%	14
Edmonton	7.9%	6.9%	4.2%	36.0%	7.6%	16
Saskatoon	7.7%	6.5%	3.6%	40.8%	10.1%	15
Halifax	6.8%	11.0%	3.1%	17.9%	4.9%	16
<b>National</b>	<b>5.8%</b>	<b>6.4%</b>	<b>3.6%</b>	<b>23.1%</b>	<b>7.9%</b>	<b>12</b>
London	5.5%	9.9%	3.5%	19.9%	10.8%	8
Ottawa–Gatineau	5.3%	9.3%	2.3%	21.4%	10.5%	7
Vancouver	5.2%	5.8%	3.0%	19.3%	9.0%	13
Montreal	5.2%	3.5%	4.4%	26.4%	*	*
Winnipeg	5.0%	3.1%	1.8%	28.2%	6.8%	17
Kitchener– Cambridge–Waterloo	4.9%	5.3%	4.2%	19.3%	6.5%	12
Toronto	4.3%	6.9%	3.4%	12.7%	6.8%	9
Hamilton	4.2%	6.2%	3.4%	15.2%	7.7%	10

\* Sample size is too small to produce a reliable data set in this category. | Source: Yardi, all data as of Q4 2024



## 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	\$1,553	3.9%	5.5%	21.4%
Toronto	\$1,485	6.8%	7.2%	19.9%
Calgary	\$1,272	9.1%	6.4%	47.1%
<b>National</b>	<b>\$1,265</b>	<b>6.8%</b>	<b>5.6%</b>	<b>28.9%</b>
Hamilton	\$1,201	*	4.3%	10.3%
Montreal	\$1,188	5.0%	5.8%	34.5%
Halifax	\$1,185	*	3.7%	32.1%
Ottawa-Gatineau	\$1,148	9.5%	4.2%	23.3%
London	\$1,118	*	4.5%	28.6%
Edmonton	\$1,104	6.8%	5.6%	44.0%
Saskatoon	\$1,052	*	6.3%	56.0%
Kitchener-Cambridge-Waterloo	\$1,051	*	2.6%	22.9%
Winnipeg	\$974	2.6%	1.4%	32.2%

\* 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	\$1,815	5.4%	2.9%	20.4%
Toronto	\$1,634	6.9%	3.7%	14.9%
Kitchener-Cambridge-Waterloo	\$1,512	3.4%	4.5%	23.9%
<b>National</b>	<b>\$1,443</b>	<b>5.9%</b>	<b>3.8%</b>	<b>25.3%</b>
Calgary	\$1,437	6.7%	6.9%	42.3%
Montreal	\$1,365	3.3%	4.4%	28.4%
Halifax	\$1,360	9.7%	3.3%	21.6%
Ottawa-Gatineau	\$1,352	8.1%	2.6%	24.1%
Saskatoon	\$1,303	5.9%	4.1%	45.4%
Hamilton	\$1,302	5.9%	4.3%	17.2%
Edmonton	\$1,280	5.2%	4.7%	38.6%
Winnipeg	\$1,268	2.7%	1.6%	27.2%
London	\$1,263	9.6%	4.2%	23.7%

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	\$2,158	6.6%	2.4%	17.6%
Montreal	\$1,848	2.9%	4.1%	23.3%
Toronto	\$1,838	7.1%	2.7%	10.3%
Calgary	\$1,733	6.1%	6.8%	38.3%
Kitchener– Cambridge–Waterloo	\$1,690	6.3%	4.0%	16.9%
<b>National</b>	<b>\$1,690</b>	<b>6.7%</b>	<b>3.2%</b>	<b>21.2%</b>
Halifax	\$1,573	12.2%	2.5%	14.1%
Winnipeg	\$1,560	3.3%	1.9%	29.0%
Ottawa–Gatineau	\$1,559	10.5%	2.2%	18.6%
Hamilton	\$1,542	6.0%	2.6%	14.5%
Edmonton	\$1,531	7.6%	3.6%	34.9%
Saskatoon	\$1,507	7.1%	3.4%	39.3%
London	\$1,446	9.8%	2.9%	17.1%

Source: Yardi

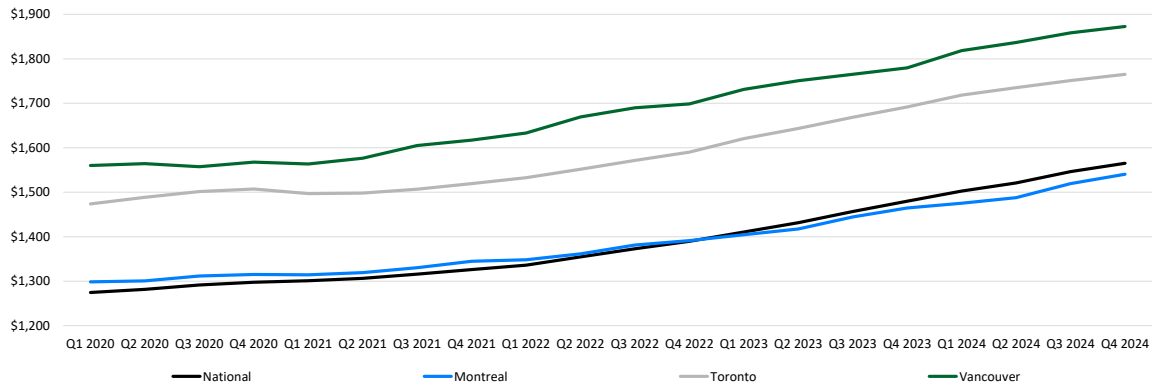
3-Bedroom Unit Data by CMA	In-Place Rents	Lease-over-Lease Rents	Vacancy Rate	Annual Turnover %
Vancouver	\$2,514	6.8%	2.6%	14.2%
Montreal	\$2,298	8.1%	4.7%	20.7%
Toronto	\$2,063	8.7%	2.1%	6.8%
Calgary	\$1,993	3.3%	7.3%	38.3%
Kitchener– Cambridge–Waterloo	\$1,925	*	4.2%	14.2%
<b>National</b>	<b>\$1,923</b>	<b>8.6%</b>	<b>3.1%</b>	<b>17.8%</b>
Winnipeg	\$1,896	3.9%	1.8%	31.4%
Hamilton	\$1,825	*	2.1%	8.2%
Edmonton	\$1,737	9.2%	4.8%	31.0%
Ottawa–Gatineau	\$1,729	12.6%	1.4%	14.0%
Saskatoon	\$1,686	*	4.0%	37.9%
Halifax	\$1,678	*	4.9%	14.3%
London	\$1,642	*	4.1%	17.8%

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



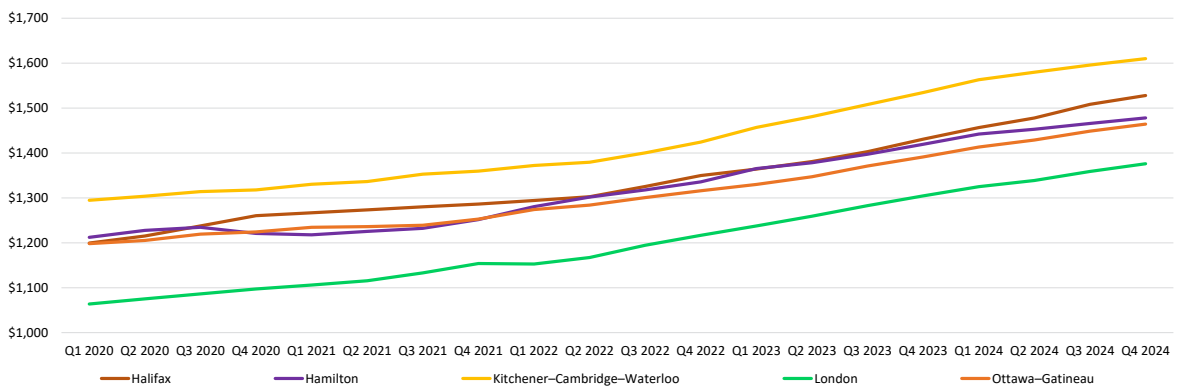
# Historical In-Place Rents

## National and Major CMA In-Place Rents



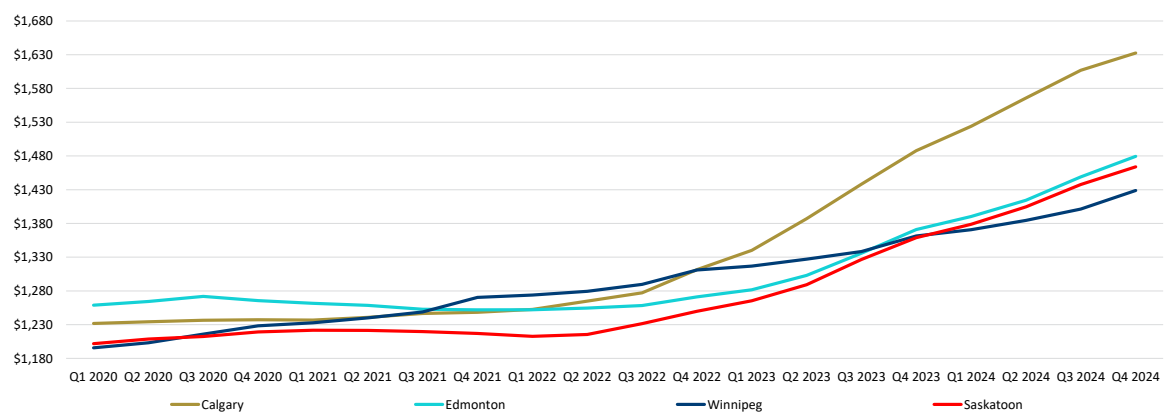
Source: Yardi

## Smaller Eastern CMA In-Place Rents



Source: Yardi

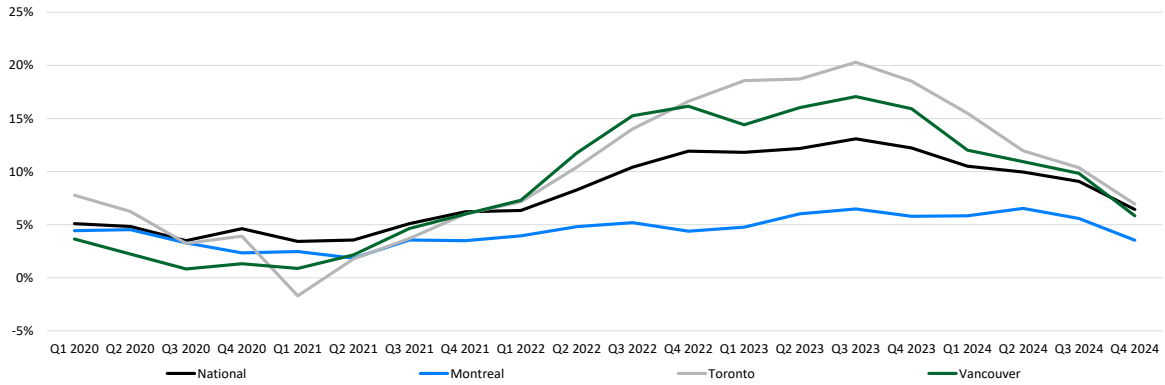
## Smaller Western CMA In-Place Rents



Source: Yardi

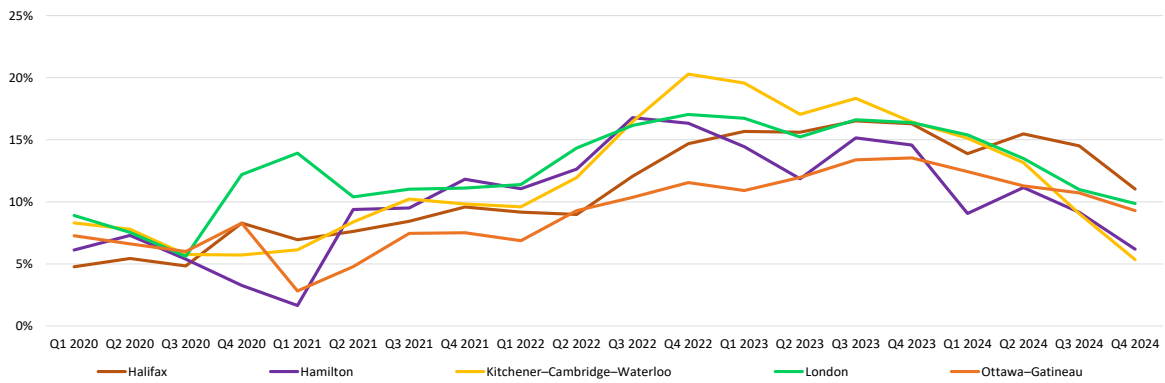
# Historical New Lease Rent Growth

## National and Major CMA New Lease Rent Growth



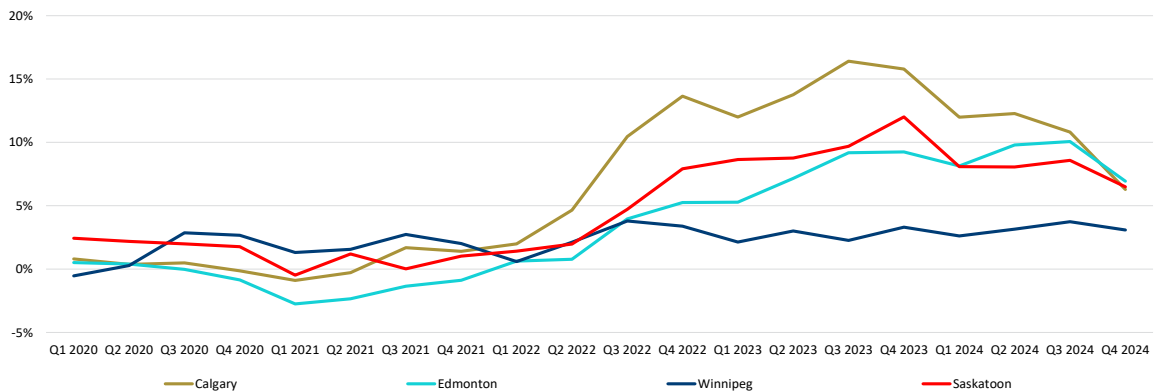
Source: Yardi

## Smaller Eastern CMA New Lease Rent Growth



Source: Yardi

## Smaller Western CMA New Lease Rent Growth

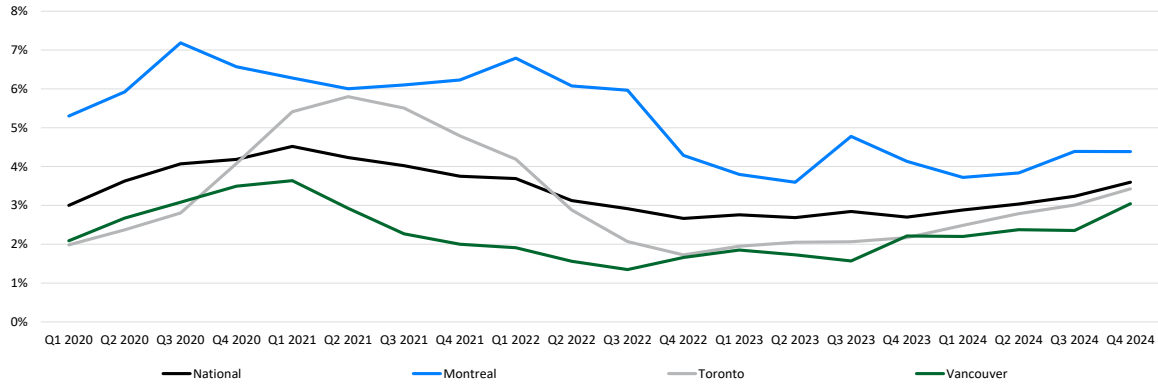


Source: Yardi



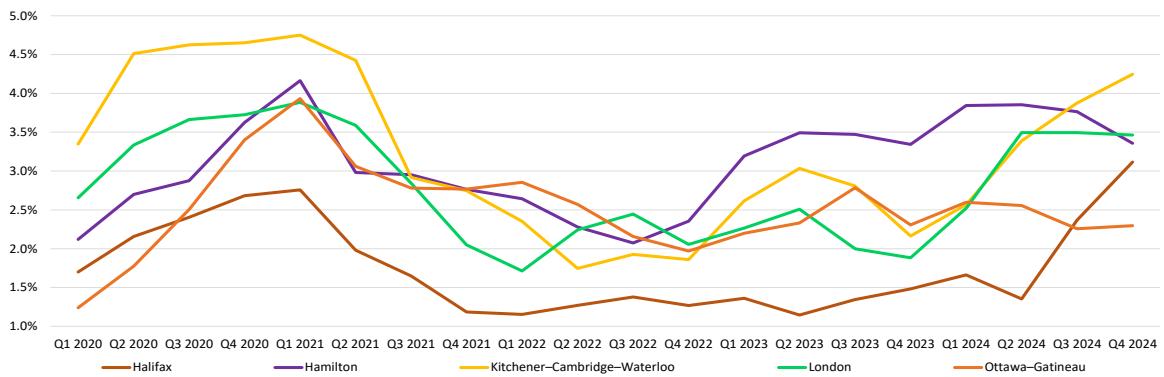
# Historical Vacancy Trends

## National and Major CMA Vacancy Trends



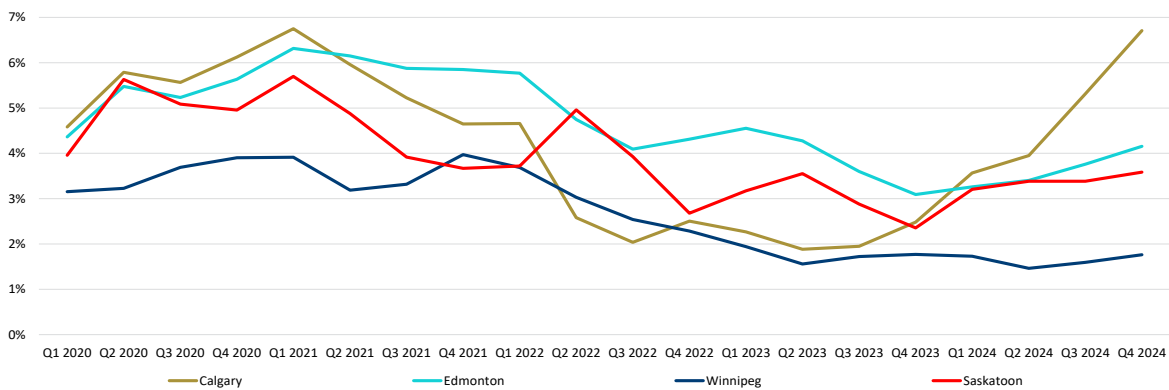
Source: Yardi

## Smaller Eastern CMA Vacancy Trends



Source: Yardi

## Smaller Western CMA Vacancy Trends



Source: Yardi

## Canada's Top Trending Cities For Renter Interest in Q4 2024

Rank ▲	City	Province	Total Score	Change in Rank vs. Last Quarter	Availability Rank	Page Views Rank	Favourites Rank	Saved Searches Rank
1	Winnipeg	Manitoba	100	+ 0	6	2	2	3
2	Edmonton	Alberta	87.43	+ 1	18	5	1	2
3	Victoria	British Columbia	83.14	+ 1	11	3	10	5
4	Ottawa	Ontario	81.79	+ 1	12	6	5	6
5	Halifax	Nova Scotia	77.75	+ 6	3	15	4	9
6	Moncton	New Brunswick	75.8	+ 19	23	1	12	12
7	Kingston	Ontario	75.41	+ 1	15	8	7	8
8	Niagara Falls	Ontario	74.61	+ 2	9	11	9	13
9	Oshawa	Ontario	73.2	+ 3	20	7	3	7
10	Nanaimo	British Columbia	70.0	- 3	8	14	6	21
11	London	Ontario	68.76	- 2	10	13	17	15
12	Regina	Saskatchewan	67.44	- 6	16	9	23	4
13	Barrie	Ontario	66.61	+ 4	2	20	19	10
14	Toronto	Ontario	64.2	+ 6	7	19	14	16
15	Gatineau	Québec	63.18	+ 4	5	22	11	25
16	Guelph	Ontario	63	+ 2	1	21	20	17
17	Hamilton	Ontario	62.83	- 1	14	17	13	14
18	Calgary	Alberta	57.89	- 3	21	12	15	11
19	Kitchener	Ontario	57.66	- 5	13	16	22	18
20	St. Catharines	Ontario	56.39	- 7	4	24	21	23
21	Saskatoon	Saskatchewan	51.1	- 19	25	4	8	1
22	Montréal	Québec	50.75	+ 0	17	23	16	22
23	Vancouver	British Columbia	48.63	- 2	22	18	18	19
24	Windsor	Ontario	44.1	+ 0	19	25	24	20
25	Kelowna	British Columbia	38.25	- 2	24	10	25	24

The final ranking is based on the sum of scores across all categories: availability of apartments (maximum of 40 points), pageviews (maximum of 30 points), apartments saved as favourites (maximum of 15 points) and saved personalized searches (maximum of 15 points). For each score, we considered year-over-year percentage change and overall volume.

Source: RentCafe Data, Created with Datawrapper



## Definitions

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**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 5,500 properties that represent more than 492,000 private rental units across Canada.

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