

MARKET REPORT

Multifamily
Edmonton Metro Area

IPA INSTITUTIONAL
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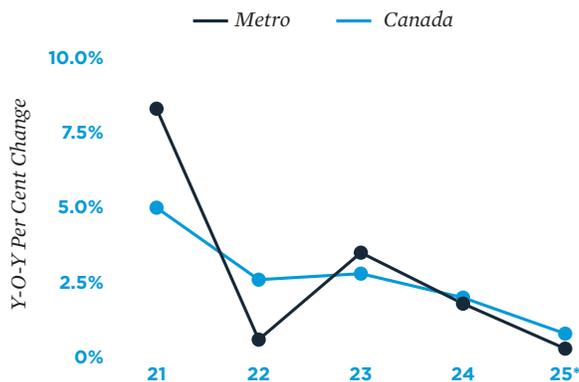
3Q/25

Federal Initiatives and Growing Universities Bode Well for Sector Outlook

Resource projects a boon for apartment rental sector. Canada's recently announced infrastructure push under Prime Minister Carney's One Canadian Economy Act – which could include critical mineral mines, oil pipelines, ports, wind farms and carbon capture facilities – will likely have positive long-term effects on apartment demand in Edmonton. By accelerating large-scale energy infrastructure projects in the nation's energy servicing hub, this legislation will effectively foster job creation and population growth in both urban and transit-accessible suburbs. In turn, these projects – if they do materialize – are likely to support apartment demand over the longer term.

University growth key to multifamily performance. The University of Alberta is aggressively expanding its student population, from around 45,000 to a projected 50,000 by 2026 and 60,000 by around 2033. This surge in post-secondary enrollment is amplifying demand for nearby rentals, prompting a wave of purpose-built and student-oriented apartment developments in South-Central Edmonton and adjacency zones like University Heights, Strathcona and Downtown. Amid strong supply growth and some moderation in population gains, vacancy may rise as rent growth slows over the short term, but the multifamily outlook is still sound. Student growth will not only allow Edmonton to absorb the elevated levels of deliveries but may also foster a younger and highly educated population over time, further benefiting its economy and long-term rental demand prospects.

Employment Trends



* Forecast

Sources: Altus Data Solutions; CoStar Group, Inc.; CMHC; Statistics Canada

Multifamily 2025 Outlook



**2,000
JOBS**

will be created

EMPLOYMENT:

Edmonton is likely to see some job gains in 2025 as tariff clarity forms amid a stable public sector, tech growth and increased energy production. Yet earlier economic uncertainty led the metro to lose 2,000 jobs over the first five months of the year.



**5,000
UNITS**

will be completed

CONSTRUCTION:

Deliveries are expected to remain elevated, but the overall magnitude will slow compared with last year. Still, ever since vacancy pressures began to emerge in 2023, starts have been levelling off, causing openings to fall when compared with last year's historic level.



**110
BASIS POINT**

increase in vacancy

VACANCY:

While interprovincial migration will keep population growth in Edmonton above the national level, a pullback in international migration is likely to cause supply growth to outpace demand. Vacancy will inch higher and end the year around 4.5 per cent.



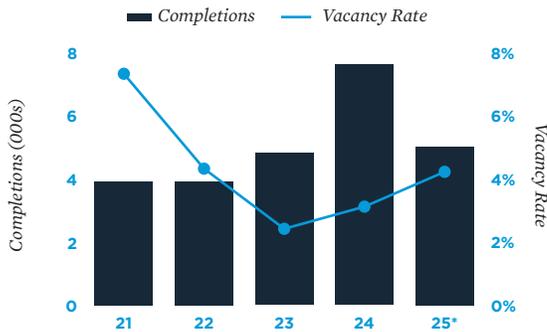
**3.0%
INCREASE**

in effective rent

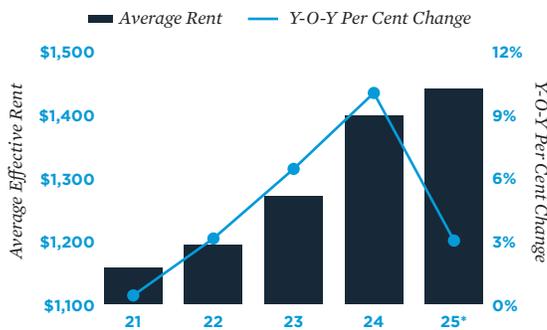
RENT:

Though population gains will be smaller this year than last, the additional residents and an outperforming economy will keep rent growth at one of the highest among major Canadian metros. Edmonton apartment rents will keep pace with inflation, while most other major metros are falling behind.

Supply and Demand



Rent Trends



Sales Trends



* Forecast; ** Through 1Q

Sources: Altus Data Solutions; CoStar Group, Inc.; CMHC; Statistics Canada

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Price: \$250

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2024 Overview



CONSTRUCTION

7,600 units completed

- Deliveries reached an all-time high in 2024, surpassing the previous peak set in 2023 by nearly 60 per cent. Downtown saw the most openings at 17 per cent of the pipeline, followed by the University district at 15 per cent.
- With aims of capturing the student population, developers are focusing the most on the University district, Downtown and South West.



VACANCY

70 basis point increase in vacancy Y-O-Y

- Edmonton's multifamily demand remained strong in 2024, yet the metro's vacancy rate increased to 3.1 per cent amid record supply growth. Despite this increase, vacancy held 180 basis points below its 2019 level.
- While outlying areas led vacancy gains, sizable openings Downtown and in the University district pushed rates up by more than the metro average.



RENT

10% increase in the average effective rent Y-O-Y

- Amid population gains, an outperforming economy and years of underbuilding, Edmonton saw its strongest annual rent growth since 2007 and was one of only three major metros to see the pace of increase accelerate.
- Highlighting post-secondary education initiatives, the University district and Downtown saw some of the strongest annual rent growth.

Investment Highlights

- Apartments generated strong liquidity in 2024 amid more favourable financing, historic population gains and near-record high annual rent growth. The total number of trades hit its highest reading on record, while total dollar volume composed the greatest share among major commercial property types at 55 per cent – well above the metro's historic average.
- Amid relatively lower rents and higher incomes compared with other major metros, Edmonton has been able to capitalize on the MLI Select program, which offers more favourable financing terms for regions that meet affordability criteria. This could be one reason why multifamily development and investment activity has been elevated in recent years.
- Rising interest rates and robust income growth pushed cap rates up in 2023; however, with borrowing costs stabilizing in 2024 and now seeing some downwards pressure in 2025, cap rates have since stabilized just above 5.0 per cent. Nevertheless, despite some upwards pressure on cap rates, strong investor sentiment amid robust renter demand caused the average sale price to jump 4.0 per cent year over year in 2024.