

INVESTMENT FORECAST

Multifamily
Calgary

IPA
INSTITUTIONAL
PROPERTY
ADVISORS

2026

Waves of New Supply Push Rental Market Further in Tenants' Favour

Vacancy to drift higher amid widening supply-demand gap. As completions remained elevated against a backdrop of slowing population growth, Calgary's apartment vacancy rate rose for a second consecutive year in 2025. This supply-demand imbalance is expected to widen in 2026. Projects launched during the post-pandemic period of record in-migration will continue to reach completion. Apartment construction starts also showed few signs of easing by the end of last year, suggesting that supply pressures could extend well beyond 2026. At the same time, the downtown office-to-residential conversion program will add yet another source of new supply. On the demand side, population growth — while still one of the strongest in Canada amid affordability advantages — is set to decelerate further as Ottawa places tighter constraints on international migration. Premium buildings with modern amenities are expected to face longer lease-up timelines due to more competition from new supply, while older and more affordable stock should see comparatively firmer demand. Together, these forces will sustain a renter-friendly environment, characterized by another year of rising vacancy and continued downward pressure on rent growth.

INVESTMENT TRENDS

- Despite softening fundamentals, sales held up in 2025. Calgary's above-average domestic migration continues to support population growth, bolstering buyer confidence in long-term prospects.
- In addition, the absence of rent control gives landlords greater flexibility amid Canada's structural housing shortage. This also bodes well for long-term multifamily investment activity.

2026 Multifamily Trends



**8,000
UNITS**

will be completed

CONSTRUCTION:

While cost-induced delays mean fewer units this year, the tally is still among the highest in recent memory. The 50 per cent surge in starts last year indicates this pressure will extend beyond 2026.



**70
BASIS POINT**

increase in vacancy

VACANCY:

Vacancy is projected to reach a new high amid above-average new supply pressures. The rate is expected to approach 6.0 per cent and likely remain elevated until population growth regains momentum.



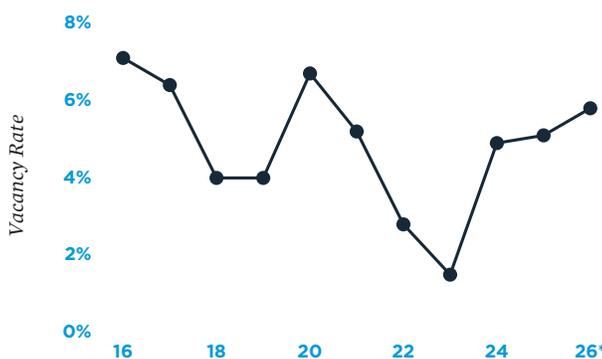
**0.5%
INCREASE**

in effective rent

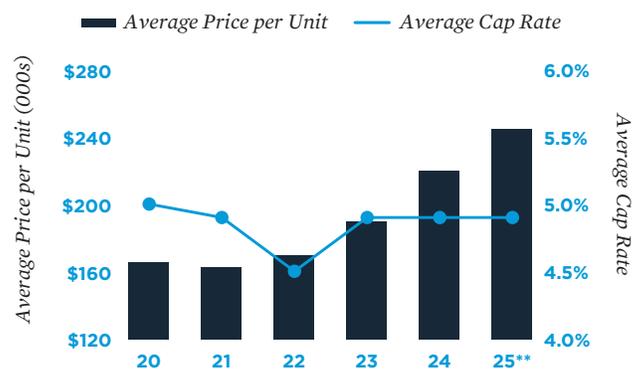
RENT:

The rise in vacancy will increasingly prompt owners to offer incentives to retain existing tenants and attract new ones. As a result, rent growth is projected to continue softening following last year's deceleration.

Vacancy Trend



Price and Cap Rate Trends



* Forecast; ** Trailing 12 months through 3Q

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

Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of February 2026. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Forecasts for employment and retail data are made during the first quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.

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