

# INVESTMENT FORECAST

Multifamily  
Montreal

IPA  
INSTITUTIONAL  
PROPERTY  
ADVISORS

2026

## Rebalancing Underway as Long-Term Tenancy Anchors Structural Strength

**Rent growth to ease amid rising vacancy.** Montreal's apartment fundamentals held up well last year despite fewer residents moving in. Although vacancy rose for a second consecutive year, rent growth accelerated, driven by a significant increase in in-place rents. Even after those multiple rent hikes, the metro remains one of the most affordability-anchored rental markets in the country, supporting resilient demand from newcomers. Looking ahead, population growth is expected to cool further as Quebec's new immigration restrictions take effect. In line with national trends, this will keep rental demand growth subdued while completions continue to rise steadily. As a result, vacancy is projected to drift higher again this year, slowing rent increases. Beyond short-term fluctuations, Montreal's deep renter culture — rooted in a long-standing preference for apartment living and a high share of renter households across all age groups — will continue to underpin market stability. With this tradition, the metro's multifamily sector will remain a primary source of housing and a durable investment option over the long run.

## INVESTMENT TRENDS

- Healthy fundamentals supported sales last year. Dollar volume rose despite macro headwinds, even outpacing the pull-forward of transactions in the second quarter of 2024.
- Amid investor optimism, the average sale price hit a record in the third quarter of last year. Lower financing costs may sustain investment activity and support continued price growth in 2026.

## 2026 Multifamily Trends



**16,500  
UNITS**

*will be completed*

### CONSTRUCTION:

With construction starts recovering in 2024, completions are projected to increase by 10 per cent this year. Total deliveries are estimated to set a new high just above the 2022 level.



**60  
BASIS POINT**

*increase in vacancy*

### VACANCY:

Vacancy is set to record its third consecutive year of increases since bottoming out at 1.5 per cent in 2022. Despite this rise, the metrowide rate will remain relatively tight, staying around 3.5 per cent.



**3.7%  
INCREASE**

*in effective rent*

### RENT:

The still-low vacancy rate will support another year of climbing rents. However, as demand growth moderates, the pace of increase is expected to slow, reaching its lowest level since 2021.

## Vacancy Trend

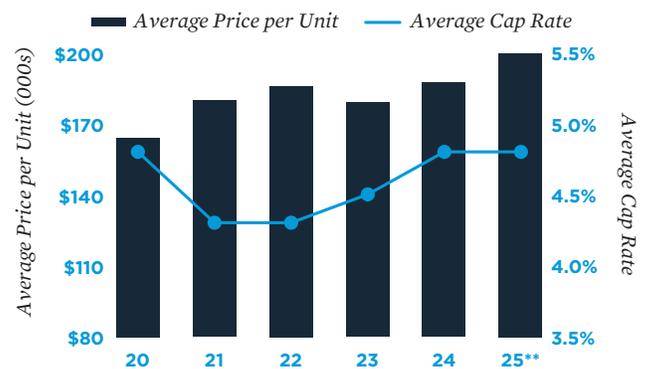


\* Forecast; \*\* Trailing 12 months through 3Q

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.

## Price and Cap Rate Trends



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