

INVESTMENT FORECAST

Multifamily
Ottawa

IPA
INSTITUTIONAL
PROPERTY
ADVISORS

2026

Crosscurrents in Jobs and Demographics Shaping Metro's Rental Market

Operations to soften but remain healthy. The interplay of several opposing forces shapes Ottawa's multifamily outlook for 2026. As part of Budget 2025, the federal government will shed nearly 30,000 jobs over the next two years, most of which will be concentrated in the capital region. Even so, ongoing expansion in the tech sector should help partially offset the drag from public-sector downsizing, supporting job growth in hubs like Kanata, where both established firms and new entrants continue to scale. Population growth is also expected to slow as fewer temporary residents arrive. Still, continued inflows from other provinces and higher-cost cities within Ontario will help backstop rental demand despite overall growth moderating. Taken together, these trends point to softer apartment demand through 2026, though the pullback is expected to be manageable given the city's still-positive population inflows and ongoing tech-sector support. On the supply side, completions are set to tick slightly higher following last year's pullback, supported by a mild increase in construction starts from their 2023 lows. As a result, vacancy is expected to rise only modestly, with limited new supply providing a stabilizing backstop.

INVESTMENT TRENDS

- Multifamily represented the largest share of total commercial property sales last year, reflecting investors' confidence in the metro's long-term demographic profile and economic stability.
- While private buyers remained the dominant investor group last year, public equity and REIT capital have gained traction more recently, likely encouraged by the sector's solid fundamentals.

2026 Multifamily Trends



**3,300
UNITS**

will be completed

CONSTRUCTION:

Completions are expected to edge higher this year but remain below their 2024 peak. Deliveries are likely to accelerate beyond 2026, as construction starts only began recovering in mid-2025.



**40
BASIS POINT**

increase in vacancy

VACANCY:

Rental demand will slow as population gains dwindle. Along with rising completions, vacancy will continue its upward trajectory. However, the rate will stay low at 3.4 per cent, signalling a still-tight market.



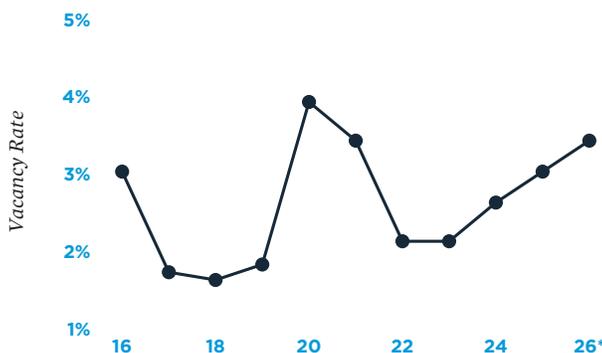
**2.5%
INCREASE**

in effective rent

RENT:

As vacancy rises, rent growth will stabilize, posting a modest increase in 2026. Even so, the tight vacancy environment, a disciplined construction pipeline and Ontario's rent control policy should maintain some upward momentum in rents.

Vacancy Trend



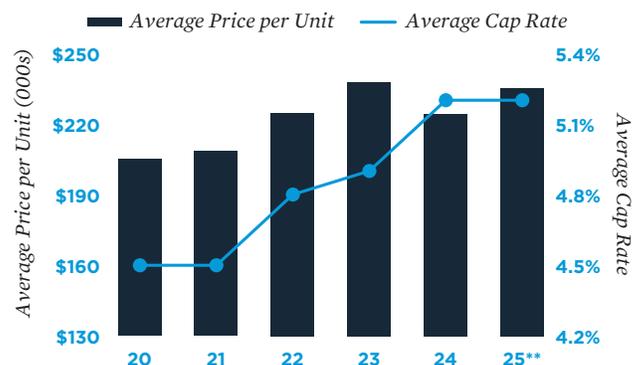
* Forecast; ** Trailing 12 months through 3Q

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.

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Price and Cap Rate Trends



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