

INVESTMENT FORECAST

Multifamily
Vancouver

IPA
INSTITUTIONAL
PROPERTY
ADVISORS

2026

Rising Construction and Immigration Cuts Help Usher in a More Balanced Market

Vacancy rate trending up amid demographic shift. Vancouver's multifamily market is entering 2026 with clear signs of rebalancing. Population growth slowed last year under tighter immigration policies, just as apartment completions hit a record high. This pullback in demand growth, combined with a surge in new units, pushed the vacancy rate to 3.7 per cent in 2025 — providing much-needed relief for renters who had faced a near-full market for years. Looking ahead, construction starts data suggests that deliveries will ease gradually beyond 2026. With population growth expected to remain subdued as Ottawa doubles down on immigration reductions, vacancy rates are likely to continue rising through 2027. This should help return rent growth closer to the long-term average and improve affordability in Canada's costliest rental market. Despite softening fundamentals, Vancouver remains one of the most sought-after apartment markets in Canada, supported by high-quality job opportunities and exceptional lifestyle appeal. Long-term demographic drivers and structurally limited land supply will continue to make Vancouver a desirable investment destination for both domestic and global capital.

INVESTMENT TRENDS

- Sale prices peaked in 2022 and have since stabilized amid softening fundamentals. Cap rates have trended upward, with older properties often exceeding 4.0 per cent last year.
- While rising vacancy rates and rent declines have created a more cautious investment environment, lower financing costs should support transaction volumes through 2026.

2026 Multifamily Trends



**9,500
UNITS**

will be completed

CONSTRUCTION:

Deliveries are projected to reach a new high this year as the surge of projects launched in 2023 and 2024 reach completion. Total openings in 2026 will be roughly 70 per cent above their pre-pandemic level.



**80
BASIS POINT**

increase in vacancy

VACANCY:

As supply surges against muted population gains, vacancy will approach 5.0 per cent. Owners are likely to face longer lease-up periods, especially for newer properties, which typically command higher rents.



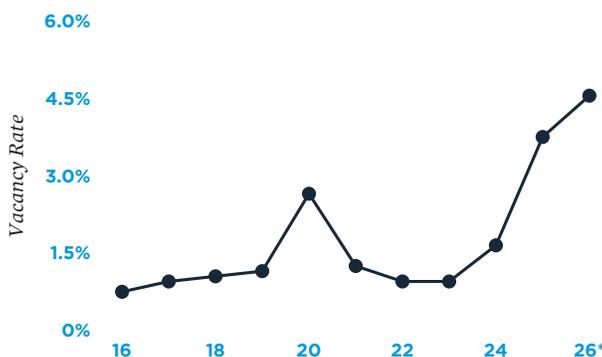
**0.5%
INCREASE**

in effective rent

RENT:

The continued rise in vacancy is expected to prolong muted rent growth. Renters are likely to see more incentives, such as flexible lease terms and move-in promotions, as owners compete to attract and retain tenants.

Vacancy Trend

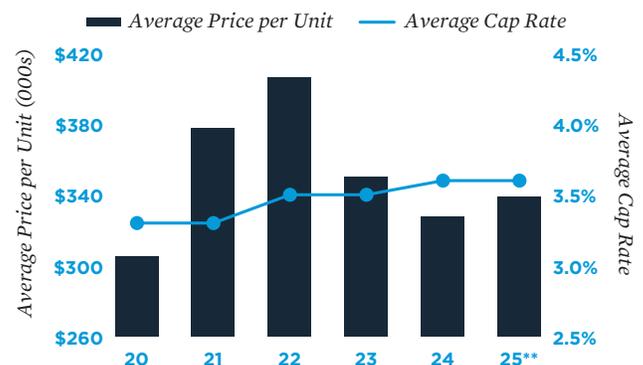


* Forecast; ** Trailing 12 months through 3Q

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



Vancouver Office:

Michael Heck | Senior Managing Director -
Market Leader, Western Canada
1111 West Georgia Street, Suite 1100
Vancouver, British Columbia V6E 4M3
Tel: (604) 638-2121
michael.heck@marcusmillichap.com