

MARKET REPORT

Multifamily
Calgary Metro Area

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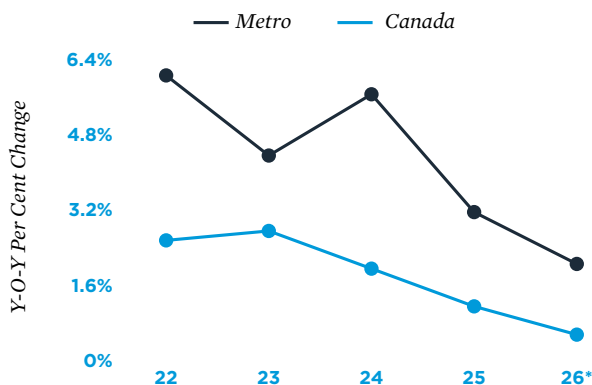
1Q/26

New Supply Resets Rental Landscape Amid Ongoing Demand Tailwinds

Market adjusting to evolving supply-demand dynamics. Calgary's purpose-built rental market enters 2026 with healthy underlying demand but clear supply-driven softness. This reflects the city's rapid population growth and one of the country's largest construction cycles amid the metro's lower costs and evolving job prospects. Continued in-migration is supporting stable absorption in older, more affordable buildings, yet the pace and concentration of deliveries is keeping overall vacancy elevated. Larger projects are taking longer to stabilize, pushing vacancy into the high-5 per cent range, well above the long-term norm, while higher-quality units introduced at significant rent premiums face some pressure. In contrast, legacy properties continue to perform well, with comparatively tight vacancy and steady renter demand.

Calgary remains a sought-after investment market. The year ahead is expected to be another year of gradual adjustment as the sizable development pipeline continues to expand renter choice and temper rent growth. New supply will place the most pressure on higher-end buildings, leading property owners to emphasize retention strategies, competitive pricing, and selective incentives. Market conditions should remain broadly balanced, with rent growth holding near flat for the year before strengthening once the current wave of deliveries is absorbed. Despite near-term softness, Calgary's elevated yields and supportive regulatory framework continue to position the metro as a compelling, scalable, long-term investment market.

Employment Trends



* Forecast

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

Multifamily 2026 Outlook



**20,000
JOBS**
will be created

EMPLOYMENT

Job growth in Calgary is expected to be among the strongest in Canada, led by the energy sector and adjacent industries. Meanwhile, robust infrastructure investment and technology expansion should also help labour market prospects this year.



**8,500
UNITS**
will be completed

CONSTRUCTION

Deliveries will hover close to last year's level as a robust build pipeline reinforces Calgary's long-term growth story but continues to temper near-term performance. Builders have shifted focus to smaller, wood-frame structures to help manage rising costs.



**100
BASIS POINT**
increase in vacancy

VACANCY

Despite healthy underlying demand, vacancy will continue to trend higher in 2026 to around 6 per cent as new supply broadens renter choice and population gains continue to slow. Higher-end units will account for most of the upward pressure.

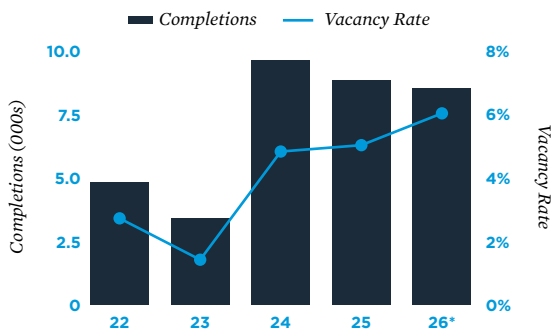


**0.5%
INCREASE**
in effective rent

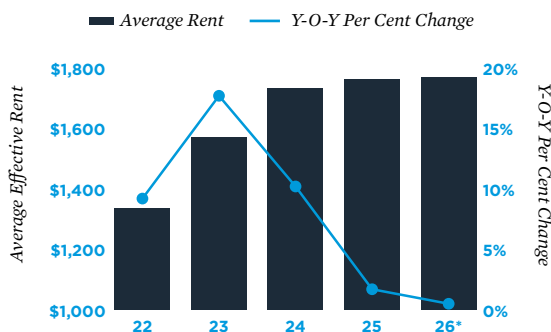
RENT

Rent growth is expected to stay essentially flat in 2026 as elevated supply, prolonged lease-up periods, and competitive pressure in the premium segment temper owners' pricing power amid moderating population growth. Stability in older, more affordable stock will help anchor metrowide averages near zero per cent.

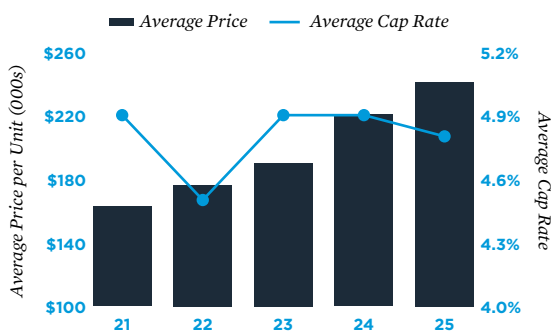
Supply and Demand



Rent Trends



Sales Trends



* Forecast

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

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The information contained in this report was obtained from sources deemed to be reliable. Every effort was made to obtain accurate and complete information; however, no representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. Metro-level employment growth is calculated based on the last month of the quarter/year. Sales data includes transactions sold for \$1 million or greater unless otherwise noted. 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. Sources: Marcus & Millichap Research Services; Altus Data Solutions; CoStar Group, Inc.; CMHC; Statistics Canada

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2025 Overview



CONSTRUCTION

8,749 units completed

- Completions edged down slightly last year when compared to 2024, yet still notched the second-highest reading on record.
- Northwest, southwest, and southeast saw the most new supply in 2025 due to friendly development economics, including greater land availability, clearer zoning capacity, and infrastructure readiness.



VACANCY

20 basis point increase in vacancy Y-O-Y

- Despite two straight years of elevated deliveries and tighter immigration at the federal level, vacancy largely held flat at 5 per cent. This is mainly due to Calgary's lower cost of living, which supports domestic in-migration.
- Vacancy increased in most submarkets, but dropped downtown due to demand for centrally located units amid a growing return-to-office mandate.



RENT

1.7% increase in the average effective rent Y-O-Y

- With vacancy up 360 basis points in two years, renter leverage has increased. Robust supply growth has effectively stalled rent gains – well off 2023's 18 per cent surge and 2024's 10 per cent rise.
- Turnover is moderate, as competitive pressures lead many owners to hold rents steady and prioritize renewals over pushing rents on new leases.

Investment Highlights

- Softening fundamentals and recent policy changes by CMHC caused multifamily investment to fall in 2025. Preliminary estimates suggest dollar volume was down roughly 10 per cent, driven by a 43 per cent drop in the number of deals valued between \$10 million and \$20 million. In contrast, the number of larger deals valued over \$20 million increased by 15 per cent, underscoring continued institutional interest. That said, private investors made up nearly 60 per cent of dollar volume traded last year.
- Despite moderations in property performance and sales activity, investor interest remains as the metro continues to offer favourable long-term growth prospects. This was highlighted by a nearly 10 per cent increase in the average sale price last year, while cap rates also compressed for the first time since 2022 to 4.8 per cent.
- Calgary's multifamily sector remains a compelling investment market, supported by elevated yields that still outpace major centres and strong long-term population fundamentals. At the same time, more favourable development economics amid faster approvals, less regulation, and greater zoned and serviced land availability continues to attract developers.