

# MARKET REPORT

Multifamily  
Edmonton Metro Area

IPA INSTITUTIONAL  
PROPERTY  
ADVISORS  
A DIVISION OF  
MARCUS & MILLICHAPE, BROKERAGE

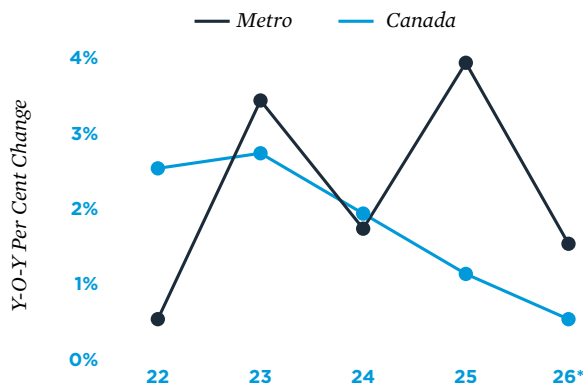
1Q/26

## Apartment Rentals in Edmonton Enter 2026 With Firm Underlying Demand

**Consistent demand drivers create favourable outlook.** Edmonton's rental market showed notable resilience in 2025, with rents reaching new highs despite elevated vacancy and a heavy construction cycle. Strong population inflows — particularly young adults drawn by affordability — alongside solid employment in public administration, health care, logistics, and emerging tech sustained broad-based demand and allowed owners to advance rents even as lease-up timelines lengthened. Looking ahead to 2026, steady in-migration, firmer labour conditions, and Edmonton's affordability advantage should continue to support moderate, inflation-paced rent growth as the market works through elevated completions.

**Renters benefiting from more options.** One notable shift heading into 2026 is the sharp increase in renter mobility, with turnover rising to nearly 29 per cent in 2025 — its highest level in years. This reflects a market where tenants have more choice than at any point in the past decade, prompting frequent moves between new supply, mid-rise options and older, lower-priced buildings. Elevated mobility is reshaping landlord strategy, as operators are more focused on renter retention than rate increases, adjusting incentives more selectively and focusing on service levels to reduce churn. This higher fluidity in tenant behaviour will remain a defining feature of 2026, influencing absorption patterns, rent trajectories, and the performance gap between older stabilized stock and newer higher-end inventory.

### Employment Trends



\* Forecast

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

## Multifamily 2026 Outlook



**13,000  
JOBS**  
*will be created*

### EMPLOYMENT

Edmonton's job growth is likely to moderate this year, yet remain above the national pace, supported by a diversified base of private firms, government employment, and a major university presence. These provide a stable, resilient labour market.



**7,500  
UNITS**  
*will be completed*

### CONSTRUCTION

Completions will edge up this year and largely match 2024's all-time high. This will represent the third consecutive year of deliveries passing 7,000 units, which is 95 per cent above Edmonton's trailing-10-year average.



**50  
BASIS POINT**  
*increase in vacancy*

### VACANCY

Vacancy will inch higher for the third straight year, ending 2026 in the 4.5 per cent range. Vacancy pressures will mostly be seen in newer builds amid robust supply growth, whereas older stock will continue to benefit from its affordability advantage.

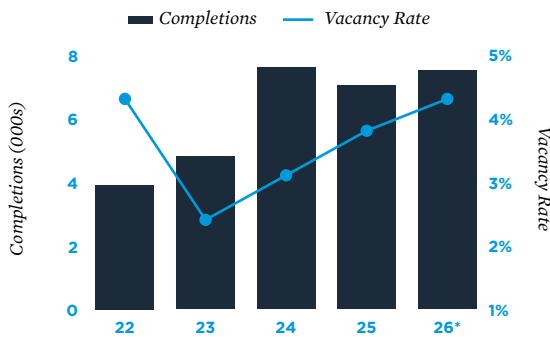


**2.5%  
INCREASE**  
*in effective rent*

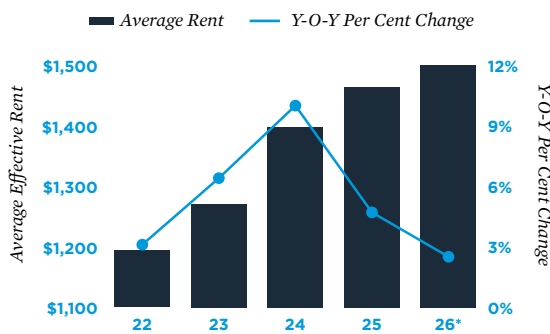
### RENT

Rents are expected to edge higher again in 2026, underpinned by Edmonton's cost advantages and broad-based demographic demand. Older, stabilized units will drive most of this jump, with newly delivered supply tempering rent growth at the upper end of the market.

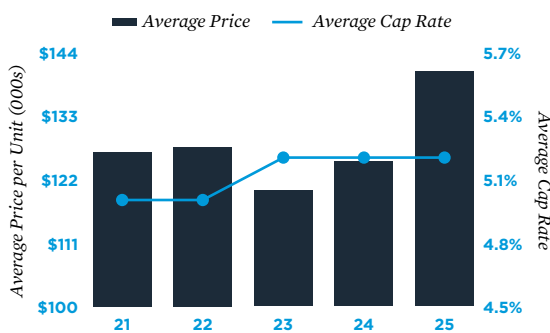
## Supply and Demand



## Rent Trends



## Sales Trends



\* Forecast

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

### Edmonton Office:

**Michael Heck** Senior Managing Director, Market Leader | Western Canada

10175 101 Street, Suite 1820

Edmonton, Alberta T5J 0H3

Tel: (587) 756-1600 | michael.heck@marcusmillichap.com

### Prepared and edited by:

**Frank Zhao**

Research Analyst, Canada | Research Services

For information on national multifamily trends, contact:

**John Chang**

Chief Intelligence & Analytics Officer

Tel: (602) 707-9700 | john.chang@marcusmillichap.com

Price: \$250

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## 2025 Overview



### CONSTRUCTION

**7,025 units completed**

- Completions edged down last year from the all-time high set in 2024, yet remained well above historic norms. Castledown and Millwoods welcomed the most new supply.
- Southwest Edmonton held the largest construction pipeline amid land availability, zoning flexibility, and sustained household growth.



### VACANCY

**70 basis point increase in vacancy Y-O-Y**

- Vacancy increased for the second consecutive year in 2025, hitting 3.8 per cent. This was 140 basis points off the 10-year low set in 2023.
- Millwoods, Downtown, and West Jasper Place all had vacancy rates above 5 per cent to end last year. This is not surprising, given these submarkets are seeing a large portion of the new supply coming to market.



### RENT

**4.7% increase in the average effective rent Y-O-Y**

- As cost advantages continued to support domestic in-migration, annual rent growth in Edmonton was among the strongest in major metros.
- Despite surpassing most other metros, historic openings have cooled rent gains relative to the metro's 10 per cent high in 2024. This was highlighted by Downtown, University, and Millwoods seeing below-average growth.

## Investment Highlights

- Preliminary 2025 sales figures indicate that multifamily remains highly sought after in Edmonton. Dollar volume through the first three quarters was up modestly compared to the all-time high set in 2024, positioning the year to finish as another standout period. Even with final tallies pending, investment activity was well above historic norms, supported by pro-development policy, competitive cap rates, and durable demand tailwinds.
- Pricing momentum has strengthened meaningfully, with the average sale price rising just over 10 per cent last year after bottoming in 2023 and improving through 2024. With rent growth holding at a solid pace and borrowing costs stabilizing, cap rates have remained steady at slightly more than 5 per cent — above the national average and among the highest of major Canadian metros. This yield premium continues to draw investors seeking stable income and more compelling risk-adjusted returns.
- Investors have shifted toward stabilized assets in Edmonton, where stronger occupancy, operational efficiencies, and attractive yields offer more reliable returns. Rising competition from national private buyers and institutions has deepened demand in this segment, reinforcing Edmonton's position as one of Canada's most compelling multifamily markets.