Market Report

MULTIFAMILY 3Q/26

Edmonton Metro Area

2026 FORECAST

EMPLOYMENT
15,000 Jobs will be created
1.7% Increase Y-O-Y

CONSTRUCTION
7,500 Units will be created
6.8% More than last year

VACANCY
5.0% Vacancy rate
120 BPS increase Y-O-Y

RENT
$1,475 Average effective rent by year-end
0.8% Increase Y-O-Y

Long-Term Growth Prospects Underpin Strength for Edmonton Apartments

City holds strong outlook. A 12 per cent rise in Edmonton's resident count since 2022 places it among Canada's fastest-growing metros. While growth will moderate to roughly 1.7 per cent in 2026 as tighter federal immigration policies take effect, longer-term forecasts hover above 2 per cent annually. The metro's relatively low cost of living is a key advantage, with apartment rents below the national average and home prices roughly 35 per cent lower. Hybrid work, stable public-sector and post-secondary employment, a growing technology sector, and increased investment in energy infrastructure will continue to support in-migration. Together, these factors will sustain above-average population and job growth and drive multifamily demand over the longer term.

Development is helping reshape urban core. Most apartment construction has been concentrated in downtown and nearby central neighbourhoods, bringing new residents to areas that have historically grown more slowly. The addition of higher-density housing is supporting retail, restaurants, and other local amenities, while encouraging broader private investment in the city centre. As multifamily development continues, a larger residential population should further strengthen the long-term appeal and vibrancy of Edmonton's core.

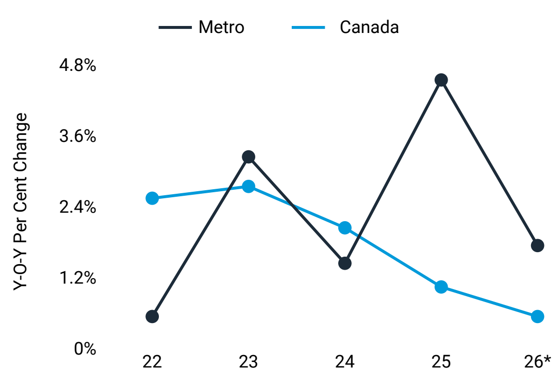
EMPLOYMENT

Edmonton's labour market remains among Canada's strongest, supported by solid population growth and continued strength in the public sector and in the energy and construction industries. Employment has expanded by 4.3 per cent year-over-year as of June, helping sustain household formation and rental demand despite slower national economic growth. Steady job creation should continue to support multifamily demand over the long term, although slower population growth will temper current absorption patterns.

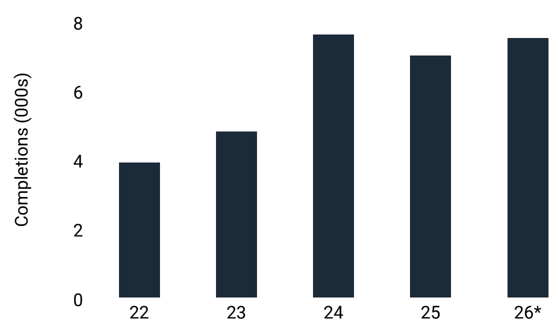
CONSTRUCTION

Robust multifamily fundamentals, government policy, lower land costs, and favourable development economics have fueled a sharp increase in construction across Edmonton and Alberta since 2020. As a result, deliveries are expected to remain near 2024's record high, with average annual completions since then nearly double the metro's 10-year average. Most new supply has been concentrated in and around downtown, supporting the ongoing revitalization of Edmonton's urban core.

EMPLOYMENT TRENDS



CONSTRUCTION TRENDS



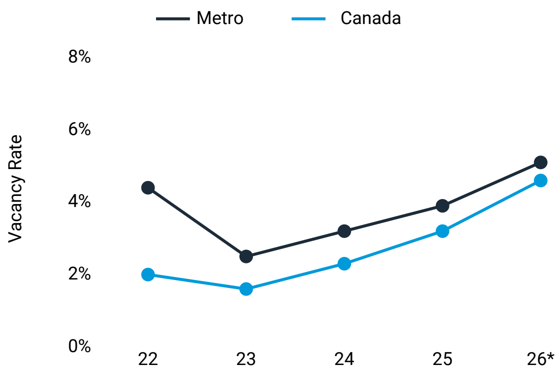
* Forecast

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

VACANCY

Strong population growth and relative affordability enabled Edmonton to absorb the supply surge between 2020 and 2023. However, moderating population gains and continued deliveries are expected to push vacancy to roughly 5 per cent this year, marking the highest level since the pandemic, but broadly in line with pre-2020 norms. Vacancy remains highest in submarkets with significant construction activity, including West Central, Downtown, and Jasper Place.

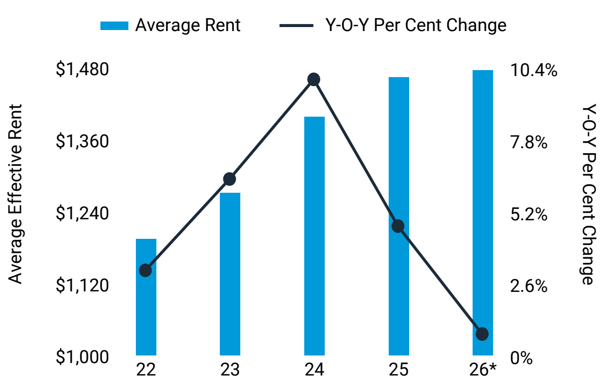
VACANCY TRENDS



RENT

Following a record 10 per cent rise in 2024, annual rent growth slowed to 4.7 per cent last year and is expected to moderate further this year. Rent growth has softened across all vintages, with properties built before 1960 recording rent contractions as tenants increasingly upgrade into newer, higher-quality buildings. At the same time, recently completed properties are facing elevated lease-up vacancy close to 40 per cent, putting downward pressure on effective rents as owners offer more generous leasing incentives.

RENT TRENDS



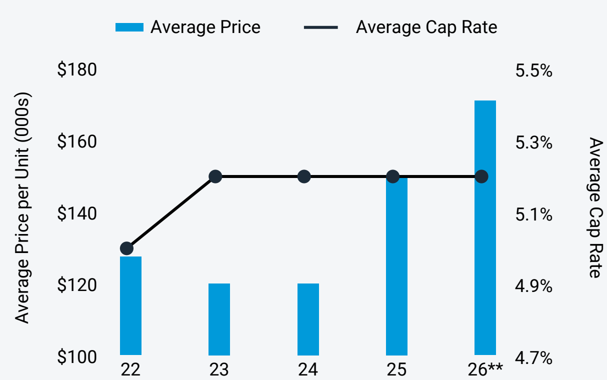
INVESTMENT HIGHLIGHTS

- After two consecutive years averaging roughly $1.5 billion in annual investment volume, activity moderated over the year ended April to about $1.3 billion, nearly 50 per cent above the metro's trailing 10-year average. Investor preferences are also shifting toward stabilized assets with predictable cash flows and value-add potential, as elevated lease-up risk has tempered demand for newly completed properties. At the same time, Alberta's absence of rent control creates greater upside for existing assets.

- Strong operating fundamentals have supported apartment values, with the average sale price remaining roughly 25 per cent above pre-pandemic levels despite elevated interest rates and broader economic uncertainty. Meanwhile, cap rates have widened and stabilized just above 5 per cent, producing going-in yields that are more attractive than in many larger Canadian markets. Combined with relatively limited institutional competition, these dynamics have enabled local private investors to dominate acquisitions, accounting for just over 80 per cent of investment volume in 2025, up from 65 per cent the year prior.

- While property performance has moderated in recent years, Edmonton's favourable investment fundamentals — including above-average yields, no rent control, and one of Canada's strongest long-term population and employment growth outlooks — are likely to continue to underpin investor appeal over the long term.

SALES TRENDS



* Forecast ** Through 1Q

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

Edmonton Office:

MICHAEL HECK

Senior Managing Director, Market Leader

Tel: (604) 398-4379

michael.heck@marcusmillichap.com

For info on national multifamily trends, contact:

JOHN CHANG

Senior Vice President, Chief Intelligence & Analytics Officer

Tel: (602) 707-9700

john.chang@marcusmillichap.com

Report prepared by:

FRANK ZHAO

Report edited by:

LUKE SIMURDA