MARKETBEAT
VANCOUVER
MULTIFAMILY Q1 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
3.3% Vacancy Rate	▲	▲
3,486 Net Absorption, units	▼	–
$2,061* Average Rent	▼	–

Source: CMHC & liv.rent

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.68M Vancouver Employment	▼	▲
6.2% Vancouver Unemployment Rate	▼	▼
6.7% Canada Unemployment Rate	▲	▲

Source: Statistics Canada

ECONOMY: RESILIENT ECONOMY, RISING HEADWINDS

British Columbia's economy was resilient throughout 2025, with better-than-expected momentum carrying into 2026, as real GDP increased approximately 2.0% year-over-year (YOY). However, 2026 has begun with mounting headwinds, including ongoing trade tensions, the de facto closure of the Strait of Hormuz, and emerging domestic pressures. Notably, the federal policy aimed at slowing population growth through lower immigration targets and tighter temporary resident programs is beginning to weigh on short-term demand fundamentals. As a result, multifamily demand is transitioning from a peak cyclical phase toward a more normalized level of absorption. Despite this moderation, persistent structural undersupply, limited land availability and elevated replacement costs continue to underpin fundamentally strong long-term rental housing demand.

SUPPLY GROWTH CONTINUES TO OUTPACE DEMAND

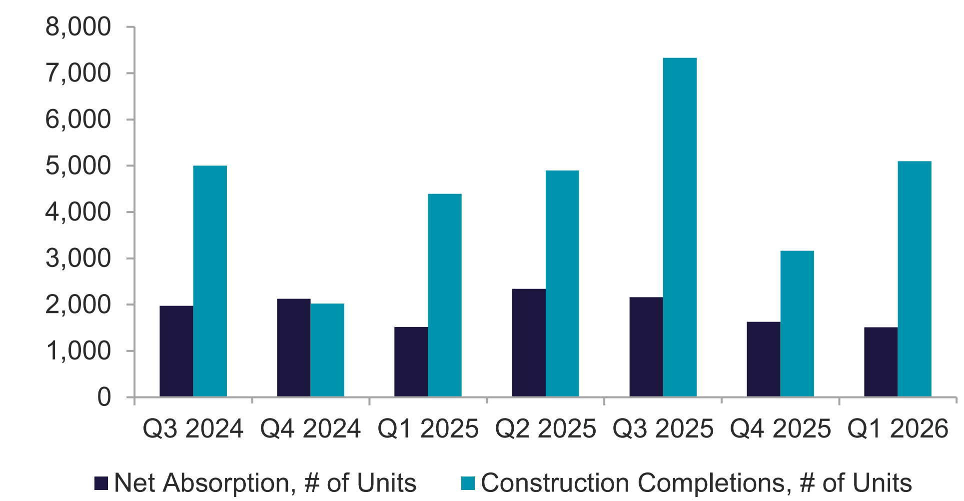
Looking at both rental and strata projects built since 2020 in Greater Vancouver, there is an imbalance between supply and demand as construction completions have consistently outpaced net absorption across nearly every quarter. While demand has remained somewhat healthy, with quarterly net absorption generally ranging between 1,500 and 2,300 units, new supply deliveries have been substantially higher, frequently exceeding 4,000 units and peaking at more than 7,300 units in Q3 2025.

As new deliveries continue to rise, demand has not kept pace, leading to oversupply and rapidly increasing vacancy rates. This has shifted near-term market conditions in favour of tenants, particularly in the purpose-built rental segment, where supply growth is outpacing renter demand amid declining non-permanent resident levels.

PRICING: RENTAL RATE SOFTENING AMID RISING SUPPLY

Rental market conditions across Metro Vancouver have softened as rising supply and affordability constraints continue to pressure rents, particularly in newer product. New-product rental rates have declined for two consecutive quarters, with average rents down approximately 16% YOY, while mid-market and legacy assets have also recorded modest declines from peak levels. Despite an overall average rent of approximately $2,061, pricing varies significantly across the market, ranging from nearly $2,430 in West Vancouver and $2,353 in North Vancouver to $1,664 in Surrey. In this flatter rent environment, expense control, lease discipline and operational efficiency have become increasingly important to preserving asset performance and value.

ACTIVE PROJECTS DEMAND & DELIVERIES*

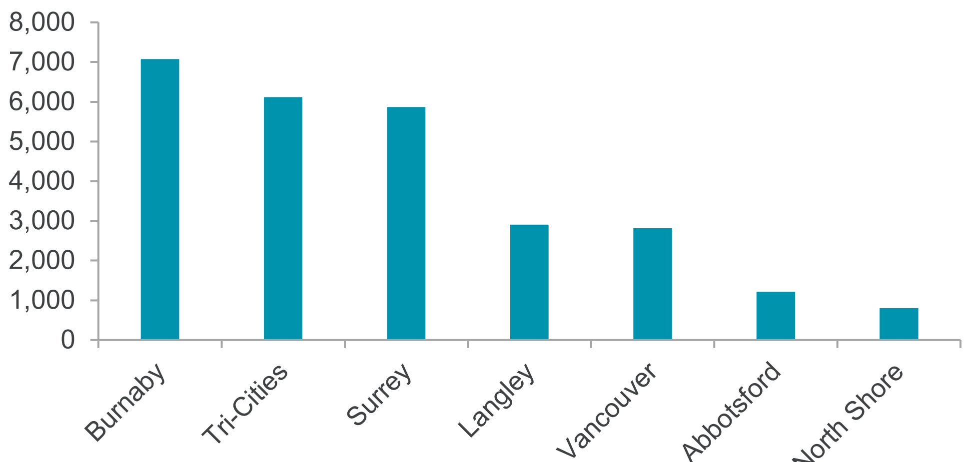


Source: Real Property Data
**Strata and rental projects since 2020*

Q1 2026 AVERAGE 1-BEDROOM RENT BY CITY*

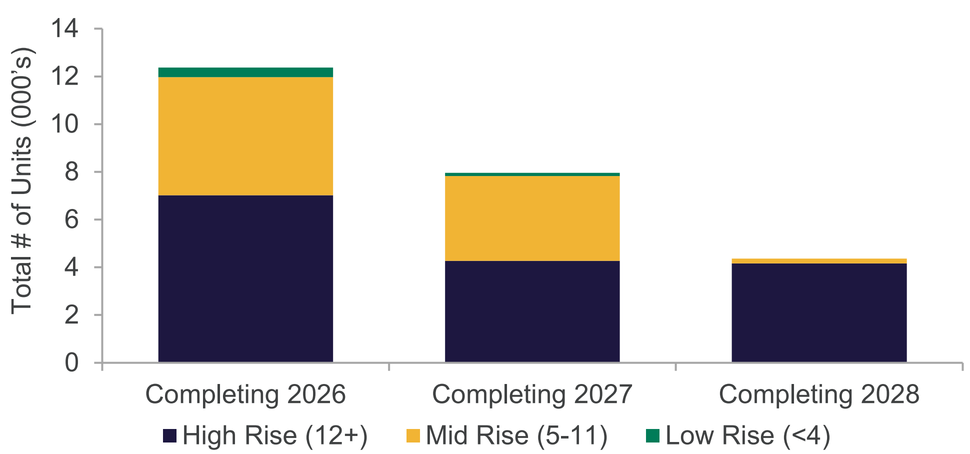
Source: liv.rent
**Metro Vancouver*

STRATA UNITS UNDER CONSTRUCTION



Source: Real Property Data

UNITS UNDER CONSTRUCTION BY BUILDING HEIGHT*



2025 CONSTRUCTION COST PSF RANGE

Rental and strata.

ELEVATED STRATA INVENTORY AND PRICING PRESSURE

Greater Vancouver's strata market continues to face elevated inventory levels, with more than 4,300 move-in ready units currently available and expected to compete directly with purpose-built rental supply over the next 24-36 months.

A significant portion of released but unsold inventory consists of concrete condominium product, while pricing pressure has emerged across both completed and under-construction projects as developers adjust to slower demand conditions. Concrete strata development activity has slowed considerably due to escalating construction costs. This has limited the financial viability of new launches despite a still sizable pipeline of projects under construction across key markets such as Burnaby, Tri-Cities and Surrey.

In addition to the currently under construction projects, there are an estimated 140,000 strata projects in the proposed stages. However, it is uncertain how many will ultimately proceed to construction.

SHIFTING DEVELOPMENT MIX AMID CHANGING BUYER PREFERENCE

Under-construction pipeline data shows a clear shift in Greater Vancouver development activity by product type, with high-rise supply dominating near-term delivery at 7,017 units in 2026 before moderating to 4,273 units in 2027 and 4,161 units in 2028. Mid-rise product also remains meaningful in the near term at 4,954 units in 2026 and 3,557 units in 2027 but drops sharply thereafter. Low-rise development is minimal between 2026 to 2028, while the longer development timeline for high-rise projects explains the steady flow of completions through 2028 compared to shorter-cycle mid-rise product. This composition highlights a continued reliance on higher-density development, even as demand dynamics are increasingly shifting toward more affordable, ground-access housing. Affordability constraints are driving buyer preferences away from traditional condo product, with strong momentum emerging in multiplex and wood-frame development, particularly townhomes in Surrey and Langley, where demand from younger households priced out of single-family housing remains elevated. Until condo affordability and absorption improve, ground-oriented housing is expected to continue outperforming relative to high-rise product.

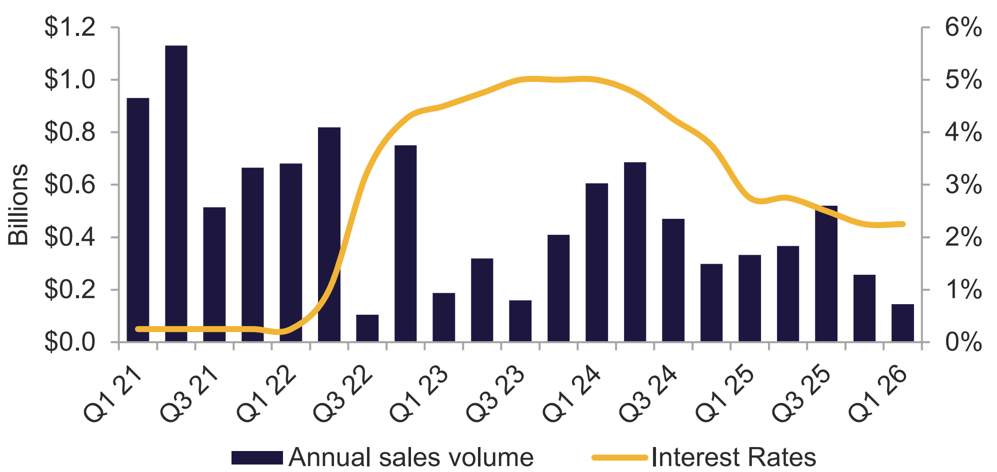
CONSTRUCTION COSTS STABILIZE AT ELEVATED LEVELS

Construction costs across Metro Vancouver have stabilized at historically elevated levels following several years of sharp inflation, with 2025 hard costs ranging from approximately $330 to $405 per square foot (psf) for low-rise product to $370-$485 psf for towers above 60 storeys. While the cost premium between mid- and high-rise concrete construction has narrowed somewhat, overall project economics remain challenging due to persistently high labour and service costs, elevated financing hurdles and substantial municipal fees and development charges. Construction financing conditions also remain restrictive, with lenders requiring higher equity contributions, stricter pre-sale thresholds, and stronger guarantees. However, recent reductions to development cost charges may help improve feasibility and could provide the catalyst needed for stalled projects to move forward.

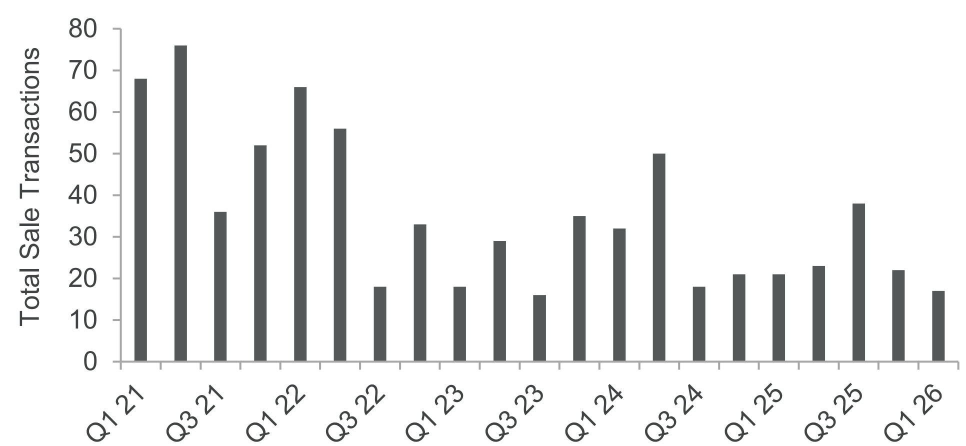
OUTLOOK

- A key market theme is the sharp rise in standing inventory. A significant volume of new supply has been delivered within a short period, while demand has softened due to affordability pressures, slower immigration growth and reduced non-permanent resident levels.
- Nearly 24,000 rental units are expected to deliver over the next two years, adding significant supply and intensifying leasing competition in the near term. Record construction completions in 2025, with elevated deliveries continuing into 2026, are expected to maintain downward pressure on rent growth and support tenant-favourable market conditions.
- The market is expected to require several years to absorb existing inventory, with meaningful rent growth unlikely to resume until approximately 2028. However, longer term supply constraints could eventually re-emerge as development activity slows.
- Longer-term housing demand fundamentals remain supported by permanent immigration, although near-term population growth is expected to remain muted.

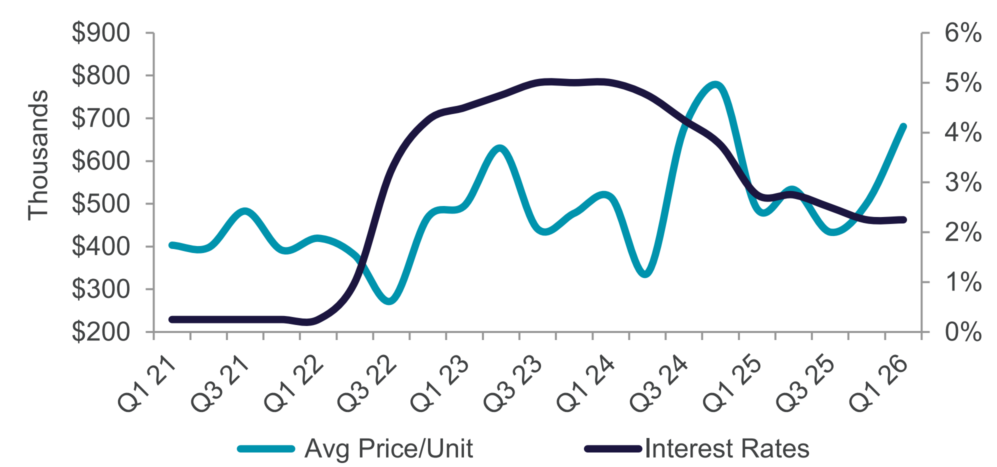
TOTAL MULTIFAMILY SALES VOLUME



QUARTERLY MULTIFAMILY PROPERTY SALES



INTEREST RATES VS AVG. PRICE/UNIT (NEW BUILDS*)



Projects built since 2010

MULTIFAMILY SALES

Greater Vancouver multifamily investment activity has remained closely tied to interest rate movements over the past several years. Transaction volume peaked during the low-rate environment of 2021 and early 2022, with quarterly sales frequently exceeding $600 million and surpassing $1.1 billion in Q2 2021. As interest rates rose sharply through 2022 and 2023, sales activity declined significantly amid higher borrowing costs, slower rent growth and rising operating expenses.

Cap rates have since expanded by approximately 50 to 125 basis points, while persistent bid-ask spreads continue as pricing recalibrates to a higher cost of capital environment. Investors are increasingly focused on capital preservation and stabilized income-producing assets. Elevated levels of court-ordered sales, receiverships and CCAA processes further reflect ongoing stress within parts of the market. However, primary markets continue to command lower cap rates and higher price-per-unit, reflecting long-term demand and durability. Secondary markets are offering meaningful yield premiums, attracting buyers focused on cash flow and value-add opportunities.

SOFTENING BUT SELECTIVE SALES ACTIVITY

Quarterly multifamily sales activity has trended lower and more volatile since the 2021 peak, when liquidity and transaction volumes were at their highest. Activity declined sharply through 2022 to 2023 as interest rates rose and pricing recalibrated, with several quarters dropping below 20 transactions. This was followed by a modest but uneven recovery in 2024 to 2025.

Recent transactions have also become more difficult to underwrite, particularly for assets with declining rents and elevated vacancy (in some cases 15 to 20%), requiring sellers to offer incentives and concessions to bridge valuation gaps. As a result, some deals are trading at slightly higher cap rates, reflecting weaker near-term income visibility and more conservative buyer underwriting.

PRICE RESET CREATES ACQUISITION OPPORTUNITY

New-build pricing in Greater Vancouver has effectively reset following the post-COVID surge, with average price per unit reverting toward pre-pandemic levels as interest rates rose and cap rates expanded. After peaking in 2021, pricing showed a marked correction through 2022, reflecting both higher financing costs and weaker market sentiment, while more recent data indicates a normalization rather than continued appreciation. This adjustment, combined with elevated construction costs, has created a rare disconnect that currently favours acquisition over development in many cases.

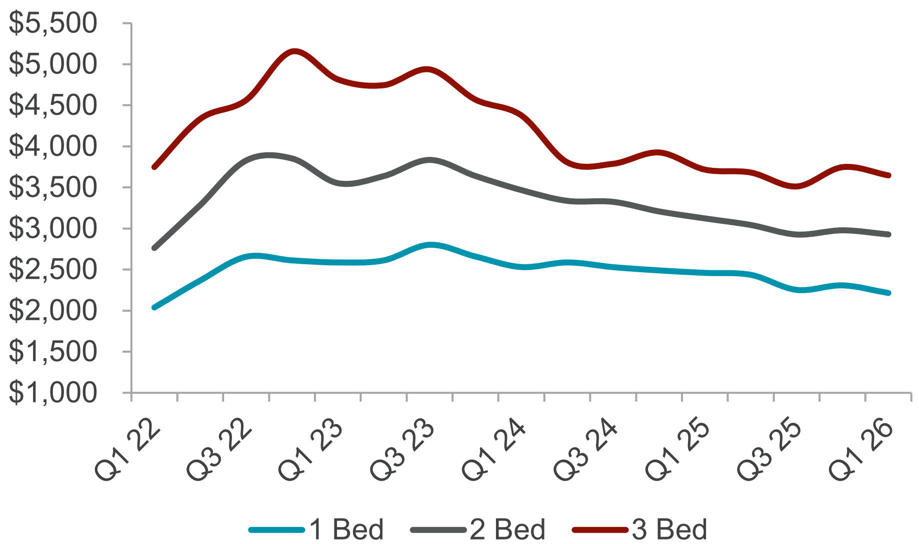
Although transaction volumes have slowed, liquidity remains available for well-priced, cash-flowing assets, particularly in core and value-add segments. Properties that can finance efficiently (through longer amortizations, CMHC programs or strong in-place income) continue to attract stronger buyer interest.

OUTLOOK

- Significant unsold inventory completing in 2026 is expected to continue weighing on absorption and pricing, particularly in Vancouver and North Shore.
- Many existing rental assets are trading below replacement cost, creating opportunity for investors targeting well-located, income-producing properties given today's elevated construction costs.
- Over the next two to three years, the multifamily market is expected to move toward a more balanced phase as supply peaks and absorption gradually normalizes. Near-term focus will remain on operational performance, selective acquisitions, and strategic dispositions, helping support improved market confidence later in the cycle.
- As strata market conditions remain challenged, some developers are shifting toward purpose-built rental in response to weaker pre-sale demand and higher financing costs, with increased focus on transit oriented, high-demand submarkets.
- With rent growth moderating, investors are increasingly focused on long-term ownership strategies centred on cash flow and operational execution rather than short-term growth plays.

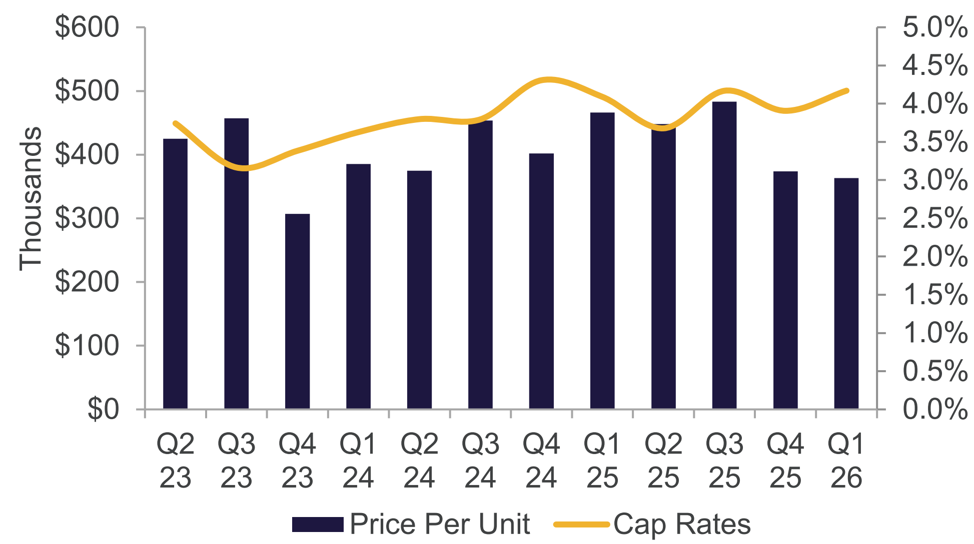
AVG. RENT PER UNIT BY BEDROOM IN VANCOUVER [1]

AFTER PEAKING IN 2022-23, VANCOUVER RENTS HAVE EASED, WITH THE SHARPEST SOFTENING AT THE THREE-BEDROOM LEVEL.



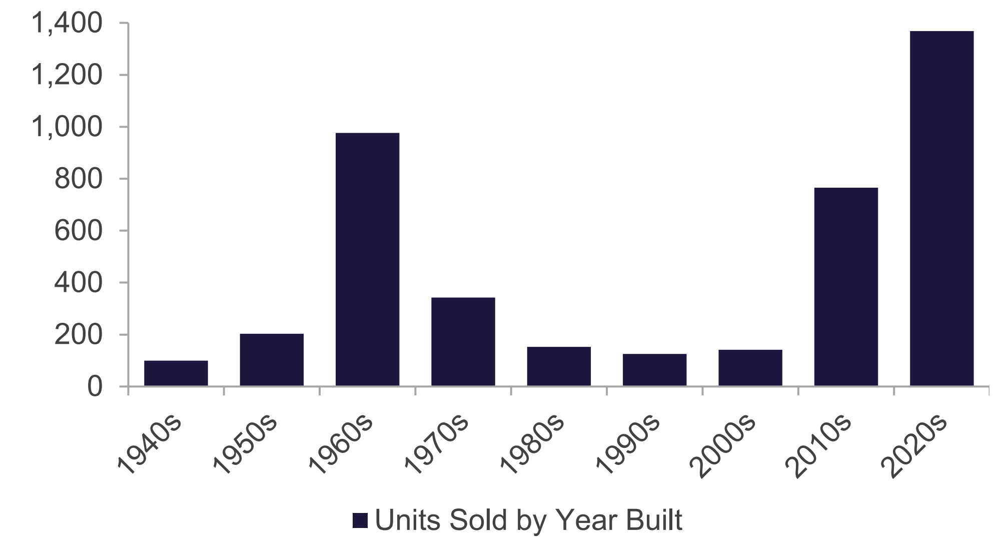
CAP RATES VS AVG. SALE PRICE/UNIT [2]

MULTIFAMILY PRICING REMAINS INCONSISTENT, WITH CAP RATES DRIFTING HIGHER INTO THE LOW-4% RANGE.



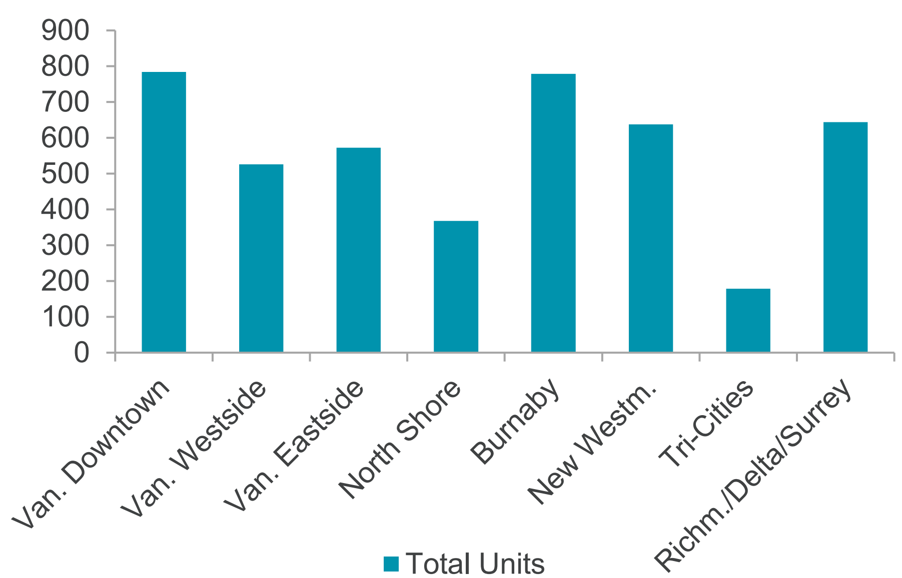
MULTIFAMILY UNITS SOLD IN 2025 BY DECADE BUILT [3]

MOST UNITS SOLD IN 2025 WERE VALUE-ADD FROM THE 1960s AND NEW BUILT UNITS FROM THE LAST TWO DECADES.



RENTAL STANDING SUPPLY BY AREA [4]

UNITS AVAILABLE FOR RENT ARE AT AN ALL-TIME HIGH, WITH VANCOUVER HOLDING MOST OF THE EMPTY SUPPLY.

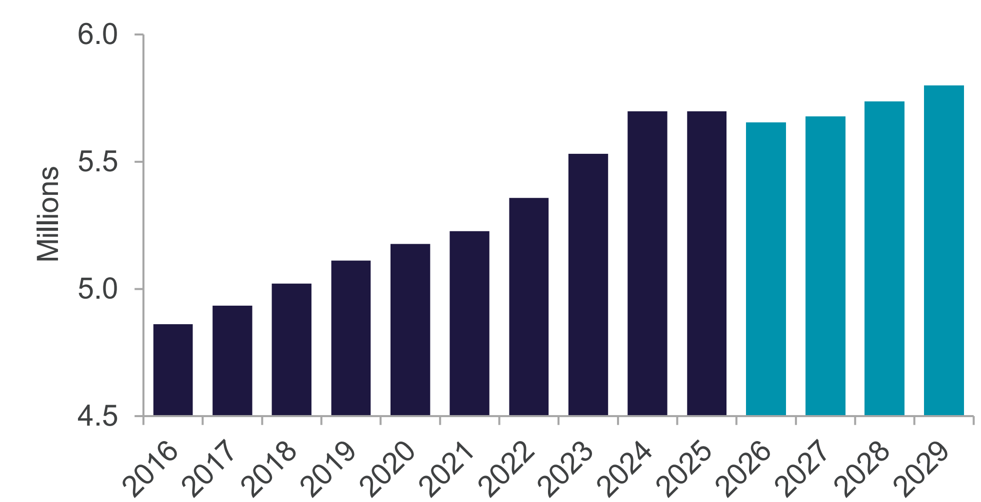


METRO VANCOUVER AVERAGE RENT [5]

VACANCY HAS CONSISTENTLY RISEN HIGHER, RESULTING IN A STEADY ASKING RENT DECLINE.

BC POPULATION GROWTH [6]

COMING OFF A STRONG GROWTH PERIOD, POPULATION IS EXPECTED TO HOLD STEADY UNTIL 2029.



(1) liv.rent
(2) C&W Research
(3) C&W Research
(4) CMHC
(5) liv.rent
(6) BC Stats

RENTAL MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % INVENTORY GROWTH	YTD NET ABSORPTION (UNITS)	VACANCY RATE	YOY VACANCY RATE CHANGE (BPS)	AVERAGE RENT / UNIT	YOY % EFFECTIVE RENT GROWTH
Downtown	23,067	0	0.0%	6	3.4%	+170	$2,098	0.1%
Kitsilano/UBC	10,302	336	3.3%	214	1.6%	+80	$2,219	1.5%
South Granville	9,290	87	0.9%	14	1.8%	+80	$1,929	1.8%
Kerrisdale/Marpole	8,086	294	3.6%	67	2.5%	+90	$1,948	4.1%
Mount Pleasant	8,652	205	2.4%	191	2.5%	+70	$1,903	-1.3%
East Hastings	6,796	304	4.5%	50	3.8%	+230	$1,827	4.2%
Southeast Vancouver	4,985	485	9.7%	322	2.4%	+150	$1,968	8.5%
Vancouver Overall	71,178	1,711	2.4%	864	2.6%	+110	$2,020	1.5%
North Shore	13,622	385	2.8%	409	2.7%	+40	$2,312	4.5%
Burnaby	13,197	150	1.1%	342	5.9%	+440	$1,856	5.0%
New Westminster	10,986	347	3.2%	12	5.8%	+440	$1,794	3.8%
Tri-Cities	7,458	481	6.4%	269	2.4%	+40	$1,936	-2.7%
Maple Ridge/Pitt Meadows	1,944	37	1.9%	95	2.3%	+150	$1,514	3.8%
Richmond	3,976	161	4.0%	68	3.1%	+220	$1,887	-0.7%
Delta	1,892	123	6.5%	77	1.5%	+80	$1,676	10.5%
Surrey/White Rock	11,080	612	5.5%	886	4.4%	+270	$1,705	1.0%
Langley	5,227	665	12.7%	314	3.0%	+70	$2,007	6.1%
Abbotsford/Chilliwack/Mission	10,811	223	2.1%	116	3.1%	+170	$1,421	5.2%
OVERALL MARKET	**151,371**	**4,895**	**3.2%**	**3,452**	**3.3%**	**+170**	**$1,930**	**2.5%**

Source: CMHC (October 2025-March 2026)

KEY PROJECTS DELIVERED Q1 2026

PROPERTY	SUBMARKET	UNITS	TYPE	DEVELOPER
Uptown West - 612 Seventh Street	New Westminster	328	Rental	PC Urban
Signal at Marine Gateway - 8460 Ash Street	Vancouver Westside	272	Rental	Intracorp Homes
Nuvo - 6073 Wilson Avenue	Burnaby	258	Strata	Anthem Properties

KEY SALES TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	UNITS	YEAR BUILT	PRICE / $ UNIT
1255 West 14th Avenue	Vancouver Westside	61	1973	$26,675,000 / $437,295
727 East 17th Avenue	Vancouver Eastside	32	2017	$21,500,000 / $671,875
8507 120th Street	Delta	70	1970	$18,300,000 / $261,429
11300 Pazarena Place	Maple Ridge	25	2024	$17,250,000 / $690,000
2139 Kingsway	Vancouver Eastside	14	1083	$7,500,000 / $535,714
1603 East Broadway	Vancouver Eastside	22	1982	$6,300,000 / $286,364

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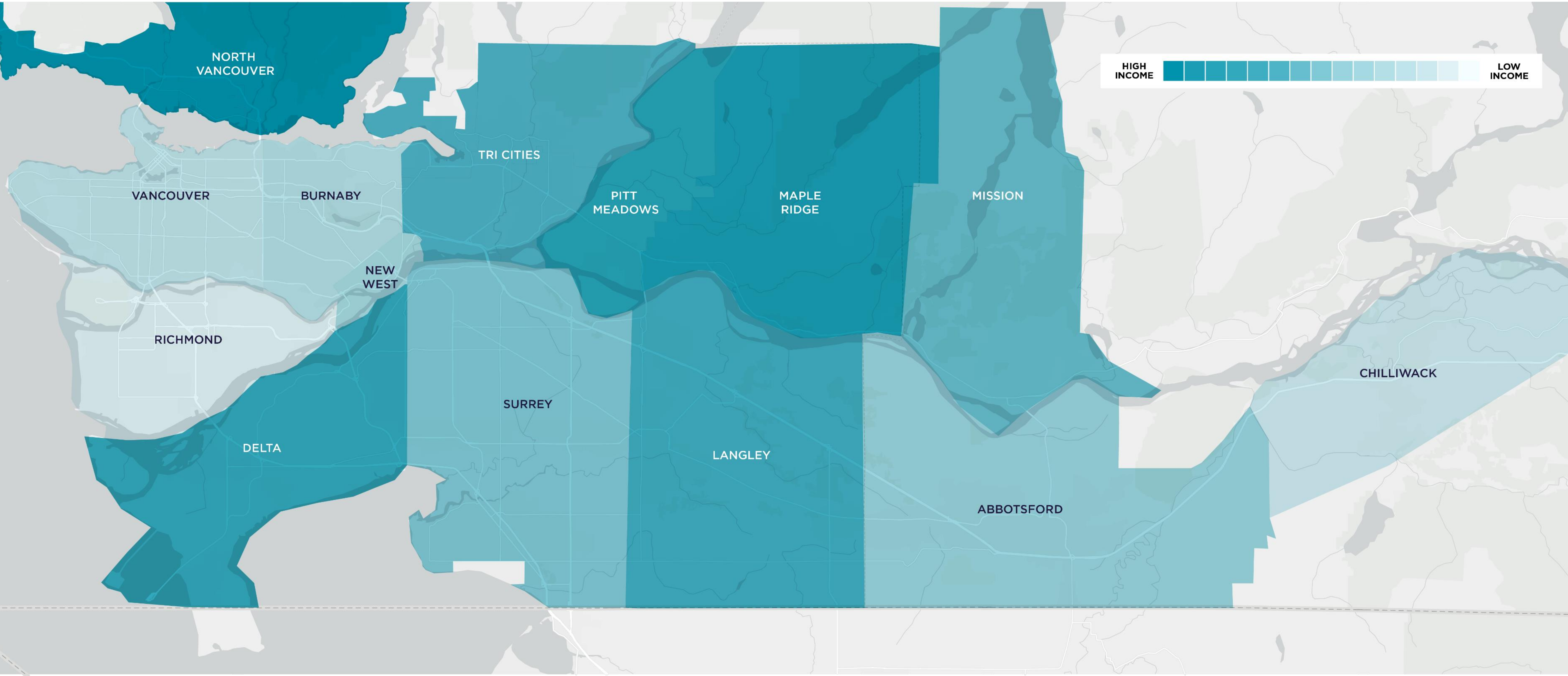

SUBMARKET	North Shore	Vancouver	Burnaby	New Westminster	Tri-Cities	Richmond	Delta	Surrey	Pitt Meadows	Maple Ridge	Mission	Langley	Abbotsford	Chilliwack
Total Population	220,264	736,323	295,694	91,801	282,061	244,499	124,533	698,330	21,643	108,796	46,863	203,309	172,706	104,460
5-Year Projected Population Change	1.5%	3.8%	4.3%	6.0%	3.2%	5.1%	2.9%	4.8%	6.7%	7.5%	5.1%	11.7%	2.1%	8.3%
Median Household Income	$131,419	$101,245	$101,926	$102,418	$119,605	$96,783	$125,440	$112,511	$127,547	$125,755	$116,887	$122,208	$107,797	$100,303
Total Land Area	275 km^2	117 km^2	90 km^2	18 km^2	191 km^2	152 km^2	199 km^2	322 km^2	90 km^2	273 km^2	231 km^2	325 km^2	384 km^2	279 km^2

Sources: Environics DemoStats 2026