

Intelligent Investment

# Canadian Cap Rates & Investment Insights

REPORT

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A quarterly snapshot of Canadian commercial real estate cap rates and investment trends.

CBRE RESEARCH  
Q1 2026

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# National Investment Trends

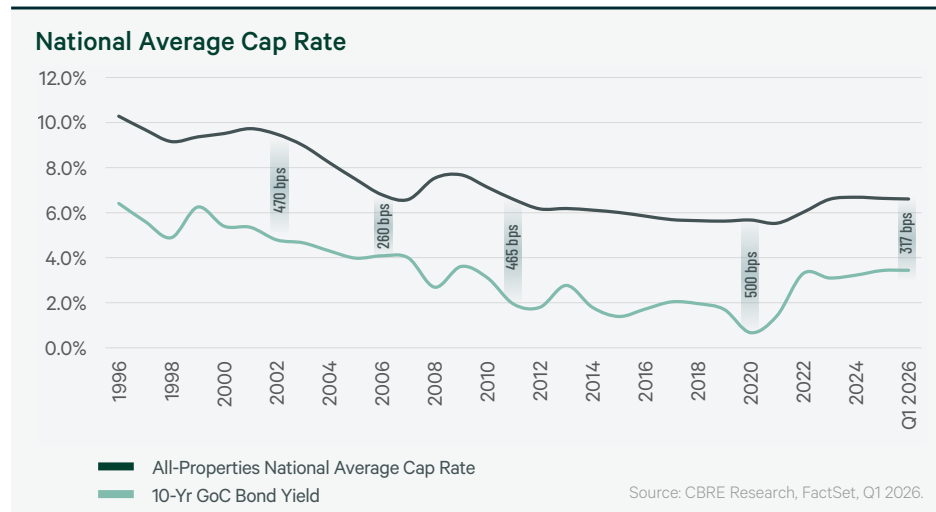
# Investment Trends



## Marc Meehan

Managing Director, Research  
[www.cbre.ca/marc.meehan](http://www.cbre.ca/marc.meehan)

- Financial market volatility spiked late in Q1 2026 with the escalation of conflict in the Middle East, as investors tried to adjust to suddenly greater upside risks to inflation and downside risks to global economic growth. Bond yields in particular fluctuated sharply and impacted the cost of debt. While investment capital for real estate has been active, it has also been selective. This is likely to continue as investors gravitate towards high-quality assets and durable incomes in these uncertain times.
- Overall, the national average all-properties cap rate edged lower by 2 bps quarter-over-quarter to 6.61% in Q1 2026. Despite swings in the Canada 10-year bond yield during the quarter, it finished effectively flat quarter-over-quarter, resulting in a marginally tighter cap rate spread of 317 bps.
- In Q1 2026, real estate yields compressed slightly quarter-over-quarter for industrial and office assets. Retail cap rates were a bit more mixed with largely offsetting movements, and multifamily yields continued to inch higher.



## Q1 2026 Cap Rates

Category	Cap Rate	ΔQ/Q
<b>Downtown Office</b>		
AA	6.79%	▼
A	7.88%	▼
B	8.77%	▼
<b>Suburban Office</b>		
A	8.02%	▼
B	8.97%	▼
<b>Industrial</b>		
A	5.78%	▼
B	6.38%	▼
<b>Retail</b>		
Regional	6.45%	▲
Power	6.63%	▼
Neighbourhood	6.58%	◄►
Strip	6.05%	▼
Strip (non-anchored)	6.52%	▼
Urban Streetfront	6.25%	◄►
High Street	5.38%	◄►
<b>Multifamily</b>		
High Rise A	4.51%	▲
High Rise B	4.83%	▲
Low Rise A	4.69%	▲
Low Rise B	4.94%	▲
New Construction	4.66%	▲
<b>Seniors Housing</b>		
Independent/ Assisted Living A	6.00%	◄►
Independent/ Assisted Living B	8.17%	◄►
Long Term Care A	7.14%	◄►
<b>Hotel</b>		
Downtown Full Service	7.64%	◄►
Suburban Limited Service	9.17%	◄►
Focused Service	8.63%	◄►

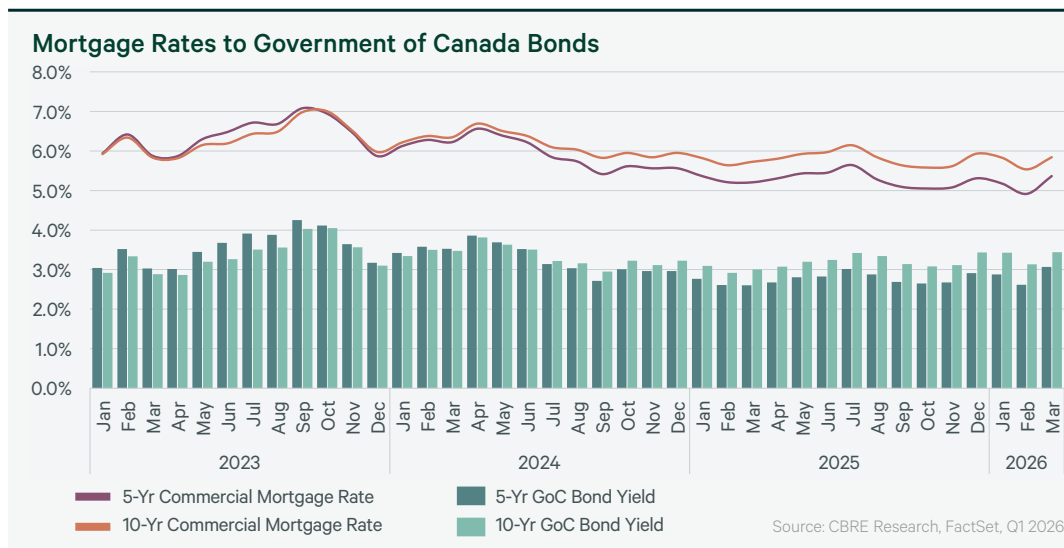
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# Debt Market Trends



**Andrew Odd**  
Executive Vice President,  
Debt & Structured Finance  
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- The commercial mortgage market continues to show resilience in the face of global market flux, both in terms of regional military conflicts and on-going trade tariff negotiations.
- Canada remains a safe haven for global investment and is generally perceived as a stable market. Most lenders have indicated that watch list commercial loans have not grown over the past 12 months and that loan books remain healthy. However, land loans continue to be closely monitored, particularly for residential developments in larger urban markets.
- Virtually all commercial lenders are seeking good quality loans with multifamily, grocery-anchored retail and well-located industrial properties the most in demand.
- Spreads have compressed since early 2026 as active lenders bid on a limited pool of new loans. Most loan opportunities are for “refinancings” and not “purchase financings” as most owners prefer not to liquidate in today’s environment.
- Canada bond yields have spiked upwards since the Middle East conflict began in late February, although partially offset by compressed lender spreads.
- Office loans are slowly coming back into favour with lenders as operating metrics improve as a result of slow economic growth and return-to-office mandates enforced by employers.



## Market Movers

	Q4 2025	Q1 2026	Change Q/Q
<b>5-Year Mortgage Spread Range</b>	1.30% - 3.50%	1.20% - 3.40%	▼ -10 bps
<b>10-Year Mortgage Spread Range</b>	1.40% - 3.60%	1.30% - 3.50%	▼ -10 bps
<b>CAD/USD</b>	\$0.7286	\$0.7187	▼ -1.37%
<b>Canada Prime Rate</b>	4.45%	4.45%	◀▶ 0 bps
<b>CORRA</b>	2.300%	2.270%	▼ -3 bps
<b>Western Canadian Select (USD)</b>	\$43.83	\$80.14	▲ 82.84%

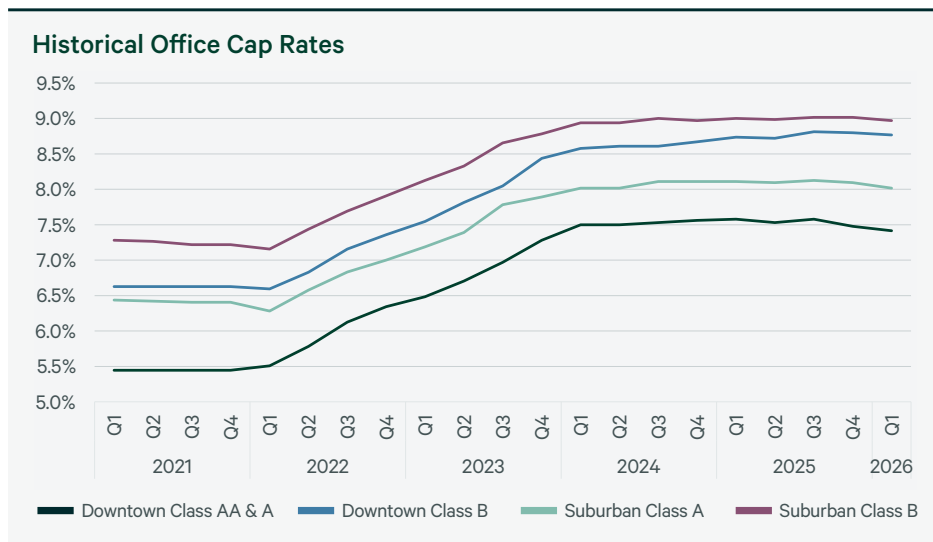
Source: CBRE Research, FactSet

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# Office Investment Trends



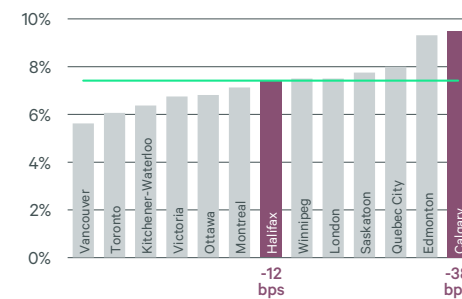
- National average office cap rates continued to compress in Q1 2026, with quarter-over-quarter decreases recorded across every national series. However, changes in yield were led by just a couple markets as office cap rates held flat in most markets.
- The bifurcation in the office investment landscape continues to deepen, with Downtown Class AA & A cap rates compressing 7 bps quarter-over-quarter to average 7.41% while Downtown Class B yields decreased 3 bps to 8.77%. This continues to widen the spread in yield between classes to another record high of 136 bps.
- Similarly for Suburban office cap rates, the national average Class A yield decreased 7 bps quarter-over-quarter to 8.02% and the Class B cap rate declined by 5 bps to 8.97%.
- Overall, quarterly cap rate decreases were driven by Calgary and Halifax, as well as Winnipeg for Suburban Class B yields. Meanwhile, Victoria saw Downtown Class B cap rates increase in Q1 2026.



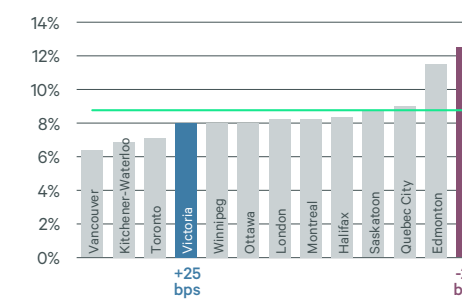
## Regional Rankings

Cap Rate    Δ Q/Q    National Average

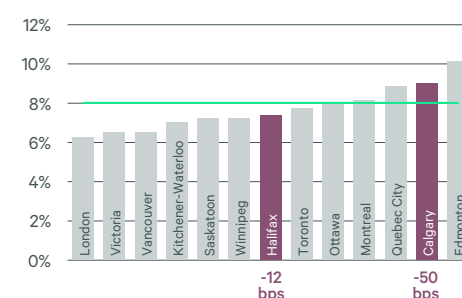
Downtown Class AA & A



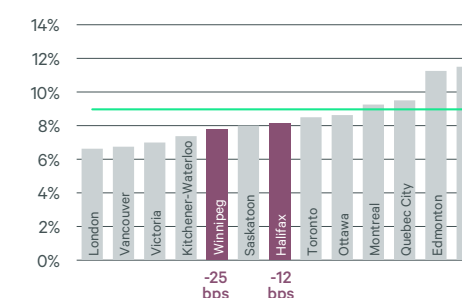
Downtown Class B



Suburban Class A



Suburban Class B



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# Industrial Investment Trends

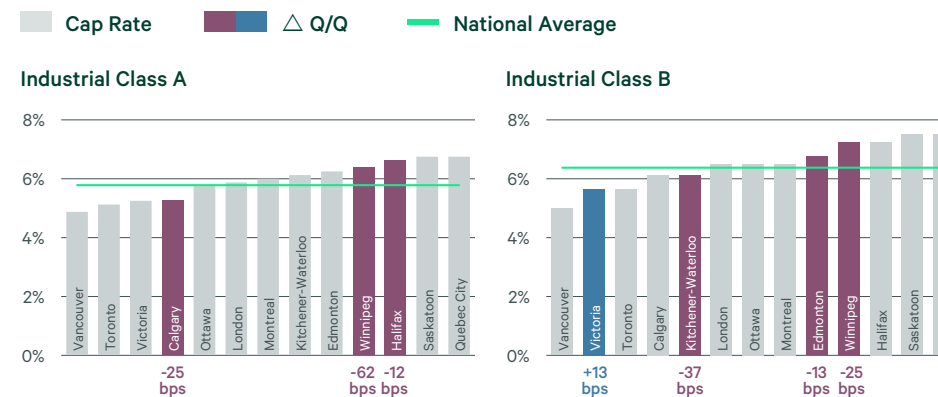


- Industrial cap rates saw the largest decrease of all the real estate asset classes in Q1 2026, led by national average Class A yields dropping 13 bps quarter-over-quarter to 5.78%. Class B industrial cap rates compressed more modestly by 4 bps to 6.38%.
- The spread between industrial classes continues to widen as yields for higher quality Class A product has been dropping at a faster pace compared to Class B yields that have more modestly compressed over the last year.
- The largest quarter-over-quarter movements were decreases in Winnipeg Class A cap rates and Kitchener-Waterloo Class B yields. Victoria was the only market to record a modest quarter-over-quarter increase in Class B cap rates.

Historical Industrial Cap Rates



## Regional Rankings

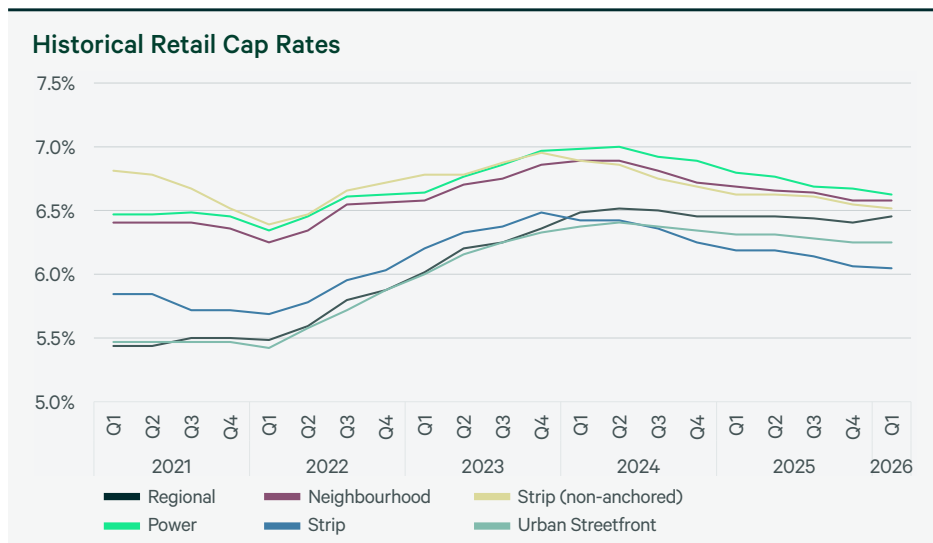


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# Retail Investment Trends

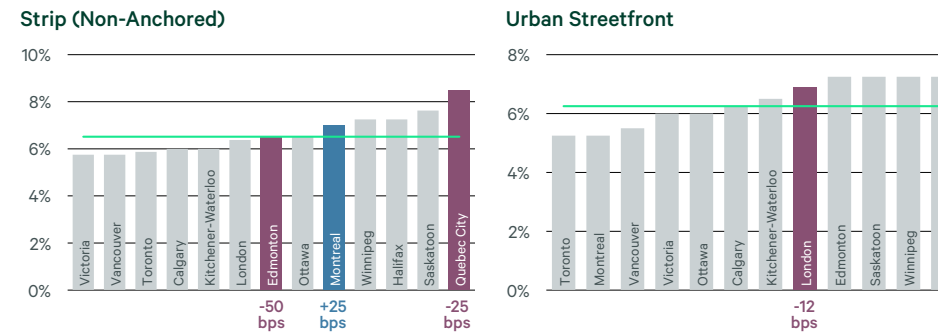
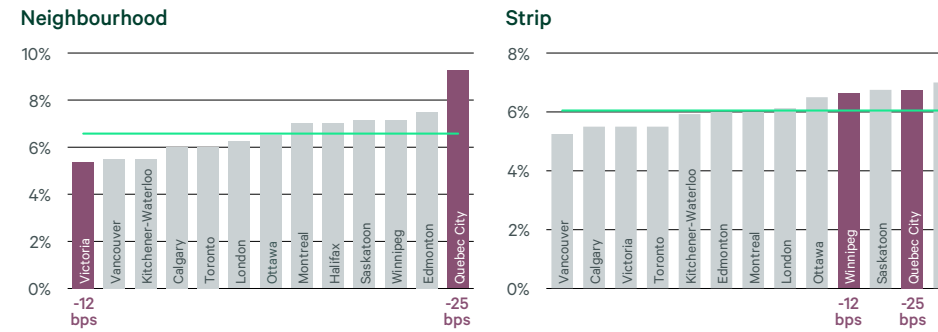
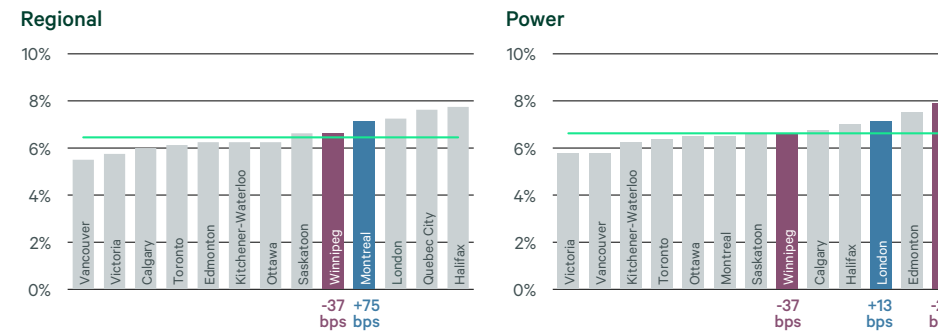


- Retail cap rates held relatively steady overall in Q1 2026, recording mixed, but marginal, quarter-over-quarter movements in select national average retail categories.
- The national average Regional retail cap rate rose slightly by 4 bps to 6.45% in Q1 2026, marking the first quarterly increase in the national series in seven quarters. This was solely driven by a large quarter-over-quarter increase in Montreal and brings the national average yield back in line with levels from one year ago.
- Marginal retail cap rate compression was seen in the national Power, Strip (Non-anchored) and Strip categories in Q1 2026, where yields decreased by 4 bps, 3 bps and 1 bps, respectively. The decreases were largely led by lower cap rates in Winnipeg and Edmonton.



## Regional Rankings

Cap Rate    Δ Q/Q    National Average



Regional rankings for High Street retail category not shown.

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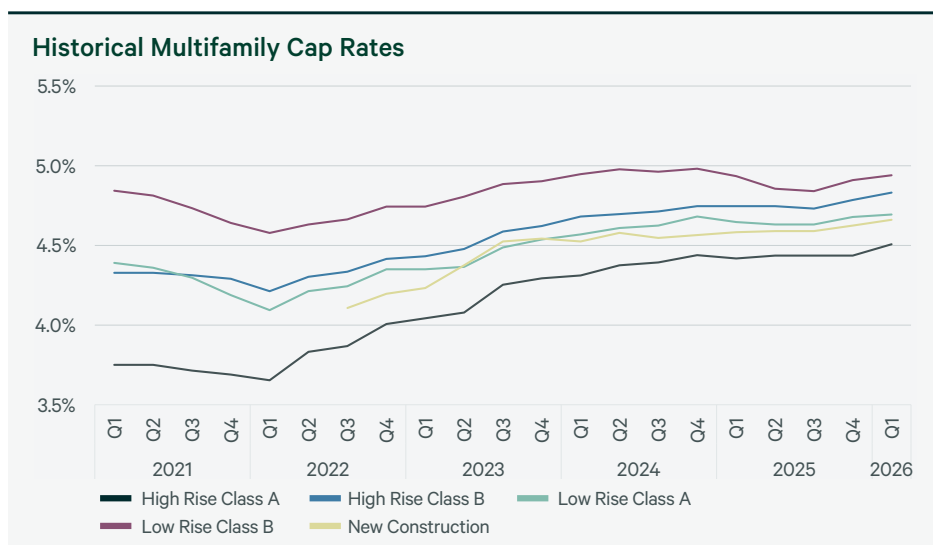
# Multifamily Investment Trends



## David Montessor

Vice Chairman,  
National Apartment Group  
[www.cbre.ca/david.montessor](http://www.cbre.ca/david.montessor)

- Multifamily cap rates continued to rise in Q1 2026 with national average yields increasing slightly quarter-over-quarter across each segment.
- Cap rate increases were led by the High Rise category where national Class A and Class B yields rose 7 bps to 4.51% and 5 bps to 4.83% in Q1 2026, respectively.
- Cap rates for Low Rise assets increased more modestly in Q1 2026 with the Class A yield edging higher by 1 bps to 4.69% and the Class B cap rate rising 3 bps to 4.94%, respectively. New Construction cap rates also increased slightly by 3 bps quarter-over-quarter to 4.66%.
- Quarterly cap rate increases in Q1 2026 were led by movements in Kitchener-Waterloo, Montreal and Vancouver. Meanwhile, Quebec City was the only market to record multifamily yield compression in its High Rise Class B segment.



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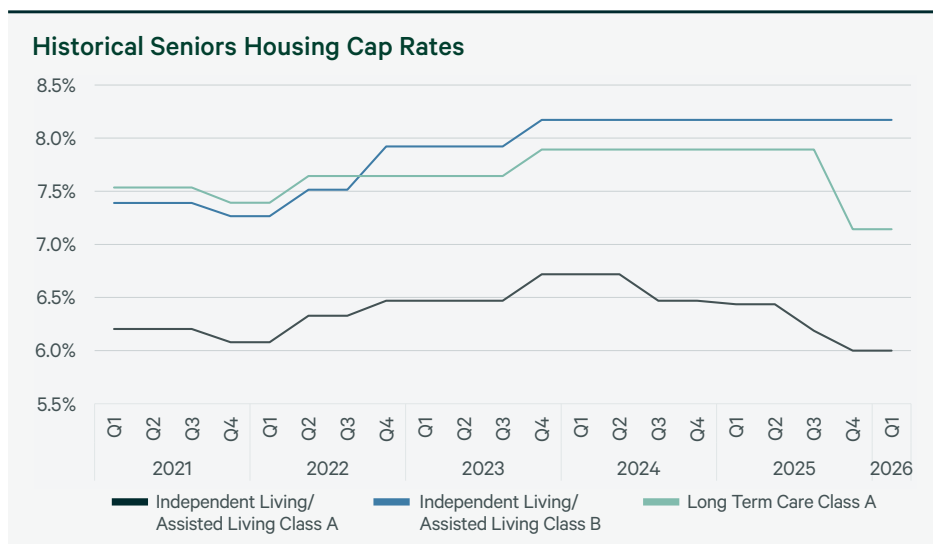
# Seniors Housing Investment Trends



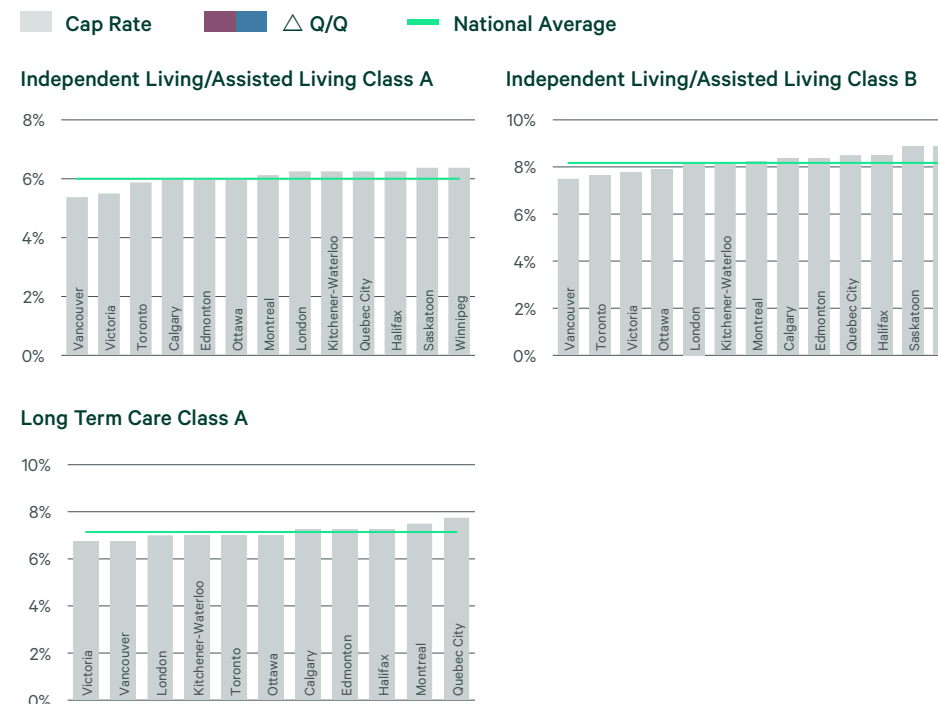
## Mathew Burnett

Senior Vice President,  
Healthcare Capital Markets  
[www.cbre.ca/mathew.burnett](http://www.cbre.ca/mathew.burnett)

- Investor appetite for Class A seniors housing remained consistent through Q1 2026, resulting in cap rates remaining steady across the country.
- While fundamentals are trending positively, investors remain disciplined on risk. Valuations are still largely anchored to in-place net operating income, with top-tier assets commanding premium pricing and underwriting closely aligned with replacement cost considerations.
- Demand for Class B properties has accelerated to its highest point since the pandemic, driven by an influx of new market participants. Transaction activity is picking up, although extended closing timelines persist. Reliance on in-place NOI continues to weigh on negotiations, sustaining a bid-ask gap and limiting liquidity relative to Class A assets.



## Regional Rankings



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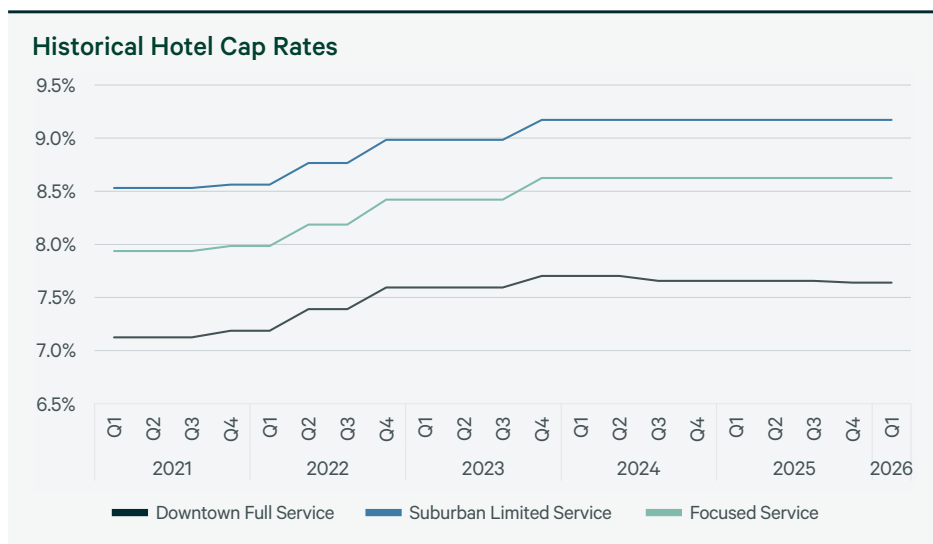
# Hotel Investment Trends



## Luke Scheer

Executive Vice President,  
CBRE Hotels  
[www.cbre.ca/luke.scheer](http://www.cbre.ca/luke.scheer)

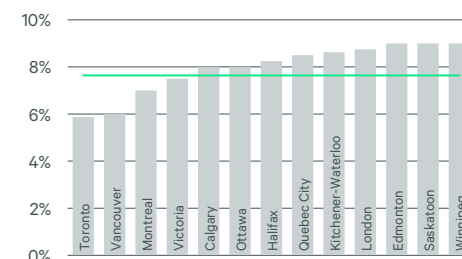
- Pricing conditions remained steady in Q1 2026 over the previous quarter, most notably for core assets. Healthy fundamentals and constrained supply in select markets helped support values despite geopolitical and economic uncertainty, leading to unchanged cap rates across the country this quarter.
- Lender sentiment remains constructive, with ample debt capital available for high-quality, well-located hotel assets in major markets, as well as select value-add opportunities. While previous interest rate reductions have eased financing costs, underwriting standards remain disciplined as investors account for moderating (but positive) growth trends, operating margin pressure and broader macroeconomic uncertainty.



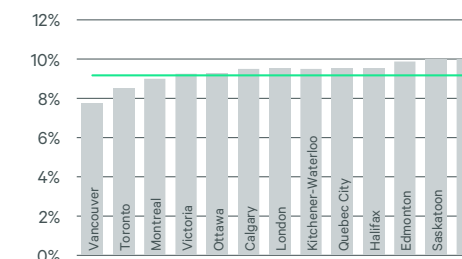
## Regional Rankings

■ Cap Rate    ▲ Q/Q    — National Average

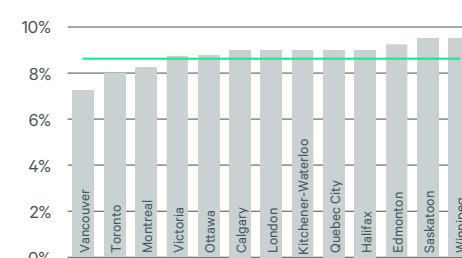
### Downtown Full Service



### Suburban Limited Service



### Focused Service



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# Regional Investment Trends

# Victoria Investment Trends



## Ross Marshall

Senior Vice President

[www.cbre.ca/ross.marshall](http://www.cbre.ca/ross.marshall)

- Investment activity remains measured to start 2026, with capital continuing prioritizing clarity and durability of income over near term appreciation. Underwriting continues to limit volumes despite supportive debt markets. A clear divide persists between well-leased, stable assets drawing solid demand versus opportunities reliant on pro forma upside, where buyer depth is thin.
- The downtown office market remains fundamentally challenged, with demand concentrated in quality space and meaningful vacancy persisting across older inventory. Ongoing social disorder in the core continues to weigh on tenant sentiment and the return to office, further impacting leasing velocity. Capital remains highly selective, focused on smaller, financeable opportunities while larger assets face uncertain leasing fundamentals.
- Retail remains one of the most stable asset classes, with investor demand anchored in necessity-based and well-leased product. The market is bifurcated with smaller, service-oriented retail tightening while larger format space lags. Limited existing supply and steep barriers to development mean rare, large-format opportunities continue to attract both institutional and private capital.



## Q1 2026 Cap Rates

Category	Cap Rate Range	ΔQ/Q
<b>Downtown Office</b>		
AA	N/A	
A	6.50% - 7.00%	◀▶
<b>B</b>	<b>7.50% - 8.50%</b>	▲
<b>Suburban Office</b>		
A	6.25% - 6.75%	◀▶
B	6.75% - 7.25%	◀▶
<b>Industrial</b>		
A	5.00% - 5.50%	◀▶
<b>B</b>	<b>5.25% - 6.00%</b>	▲
<b>Retail</b>		
Regional	5.50% - 6.00%	◀▶
Power	5.50% - 6.00%	◀▶
<b>Neighbourhood</b>	<b>5.00% - 5.75%</b>	▼
Strip	5.25% - 5.75%	◀▶
Strip (non-anchored)	5.50% - 6.00%	◀▶
Urban Streetfront	5.75% - 6.25%	◀▶
High Street	5.75% - 6.00%	◀▶
<b>Multifamily</b>		
High Rise A	N/A	
High Rise B	4.25% - 4.75%	◀▶
Low Rise A	4.50% - 5.00%	◀▶
Low Rise B	4.25% - 4.75%	◀▶
New Construction	4.75% - 5.25%	◀▶
<b>Seniors Housing</b>		
Independent/Assisted Living A	5.25% - 5.75%	◀▶
Independent/Assisted Living B	7.50% - 8.00%	◀▶
Long Term Care A	6.50% - 7.00%	◀▶
<b>Hotel</b>		
Downtown Full Service	7.00% - 8.00%	◀▶
Suburban Limited Service	8.75% - 9.75%	◀▶
Focused Service	8.25% - 9.25%	◀▶

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# Vancouver Investment Trends



## Duncan MacLean

Executive Vice President  
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- Global macroeconomic uncertainty has increased Vancouver’s defensive appeal as a stable, supply-constrained market. These factors have limited the upward pressure on cap rates for core income-producing properties.
- Office cap rates continue to bifurcate by class as leasing activity strengthens for higher quality assets and institutional capital selectively re-enters the market. With no new construction in the near term and vacancy expected to trend down in 2026, higher quality, downtown assets saw renewed pricing support while secondary space remained under pressure.
- Multifamily fundamentals softened and elevated deliveries in the short term moderated underwriting assumptions, however, affordability constraints, a slowing condominium pipeline and sustained renter demand supported long term investor confidence.

Historical Vancouver Cap Rates



## Q1 2026 Cap Rates

Property Class	Cap Rate Range	ΔQ/Q
<b>Downtown Office</b>		
AA	5.00% - 5.75%	◀▶
A	5.50% - 6.25%	◀▶
B	6.00% - 6.75%	◀▶
<b>Suburban Office</b>		
A	6.25% - 6.75%	◀▶
B	6.50% - 7.00%	◀▶
<b>Industrial</b>		
A	4.50% - 5.25%	◀▶
B	4.75% - 5.25%	◀▶
<b>Retail</b>		
Regional	5.25% - 5.75%	◀▶
Power	5.50% - 6.00%	◀▶
Neighbourhood	5.25% - 5.75%	◀▶
Strip	5.00% - 5.50%	◀▶
Strip (non-anchored)	5.50% - 6.00%	◀▶
Urban Streetfront	5.25% - 5.75%	◀▶
High Street	5.25% - 5.75%	◀▶
<b>Multifamily</b>		
High Rise A	3.50% - 4.00%	▲
High Rise B	3.50% - 4.00%	▲
Low Rise A	3.50% - 4.75%	◀▶
Low Rise B	3.75% - 4.75%	◀▶
New Construction	4.00% - 4.50%	◀▶
<b>Seniors Housing</b>		
Independent/Assisted Living A	5.00% - 5.75%	◀▶
Independent/Assisted Living B	7.25% - 7.75%	◀▶
Long Term Care A	6.50% - 7.00%	◀▶
<b>Hotel</b>		
Downtown Full Service	5.25% - 6.75%	◀▶
Suburban Limited Service	7.00% - 8.50%	◀▶
Focused Service	6.50% - 8.00%	◀▶

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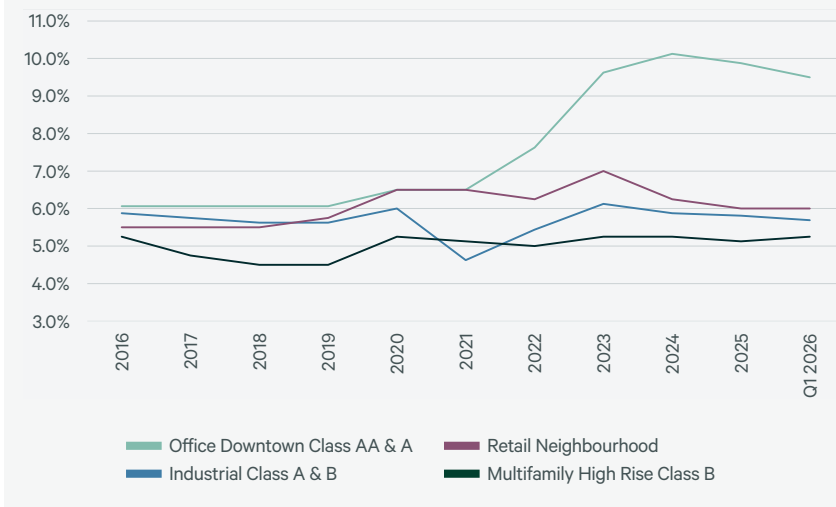


## Richie Bhamra

Executive Vice President,  
National Investment Team  
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- Downtown office transactions increased meaningfully in Q1 2026, driven by private capital with institutional capital circling, targeting high-quality assets. Improved debt availability has been a tailwind, contributing to lower cap rates.
- Class A suburban office yields edged lower, reflecting sustained demand for right-sized, well-leased assets with strong tenant covenants. Class B suburban office remains stable as investors focus on credit quality and lease term.
- Industrial Class A cap rates tightened modestly in Q1 2026, as leasing velocity in Calgary continues to drive investor confidence. Value-add product remains highly sought-after with Class B industrial fundamentals remaining robust.
- Retail cap rates were unchanged across all formats, with strong bid depth and investor appetite for anchored and non-anchored product. Elevated construction costs continue to support strong rent growth in existing centres.
- Class B multifamily yields for both High Rise and Low Rise product slightly softened, reflecting the impact of CMHC policy changes and rent adjustments happening in the market. Class A and New Construction remained stable, underpinned by population growth and financing availability.

Historical Calgary Cap Rates



## Q1 2026 Cap Rates

Category	Cap Rate Range	ΔQ/Q
<b>Downtown Office</b>		
AA	8.00% - 9.00%	▼
A	10.00% - 11.00%	▼
B	12.00% - 13.00%	▼
<b>Suburban Office</b>		
A	8.00% - 10.00%	▼
B	11.00% - 12.00%	◀▶
<b>Industrial</b>		
A	5.00% - 5.50%	▼
B	5.75% - 6.50%	◀▶
<b>Retail</b>		
Regional	5.50% - 6.50%	◀▶
Power	6.25% - 7.25%	◀▶
Neighbourhood	5.50% - 6.50%	◀▶
Strip	5.25% - 5.75%	◀▶
Strip (non-anchored)	5.75% - 6.25%	◀▶
Urban Streetfront	5.75% - 6.75%	◀▶
High Street	N/A	
<b>Multifamily</b>		
High Rise A	4.50% - 5.00%	◀▶
<b>High Rise B</b>	5.00% - 5.50%	▲
Low Rise A	4.75% - 5.25%	◀▶
<b>Low Rise B</b>	5.00% - 5.50%	▲
New Construction	4.50% - 5.25%	◀▶
<b>Seniors Housing</b>		
Independent/Assisted Living A	5.75% - 6.25%	◀▶
Independent/Assisted Living B	8.00% - 8.75%	◀▶
Long Term Care A	7.00% - 7.50%	◀▶
<b>Hotel</b>		
Downtown Full Service	7.50% - 8.50%	◀▶
Suburban Limited Service	9.00% - 10.00%	◀▶
Focused Service	8.50% - 9.50%	◀▶

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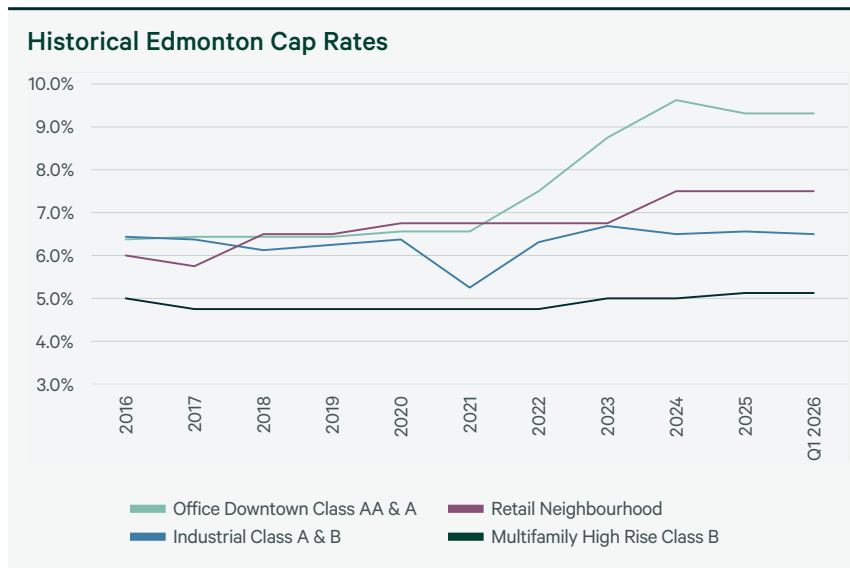
# Edmonton Investment Trends



## Dave Young

Executive Vice President,  
National Investment Team  
[www.cbre.ca/dave.young](http://www.cbre.ca/dave.young)

- Strong absorption and limited new supply are driving industrial rental rate growth, with cap rates expected to compress accordingly. A robust owner/user market is backstopping vacancy risk on single tenant assets.
- Despite two consecutive years of record housing starts and completions, robust population gains via interprovincial migration continues to feed demand for multifamily product. Rent growth for mature product continue to outperform peer markets, keeping Edmonton top of mind for multifamily investors in the Canadian market.
- Edmonton’s office market is showing renewed optimism as the overall vacancy rates stabilize and the suburban submarket continues to demonstrate positive leasing activity. Effective February 1st, the Province of Alberta’s five-day return-to-office mandate has ushered 12,000 employees back to the CBD, markedly increasing foot traffic across the core.
- Grocery and drug-anchored retail assets continue to lead the way across all investment types. Multiple bids, with several applying an aggressive bid structure, are commonly seen on assets in this sector.



## Q1 2026 Cap Rates

Category	Cap Rate Range	ΔQ/Q
<b>Downtown Office</b>		
AA	7.75% - 8.75%	◀▶
A	9.75% - 11.00%	◀▶
B	11.00% - 12.00%	◀▶
<b>Suburban Office</b>		
A	9.75% - 10.50%	◀▶
B	10.50% - 12.00%	◀▶
<b>Industrial</b>		
A	6.00% - 6.50%	◀▶
<b>B</b>	<b>6.50% - 7.00%</b>	▼
<b>Retail</b>		
Regional	5.50% - 7.00%	◀▶
Power	7.00% - 8.00%	◀▶
Neighbourhood	7.00% - 8.00%	◀▶
Strip	5.75% - 6.25%	◀▶
<b>Strip (non-anchored)</b>	<b>6.00% - 7.00%</b>	▼
Urban Streetfront	7.00% - 7.50%	◀▶
High Street	N/A	
<b>Multifamily</b>		
High Rise A	4.50% - 5.00%	◀▶
High Rise B	4.75% - 5.50%	◀▶
Low Rise A	4.75% - 5.50%	◀▶
Low Rise B	5.00% - 5.75%	◀▶
<b>New Construction</b>	<b>4.75% - 5.25%</b>	▲
<b>Seniors Housing</b>		
Independent/Assisted Living A	5.75% - 6.25%	◀▶
Independent/Assisted Living B	8.00% - 8.75%	◀▶
Long Term Care A	7.00% - 7.50%	◀▶
<b>Hotel</b>		
Downtown Full Service	8.25% - 9.75%	◀▶
Suburban Limited Service	9.25% - 10.50%	◀▶
Focused Service	8.50% - 10.00%	◀▶

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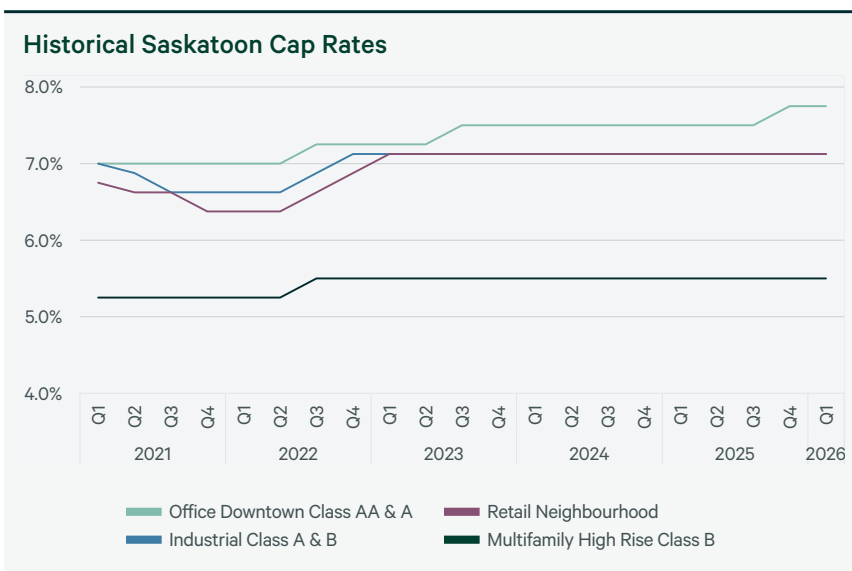
# Saskatoon Investment Trends



## Michael Bratvold

Senior Vice President,  
Managing Director  
[www.cbre.ca/michael.bratvold](http://www.cbre.ca/michael.bratvold)

- Retail continues to perform well across the province, supported by limited vacancy and steady rent growth. Significant demand and a limited development pipeline continue to support stable retail cap rates.
- Multifamily investors and developers remain increasingly focused on Saskatchewan. Cap rates in Saskatoon held stable through the quarter, reflecting continued investor confidence supported by strong population growth and sustained investment in major capital projects across the province.
- Limited development land remains a defining feature of Saskatchewan's market. Supply constraints and vacancy rates below historical norms, specifically in retail, industrial and multifamily, continue to put upward pressure on rents and maintained cap rate stability. Demand is strong for quality development land across all asset types.



## Q1 2026 Cap Rates

Asset Class	Cap Rate Range	ΔQ/Q
<b>Downtown Office</b>		
AA	N/A	
A	7.50% - 8.00%	◀▶
B	8.25% - 9.25%	◀▶
<b>Suburban Office</b>		
A	7.00% - 7.50%	◀▶
B	7.75% - 8.25%	◀▶
<b>Industrial</b>		
A	6.50% - 7.00%	◀▶
B	7.25% - 7.75%	◀▶
<b>Retail</b>		
Regional	6.50% - 6.75%	◀▶
Power	6.50% - 6.75%	◀▶
Neighbourhood	6.75% - 7.50%	◀▶
Strip	6.50% - 7.00%	◀▶
Strip (non-anchored)	7.50% - 7.75%	◀▶
Urban Streetfront	7.00% - 7.50%	◀▶
High Street	N/A	
<b>Multifamily</b>		
High Rise A	N/A	
High Rise B	5.25% - 5.75%	◀▶
Low Rise A	5.25% - 5.75%	◀▶
Low Rise B	6.25% - 6.75%	◀▶
New Construction	5.00% - 5.50%	◀▶
<b>Seniors Housing</b>		
Independent/Assisted Living A	6.00% - 6.75%	◀▶
Independent/Assisted Living B	8.50% - 9.25%	◀▶
Long Term Care A	N/A	
<b>Hotel</b>		
Downtown Full Service	8.25% - 9.75%	◀▶
Suburban Limited Service	9.25% - 10.75%	◀▶
Focused Service	8.75% - 10.25%	◀▶

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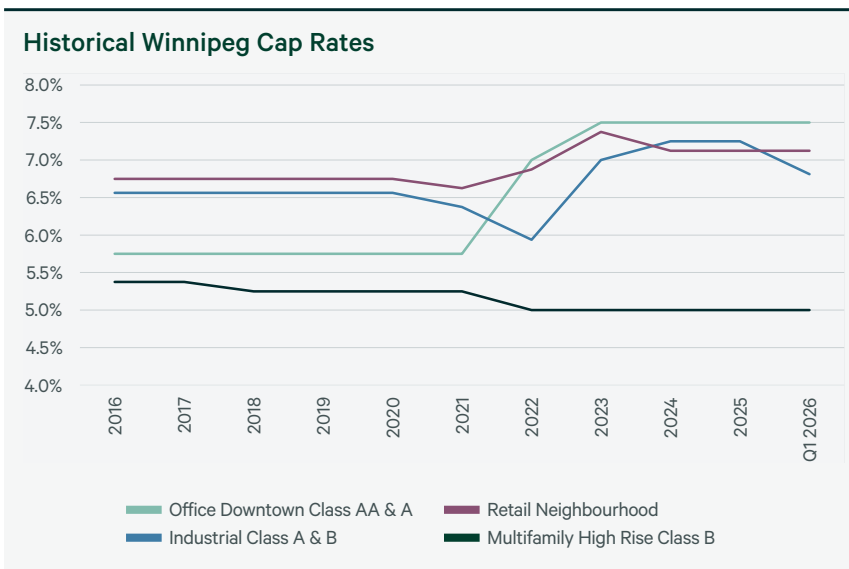
# Winnipeg Investment Trends



## Paul Kornelsen

Vice President,  
Managing Director  
[www.cbre.ca/paul.kornelsen](http://www.cbre.ca/paul.kornelsen)

- Artis REIT, one of Winnipeg’s largest commercial landlords, merged with RFS Capital Holdings Inc. to form RFA Financial Inc. Following its merger, RFA Financial Inc. is disposing of approximately 1.3 million sq. ft. of its industrial portfolio across multiple provinces. This strategic move may impact industrial market supply and demand, potentially influencing cap rates.
- The Bank of Canada has maintained stable overnight interest rates since September 2025. While rate decreases may still occur in 2026, geopolitical uncertainties persist. Interest rate stability is a key factor in asset valuation and future rate adjustments will be closely monitored, potentially influencing cap rates across property types.
- Bloom Investment Group acquired the 210,232 sq. ft. Linden Ridge Shopping Centre for \$82.5 million. Anchored by RONA+, Canadian Tire and The Brick, this well-located retail centre provides a recent datapoint for assessing Winnipeg retail cap rates and may reflect investor confidence in well-positioned retail properties.



## Q1 2026 Cap Rates

Property Type	Cap Rate Range	ΔQ/Q
<b>Downtown Office</b>		
AA	N/A	
A	7.00% - 8.00%	◀▶
B	7.50% - 8.50%	◀▶
<b>Suburban Office</b>		
A	6.75% - 7.75%	◀▶
<b>B</b>	<b>7.25% - 8.25%</b>	▼
<b>Industrial</b>		
<b>A</b>	<b>6.00% - 6.75%</b>	▼
<b>B</b>	<b>7.00% - 7.50%</b>	▼
<b>Retail</b>		
<b>Regional</b>	<b>6.00% - 7.25%</b>	▼
<b>Power</b>	<b>6.00% - 7.25%</b>	▼
<b>Strip</b>	<b>6.00% - 7.25%</b>	▼
Strip (non-anchored)	7.00% - 7.50%	◀▶
Urban Streetfront	7.00% - 7.50%	◀▶
High Street	N/A	
<b>Multifamily</b>		
High Rise A	N/A	
High Rise B	4.75% - 5.25%	◀▶
Low Rise A	4.50% - 5.00%	◀▶
Low Rise B	4.75% - 5.25%	◀▶
New Construction	N/A	
<b>Seniors Housing</b>		
Independent/Assisted Living A	6.00% - 6.75%	◀▶
Independent/Assisted Living B	8.50% - 9.25%	◀▶
Long Term Care A	N/A	
<b>Hotel</b>		
Downtown Full Service	8.25% - 9.75%	◀▶
Suburban Limited Service	9.25% - 10.75%	◀▶
Focused Service	8.75% - 10.25%	◀▶

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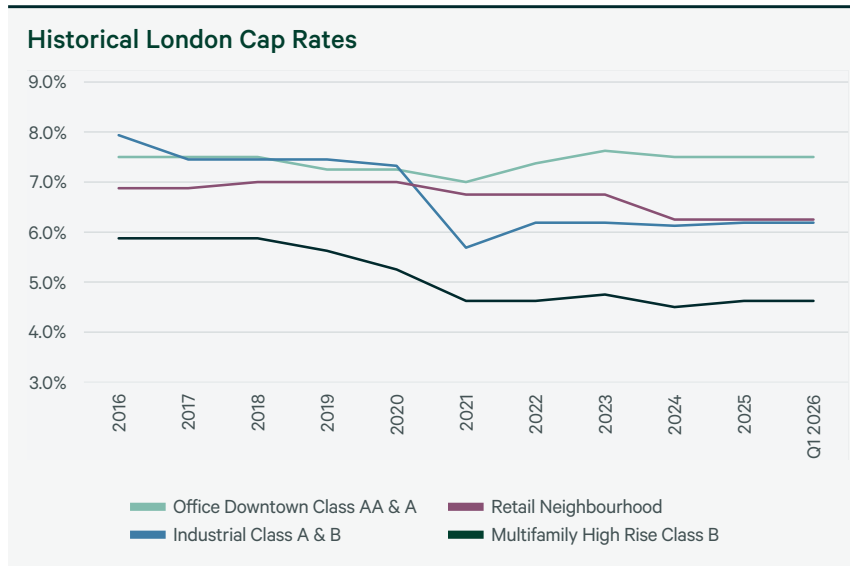
# London Investment Trends



**Kevin MacDougall**

Vice President  
[www.cbre.ca/kevin.macdougall](http://www.cbre.ca/kevin.macdougall)

- Buyer activity in Southwestern Ontario continues to centre on locating potential distressed asset acquisitions.
- Sellers are considering marginal price reductions in order to facilitate a trade given the uncertainty of the current market.
- Employment and population pressures have moderated, but London’s relative affordability compared to larger markets like Toronto continues to support multifamily demand.
- U.S trade tensions and tariff impacts continue to raise costs for Canadian businesses, contributing to cautious investment decisions across Southwestern Ontario.
- Ongoing geopolitical uncertainty and a slow GDP growth outlook present a headwind for capital inflows and development activity.



## Q1 2026 Cap Rates

Category	Cap Rate Range	ΔQ/Q
<b>Downtown Office</b>		
AA	N/A	
A	7.00% - 8.00%	◀▶
B	7.75% - 8.75%	◀▶
<b>Suburban Office</b>		
A	5.75% - 6.75%	◀▶
B	6.00% - 7.25%	◀▶
<b>Industrial</b>		
A	5.50% - 6.25%	◀▶
B	6.00% - 7.00%	◀▶
<b>Retail</b>		
Regional	6.75% - 7.75%	◀▶
<b>Power</b>		
Neighbourhood	5.75% - 6.75%	◀▶
Strip	5.50% - 6.75%	◀▶
Strip (non-anchored)	5.75% - 7.00%	◀▶
<b>Urban Streetfront</b>	<b>6.25% - 7.50%</b>	▼
High Street	N/A	
<b>Multifamily</b>		
High Rise A	4.00% - 4.75%	◀▶
High Rise B	4.25% - 5.00%	◀▶
Low Rise A	4.25% - 5.25%	◀▶
Low Rise B	5.00% - 6.00%	◀▶
New Construction	4.50% - 5.25%	◀▶
<b>Seniors Housing</b>		
Independent/Assisted Living A	6.00% - 6.50%	◀▶
Independent/Assisted Living B	7.75% - 8.50%	◀▶
Long Term Care A	6.75% - 7.25%	◀▶
<b>Hotel</b>		
Downtown Full Service	8.00% - 9.50%	◀▶
Suburban Limited Service	9.00% - 10.00%	◀▶
Focused Service	8.50% - 9.50%	◀▶

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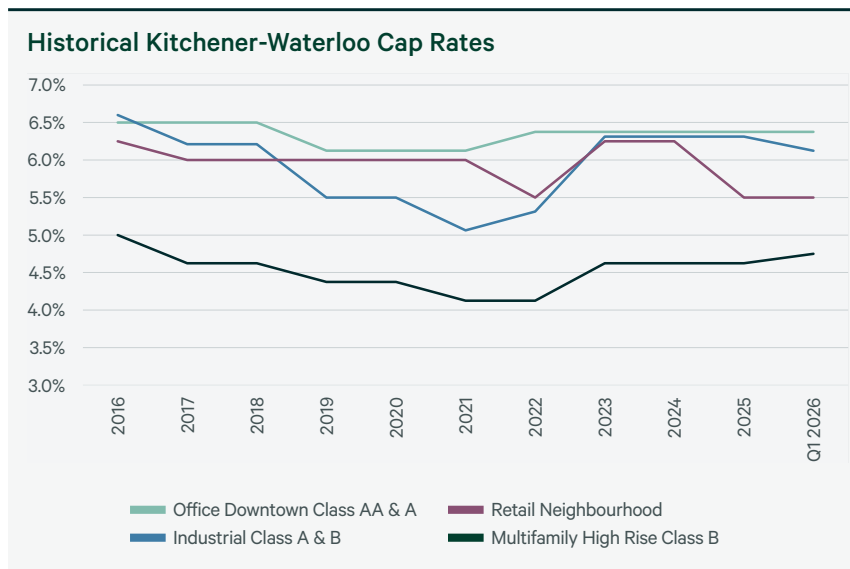
# Kitchener-Waterloo Investment Trends



## Joe Benninger

Vice President  
[www.cbre.ca/joe.benninger](http://www.cbre.ca/joe.benninger)

- Multifamily investment activity was minimal to start 2026 with only five transactions year-to-date, with only two exceeding 20 units. Generally, there is good availability of product with a robust construction pipeline. Vacancy has increased year-over-year according to the CMHC, offering some relief to renters in a historically tight market.
- Industrial activity remains minimal, concentrated in multi-tenanted Class B industrial malls. The availability rate continues to be elevated, driven by a surge in completed speculative construction and low activity. With limited additional speculative construction, the market is expected to stabilize over time.
- Retail transaction volume year-to-date is already at half of 2025's total volume. With the rise in activity, lack of product and continued strong demand, non-anchored strips and plaza cap rates are feeling downward pressure.
- Office activity remains subdued with transactions more often than not by an occupier buyer rather than an investor. Lagging return-to-office dynamics continue to hinder stabilization in the office market.



## Q1 2026 Cap Rates

Category	Cap Rate Range	ΔQ/Q
<b>Downtown Office</b>		
AA	N/A	
A	6.00% - 6.75%	◀▶
B	6.50% - 7.25%	◀▶
<b>Suburban Office</b>		
A	6.50% - 7.50%	◀▶
B	7.00% - 7.75%	◀▶
<b>Industrial</b>		
A	5.75% - 6.50%	◀▶
B	5.75% - 6.50%	▼
<b>Retail</b>		
Regional	6.00% - 6.50%	◀▶
Power	6.00% - 6.50%	◀▶
Neighbourhood	5.00% - 6.00%	◀▶
Strip	5.50% - 6.35%	◀▶
Strip (non-anchored)	5.50% - 6.50%	◀▶
Urban Streetfront	6.00% - 7.00%	◀▶
High Street	N/A	
<b>Multifamily</b>		
High Rise A	4.50% - 4.75%	▲
High Rise B	4.50% - 5.00%	▲
Low Rise A	4.50% - 5.25%	▲
Low Rise B	4.50% - 6.00%	▲
New Construction	4.50% - 4.75%	▲
<b>Seniors Housing</b>		
Independent/Assisted Living A	6.00% - 6.50%	◀▶
Independent/Assisted Living B	7.75% - 8.50%	◀▶
Long Term Care A	6.75% - 7.25%	◀▶
<b>Hotel</b>		
Downtown Full Service	8.00% - 9.25%	◀▶
Suburban Limited Service	9.00% - 10.00%	◀▶
Focused Service	8.50% - 9.50%	◀▶

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# Toronto Investment Trends

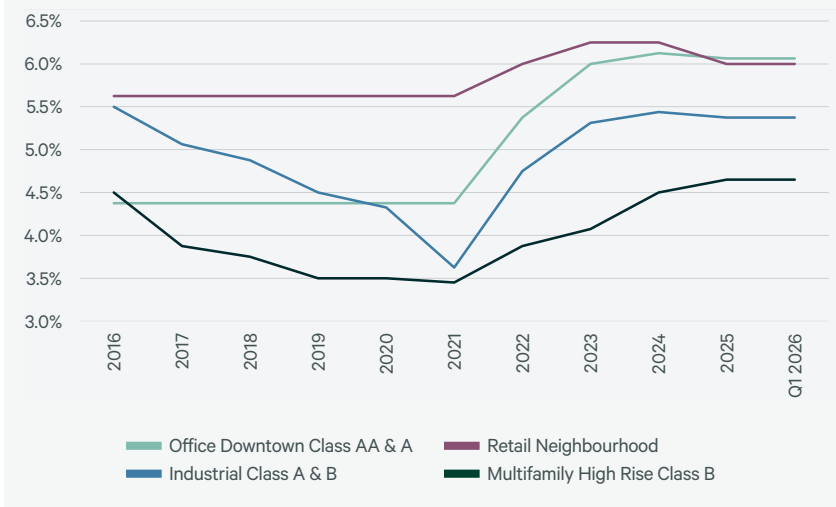


## Peter Senst

President, Canadian Capital Markets  
National Investment Team  
[www.cbre.ca/peter.senst](http://www.cbre.ca/peter.senst)

- Real estate as an asset class is regaining momentum as geopolitical tensions spike financial market volatility. With other investment asset classes like private equity and credit facing challenges, investors are rotating back to cash returns and real estate is starting to look more interesting again.
- Persistent global uncertainty continues to highlight Canada's safety and stability, driving conviction for Canadian real estate from institutional and global investors across all property types outside of land.
- Demand for quality office is rebounding and continues to strengthen with a focus on prime locations, strong fundamentals and operational excellence.
- Industrial leasing demand remains resilient as the market heads towards an inflection point.
- Retail investment continues to demonstrate strength with attractive core fundamentals. Investor appetite spans all retail formats, with grocery-anchored and open air strip being some of the most sought-after asset types.
- Multifamily investment interest continues to be driven by supportive long term fundamentals and persistent housing affordability issues.

**Historical Toronto Cap Rates**



## Q1 2026 Cap Rates

Property Type	Cap Rate Range	ΔQ/Q
<b>Downtown Office</b>		
AA	5.25% - 5.75%	◀▶
A	6.25% - 7.00%	◀▶
B	6.75% - 7.50%	◀▶
<b>Suburban Office</b>		
A	7.25% - 8.25%	◀▶
B	8.00% - 9.00%	◀▶
<b>Industrial</b>		
A	5.00% - 5.25%	◀▶
B	5.25% - 6.00%	◀▶
<b>Retail</b>		
Regional	5.25% - 7.00%	◀▶
Power	5.75% - 7.00%	◀▶
Neighbourhood	5.50% - 6.50%	◀▶
Strip	5.00% - 6.00%	◀▶
Strip (non-anchored)	5.25% - 6.50%	◀▶
Urban Streetfront	5.00% - 5.50%	◀▶
High Street	5.00% - 5.50%	◀▶
<b>Multifamily</b>		
High Rise A	3.85% - 4.75%	◀▶
High Rise B	4.15% - 5.15%	◀▶
Low Rise A	3.85% - 4.75%	◀▶
Low Rise B	4.15% - 5.15%	◀▶
New Construction	4.00% - 4.75%	◀▶
<b>Seniors Housing</b>		
Independent/Assisted Living A	5.50% - 6.25%	◀▶
Independent/Assisted Living B	7.25% - 8.00%	◀▶
Long Term Care A	6.75% - 7.25%	◀▶
<b>Hotel</b>		
Downtown Full Service	5.25% - 6.50%	◀▶
Suburban Limited Service	8.00% - 9.00%	◀▶
Focused Service	7.50% - 8.50%	◀▶

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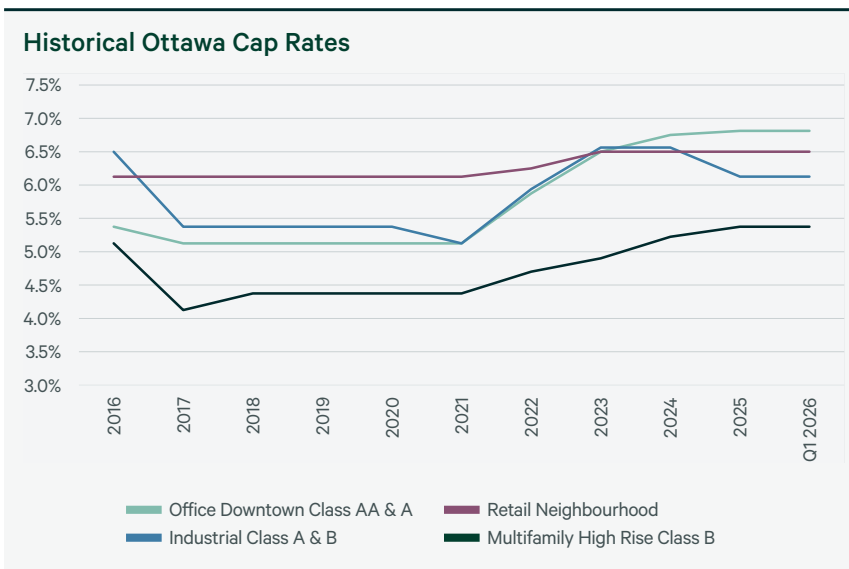
# Ottawa Investment Trends



## Nico Zentil

Executive Vice President,  
National Investment Team  
[www.cbre.ca/nico.zentil](http://www.cbre.ca/nico.zentil)

- Ottawa continues to see positive signs across most asset classes, with multifamily and office leading the way. The year began with the closing of 150 Slater Street, a large CBD trophy office tower fully leased to Export Development Canada. This was the first significant transaction of its kind in years and will serve as a bellwether deal for both Ottawa and Canada.
- With improving liquidity, especially in debt markets with a greater appetite for office investments, increased deal activity is anticipated this year. Recent transactions in Toronto, Vancouver and Montreal are providing valuable insights and solidifying investor confidence.
- Several significant multi-residential deals are slated to close by the end of Q2 or early Q3, supported by Ottawa's robust residential market, which is a key differentiator for the city compared to the rest of the country.
- The ongoing geopolitical environment will continue to be monitored for any impacts given its potential influence on key investment metrics.



## Q1 2026 Cap Rates

Asset Class	Cap Rate Range	ΔQ/Q
<b>Downtown Office</b>		
AA	6.25% - 6.50%	◀▶
A	6.75% - 7.75%	◀▶
B	7.50% - 8.50%	◀▶
<b>Suburban Office</b>		
A	7.50% - 8.50%	◀▶
B	8.25% - 9.00%	◀▶
<b>Industrial</b>		
A	5.50% - 6.00%	◀▶
B	6.25% - 6.75%	◀▶
<b>Retail</b>		
Regional	6.00% - 6.50%	◀▶
Power	6.25% - 6.75%	◀▶
Neighbourhood	6.25% - 6.75%	◀▶
Strip	6.25% - 6.75%	◀▶
Strip (non-anchored)	6.00% - 7.00%	◀▶
Urban Streetfront	5.75% - 6.25%	◀▶
High Street	N/A	
<b>Multifamily</b>		
High Rise A	4.50% - 5.00%	◀▶
High Rise B	4.95% - 5.80%	◀▶
Low Rise A	4.50% - 5.00%	◀▶
Low Rise B	5.20% - 5.80%	◀▶
New Construction	4.50% - 4.75%	◀▶
<b>Seniors Housing</b>		
Independent/Assisted Living A	5.75% - 6.25%	◀▶
Independent/Assisted Living B	7.50% - 8.25%	◀▶
Long Term Care A	6.75% - 7.25%	◀▶
<b>Hotel</b>		
Downtown Full Service	7.50% - 8.50%	◀▶
Suburban Limited Service	8.75% - 9.75%	◀▶
Focused Service	8.25% - 9.25%	◀▶

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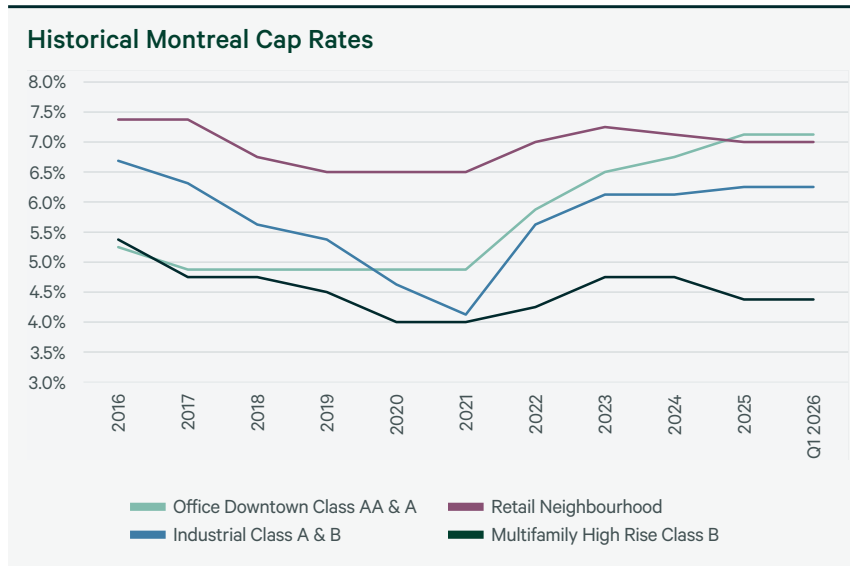
# Montreal Investment Trends



## Scott Speirs

Vice Chairman,  
National Investment Team  
[www.cbre.ca/scott.speirs](http://www.cbre.ca/scott.speirs)

- The depth of capital for office is increasing as leasing fundamentals ameliorate across asset classes, with a strong focus on repositioning opportunities or high-quality in-place income.
- Investor appetite for value-add industrial or long-term leased covenant opportunities remains resilient. The occupier market is beginning to see vacancy rate stabilization and rental rates are hitting their troughs in select core markets.
- Retail demand continues to outpace supply, compressing cap rates—particularly for anchored strips—and broadening investor focus to freestanding daily needs, service oriented and well located enclosed malls.
- Multifamily remains relatively resilient with investor demand for value-add staying robust, however, there is an increasing flight-to-quality for new construction assets.



## Q1 2026 Cap Rates

Asset Class	Cap Rate Range	ΔQ/Q
<b>Downtown Office</b>		
AA	6.50% - 7.00%	◀▶
A	7.25% - 7.75%	◀▶
B	8.00% - 8.50%	◀▶
<b>Suburban Office</b>		
A	7.75% - 8.50%	◀▶
B	8.75% - 9.75%	◀▶
<b>Industrial</b>		
A	5.75% - 6.25%	◀▶
B	6.25% - 6.75%	◀▶
<b>Retail</b>		
<b>Regional</b>	<b>6.75% - 7.50%</b>	▲
Power	6.25% - 6.75%	◀▶
Neighbourhood	6.75% - 7.25%	◀▶
Strip	5.75% - 6.25%	◀▶
<b>Strip (non-anchored)</b>	<b>6.75% - 7.25%</b>	▲
Urban Streetfront	5.00% - 5.50%	◀▶
High Street	N/A	
<b>Multifamily</b>		
<b>High Rise A</b>	<b>4.25% - 4.50%</b>	▲
High Rise B	4.25% - 4.50%	◀▶
<b>Low Rise A</b>	<b>4.50% - 4.75%</b>	▲
<b>Low Rise B</b>	<b>4.25% - 4.50%</b>	▲
New Construction	4.50% - 4.75%	◀▶
<b>Seniors Housing</b>		
Independent/Assisted Living A	5.75% - 6.50%	◀▶
Independent/Assisted Living B	7.75% - 8.75%	◀▶
Long Term Care A	7.25% - 7.75%	◀▶
<b>Hotel</b>		
Downtown Full Service	6.50% - 7.50%	◀▶
Suburban Limited Service	8.50% - 9.50%	◀▶
Focused Service	7.50% - 9.00%	◀▶

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# Quebec City Investment Trends



## Patrick Soucy

Executive Vice President  
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- Against a backdrop of heightened global economic uncertainty, Québec City continues to stand out for its stability and predictability that continues to attract capital seeking durable income and downside protection.
- The industrial sector showed renewed momentum as institutional buyers returned with competitive cap rate expectations. Well-located, functional assets with scale or value-add potential saw cap rates compress modestly.
- Class A office assets in prime, transit-oriented locations maintained steady leasing activity. Cap rates for core assets remained relatively stable, while secondary buildings continued to face pricing pressure.
- The retail market remains one of the most attractive in the province, supported by strong demographics, resilient consumer spending and limited overbuilding. Robust investor demand drove a noticeable tightening of cap rates and underscores a long-term trend.
- Multifamily continued to be the most sought-after asset class, benefiting from population growth and structural undersupply. Investor demand is strong, particularly for optimization and value-add opportunities.

Historical Quebec City Cap Rates



## Q1 2026 Cap Rates

Asset Class	Cap Rate Range	ΔQ/Q
<b>Downtown Office</b>		
AA	N/A	
A	7.50% - 8.50%	◀▶
B	8.50% - 9.50%	◀▶
<b>Suburban Office</b>		
A	8.50% - 9.25%	◀▶
B	9.00% - 10.00%	◀▶
<b>Industrial</b>		
A	6.25% - 7.25%	◀▶
B	7.00% - 8.00%	◀▶
<b>Retail</b>		
Regional	7.25% - 8.00%	◀▶
<b>Power</b>	<b>7.50% - 8.25%</b>	▼
<b>Neighbourhood</b>	<b>8.75% - 9.75%</b>	▼
<b>Strip</b>	<b>6.25% - 7.25%</b>	▼
<b>Strip (non-anchored)</b>	<b>8.25% - 8.75%</b>	▼
Urban Streetfront	N/A	
High Street	N/A	
<b>Multifamily</b>		
High Rise A	4.25% - 5.00%	◀▶
<b>High Rise B</b>	<b>4.75% - 5.75%</b>	▼
Low Rise A	4.50% - 5.25%	◀▶
Low Rise B	5.00% - 6.00%	◀▶
New Construction	4.25% - 4.75%	◀▶
<b>Seniors Housing</b>		
Independent/Assisted Living A	6.00% - 6.50%	◀▶
Independent/Assisted Living B	8.00% - 9.00%	◀▶
Long Term Care A	7.50% - 8.00%	◀▶
<b>Hotel</b>		
Downtown Full Service	8.00% - 9.00%	◀▶
Suburban Limited Service	9.00% - 10.00%	◀▶
Focused Service	8.50% - 9.50%	◀▶

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# Halifax Investment Trends

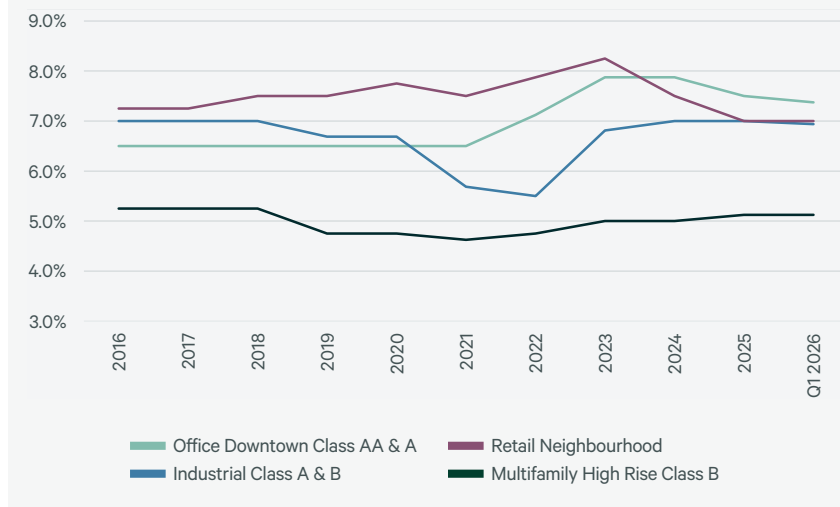


**Chris Carter**

Senior Vice President  
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- Halifax office fundamentals continue to improve and are among the strongest in the country. The overall office vacancy rate of 9.0% in Q1 2026 is comprised of 6.6% in the suburbs and 12.5% downtown. The market is seeing lease uptake from defense contractors working on shipbuilding contracts, among other tenants.
- Halifax has seen some softening in the multi-residential rental market, with the market vacancy rate rising to 2.3%. However, Halifax is outperforming other Canadian markets as of Q4 2025 with year-over-year in-place apartment rent growth of 6.1%, the highest in the country according to Yardi.
- Private buyers continue to be the most active in the market, with well leased multi-tenant retail and industrial properties seeming to be the most in demand.

**Historical Halifax Cap Rates**



## Q1 2026 Cap Rates

Category	Class	Cap Rate Range	ΔQ/Q
Downtown Office	AA	N/A	
	A	7.00% - 7.75%	▼
	B	8.00% - 8.75%	◀▶
Suburban Office	A	7.00% - 7.75%	▼
	B	7.75% - 8.50%	▼
Industrial	A	6.25% - 7.00%	▼
	B	7.00% - 7.50%	◀▶
Retail	Regional	7.25% - 8.25%	◀▶
	Power	6.50% - 7.50%	◀▶
	Neighbourhood	6.50% - 7.50%	◀▶
Strip	Strip	6.50% - 7.50%	◀▶
	Strip (non-anchored)	6.75% - 7.75%	◀▶
	Urban Streetfront	6.75% - 7.75%	◀▶
High Street		N/A	
Multifamily	High Rise A	4.50% - 5.25%	◀▶
	High Rise B	4.75% - 5.50%	◀▶
	Low Rise A	4.50% - 5.25%	◀▶
Seniors Housing	Low Rise B	4.75% - 5.50%	◀▶
	New Construction	4.50% - 5.25%	◀▶
Hotel	Independent/Assisted Living A	6.00% - 6.50%	◀▶
	Independent/Assisted Living B	8.00% - 9.00%	◀▶
	Long Term Care A	7.00% - 7.50%	◀▶
Downtown Full Service		7.50% - 9.00%	◀▶
	Suburban Limited Service	9.00% - 10.00%	◀▶
	Focused Service	8.50% - 9.50%	◀▶

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# Q1 2026 Canadian Cap Rates

△ Q/Q

	Victoria	Vancouver	Calgary	Edmonton	Saskatoon	Winnipeg	London
<b>Downtown office</b>							
AA	N/A	5.00% - 5.75%	8.00% - 9.00%	7.75% - 8.75%	N/A	N/A	N/A
A	6.50% - 7.00%	5.50% - 6.25%	10.00% - 11.00%	9.75% - 11.00%	7.50% - 8.00%	7.00% - 8.00%	7.00% - 8.00%
B	7.50% - 8.50%	6.00% - 6.75%	12.00% - 13.00%	11.00% - 12.00%	8.25% - 9.25%	7.50% - 8.50%	7.75% - 8.75%
<b>Suburban Office</b>							
A	6.25% - 6.75%	6.25% - 6.75%	8.00% - 10.00%	9.75% - 10.50%	7.00% - 7.50%	6.75% - 7.75%	5.75% - 6.75%
B	6.75% - 7.25%	6.50% - 7.00%	11.00% - 12.00%	10.50% - 12.00%	7.75% - 8.25%	7.25% - 8.25%	6.00% - 7.25%
<b>Industrial</b>							
A	5.00% - 5.50%	4.50% - 5.25%	5.00% - 5.50%	6.00% - 6.50%	6.50% - 7.00%	6.00% - 6.75%	5.50% - 6.25%
B	5.25% - 6.00%	4.75% - 5.25%	5.75% - 6.50%	6.50% - 7.00%	7.25% - 7.75%	7.00% - 7.50%	6.00% - 7.00%
<b>Retail</b>							
Regional	5.50% - 6.00%	5.25% - 5.75%	5.50% - 6.50%	5.50% - 7.00%	6.50% - 6.75%	6.00% - 7.25%	6.75% - 7.75%
Power	5.50% - 6.00%	5.50% - 6.00%	6.25% - 7.25%	7.00% - 8.00%	6.50% - 6.75%	6.00% - 7.25%	6.50% - 7.75%
Neighbourhood	5.00% - 5.75%	5.25% - 5.75%	5.50% - 6.50%	7.00% - 8.00%	6.75% - 7.50%	7.00% - 7.25%	5.75% - 6.75%
Strip	5.25% - 5.75%	5.00% - 5.50%	5.25% - 5.75%	5.75% - 6.25%	6.50% - 7.00%	6.00% - 7.25%	5.50% - 6.75%
Non-anchored Strip Mall	5.50% - 6.00%	5.50% - 6.00%	5.75% - 6.25%	6.00% - 7.00%	7.50% - 7.75%	7.00% - 7.50%	5.75% - 7.00%
Urban Streetfront	5.75% - 6.25%	5.25% - 5.75%	5.75% - 6.75%	7.00% - 7.50%	7.00% - 7.50%	7.00% - 7.50%	6.25% - 7.50%
High Street	5.75% - 6.00%	5.25% - 5.75%	N/A	N/A	N/A	N/A	N/A
<b>Multifamily</b>							
High Rise A	N/A	3.50% - 4.00%	4.50% - 5.00%	4.50% - 5.00%	N/A	N/A	4.00% - 4.75%
High Rise B	4.25% - 4.75%	3.50% - 4.00%	5.00% - 5.50%	4.75% - 5.50%	5.25% - 5.75%	4.75% - 5.25%	4.25% - 5.00%
Low Rise A	4.50% - 5.00%	3.50% - 4.75%	4.75% - 5.25%	4.75% - 5.50%	5.25% - 5.75%	4.50% - 5.00%	4.25% - 5.25%
Low Rise B	4.25% - 4.75%	3.75% - 4.75%	5.00% - 5.50%	5.00% - 5.75%	6.25% - 6.75%	4.75% - 5.25%	5.00% - 6.00%
New Construction	4.75% - 5.25%	4.00% - 4.50%	4.50% - 5.25%	4.75% - 5.25%	5.00% - 5.50%	N/A	4.50% - 5.25%
<b>Seniors Housing</b>							
Independent/Assisted Living A	5.25% - 5.75%	5.00% - 5.75%	5.75% - 6.25%	5.75% - 6.25%	6.00% - 6.75%	6.00% - 6.75%	6.00% - 6.50%
Independent/Assisted Living B	7.50% - 8.00%	7.25% - 7.75%	8.00% - 8.75%	8.00% - 8.75%	8.50% - 9.25%	8.50% - 9.25%	7.75% - 8.50%
Long Term Care A	6.50% - 7.00%	6.50% - 7.00%	7.00% - 7.50%	7.00% - 7.50%	N/A	N/A	6.75% - 7.25%
<b>Hotel</b>							
Downtown Full Service	7.00% - 8.00%	5.25% - 6.75%	7.50% - 8.50%	8.25% - 9.75%	8.25% - 9.75%	8.25% - 9.75%	8.00% - 9.50%
Suburban Limited Service	8.75% - 9.75%	7.00% - 8.50%	9.00% - 10.00%	9.25% - 10.50%	9.25% - 10.75%	9.25% - 10.75%	9.00% - 10.00%
Focused Service	8.25% - 9.25%	6.50% - 8.00%	8.50% - 9.50%	8.50% - 10.00%	8.75% - 10.25%	8.75% - 10.25%	8.50% - 9.50%

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# Q1 2026 Canadian Cap Rates

△ Q/Q

	Kitchener-Waterloo	Toronto	Ottawa	Montreal	Quebec City	Halifax
<b>Downtown office</b>						
AA	N/A	5.25% - 5.75%	6.25% - 6.50%	6.50% - 7.00%	N/A	N/A
A	6.00% - 6.75%	6.25% - 7.00%	6.75% - 7.75%	7.25% - 7.75%	7.50% - 8.50%	<b>7.00% - 7.75%</b>
B	6.50% - 7.25%	6.75% - 7.50%	7.50% - 8.50%	8.00% - 8.50%	8.50% - 9.50%	8.00% - 8.75%
<b>Suburban Office</b>						
A	6.50% - 7.50%	7.25% - 8.25%	7.50% - 8.50%	7.75% - 8.50%	8.50% - 9.25%	<b>7.00% - 7.75%</b>
B	7.00% - 7.75%	8.00% - 9.00%	8.25% - 9.00%	8.75% - 9.75%	9.00% - 10.00%	<b>7.75% - 8.50%</b>
<b>Industrial</b>						
A	5.75% - 6.50%	5.00% - 5.25%	5.50% - 6.00%	5.75% - 6.25%	6.25% - 7.25%	<b>6.25% - 7.00%</b>
B	<b>5.75% - 6.50%</b>	5.25% - 6.00%	6.25% - 6.75%	6.25% - 6.75%	7.00% - 8.00%	7.00% - 7.50%
<b>Retail</b>						
Regional	6.00% - 6.50%	5.25% - 7.00%	6.00% - 6.50%	<b>6.75% - 7.50%</b>	7.25% - 8.00%	7.25% - 8.25%
Power	6.00% - 6.50%	5.75% - 7.00%	6.25% - 6.75%	6.25% - 6.75%	<b>7.50% - 8.25%</b>	6.50% - 7.50%
Neighbourhood	5.00% - 6.00%	5.50% - 6.50%	6.25% - 6.75%	6.75% - 7.25%	<b>8.75% - 9.75%</b>	6.50% - 7.50%
Strip	5.50% - 6.35%	5.00% - 6.00%	6.25% - 6.75%	5.75% - 6.25%	<b>6.25% - 7.25%</b>	6.50% - 7.50%
Non-anchored Strip Mall	5.50% - 6.50%	5.25% - 6.50%	6.00% - 7.00%	<b>6.75% - 7.25%</b>	<b>8.25% - 8.75%</b>	6.75% - 7.75%
Urban Streetfront	6.00% - 7.00%	5.00% - 5.50%	5.75% - 6.25%	5.00% - 5.50%	N/A	6.75% - 7.75%
High Street	N/A	5.00% - 5.50%	N/A	N/A	N/A	N/A
<b>Multifamily</b>						
High Rise A	<b>4.50% - 4.75%</b>	3.85% - 4.75%	4.50% - 5.00%	<b>4.25% - 4.50%</b>	4.25% - 5.00%	4.50% - 5.25%
High Rise B	<b>4.50% - 5.00%</b>	4.15% - 5.15%	4.95% - 5.80%	4.25% - 4.50%	<b>4.75% - 5.75%</b>	4.75% - 5.50%
Low Rise A	<b>4.50% - 5.25%</b>	3.85% - 4.75%	4.50% - 5.00%	<b>4.50% - 4.75%</b>	4.50% - 5.25%	4.50% - 5.25%
Low Rise B	<b>4.50% - 6.00%</b>	4.15% - 5.15%	5.20% - 5.80%	<b>4.25% - 4.50%</b>	5.00% - 6.00%	4.75% - 5.50%
New Construction	<b>4.50% - 4.75%</b>	4.00% - 4.75%	4.50% - 4.75%	4.50% - 4.75%	4.25% - 4.75%	4.50% - 5.25%
<b>Seniors Housing</b>						
Independent/Assisted Living A	6.00% - 6.50%	5.50% - 6.25%	5.75% - 6.25%	5.75% - 6.50%	6.00% - 6.50%	6.00% - 6.50%
Independent/Assisted Living B	7.75% - 8.50%	7.25% - 8.00%	7.50% - 8.25%	7.75% - 8.75%	8.00% - 9.00%	8.00% - 9.00%
Long Term Care A	6.75% - 7.25%	6.75% - 7.25%	6.75% - 7.25%	7.25% - 7.75%	7.50% - 8.00%	7.00% - 7.50%
<b>Hotel</b>						
Downtown Full Service	8.00% - 9.25%	5.25% - 6.50%	7.50% - 8.50%	6.50% - 7.50%	8.00% - 9.00%	7.50% - 9.00%
Suburban Limited Service	9.00% - 10.00%	8.00% - 9.00%	8.75% - 9.75%	8.50% - 9.50%	9.00% - 10.00%	9.00% - 10.00%
Focused Service	8.50% - 9.50%	7.50% - 8.50%	8.25% - 9.25%	7.50% - 9.00%	8.50% - 9.50%	8.50% - 9.50%

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# Glossary of Terms

**Cap Rate:** Estimates are provided by NIT members in respective markets based on market transactions and/or feedback from investors on their current yield expectations.

## Office/Industrial

**Downtown:** The neighborhoods in a metropolitan area which are the most densely populated, contain the highest concentration of businesses, offer access to a variety of urban amenities, and are typically well serviced by public transit.

**Suburban:** The portion of a metropolitan area that is outside the city centre with a less concentrated population and typically lower density land use than is typically found in the metro's urban areas.

**Class AA (Office Only):** The best quality office assets in a metropolitan area's downtown submarket. Typically, these properties are newer, larger than 800,000 sq. ft. with large floor plates, fully or near fully leased at or above markets rents to top quality tenants.

**Class A:** Properties competing for higher-quality tenants with above average rental rates for the area. Buildings are in good physical shape, are well situated and contain high-quality finishes, top class building systems and exceptional accessibility features.

**Class B:** Properties competing for a wide range of tenants with average or below average rents for the area. Buildings are in good to fair shape and suitable for tenants seeking functional space at discounted rates.

## Retail

**Regional:** Enclosed malls which have strong anchors with a high percentage of National tenants in CRU space. Occupiers focus on general merchandise or fashion-oriented offerings. Properties are typically anchored by at least two large format tenants, including most often a department store.

**Power Centres:** Unenclosed retail centres comprised of freestanding and mostly unconnected single storey properties or "big boxes", often including at least one large format brand name anchor tenant. Typically situated in a larger retail node but contain limited CRU space.

**Community/Neighbourhood:** Enclosed or unenclosed shopping centres that serve a community and are generally anchored by some combination of a junior department store, supermarket, drug or sport store. Typically supply a wide range of apparel and soft goods.

**Strip (Anchored):** Open-air centres anchored by either a grocery or major drugstore tenant. Designed to provide convenience shopping for the daily needs of consumers in the surrounding neighbourhood. Off-street parking typically offered on site.

**Strip (Non-Anchored):** Open-air centre typically not anchored by either a grocery or drugstore tenant. Centres offer a narrow mix of goods and personal services to a limited trade area. Off-street parking typically offered on site.

**High Street Retail:** Self-contained streetfront properties centrally located along high-profile retail corridors. Properties are occupied by well-known brands at well above average rental rates. Parking is typically available on street or within a public parking structure.

**Urban Streetfront:** Streetfront properties located side by side along major urban thoroughfares in close proximity to public transit. Properties may be occupied by a wide range of tenants at above average rental rates. Parking is typically available on street or within a public parking structure.

## Multifamily

**Cap Rates (Existing Stock):** Cap rates for existing multifamily buildings assume properties are stabilized and reflect a property's forecasted 12-month net operating income (NOI) based on in-place rents, market rent applied to vacant units, and conventional turnover and increase assumptions for existing tenancies.

**High Rise:** Multi-unit high density properties typically 5 storeys and above in height.

**Low Rise:** Multi-unit properties typically 4 storeys and below in height.

**Class A:** Properties which are situated in desirable neighbourhoods, well-serviced by public transit, demand above average rents, and are furnished with top of the line finishes and amenities.

**Class B:** Properties which offer functional space with rental rates near to or below the market average.

**Cap Rates (New Construction):** Cap rates for recently completed and under construction multifamily buildings assume properties are stabilized and reflect a property's forecasted 12-month NOI based on market rents across all units.

## Seniors Housing

**Ind./Assist. Living:** Multifamily rental properties with central dining facilities and other amenity spaces that provide residents with meals and other services such as housekeeping, transportation, and social and recreational activities to seniors 75+ years of age. Many have trained staff providing assistance with activities of daily living ("ADL"), either throughout the building or on a separate floor/wing. There are no funded Long Term Care (nursing) beds.

**Long Term Care:** Provincially licensed, government funded Long Term Care homes providing health and medical services and accommodation to residents who require 24-hour nursing care and supervision within a secure setting.

**Class A:** Properties with 120+ units, within 15 years of age and in good to fair shape. Typically situated in primary or large secondary markets, with a good suite mix, amenity space and other desirable features.

## Hotel

**Cap Rates (Hotel Specific):** Rates indicated are based on adjusted results after deduction of management fees and reserves for replacement.

**Full Service:** Hotel properties offering an abundant provision of food and beverage services (meeting rooms and dining venues). Full service hotels also typically offer additional amenities such as room service, valet parking and concierge service. Examples of core brands would be Marriott, Hilton, Four Seasons.

**Limited Service:** Hotel properties that are rooms focused and don't offer a wide variety of additional amenities or services. This category would include "budget" limited service assets that offer no-frills rooms at modest prices, as well as more robust limited service properties that might offer a fitness room, a guest laundry facility, a market pantry, an indoor and/or outdoor pool, and/or a small meeting room. Examples would include Comfort Inn, Days Inn, Super 8.

**Focused Service:** Focused service hotels (also referred to as select service hotels) offer the fundamentals of limited-service properties together with a selection of the services and amenities characteristic of full-service properties. They may offer food and beverage facilities but on a less elaborate scale than one would find at full-service hotels. Extended Stay/All-Suite hotels are included in this sample. Examples would include Hampton Inn, Holiday Inn Express, Residence Inn.

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