Intelligent Investment

Canadian Cap Rates & Investment Insights

REPORT

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

CBRE RESEARCH
Q2 2026

Contents

01

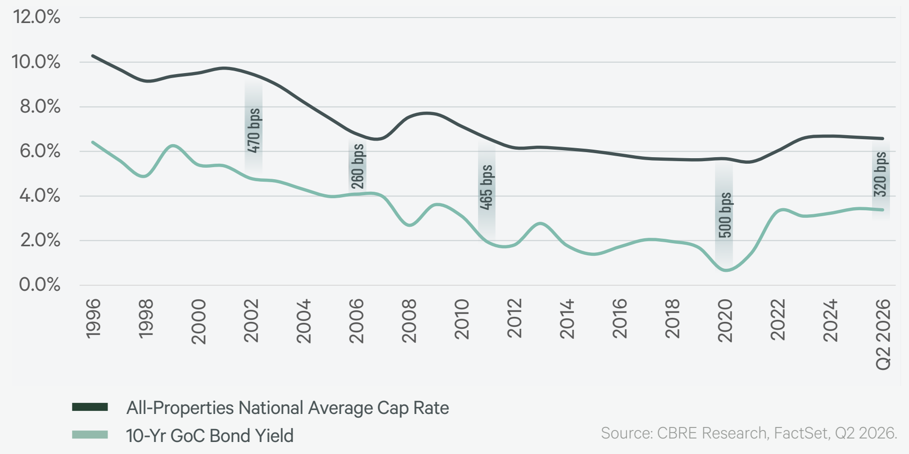
National Investment Trends

Investment Trends

Marc Meehan
Managing Director, Research
www.cbre.ca/marc.meehan

- While a U.S.-Iran memorandum of understanding offered a brief reprieve in the Middle East conflict, the recent re-escalation of hostilities underscores the fragility of the situation and the considerable distance that remains toward a durable and comprehensive peace deal. Amid this persistent uncertainty, economic indicators have been mixed, bond yields continue to fluctuate and the Bank of Canada is expected to remain in a holding pattern. Canada, however, continues to shine as a market of safety and stability, increasingly attracting the attention of institutional and global capital alike.
- The national average all-properties cap rate has continued to gradually compress, declining 3 bps quarter-over-quarter to 6.58% in Q2 2026. Bond yields have been volatile and while the cap rate spread to the Canada 10-year yield widened slightly to 320 bps in Q2 2026, that spread remains in flux.
- In Q2 2026, national average cap rates compressed quarter-over-quarter across most asset classes led by declines in seniors housing and retail. More modest decreases were also recorded in office and industrial while multifamily and hotel yields effectively held flat.

National Average Cap Rate



Source: CBRE Research, FactSet, Q2 2026.

Q2 2026 Cap Rates

Downtown Office		△Q/Q
AA	**6.83%**	▲
A	**7.78%**	▼
B	**8.75%**	▼
Suburban Office		
A	8.02%	◀▶
B	**8.88%**	▼
Industrial		
A	**5.73%**	▼
B	**6.33%**	▼
Retail		
Regional	6.45%	◀▶
Power	6.63%	◀▶
Neighbourhood	**6.56%**	▼
Strip	**5.92%**	▼
Strip (non-anchored)	**6.48%**	▼
Urban Streetfront	**6.20%**	▼
High Street	5.38%	◀▶

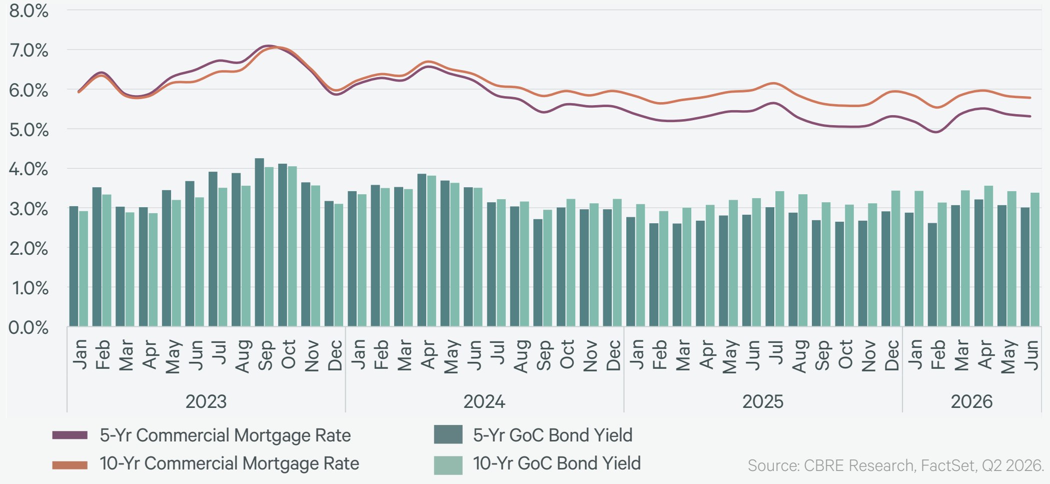
Multifamily		△Q/Q
High Rise A	**4.53%**	▲
High Rise B	4.83%	◀▶
Low Rise A	4.69%	◀▶
Low Rise B	4.94%	◀▶
New Construction	4.66%	◀▶
Seniors Housing		
Independent/ Assisted Living A	6.00%	◀▶
Independent/ Assisted Living B	**7.92%**	▼
Long Term Care A	7.14%	◀▶
Hotel		
Downtown Full Service	7.64%	◀▶
Suburban Limited Service	9.17%	◀▶
Focused Service	8.63%	◀▶

Debt Market Trends

Joshua Sonshine
Senior Vice President,
Debt & Structured Finance
www.cbre.ca/joshua.sonshine

- The Bank of Canada has continued to hold its overnight rate at 2.25% and the cost of floating rate debt has leveled off after roughly two years of decline, at times prompting near-term IPP borrowers to revisit fixed versus floating strategy.
- Canada 5-year yields traded in a volatile range in Q2 2026, moved more by headlines than by domestic data. Fixed mortgage pricing tracked the same swings, making timing, rather than direction, the central question for borrowers weighing fixed-rate loans.
- Credit markets remain open but disciplined. Active lenders continue to bid aggressively on quality opportunities, compressing spreads on assets of choice. Multifamily, grocery-anchored retail and well-located industrial remain the most sought-after asset classes, with land loans remaining tricky, particularly given underlying value constraints.
- Office is returning to lenders' appetite as leasing & occupancy fundamentals improve and return-to-office mandates take hold, though execution stays sharply bifurcated between well-tenanted, well-located buildings and the rest of the market.
- CMHC's MLI Select transition reaches a hard deadline on September 30th that leaves borrowers with purpose-built rental projects a narrowing window to lock in current scoring.

Mortgage Rates to Government of Canada Bonds



Source: CBRE Research, FactSet, Q2 2026.

Market Movers

	Q1 2026	Q2 2026	Change Q/Q	
5-Year Mortgage Spread Range				
	1.20% - 3.40%	1.20% - 3.40%	◀▶	0 bps
10-Year Mortgage Spread Range				
	1.30% - 3.50%	1.30% - 3.50%	◀▶	0 bps
CAD/USD				
	$0.7187	**$0.7044**	▼	**-1.99%**
Canada Prime Rate				
	4.45%	4.45%	◀▶	0 bps
CORRA				
	2.270%	**2.340%**	▲	**7 bps**
Western Canadian Select (USD)				
	$80.14	**$55.27**	▼	**-31.03%**

Source: CBRE Research, FactSet

Office Investment Trends

- Office cap rates were mixed in Q2 2026 with an overall modest compression seen across most national average series, though the direction of movement varied considerably at the market level.
- The national average Downtown Class AA & A yield declined 3 bps quarter-over-quarter to 7.38% in Q2 2026. This was predominately driven by cap rate compression in Calgary that was partially offset by an increase in Edmonton. The national Downtown Class B cap rate edged lower by 2 bps quarter-over-quarter to 8.75%, with Halifax the only market recording any movement.
- Suburban Class A yields held flat quarter-over-quarter at 8.02% in Q2 2026, as individual market movements all offset each other at the national level. For Suburban Class B cap rates, notable decreases in the Alberta markets led to the national average compressing 9 bps quarter-over-quarter to 8.88%.

Regional Rankings

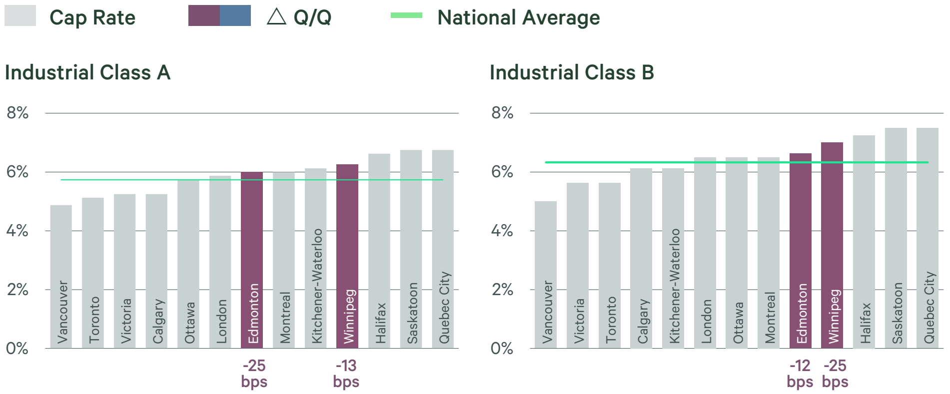
Historical Office Cap Rates

Investment
Debt Market
Office
Industrial
Retail
Multifamily
Seniors Housing
Hotel
Victoria
Vancouver
Calgary
Edmonton
Saskatoon
Winnipeg
London
Kitchener-Waterloo
Toronto
Ottawa
Montreal
Quebec City
Halifax
Cap Rate Summary
Glossary of Terms

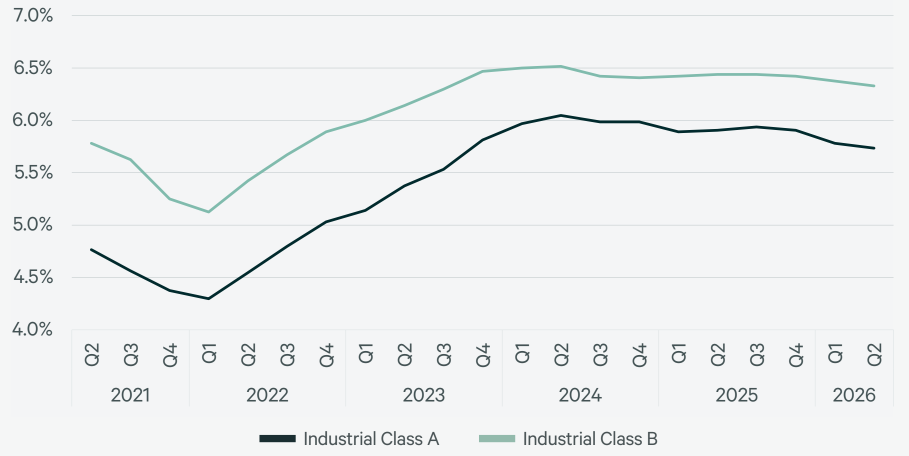
Industrial Investment Trends

- Industrial cap rates compressed further in Q2 2026, with the national average Class A and Class B yields both declining 5 bps quarter-over-quarter to 5.73% and 6.33%, respectively.
- The spread between Class A and Class B national industrial cap rates held steady quarter-over-quarter at 60 bps in Q2 2026, following the slight widening trend seen over the past several quarters.
- Yield compression in Q2 2026 was driven solely by Edmonton and Winnipeg, with both markets recording quarterly cap rate decreases in Class A and Class B product.

Regional Rankings



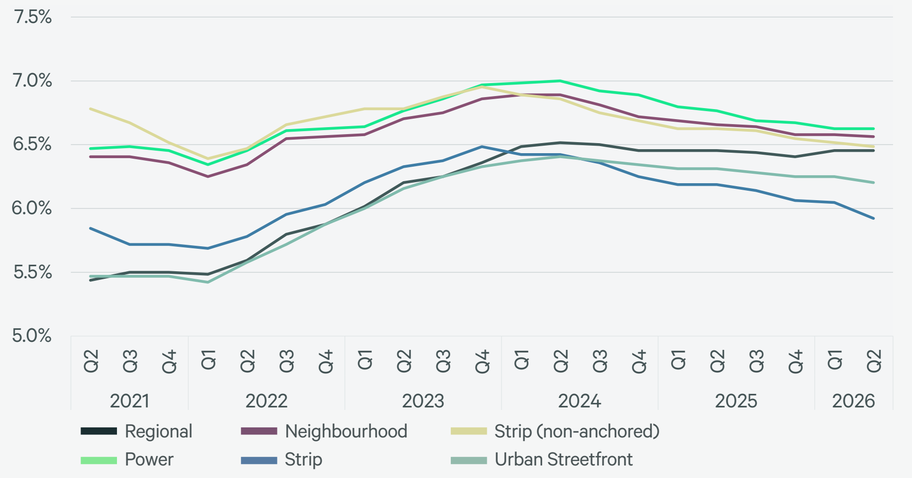
Historical Industrial Cap Rates



Retail Investment Trends

- Overall national retail cap rates have continued to drop with quarter-over-quarter declines across most categories in Q2 2026, aside from Regional and Power that held flat.
- Cap rate compression in Q2 2026 was led by the Strip category that decreased 13 bps quarter-over-quarter to 5.92%. This further widens the gap between Strip yields and those of the other retail categories. On a year-over-year basis, Strip yields have fallen the most out of all the retail categories by 27 bps.
- More modest cap rate decreases were recorded in the Urban Streetfront, Strip (Non-Anchored) and Neighbourhood retail categories in Q2 2026, that compressed 5 bps, 4 bps and 2 bps quarter-over-quarter, respectively.
- Cap rate movements were seen across multiple markets in Q2 2026, most notably with declines in Halifax, Edmonton and Quebec City.

Historical Retail Cap Rates



Regional Rankings

Regional rankings for High Street retail category not shown.

Multifamily Investment Trends

David Montressor

Vice Chairman,
National Apartment Group
www.cbre.ca/david.montressor

- Multifamily cap rates largely stabilized in Q2 2026, with the national average yields holding flat quarter-over-quarter across nearly every category. This marks a slight shift from the consecutive increases seen in the prior two quarters.
- The national average High Rise Class A yield was the only multifamily segment to move in Q2 2026, increasing by a marginal 2 bps quarter-over-quarter to 4.53%. All other multifamily categories stayed flat quarter-over-quarter at the national level.
- The only markets to record movements in cap rates were Montreal and Victoria, that saw modest quarter-over-quarter increases in Q2 2026.

Historical Multifamily Cap Rates

Regional Rankings

Seniors Housing Investment Trends

Mathew Burnett

Senior Vice President,
Healthcare Capital Markets
www.cbre.ca/mathew.burnett

- Demand for Class B assets reached its highest level since the pandemic in Q2 2026, driven by new entrants to the market. Transaction volumes have accelerated, with a growing pipeline of active deals expected to close in the near term. This momentum has contributed to an approximate 25 bps compression in cap rates nationally for Class B assets, with further tightening anticipated over the coming quarters.
- Investor demand for Class A seniors housing remained stable through Q2 2026, supporting broadly unchanged cap rates across this segment nationwide.
- Transaction activity is increasingly reflecting more aggressive underwriting, with select investors incorporating longer-duration DCFs and growth assumptions above inflation to justify pricing. This has heightened competition for scale and introduced upward pressure on valuations.
- Regulatory oversight remains an important consideration as increased attention from competition authorities, while not currently a primary constraint on activity, may influence deal structuring and timing, particularly for larger portfolio transactions.

Historical Seniors Housing Cap Rates

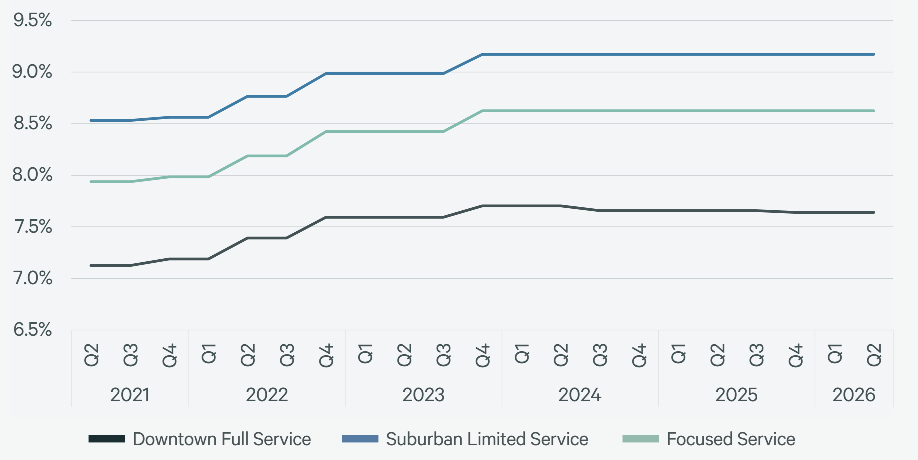
Regional Rankings

Hotel Investment Trends

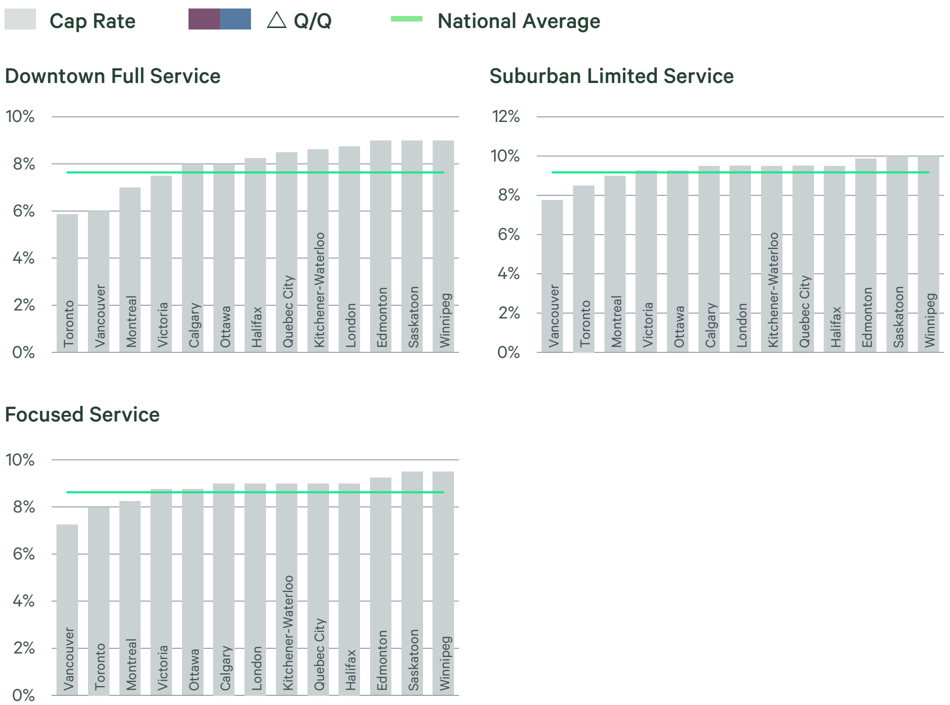
Luke Scheer
Executive Vice President,
CBRE Hotels
www.cbre.ca/luke.scheer

- Pricing remained stable in Q2 2026 relative to the prior quarter, particularly for core assets. Resilient operating fundamentals and limited new supply in select markets supported valuations despite ongoing geopolitical and economic uncertainty, resulting in broadly unchanged cap rates nationwide.
- Lender sentiment continues to be constructive, with ample debt capital available for high-quality, well-located hotel assets in major markets, as well as select value-add opportunities. While prior interest rate reductions have modestly eased financing costs, underwriting remains disciplined as investors account for moderating growth (albeit still positive growth), margin pressures and broader macroeconomic volatility.
- Investor focus remains firmly on yield, asset quality, brand affiliation and market fundamentals, with premium positioning and operational resilience driving stronger pricing outcomes relative to secondary assets.

Historical Hotel Cap Rates



Regional Rankings



02

Regional Investment Trends

Victoria Investment Trends

Ross Marshall

Senior Vice President
www.cbre.ca/ross.marshall

- As pricing expectations and cap rates continue to converge, investor sentiment has improved. An increasing number of buyers believe the market has largely reached its cyclical bottom and are becoming more comfortable underwriting at today's pricing levels. As a result, many investors are transitioning from price discovery to active capital deployment, which should support improved transaction activity in the latter half of the year.
- Multifamily remains a preferred asset class, supported by strong long-term fundamentals. Cap rates for new construction and Class B expanded modestly in the first half of the year. The Class B increase was driven by the spread between borrowing costs and return expectations. New construction, particularly in the Westshore, has seen a supply-demand imbalance stemming from an influx of new rental inventory, placing downward pressure on pricing.
- Industrial fundamentals remain strong despite a moderation in activity and increased vacancy in certain submarkets. Land constraints and limited industrial development underpin investor confidence, though transaction volumes continue to trail historical averages due to limited available inventory.

Historical Victoria Cap Rates

Q2 2026 Cap Rates

Downtown Office		△Q/Q
AA	N/A	
A	6.50% - 7.00%	◀▶
B	7.50% - 8.50%	◀▶

Suburban Office		
A	6.25% - 6.75%	◀▶
B	6.75% - 7.25%	◀▶

Industrial		
A	5.00% - 5.50%	◀▶
B	5.25% - 6.00%	◀▶

Retail		
Regional	5.50% - 6.00%	◀▶
Power	5.50% - 6.00%	◀▶
Neighbourhood	5.00% - 5.75%	◀▶
Strip	5.25% - 5.75%	◀▶
Strip (non-anchored)	5.50% - 6.00%	◀▶
Urban Streetfront	5.75% - 6.25%	◀▶
High Street	5.75% - 6.00%	◀▶

Multifamily		
High Rise A	N/A	
High Rise B	4.25% - 4.75%	◀▶
Low Rise A	4.50% - 5.00%	◀▶
Low Rise B	**4.25% - 5.00%**	▲
New Construction	4.75% - 5.25%	◀▶

Seniors Housing		
Independent/Assisted Living A	5.25% - 5.75%	◀▶
Independent/Assisted Living B	**7.25% - 7.75%**	▼
Long Term Care A	6.50% - 7.00%	◀▶

Hotel		
Downtown Full Service	7.00% - 8.00%	◀▶
Suburban Limited Service	8.75% - 9.75%	◀▶
Focused Service	8.25% - 9.25%	◀▶

Vancouver Investment Trends

Cynthia Jagger

Executive Vice President

www.cbre.ca/cynthia.jagger

- The Vancouver market remains highly sought-after amidst global uncertainty, but investor interest is bifurcated by profile. Institutional groups are selective and prioritizing higher quality income producing assets, while private capital pursues opportunities offering yields in excess of historical levels. This has muted overall transaction volumes and left cap rates largely unchanged.
- Office investment remains income and quality driven. Cap rates for higher-quality downtown assets have held stable amid no near-term supply and improving leasing fundamentals.
- Retail assets continue to be highly sought-after, particularly necessity-based, grocery-anchored open-air formats. Limited new supply and high demand have kept cap rates consistent despite the erosion of underlying land values.
- Multifamily cap rates have remained in flux with some softening in the leasing market. However, certain corridors are seeing increased absorption and stabilizing rental rates. Long term, elevated construction costs, a moderating condo pipeline and a lack of high-quality, well-located development sites will continue to drive investor interest.

Historical Vancouver Cap Rates

Q2 2026 Cap Rates

Downtown Office		△Q/Q
AA	5.00% - 5.75%	◀▶
A	5.50% - 6.25%	◀▶
B	6.00% - 6.75%	◀▶

Suburban Office		
A	6.25% - 6.75%	◀▶
B	6.50% - 7.00%	◀▶

Industrial		
A	4.50% - 5.25%	◀▶
B	4.75% - 5.25%	◀▶

Retail		
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%	◀▶

Multifamily		
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%	◀▶

Seniors Housing		
Independent/Assisted Living A	5.00% - 5.75%	◀▶
Independent/Assisted Living B	**7.00% - 7.50%**	▼
Long Term Care A	6.50% - 7.00%	◀▶

Hotel		
Downtown Full Service	5.25% - 6.75%	◀▶
Suburban Limited Service	7.00% - 8.50%	◀▶
Focused Service	6.50% - 8.00%	◀▶

Investment
Debt Market
Office
Industrial
Retail
Multifamily
Seniors Housing
Hotel
Victoria
Vancouver
Calgary
Edmonton
Saskatoon
Winnipeg
London
Kitchener-Waterloo
Toronto
Ottawa
Montreal
Quebec City
Halifax
Cap Rate Summary
Glossary of Terms

Calgary Investment Trends

Richie Bhamra
Executive Vice President,
National Investment Team
www.cbre.ca/richie.bhamra

- The downtown office recovery gathered pace in Q2 2026, with Class AA and Class A yields tightening further. Higher-quality assets remain the clear target for investors, supported by improving debt availability. Private capital continues to strategically underwrite conversion opportunities.
- Compression also extended into the suburban office market this quarter. Well-leased assets with strong covenants continue to command private investor attention, with continued strong emphasis on credit quality and lease term.
- Industrial Class A yields remain under pressure in Q2 2026 with deep bidding across core and value-add offerings, drawing interest from all buyers. Meanwhile, Class B held its ground on supportive fundamentals.
- Retail held flat across every format, with anchored and non-anchored product attracting deep bidding. High construction costs keep upward pressure on rents in existing centres, reinforcing the case for income-producing retail.
- Multifamily yields found their footing after Class B yield softened slightly last quarter. Relatively strong population growth and reliable access to financing continues to anchor demand.

Historical Calgary Cap Rates

Q2 2026 Cap Rates

Downtown Office		△Q/Q
AA	**7.50% - 8.50%**	▼
A	**9.50% - 10.50%**	▼
B	12.00% - 13.00%	◀▶

Suburban Office		
A	**7.50% - 9.50%**	▼
B	**10.00% - 12.00%**	▼

Industrial		
A	5.00% - 5.50%	◀▶
B	5.75% - 6.50%	◀▶

Retail		
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	

Multifamily		
High Rise A	4.50% - 5.00%	◀▶
High Rise B	5.00% - 5.50%	◀▶
Low Rise A	4.75% - 5.25%	◀▶
Low Rise B	5.00% - 5.50%	◀▶
New Construction	4.50% - 5.25%	◀▶

Seniors Housing		
Independent/Assisted Living A	5.75% - 6.25%	◀▶
Independent/Assisted Living B	**7.75% - 8.50%**	▼
Long Term Care A	7.00% - 7.50%	◀▶

Hotel		
Downtown Full Service	7.50% - 8.50%	◀▶
Suburban Limited Service	9.00% - 10.00%	◀▶
Focused Service	8.50% - 9.50%	◀▶

Investment
Debt Market
Office
Industrial
Retail
Multifamily
Seniors Housing
Hotel
Victoria
Vancouver
Calgary
Edmonton
Saskatoon
Winnipeg
London
Kitchener-Waterloo
Toronto
Ottawa
Montreal
Quebec City
Halifax
Cap Rate Summary
Glossary of Terms

Edmonton Investment Trends

Dave Young
Executive Vice President,
National Investment Team
www.cbre.ca/dave.young

- While interprovincial migration continues to sustain renter demand against a backdrop of elevated new supply, rent growth in newly delivered product is showing early signs of plateauing. Mature stabilized assets, however, continue to outperform on a relative basis, keeping Edmonton top of mind for private and institutional multifamily investors from across Canada.
- Grocery-anchored retail remains the most sought-after product type among institutional investors, with cap rates compressing, new benchmark pricing emerging and a growing pipeline of transactions expected to establish meaningful comparables for Edmonton. Lender appetite has returned at debt metrics not seen in several years, underpinning a broader resurgence in liquidity across all retail formats as both equity and debt capital are increasingly allocated to the sector.
- The supply/demand imbalance and associated rental rate growth story in Edmonton is gaining momentum. Combined with a yield premium to Calgary, demand is expected to increase and compress cap rates over the near term.

Historical Edmonton Cap Rates

Q2 2026 Cap Rates

Downtown Office		△Q/Q
AA	**8.50% - 9.50%**	▲
A	9.75% - 11.00%	◀▶
B	11.00% - 12.00%	◀▶

Suburban Office		
A	9.75% - 10.50%	◀▶
B	**10.00% - 11.00%**	▼

Industrial		
A	**5.75% - 6.25%**	▼
B	**6.25% - 7.00%**	▼

Retail		
Regional	5.50% - 7.00%	◀▶
Power	7.00% - 8.00%	◀▶
Neighbourhood	7.00% - 8.00%	◀▶
Strip	**5.50% - 6.00%**	▼
Strip (non-anchored)	**5.75% - 6.75%**	▼
Urban Streetfront	**6.75% - 7.50%**	▼
High Street	N/A	

Multifamily		
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%	◀▶
New Construction	4.75% - 5.25%	◀▶

Seniors Housing		
Independent/Assisted Living A	5.75% - 6.25%	◀▶
Independent/Assisted Living B	**7.75% - 8.50%**	▼
Long Term Care A	7.00% - 7.50%	◀▶

Hotel		
Downtown Full Service	8.25% - 9.75%	◀▶
Suburban Limited Service	9.25% - 10.50%	◀▶
Focused Service	8.50% - 10.00%	◀▶

Investment
Debt Market
Office
Industrial
Retail
Multifamily
Seniors Housing
Hotel
Victoria
Vancouver
Calgary
Edmonton
Saskatoon
Winnipeg
London
Kitchener-Waterloo
Toronto
Ottawa
Montreal
Quebec City
Halifax
Cap Rate Summary
Glossary of Terms

Saskatoon Investment Trends

Michael Bratvold

Senior Vice President,
Managing Director
www.cbre.ca/michael.bratvold

- Retail fundamentals remain strong across Saskatchewan, supported by limited vacancy and steady rent growth. Demand for well-performing assets is robust, though limited availability continues to constrain transaction velocity and underpin cap rate stability across the province.
- Investment interest in multifamily continues to grow, fueled by strong leasing fundamentals and steady rent growth. Record GDP in 2025 and strong private capital investment continue to drive population growth across the province, further supporting multifamily investment prospects.
- Saskatchewan industrial continues to benefit from historically low vacancy rates and strong investor demand, with limited availability continuing to support cap rate stability. The development pipeline remains modest, though growing developer confidence in market fundamentals is beginning to translate into much needed new supply.

Historical Saskatoon Cap Rates

Q2 2026 Cap Rates

Downtown Office		△Q/Q
AA	N/A	
A	7.50% - 8.00%	◀▶
B	8.25% - 9.25%	◀▶

Suburban Office		
A	7.00% - 7.50%	◀▶
B	7.75% - 8.25%	◀▶

Industrial		
A	6.50% - 7.00%	◀▶
B	7.25% - 7.75%	◀▶

Retail		
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	

Multifamily		
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%	◀▶

Seniors Housing		
Independent/Assisted Living A	6.00% - 6.75%	◀▶
Independent/Assisted Living B	**8.25% - 9.00%**	▼
Long Term Care A	N/A	

Hotel		
Downtown Full Service	8.25% - 9.75%	◀▶
Suburban Limited Service	9.25% - 10.75%	◀▶
Focused Service	8.75% - 10.25%	◀▶

Investment
Debt Market
Office
Industrial
Retail
Multifamily
Seniors Housing
Hotel
Victoria
Vancouver
Calgary
Edmonton
Saskatoon
Winnipeg
London
Kitchener-Waterloo
Toronto
Ottawa
Montreal
Quebec City
Halifax
Cap Rate Summary
Glossary of Terms

Winnipeg Investment Trends

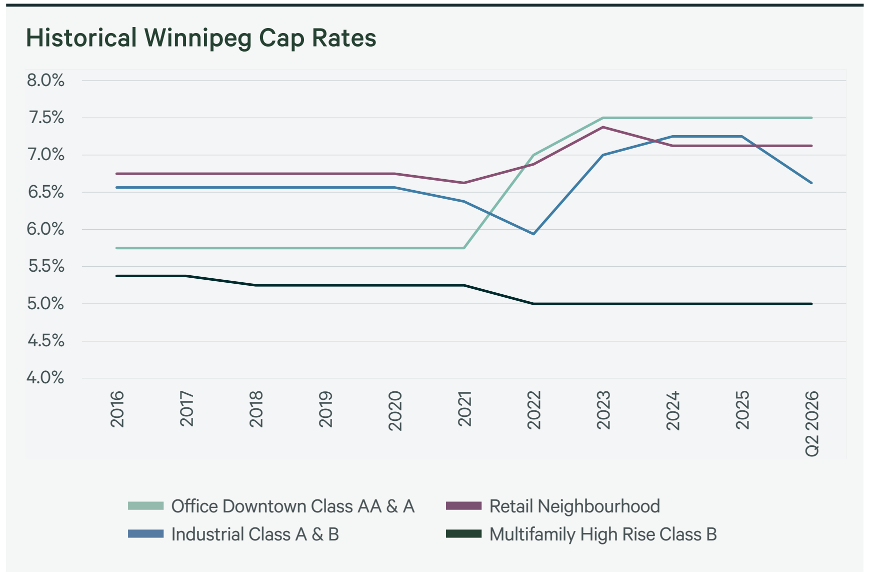
Paul Kornelsen

Vice President,
Managing Director
www.cbre.ca/paul.kornelsen

— RFA Capital Holdings Inc. has successfully closed on 12 industrial properties comprising nearly 600,000 sq. ft. of their approximately 1.3 million sq. ft. industrial portfolio in Winnipeg that was marketed in Q1 2026. This portion of the portfolio closed for $79.8 million and signals an end to the dominant market share held by Artis REIT over the last couple decades.

— The Bank of Canada has maintained stable overnight interest rates since September 2025. While rate decreases were anticipated in 2026, geopolitical uncertainties persist. This environment of rate stability is a key factor in asset valuation and future rate adjustments will be closely monitored, likely influencing cap rates across property types.

— Skyline Industrial REIT sold their cold storage facility located at 1555 Chevrier Boulevard in April 2026. This property consists of 319,481 sq. ft. and was sold at an undisclosed price. The full 319,481 sq. ft. is currently occupied by Congebec and results in Skyline Industrial REIT fully exiting the Manitoba market.



Q2 2026 Cap Rates

Downtown Office		△Q/Q
AA	N/A	
A	7.00% - 8.00%	◀▶
B	7.50% - 8.50%	◀▶

Suburban Office		
A	6.75% - 7.75%	◀▶
B	7.25% - 8.25%	◀▶

Industrial		
A	**6.00% - 6.50%**	▼
B	**6.75% - 7.25%**	▼

Retail		
Regional	6.00% - 7.25%	◀▶
Power	6.00% - 7.25%	◀▶
Neighbourhood	7.00% - 7.25%	◀▶
Strip	6.00% - 7.25%	◀▶
Strip (non-anchored)	7.00% - 7.50%	◀▶
Urban Streetfront	7.00% - 7.50%	◀▶
High Street	N/A	

Multifamily		
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	

Seniors Housing		
Independent/Assisted Living A	6.00% - 6.75%	◀▶
Independent/Assisted Living B	**8.25% - 9.00%**	▼
Long Term Care A	N/A	

Hotel		
Downtown Full Service	8.25% - 9.75%	◀▶
Suburban Limited Service	9.25% - 10.75%	◀▶
Focused Service	8.75% - 10.25%	◀▶

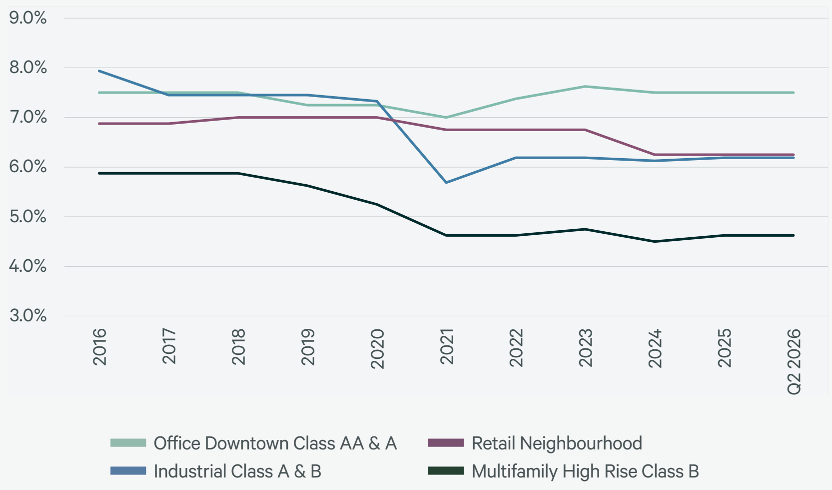
Investment
Debt Market
Office
Industrial
Retail
Multifamily
Seniors Housing
Hotel
Victoria
Vancouver
Calgary
Edmonton
Saskatoon
Winnipeg
London
Kitchener-Waterloo
Toronto
Ottawa
Montreal
Quebec City
Halifax
Cap Rate Summary
Glossary of Terms

London Investment Trends

Kevin MacDougall
Vice President
www.cbre.ca/kevin.macdougall

- Investor sentiment across Southwestern Ontario remains cautious, driven by ongoing geopolitical uncertainty and unresolved trade dynamics with the U.S.
- Pending clarity on tariff impacts and a ratified CUSMA agreement, Southwestern Ontario, particularly its auto manufacturing base, continues to face heightened exposure to cross-border trade volatility.
- In response to softer demand conditions, sellers are increasingly adjusting pricing expectations to align with current market realities.
- London's downtown office vacancy remains elevated at 30%, though several assets are being repositioned for multifamily residential use.

Historical London Cap Rates



Q2 2026 Cap Rates

Downtown Office		△Q/Q
AA	N/A	
A	7.00% - 8.00%	◀▶
B	7.75% - 8.75%	◀▶
Suburban Office		
A	**5.50% - 6.50%**	▼
B	6.00% - 7.25%	◀▶
Industrial		
A	5.50% - 6.25%	◀▶
B	6.00% - 7.00%	◀▶
Retail		
Regional	6.75% - 7.75%	◀▶
Power	6.50% - 7.75%	◀▶
Neighbourhood	5.75% - 6.75%	◀▶
Strip	5.50% - 6.75%	◀▶
Strip (non-anchored)	5.75% - 7.00%	◀▶
Urban Streetfront	6.25% - 7.50%	◀▶
High Street	N/A	

Multifamily		
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%	◀▶
Seniors Housing		
Independent/Assisted Living A	6.00% - 6.50%	◀▶
Independent/Assisted Living B	**7.50% - 8.25%**	▼
Long Term Care A	6.75% - 7.25%	◀▶
Hotel		
Downtown Full Service	8.00% - 9.50%	◀▶
Suburban Limited Service	9.00% - 10.00%	◀▶
Focused Service	8.50% - 9.50%	◀▶

Investment
Debt Market
Office
Industrial
Retail
Multifamily
Seniors Housing
Hotel
Victoria
Vancouver
Calgary
Edmonton
Saskatoon
Winnipeg
London
Kitchener-Waterloo
Toronto
Ottawa
Montreal
Quebec City
Halifax
Cap Rate Summary
Glossary of Terms

Kitchener-Waterloo Investment Trends

Joe Benninger
Vice President
www.cbre.ca/joe.benninger

- Multifamily investment activity remained minimal with only five transactions in the quarter, of which only one was in a property with over 20 units. In the face of substantial deliveries and reduced immigration, vacancy rates have increased and rental growth has slowed with landlords offering incentives to maintain occupancy.
- Two industrial transactions of note this quarter are the sale of the Amazon fulfilment centre and Fiera Real Estate portfolio acquisition, both located in Cambridge. While industrial availability remains high, the market is expected to stabilize over time given limited new speculative construction.
- Strong demand continues for quality retail assets including non-anchored strips and plazas underpinned by robust leasing activity.
- The office sector continues to see minimal activity with transactions more often for occupiers rather than investors. Most of the activity has been in medical office investment.

Historical Kitchener-Waterloo Cap Rates

Q2 2026 Cap Rates

Downtown Office		△Q/Q
AA	N/A	
A	6.00% - 6.75%	◀▶
B	6.50% - 7.25%	◀▶
Suburban Office		
A	6.50% - 7.50%	◀▶
B	7.00% - 7.75%	◀▶
Industrial		
A	5.75% - 6.50%	◀▶
B	5.75% - 6.50%	◀▶
Retail		
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	

Multifamily		
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%	◀▶
Seniors Housing		
Independent/Assisted Living A	6.00% - 6.50%	◀▶
Independent/Assisted Living B	**7.50% - 8.25%**	▼
Long Term Care A	6.75% - 7.25%	◀▶
Hotel		
Downtown Full Service	8.00% - 9.25%	◀▶
Suburban Limited Service	9.00% - 10.00%	◀▶
Focused Service	8.50% - 9.50%	◀▶

Toronto Investment Trends

Peter Senst

President, Canadian Capital Markets
National Investment Team
www.cbre.ca/peter.senst

- While overall transaction activity in H1 2026 had been relatively healthy, recent momentum sets the stage for a meaningful pickup in activity in the back half of the year.
- Market activity is very asset specific and income growth is a critical factor for investment capital.
- As an asset class, real estate is picking up and will start to drive more capital and more bid depth in the market over the coming quarters.
- Canada stands out for being a productive investment market, albeit smaller in comparison to other regions, with relative safety and stability that is increasingly attracting interest from institutional and global capital.
- The bid-ask gap is narrowing as vendors begin to move closer to purchaser price expectations.
- Demand for quality downtown office is strengthening and multifamily is underpinned by solid long-term fundamentals. Retail investment continues to demonstrate strength and industrial remains resilient. While land is still challenged, it is starting to move.

Historical Toronto Cap Rates

Q2 2026 Cap Rates

Downtown Office		△Q/Q
AA	5.25% - 5.75%	◀▶
A	**6.25% - 6.75%**	▼
B	6.75% - 7.50%	◀▶

Suburban Office		
A	**7.50% - 8.50%**	▲
B	**8.25% - 9.25%**	▲

Industrial		
A	5.00% - 5.25%	◀▶
B	5.25% - 6.00%	◀▶

Retail		
Regional	5.25% - 7.00%	◀▶
Power	5.75% - 7.00%	◀▶
Neighbourhood	5.50% - 6.50%	◀▶
Strip	**4.75% - 5.75%**	▼
Strip (non-anchored)	5.25% - 6.50%	◀▶
Urban Streetfront	5.00% - 5.50%	◀▶
High Street	5.00% - 5.50%	◀▶

Multifamily		
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%	◀▶

Seniors Housing		
Independent/Assisted Living A	5.50% - 6.25%	◀▶
Independent/Assisted Living B	**7.00% - 7.75%**	▼
Long Term Care A	6.75% - 7.25%	◀▶

Hotel		
Downtown Full Service	5.25% - 6.50%	◀▶
Suburban Limited Service	8.00% - 9.00%	◀▶
Focused Service	7.50% - 8.50%	◀▶

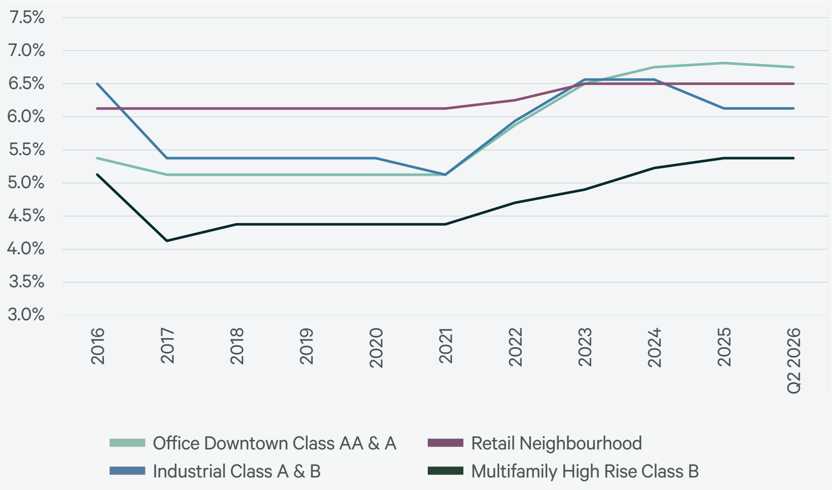
Ottawa Investment Trends

Nico Zentil

Executive Vice President,
National Investment Team
www.cbre.ca/nico.zentil

- The Ottawa investment market is seeing clear signs of recovery as capital re-enters the sector following a prolonged period of repricing and interest rate volatility. Investors are increasingly attracted to the market's defensive characteristics, stable economic base and large concentration of government-backed tenancy. Cap rates are starting to stabilize, reducing valuation uncertainty and allowing parties to transact with greater conviction.
- Investor sentiment has improved materially as market participants recognize the relative stability of the National Capital Region compared to more cyclical Canadian markets. Federal government employment underpins office demand, while strong population growth, housing affordability challenges and limited long-term supply supports multifamily and industrial fundamentals. Institutional-quality office with strong tenancy and predictable cash flows are attracting increased attention from both private and institutional capital.
- Looking ahead, Ottawa is well positioned to benefit from the next phase of the Canadian real estate cycle, offering a compelling combination of income stability, attractive relative yields and long-term economic resilience.

Historical Ottawa Cap Rates



Q2 2026 Cap Rates

Downtown Office		△Q/Q
AA	6.25% - 6.50%	◀▶
A	**6.75% - 7.50%**	▼
B	7.50% - 8.50%	◀▶

Suburban Office		
A	**7.75% - 8.75%**	▲
B	**8.50% - 9.25%**	▲

Industrial		
A	5.50% - 6.00%	◀▶
B	6.25% - 6.75%	◀▶

Retail		
Regional	6.00% - 6.50%	◀▶
Power	6.25% - 6.75%	◀▶
Neighbourhood	6.25% - 6.75%	◀▶
Strip	**6.00% - 6.50%**	▼
Strip (non-anchored)	6.00% - 7.00%	◀▶
Urban Streetfront	5.75% - 6.25%	◀▶
High Street	N/A	

Multifamily		
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%	◀▶

Seniors Housing		
Independent/Assisted Living A	5.75% - 6.25%	◀▶
Independent/Assisted Living B	**7.25% - 8.00%**	▼
Long Term Care A	6.75% - 7.25%	◀▶

Hotel		
Downtown Full Service	7.50% - 8.50%	◀▶
Suburban Limited Service	8.75% - 9.75%	◀▶
Focused Service	8.25% - 9.25%	◀▶

Investment
Debt Market
Office
Industrial
Retail
Multifamily
Seniors Housing
Hotel
Victoria
Vancouver
Calgary
Edmonton
Saskatoon
Winnipeg
London
Kitchener-Waterloo
Toronto
Ottawa
Montreal
Quebec City
Halifax
Cap Rate Summary
Glossary of Terms

Montreal Investment Trends

Scott Speirs
Vice Chairman,
National Investment Team
www.cbre.ca/scott.speirs

- Depth of capital for office continues to expand as investment volumes for the first half of the year have surpassed the entirety of 2025, driven by returning confidence in leasing fundamentals and availability of financing.
- Investor appetite for value-add industrial or long-term leased covenant opportunities remains resilient as the occupier market begins to see vacancy rate stabilization and rental rates hitting their trough in specific core markets.
- Retail demand continues to outpace supply and compress cap rates, particularly for necessity-anchored strips, broadening investor focus to freestanding daily needs, service-oriented and well-located enclosed malls.
- Multifamily investment activity has increased significantly year-over-year, reflecting sustained investor confidence in the asset class. Meanwhile, reduced land transactions indicate a more cautious outlook for development amid near-term headwinds.

Historical Montreal Cap Rates

Q2 2026 Cap Rates

Downtown Office		△Q/Q
AA	6.50% - 7.00%	◀▶
A	7.25% - 7.75%	◀▶
B	8.00% - 8.50%	◀▶

Suburban Office		
A	7.75% - 8.50%	◀▶
B	8.75% - 9.75%	◀▶

Industrial		
A	5.75% - 6.25%	◀▶
B	6.25% - 6.75%	◀▶

Retail		
Regional	6.75% - 7.50%	◀▶
Power	6.25% - 6.75%	◀▶
Neighbourhood	**6.75% - 7.50%**	▲
Strip	5.75% - 6.25%	◀▶
Strip (non-anchored)	6.75% - 7.25%	◀▶
Urban Streetfront	5.00% - 5.50%	◀▶
High Street	N/A	

Multifamily		
High Rise A	**4.25% - 4.75%**	▲
High Rise B	4.25% - 4.50%	◀▶
Low Rise A	4.50% - 4.75%	◀▶
Low Rise B	4.25% - 4.50%	◀▶
New Construction	4.50% - 4.75%	◀▶

Seniors Housing		
Independent/Assisted Living A	5.75% - 6.50%	◀▶
Independent/Assisted Living B	**7.50% - 8.50%**	▼
Long Term Care A	7.25% - 7.75%	◀▶

Hotel		
Downtown Full Service	6.50% - 7.50%	◀▶
Suburban Limited Service	8.50% - 9.50%	◀▶
Focused Service	7.50% - 9.00%	◀▶

Quebec City Investment Trends

Patrick Soucy

Executive Vice President

www.cbre.ca/patrick.soucy

- Investment activity remained steady in Q2 2026, benefiting from Québec City's defensive profile amid global uncertainty and volatile capital markets. Québec City continues to attract capital seeking stability, predictable incomes and lower downside risk relative to larger Canadian markets.
- Industrial cap rates were unchanged quarter-over-quarter as limited new supply continues to support the value of existing assets, particularly those offering scale or repositioning potential.
- The office market continues to stabilize gradually, with cap rates unchanged across both downtown and suburban segments in Q2 2026. Capital is increasingly targeting opportunities with repositioning or conversion potential.
- Several retail segments recorded a meaningful compression in cap rates in Q2 2026, reflecting growing confidence in the sector's defensive characteristics, particularly given limited overbuilding and strong demographic support.
- Multifamily remains the most sought-after asset class in Q2 2026, backed by strong fundamentals and low vacancy rates. Investor demand remains robust, particularly for assets offering value-add potential or operational optimization.

Historical Quebec City Cap Rates

Q2 2026 Cap Rates

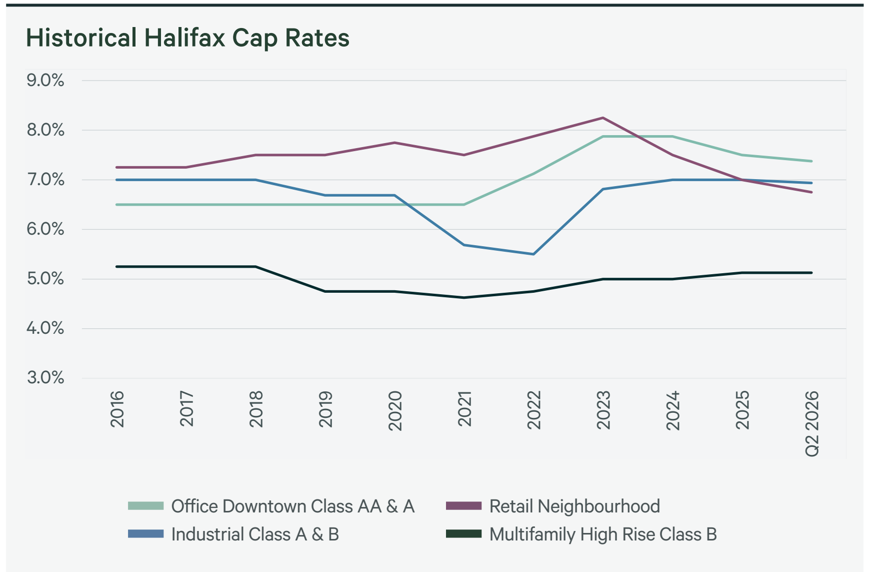
Downtown Office		△Q/Q
AA	N/A	
A	7.50% - 8.50%	◀▶
B	8.50% - 9.50%	◀▶
Suburban Office		
A	8.50% - 9.25%	◀▶
B	9.00% - 10.00%	◀▶
Industrial		
A	6.25% - 7.25%	◀▶
B	7.00% - 8.00%	◀▶
Retail		
Regional	7.25% - 8.00%	◀▶
Power	**7.25% - 8.00%**	▼
Neighbourhood	**8.50% - 9.50%**	▼
Strip	6.25% - 7.25%	◀▶
Strip (non-anchored)	**8.00% - 8.50%**	▼
Urban Streetfront	N/A	
High Street	N/A	

Multifamily		
High Rise A	4.25% - 5.00%	◀▶
High Rise B	4.75% - 5.75%	◀▶
Low Rise A	4.50% - 5.25%	◀▶
Low Rise B	5.00% - 6.00%	◀▶
New Construction	4.25% - 4.75%	◀▶
Seniors Housing		
Independent/Assisted Living A	6.00% - 6.50%	◀▶
Independent/Assisted Living B	**7.75% - 8.75%**	▼
Long Term Care A	7.50% - 8.00%	◀▶
Hotel		
Downtown Full Service	8.00% - 9.00%	◀▶
Suburban Limited Service	9.00% - 10.00%	◀▶
Focused Service	8.50% - 9.50%	◀▶

Halifax Investment Trends

Chris Carter
Senior Vice President
www.cbre.ca/chris-carter

- Military spending has been an economic driver for Halifax in 2026 and is expected to increase with the recent announcement of a new submarine procurement program. Construction on infrastructure should start once the details are finalized with the selected proponent TKMS.
- Halifax's industrial market is expected to tighten as several large-scale vacancies are anticipated to lease up in Q3 2026. Also, the city has finally released the next phase of Burnside industrial land, which includes a new Amazon fulfillment facility with sitework underway.
- Apartment development sales have slowed in 2026 but are being offset by some large commercial and institutional land sales.



Q2 2026 Cap Rates

Downtown Office		△Q/Q
AA	N/A	
A	7.00% - 7.75%	◀▶
B	**8.00% - 8.50%**	▼

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	**6.25% - 7.25%**	▼
Strip	**6.25% - 7.25%**	▼
Strip (non-anchored)	6.75% - 7.75%	◀▶
Urban Streetfront	**6.50% - 7.50%**	▼
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%	◀▶
Low Rise B	4.75% - 5.50%	◀▶
New Construction	4.50% - 5.25%	◀▶

Seniors Housing		
Independent/Assisted Living A	6.00% - 6.50%	◀▶
Independent/Assisted Living B	**7.75% - 8.75%**	▼
Long Term Care A	7.00% - 7.50%	◀▶

Hotel		
Downtown Full Service	7.50% - 9.00%	◀▶
Suburban Limited Service	9.00% - 10.00%	◀▶
Focused Service	8.50% - 9.50%	◀▶

Q2 2026 Canadian Cap Rates

△Q/Q

Downtown office	Victoria	Vancouver	Calgary	Edmonton	Saskatoon	Winnipeg	London
AA	N/A	5.00% - 5.75% ◀▶	**7.50% - 8.50%** ▼	**8.50% - 9.50%** ▲	N/A	N/A	N/A
A	6.50% - 7.00% ◀▶	5.50% - 6.25% ◀▶	**9.50% - 10.50%** ▼	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% ◀▶
Suburban Office							
A	6.25% - 6.75% ◀▶	6.25% - 6.75% ◀▶	**7.50% - 9.50%** ▼	9.75% - 10.50% ◀▶	7.00% - 7.50% ◀▶	6.75% - 7.75% ◀▶	**5.50% - 6.50%** ▼
B	6.75% - 7.25% ◀▶	6.50% - 7.00% ◀▶	**10.00% - 12.00%** ▼	**10.00% - 11.00%** ▼	7.75% - 8.25% ◀▶	7.25% - 8.25% ◀▶	6.00% - 7.25% ◀▶
Industrial							
A	5.00% - 5.50% ◀▶	4.50% - 5.25% ◀▶	5.00% - 5.50% ◀▶	**5.75% - 6.25%** ▼	6.50% - 7.00% ◀▶	**6.00% - 6.50%** ▼	5.50% - 6.25% ◀▶
B	5.25% - 6.00% ◀▶	4.75% - 5.25% ◀▶	5.75% - 6.50% ◀▶	**6.25% - 7.00%** ▼	7.25% - 7.75% ◀▶	**6.75% - 7.25%** ▼	6.00% - 7.00% ◀▶
Retail							
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% ◀▶	**5.50% - 6.00%** ▼	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% ◀▶	**5.75% - 6.75%** ▼	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% ◀▶	**6.75% - 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
Multifamily							
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% - 5.00%** ▲	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% ◀▶
Seniors Housing							
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	**7.25% - 7.75%** ▼	**7.00% - 7.50%** ▼	**7.75% - 8.50%** ▼	**7.75% - 8.50%** ▼	**8.25% - 9.00%** ▼	**8.25% - 9.00%** ▼	**7.50% - 8.25%** ▼
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% ◀▶
Hotel							
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% ◀▶

Investment
Debt Market
Office
Industrial
Retail
Multifamily
Seniors Housing
Hotel
Victoria
Vancouver
Calgary
Edmonton
Saskatoon
Winnipeg
London
Kitchener-Waterloo
Toronto
Ottawa
Montreal
Quebec City
Halifax
Cap Rate Summary
Glossary of Terms

Q2 2026 Canadian Cap Rates

△Q/Q

Downtown office	Kitchener-Waterloo		Toronto		Ottawa		Montreal		Quebec City		Halifax	
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% - 6.75%**	▼	**6.75% - 7.50%**	▼	7.25% - 7.75%	◀▶	7.50% - 8.50%	◀▶	7.00% - 7.75%	◀▶
B	6.50% - 7.25%	◀▶	6.75% - 7.50%	◀▶	7.50% - 8.50%	◀▶	8.00% - 8.50%	◀▶	8.50% - 9.50%	◀▶	**8.00% - 8.50%**	▼
Suburban Office												
A	6.50% - 7.50%	◀▶	**7.50% - 8.50%**	▲	**7.75% - 8.75%**	▲	7.75% - 8.50%	◀▶	8.50% - 9.25%	◀▶	7.00% - 7.75%	◀▶
B	7.00% - 7.75%	◀▶	**8.25% - 9.25%**	▲	**8.50% - 9.25%**	▲	8.75% - 9.75%	◀▶	9.00% - 10.00%	◀▶	7.75% - 8.50%	◀▶
Industrial												
A	5.75% - 6.50%	◀▶	5.00% - 5.25%	◀▶	5.50% - 6.00%	◀▶	5.75% - 6.25%	◀▶	6.25% - 7.25%	◀▶	6.25% - 7.00%	◀▶
B	5.75% - 6.50%	◀▶	5.25% - 6.00%	◀▶	6.25% - 6.75%	◀▶	6.25% - 6.75%	◀▶	7.00% - 8.00%	◀▶	7.00% - 7.50%	◀▶
Retail												
Regional	6.00% - 6.50%	◀▶	5.25% - 7.00%	◀▶	6.00% - 6.50%	◀▶	6.75% - 7.50%	◀▶	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%	◀▶	**7.25% - 8.00%**	▼	6.50% - 7.50%	◀▶
Neighbourhood	5.00% - 6.00%	◀▶	5.50% - 6.50%	◀▶	6.25% - 6.75%	◀▶	**6.75% - 7.50%**	▲	**8.50% - 9.50%**	▼	**6.25% - 7.25%**	▼
Strip	5.50% - 6.35%	◀▶	**4.75% - 5.75%**	▼	**6.00% - 6.50%**	▼	5.75% - 6.25%	◀▶	6.25% - 7.25%	◀▶	**6.25% - 7.25%**	▼
Non-anchored Strip Mall	5.50% - 6.50%	◀▶	5.25% - 6.50%	◀▶	6.00% - 7.00%	◀▶	6.75% - 7.25%	◀▶	**8.00% - 8.50%**	▼	6.75% - 7.75%	◀▶
Urban Streetfront	6.00% - 7.00%	◀▶	5.00% - 5.50%	◀▶	5.75% - 6.25%	◀▶	5.00% - 5.50%	◀▶	N/A		**6.50% - 7.50%**	▼
High Street	N/A		5.00% - 5.50%	◀▶	N/A		N/A		N/A		N/A	
Multifamily												
High Rise A	4.50% - 4.75%	◀▶	3.85% - 4.75%	◀▶	4.50% - 5.00%	◀▶	**4.25% - 4.75%**	▲	4.25% - 5.00%	◀▶	4.50% - 5.25%	◀▶
High Rise B	4.50% - 5.00%	◀▶	4.15% - 5.15%	◀▶	4.95% - 5.80%	◀▶	4.25% - 4.50%	◀▶	4.75% - 5.75%	◀▶	4.75% - 5.50%	◀▶
Low Rise A	4.50% - 5.25%	◀▶	3.85% - 4.75%	◀▶	4.50% - 5.00%	◀▶	4.50% - 4.75%	◀▶	4.50% - 5.25%	◀▶	4.50% - 5.25%	◀▶
Low Rise B	4.50% - 6.00%	◀▶	4.15% - 5.15%	◀▶	5.20% - 5.80%	◀▶	4.25% - 4.50%	◀▶	5.00% - 6.00%	◀▶	4.75% - 5.50%	◀▶
New Construction	4.50% - 4.75%	◀▶	4.00% - 4.75%	◀▶	4.50% - 4.75%	◀▶	4.50% - 4.75%	◀▶	4.25% - 4.75%	◀▶	4.50% - 5.25%	◀▶
Seniors Housing												
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	**7.50% - 8.25%**	▼	**7.00% - 7.75%**	▼	**7.25% - 8.00%**	▼	**7.50% - 8.50%**	▼	**7.75% - 8.75%**	▼	**7.75% - 8.75%**	▼
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%	◀▶
Hotel												
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%	◀▶

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 furbished 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.

Contacts

Research

Marc Meehan
Managing Director, Research
Marc.Meehan@cbre.com

Evan Lee
Associate Research Director
Evan.Lee@cbre.com

Christina Cattana
Research Manager
Christina.Cattana@cbre.com

Media Inquiries

Ryan Starr
Communications & Media Manager
Ryan.Starr@cbre.com

Capital Markets

Joshua Sonshine
Senior Vice President,
Debt Market
joshua.sonshine@cbre.com

David Montressor
Vice Chairman,
Multifamily
David.Montressor@cbre.com

Mathew Burnett
Senior Vice President,
Seniors Housing
Mathew.Burnett@cbre.com

Luke Scheer
Executive Vice President,
Hotels
Luke.Scheer@cbre.com

Ross Marshall
Senior Vice President, Victoria
Ross.Marshall@cbre.com

Cynthia Jagger
Executive Vice President, Vancouver
Cynthia.Jagger@cbre.com

Richie Bhamra
Executive Vice President, Calgary
Richie.Bhamra@cbre.com

Dave Young
Executive Vice President, Edmonton
Dave.Young@cbre.com

Michael Bratvold
Senior Vice President,
Managing Director, Saskatoon
Michael.Bratvold@cbre.com

Paul Kornelsen
Vice President,
Managing Director, Winnipeg
Paul.Kornelsen@cbre.com

Kevin MacDougall
Vice President, London
Kevin.Macdougall@cbre.com

Joe Benninger
Vice President, Kitchener-Waterloo
Joe.Benninger@cbre.com

Peter Senst
President, Canadian Capital
Markets, Toronto
Peter.Senst@cbre.com

Nico Zentil
Executive Vice President, Ottawa
Nico.Zentil@cbre.com

Scott Speirs
Vice Chairman, Montreal
Scott.Speirs@cbre.com

Patrick Soucy
Executive Vice President, Quebec City
Patrick.Soucy@cbre.com

Chris Carter
Senior Vice President, Halifax
Chris.Carter@cbre.com