

Intelligent Investment

2026 Canadian Real Estate Lenders' Report

REPORT

CBRE RESEARCH
FEBRUARY 2026

CBRE



Introduction

The results from our 2026 Canadian Real Estate Lenders' Survey show that real estate debt markets will be even more active this year as lenders look to deploy additional capital and ramp up competition. Outside of a handful of select property types that may face challenges, lenders are open and willing to finance most asset classes. The sentiment around office has quickly rebounded and lenders are looking to grow their loan books once again. Spreads on term debt for real estate have tightened compared to last year and lenders continue to retrench on sustainability. Macro risks are top-of-mind for lenders, but overall, debt capital for real estate is expected to be robust in 2026.

Key Takeaways

1. 81% of lenders plan to grow their origination volumes in 2026 with 26% intending to deploy over 20% more real estate lending capital this year.
2. Lender competition is set to intensify in 2026 as 21% expect to very actively bid on real estate deals throughout the year, its highest level seen in four years.
3. Sentiment on office has quickly rebounded with lenders expressing the greatest year-over-year decrease in levels of concern with all office types aside from Suburban Class B.
4. Term debt spreads for top tier real estate have tightened compared to last year but lenders continue to quote higher spreads relative to where winning bids are closing.

The 2026 edition of CBRE's Canadian Real Estate Lenders' Report analyzes the responses of 47 domestic and foreign lenders, representing over \$200 billion in commercial real estate loans under management combined, to a 30-question survey conducted from December 10, 2025 to January 16, 2026. The survey has been in publication since 2014 and asks questions on activity expectations, lending terms and criteria as well as lender sentiment and preferences.



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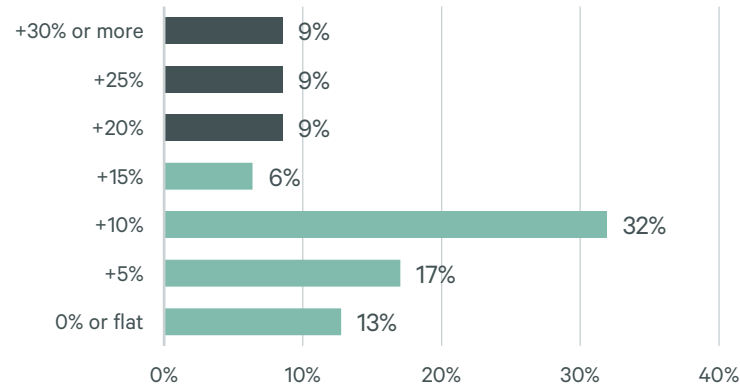


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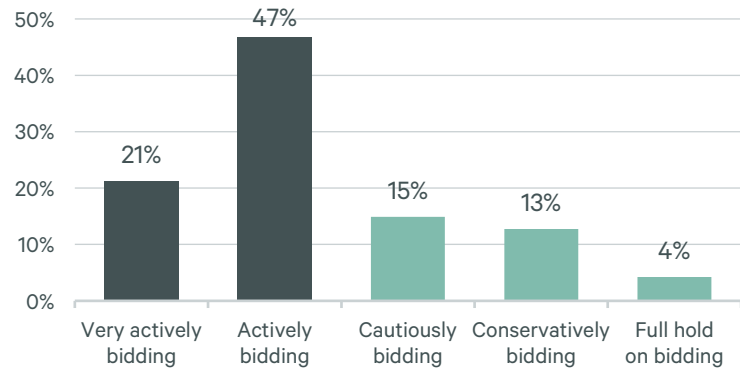
2026 Canadian Real Estate Lenders' Survey Highlights

Origination activity & lender competition

26% of lenders expect to increase origination by 20% or more

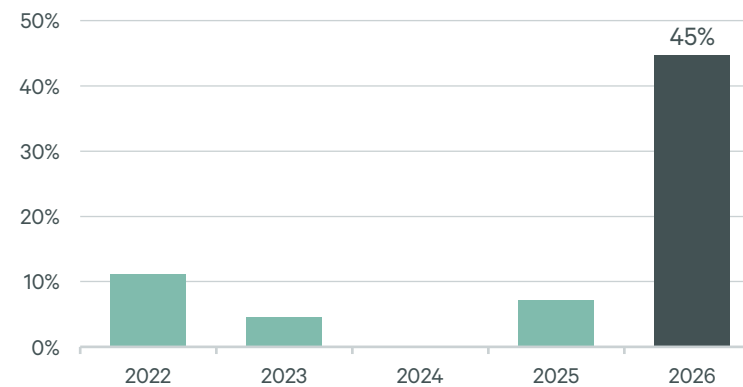


68% of lenders plan to very actively or actively bid on deals

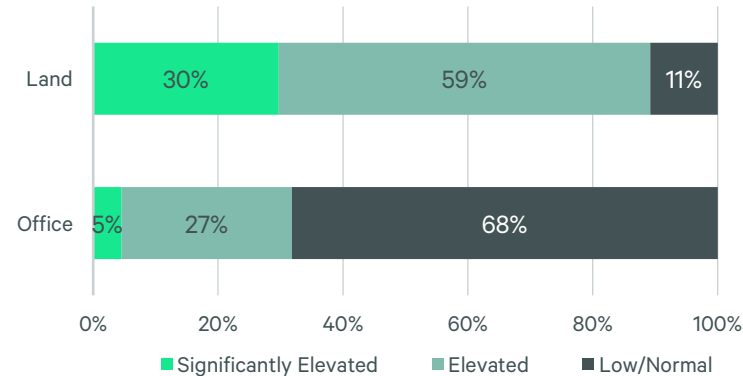


Budget intentions & credit risk expectations

Lender intentions to increase office budgets surge in 2026

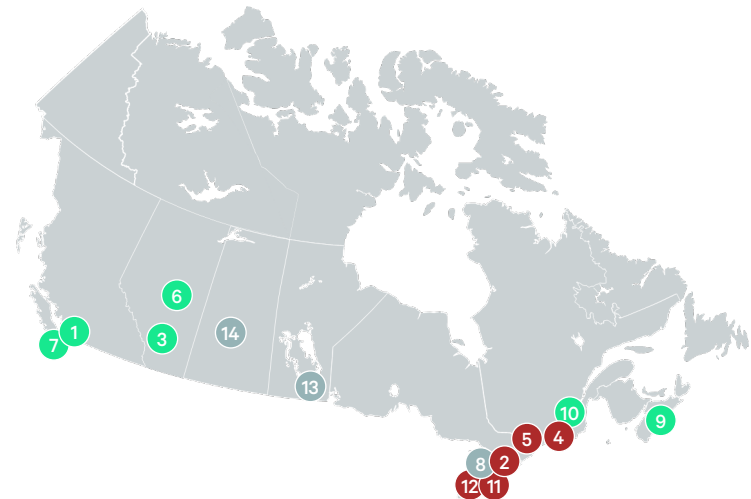


Refi credit risk rises for land while office levels normalize



Market rankings

In descending order of lenders with 'high appetite'



Rank	Δ	Market
1	+1	Vancouver
2	-1	Toronto
3	+2	Calgary
4	-1	Montreal
5	-1	Ottawa
6	+1	Edmonton
7	+2	Victoria
8	-	Waterloo Region
9	+1	Halifax
10	+2	Quebec City

Rank	Δ	Market
11	-5	Hamilton
12	-1	London
13	-	Winnipeg
14	-	Saskatoon

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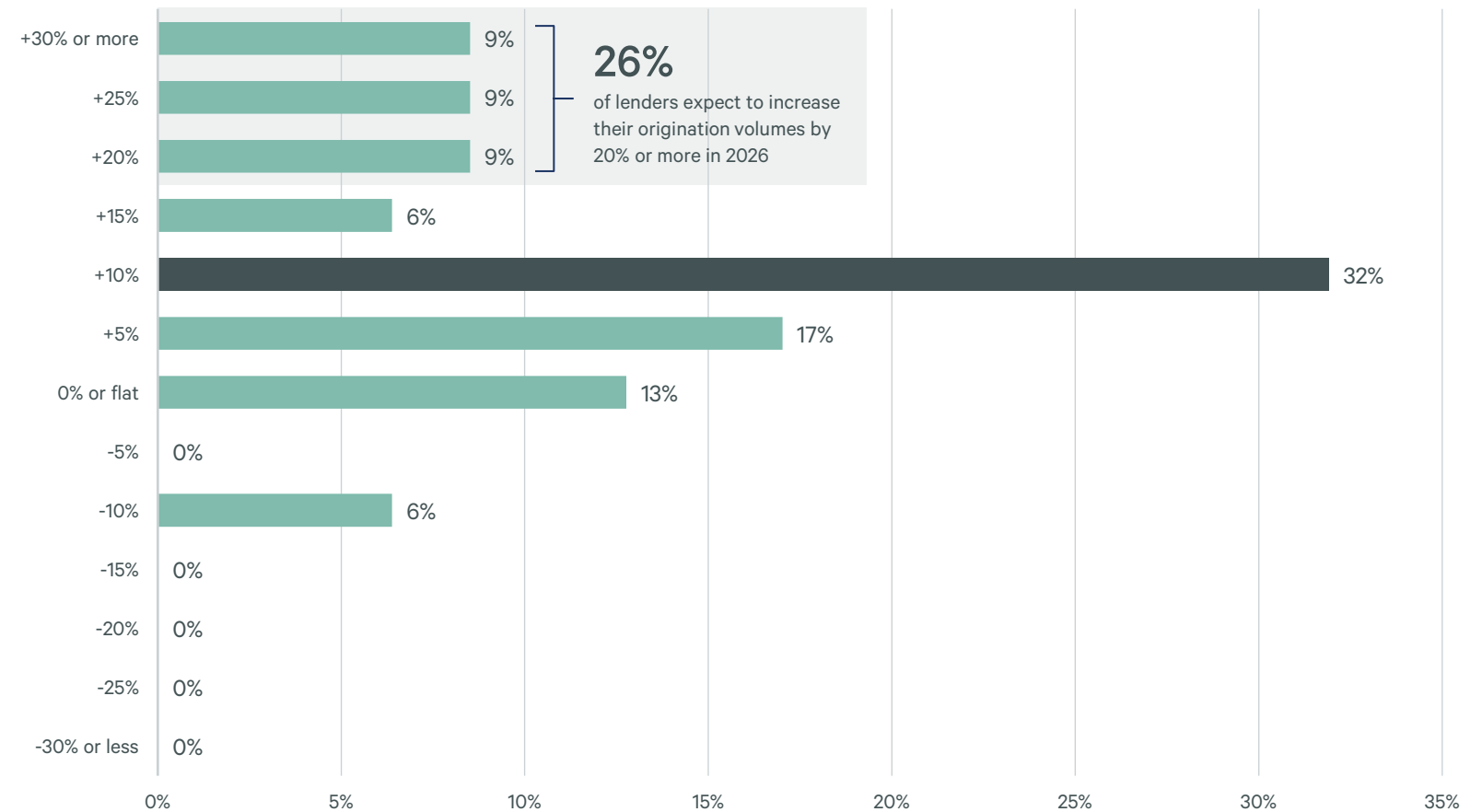
Lender Intentions

Greater debt liquidity in store for 2026 as most lenders look to grow their origination volumes

- Lenders plan to increase originations in Canadian real estate with 81% expecting to grow their volumes in 2026, increasing debt market liquidity and facilitating dealmaking activity.
- While most lenders are looking to increase their origination volumes by 10% relative to last year, notably, over a quarter of lenders intend to deploy 20% or more real estate lending capital in 2026.
- In contrast, only a minority of lenders are planning to hold origination volumes flat year-over-year and even fewer expect to reduce originations.

Figure 1: Origination Volume Expectations for 2026 vs. 2025

% of respondents

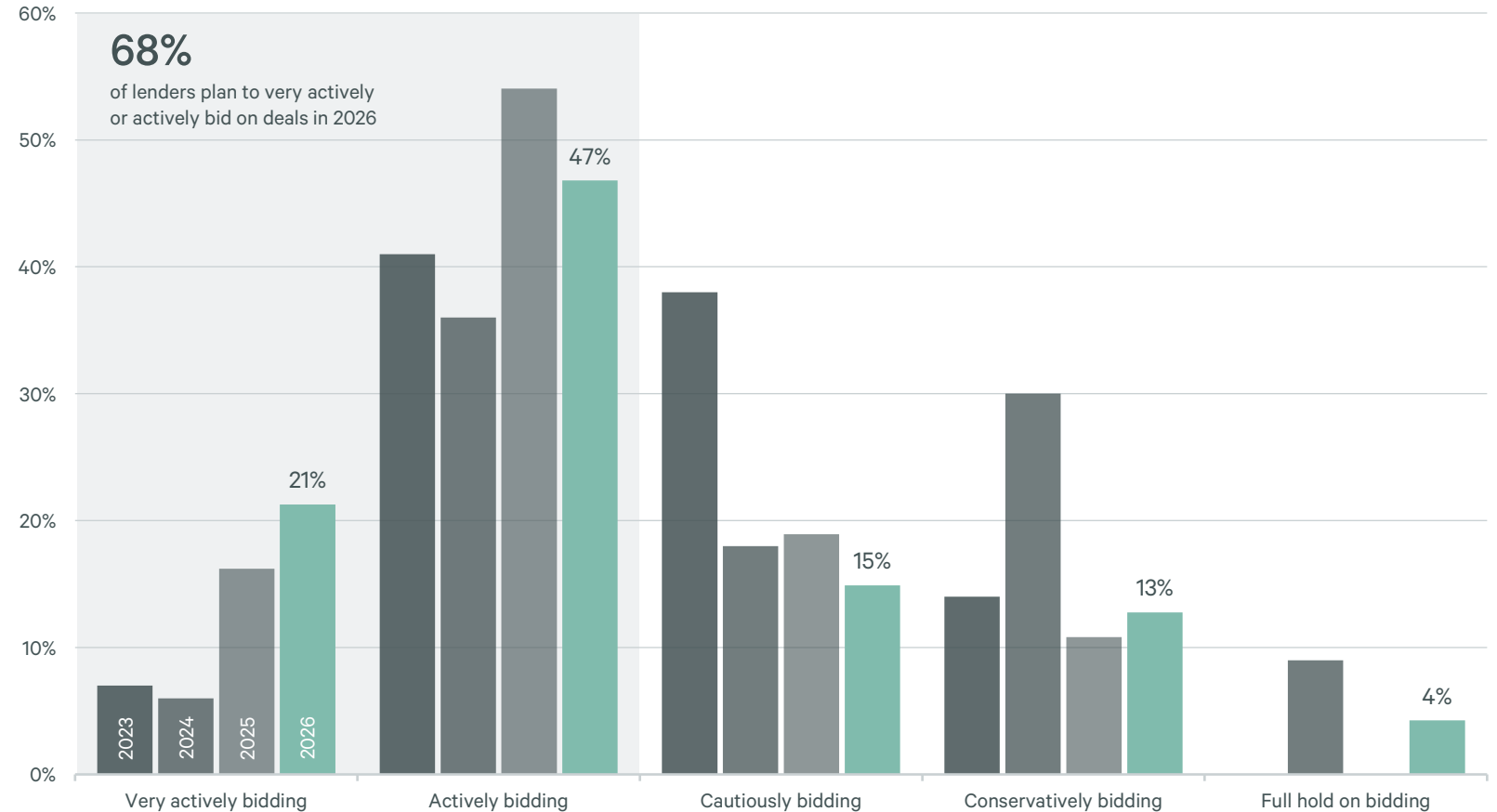


Source: CBRE Research, Canadian Real Estate Lenders' Survey, February 2026.

Competition is set to intensify even as small minority plan to ease their bidding activity

- Competition for real estate loans among lenders in 2026 will remain high as 68% intend to actively or very actively bid on deals over the year.
- Greater levels of competition could result in tighter spreads and lower borrowing costs, especially as the share of lenders planning to very actively bid on deals rises to its highest point in four years.
- At the same time, a couple organizations have also noted plans to put a full hold on bidding activity for 2026. However, this is more reflective of those firms' unique circumstances rather than a consequence of the Canadian real estate lending market.

Figure 2: Intended Level of Competitiveness for the Year Ahead vs. Previous Surveys
% of respondents

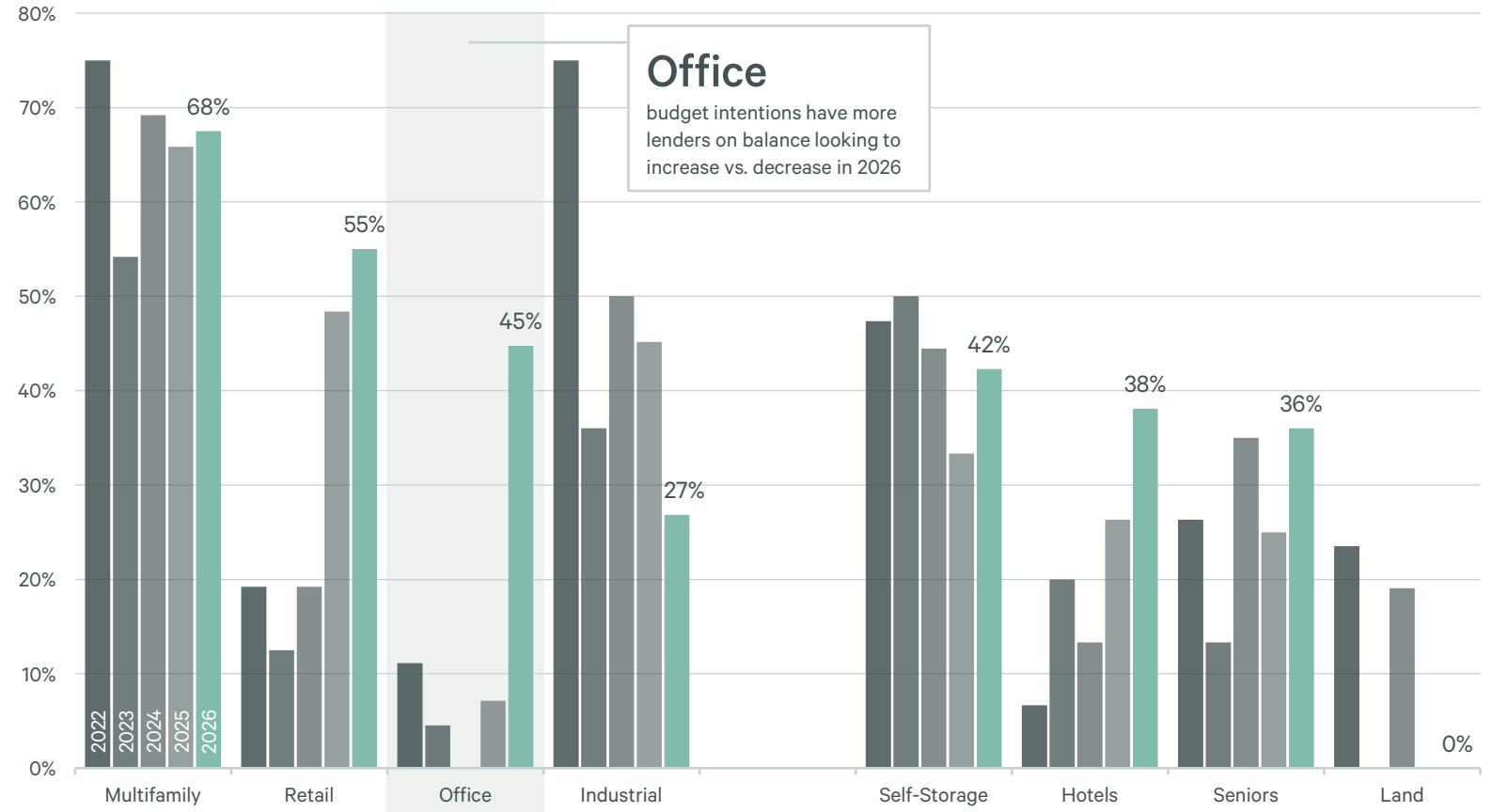


Source: CBRE Research, Canadian Real Estate Lenders' Survey, February 2026.

Lender budget intentions continue to evolve with a renewed spotlight on office in 2026

- Lender intentions to increase budgets for office loans have surged in 2026, indicative of the rapid rebound in market sentiment. For the first time in the last six surveys, appetite for office loans has rebounded and lenders on balance are once again looking to increase budgets instead of decreasing.
- Multifamily remains the top asset class that most lenders intend to increase budgets for in 2026, signaling a long term view of the sector amid short term softness and market recalibration. Retail also continues to improve with 55% of lenders looking to grow their exposure.
- The number of lenders planning to increase their industrial budgets saw a marked decline in 2026, as weaker market fundamentals held back intentions to the lowest level of the last 11 annual surveys.
- For the second consecutive year, land remains the only asset class where no lenders want to grow their budgets. Instead, 42% plan on cutting their exposure in 2026.
- Budget intentions for alternative assets have improved as lenders seek out higher returns, but a lack of scale in Canada can make it challenging to attain.

Figure 3: Intentions to Increase Budgets by Asset Class vs. Previous Surveys
% of applicable respondents

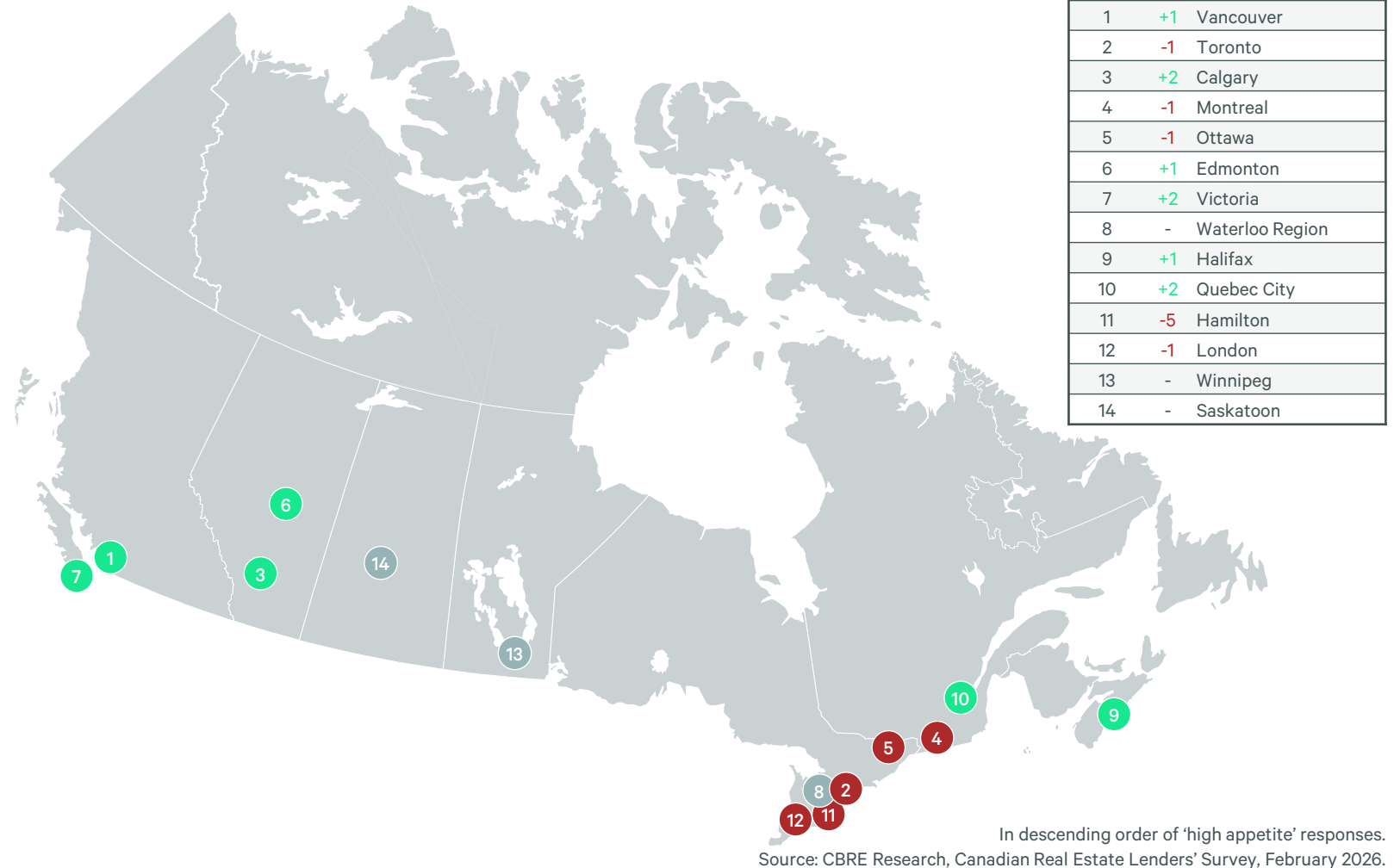


Source: CBRE Research, Canadian Real Estate Lenders' Survey, February 2026.

Vancouver rises to the top market of choice for lenders for the first time in a decade

- Lenders showed the strongest appetite for Vancouver in 2026, overtaking Toronto in the rankings as the top market of choice for the first time in 10 years.
- After years of concentrating activity to Toronto, lenders could be looking to diversify their loan book and Vancouver stands out with strong property fundamentals across all asset classes.
- Alberta markets continue to rise in the rankings, notably with Calgary advancing two spots to 3rd place, backed by strong migration trends and an energy sector that largely shields the economy from U.S. tariffs. Edmonton's ranking also rose 1 spot to 6th place in 2026.
- Meanwhile, industry-specific tariffs on steel and autos likely weighed heavily on lender appetites to Hamilton and London.

Figure 4: Lender Rankings for Canadian Markets



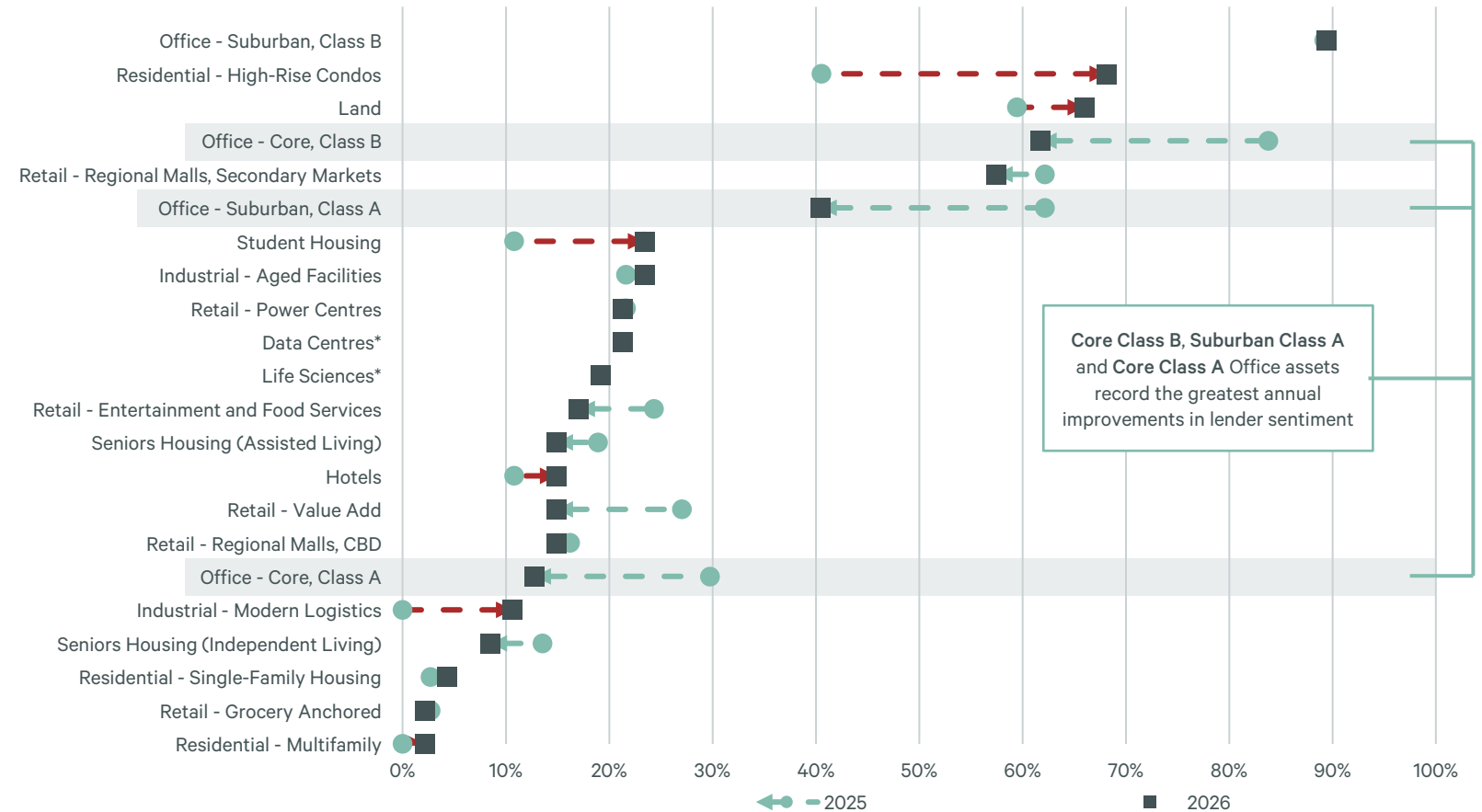
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Risk Expectations

Lender sentiment improves for most asset classes outside of a few select areas of concern

- Lender sentiment on real estate generally improved with over half of the surveyed asset classes recording lower levels of concern on a year-over-year basis.
- The greatest annual improvements in lender sentiment in 2026 was seen in office assets, aside from Suburban Class B that remains the prime asset class of concern for almost every lender.
- Headwinds faced by the High-Rise Condo, Student Housing and Modern Logistics markets drove declines in sentiment for each asset class.
- Overall, lender sentiment has noticeably bifurcated in 2026. There is a near consensus for the top asset classes of concern while almost all of the remaining property types see much lower levels of concern comparatively. As a result, lenders will likely be amenable to financing most asset classes in 2026, outside of the handful that may be more challenging to execute.

Figure 5: Asset Classes of Concern
% of respondents



Core Class B, Suburban Class A and Core Class A Office assets record the greatest annual improvements in lender sentiment

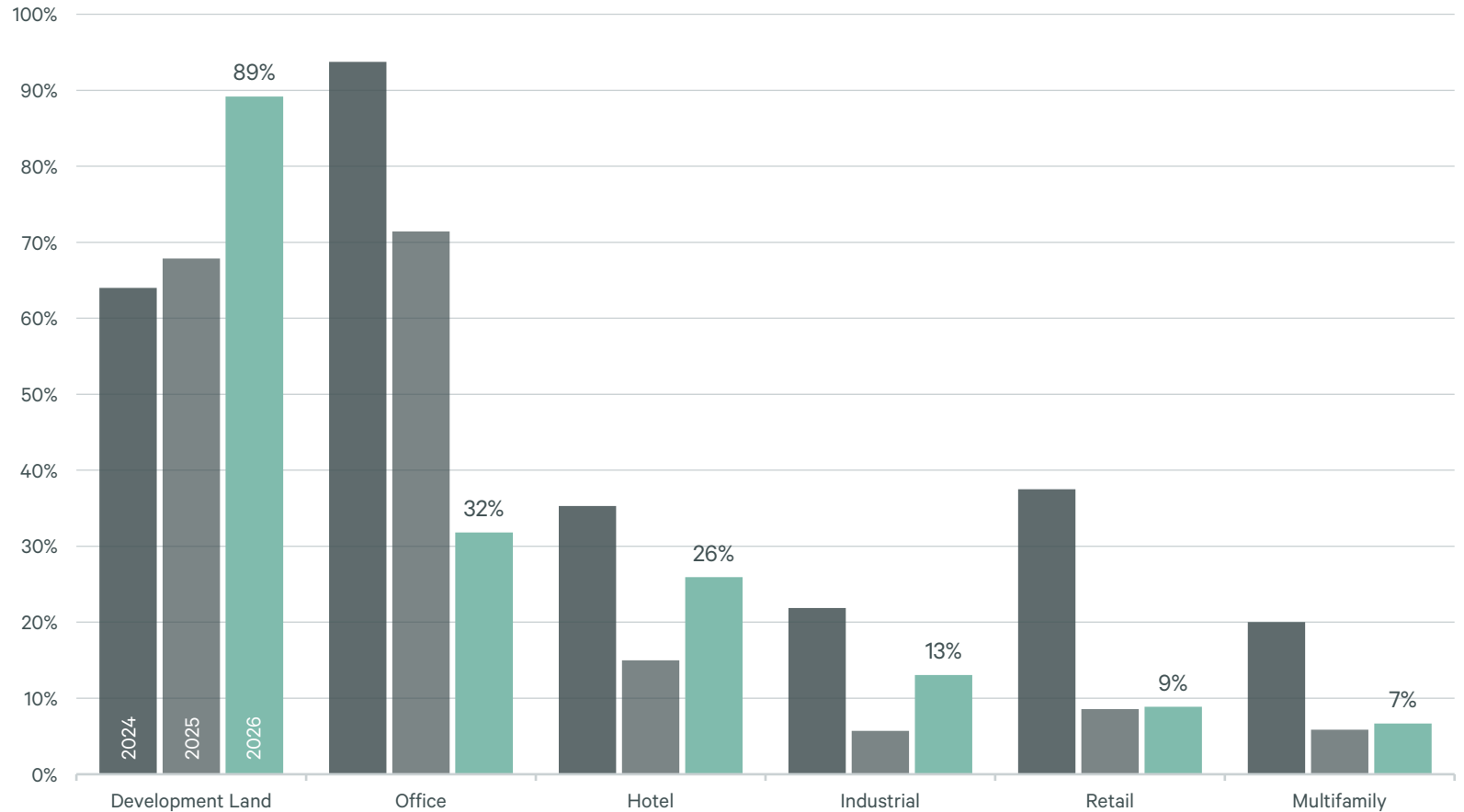
*New categories for 2026 survey.

Source: CBRE Research, Canadian Real Estate Lenders' Survey, February 2026.

Refinancing credit risk expected to become even more elevated for land while normalizing for office

- Development land loans will likely face extra scrutiny when they come up for refinancing this year, as the vast majority of lenders expect credit risk will be significantly elevated or elevated in 2026.
- In contrast, credit risk expectations for office continues to improve significantly. In a sharp turnaround from previous surveys, over two-thirds of lenders now view that office refinancing credit risk will return to normal this year.
- While there was a modest uptick in credit risk expectations for hotel and industrial, most lenders still expect low or normal levels of credit risk in 2026.

Figure 6: Expectations for Elevated Credit Risk on Refinancing in 2026 vs. Previous Surveys
% of applicable respondents

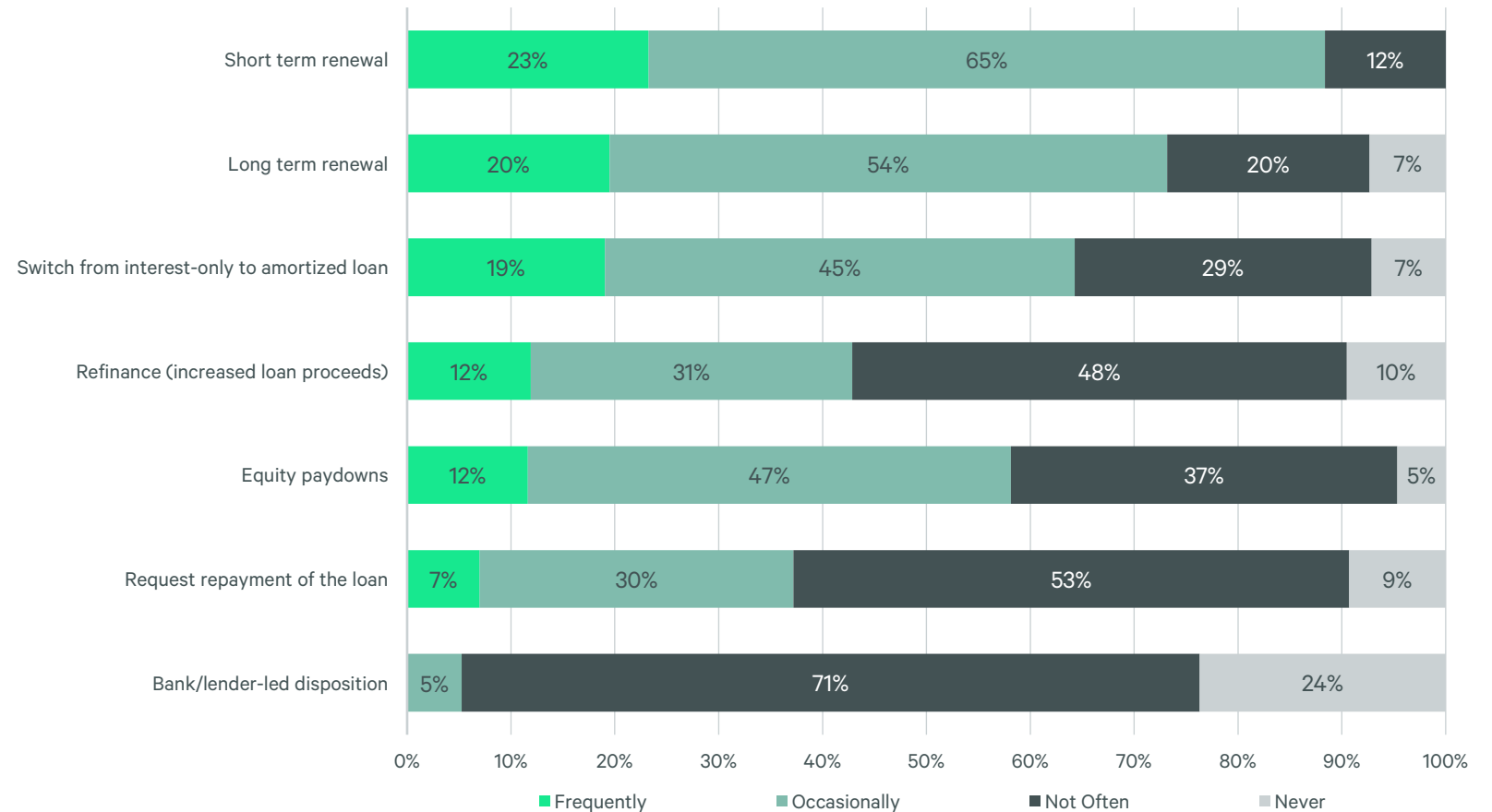


For 'Significantly Elevated' and 'Elevated' responses combined.
Source: CBRE Research, Canadian Real Estate Lenders' Survey, February 2026.

Office lenders see obsolete product as the greatest challenge today and are taking more typical approaches to refinancing

- Through an open-ended survey question, many lenders noted that obsolescence of older, lower class product is the greatest challenge facing the office lending market today. In particular, lenders are concerned about the significant investment required to modernize, amenitize or repurpose these properties to attract quality tenants.
- When it comes to office refinancing, lenders are most frequently granting short term and long term renewals when the loan matures.
- 43% of lenders reported frequently or occasionally refinancing office loans at maturity, resulting in increased loan proceeds for borrowers.
- Requesting repayment of the loan and forced asset sales remain relatively rare occurrences for lenders. These approaches are consistent with lenders' expectations for lower credit risk and a strengthening asset class.

Figure 7: Lender Approach to Office Refinancing
% of applicable respondents



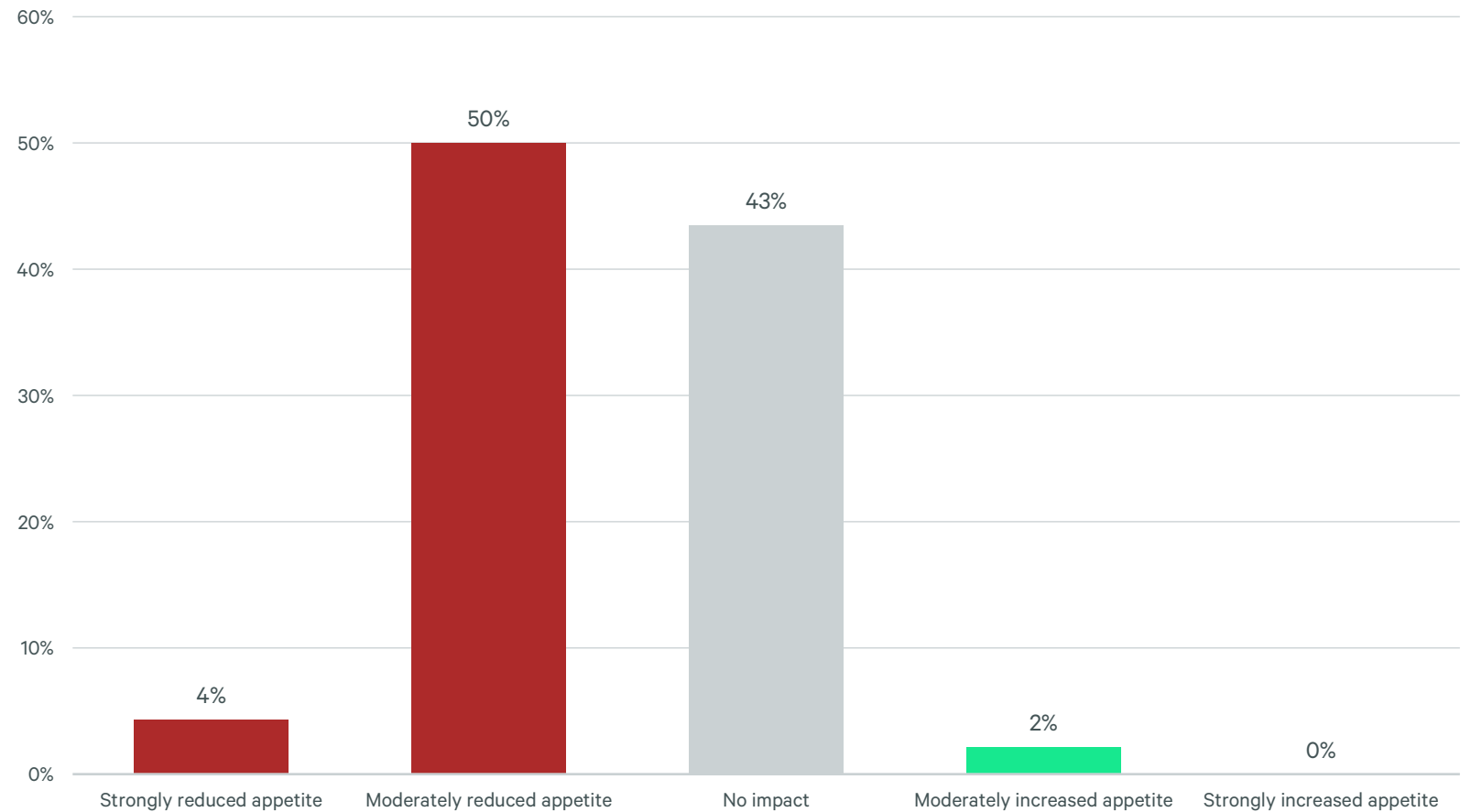
Source: CBRE Research, Canadian Real Estate Lenders' Survey, February 2026.

Industrial lenders contend with uncertainty and strong competition while tariffs moderately lowers appetites

- In an open-ended survey question, lenders most commonly cited macroeconomic uncertainty as the greatest impediment to executing industrial loans today. Strong competition for deals is another factor as high quality industrial remains attractive and in demand.
- Despite tariffs being a persistent worry throughout the past year, very few lenders strongly reduced their appetites for industrial financing in 2025. Most lenders reported only a moderate reduction in appetite while 43% saw no impact at all.

Figure 8: Tariffs' Influence on Lender Appetite for Industrial Financing in 2025

% of applicable respondents

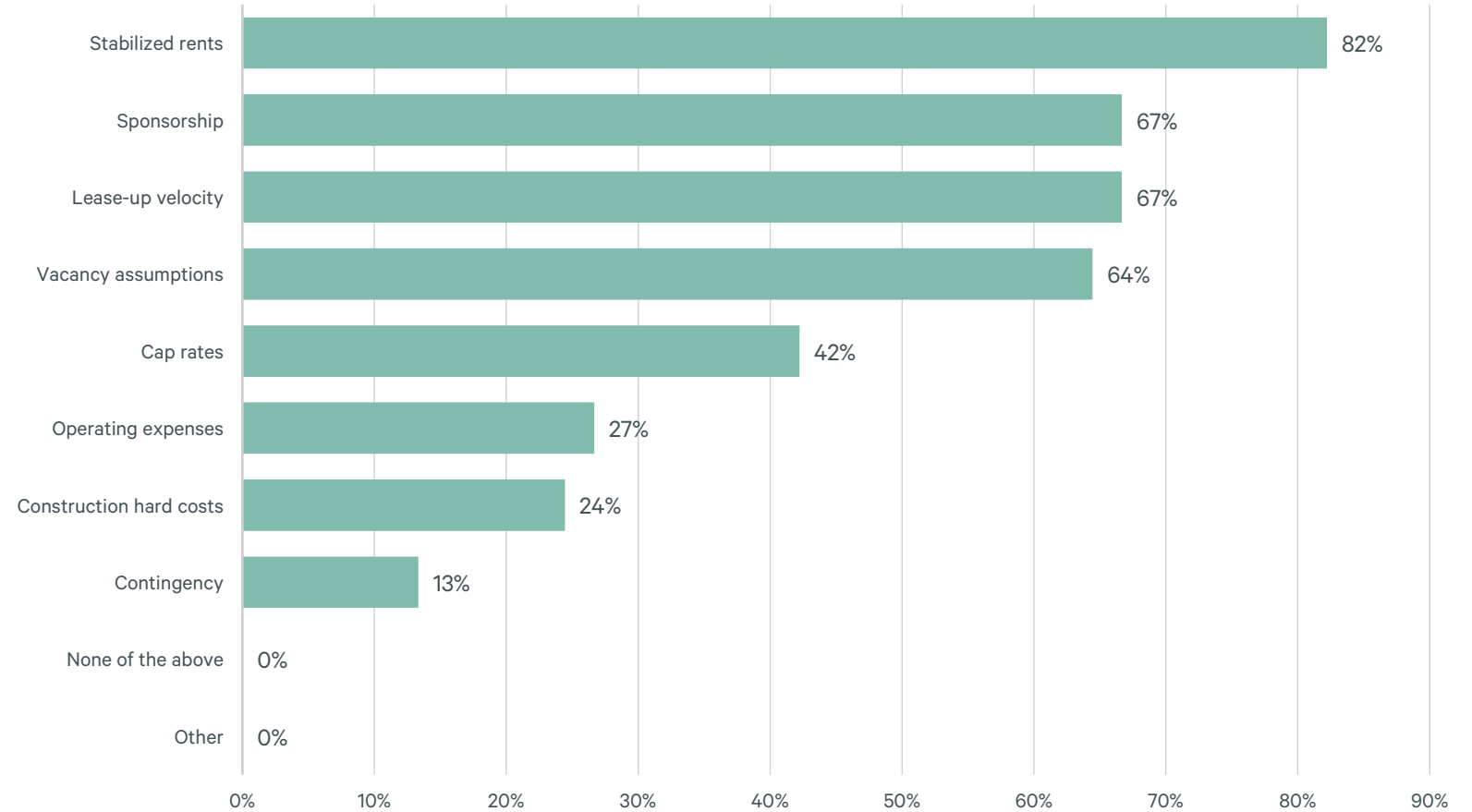


Source: CBRE Research, Canadian Real Estate Lenders' Survey, February 2026.

Multifamily lenders will be most sensitive to rental rates when underwriting in 2026

- Lenders will be most sensitive to rental rates when underwriting multifamily loans in 2026. As residential rents have softened across Canada, lenders have become increasingly cautious with respect to their stabilized rental rate analysis.
- Sponsorship, lease-up velocity and vacancy assumptions are the next most important factors for multifamily lenders.

Figure 9: Most Sensitive Multifamily Underwriting Assumptions
% of applicable respondents

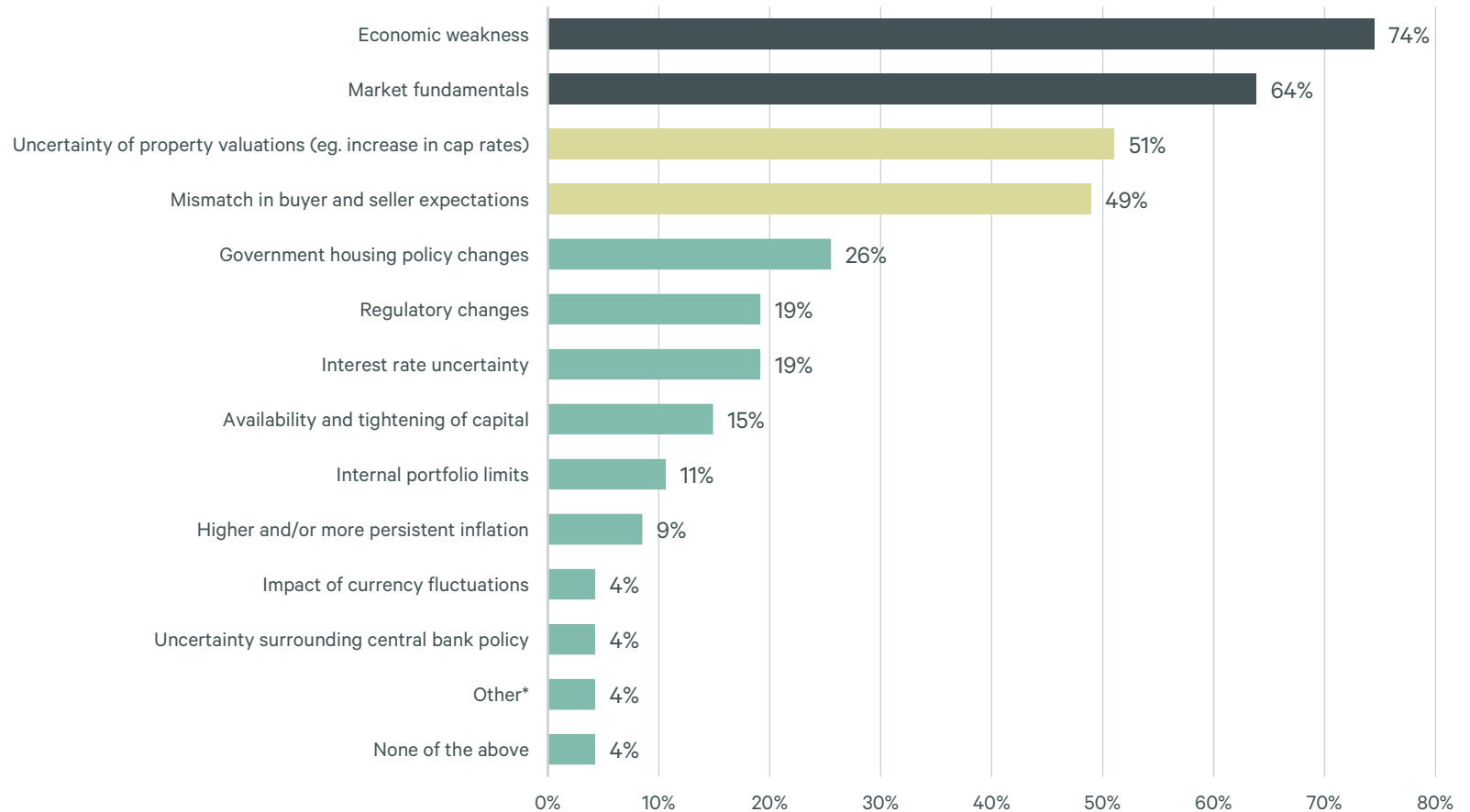


Source: CBRE Research, Canadian Real Estate Lenders' Survey, February 2026.

The biggest challenges for the overall lending market relate to the macro environment and property valuations

- The top two challenges to the 2026 lending environment are correlated concerns about economic weakness in Canada and how that might flow through to impact property market fundamentals. With GDP growth forecasts being revised lower for 2026, a weaker Canadian economy could drag on leasing momentum.
- The next biggest challenges, according to lenders, are also connected and relate to uncertainty around property valuations that are exacerbating a mismatch in pricing expectations.
- Notably, only a minority of lenders believe that the availability and tightening of capital will be a major concern in 2026.

Figure 10: Major Challenges to the 2026 Lending Environment
% of respondents



*Other includes sponsorship strength and excess new condo inventory.
Source: CBRE Research, Canadian Real Estate Lenders' Survey, February 2026.

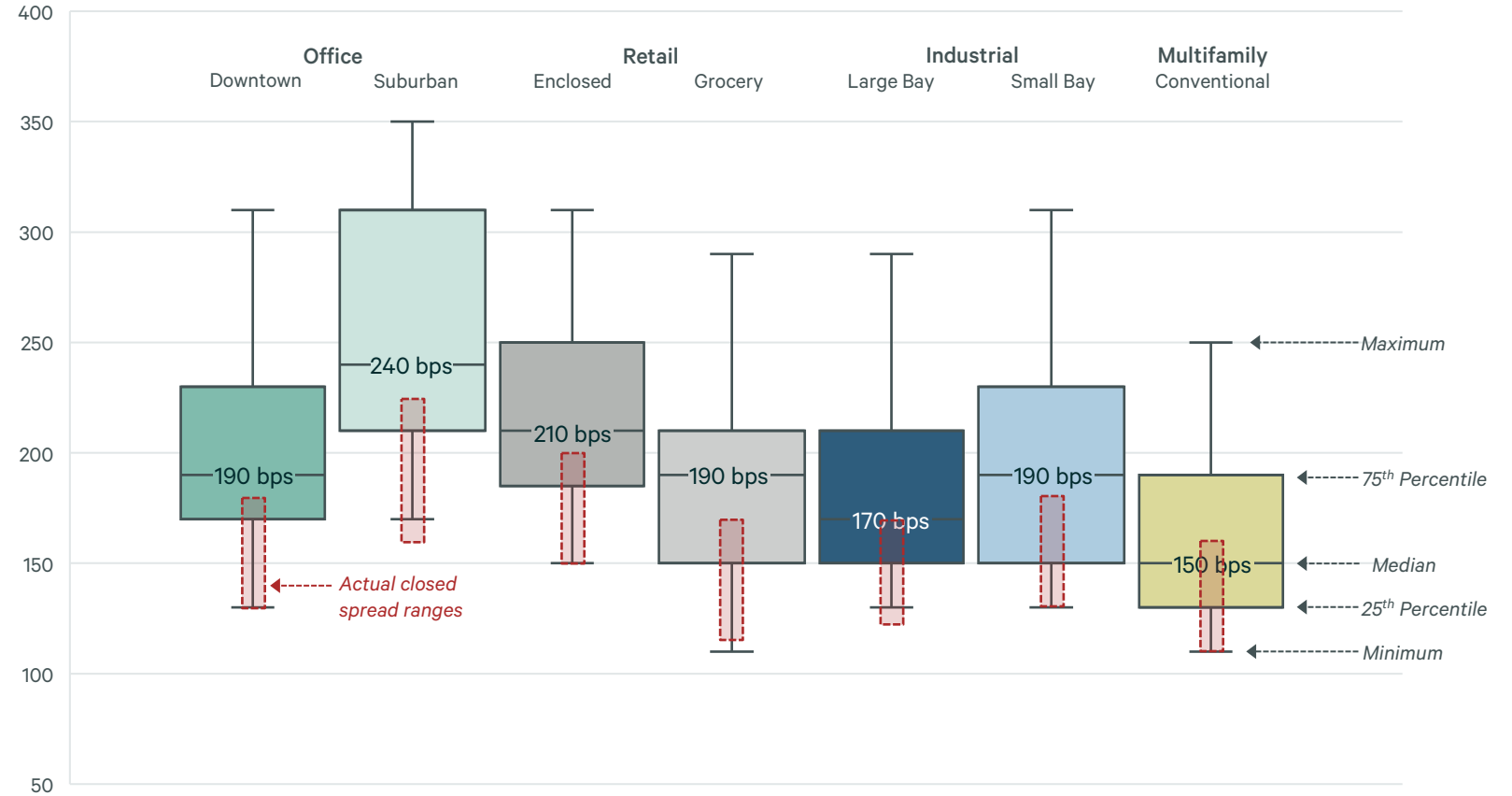
03

Debt Pricing

Term debt spreads are tighter year-over-year for real estate but lenders continue to quote higher spreads relative to winning bids

- Lender spreads on five-year term debt for top tier assets have all tightened year-over-year aside for grocery-anchored retail where spreads have held flat.
- The greatest spread compression was seen in downtown office, multifamily and suburban office with year-over-year decreases to the median quote of 60 basis points (bps), 40 bps and 30 bps, respectively.
- The distribution of lender spreads for suburban office also widened noticeably compared to the last survey, highlighting lenders' difficulty with establishing benchmark pricing in this asset class.
- While debt spreads have come in and the range of quotes have largely narrowed compared to one year ago, most lenders continue to quote spreads higher relative to where recent deals have closed.

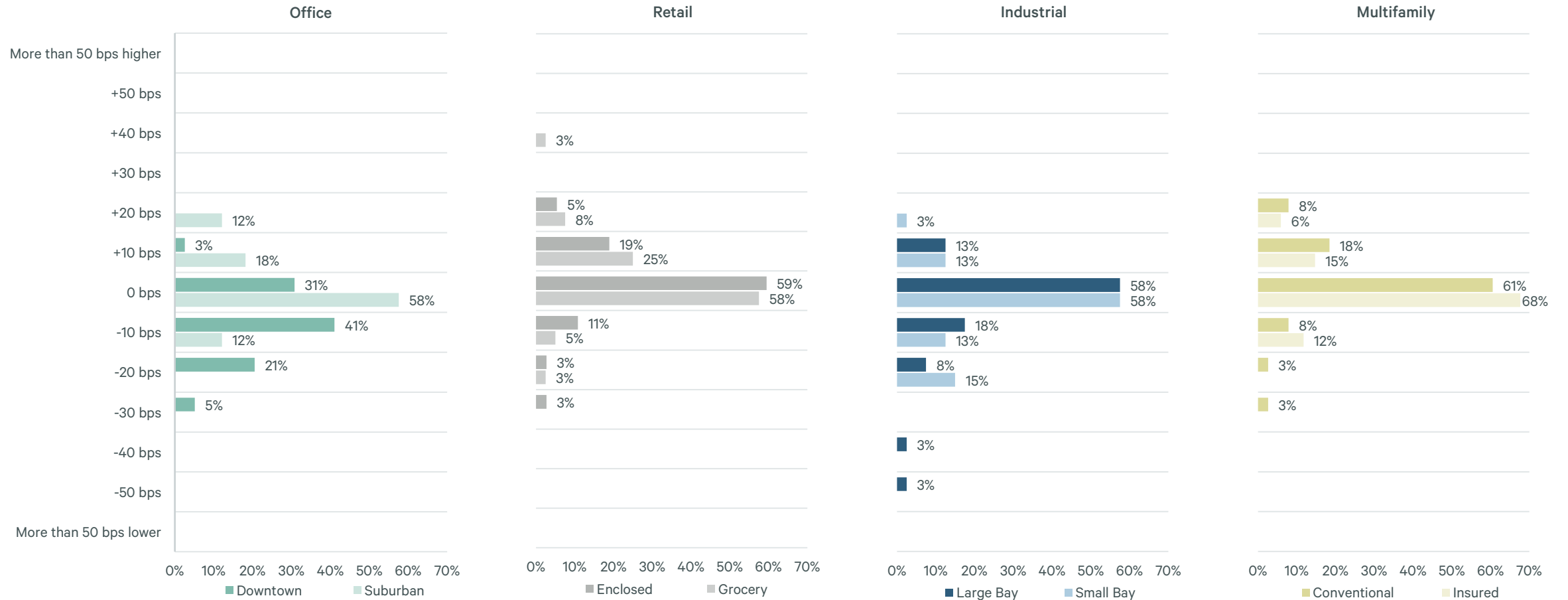
Figure 11: 5-Year Term Deal Pricing Quotes on Top Tier Assets
Spread (basis points)



Excludes statistical outliers.
Source: CBRE Research, Canadian Real Estate Lenders' Survey, February 2026.

Figure 12: Spread Movement Expected in 2026

% of applicable respondents



Source: CBRE Research, Canadian Real Estate Lenders' Survey, February 2026.

Figure 13: Spread Premium for Class B Assets in Prime Markets vs. Previous Survey

% of applicable respondents

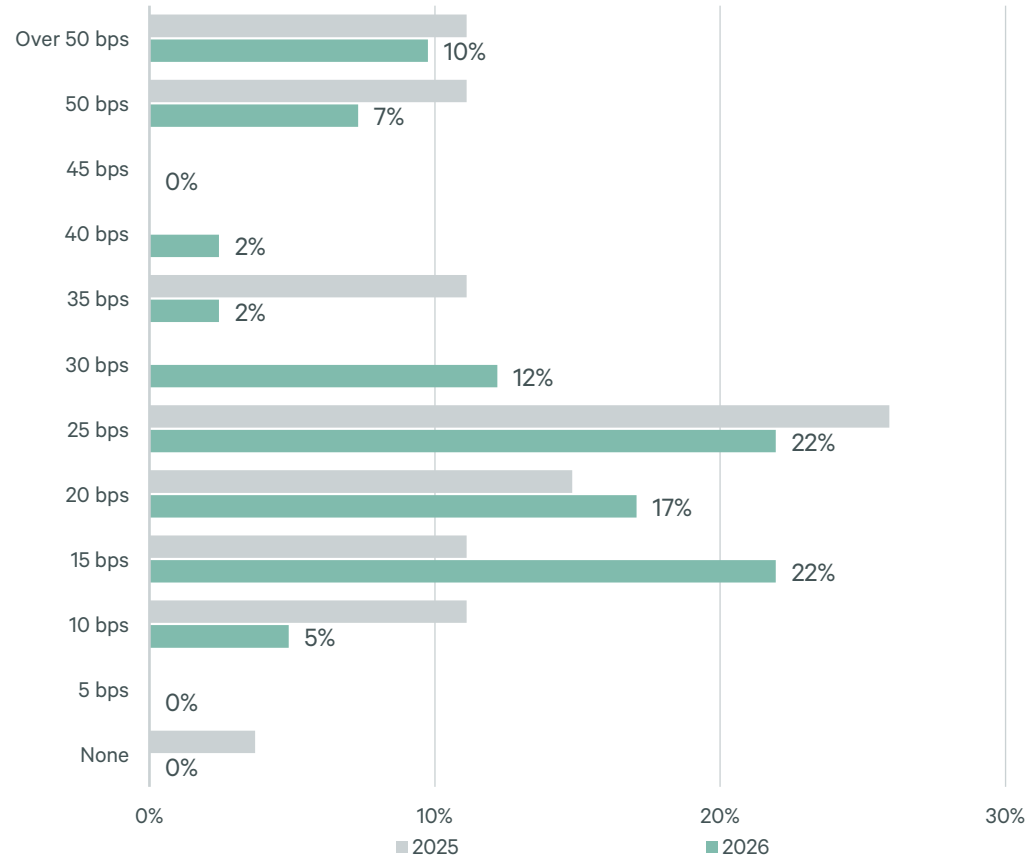
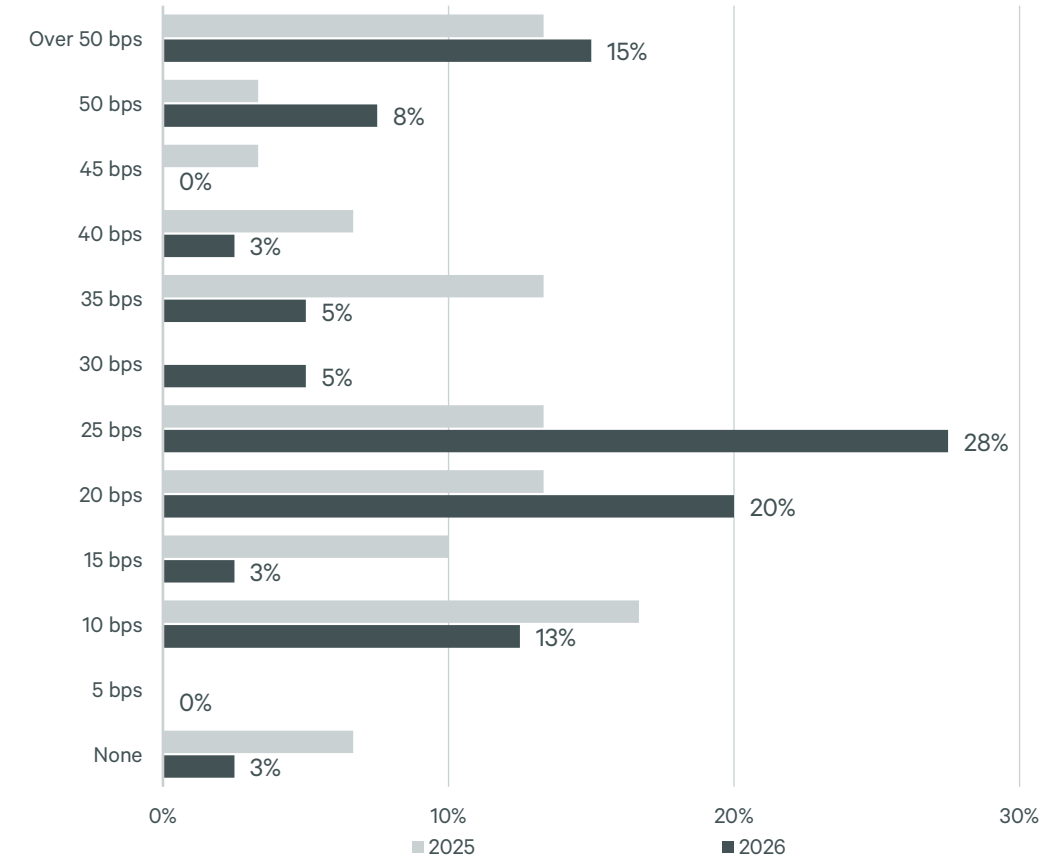


Figure 14: Spread Premium for Properties in Secondary Markets vs. Previous Survey

% of applicable respondents

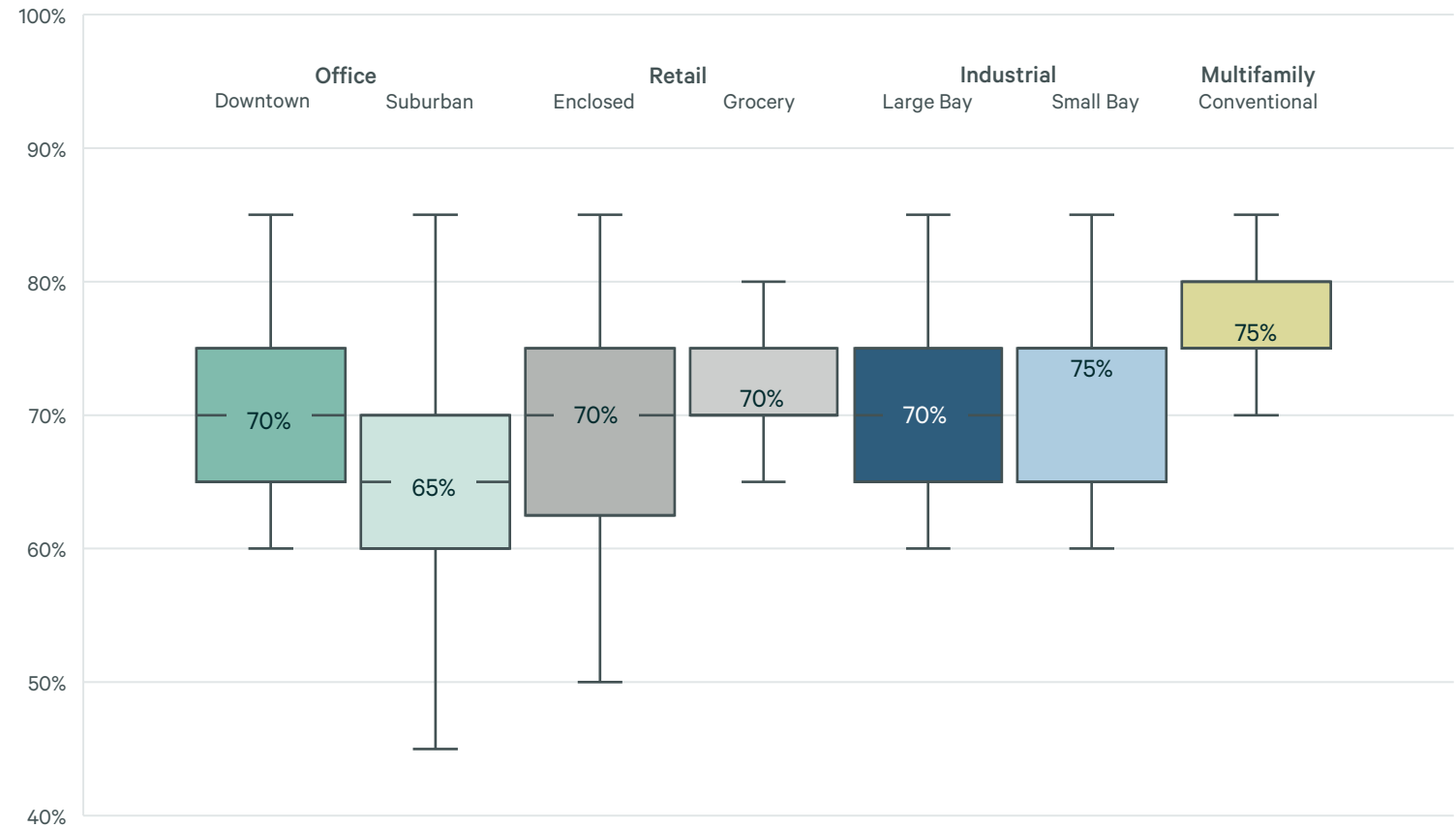


Source: CBRE Research, Canadian Real Estate Lenders' Survey, February 2026.

Small bay industrial and multifamily assets most likely to secure the greatest loan-to-value

- Compared to the prior survey, the median loan-to-value (LTV) has risen slightly for downtown office and small bay industrial, indicating lenders' willingness to offer more loan proceeds for these assets.
- Conversely, the median LTV is modestly lower year-over-year for grocery-anchored retail and large bay industrial.

Figure 15: Maximum Allowable Loan-to-Value for Top Tier Assets
% of asset value



Excludes statistical outliers.
Source: CBRE Research, Canadian Real Estate Lenders' Survey, February 2026.

04

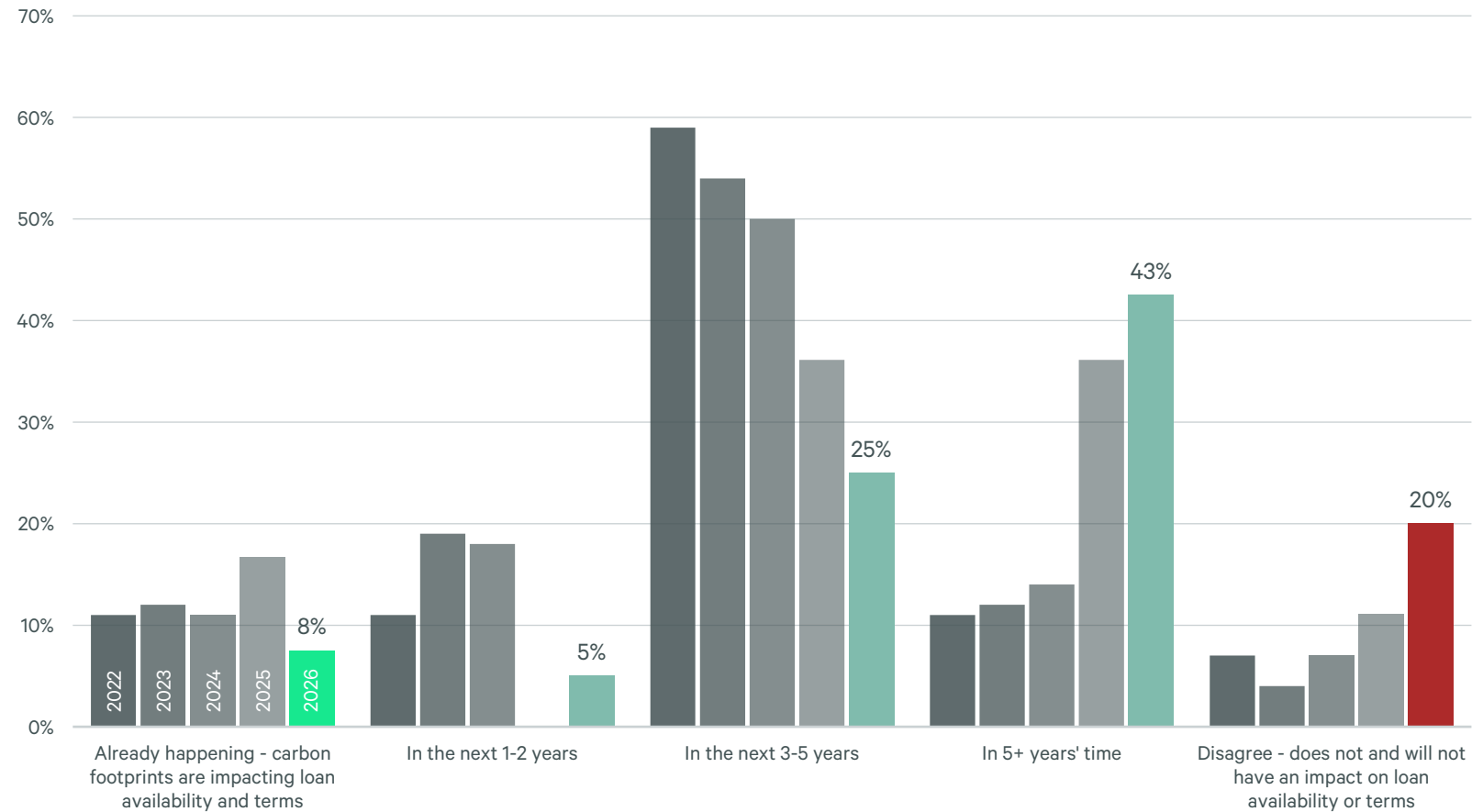
Sustainability Considerations

Lenders further retrench on the timing of sustainability criteria's impact on real estate mortgages

- The retrenching of lenders noted in the prior year lenders survey with regards to when sustainability will start to materially impact loan terms has intensified in 2026.
- While the majority of lenders still believe sustainability criteria will have an impact on mortgages eventually, a growing number have deferred expectations to that becoming effective in over five years' time.
- At the same time, the number of lenders that believe sustainability does not and will not have any impact on loan terms has grown to one in five.

Figure 16: Lender Expectations for When Carbon Footprints Will Start to Impact Mortgage Terms vs. Previous Surveys

% of applicable respondents



Source: CBRE Research, Canadian Real Estate Lenders' Survey, February 2026.

Figure 17: Sustainability's Expected Impact on Lending Conditions

% of applicable respondents that answered "Already happening", "In 1-2 years' time" or "In 3-5 years' time" in Figure 16

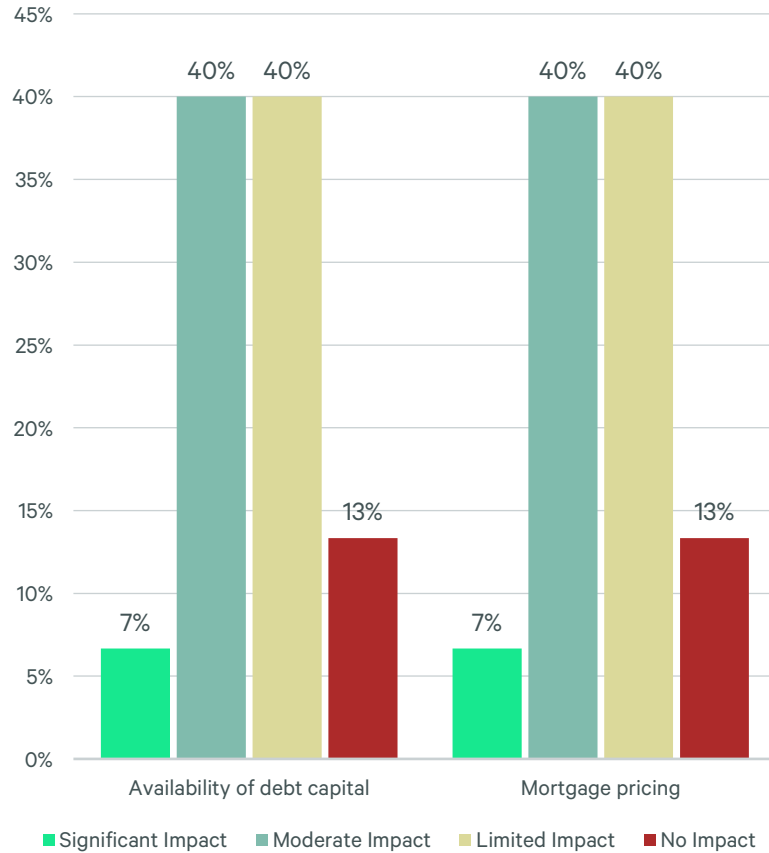


Figure 18: Tighter Credit Spreads for Strong Sustainability Metrics

% of applicable respondents

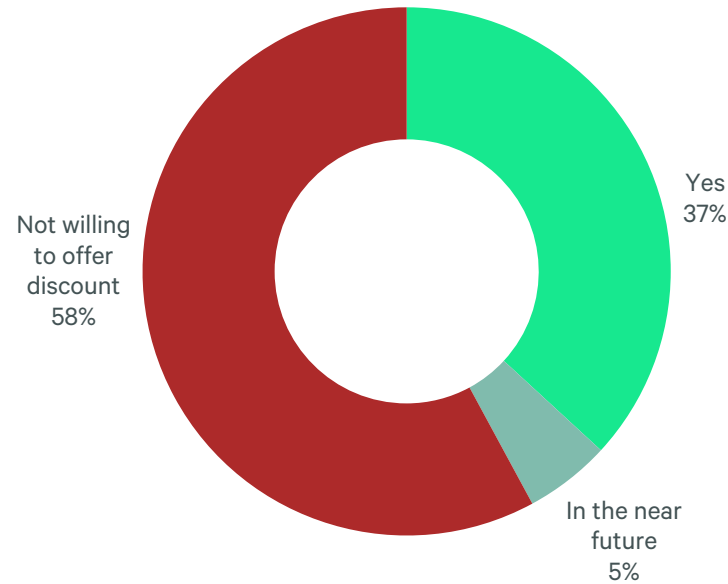
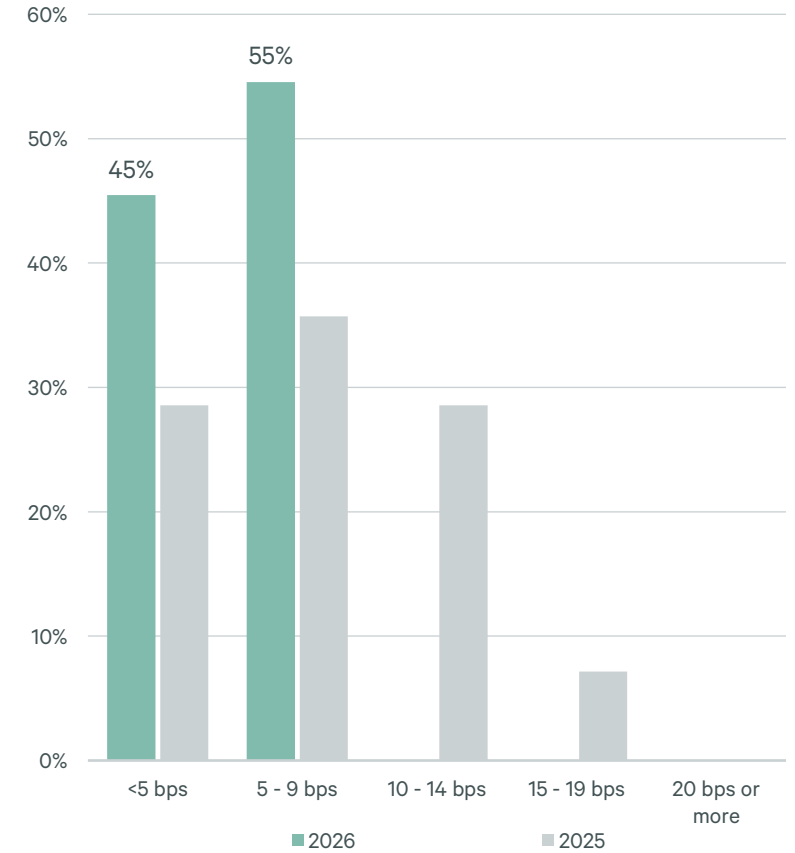


Figure 19: Spread Discount for Strong Sustainability vs. Previous Survey

% of applicable respondents that answered "Yes" or "In the near future" in Figure 18



Source: CBRE Research, Canadian Real Estate Lenders' Survey, February 2026.

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Respondent Profiling

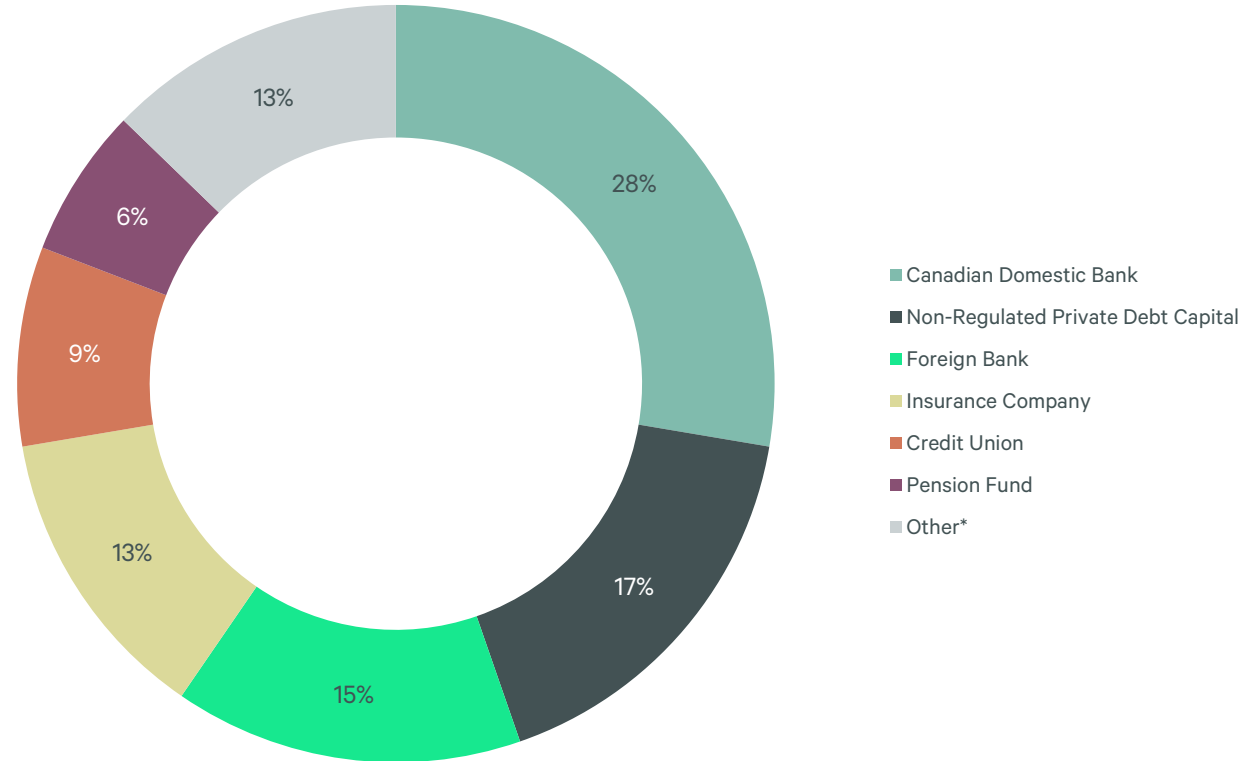
Figure 20: Survey Statistics

47
Companies

30
Questions

>\$200b
Loans Under Management

Figure 21: Respondents by Type of Lender



*Other includes mortgage investment corporations, regulated mortgage fund managers and mortgage finance companies.
Source: CBRE Research, Canadian Real Estate Lenders' Survey, February 2026.

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