NEWMARK

Canadian Market Overview 2026

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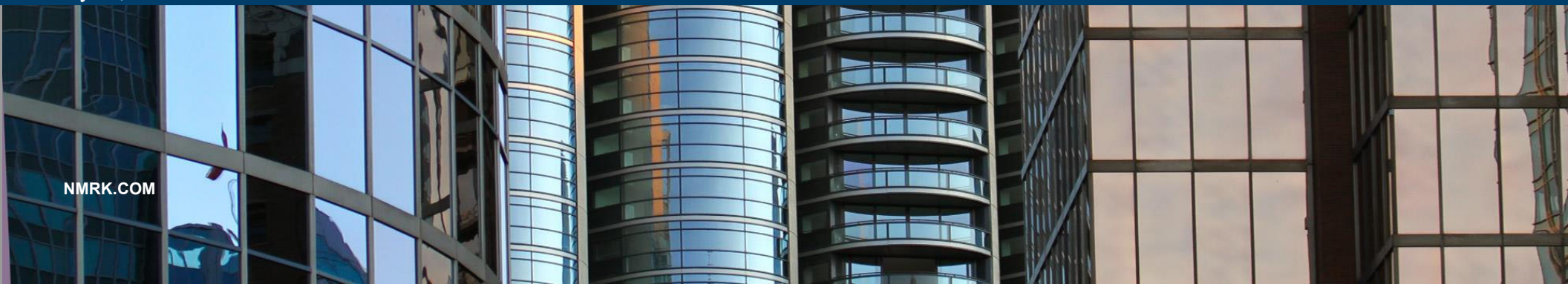
1Q26

May 15, 2026



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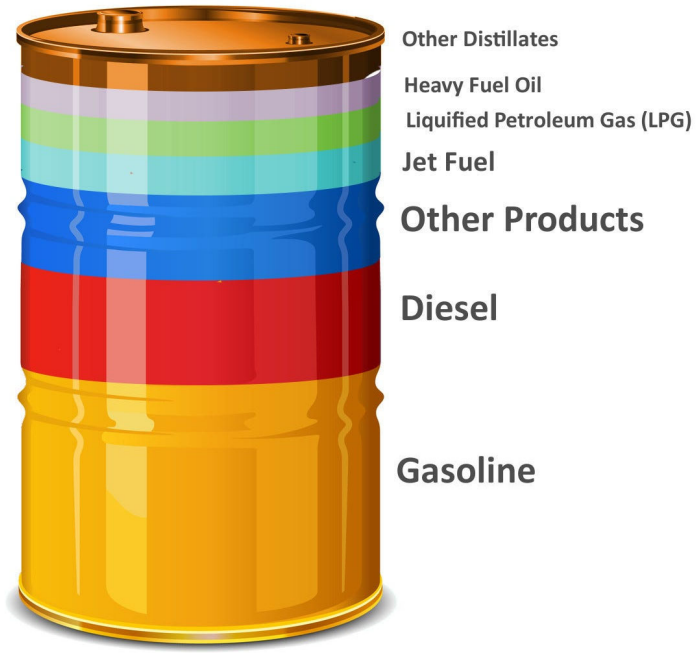
2026…what do we get with a barrel of oil?

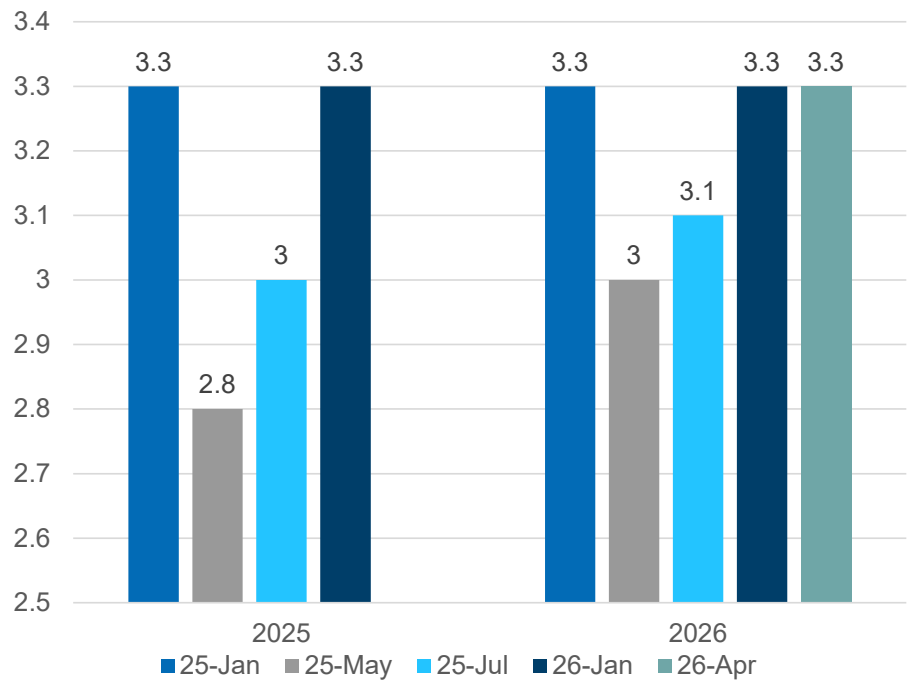


Source: Medium

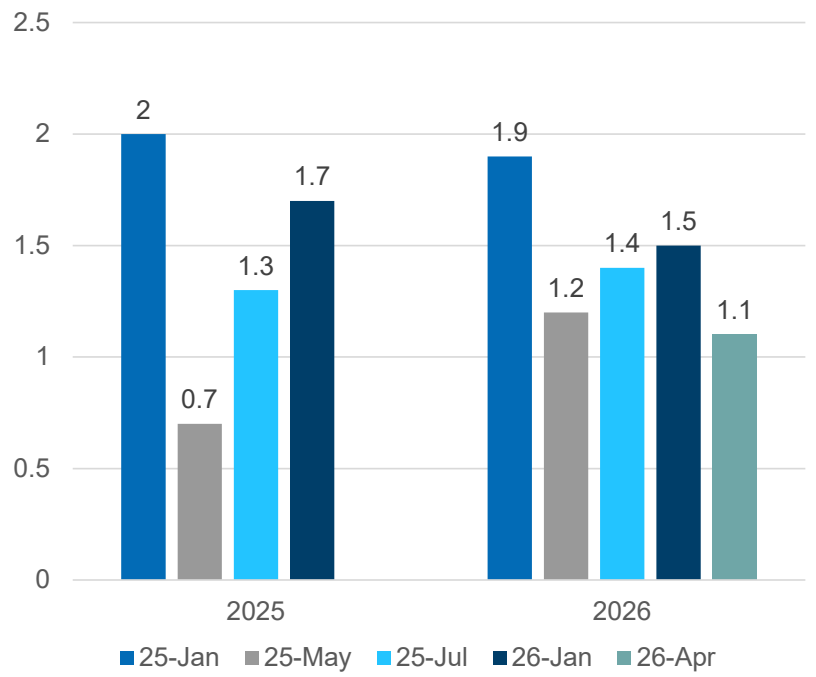
“Global economy: Steady amid divergent forces” - IMF

Year-to-Year % Change, GDP

World Economic Outlook (IMF)

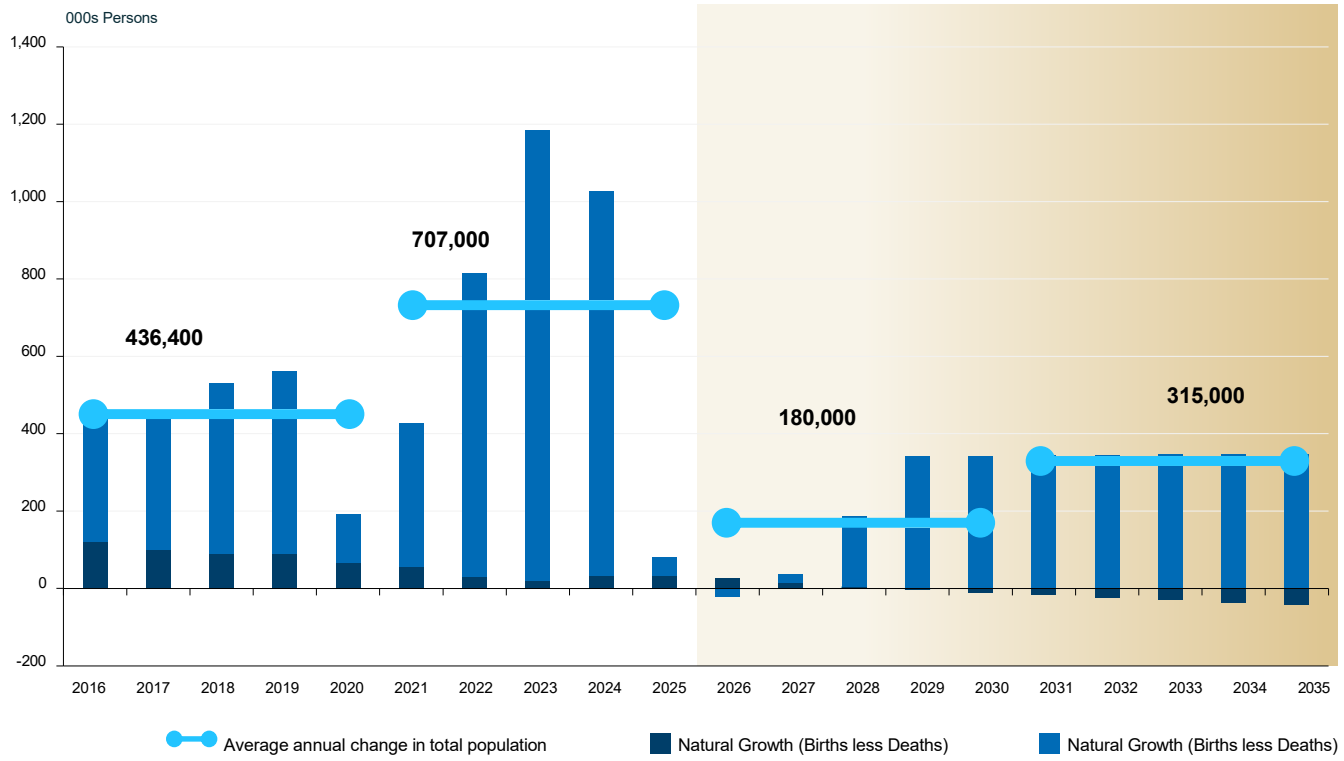


Canada (Consensus*)



Source: Altus Group based on data from IMF and a (*) sample of Canadian Chartered Bank economic reports

Population growth slowed significantly last year and set to slow further ahead



Annual Population Growth, Canada, 12 months ending in September

Potential Positive Impacts:

- Can address the recent challenges in accommodating the accelerated rate of growth (housing market shortage, rising unemployment rate, etc.)

Potential Negative Impacts:

- Long-term – adding an aging factor to the demographic profile
- Reduced demand flow through factors on all asset classes of Commercial Real Estate,
- lowering long-term net income growth,
- Upward pressure on cap rates

Source: Altus Group based on data from Statistics Canada

Housing affordability is impacting the movement of talent

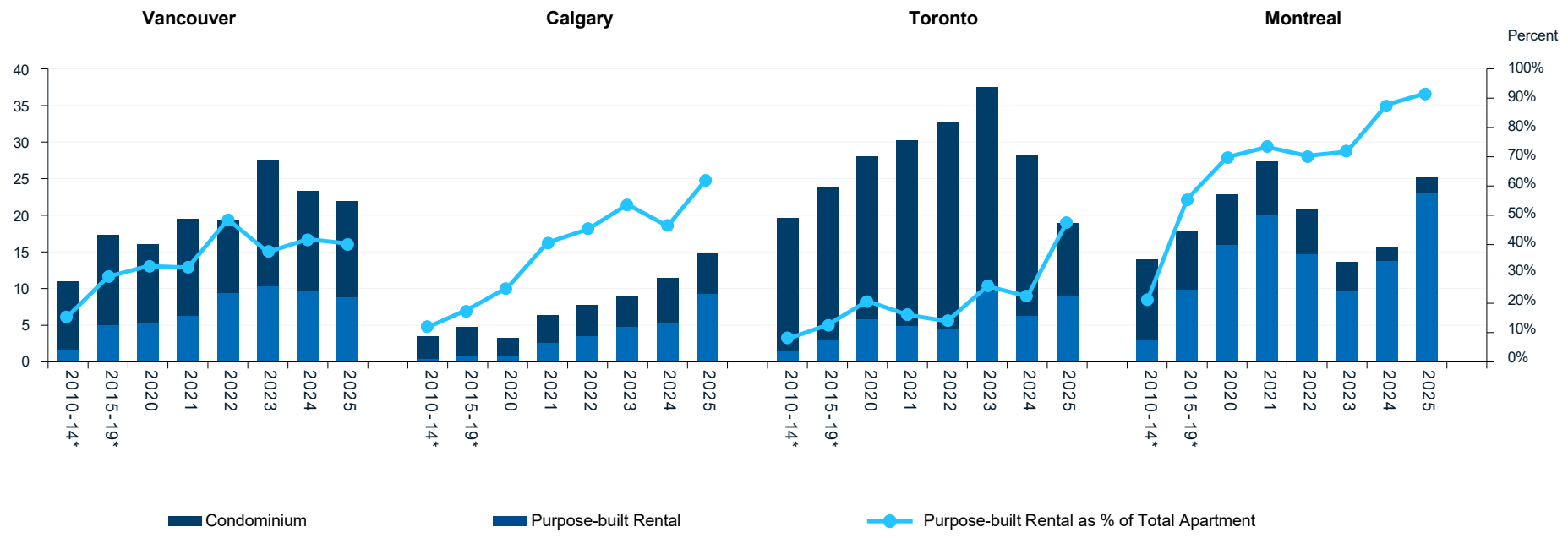
Net interprovincial migration

	2022				2023				2024				2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Newfoundland and Labrador	337	847	16	415	(72)	183	(232)	(185)	(95)	295	(471)	(10)	78	270	(365)	(28)
Prince Edward Island	734	420	(30)	424	713	480	(149)	(226)	(19)	241	(221)	(198)	498	899	258	(71)
Nova Scotia	2,191	5,222	2,211	988	2,554	2,773	(16)	858	(195)	1,266	359	344	431	1,281	441	826
New Brunswick	1,799	3,286	1,447	1,000	1,935	2,532	21	302	1,627	701	(1,378)	252	(101)	540	(921)	(362)
Quebec	(470)	(2,074)	(2,282)	(1,991)	(792)	(987)	(1,092)	(1,346)	(275)	(309)	18	(964)	(1,000)	(2,506)	(2,268)	(1,579)
Ontario	(8,592)	(14,892)	(9,400)	(5,932)	(12,744)	(13,853)	(5,952)	(3,648)	(9,020)	(9,211)	(4,251)	(2,119)	(5,237)	(6,154)	(972)	(1,598)
Manitoba	(888)	(1,806)	(2,855)	(2,168)	(2,324)	(2,899)	(2,475)	(1,281)	(598)	(618)	(1,417)	(552)	106	(950)	(1,487)	(912)
Saskatchewan	(1,696)	(2,561)	(1,304)	(989)	(2,178)	(1,917)	(1,918)	(1,257)	(1,198)	(1,542)	(768)	(1,154)	(152)	(1,022)	(1,522)	(867)
Alberta	1,300	3,352	17,626	10,519	14,174	13,926	17,094	9,913	12,482	9,654	10,810	5,292	7,176	6,187	5,652	3,684
British Columbia	5,022	8,459	(5,011)	(1,955)	(962)	(300)	(4,634)	(2,728)	(2,566)	(402)	(768)	(882)	(1,636)	1,678	1,504	1,227
Yukon	286	167	(46)	21	(75)	(45)	(176)	(5)	(60)	(12)	(63)	(30)	(150)	(54)	(62)	(23)
Northwest Territories	(111)	(275)	(172)	(295)	(36)	71	(409)	(191)	(96)	(165)	63	(43)	8	(50)	(205)	(168)
Nunavut	88	(145)	(200)	(37)	(193)	36	(62)	(206)	(107)	102	(103)	64	(21)	(117)	(53)	(129)

Source: Altus Group based on data from Statistics Canada

Trends in Purpose-built Rental and Condominium Housing Starts, Selected Markets, 2010-2025

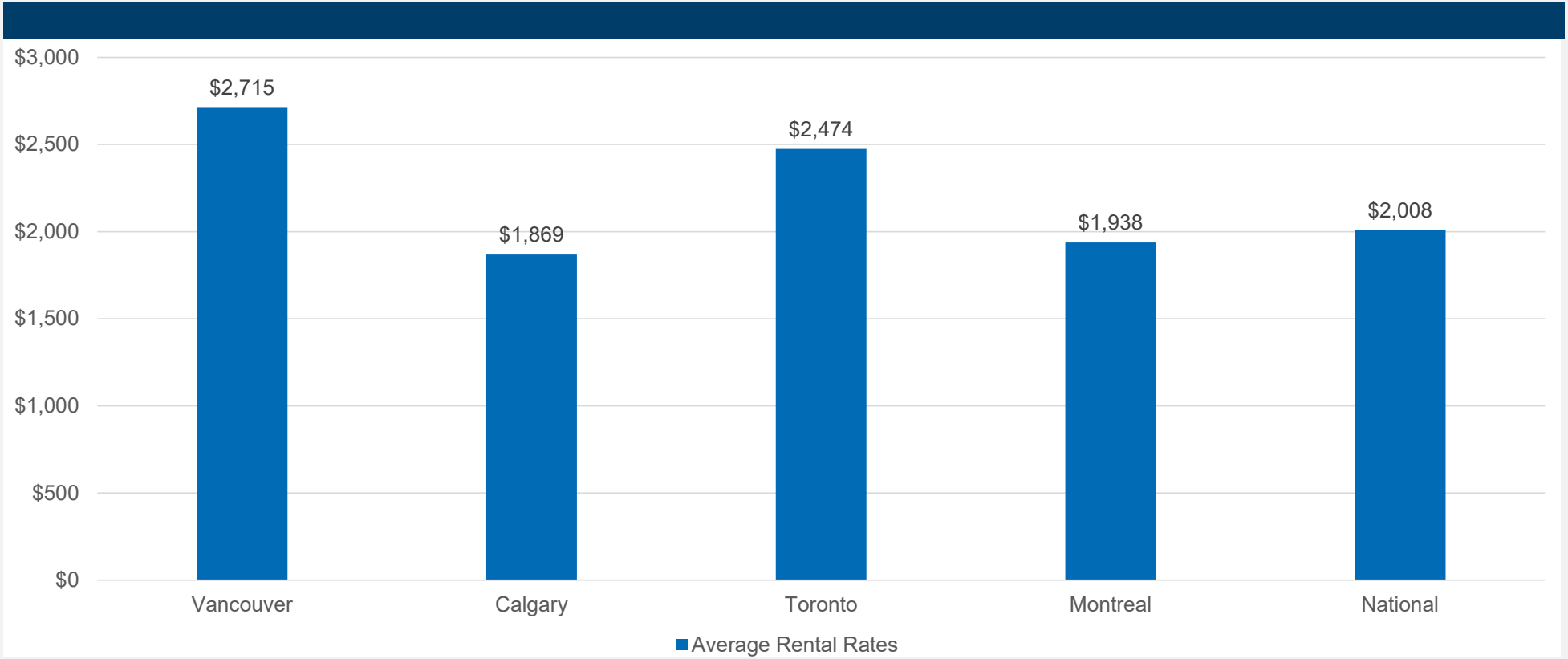
Housing Starts (Thousands)



* Annual average

Source: Newmark based on CMHC data

Average Apartment Rental Rates, continue to decline in 2026



Source: Newmark Valuation based on Rental.ca and Urbanation data

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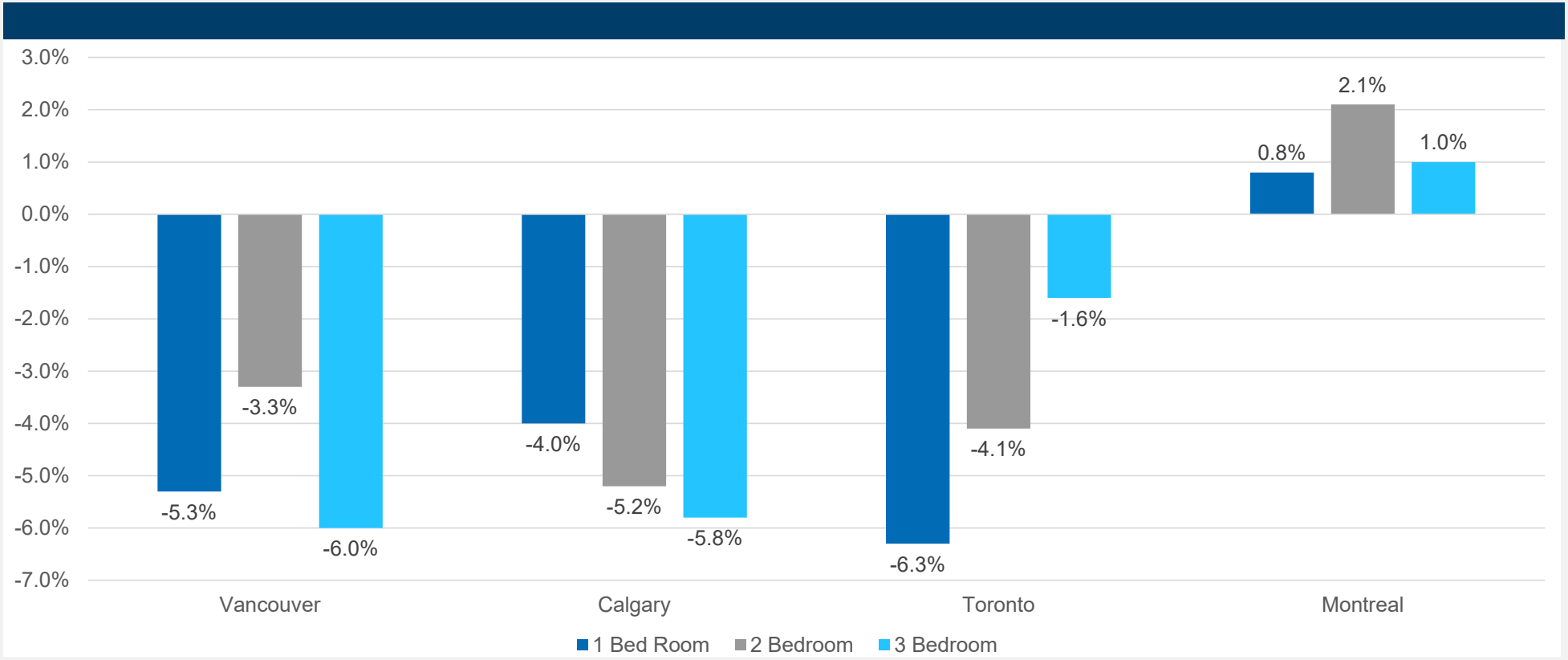
Average Apartment Rental Rates, continue to decline in 2026, by type



Source: Newmark Valuation based on Rental.ca and Urbanation data

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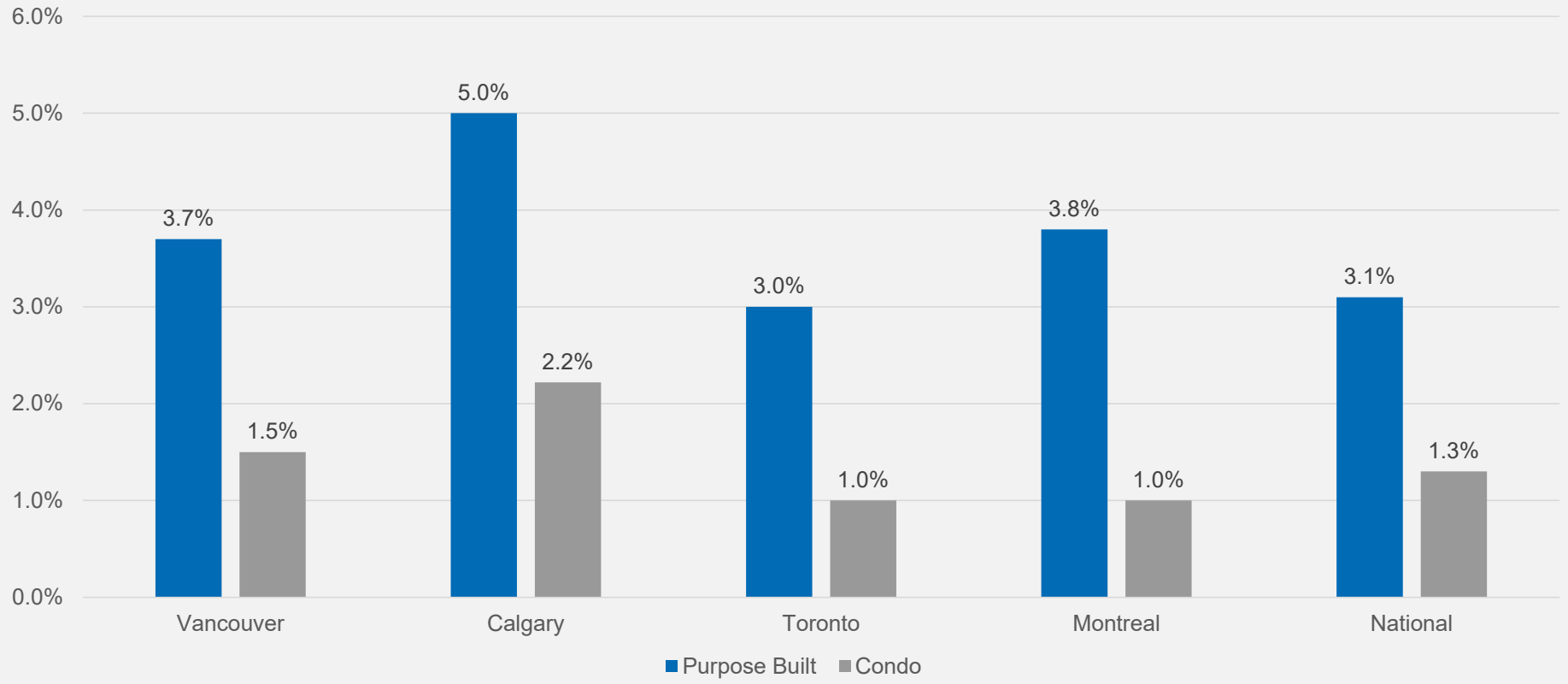
Apartment vacancy rates purpose built vs condo



Source: Newmark Valuation based on CMHC data

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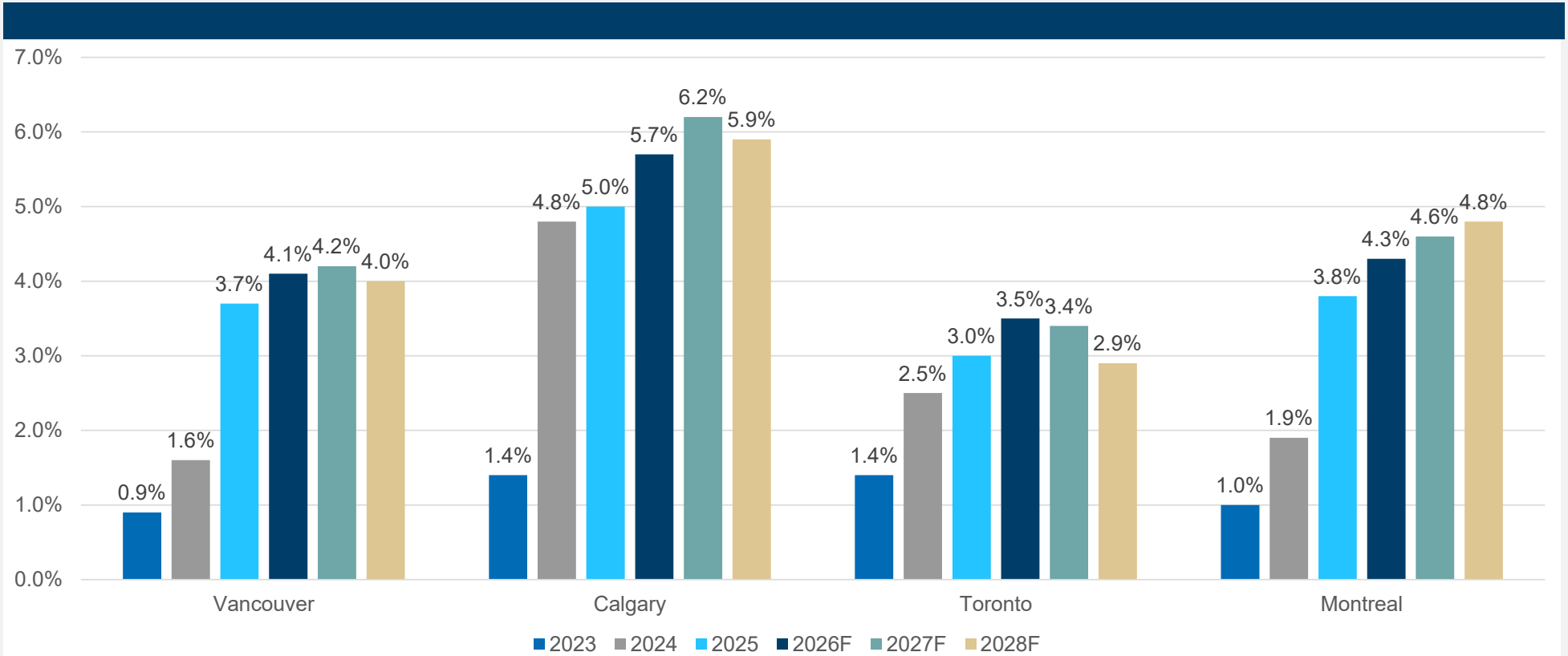
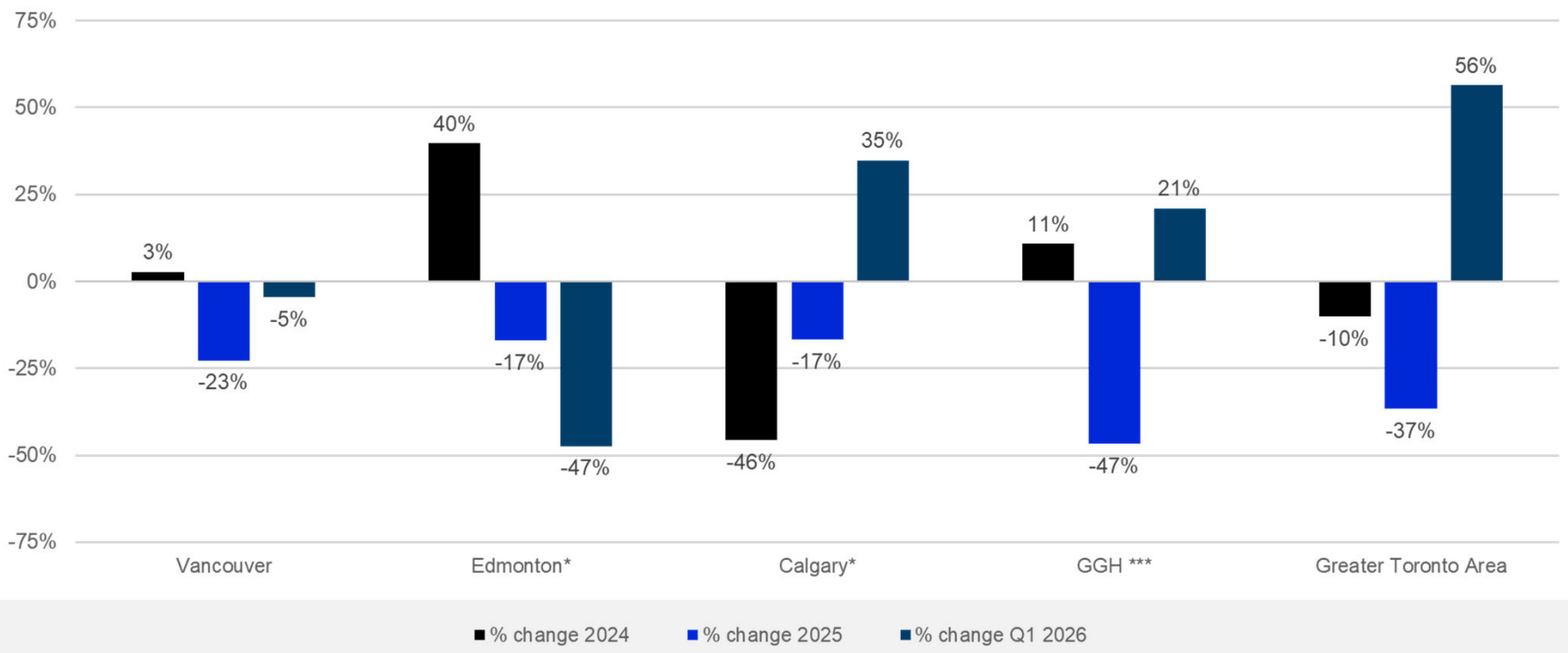
Apartment vacancy rates forecast



Source: Newmark Valuation based on CMHC data

Single-family builder sales mostly down across the country in early 2025…

New home sales, selected markets

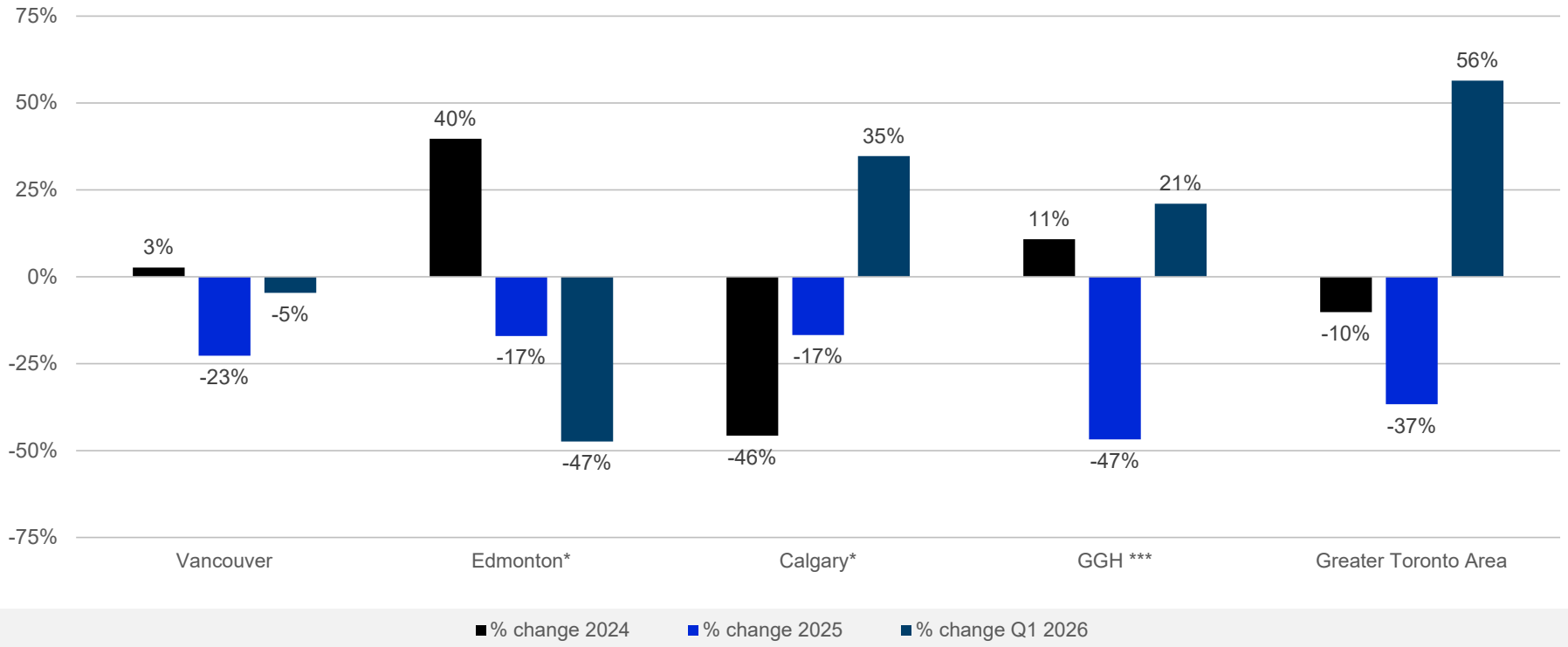


* Townhouse only ** approximated by housing starts *** GGH is 9 counties surrounding the Greater Toronto Area, GGH includes cities of Hamilton, Barrie, Kitchener-Waterloo, etc.,

Source: Newmark based on Altus Group, CMHC

Condominium sales continue to weaken across the country…

New home sales, selected markets



* GGH is 9 counties surrounding the Greater Toronto Area, GGH includes cities of Hamilton, Barrie, Kitchener-Waterloo, etc.

Source: Newark based on Altus Group data

Outlook for CRE:

A period of transition

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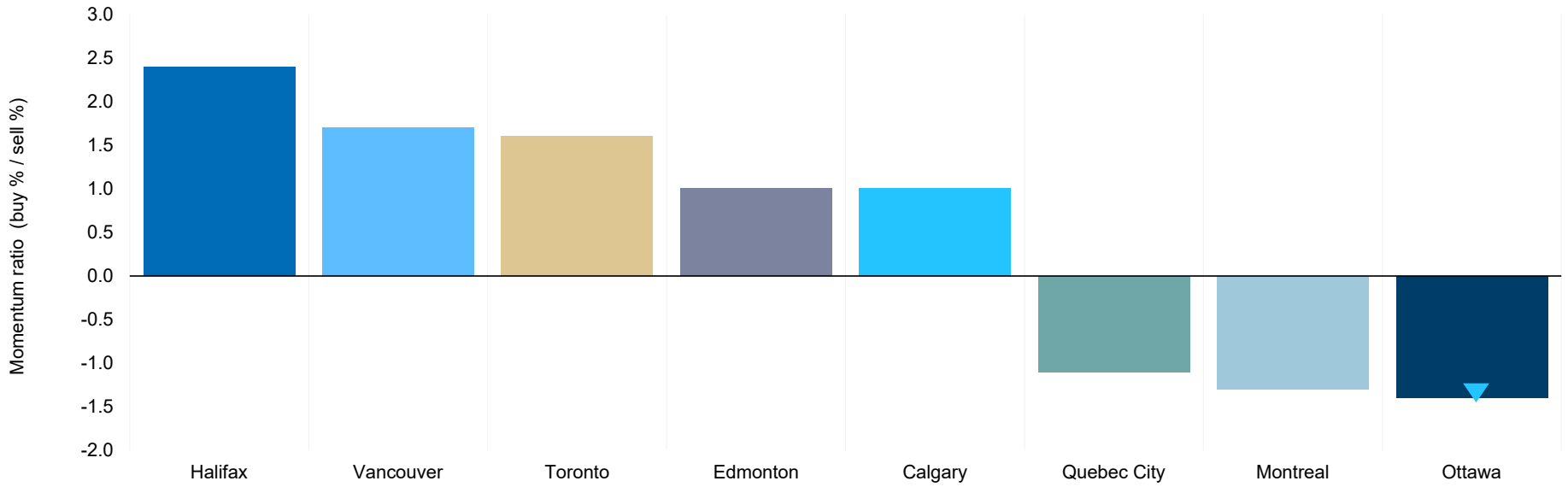
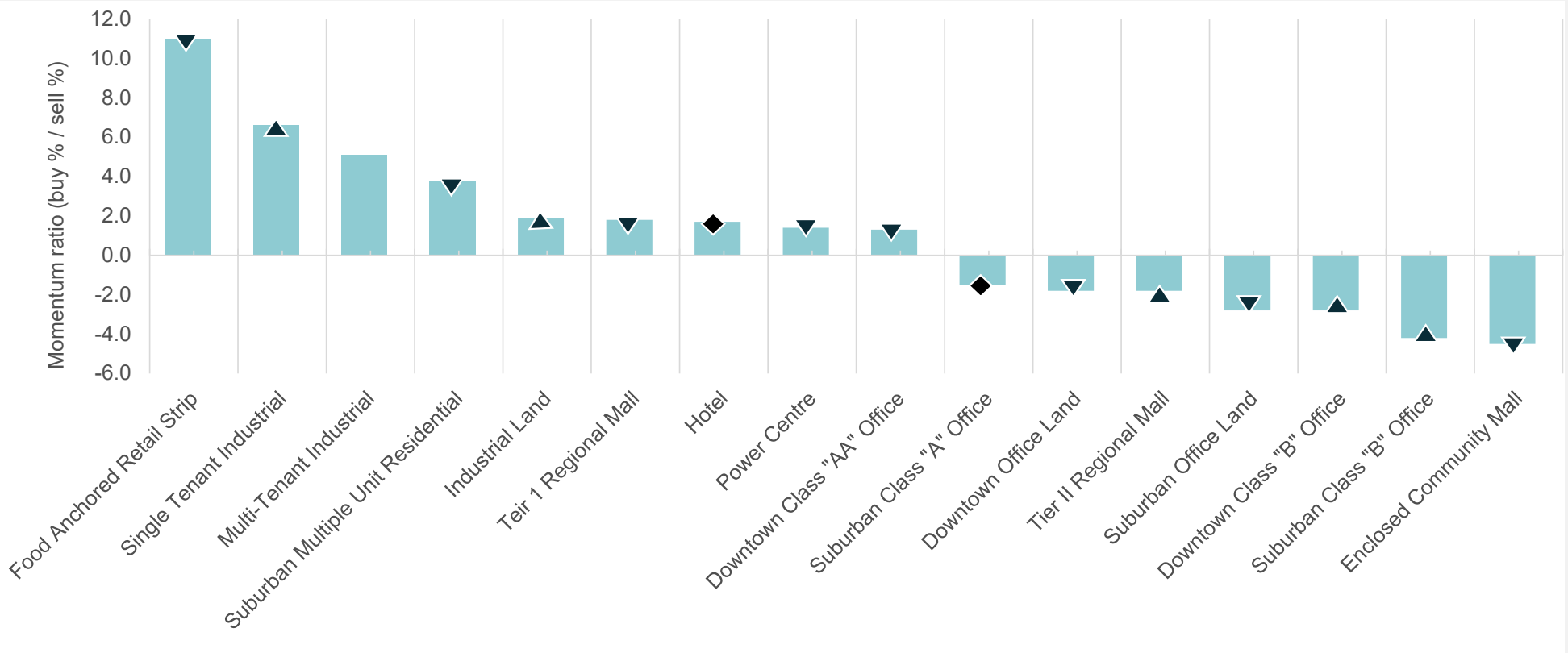
2026

Location Barometer - All Available Products (Q1 2025)



Source: Newmark Investment Trends Survey

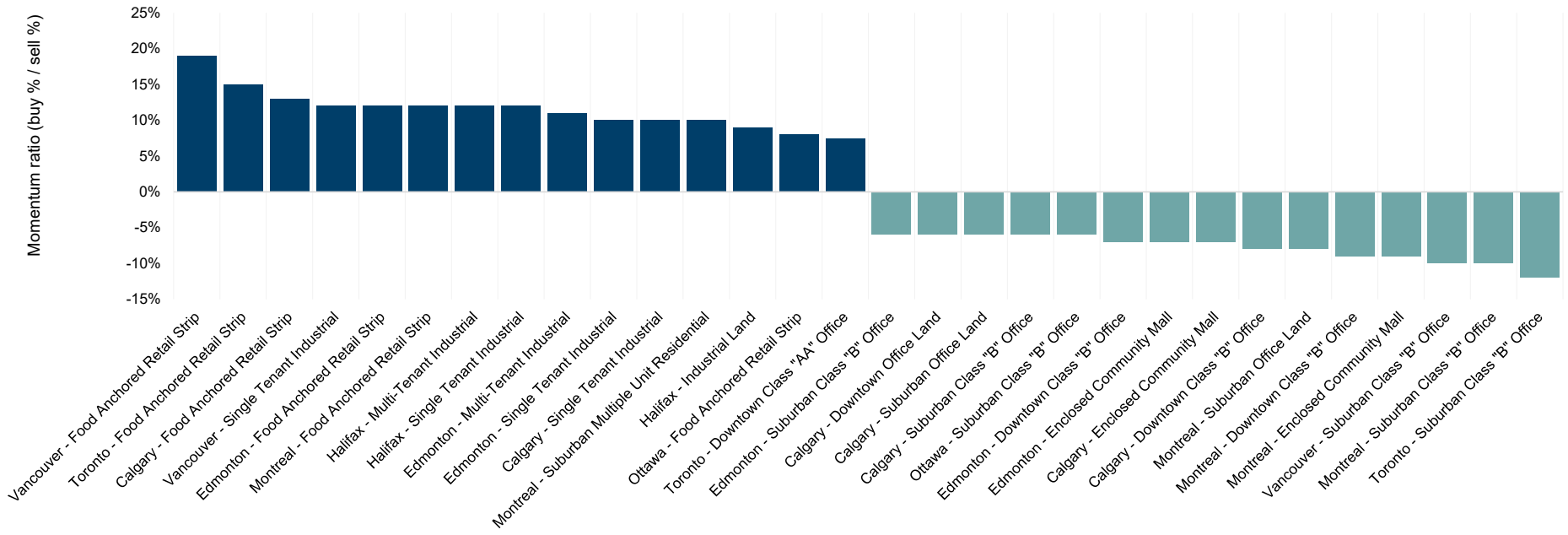
Property Type Barometer – All Available Products (Q4 2025)



Source: Newmark Investment Trends Survey

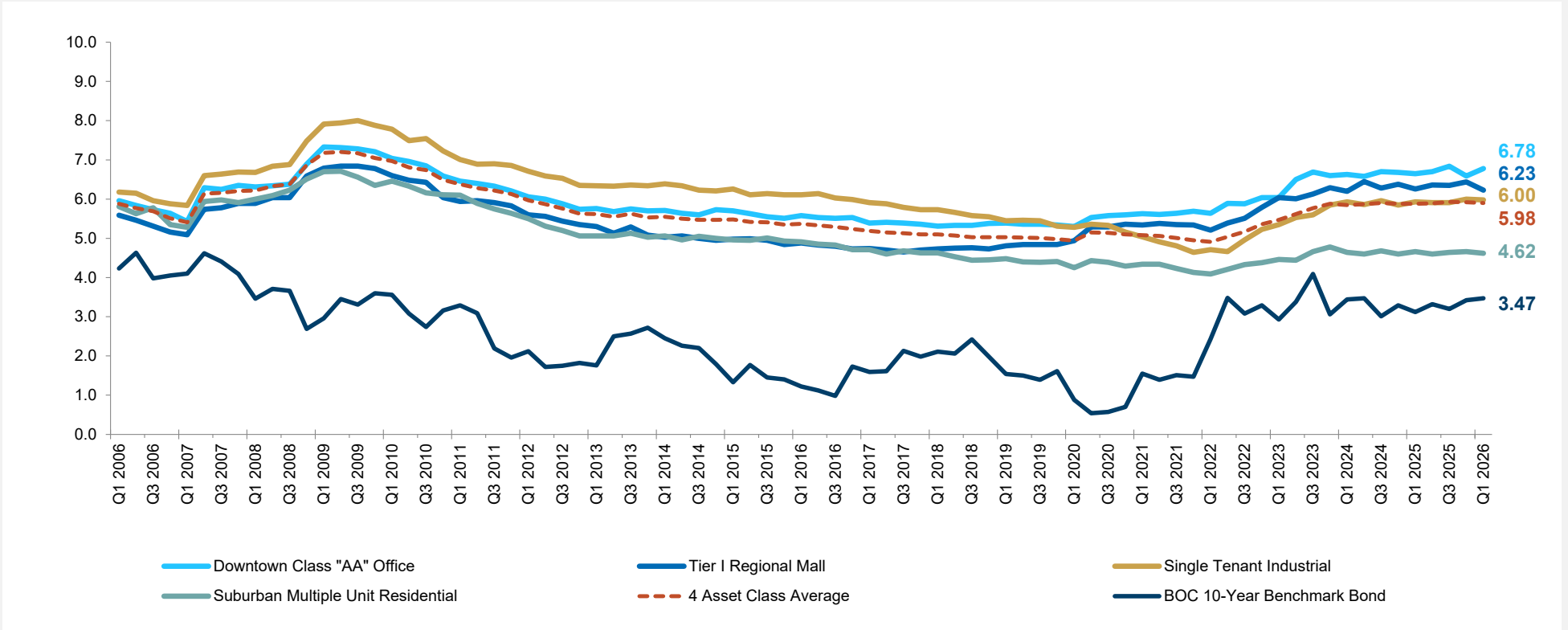
Product / Market Barometer - All Available Products (Q4 2025)

Top 15 Preferred/15 Least Preferred



Source: Altus Group's Investment Trends Survey

Canadian Markets | OCR trends - 4 benchmark asset classes



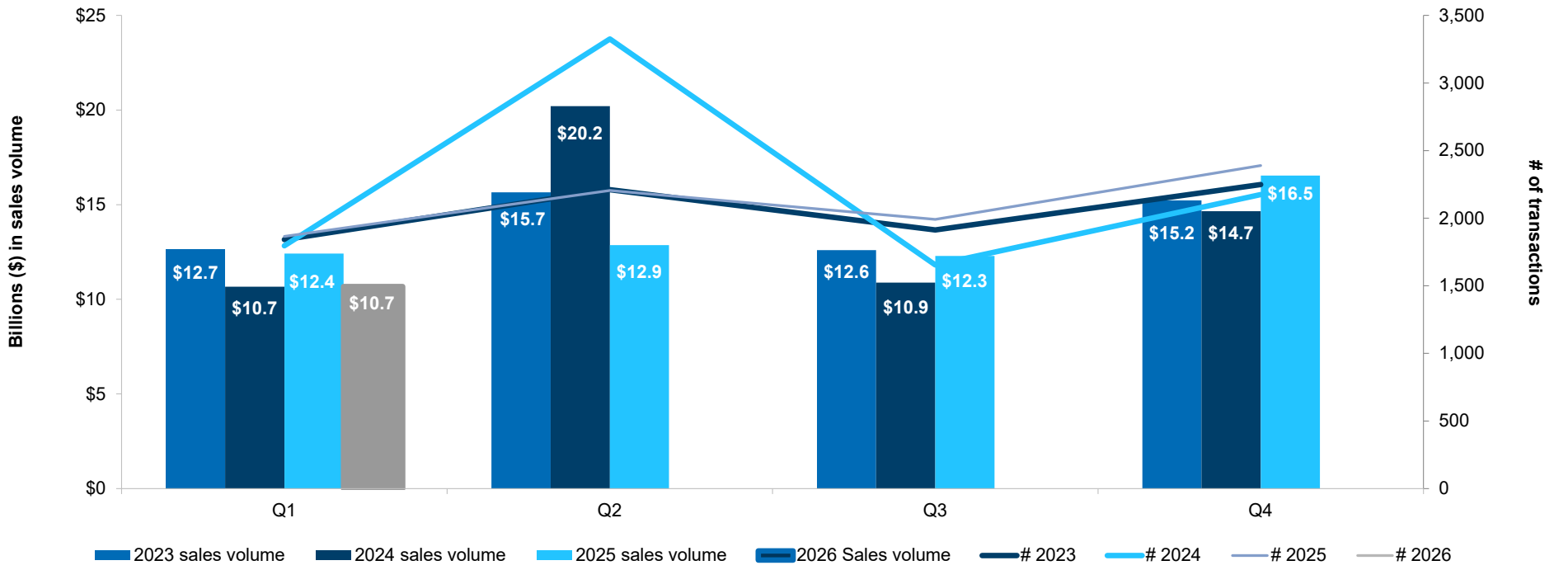
Source: Altus Group's Investment Trends Survey

Metro Vancouver Benchmark Cap Rates – February 2026

PROPERTY TYPE		CAP RATE RANGE	
		LOW	HIGH
RETAIL	Food anchored Retail	4.75%	5.00%
	Power Centre	5.25%	5.50%
	Enclosed	5.75%	6.00%
MF RENTAL	Purpose Built MF Rental	4.00%	4.25%
	Older MF Rental	3.50%	4.50%
OFFICE	Class AAA Office Downtown	5.00%	5.25%
	Class A Office Downtown	5.50%	6.00%
	Class A Office Suburban	5.50%	6.00%
	Class B Office Downtown	6.00%	6.50%
	Class B Office Suburban	6.50%	6.75%
INDUSTRIAL	New Industrial	4.50%	4.75%
	Old Industrial	5.50%	5.75%

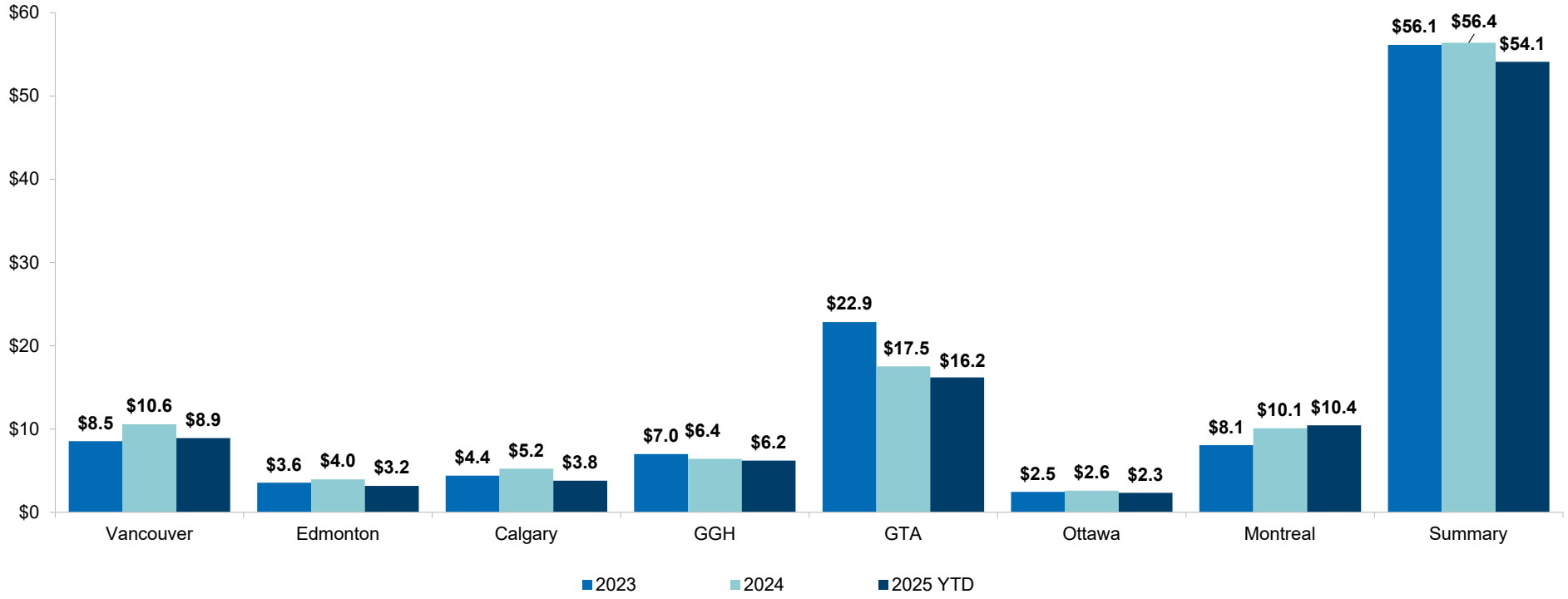
Source: Newmark Valuation Services

Q1 2026 Investment Volume Down Amid Uncertainty



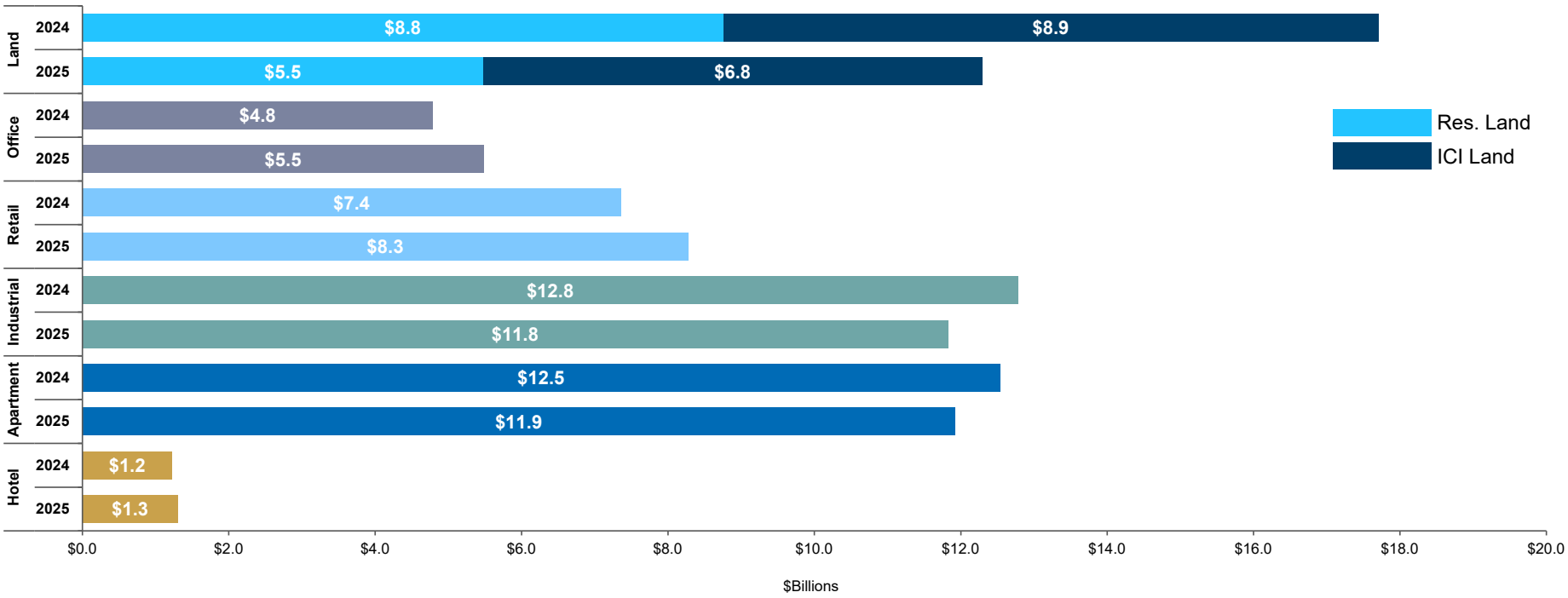
Source: Newmark based on Altus Group Data

Total Investment Activity YTD – 2023 to 2025



Source: Altus Group

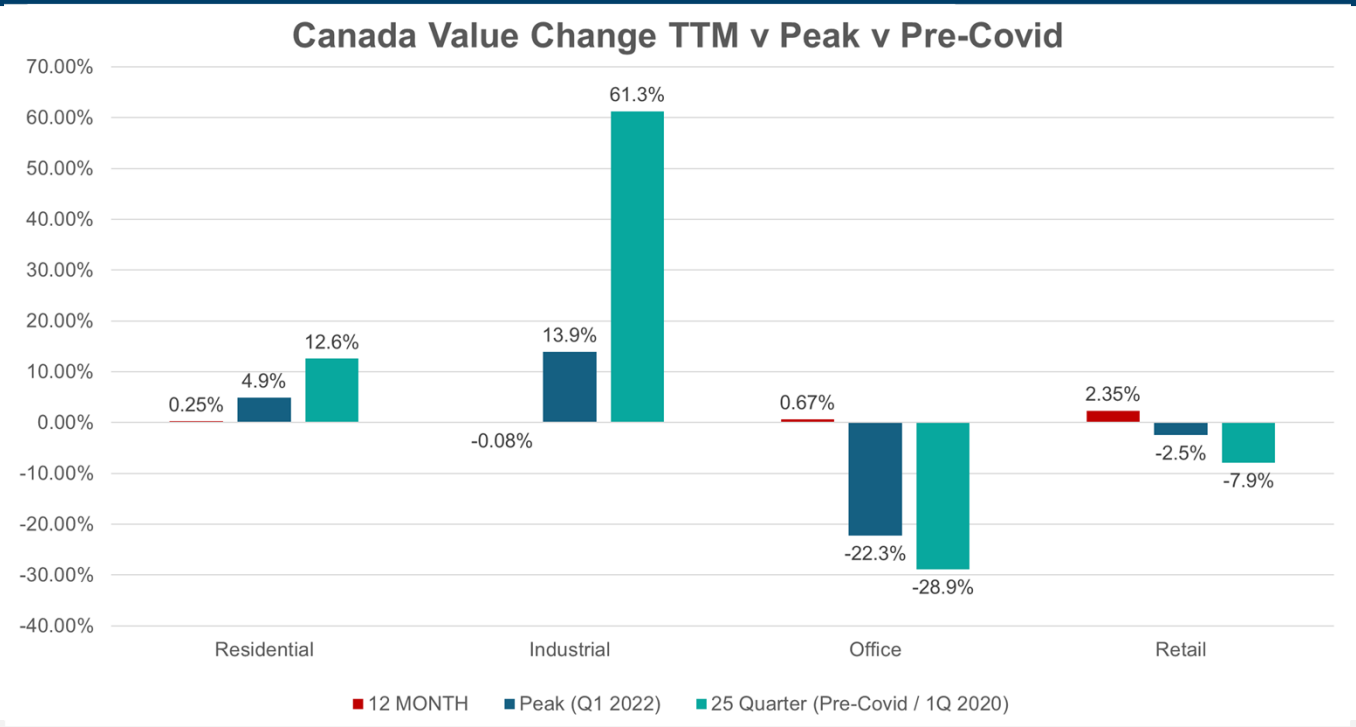
Canadian Markets | Property transactions by asset class YTD - (Q4 2024 vs. Q4 2025)



Source: Altus Group

Q4 Valuation Results

Canada Value Change TTM v Peak v Pre-Covid



Source: Newmark based on Altus Group data

Q1 Valuation Results

Q4 Values – Quarter over Quarter ▲

	Weight by $	▲ Value QoQ	15th Percentile	25th Percentile	50th Percentile	75th Percentile	85th Percentile	Equal Weight Value Change	▲ Discount Rate	▲ TCR	▲ Cash Impact	▲ Yield Impact
Residential	26%	-0.12%	-1.02%	-0.37%	0.00%	0.47%	0.98%	0.04%	0.00%	0.00%	-0.04%	-0.08%
Industrial	36%	0.09%	-1.55%	-0.79%	0.00%	0.67%	1.58%	0.35%	0.00%	-0.01%	0.05%	0.04%
Office	28%	0.62%	-2.78%	-1.12%	0.00%	0.90%	2.90%	-0.19%	0.02%	0.04%	1.09%	-0.46%
Retail	11%	0.49%	-0.42%	0.00%	0.00%	1.16%	1.94%	0.50%	-0.01%	-0.01%	0.32%	0.18%
		0.23%							0.00%	0.01%	0.34%	-0.11%

Q4 Values – Year over Year ▲

	▲ Value YoY	15th Percentile	25th Percentile	50th Percentile	75th Percentile	85th Percentile	Equal Weight Value Change	▲ Discount Rate	▲ TCR	▲ Cash Impact	▲ Yield Impact
Residential	0.25%	-3.35%	-1.33%	0.58%	2.38%	3.60%	0.38%	0.00%	0.00%	0.26%	-0.01%
Industrial	-0.08%	-4.13%	-2.27%	0.17%	2.61%	5.44%	0.76%	0.00%	-0.02%	-0.25%	0.17%
Office	0.67%	-8.51%	-6.39%	-1.47%	2.94%	6.44%	-1.13%	0.10%	0.15%	2.51%	-1.84%
Retail	2.35%	-0.57%	0.00%	1.92%	5.35%	7.16%	2.54%	-0.05%	-0.07%	1.42%	0.92%
	0.48%							0.03%	0.03%	0.88%	-0.39%

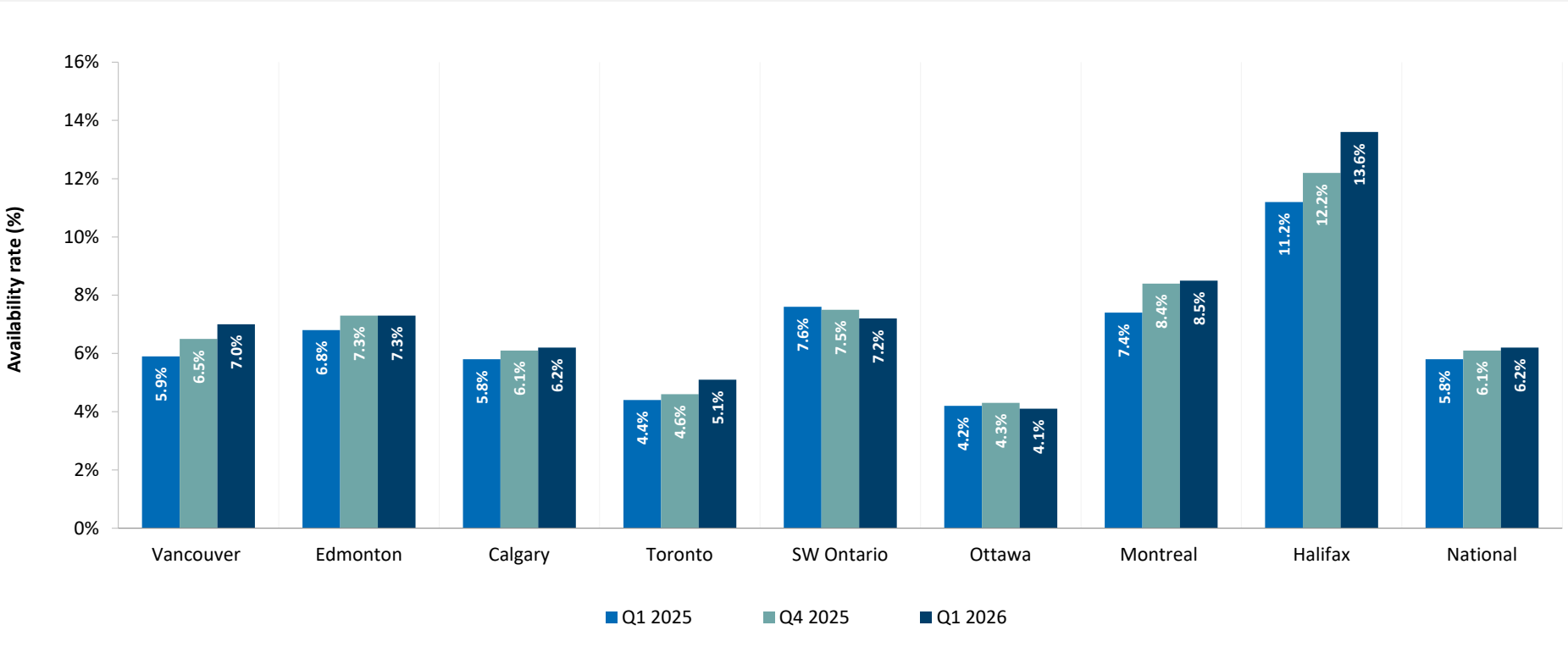
Source: Newmark based on Altus Group data

Q1 Valuation Results

Q1 Values - Quarter over Quarter ▲	▲ Value QoQ	▲ DR	▲ TCR	▲ CF	▲ Yield	▲ Value YoY	▲ DR	▲ TCR	▲ CF	▲ Yield
Residential	-0.12%	0.00%	0.00%	-0.04%	-0.08%	0.25%	0.00%	0.00%	0.26%	-0.01%
Metro Vancouver	-0.47%	0.00%	0.00%	-0.40%	-0.06%	-0.92%	-0.03%	-0.04%	-1.56%	0.64%
Greater Edmonton	0.03%	0.00%	0.00%	0.03%	0.00%	0.89%	0.00%	0.00%	0.89%	0.00%
Calgary Region	-0.37%	0.00%	0.00%	-0.37%	0.00%	-0.53%	0.01%	0.00%	-0.41%	-0.13%
GTA	-0.09%	0.00%	0.01%	0.01%	-0.10%	0.39%	0.01%	-0.01%	0.38%	0.01%
Greater Ottawa	-0.44%	0.00%	0.00%	-0.44%	0.00%	-1.50%	0.06%	0.09%	0.03%	-1.53%
Greater Montreal	0.38%	0.00%	-0.02%	0.09%	0.29%	2.11%	-0.06%	-0.02%	1.33%	0.77%
Industrial	0.09%	0.00%	-0.01%	0.05%	0.04%	-0.08%	0.00%	-0.02%	-0.25%	0.17%
Metro Vancouver	-0.05%	0.00%	0.00%	-0.05%	0.00%	1.03%	-0.06%	-0.03%	0.36%	0.67%
Greater Edmonton	0.09%	0.00%	0.00%	0.11%	-0.02%	0.78%	-0.01%	0.01%	0.78%	0.00%
Calgary Region	0.18%	0.00%	0.00%	0.18%	0.00%	1.56%	-0.01%	0.01%	1.64%	-0.07%
GTA	-0.02%	0.00%	-0.01%	-0.11%	0.09%	-0.75%	0.01%	-0.05%	-1.10%	0.35%
Greater Ottawa	0.60%	0.00%	0.00%	0.60%	0.00%	1.65%	0.01%	0.02%	1.83%	-0.18%
Greater Montreal	0.17%	0.00%	0.00%	0.20%	-0.03%	-0.94%	-0.02%	0.04%	-0.73%	-0.21%
Office	0.62%	0.02%	0.04%	1.09%	-0.46%	0.67%	0.10%	0.15%	2.51%	-1.84%
Metro Vancouver	0.05%	0.01%	0.01%	0.22%	-0.17%	-0.47%	0.11%	0.12%	1.43%	-1.90%
Greater Edmonton	-2.19%	0.01%	0.00%	-2.15%	-0.04%	0.36%	0.17%	0.18%	2.71%	-2.35%
Calgary Region	0.09%	0.01%	0.03%	0.34%	-0.25%	-1.12%	0.22%	0.34%	2.48%	-3.60%
GTA	2.84%	-0.03%	0.04%	3.14%	-0.30%	4.50%	0.03%	0.09%	5.25%	-0.74%
Greater Ottawa	-2.05%	0.14%	0.08%	-0.74%	-1.31%	-6.47%	0.28%	0.22%	-3.41%	-3.05%
Greater Montreal	-1.79%	0.14%	0.13%	0.21%	-2.00%	-2.41%	0.20%	0.21%	0.56%	-2.97%
Retail	0.49%	-0.01%	-0.01%	0.32%	0.18%	2.35%	-0.05%	-0.07%	1.42%	0.92%
Metro Vancouver	0.49%	0.00%	0.00%	0.49%	0.00%	1.75%	-0.04%	-0.01%	1.32%	0.43%
Greater Edmonton	0.83%	-0.05%	-0.05%	0.10%	0.73%	4.47%	-0.09%	-0.12%	2.89%	1.57%
Calgary Region	0.00%	0.00%	0.00%	0.00%	0.00%	1.27%	0.09%	0.00%	1.68%	-0.41%
GTA	0.61%	0.00%	-0.02%	0.39%	0.22%	2.72%	-0.06%	-0.10%	1.42%	1.30%
Greater Ottawa	-0.08%	0.00%	0.00%	-0.08%	0.00%	-1.63%	0.10%	0.00%	-1.05%	-0.57%
Greater Montreal	1.50%	-0.10%	0.00%	0.85%	0.65%	4.13%	-0.28%	-0.06%	1.83%	2.30%
Consolidated	0.23%	0.00%	0.01%	0.34%	-0.11%	0.48%	0.03%	0.03%	0.88%	-0.39%

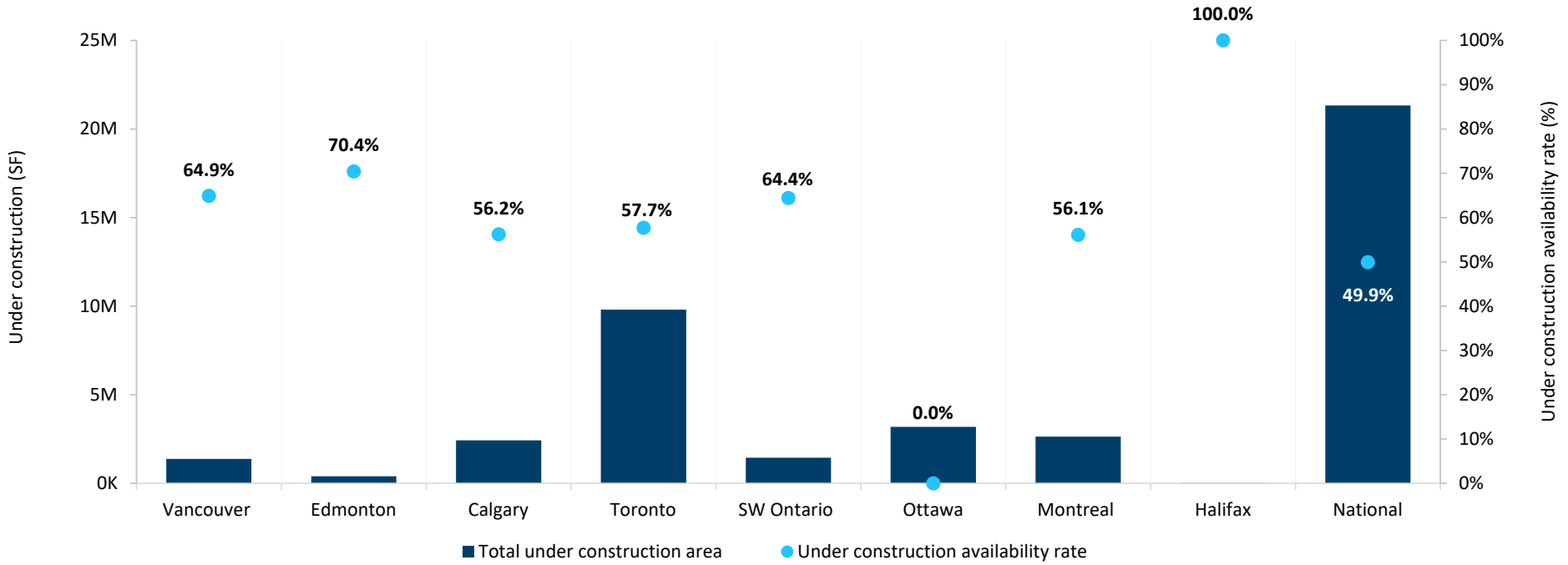
Source: Newmark Research Analysis with Altus Group Data

Industrial Availability Rate (Q1 2025 vs. Q4 2025 vs. Q1 2026)



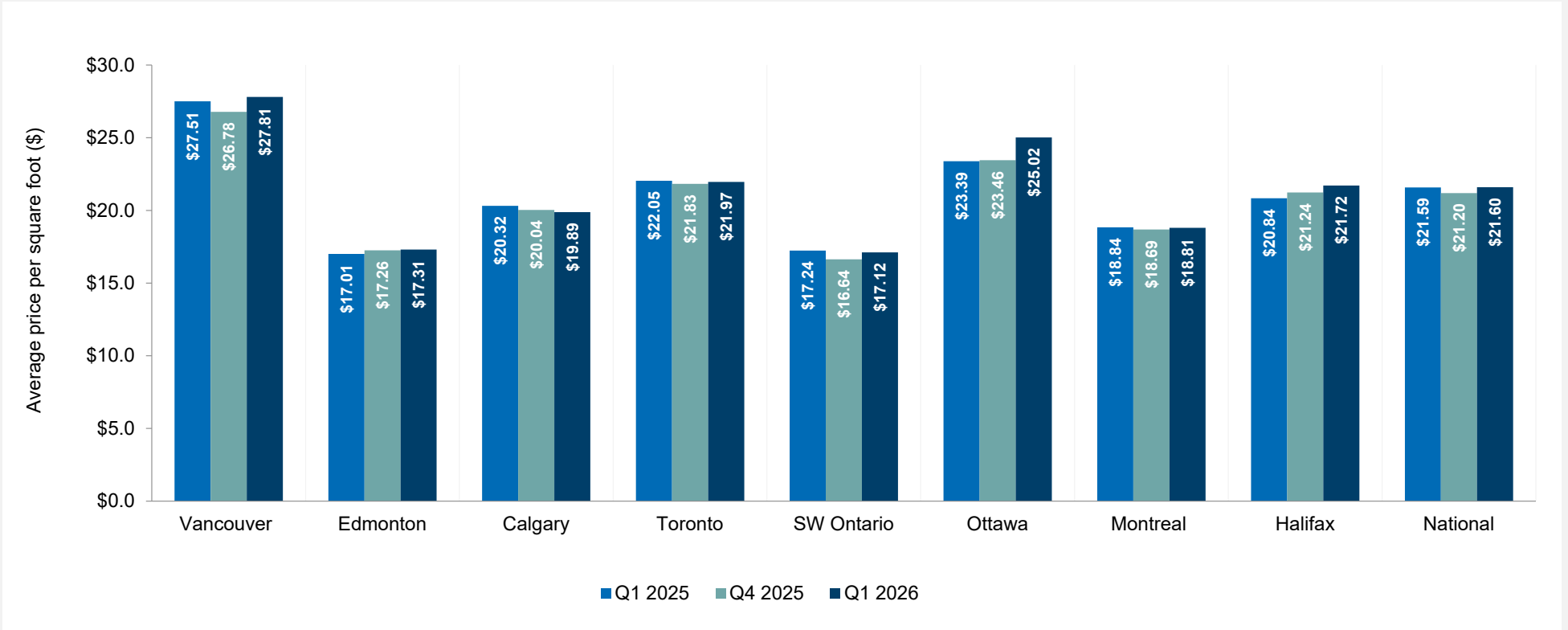
Source: Newmark based on Altus Group data

Industrial Under Construction & Availability (Q1 2026)



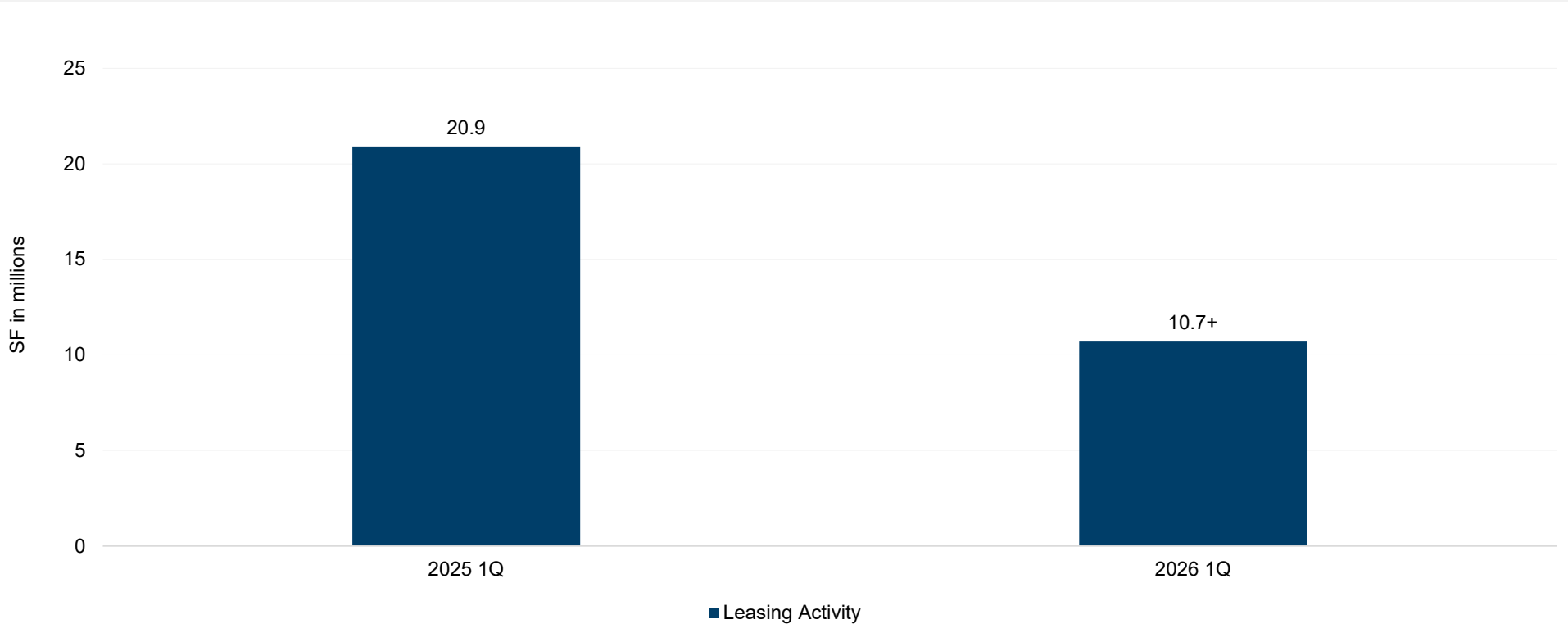
Source: Newmark based on Altus Group data

Industrial Average Direct Gross Lease Rates - (Q1 2025 vs. Q4 2025 vs. Q1 2026)



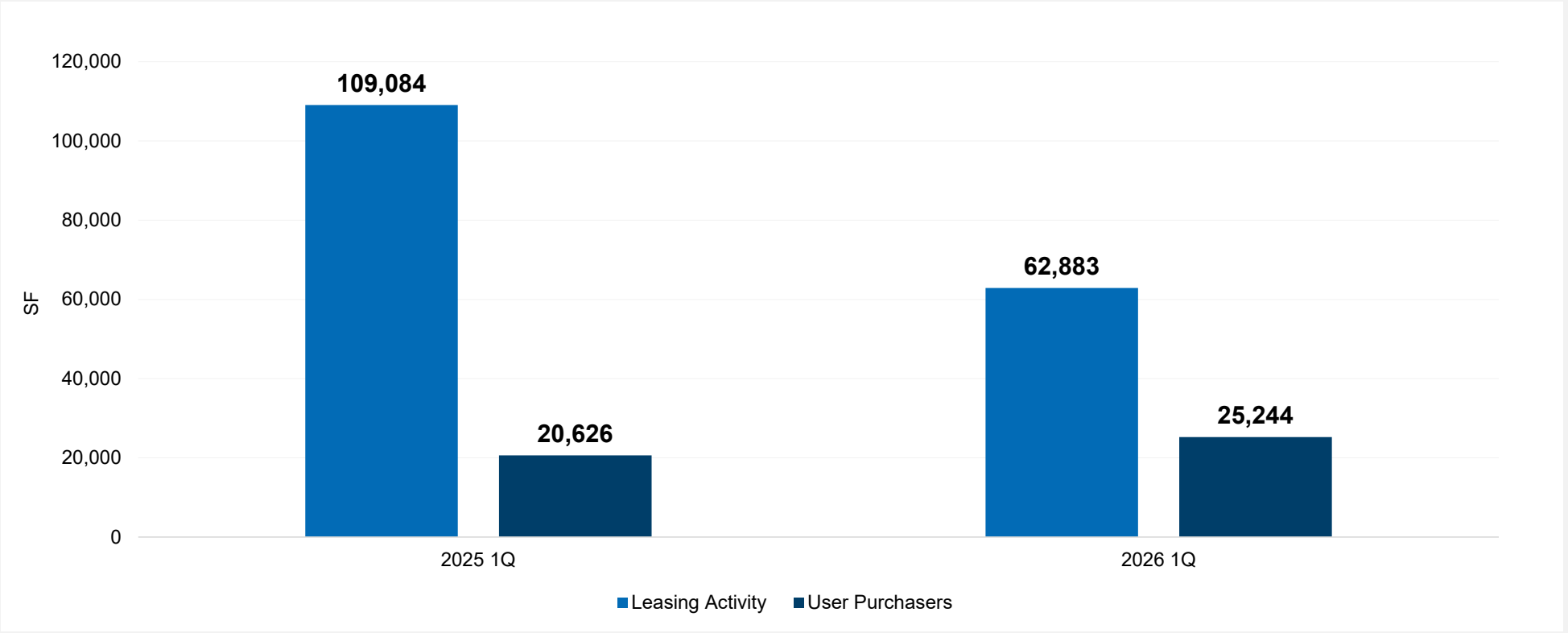
Source: Newmark based on Altus Group data

National Industrial Leasing Activity



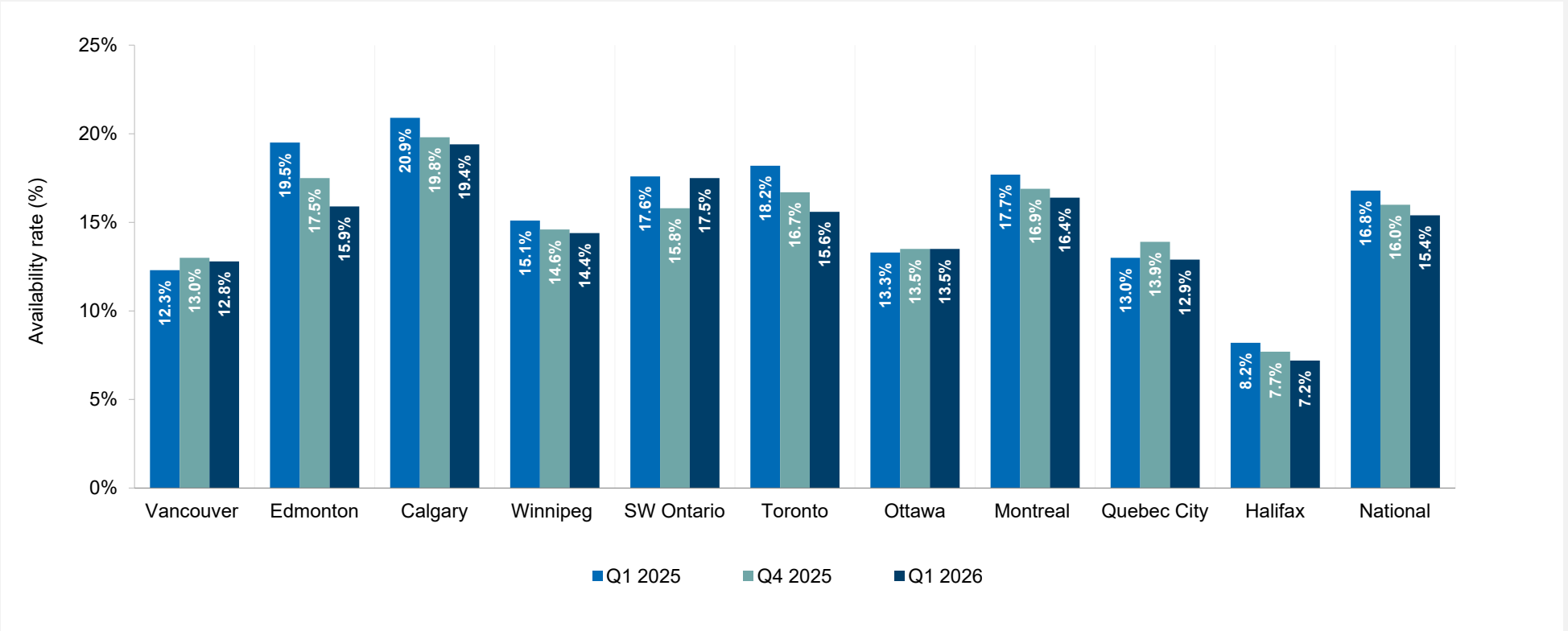
Source: Newmark based on Altus Group data

National Average Industrial Leasing and User Sales



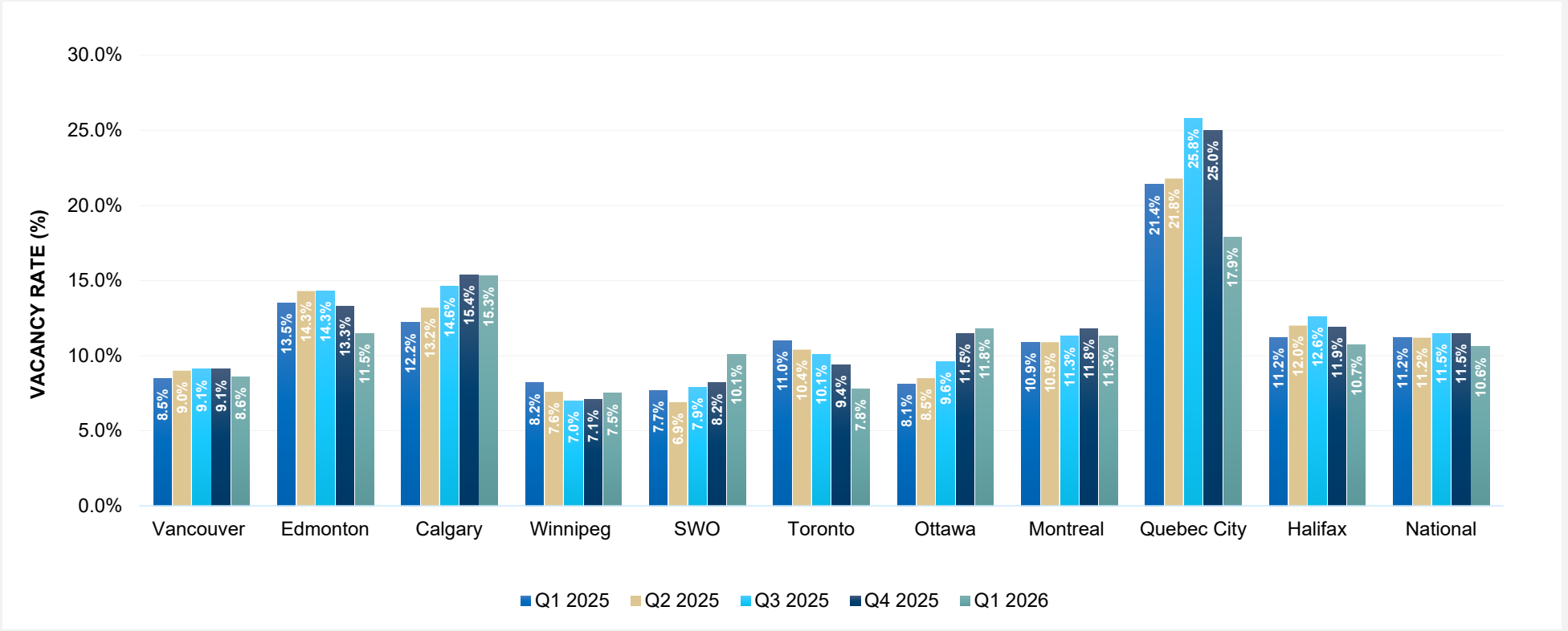
Source: Newmark based on Altus Group data

Office Availability Rate (Q1 2025 vs. Q4 2025 vs. Q1 2026)



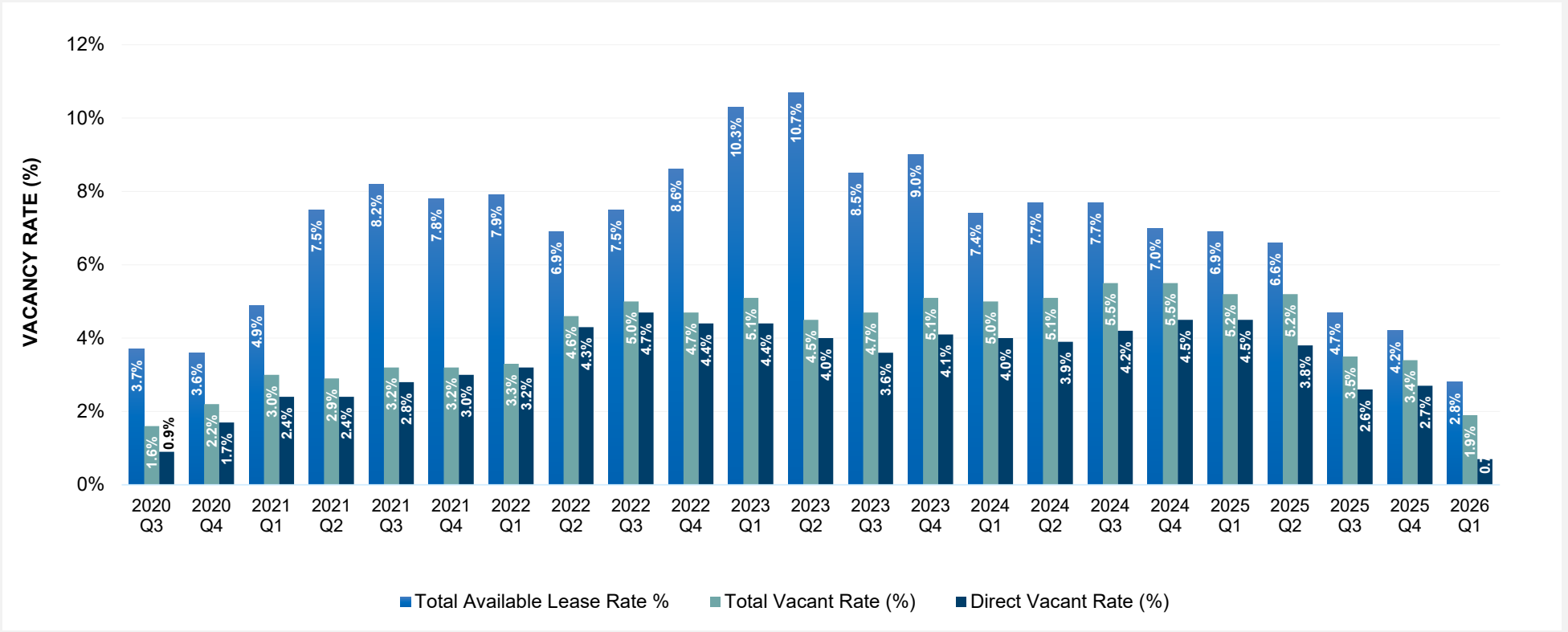
Source: Newmark based on Altus Group data

Downtown office direct class A vacancy rates flattening



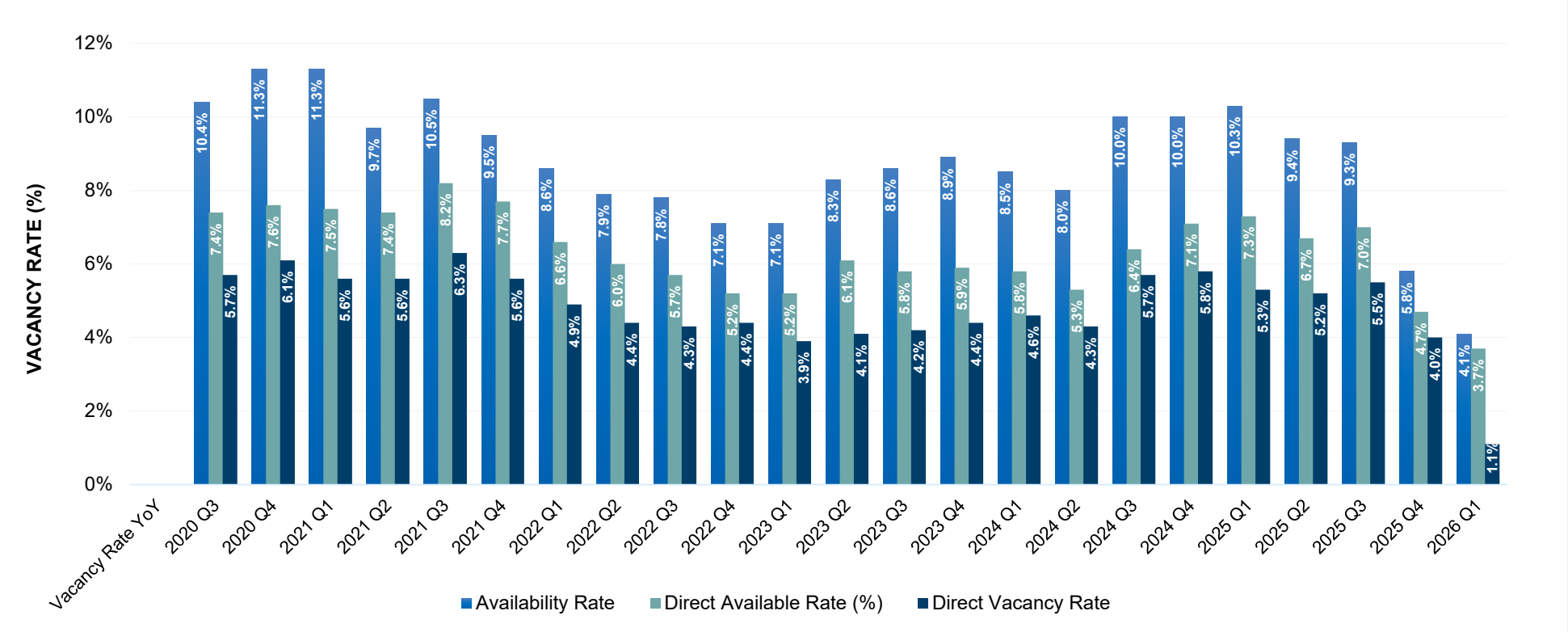
Source: Newmark based on Altus Group data

GTA Downtown office select class A vacancy rates almost nonexistent



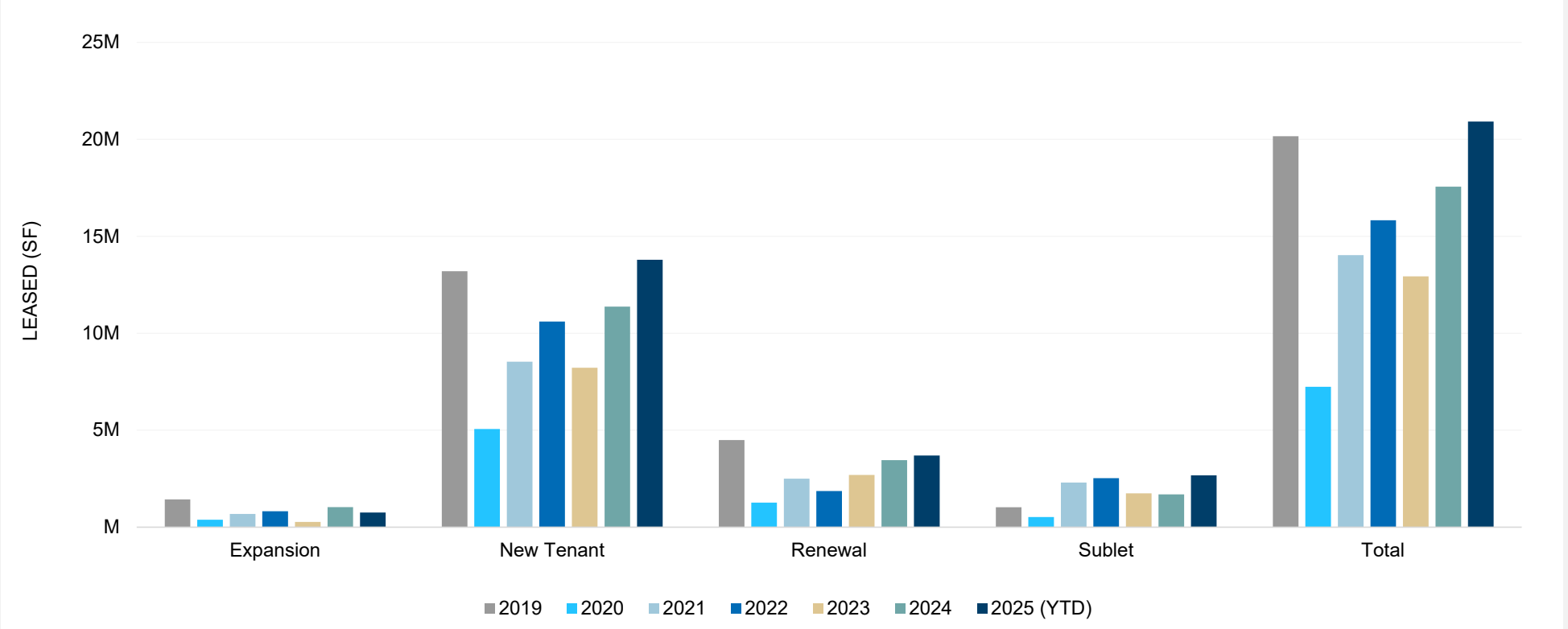
Source: Newmark based on Altus Group data

GVA downtown class A Select vacancy rates flattening



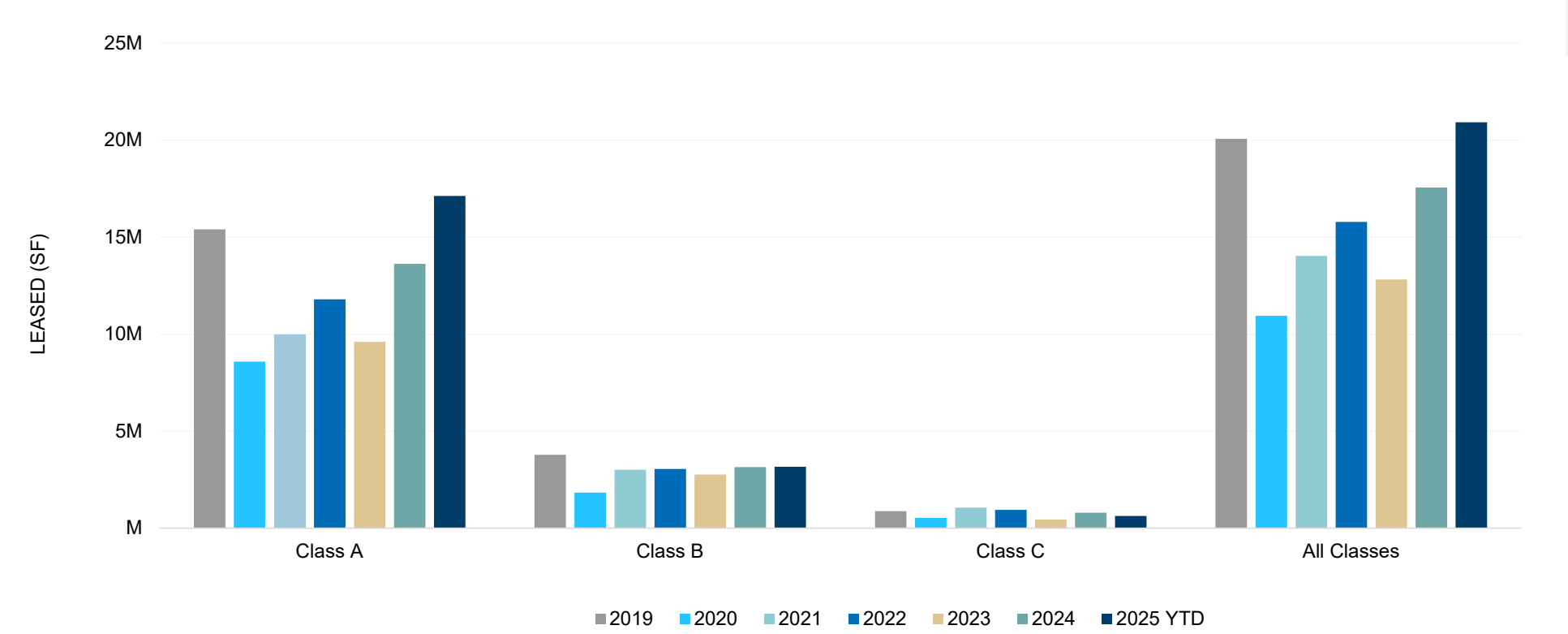
Source: Newmark based on Altus Group data

Canadian office leasing increasing but for how long…



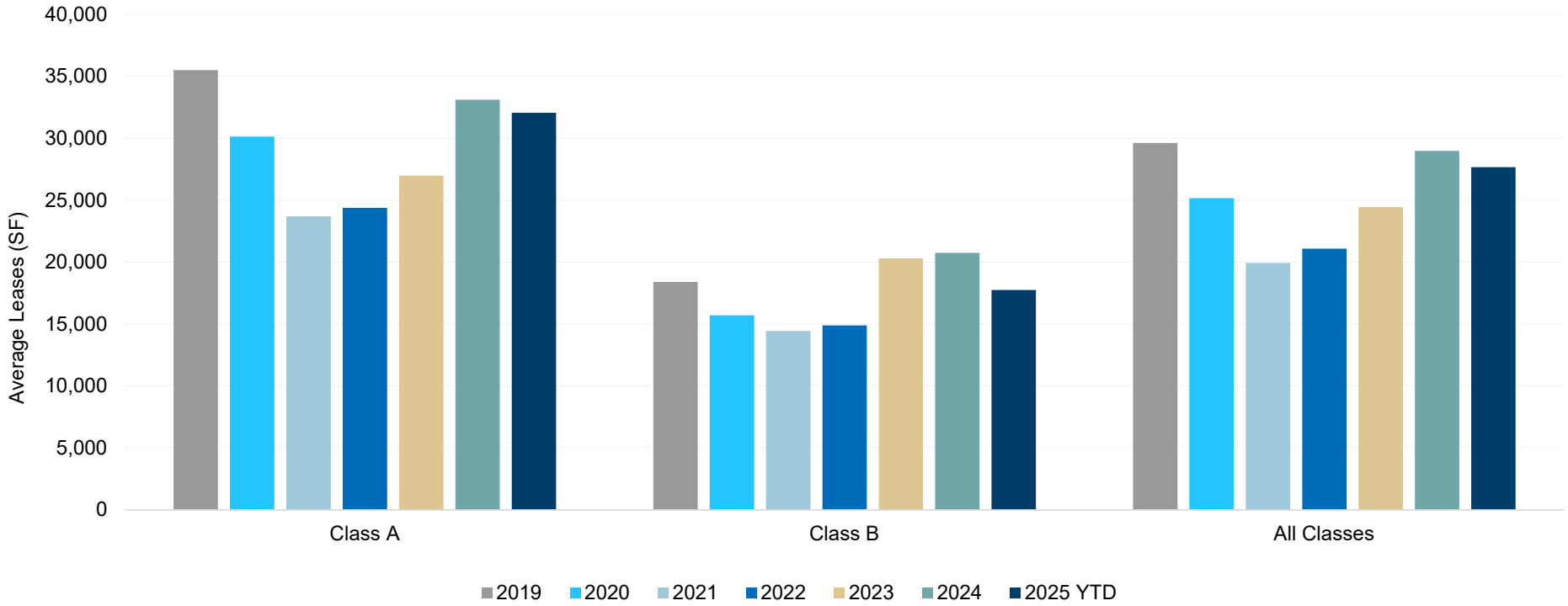
Source: Newmark based on Altus Group data

Class A office space continues to dominate



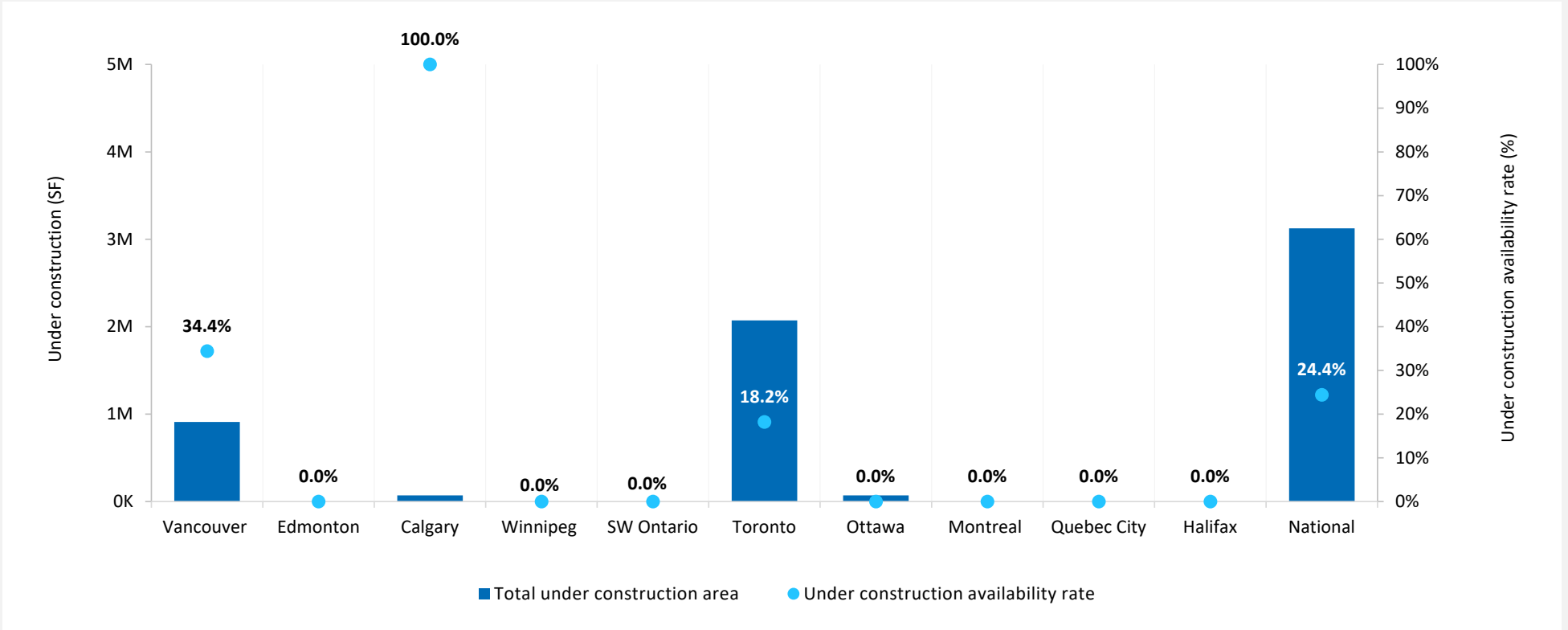
Source: Newmark based on Altus Group data

Average office lease transaction sizes



Source: Newmark based on Altus Group data

Office Under Construction & Availability (Q1 2026)



Source: Newmark based on Altus Group data

2026, 7, 8? Eventually…

Source: Active Approach