

CBRE

Montréal Multifamily H1 2026

October 2026

CBRE Research



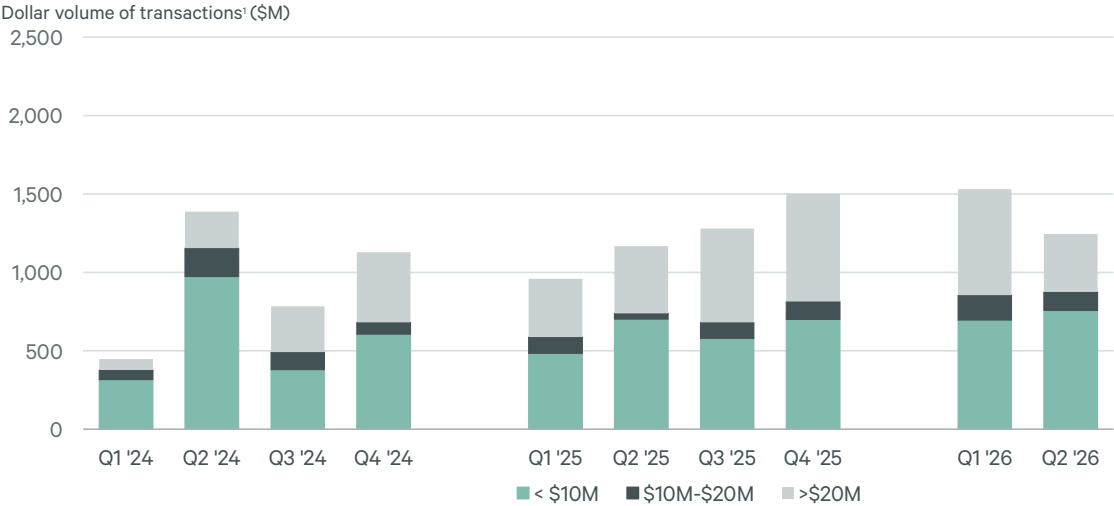
Affordability dictating pace of the market



Highlights

- First-half volume reached \$2.78 billion on 763 transactions and 12,226 units. H1 2026 represents 57% of the \$4.91 billion that made 2025 a record.
- Deal count and dollar volume tell different stories. Transactions above \$20 million are a fraction of the sub-\$10 million segment by count. Contrastingly, as Figure 1 shows, those few trades carry their weight in terms of dollar volume.
- Rental fundamentals held outside new construction. The average two-bedroom rent rose 14% year-over-year in 2025 to \$1,346, while vacancy climbed to 2.9%, above the 2.4% five-year average but still low by historical standards. Downtown remains the exception, absorbing new supply slowly. In H1 2026, asking rents have softened, down 4.3% year-over-year across the CMA (Figure 5).
- Immigration, Refugees and Citizenship Canada² has signalled slower growth in its 2025-2027 Immigration Levels Plan. Net non-permanent residents were negative from Q4 2025 through Q1 2026 before turning slightly positive in Q2 2026, and international migration is recovering from its lows. As new supply is delivered, vacancy is still expected to rise in CMHC’s 2026 survey, though easing may be more gradual.

FIGURE 1: Quarterly dollar volume by price band, 2024-H1 2026



Sources: Altus, CBRE Research, 2026.

1. Analysis is inclusive of transactions of \$1 million and more.

2. <https://www.canada.ca/en/immigration-refugees-citizenship/news/2024/10/20252027-immigration-levels-plan.html>

Momentum is real, and fundamentals set the ceiling

Montréal's apartment market posted \$2.78 billion in volume through the first half of 2026, a 30.5% increase year-over-year. Deal counts rose 16.1% to 763. At that pace, Figure 2 projects just under 1,600 transactions for the full year, surpassing 2025. That activity has pushed outward into Montréal's East End, the North Shore and the South Shore, where older low-rise stock was heavily absorbed by private investors. South Shore volume rose 169% year-over-year in the first half, from \$186 million to \$501 million. These are the same submarkets that set the 2025 records, working through the same supply of aged product. Buyers reach for yield and lower per-door pricing outside the core which coincides with trends seen with tenants in the leasing market. Downtown volume doubled versus H1 2025 but still trails Midtown and the South Shore, and larger investors appear to be underwriting in-place cash flow rather than value-add repositioning. New construction faces the hardest test, competing for tenants against rival lease-ups and against cheaper aged inventory. Institutions have moved cautiously. Activity in the above-\$20 million band is uneven, but appetite for deals of this size persists even as the vast majority of trades fall below \$10 million. For example, a 230-unit transaction at 240 Notre-Dame Street in Old Montréal, closed by a European family office, exemplifies this pattern as a weak Canadian dollar discounts local assets 25%-30% for offshore buyers and the heritage-constrained Old Montreal offers scarcity that new construction cannot erode. That is a currency discount at work and not reflective of investment trend for the above \$20 million band.

Four tests for the second half of 2026

Four factors will decide whether first-half momentum holds: vacancy, financing, operating costs and population growth. Vacancy is rising in several submarkets, so the 2026 CMHC survey (typically released in late October) will test how much of first-half pricing was earned; vacancy already reached 2.9% in 2025, above the 2.4% five-year average. Financing still constrains deals above \$10 million, and with the five-year yield back at 3.06% (at the time of writing), a further policy-rate cut would do more for the costlier bands than another quarter of stable cap rates. New CMHC expense benchmarks (effective June 8, 2026) will also trim underwritten NOI. Lastly, demographic momentum needs to rebuild to support the local economy and absorption on the leasing side. Net non-permanent residents turned slightly positive in Q2 2026 after two negative quarters, but the recovery is too modest for population growth to do that on its own.

FIGURE 2: Quarterly transaction count by price band, 2024-2026 (Q3 & Q4 2026 forecasted)

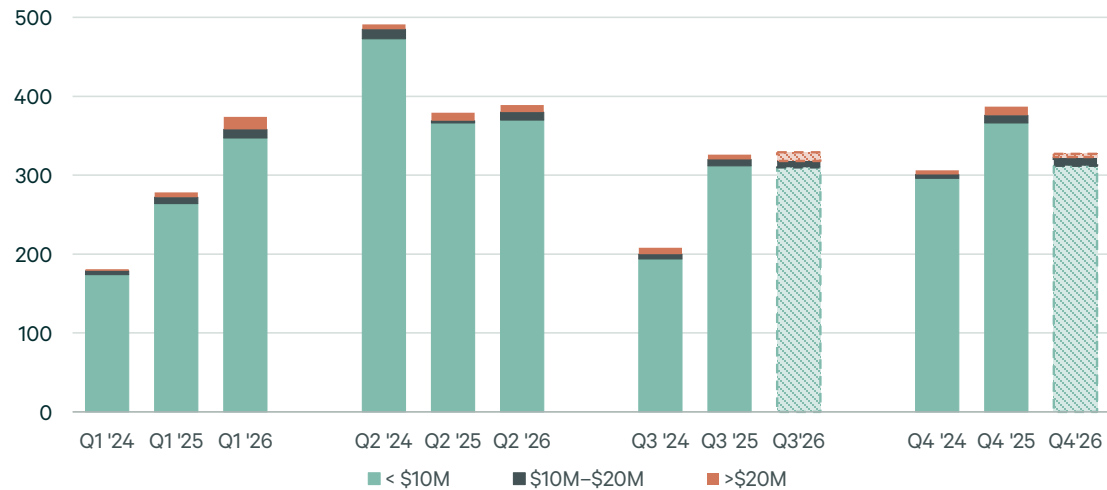
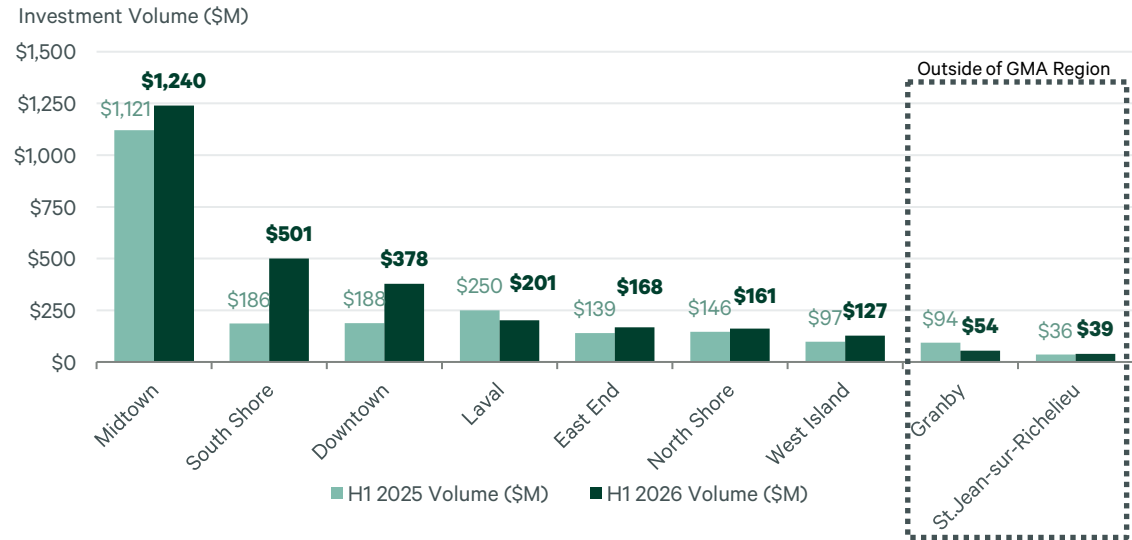


FIGURE 3: Apartment investment volume by submarket, H1 2025 vs H1 2026



Sources: CBRE Research, Altus Data Studio, 2026.

FIGURE 4: Submarket statistics, 2025 for vacancy & H1 2026 for transactional data

Submarket	Vacancy	Number of Transactions	Units Sold	Dollar Volume (\$M)
Downtown	6.4% ▲	31	1,642	\$378
East End	1.2% ▲	94	819	\$168
Midtown	3.7% ▲	407	5,387	\$1,240
West Island	3.5% ▲	18	582	\$127
Laval	3.0% ▲	47	860	\$201
North Shore	3.0% ▲	52	779	\$161
South Shore	1.8% ▲	114	2,157	\$501
GMA	2.9% ▲	763	12,226	\$2,776
Outside of GMA Region				
Saint-Jean-sur-Richelieu	0.6% -	19	182	\$39
Granby	2.1% ▲	16	276	\$54

Sources: CMHC, Altus, CBRE Research, 2025. ▲ higher vacancy vs. 2024; - little or no change.

Building age decides where rent sits

Figure 5 sets out the gap between in-place and asking rents. Montréal averages \$1,291 for sitting tenants against roughly \$1,611 on the open market, a spread near 25% that reflects Québec's tenant protections. The CMHC in-place figure runs low because it measures rent paid across every building age, whereas asking rent reads current pricing. The old- and new-build columns show what turnover achieves by vintage.

New build rents run roughly 47% above old build, \$1,685 against \$1,145. Building age remains the clearest determinant of where an asset sits in the range, and nothing in H1 2026 leasing has narrowed the gap.

Momentum split between geography and demography

Downtown carries both ends of the adjustment. Ville-Marie holds the newest and priciest supply while posting the highest vacancy in the GMA at 6.4%. Asking rents there have fallen 6.4% year-over-year as purpose-built rental competes directly against individually rented condominium units, and the softening has carried into 2026.

Affordability is the binding constraint

Vacancy is tightest where in-place rents are lowest, which confirms that tenants prioritize affordability over quality. The Tribunal administratif du logement set a record suggested increase of 5.9% in 2025, the highest in roughly three decades, but turnover drives more of the cost: renewing tenants absorbed increases near 6% while units that changed hands jumped 17.2%. Growth of that kind comes from units changing hands rather than from organic strength, and as the gap between in-place and asking rent closes, so does the upside a landlord can capture.

Free-rent packages have moved from optional to necessary on new construction, most visibly Downtown and now across the GMA. Rising construction costs mean new supply arrives at rents most households cannot pay, which leaves the segment tenants want undersupplied. That is the constraint pushing capital into aged product, and it has not loosened in 2026.

FIGURE 5: In-place and asking rent by area, vintage and year-over-year change

Area	In-Place Rent (CMHC)	Old build	Asking Rent	New build	Asking YoY %
Montréal (CMA)	\$1,291	\$1,145	\$1,611	\$1,685	-4.3%
Ville-Marie (Downtown)	\$1,668	\$1,782	\$2,196	\$2,338	-6.4%
Plateau-Mont-Royal	\$1,433	\$1,547	\$1,888	\$1,972	-4.1%
Le Sud-Ouest / Verdun	\$1,331	\$1,449	\$2,064	\$2,251	-5.2%
Côte-des-Neiges / NDG	\$1,289	\$1,382	\$1,943	\$2,048	-3.8%
Saint-Laurent	\$1,270	\$1,368	\$1,871	\$1,983	-4.1%
Dorval	\$1,137	\$1,229	\$1,836	\$2,118	+0.5%
Lachine / LaSalle	\$1,211	\$1,304	\$1,877	\$2,016	-2.6%
Pointe-Claire	\$1,636	\$1,420	\$1,979	\$2,137	-4.5%
Dollard-des-Ormeaux	\$1,334	\$1,441	\$1,798	\$1,944	-1.9%
Anjou / Saint-Léonard	\$1,090	\$1,163	\$1,641	\$1,748	-1.4%
Pointe-aux-Trembles / Mtl-Est	\$1,295	\$1,374	\$1,538	\$1,699	-0.8%
Montréal-Nord	\$1,150	\$1,218	\$1,462	\$1,627	-1.2%
Laval	\$1,314	\$1,425	\$1,921	\$2,136	+1.0%
Saint-Jérôme / Mirabel	\$1,050	\$1,132	\$1,657	\$1,883	+4.7%
Longueuil	\$1,236	\$1,319	\$1,638	\$1,950	-5.4%
Brossard	\$1,300	\$1,391	\$1,947	\$2,095	-4.9%
Granby	\$1,050	\$1,124	\$1,382	\$1,534	+0.7%
Saint-Jean-sur-Richelieu	\$1,062	\$1,147	\$1,508	\$1,742	-1.6%

Sources: CMHC Rental Market Survey, 2025; Zumper, rentals.ca and REALTOR.ca listings, 2026.

In-Place = CMHC Rental Market Survey, two-bedroom average (Oct 2025). Old / new build = market rent by construction vintage, modelled from the CMHC vintage structure and current two-bedroom listings. Asking = net effective listed rent. Asking YoY = year-over-year change in asking rent, estimated where no submarket series is published.

Wide spreads keep pricing steady

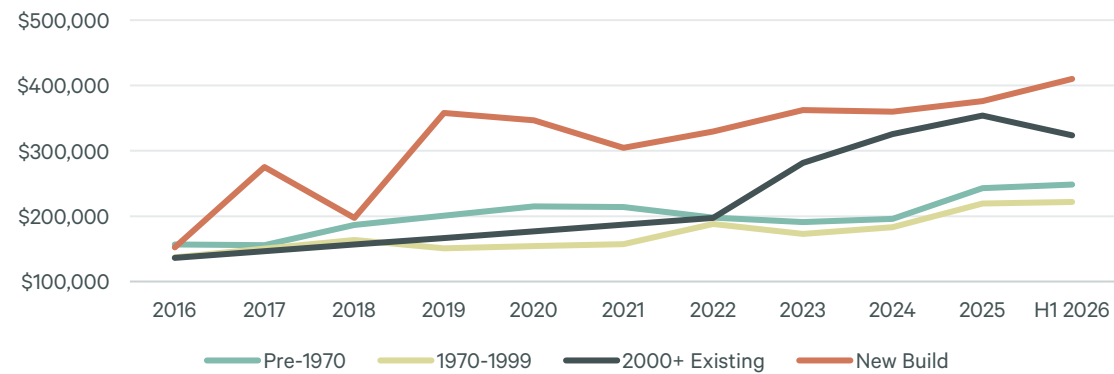
Cap rates have barely moved through the first half of 2026. High-Rise A sits at 4.5% and Low-Rise A at 4.63%, within a few basis points (bps) of where they held for most of 2025. Figure 7 explains why capital keeps seeing Montréal as an attractive market. The Government of Canada’s five-year yield fell from 4.25% in Q3 2023 to roughly 3.0%, while cap rates held. The spread over risk-free debt widened from about 25 bps at the 2023 yield peak to roughly 150 bps in Q2 2026. That spread, not rent growth, restored workable underwriting because Montréal is being seen as a haven for investment amidst global uncertainty. Montréal cap rates also sit 50-100 bps above Toronto and Vancouver with a genuine spread over current bond yields, and many first-half closings were underwritten two to four months earlier on 2025 assumptions.

New builds hold their value

Price per door is diverging by vintage. As earlier figures show, most transaction activity is in older vintages. Despite scarce deal activity in the New Build category, the value per unit has shown remarkable growth. This building category will mainly cater to the above \$20 million price band, and the main takeaway is that even if deals are scarce, the properties are maintaining attractive value. There are two examples, one from 2025 and another from 2026 that are emblematic of this fact. In 2025, a 541-suite new-build portfolio in Laval sold for roughly \$460,000 per suite at a 4.5% going-in cap rate, representing 16% of Laval’s 2025 annual volume. In 2026, Mondev sold the Laurence apartments, a 230-unit mixed-use property for \$135 million at a price per unit of \$581,215. Both sit well above the New Build average and reinforce that the market is willing to execute for the right property.

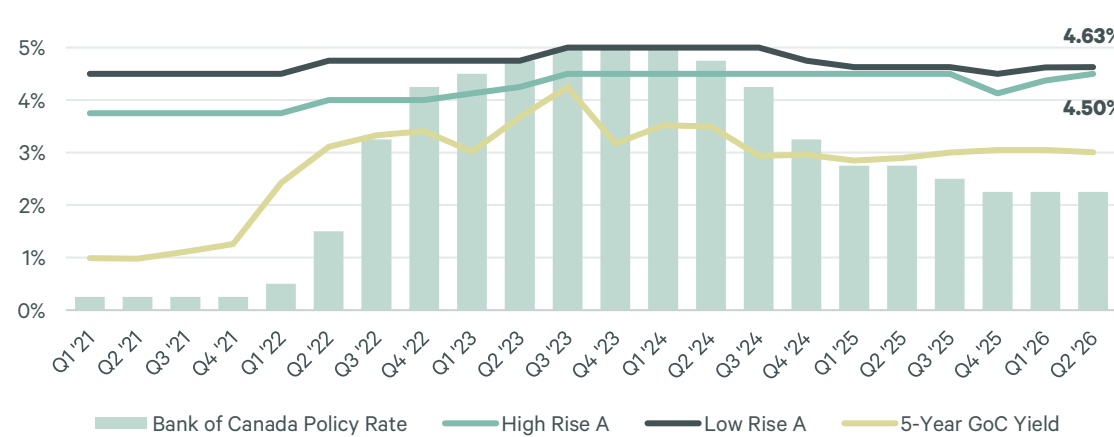


FIGURE 6: Buildings with 12+ units, average price per door, 2016-H1 2026 (\$)



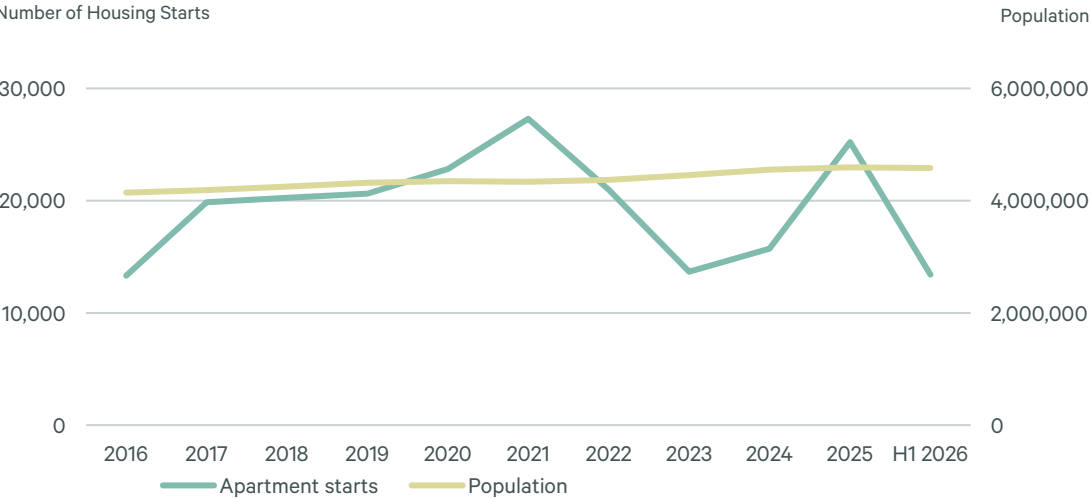
Sources: CBRE Research, Altus, 2026.
New build is defined as a development delivered within five years of the sales year.

FIGURE 7: Cap rates, policy rate and five-year GoC yield by quarter, Q1 2021-Q2 2026



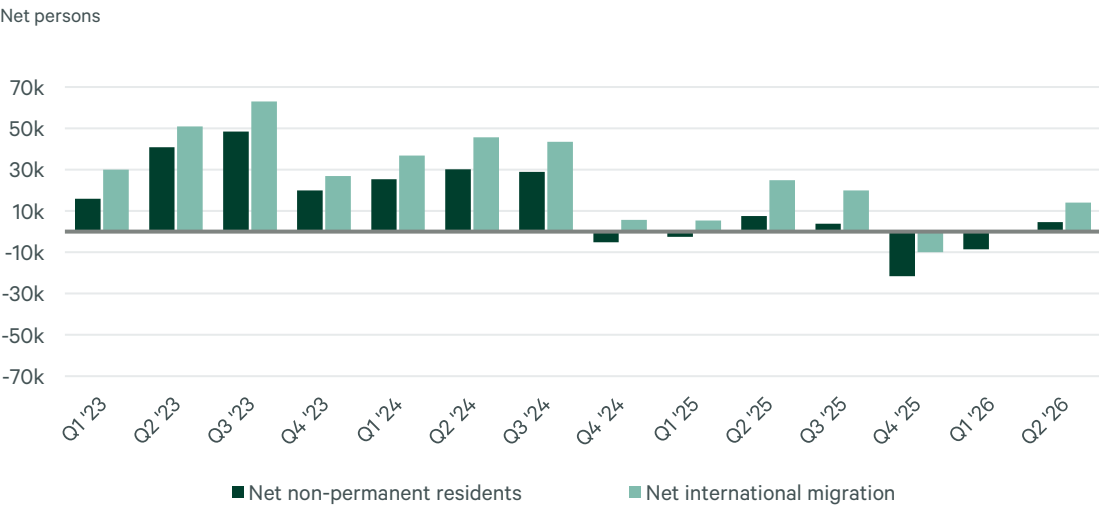
Sources: CBRE Cap Rate & Investment Insights, Bank of Canada, Q2 2026.

FIGURE 8: New construction projects and population, 2016-H1 2026



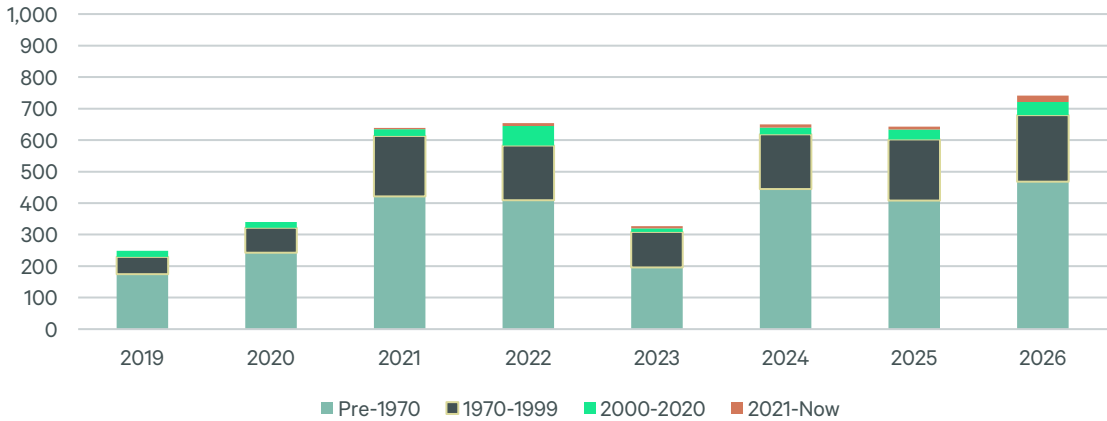
Sources: CBRE Research, CMHC, Oxford Economics, 2026.

FIGURE 9: Net non-permanent residents and net international migration by quarter, Quebec



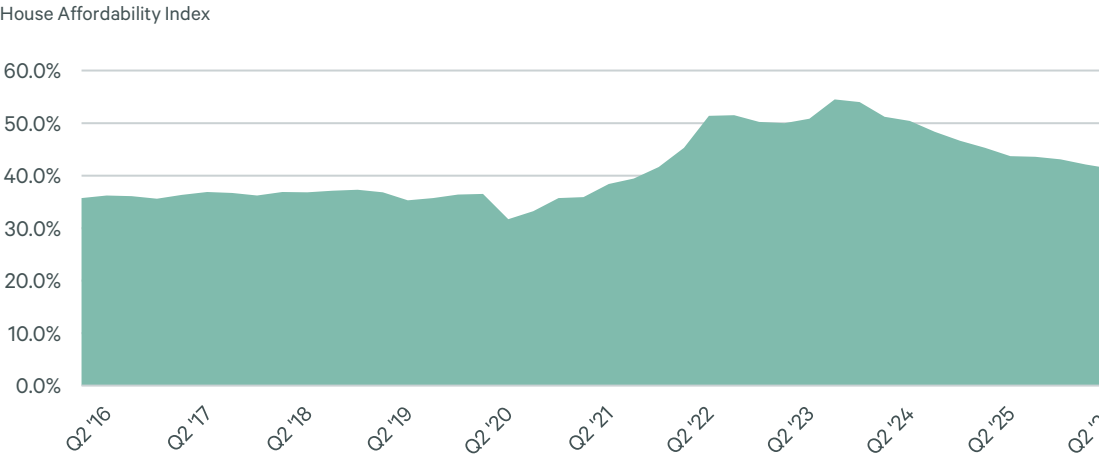
Source: Statistics Canada Q2 2026.

FIGURE 10: Transaction count by age, first half figures: H1 2019-H1 2026



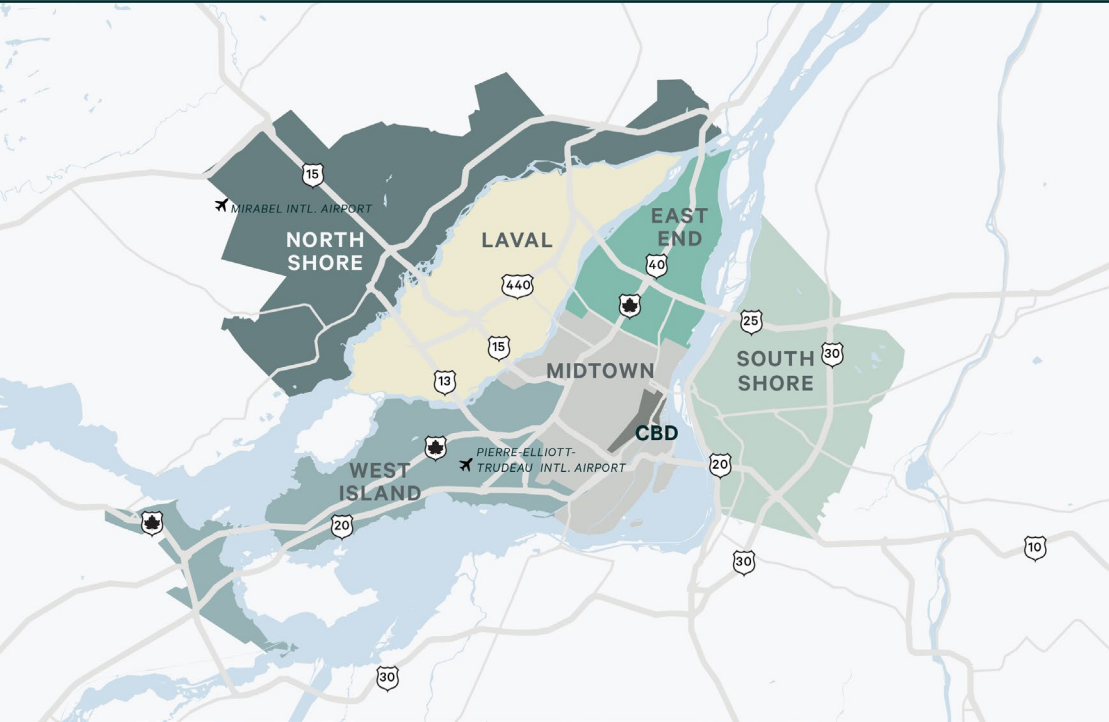
Categories reflect building construction year.
Source: CBRE Research, 2026.

FIGURE 11: Homeowner affordability index, 2016-H1 2026



Sources: CBRE Research, Bank of Canada, CMHC, 2026.

Submarket Boundaries



Definitions

Age category:

- **Pre-1970:** For buildings built before 1971.
- **1971-1999:** For buildings built between 1971 and 1999.
- **2000+:** For buildings built after 1999 that do not overlap with the New Build category.
- **New Build:** Properties constructed within five years.

Housing affordability index: The measure is a ratio of housing-related costs (mortgage payments and utility fees) to average household disposable income.

Survey criteria

CBRE's market report covers apartment buildings of eight or more units, priced at \$1 million or more, across the GMA, using in-house research and third-party data.

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