Canada's Multifamily Market Masks Two Distinct Realities

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New forecast finds very different paths ahead for high-end and more affordable units

ARLINGTON, Va.--(BUSINESS WIRE)--Aug. 31, 2026-- Canada's multifamily vacancy rate is expected to begin trending down in the second half of 2027 as improving absorption outpaces a moderating pace of new deliveries, according to a new forecast from CoStar Group, the leading global provider of online real estate marketplaces, information and analytics in the property markets.

The national multifamily vacancy rate has risen from barely 2% in 2022 to 4.75% today, as net deliveries – which have averaged a consistent 8,000 units per quarter since 2023, roughly double the pace of the five years before the pandemic – have outpaced net absorption despite strong population growth. That national figure, however, masks two very different stories. The vacancy rate for low-end (affordable) units sits at just 3% today, while the rate for higher-end units has jumped from about 7% in 2022 to roughly 15% today, since most new units delivered in recent years have skewed toward the high end.

"When people talk about a shortage of homes in Canada, they are almost always talking about a shortage of affordable homes – there is no shortage of luxury units available," said **Mario Lefebvre, Chief Economist for Canada at CoStar Group**.

CoStar's new forecast calls for net absorption to begin rising at the end of 2026 – one quarter earlier than in the firm's previous forecast – a trend that may seem surprising given Canada's declining population but is attributable to pent-up demand and declining rent.

"The balance of risks in this forecast remains tilted to the downside," **Lefebvre** said. "Trade and tariff uncertainty, higher fuel costs, and a declining population could further weigh on the economy and alter expected absorption results. Over the longer term, equilibrium will be restored in the multifamily sector, though the timing will be heavily influenced by future decisions on immigration targets."

The full forecast can be found here.

About CoStar Group
CoStar Group (NASDAQ: CSGP) is a global leader in commercial real estate information, analytics, online marketplaces, and 3D digital twin technology. Founded in 1986, CoStar Group is dedicated to digitizing the world's real estate, empowering all people to discover properties, insights, and connections that improve their businesses and lives.

CoStar Group's major brands include CoStar, a leading global provider of commercial real estate data, analytics, and news; LoopNet, the most trafficked commercial real estate marketplace; Apartments.com, the leading platform for apartment rentals; Homes.com, the fastest-growing residential real estate marketplace; and Domain, one of Australia's leading property marketplaces. CoStar Group's industry-leading brands also include Matterport, a leading spatial data company whose platform turns buildings into data to make every space more valuable and accessible; STR, a global leader in hospitality data and benchmarking; Zonda, a leading provider of data, analytics, software, and marketplace solutions for the residential construction industry; Ten-X, an online platform for commercial real estate auctions and negotiated bids; and OnTheMarket, a leading residential property portal in the United Kingdom.

CoStar Group's websites attracted over 118 million average monthly unique visitors in the second quarter of 2026, serving clients around the world. Headquartered in Arlington, Virginia, CoStar Group is committed to transforming the real estate industry through innovative technology and comprehensive market intelligence. From time to time, we plan to utilize our corporate website as a channel of distribution for material company information. For more information, visit CoStarGroup.com.

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