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'Patient and selective': How smart money survived the multifamily market in 2025

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Brokerage and buy-side pros share the successes and challenges of last year's market



Canada’s multifamily market entered 2025 following a prolonged period of uncertainty, ultimately emerging with clearer pricing, renewed – if selective – investor activity and a sharp focus on assets offering embedded rental upside.

While softer rents and new supply tempered enthusiasm in some segments, the year ultimately rewarded disciplined buyers who stayed patient and targeted the right fundamentals.

Green Street News spoke with market experts to hear their takes on what went right, and wrong, in last year’s market, and where investors are seeing the greatest opportunities.

Transaction activity rebounds

The year may have had a slower start to sales on a relative scale, but as the months went on, activity began picking up with deals being completed.

“We had a lot of momentum building in 2024, and that accelerated activity in 2025,” said Venkat Ramadoss, director on CBRE’s capital markets national investment team. “From a volume perspective, we did around $1bn in 2025, which is 3.5 times the volume in 2024.”

Daniel Sparre, vice president with JLL’s capital markets and Ontario multifamily team, similarly saw a years-high level of activity.

“Deals are starting to get done, and we’re on pace [for 2025] to have the highest transaction volume since 2022, which is a pretty good sign,” he said.

JLL and CBRE handled two of the largest multifamily transactions in the Greater Toronto Area last year: Lankin Investments’ purchase of 2, 4 and 6 Silver Maple Court in Brampton. Canada Post Pension Plan sold 2 and 4 Silver Maple, marketed by CBRE, in May for $132m, and GWL Realty Advisors sold 6 Silver Maple, marketed by JLL, in December for $115m.

Some of the year’s activity was spurred by large investment firms wrapping up close-ended funds that were created pre-pandemic. Hazelview Investments was one such firm, offloading properties from Toronto to Ottawa to Saskatoon and Edmonton.

The increase in transactions, Ramadoss said, offered more clarity around capitalization rates.

“This is the year which gave the market more data points on cap rates,” he said. “Most transactions we did were in the mid- to high-4s cap rate, and it is not a mystery anymore.”

He pointed to the sales of 3045 Queen Frederica Drive in Mississauga, which generated a 4.65% cap rate, and 7110 Darcell Avenue, also in Mississauga, which generated a 4.85% yield. Both were purchased by Lankin.

“I think investors started to see an opportunity to be able to buy at cap rates that had good, healthy spreads in comparison to where rates were, and where they anticipated rates to be going by the end of the year,” Sparre said.

Acquisition discipline

One of those active investors taking advantage of the 2025 market was Equiton, with vice president of investments Ryan Donkers describing the year as “characterized by resilience and disciplined execution across our portfolio.”

The firm entered 2025 having made one of the largest apartment purchases of the year in Toronto near the end of 2024: four properties acquired from Starlight Investments and Blackstone for $130.2m. In 2025, the firm had its eyes set on Western Canada, picking up a few buildings in Edmonton and making its first purchase in British Columbia.

Donkers noted that although activity was picking up, “outside of the trophy assets, the competition was generally scarce,” putting large firms with capital to spend in an advantageous position.

“In 2025, the answer for Equiton was be patient and selective,” Donkers said. “If a property doesn’t make 100% sense for you, you can walk away from it because you can go search and find a deal that is an ideal fit for your portfolio.”

More private buyers

It wasn’t just the investment firms and institutions pushing the multifamily market along in 2025.

“Private buyers are stepping up,” Sparre said, pointing to the sale of a recently built apartment complex in Brantford, Ont., where a private family office shelled out $80m, generating a 4.7% cap rate.

“There is a deep buyer pool of less qualified investors that are more attracted to off-market opportunities rather than a formal bid process at this time,” he noted.

But the influx of private buyers, while good for the market, doesn’t come without challenges.

“Institutions and families have different operating styles, and we are doing a bit of matchmaking,” CBRE’s Ramadoss said. “In the past, institutions were buying from families and we see that reversing in some cases, as families see an opportunity to buy some great properties at fair pricing.”

Softer rents amid new supply

An onslaught of apartment completions – largely condominiums – and tightening of immigration put some downward pressure on rent prices in markets across the country.

In the Greater Toronto Area, for example, roughly 31,000 condos were completed in 2025, according to Urbanation data. By Q3, GTA rent prices were down across all apartment types, the Toronto Regional Real Estate Board said in a report: studios (-5.2%), one-bedrooms (-5.8%), two-bedrooms (-3.6%) and three-bedrooms (-7.1%).

In Vancouver, rents appeared to flatline after years of substantial growth, inching up just 0.8% year over year in Q3, Marcus & Millichap said in a report. In Montréal, rents were up 1.2% annually in Q3, a stark change from the 8.7% increase seen the year prior.

“After a period of outrageous rental growth, we are seeing some softening in the rental market and we expect that to be the case probably into the back half of 2026,” Sparre said.

Ramadoss noted that the increase in supply is also posing challenges for selling buildings in areas of high development activity.

“If a building is surrounded by condos getting delivered with studios and one-bedrooms, then buyers are concerned about the impact on rent growth,” he said.

Upside is golden

With hefty rent increases no longer a ubiquitous part of the playbook, some investors are changing gears.

“Part of the value proposition of buying new purpose-built rental over the past few years has been the lack of rent control, which has enabled operators to reset rents to market every year,” Sparre said, referring to Ontario’s removal of rent control on buildings constructed post-November 2018. “With rents coming off and rental incentives seemingly everywhere, the advantage of ‘no rent control’ has really diminished.”

Instead, interest in older buildings with rent upside potential is growing, offering a chance to increase income in a softer market.

“The most desirable older-vintage buildings in Toronto are those in good locations, some renovation has been done, but not all, and there is still a good amount of gap between in-place and market rents, 40%, 50%, the higher the better, and well-priced in the mid- to high-4% cap rate range,” Ramadoss said. “That will be received well by the market. All of the properties we saw success with pretty much fit that bucket well.”

He highlighted Lankin’s 3045 Queen Frederica Drive purchase and Dream’s purchase of 1577 Lawrence Avenue West in Toronto, sold by Hazelview, as prime examples of these types of buildings.

“For one of our offerings, we had to do three rounds of bids, which we never do,” Ramadoss said. “When a property meets the market’s requirements, it can get very competitive.”

For Equiton, having room to grow rents, coupled with cost-control measures, helped their portfolio not only stay resilient, but increase same-store net operating income by 1.9% year over year as of Q3.

“What served us really well is our apartment fund’s gap to market in our portfolio. It’s hovering around 25-30% so it offers plenty of potential upside to capture,” Equiton’s Donkers said. “We capture that through active management, and we can continue to create value, even when rents are growing more slowly than we’ve seen in the past.”

By Q3, the firm’s apartment fund achieved more than 12% rent growth upon turnover year to date, which translated to approximately $1.6m in additional annual revenue.

Donkers also noted that Equiton found security in its geographic diversification last year with its $45.6m purchase of the 1968-built Mountain Park Residences in Burnaby, B.C. – its first foray into the province.

Equiton had looked into investing in B.C. about three years ago, but at the time, properties were “flying off the shelves,” Donkers said.

“When you fast-forward to 2025, the market conditions have definitely shifted towards the buyer,” he said. “This allowed us to pick up our research from a few years ago and execute on our first B.C. property in Burnaby.”