CUSHMAN & WAKEFIELD

VANTAGE POINT

Canadian Cap Rate & Capital Markets Report

Q1 2026

Real Estate Investment Conditions & Cushman & Wakefield's Perspective on AI

- Cushman & Wakefield's baseline scenario for the Middle East conflict assumes the Hormuz disruption proves temporary, with oil averaging around $90 per barrel in the first half of 2026, before trending back toward $70 as flows normalize. The primary downside risk is a sustained closure, which would keep prices above $100, delay rate cuts and tighten financial conditions materially.
- Commercial real estate (CRE) capital markets are holding their course with transaction activity showing no signs of deceleration. That resilience tracks with history. Geopolitical episodes tend to introduce short-term hesitation rather than cycle interruption, and the underlying drivers of this recovery remain intact: debt markets are liquid, valuations are firming, equity formation is strengthening, and capital continues to pursue assets with clear business plans and durable income streams.
- Recently, Cushman & Wakefield released the first edition of the AI Impact Barometer. This new tool provides our industry with a data-driven platform tracking how one of the biggest economic shifts in generations, the proliferation of artificial intelligence, is influencing CRE market performance in real time.
- Amid rapid improvements with AI technologies the pace of distribution center automation in the industrial market has rapidly accelerated in recent years, Distribution centers built after 2019 generally offer, on average, more than 20% higher electrical power supply per square footage than their predecessors, making these next-gen properties well positioned to benefit from this shift. This is particularly the case for newer properties larger than 500,000 square feet (sf), in which the economies of scale from investing in cutting edge automation are most beneficial. These larger properties are already garnering an outsized acceleration in leasing and occupancy improvements compared to their older and smaller counterparts.
- AI's proliferation appears to be driving a continuation of office market's bifurcation trend. Class B and Class C vacancy rates continue to rise, while Class A absorption rates are notably improving. Across the Americas, the top cities for technology R&D/manufacturing employment concentration are experiencing a particularly rapid decline in Class A space availability.
- These are just a couple of the trends highlighted within the AI Impact Barometer. Additionally, you can dive in and explore the emerging shifts the barometer highlights for economies across the globe, as well as for your target property sectors.

	Q1 2026	Q4 2025	Q1 2025
INTEREST RATES			
Overnight Rate	2.25%	2.25%	2.75%
Benchmark Bond Yield 2-Year	2.82%	2.58%	2.46%
Benchmark Bond Yield 5-Year	3.05%	2.96%	2.61%
Benchmark Bond Yield 10-Year	3.46%	3.42%	2.97%
ECONOMIC INDICATORS			
CPI	2.4%*	2.4%	2.3%
Core CPI	2.0%	2.5%	2.4%
Annual GDP Growth	2.2%**	2.4%	3.3%
Unemployment Rate	6.7%	6.8%	6.8%

Q1 Data Reflective of March 31st

Q4 Data Reflective of December 31st

*Reflective March 2026

** Reflective January 2026

VANTAGE POINT

Investment Sales Volume by Major Market & Asset Type

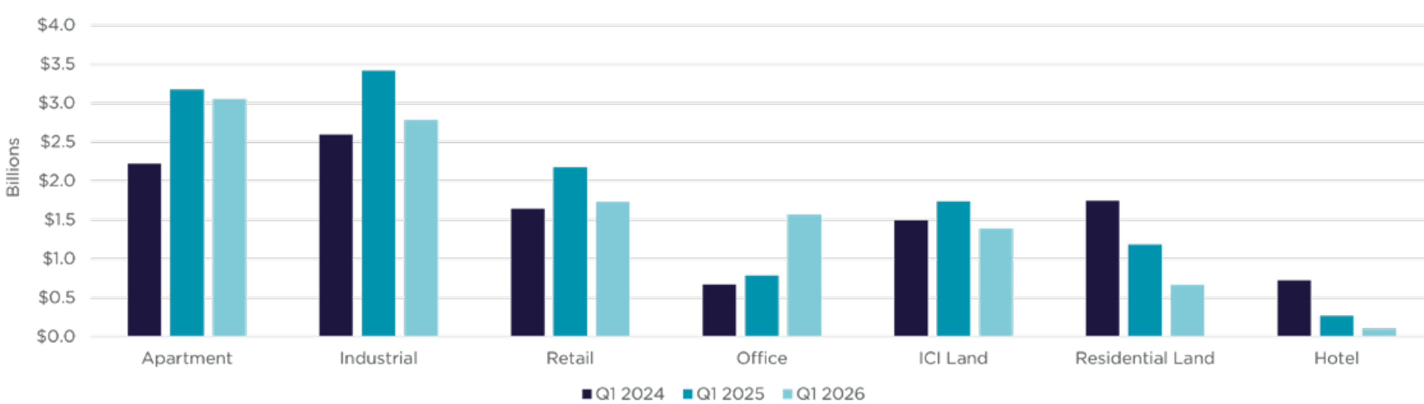
Q1 2026

Sales Volume by Asset Class

Q1 – 2024 to 2026

Investment activity moderated in Q1 2026 following a particularly strong finish to 2025. Total investment volume declined by 29% (or $4.5 billion) compared to Q4 2025, reflecting a normalization in activity after an outsized fourth quarter. Notably, Q4 2025 was driven by several high-profile transactions across multiple asset classes, which significantly elevated overall volume. In particular, the largest multifamily, office, and retail transactions of 2025 all closed in Q4 2025. The top two multifamily transactions, and six of the top 10, were recorded in the fourth quarter of 2025, while the $1.2 billion sale of 658 Homer Street, in Vancouver, BC, marked the most significant office trade in over a decade. Similarly, the $565 million sale of Promenades St-Bruno in Q4 2025, represented the largest retail transaction of the year. The concentration of these major deals in Q4 2025 helped set a high benchmark for comparison heading into 2026. As a result, when viewed against the more typical pace of activity from Q1 to Q3 2025, investment volume in Q1 2026 was more closely aligned with underlying market trends. This is further supported by historical patterns, as the first quarter was consistently the lightest for investment activity in both 2024 and 2025, suggesting a similar seasonal slowdown to start the year.

Q1 YEAR-OVER-YEAR 2024 TO 2026



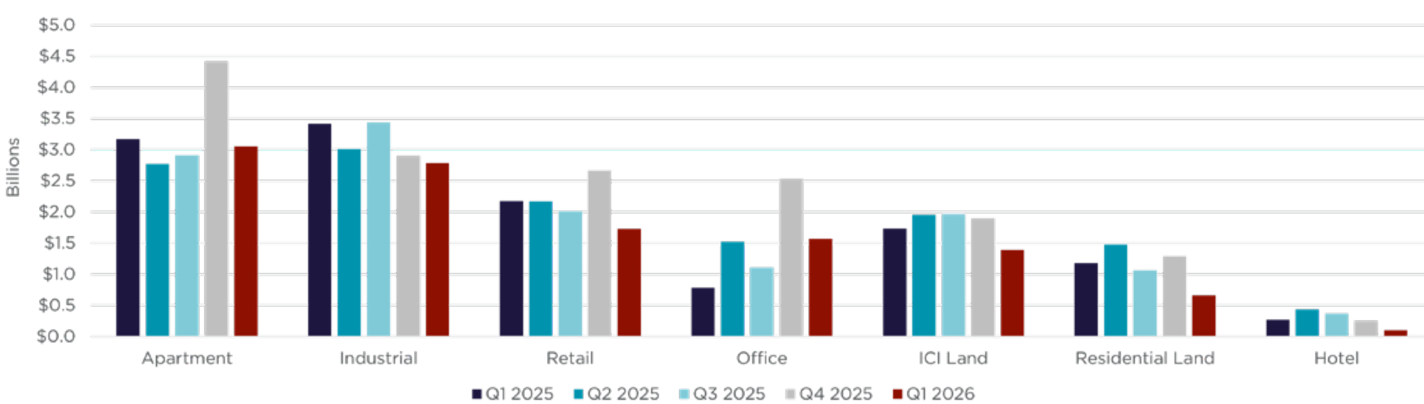
Source: Altus Group & Real Capital Analytics

Quarterly Sales Volume by Asset Class

Q1 2025 - Q1 2026

Multifamily once again emerged as the leading asset class in Q1 2026, recording $3.1 billion in total investment volume. While activity declined by 31% quarter-over-quarter (QOQ), it remained broadly in line with prior quarters, averaging a 3% increase compared to Q1 through Q3 2025. Industrial followed closely with $2.8 billion in total sales volume, demonstrating relative stability with only a modest 4% decline from Q4 2025. Retail continued to demonstrate resilience, maintaining its position as a top-three asset class with $1.7 billion in total investment volume. While activity declined by 35% QOQ, this moderation follows an elevated Q4 2025 that included the $565 million sale of Promenades St-Bruno. Office investment remained active into 2026, totaling $1.6 billion in Q1. Although this represents a 38% decrease from the previous quarter, the elevated Q4 2025 figure was largely driven by the $1.2 billion sale of 658 Homer Street in the final quarter of the year. Excluding this transaction, office activity in Q1 2026 reflected a sustained level of investor engagement, with volumes up 38% on average compared to Q1 through Q3 2025. The land segment, particularly residential land, continued to adjust in response to softer condominium demand and ongoing development headwinds.

Q1 2025 – Q1 2026

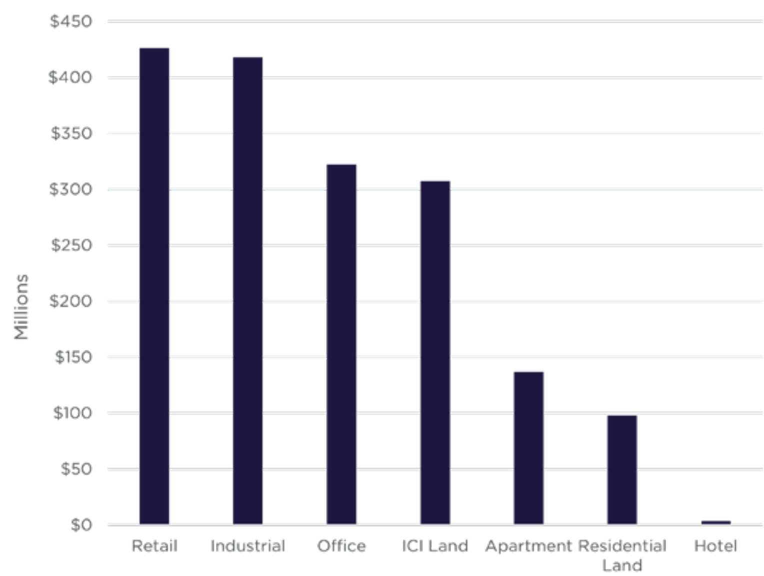


Source: Altus Group & Real Capital Analytics

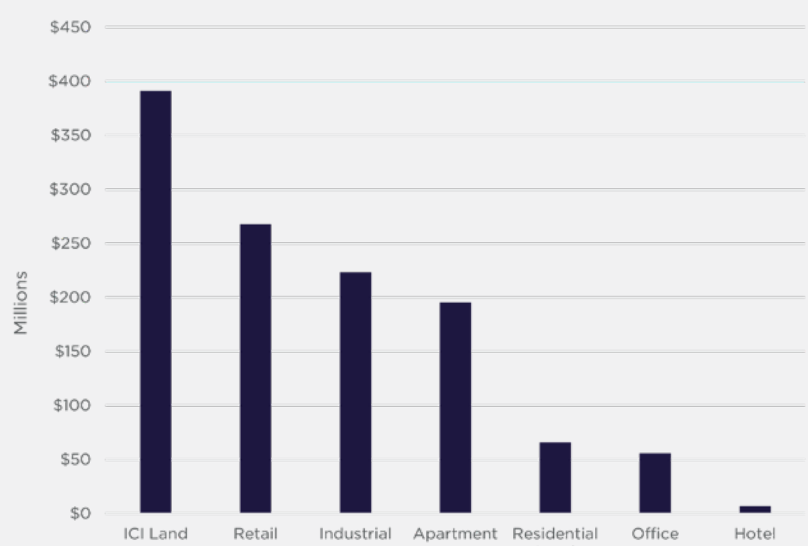
Major Canadian Markets Sales Volume by Asset Type

Q1 2026

VANCOUVER



GREATER GOLDEN HORSESHOE

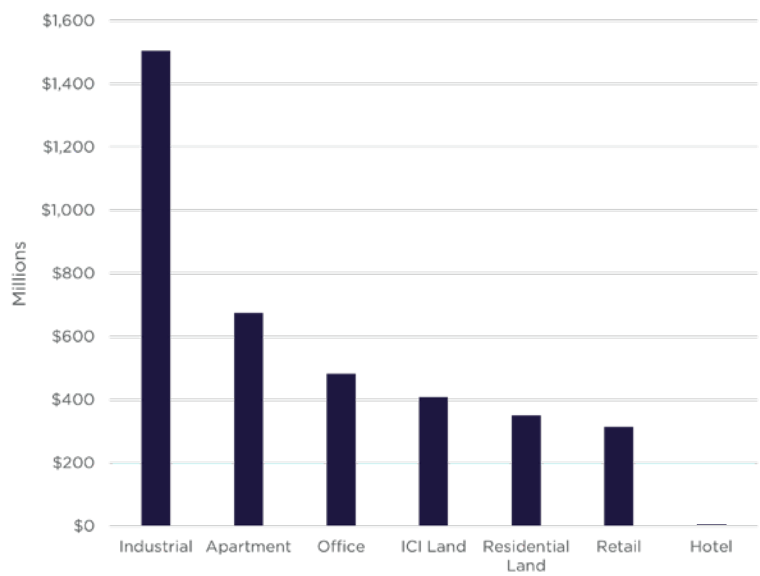


Source: Altus Group

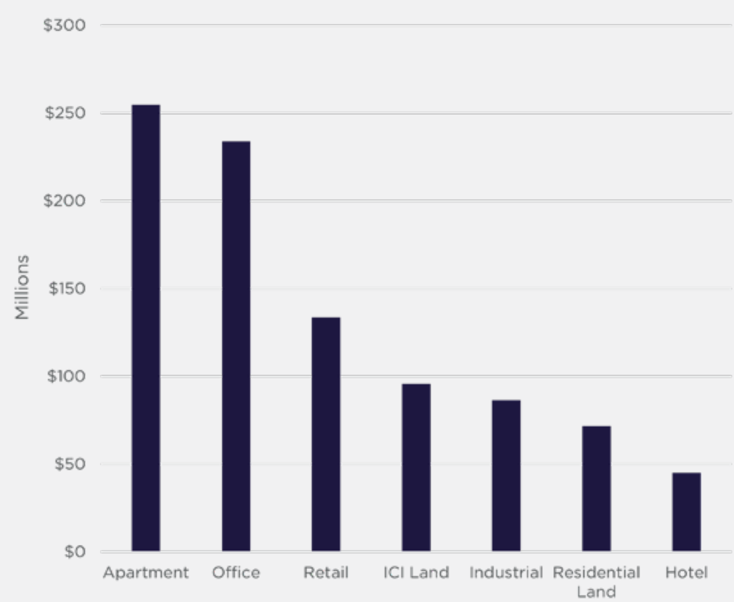
Major Canadian Markets Sales Volume by Asset Type

Q1 2026

TORONTO



OTTAWA

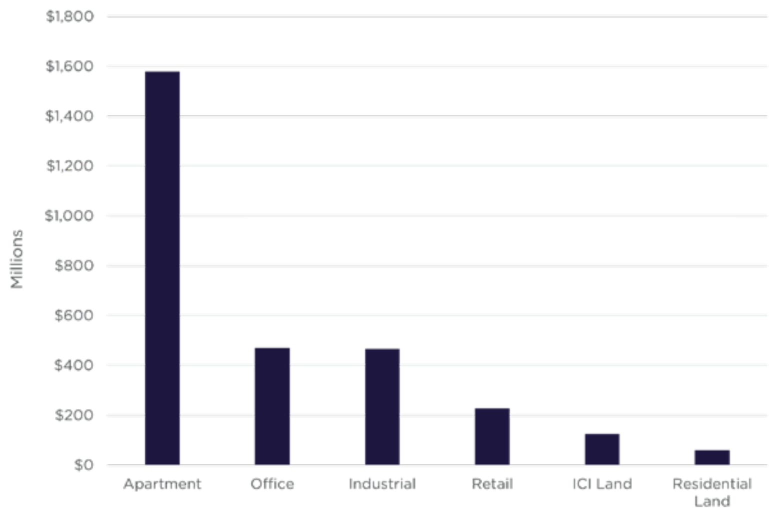


Source: Altus Group

Major Canadian Markets Sales Volume by Asset Type

Q1 2026

MONTREAL



Source: Altus Group

Jump to

- Multifamily
- Industrial
- Retail
- Office
- Land
- Seniors Housing & Health Care
- Hotel
- Cap Rate Summary

VANTAGE POINT

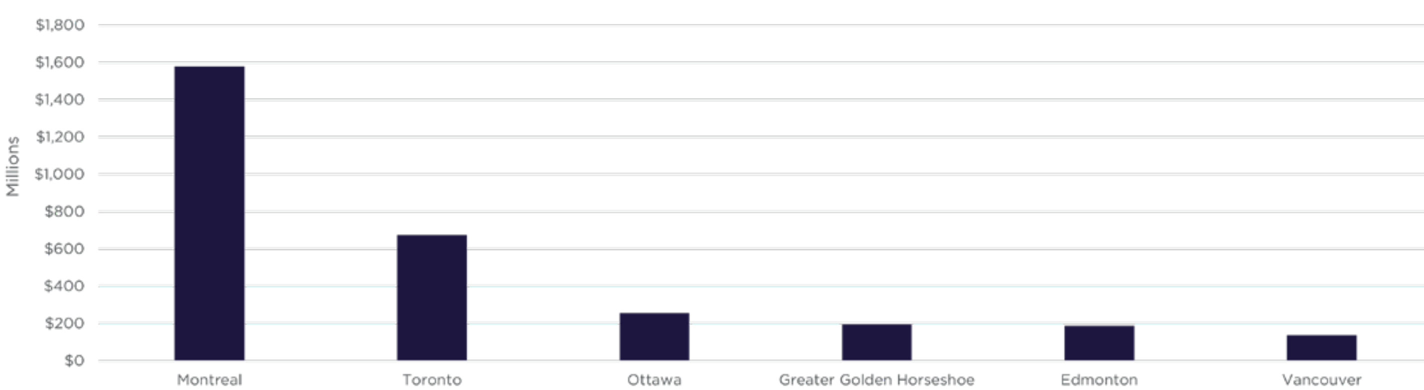
Multifamily Cap Rates & Sales Volume

Q1 2026

Multifamily Sales Volume by Major Market
Q1 2026

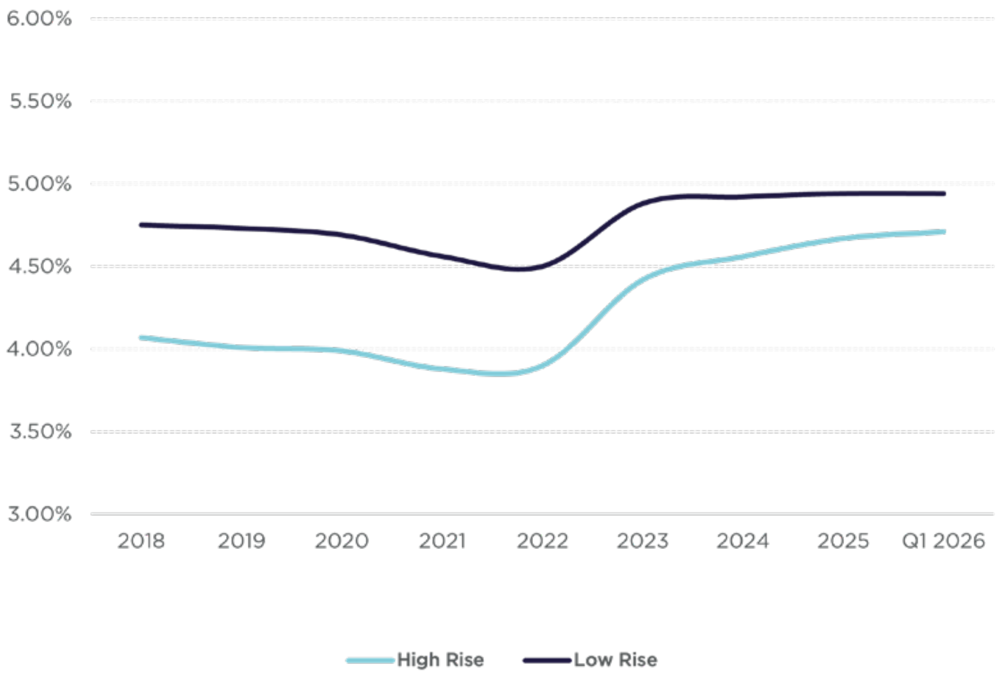
Despite a 31% decrease in market activity QOQ, multifamily emerged as the top-asset class to start 2026, recording $3.1 billion in total investment volume in Q1 2026 or 27% of total Canadian investment volume. While activity declined compared to Q4 2025, it remained broadly in line with prior quarters, averaging a 3% increase compared to Q1 through Q3 2025.

Private buyers remained the most active, accounting for 91% of total multifamily acquisitions in Q1 2026. Montreal led the country in multifamily investment, representing the majority of national volume with 52%, or $1.57 billion. Apartment assets made up over half of all investment activity in that market, with 390 transactions completed in Q1 2026, resulting in an average deal size of $4.1 million, or 19 units. Other major markets recorded significantly larger average deal sizes. Toronto, which posted $675 million in total investment volume, had 48 multifamily transactions, resulting in an average deal size of $14 million.



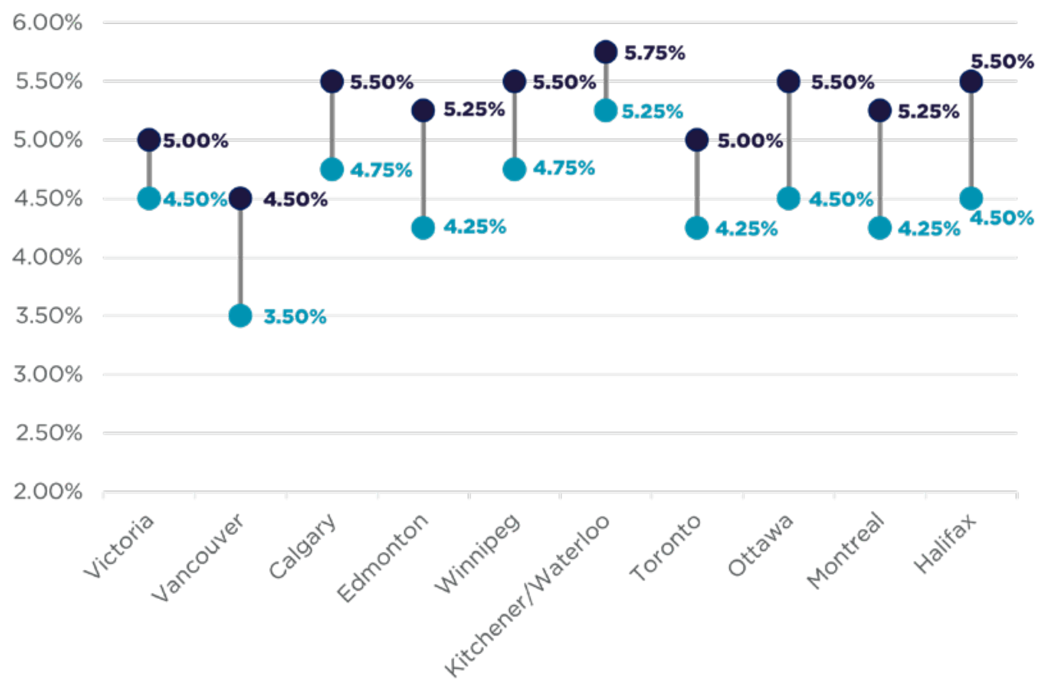
Source: Altus Group & Real Capital Analytics

Historical Multifamily Cap Rates

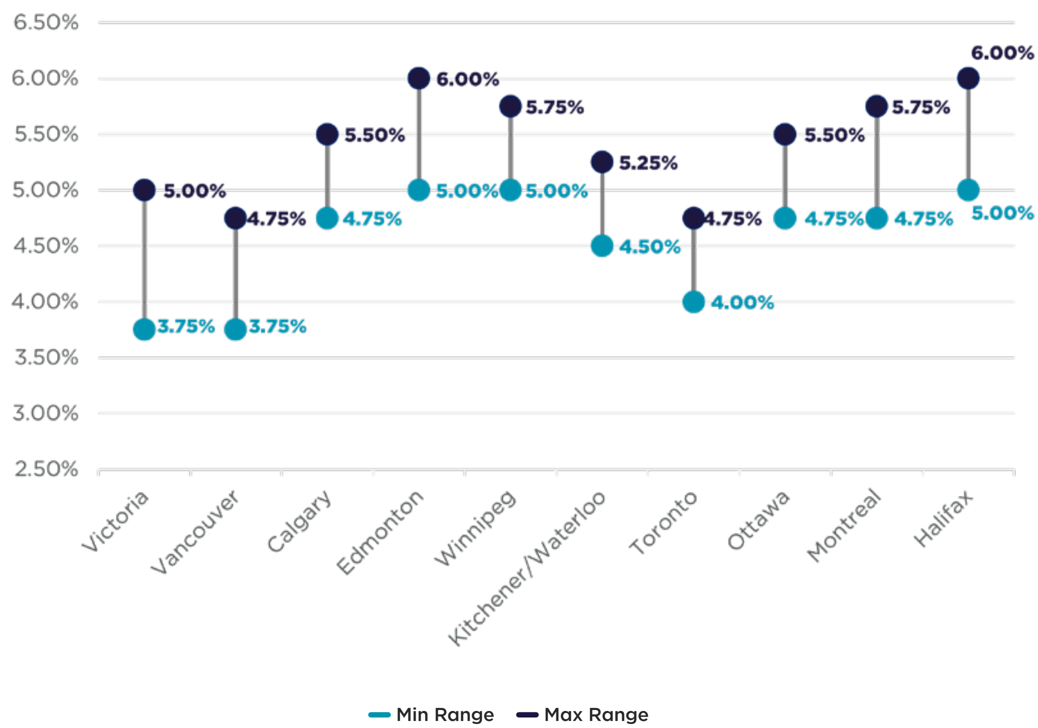


Multifamily Cap Rates

High Rise



Low Rise



VANTAGE POINT

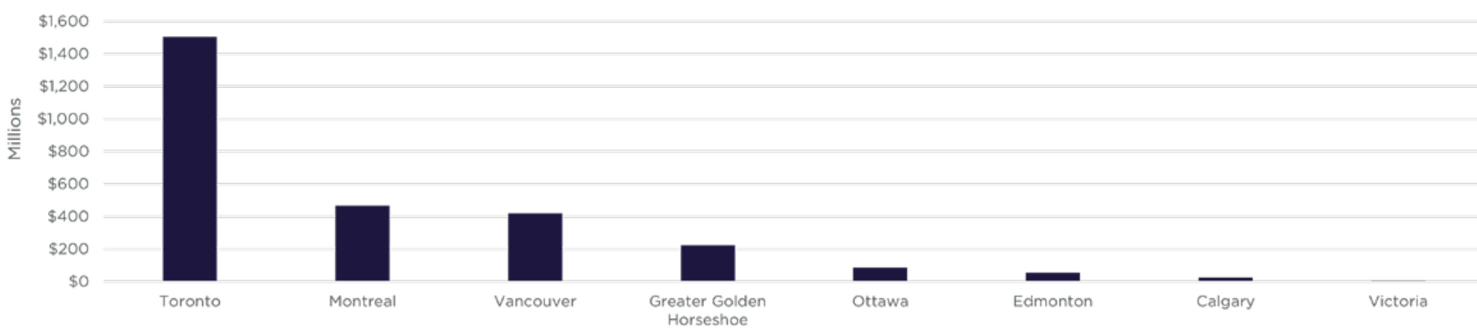
Industrial Cap Rates & Sales Volume

Q1 2026

Industrial Sales Volume by Major Market

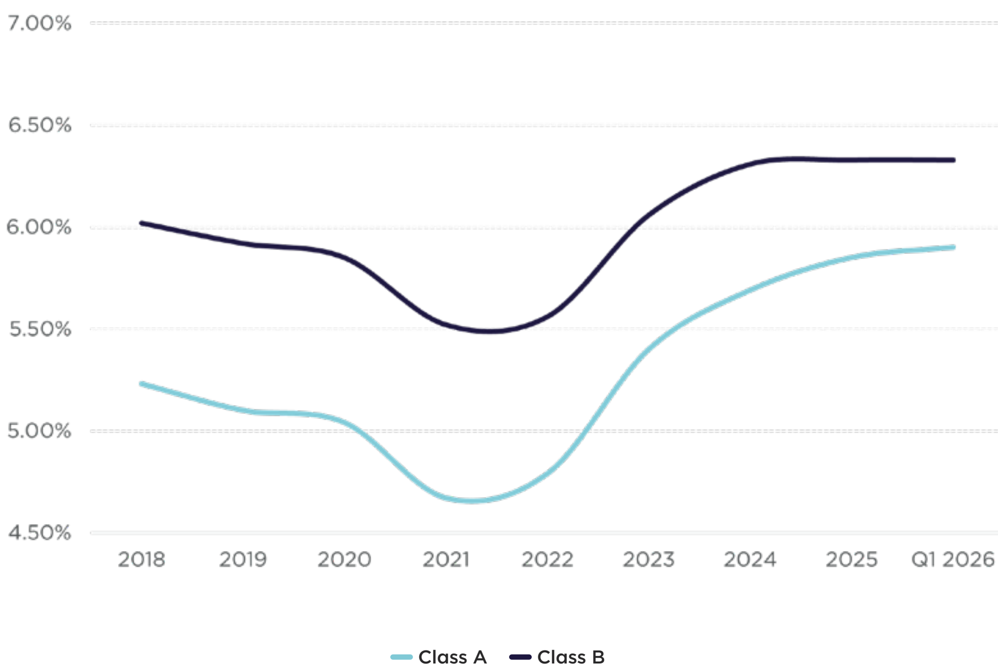
Q1 2026

Continuing to rank among the most active asset classes, the industrial sector remained a key contributor to overall market activity in Q1 2026, recording $2.8 billion in total investment volume and accounting for approximately 25% of overall Canadian market volume. Market fundamentals stabilized to begin the year, with the national industrial vacancy rate holding steady at 5.5% following 14 consecutive quarters of increases. Net absorption moderated relative to the strong activity recorded in the second half of 2025 but remained positive at approximately 496,000 sf. Leasing momentum, however, continued to build, with activity reaching nearly 16.2 million square feet (msf) in Q1 2026, representing the strongest quarterly performance since Q2 2021 and an 11.9% increase QOQ. Demand remained concentrated in smaller-format spaces, although activity in larger blocks also strengthened, contributing to an increase in average deal size. Across major markets, absorption trends were mixed. Vancouver and Toronto combined for more than 1.4 msf of positive absorption, partially offset by continued softening in Montreal. Toronto remained the dominant investment market, accounting for more than half of the national industrial volume in Q1 2026 at 54% of total sector activity. On a rolling 12-month basis, Toronto represented 45% of total industrial volume, followed by Montreal at close to 13%, the Greater Golden Horseshoe at 12%, and Vancouver just shy of 12%. As in prior periods, transaction volume continued to be driven primarily by private investors and user purchasers, with private capital accounting for over half of industrial investment nationally.



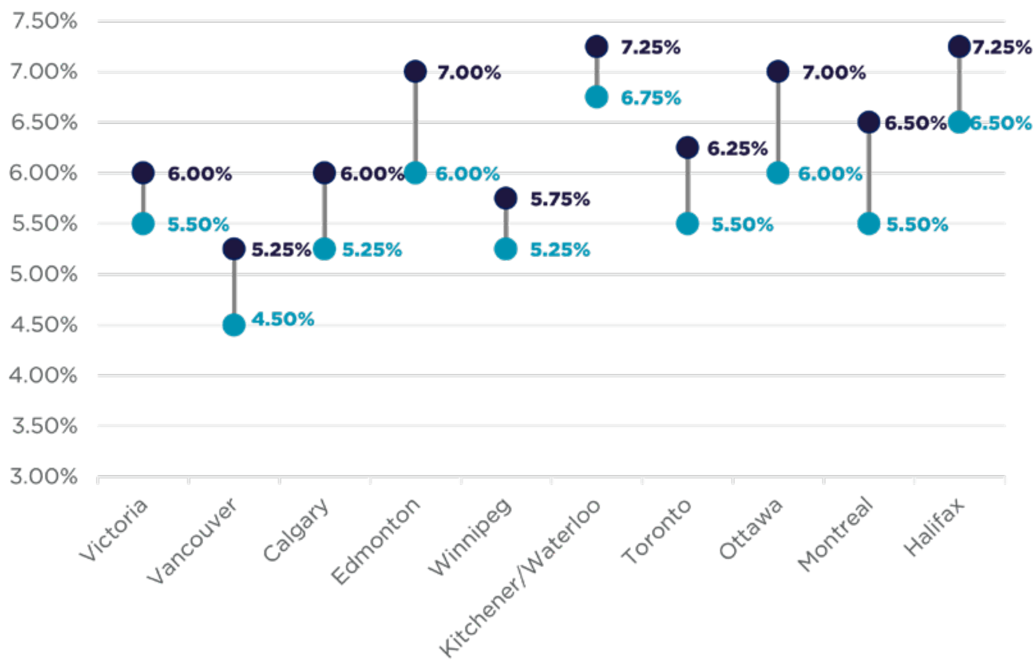
Source: Altus Group & Real Capital Analytics

Historical Industrial Cap Rates

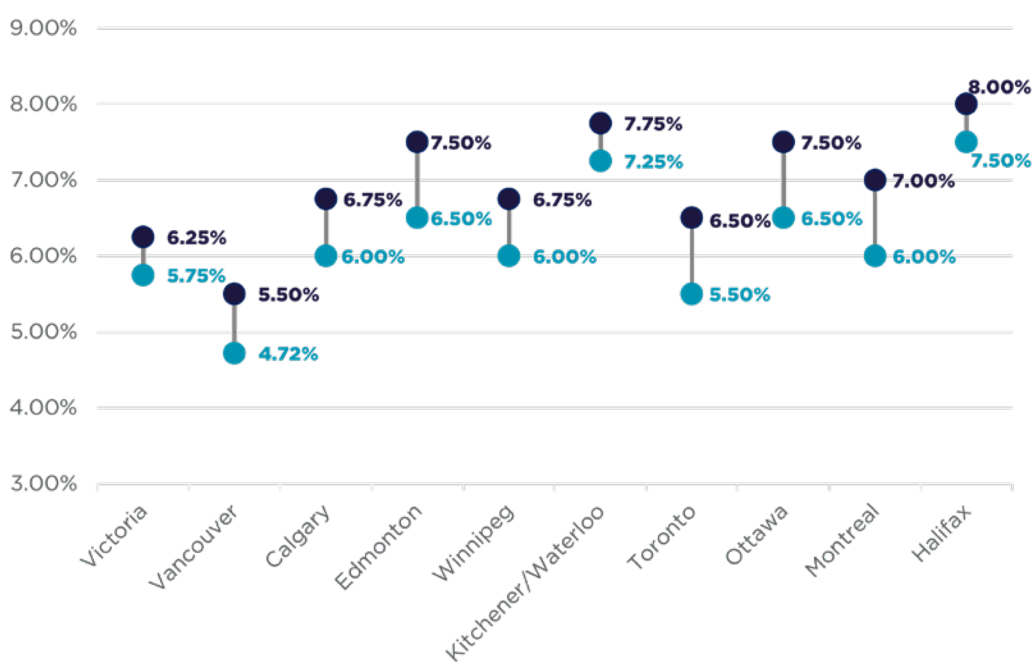


Industrial Cap Rates

Industrial Class A



Industrial Class B



Min Range Max Range

VANTAGE POINT

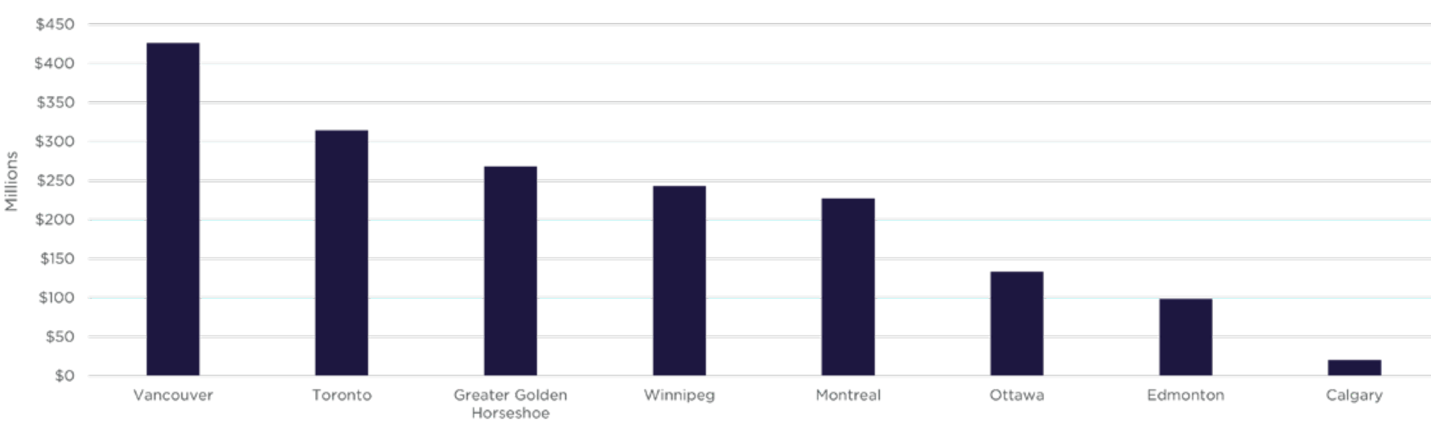
Retail Cap Rates & Sales Volume

Q1 2026

Retail Sales Volume by Major Market

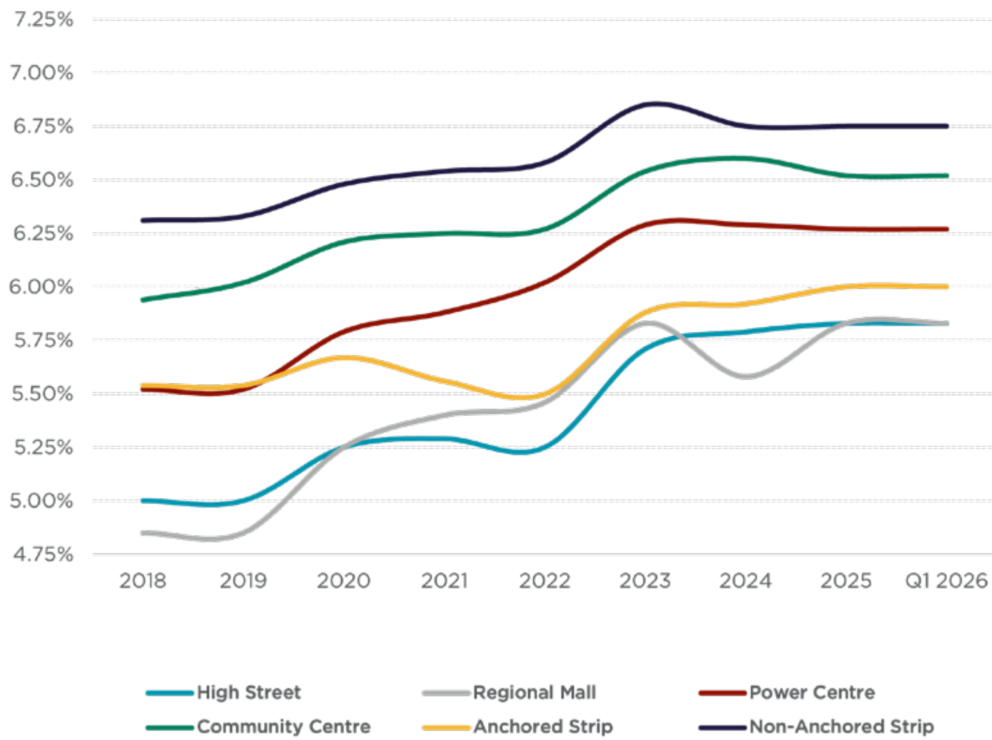
Q1 2026

Continuing to rank among the most active asset classes, the retail sector remained a top-three asset class in Q1 2026, placing third overall, with total investment volume reaching $1.7 billion. While activity declined by 35% QOQ, the elevated Q4 2025 figure was largely driven by the $565 million sale of Promenades St-Bruno, that took place in that quarter, the largest retail transaction of the year. Excluding this transaction, retail activity in Q1 2026 reflected a more consistent level of investor engagement, with volumes more closely aligned with the average quarterly levels recorded between Q1 and Q3 2025. Private investors continued to dominate the purchaser pool, accounting for 66% of all retail investment activity in Q1 2026, up from the 2025 average of 59%. Over the past 12 months, regional shopping centres ranked first in terms of dollar volume, representing 20% of total investment activity at $1.6 billion, highlighted by the sale of St. Vital Centre in Winnipeg to Leyad for $161 million, the largest retail transaction of the quarter. Streetfront assets followed closely, accounting for 19% of volume or $1.5 billion, while free standing assets comprised 14% at $1.1 billion, underscoring continued investor demand across a range of retail formats.



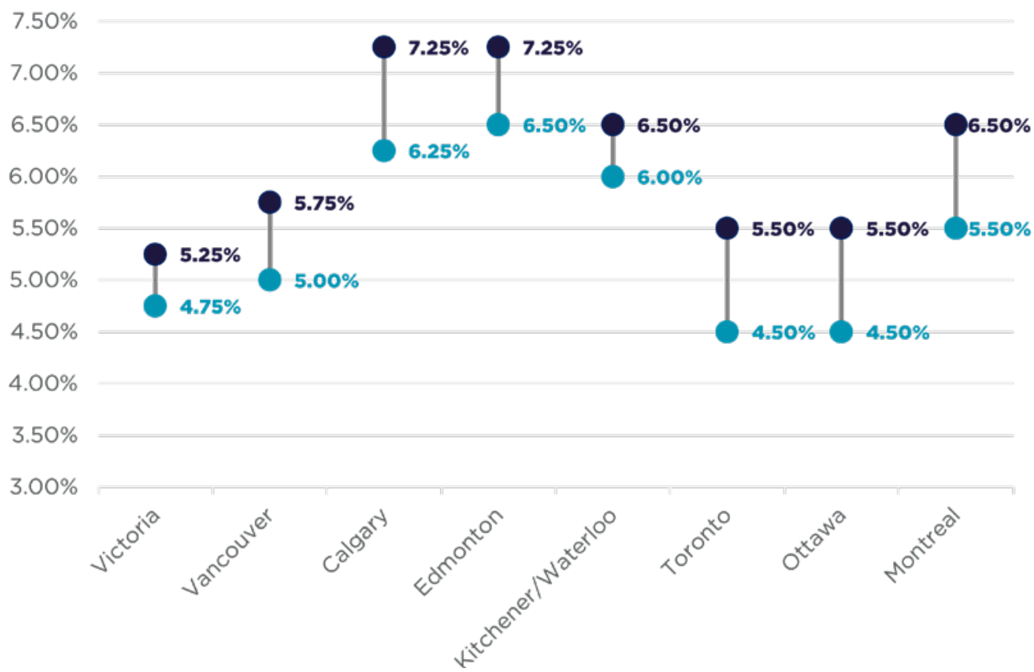
Source: Altus Group & Real Capital Analytics

Historical Retail Cap Rates

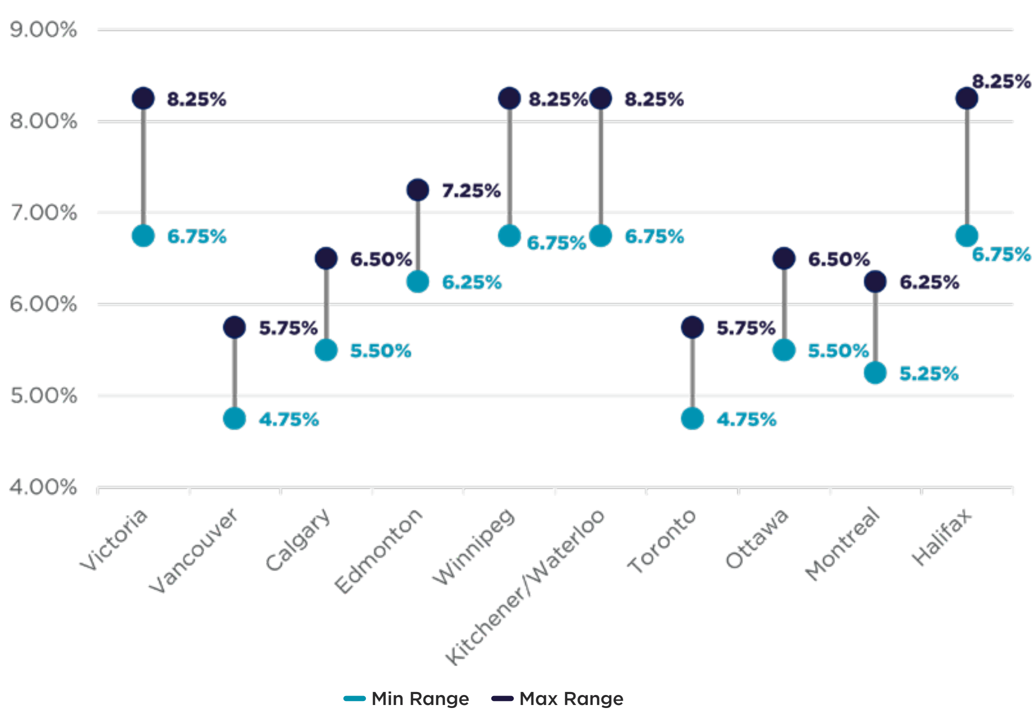


Retail Cap Rates

Street Front Top Performer

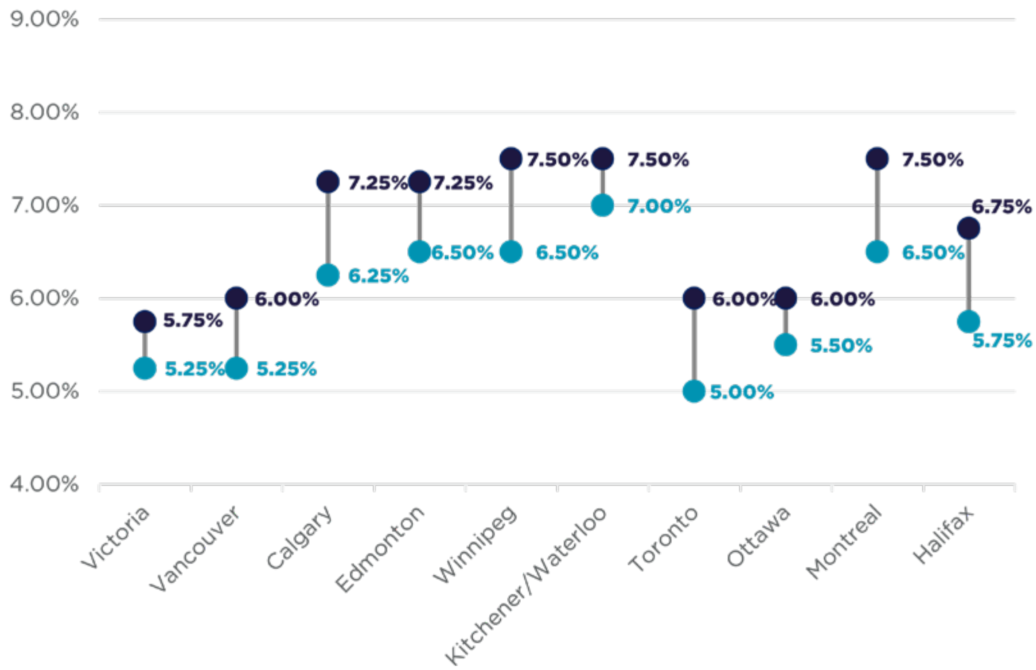


Regional Mall Top Performer

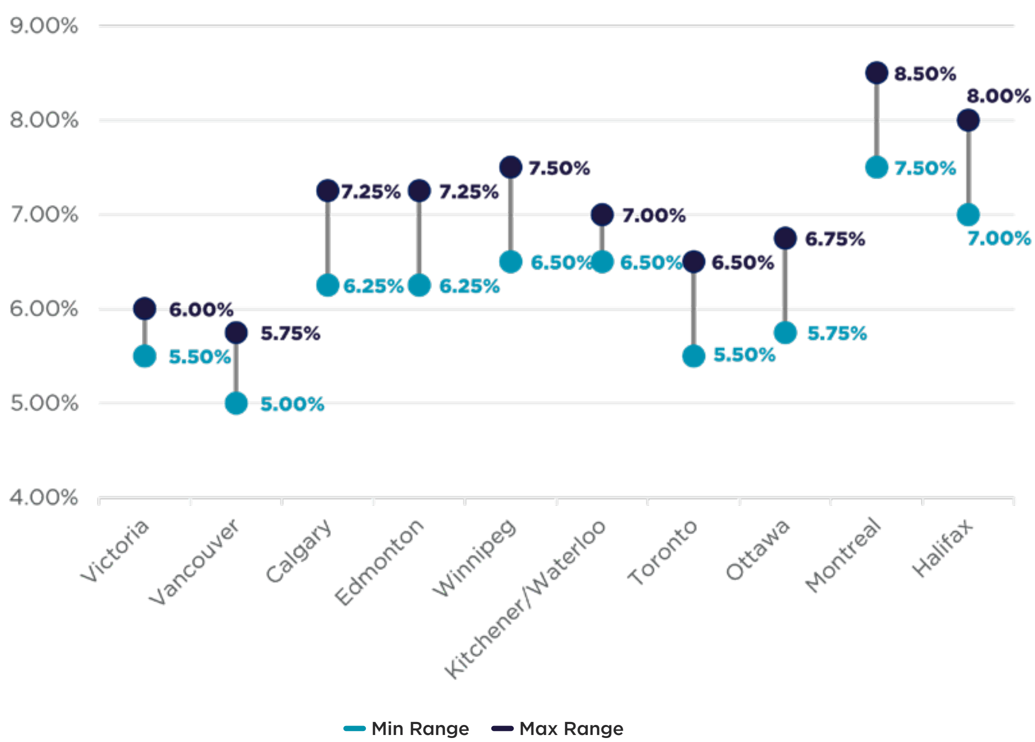


Retail Cap Rates

Power Centre

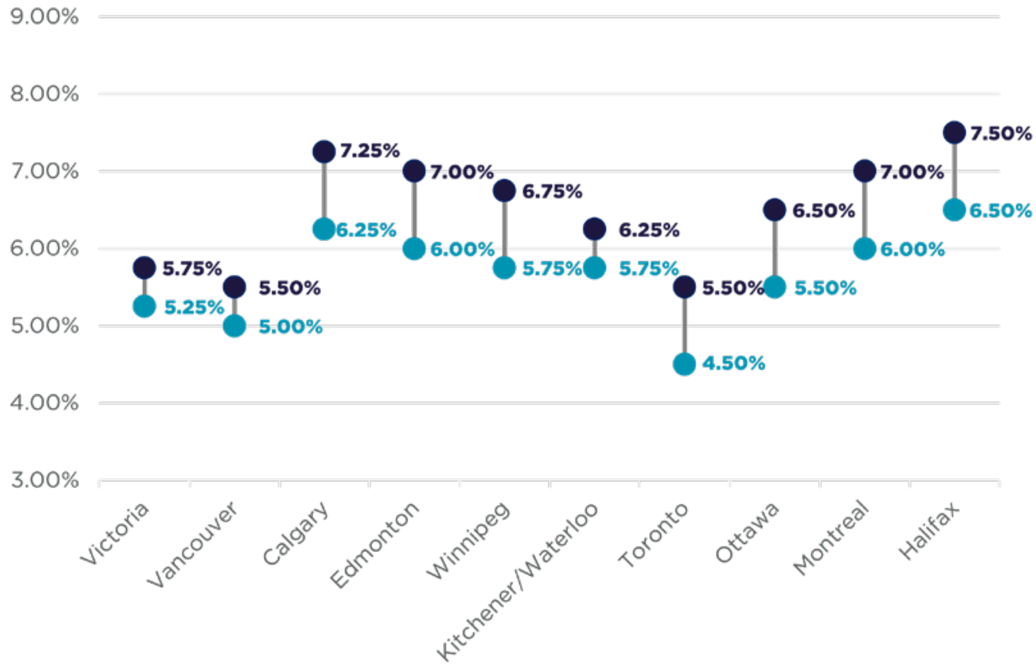


Community Commercial Centre

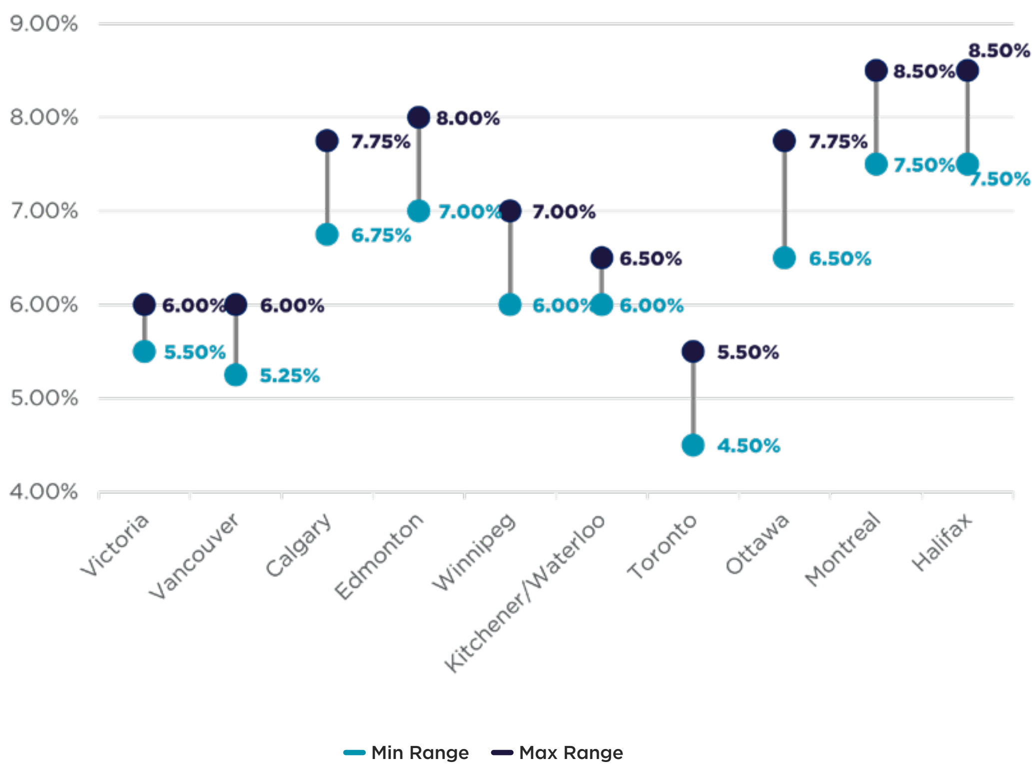


Retail Cap Rates

Strip Plaza Anchored



Strip Plaza Non-Anchored



VANTAGE POINT

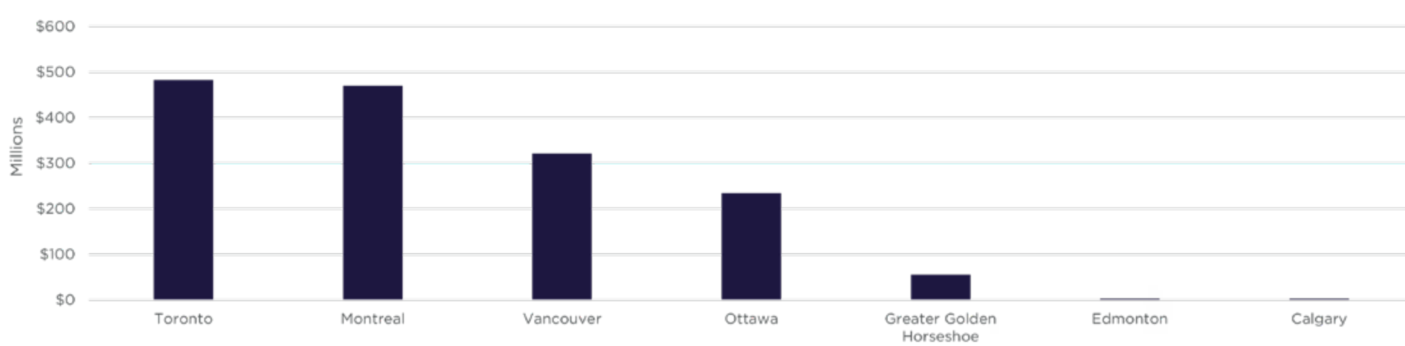
Office Cap Rates & Sales Volume

Q1 2026

Office Sales Volume by Major Market

Q1 2026

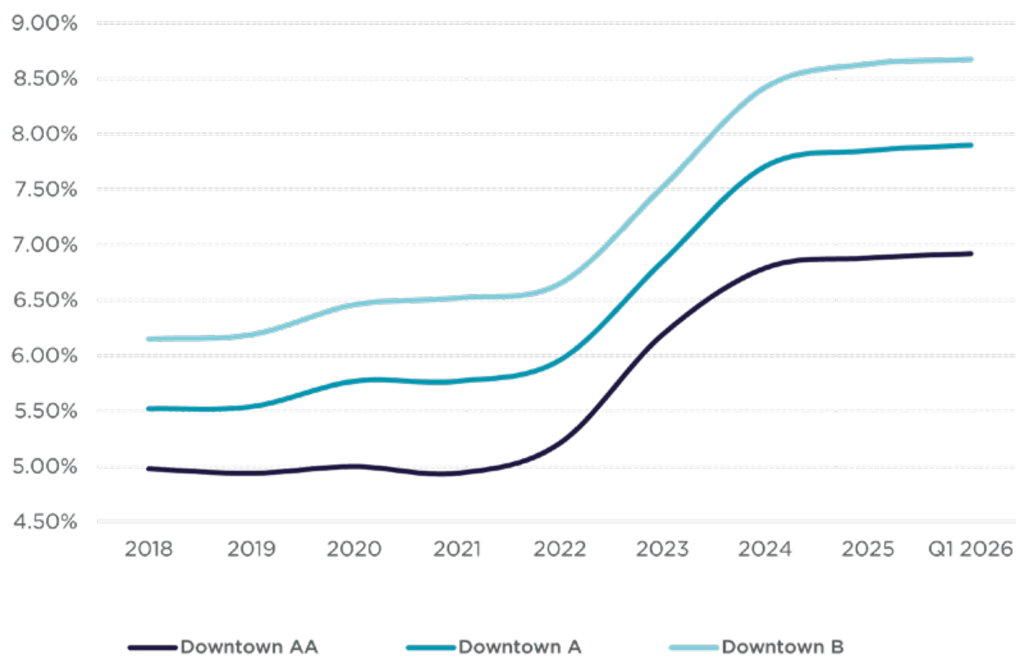
The office sector remained one of the more active sectors in Q1 2026, with total investment volume reaching $1.6 billion. While this represents a decline from $2.5 billion in Q4 2025, the drop was almost entirely driven by the $1.2 billion sale of 658 Homer Street in that quarter, which marked one of the most significant office transactions in over a decade. Despite this pullback, activity remained elevated relative to both the 2025 quarterly average of $1.5 billion and the 2024 quarterly average of $1.2 billion. Market fundamentals showed continued signs of stabilization to begin the year. Overall office vacancy held firm at 16.2%, while performance across asset classes continued to diverge. Class A assets, particularly in Central and Suburban markets, demonstrated resilience, with both segments recording positive absorption. In contrast, negative absorption was concentrated within Class B and C properties, reinforcing the ongoing flight-to-quality trend as occupiers continue to upgrade into higher-quality space. Leasing activity remained relatively stable, totaling approximately 6.5 msf in Q1 2026, in line with the historical three-year average. Demand continued to be driven by high-quality assets, with Central Class A space capturing a significant share of leasing activity and achieving larger deal sizes and longer lease terms. From a geographic perspective, Toronto and Vancouver accounted for 51% of total office investment volume, while also contributing to positive absorption trends. This concentration reflects sustained investor preference for core urban markets with deeper tenant pools and higher-quality inventory, particularly as the sector gradually transitions from stabilization toward recovery.



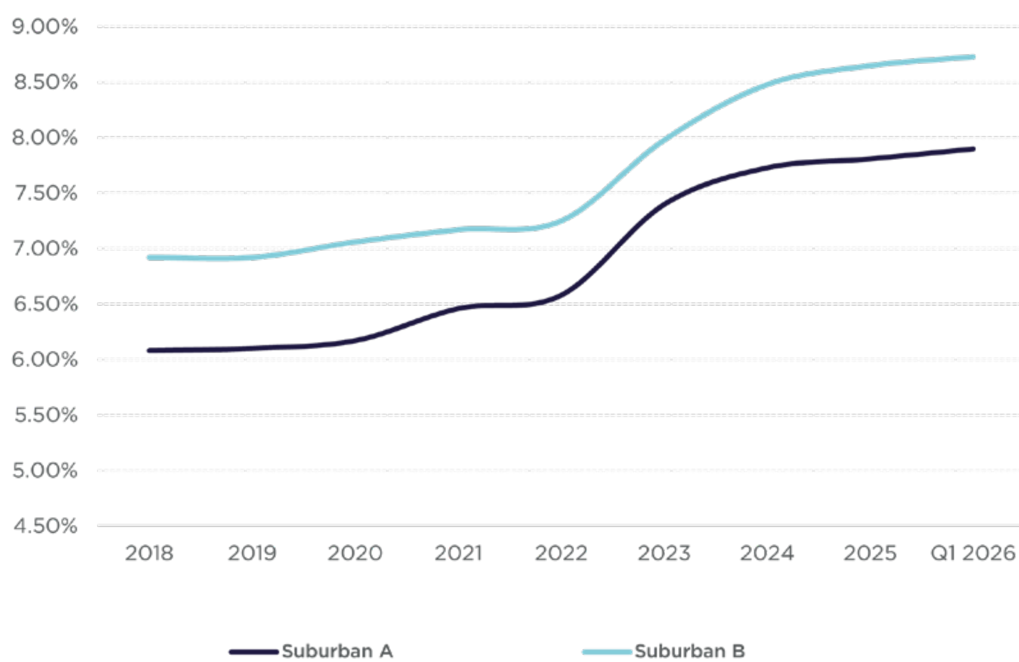
Source: Altus Group & Real Capital Analytics

Historical Office Cap Rates

Downtown Office

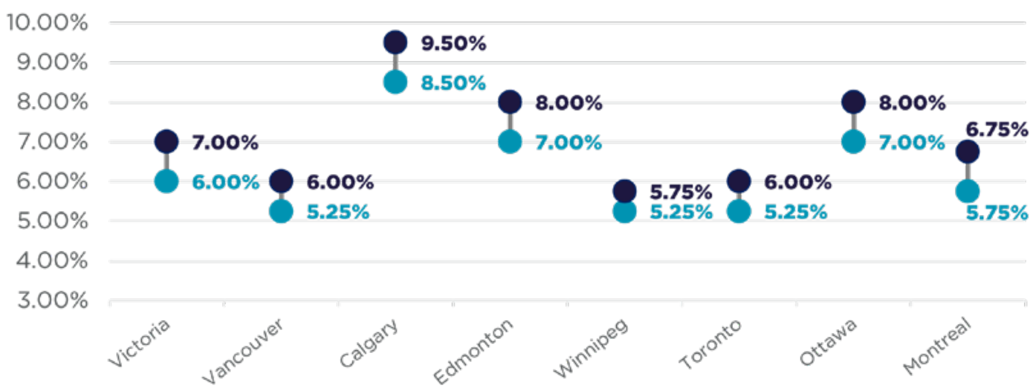


Suburban Office

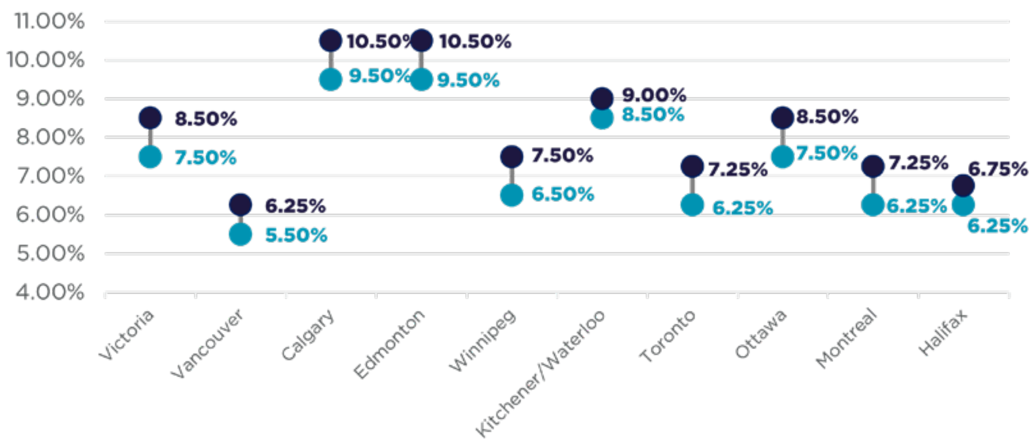


Downtown Office Cap Rates

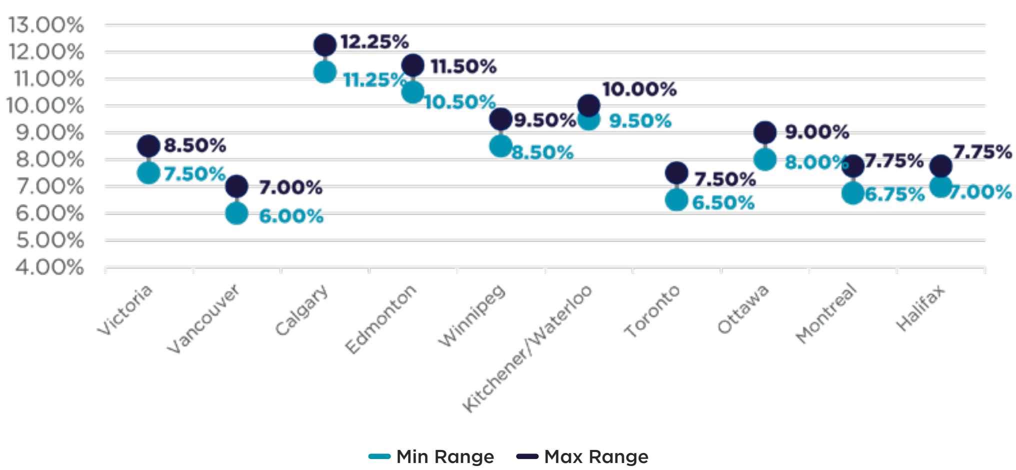
Downtown Office AA



Downtown Office A



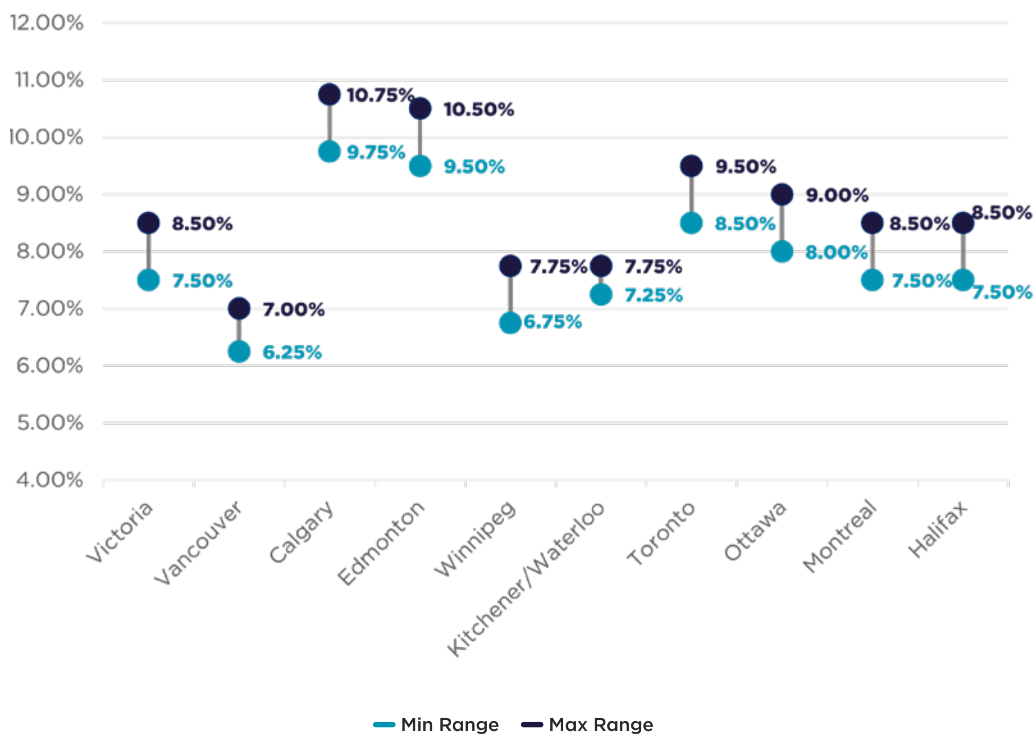
Downtown Office B



Suburban Office Cap Rates

Suburban Office A

Suburban Office B



VANTAGE POINT

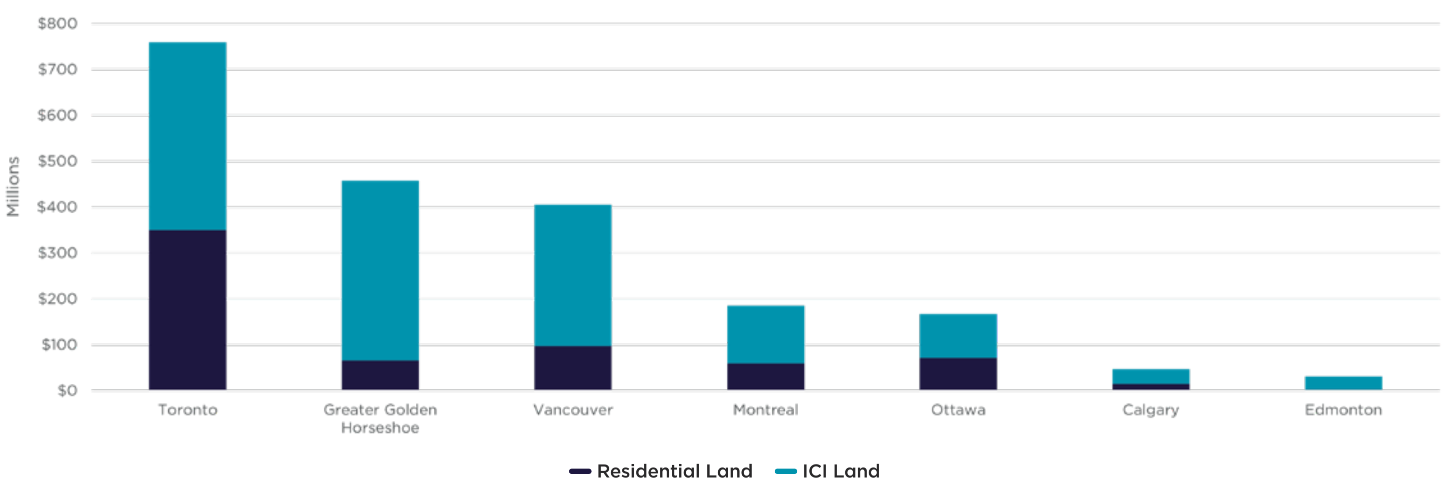
Land Sales Volume

Q1 2026

Residential & ICI Land Sales Volume by Major Market
Q1 2026

Toronto, the Greater Golden Horseshoe and Vancouver led Canada's ICI land market in Q1 2026, accounting for 80% of national transactions. The industrial sector remains a key driver, with national leasing activity reaching approximately 16.2 msf in Q1 2026, while positive absorption in Toronto and Vancouver, totaling over 1.4 msf combined, continues to reinforce confidence in long-term fundamentals.

Residential land sales remain lower overall as pricing adjusts and investors take a more selective approach. Toronto continues to anchor the market, representing 53% of national residential land volume. While new condominium launches have been limited, activity has been centered around purpose-built rental and smaller scale projects where fundamentals remain solid. Market participants are cautiously optimistic that easing interest rates and improving affordability will begin to support renewed demand through 2026, and fundamentals in purpose-built rental underpin the market.



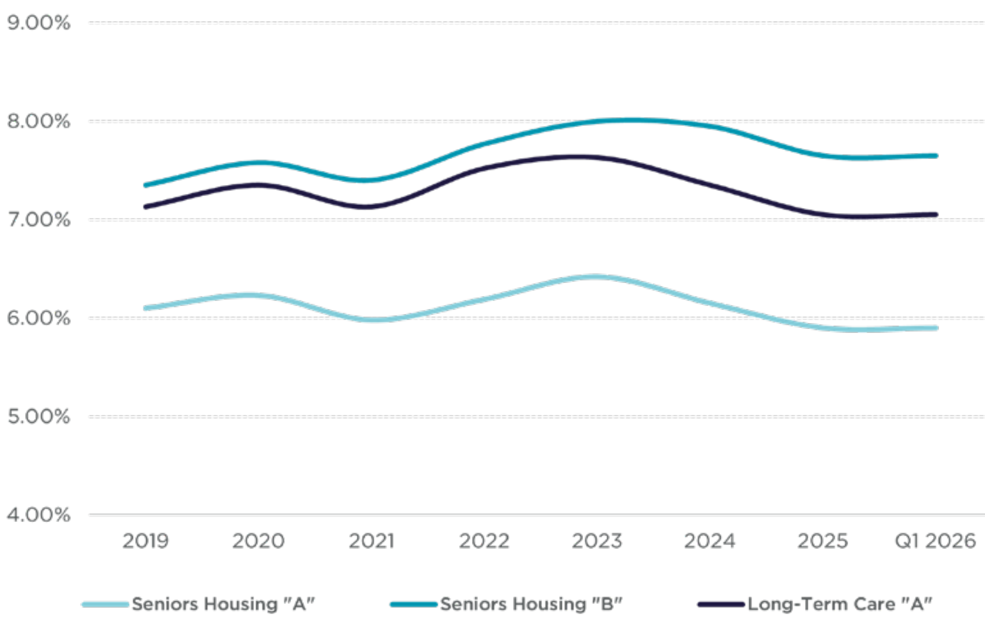
Source: Altus Group & Real Capital Analytics

VANTAGE POINT

Seniors Housing & Health Care Cap Rates

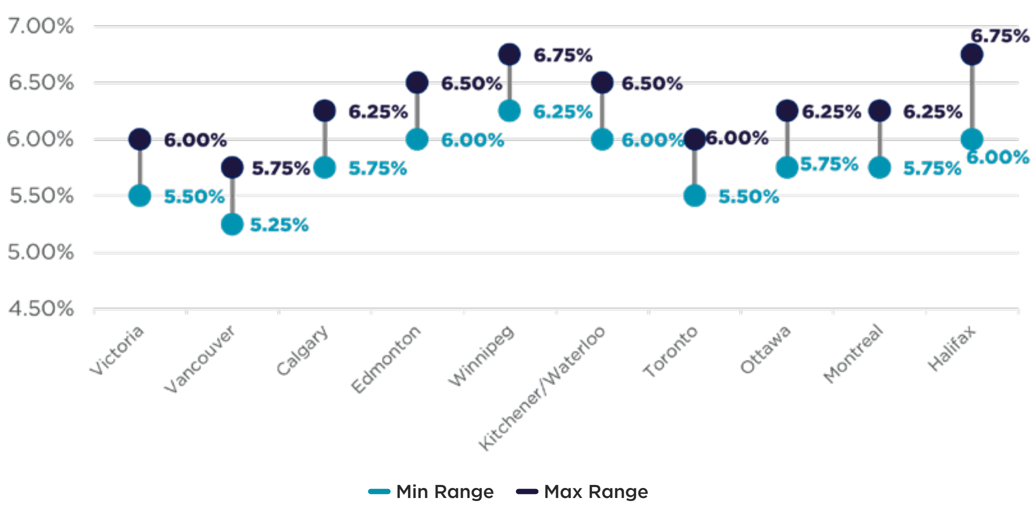
Q1 2026

Historical Seniors Housing & Health Care Cap Rates



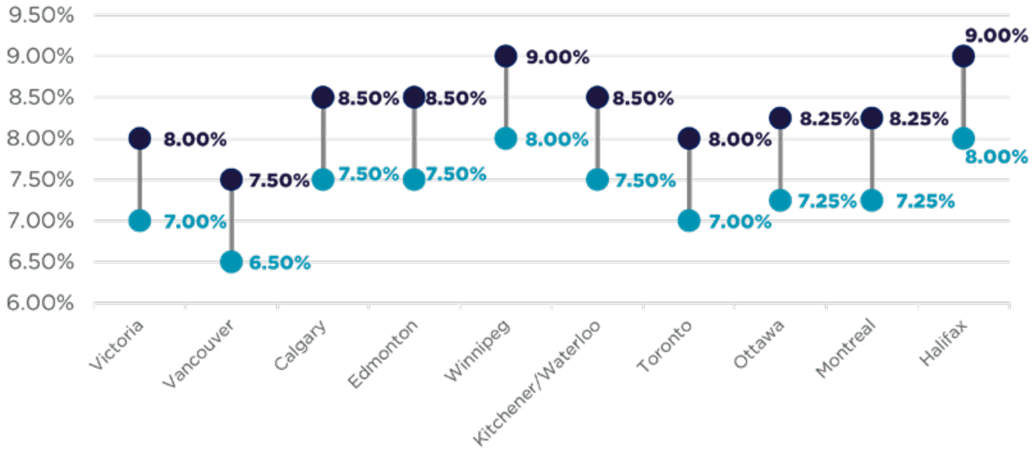
Seniors Housing Cap Rates

Seniors Housing “A”

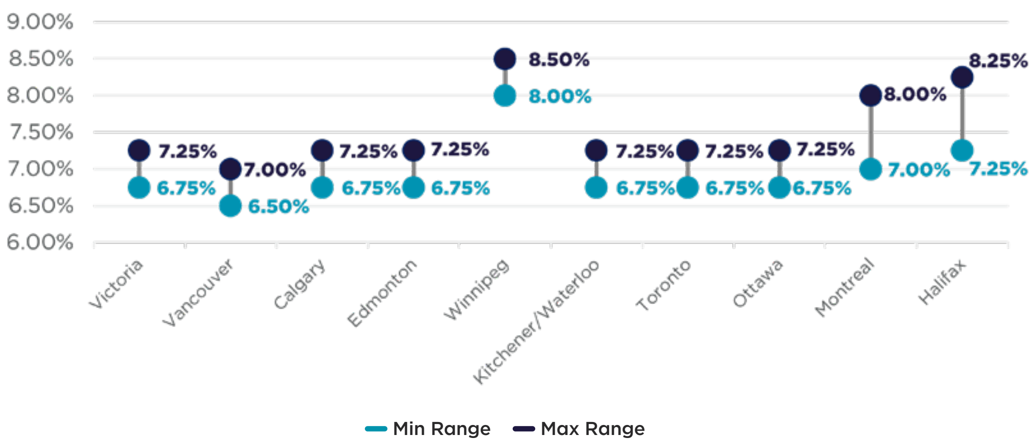


Seniors Housing Cap Rates

Seniors Housing "B"



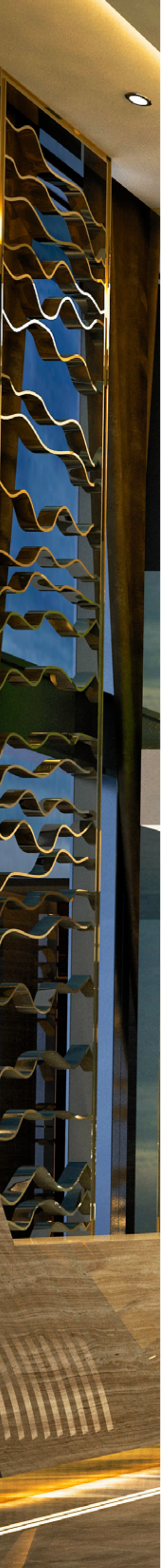
Long-Term Care "A"



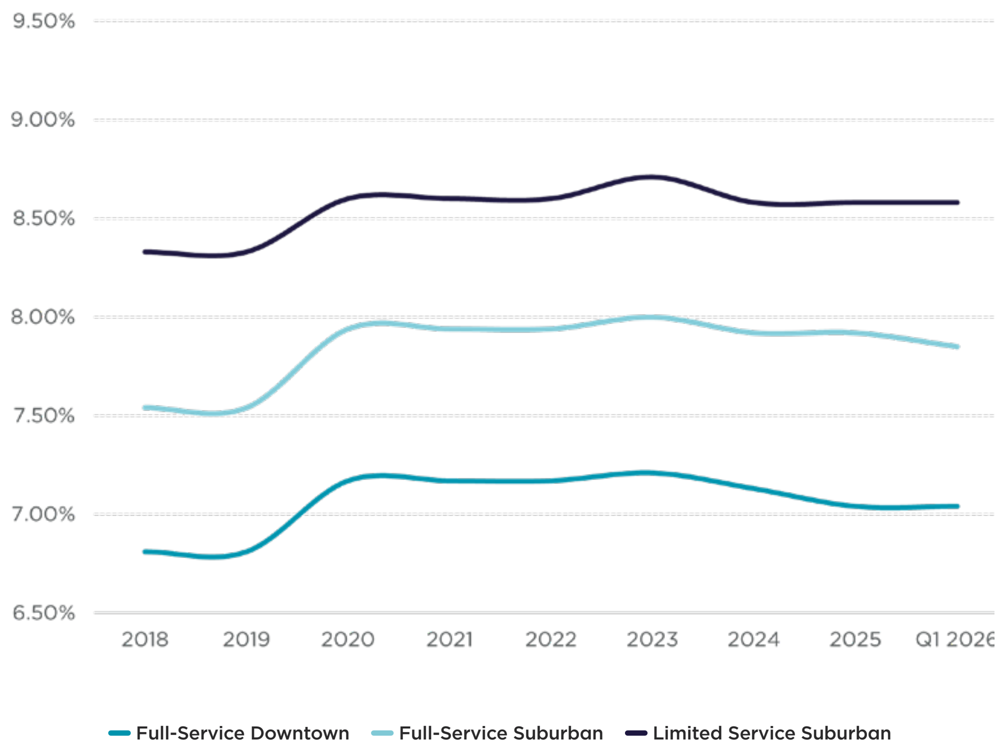
VANTAGE POINT

Hotel Cap Rates

Q1 2026

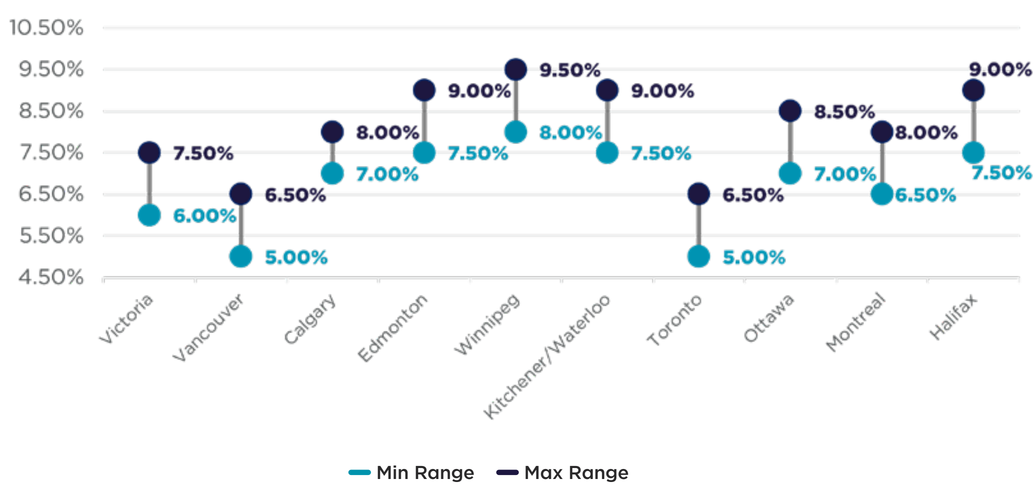


Historical Hotel Cap Rates



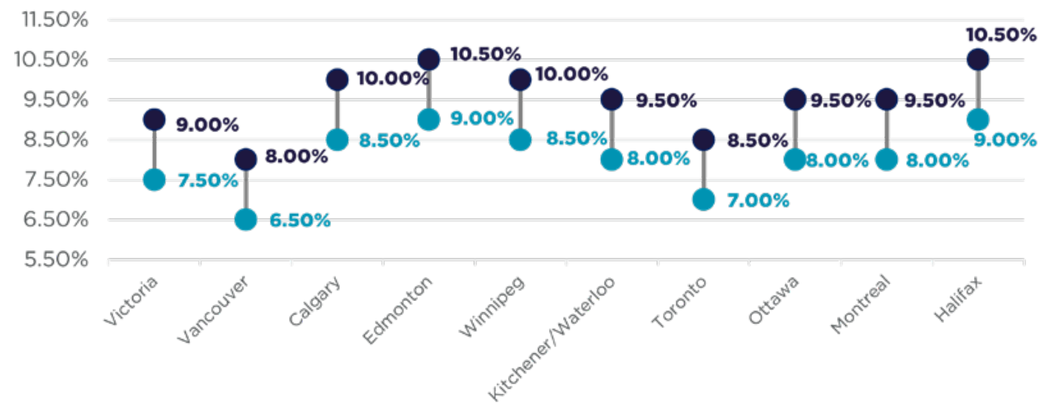
Hotel Cap Rates

Full-Service Downtown

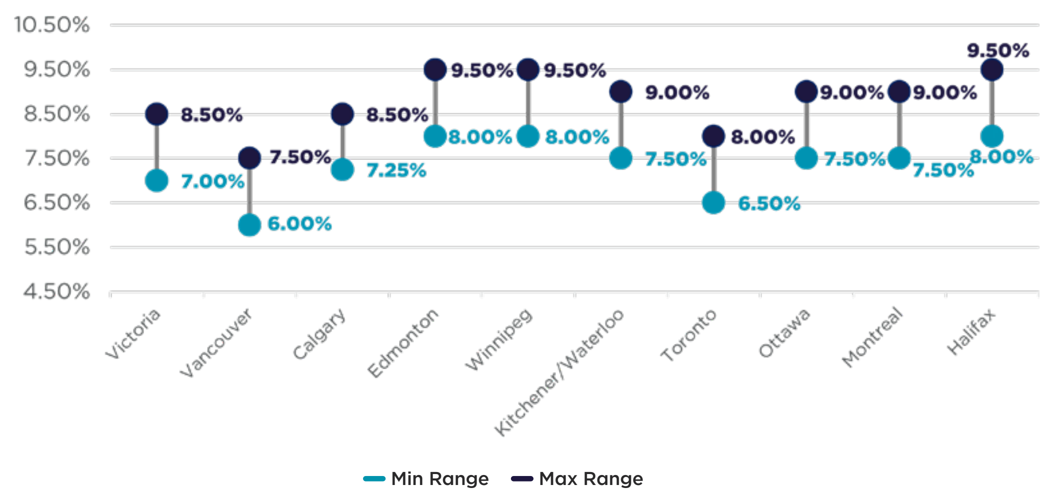


Hotel Cap Rates

Limited-Service Suburban



Select Service



VANTAGE POINT

Cap Rate Summary & Glossary

Q1 2026

National Cap Rate Historical Comparison by Asset Type

ASSET TYPE	Q1 2026	Q4 2025	Q1 2025
DOWNTOWN OFFICE			
AA	6.92%	6.88%	6.88%
A	7.90%	7.85%	7.81%
B	8.67%	8.63%	8.46%
SUBURBAN OFFICE			
A	7.90%	7.81%	7.77%
B	8.73%	8.65%	8.52%
INDUSTRIAL			
A	5.90%	5.85%	5.77%
B	6.33%	6.33%	6.40%
MULTIFAMILY			
High Rise	4.71%	4.67%	4.58%
Low Rise	4.94%	4.94%	4.90%
SENIORS HOUSING & HEALTHCARE			
Seniors Housing "A"	5.90%	5.90%	6.05%
Seniors Housing "B"	7.65%	7.65%	7.95%
Long-Term Care "A"	7.05%	7.05%	7.10%
HOTEL			
Full-Service Downtown	7.04%	7.04%	7.13%
Select Service	7.85%	7.92%	7.92%
Limited-Service Suburban	8.58%	8.58%	8.58%
RETAIL			
Street Front – Top Performer	5.83%	5.83%	5.83%
Regional Mall – Top Performer	5.83%	5.83%	5.79%
Power Centre	6.27%	6.27%	6.29%
Community Commercial Centre	6.52%	6.52%	6.60%
Strip Plaza Anchored	6.00%	6.00%	5.92%
Strip Plaza Non-Anchored	6.75%	6.75%	6.75%

Q1 2026 Cap Rate Survey Report

ASSET TYPE	VICTORIA			VANCOUVER			CALGARY			EDMONTON			WINNIPEG		
RANGE:	LOW	HIGH	Outlook	LOW	HIGH	Outlook	LOW	HIGH	Outlook	LOW	HIGH	Outlook	LOW	HIGH	Outlook
DOWNTOWN OFFICE															
AA	6.00%	7.00%	◆	5.25%	6.00%	◆	8.50%	9.50%	◆	7.00%	8.00%	◆	5.25%	5.75%	▲
A	7.50%	8.50%	◆	5.50%	6.25%	◆	9.50%	10.50%	◆	9.50%	10.50%	◆	6.50%	7.50%	▲
B	7.50%	8.50%	◆	6.00%	7.00%	◆	11.25%	12.25%	◆	10.50%	11.50%	◆	8.50%	9.50%	▲
SUBURBAN OFFICE															
A	7.50%	8.50%	◆	6.00%	6.75%	◆	8.50%	9.50%	◆	8.00%	9.00%	◆	6.25%	7.00%	◆
B	7.50%	8.50%	◆	6.25%	7.00%	◆	9.75%	10.75%	◆	9.50%	10.50%	▲	6.75%	7.75%	◆
INDUSTRIAL															
A	5.50%	6.00%	◆	4.50%	5.25%	◆	5.25%	6.00%	◆	6.00%	7.00%	◆	5.25%	5.75%	◆
B	5.75%	6.25%	◆	4.75%	5.50%	◆	6.00%	6.75%	◆	6.50%	7.50%	▼	6.00%	6.75%	◆
MULTIFAMILY															
High Rise	4.50%	5.00%	◆	3.50%	4.50%	◆	4.75%	5.50%	◆	4.25%	5.25%	◆	4.75%	5.50%	◆
Low Rise	3.75%	5.00%	◆	3.75%	4.75%	◆	4.75%	5.50%	◆	5.00%	6.00%	▼	5.00%	5.75%	◆
SENIORS HOUSING & HEALTHCARE															
Seniors Housing "A"	5.50%	6.00%	▼	5.25%	5.75%	▼	5.75%	6.25%	▼	6.00%	6.50%	▼	6.25%	6.75%	▼
Seniors Housing "B"	7.00%	8.00%	◆	6.50%	7.50%	◆	7.50%	8.50%	◆	7.50%	8.50%	◆	8.00%	9.00%	◆
Long-Term Care "A"	6.75%	7.25%	◆	6.50%	7.00%	◆	6.75%	7.25%	◆	6.75%	7.25%	◆	8.00%	8.50%	◆
HOTEL															
Full-Service Downtown	6.00%	7.50%	◆	5.00%	6.50%	◆	7.00%	8.00%	◆	7.50%	9.00%	◆	8.00%	9.50%	◆
Select Service	7.00%	8.50%	▼	6.00%	7.50%	◆	7.25%	8.50%	▼	8.00%	9.50%	◆	8.00%	9.50%	◆
Limited-Service Suburban	7.50%	9.00%	◆	6.50%	8.00%	◆	8.50%	10.00%	◆	9.00%	10.50%	◆	8.50%	10.00%	◆
RETAIL															
Street Front - Top Performer	4.75%	5.25%	◆	5.00%	5.75%	◆	6.25%	7.25%	◆	6.50%	7.25%	◆	N/A	N/A	N/A
Regional Mall - Top Performer	6.75%	8.25%	◆	4.75%	5.75%	◆	5.50%	6.50%	◆	6.25%	7.25%	◆	6.75%	8.25%	◆
Power Centre	5.25%	5.75%	◆	5.25%	6.00%	◆	6.25%	7.25%	◆	6.50%	7.50%	◆	6.50%	7.50%	◆
Community Commercial Centre	5.50%	6.00%	◆	5.00%	5.75%	◆	6.25%	7.25%	◆	6.25%	7.25%	◆	6.50%	7.50%	◆
Strip Plaza Anchored	5.25%	5.75%	◆	5.00%	5.50%	◆	6.25%	7.25%	◆	6.00%	7.00%	◆	5.75%	6.75%	▼
Strip Plaza Non-Anchored	5.50%	6.00%	◆	5.25%	6.00%	◆	6.75%	7.75%	◆	7.00%	8.00%	◆	6.00%	7.00%	▼

Legend

Outlook	The arrow direction indicates if there was an outlook change &/or a cap rate ± bps change from the previous quarter
▲ Up	Outlook represents a forecast for the next 3-6 months
▼ Down	Green font indicates rising cap rate and/or range and/or outlook
◆ Flat	Red font indicates falling cap rate and/or range and/or outlook

Capitalization Rate

Cushman & Wakefield provides quarterly estimates of capitalization rates for the asset classes contained in this report based on our market expertise. The cap rate ranges are based on transaction data where possible, as well as demand and supply dynamics in the region. These estimates are meant to encompass the majority of assets within each class and may not represent outlier transactions or deals relating to assets with specific attributes that would significantly differentiate them. Particularly during periods of uncertainty transactions have been limited and best estimates of cap rates have been provided factoring in the expertise of local market participants.

Q1 2026 Cap Rate Survey Report

ASSET TYPE	KITCHENER/ WATERLOO			TORONTO			OTTAWA			MONTREAL			HALIFAX		
RANGE:	LOW	HIGH	👁	LOW	HIGH	👁	LOW	HIGH	👁	LOW	HIGH	👁	LOW	HIGH	👁
DOWNTOWN OFFICE															
AA	N/A	N/A	N/A	5.25%	6.00%	▲	7.00%	8.00%	◆	5.75%	6.75%	▲	N/A	N/A	N/A
A	8.25%	8.75%	▲	6.25%	7.25%	▲	7.50%	8.50%	▲	6.25%	7.25%	▲	6.25%	6.75%	◆
B	9.25%	9.75%	▲	6.50%	7.50%	▲	8.00%	9.00%	▲	6.75%	7.75%	▲	7.00%	7.75%	◆
SUBURBAN OFFICE															
A	6.75%	7.25%	◆	7.50%	8.50%	▲	7.50%	8.50%	◆	7.00%	8.00%	◆	6.50%	7.50%	◆
B	7.00%	7.50%	◆	8.50%	9.50%	▲	8.00%	9.00%	◆	7.50%	8.50%	◆	7.50%	8.50%	◆
INDUSTRIAL															
A	6.75%	7.25%	◆	5.50%	6.25%	▲	6.00%	7.00%	▲	5.50%	6.50%	▲	6.50%	7.25%	◆
B	7.25%	7.75%	◆	5.50%	6.50%	◆	6.50%	7.50%	▲	6.00%	7.00%	▲	7.50%	8.00%	◆
MULTIFAMILY															
High Rise	5.25%	5.75%	◆	4.25%	5.00%	◆	4.50%	5.50%	▲	4.25%	5.25%	◆	4.50%	5.50%	◆
Low Rise	4.50%	5.25%	◆	4.00%	4.75%	◆	4.75%	5.50%	◆	4.75%	5.75%	◆	5.00%	6.00%	◆
SENIORS HOUSING & HEALTHCARE															
Seniors Housing "A"	6.00%	6.50%	▼	5.50%	6.00%	▼	5.75%	6.25%	▼	5.75%	6.25%	▼	6.00%	6.75%	▼
Seniors Housing "B"	7.50%	8.50%	◆	7.00%	8.00%	◆	7.25%	8.25%	◆	7.25%	8.25%	◆	8.00%	9.00%	◆
Long-Term Care "A"	6.75%	7.25%	◆	6.75%	7.25%	◆	6.75%	7.25%	◆	7.00%	8.00%	◆	7.25%	8.25%	◆
HOTEL															
Full-Service Downtown	7.50%	9.00%	◆	5.00%	6.50%	◆	7.00%	8.50%	◆	6.50%	8.00%	◆	7.50%	9.00%	◆
Select Service	7.50%	9.00%	◆	6.50%	8.00%	◆	7.50%	9.00%	◆	7.50%	9.00%	◆	8.00%	9.50%	◆
Limited-Service Suburban	8.00%	9.50%	◆	7.00%	8.50%	◆	8.00%	9.50%	◆	8.00%	9.50%	◆	9.00%	10.50%	◆
RETAIL															
Street Front - Top Performer	6.00%	6.50%	◆	4.50%	5.50%	◆	4.50%	5.50%	◆	5.50%	6.50%	◆	N/A	N/A	N/A
Regional Mall - Top Performer	6.75%	8.25%	◆	4.75%	5.75%	◆	5.50%	6.50%	◆	5.25%	6.25%	◆	6.75%	8.25%	◆
Power Centre	7.00%	7.50%	◆	5.00%	6.00%	◆	5.50%	6.00%	◆	6.50%	7.50%	◆	5.75%	6.75%	◆
Community Commercial Centre	6.50%	7.00%	◆	5.50%	6.50%	▲	5.75%	6.75%	◆	7.50%	8.50%	◆	7.00%	8.00%	◆
Strip Plaza Anchored	5.75%	6.25%	◆	4.50%	5.50%	◆	5.50%	6.50%	◆	6.00%	7.00%	◆	6.50%	7.50%	◆
Strip Plaza Non-Anchored	6.00%	6.50%	◆	4.50%	5.50%	◆	6.50%	7.75%	◆	7.50%	8.50%	◆	7.50%	8.50%	◆

Legend

- 👁 Outlook
- ▲ Up
- ▼ Down
- ◆ Flat

The arrow direction indicates if there was an outlook change &/or a cap rate ± bps change from the previous quarter

Outlook represents a forecast for the next 3-6 months

Green font indicates rising cap rate and/or range and/or outlook

Red font indicates falling cap rate and/or range and/or outlook

Capitalization Rate

Cushman & Wakefield provides quarterly estimates of capitalization rates for the asset classes contained in this report based on our market expertise. The cap rate ranges are based on transaction data where possible, as well as demand and supply dynamics in the region. These estimates are meant to encompass the majority of assets within each class and may not represent outlier transactions or deals relating to assets with specific attributes that would significantly differentiate them. Particularly during periods of uncertainty transactions have been limited and best estimates of cap rates have been provided factoring in the expertise of local market participants.

Investment Glossary

Downtown Office

Class AA

A best-in-class office product, with more elaborate common areas, modern construction and building efficiencies, that commands the highest rents and tends to attract stronger covenant tenants, such as banks, government, insurance companies, etc. These buildings tend to be situated close to the core within their respective markets and have excellent access to major public transit hubs. Buildings are typically larger than 750,000 SF, with 5 to 10-year tenancies and some 15-year leases for inbound tenants. Occupancy levels assumed to stabilize at close to 95% of comparable market net rates.

Class A

A strong-performing asset, typically between 400,000 and 700,000 SF, which is well located, and may have smaller floor plate sizes, solid amenities and less elaborate common areas. The majority of the tenants have 5 to 10-year lease commitments. Occupancy levels assumed to stabilize at close to 95% of comparable market net rates.

Class B

Older office product, typically in the range of 100,000 to 250,000 SF. Buildings tend to be occupied with a diversified tenant mix but lack a large anchor tenant. Shorter lease commitments occur in this asset class with the average term ranging between 5 and 10 years. Average floor plate size can be significantly smaller. Generally, not connected to the subway.

Suburban Office / Industrial

Class A

Newer high-quality suburban product, typically between 100,000 and 300,000 SF. Attracts good covenant tenants for 5 to 10-year lease terms.

Class B

Older suburban product that attracts a wider range of tenants and covenants for lease terms ranging between 3 and 10 years.

Multifamily

High Rise

An apartment building greater than 4 storeys in height or having more than 80 units.

Low Rise

Any apartment complex having fewer than 80 units.

Seniors Housing

A retirement residence that provides independent, assisted living and/or memory care services and accommodation. As part of the monthly fee, access to meals and other services, such as housekeeping, transportation, and social and recreational activities, may be provided to residents. Assisted living and memory care service levels include assistance with activities of daily living and personal care support. Typically, 100% of the cost of accommodation and related service is paid for privately by the resident.

Long-Term Care

Also referred to as nursing homes, long-term care homes provide accommodation and care services for adults requiring access to 24-hour nursing and personal care. This includes help with most or all daily activities. Typically, long-term care homes in Canada receive reimbursement via government subsidies for the care services provided to residents. Residents are most often responsible for a co-payment to offset the cost of 'room and board'.

Hotel

Full-Service

A hotel with extensive dining and meeting facilities. Quality ranges from upscale to luxury. Examples include Hilton, Westin, Hyatt, etc.

Select-Service

A hotel that offers the fundamentals of limited-service properties blended with a selection of features found in full-service properties. Typically, this involves a limited presence of food, beverage and meeting space.

Limited-Service

A room-focused hotel with minimal facilities. Quality ranges from economy to mid-scale. Examples include Comfort Inn and Super 8.

Retail

Street Front – Top Performer

Typically considered the street or section thereof where the greatest dollar value psf is generated from street front retail stores within each market.

Regional Mall – Top Performer

Top-performing fully enclosed mall. These buildings tend to be greater than 800,000 SF and have a wide product offering, featuring destination retailers and 2 to 3 anchor tenants. Often located near large transit hubs and serve a trade area between 10 and 30 kilometres.

Power Centre

Large format, category dominant retailers in an open-air configuration that may include "club" or discount department stores. Total GLA is typically between 100,000 and 1,000,000 SF.

Community Commercial Centre

An enclosed centre anchored by a smaller department store, servicing a local community. Tenants may include general merchandise and convenience offerings, including a grocery store. Total GLA is typically between 100,000 and 400,000 SF.

Strip Plaza – Anchored

An open-air configuration of attached retail stores that may include retail PAD sites. They are often anchored by a food or drug store tenant. Tenants are generally servicing residents in the neighbourhood. These would include dry cleaners, take-out food stores, convenience stores, etc.

Strip Plaza – Non-Anchored

An open-air configuration of attached retail stores, not anchored by a grocer or drug store, that may include retail PAD sites. Tenants are generally servicing local neighbourhood residents.

KRISTINA BOWMAN

Senior Research Manager, Canada
Kristina.Bowman@cushwake.com

NICK HARDTKE

Senior Financial Analyst
National Capital Markets Group
Nicholas.Hardtke@cushwake.com

BRIAN KRITER

Executive Managing Director
Valuation & Advisory
Brian.Kriter@cushwake.com

ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In 2025, the firm reported revenue of $10.3 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.

cushmanwakefield.com