

# BC Multifamily Market Report

MBM Quarterly: Mid Year 2025

Marcus & Millichap  
MCEVAY | BLAIR  
MULTIFAMILY GROUP

## Year-to-Date Highlights

	Mid Year 2025	Mid Year 2024
Transactions	69	108
Investment Volume	\$574 M	\$947 M

## Trailing 4 Quarters Metrics

2024 Q3 - 2025 Q2

**\$255,902**  
Median Price/ Unit

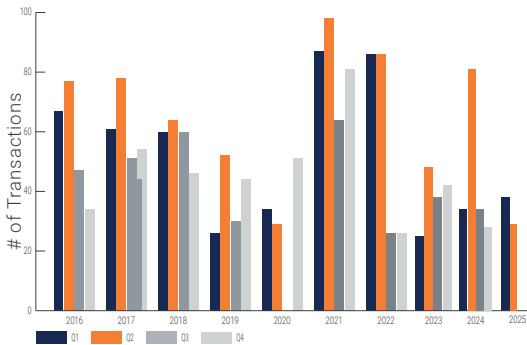
▲ **2.36%**  
Quarterly Change

**4.61%**  
Average Cap Rate

▼ **50 bps**  
Quarterly Change

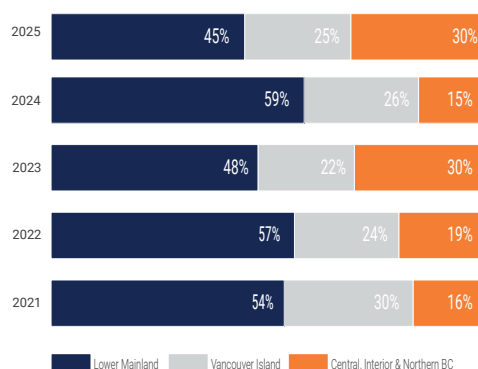
## Quarterly Sales

2016-2025 Q2



## Regional Distribution of Transactions

2021-2025 Q2



## Market Commentary

Sales activity in Q2 remained subdued, mirroring the sluggish pace seen in Q1. There were 31 apartment building transactions across British Columbia this quarter, bringing the mid year total to 69 – representing a 40% decline from the same period last year. However, it's important to note that Q2 2024 was an anomaly, inflated by the federal government's capital gains tax policy change and a burst of transactions facilitated by the Rental Protection Fund.

With that distortion behind us, current volumes more accurately reflect the market's recalibration to a higher interest rate environment, tighter underwriting, and shifting buyer-seller expectations. While activity remains constrained, the underlying sentiment is improving.

Since June 2024, the Bank of Canada has cut rates by 200 basis points, bringing the overnight rate from 4.75% to 2.75%. This drop has begun to ease financing constraints and restore investor confidence – though not all deals are benefiting equally.

A key trend continues to be the importance of a marketable cap rate. Across the province, the average cap rate has risen nearly a full point year-over-year – from 3.90% in Q2 2024 to 4.89% today – and virtually all major markets are facing upward pressure. Meanwhile, the median price per unit has dropped 9.0%, from \$234,063 to \$212,625. Still, the decline is not uniform.

Buyers remain highly price-sensitive, with many on the hunt for distressed or "bargain" deals. However, not all low prices represent good value. In many cases, the sharpest discounts are tied to buildings that are underperforming: below-market rents, deferred maintenance, or poor operational efficiency. When a property has weak income, pricing typically cannot be supported on a cap rate basis, leading to dramatic discounts.

Conversely, assets with solid in-place income and proactive ownership are still trading at values in line with historical benchmarks. For prudent owners who

have kept rents current and buildings well maintained, selling at market remains achievable, even in today's environment.

Interestingly, while Vancouver itself remains active, there have been very few transactions in the Lower Mainland outside of the core, and urban centres such as Victoria and Vancouver are showing the most pronounced shifts in pricing expectations.

## Our Activity

Despite a quieter market backdrop, our team continues to lead the multifamily investment space in British Columbia. As of the end of Q2, we have successfully closed or firmed up 14 transactions totaling \$117 million across all major markets – a reflection of our hands-on approach, deep market insight, and commitment to execution.

In addition to our completed deals, we currently have 36 properties listed and under contract, representing a total value of \$376 million. These range from stabilized rental buildings and mobile home parks to development sites and value-add opportunities. This active pipeline underscores the breadth of our platform and the continued confidence clients place in our ability to navigate evolving market conditions.

Whether you're looking to acquire, divest, or simply stay informed, our team remains a market leader in identifying opportunities and driving results across all stages of the transaction process.

## Outlook

With interest rates now 200 basis points below where they stood a year ago, and more cuts expected before year-end, we anticipate that Q3 will mark the beginning of a market rebound. Improved financing conditions combined with more realistic seller expectations are expected to result in increased deal flow, particularly among motivated sellers and yield-focused buyers.

While pricing pressure remains a factor, the outlook is far more constructive than it was six months ago – and we expect more balanced market dynamics to emerge in the second half of the year.

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## BC Multifamily Sales Summary

2025 Year-to-Date

Market	# of Sales	Sale Volume	Median PPU	Avg. Cap Rate
Burnaby	1	\$15,750,000	\$231,618	5.24%
Tri-Cities	0	-	-	-
Ridge Meadows	0	-	-	-
New Westminster	0	-	-	-
North Shore	0	-	-	-
South of The Fraser	3	\$13,900,000	\$207,463	-
Fraser Valley	4	\$48,770,000	\$286,309	4.37%
Squamish - Sunshine Coast	0	-	-	-
Vancouver	23	\$211,076,415	\$338,839	3.75%
Grandview - Strathcona	5	\$36,096,400	\$331,250	4.61%
Mount Pleasant	5	\$16,977,000	\$280,000	4.09%
South Vancouver	0	-	-	-
Marpole	1	\$11,650,000	\$298,718	3.46%
Kerrisdale - Dunbar	0	-	-	-
Kitsilano - Point Grey	7	\$79,299,997	\$440,278	2.38%
Fairview	2	\$9,250,000	\$379,545	3.61%
West End	3	\$57,803,018	\$419,697	3.26%
<b>Lower Mainland Total</b>	<b>31</b>	<b>\$289,496,415</b>	<b>\$330,000</b>	<b>3.91%</b>
Mid-North Island	7	\$136,286,000	\$247,917	5.51%
Greater Victoria	10	\$63,011,000	\$219,697	4.81%
Victoria + Oak Bay	9	\$58,756,000	\$219,848	4.81%
Saanich Peninsula	1	\$4,255,000	\$212,750	-
Esquimalt	0	-	-	-
West Shore	0	-	-	-
<b>Vancouver Island Total</b>	<b>17</b>	<b>\$199,297,000</b>	<b>\$219,848</b>	<b>5.13%</b>
Thompson Okanagan	7	\$27,325,000	\$156,746	4.57%
Central & Northern BC	14	\$58,053,000	\$125,090	6.42%
<b>Interior, Central &amp; Northern BC Total</b>	<b>21</b>	<b>\$85,378,000</b>	<b>\$146,807</b>	<b>6.25%</b>
<b>British Columbia Total</b>	<b>69</b>	<b>\$574,171,415</b>	<b>\$212,750</b>	<b>4.90%</b>

## BC Multifamily Sales

2025 Q2 [Click here to view Q1 sales](#)

Address	Sale Date	Sale Price	Price/Unit	Units	Year Built	Cap Rate
<b>Lower Mainland</b>						
<b>South of The Fraser</b>						
6451 Minoru Boulevard, Richmond <span>SP</span>	Apr-25	-	-	42	1966	-
8660 Westminster Highway, Richmond	May-25	\$13,900,000	\$207,463	67	1978	-
<b>Vancouver</b>						
3263 Oak Street, Vancouver	Apr-25	\$3,400,000	\$309,091	11	1945	3.67%
3223 Findlay Street, Vancouver	Apr-25	\$3,350,000	\$279,167	12	1913	4.43%
1926 Balsam Street, Vancouver <span>DS</span>	Apr-25	\$7,200,000	\$800,000	9	1956	

Address	Sale Date	Sale Price	Price/Unit	Units	Year Built	Cap Rate
2023 West 4th Avenue, Vancouver <span>MU</span> <span>ST</span> <span>OM</span>	Apr-25	\$6,100,000	\$554,545	11	1998	5.59%
2158 West 1st Avenue, Vancouver <span>DS</span>	May-25	\$6,000,000	\$1,000,000	6	1955	-
1315 Broughton Street, Vancouver	May-25	\$14,753,018	\$398,730	37	1956	3.38%
1209 Woodland Drive, Vancouver	May-25	\$4,020,000	\$670,000	6	1979	4.20%
388 Kaslo Street, Vancouver <span>MU</span> <span>SP</span>	May-25	-	-	97	2018	-
1794 Frances Street, Vancouver	May-25	\$2,650,000	\$331,250	8	1910	5.15%
707 East 21st Avenue, Vancouver	May-25	\$2,425,000	\$346,429	7	1955	-
1645 West 12th Avenue, Vancouver	May-25	\$5,850,000	\$450,000	13	1957	3.55%
2220 West Broadway, Vancouver <span>MU</span>	Jun-25	\$8,399,999	\$933,333	9	1985	-
2425 West Broadway, Vancouver	Jun-25	\$3,500,000	\$388,889	9	1954	2.38%

## Vancouver Island

### Mid-North Island

2187 Comox Avenue, Comox	Apr-25	\$14,400,000	\$194,595	74	1976	5.00%
360 4th Avenue, Campbell River <span>TH</span>	Apr-25	\$1,625,000	\$270,833	6	1965	-
633 Beach Road, Qualicum Beach <span>TH</span>	Apr-25	\$5,950,000	\$247,917	24	2023	4.85%
7205 Pine Drive, Port Hardy <span>SP</span>	May-25	\$4,096,000	\$57,690	71	1970	8.29%
1300 Junction Avenue, Nanaimo <span>SP</span>	May-25	\$75,000,000	\$352,113	213	2022	5.00%

### Greater Victoria

1333 Pandora Avenue, Victoria	Apr-25	\$2,950,000	\$210,714	14	1976	4.45%
1144 Rockland Avenue, Victoria <span>OM</span> <span>SP</span>	May-25	\$13,000,000	\$288,889	45	1972	5.94%
2523 Wark Street, Victoria <span>OM</span>	Jun-25	\$7,250,000	\$219,697	33	1971	4.00%
1526 Pandora Avenue, Victoria <span>MU</span>	Jun-25	\$2,550,000	\$121,429	21	1914	2.87%

## Interior, Central & Northern BC

### Central & Northern BC

10916 101 Avenue, Fort St. John	May-25	\$1,036,750	\$64,797	16	1979	6.93%
449 Ospika Boulevard, Prince George	May-25	\$5,891,250	\$140,268	42	1974	5.34%

### Thompson Okanagan

782 Winnipeg Street, Penticton	Apr-25	\$1,950,000	\$195,000	10	1967	5.24%
422 West Lakeshore Drive, Penticton	May-25	\$9,650,000	\$253,947	38	1966	3.81%
132 Power Street, Penticton	May-25	\$5,200,000	\$185,714	28	1973	3.92%

[HR] - High Rise | [MU] - Mixed Use | [DS] - Development Site | [OM] - Off Market | [SP] - Share Purchase | [MF] - Multifamily Conversion | [ST] - Strata | [PT] - Portfolio Sale | [TH] - Townhomes



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## Multifamily 2025 Outlook

  
**35,000**  
 JOBS  
 will be created

### Employment:

After a drop in employment in 2024, job growth has outperformed in Vancouver so far this year, totaling roughly 50,000 jobs as of May. While lingering economic risks could cause this pace to slow, the metro is likely to see some of the strongest gains this year.

  
**7,500**  
 UNITS  
 will be completed

### Construction:

With deliveries up nearly 30 per cent year to date as of May when compared with last year, openings are forecast to reach a record high in 2025. Nevertheless, construction starts began to slow in 2024, suggesting fewer completions in the years ahead.

  
**140**  
 BASIS POINT  
 increase in vacancy

### Vacancy:

Due to surging supply, as well as affordability challenges and dwindling population tailwinds, vacancy will rise to around 3.0 per cent – its highest reading on record. For the same reasons, this vacancy increase is concentrated in new, higher-quality buildings.

  
**0.8%**  
 INCREASE  
 in effective rent

### Rent:

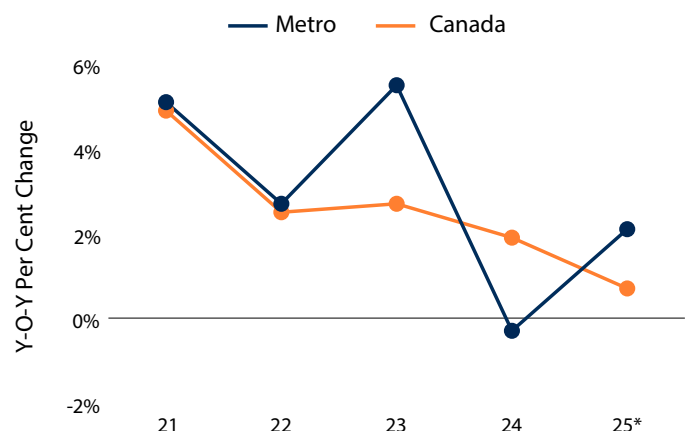
Rents are flat-lining, yet hold 30 per cent above the 2019 level. Amid stretched affordability and more units on the market, newer and more expensive builds hold higher vacancy rates and are seeing rents fall. In contrast, older units that can still reset rents to market upon turnover could push the metrowide rate up slightly.

## Investors Eye Transit-Friendly Communities and Policy Amid Construction Pressures

**Pullback in development to hinder affordability goals.** Trailing 12-month apartment construction starts in Vancouver were down nearly 20 per cent annually in May. While holding up better compared with other high-cost markets, Vancouver's residential development sector is coming under pressure. Not only are elevated costs and softening rents making expected returns hard to deliver, but speculative overreach, high holding costs and slow entitlements have resulted in fewer land sales, as well as in rising distress sales. These dynamics suggests construction starts are likely to slow further over the coming quarters. While beneficial for current owners, as abating supply-side pressures will put a lid on vacancy increases, the overarching long-run goal of achieving housing affordability is likely to take a hit.

**Select submarkets attractive.** Surrey's population has boomed in recent years and is expected to become the most populous city in British Columbia by 2030. Combined with the city offering land for rental construction, the submarket welcomed the most new supply last year. With vacancy remaining largely unchanged, it underscores the metro's strong demand fundamentals and attractiveness to investors. Meanwhile, for similar reasons surrounding rental-first policies and strategic growth around the SkyTrain, the Tri-Cities is also seeing investor interest. As of mid-2025, the submarket held the largest multifamily construction pipeline, signaling strong demand for transit-orient development and its resulting connectivity.

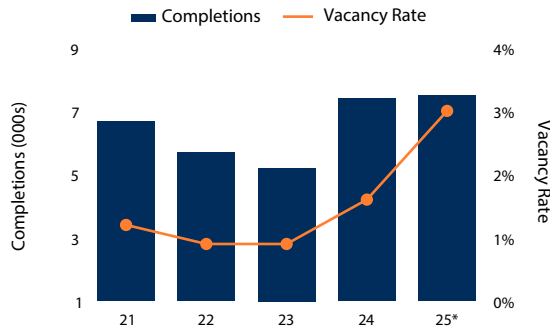
### Employment Trends



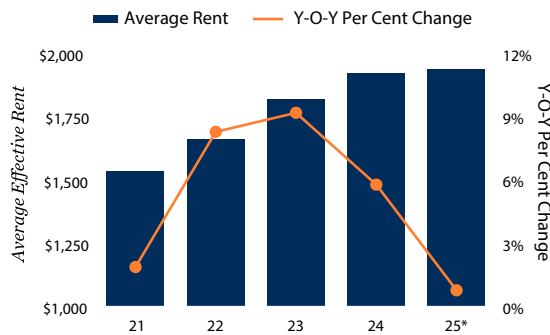
\* Forecast

Sources: Altus Data Solutions; CoStar Group, Inc.; CMHC; Statistics Canada

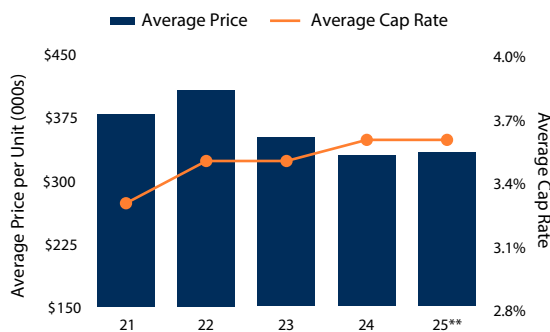
## Supply and Demand



## Rent Trends



## Sales Trends



\* Forecast; \*\* Through 1Q Sources: Altus Data Solutions; CoStar Group, Inc.; CMHC; Statistics Canada

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## 2024 Overview

### Construction 7,370 units completed

- Completions hit a new high last year, surpassing the 2021 peak by 10 per cent. Given strong demand and government initiatives, Surrey welcomed the most new supply, representing a 16 per cent share of total openings.
- For similar reasons, and due to strategic transit-oriented growth along the SkyTrain corridor, the Tri-Cities held the largest construction pipeline.

### Vacancy 70 basis point increase in vacancy Y-O-Y

- After an all-time low in 2023, vacancy rose to 1.6 per cent last year. In more high-cost areas, such as West Vancouver and downtown, vacancy rose by more than the metrowide rate to 4.1 per cent and 2.6 per cent, respectively.
- Amid historic deliveries and affordability hurdles, some sources say vacancy rates in newer builds are near 10 per cent, leading the citywide increase.

### Rent 5.8% increase in the average effective rent Y-O-Y

- After near 10 per cent annual rent growth for two consecutive years, gains slowed last year as some balance began to return to the market. Yet the annual increase was above the metro's long-term average of 3.5 per cent.
- Despite a metrowide jump, premium and newly built units have seen rent levels largely flat line, with mounting downward pressures forming.

## Investment Highlights

- Multifamily transactions have been declining since 2021. The total number of sales was down 13 per cent annually over the past yearlong period ending in March, potentially reflecting elevated interest rates and softening fundamentals in recent years. Nevertheless, the property type continues to generate investor interest, given ongoing supply constraints and home-ownership hurdles, as well as favourable financing provided by the CMHC.
- Despite a more pronounced softening in fundamentals, investors are still seeking new builds. Rent control policies have limited income growth for older buildings and have resulted in deferred maintenance. Yet builders' report that investors expect returns above 4.0 per cent, making it difficult to deliver these newer projects amid cost pressures and stagnating rents.
- In the highest-priced market in Canada, elevated interest rates and slowing rent growth caused the average sale price to fall roughly 15 per cent from the 2022 peak. That said, with bond yields having stabilized in 2024 and inching lower this year, it appears the average sale price has bottomed. At the same time, cap rates are also holding firm at just below 4.0 per cent.

# Our 2025 Activity

36 Properties Listed/Under Contract | \$117M Transacted | 14 Closed/Firm Deals

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## Coming Soon

Well-situated mixed-use building in the growing market of Princeton, with a strong tenant.



## For Sale

### 6700 Dow Avenue Burnaby

List Price: \$3,500,000  
10 Units | Cap Rate: 2.81%



## For Sale

### Vista Villa 885 Forestbrook Dr, Penticton

List Price: \$11,000,000  
50 Units | Cap Rate: 4.27%



## For Sale

### Tiki Village Multifamily Development Site, Vernon

List Price: \$6,000,000  
Site Size: 115,087 sf



## For Sale

### Wagon Wheel Place 35 East 16th Avenue, Vancouver

List Price: \$7,900,000  
20 Units | Net Income: \$223,102



## For Sale

### 1102 Burnaby Avenue Penticton

List Price: \$5,890,000  
Site Size: 1.22 Acres



## For Sale

### Lord Nelson Place Apartments 309 W 3rd St, North Vancouver

List Price: \$17,750,000  
41 Units | Cap Rate: 3.38%



## For Sale

### The Citadel 15915 84 Avenue, Surrey

List Price: Contact Listing Agents  
33 Units | Net Income: \$386,222



## For Sale

### Glenmore Development Site 438 Valley Road, Kelowna

List Price: \$6,700,000  
Site Size: 1.193 Acres



## For Sale

### 15318 North Bluff Road White Rock

List Price: \$3,480,000  
12 Units | Cap Rate: 3.38%



## For Sale

### Mission Development Site 32968-32980 2nd Ave, Mission

List Price: \$4,500,000  
Site Size: 20,130 sf



## For Sale

### Kingsley Place 1239 West 14th Ave, Vancouver

List Price: \$16,800,000  
27 Units | Cap Rate: 2.97%



## For Sale

### Kamloops Development Site 2550 Ord Road, Kamloops

List Price: \$6,800,000  
Site Size: 4.15 Acres



## For Sale

### Penrhyn Lodge 1696 West 11th Ave, Vancouver

List Price: \$6,200,000  
20 Units | Cap Rate: 4.25%



## For Sale

### Valley View Mobile Home Park 446 Lumby Mabel Lake Rd, Lumby

List Price: \$4,999,000  
83 Pads



## For Sale

### The Aspen 1455 West 71st Ave, Vancouver

List Price: \$7,680,000  
21 Units | Cap Rate: 3.33%

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**Under Contract**

**Desert Gem RV Resort**  
5753 Main Street, Oliver

List Price: \$3,729,000  
58 RV Pads | Site Size: 4.15 Acres



**Under Contract**

**Norge Apartment & Emerald Court, New Westminster**

List Price: \$9,800,000  
34 Units | Cap Rate: 4.07%



**Under Contract**

**Crestview Manor & Spanish Villa, Penticton**

List Price: \$16,500,000  
84 Units | Cap Rate: 4.51%



**Firm**

**Parklane Mobile Home Park**  
971 Douglas Avenue, Nanaimo

List Price: \$6,500,000  
75 Pads | Cap Rate: 5.03%



**Firm**

**Merklin Manor**  
1351 Merklin Street, White Rock

List Price: \$6,000,000  
20 Units | Lot Size: 14,942 sf



**Firm**

**Montague Place**  
1361 Martin Street, White Rock

List Price: \$2,400,000  
8 Units | Year Built: 1972



**Firm**

**Spring Villa**  
15150 Roper Avenue, White Rock

List Price: \$2,700,000  
9 Units | Year Built: 1972



**Firm**

**110 West 10th Avenue**  
Vancouver

List Price: \$12,800,000  
35 Units | Lot Size: 18,117 sf



**Firm**

**Cedar Court Apartments**  
9250 Edward Street, Chilliwack

List Price: \$1,300,000  
6 Units | Vacant Building



**Sold**

**Scott Manor**  
3263 Oak Street, Vancouver

Sale Price: \$3,400,000  
11 Units | Year Built: 1945



**Sold**

**Carlton Manor**  
782 Winnipeg Street, Penticton

Sale Price: \$1,950,000  
10 Units | Cap Rate: 5.24%



**Sold**

**Waldorf Manor**  
7448 & 7466 14th Ave, Burnaby

Sale Price: \$15,750,000  
68 Units | Cap Rate: 5.24%



**Sold**

**Greatview Manor**  
1280 Haro Street, Vancouver

Sale Price: \$27,700,000  
66 Units | Cap Rate: 2.86%



**Sold**

**Riverside**  
1600 Riverside Lane, Courtenay

Sale Price: \$32,000,000  
92 Units



**Sold**

**3295 Commercial Drive**  
Vancouver

Sale Price: \$5,500,000  
Site Size: 11,928 sf



**Sold**

**520 Westminster Avenue W**  
Penticton

Sale Price: \$1,075,000  
9 Units | Cap Rate: 5.30%