CUSHMAN & WAKEFIELD

# 2025 CANADIAN STUDENT HOUSING OVERVIEW

# STUDENT HOUSING SNAPSHOT

| 2.21M | 0.9% | 468K | 10.4% |
|---|---|---|---|
| TOTAL POST - SECONDARY ENROLMENTS | AVG ANNUAL INCREASE IN TOTAL STUDENTS | TOTAL INTERNATIONAL STUDENTS (21% OF TOTAL) | AVERAGE ANNUAL INCREASE IN INTERNATIONAL STUDENTS |

SOURCE: STATISTICS CANADA, TABLE 37-10-0086-01 (2012/13 - 2022/23)

# PROVINCIAL STUDENT ENROLMENTS BY MARKET

**940K** (43%)
ONTARIO

**532K** (24%)
QUEBEC

**206K** (9%)
ALBERTA

**286K** (13%)
BRITISH COLUMBIA

**247K** (11%)
REMAINING 9 PROVINCES & TERRITORIES

SOURCE: STATISTICS CANADA, TABLE 37-10-0086-01 (2022/23)



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## INTRODUCTION

The Canadian student housing sector entered a pivotal phase in 2025, shaped by shifting enrolment patterns, evolving government policies, and a dynamic economic landscape. Despite macroeconomic headwinds, the sector has demonstrated resilience, outperforming many other real estate asset classes.

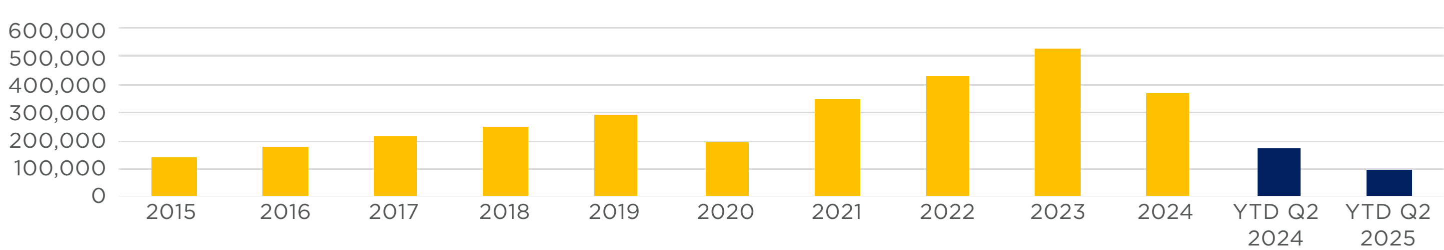
This report highlights key trends in enrolment, international student flows, rental performance within the larger multi-residential sector, and recent investment activity. It also explores the implications of the federal study permit cap and the evolving role of domestic and U.S. students as drivers for student housing demand.

# INTERNATIONAL STUDENT STUDY PERMIT CAP

The surge in international student enrolment over the last decade intensified pressure on Canada's already limited student housing supply. First-year residence guarantees and rising enrolments have stretched on-campus capacity, while off-campus markets have returned to pre-pandemic vacancy lows through 2023-25. Strong demand and inflation in the post pandemic period have driven significant rent increases, particularly in privately-owned student housing.

- In 2023, Immigration Refugee and Citizenship Canada (IRCC) approved a record 680,000 study permits (526,500 for post-secondary students).
- In January 2024, Canada's immigration ministry announced a two-year cap on the number of new study permits issued to international students. The stated goal of the policy at the time was to accomplish a -35% reduction in the number of new study permits issued in 2024, relative to 2023 levels. This effectively set a target of 364,000 approved study permits for the year, not counting extensions or renewals.
- In 2024, total permit holders dropped to 517,410 (-24%), with 372,000 post-secondary permits including extensions and renewals. IRCC data indicated that the total number of new study permits issued in 2024 was 267,890 (-48%), which was 100,000 new study permits below the official IRCC target. Additionally, the total number of new study permit applications processed fell by a third (-32%). In 2023, for example, six out of every ten study permit applications (59.8%) were approved. In 2024, however, that approval rate fell to 48% – meaning that more than half of all applicants were rejected during the year.

IRCC STUDY PERMITS ISSUED 2015 - 2024/25 (POST-SECONDARY STUDY PERMIT HOLDERS)




SOURCE: IMMIGRATION REFUGEE AND CITIZENSHIP CANADA. CALENDAR YEAR.

- The cap was originally put in place for a two-year period (2024-2025). In September 2024, the cap was announced to be extended into 2026 as well, with cap limits for 2025 and 2026 to be set at -10% below 2024 levels. Graduate and K–12 students were initially exempt, but Graduate students will be included in the 2025–2026 caps. Most applicants now require a provincial or territorial attestation letter (PAL/TAL).
- For 2025, IRCC planned to issue 437,000 permits, including 316,267 for post-secondary students (242,994 undergraduate; 73,282 graduate). However, estimates for 2026 have yet to be announced.
- Year-to-date results for post-secondary permits issued by the IRCC through June 2025 have declined by 44% from 174,715 to 97,200 permits relative to the same period in 2024. The IRCC also reported that the number of applications for international student visas has also dropped. In the first half of 2025, the IRCC received 302,795 applications, down 24% from 398,675 in the first half of 2024 and 47% from 575,535 in the first half of 2023.

# ENROLMENT TRENDS

- Despite the international student cap, full-time university enrolments grew 1% in 2024, following 3% growth in 2023.
- Most provinces saw 2–6% growth, while Atlantic provinces declined 3–8%, and British Columbia remained flat—reflecting strong prior-year growth and a greater reliance on international students.

**TOTAL FALL FULL-TIME UNIVERSITY UNDERGRADUATE % CHNG**

| | 2023 | 2024 |
|---|---|---|
| Canada | 3% | 2% |
| Ontario | 3% | 2% |
| Québec | 2% | 3% |
| British Columbia | 10% | 0% |
| Alberta | 3% | 6% |
| Nova Scotia | 8% | -3% |
| Manitoba | -4% | 2% |
| Saskatchewan | 2% | 6% |
| New Brunswick | 5% | 3% |
| Newfoundland & Labrador | -2% | -8% |
| Prince Edward Island | 4% | -3% |

- Overall, the impact of student permit caps on enrolment levels was not fully reflected in Fall 2024 results at University institutions. Results were likely bolstered by existing students enrolled from prior years and stronger domestic student enrolments.
- The Global Enrolment Benchmark Survey (GEBS) reported a 33% drop in new international undergraduate intakes in Canada in early 2025, and a 31% decline at the graduate level. Visa delays and restrictive policies were cited by 93% of surveyed institutions as key barriers.
- While enrolment data for Colleges for 2024-25 was not available, reports indicate that the study permit cap has had a larger impact on the financial stability of these institutions. Several major Ontario colleges have cut programs, laid off staff and are consolidating campuses.
- The impact of fewer international student enrolments may be offset by a shift in enrolment strategy and source markets. Domestic enrolments and enrolments from the US have helped offset some of the losses from International students.
- While extension of the study permit cap may dampen international demand, strong domestic and U.S. interest, combined with persistent housing shortages, suggests continued demand pressures on student housing—especially for off-campus, purpose-built developments.

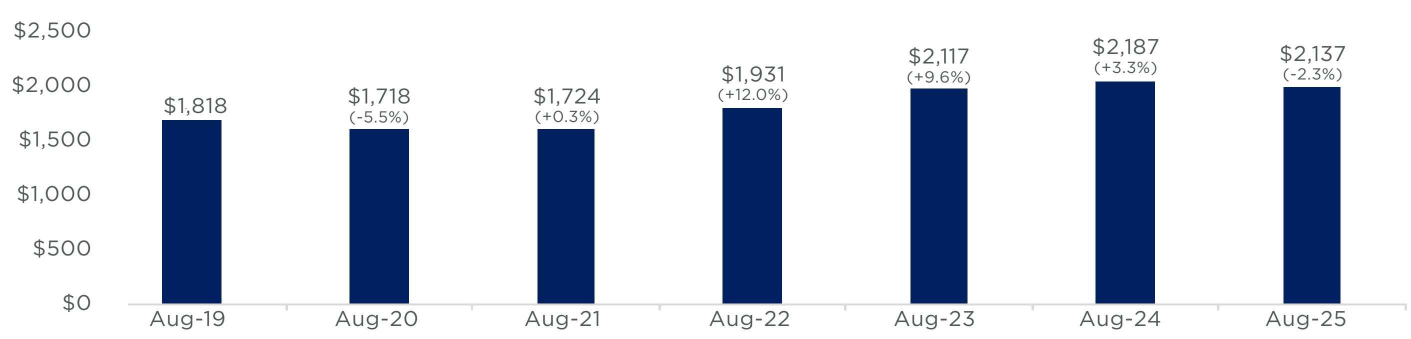

## RENTAL GROWTH BEGINS TO NORMALIZE

While data on rental growth in the student housing sector is not published, information is available on the related multifamily housing market. Rental growth began to moderate in mid-2024 and has now fallen into negative territory across all apartment rental properties in 2025.

- **Asking Rents:** According to Rentals.ca and Urbanation, the Average Asking Rents for rental properties in Canada declined by 2.3% in August 2025, relative to the same period last year. For purpose-built apartment rentals asking rents decreased 0.4% year-over-year in August, compared to larger annual declines of 3.7% for condo rentals and 6.0% for house/townhouse rentals.

  Conversely, Yardi Matrix reported positive but slower growth for In-Place Rents for properties they surveyed at 4.8% growth year-over-year and 2.8% growth in New Lease Rents in Q2 2025. The growth rate for New Lease Rents according to Yardi Matrix in Q2 2025 has slowed from 4.0% the previous quarter and 10.0% in Q2 2024.

AVERAGE ASKING RENT, ALL PROPERTY TYPES (CANADA) AVG. ASKING RENT ($)




SOURCE: URBANATION & RENTALS.CA NETWORK

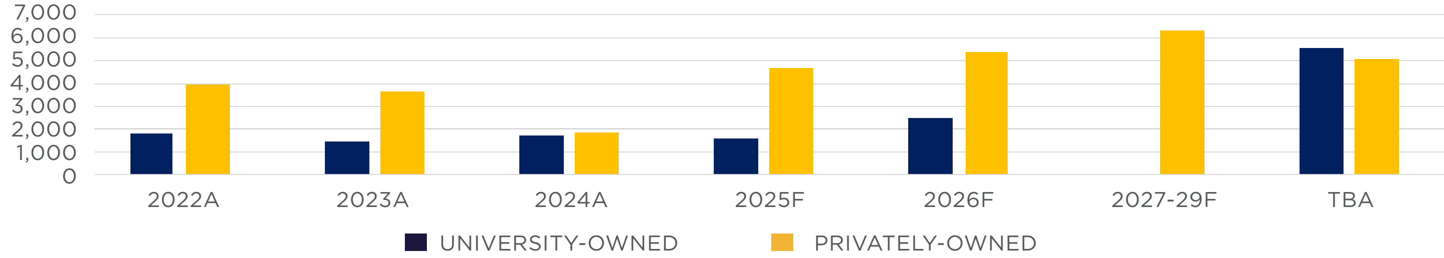
- **Completions:** Completions of purpose-built rentals and condos in 2024 reached a 30-year high, easing rent growth and increasing competition, including indirect shadow market pressures on the student housing sector. CMHC data indicates a continued increase in rental completions in 2025, which have remained above the 10-year historical averages in most markets.
- **Vacancy Rates:** CMHC's National Apartment Vacancy rates followed a dip-and-rebound pattern, peaking at 3.1% in 2020–21, then falling to 1.5% by 2023. In 2024, the rate rose to 2.2%, still below the 10-year average of 2.7%, as new supply outpaced demand. Yardi Matrix also reported increases in vacancy rates for the properties surveyed across Canada in Q2 2025, with the rate rising 10 basis points from Q1 2025 to 4.1%. Although the rate is in line with historical results, it is up 110 basis points over the past year.
- **Student Housing Implications & Observations:** Our discussions with operators and owners of Purpose-Built Student Housing properties indicated that average rental rate growth has slowed following the strong increases seen in the post pandemic period, beginning in Fall 2022. Despite these increases, properties have largely returned to normalized occupancy levels and are largely on track to maintain these levels into the Fall 2025.

## CURRENT STUDENT HOUSING SUPPLY & DEVELOPMENT PIPELINE

Cushman & Wakefield monitors Canada's 24 largest student housing markets, encompassing the top 34 post-secondary institutions by enrolment—primarily universities—which collectively represent about 60% of the country's full-time student population.

- The current student housing supply exceeds 169,000 beds, with 22% (36,300 beds) in privately owned residences.
- Looking ahead, 20,400 beds are scheduled for development between 2025 and 2029, with an additional 10,600 beds in early planning. Of these, 16,600 beds are expected to be delivered between 2025 and 2027.
- The largest upcoming supply increases are projected in Guelph (6,440 beds), Toronto (4,864 beds), and Vancouver (4,503 beds).
- Hamilton also has a sizeable pipeline (3,950 beds); however, this does include condominium-model developments with units to be sold to individual owners and rented to students through a centralized property-managed rental pool.

CANADIAN STUDENT HOUSING PIPELINE




COMPILED BY CUSHMAN & WAKEFIELD

## OPERATING COSTS - TRENDS & RATIOS

| STUDENT RESIDENCE REVENUES & EXPENSES | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Effective Gross Income | Repairs & Maintenance | Utilities | Insurance | Payroll & Benefits | Administrative & Marketing | Management Fee | Property Taxes | Total Expenses | NOI |
| MEDIAN EXPENDITURE PER BED | | | | | | | | | |
| $13,849 | $653 | $886 | $278 | $920 | $389 | $452 | $1,144 | $5,007 | $9,752 |
| MEDIAN PERCENTAGE OF EGI | | | | | | | | | |
| | 4.1% | 6.4% | 1.9% | 6.3% | 3.2% | 3.4% | 8.2% | 32.3% | 67.7% |

COMPILED BY CUSHMAN & WAKEFIELD

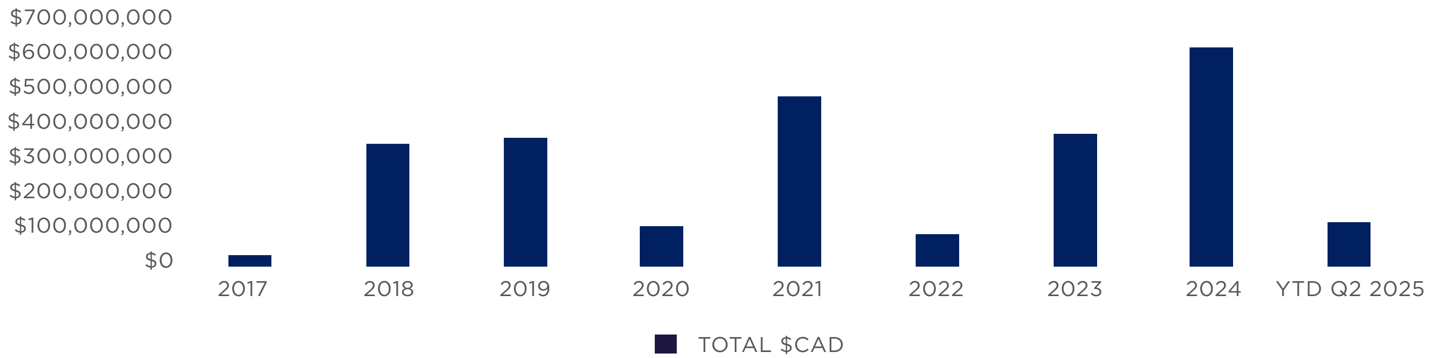
- Based on our latest survey of Student Residence Revenues & Expenses, Net Operating Income (NOI) margins—after accounting for management fees and reserves—range from 43% to 77%, with a median of 68%.
- Lower margins are typically observed in low-rise properties, which often lack the scale or rental rate positioning to achieve operational efficiencies.
- The most significant expense variances were observed in Utilities, Payroll & Benefits, and Property Taxes.
- Operators have pursued efficiency upgrades, such as LED lighting and water-saving fixtures, to reduce Utility expenses and enhance long-term cost control. The cessation of the Carbon Tax Program as of April 2025 may provide additional cost reductions in Utilities expenses over the coming years.



## RECENT TRANSACTIONS

Investor confidence in Canada's student housing sector remains strong. Continued high demand for student housing and the sector's ability to hedge against inflation are attractive to investors.

- Institutional investors from both Canada and the U.S. continue to show strong interest, particularly those seeking to diversify their apartment portfolios. A cooling residential condo market has also prompted developers to pivot toward rental and student housing projects, especially near post-secondary institutions.
- In the last 7 years, reported annual transaction volumes of student housing in Canada reached $400 to $545 million between 2018 and 2023. Transaction volume in 2024 rose to a record of just over $700 million for 7 transactions, representing a weighted average of $249,000 per bed. Activity has slowed in 2025, with the first half of the year showing just under $151 million driven by 2 major transactions.



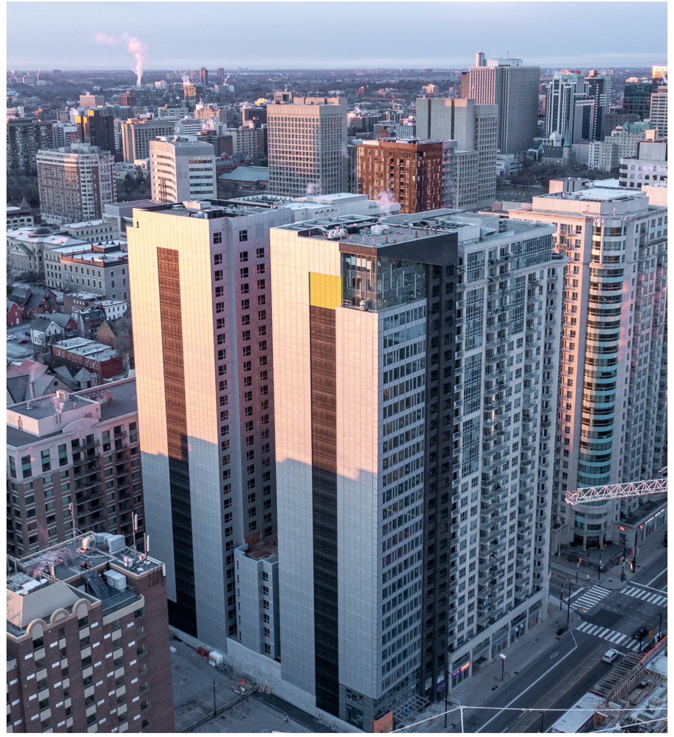

SOURCE: REALCAPITALANALYTICS (RCA), COSTAR, AND ALTUS DATA STUDIO

- Capitalization rates for Purpose-Built Student Housing properties in Canada over the last two years ranged at about 4.0% to 5.5%. Acquisitions of new builds continued to be the driver of recent transactions in Canada.
- The $1.686 billion sale of Alignvest's 7,159 beds across 17 properties to Forum REIIF was completed at the end of 2024. The properties are located in major markets and included 11 properties acquired by Alignvest over the 2018-2023 period. The transaction also involved an exchange of ownership units between ASH REIT and Forum REIIF on a tax-deferred basis for income tax purposes. Following the acquisition, the REIIF's portfolio now consists of 10,500 beds across 31 properties, the largest portfolio in Canada.
- In February 2025, Brookfield was reported to have made a $100 million investment into Forum REIIF, while putting its $2 billion Spanish student housing portfolio (Livensa Living) up for sale. This points to a further shift of institutional capital towards the Canadian student housing sector, following OPTrust's joint-ventures with Blue Vista Capital Management beginning in 2020 with the acquisition of the former Campus Common (now Avant) in Toronto.

## 2024-2025 MAJOR STUDENT RESIDENCE TRANSACTIONS

### 308 KING STREET NORTH

**WHERE:** Waterloo, ON
**BEDS:** 659
**PRICE PER BED:** $247,000
**DATE:** January 2024
**BUYER:** Alignvest Student Housing
**SELLER:** Prica Global Inc
**TAKEAWAY:** Built in 2023 and located within 2 km of Wilfrid Laurier University and University of Waterloo. Consisted of units in 1 and 2-bedroom configurations plus 8,000 SF of ground floor commercial space. This property is rented to both students and young professionals. Commercial vacancy was reported at the time of sale.



### ENVIE RIDEAU (ALMA @ BYWARD MARKET)

**WHERE:** Ottawa, ON
**BEDS:** 713
**PRICE PER BED:** $257,000
**DATE:** October 2024
**BUYER:** Forum Asset Management
**SELLER:** Choo Communities
**TAKEAWAY:** Built in 2022 and located within 1 km from University of Ottawa, near Byward Market. Consisted of units in 1 and 2-bedroom configurations, with amenities including fitness centre, arcade, study lounge, bar, spa lounge, and outdoor patio. Despite its new build, the buyer invested significant capital to enhance amenity offerings and address deficiencies.

## 2024-2025 MAJOR STUDENT RESIDENCE TRANSACTIONS

### ARCADIAN BARRIE

**WHERE:** Barrie, ON
**BEDS:** 359
**PRICE PER BED:** $99,000
**DATE:** March 2025
**BUYER:** Harlo DCRET
**SELLER:** Woodbourne Canada Partners III
**TAKEAWAY:** Built in 2016 and located within 1 km from Georgian College. Consisted of 5, four-storey townhouse buildings with 3 and 5-bedroom configurations, plus Club House and outdoor recreation spaces.

## CONCLUSION

As Canada balances its immigration and housing policies, student housing will remain a critical component of the broader post-secondary and real estate ecosystems. Market fundamentals remain strong and there continues to be strong investor interest in the sector. This combined with growth in the sector through private and public private partnerships, provides a positive long-term outlook for the sector.

## CUSHMAN AND WAKEFIELD STUDENT HOUSING

Cushman & Wakefield provides data-driven insights, valuation expertise, and strategic advisory services tailored to this evolving market. Our Student Housing practice group provides a platform that will support the continued expansion of the Canadian market, including in-depth valuation and appraisals, market research and feasibility studies.

PLEASE CONTACT OUR TEAM FOR MORE INFORMATION ON OUR SERVICES

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