



# Canadian Cap Rate & Capital Markets Report

Q4 2025

# Real Estate Investment Conditions and Trends



- Interest rates remain volatile, with the Canadian (CDN) 10Y and United States (U.S.) 10YT fluctuating significantly. Despite daily movements, our base case is that the CDN 10Y and the U.S. 10YT will generally hover in the 3.25% and 4-4.5% range respectively, consistent with long-run equilibrium.
- The capital markets recovery is underway, with volumes climbing and participation broadening. The path forward is shaped by higher-for-longer interest rates and marginally neutral-to-positive leverage conditions, suggesting a gradual improvement rather than a rapid rebound ahead.
- Industrial net absorption gained momentum in the latter half of 2025, totaling 7.9 million square feet (msf) over the final two quarters of 2025, a sharp rebound from the negative 1.1 msf recorded in the first six months of the year.
- Retail demand has remained resilient but rising costs may impact specific categories.
- Office vacancy steadily declined throughout 2025 and in Q4 2025 reached 16.2% nationally – its lowest level since Q2 2023.
- Multifamily faces headwinds. However, home ownership affordability is at all-time lows, which will provide support for apartment demand.
- Hospitality had seen record pricing based on strong investor demand and limited availability of quality investment product. The sector continues to attract investment capital for both existing assets and new development.
- Seniors housing is positioned for robust growth, fueled by favourable demographics, a slowdown in supply growth and improving operating fundamentals.

	Q4 2025	Q3 2025	Q4 2024
<b>INTEREST RATES</b>			
Overnight Rate	2.25%	2.50%	3.25%
Benchmark Bond Yield - 2-Year	2.58%	2.47%	2.93%
Benchmark Bond Yield - 5-Year	2.96%	2.74%	2.96%
Benchmark Bond Yield - 10-Year	3.42%	3.17%	3.23%
<b>ECONOMIC INDICATORS</b>			
CPI	2.4%	2.4%	1.8%
Core CPI	2.5%	2.4%	2.1%
Annual GDP Growth	1.9%*	2.6%	3.7%
Unemployment Rate	6.8%	7.1%	6.7%

Q3 Data Reflective of October 31st

Q4 Data Reflective of December 31st

\*Reflective October 2025



**VANTAGE POINT**

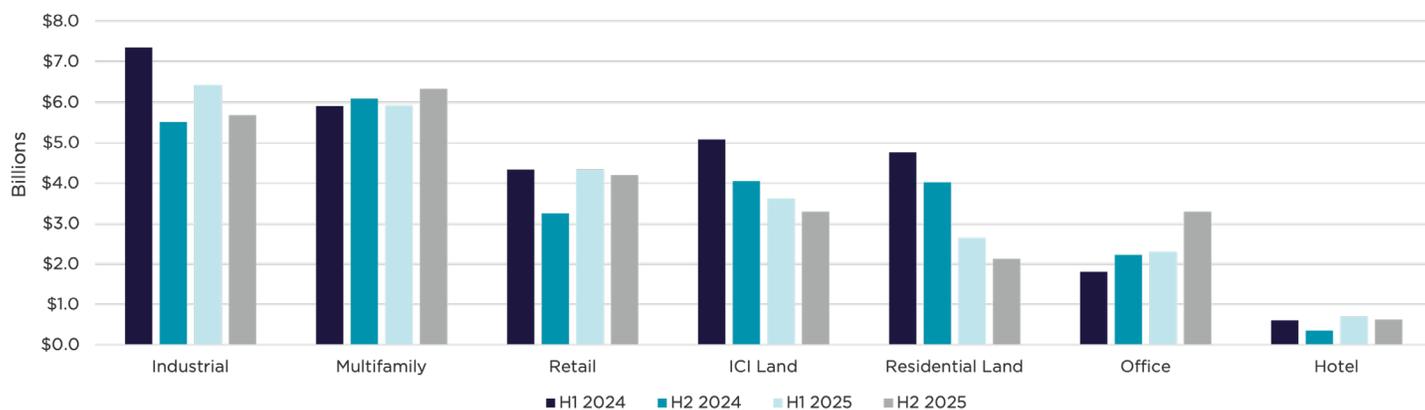
# **2025 Investment Sales Volumes by Major Market & Asset Type**

**Q4 2025**

## Overall Sales Volumes by Asset Class 2024 - 2025

Canada's commercial real estate investment market showed further signs of stabilization in the second half of 2025. Total investment volume declined by only 1.6% in the second half of the year compared to the first half of 2025, representing a notable improvement. On a quarter-over-quarter (QOQ) basis, however, market activity increased by 10.1%, driven primarily by a significant uptick in office investment which was highlighted by the second-largest office transaction in a decade.

While overall investment volume in 2025 remained down by 7.0% year-over-year (YOY), this decline reflects an elevated comparison base from 2024. This was due to a pronounced surge in transaction activity in June of 2024 ahead of the then-proposed increase to the capital gains inclusion rate. That policy change was delayed and ultimately cancelled in March 2025 by the newly elected Liberal government, removing a key source of market uncertainty. Excluding the June 2024 spike, average monthly sales volume in 2024 totaled \$4.11 billion, compared to an average of \$4.29 billion per month across all of 2025. This represented a 4.4% increase in average monthly transaction volume and further evidence of improving market momentum.

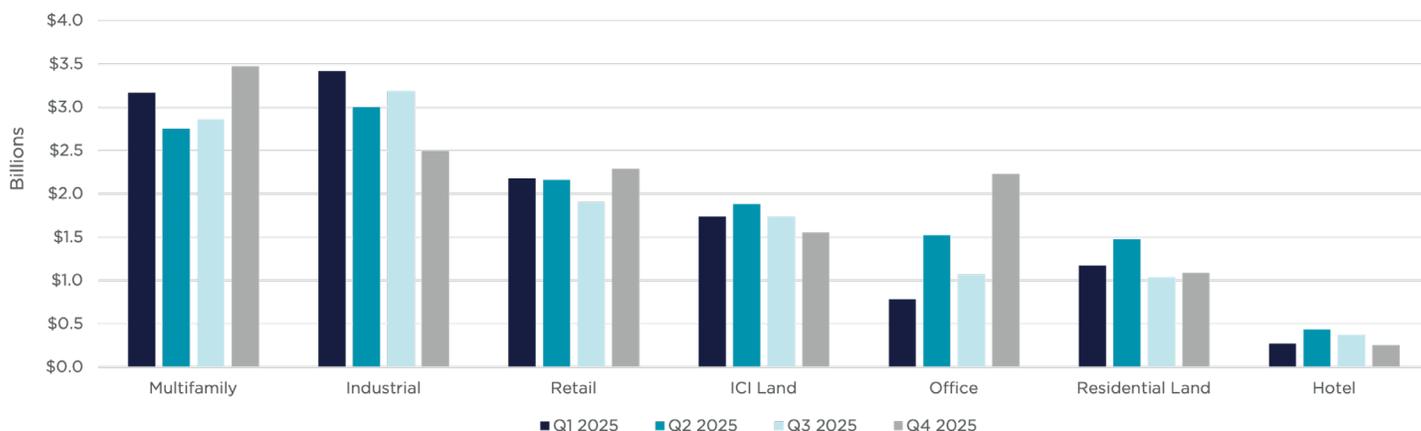


Source: Altus Group & Real Capital Analytics



## Overall Sales Volumes by Asset Class 2025

Multifamily emerged as the leading asset class by market share in 2025, recording \$12.3 billion in total investment volume. Activity increased by 21% QOQ and edged up 2% compared to 2024, which continued to be primarily driven by private investors who made up just over three quarters of total activity. Industrial followed closely behind with \$12.1 billion in total sales volume; however, activity declined 22% from Q3 levels and was down slightly by 6% YOY. Retail continued to demonstrate its resilience, remaining a top-three asset class and closing the year with \$8.5 billion in total investment volume, up 20% QOQ and 12% compared to 2024. This strength was evident across Canada’s major markets, where retail consistently ranked among the most active asset classes by investment volume, placing second in both Toronto (\$2.4 billion) and Montreal (\$1.8 billion), and third in the Greater Golden Horseshoe with \$1.4 billion in total investment activity. Office investment rebounded significantly, with sales volumes increasing 109% QOQ and rising 43% in the second half of 2025 compared to the first half. On a YOY basis, office investment increased 39%, led primarily by the \$1.2-billion sale of 658 Homer Street, which ranked among the largest office transactions in Canada in more than a decade. The land segment, particularly residential land, continued to adjust amid tempered condominium demand and development headwinds.

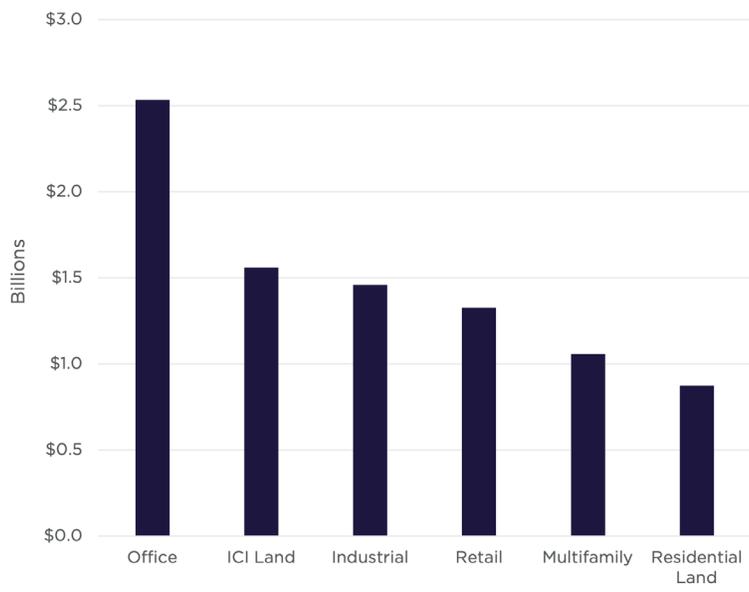


Source: Altus Group & Real Capital Analytics

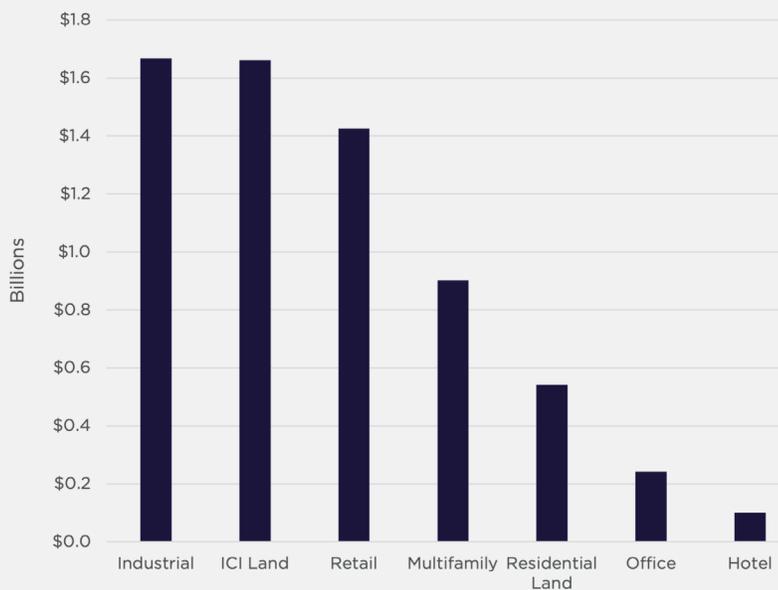
# Major Canadian Markets Sales Volume by Asset Type

2025

## VANCOUVER



## GREATER GOLDEN HORSESHOE



Source: Altus Group

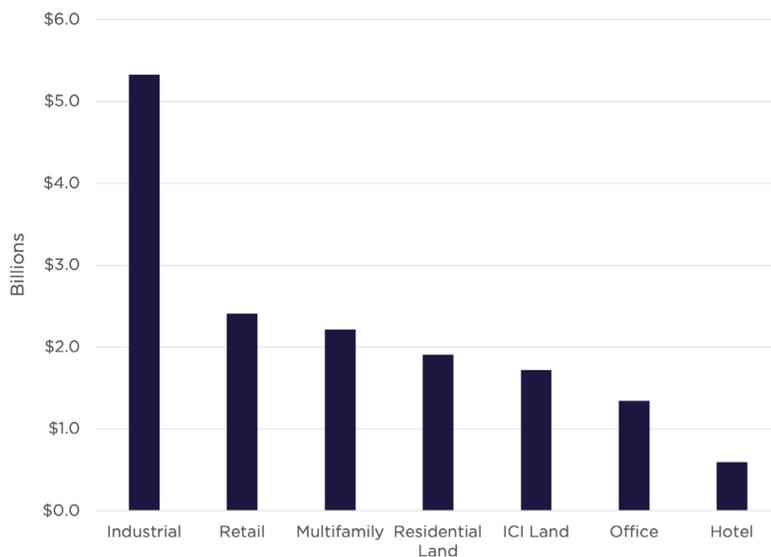


# Major Canadian Markets Sales Volume by Asset Type

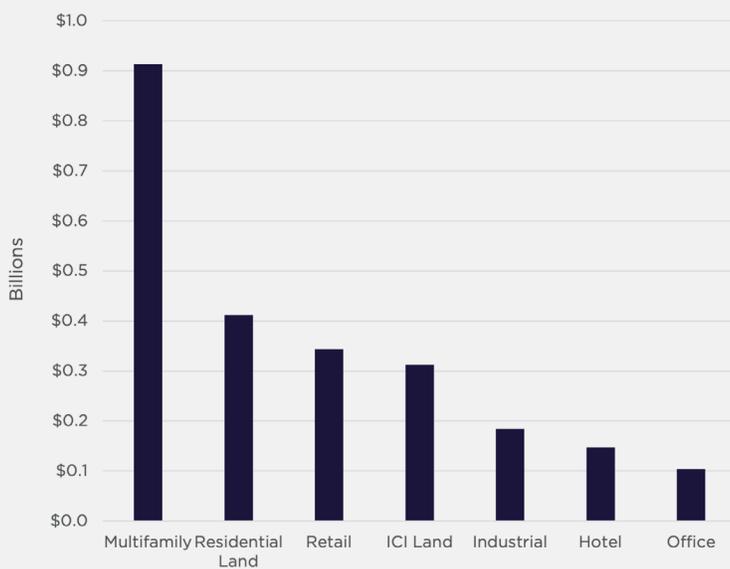
## 2025



### TORONTO



### OTTAWA

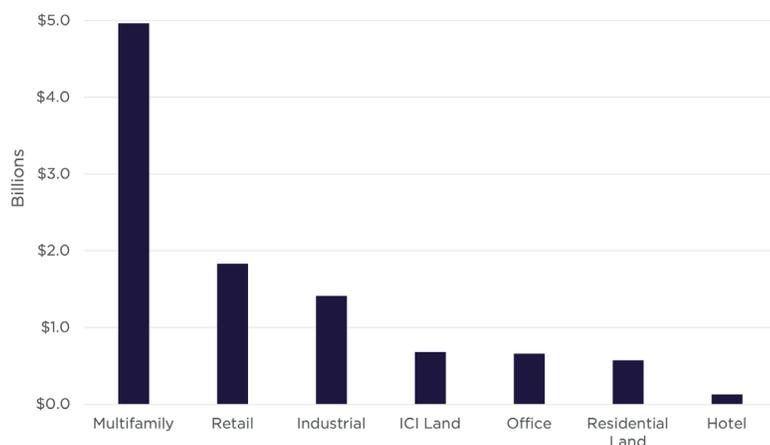


Source: Altus Group

# Major Canadian Markets Sales Volume by Asset Type

2025

## MONTREAL



Source: Altus Group

## Jump to

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



**VANTAGE POINT**

# **Multifamily Cap Rates & Sale Volumes**

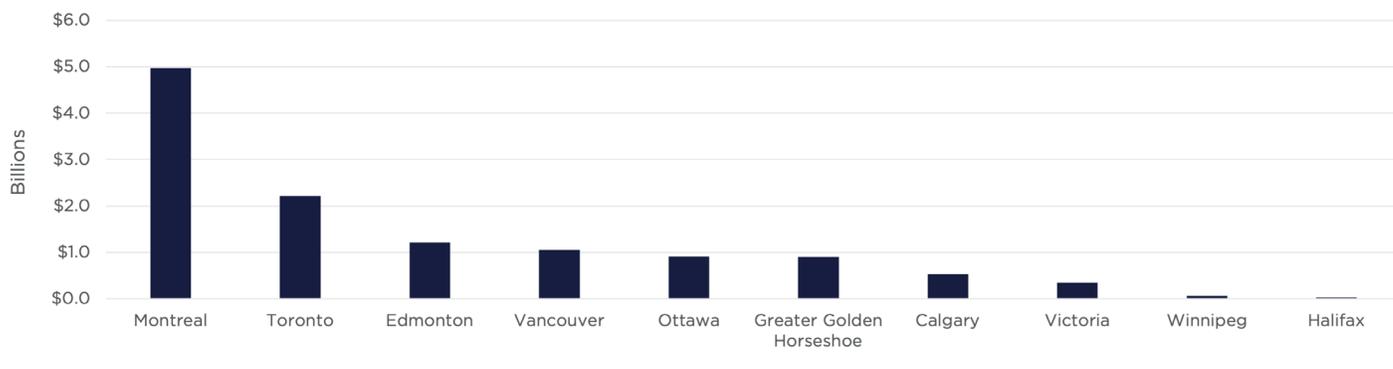
**Q4 2025**



## Overall Multifamily Sales Volumes by Major Market 2025

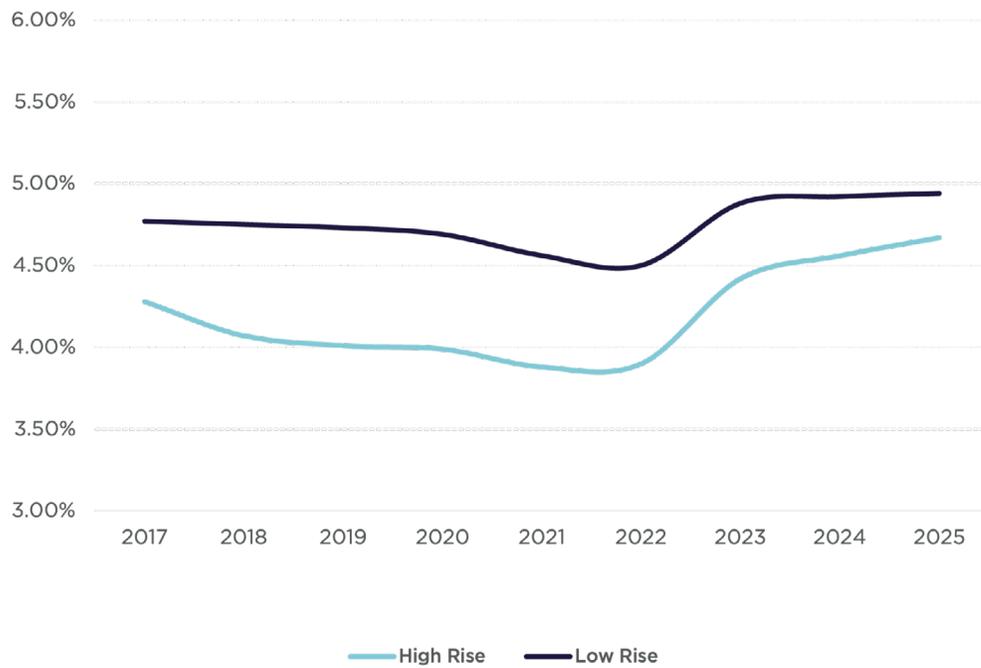
With a 21% increase in market activity QOQ, multifamily emerged as the top asset class in 2025, recording \$12.3 billion in total investment volume or 26% of total Canadian investment volume. YOY the sector continued to show resilience, posting a 2% increase despite an overall market contraction of 7%. While national fundamentals supported strong overall performance, investment activity varied meaningfully by market, buyer type, and average deal size.

Private buyers remained most active, accounting for 78% of total multifamily acquisitions in 2025, helping propel transaction activity. Montreal continued to lead the country in multifamily investment, representing 41% of national volume in 2025. Apartment assets made up nearly half of all investment activity in that market, with 1,377 transactions completed by year-end, resulting in an average sale price of \$3.6 million, or 15 units. Other major markets had significantly larger average deal sizes. Toronto, which had \$2.2 billion in total investment volume, recorded 130 multifamily transactions resulting in an average sale price of \$17 million. Vancouver also had \$1.1 billion in total volume with an average sale price of \$15.1 million across 70 transactions.



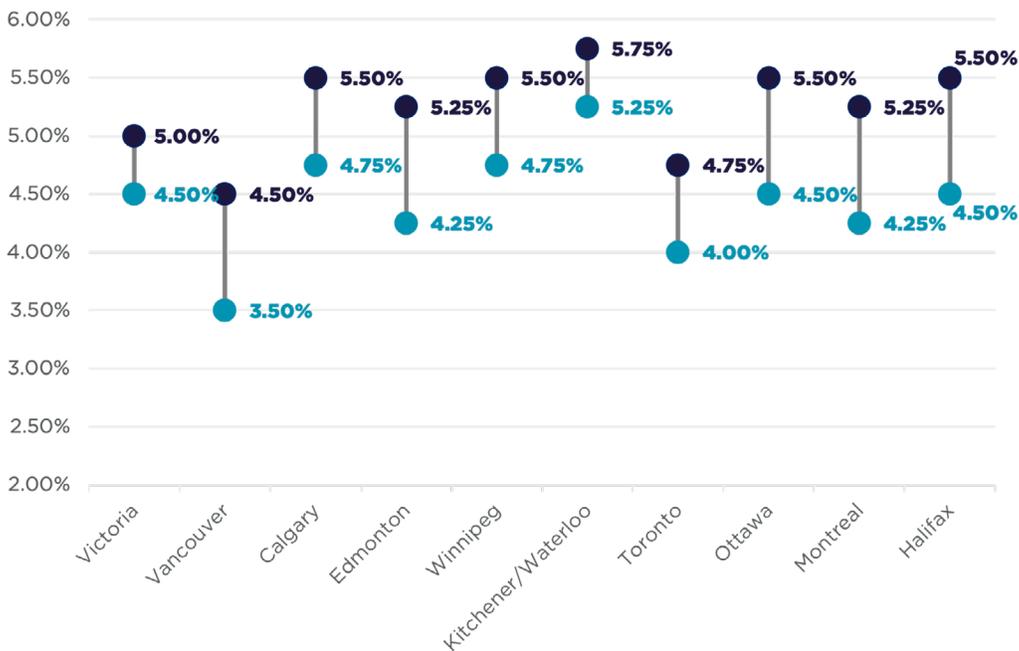
Source: Altus Group & Real Capital Analytics

## Historical Multifamily Cap Rates



# Multifamily Cap Rates

## High Rise



## Low Rise



— Min Range — Max Range



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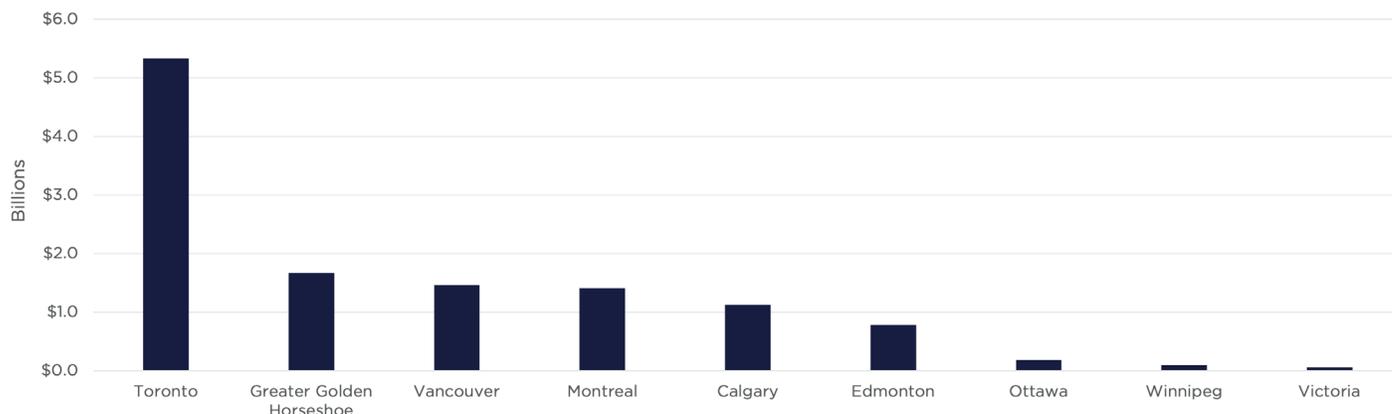
# **Industrial Cap Rates & Sale Volumes**

**Q4 2025**



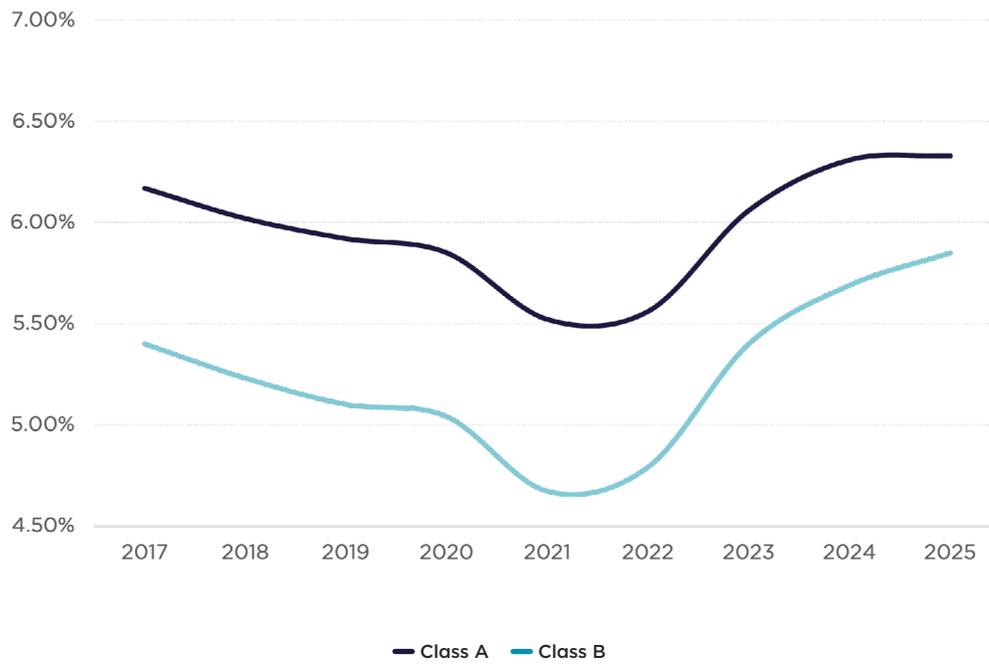
## Overall Industrial Sales Volumes by Major Market 2025

Continuing to rank among the most active asset classes, the industrial sector placed a close second in 2025, recording \$12.1 billion in total investment activity and accounting for approximately 19% of overall Canadian market volume. Market fundamentals continued to trend toward stabilization in Q4 2025, with the national industrial vacancy rate increasing by just 10 basis points QOQ and holding at 5.5% by year-end. Net absorption rebounded meaningfully in the second half of the year, totaling 7.9 msf and bringing full-year absorption to approximately 6.9 msf. Like absorption, overall leasing activity strengthened materially in the latter half of 2025, reaching 29.9 msf and pushing annual leasing volume to 54.7 msf, the strongest performance since 2021. Toronto led these improvements in leasing fundamentals, recording 5.8 msf of positive absorption in the second half of the year, which translated into heightened investment activity in the market. Toronto accounted for more than half of national industrial volume in Q4 2025, representing 52% of total sector activity. On a full-year basis, Toronto accounted for 44% of total industrial volume, followed by the Greater Golden Horseshoe close to 14% and Vancouver at 12%. As in prior periods, transaction volume continued to be driven primarily by private investors and user purchasers, with private capital accounting for more than half of industrial investment nationally.



Source: Altus Group & Real Capital Analytics

## Historical Industrial Cap Rates



# Industrial Cap Rates

## Industrial Class A



## Industrial Class B





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# **Retail Cap Rates & Sales Volumes**

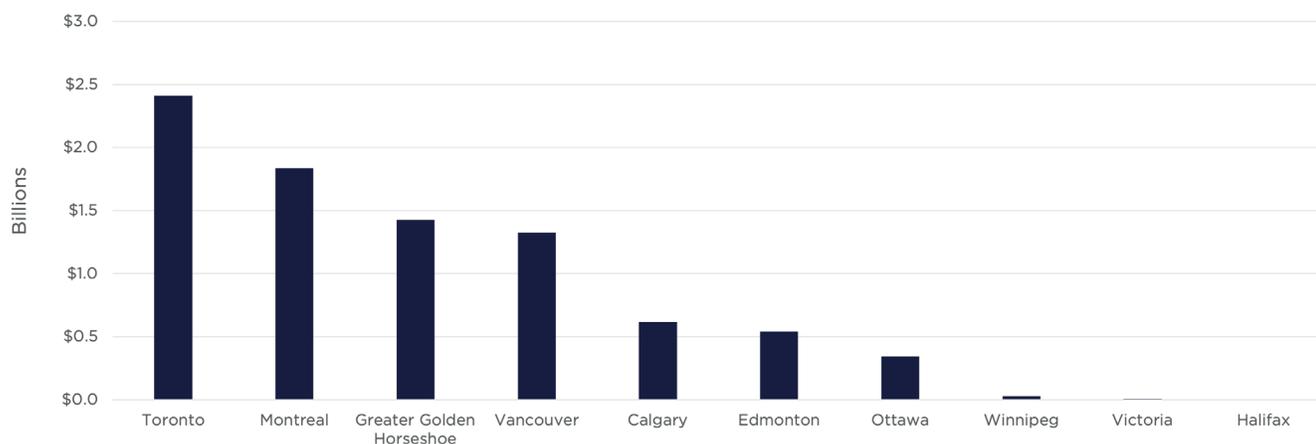
**Q4 2025**



## Overall Retail Sales Volumes by Major Market 2025

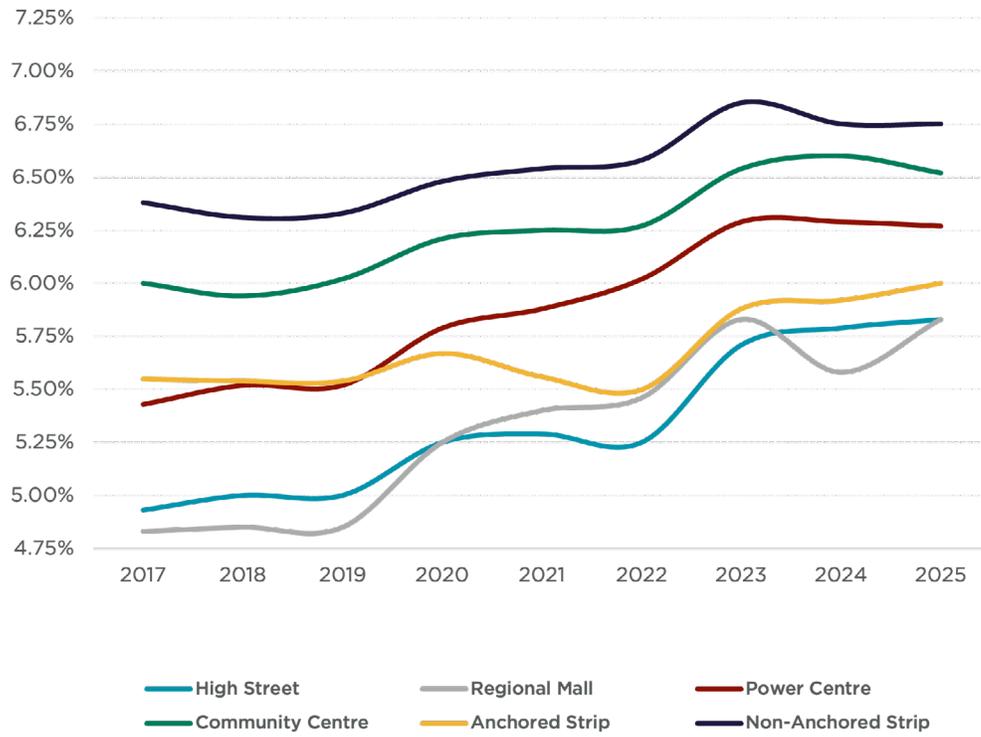
The retail sector remained resilient throughout 2025 and posted a 20% quarterly increase in investment volume in Q4 2025, up 13% compared to 2024. Private investors continued to dominate and gain a larger share of the purchaser profile pool, accounting for 74% of all retail investment activity in the second half of 2025, up from 63% in the first half. Despite only 11 total transactions, Regional shopping centres ranked number one in terms of dollar volume with \$1.8 billion in total investment resulting in an average trade size of \$162 million. Streetfront ranked a close second with \$1.6 billion, however, across a total of 636 transactions resulting in an average sale price of \$2.45 million. Community shopping centres placed third with \$1.0 billion in transaction volume, continuing to prove that demand remains strong for necessity-based and essential-service retail. This resilience was evident across most of Canada’s major markets, where retail consistently ranked among the top three asset classes by investment volume this past year.

- Toronto – 2nd in Investment Volume - \$2.4 billion
- Montreal – 2nd in Investment Volume - \$1.8 billion
- Greater Golden Horseshoe – 3rd in Investment Volume - \$1.4 billion



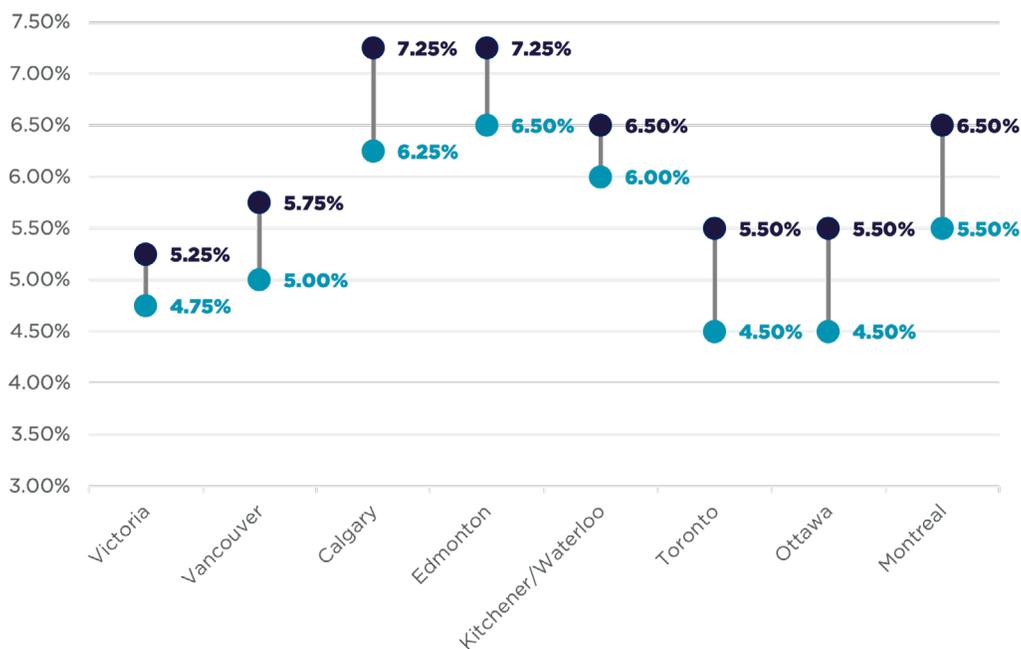
Source: Altus Group & Real Capital Analytics

## Historical Retail Cap Rates

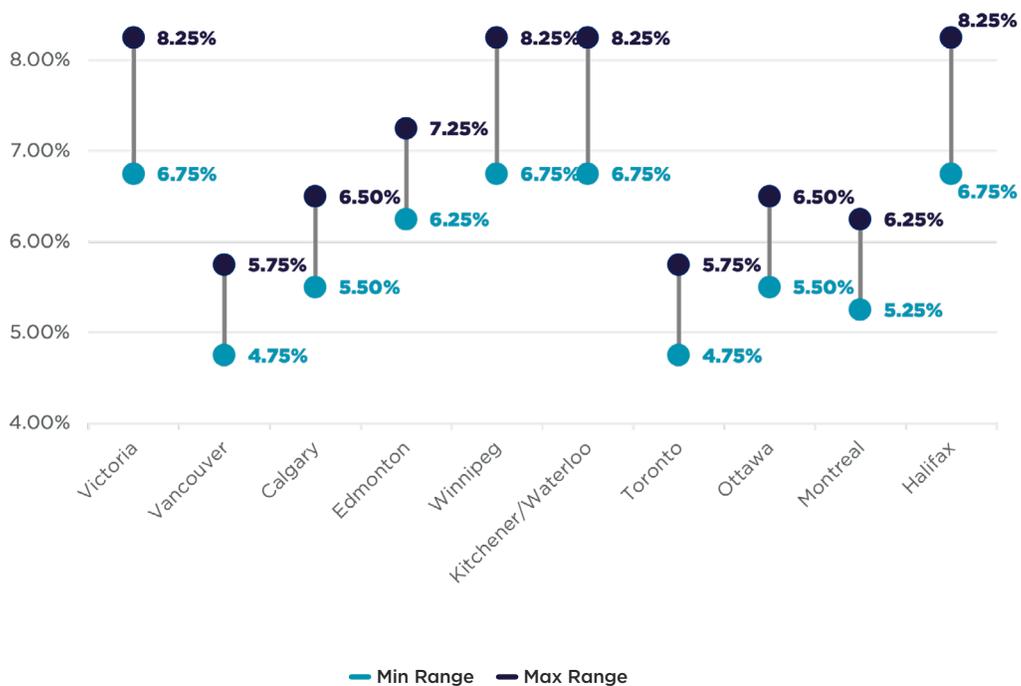


# Retail Cap Rates

## Street Front Top Performer

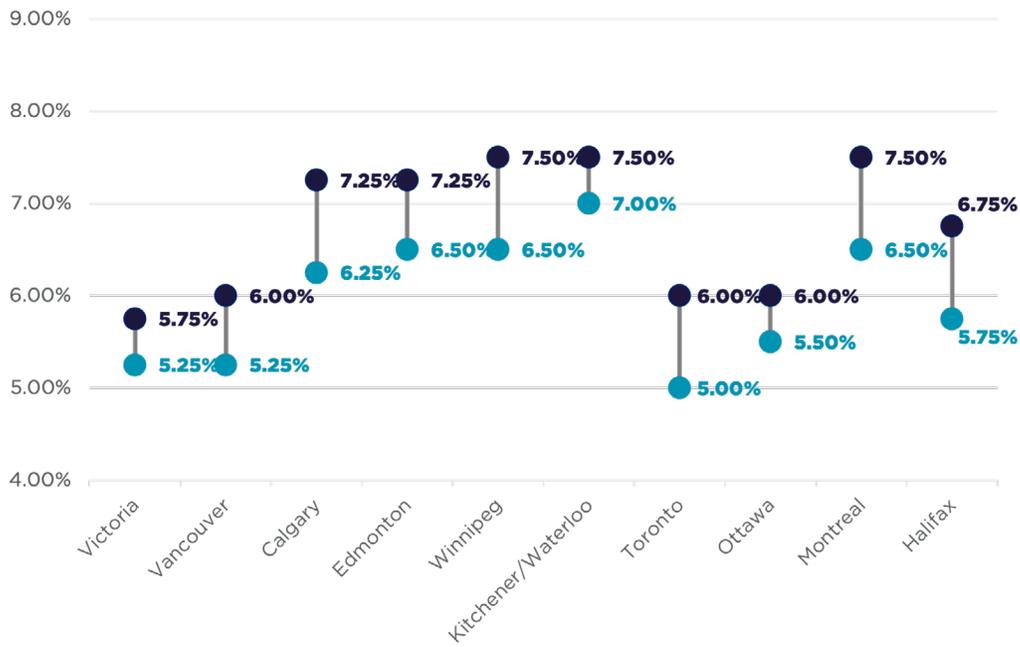


## Regional Mall Top Performer

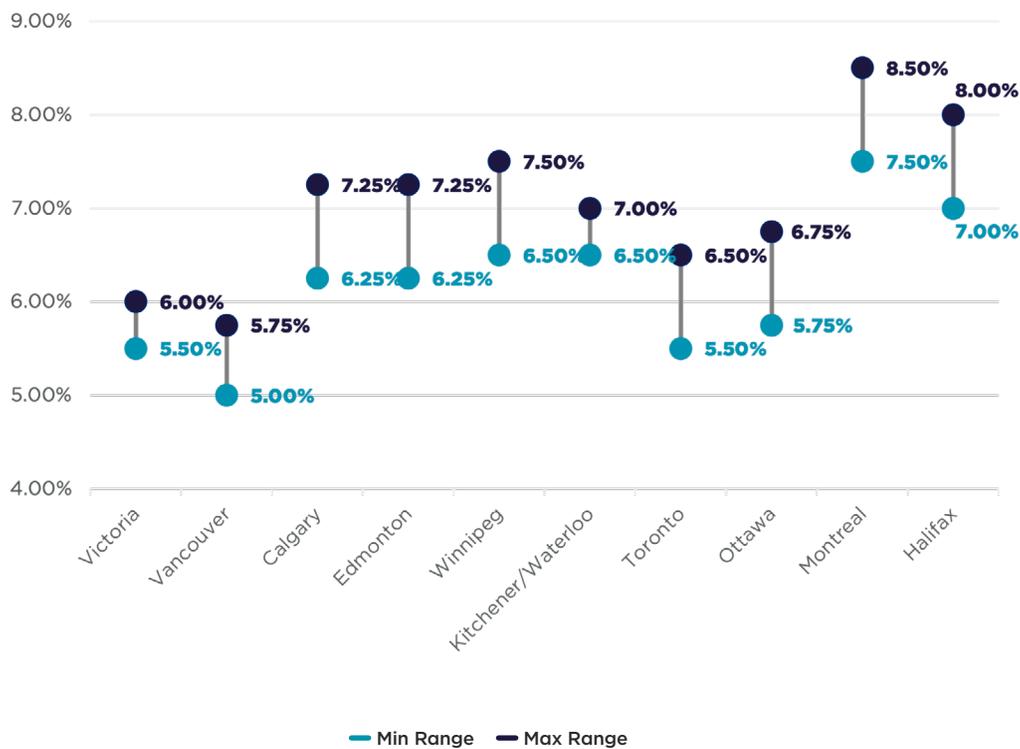


# Retail Cap Rates

## Power Centre

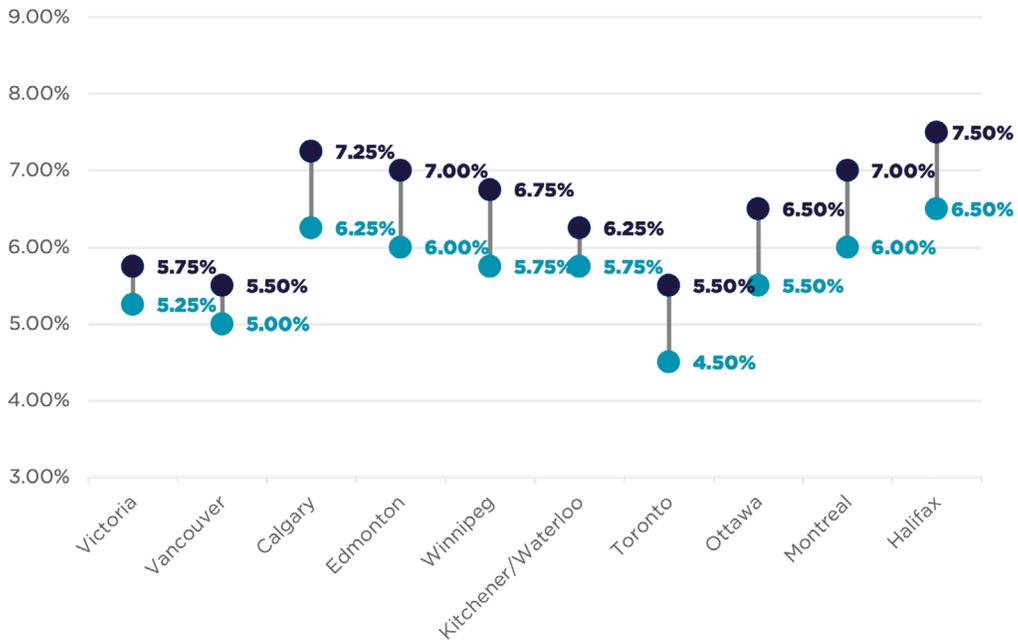


## Community Commercial Centre

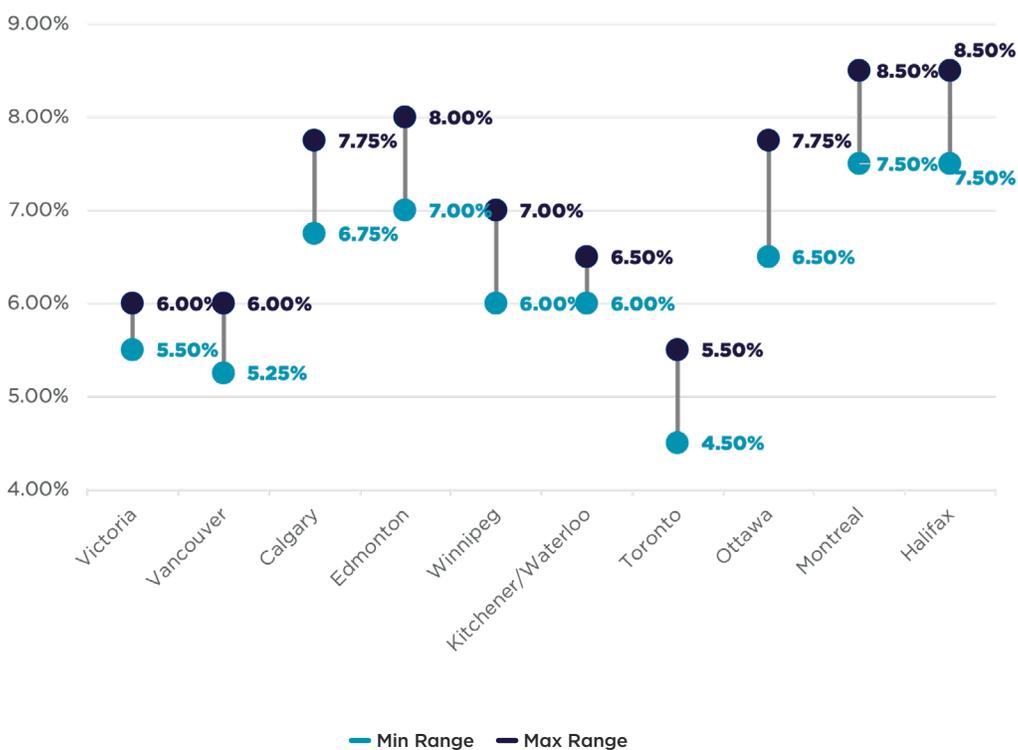


# Retail Cap Rates

## Strip Plaza Anchored



## Strip Plaza Non-Anchored





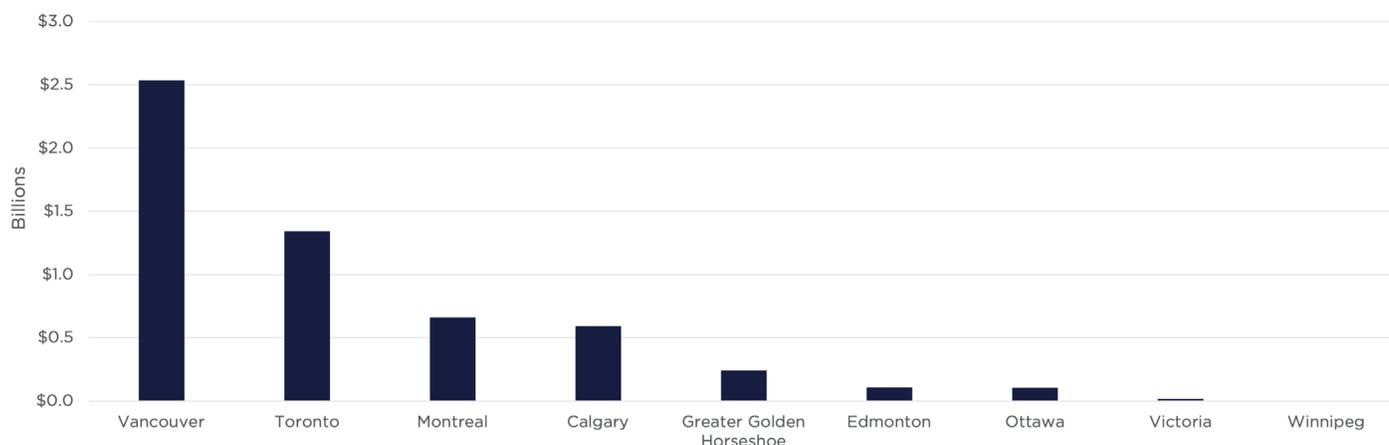
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# Office Cap Rates & Sale Volumes

**Q4 2025**

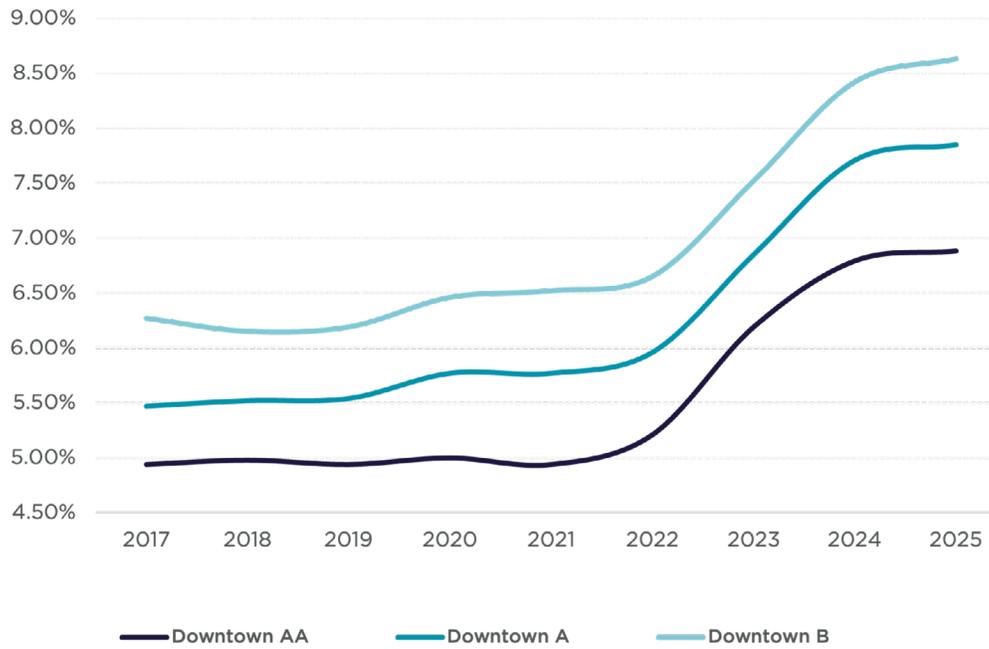
## Overall Office Sales Volumes by Major Market 2025

Amongst all asset classes, the office sector recorded the largest gain in investment sales not only in Q4 but in all of 2025. Compared to 2024, office investment activity rose by 39%, large in part to the 109% increase QOQ. Positive market fundamentals continued to gain momentum to end 2025 in part due to established return-to-office mandates. Overall office vacancy edged down to 16.2% in Q4 2025, its lowest level since Q2 2023. Among all segments, the Central Class A market continued to demonstrate the most consistent progress, recording a 160-basis point decline in vacancy from one year ago. With Q4 delivering 2.6 msf alone in net absorption, 2025 ended the year on a high note with annual absorption reaching 4.6 msf, the largest gain since 2018. Continuing to highlight strong investor confidence in well-located, high-quality properties, Central Class A space accounted for 74% or 2.9 msf of the year's absorption. This momentum reinforced investor preference for stabilized assets with strong tenant covenants and long-term leases, particularly in core urban markets. Toronto and Vancouver together accounted for 69% of total office investment in 2025, with Vancouver alone representing 45% of national volume. Vancouver's outsized share was driven primarily by two major transactions: the \$1.2-billion sale of The Post, one of the largest office transactions in Canada over the past decade, and the \$419 million, 50%-interest sale of 333 Burrard Street between CPP Investments and Oxford Properties Group.

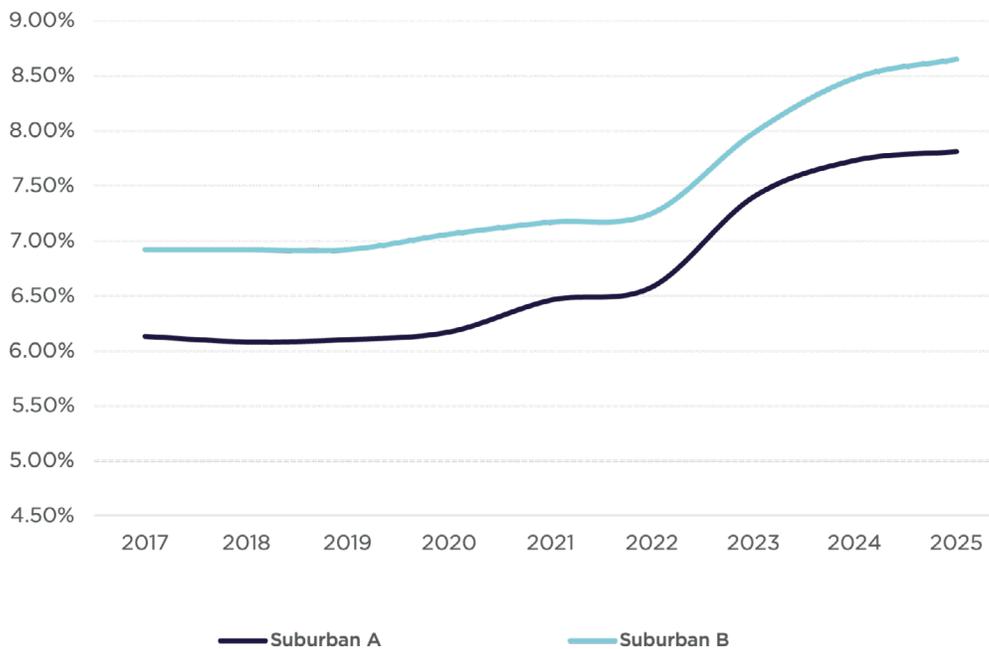


# Historical Office Cap Rates

## Downtown Office

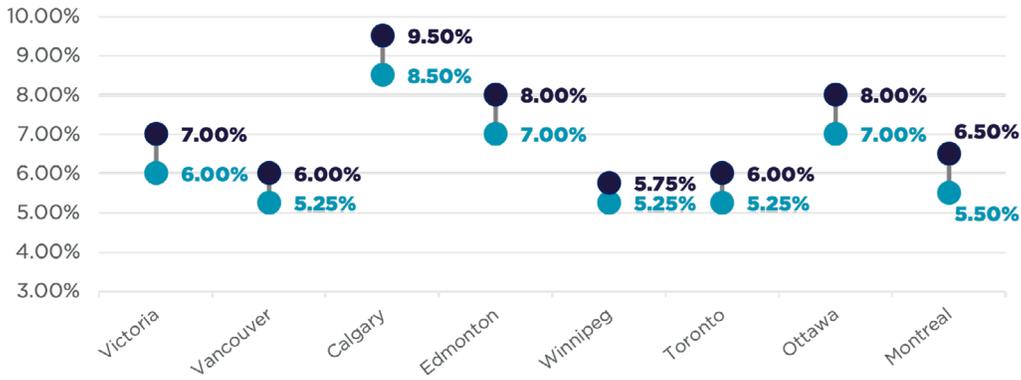


## Suburban Office



# Downtown Office Cap Rates

## Downtown Office AA



## Downtown Office A



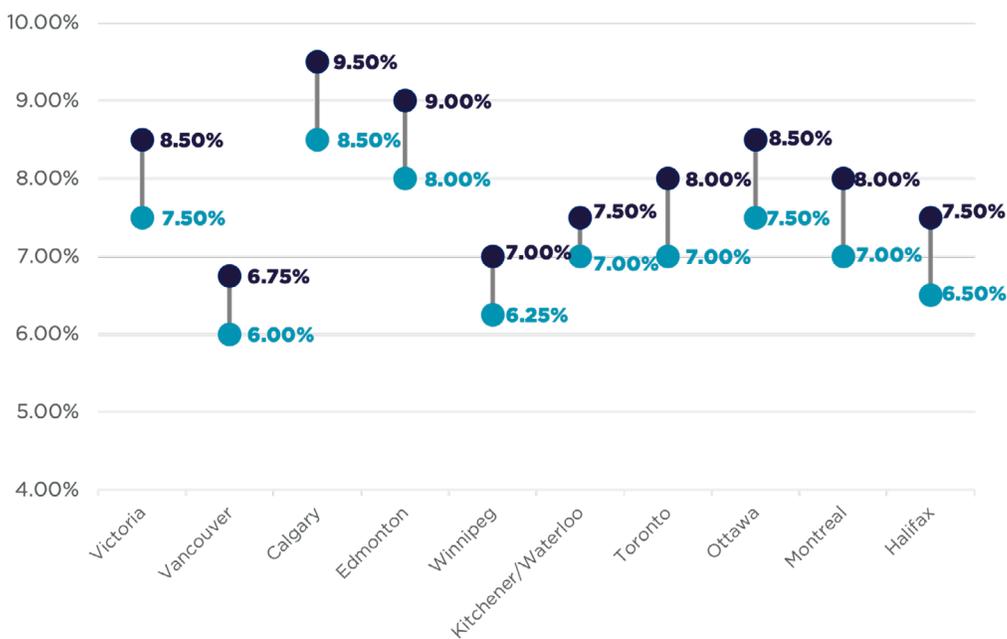
## Downtown Office B



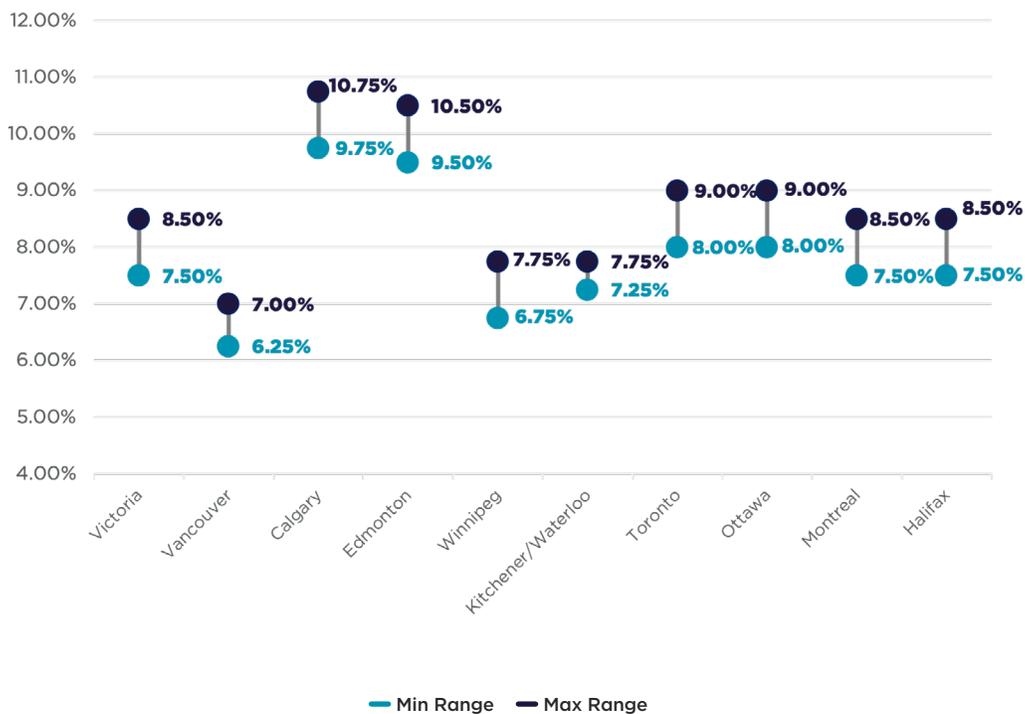
— Min Range — Max Range

# Suburban Office Cap Rates

## Suburban Office A



## Suburban Office B



— Min Range — Max Range



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# Land Sales Volumes

**Q4 2025**

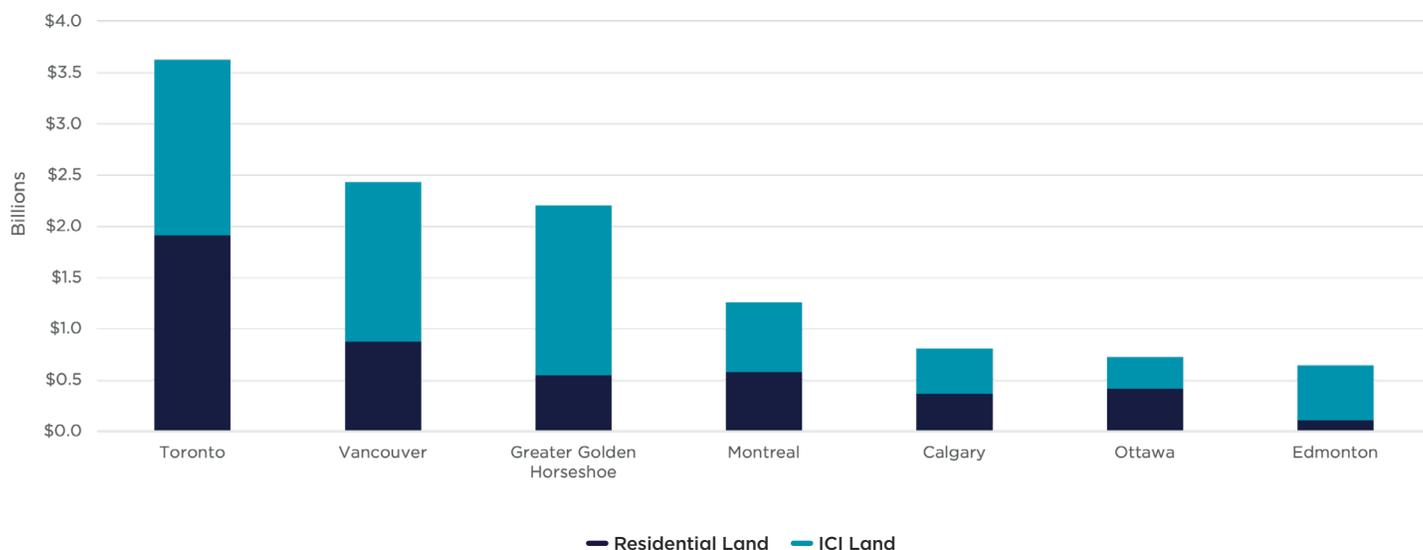


# Overall Residential & ICI Land Sales Volumes by Major Market

## 2025

Toronto, Vancouver and the Greater Golden Horseshoe led Canada's ICI land market in 2025, accounting for 71% of national transactions. While ICI land sales were slightly down by 9% between the first and second half of 2025, volumes appear to have leveled off compared to the fall from 2024, signaling early signs of stabilization. The industrial sector remains a key driver, with national absorption of 6.9 msf and a robust 6.5 msf in Toronto helping to support confidence in long-term fundamentals.

Residential land sales remain lower overall, but activity is holding steady as pricing adjusts and investors take a more selective approach. Toronto continues to anchor the market, representing 40% 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 remained solid. Market participants are cautiously optimistic that easing interest rates and improving affordability will begin to support renewed demand into 2026, and fundamentals in purpose-built rental underpin the market.



Source: Altus Group & Real Capital Analytics

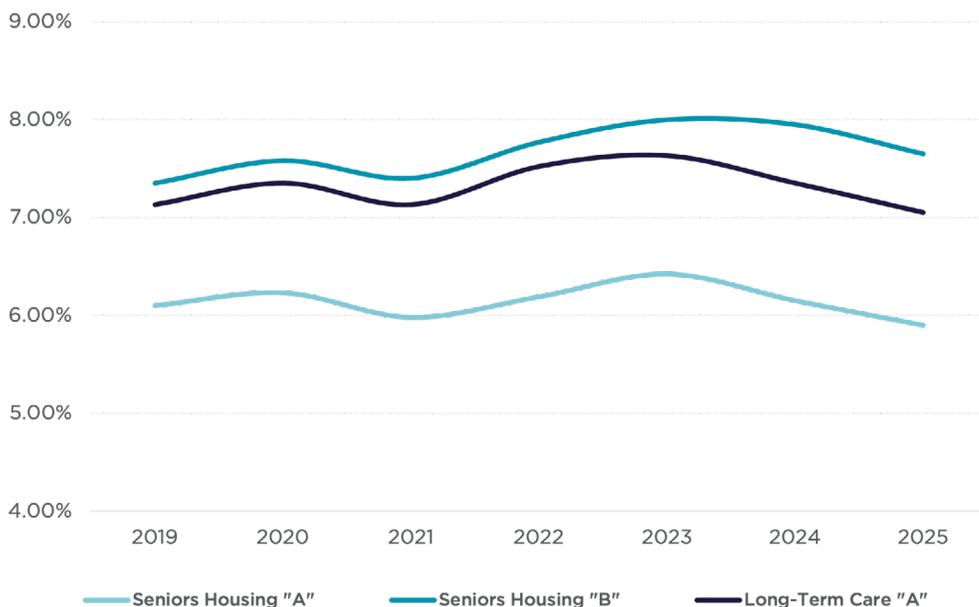


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# Seniors Housing & Health Care Cap Rates

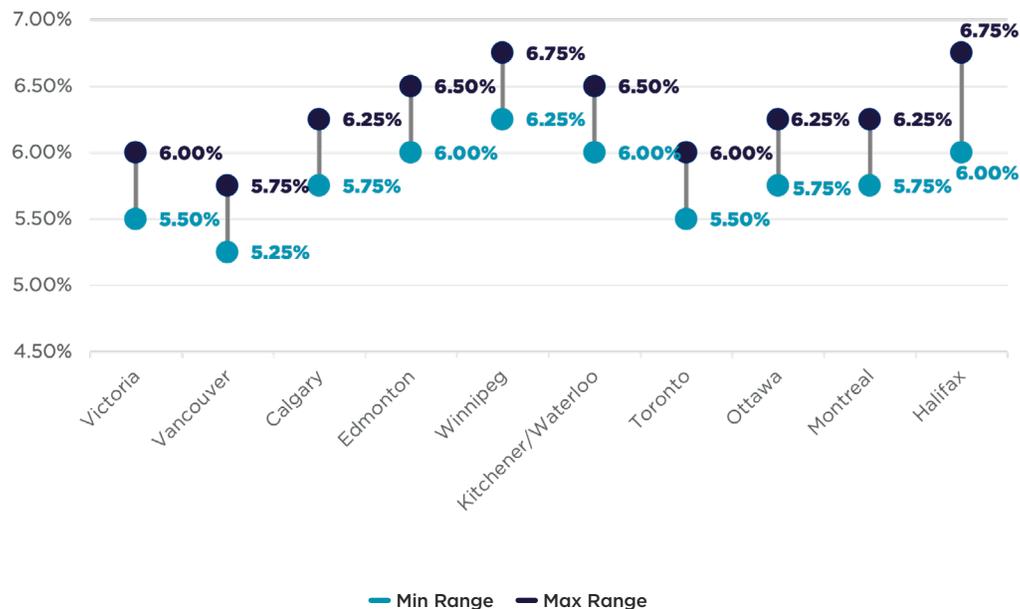
**Q4 2025**

## Historical Seniors Housing & Health Care Cap Rates



## Seniors Housing Cap Rates

### Seniors Housing "A"

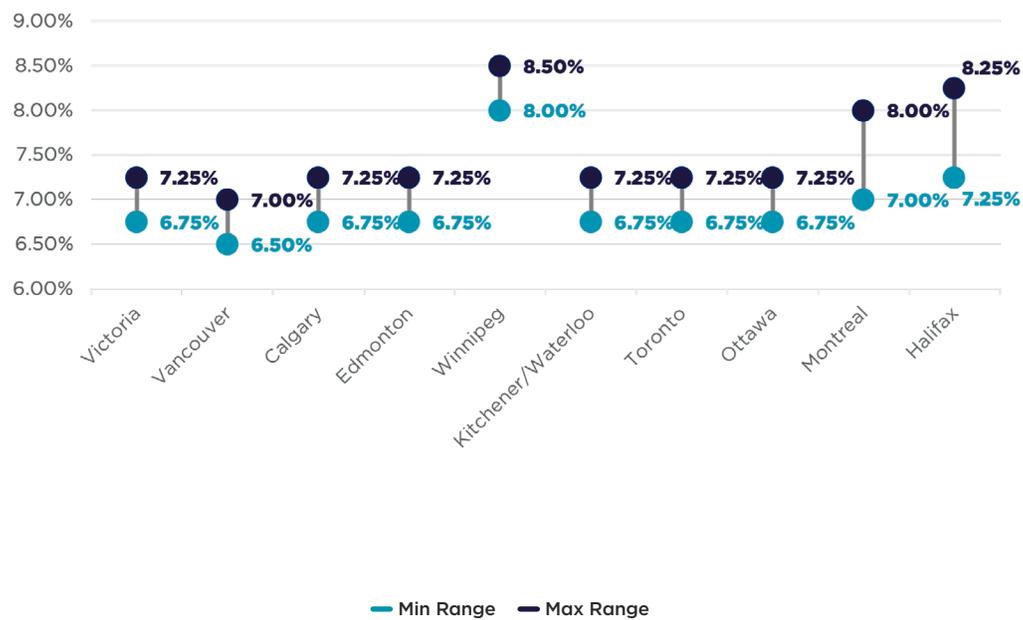


# Seniors Housing Cap Rates

## Seniors Housing “B”



## Long-Term Care “A”



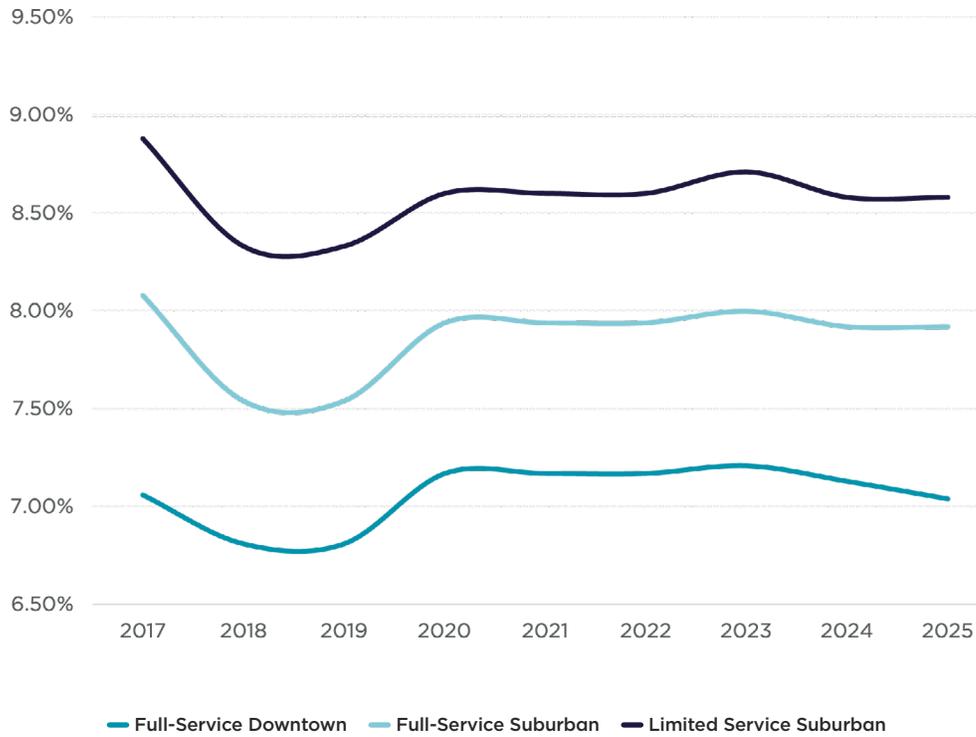


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# Hotel Cap Rates

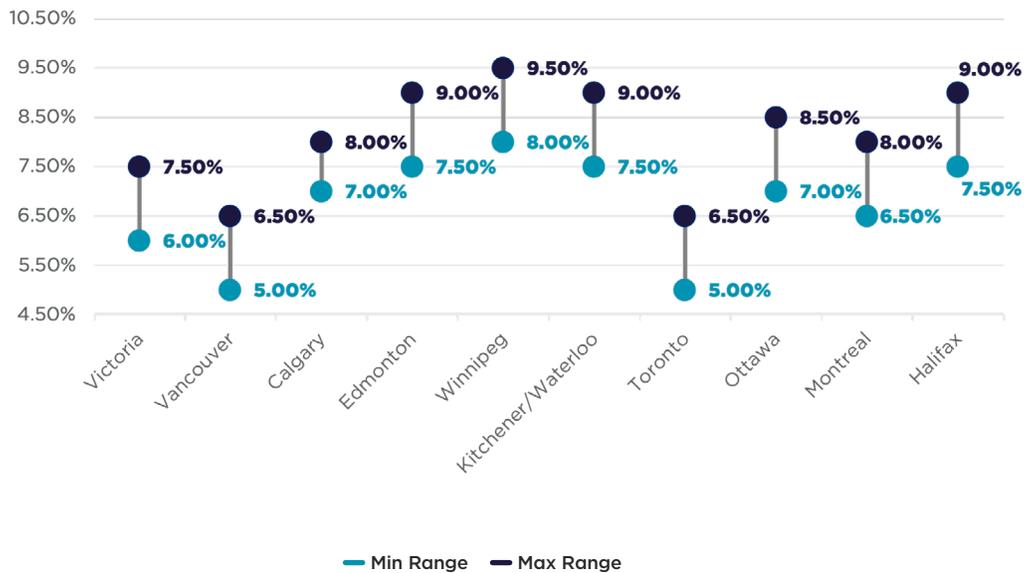
Q4 2025

## Historical Hotel Cap Rates



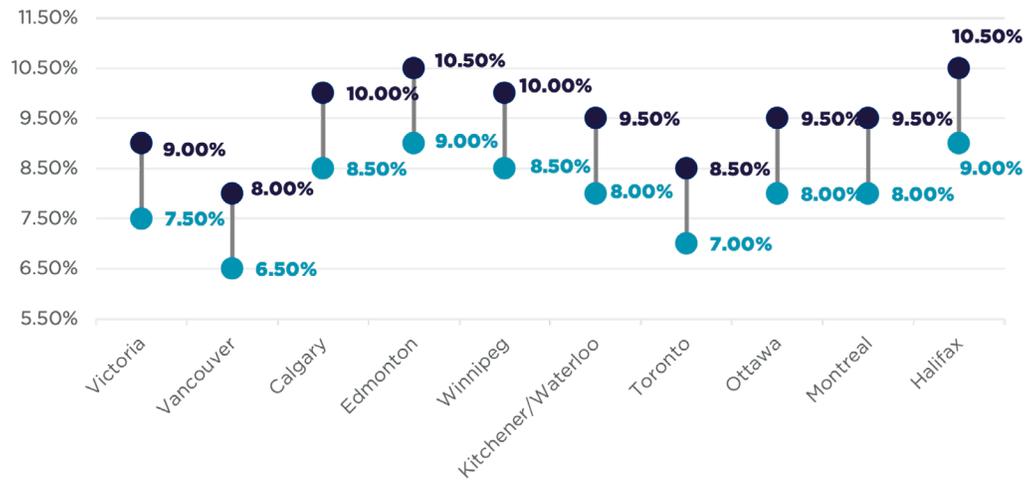
## Hotel Cap Rates

### Full-Service Downtown

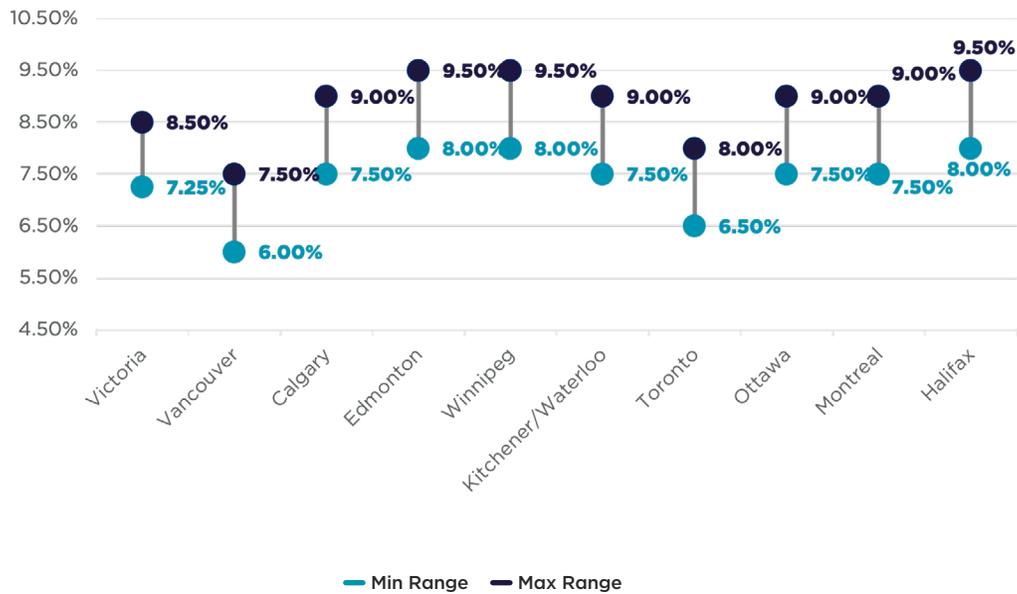


# Hotel Cap Rates

## Limited-Service Suburban



## Select Service





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# Cap Rate Summary & Glossary

**Q4 2025**

# National Cap Rate Historical Comparison by Asset Type

	Q4 2025	Q3 2025	Q4 2024
<b>DOWNTOWN OFFICE</b>			
AA	6.9%	6.9%	6.8%
A	7.9%	7.9%	7.7%
B	8.6%	8.6%	8.4%
<b>SUBURBAN OFFICE</b>			
A	7.8%	7.8%	7.7%
B	8.7%	8.6%	8.5%
<b>INDUSTRIAL</b>			
A	5.9%	5.9%	5.7%
B	6.3%	6.4%	6.3%
<b>APARTMENT</b>			
High Rise	4.7%	4.6%	4.6%
Low Rise	4.9%	4.9%	4.9%
<b>SENIORS HOUSING &amp; HEALTHCARE</b>			
Seniors Housing "A"	5.9%	5.9%	6.2%
Seniors Housing "B"	7.7%	7.7%	8.0%
Long-term Care "A"	7.1%	7.1%	7.4%
<b>HOTEL</b>			
Full-service Downtown	7.0%	7.0%	7.1%
Select Service	7.9%	7.9%	7.9%
Limited-service Suburban	8.6%	8.6%	8.6%
<b>RETAIL</b>			
Street Front - Top Performer	5.8%	5.8%	5.8%
Regional Mall - Top Performer	5.8%	5.8%	5.6%
Power Centre	6.3%	6.3%	6.3%
Community Commercial Centre	6.5%	6.5%	6.6%
Strip Plaza Anchored	6.0%	6.0%	5.9%
Strip Plaza Non-anchored	6.8%	6.8%	6.8%

# Q4 2025 Cap Rate Survey Report

	VICTORIA			VANCOUVER			CALGARY			EDMONTON			WINNIPEG		
RANGE:	LOW	HIGH	👁️	LOW	HIGH	👁️	LOW	HIGH	👁️	LOW	HIGH	👁️	LOW	HIGH	👁️
<b>DOWNTOWN OFFICE</b>															
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%	▲
<b>SUBURBAN OFFICE</b>															
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%	◀▶
<b>INDUSTRIAL</b>															
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%	◀▶	6.75%	7.75%	▼	6.00%	6.75%	◀▶
<b>MULTIFAMILY</b>															
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%	◀▶	5.25%	6.25%	◀▶	5.00%	5.75%	◀▶
<b>SENIORS HOUSING</b>															
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%	◀▶
<b>HOTEL</b>															
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	7.25%	8.50%	◀▶	6.00%	7.50%	◀▶	7.50%	9.00%	◀▶	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%	◀▶
<b>RETAIL</b>															
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**

<p>👁️ Outlook</p> <p>▲ Up</p> <p>▼ Down</p> <p>◀▶ Flat</p>	<p>The arrow direction indicates if there was an outlook change &amp;/or a cap rate ± bps change from the previous quarter</p> <p>Outlook represents a forecast for the next 3-6 months</p> <p>Green font indicates rising cap rate and/or range and/or outlook</p> <p>Red font indicates falling cap rate and/or range and/or outlook</p>
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### 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.

# Q4 2025 Cap Rate Survey Report

	KITCHENER/ WATERLOO				TORONTO			OTTAWA			MONTREAL			HALIFAX		
	RANGE:	LOW	HIGH	👁️	LOW	HIGH	👁️	LOW	HIGH	👁️	LOW	HIGH	👁️	LOW	HIGH	👁️
<b>DOWNTOWN OFFICE</b>																
	AA	N/A	N/A	N/A	5.25%	6.00%	▲	7.00%	8.00%	◀▶	5.50%	6.50%	◀▶	N/A	N/A	N/A
	A	8.25%	8.75%	▲	6.25%	7.25%	▲	7.50%	8.50%	▲	6.00%	7.00%	◀▶	6.25%	6.75%	◀▶
	B	9.25%	9.75%	▲	6.50%	7.50%	▲	8.00%	9.00%	▲	6.50%	7.50%	◀▶	7.00%	7.75%	◀▶
<b>SUBURBAN OFFICE</b>																
	A	6.75%	7.25%	◀▶	7.00%	8.00%	◀▶	7.50%	8.50%	◀▶	7.00%	8.00%	◀▶	6.50%	7.50%	◀▶
	B	7.00%	7.50%	◀▶	8.00%	9.00%	◀▶	8.00%	9.00%	◀▶	7.50%	8.50%	◀▶	7.50%	8.50%	◀▶
<b>INDUSTRIAL</b>																
	A	6.75%	7.25%	◀▶	5.50%	6.25%	▲	6.00%	7.00%	▲	5.25%	6.25%	◀▶	6.50%	7.25%	▲
	B	7.25%	7.75%	◀▶	5.50%	6.50%	◀▶	6.50%	7.50%	▲	5.75%	6.75%	◀▶	7.50%	8.00%	▲
<b>MULTIFAMILY</b>																
	High Rise	5.25%	5.75%	◀▶	4.00%	4.75%	▲	4.50%	5.50%	▲	4.25%	5.25%	◀▶	4.50%	5.50%	◀▶
	Low Rise	4.50%	5.25%	◀▶	3.75%	4.50%	▲	4.75%	5.50%	◀▶	4.75%	5.75%	◀▶	5.00%	6.00%	◀▶
<b>SENIORS HOUSING</b>																
	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%	◀▶
<b>HOTEL</b>																
	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%	◀▶
<b>RETAIL</b>																
	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**

<p>👁️ Outlook</p> <p>▲ Up</p> <p>▼ Down</p> <p>◀▶ Flat</p>	<p>The arrow direction indicates if there was an outlook change &amp;/or a cap rate ± bps change from the previous quarter</p> <p>Outlook represents a forecast for the next 3-6 months</p> <p>Green font indicates rising cap rate and/or range and/or outlook</p> <p>Red font indicates falling cap rate and/or range and/or outlook</p>
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# 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.



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