

MARKET FUNDAMENTALS

	YOY Chg	Outlook
19.4% Vacancy Rate	▲	▲
-1.5M YTD Net Absorption, SF	▼	▲
\$36.49 Asking Gross Rent, PSF <small>(Overall, All Property Classes)</small>	▲	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.4M Montreal Employment	▲	▲
6.9% Montreal Unemployment Rate	▲	▲
7.0% Canada Unemployment Rate <small>Source: Statistics Canada</small>	▲	▲

KEY TAKEAWAYS:

- KingSett’s purchase of 1200 McGill College for \$100.6M, which includes a significant amount of retail space (70k square feet (sf), is the largest in the province since the \$142M purchase last summer of 455 René-Levesque West.
- Although sublease vacancy remains high it did contract for the second straight quarter, with Class B markets in both the Central and Suburban area witnessing the most significant decreases in sublet vacancy.

ECONOMY

Overall employment in the GMA sits at 2.4 million in May 2025. Although this is a decrease from April, employment is still up 75k from one-year-ago, the strongest year-over-year growth of all major CMA’s in Canada. However, the unemployment rate has continued to climb and now sits at 6.9% as more people are entering the workforce and are searching for work.

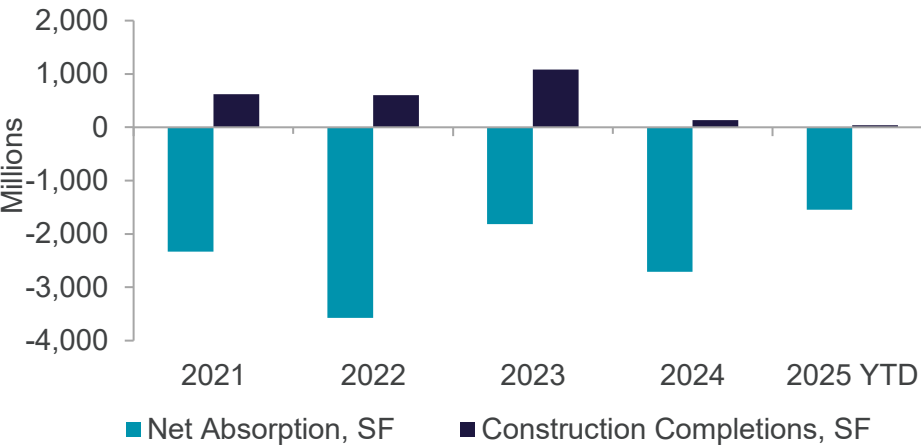
PREMIUM ASSETS CONTINUE TO OUTPERFORM THE MARKET

Office vacancy in the Greater Montreal Area (GMA) reached 19.4% in Q2 2025. Although quarter-over-quarter (QOQ) vacancy increases were widespread, the Central Class A market had the lowest QOQ increase, and least amount of negative absorption, of all market segments and classes within the GMA. Demand in this market is even more evident when only looking at trophy assets which had a Q2 2025 vacancy rate of 8.7%, with this quarter marking the first instance of positive net absorption in several periods within the highest asset class. Leasing activity rebounded from last quarter throughout the Central Class A market, reaching just over 600k sf. Notable deals this quarter included Colliers and PwC relocating to 1 Place Ville-Marie (22k sf and 95,500 sf respectively). In the overall suburban market, leasing activity was more evenly distributed between the asset classes. Noteworthy Suburban transactions included KPMG securing close to 18k sf at 7777 Décarie and 12k SF in Boisbriand, and notable leasing was also witnessed at 6505 Transcanada with JRTech Solutions leasing 9k sf and finally 74k sf was leased at 400 Sainte-Croix in Ville Saint-Laurent.

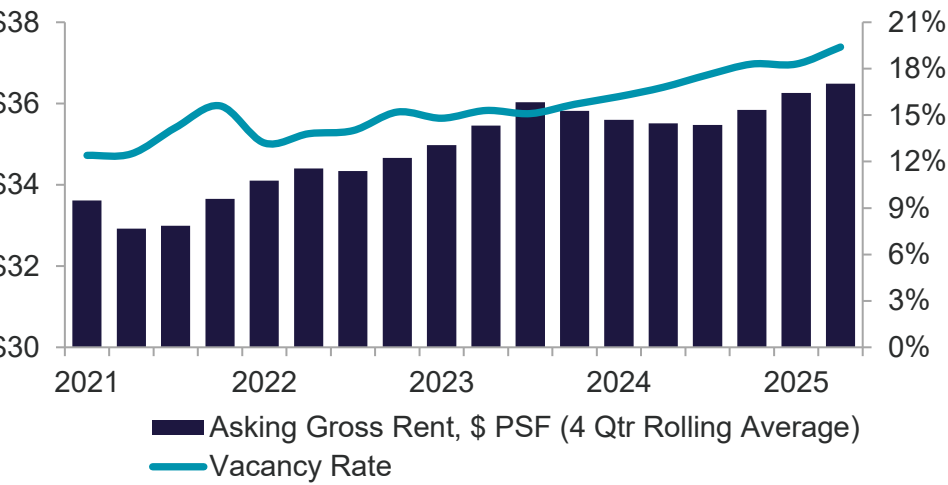
ASKING RENTAL RATES REMAINED STABLE

The overall average gross asking rate had a small decline in comparison to last quarter to reach \$36.46 per square foot, as both the net and additional rent component contracted QOQ.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Financial Core	22,360,903	405,786	4,279,458	21.0%	-81,562	-273,879	913,805	0	\$42.51	\$46.82
Downtown West	3,557,388	49,771	637,486	19.3%	-14,581	-142,188	106,465	0	\$41.50	\$46.61
Downtown East	9,081,708	361,947	1,231,239	17.5%	-192,581	-362,407	89,116	0	\$33.30	N/A
Downtown South	11,913,287	433,501	2,900,912	28.0%	-203,852	-372,435	475,602	33,122	\$47.72	\$52.88
Downtown Southwest	1,621,140	80,307	246,748	20.2%	10,801	172,740	29,160	0	\$36.25	\$35.00
Old Montreal	4,600,170	77,726	833,270	19.8%	-97,710	-131,336	68,883	100,000	\$38.79	\$49.22
Westmount	2,158,078	22,690	288,101	14.4%	13,751	-545	30,391	0	\$33.96	\$40.69
CENTRAL TOTAL	55,292,674	1,431,728	10,417,214	21.4%	-565,734	-1,110,050	1,713,422	133,122	\$40.93	\$47.85
Midtown East	3,513,500	156,368	560,948	20.4%	-66,293	-66,158	86,347	0	\$26.90	N/A
Midtown Central	6,840,442	196,225	1,056,841	18.3%	-96,297	-37,765	123,840	0	\$32.28	N/A
Midtown North	9,914,338	101,378	1,237,326	13.5%	-75,294	101,126	105,073	0	\$21.98	\$29.26
Décarie CDN	3,268,006	0	551,564	16.9%	-30,466	21,918	62,973	0	\$27.54	\$34.81
Midtown West	1,436,543	31,125	243,697	19.1%	-484	-34,980	41,403	0	\$22.29	\$35.01
Midtown South	1,097,479	0	56,866	5.2%	-20,154	-17,238	7,875	0	\$25.24	N/A
Île-Des-Soeurs	1,392,679	193,606	23,379	15.6%	5,666	6,576	5,666	0	N/A	N/A
Saint-Laurent	7,512,396	330,504	1,160,102	22.5%	-234,035	-241,586	236,731	0	\$27.75	\$30.08
MIDTOWN TOTAL	34,975,383	1,009,206	5,090,219	17.4%	-517,357	-268,107	669,908	0	\$26.82	\$30.69
West Island	3,425,231	156,009	335,381	14.3%	79,881	15,891	49,924	0	\$31.69	\$31.69
East End	3,503,802	90,174	572,559	18.9%	-27,684	31,890	45,581	0	\$29.38	\$31.58
Laval	4,790,569	56,769	992,609	21.6%	-76,225	-84,613	100,961	0	\$32.86	\$34.43
South Shore	6,114,513	88,103	791,824	14.4%	-47,696	-129,113	313,334	0	\$30.71	\$32.20
SUBURBAN TOTAL	17,834,115	378,173	2,692,373	17.2%	-71,724	-165,945	509,800	0	\$31.10	\$32.45
MONTREAL TOTALS	108,102,172	2,819,107	18,199,806	19.4%	-1,154,815	-1,544,102	2,893,130	133,122	\$36.46	\$43.58

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
1 Place Ville-Marie	Financial Core	PricewaterhouseCoopers	95,500	Direct
2280 Alfred-Nobel	Saint-Laurent	Genetec	85,888	Renewal
1 Place Ville-Marie	Financial Core	Colliers	22,489	Direct

*Renewals not included in leasing statistics

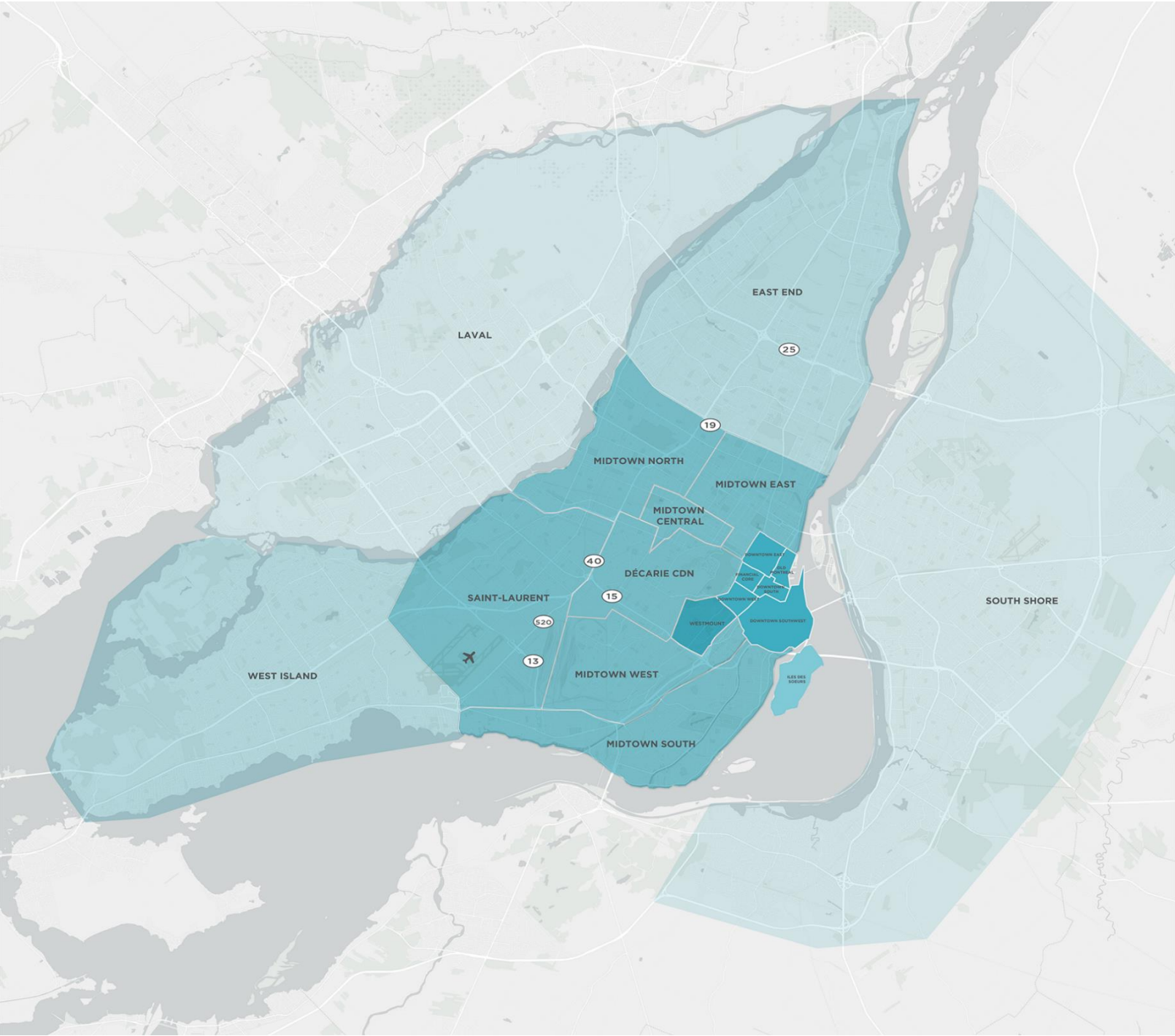
KEY SALE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
Place Laval	Laval	Cominar / Poirier	751,380	\$63M / \$84
1200 McGill College	Financial Core	BUSAC / KingSett	327,500	\$100.6M / \$307
1555 rue Carrie-Derrick	Downtown Southwest	Cominar REIT / Tidan	82,000	\$10.8M / \$132

METHODOLOGY

Cushman & Wakefield’s quarterly estimates are derived from a variety of data sources, including its own proprietary database, and historical data from third party data sources. The market statistics are calculated from a base building inventory made up of office properties deemed to be competitive in the local office markets. The inventory is subject to revisions due to resampling. Vacant space is defined as space that is available immediately or imminently after the end of the quarter. Sublet space still occupied by the tenant is not counted as available space. The figures provided for the current quarter are preliminary, and all information contained in the report is subject to correction of errors and revisions based on additional data received.

OFFICE SUBMARKETS



EXPLANATION OF TERMS

Total Inventory: The total amount of office space (in buildings of a predetermined size by market) that can be rented by a third party.

Overall Vacancy Rate: The amount of unoccupied space (new, relet, and sublet) expressed as a percentage of total inventory.

Direct Vacancy Rate: The amount of unoccupied space available directly through the landlord, excludes sublease space.

Absorption: The net change in occupied space between two points in time. (Total occupied space in the present quarter minus total occupied space from the previous quarter, quoted on a net, not gross, basis.)

Leasing Activity: The sum of all leases over a period of time. This includes pre-leasing activity as well as expansions. It does not include renewals.

Overall Weighted Asking Rents: Net or gross average asking rents weighted by the amount of available direct space in office properties.

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