



MARKET FUNDAMENTALS

	YOY Chg	Outlook
7.7% Vacancy Rate	▲	▲
-6.1M YTD Net Absorption, SF	▼	▲
\$14.56 Asking Rent, PSF <small>(Overall, Net Asking Rent)</small>	▼	▬

ECONOMIC INDICATORS

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

KEY TAKEAWAYS

- The overall vacancy rate reached its highest level since 2015, rising 270 basis points (bps) year-over-year (YOY); a continued increase signaling persistent soft demand, tenants relocating to smaller spaces and postponing investment decisions amid uncertainty.
- Overall absorption totaled negative 3.1 million square feet (msf) this quarter, with negative absorption witnessed in all submarkets. Weaker demand is resulting in some difficulty for large bay spaces (100k+ square feet) to be absorbed, as space in this size segment continues to come on the market.
- Q2 2025 data represents a 4.0% decline YOY for net rent growth. Despite fluctuations in individual submarkets, the average rate showed little movement from last quarter. There is a growing possibility that the market could reach a point of rent stabilization by the end of 2025.

SOFT DEMAND & ABSORPTION LEVELS

Net absorption remained negative at 3.1 msf in Q2 2025, reflecting a combination of supply delivered in 2024 and into early 2025 remaining largely vacant amidst continued weak demand. Throughout 2024 and into 2025, the Montréal market has had a steady influx of big-box spaces (over 100k sf) entering the market, with insufficient demand to match. Given the current lack of appetite for such large footprints, it will take time for this inventory to be absorbed. In contrast, spaces ranging from 20k sf to 100k sf continue to witness steadier demand. This is largely driven by two factors: a shift in tenant preferences toward smaller, more efficient footprints, and the virtual absence of new development in the small to mid-bay segment.

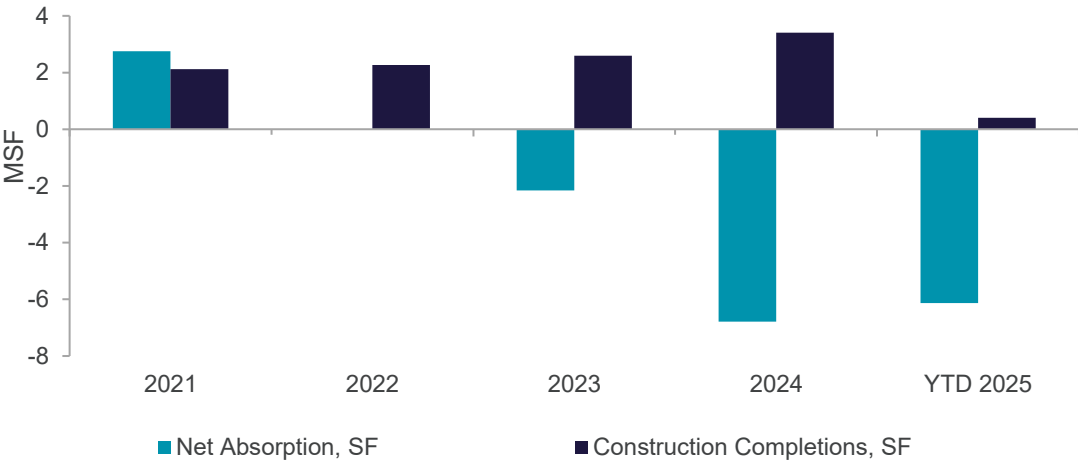
POTENTIAL ECONOMIC HEADWINDS

Montreal’s industrial market is under pressure from a combination of trade disruptions and economic uncertainty. The reintroduction of U.S. tariffs on Canadian goods has hit Quebec’s export-heavy manufacturing sector, reducing demand for industrial space tied to production and logistics. At the same time, high interest rates, inflation, and global supply chain instability are making both investors and tenants more cautious

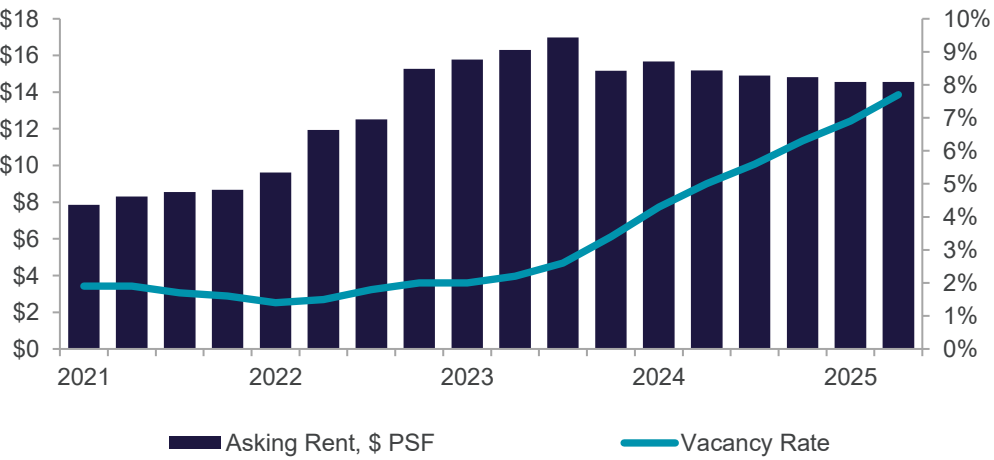
NET RENTAL RATES

The overall average asking net rent in Montréal in Q2 2025 sits at \$14.56 per square foot (psf), identical to last quarter, and at its lowest level in nearly three years. The last time Montréal experienced rent declines of this magnitude was during 2008. Following a sustained downward correction that began in early 2024, there is a growing sense that the market may be approaching a point of stabilization by late 2025, assuming broader economic conditions continue to adjust to the new landscape.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING NET RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CURRENT QTR CNSTR COMPLETIONS (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT*	OVERALL WEIGHTED AVG ADDITIONAL RENT
Montréal Midtown North	43,519,961	2,101,460	4.8%	-225,219	-373,888	0	0	0	\$13.53	\$4.68
Montréal Midtown South	27,971,408	1,651,923	5.9%	-262,643	-202,413	0	0	0	\$10.37	\$4.28
Montréal East	71,798,142	5,320,112	7.8%	-837,373	-1,727,584	595,680	0	0	\$12.79	\$4.03
Laval	26,699,369	2,516,022	9.6%	-87,664	-24,944	0	0	408,466	\$15.44	\$4.68
North Shore Lanaudiere	5,944,385	570,413	9.8%	-201,921	-334,564	0	0	0	\$16.24	\$4.46
North Shore Laurentides	7,426,690	931,038	14.0%	-77,601	-363,729	0	0	0	\$15.53	\$4.16
South Shore	31,963,163	3,071,959	10.1%	-367,466	-856,752	0	0	0	\$14.39	\$3.95
Lachine	19,550,394	1,849,807	9.8%	-267,978	-105,819	0	0	0	\$16.15	\$4.45
Saint-Laurent	66,667,159	4,846,959	7.4%	-322,891	-1,443,552	0	0	0	\$14.33	\$4.00
West Island	46,141,680	3,285,754	7.3%	-444,268	-1,128,334	0	0	0	\$16.61	\$5.91
Vaudreuil-Dorion	3,879,856	315,307	8.1%	-25,043	433,199	0	0	0	\$12.18	\$3.21
Montréal TOTALS	351,562,207	27,239,461	7.7%	-3,120,067	-6,128,380	595,680	0	408,466	\$14.56	\$4.38

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	LANDLORD	SF	TYPE*
900 Place Paul Kane	Laval	Westlake Pipe & Fittings	Pure Industrial	174,490	New Lease
4915 Rue Louis B. Mayer	Laval	Wolseley Group	Triovest	87,769	New Lease
1900 Rue Dickson	Montréal East	Dorel Industries	Dream Industrial	78,000	New Lease
2555 Blvd. Pitfield	Saint-Laurent	Westrock	Dervco Inc.	75,000	Sublease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
500 Boul. Monseigneur-Dubois	Saint-Jérôme	Rayonese Textile Inc. / Lande Holdings Inc.	202,000	\$8.6M / \$42.57
5775 & 5815-5825 Rue Ferrier	Midtown North	Firm Capital / Salomon Sabbah Investments Inc.	160,000	\$27.9M / \$174*
1900 52e Avenue	Lachine	Groupe Trans-West / Bayview Partners	51,000	\$15M / \$294
Méga Centre Notre-Dame (Land)	Laval	RioCan & Harden / Rosefellow	1.2M	\$75M / \$62
Rue Sartelon (Land)	Saint-Laurent	Sun Life Insurance / Rosefellow	318,000	\$16.4M / \$51.45

*Sale of 50% ownership interest

BRENT ROBINSON

Executive Managing Director & Managing Principal

Tel: +1 514 841 3800

Brent.robinson@cushwake.com

SINAN BANKACI

Research Analyst

Tel: +1 514 841 3845

Sinan.bankaci@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of \$9.4 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.

©2025 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield (“CWK”). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK’s securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.