MARKETBEAT
MONTRÉAL
INDUSTRIAL Q3 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
7.7% Vacancy Rate	▲	▲
-6.1M YTD Net Absorption, SF	▼	▲
$14.46 Asking Rent, PSF	▼	—

(Overall, Net Asking Rent)

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.4M Montréal Employment	▲	▲
6.8% Montréal Unemployment Rate	▲	▲
7.1% Canada Unemployment Rate	▲	—

Source: Statistics Canada

KEY TAKEAWAYS

- Overall vacancy has now climbed to its highest level since 2015. This sustained upward trend reflects persistent weak demand driven by ongoing efforts to reduce and consolidate physical footprints.
- Montreal's industrial market saw another quarter where more space was vacated than leased. A major contributor to the negative absorption was Amazon's release of warehouse space.
- Industrial properties in Montreal are facing a major tax shift. The assessments for 2026–2028 show a staggering 39% spike in valuations, the highest increase across all asset classes.

POTENTIAL ECONOMIC HEADWINDS

Montreal's economy is showing signs of strain, with employment falling behind the rest of Quebec due to business closures and a shrinking labour force. The trade friction is hitting export-reliant sectors, particularly manufacturing and tech, which have seen job losses and reduced output. While Montreal retains strong fundamentals like lower business costs, near-term growth is threatened by trade tensions, and weak investment. The outlook remains uncertain, with risks outweighing short-term recovery prospects making landlords, tenants and investors much more cautious.

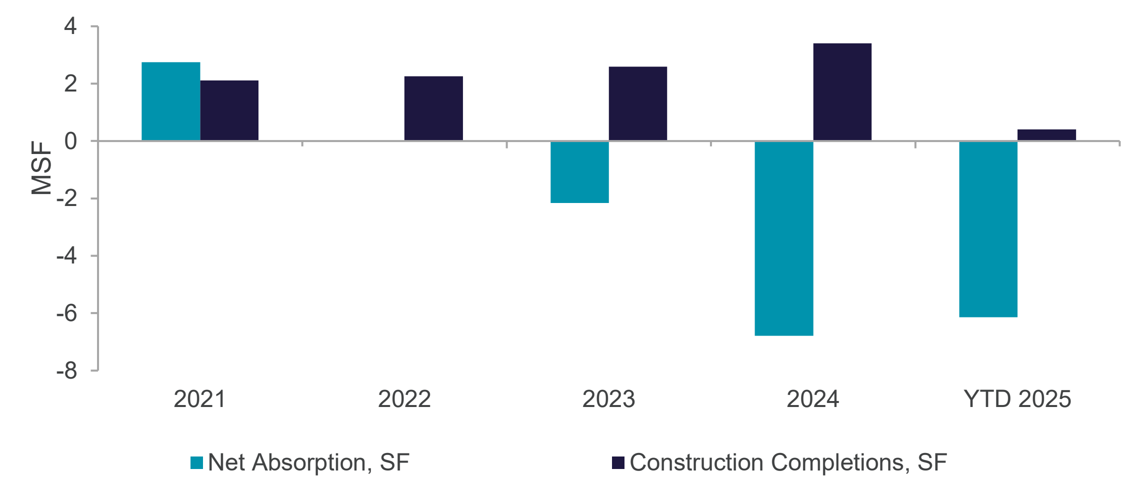
SOFT DEMAND & ABSORPTION LEVELS

Year-to-date negative absorption continues to reflect the softening of Montreal's industrial market, particularly in the large-bay segment. This softening is illustrated by Amazon's release of warehouse space, which has had a significant impact on overall market conditions and on submarkets hosting Amazon's former facilities. The release of this space to the market has introduced a layer of uncertainty and is actively reinforcing a tenant-leaning environment in the large-bay category. In contrast, spaces ranging from 20k square feet (sf) to 100k sf continue to witness steadier demand. This is largely driven by a shift in tenant preferences toward smaller, more efficient footprints.

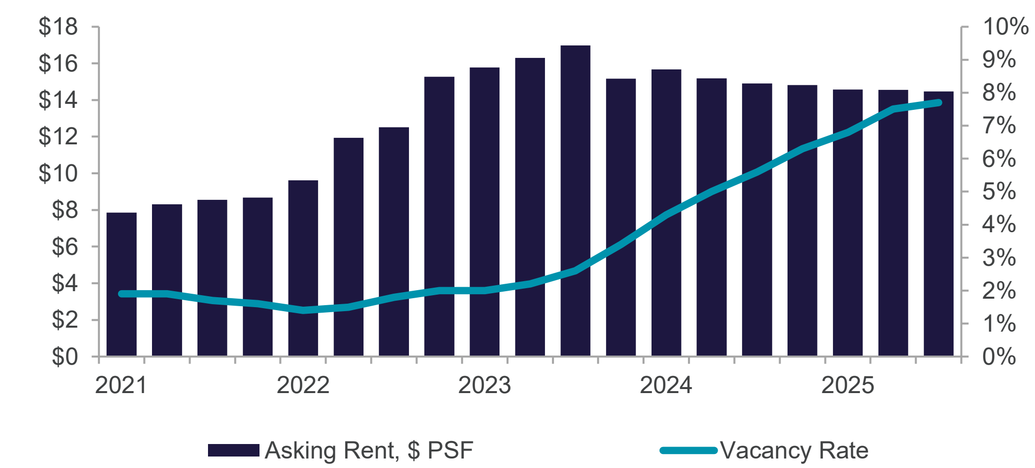
NET RENTAL RATES

Net asking rents continued their downward trajectory in Q3 2025, declining by 0.7% quarter-over-quarter and 2.75% year-over-year to $14.46 psf. Older assets located away from key logistics corridors and labour hubs are facing growing challenges in attracting tenants. The influx of sublease space is placing additional downward pressure on direct asking rents, particularly in the large-bay segment. In response, landlords are offering greater flexibility in lease terms and pricing to secure long-term commitments, further strengthening tenant-favourable market conditions.

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	43,533,323	2,249,290	5.2%	-114,934	-529,585	0	0	0	$13.73	$4.57
Montréal Midtown South	27,980,608	1,681,483	6.0%	-32,970	-231,973	0	0	0	$10.17	$4.74
Montréal East	71,823,605	5,406,845	7.5%	-232,928	-1,569,295	595,680	0	0	$13.42	$4.67
Laval	27,080,959	2,384,730	8.8%	100,659	124,403	403,384	0	408,466	$16.52	$5.41
North Shore Lanaudiere	6,072,465	496,824	8.2%	-33,647	-251,359	0	0	0	$15.77	$4.74
North Shore Laurentides	7,736,914	1,314,634	17.0%	-345,405	-636,088	12,020	0	0	$15.34	$4.00
South Shore	32,250,135	3,244,469	10.1%	-3,587	-685,342	0	0	0	$14.74	$4.11
Lachine	19,620,707	1,896,294	9.7%	-5,711	-92,219	0	0	0	$14.12	$4.96
Saint-Laurent	66,677,110	4,906,203	7.4%	-166,264	-1,455,708	0	0	0	$14.22	$3.95
West Island	46,384,210	3,446,265	7.4%	-195,626	-1,292,740	0	0	0	$15.78	$5.54
Vaudreuil-Dorion	3,879,856	274,307	7.1%	41,000	474,199	0	0	0	$11.89	$3.27
Montréal TOTALS	**353,039,892**	**27,301,344**	**7.7%**	**-989,413**	**-6,145,707**	**1,011,084**	**0**	**408,466**	**$14.46**	**$4.57**

Rental rates reflect weighted net asking $psf/year

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	LANDLORD	SF	TYPE*
1616 Desserte West (A-440)	Laval	Maison Corbeil	Camco Realties	209,000	New Lease
789-799 Jean-Paul-Vincent	South Shore	Dexter Group	Pure Industrial	114,515	New Lease
425 Fouquet Ave.	South Shore	Purolator	Rosefellow	66,169	New Lease

Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
20600 Clark-Graham Ave.	West Island	Derekco Holdings Inc./ Pure Industrial	140,000	$25.7M / $183.93
7213 Cordner Street	Midtown South	SupremeX / Brasswater	138,826	$30.6M / $220.85
3800 Tricentenaire Blvd.	Montréal East	Immeubles Jean Cournoyer Inc. / AYK International Inc.	91,431	$16.2M / $178
3600 Pitfield Blvd.	West Island	Pride Group / ANDY Corp.	63,931	$23M / $359.76

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