MARKETBEAT
MONTREAL
OFFICE Q3 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
18.8% Vacancy Rate	▲	▲
-918K YTD Net Absorption, SF	▲	▲
$37.03 Asking Gross Rent, PSF	▲	▬

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.4M Montreal Employment	▲	▲
6.8% Montreal Unemployment Rate	▲	▲
7.1% Canada Unemployment Rate	▲	▬

Source: Statistics Canada

KEY TAKEAWAYS:

- Overall vacancy in the Greater Montreal Area (GMA) stabilized this quarter, with Class A space continuing to outperform Class B/C.
- This is reflected in absorption levels as absorption was positive in the overall Class A market for the first time since Q3 2023.

UNEMPLOYMENT REACHES NINE-YEAR HIGH

Employment in Canada fell by 66,000 in August 2025, marking a second consecutive monthly decline, while the unemployment rate climbed to 7.1%. Since January 2025, unemployment has risen 50 basis points (bps), reaching its highest level since 2016 outside of the pandemic years. Nationally, there are now 1.6 million unemployed Canadians, pointing to a softer labour market and fewer opportunities for those seeking work.

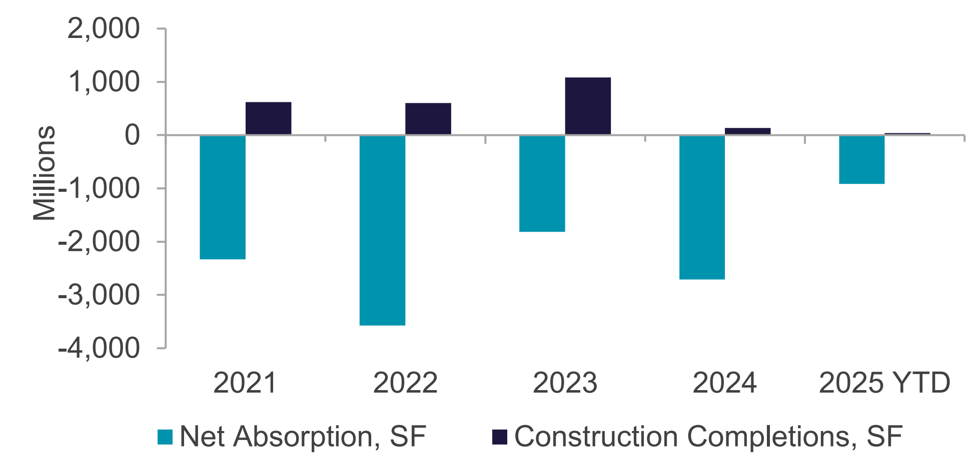
PREMIUM ASSETS OUTPERFORM AMID STABILIZATION

Overall office vacancy in the GMA reached 18.8% in Q3 2025, with early signs of stabilization in the Central market with vacancy at 20.7%. Class A space continues to outperform Class B/C, particularly within Downtown trophy assets, where vacancy declined 70 bps since the start of 2025 to 11.1%. In the Suburban market overall vacancy is 16.8%, with Class B/C vacancy continuing to trend lower than Class A, reflecting ongoing demand for well-located, functional space. Net absorption remained negative this quarter, totaling approximately 356k square feet (sf), with the Central market accounting for 73k sf and the Suburban market roughly 283k sf. However, the Class A markets in both Central and Suburban posted positive absorption, highlighting continued tenant demand for high-quality, value-oriented office space. Notable activity this quarter included Genetec's lease renewal at 2341 Alfred Nobel Boulevard for 146,162 sf, as well as the sale of 2200 McGill College Avenue (127,000 sf) from iA Financial Group to Optimum Financial Group for $35.2M, demonstrating sustained interest in both leasing and investment-grade assets.

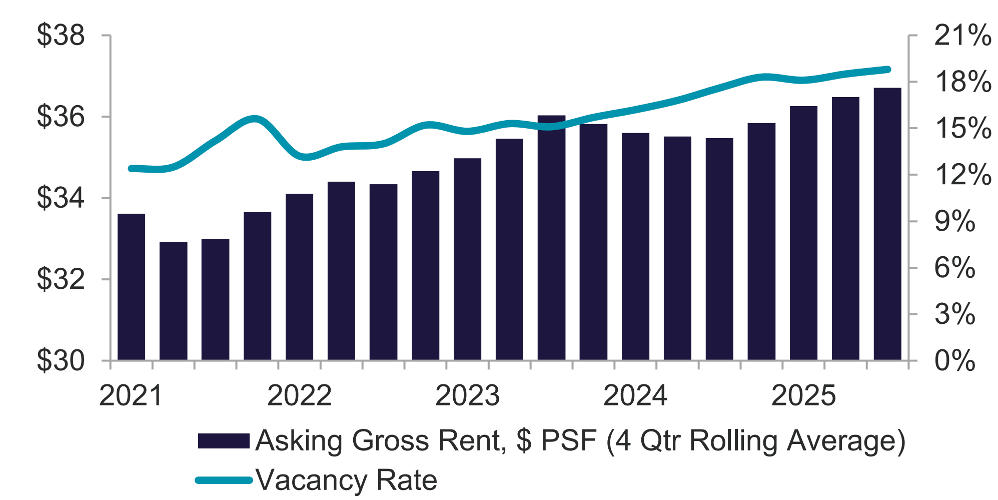
ASKING RENTAL RATES EDGE UP

The overall average gross asking rate increased to $37.03 per square foot (psf), reversing the slight decline seen last quarter. In the Central market, the Class A gross rent remained steady at $48.42 psf, while Class B/C averaged $35.68 gross psf, reflecting continued demand for quality office space. The overall Suburban gross rent held largely stable at $27.37 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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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	310,466	4,241,969	20.4%	-94,516	-143,021	1,071,383	0	$43.26	$47.55
Downtown West	3,557,388	40,011	598,372	17.9%	28,814	-93,153	137,966	0	$38.90	$46.23
Downtown East	9,049,441	344,447	1,176,102	16.8%	-15,546	-287,710	84,981	0	$33.56	N/A
Downtown South	11,923,987	355,078	2,828,442	26.7%	24,500	-244,684	438,999	0	$48.13	$53.82
Downtown Southwest	1,621,140	80,307	255,543	20.7%	-8,795	163,945	36,387	0	$36.33	N/A
Old Montreal	4,575,102	76,009	807,247	19.3%	7,892	-103,596	147,878	100,000	$39.25	$49.68
Westmount	2,158,078	24,067	279,582	14.1%	-15,347	1,550	47,531	0	$34.79	$40.69
CENTRAL TOTAL	**55,246,039**	**1,230,385**	**10,187,257**	**20.7%**	**-72,998**	**-706,669**	**1,965,125**	**100,000**	**$41.73**	**$48.42**
Midtown East	3,513,500	167,301	546,894	20.3%	-21,503	-63,037	74,432	0	$26.88	N/A
Midtown Central	6,840,442	192,079	1,150,577	19.6%	-99,905	-128,955	169,235	0	$32.31	N/A
Midtown North	9,914,338	101,378	1,210,994	13.2%	-10,590	127,458	155,548	0	$21.67	$31.47
Décarie CDN	3,358,006	0	599,485	17.9%	-47,923	-26,003	126,015	93,750	$29.27	$34.81
Midtown West	1,436,543	17,044	293,586	21.6%	-42,683	-70,788	92,461	0	$22.69	$35.01
Midtown South	1,097,479	0	53,612	4.9%	1,449	-15,789	7,875	0	$25.44	N/A
Île-Des-Soeurs	1,392,679	193,606	26,029	15.8%	-2,650	3,926	5,666	0	N/A	N/A
Saint-Laurent	7,328,468	319,427	1,284,017	21.9%	9,738	-194,608	301,847	0	$26.90	$29.35
MIDTOWN TOTAL	**34,881,455**	**990,835**	**5,165,194**	**17.6%**	**-214,067**	**-367,796**	**933,079**	**93,750**	**$26.42**	**$30.72**
West Island	3,425,231	158,489	306,993	13.6%	3,240	27,799	62,756	0	$31.69	$31.66
East End	3,512,515	70,207	551,623	17.7%	-27,228	72,289	57,989	0	$29.09	$31.45
Laval	4,790,569	41,937	762,997	16.8%	-3,461	146,949	174,993	0	$30.56	$38.69
South Shore	6,141,120	99,739	732,615	13.6%	-41,131	-90,351	340,390	0	$30.52	$32.71
SUBURBAN TOTAL	**17,869,435**	**370,372**	**2,354,228**	**15.2%**	**-68,580**	**156,686**	**636,128**	**0**	**$30.51**	**$32.95**
MONTREAL TOTALS	**107,996,929**	**2,591,592**	**17,706,679**	**18.8%**	**-355,645**	**-917,779**	**3,534,332**	**193,750**	**$37.03**	**$44.88**

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
2341 Alfred Nobel Boulevard	Saint-Laurent	Genetec	146,162	Renewal
600 De La Gauchetière Street West	Downtown South	Squarepoint	55,115	Direct
2344 Alfred Nobel Boulevard	Saint-Laurent	Hewlett Packard Enterprise Canada Co.	29,611	Renewal

*Renewals not included in leasing statistics

KEY SALE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
2200 McGill College Avenue	Financial Core	iA Financial Group / Optimum Financial Group	127,000	$35.2M / $277
445 Sainte-Hélène Street	Financial Core	Undisclosed / Hotel Gault	18,354	$4M / $218
37 Saint-Laurent Street	South Shore	Canada Post / City of Beauharnois	17,480	$1.3M / $74

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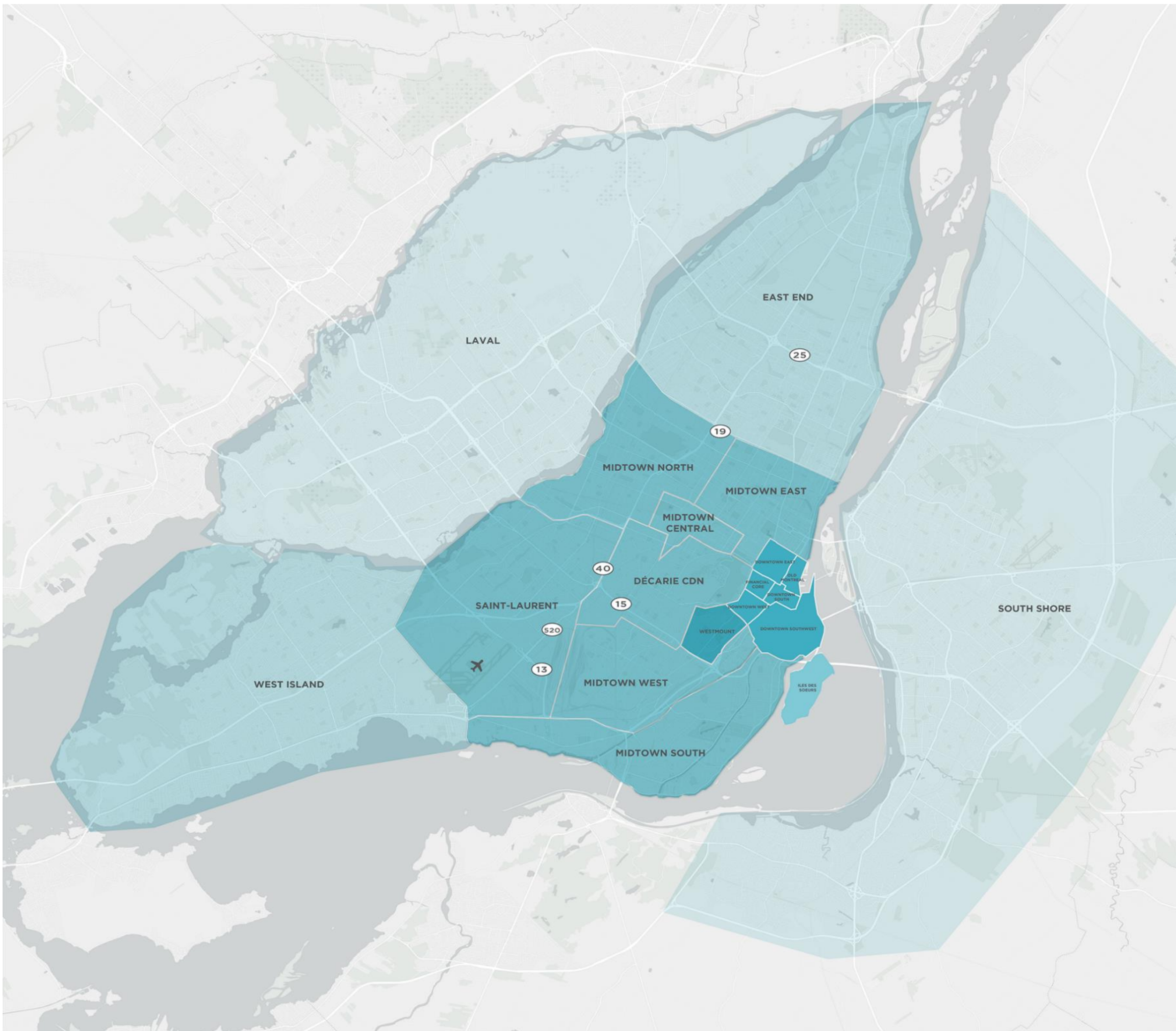
METHODOLOGY

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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