



KEY TAKEAWAYS

- Overall vacancy has risen throughout the year, closing at 7.6% this quarter after peaking in Q3 2025. The fluctuation was largely driven by new large-bay supply entering the market vacant, while demand remained stronger for mid-bay.
- Despite continued signs of softness in Montréal's industrial market, net asking rates have held relatively firm. Quarterly movements were small and stable, indicating lower volatility compared to previous years.
- Absorption remained negative in 2025, underscoring persistent market softness and resulting in the second-lowest annual total in the past five years. However, the trend improved gradually, becoming less negative each quarter. Despite slow conditions, quality product continued to attract demand.

POTENTIAL ECONOMIC HEADWINDS

On a national scale, Canada's situation in the trade dispute is more tolerable than initially feared as U.S. tariffs on Canadian goods average lower than tariffs imposed on other countries. However, the tariffs are heavily concentrated on sectors such as steel, aluminum and lumber, key components of Québec's economy. Given the region's significant exposure, economic growth in Montréal may be expected to lag in 2026. Trade-related developments may remain a macro theme.

SOFT DEMAND & ABSORPTION LEVELS

Absorption remained negative over the entire year, marking the second lowest annual total in the past five years and underscoring persistent market softness. Nonetheless, the trend showed signs of improvement, with Q4 2025 being less negative than previous quarters. While most submarkets posted negative absorption for Q4 2025, areas such as the South Shore and West Island recorded positive absorption, showing the resilience of well-connected industrial corridors with strong urban adjacency. Among the largest leases tracked this quarter, (50k square feet+), 60% involved assets built after 2000; highlighting sustained demand for modern facilities in prime locations.

NET RENTAL RATES

Net asking rents maintained a relatively stable trajectory in 2025, rising by 97 basis points (bps) quarter-over-quarter but declining 142 bps year-over-year to \$14.60 per square foot (psf). Average additional rent stood at \$4.51 psf. Mid-bay spaces continued to see strong demand, whereas large-bay spaces, especially in older assets, experienced downward pressure. Properties located away from major logistics corridors and labour hubs are facing challenges in attracting tenants. Looking ahead, net rental rates may remain relatively stable in 2026, with broader conditions holding firm.

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	43,470,621	2,123,293	4.9%	60,788	-405,158	0	0	0	\$14.10	\$4.62
Montréal Midtown South	27,974,934	1,703,172	6.1%	-77,891	-209,962	0	0	0	\$9.92	\$4.69
Montréal East	72,402,164	5,437,158	7.5%	-110,203	-1,199,608	195,680	0	400,000	\$13.51	\$4.42
Laval	27,703,876	2,809,894	10.1%	-224,487	-31,782	186,692	268,979	677,445	\$16.43	\$5.49
North Shore Lanaudiere	6,087,859	425,763	7.0%	-51,079	-243,662	109,372	0	0	\$15.56	\$4.93
North Shore Laurentides	7,826,481	1,266,555	16.2%	-104,914	-588,009	318,700	0	0	\$15.09	\$3.96
South Shore	32,640,925	3,026,885	9.3%	194,631	-467,758	104,497	0	0	\$14.68	\$4.11
Lachine	19,630,721	1,847,798	9.4%	-32,971	-43,723	0	0	0	\$14.06	\$5.01
Saint-Laurent	66,555,307	4,792,805	7.2%	-101,416	-1,376,901	0	0	0	\$14.67	\$3.86
West Island	46,362,375	3,283,571	7.1%	113,529	-1,128,560	0	0	0	\$15.81	\$5.52
Vaudreuil-Dorion	3,876,681	339,650	8.8%	-73,097	408,856	0	0	0	\$12.26	\$3.23
Montréal TOTALS	354,531,944	27,056,544	7.6%	-407,110	-5,286,267	914,941	268,979	1,077,445	\$14.60	\$4.51

*Rental rates reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	TENANT	LANDLORD	SF	TYPE*
900 Rue Hector-Lanthier	North Shore Laurentides	Confidential	Rosefellow	123,675	New Lease
3235 Rue Guénette	Saint Laurent	Regal Confections	Brasswater	123,026	New Lease
8191 Chemin Montview	Midtown North	Cozey Inc.	Investissements GRI	115,000	New Lease
8600 Rue Saint-Patrick	Midtown South	Rolls-Royce Canada	MONDEV	101,193	New Lease
730 Rue Delage	South Shore	Norbec Inc.	Pure Industrial	67,161	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
7050 Rue Saint Patrick	Midtown South	BFB Realty Company / Nexus Industrial REIT	187,300	\$27.5M / \$147
2000 Boul. Industriel	South Shore	Brasswater / Hydro-Québec	168,118	\$20.9M / \$124.50
1999 Boul. des Sources	West Island	Jintoni Holdings Inc. / Alauris Holding Inc.	83,314	\$23.2M / \$278.46
1805 Boul. Industriel	Laval	Les Immeubles A. Filice Inc. / Or-Fil Meats Intl. Inc.	82,410	\$13M / \$157.75
2370 Rue de la Province	South Shore	BFB Realty Company / Nexus Industrial REIT	79,120	\$12.6M / \$159.25

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