Quality space scarcity and transit expansion shape office outlook

▼ 15.6%
Vacancy Rate

▲ 39.5K
SF Net Absorption

▶ 0
SF Under Construction

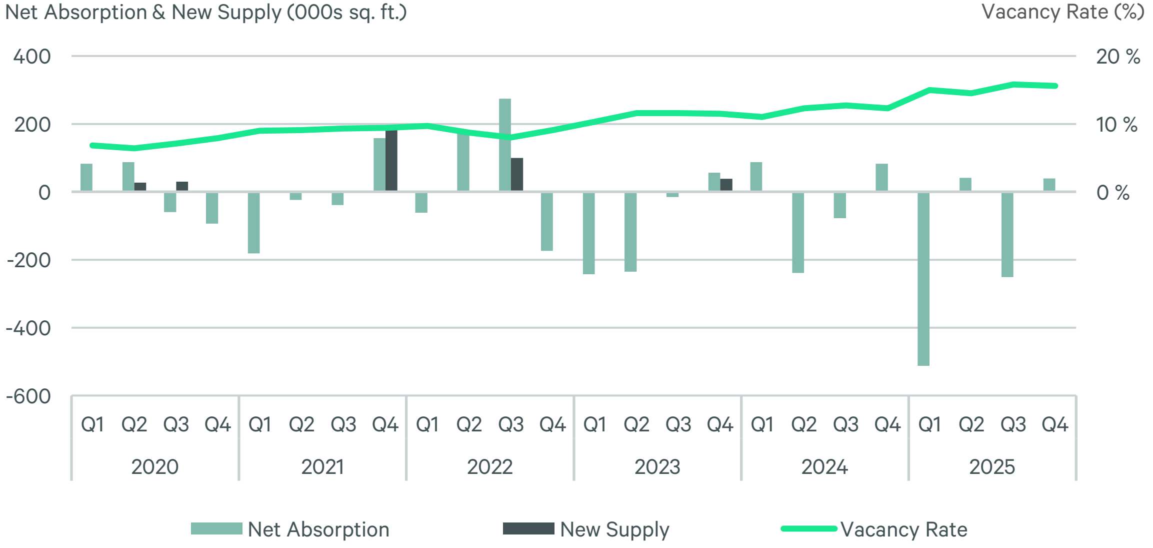
▲ $15.19
PSF Net Asking Lease Rate

Note: Arrows indicate change from previous quarter.

Highlights

- Activity in main office hubs such as Downtown Fringe, Sainte-Foy and Upper-town/National Assembly allows for 39,528 sq. ft. of positive net absorption.
- Average net asking rent remains steady around the low to mid $15.00 range for over two consecutive years.
- Sublet availability continues to shrink as 90,000 sq. ft. was removed year-over-year, echoing trends in major markets.
- Quality space is limited, as there are only four buildings that can accommodate tenants with requirements over 30,000 sq. ft. in the Class A category.
- The tramway project will add 19 km of public transit and connect Sainte-Foy, Saint-Roch, Cap-Rouge, Charlesbourg, Université Laval and Parliament Hill. This project will provide more efficient commute options and can be a boon for office leasing in the future.

FIGURE 1: GQA Supply and Demand



Source: CBRE Research, Q4 2025.

Market fundamentals stabilize after major tenants rightsizing efforts

Quebec City closed 2025 with a 330 basis points (bps) increase in vacancy year-over-year, reaching 15.6%. At the start of the year, the rise in vacancy was largely driven by provincial government's space consolidations, SQI's footprint reduction at 150 René-Lévesque, and Desjardins' rightsizing at Cité Desjardins. The submarkets most impacted were St-Roch (460 bps), Upper-Town/National Assembly (520 bps) and South Shore (1,570 bps).

Q4 showed signs of normalizing as there were no other major occupiers relinquishing space. The largest amount of space brought to market this quarter was 17,000 sq. ft at 2800 Saint-Jean-Baptiste Avenue. Absorption was mainly concentrated in Class A properties in the Downtown Fringe, Saint-Roch and Upper Town/National Assembly.

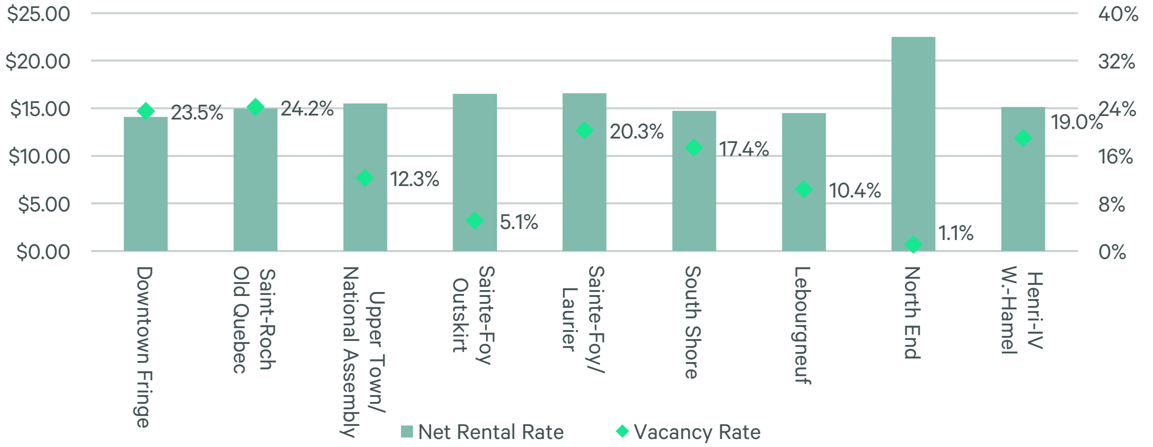
Sublet availability continues to slide, echoing trends seen across major Canadian markets. Quebec City saw a nearly 90,000 sq. ft. reduction of sublet space since the start of the year. Most of this reduction stems from natural expiries, with only 37,000 sq. ft. withdrawn through transactions in 2025.

Looking ahead, the three-day return-to-office mandates for government employees are expected to support additional positive absorption as occupiers reassess and secure space. Recent deals at 2700 Laurier Boulevard (7,800 sq. ft. and 10,395 sq. ft.) illustrate this trend.

Large footprints are rare despite surge of availabilities in 2025

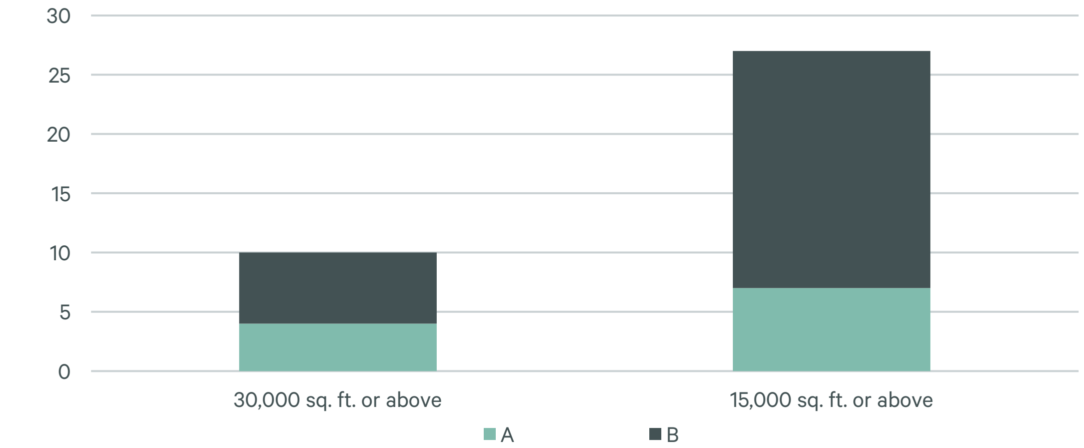
Large-block availability increased over the past year. While Class B buildings offer several options above 15,000 sq. ft., only six can accommodate such requirements above. Comparatively, seven Class A buildings offer 15,000 sq. ft. or more and only four can offer blocks over 30,000 sq. ft. As the city advances its tramway project, demand for larger contiguous spaces is expected to accelerate.

FIGURE 2: GQA Vacancy Rates and Net Rental Rates, per Submarket



Source: CBRE Research, Q4 2025.

FIGURE 3: Number of large contiguous space in the GQA, by Class



Source: CBRE Research, Q4 2025.

Market Area Overview

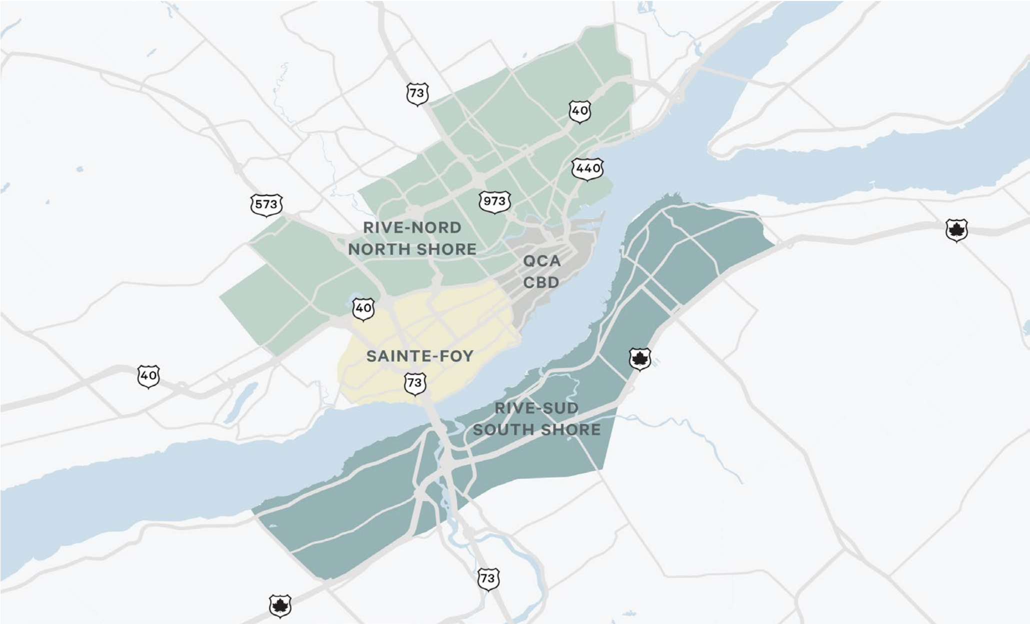


FIGURE 4: Statistics Summary of Submarkets in Quebec City, Q4 2025

SUBMARKET	INVENTORY (SF)	VACANCY RATE (%)	SUBLET SPACE (% OF VACANT)	NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	AVG. NET ASKING RENT (PSF)
Downtown Fringe	1,958,359	23.5%	0.0%	39,732	0	$14.11
Saint-Roch Old Quebec	2,161,656	24.2%	1.0%	14,281	0	$14.98
Upper Town/ National Assembly	3,144,528	12.3%	0.0%	16,669	0	$15.52
Sainte-Foy	4,955,730	13.5%	10.0%	-30,001	0	$16.58
South Shore	2,114,039	17.4%	0.0%	-5,113	0	$14.74
Northwest	4,561,492	12.0%	2.9%	3,955	0	$14.85
TOTAL	**18,895,804**	**15.6%**	**3.0%**	**39,523**	**0**	**$15.19**

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Definitions

Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance.

Net Absorption: The change in Occupied sq. ft. from one period to the next.

Net Lease Rate: Rent excludes one or more of the ”net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate.

Vacancy Rate: Total vacant sq. ft. divided by the total building area.

Vacant sq. ft.: Space that can be occupied within 30 days.

Survey Criteria

CBRE’s market report analyses fully modern office buildings of 20,000+ sq. ft. across the GQA. CBRE assembles all information through telephone conversations and listings received from owners and members of the commercial real estate brokerage community.