

Easing pressure in sluggish large bay market in Q1 2026

▶ 6.7%
Availability Rate

▲ 336K
SF Net Absorption

▼ 2.8M
SF Under Construction

▼ \$14.01
PSF Average Net Rental Rate

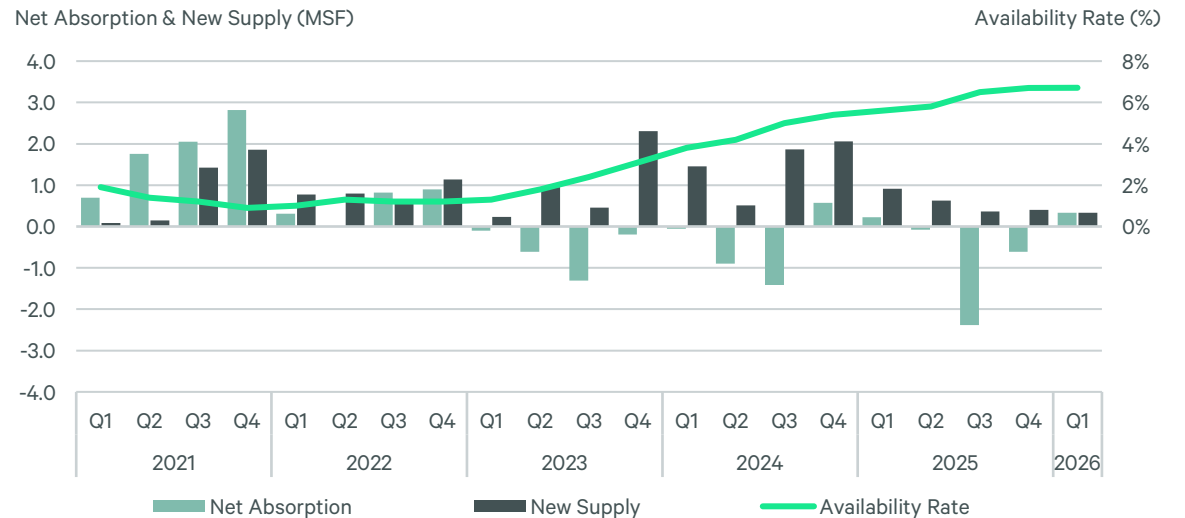
NEW: Now covering more submarkets in the GMA
See page 6 for more information

Note: Arrows indicate change from previous quarter.

Overview

- The Greater Montreal Area (GMA) started 2026 on a strong note with net absorption above 336,000 sq. ft.
- Availability rate remains flat, but vacancy declined 80 basis points (bps) to 5.4%, representing the first reduction in vacancy since Q4 2021.
- Asking net rents have adjusted downward for a ninth consecutive quarter.
- The above 26' clear height category continues to account for over half of the available space in terms of square footage, driven by an oversupply of Class A product.
- 2.8 million sq. ft. remains under construction primarily in the Laval and the North Shore submarkets, accounting for 76.3% of the current pipeline.
- Intelcom mandated Rosefellow to develop a 190,000 sq. ft. build-to-suit distribution facility in Candiac.

FIGURE 1: Supply & Demand Fundamentals



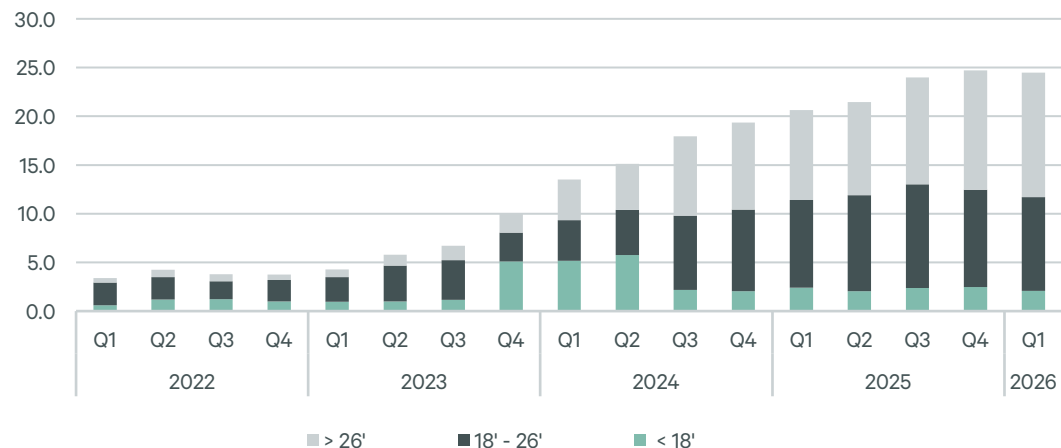
Source: CBRE Research, Q1 2026.

Has large bay availability peaked?

The GMA market started 2026 on a strong note with net absorption above 336,000 sq. ft. in Q1. Large bay is seeing more activity and can suggest vacancy has reached a peak if the trend persists. In the meantime, deal flow is still dominated by small and mid bay listings. User sales also had strong movement in the quarter with available space reducing to 4.9 million sq. ft. (down 550,000 sq. ft.).

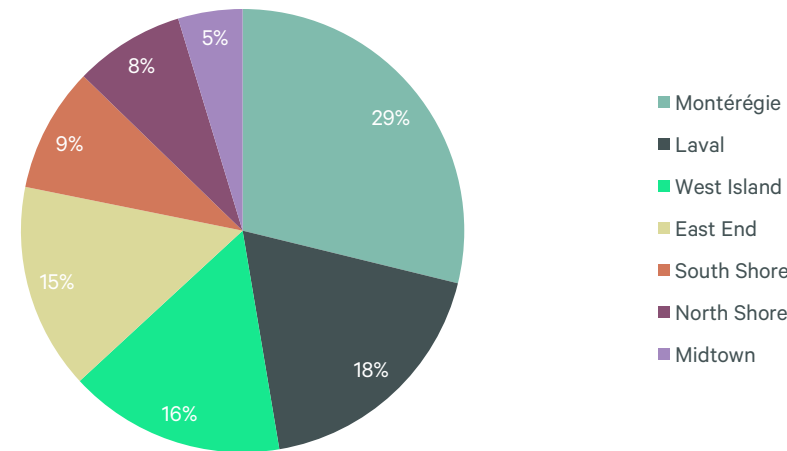
While the availability rate remained flat at 6.7%, vacancy declined 80 bps to 5.4%. This represents the first reduction in vacancy since Q4 2021, steadying the sustained run-up observed in the last few years. The gap in availability and vacancy widened as deal volume in vacant space outpaced occupied space coming to market. There is mixed activity as Montérégie and Laval continue to struggle while other submarkets show signs of recovery. Those two areas are lagging for a few reasons. Firstly, there is an abundance of above 26' clear height options, and this category accounts for more than half of the rental universe. Secondly, 47% of large bay options with an above 26' clear height derive from Montérégie and Laval. There are signs of optimism as there were previously over 10.9 million sq. ft. of available space for the over 150,000 sq. ft. range. That figure has shrunk to 9.8 million sq. ft. The construction pipeline is also tightening, meaning there will be more support for absorption for existing availability, if bankruptcy and restructuring activity remains limited.

FIGURE 2: Available Space by Clear Height Category (MSF)



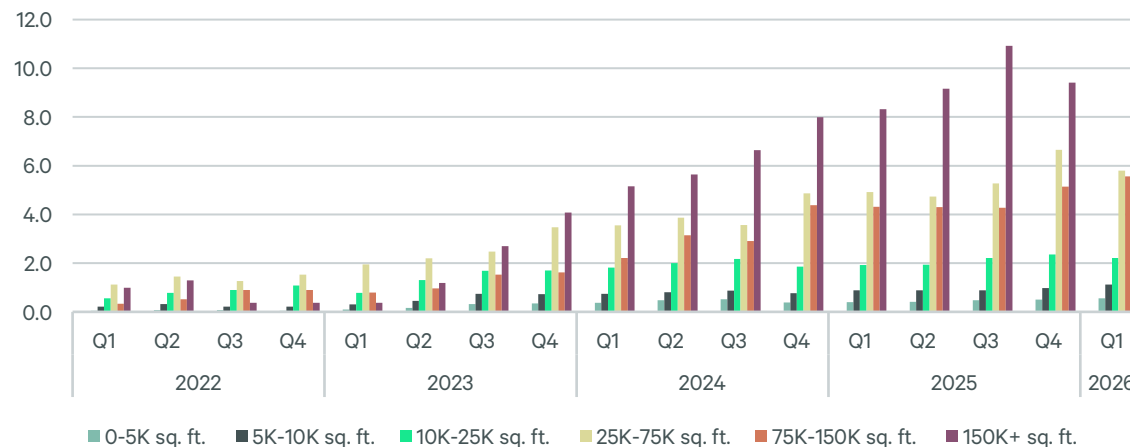
Source: CBRE Research, Q1 2026.

FIGURE 3: > 26' Large Bay Availability Composition by Submarket (%)



Source: CBRE Research, Q1 2026.

FIGURE 4: Total Available Space by Size Range (MSF)



Source: CBRE Research, Q1 2026.

Rental softening cycle persists but with a catch

Net asking rent has declined for nine consecutive quarters, now at \$14.01 per sq. ft. The quarter-over-quarter decrease was 0.8%. Seasoned landlords kept gross asking rents relatively unchanged despite fluctuations in net asking and additional rent averages. 2026 municipal tax increases forced TMI to increase 4.5%. This illustrates how landlords, especially institutional, are revising recovery structures to consider the bottom line for prospective tenants. That said, rates continue to stabilize from the run-down that has occurred since the start of 2024. These figures should remain at a similar price level for the remainder of the calendar year.

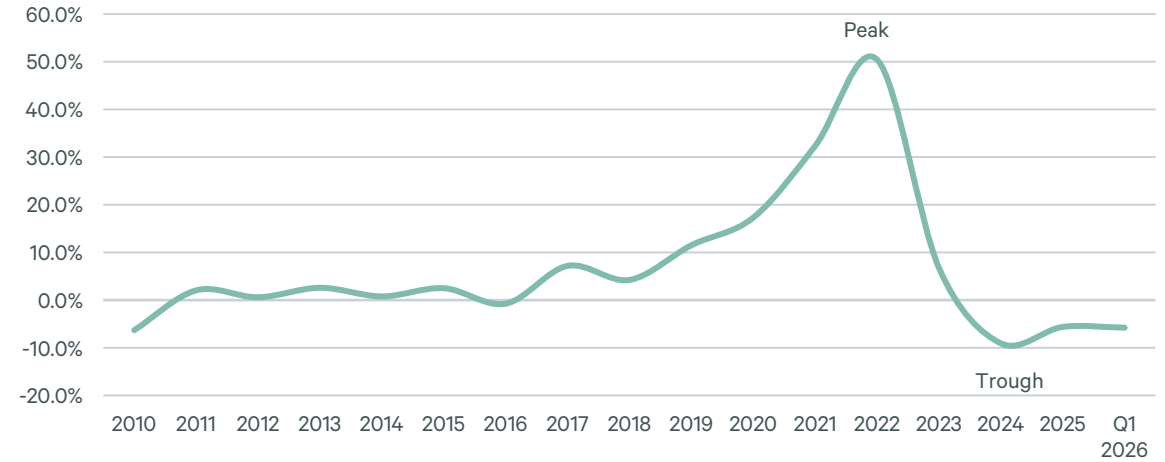
Speculative development still being greenlit

2.8 million sq. ft. remains under construction driven primarily by Montoni and Rosefellow. Laval and the North Shore are the submarkets with the most development, accounting for 76.3% of the current pipeline, and speculative construction makes up 91.2% of the space currently under construction.

Project XM in Laval was completed Q1. From a product lens, speculative industrial condominium developments have taken traction in off-island nodes. Sale velocity in this segment remains strong.

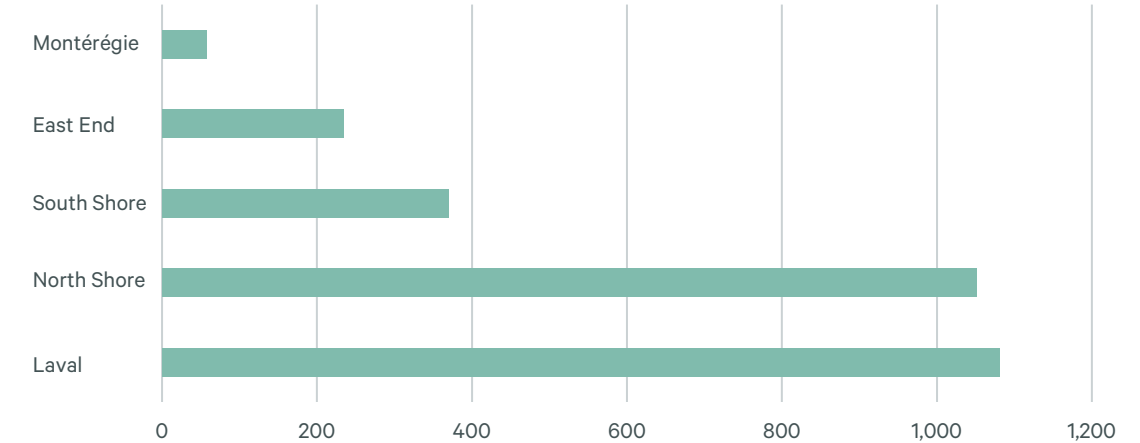
Intelcom mandated Rosefellow to develop a 190,000 sq. ft. distribution facility in the Champlain industrial park in Candiac this quarter. Construction is being fast-tracked and is scheduled to commence in Q2. Intelcom continues to expand its operations, having also secured a short-term lease for the remaining space at Rosefellow’s RF.11 facility in Candiac.

FIGURE 5: Year-over-Year Historical Net Asking Rental Growth



Source: CBRE Research, Q1 2026.

FIGURE 6: Construction Pipeline by Submarket (000s SF)



Source: CBRE Research, Q1 2026.

FIGURE 7: Notable Lease Transactions

Size (SF)	Tenant	Address	Industry
185,025	Intelcom Courrier Canada Inc.	131 Boulevard Montcalm	Warehousing/Storage
175,697	Acorr	550 rue McArthur	Paper, Pulp, Packaging & Printing
136,830	ASL Distribution Inc.	1166-1700 Boulevard Hymus	Transportation/Distribution/Logistics
123,675	Agropur Cooperative	500 rue Hector-Lanthier	Food & Beverage Processing
78,000	Dorel Industries Inc.	1900 rue Dickson	Light Manufacturing

Source: CBRE Research, Q1 2026.

FIGURE 8: Notable Sale Transactions

Size (SF)	Price (\$M)	Purchaser	Address	Submarket
274,044	\$76.8	Alderan	2501 Autoroute Transcanadienne	West Island
218,467	\$38.1	AMR Fruiterie	11601 Boulevard Albert-Hudon	East End
145,038	\$33.0	Garanova Immobilier Inc	1085 rue des Cheminots	North Shore
109,466	\$26.4	Hitachi Energy	250 rue Jean-Coutu	South Shore
59,354	\$15.5	Le Groupe Jenaco	5250 rue Armand-Frappier	South Shore

Sources: CBRE Research and Altus Data Studio, Q1 2026.

FIGURE 9: Notable Land Transactions

Size (Acres)	Price (\$Acre)	Purchaser	City	Industry
4.45	\$1,910,112	Groupe XM	Laval	Warehousing & Manufacturing

Sources: CBRE Research and Altus Data Studio, Q1 2026.

FIGURE 10a: Statistical Summary, Q1 2026

Submarket	Inventory (SF)	Availability Rate (%)	Net Absorption (SF)	YTD Net Absorption (SF)	Net Asking Rent (PSF)	TMI (PSF)	Gross Asking Rent (PSF)	Avg. Asking User Sale Price (PSF)
Anjou	15,027,631	7.3%	159,751	159,751	\$13.50	\$5.01	\$18.51	\$194
Montréal (East End)	5,079,128	16.2%	-103,166	-103,166	\$13.07	\$4.80	\$17.87	\$201
Montréal-East	3,739,771	10.7%	-228,749	-228,749	\$13.73	\$4.78	\$18.51	\$200
Montréal-North	5,960,599	14.4%	-5,924	-5,924	\$11.37	\$3.63	\$15.00	\$200
RDP/PAT	12,449,568	10.5%	112,760	112,760	\$14.50	\$5.03	\$19.53	\$204
Saint-Leonard	11,486,511	4.3%	55,508	55,508	\$12.72	\$4.56	\$17.28	\$194
East End Total	53,743,208	9.3%	-9,820	-9,820	\$13.26	\$4.67	\$17.93	\$200
LaSalle	9,415,058	4.6%	22,646	22,646	\$12.71	\$4.83	\$17.54	\$166
Montréal (Central)	34,639,889	2.0%	-73,168	-73,168	\$13.05	\$4.32	\$17.37	\$216
Mont-Royal	10,537,069	3.4%	42,033	42,033	\$14.37	\$4.63	\$19.00	*\$269
Verdun & Nun's Island	431,926	0.0%	0	0	\$16.00	\$4.30	\$20.30	\$189
Midtown Total	55,023,942	2.7%	-8,489	-8,489	\$13.24	\$4.53	\$17.77	\$216
Baie-D'Urfé/Sainte-Anne-de-Bellevue	5,710,495	2.3%	-75,700	-75,700	\$13.75	\$3.77	\$17.52	*\$331
Dollard-des-Ormeaux	1,802,435	2.3%	634	634	\$13.95	\$5.82	\$19.77	\$225
Dorval	12,925,593	5.9%	102,958	102,958	\$13.94	\$4.33	\$18.27	\$230
Kirkland	3,613,594	11.2%	-57,291	-57,291	\$14.97	\$6.79	\$21.76	\$221
Lachine	17,302,874	9.0%	248,111	248,111	\$13.70	\$4.35	\$18.05	\$225
Pointe-Claire	14,800,273	5.7%	18,006	18,006	\$13.77	\$5.31	\$19.08	\$268
Saint-Laurent	56,408,982	6.6%	-403,707	-403,707	\$14.52	\$5.42	\$19.94	\$283
West Island Total	112,564,246	6.6%	-166,989	-166,989	\$14.21	\$5.11	\$19.32	\$262

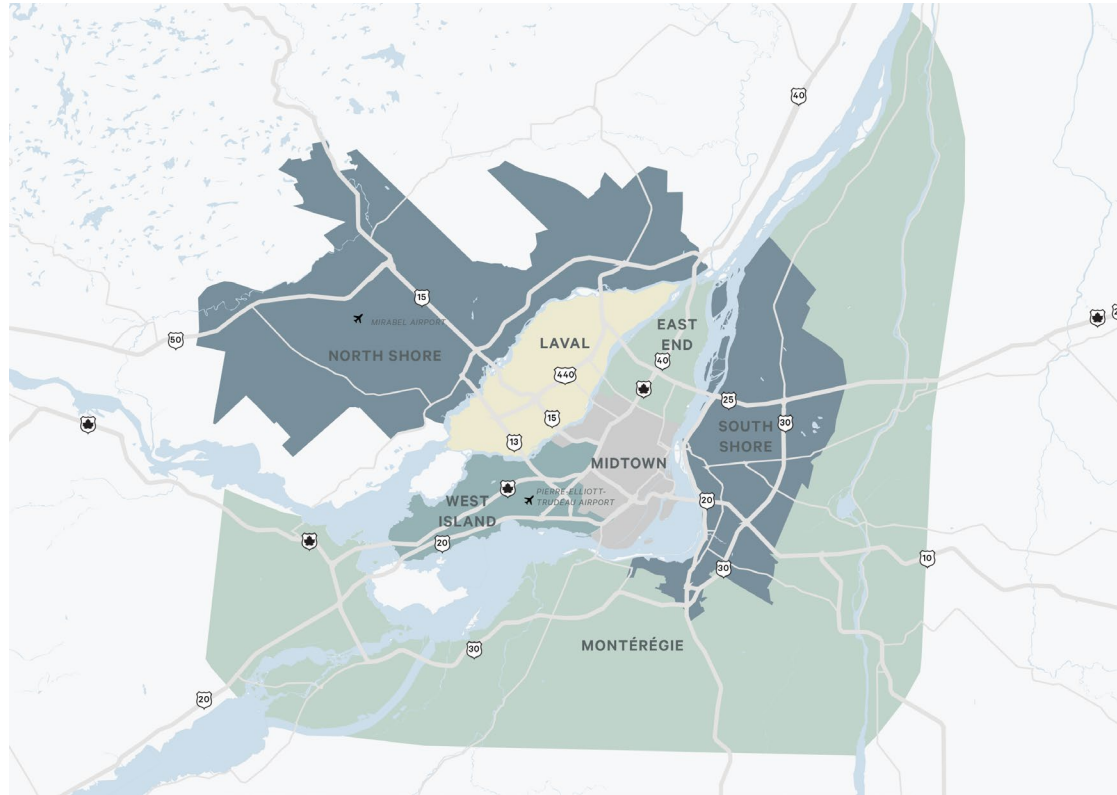
*Sale price reflects higher market average.
Source: CBRE Research, Q1 2026.

FIGURE 10b: Statistical Summary, Q1 2026

Submarket	Inventory (SF)	Availability Rate (%)	Net Absorption (SF)	YTD Net Absorption (SF)	Net Asking Rent (PSF)	TMI (PSF)	Gross Asking Rent (PSF)	Avg. Asking User Sale Price (PSF)
Boucherville	14,805,612	5.0%	96,215	96,215	\$13.09	\$3.50	\$16.59	\$232
Brossard	3,369,442	2.6%	10,547	10,547	\$14.71	\$5.17	\$19.88	*\$282
Longueuil	9,441,596	3.5%	-10,603	-10,603	\$13.58	\$4.58	\$18.16	\$246
Saint-Bruno-de-Montarville	3,911,227	15.0%	83,668	83,668	\$15.20	\$4.38	\$19.58	\$209
Saint-Hubert	7,435,916	3.4%	72,906	72,906	\$15.07	\$3.72	\$18.79	\$254
Extended South Shore	10,110,662	2.7%	461,046	461,046	\$14.55	\$3.97	\$18.52	*\$254
South Shore Total	49,074,455	4.6%	713,779	713,779	\$14.20	\$4.00	\$18.20	\$254
Beauharnois	3,009,342	22.7%	-200,000	-200,000	\$12.29	\$3.62	\$15.91	\$235
Coteau-du-Lac	3,223,399	25.4%	0	0	\$12.50	\$3.17	\$15.67	\$235
Vaudreuil	6,747,197	18.1%	82,930	82,930	\$13.14	\$2.95	\$16.09	\$140
Salaberry-de-Valleyfield	4,549,073	9.6%	7,967	7,967	\$14.72	\$3.93	\$18.65	\$177
Extended Montérégie	12,642,232	6.8%	71,954	71,954	\$13.25	\$2.58	\$15.83	\$166
Montérégie Total	30,171,243	13.3%	-37,149	-37,149	\$13.07	\$4.44	\$17.51	\$177
Laval	34,468,943	9.0%	177,621	177,621	\$16.08	\$4.95	\$21.03	\$271
North Shore Total	38,193,298	4.5%	-332,641	-332,641	\$14.37	\$3.90	\$18.27	\$246
GMA Total	373,239,335	6.7%	336,312	336,312	\$14.01	\$4.69	\$18.70	\$238

*Sale price reflects higher market average.
Source: CBRE Research, Q1 2026.

Market Area Overview



Survey Criteria

CBRE's market report analyzes industrial buildings of 15,000 sq. ft. and more across the Greater Montreal Area. CBRE assembles all information through telephone conversations and listings received from owners and members of the commercial real estate brokerage community.

New in 2025

Increased demand in the Greater Montreal Area (GMA) has spurred developments in tertiary submarkets such as Beauharnois, Châteauguay, and Salaberry-de-Valleyfield. To accurately capture this evolution, CBRE Research has revamped its methodology to include these areas to have a more precise representation of the entire industrial market. Previously, we included the Montérégie area as a separate entity in our statistics. Now, Montérégie is fully integrated within the existing GMA.

Additions to coverage include the following:

North Shore: Saint-Jerome

South Shore: Candiac, Delson, La Prairie, Sainte-Catherine, and Varennes

Montérégie: Vaudreuil-Dorion (previously in West Island), Coteau-du-Lac, Beauharnois, Salaberry-de-Valleyfield, Châteauguay, Saint-Jean-sur-Richelieu, Chambly, Belœil, and Contrecoeur.

CBRE's Offices in the Province of Quebec

Montreal Downtown

1250 René-Lévesque Blvd. W.,
Suite 2800, Montreal, QC H3B 4W8

Montreal Suburban

400 Sainte-Croix Ave., Suite 1100
Saint-Laurent, QC H4N 3L4

Quebec City

2600 Laurier Blvd., Suite 810
Quebec City, QC G1V 4W2

Contacts

Alessandro Migliara

Research Manager, Author
+1 514 944 5121
alessandro.migliara@cbre.com

Jérémie Masella

Research Analyst, Author
+1 514 375 0824
jeremie.masella@cbre.com

Antony Duplan

Research Analyst
+1 438 469 1332
antony.duplan@cbre.com

Simon Charbonneau

Sales Trainee
+1 514 375 0801
simon.charbonneau@cbre.com

Isabella Bertone

Research Intern
+1 514 375 1331
isabella.bertone@cbre.com