Positive net absorption extends to a fourth quarter streak

12.8%	19 K	0	$15.51
Vacancy Rate	SF Net Absorption	SF Under Construction	PSF Net Asking Lease Rate

Note: Arrows indicate change from previous quarter.

MARKET SUMMARY

- Net absorption totalled 19,190 sq. ft. in Q3, bringing the year-to-date total to 148,000 sq. ft.
- Class A assets recorded 58,000 sq. ft. of positive net absorption, offsetting 38,500 sq. ft. of negative net absorption posted in Class B properties.
- The Upper Town/National Assembly submarket led with 49,900 sq. ft. of positive net absorption. Vacancy fell 160 basis points (bps) to 10.8%.
- Additional rent declined around 1.0% ($0.12) to $13.40 as the Class B share increased from 61.0% to 63.0% quarter-over-quarter, ultimately remaining flat despite that fact.
- Five submarkets recorded positive net absorption and four recorded losses, reflecting uneven activity across the market.
- Direct space fell to 2.25 million sq. ft., its lowest level in nearly seven quarters. Sublet space offset this decrease and rose to a five-quarter high of 113,000 sq. ft.

FIGURE 1: GQA Supply and Demand

Source: CBRE Research, Q3 2026.

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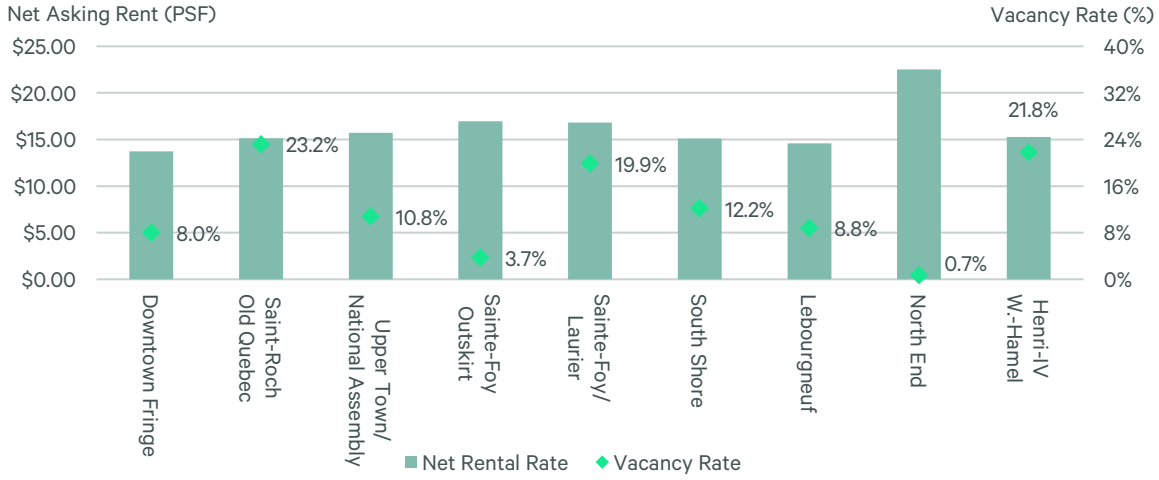
Class A drives a fourth quarter of positive net absorption

Overall vacancy edged down 10 bps to 12.8%, reaching its lowest level in nearly two years. Despite this fact, net absorption was nearly flat this quarter and performance varied greatly by building class. Class A gained 58,000 sq. ft., while Class B recorded a loss of 38,500 sq. ft., driven by the introduction of the 31,500 sq. ft. Beneva sublet in Sainte-Foy/Laurier, as well as other availabilities in the Downtown Fringe and Northwest submarkets.

The Upper Town/National Assembly submarket led the market with 49,900 sq. ft. of positive net absorption, supported by a roughly 50,000 sq. ft. lease by Tram Alliance at 1150 de Claire-Fontaine Street. CDPQ Infra selected the consortium as the preferred bidder for TramCité's civil works contract in March. The lease highlights the role of public infrastructure projects in supporting office demand in this submarket.

Net asking rents remained largely unchanged. Sainte-Foy recorded the only notable nominal increase, at $0.13 per sq. ft. Proportionally, the variation represents less than 1.0% variation in rental rate. This continues the nearly three-year streak of effectively flat net asking rent in the GQA.

FIGURE 2: GQA Vacancy and Net Asking Rents by Submarket



Source: CBRE Research, Q3 2026.

Modest absorption reflects uneven submarket activity

Despite downsizing among major Government and FIRE tenants, only four submarkets recorded year-over-year changes exceeding 200 bps. This datapoint is evidence of the resilience of Quebec City

To further illustrate this resilience, Figure 3 is a net absorption diffusion index. The index measures how widely occupancy gains extend across the market by calculating the gap between the number of submarkets with losses and those with gains. It then divides the result by the nine submarkets tracked, creating a ratio showing how many submarkets saw activity. A reading of one indicates gains in all nine, while negative one indicates losses in all nine.

In Q3, five submarkets recorded gains and four recorded losses, resulting in an index score of 0.11. This reflects mixed conditions despite the overall occupancy gain. Only three nodes recorded net absorption variation exceeding 10,000 sq. ft.: Downtown Fringe (−14,000 sq. ft.), Upper Town/National Assembly (+49,900 sq. ft.) and Northwest (−16,000 sq. ft.). Changes elsewhere were limited.

FIGURE 3: GQA Net Absorption Diffusion Index

Source: CBRE Research, Q3 2026.

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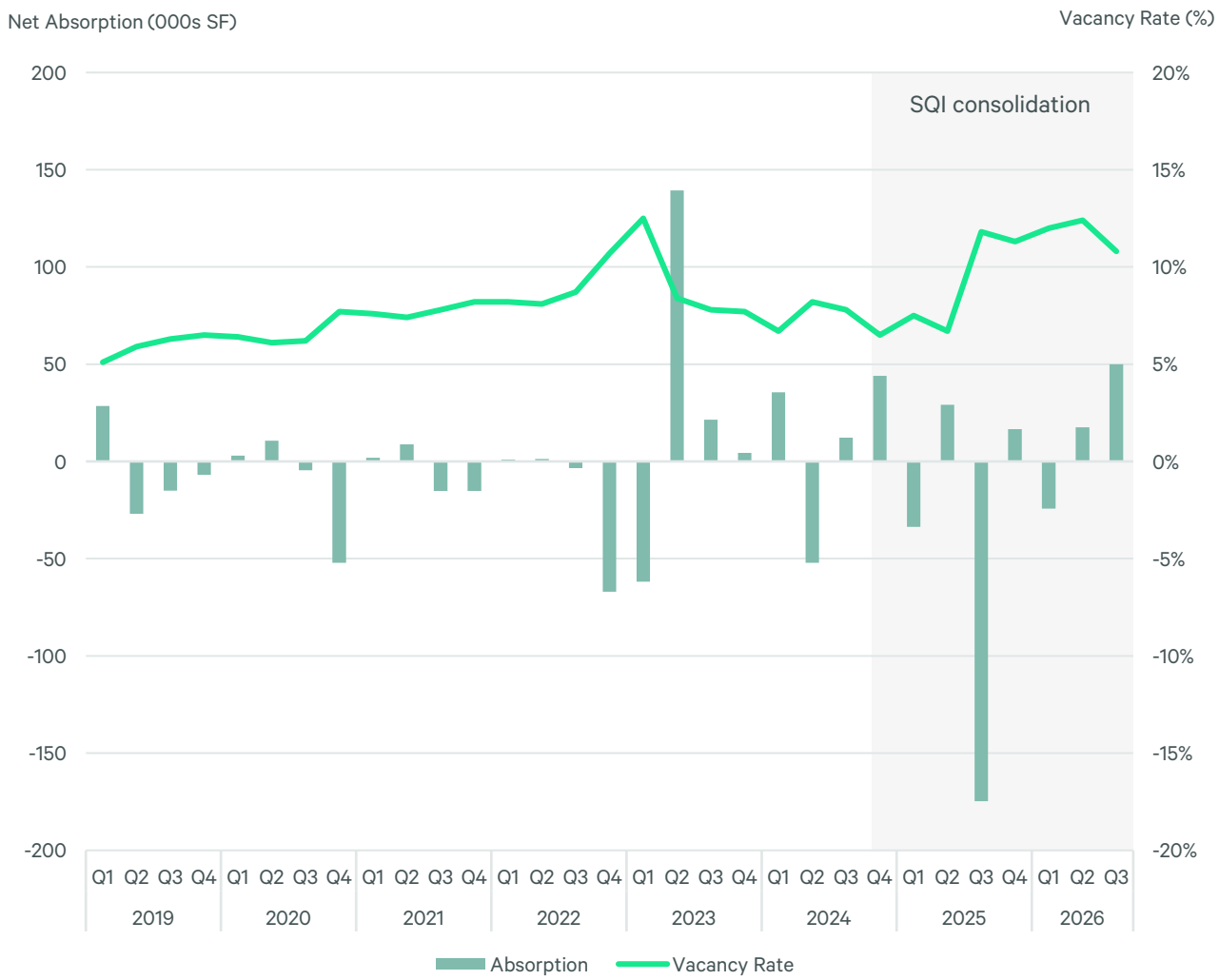
The election of the PQ adds occupancy uncertainty

The Parti Québécois proposal to abolish Santé Québec introduces uncertainty around provincial office requirements. A report on October 14th indicated that the new minority government was preparing to pursue the proposal[1]. While this is a post-quarter development rather than a confirmed change in Q3 occupancy, it is indicative of the government's intentions going into their term.

Santé Québec established its Quebec City headquarters at 930 chemin Sainte-Foy, where the Ministère de la Santé et des Services Sociaux (MSSS) also occupies space.[2] Any transfer of responsibilities back to the ministry could change how the government uses its offices. Staffing reductions alone, however, do not establish if and how much space would return to the market or when.

For Upper Town/National Assembly, the issue is whether future consolidation would offset recent leasing gains. The submarket absorbed 49,900 sq. ft. in Q3, lowering vacancy to 10.8% from 12.4%. All evidence points towards a continuation of the previous Société Québécoise des Infrastructures (SQI) strategy for their leased space, which suggests they will focus on occupying their own assets and consider not renewing some of their leases. The impact on occupancy of the proposed restructuring remains uncertain and will depend on implementation decisions and the government's accommodation plans.

FIGURE 4: Upper Town/National Assembly Absorption and Vacancy



Source: CBRE Research, Q3 2026.

[1] Le Journal de Québec, October 14, 2026. Québec prépare l'abolition de Santé Québec
[2] Le Soleil, April 9, 2024. L'emplacement du siège social de Santé Québec dévoilé

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Market Area Overview

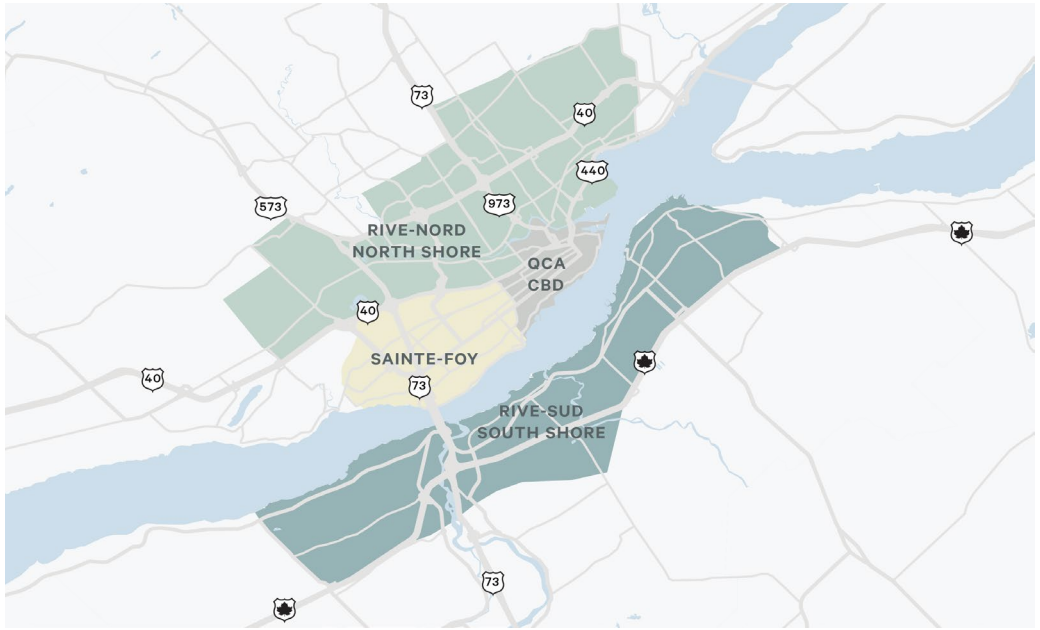

FIGURE 5: Quebec City Office Market Statistics, Q3 2026

SUBMARKET	INVENTORY (SF)	VACANCY RATE (%)	SUBLET SPACE (% OF VACANT)	NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	AVG. NET ASKING RENT (PSF)
Downtown Fringe	1,581,238	8.0%	0.0%	-14,414	0	$13.72
Saint-Roch Old Quebec	2,161,656	23.2%	4.8%	-4,673	0	$15.14
Upper Town/ National Assembly	3,039,306	10.8%	0.0%	49,900	0	$15.72
Sainte-Foy	4,959,597	12.6%	13.3%	2,958	0	$16.84
South Shore	2,147,646	12.2%	0.0%	1,351	0	$15.11
Northwest	4,610,227	11.4%	1.1%	-15,932	0	$14.96
TOTAL	**18,499,670**	**12.8%**	**4.8%**	**19,190**	**0**	**$15.51**

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Definitions

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

Net Absorption: The change in occupied square footage from one period to the next.

Net Lease Rate: Rent excludes one or more costs typically included in a gross lease rate, such as property taxes, building insurance and major maintenance.

Vacancy Rate: Total vacant square footage divided by total building area.

Vacant Space: Space available for occupancy within 30 days.

Survey Criteria

CBRE's market report analyses modern office buildings of 20,000 sq. ft. or more across the GQA. CBRE gathers information through telephone interviews and listings from property owners and the commercial real estate brokerage community.

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