CBRE

Sustained net absorption signals gradual improvement in availability rate

▼ 6.8%
Availability Rate

▲ 786K
SF Net Absorption

▼ 1.5M
SF Under Construction

▼ $13.90
PSF Average Net Rental Rate

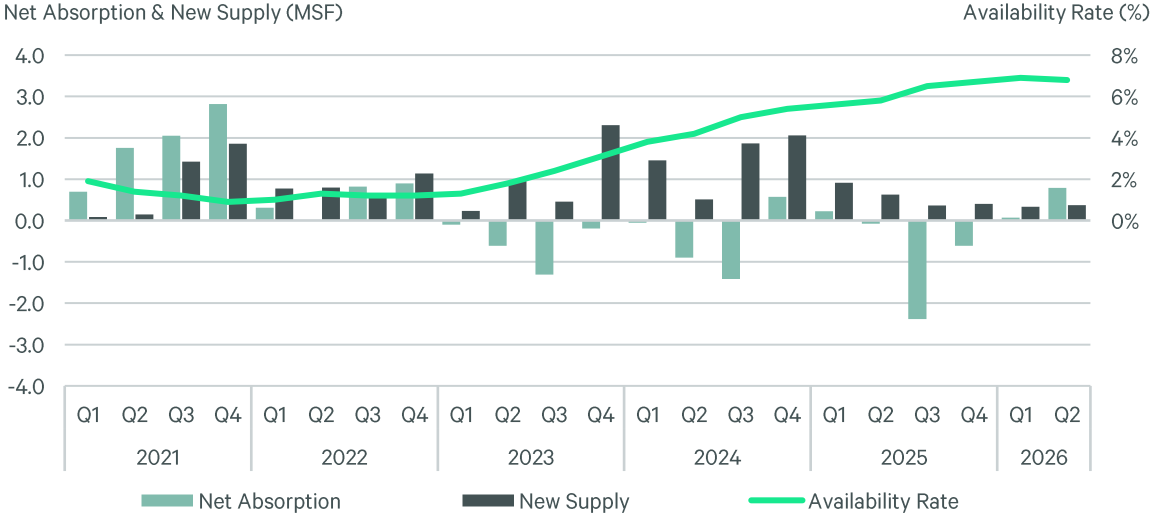
NEW: Now covering more submarkets in the GMA
See page 6 for more information

Note: Arrows indicate change from previous quarter.

Overview

- The Greater Montreal Area (GMA) had two consecutive quarters of positive net absorption, totalling 856,000 sq. ft. in the last six months.
- 18 out of 30 submarkets posted positive net absorption.
- Demand has increased for Class A product as occupiers weigh their options in a push towards quality.
- Asking net rents have adjusted downward for a tenth consecutive quarter.
- Listings on market for over a year, and older vintage product, were the largest culprits for the recent pricing decline.
- The under-construction pipeline has slowed considerably and is below 1.5 million sq. ft. for the first time since Q1 2019.

FIGURE 1 : Supply & Demand Fundamentals

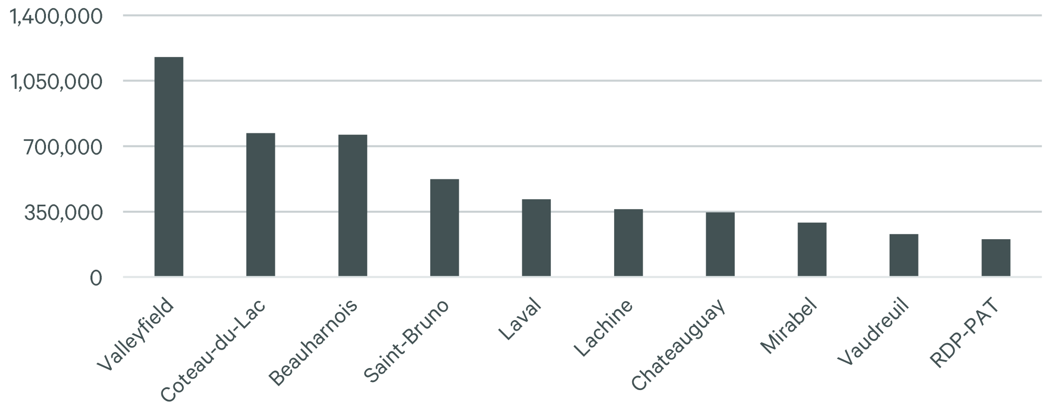


Source: CBRE Research, Q2 2026.

Flight-to-quality moving the needle on availability

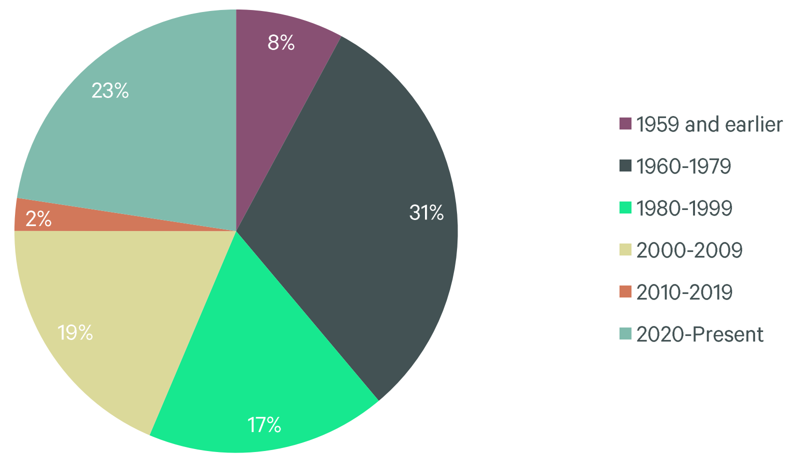
Building on first quarter momentum, Q2 2026 recorded 786,000 sq. ft. of positive net absorption. Market availability declined 10 basis points to 6.8%. The 26' and above clear height category increased 1.3 million sq. ft. to a total of 14.1 million sq. ft., although the additional space derived from construction generations predating 2020. Leasing activity within the 150,000 sq. ft and above category points to a clear flight-to-quality trend. Tenants have primarily targeted Class A product which is a mix of age, clear height, and building maintenance. Those that are being leased have a goldilocks blend of the three such as 900 Turnbull street, 17101-17711 Trans-Canada Highway and 17400 Trans-Canada Highway. Clear heights across these three examples range from 27' to 40'. If this trend persists, we can infer further migration outside of older vintages and low clear height buildings into modern facilities. This will help alleviate availability in the 150,000 sq. ft and above category which, as shown on Figure 4, still represents the majority of space. Of the modern options, 2.7 million sq. ft. derives from tertiary markets in Salaberry-de-Valleyfield, Coteau-du-Lac, and Beauharnois.

FIGURE 2: Top Ten Submarkets with Availability in the 2020+ Construction Generation (Sq. Ft.)



Source: CBRE Research, Q2 2026.

FIGURE 3: Available Square Footage by Construction Generation (%)



Source: CBRE Research, Q2 2026.

FIGURE 4: Total Available Space and Number of Listings by Size Range

Source: CBRE Research, Q2 2026.

Net asking rents reflect uneven market recalibration

Net asking rent declined for a tenth consecutive quarter, reaching $13.90 per sq. ft. This marks the first return to the $13.00 per sq. ft. range since Q2 2022. However, the adjustment has not been broad-based. From a submarket perspective, quarterly movements were evenly distributed, with 14 submarkets recording rent growth and 14 posting declines. Notably, listings on the market for more than one year accounted for 75.0% of the quarter-over-quarter decreases.

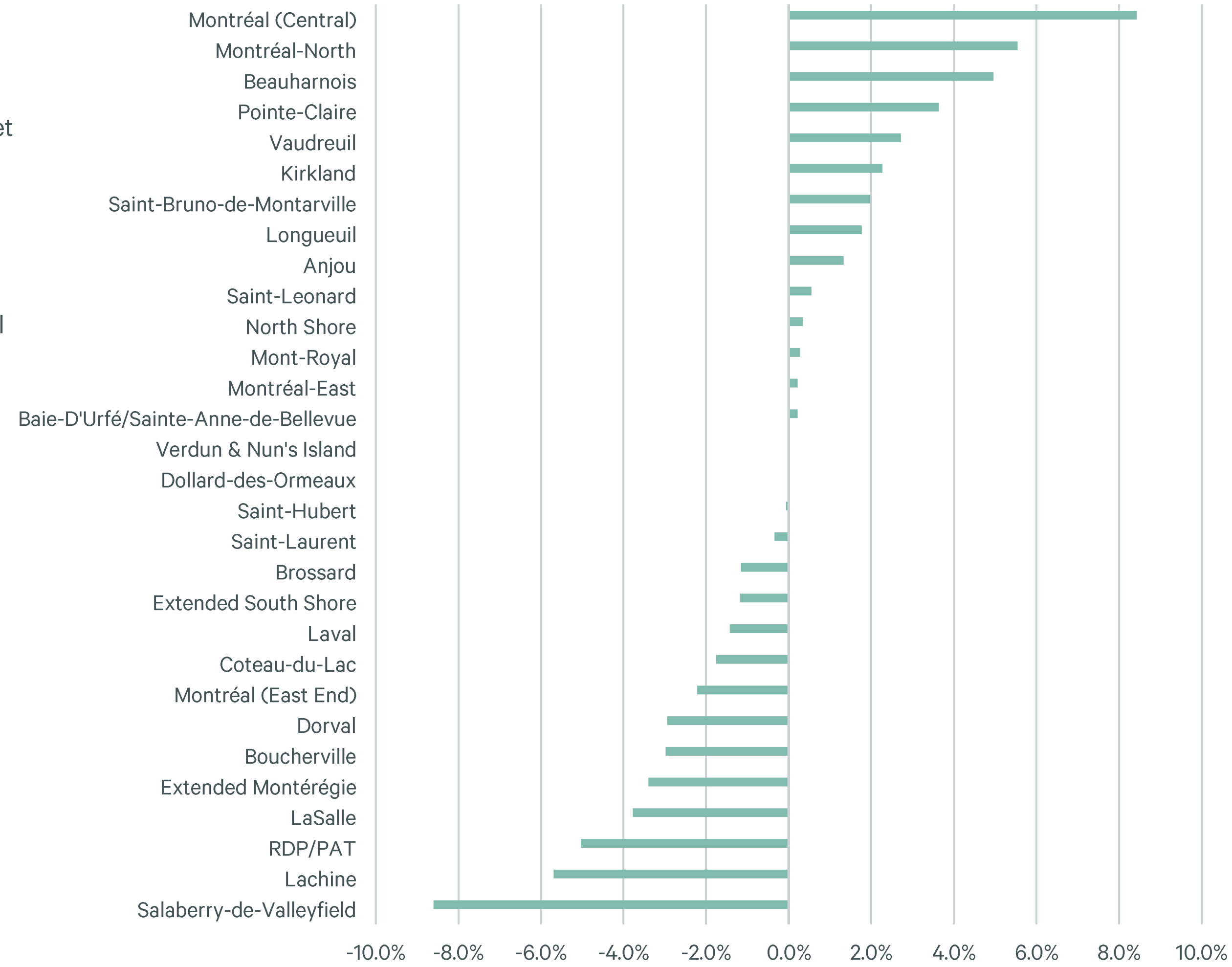
Building vintage was also a factor to pricing recalibration. Most rent declines were concentrated in properties constructed between 1960 and 1999, which helps explain the quarter-over-quarter decreases recorded in Lachine, RDP/PAT, and LaSalle, where older industrial stock is more prevalent. By contrast, buildings completed since 2020 represented only 13.2% of quarterly rental decreases, despite accounting for nearly one-quarter of available square footage. These declines were primarily concentrated in Salaberry-de-Valleyfield, Extended Montérégie, and Coteau-du-Lac.

Developments hit multi-year low

The under-construction pipeline has slowed considerably, falling to 1.47 million sq. ft. This is the first time the pipeline has moved below 1.50 million sq. ft. since Q1 2019, when the market recorded 1.21 million sq. ft. While this level is unlikely to persist, as Montoni and Rosefellow are expected to break ground on subsequent phases of developments along Autoroute 15 and Autoroute 13 respectively, the current pipeline remains well below recent peaks. In Q2 2024, the market had more than 5.46 million sq. ft. under construction.

The moderation in new supply should help support market rebalancing. In a leasing environment where occupiers are starting to prioritize quality product, a more constrained development pipeline may provide the demand side with additional time to absorb existing availabilities and narrow the gap between supply and demand.

FIGURE 5: Submarket Quarterly Net Asking Rent Change



Source: CBRE Research, Q2 2026.

FIGURE 7: Notable Lease Transactions

Size (SF)	Tenant	Address	Industry
340,323	IKEA	900 Turnbull Street	Retail/Wholesale
242,615	Bulletproof Logistics	1600 50th Avenue	Transportation/Distribution/Logistics
185,936	Nestlé Canada	666 Saint-Martin West Boulevard	Food/Beverage
152,794	CP Camionnage	17400 Trans-Canada Highway	Transportation/Distribution/Logistics
103,000	Dubord & Rainville	4045 Poirier Boulevard	Transportation/Distribution/Logistics

Source: CBRE Research, Q2 2026.

FIGURE 8: Notable Sale Transactions

Size (SF)	Price ($M)	Purchaser	Address	Submarket
239,825	$34.9	Emballages Carrousel	1485 De Coulomb Street	South Shore
185,000	$18.6	MDA Space	21025 Trans-Canada Highway	West Island
111,328	$19.7	CTM International	10400 Renaude-Lapointe Street	East End
51,997	$12.6	Nuance Design Marbre & Granit	1630 Dagenais Boulevard West	Laval
18,724	$9.2	SBR Signalisation	14425 Rolland-Desjardins Street	North Shore

Sources: CBRE Research and Altus Data Studio, Q2 2026.

FIGURE 9: Notable Land Transactions

Size (Acres)	Price ($Acre)	Purchaser	Seller	City
15.05	2,085,404	Toromont	Amar Group	Laval

Sources: CBRE Research and Altus Data Studio, Q2 2026.

FIGURE 10a: Statistical Summary, Q2 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	6.8%	73,915	233,666	$13.68	$4.80	$18.48	$206
Montréal (East End)	5,079,128	15.0%	58,783	-44,383	$12.78	$4.74	$17.52	$201
Montréal-East	3,739,771	10.1%	24,513	-204,236	$13.76	$5.49	$19.25	$326
Montréal-North	5,960,599	14.4%	-2,076	-8,000	$12.00	$4.00	$16.00	$108
RDP/PAT	12,449,568	10.5%	2,611	115,371	$13.77	$4.88	$18.65	$204
Saint-Leonard	11,486,511	4.4%	-12,068	43,440	$12.79	$4.93	$17.72	$182
East End Total	**53,743,208**	**9.0%**	**145,678**	**135,858**	**$13.14**	**$4.72**	**$17.86**	**$203**
LaSalle	9,415,058	5.7%	-109,158	-86,512	$12.23	$4.61	$16.84	$166
Montréal (Central)	34,639,889	2.0%	27,431	-45,737	$14.15	$4.94	$19.09	$307
Mont-Royal	10,537,069	4.8%	-146,083	-104,050	$14.41	$3.17	$17.58	$269
Verdun & Nun's Island	431,926	0.0%	0	0	$16.00	$4.30	$20.30	$189
Midtown Total	**55,023,942**	**3.1%**	**-227,810**	**-236,299**	**$13.60**	**$4.29**	**$17.89**	**$229**
Baie-D'Urfé/Sainte-Anne-de-Bellevue	5,710,495	2.9%	-32,006	-107,706	$13.78	$5.06	$18.84	$331
Dollard-des-Ormeaux	1,802,435	7.9%	-99,257	-98,623	$13.95	$5.94	$19.89	$225
Dorval	12,925,593	4.7%	147,819	250,777	$13.53	$4.54	$18.07	$230
Kirkland	3,613,594	6.3%	175,871	118,580	$15.31	$7.00	$22.31	$221
Lachine	17,302,874	7.3%	287,954	536,065	$12.92	$4.92	$17.84	$275
Pointe-Claire	14,800,273	8.4%	-390,470	-372,464	$14.27	$5.13	$19.40	$268
Saint-Laurent	56,408,982	6.8%	-15,639	-532,346	$14.47	$5.22	$19.69	$293
West Island Total	**112,564,246**	**6.7%**	**74,272**	**-205,717**	**$14.10**	**$5.16**	**$19.26**	**$278**

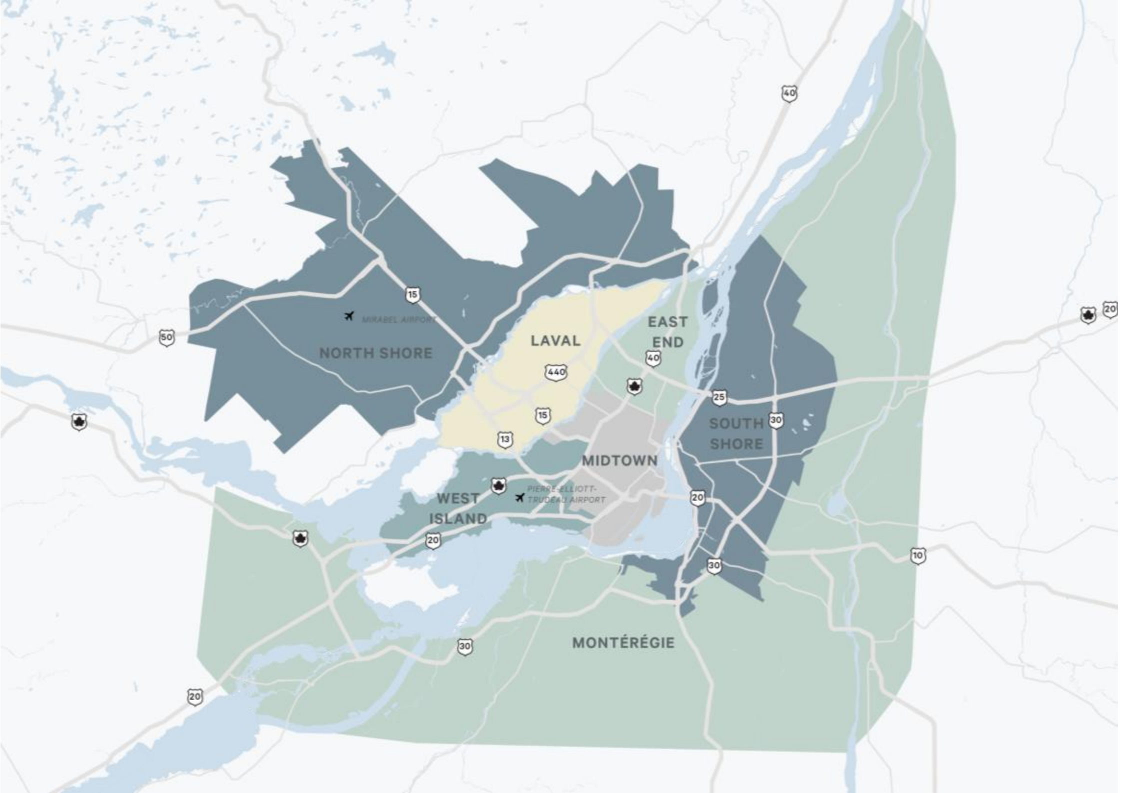
*Sale price reflects higher market average.
Source: CBRE Research, Q2 2026.

FIGURE 10b: Statistical Summary, Q2 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%	5,320	101,535	$12.70	$3.70	$16.40	$232
Brossard	3,369,442	2.3%	12,332	22,879	$14.54	$5.30	$19.84	$282
Longueuil	9,441,596	3.4%	12,430	1,827	$13.82	$4.64	$18.46	$225
Saint-Bruno-de-Montarville	3,911,227	14.8%	7,202	90,870	$15.50	$4.84	$20.34	$209
Saint-Hubert	7,435,916	3.4%	0	72,906	$15.06	$3.72	$18.78	$329
Extended South Shore	10,110,662	3.6%	61,270	368,970	$14.14	$3.61	$17.75	$268
South Shore Total	**49,074,455**	**4.7%**	**98,554**	**658,987**	**$14.11**	**$4.16**	**$18.27**	**$198**
Beauharnois	3,009,342	25.3%	334,325	134,325	$12.90	$3.64	$16.54	$235
Coteau-du-Lac	3,223,399	23.9%	50,000	50,000	$12.28	$3.17	$15.45	$235
Vaudreuil	4,549,073	8.8%	35,570	43,537	$15.12	$3.92	$19.04	$390
Salaberry-de-Valleyfield	6,747,197	18.1%	-4,079	78,851	$12.01	$2.94	$14.95	$140
Extended Montérégie	12,642,232	7.3%	-65,075	6,879	$12.51	$2.78	$15.29	$145
Montérégie Total	**30,171,243**	**13.5%**	**350,741**	**313,592**	**$12.65**	**$4.30**	**$16.95**	**$184**
Laval	**34,726,282**	**9.4%**	**98,119**	**275,740**	**$15.85**	**$5.01**	**$20.86**	**$276**
North Shore Total	**38,309,971**	**4.2%**	**246,442**	**-86,199**	**$14.47**	**$3.72**	**$18.19**	**$247**
GMA Total	**373,613,347**	**6.8%**	**785,996**	**855,962**	**$13.90**	**$4.68**	**$18.58**	**$238**

*Sale price reflects higher market average.
Source CBRE Research, Q2 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.

Methodology Change

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 Contrecœur

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