

Small and mid bay remain resilient despite headwinds in the large bay market

▲ 6.7%
Availability Rate

▲ -611K
SF Net Absorption

▼ 2.2M
SF Under Construction

▼ \$14.10
PSF Average Net Rental Rate

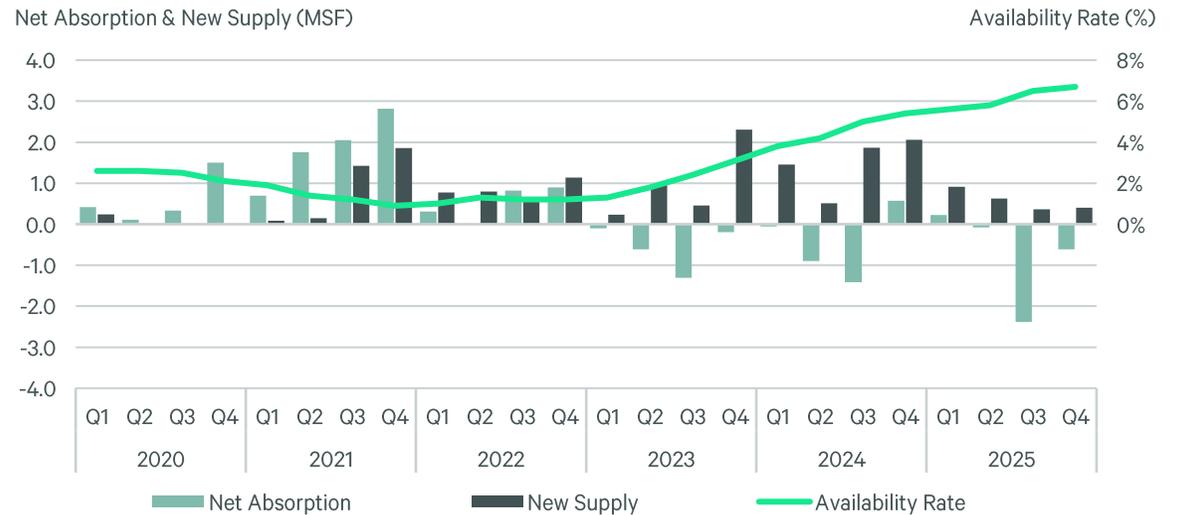
NEW: Now covering more submarkets in the GMA
See page 6 for more information

Note: Arrows indicate change from previous quarter.

Overview

- Asking net rents have adjusted downward for eight consecutive quarters.
- Net absorption for the 2025-year totals negative 2.7 million sq. ft. This is the third year of negative net absorption.
- The East End had the highest year-over-year net asking rental decrease with 13.5%.
- The 26'+ clear height category now accounts for half of the available space in terms of square footage, driven by an oversupply of Class A product.
- Agropur, a dairy agricultural cooperative, mandated Rosefellow to develop a 124,000 sq. ft. refrigerated distribution centre at their Boisbriand project.
- Dream Industrial REIT established a joint venture with CPP Investments to acquire approximately \$3 billion in Canadian industrial properties. Montreal is a market of interest.

FIGURE 1: Supply & Demand Fundamentals



Source: CBRE Research, Q4 2025.

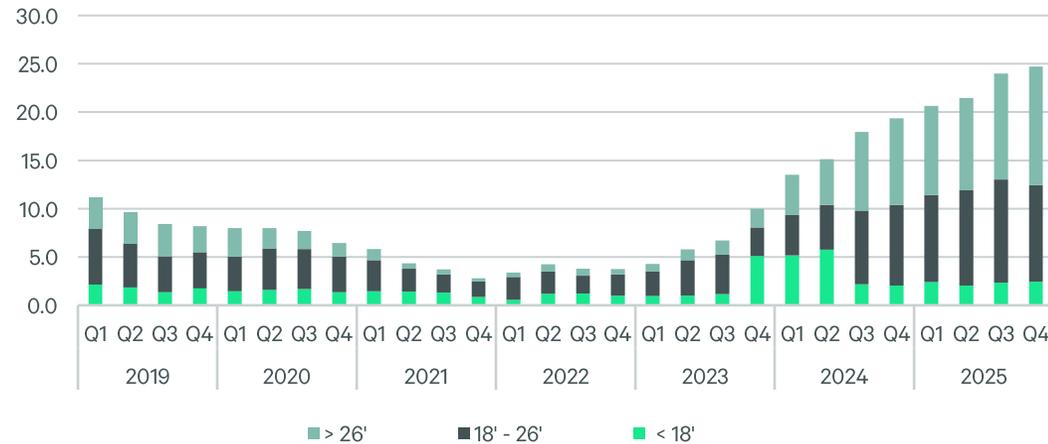
Premium spaces dominate the landscape

The Greater Montreal market experienced a decline in Q4 net absorption, totalling negative 611,000 sq. ft. This brought the year-end net absorption for 2025 to negative 2.7 million sq. ft., marking the third consecutive year of decline. This is the largest cumulative reduction of occupied space since 2009, which saw -3.6 million sq. ft. The market rebounded strongly after 2009, experiencing five years of positive absorption.

The East End was the primary driver of vacancy with negative 1.8 million sq. ft. net absorption. 48.6% of that figure occurred in Q4, with the Anjou submarket adding 410,000 sq. ft. to available space. This included one large bay listing of 137,000 sq. ft., with the remainder primarily consisting of mid-bay options.

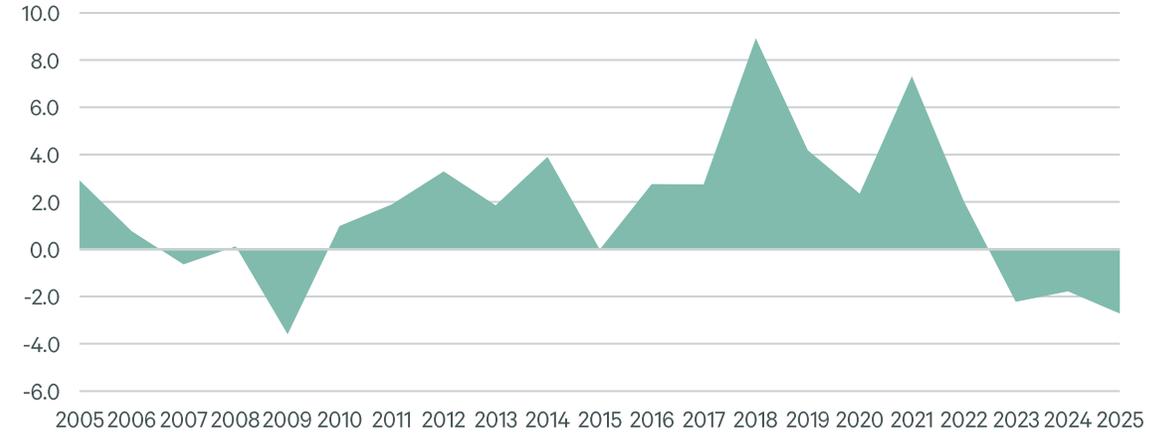
The 26'+ clear height category now accounts for half of the rental universe, driven by an oversupply of Class A product. In Q4 2021, this category represented 11.9% of availability. Developers overbuilt to meet demand and since Q3 2024, the 26'+ category has constituted at least 44.6% of available space. Anticipated tariff stability in 2026 could unlock pent-up demand from multi-national companies, which would likely prioritize this category.

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



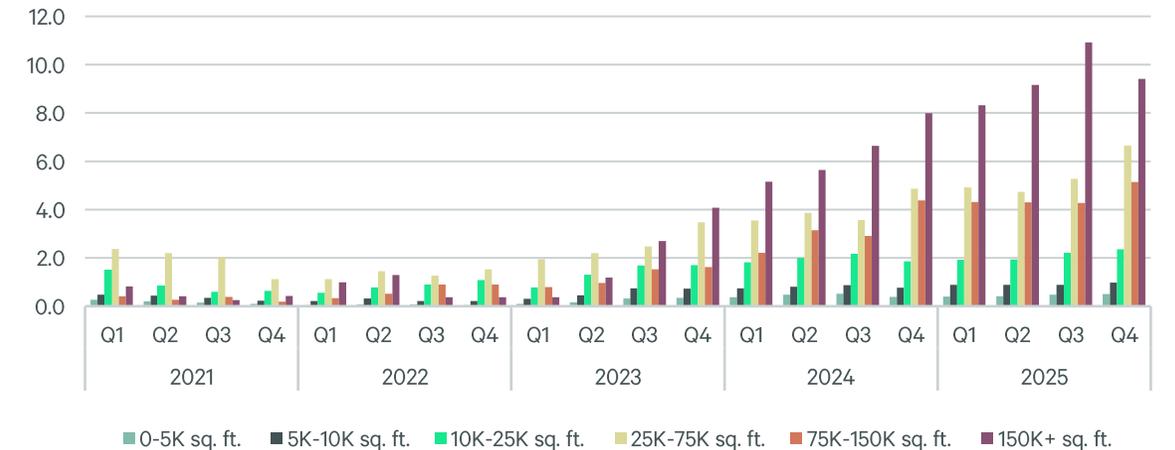
Source: CBRE Research, Q4 2025.

FIGURE 3: 20-Year Lens of Net Absorption (MSF)



Source: CBRE Research, Q4 2025.

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



Source: CBRE Research, Q4 2025.

Rental softening cycle persists

Net asking rent has declined for eight consecutive quarters, now at \$14.10 per sq. ft. The year-over-year decrease is 5.6% which is an improvement from Q4 2024's 9.1% reduction. While all submarkets experienced either marginal growth or declines, the East End saw the sharpest decrease of 13.5%. This submarket has traditionally been more affordable compared to Laval and the West Island. The significant decrease can be attributed to a geographic flight-to-quality.

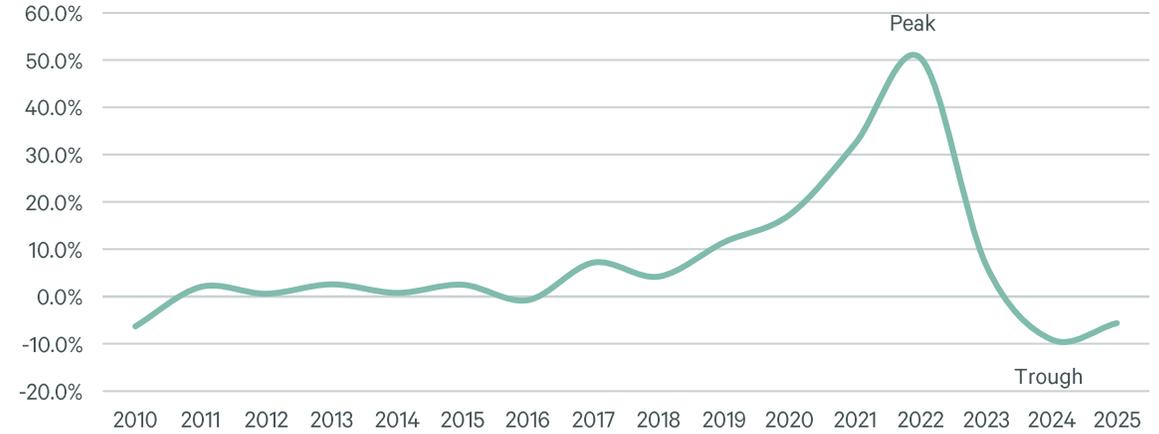
For the other submarkets, the listing size and clear height, not building age, are better factors to explain rental fluctuations. For instance, Midtown has many older properties (pre-2000), whereas Laval has an abundance of new construction. Both saw revisions in the 5.0% range. Contrastingly, listings exceeding 100,000 sq. ft. average 467 days on the market. Properties with at least a 32' clear height have an 18.4% vacancy rate. This category might see further strain in 2026 as Colabor - a food distributor for restaurants and institutions - requested the Quebec Superior Court for CCAA* protection from creditors. Colabor has over 300,000 sq. ft. in a new development in the South Shore. To stand out in a highly competitive large bay market, teaser rates for the first year are increasingly used as a marketing strategy. This is less common in the small to mid-sized categories since demand remains competitive.

Silver linings beginning to unfold

Despite the continued headwinds for large bay, there are signs of slow improvement. Agropur mandated Rosefellow to develop a 124,000 sq. ft. refrigerated distribution centre at their Boisbriand project in the North Shore. Montoni has pre-leased two suites at its Laval 15 Cine-Site to TricorBraun and Triotech. Moreover, Dream Industrial and Canadian Pension Plan Investments announced a joint venture in December 2025. The intent is to target and acquire up to \$3 billion in last-mile industrial assets. Montreal has been highlighted as a major market of interest in tandem with Toronto and Calgary. This is a testament that despite recent turbulence in Montreal's rental market, institutional investors recognize value in the long term.

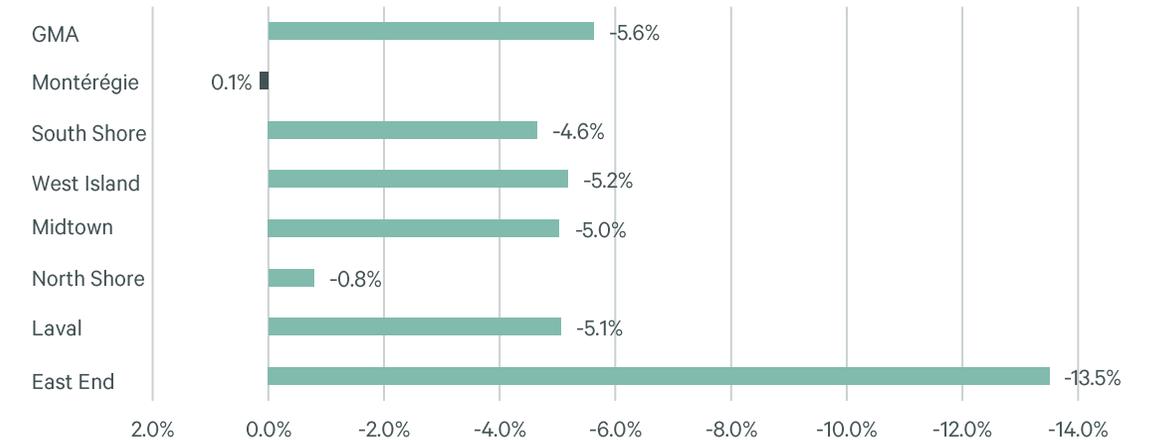
* CCAA is defined as Companies' Creditors Arrangement Act. This allows companies to initiate a sale and investment solicitation process.

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



Source: CBRE Research, Q4 2025.

FIGURE 6: Year-over-Year Net Asking Rental Rate Growth by Submarket (Q4 2024 vs Q4 2025)



Source: CBRE Research, Q4 2025.

FIGURE 7: Notable Lease Transactions

| Size (SF) | Tenant | Address | Industry |
|-----------|----------------------|---|---------------------------------------|
| 258,647 | Metro Logistics | 8500-8760 Marien Place | Transportation/Distribution/Logistics |
| 175,697 | Acorr | 550 McArthur Street | Other Industrial |
| 139,302 | Grass Valley Canada* | 3499 Douglas-B.-Floreani Street | Manufacturing |
| 127,225 | Dexter Group | 789-799 Jean-Paul-Vincent Boulevard | Traditional MFG |
| 123,026 | Confidential | 3235 Guénette Street | Food-Beverage |
| 105,290 | Triotech | Jules-Brilliant Street (Cinesite Laval) | Creative Industries |
| 100,000 | Entreposage M.A.S. | 1375 Newton Street | Warehousing/Storage |

* Renewal
 Source: CBRE Research, Q4 2025.

FIGURE 8: Notable Sale Transactions

| Size (SF) | Price (\$M) | Purchaser | Address | Submarket |
|-----------|-------------|-----------------|---------------------------|-------------|
| 58,547 | \$30.0 | Aliments Sofina | 1081 Parent Street | South Shore |
| 91,431 | \$27.5 | Nexus REIT | 7050 Saint-Patrick Street | Midtown |
| 60,747 | \$25.0 | Pex Bidco | 850 Munck Avenue | Laval |

Sources: CBRE Research and Altus Data Studio, Q4 2025.

FIGURE 9: Notable Land Transactions

| Size (Acres) | Price (\$Acre) | Purchaser | City | Industry |
|--------------|----------------|------------|---------|-----------------------------|
| 14.12 | \$694,046 | Rosefellow | Candiac | Warehousing & Manufacturing |

Sources: CBRE Research and Altus Data Studio, Q4 2025.

FIGURE 10a: Statistical Summary, Q4 2025

| 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 | 8.4% | -423,461 | -555,769 | \$12.51 | \$4.59 | \$17.10 | \$212 |
| Montréal (East End) | 5,079,128 | 14.2% | -184,235 | -245,881 | \$13.13 | \$4.94 | \$18.07 | \$201 |
| Montréal-East | 3,739,771 | 4.6% | -111,489 | -91,304 | \$14.44 | \$6.00 | \$20.44 | \$223* |
| Montréal-North | 5,960,599 | 14.3% | 98,248 | -211,817 | \$11.30 | \$3.63 | \$14.93 | \$223* |
| RDP/PAT | 12,449,568 | 11.4% | 27,787 | -433,665 | \$14.50 | \$5.06 | \$19.56 | \$243 |
| Saint-Leonard | 11,486,511 | 4.8% | -274,322 | -244,431 | \$12.08 | \$4.58 | \$16.66 | \$188 |
| East End Total | 53,743,208 | 9.2% | -867,472 | -1,782,867 | \$12.99 | \$4.65 | \$17.64 | \$223 |
| LaSalle | 9,415,058 | 4.8% | 43,605 | -55,147 | \$12.12 | \$4.59 | \$16.71 | \$176 |
| Montréal (Central) | 34,639,889 | 1.8% | -135,746 | 56,274 | \$13.16 | \$4.69 | \$17.85 | \$262 |
| Mont-Royal | 10,537,069 | 3.8% | -12,181 | -59,659 | \$15.47 | \$4.39 | \$19.86 | \$274 |
| Verdun & Nun's Island | 431,926 | 0.0% | 35,761 | 0 | \$16.00 | \$4.30 | \$20.30 | \$189 |
| Midtown Total | 55,023,942 | 2.7% | -68,561 | -58,532 | \$13.41 | \$4.59 | \$18.00 | \$196 |
| Baie-D'Urfé/Sainte-Anne-de-Bellevue | 5,710,495 | 1.0% | 0 | 446,514 | \$13.75 | \$4.54 | \$18.29 | \$331 |
| Dollard-des-Ormeaux | 1,802,435 | 2.4% | 0 | 0 | \$13.95 | \$4.54 | \$18.49 | \$225 |
| Dorval | 12,925,593 | 6.7% | -133,261 | 51,882 | \$14.89 | \$5.11 | \$20.00 | \$230 |
| Kirkland | 3,613,594 | 9.6% | 159,846 | 85,100 | \$15.50 | \$7.17 | \$22.67 | \$221 |
| Lachine | 17,302,874 | 10.4% | -310,111 | -1,070,508 | \$14.19 | \$5.01 | \$19.20 | \$224 |
| Pointe-Claire | 14,800,273 | 5.8% | -171,221 | 26,036 | \$14.19 | \$5.27 | \$19.46 | \$213 |
| Saint-Laurent | 56,348,982 | 5.8% | 672,357 | -213,534 | \$14.50 | \$4.41 | \$18.91 | \$289 |
| West Island Total | 112,504,246 | 6.4% | 217,610 | -674,510 | \$14.48 | \$4.89 | \$19.37 | \$245 |

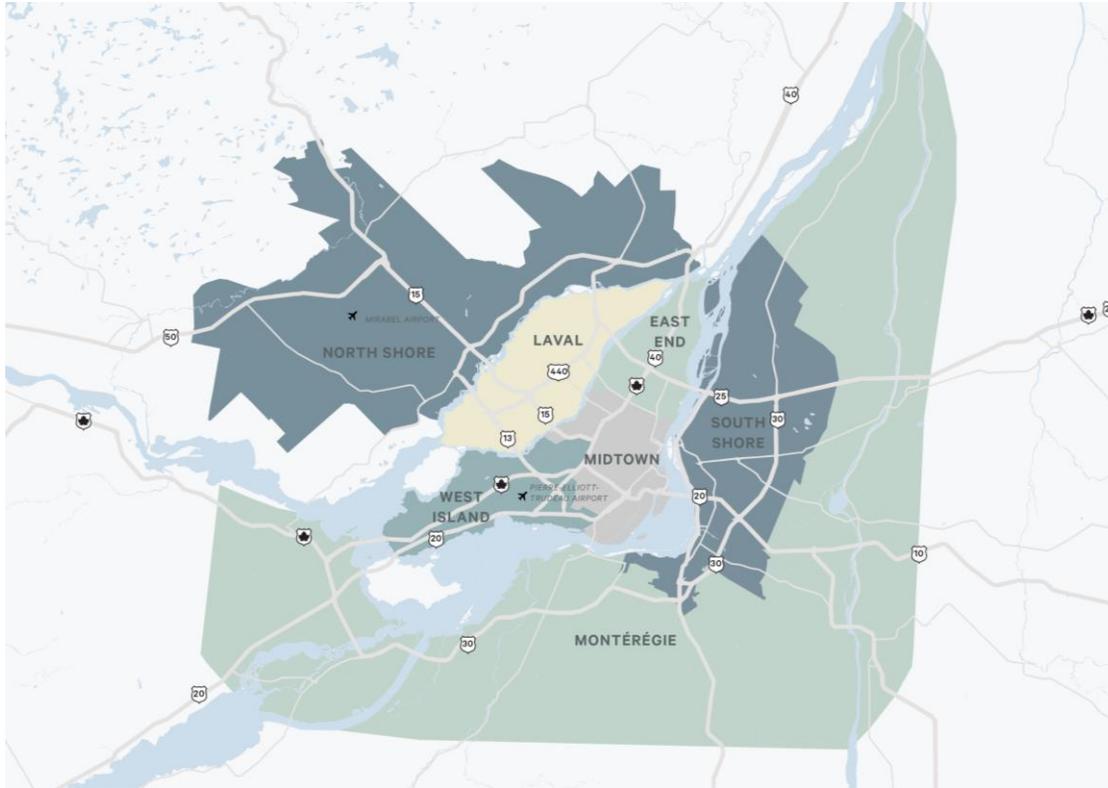
*Sale price reflects higher market average.
Source: CBRE Research, Q4 2025.

FIGURE 10b: Statistical Summary, Q4 2025

| 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 | 5.6% | 191,130 | -284,957 | \$13.25 | \$4.08 | \$17.33 | \$232 |
| Brossard | 3,369,442 | 3.0% | -27,050 | -55,542 | \$14.74 | \$5.36 | \$20.10 | \$244 |
| Longueuil | 9,441,596 | 3.4% | 35,352 | 394,048 | \$13.89 | \$4.92 | \$18.81 | \$258 |
| Saint-Bruno-de-Montarville | 3,856,227 | 15.9% | -13,764 | 195,092 | \$15.50 | \$4.18 | \$19.68 | \$181 |
| Saint-Hubert | 7,435,916 | 4.4% | -86,586 | -169,979 | \$15.73 | \$3.73 | \$19.46 | \$247* |
| Extended South Shore | 10,110,662 | 7.3% | -199,531 | -308,881 | \$13.41 | \$3.62 | \$17.03 | \$268 |
| South Shore Total | 49,019,455 | 6.0% | -100,449 | -230,219 | \$14.15 | \$4.06 | \$18.21 | \$247 |
| Beauharnois | 3,009,342 | 16.1% | 617,000 | 640,000 | \$12.82 | \$3.63 | \$16.45 | \$177* |
| Coteau-du-Lac | 3,223,399 | 25.4% | 0 | -520,000 | \$13.50 | \$3.17 | \$16.67 | \$197 |
| Vaudreuil | 4,549,073 | 9.7% | 182,914 | -148,023 | \$14.56 | \$4.37 | \$18.93 | \$177* |
| Salaberry-de-Valleyfield | 6,747,197 | 19.3% | 73,489 | 32,358 | \$13.73 | \$3.04 | \$16.77 | \$140 |
| Extended Montérégie | 12,642,232 | 7.3% | -189,162 | -119,770 | \$12.83 | \$3.47 | \$16.30 | \$166 |
| Montérégie Total | 30,171,243 | 13.2% | 684,241 | -115,435 | \$13.48 | \$3.39 | \$16.87 | \$177 |
| Laval | 34,255,236 | 8.9% | -52,054 | -94,401 | \$15.79 | \$5.15 | \$20.94 | \$266 |
| North Shore Total | 38,193,298 | 3.6% | -424,012 | 232,970 | \$15.10 | \$4.13 | \$19.23 | \$251 |
| GMA Total | 372,910,628 | 6.7% | -610,697 | -2,722,994 | \$14.10 | \$4.48 | \$18.58 | \$232 |

*Sale price reflects higher market average.
Source: CBRE Research, Q4 2025.

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.

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