

Three quarters of positive absorption, overshadowed by narrow demand and trade uncertainty

▼ 6.3%

Availability Rate

▲ 1.8M

SF Net Absorption

▲ 1.8M

SF Under Construction

▼ \$13.78

PSF Average Net Rental Rate

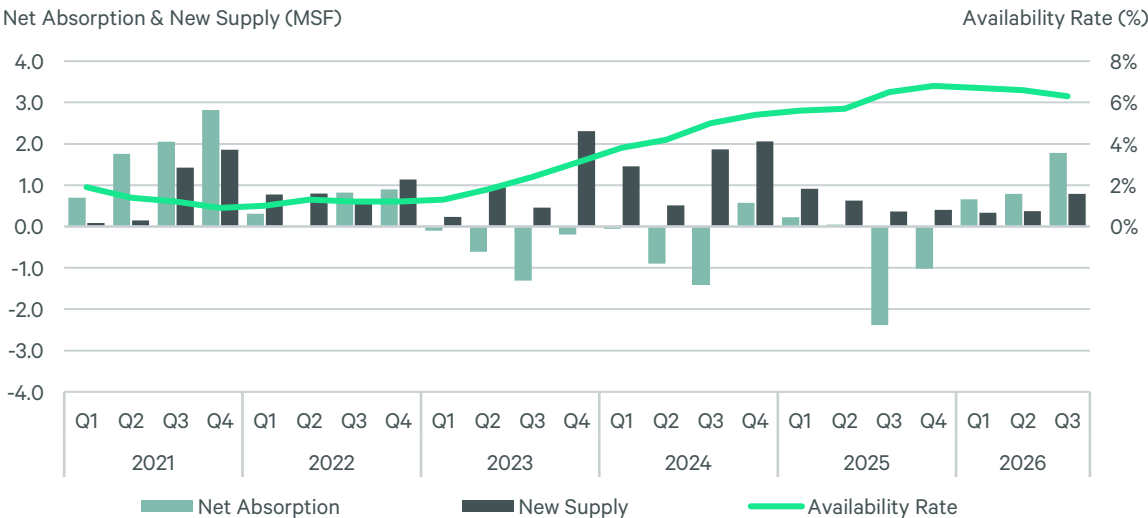
NEW: Now covering more submarkets in the GMA
See page 6 for more information

Note: Arrows indicate change from previous quarter.

Overview

- The Greater Montreal Area (GMA) recorded 1.8 million sq. ft. of net absorption in Q3 2026, the strongest quarter since Q4 2021 and brings year-to-date net absorption to 3.2 million sq. ft.
- Availability fell 30 basis points (bps) to 6.3%, a third consecutive quarterly decrease from the 6.8% peak recorded in Q4 2025, while vacancy dropped 70 bps to 5.5%.
- Net absorption was concentrated: Laval and Montréal-North accounted for 57% of the GMA total, and the top five submarkets for 88%.
- Transactions above 75,000 sq. ft. represented approximately 54.0% of leasing volume as occupiers continued to favour modern, higher-clear-height product.
- Asking net rents declined for an eleventh consecutive quarter to \$13.78 per sq. ft., down 16.1% from the Q4 2023 peak.
- Year-to-date new supply of 1.5 million sq. ft. is the lowest since 2020, though the under-construction pipeline rose 24% quarter-over-quarter to 1.8 million sq. ft. as Rosefellow and Montoni broke ground on phase 2 projects in Laval.

FIGURE 1: Supply & Demand Fundamentals

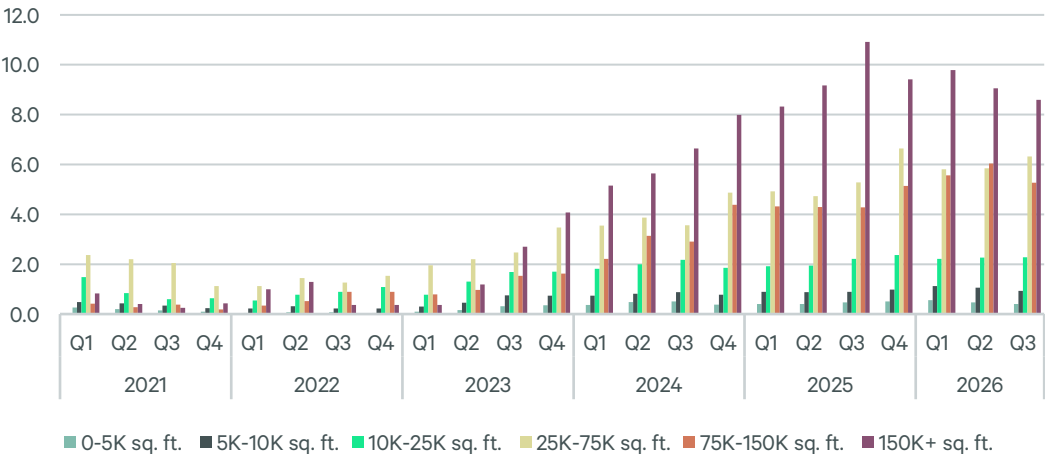


Source: CBRE Research, Q3 2026.

Leasing activity is concentrated in larger, more functional spaces

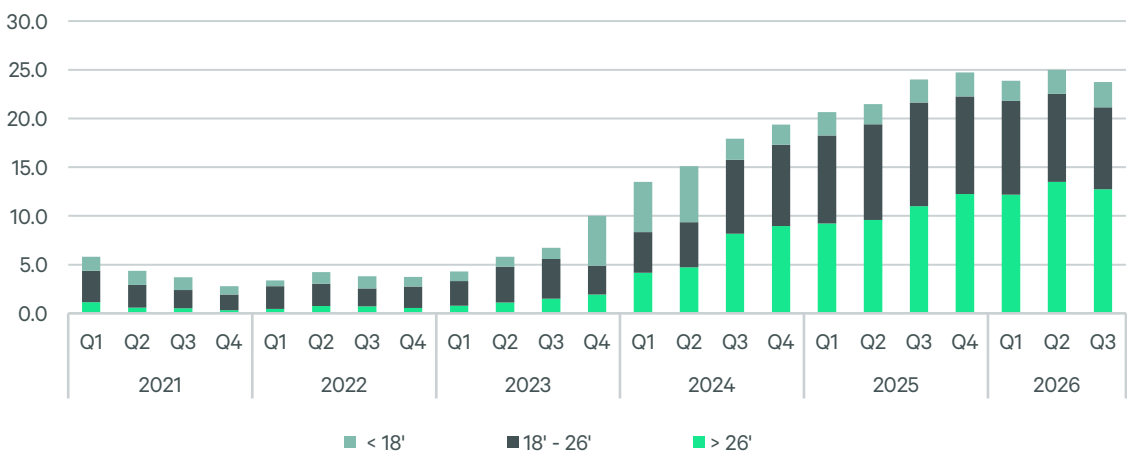
Recent leasing activity illustrates where occupier demand is focused within Montreal's industrial market. Transactions exceeding 75,000 sq. ft. accounted for approximately 54.0% of leasing volume in Q3 2026, while the 25,000 sq. ft. to 75,000 sq. ft. segment remained a consistent source of demand throughout the year. Occupiers continued to favor more functional product: available space in buildings with clear heights above 26 feet declined by 782,000 sq. ft. in Q3 2026, the largest reduction of any clear-height segment, while sub-18-foot availability rose. That competition for quality space has not translated into pricing power. Average net asking rent declined to \$13.78 per sq. ft., an eleventh consecutive quarterly decrease and a 16.1% correction from the Q4 2023 peak, while gross asking rent stands at \$18.94 per sq. ft. The 26-foot and above category had the sharpest decrease to \$14.01 per sq. ft. as modern facilities adjusted pricing to reduce the premium versus older, less functional options. Excluding Montérégie, net asking rents for space with clear heights of 36-feet and above averaged at \$16.17 per sq. ft.; including it, the GMA-wide average falls to \$14.27 per sq. ft., pulled down by lower-priced big box supply in that submarket. Developers delivered much of this space in 2024 and 2025.

FIGURE 2: Total Available Space by Size Range (MSF)



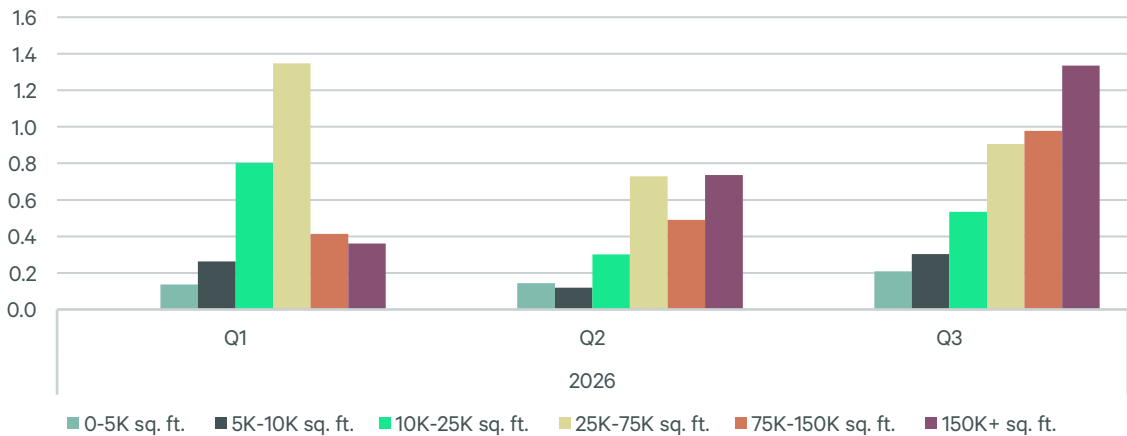
Source: CBRE Research, Q3 2026.

FIGURE 3: Total Available Space by Clear Height Category (MSF)



Source: CBRE Research, Q3 2026.

FIGURE 4: Leasing Volume by Transaction Size (MSF)



Source: CBRE Research, Q3 2026.

Tariff exposure is limited by the market's sector mix

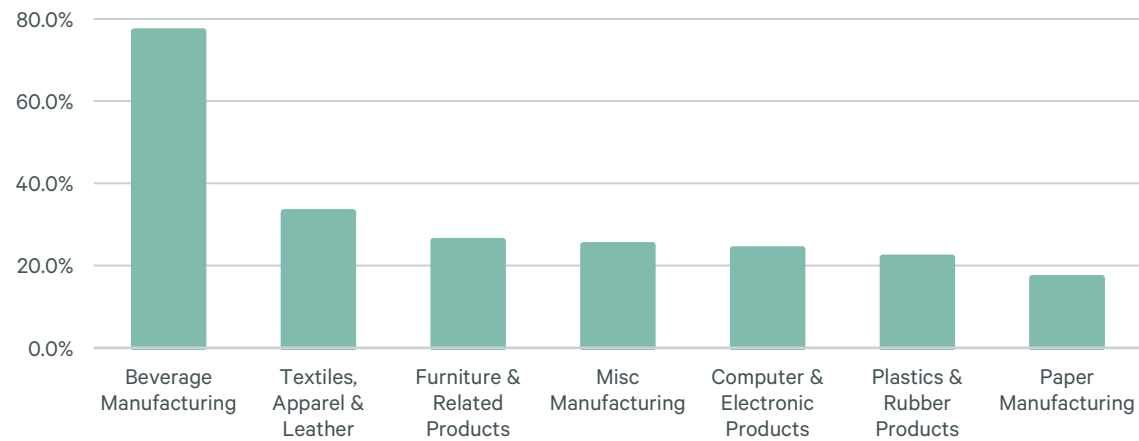
Trade risk escalated in August 2026, when Canada-U.S. negotiations collapsed and 50.0% U.S. tariffs hit roughly \$27.6 billion of Canadian goods, raising the question of which exposed industries occupy space in the GMA.

Beverage manufacturing carries the highest direct export exposure among Canadian industries at approximately 77.0%, followed by textiles, apparel & leather at 33.0%, and furniture/related products at 26.0% as per [Desjardins Economics](#). By contrast, leasing in the GMA since 2024 has been dominated by transportation, distribution & logistics at 3.8 million sq. ft. with warehousing & storage at 3.6 million sq. ft. Meanwhile, retail, manufacturing, and agriculture accounted for 1.2 million sq. ft. each. The overlap is limited as most tariff-exposed sectors are simply absent from the GMA leasing record. The three that do appear account for roughly 1.7 million sq. ft. since 2024, less than half the volume of logistics alone. In short, the sectors most at risk are not the ones leasing space.

Insulation is not immunity

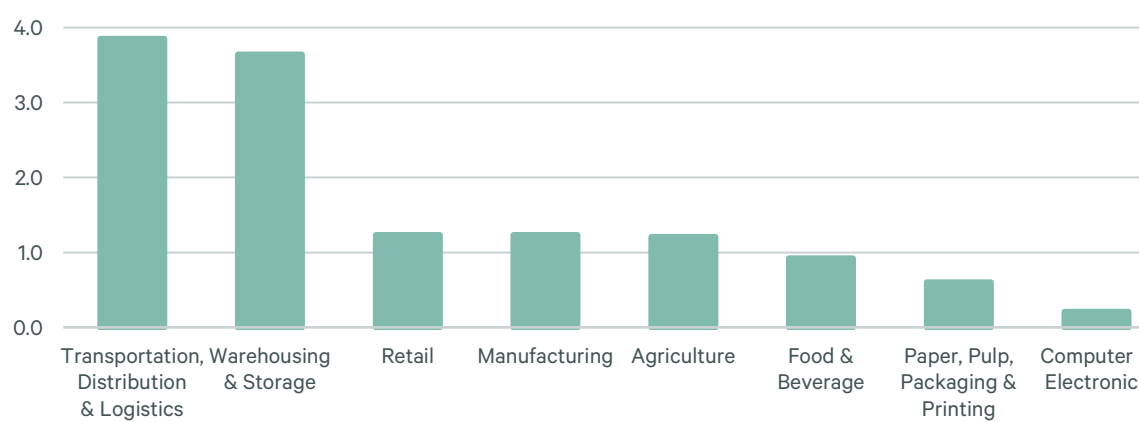
Logistics demand derives from the volume of goods moving through the region, so sustained tariff pressure on manufacturers and consumer spending would eventually reach the distribution sector. Q3's 1.8 million sq. ft. of net absorption was the strongest result since Q4 2021, but three consecutive quarterly declines in availability do not yet constitute a trend reversal amid unresolved CUSMA and tariff uncertainty. Leasing was also concentrated, led by big box commitments in Longueuil and Montréal-Nord, the GMA's lowest-priced submarket. The recovery remains geographically uneven, availability rose to 14.1% in Montérégie and to 3.6% in Midtown, where net absorption has now been negative for five consecutive quarters. New supply of 787,097 sq. ft. remained well below the 1.4 to 2.1 million sq. ft. quarterly deliveries recorded through 2024, but that constraint is easing: the under construction pipeline grew 24.5% quarter-over-quarter to 1.8 million sq. ft., its highest level since Q1 2025. The recovery is underway but not yet established. That will change once absorption broadens across size segments, submarket, and most importantly, when the trade environment stabilizes.

FIGURE 5: % of Canadian Industry Exports with the Highest Direct Tariff Exposure



Source: Desjardins Economic Studies, Q3 2026.

FIGURE 6: Industrial Leasing Volume by Tenant Industry (MSF), cumulative 2024-Q3 2026



Source: CBRE Research, Q3 2026.
Leasing volume contains transactions of 50,000 sq. ft. and more only.

FIGURE 7: Notable Lease Transactions

Size (SF)	Tenant	Address	Industry
1,205,618	Sollio Cooperative Group	7975 John-Molson St.	Agriculture
658,538	Kuehne+Nagel	12345 Albert-Hudon Blvd.	Transportation/Distribution/Logistics
287,338	Cardinal Health Canada Inc	2200 de l'Aviation St.	Life Sciences/Scientific & Technical
205,162	Wiptec	5799 de l'Aéroport Rd.	Transportation/Distribution/Logistics
184,310	Getpaq Inc.	12225 Industriel Blvd.	Transportation/Distribution/Logistics

Source: CBRE Research, Q3 2026.

FIGURE 8: Notable Sale Transactions

Size (SF)	Price (\$M)	Purchaser	Address	Submarket
124,675	\$36.5	Italpasta	805 Guimond Blvd.	Longueuil
81,467	\$23.5	PLP Canada LTD	1530 46th Ave.	Lachine
88,192	\$20.4	FGF Brands Inc.	19301 Clark-Graham Ave.	West Island
77,500	\$17.7	Jacquet Metals Canada Inc.	4500 de Bois-Franc Rd.	West Island
66,087	\$17.6	Société Immobilière Haute Pression Inc.	4200 Hickmore St.	Saint-Laurent

Sources: CBRE Research and Altus Data Studio, Q3 2026.

FIGURE 9: Notable Land Transactions

Size (Acres)	Price (\$Acre)	Purchaser	Seller	City
2.45	1,632,904	Première Design-Construction Inc.	Minotaur Properties Inc.	Blainville

Sources: CBRE Research and Altus Data Studio, Q3 2026.

FIGURE 10a: Statistical Summary, Q3 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%	-63,711	169,955	\$13.84	\$5.08	\$18.92	\$195
Montréal (East End)	5,079,128	15.2%	-5,760	-50,143	\$12.56	\$4.78	\$17.34	\$201
Montréal-East	3,934,771	10.0%	180,352	-23,884	\$15.17	\$5.96	\$21.13	\$168*
Montréal-North	5,960,599	6.1%	494,262	486,262	\$10.33	\$3.58	\$13.91	\$205
RDP/PAT	12,449,568	9.4%	130,876	246,247	\$13.45	\$5.17	\$18.62	\$204
Saint-Léonard	11,486,511	5.4%	-116,957	-73,517	\$13.05	\$4.83	\$17.88	\$226
East End Total	53,938,208	8.2%	619,062	754,920	\$13.23	\$4.96	\$18.19	\$200
LaSalle	9,415,058	5.3%	46,560	-39,952	\$12.42	\$4.55	\$16.97	\$180
Montréal (Central)	34,639,889	2.4%	-166,891	-212,628	\$13.97	\$5.09	\$19.06	\$333
Mont-Royal	10,537,069	5.9%	-118,869	-222,919	\$14.53	\$4.60	\$19.13	\$193
Verdun & Nun's Island	431,926	0.0%	0	0	\$13.76	\$4.30	\$18.06	\$189
Midtown Total	55,023,942	3.6%	-239,200	-475,499	\$13.76	\$4.80	\$18.56	\$224
Baie-D'Urfé/Sainte-Anne-de-Bellevue	5,710,495	2.9%	0	-107,706	\$13.78	\$5.06	\$18.84	\$255*
Dollard-des-Ormeaux	1,802,435	3.5%	78,300	-20,323	\$13.95	\$5.08	\$19.03	\$225
Dorval	12,925,593	4.8%	-16,542	234,235	\$13.47	\$5.93	\$19.40	\$230
Kirkland	3,613,594	5.6%	25,691	144,271	\$15.91	\$6.46	\$22.37	\$249
Lachine	17,302,874	6.4%	156,560	692,625	\$13.51	\$5.87	\$19.38	\$275
Pointe-Claire	14,800,273	7.8%	84,263	-288,201	\$14.25	\$5.03	\$19.28	\$249
Saint-Laurent	56,408,982	6.7%	76,389	-455,957	\$14.24	\$6.05	\$20.29	\$218
West Island Total	112,564,246	6.3%	404,661	198,944	\$14.10	\$5.83	\$19.93	\$243

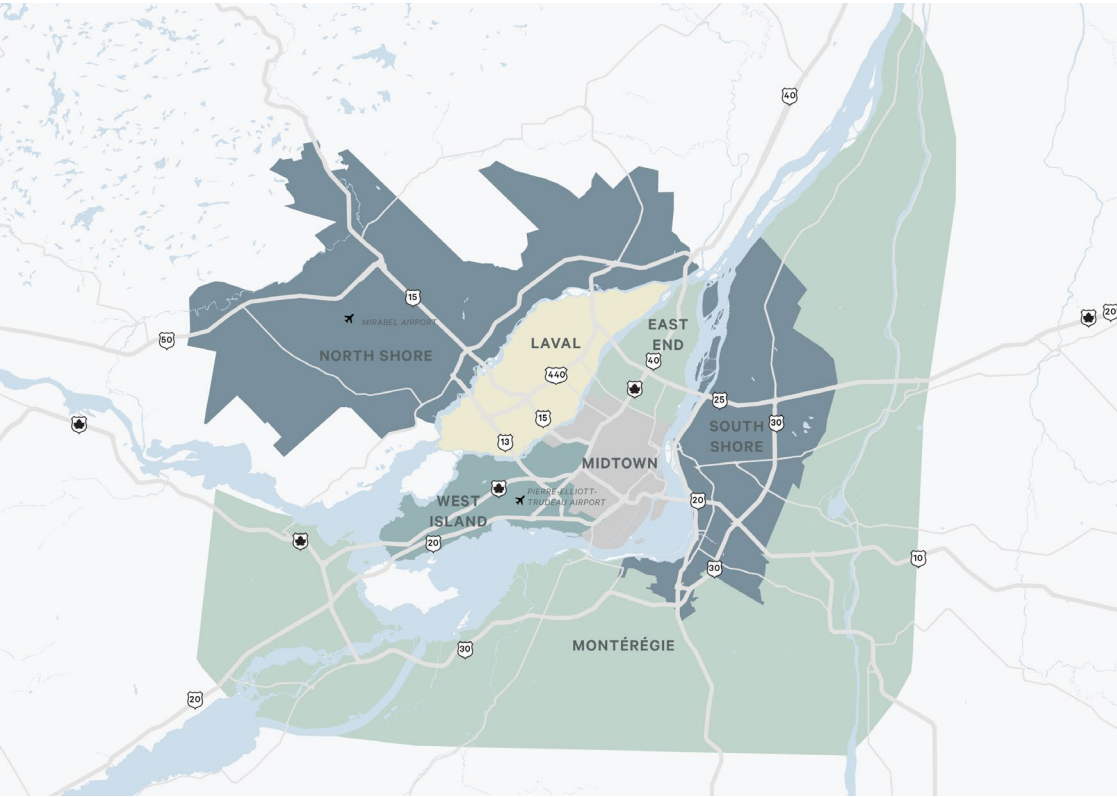
*Sale price reflects higher market average.
Source: CBRE Research, Q3 2026.

FIGURE 10b: Statistical Summary, Q3 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	5.7%	-103,013	-1,478	\$12.45	\$3.46	\$15.91	\$232
Brossard	3,369,442	1.8%	16,653	39,532	\$14.57	\$5.37	\$19.94	\$282
Longueuil	9,441,596	2.7%	59,464	61,291	\$13.87	\$4.78	\$18.65	\$225
Saint-Bruno-de-Montarville	3,911,227	11.0%	150,229	241,099	\$15.51	\$6.16	\$21.67	\$209
Saint-Hubert	7,435,916	1.1%	172,393	245,299	\$16.00	\$7.25	\$23.25	\$198*
Extended South Shore	10,110,662	3.8%	-24,500	344,470	\$14.03	\$3.64	\$17.67	\$371
South Shore Total	49,074,455	4.2%	271,226	930,213	\$13.73	\$4.39	\$18.12	\$253
Beauharnois	3,009,342	26.1%	-23,000	111,325	\$12.93	\$3.92	\$16.85	\$235
Coteau-du-Lac	3,223,399	24.0%	-3,831	46,169	\$12.50	\$4.90	\$17.40	\$235
Vaudreuil	4,549,073	8.7%	1,800	45,337	\$15.10	\$3.89	\$18.99	\$250*
Salaberry-de-Valleyfield	6,747,197	18.1%	0	78,851	\$11.89	\$4.21	\$16.10	\$170
Extended Montréalie	12,737,232	8.6%	-84,811	-77,932	\$12.45	\$3.42	\$15.87	\$179
Montréalie Total	30,266,243	14.1%	-109,842	203,750	\$12.63	\$5.11	\$17.74	\$214
Laval	34,726,282	7.9%	517,369	793,109	\$15.03	\$4.95	\$19.98	\$249
North Shore Total	38,807,098	3.1%	315,832	816,227	\$15.45	\$4.46	\$19.91	\$265
GMA Total	374,400,474	6.3%	1,779,108	3,221,664	\$13.78	\$5.16	\$18.94	\$233

*Sale price reflects higher market average.
Source: CBRE Research, Q3 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 Contrecoeur

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