The >26’ clear height category drives net absorption into negative territory

8.8%
Availability Rate

-63 K
SF Net absorption

0 K
SF Under construction

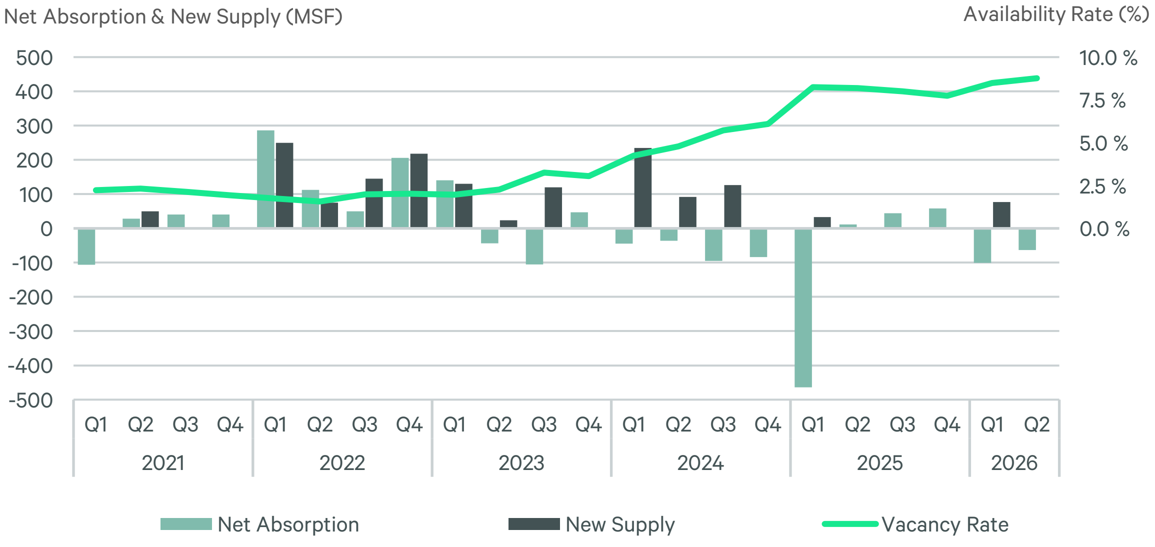
$13.23
PSF Average Net Rental Rate

Note: Arrows indicate change from previous quarter.

Overview

- Availability rose by 27 basis points (bps) this quarter, reaching a record of 8.8% that built off the increase from Q1 2026.
- The vacancy rate increased for an eighth consecutive quarter, up 83 bps this quarter and 203 bps year-over-year to a new high of 8.0%.
- Net absorption remained negative at -63,305 sq. ft. and brings annual net absorption to -164,146 sq. ft.
- No speculative developments are under construction, which will limit competition to existing product.
- Properties in the > 26’ category are the main contributor to availability, reflecting a slowdown in demand for large-format logistics space.

FIGURE 1: Supply and Demand Fundamentals



Source: CBRE Research, Q2 2026.

The shift toward affordability drives demand

Both the availability and vacancy rates are at new highs, up 27 bps and 83 bps to 8.8% and 8.0%, respectively. The increase in availability is entirely attributable to buildings with a clear height of >26’. This category saw a 131,800 sq. ft. increase quarter-over-quarter while the 18'-26' and <18’ saw decreases. This is indicating that tenants are migrating towards more affordable facilities.

Rent for >26' space remains stable at $13.42 per sq. ft. after a sharp drop recorded last quarter, but rents for buildings with a clear height of 18'-26' and < 18’ declined as per Figure 3. The largest decrease is in the <18’ category as 55,967 sq. ft. was removed. The remaining inventory in this category has been on market for over 200 day, leading to reduction in the pricing for available product.

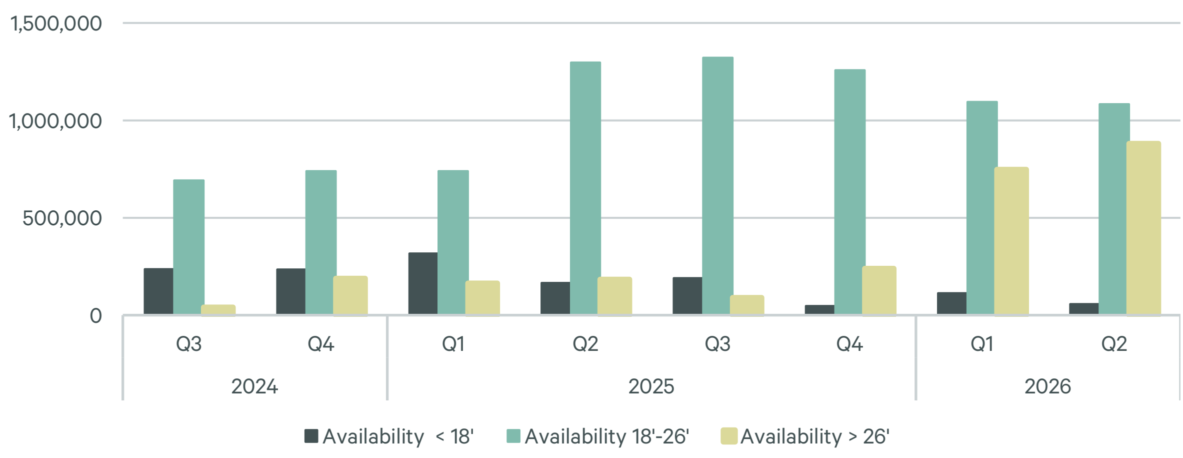
The volume of space offered for sublease quarter-over-quarter is contracting, from 124,537 sq. ft. to 107,037 sq. ft. This is a result of sublet lease terms expiring and being converted into direct vacancy as opposed to being absorbed by the market.

FIGURE 3: Net Asking Rent Change by Clear Height Category

CLEAR HEIGHT	AVERAGE NET ASKING RENT	QUARTERLY CHANGE	PROPORTIONAL SHARE OF RENT
< 18'	$12.22	-$1.48	2.8%
18’-26’	$13.14	-$0.25	53.6%
> 26'	$13.42	+$0.01	43.6%

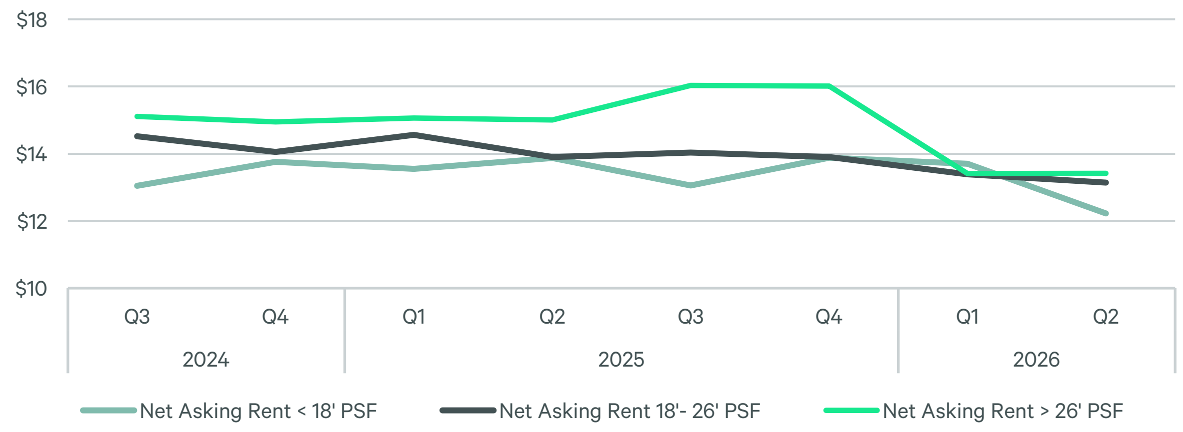
Source: CBRE Research, Q2 2026.

FIGURE 2: Available Area by Clear Height Category (SF)



Source: CBRE Research, Q2 2026.

FIGURE 4: Net Asking Rent by Clear Height Category



Source: CBRE Research, Q2 2026.

PROREIT enters the Quebec City market, believing in future rental growth for the region

On June 3, 2026, PROREIT entered into a binding agreement to acquire 13 industrial buildings in Quebec City for $112.8M. The closing, expected on June 30 and announced on July 2, covers gross leasable area of 611,924 sq. ft., or $184.34 per sq. ft. The portfolio is heavily clustered, roughly 77% of the buildings are located in the Carrefour du Commerce and the Cardinal industrial park, and is 91% leased, with a weighted average lease term of 2.8 years. This positions the portfolio to capitalize on a value-add play especially when the market pivots in its next growth cycle.

PROREIT had been seeking a platform of sufficient scale in the Quebec City region for nearly fourteen years. The break-up of Cominar's portfolio, and a portion re-sold by Pure Industrial came at an opportunistic time. The trust now aims to grow its Quebec City portfolio from 1 to 1.5 million sq. ft. and will open a local office.

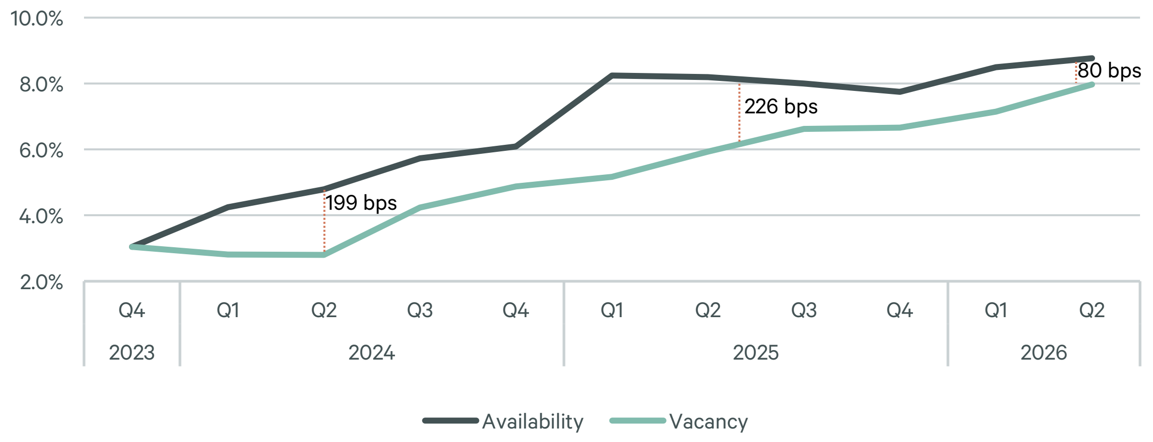
Source: CBRE Research, Real Estate Exchange. "PROREIT acquiring industrial portfolios in Quebec City and Winnipeg", Le Soleil "Treize immeubles industriels achetés pour plus de 112 million"

FIGURE 5: Industrial Market Statistics

MARKET STATS	TOTAL	QUARTERLY CHANGE	MARKET STATS	TOTAL	QUARTERLY CHANGE
Inventory (sq. ft.)	23,047,410	▶	New product (sq. ft.)	0	▶
Availability rate	8.8%	▲	Under construction (sq. ft.)	0	▶
Vacancy rate	8.0%	▲	Average net asking rent (per sq. ft.)	$13.23	▼
% of product available for sublease	5.3%	▼	Average additional rent (per sq. ft.)	$5.87	▲
Net absorption (sq. ft.)	-63,305	▼	Average asking sale price (per sq. ft.)	$223.33	▲

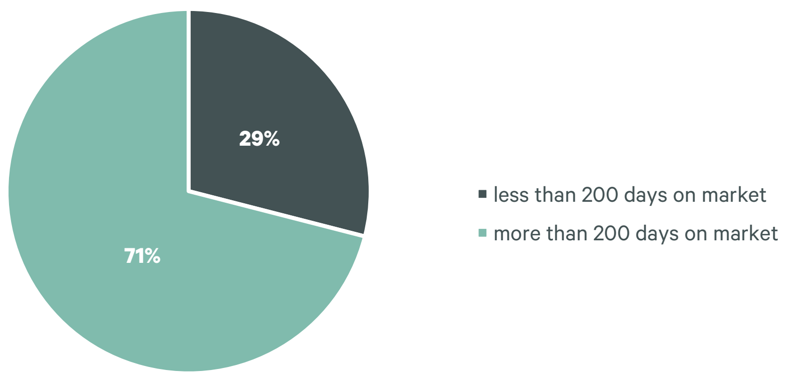
Source: CBRE Research, Q2 2026.

FIGURE 6: Availability and Vacancy Rate Spread



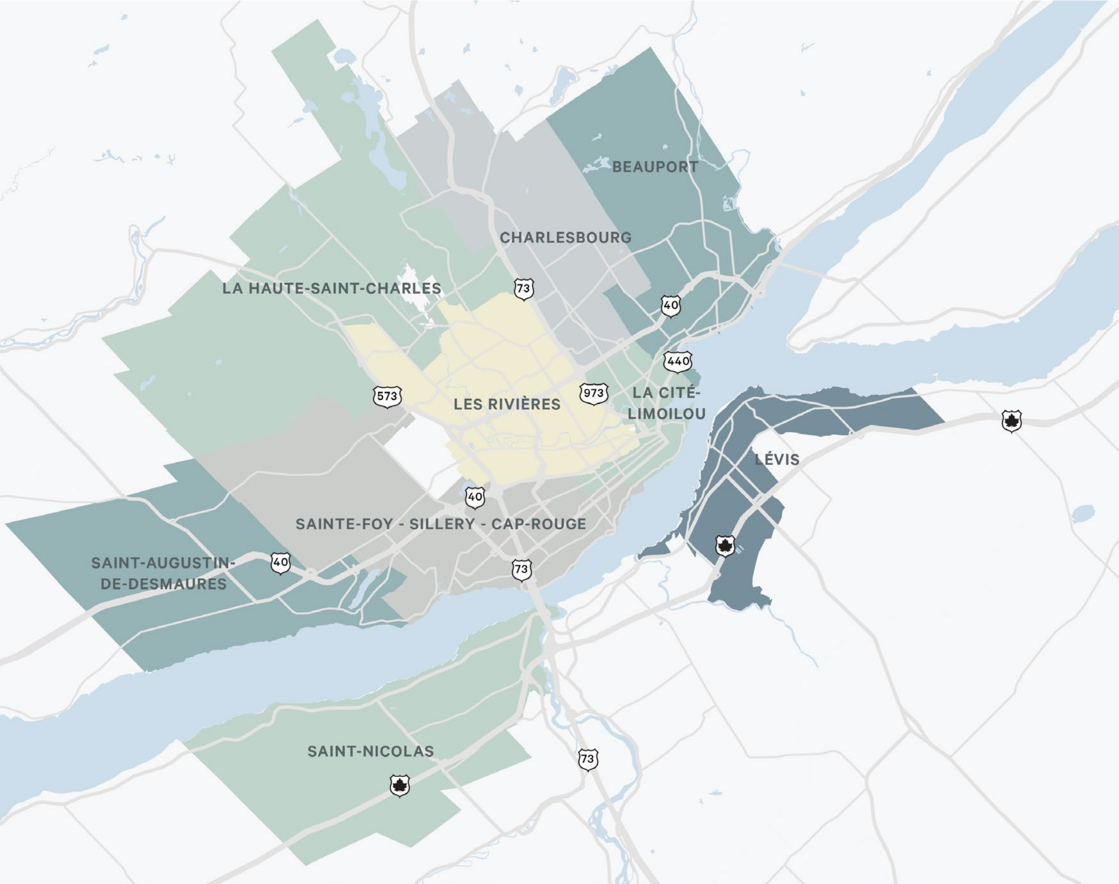
Source: CBRE Research, Q2 2026.

FIGURE 7: Days on the Market for Buildings with a Clear Height of <18'



Source: CBRE Research, Q2 2026.

Submarkets of Greater Quebec City



Study criteria

CBRE's report examines modern industrial buildings of 20,000 sq. ft. or more in Greater Quebec City. The information gathered comes from telephone conversations as well as from properties brought to market by owners and members of the commercial real estate brokerage community.

CBRE offices in Quebec

Quebec City
2600, boulevard Laurier,
Suite 810
Quebec City, Quebec G1V 4W2

Montreal – Downtown
1250, boulevard René-Lévesque
West, Suite 2800
Montreal, Quebec H3B 4W8

Montreal – Suburb
400, avenue Sainte-Croix,
Suite 1100
Saint-Laurent, Quebec H4N 3L4

Contact

Alessandro Migliara
Manager, Research - co-author
+1 514 944 5121
alessandro.migliara@cbre.com

Ibrahim Idriss Amara Dosso
Intern, Research - co-author
+1 514 375 0824
ibrahimidrissamara.dosso@cbre.com

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