

CBRE

The Greater Montréal Lab Market Report

2025 In Review

A compelling
real estate offering

CBRE RESEARCH | JULY 2026



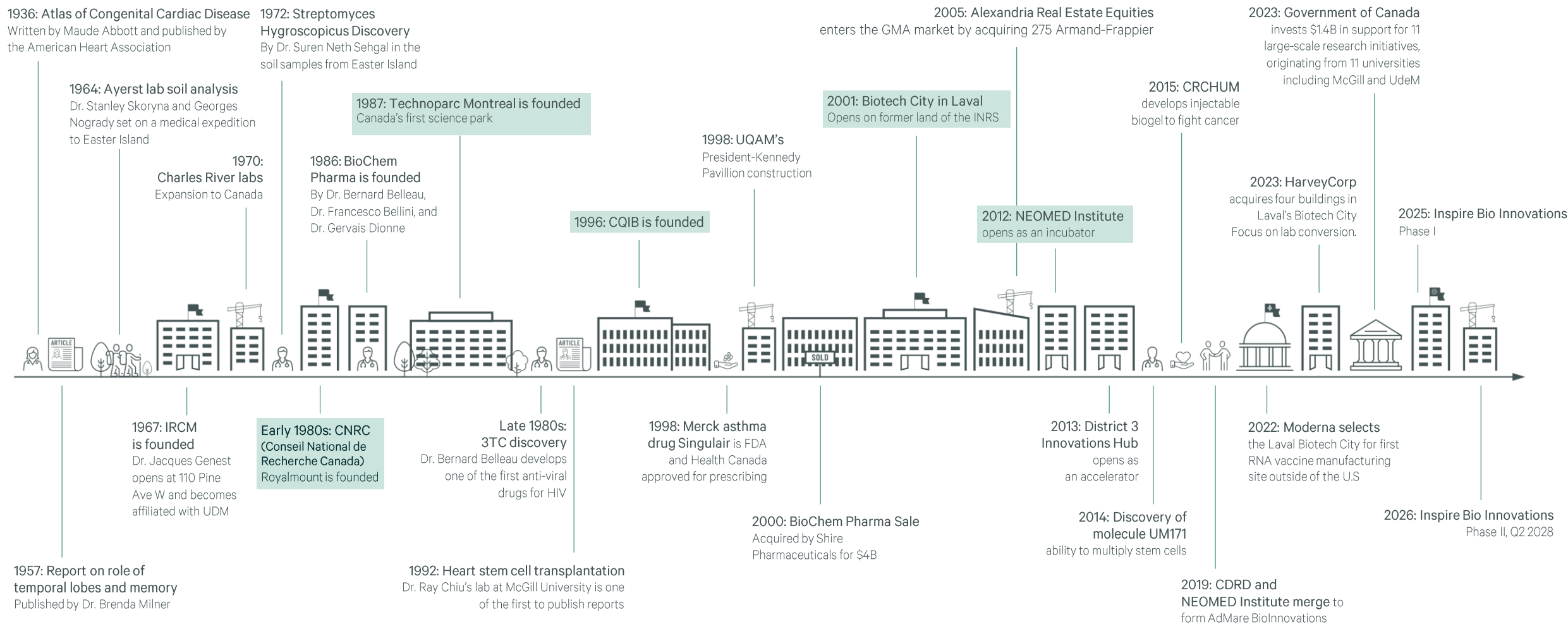
Executive Summary



Key Findings

- Leasing activity slowed in 2025, as companies prioritized capital preservation. Notable deals were largely offset by tenant downsizing leading to a slight increase in vacancy. As a result, the availability rate reached 7.69% while vacancy jumped to 4.47%
- Montréal maintains a structural cost advantage, offering roughly 62% lower gross occupancy costs than Boston-Cambridge, allowing tenants to scale more efficiently and retain space as they grow.
- Rents have shown resilience despite macroeconomic headwinds, with stable pricing over three years demonstrating insulation from broader volatility
- The Life Sciences sector is expanding economically, with GDP rising to \$5.3B in Québec, reinforcing future growth projections of leasing activity for Life Sciences real estate.
- Venture capital investment saw a slowdown in 2025 but looks promising in 2026 for AI driven medical companies.
- Immigration caps, particularly on student enrollment, has had a minor impact on forecasting employment growth. However, Montréal's overall cost competitiveness continues to be a differentiating factor to attract companies.
- H1 2026 has seen positive momentum in the Greater Montreal Area (GMA) and deal flow in both Class A and B lab spaces with 88,279 sq. ft. of positive net absorption.
- Activity outside the GMA signals optimism as over 700,000 sq. ft. was acquired at 2300 rue D'Estimauville to create a Life Sciences hub in the Québec City region.

Montréal Life Sciences Timeline

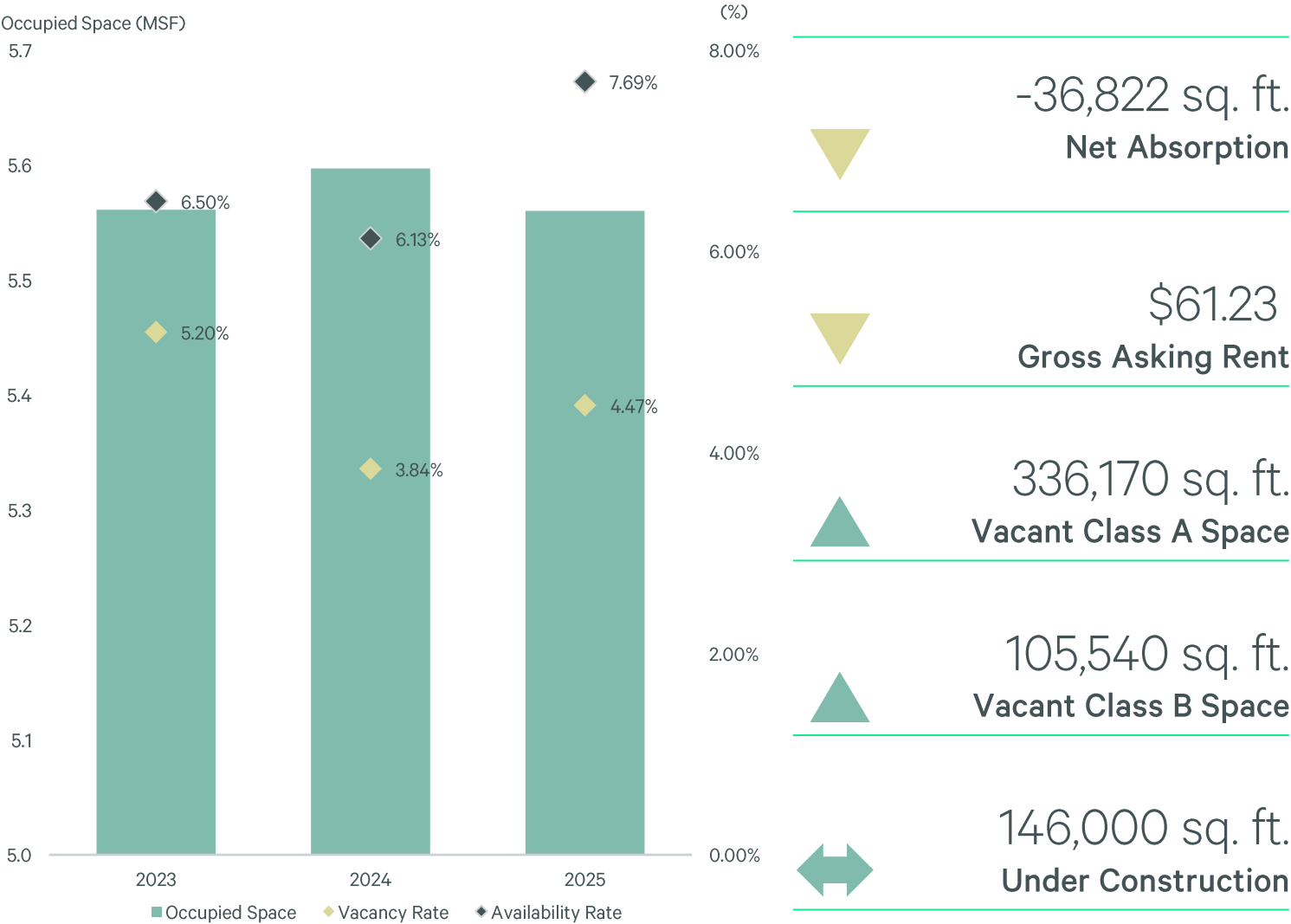


Stalled net absorption positions Montreal as a balanced market

Deal velocity was slow in 2025 as macroeconomic headwinds shaped real estate decision-making. Many Life Sciences companies chose to prioritize capital preservation and operational flexibility. Nevertheless, there were still notable deals such as **Dynacare**. Absorption was neutralized by the rightsizing of larger tenants, like Aventis, who reduced their footprint by 23,000 sq. ft. As a result, overall vacancy increased marginally by 10 basis points.

The scarce leasing activity of 2025 is not unique to Montreal but is an extension of a trend echoing across North America. In the U.S. many markets, besides Boston-Cambridge, are moving from correction to stabilization. In this stabilized environment, lease transactions remain limited. In the San Francisco Bay Area, there has been activity in academically anchored locations that have connections to research institutions and clinical infrastructure. Comparatively, Montréal did not experience a correction period in 2023 and 2024 but is currently in a stabilized environment akin to the U.S. Many of the trends south of the border took effect here as academic research institutions have shown ample interest in touring during 2025.

FIGURE 1: Demand Metrics, 2025



Source: CBRE Research, 2026. See Appendix for definition of availability and vacancy rate..

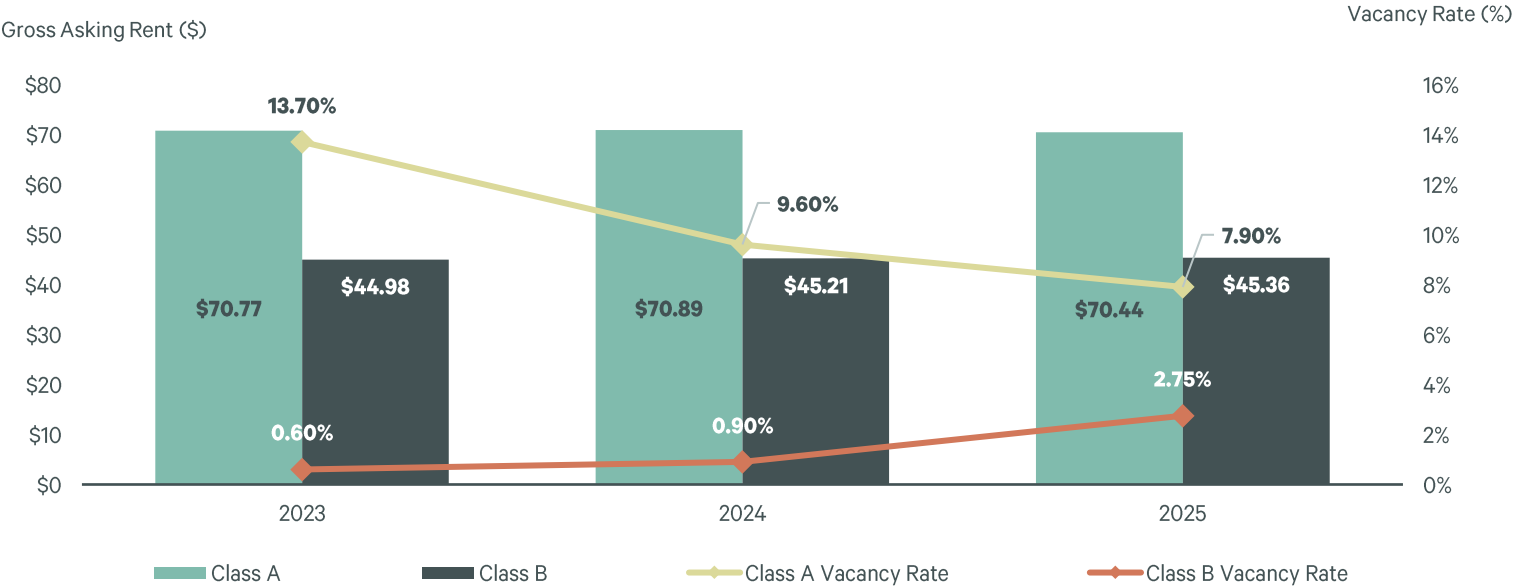
Tight environment allows for pricing to remain resilient

Vacancy trends show a sharp tightening in Class A spaces since 2023. This is not to suggest there is robust leasing in Class A at the expense of Class B. Rather, there is such a limited inventory that even a small number of transactions make a material impact. Class B remains tight at 2.75% despite seeing a 215 basis-point increase since 2023. Even with that increase, Class B options are scarcer than Class A.

Gross asking rents have remained stable over the last three-year period, with only modest increases in both classes. Class A maintained a consistent premium of roughly \$26–\$30 in gross rent per square foot over Class B. This is being upheld by the influence of Downtown product on Class A.

Suburban Class A has more diversity in options compared to Downtown. Net asking rents for **Suburban Class A range from \$25.00 to \$45.00 per sq. ft.** The main differentiator in pricing is that office-to-lab conversion options are substantially more costly than in-place Class A Suburban options. Clients prioritizing state-of-the-art will have to contend with a significant pricing delta but would still be discounted compared to their Downtown equivalency.

FIGURE 2: Leasing Fundamentals



Source: CBRE Research, 2026.

FIGURE 3: Gross Asking Rent Breakdown

Submarket	Net	Additional	Gross
Class A Downtown	\$62.00	\$28.00	\$90.00
Class A Suburban	\$37.00	\$16.61	\$53.16
Class B Downtown	\$30.00	\$30.00	\$60.00
Class B Suburban	\$30.45	\$13.63	\$44.03
Overall	\$39.18	\$22.05	\$61.23

Source: CBRE Research, 2026.

Affordability on Display

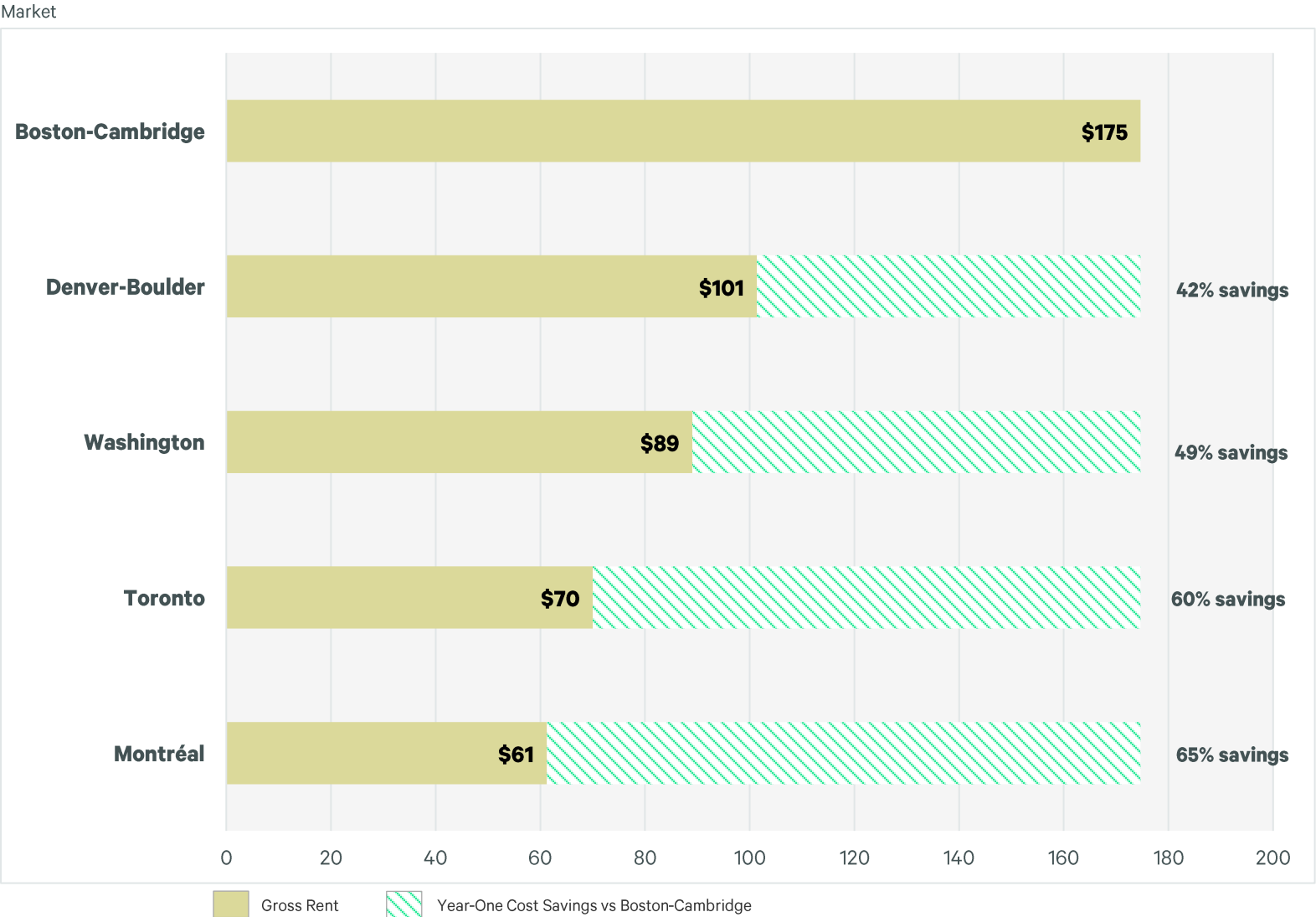
Montréal offers **the lowest gross occupancy costs** compared to the peer set. Boston-Cambridge is the benchmark as this market is the premier global hub for biotech innovation and talent.

The graph shows 65% year-one savings for Montréal relative to Boston-Cambridge and is the highest savings level among all markets shown for gross rent. The data suggests an enticing strategic message. Montréal gives tenants access to a Life Sciences market at nearly one-third of Boston-Cambridge’s gross rental cost base.

For tenants, this creates a compelling value proposition that delivers on quality space without the cost burden of the most expensive U.S. gateway market. Lower rents do more than reduce entry cost since it also improves a tenant’s ability to scale. For instance, the pricing gap can translate into more leased area for the same occupancy budget, better support for expansion-stage companies, and stronger retention prospects as tenants grow rather than needing to relocate into cheaper secondary space.

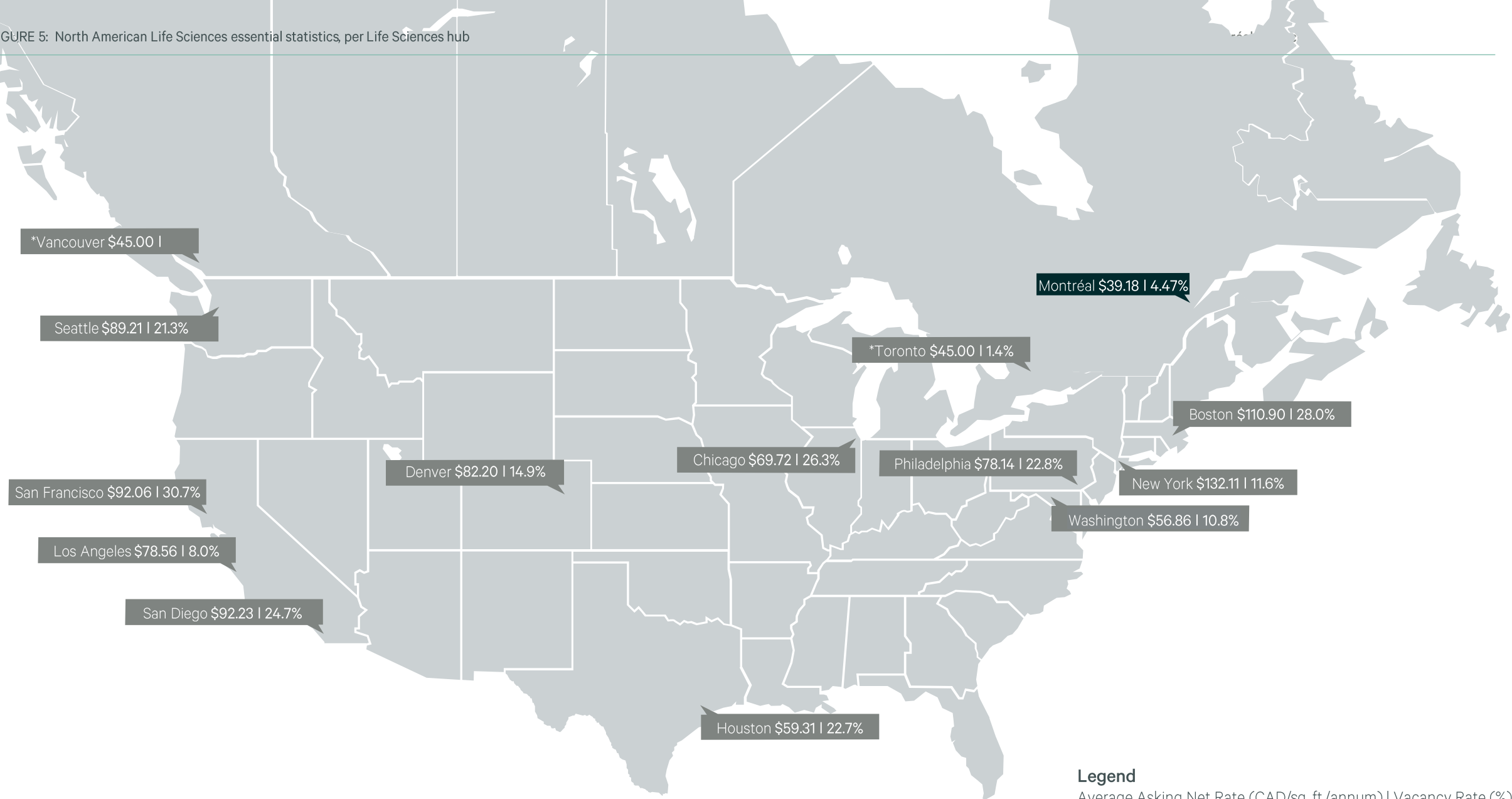
For **net asking rents** (see figure 5), Montréal has an average of \$39.18 per sq. ft. and the widest margin for rental growth. From a capital deployment perspective, the lower net rent implies lower acquisition and development basis for investors, which enhances downside protection.

FIGURE 4: Gross rental affordability versus Boston-Cambridge market



Source: CBRE Research, 2026. U.S. values are converted into CAD at a rate of \$1.37.

FIGURE 5: North American Life Sciences essential statistics, per Life Sciences hub



Legend

Average Asking Net Rate (CAD/sq. ft./annum) | Vacancy Rate (%)

* Represents markets whose data is unchanged year-over-year

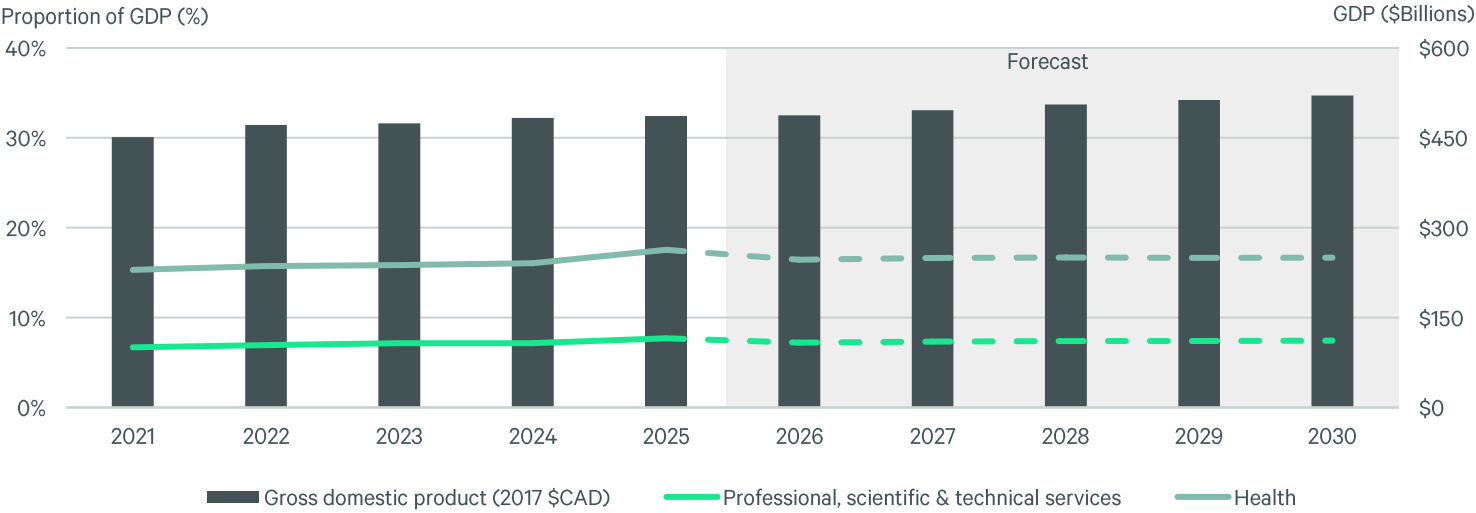
Source: CBRE Research, 2026. U.S. values are converted into CAD at a rate of \$1.37.

© 2026 CBRE Limited

Over 17% of Québec’s GDP is linked to Life Sciences

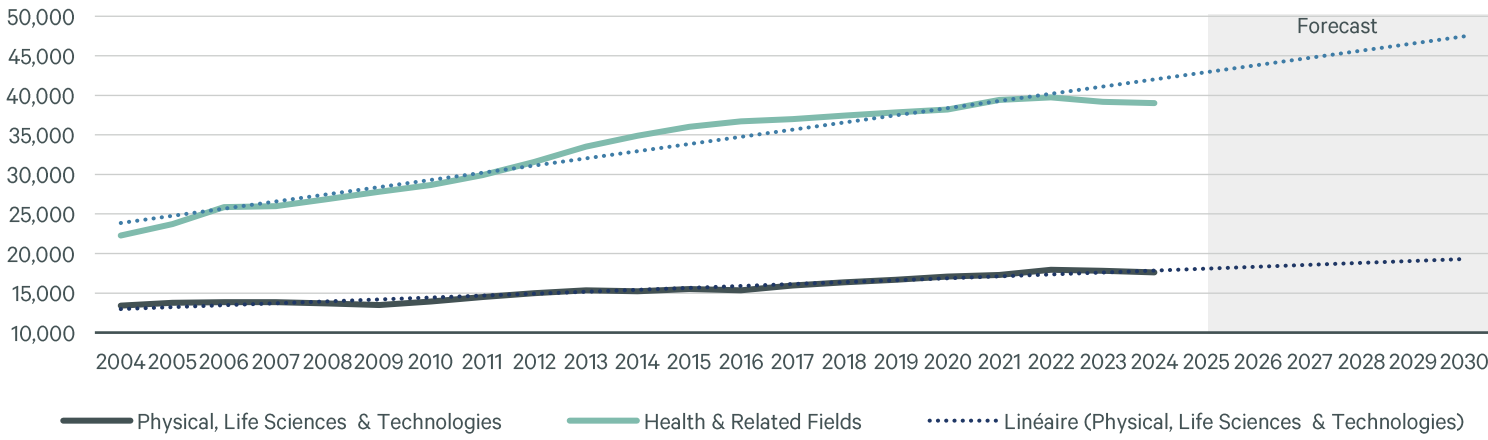
- Life Sciences represented \$4.6 billion of Québec’s GDP in 2020. This figure increased significantly in 2025 and is estimated at **\$5.3 billion**.
- Québec ranks 10th out of 21 in North America in terms of the number of established labs per million inhabitants, as measured by **Montréal InVivo**.
- The province’s areas of expertise extend to mRNA, digital health, and AI implementation. Tenants behind some of the largest 2025 deals such as **Dynacare** and **Ability Bio** are both taking advantage of Montréal’s AI expertise.
- The drop in Health & Related Fields enrollment can be attributed to international student caps put in place by the provincial and federal governments since 2024. Despite enrollment being approximately 1,500 student short of the forecast, the current immigration policy is set to continue the downward trend.
- Despite inflation concerns, the cost of living is significantly lower compared to major North American markets, allowing companies to seize the opportunity to reliably have a qualified workforce at a discount in terms of employee salaries due to the low Canadian dollar. Oxford Economics ranked Montréal the second-best Canadian city in its quality-of-life index, behind Toronto.

FIGURE 6: GDP Portion of Life Sciences Related Industries, by year - Québec
Proportion of GDP (%)



Sources: CBRE Research, Montréal InVivo, Oxford Economics, Statistics Canada, 2026.

FIGURE 7: Enrollment for Life Sciences & Health-Related Fields in Québec, by year

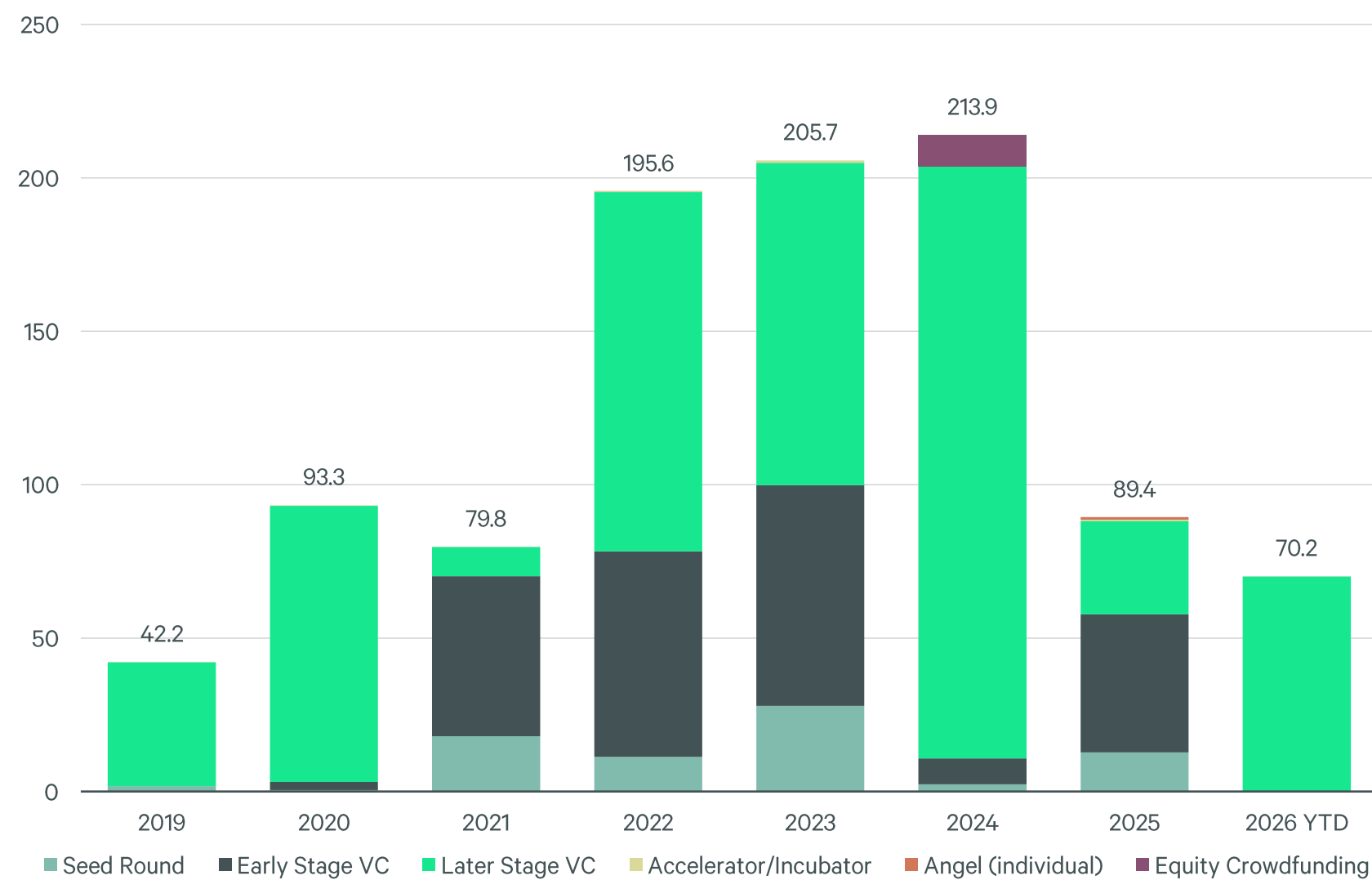


Sources: CBRE Research, Montréal InVivo, Oxford Economics, Statistics Canada, 2026.

Venture Capital Investment Hiccups Momentum

- Venture capital investment was at a 5-year peak in 2024. Contrastingly, 2025 shows considerable slowdown as investment fell nearly 60% year-over-year. A rebound is well underway in 2026, driven by later-stage investments into drug discovery. This subsector represents 71% of all VC investments since 2000.
- The Business Development Bank of Canada, Solidarity Fund (FTQ), and the Government of Québec are working with prominent investors such as Harvey Corp, Jadco, Alexandria Real Estate Equities, AdMare, and Merck to fund Life Sciences companies. The largest beneficiary in Québec for 2025 was Congruence Therapeutics. The company has seen \$32M invested in its early stage in 2025 and has seen another \$39.5M in 2026 during its later stage. Investors have focused on companies who integrate artificial intelligence in their research. Congruence Therapeutics is a biotechnology company focused on diseases caused by protein misfolding and uses AI for predictive modelling of protein dynamics. Other notable mentions include Kainova Therapeutics and Puzzle Medical Devices. Kainova Therapeutics is a clinical-stage biopharmaceutical company focused on immunology and inflammatory diseases who use machine learning tools for data-driven drug design. Puzzle Medical Devices is focused on developing minimally invasive heart pump systems and integrate artificial intelligence in its engineering process.

FIGURE 8: Venture Capital Investment in Montréal per Year, \$Millions (CAD)



Outlook 2026

Typical Leasing Process



2026 showing signs of optimism

- 2026 is shaping up to be a much stronger year for Life Sciences. H1 2026 has seen the following :
- Despite few lease transactions in 2025, many tenants were active touring. In the typical lease process, activity in 2025 was centered on strategic planning, market assessment, and competitive analysis. The fruits of that labour is unfolding as more deals are being executed in 2026.
 - Laval has seen over 150,000 sq. ft. of Class A space leased in H1 2026. Positive absorption will be further bolstered by another 25,000 sq. ft. absorbed in Class B.
 - Pricing has remained stable and is expected to maintain for the remainder of 2026.
 - Further transactions are expected to finalize before the end of the year for suburban Class B space.

FIGURE 9: Vacancy and availability rate forecast



Source: CBRE Research, 2026.



124,815 sq. ft.
Net Absorption



\$61.23
Gross Asking Rent



273,174 sq. ft.
Vacant Class A Space



44,004 sq. ft.
Vacant Class B Space



213,003 sq. ft.
Under Construction

Appendix

Inventory Breakdown & Glossary of Terms

Montréal Life Sciences Hubs



Downtown (Emerging Hub)

A substantial amount of lab space is located downtown. However, downtown lab spaces are found in major universities (e.g. McGill, UdeM, Concordia and UQAM), hospitals (e.g. CHUM, MUHC), and academic research centres (e.g. IRCM, District3) that can sometimes be unavailable for lease by third parties. Downtown isn't dominated by one entity, but an amalgamation of separate, yet frequently interdependent research labs. Several factors, including public transit, access to services, proximity to higher learning institutions and skilled workforce have garnered a lot of interest from landlords and developers who see downtown as the next hub and investment opportunity. In response to the recent decreased demand for office space and coupled with strong relative demand for R&D space downtown, there is an opportunity for developers to expand and/or diversify their real estate portfolio.

Activities in the downtown area have focused mainly on R&D in the pharmaceutical and biotech sectors, as opposed to GMP due in large part to zoning and space limitations. Tenants conducting research often benefit from collaboration with hospitals and universities. New downtown-adjacent developments are currently being preleased.



Laval Biotech City

The Laval Biotech City is spread over a land area of over 13 M sq. ft. It houses 11 research centers, over 100 companies and 5,000 employees; the most densely concentrated hub in the GMA. Over the years, many scientific discoveries have emerged from this hub. Moderna selected the Laval Biotech City to house its vaccine production (GMP) facility after an extensive international search for space. This innovation zone announced a second phase in 2023 to respond to the growing demand from occupiers.

R&D activities are concentrated mainly on pharmaceuticals and biotechnology. There is a mix of single-tenant and multi-tenant facilities with companies occupying spaces ranging from 3,000 sq. ft. to 65,000 sq. ft. The main research centers are the Institut National de Recherche Scientifique (INRS) and the Centre québécois d'innovation en biotechnologie (CQIB).

Armand-Frappier Boulevard has become Laval's campus with investments by Alexandria Real Estate Equities and HarveyCorp.

Montréal Life Sciences Hubs



Technoparc Montréal

The Technoparc Montréal is located on over 20 M sq. ft. of land with over 6 M sq. ft. of projected development land area. There are over 115 companies spread throughout 32 buildings specifically zoned for research and development. The site is centered around the AdMare BioInnovations Centre (former Neomed Institute), which greatly contributed to the development of the city's life sciences ecosystem.

Excluding AdMare's occupants, the majority of R&D tenants occupy biology and chemistry labs between 9,000 sq. ft. and 20,000 sq. ft..



Nexus 40-13

Nexus 40-13 has a substantial concentration of companies, with a focus on GMP biomanufacturing and drug discovery. This park initially comprised 26 buildings. Constructed by Sandra Levy of Liberty Sites, in recent years, many buildings have been sold to developers and private owners.

Occupants within the park are pharmaceutical, biotechnology and medical technology device companies. The smaller tenants occupy between 3,000 sq. ft. and 8,000 sq. ft., whereas the largest single tenant occupant has over 80,000 sq. ft.



Royalmount

The Royalmount hub isn't comprised of a specific entity, nor does it have a specific branding. This hub is centered around Pharmascience's corporate headquarters and the National Research Council (NRC,) considered Canada's leading government research and development organization. Over a third of the lab spaces are leased to independent companies.

The footprint in this area expanded by roughly 58,000 sq. ft. during the pandemic when the federal government invested \$126 million to build the Biologics Manufacturing Centre, a GMP-compliant production facility.

Glossary

Core terms

Asking Net Rate: The base value as a price per sq. ft. a landlord advertises for a commercial space, excluding additional operating expenses (taxes, insurance, and maintenance).

Vacancy Rate: Includes availabilities for existing lab space that is currently unoccupied.

Availability Rate: Includes vacant lab space in addition to office or industrial properties that are earmarked for turnkey conversion to lab space upon signature of a lease.

Class A: Newly constructed product that command the highest rents. This are typically found in an existing lab node or near Montréal's Downtown market.

Class B: Class B are second generation lab space that is typically out of a lab node. Contrastingly, Class A labs are newer construction, typically within a lab node. Recency of construction has the greater impact on class.

Inventory Types

Research & Development (R&D): A facility with the main purpose of innovating or improving new services or products, including analytics labs. Typically staffed by engineers, scientists and/or technicians.

Good Manufacturing Practice (GMP): Bio-manufacturing facilities that follow good manufacturing practice guidelines. Enforced by Health Canada, GMP regulations require a quality approach to manufacturing.

Lab Types

Dry Lab/Office: Labs that are very similar to traditional office space, where research activities can occur with standard finishes and electromechanical infrastructure.

Biology Lab: Labs that require specialized equipment for cell and tissue culture, and imaging and microscopy.

Chemistry Lab: Labs that require equipment for chemical reactions and the handling of hazardous materials.

Clean Room: Labs with very defined and technical construction requirements driven by the need to create a seal from exterior elements, typically for manufacturing purposes.

Industry Groupings

Analytical Testing: Companies that use skilled techniques to identify and measure the characteristics of samples, including food, water, and pharmaceuticals for third parties.

Biotechnology: Companies that utilize living organisms and their derivatives to produce products and/or processes. For the purposes of this report, incubators and contract development & manufacturing organizations (CDMO's) are also included in this grouping.

Medical Technology: Companies that utilize modern technologies or processes specifically in the healthcare sector.

CRO: Contract research organization (CRO) is a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis.



How can we help?

Research & Report Authors

Alessandro Migliara

Research Manager
+1 514 944 5121
alessandro.migliara@cbre.com

Antony Duplan

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

Advisory and Transaction Services

Jeremy Kenemy

Senior Vice President
Life Sciences Practice Group
+1 514 823 3347
jeremy.kenemy@cbre.com
Commercial Real Estate Broker

Ralf Carcani

Associate
Life Sciences Practice Group
+1 514 742 7932
ralf.carcani@cbre.com
Commercial Real Estate Broker

Erica Deschenes

Senior Vice President
+1 514 375 0238
erica.deschenes@cbre.com
Real Estate Broker

Quinn McBride

Life Sciences Senior
Team Coordinator
+1 514 609 0959
quinn.mcbride@cbre.com

CBRE Limited, Real Estate Agency

Montréal Downtown

1250 René-Lévesque Blvd. W.
Suite 2800, Montréal, QC H3B 4W8

Montréal Suburban

400 Sainte-Croix Ave., Suite 1100
Saint-Laurent, QC H4N 3L4

Québec City

2600 Laurier Blvd., Suite 810
Québec City, QC G1V 4W2

