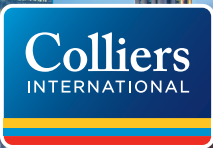


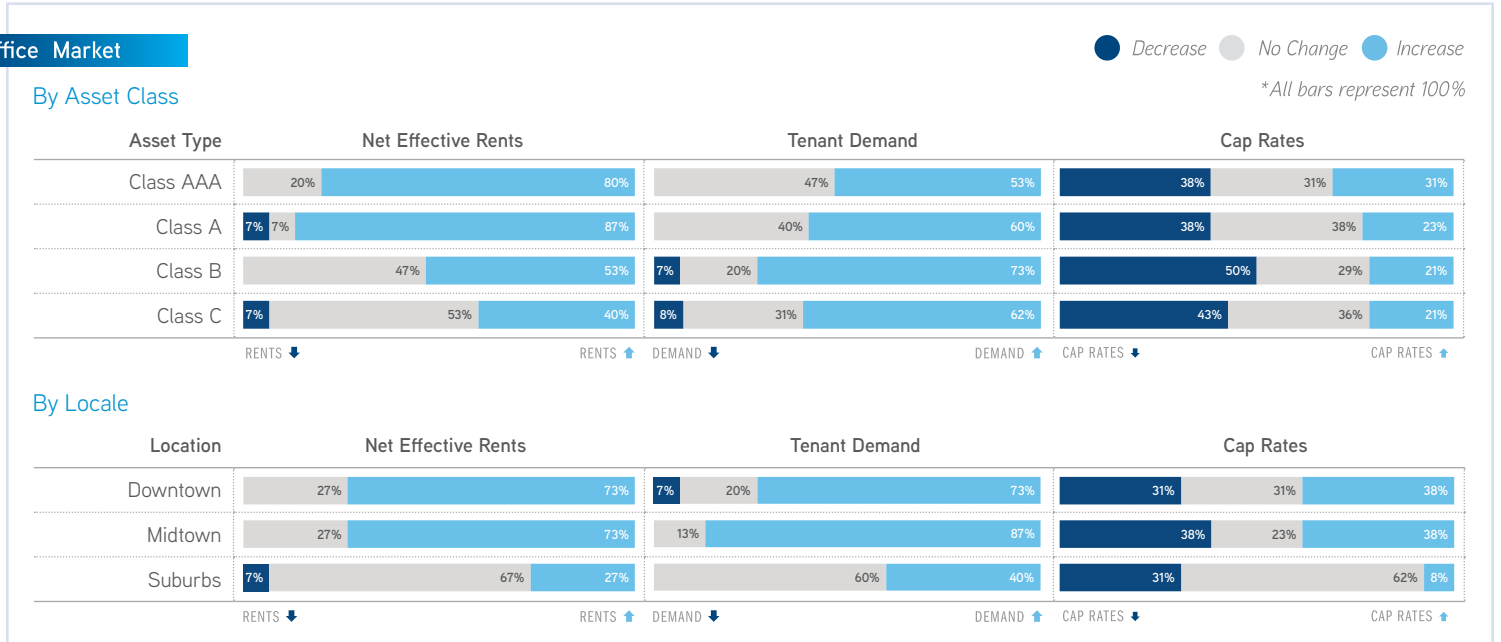
# Advisor Sentiment Survey



Twice a year, Colliers real estate professionals look 12 months down the road and express their sentiment on rent, demand and investment in various industry sectors by locale and building type.

## Office Survey Highlights

The Montreal office market continues to thrive, with all asset classes and submarkets seeing potential for increasing net effective rates (NERs) and tenant demand. With this strong leasing activity, capitalization rates (cap rates) could decrease in all asset classes over the coming year. Locationally, sentiment forecasts are divided in terms of cap rates in the Downtown and Midtown office markets, while the Suburbs could potentially see some cap rate compression over the next 12 months.



## Industrial Survey Highlights

The Montreal industrial market NERs have seen an increase this past quarter across all asset types, whilst tenant demand for the same asset types have diminished. Cap rates are anticipated to decrease over the next 12 months for all asset types and all submarkets, except for manufacturing. Sentiment forecasts for most industrial asset types are showing potential for increases in NERs and stable tenant demand. Locationally, NERs are expected to increase in all submarkets. While positive in all areas, the rate of change in tenant demand is increasing in the West Island and the North Shore, stabilizing in Lachine and decreasing in Saint-Laurent, Midtown, East Island and the South Shore.



\*Some charts may not add up to 100% due to rounding

## Retail Survey Highlights

Over the next 12 months, NERs in the Montreal retail market are expected to remain stable for Community, Neighbourhood and Factory Outlet Centres. All other property types are showing signs for improvement with the exception of Convenience Centres, which will likely see a decline. Tenant demand will be more challenging in Super-Regional Malls, Community Centres and Neighbourhood Centres, while improving for all other property types. Some degree of cap rate compression is expected over the next 12 months for most property types, however Neighbourhood and Convenience Centres will likely remain stable. Locationally, all markets are showing stability or improvement in NERs, tenant demand and cap rates, with the exception of Lachine, which is showing signs of decline due to the age of certain assets.

### Retail Market

● Decrease ● No Change ● Increase \*All bars represent 100%

#### By Asset Class

	Asset Type	Net Effective Rents		Tenant Demand			Cap Rates	
TRADITIONAL	Super-Regional Mall (> 800K SF)	67%	33%	50%	25%	25%	67%	33%
	Regional Mall (300K-800K SF)	67%	33%	25%	50%	25%	67%	33%
	Community Centre (100K-400K SF)	25%	50%	25%	50%	50%	33%	67%
	Neighbourhood Centre (40K-100K SF)	100%		25%		75%		100%
	Convenience Centre (10K-40K SF)	25%	75%		75%	25%		100%
SPECIALTY	Power Centre (100K-1M SF)	50%	50%	50%		50%	33%	67%
	Factory Outlet Centre (50K-400K SF)		100%		67%	33%	67%	33%
	Lifestyle Centre (150K-500K SF)		100%	33%		67%	33%	67%
HYBRID	Retail Mixed-Use (> 50K SF Retail)	50%	50%	25%		75%	33%	33%
	Single Store	25%	75%	25%		75%	33%	33%
FREESTANDING	Multi-Stores (High Street)	25%	75%	25%		75%	67%	33%

RENTS ↓

RENTS ↑

DEMAND ↓

DEMAND ↑

CAP RATES ↓

CAP RATES ↑

#### By Locale

Location	Net Effective Rents		Tenant Demand			Cap Rates	
Downtown	25%	75%	25%		75%	67%	33%
Midtown	25%	75%	50%		50%	67%	33%
Saint-Laurent	100%				100%		100%
Lachine	25%	75%	25%	50%	25%	67%	33%
Laval	75%	25%		75%	25%		100%
East Island	100%			75%	25%		100%
North Shore	75%	25%		75%	25%	33%	67%
South Shore	50%	50%	25%		75%	33%	67%
West Island	75%	25%		67%	33%		100%

RENTS ↓

RENTS ↑

DEMAND ↓

DEMAND ↑

CAP RATES ↓

CAP RATES ↑

\*Some charts may not add up to 100% due to rounding

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