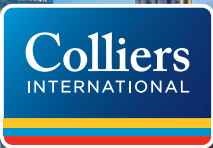


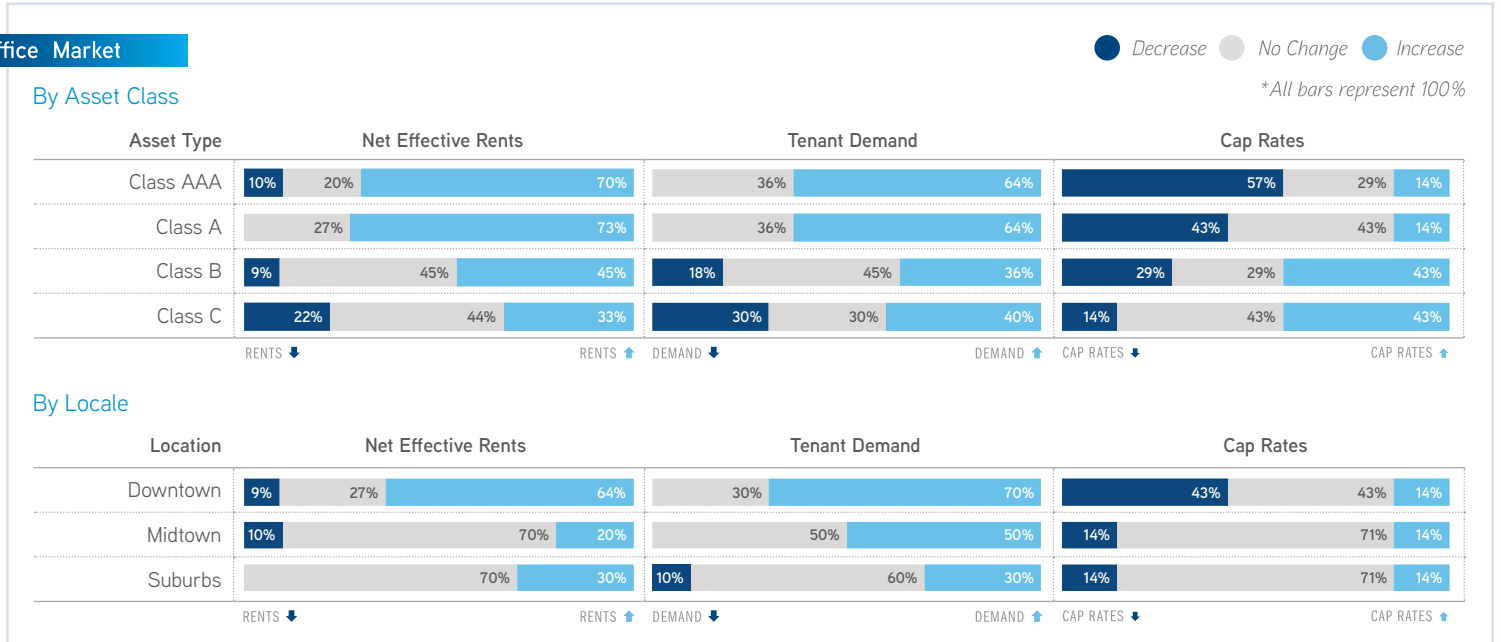
Advisor Sentiment Survey



Each quarter, 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.

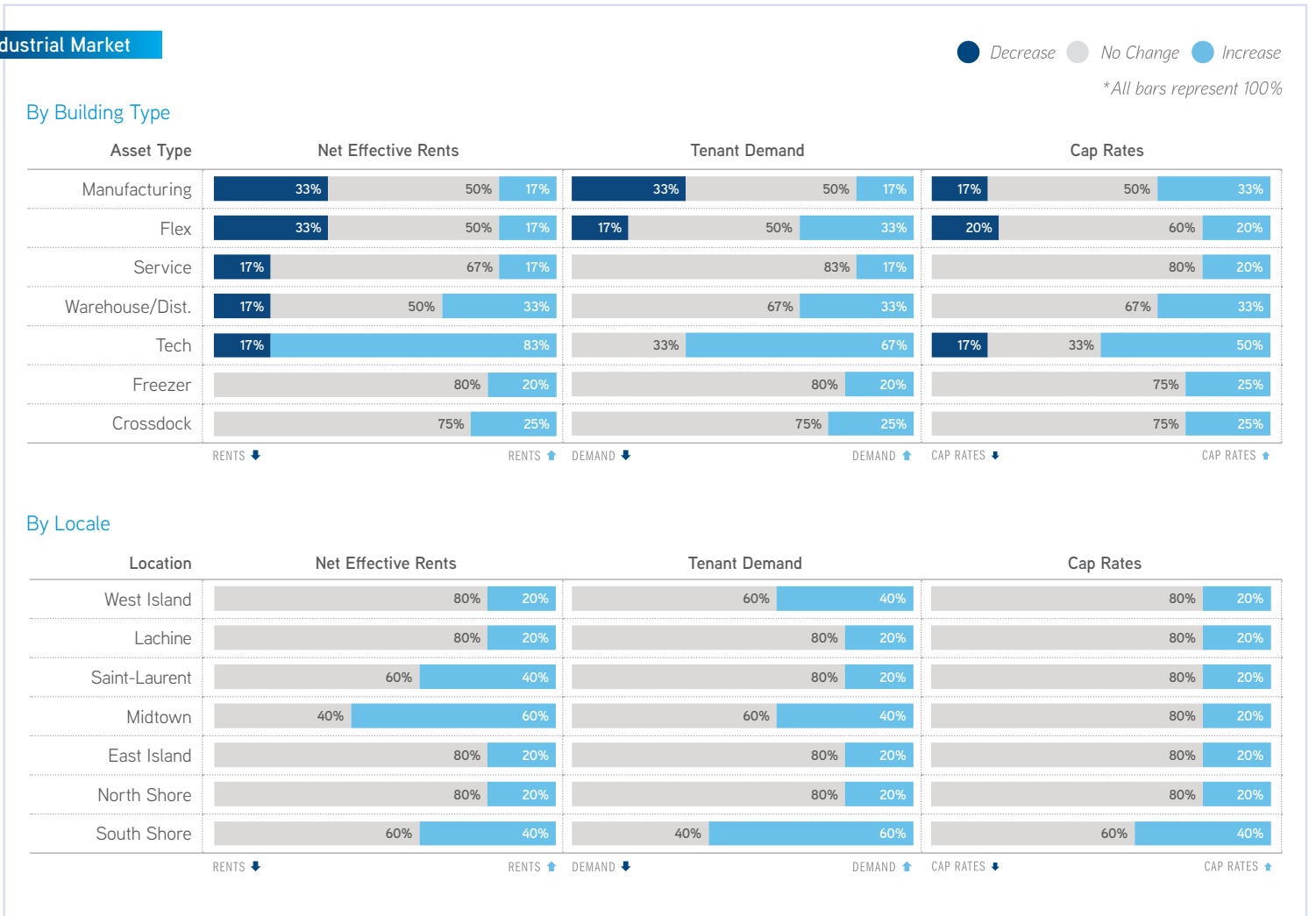
Office Survey Highlights

The Montreal office market continues to show strength with Class AAA and A office space expected to see the greatest potential for increases in NERs and tenant demand. These strong leasing fundamentals are expected to translate into potentially lower cap rates for both asset types, while Class B and C may see potential increases in cap rates over the next 12 months. Locationally, the Downtown office market continues to show the strongest forecast across all indicators, while the Midtown and Suburban markets are expected to remain relatively stable.



Industrial Survey Highlights

Tech space is expected to continue to drive tenant demand in the Montreal industrial market, which in turn is expected to be reflected in higher NERs. Despite this income growth potential, cap rates are anticipated to increase over the next 12 months for this asset type. Sentiment forecasts for Manufacturing space dropped this quarter, showing potential for decreases in NERs and tenant demand, which is expected to translate into higher cap rates. Conversely, the remaining property types are expected to maintain stability over the coming year, including stable cap rates for Flex space which is showing potential for increasing tenant demand and decreasing NERs. From a location perspective, relative stability is expected across most submarkets with Midtown showing the greatest potential for increases in NERs while the South Shore is showing the greatest potential for increases in tenant demand and cap rates.



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

Retail Survey Highlights

The Montreal retail market is expected to remain relatively stable over the next 12 months, with Freestanding stores showing the greatest potential for increases in both NERs and tenant demand. Conversely, sentiment forecasts for Traditional Neighbourhood Centres are less optimistic, showing signs of potential decreases in NERs and tenant demand. Of particular note is the expectation for potentially declining cap rates across all property types. Locationally, the Downtown retail market is showing the strongest forecast across all indicators. The remaining submarkets report generally neutral sentiments with chances of declining NERs, increasing tenant demand and falling cap rates.

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)	100%			25%	75%		50%	50%	
	Regional Mall (300K-800K SF)	100%			100%			50%	50%	
	Community Centre (100K-400K SF)	25%	50%	25%	25%	75%		25%	50%	25%
	Neighbourhood Centre (40K-100K SF)	50%	25%	25%	50%	25%	25%	25%	50%	25%
	Convenience Centre (10K-40K SF)	75%			75%			25%	50%	25%
SPECIALTY	Power Centre (100K-1M SF)	100%			100%			25%	75%	
	Factory Outlet Centre (50K-400K SF)	100%			100%			25%	75%	
	Lifestyle Centre (150K-500K SF)	75%			100%			25%	75%	
HYBRID	Retail Mixed-Use (> 50K SF Retail)	25%	25%	50%	25%	75%		50%	25%	25%
FREESTANDING	Single Store	50%			75%			25%	75%	
	Multi-Stores (High Street)	50%			75%			25%	75%	

RENTS ↓

RENTS ↑

DEMAND ↓

DEMAND ↑

CAP RATES ↓

CAP RATES ↑

By Locale

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

RENTS ↓

RENTS ↑

DEMAND ↓

DEMAND ↑

CAP RATES ↓

CAP RATES ↑

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

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