

Q2 2021

Montréal

Industrial Market Report

Net Absorption

This Quarter	Previous Quarter
1.2M SF	549K SF
12-Month Absorption	5-Year Quarterly Avg.
2.5M SF	1.2M SF

Availability

This Quarter	Year-over-Year
1.7%	▼ -90 bps

Asking Net Rent

This Quarter*	Year-over-Year
\$8.31 PSF	▲ 18.2%

Development

Under Construction	New Supply
3.2M SF	135K SF

Sales

Sale Price Avg.	Year-over-Year
\$134 PSF	▲ 9.9%

*Weighted Average
Colliers International (Québec) Inc.

Market Outlook

The lack of industrial product in Montreal has continued to be the topic of discussion in Q2 2021. Potential users are struggling to find sufficient spaces for their respective operations. Those who do are now paying a premium. In comparison to Q2 2020, there has been an 18% increase in net rental prices. The North and South Shore command the highest rental rates as users are now forced to look off-island for suitable options.

The construction industry was one of the first industries to be allowed to re-open during the COVID-19 pandemic. Limited building supplies and the rising cost of construction have remained key constraints for developers. Projects meant to be delivered within the first half of 2021 are delayed until the second half of the year.

Developers impacted by cost increases are still rushing to meet the demand for space and breaking ground on new projects. There is currently 3.2 million square feet of industrial product under construction. By the start of Q1 2022, most of these projects are expected to be delivered offering some temporary relief to the industrial market.

The availability rate continues to decline, year-over-year, decreasing by 90 basis points, to a current record low

of 1.7%. E-commerce and logistic users continue to dominate the marketplace driving an increase in net absorption of 1.2 million square feet.

Rosefellow continues to have significant presence in the industrial market with approximately 600,000 square feet of speculative development under construction on the island. Groupe Quint has also recently begun construction on 163,000 square feet on a speculative building in Longueuil which is fully pre-leased and is expected to be delivered by Q1 2022. This quarter saw 135,000 square feet building delivered to the market which at the time of delivery was also fully pre-leased.

While the average sales price decreased 15% quarter-over-quarter, statistics show that it was due to the lack of class A assets available for sale. Investor confidence and appetite remain high in Montreal, as the overall number of sales slightly increased in Q2.

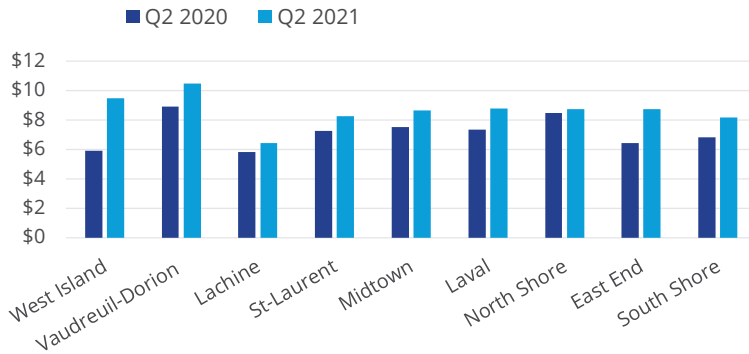
Having reached the halfway mark of 2021, the industrial market is not showing any signs of slowing down and remains a destination for many investors and users. It is expected that the momentum will continue through to the second half of 2021.

Accelerating success.

Market Overview

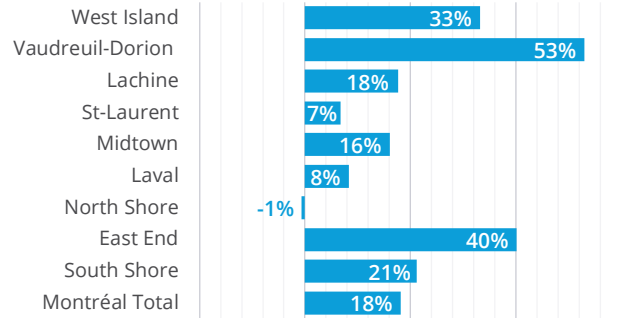
01 Rental Rates by Market

Weighted Average Asking Net Rent (PSF)



02 Rental Rate Growth*

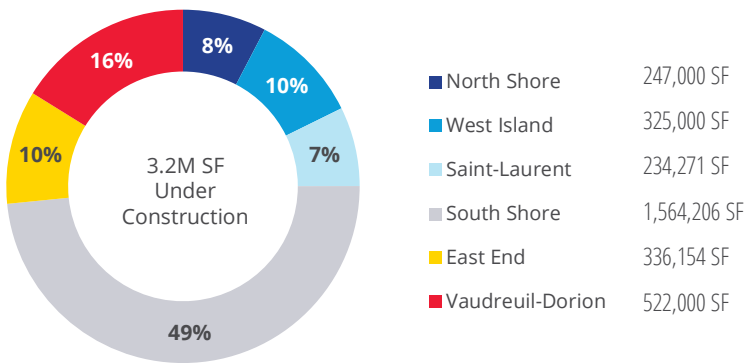
By Market | Q2 2020 – Q2 2021



*Weighted Average Asking Net Rent

03 Under Construction by Market

By Building Area (SF)



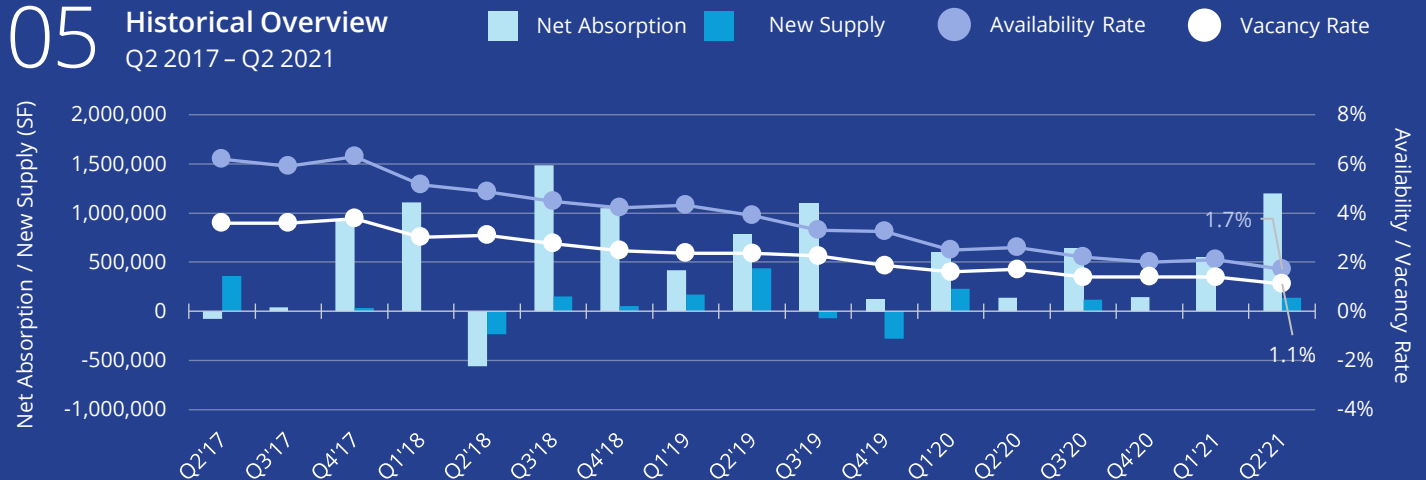
04 Availability Rate

By Market | Q2 2020 – Q2 2021

West Island	1.1%	↓	from 2.0% Q2'20
Vaudreuil-Dorion	3.1%	↓	from 4.3% Q2'20
Lachine	4.0%	▲	from 3.4% Q2'20
St-Laurent	1.8%	↓	from 3.4% Q2'20
Midtown	2.3%	↓	from 2.7% Q2'20
Laval	0.7%	↓	from 0.8% Q2'20
North Shore	0.3%	↓	from 0.7% Q2'20
East End	2.1%	↓	from 4.1% Q2'20
South Shore	1.0%	↓	from 3.1% Q2'20
Montréal Total	1.7%	↓	from 2.6% Q2'20

05 Historical Overview

Q2 2017 – Q2 2021



Market Statistics

Market	Total Inventory (SF)	Total Vacant Space (SF)	Vacancy Rate	Direct Available Space (SF)	Sublease Available Space (SF)	Total Available Space (SF)	Availability Rate	Net Absorption (SF)	New Supply (SF)	Under Construction (SF)	Wgt. Avg. Asking Net Rent (PSF)
West Island											
Baie D'Urfé	4,395,775	0	0.0%	0	0	0	0.0%	67,000	0	0	\$0.00
Ste-Anne-de-Bellevue	1,952,903	0	0.0%	0	0	0	0.0%	0	0	0	\$0.00
Dollard-des-Ormeaux	1,968,083	20,291	1.0%	20,291	0	20,291	1.0%	8,110	0	0	\$14.00
Dorval	15,129,665	69,192	0.5%	46,444	22,748	205,674	1.4%	93,150	0	0	\$9.32
Kirkland	2,529,265	13,708	0.5%	13,708	0	24,208	1.0%	0	0	0	\$5.46
Pointe-Claire	17,212,819	132,820	0.8%	132,820	0	206,938	1.2%	84,014	0	325,000	\$9.69
Total	43,188,510	236,011	0.6%	213,263	22,748	457,111	1.1%	252,274	0	325,000	\$9.50
Vaudreuil-Dorion											
Total	3,934,640	120,779	3.1%	120,779	0	120,779	3.1%	-9,973	0	522,000	\$10.51
Lachine											
Total	20,925,962	735,284	3.5%	735,284	0	844,340	4.0%	-38,473	0	0	\$6.45
St-Laurent											
Total	58,091,201	599,787	1.0%	568,190	39,584	1,069,476	1.8%	211,033	0	234,271	\$8.26
Midtown											
LaSalle	10,123,755	40,000	0.4%	40,000	101,193	302,891	3.0%	266,416	0	0	\$9.71
Montréal	70,797,501	973,748	1.4%	948,748	25,000	1,449,037	2.0%	-77,278	0	60,000	\$8.81
Mont-Royal	9,623,598	137,582	1.4%	137,582	0	325,282	3.4%	41,470	0	0	\$7.49
Total	90,544,854	1,151,330	1.3%	1,126,330	126,193	2,077,210	2.3%	230,608	0	60,000	\$8.68
Laval											
Total	35,543,841	188,000	0.5%	177,285	10,715	254,586	0.7	345,006	135,000	0	\$8.81
North Shore											
Total	25,891,904	73,243	0.3%	73,243	0	80,803	0.3%	25,725	0	247,000	\$8.76
East End											
Anjou	16,814,666	77,372	0.5%	77,372	19,297	328,992	2.0%	158,092	0	0	\$7.84
Montréal-East	13,804,921	230,830	1.7%	230,830	0	246,830	1.8%	27,645	0	336,154	\$7.70
St-Leonard	10,892,034	233,078	2.1%	233,078	0	297,135	2.7%	-19,126	0	0	\$10.59
Total	41,511,621	541,280	1.3%	541,280	19,297	872,957	2.1%	166,611	0	336,154	\$8.76
South Shore											
St-Hubert	6,107,122	49,633	0.8%	49,633	0	74,359	1.2%	-2,286	0	837,531	\$8.50
Longueuil	10,444,053	84,308	0.8%	84,308	0	126,606	1.2%	-17,840	0	726,675	\$7.89
Boucherville*	15,754,206	95,117	0.6%	95,117	0	143,966	0.9%	949	0	0	\$7.91
Brossard	3,411,741	17,337	0.5%	17,337	29,730	47,067	1.4%	39,138	0	0	\$11.37
Total	35,717,122	246,395	0.7%	246,395	29,730	391,998	1.1%	19,961	0	1,564,206	\$8.19
Montréal Total	355,349,655	3,892,109	1.1%	3,802,049	218,537	6,169,260	1.7%	1,202,772	135,000	3,228,631	\$8.31

*Inventory includes buildings in rezoned area

Transaction Highlights

Notable Lease Transactions

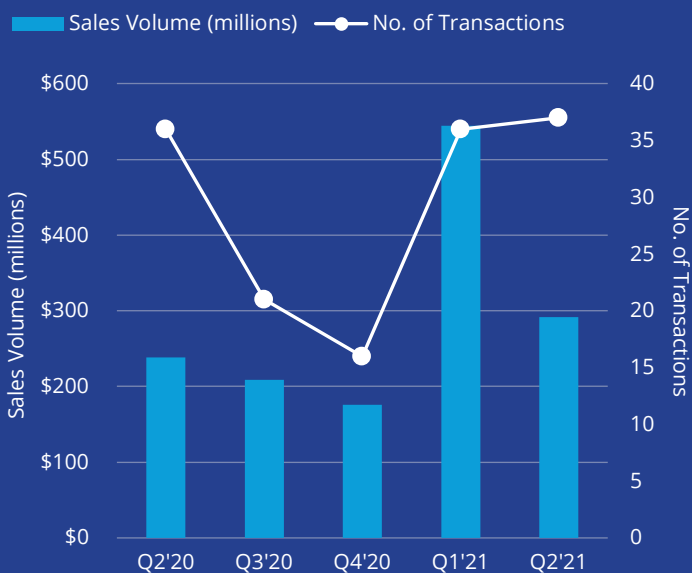
Tenant	Building Name / Address	Market	Lease Type	Size (SF)
Get Pak	2625 Viau street	East Island	New Lease	440,000
GoodFood	11281 Albert-Hudon Boulevard	East Island	New Lease	120,319
94359262 Quebec Inc.	551 Beriault Street	South Shore	Renewal	110,224
CP Camionnage	19101 Clark Graham	West Island	New Lease	67,000
Arborite	850 McCaffrey Street	St-Laurent	New Lease	39,855
3394603 Canada Inc.	975 James Brodie Street	South Shore	New Lease	22,967

Notable Sales Transactions

Address	Market	Size (SF)	Sale Price	Purchaser	Purchaser Profile
5700-6150 Henri-Bourassa Boul. West	St-Laurent	243,761	\$46,000,000	Canadian Urban Limited	Private Investor
5501 Trans-Canada Highway	West Island	303,738	\$26,000,000	Groupe Montoni	Private Investor
2301 De Cannes-Brûlées Street	Midtown	89,339	\$17,800,000	Crestpoint	Institutional Investor
4105 Hickmore Street	St-Laurent	88,102	\$14,500,000	Philhobar Design	Private Investor
2050 Chicoine Street	Vaudreuil-Dorion	58,000	\$14,150,000	Lineage Logistics MVI Ltd.	Private Investor
21525 Clark-Graham Avenue	West Island	63,358	\$13,200,000	Vantage Data Centers	Private Investor

Sales Transactions and Volume

Q2 2020 – Q2 2021



Source: Altus Data Studio

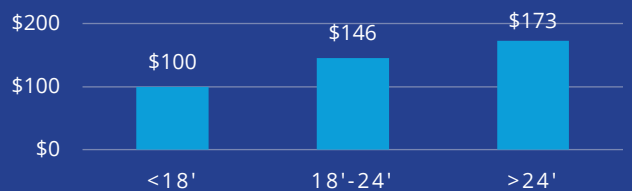
Asking Rental Rates*

Weighted Average Asking Net Rent (PSF) | Q2 2017 - Q2 2021



Sale Price

By Clear Height (PSF)



*Weighted Average

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