

Q1 2022

Montréal

Industrial Market Report

Net Absorption

This Quarter

1.67M SF

Previous Quarter

814K SF

12-Month Absorption

4.40M SF

5-Year Quarterly Avg.

897K SF

Availability

This Quarter

1.2%

Year-over-Year

▼ 90 bps

Asking Net Rent

This Quarter*

\$11.71 PSF

Year-over-Year

▲ 48.0%

Development

Under Construction

2.5M SF

New Supply

1.0M SF

Sales

Sale Price Avg.

\$188 PSF

Year-over-Year

▲ 21%

*Weighted Average
Colliers International (Québec) Inc.

Market Outlook

The supply and demand issues that escalated net rents to record levels in 2021 have persisted in Q1 2022. Presently the asking net rent average of \$11.71 is a 27% increase quarter-over-quarter and exhibits the fast-paced evolution in Montreal's industrial market. The vacancy rate shed 23 basis points to a new all-time low of 0.6%. The availability rate is down 30 basis points from last quarter, resting at 1.2%.

There is a lack of active listings above 30,000 square feet. From survey data collected, only 26% of active listings offer 30,000 square feet or more. These market trends have put the ball squarely in the court of landlords and their representatives to dictate net rental rates with increases occurring on a weekly basis. In certain scenarios, landlords are choosing to keep well-situated spaces vacant for more established tenants or a desired net rent above market value. The relentless demand means we are far from establishing a ceiling for rental rates.

Industrial acquisitions remained stable year-over-year but showed remarkable growth since Q4 2021 with a 52% increase. Investors spent \$752 million across 56 properties compared to \$495 million over 60 transactions in Q4 2021.

Investment was particularly rampant in Montreal's West Island with the sale of 7800 TransCanada Highway at \$95 million or \$254 price per square foot. In addition, the Skyline-KingSett West Island portfolio sale of \$80.1 million across four properties traded with an average price per square foot of \$199.

Moreover, the sale of Cominar received approval from the Quebec Superior Court. The deal closed March 1st and allowed Blackstone to absorb Cominar's industrial assets, ultimately cementing the investment management company's stronghold in Quebec. The sheer scale of this acquisition has the potential to make Blackstone a trend setter for industrial lease rates.

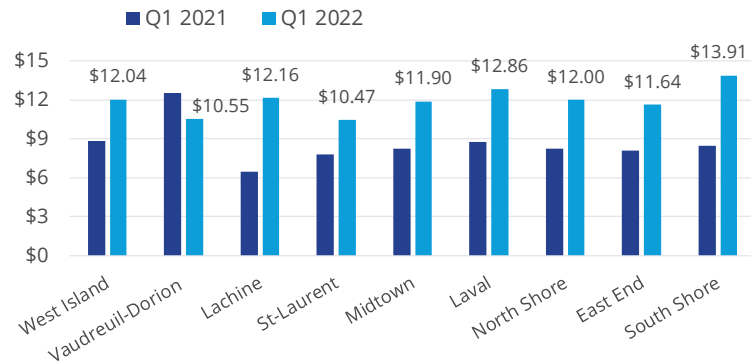
Land sales and development activity continue to happen outside of Montreal and into tertiary markets. In Q1 developers purchased approximately 2.5 million square feet of land with 65% residing in the South Shore. The average price per square foot of these transactions was \$10.27. The continued growth of peripheral markets like St-Bruno-de-Montarville, Beauharnois, and Coteau-du-Lac exemplify that geography is not an issue if there is scale for more square footage.

Accelerating success.

Market Overview

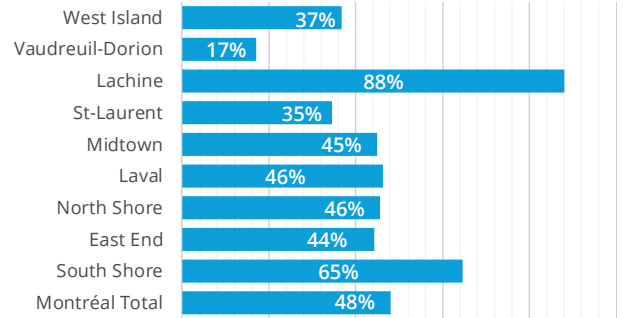
01 Rental Rates by Market

Weighted Average Asking Net Rent (PSF)



02 Rental Rate Growth*

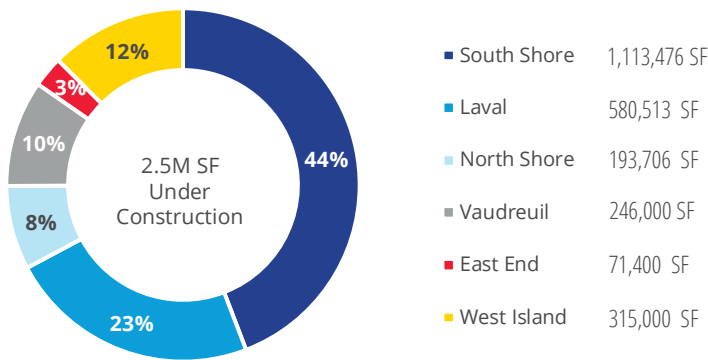
By Market | Q1 2021 – Q1 2022



*Weighted Average Asking Net Rent

03 Under Construction by Market

By Building Area (SF)



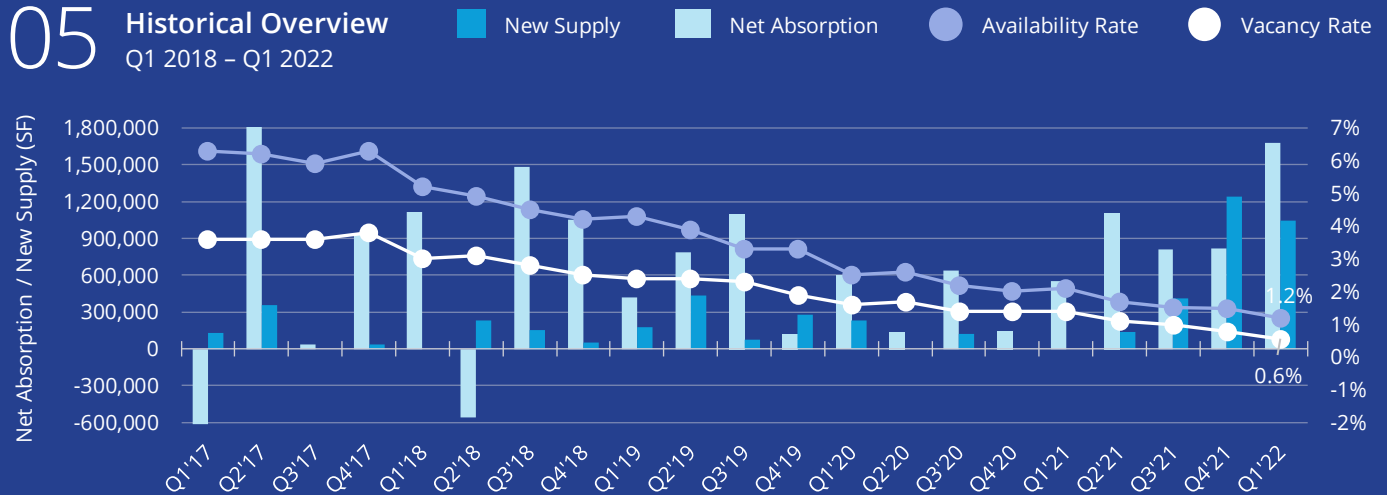
04 Availability Rate

By Market | Q1 2021 – Q1 2022

Market	Availability Rate	Change	From Q1'21
West Island	1.1%	↓	from 1.8% Q1'21
Vaudreuil	0.5%	↓	from 3.8% Q1'21
Lachine	1.6%	↓	from 4.6% Q1'21
St-Laurent	2.3%	↑	from 1.9% Q1'21
Midtown	0.9%	↓	from 2.5% Q1'21
Laval	1.0%	↓	from 1.4% Q1'21
North Shore	0.1%	↓	from 0.5% Q1'21
East End	1.1%	↓	from 2.5% Q1'21
South Shore	0.1%	↓	from 1.2% Q1'21
Montréal Total	1.2%	↓	from 2.1% Q1'21

05 Historical Overview

Q1 2018 – Q1 2022



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	33,386	0.8%	33,386	0	257,023	5.8%	0	0	0	\$12.51
Ste-Anne-de-Bellevue	1,952,903	0	0.0%	0	0	0	0.0%	0	0	0	-
Dollard-des-Ormeaux	1,968,083	0	0.0%	0	0	17,579	0.9%	0	0	0	\$12.13
Dorval	15,129,665	17,651	0.1%	17,651	0	22,251	0.1%	76,767	0	0	\$12.50
Kirkland	2,529,265	0	0.0%	0	0	0	0.0%	22,300	0	0	-
Pointe-Claire	17,537,819	158,894	0.9%	158,894	0	182,012	1.0%	339,057	325,000	315,000	\$12.49
Total	43,513,510	209,931	0.5%	209,931	0	478,865	1.1%	438,124	325,000	315,000	\$12.49
Vaudreuil-Dorion											
Total	4,066,640	21,017	0.5%	16,225	4,792	16,225	0.5%	184,530	132,000	246,000	\$10.55
Lachine											
Total	20,925,962	188,690	0.9%	188,690	0	328,009	1.6%	240,434	0	0	\$12.16
St-Laurent											
Total	58,091,201	387,689	0.7%	377,642	10,047	1,350,699	2.3%	21,079	0	0	\$10.47
Midtown											
LaSalle	10,123,755	157,207	1.6%	157,207	0	365,244	3.6%	35,000	0	0	\$11.33
Montréal	70,797,501	274,183	0.4%	189,799	84,384	271,722	0.5%	450,728	0	0	\$12.08
Mont-Royal	9,623,598	62,959	0.7%	62,959	0	78,302	0.8%	-1,521	0	0	\$13.92
Total	90,544,854	494,349	0.5%	409,965	84,384	715,268	0.9%	484,207	0	0	\$11.90
Laval											
Total	35,472,166	143,372	0.4%	143,372	0	341,560	1.0%	44,181	0	580,513	\$12.86
North Shore											
Total	25,968,610	14,933	0.1%	6,385	8,548	6,385	0.1%	16,071	19,706	193,706	\$12.00
East End											
Anjou	16,914,666	207,141	1.2%	207,141	20,500	236,754	1.5%	-84,783	100,000	0	\$13.13
Montréal-East	14,081,075	16,500	0.1%	16,500	0	16,500	0.1%	323,639	276,154	714,000	\$10.00
St-Leonard	10,892,034	132,149	1.2%	132,149	0	202,658	1.9%	0	0	0	\$10.04
Total	41,887,775	355,790	0.8%	355,790	20,500	455,912	1.1%	238,856	376,154	714,000	\$11.64
South Shore											
St-Hubert	6,107,122	4,460	0.1%	4,460	0	90,167	1.5%	10,540	0	850,000	\$13.85
Longueuil	10,632,053	38,799	0.4%	22,822	15,977	121,317	1.3%	186,918	188,000	263,476	\$13.50
Boucherville*	15,754,206	91,415	0.6%	91,415	0	124,395	0.8%	-11,696	0	0	\$11.35
Brossard	3,411,741	3,945	0.1%	3,945	0	54,170	1.6%	10,087	0	0	\$14.50
Total	35,905,122	138,619	0.4%	122,642	15,977	390,049	1.1%	195,849	188,000	1,113,476	\$13.91
Montréal Total	356,375,840	1,954,390	0.6%	1,830,642	144,248	4,082,972	1.2%	1,863,331	1,040,860	2,520,095	\$11.71

*Inventory includes buildings in rezoned area

Transaction Highlights

Notable Lease Transactions

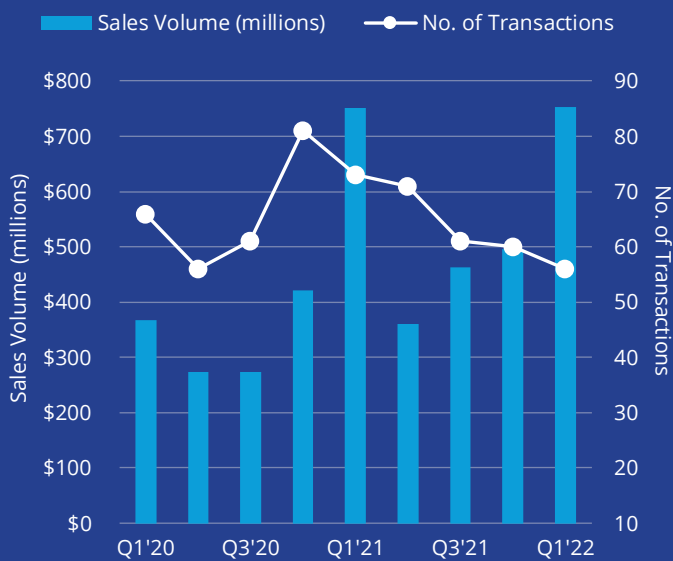
Tenant	Building Name / Address	Market	Lease Type	Size (SF)
Nespresso Canada	151 Reverchon Avenue	Pointe-Claire	New Lease	326,125
Drakkar Logistique	8000 Blaise-Pascal Avenue	Rivière-des-Prairies - Pointe-aux-Trembles	New Lease	206,345
Dsquare	1670 Notre-Dame Street East	Ville-Marie	New Lease	201,725
CP Camionnage	401 Marie-Curie Street	Vaudreuil-Dorion	New Lease	132,000
Coca Cola	4875 Fairway Street	Lachine	Renewal	95,530
Airbus	12540 Henri-Fabre Boulevard	Mirabel	New Lease	54,000

Notable Sales Transactions

Building Name / Address	Market	Size (SF)	Sale Price	Purchaser	Purchaser Profile
7800 Transcanada Highway	Pointe-Claire	376,000	\$95,661,5000	Summit II REIT	Public Investor
1580 Eiffel Street	Boucherville	186,278	\$58,500,000	Montez Corporation	Private Investor
8550 Montview Road	Mont-Royal	234,093	\$42,000,000	Brasswater	Private Investor
24-30 Sicard Place	Sainte-Therese	186,900	\$40,000,000	Mini Mall Storage Properties	Private Investor
2525 Jean-Baptiste-Deschamps Boulevard	Lachine	252,850	\$37,000,000	Sun Life	Institution
Complexe Dalfen	Saint-Laurent	152,187	\$30,750,000	Triovest	Private Investor

Sales Transactions and Volume

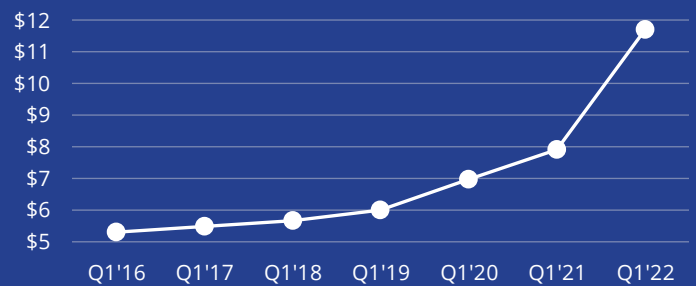
Q1 2020 – Q1 2022



Source: Altus Data Studio

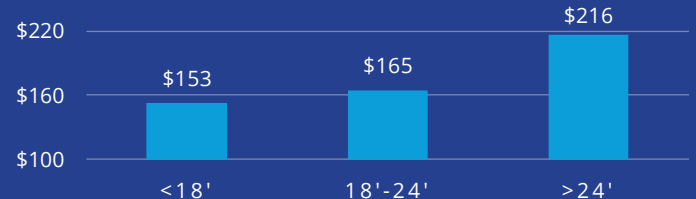
Asking Rental Rates*

Weighted Average Asking Net Rent (PSF) | Q1 2016 – Q1 2022



Sale Price

By Clear Height (PSF)



*Weighted Average

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