

Q1 2021

Montréal

Industrial Market Report

Net Absorption

This Quarter

549K SF

Previous Quarter

142K SF

12-Month Absorption

1.4M SF

5-Year Quarterly Avg.

9.2M SF

Availability

This Quarter

2.1%

Year-over-Year

▼ -40 bps

Asking Net Rent

This Quarter*

\$7.98 PSF

Year-over-Year

▲ 14.5%

Development

Under Construction

2.3M SF

New Supply

0.0M SF

Sales

Sale Price Avg.

\$159 PSF

Year-over-Year

▲ 36%

*Weighted Average
Colliers International (Québec) Inc.

Market Outlook

Over the past several years, the Montreal industrial market has attracted the attention of investors and users on both a local and national scale. The momentum of rising prices and declining availability have been accelerated by shifts in supply chain, warehousing, and logistics systems as a result of the pandemic's impact on consumer buying patterns.

As demand for industrial space continues to outpace supply this year, availability rates across the city have continued to decline, seeing a 40-basis point decrease year-over-year. Accordingly, net rental rates have climbed 14.5% over the same period. The competitive state of the rental market means that landlords are frequently receiving multiple offers on their listings and now achieving longer lease terms.

The demand for space by e-commerce companies has continued to have a significant impact on the industrial market. Consumers asked to work from home began changing their shopping habits from in-person to online. This had led to platforms such as Amazon increasing their real estate footprint in the Greater Montreal Area.

Developers are rushing to meet the demand for space, and projects

that are in their pre-leasing phases are already attracting significant interest. A 390,000-sf development located in Vaudreuil-Dorion that will not be brought to the market until June is currently under offer.

Rosefellow and Montoni have announced that they will soon be breaking ground on their respective industrial developments- Rosefellow will build a 325,000-sf development located in Pointe-Claire and Montoni will deliver another 234,000-sf in Saint-Laurent. Both projects are slated to be completed by the end of 2021.

The cost to purchase industrial space has climbed in the last year, recorded as a 36% increase in price per square foot year-over-year. The lack of available space has contributed heavily to the increase in pricing. Dream REIT's acquisition of 401 Marie-Curie in Vaudreuil transacted \$216.00 per square foot, coming in at a total price of just over \$114 million.

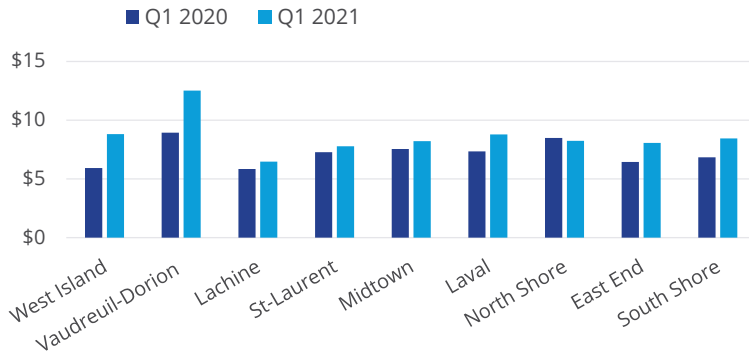
As Montreal's industrial market displays strong fundamentals and remains a key target for developers and users it has over the last few years, all indicators point in a positive direction for the year.

Accelerating success.

Market Overview

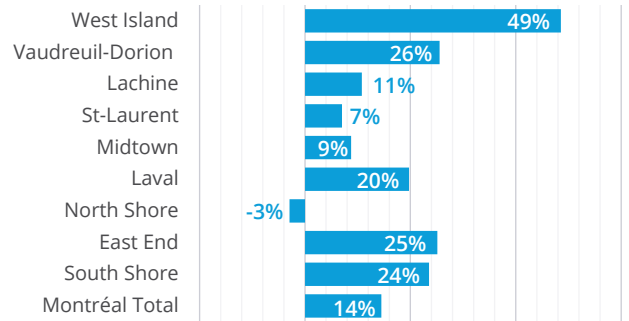
01 Rental Rates by Market

Weighted Average Asking Net Rent (PSF)



02 Rental Rate Growth*

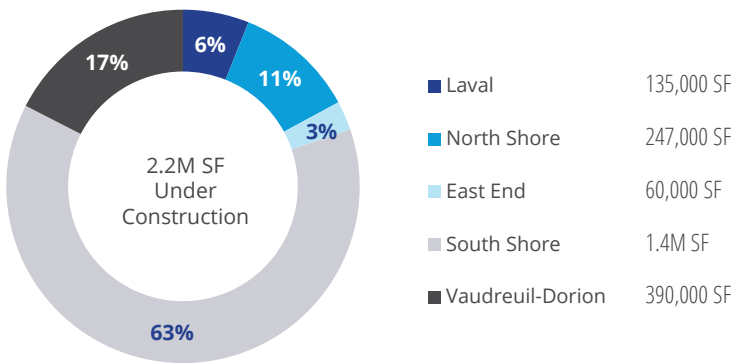
By Market | Q1 2020 – Q1 2021



*Weighted Average Asking Net Rent

03 Under Construction by Market

By Building Area (SF)



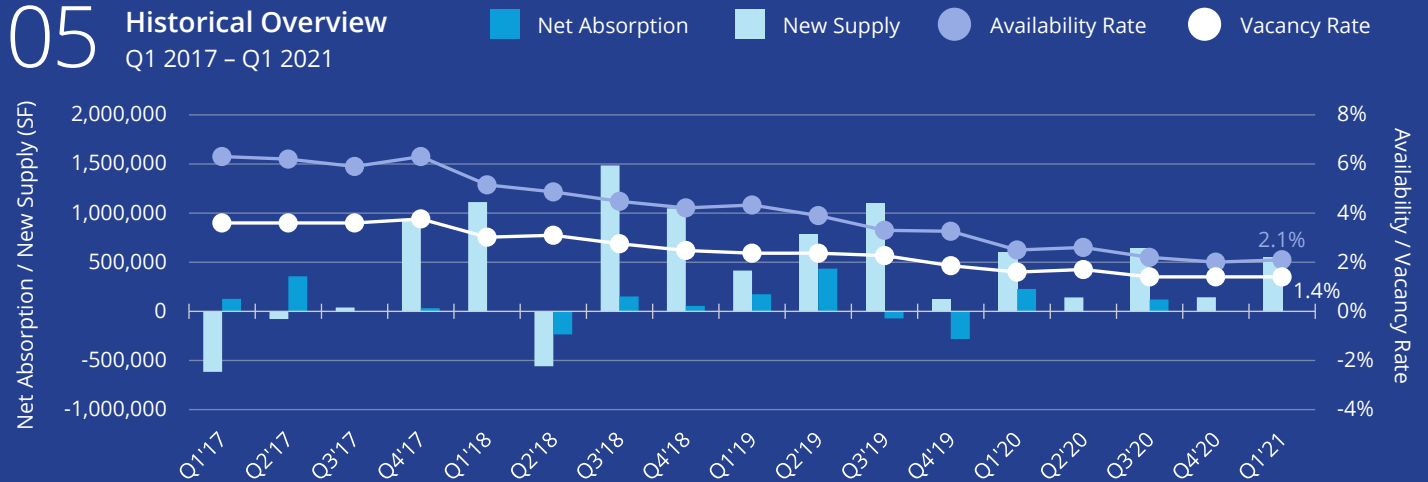
04 Availability Rate

By Market | Q1 2020 – Q1 2021

West Island	1.8%	▲	from 1.7% Q1'20
Vaudreuil-Dorion	3.8%	▼	from 5.1% Q1'20
Lachine	4.6%	▲	from 2.3% Q1'20
St-Laurent	1.9%	▼	from 2.1% Q1'20
Midtown	2.5%	◆	from 2.5% Q1'20
Laval	1.4%	▼	from 1.6% Q1'20
North Shore	0.5%	▲	from 0.2% Q1'20
East End	2.5%	▼	from 3.2% Q1'20
South Shore	1.2%	▲	from 1.0% Q1'20
Montréal Total	2.1%	▲	from 2.0% Q1'20

05 Historical Overview

Q1 2017 – Q1 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	67,000	1.5%	67,000	0	67,000	1.5%	84,191	0	0	\$7.25
Ste-Anne-de-Bellevue	1,952,903	0	0.0%	0	0	0	0.0%	0	0	0	0
Dollard-des-Ormeaux	1,968,083	28,401	1.4%	28,401	31,480	59,881	3.0%	11,189	0	0	\$11.50
Dorval	15,129,665	162,342	1.1%	139,594	22,748	280,376	1.9%	753	0	0	\$8.84
Kirkland	2,529,265	13,708	0.5%	13,708	0	24,208	1.0%	-3,800	0	0	\$5.46
Pointe-Claire	17,212,819	216,834	1.3%	130,834	131,770	338,497	2.0%	-41,317	0	0	\$9.29
Total	43,188,510	488,285	1.1%	379,537	185,998	769,962	1.8%	51,016	0	0	\$8.81
Vaudreuil-Dorion											
Total	3,934,640	110,806	2.8%	110,806	0	149,656	3.8%	4,252	0	390,000	\$9.03
Lachine											
Total	20,925,962	696,811	3.3%	696,811	0	965,449	4.6%	-40,433	0	0	\$6.47
St-Laurent											
Total	58,091,201	810,698	1.4%	764,242	46,578	1,110,620	1.9%	-20,321	0	0	\$7.78
Midtown											
LaSalle	10,123,755	306,416	3.0%	205,223	101,193	423,623	4.2%	122,907	0	0	\$10.00
Montréal	70,797,501	896,470	1.3%	895,470	1,000	1,466,275	2.1%	648,849	0	0	\$8.00
Mont-Royal	9,623,598	179,052	1.9%	179,052	0	382,517	4.0%	46,828	0	0	\$7.51
Total	90,544,854	1,381,938	1.5%	1,279,745	102,193	2,272,415	2.5%	818,584	0	0	\$8.21
Laval											
Total	35,408,841	398,006	1.1%	393,550	4,456	496,885	1.4%	-90,390	0	135,000	8.79
North Shore											
Total	25,753,954	98,968	0.4%	98,968	0	133,235	0.5%	5,581	0	247,000	\$8.24
East End											
Anjou	16,814,666	235,464	1.4%	235,464	19,297	477,690	2.8%	-90,420	0	0	\$7.57
Montréal-East	13,804,921	258,475	1.9%	233,475	25,000	258,475	1.9%	-86,563	0	60,000	\$8.10
St-Leonard	10,892,034	213,952	2.0%	213,952	0	303,009	2.8%	80,054	0	0	\$8.81
Total	41,511,621	707,891	1.7%	682,891	44,297	1,039,174	2.5%	-96,929	0	60,000	\$8.07
South Shore											
St-Hubert	6,107,122	47,347	0.8%	47,347	0	72,073	1.2%	12,129	0	837,531	\$8.55
Longueuil	10,444,053	66,468	0.6%	66,468	0	88,420	0.8%	-50,276	0	563,447	\$9.57
Boucherville*	15,754,206	96,066	0.6%	96,066	0	216,740	1.4%	-26,239	0	0	\$7.52
Brossard	3,411,741	56,475	1.7%	26,745	29,730	56,475	1.7%	-17,419	0	0	\$12.00
Total	35,717,122	266,356	0.7%	236,626	29,730	433,708	1.2%	-81,805	0	1,400,978	\$8.45
Montréal Total	355,076,705	4,959,881	1.4%	4,643,176	413,252	7,371,104	2.1%	549,555	0	2,232,978	\$7.98

*Inventory includes buildings in rezoned area

Transaction Highlights

Notable Lease Transactions

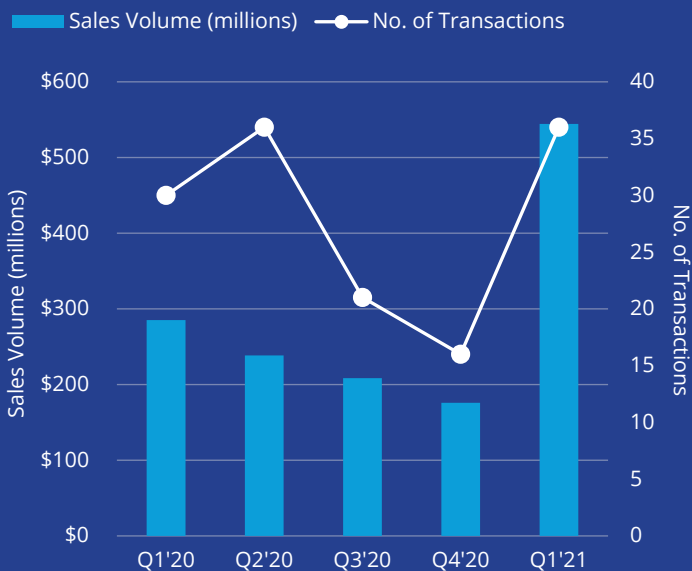
Tenant	Building Name / Address	Market	Lease Type	Size (SF)
Aubainerie	3701 Jarry Street East	East Island	New Lease	177,562
Bullet Proof Logistics	8100 Cavendish boulevard	Saint-Laurent	New Lease	114,496
Transformer Table	330 Avro street	West Island	New Lease	89,099
Groupe BBH	4400 Hickmore	Saint-Laurent	Renewal	80,000
9429-3461 Quebec Inc.	10149 Côte-de-Liesse Road	West Island	New Lease	31,426
Les Entreprises Catsport	1490 rue Nobel	South Shore	Renewal	25,465

Notable Sales Transactions

Address	Market	Size (SF)	Sale Price	Purchaser	Purchaser Profile
401 Marie Curie Street	Vaudreuil-Dorion	527,391	\$114,150,000	Dream Industrial REIT	Institutional Investor
3500 Douglas-B. Floreani Street	Saint-Laurent	424,422	\$90,750,000	Concert Properties	Institutional Investor
4747 Côte-Vertu Boulevard	Saint-Laurent	150,958	\$24,000,000	Canadawide	Private Investor
3015 Louis-A-Amos Street	Lachine	143,900	\$16,000,000	Q-Monit (II)	Private Investor
21500 Transcanada Highway	West Island	84,191	\$13,000,000	Vantage Data Centers	Private Investor
2850-2880 Botham Street	St-Laurent	118,000	\$12,250,000	Philhobar Design Canada	Private Investor

Sales Transactions and Volume

Q1 2020 – Q1 2021



Source: Altus Data Studio

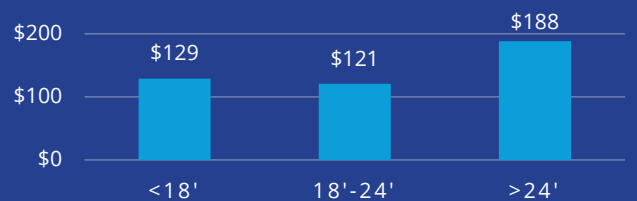
Asking Rental Rates*

Weighted Average Asking Net Rent (PSF) | Q1 2017 - Q1 2021



Sale Price

By Clear Height (PSF)



*Weighted Average

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