

1.6%
Vacancy Rate

YoY Chg
12-Mo. Forecast



381K
Net Absorption, SF



\$9.45
Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS Q1 2022

2.3M
Montreal Employment

YoY Chg
12-Mo. Forecast



5.1%
Montreal Unemployment Rate



5.3%
Canada Unemployment Rate



Source: Statistics Canada

ECONOMY: Recovery well underway

Despite a turbulent start to 2022, where provincial governments reinstated public health measures to contain the spread of the Covid-19 Omicron variant, the economic recovery is now well underway. The province of Quebec recently eased a variety of restrictions impacting high-touch service industries like accommodation and food services. This will play an important role in the province's recovery.

As the Bank of Canada is faced with a 30-year high inflation rate, which reached 5.7% in February 2022, they will have no choice but to eventually increase the overnight interest rate. However, with the ongoing geopolitical developments caused by the Russian invasion of Ukraine, it is anticipated that the Bank of Canada may move with greater caution than the market expects. Consumers and businesses are currently feeling the impact via increased energy and food prices. While the rapid increase in the cost of living will certainly impact consumer spending going forward, the economic recovery in Quebec is on track with GDP surpassing pre-pandemic levels.

SUPPLY & DEMAND: New supply tempers absorption

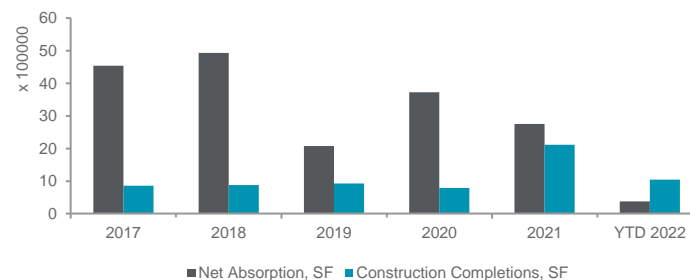
The positive absorption trend continued in the first quarter of 2022, with the Greater Montreal Area (GMA) now having recorded 23 consecutive quarters of positive absorption. While considerably less than the previous quarter, absorption figures were in line with the quarterly average seen over the last two years. The vacancy rate remained unchanged, staying firm at 1.6%. The effects of the considerable positive absorption were tempered by the completion and delivery of new-to-market space.

The GMA saw the delivery of 1.04 MSF of new supply in the first three months of 2022. While this is a most welcomed addition in the supply-constrained market, it does little to address the lack of available space, as the majority of the delivered space had been pre-leased prior to completion.

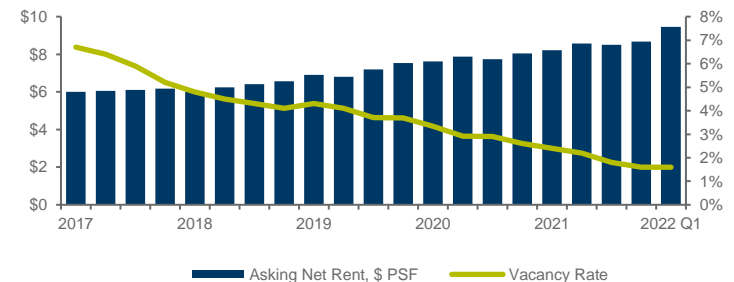
PRICING: Increasing with no slowdown in sight

The average net asking rent in the GMA has increased by approximately 9% over the last three months, closing the quarter at \$9.45 net per square foot (psf). What was once considered a "premium" rate of \$8.00 psf net is now seen as an affordable option for occupiers, with some landlords in Montreal's most in-demand submarkets quoting net rental rates upwards of \$12.00 psf. Upward pressure on rates is expected to persist as new product is delivered in the coming months.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CONSTR. (SF)	CONSTRUCTION COMPLETIONS QUARTER (SF)	YTD COMPLETIONS	OVERALL WEIGHTED AVG NET RENT	OVERALL WEIGHTED AVG ADDITIONAL RENT
Montreal Midtown North	45,499,335	1,358,344	3.0%	77,481	77,481	0	0	0	\$8.69	\$1.89
Montreal Midtown South	28,559,257	343,886	1.2%	-173,471	-173,471	0	0	0	\$9.25	\$1.43
Montreal East	70,455,540	798,831	1.1%	325,903	325,903	71,400	376,154	376,154	\$8.67	\$4.75
Laval	22,784,540	49,557	0.2%	16,000	16,000	558,710	0	0	\$10.66	\$4.90
North Shore Lanaudière	4,126,309	0	0.0%	3,142	3,142	0	0	0	N/A	N/A
North Shore Laurentides	5,766,597	18,548	0.3%	38,706	38,706	1,600,000	19,706	19,706	N/A	N/A
South Shore	27,747,315	282,862	1.0%	143,416	143,416	563,476	188,000	188,000	\$12.78	\$3.87
Lachine	21,153,541	851,511	4.0%	-5,722	-5,722	0	0	0	\$12.05	\$2.45
Saint-Laurent	65,607,999	868,902	1.3%	-218,990	-218,990	0	0	0	\$9.52	\$3.98
West Island	45,435,110	748,894	1.6%	36,503	36,503	0	325,000	325,000	\$12.95	\$1.00
Vaudreuil-Dorion	2,786,047	83,477	3.0%	138,413	138,413	246,270	132,000	132,000	\$9.00	\$5.36
MONTREAL TOTALS	339,921,517	5,404,812	1.6%	381,181	381,181	3,039,856	1,040,860	1,040,860	\$9.45	\$2.79

*Rental rates are in CAD and reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE
151 Reverchon Avenue	West Island	Nespresso	325,000	New Tenant
1757 Curé-Labelle Boulevard	Laval	Dollarama	200,000	New Tenant
12000 Helen Bristol Street	North-Shore Laurentides	Undisclosed	174,000	New Tenant
401 Marie-Curie Street (Expansion A)	Vaudreuil-Dorion	Cammionage CP	132,000	New Tenant
11250 Métropolitain Boulevard East	Montreal East	Balcan Innovations	128,000	New Tenant

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
7800 Transcanada Highway	West Island	3903001 Canada Inc / Summit II REIT	376,000	\$95,661,500 / \$254.00
1580 Eiffel Street	South Shore	Olymel SEC / Montez Corporation	186,278	\$58,500,000 / \$314.00
8550 Montview Road	Midtown North	Federal Construction Inc. / Brasswater & Forgestone Capital	234,093	\$42,000,000 / \$179.00

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KEY CONSTRUCTION COMPLETIONS Q1 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
151 Reverchon Avenue	West Island	Nespresso	325,000	Rosefellow
11250 Métropolitain Boulevard East	Montreal East	Balcan Innovations	276,154	Rosefellow
2455-2505 de la Métropole Street	South Shore	SOJAG	188,000	Brasswater

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