

## MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
<b>17.9%</b> Vacancy Rate	▲	▲
<b>-2.2M</b> YTD Net Absorption, SF	▼	▲
<b>\$36.08</b> Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▼	—

## ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
<b>2.4M</b> Montreal Employment	▼	▲
<b>6.6%</b> Montreal Unemployment Rate	▲	▲
<b>6.5%</b> Canada Unemployment Rate <i>Source: Statistics Canada</i>	▲	—

## KEY TAKEAWAYS

- Canadian National Railway leased 442k square feet (sf) at 600 Rue De La Gauchetière Ouest - one of the largest transactions in recent years.
- Montreal stands out as the only major market where sublet vacancy rates have consistently increased since Q1 2023, while other markets have generally seen a downward trend.

## ECONOMY

The unemployment rate in Canada increased by 10 basis points (bps) from end of Q2 2024 to 6.5% in September. In Montreal, the rate edged up from 6.2% to 6.6% during this same time frame and has climbed 140 bps since September 2023. Over the course of the last year employment in the Montreal census metropolitan area has decreased by 24,000.

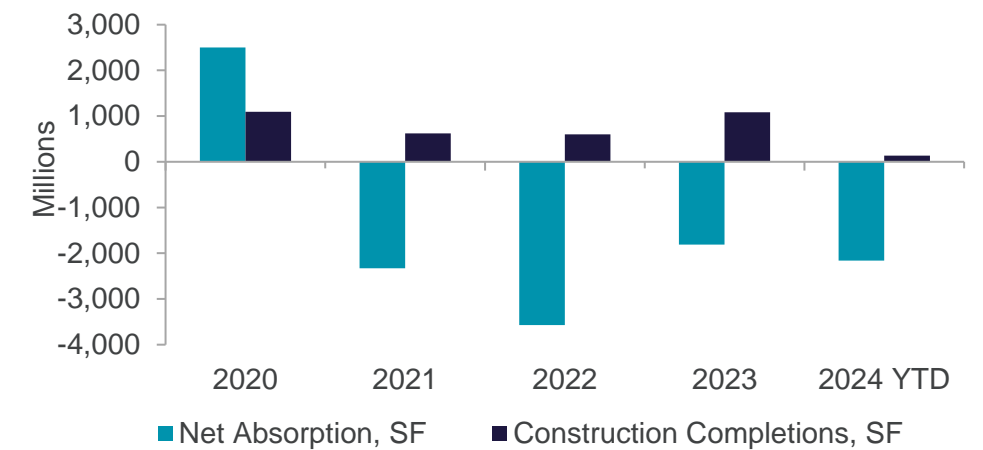
## NEW VACANCY ON THE MARKET CONTINUES TO OUTPACE DEMAND

For the fourth consecutive quarter the GMA recorded an increase in the overall vacancy rate, closing Q3 2024 at 17.9%. Vacancy within the overall Central market ticked up to 18.8%, with increases in vacancy in all classes of space, although the quarter-over-quarter increase was not as steep in the Class A market. In the Suburban market the overall increase in vacancy has been notable as vacancy has risen by 150 bps since Q1 2024. However, unlike the Class A Central market, the vacancy within the Class A Suburban market has risen at a quicker pace than the Class B&C market. This is at least in part the result of Suburban Class B&C landlords aggressively pricing their spaces, and since those properties lack the amenities of Class A buildings, their focus is on cheaper rates. In addition to this, tenants in the suburban markets are seeking bargains as prices for Class A suburban buildings are approaching those in the Central Area. Negative absorption was witnessed throughout the market reaching negative 882k sf in Q3 2024. Two properties had negative absorption this quarter of over 100k sf, one in Suburban Class A and the other in the Central Class B market.

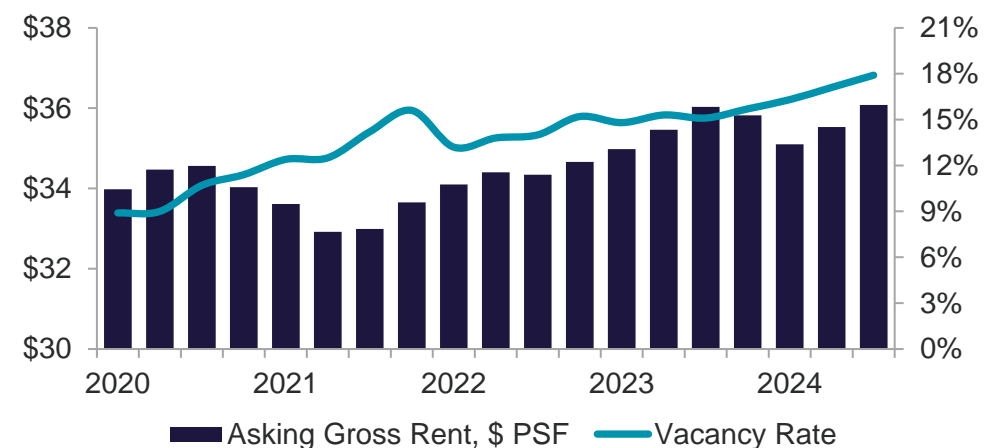
## OVERALL ASKING GROSS RENTAL RATE HAS CLIMBED THROUGH 2024

The overall average asking gross rate rose in Q3 2024 to \$36.08 per square foot. This was primarily driven by increases in the average direct net asking rent in the Class A and Class C Central Area sector.

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Financial Core	22,360,903	358,916	4,012,987	19.6%	-290,116	-381,687	738,306	0	\$42.84	\$42.27
Downtown West	3,574,662	28,075	447,530	13.3%	15,018	86,993	119,035	0	\$38.25	\$47.45
Downtown East	8,971,020	375,697	806,697	13.2%	-15,418	110,101	361,431	39,177	\$32.57	N/A
Downtown South	11,891,287	522,404	2,188,011	22.8%	-208,173	-890,140	805,176	58,515	\$47.13	\$51.41
Downtown Southwest	1,800,249	121,540	399,577	28.9%	-14,234	-170,538	29,551	0	\$41.57	\$35.00
Old Montreal	4,575,045	122,699	662,351	17.2%	-14,712	-125,892	172,472	0	\$38.98	\$50.25
Westmount	2,158,078	33,264	311,339	16.0%	-15,946	-16,086	73,511	0	\$35.31	\$40.69
<b>CENTRAL TOTAL</b>	<b>55,331,244</b>	<b>1,562,982</b>	<b>8,828,492</b>	<b>18.8%</b>	<b>-543,581</b>	<b>-1,387,249</b>	<b>2,299,482</b>	<b>97,692</b>	<b>\$41.60</b>	<b>\$48.74</b>
Midtown East	3,452,325	134,587	412,687	15.9%	4,945	-9,892	88,118	0	\$27.43	N/A
Midtown Central	6,819,599	216,657	999,443	17.8%	3,176	-171,709	166,353	0	\$32.01	N/A
Midtown North	9,196,926	395,831	1,095,150	16.2%	14,271	-50,973	164,718	0	\$21.86	\$31.43
Décarie CDN	3,213,489	64,221	539,073	18.8%	-139,211	-6,686	125,769	0	\$29.08	\$34.87
Midtown West	1,436,543	37,224	256,273	20.4%	19,600	-8,580	142,730	0	\$23.36	\$35.01
Midtown South	1,097,479	0	52,728	4.8%	-19,850	-5,405	9,294	0	\$22.94	N/A
Île-Des-Soeurs	1,392,679	194,156	46,183	17.3%	0	0	0	0	\$26.07	\$26.07
Saint-Laurent	7,510,747	302,448	1,188,493	19.9%	-9,254	-106,391	244,366	0	\$28.34	\$29.21
<b>MIDTOWN TOTAL</b>	<b>34,119,787</b>	<b>1,345,484</b>	<b>4,590,030</b>	<b>17.4%</b>	<b>-126,323</b>	<b>-356,636</b>	<b>941,348</b>	<b>0</b>	<b>\$26.80</b>	<b>\$30.08</b>
West Island	3,392,131	130,952	318,455	13.2%	61,586	-54,488	145,369	0	\$30.16	\$32.93
East End	3,499,687	68,771	650,105	20.5%	-179,789	-178,342	66,319	0	\$22.23	\$31.45
Laval	4,787,859	111,769	906,791	21.3%	-108,503	-150,081	143,232	0	\$28.92	\$29.59
South Shore	6,138,827	84,833	642,755	11.9%	-14,094	-33,120	283,810	0	\$27.85	\$32.01
<b>SUBURBAN TOTAL</b>	<b>17,818,504</b>	<b>396,325</b>	<b>2,518,106</b>	<b>16.4%</b>	<b>-212,612</b>	<b>-416,031</b>	<b>638,730</b>	<b>0</b>	<b>\$26.77</b>	<b>\$31.27</b>
<b>MONTREAL TOTALS</b>	<b>107,269,535</b>	<b>3,304,541</b>	<b>15,936,628</b>	<b>17.9%</b>	<b>-882,516</b>	<b>-2,162,916</b>	<b>3,879,560</b>	<b>97,692</b>	<b>\$36.08</b>	<b>\$42.60</b>

\*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
600 De La Gauchetière Street West	Downtown South	CN	442,000	Direct
1100 Robert-Bourassa Boulevard	Financial Core	PCL Construction	22,165	Direct
2050 rue de Bleury	Downtown East	Studio Quantic Dream Montreal Inc.	14,996	Sublet

\*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2024

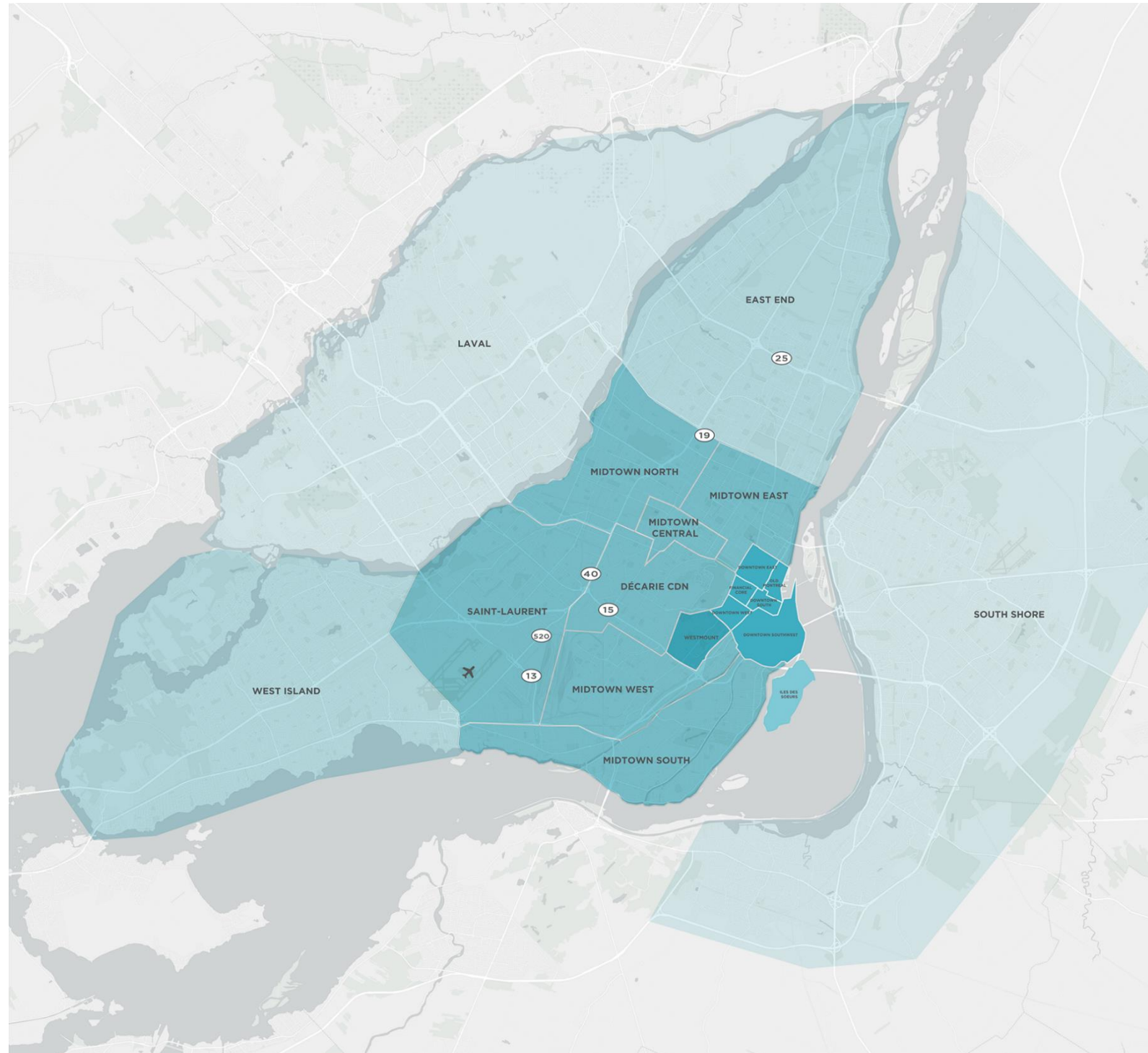
PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
1600 René-Levesque Boulevard West	Downtown West	BGO / Groupe Mach	256,574	\$15.5M / \$60
480 Saint-Laurent Boulevard and 85-87 Saint Paul Street	Old Montreal	Allied / Societe en Commandite Elbran	133,290	\$32.5M / \$244
2550 Bates Road	Midtown North	Embix Watch Importing Co./ The Bluestone Group	48,099	\$9.2M / \$192



**METHODOLOGY**

Cushman & Wakefield’s quarterly estimates are derived from a variety of data sources, including its own proprietary database, and historical data from third party data sources. The market statistics are calculated from a base building inventory made up of office properties deemed to be competitive in the local office markets. The inventory is subject to revisions due to resampling. Vacant space is defined as space that is available immediately or imminently after the end of the quarter. Sublet space still occupied by the tenant is not counted as available space. The figures provided for the current quarter are preliminary, and all information contained in the report is subject to correction of errors and revisions based on additional data received.

**OFFICE SUBMARKETS**



**EXPLANATION OF TERMS**

**Total Inventory:** The total amount of office space (in buildings of a predetermined size by market) that can be rented by a third party.

**Overall Vacancy Rate:** The amount of unoccupied space (new, relet, and sublet) expressed as a percentage of total inventory.

**Direct Vacancy Rate:** The amount of unoccupied space available directly through the landlord, excludes sublease space.

**Absorption:** The net change in occupied space between two points in time. (Total occupied space in the present quarter minus total occupied space from the previous quarter, quoted on a net, not gross, basis.)

**Leasing Activity:** The sum of all leases over a period of time. This includes pre-leasing activity as well as expansions. It does not include renewals.

**Overall Weighted Asking Rents:** Net or gross average asking rents weighted by the amount of available direct space in office properties.

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