



Greater Montreal Industrial Market Report

Mid-Year 2010

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The Montreal industrial market has been stabilizing since the beginning of 2010 with overall availability rates dropping from 10.4% in Q2 2009 to 9.4% in Q1 2010.

Meanwhile, important discrepancies in vacancy rates exist between different types of properties where, for Q1 2010, single-tenant properties enjoyed an availability rate of 4.1% compared to multi-tenant properties at 21.1%. Those discrepancies are also important in different regions of the Greater Montreal Area. For example, the Montreal East district and Montreal West Island district had relatively low availability rates of 6.5% and 8.4% respectively in Q1 2010 compared to the off-island regions of Laval and the South-Shore with availabilities over 20%.

However, the Laval and South-Shore districts are also improving with vacancy rates dropping from 28.4% in Q2 2009 to 20.5% in Q1 2010 for Laval and 27.7% in Q2 2009 to 21.3% in Q1 2010 for the South-Shore.

Gross rental rates are therefore on the rise. The overall gross rent per square foot in the Greater Montreal Market sits at \$8.87 psf in Q1 2010, up from its Q2 2009 level of \$8.26 psf. Conversely, the two markets that saw the highest increased in occupancy cost are the Laval and South-Shore areas with increases of 12.9% and 10.2% respectively.

	Total Number of Buildings	Total Building Area (sf)	Direct Available Area (sf)	Direct Available Rate (%)	Sublet Available Area (sf)	Sublet Available Rate (%)	Total Available Area (sf)	Total Available Rate (%)
Greater Montreal Market								
Q1 2010	6,868	344,166,116	27,208,145	7.9%	2,030,856	0.6%	29,239,001	8.5%
Q2 2009	6,868	342,609,835	29,741,417	8.7%	2,338,637	0.7%	32,080,054	9.4%
Multiple-tenant								
Q1 2010	1,270	96,034,048	18,928,089	19.7%	1,370,106	1.4%	20,298,195	21.1%
Q2 2009	1,270	94,899,275	19,546,694	20.6%	1,517,903	1.6%	21,064,597	22.2%
Single-tenant								
Q1 2010	5,300	210,268,578	7,887,525	3.8%	656,683	0.3%	8,544,208	4.1%
Q2 2009	5,300	209,847,070	9,884,112	4.7%	817,509	0.4%	10,701,621	5.1%

Source: Altus InSite (May 31st, 2010)

The **Greater Montreal Industrial Market Report** is published by Avison Young. For further information, or copies of this and other Avison Young publications, please contact:

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