

Montréal Industrial Newsletter

Real Estate Overview

Q4 – 2011

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Market Overview



Market overview

For the last several months, the sovereign debt crisis in Europe, as well as the economic difficulties that the United States encountered due to a conflicting domestic policy, have been making headlines. Though conservative in their predictions for 2012, politicians and economists do not envisage an upcoming recession in Canada, largely in part due to the low interest rate. The economic health of the metropolis was able to withstand the harsh climate in the last 3 years, which allows for a continued sense of optimism.

Pension funds, insurance companies, real estate investment trusts and private investors are confident and should remain as such for the first two quarters of 2012. The reserves are full and access to low-cost credit is easy; investors ardently wish to take advantage of it and are on the lookout for good investment opportunities. Given that the Canadian market is safer than the American market, some will prefer it in spite of the fact that it offers a lower return on their investment and that lucrative opportunities are rather rare. Furthermore, as the value of the Canadian dollar is in decline, foreign investors can be more aggressive when doing deals. Quality industrial properties with good tenants are in demand by investors and when they become available for sale, offers are aggressive.

All in all, for the next two or three quarters, the industrial market of the Greater Montréal Area should remain unchanged and the established stability of 2011 should continue throughout 2012. In all probability, the vacancy rate as well as the prices and the asking rental rates will remain relatively stable. The number of quality industrial properties available for sale on the market will continue to be rare, tenants will look for opportunities to become owners, renters will maintain a very aggressive approach, and lastly, the demand for cubic space will continue to grow.

Although company administrators are confident with respect to the future, they remain cautious due to economic speculation. Globally, decisions seem to be less postponed and this might explain why tenants are thus less hesitant to sign leases with 5-year terms. However, leases with 10-year terms are still rare. It must be noted that only a few months ago short term leases were the norm; flexibility seemed more important than rental rates.

Be that as it may, the reaction of the Montréal real estate market for the year 2012 is difficult to predict as it is not known what the impact of the world crisis will be on our economy. However, the stability of the Greater Montréal Area market is in good shape and no major changes are expected in the coming quarters. Hence, we can expect that the watchword will be stability in 2012.

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Greater Montréal Area

Lease listings by size

Size (sq ft)	Number of spaces	Total market area (sq ft)	Average asking rate
10,000 - 16,999	N/A	N/A	N/A
17,000 - 24,999	88	1,905,768	\$5.73
25,000 - 49,999	184	6,323,193	\$5.63
50,000 - 99,999	88	6,054,554	\$5.55
100,000 - 199,999	47	6,358,818	\$5.01
200,000 +	11	2,850,051	\$4.74
Total	418	23,492,384	—

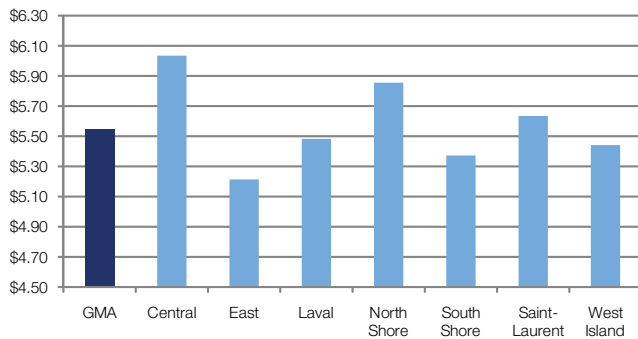
Source: DTZ Barnicke

Sale listings by size

Size (sq ft)	Number of properties	Total market area (sq ft)	Average asking rate
10,000 - 16,999	55	736,438	\$79.89
17,000 - 24,999	27	531,979	\$76.18
25,000 - 49,999	55	1,953,754	\$73.44
50,000 - 99,999	40	2,736,127	\$58.91
100,000 - 199,999	23	3,247,395	\$45.89
200,000 +	11	3,023,080	\$37.03
Total	211	12,228,773	—

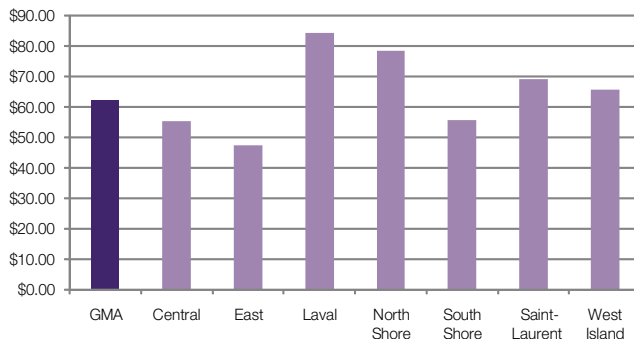
Source: DTZ Barnicke

Average asking rental rate (17,000 sq ft +)



Source: DTZ Barnicke

Average asking sale price (20,000 sq ft +)



Source: DTZ Barnicke

Lease listings by clear height (17,000 sq ft +)

Clear height	Number of spaces	Total market area (sq ft)	Average asking rate
0' - 17'	65	2,671,519	\$6.10
18' - 24'	278	14,464,276	\$5.40
25' +	75	6,356,589	\$5.59
Total	418	23,492,384	—

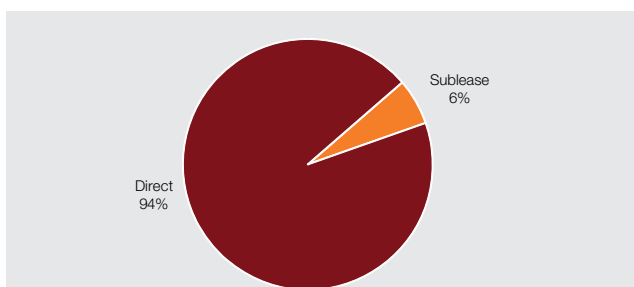
Source: DTZ Barnicke

Sale listings by clear height (20,000 sq ft +)

Clear height	Number of spaces	Total market area (sq ft)	Average asking rate
0' - 17'	22	1,819,238	\$41.10
18' - 24'	82	6,206,412	\$66.33
25' +	36	3,174,899	\$65.53
Total	140	11,200,549	—

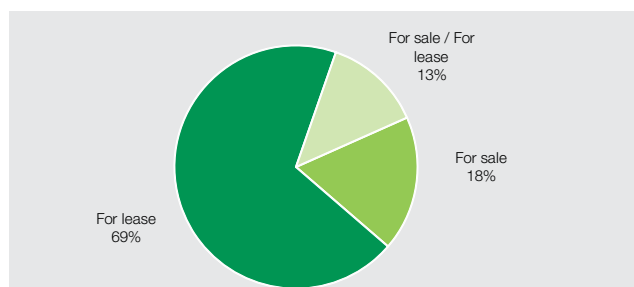
Source: DTZ Barnicke

Ratio of available spaces by lease type*



Source: DTZ Barnicke

Ratio of listings by type*



Source: DTZ Barnicke

* based on the total lease listings available (17,000 sq ft +)

* based on the total number of properties (17,000 sq ft +)

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Central Area

Lease listings by size

Size (sq ft)	Number of spaces	Total market area (sq ft)	Average asking rate
10,000 - 16,999	N/A	N/A	N/A
17,000 - 24,999	11	233,780	\$6.30
25,000 - 49,999	30	1,052,365	\$6.25
50,000 - 99,999	13	999,623	\$6.12
100,000 - 199,999	7	896,073	\$4.49
200,000 +	0	0	—
Total	61	3,181,841	—

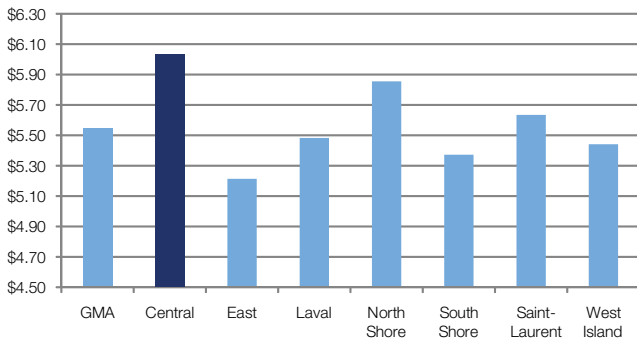
Source: DTZ Barnicke

Sale listings by size

Size (sq ft)	Number of properties	Total market area (sq ft)	Average asking price
10,000 - 16,999	9	117,279	\$68.82
17,000 - 24,999	0	0	—
25,000 - 49,999	7	269,018	\$60.04
50,000 - 99,999	8	583,585	\$56.87
100,000 - 199,999	2	311,500	\$48.60
200,000 +	2	493,440	\$37.49
Total	28	1,774,822	—

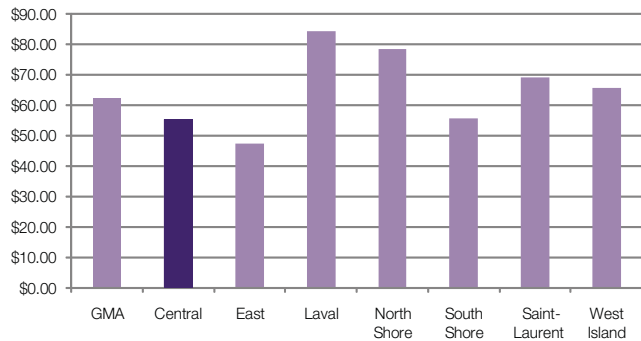
Source: DTZ Barnicke

Average asking rental rate (17,000 sq ft +)



Source: DTZ Barnicke

Average asking sale price (20,000 sq ft +)



Source: DTZ Barnicke

Lease listings by clear height (17,000 sq ft +)

Clear height	Number of spaces	Total market area (sq ft)	Average asking rate
0' - 17'	21	991,817	\$6.55
18' - 24'	31	1,755,044	\$5.61
25' +	9	434,980	\$6.23
Total	61	3,181,841	—

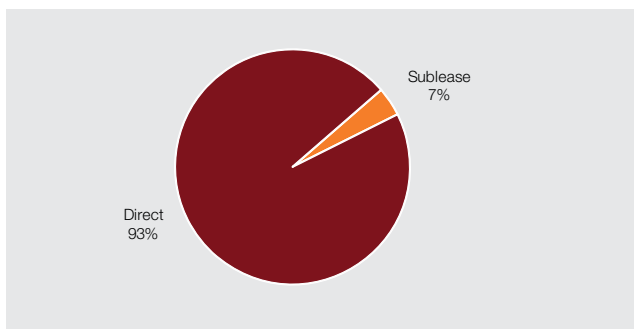
Source: DTZ Barnicke

Sale listings by clear height (20,000 sq ft +)

Clear height	Number of properties	Total market area (sq ft)	Average asking price
0' - 17'	5	333,158	\$39.57
18' - 24'	11	1,047,085	\$57.81
25' +	3	277,300	\$71.18
Total	19	1,657,543	—

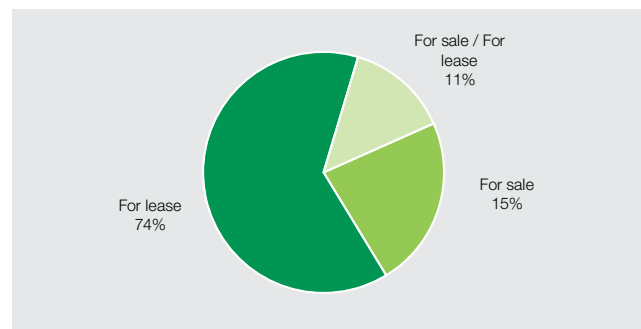
Source: DTZ Barnicke

Ratio of available spaces by lease type*



Source: DTZ Barnicke

Ratio of listings by type*



Source: DTZ Barnicke

* based on the total lease listings available (17,000 sq ft +)

* based on the total number of properties (17,000 sq ft +)

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East End Area

Lease listings by size

Size (sq ft)	Number of spaces	Total market area (sq ft)	Average asking rate
10,000 - 16,999	N/A	N/A	N/A
17,000 - 24,999	11	232,270	\$5.30
25,000 - 49,999	31	1,080,012	\$5.39
50,000 - 99,999	17	1,221,270	\$4.74
100,000 - 199,999	9	1,297,370	\$5.43
200,000 +	3	787,151	\$5.07
Total	71	4,618,073	—

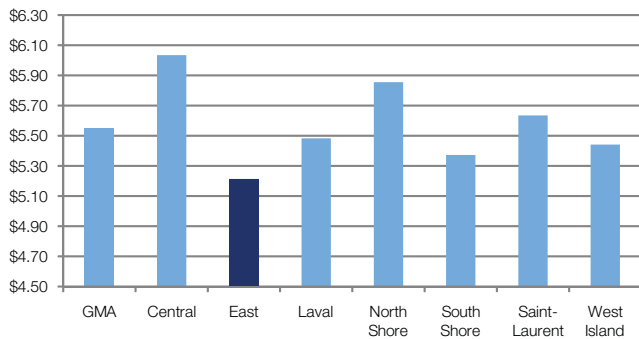
Source: DTZ Barnicke

Sale listings by size

Size (sq ft)	Number of properties	Total market area (sq ft)	Average asking price
10,000 - 16,999	15	196,030	\$59.94
17,000 - 24,999	6	113,244	\$67.00
25,000 - 49,999	7	193,469	\$62.79
50,000 - 99,999	9	616,069	\$49.26
100,000 - 199,999	6	853,766	\$31.88
200,000 +	3	1,133,822	\$31.28
Total	46	3,106,400	—

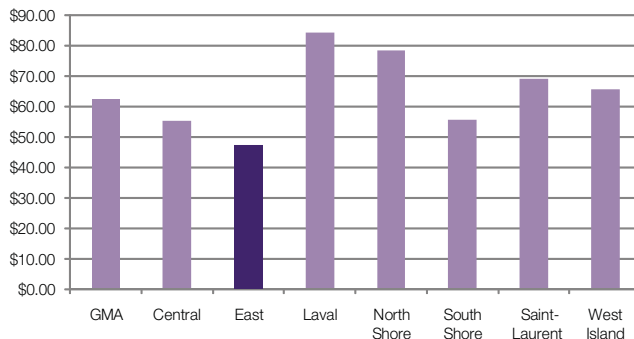
Source: DTZ Barnicke

Average asking rental rate (17,000 sq ft +)



Source: DTZ Barnicke

Average asking sale price (20,000 sq ft +)



Source: DTZ Barnicke

Lease listings by clear height (17,000 sq ft +)

Clear height	Number of spaces	Total market area (sq ft)	Average asking rate
0' - 17'	16	734,529	\$5.42
18' - 24'	42	2,446,862	\$5.25
25' +	13	1,436,682	\$4.84
Total	71	4,618,073	—

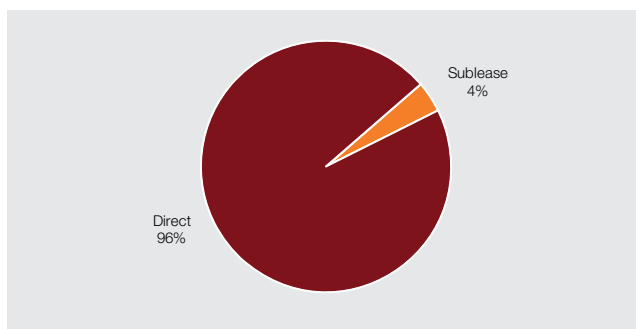
Source: DTZ Barnicke

Sale listings by clear height (20,000 sq ft +)

Clear height	Number of properties	Total market area (sq ft)	Average asking price
0' - 17'	9	1,180,107	\$38.17
18' - 24'	13	1,056,603	\$56.44
25' +	5	602,011	\$40.04
Total	27	2,838,721	—

Source: DTZ Barnicke

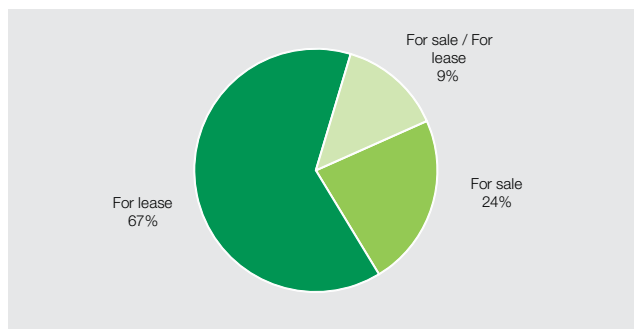
Ratio of available spaces by lease type*



* based on the total lease listings available (17,000 sq ft +)

Source: DTZ Barnicke

Ratio of listings by type*



* based on the total number of properties (17,000 sq ft +)

Source: DTZ Barnicke

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Laval Area

Lease listings by size

Size (sq ft)	Number of spaces	Total market area (sq ft)	Average asking rate
10,000 - 16,999	N/A	N/A	N/A
17,000 - 24,999	3	64,460	\$5.58
25,000 - 49,999	13	469,455	\$5.63
50,000 - 99,999	7	442,407	\$5.35
100,000 - 199,999	4	581,498	\$5.13
200,000 +	0	0	—
Total	27	1,557,820	—

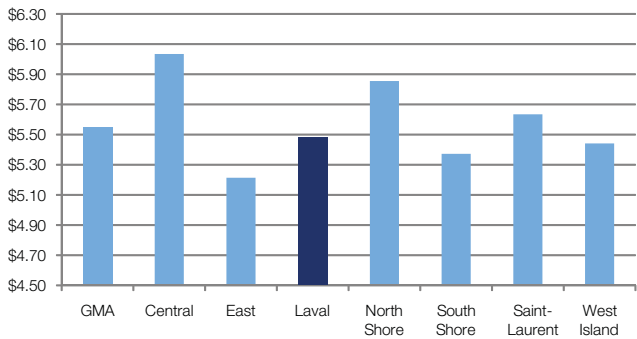
Source: DTZ Barnicke

Sale listings by size

Size (sq ft)	Number of properties	Total market area (sq ft)	Average asking price
10,000 - 16,999	1	10,500	\$59.52
17,000 - 24,999	2	41,100	\$98.70
25,000 - 49,999	6	239,071	\$85.95
50,000 - 99,999	4	244,685	\$79.25
100,000 - 199,999	0	0	—
200,000 +	1	232,000	\$68.97
Total	14	767,356	—

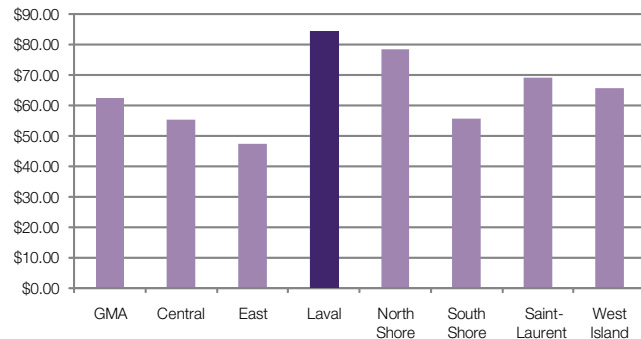
Source: DTZ Barnicke

Average asking rental rate (17,000 sq ft +)



Source: DTZ Barnicke

Average asking sale price (20,000 sq ft +)



Source: DTZ Barnicke

Lease listings by clear height (17,000 sq ft +)

Clear height	Number of spaces	Total market area (sq ft)	Average asking rate
0' - 17'	0	0	—
18' - 24'	17	673,010	\$5.58
25' +	10	884,810	\$5.32
Total	27	1,557,820	—

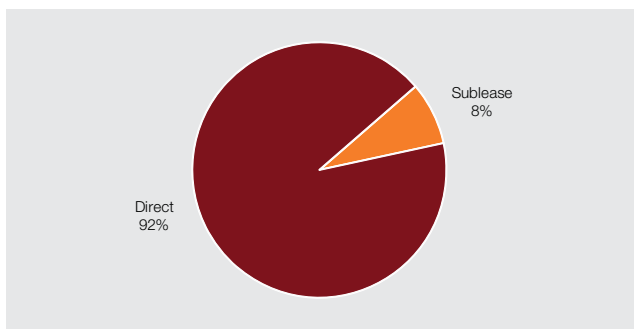
Source: DTZ Barnicke

Sale listings by clear height (20,000 sq ft +)

Clear height	Number of properties	Total market area (sq ft)	Average asking price
0' - 17'	0	0	—
18' - 24'	9	622,363	\$87.59
25' +	3	116,493	\$73.86
Total	12	738,856	—

Source: DTZ Barnicke

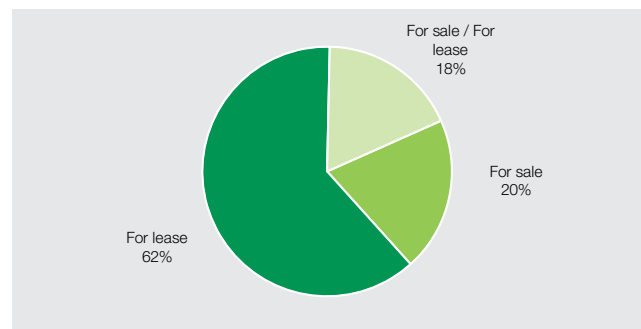
Ratio of available spaces by lease type*



* based on the total lease listings available (17,000 sq ft +)

Source: DTZ Barnicke

Ratio of listings by type*



* based on the total number of properties (17,000 sq ft +)

Source: DTZ Barnicke



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North Shore Area

Lease listings by size

Size (sq ft)	Number of spaces	Total market area (sq ft)	Average asking rate
10,000 - 16,999	N/A	N/A	N/A
17,000 - 24,999	3	65,099	\$6.00
25,000 - 49,999	6	207,856	\$5.67
50,000 - 99,999	4	283,845	\$6.01
100,000 - 199,999	0	0	—
200,000 +	0	0	—
Total	13	556,800	—

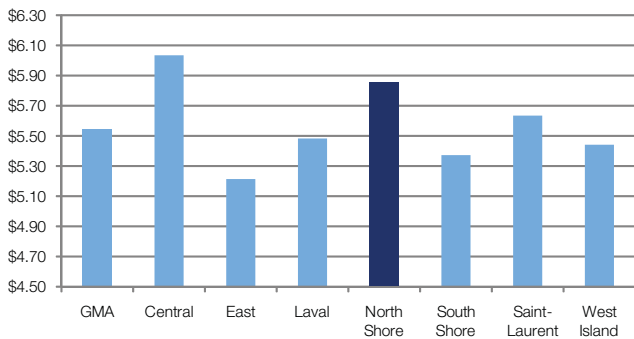
Source: DTZ Barnicke

Sale listings by size

Size (sq ft)	Number of properties	Total market area (sq ft)	Average asking price
10,000 - 16,999	11	156,732	\$69.39
17,000 - 24,999	5	104,675	\$85.30
25,000 - 49,999	9	328,575	\$86.08
50,000 - 99,999	2	150,845	\$54.24
100,000 - 199,999	0	0	—
200,000 +	1	270,067	\$10.92
Total	28	1,010,894	—

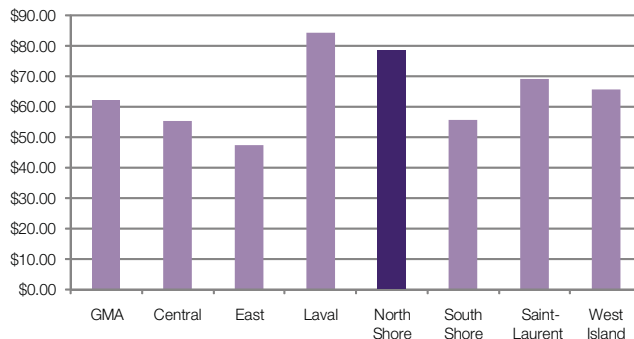
Source: DTZ Barnicke

Average asking rental rate (17,000 sq ft +)



Source: DTZ Barnicke

Average asking sale price (20,000 sq ft +)



Source: DTZ Barnicke

Lease listings by clear height (17,000 sq ft +)

Clear height	Number of spaces	Total market area (sq ft)	Average asking rate
0' - 17'	0	0	—
18' - 24'	9	386,379	\$5.93
25' +	4	170,421	\$5.66
Total	13	556,800	—

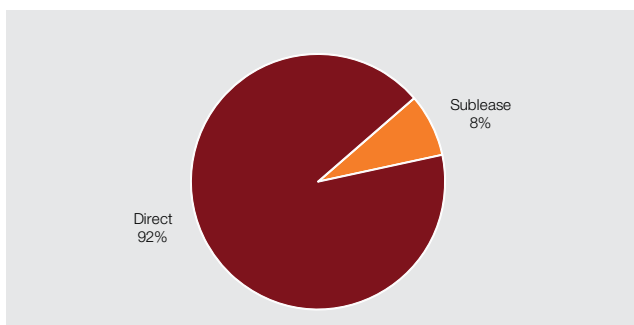
Source: DTZ Barnicke

Sale listings by clear height (20,000 sq ft +)

Clear height	Number of properties	Total market area (sq ft)	Average asking price
0' - 17'	0	0	—
18' - 24'	8	289,285	\$76.96
25' +	8	546,299	\$79.71
Total	16	835,584	—

Source: DTZ Barnicke

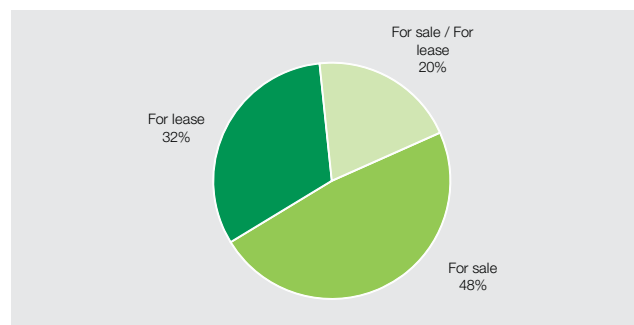
Ratio of available spaces by lease type*



* based on the total lease listings available (17,000 sq ft +)

Source: DTZ Barnicke

Ratio of listings by type*



* based on the total number of properties (17,000 sq ft +)

Source: DTZ Barnicke

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South Shore Area

Lease listings by size

Size (sq ft)	Number of spaces	Total market area (sq ft)	Average asking rate
10,000 - 16,999	N/A	N/A	N/A
17,000 - 24,999	7	157,709	\$5.37
25,000 - 49,999	16	527,483	\$5.59
50,000 - 99,999	13	886,827	\$5.23
100,000 - 199,999	8	999,742	\$5.22
200,000 +	1	250,000	\$4.75
Total	45	2,821,761	—

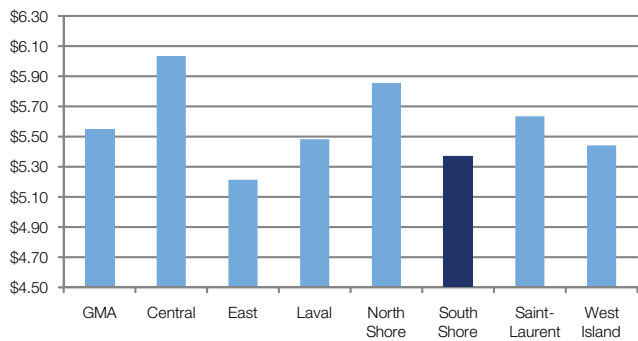
Source: DTZ Barnicke

Sale listings by size

Size (sq ft)	Number of properties	Total market area (sq ft)	Average asking price
10,000 - 16,999	11	151,239	\$97.39
17,000 - 24,999	8	155,742	\$69.03
25,000 - 49,999	9	292,640	\$63.65
50,000 - 99,999	6	353,417	\$56.78
100,000 - 199,999	8	1,016,285	\$51.23
200,000 +	2	432,400	\$36.78
Total	44	2,401,723	—

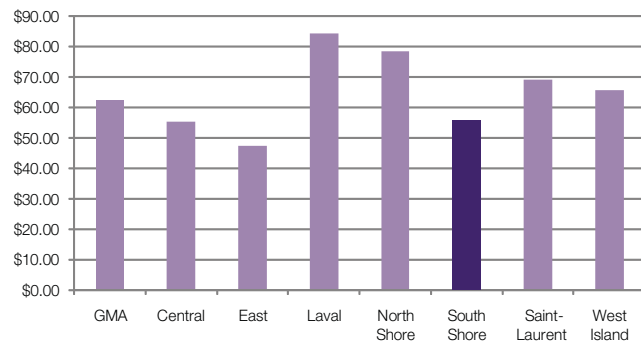
Source: DTZ Barnicke

Average asking rental rate (17,000 sq ft +)



Source: DTZ Barnicke

Average asking sale price (20,000 sq ft +)



Source: DTZ Barnicke

Lease listings by clear height (17,000 sq ft +)

Clear height	Number of spaces	Total market area (sq ft)	Average asking rate
0' - 17'	5	185,296	\$3.35
18' - 24'	31	1,742,030	\$5.51
25' +	9	894,435	\$5.99
Total	45	2,821,761	—

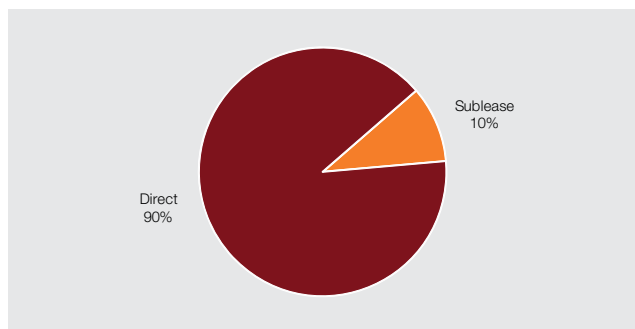
Source: DTZ Barnicke

Sale listings by clear height (20,000 sq ft +)

Clear height	Number of properties	Total market area (sq ft)	Average asking price
0' - 17'	3	124,746	\$28.09
18' - 24'	12	740,672	\$56.10
25' +	12	1,275,575	\$61.82
Total	27	2,140,993	—

Source: DTZ Barnicke

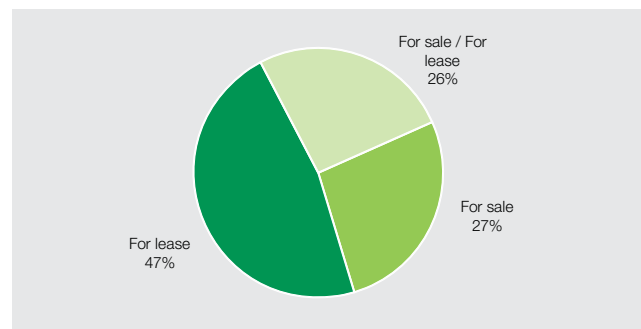
Ratio of available spaces by lease type*



* based on the total lease listings available (17,000 sq ft +)

Source: DTZ Barnicke

Ratio of listings by type*



* based on the total number of properties (17,000 sq ft +)

Source: DTZ Barnicke



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Borough of Saint-Laurent Area

Lease listings by size

Size (sq ft)	Number of spaces	Total market area (sq ft)	Average asking rate
10,000 - 16,999	N/A	N/A	N/A
17,000 - 24,999	31	663,560	\$5.54
25,000 - 49,999	45	1,508,699	\$5.78
50,000 - 99,999	18	1,180,728	\$5.86
100,000 - 199,999	4	500,751	\$4.19
200,000 +	2	447,285	\$4.50
Total	100	4,301,023	—

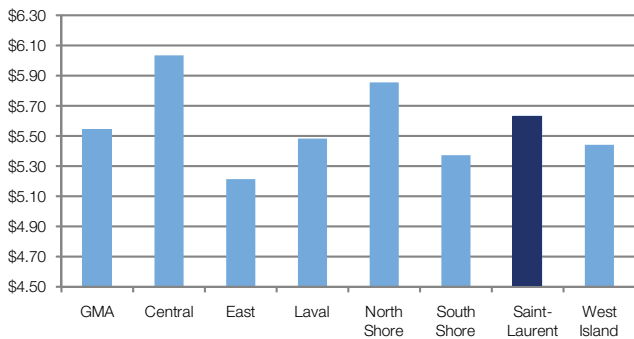
Source: DTZ Barnicke

Sale listings by size

Size (sq ft)	Number of properties	Total market area (sq ft)	Average asking price
10,000 - 16,999	4	56,486	\$121.56
17,000 - 24,999	2	38,792	\$87.37
25,000 - 49,999	9	348,076	\$75.44
50,000 - 99,999	7	527,093	\$63.51
100,000 - 199,999	0	0	—
200,000 +	1	247,285	\$50.00
Total	23	1,217,732	—

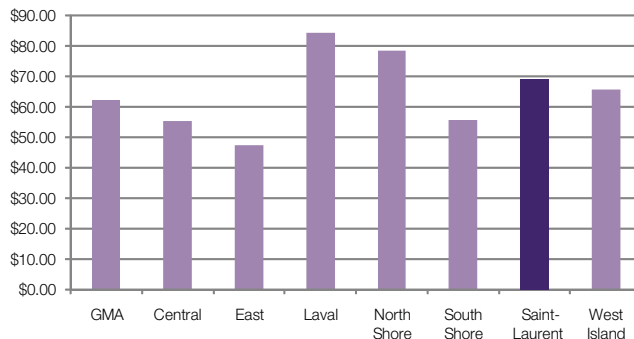
Source: DTZ Barnicke

Average asking rental rate (17,000 sq ft +)



Source: DTZ Barnicke

Average asking sale price (20,000 sq ft +)



Source: DTZ Barnicke

Lease listings by clear height (17,000 sq ft +)

Clear height	Number of spaces	Total market area (sq ft)	Average asking rate
0' - 17'	15	451,239	\$6.90
18' - 24'	74	3,232,288	\$5.40
25' +	11	617,496	\$5.47
Total	100	4,301,023	—

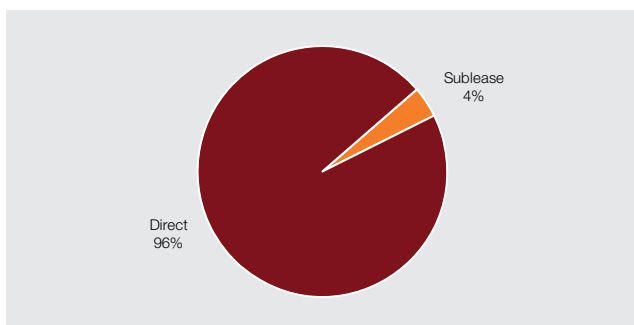
Source: DTZ Barnicke

Sale listings by clear height (20,000 sq ft +)

Clear height	Number of properties	Total market area (sq ft)	Average asking price
0' - 17'	4	158,577	\$52.28
18' - 24'	10	731,457	\$74.60
25' +	3	232,420	\$72.82
Total	17	1,122,454	—

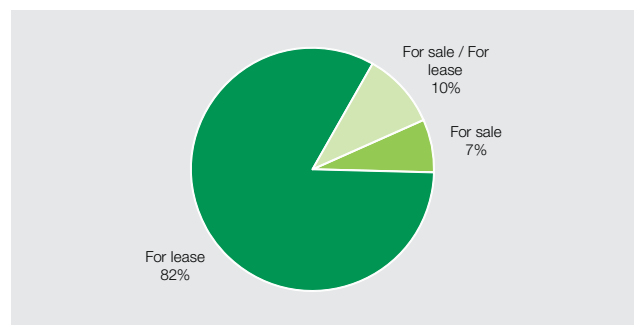
Source: DTZ Barnicke

Ratio of available spaces by lease type*



Source: DTZ Barnicke

Ratio of listings by type*



Source: DTZ Barnicke

* based on the total lease listings available (17,000 sq ft +)

* based on the total number of properties (17,000 sq ft +)

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West Island Area

Lease listings by size

Size (sq ft)	Number of spaces	Total market area (sq ft)	Average asking rate
10,000 - 16,999	N/A	N/A	N/A
17,000 - 24,999	22	488,890	\$6.02
25,000 - 49,999	43	1,477,323	\$5.22
50,000 - 99,999	16	1,039,854	\$5.84
100,000 - 199,999	15	2,083,384	\$5.10
200,000 +	5	1,365,615	\$4.64
Total	101	6,455,066	—

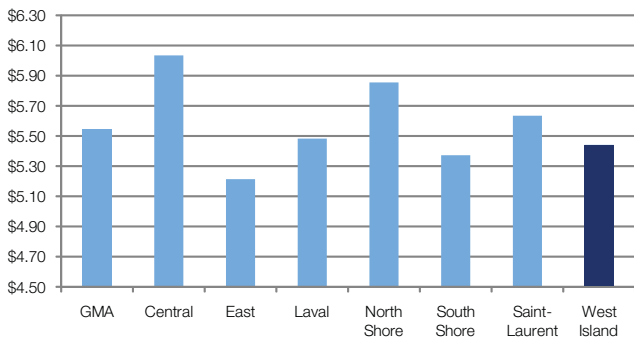
Source: DTZ Barnicke

Sale listings by size

Size (sq ft)	Number of properties	Total market area (sq ft)	Average asking price
10,000 - 16,999	4	48,172	\$123.75
17,000 - 24,999	4	78,426	\$76.00
25,000 - 49,999	8	282,905	\$79.64
50,000 - 99,999	4	260,433	\$61.88
100,000 - 199,999	7	1,065,844	\$51.01
200,000 +	1	214,066	\$35.04
Total	28	1,949,846	—

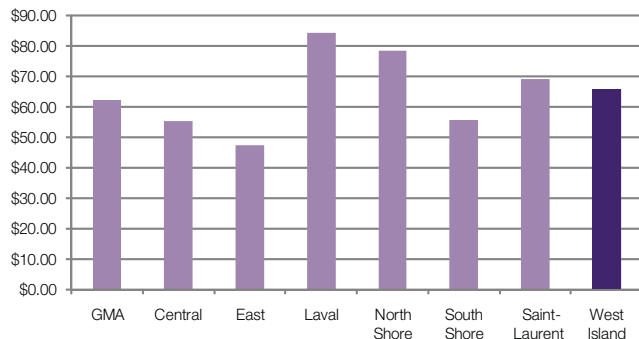
Source: DTZ Barnicke

Average asking rental rate (17,000 sq ft +)



Source: DTZ Barnicke

Average asking sale price (20,000 sq ft +)



Source: DTZ Barnicke

Lease listings by clear height (17,000 sq ft +)

Clear height	Number of spaces	Total market area (sq ft)	Average asking rate
0' - 17'	8	308,638	\$6.56
18' - 24'	74	4,228,663	\$5.23
25' +	19	1,917,765	\$5.81
Total	101	6,455,066	—

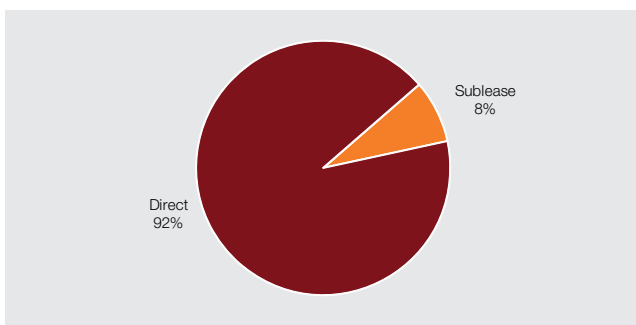
Source: DTZ Barnicke

Sale listings by clear height (20,000 sq ft +)

Clear height	Number of properties	Total market area (sq ft)	Average asking price
0' - 17'	1	22,650	\$69.54
18' - 24'	19	1,718,947	\$65.59
25' +	2	124,801	\$62.83
Total	22	1,866,398	—

Source: DTZ Barnicke

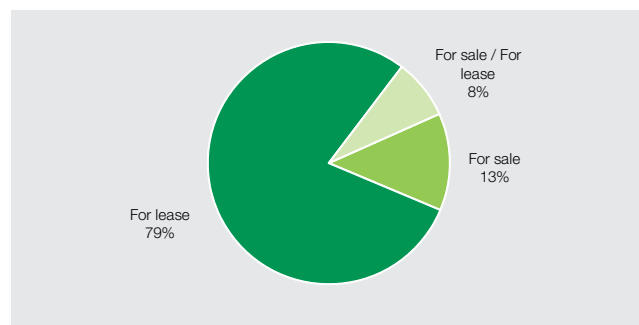
Ratio of available spaces by lease type*



* based on the total lease listings available (17,000 sq ft +)

Source: DTZ Barnicke

Ratio of listings by type*



* based on the total number of properties (17,000 sq ft +)

Source: DTZ Barnicke

Montréal Industrial Newsletter

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