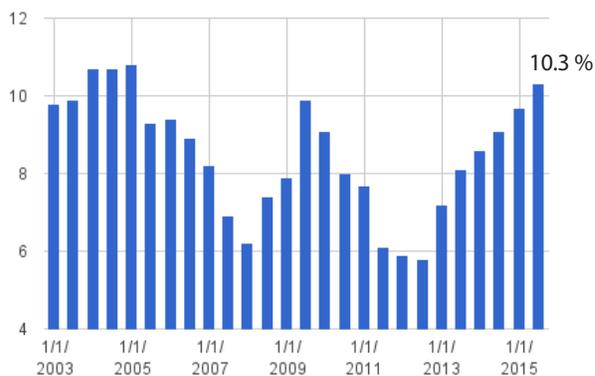


Q3 - MONTREAL OFFICE VACANCY RATES



* Source: Les publications Espace Montréal Inc.

ON THE RADAR SCREEN

Town of Mount Royal has given the go-ahead for Carbonleo to build one of Canada's largest new shopping and entertainment complex where Highway 15 meets Highway 40. The somewhat controversial \$1.7 billion development will include a unique set of high-end retailers, a rooftop green space, cinemas, performing arts space, a water park, restaurants, a skating rink, two hotels and numerous office towers - a total of four million square feet on 2.5 million square feet of land. Construction is slated to begin in 2017 and the development would open in 2021.



* Source: <http://www.carbonleo.com/projet/>

Development around the Bell Centre and Windsor Station is reaching a fevered pitch with Tour des Canadiens 1 under construction and Tour des Canadiens 2 condos in development, along with completion of the Deloitte office tower. But developer Cadillac Fairview has only started to mine the potential of the area that has been dubbed Quad Windsor. New office product, just south of the Bell centre, will include five office towers and a total of 2.7 million square feet of new office space. With new office space coming on the market or planned, there are deals to be had for tenants of all sizes!

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5 LEASING TACTICS TO REDUCE OCCUPANCY COSTS

Leases are negotiable. Some aspects are fixed in stone; others may allow for some wiggle room. Keep these tips in mind when you and your broker are negotiating a new lease:

1. Make sure the measurements are exact and fixed for the entire term
2. Identify the operating costs that aren't directly related to the building, such as marketing costs, and negotiate a reduction or elimination of these
3. Minimize the construction administration and supervision fees related to building out the space
4. Try to eliminate the clause stipulating you must restore the space to its original state when you leave
5. Negotiate security and other fees related to moving in

HEADS UP!

There's never been a better time in the last 10 years to be a Montreal tenant. With new space coming on the market and large tenants such as Deloitte and Rio Tinto Alcan moving into new premises, now is the time to either trade up to better space or get equivalent to your current space for less. If you are already in the core or want to be for the first time, now is your time to move. There are any number of attractive options in some of Montreal's very best buildings and lots of Class B space to be had as well. Contact us to find out what options may be open to you.

Terramont Real Estate Services Inc.
 Commercial Real Estate Agency
 1500 Stanley Street, Suite A
 Montréal (Québec) H3A 1P7
 (514) 861-2020
www.terramont.com

