



2727 COWORKING / RESEARCH & PRACTICAL GUIDANCE

Montreal Commercial Property Tax: What Tenants Pay

Find a practical home for your work at 2727 Coworking in Montreal. Explore private offices, day workspaces and meeting rooms, plus business-address and virtual-mailbox services for your company.

Published by 2727 Coworking · 2026-10-29 · montreal commercial property tax · taxe foncière non résidentielle montréal · commercial tenant property tax quebec

Original article: <https://2727coworking.com/articles/commercial-property-taxes-montreal-tenants-pay-non-residential>



In this article

1. Who actually pays property tax on a commercial space
 2. The tax base: the assessment roll and the three-year phase-in
 3. Montreal's property categories and mixed buildings
 4. The 2026 non-residential rates by value tranche
 5. School tax on non-residential property
 6. Illustrative calculation: a \$4 million office building
 7. How the landlord passes it through: reading the lease
 8. Estimating your share before you sign
 9. Checking the assessment and the tax account
 10. Contesting the assessment: deadlines, fees and the tenant's role
 11. Questions to ask before you sign
 12. Sources
-

Who actually pays property tax on a commercial space

In Montreal the property tax bill goes to the owner of the building, not the business that occupies it. The City sends its [tax accounts to owners](#), generally at the end of January each year. Whether a tenant ends up paying part of that bill depends on the lease, not on any municipal rule.

Most Montreal office and retail leases are written as net leases. You pay a base (or "minimum") rent per square foot, plus "additional rent" that covers your share of the building's operating costs and taxes. Under a gross or semi-gross lease, the landlord folds those costs into one rent figure. Under a net lease, municipal and school taxes show up as their own line, and that line changes every year.

This article follows the chain from the City's assessment roll to that tax line, using the official 2026 rates, as of October 2026. It is general information, not legal or tax advice; your own lease decides what you owe.

The tax base: the assessment roll and the three-year phase-in

Every Montreal tax calculation starts with the property assessment roll. Each of the 16 municipalities of the Montreal agglomeration has its own roll, [filed every three years](#), listing every property and its value. The roll now in force is the **2026-2027-2028 roll**. The same roll is used to calculate both municipal and school taxes.

The City does not tax the new roll value straight away. Under its [phase-in measure \(mesure d'étalement\)](#), it spreads the difference between the old roll value and the new one over three years, adding one third of the change each year. The result is the **tax base** (base d'imposition). The City's own example is a property worth \$560,000 on the 2023-2025 roll and \$620,000 on the 2026-2028 roll. Its tax base is \$580,000 in 2026, \$600,000 in 2027 and \$620,000 in 2028. The phase-in also applies when a value falls, but not to a building put up after the roll took effect.

For a tenant, this has two practical effects:

- **The tax line can keep rising through 2027 and 2028** even if the City's rates stay flat, because more of the new roll value comes into the base each year.
- **A lower rate does not mean a lower bill.** The City **adjusts rates to offset changes in values** so that it raises the revenue in its budget. The non-residential general property tax rate on the first \$900,000 was **2.1329 per \$100 in 2024** and **2.0084 per \$100 in 2026**, the first year of the new roll. A building whose value rose more than the city average can still pay more.

For 2026, the City council **capped the increase in the tax burden under its control at 3.4%**, for residential and non-residential buildings alike. It is not a ceiling on any one building's bill.

Montreal's property categories and mixed buildings

The City applies **different rates to three categories of property**:

1. **The residual category (residential)**, which has two subcategories: buildings of 5 dwellings or fewer, and buildings of 6 dwellings or more.
2. **Non-residential buildings, including mixed buildings.**
3. **Serviced vacant land.**

Offices, shops, warehouses and studios fall in the second category. A *mixed* building has both residential and non-residential parts, such as a storefront with apartments above, or a loft building with ground-floor commercial units. Each part is taxed at its own category's rates. The split comes from the building's **class**.

The class is set under section 244.32 of the *Act respecting municipal taxation*. It depends on what share of the building's taxable value is non-residential, and each class carries a fixed percentage of value that is taxed at non-residential rates. Some rows from the City's **class table**:

Class	Non-residential share of total value	Share of value taxed at non-residential rates
4	8% to under 15%	12%
5	15% to under 30%	22%
6	30% to under 50%	40%
7	50% to under 70%	60%
8	70% to under 95%	85%
9	95% to under 100%	100%
10	100% (entirely non-residential)	100%

The class is printed on the owner's tax account. In a mixed building it sets how much of the bill is non-residential, which is the portion commercial tenants should share.

The 2026 non-residential rates by value tranche

Non-residential buildings pay **differentiated rates** on three taxes: the general property tax, the tax that funds the contribution to the ARTM (the regional transit authority), and the tax for the debts of the former cities. One rate applies to the part of the value up to \$900,000 and a higher rate to the part above \$900,000. For a \$1,000,000 building, the City's own example taxes \$900,000 at non-residential rate 1 and \$100,000 at rate 2. The other taxes use a single non-residential rate. Rates are expressed per \$100 of tax base.

Here are the official **2026 rates**, in dollars per \$100, as of October 2026:

Tax	Residential	Non-residential, value up to \$900,000	Non-residential, value above \$900,000
General property tax	0.4631	2.0084	2.5719
ARTM contribution tax	0.0070	0.0301	0.0385
Roads service tax	0.0024	0.0168	0.0168
Water service tax (metered non-residential)	0.0831	0.3270	0.3270
Former-city debt tax (Ville-Marie, Le Sud-Ouest, Plateau and others)	0.0196	0.0644	0.0825

Things to know when reading the table:

- **The gap is large.** The non-residential general rate is about 4.3 times the residential rate on the first \$900,000 and about 5.6 times above it.
- **The former-city debt rate depends on where the building is.** Ville-Marie, Le Sud-Ouest, Le Plateau-Mont-Royal, Rosemont–La Petite-Patrie and several other boroughs use the rates shown. Others are lower: Saint-Laurent's is 0.0097 and 0.0124. In Pierrefonds–Roxboro and L'Île-Bizard–Sainte-Geneviève it does not apply.
- **The water tax has a higher non-residential rate without a meter** (0.3433 per \$100). Non-residential buildings also pay a volumetric water charge. It is \$0 per m³ up to 1,000 m³, then 0.110, 0.225 and 0.690 \$/m³ in the higher tiers.
- **Borough taxes come on top.** Each borough sets a services tax and an investments tax, and these **apply at a single rate to all categories**. In 2026, Ville-Marie charges 0.0391 and 0.0086, and Le Sud-Ouest 0.0510 and 0.0263.
- **Parking-lot tax.** Non-residential parking areas in covered sectors pay a per-m² tax (sector A: \$14.25/m² indoors, \$57.50/m² outdoors in 2026), subject to exemptions.

School tax on non-residential property

School tax is separate from the City's account. Under the *Education Act* (Loi sur l'instruction publique), it is charged on the part of a building's *adjusted uniformized value* above \$25,000 (s. 303), at a single Quebec-wide rate set each year and capped at \$0.35 per \$100 (ss. 303.4 and 303.6). On the Island of Montreal, the

Comité de gestion de la taxe scolaire de l'île de Montréal (CGTSIM) bills and collects it for all five school service centres. The 2026-2027 rate is \$0.07899 per \$100, for the school year starting July 1, 2026. There is no separate non-residential rate.

The *uniformized value* is the roll value multiplied by the roll's comparative factor, the inverse of the median ratio between roll values and market values (*Act respecting municipal taxation*, s. 264). The factors published by the Quebec government for Montreal are 1.08 for 2025, 1.00 for 2026 and 1.04 for 2027. The change between the old and new uniformized values is phased in by thirds, as with the City's base, so the school-tax base is not the City's tax base. School tax is small next to the City's taxes, but net leases usually include it in the same "taxes" line.

Illustrative calculation: a \$4 million office building

Illustrative example, using the official 2026 rates. The building and every figure about it are hypothetical.

Take a fully non-residential office building (class 10) in Ville-Marie, with a water meter. It was worth \$3,850,000 on the 2023-2025 roll and \$4,300,000 on the 2026-2028 roll. The \$450,000 increase is phased in at \$150,000 a year, so the 2026 tax base is **\$4,000,000**. It will be \$4,150,000 in 2027 and \$4,300,000 in 2028.

2026 tax	Base	Rate per \$100	Amount
General property tax, first tranche	\$900,000	2.0084	\$18,075.60
General property tax, second tranche	\$3,100,000	2.5719	\$79,728.90
ARTM contribution, first tranche	\$900,000	0.0301	\$270.90
ARTM contribution, second tranche	\$3,100,000	0.0385	\$1,193.50
Former-city debt, first tranche	\$900,000	0.0644	\$579.60
Former-city debt, second tranche	\$3,100,000	0.0825	\$2,557.50
Roads service	\$4,000,000	0.0168	\$672.00
Water service (metered)	\$4,000,000	0.3270	\$13,080.00
Ville-Marie borough services	\$4,000,000	0.0391	\$1,564.00
Ville-Marie borough investments	\$4,000,000	0.0086	\$344.00
Municipal total			\$118,066.00
School tax 2026-2027	\$4,205,333 – \$25,000	0.07899	\$3,302.05
Total property taxes			\$121,368.05

The school-tax base: old roll $\$3,850,000 \times 1.08 = \$4,158,000$; new roll $\$4,300,000 \times 1.00 = \$4,300,000$; one third of the \$142,000 change is \$47,333, so \$4,205,333. Minus the \$25,000 exemption, $\$4,180,333 \times 0.07899 \div 100 = \$3,302.05$.

The combined rate is about 3.03% of the tax base, and the general property tax is roughly 81% of the bill. Above \$900,000 every extra dollar of value is taxed at the higher rate, so an assessment increase hits a large building harder. The total leaves out the volumetric water charge and any parking-lot tax.

How the landlord passes it through: reading the lease

The City stays out of this step: its worksheet for the non-residential portion of an account says [any split of taxes or rent adjustment follows the lease clauses](#) between owner and tenants. The business terms are whatever you negotiate within the framework covered in our overview of [commercial lease obligations under the Civil Code](#).

In a net lease, look for these elements:

- **Definition of "taxes".** Municipal and school taxes only, or also special assessments, water and parking taxes, and the landlord's own income or capital taxes? Push to exclude the last.
- **Proportionate share.** Usually your rentable area divided by the building's. Check that the denominator is total *leasable* area, so you do not pay for vacant space.
- **Base year (or tax stop).** Some leases charge only the increase over a base-year amount. With a 2026 base, the phase-in still builds increases into 2027 and 2028.
- **Estimates and reconciliation.** Landlords bill a monthly estimate and reconcile later. Ask for a reconciliation deadline and the right to see the tax accounts.
- **Mixed buildings.** Commercial tenants should be allocated only the non-residential portion (based on the class), not a pro-rata share of the whole bill.
- **Use-driven charges.** Volumetric water charges caused by one tenant's use are often billed to that tenant directly.
- **Refunds.** If a review lowers the tax, does your share of the refund come back to you?

For how base rent and additional rent add up to a total cost per square foot, see our [Montreal commercial rent calculator](#).

Estimating your share before you sign

The formula is simple:

Your annual tax share = building's total property taxes × (your rentable area ÷ building's rentable area)

Continuing the illustrative example, say the building has 40,000 sq ft of rentable area and you are looking at 2,500 sq ft:

- Your share: $2,500 \div 40,000 = 6.25\%$
- Annual taxes passed through: $\$121,368.05 \times 6.25\% \approx \text{\$7,586 a year}$, about **\\$632 a month**
- On a per-square-foot basis: $\$121,368.05 \div 40,000 \approx \text{\$3.03 per sq ft per year}$

Then project forward. The phase-in alone adds \$150,000 of tax base in each of 2027 and 2028 in this example. All of that increase falls in the tranche above \$900,000. At 2026 municipal rates (3.0844 per \$100 in total on that tranche) it adds $\$150,000 \times 3.0844 \div 100 \approx \$4,627$ a year for the whole building (about \$289 of it

on your 6.25% share), before any rate change. The school tax rises too: Montreal's 2027 factor of 1.04 lifts the uniformized value. Run the numbers from the actual tax accounts rather than a single "taxes per sq ft" figure in a listing.

Checking the assessment and the tax account

You do not need the landlord to give you the basic figures:

- **The roll.** Roll values and owner names are [public on the City's online assessment roll](#). You can find the building's 2026-2028 value and the value it replaced.
- **The tax account.** A copy of each tax account is [available online](#). You can search by the building's address or account number. It shows the adjusted taxable value, the class and each tax line.
- **The non-residential portion.** For a mixed building, the City publishes a worksheet. You take the class percentage of each tax calculated at the non-residential rate (general, ARTM, former-city debt, water, roads), then add the same percentage of the two borough taxes.

Compare these with the landlord's additional-rent statement: watch for whole-building taxes charged in a mixed building, a denominator that excludes vacant space, and estimates never reconciled.

Contesting the assessment: deadlines, fees and the tenant's role

The amount of tax is not open to challenge, but the roll value behind it is. The [City's review page](#) is explicit on two points. Any person with an interest (owner, *tenant*, taxpayer) may file a request for administrative review. And the amount of tax, or a comparison with a neighbour's assessed value, is not a valid ground.

Deadlines and fees, as of October 2026:

- **When a new roll is filed**, the deadline is the later of two dates: before May 1 following the roll's coming into force, or 60 days after the assessment notice was sent. For the 2026-2028 roll, that window has closed for most properties.
- **Large properties.** The deadline becomes [120 days for a unit valued at \\$3,000,000 or more](#), unless the municipality publishes the roll on its website within 60 days of filing it.
- **Mid-roll changes.** After an amendment notice or a notice of correction, the same rule applies (May 1, or 60 days after the notice).
- **Fees (non-refundable).** \$90 for a value up to \$500,000, \$360 up to \$2,000,000, \$605 up to \$5,000,000 and \$1,215 above that.
- **After the review.** The assessor answers in writing. Without an agreement, you can appeal to the real-estate division of the Tribunal administratif du Québec within 60 days.

Valid grounds include building defects, nuisances, lost rents, high expenses and comparable sales. For a tenant, the realistic route is usually to ask the landlord to file, since the owner holds the data. A lease clause obliging the landlord to contest on reasonable request and pass refunds through costs little to negotiate. Rolls

cover three consecutive years (*Act respecting municipal taxation*, s. 14) and requests are due before May 1 after a roll takes effect (s. 130), so the next full window is the 2029-2031 roll: by April 30, 2029 for most properties.

Questions to ask before you sign

Bring these to the landlord or broker:

1. What were the total municipal and school taxes for 2024, 2025 and 2026, and what is the 2026-2028 roll value?
2. Is the building entirely non-residential, or mixed? Which class is it, and how is the non-residential portion split?
3. What is the denominator for my proportionate share, and does it include vacant space?
4. How is the monthly estimate set, and when is the year-end reconciliation sent?
5. Is there a base year or cap on tax increases? How will the 2027 and 2028 phase-in steps be handled?
6. Has the owner requested a review of the 2026-2028 value, and will refunds be shared with tenants?
7. Are water volumetric charges or parking-lot taxes included in "taxes", and how are they allocated?

If you are comparing a net lease with an all-inclusive arrangement, put both on the same footing. An all-in monthly price for a private office or desk usually bundles taxes and operating costs, so there is no annual reconciliation, but you also have no say in how those costs are set. Our [coworking versus leasing cost comparison](#) walks through that trade-off.

2727 Coworking has private offices on the Lachine Canal in Griffintown, at 2727 Rue Saint-Patrick.

Sources

- [Comment sont calculées les taxes municipales](#) — Ville de Montréal
- [Taux de taxes pour 2026](#) — Ville de Montréal
- [Taux de taxation de 2024 \(PDF\)](#) — Ville de Montréal
- [Budget 2026 et PDI 2026-2035 de Montréal](#) — Ville de Montréal
- [Comment calculer la portion non résidentielle d'un compte de taxes](#) — Ville de Montréal
- [Rôles d'évaluation foncière](#) — Ville de Montréal
- [Demander une révision du rôle d'évaluation foncière](#) — Ville de Montréal
- [Demander la révision du rôle d'évaluation foncière](#) — Gouvernement du Québec
- [Comprendre la taxe scolaire](#) — Comité de gestion de la taxe scolaire de l'île de Montréal
- [Loi sur l'instruction publique, RLRQ c. I-13.3, ss. 302-303.6](#) — LégisQuébec
- [Loi sur la fiscalité municipale, RLRQ c. F-2.1, ss. 14, 130, 253.30, 264](#) — LégisQuébec
- [Trouver la proportion médiane d'un rôle d'évaluation](#) — Gouvernement du Québec

Source links

Links cited in this article, in order of first appearance. Full addresses are provided for readers using extracted text.

1. <https://montreal.ca/articles/comment-calculer-la-portion-non-residentielle-dun-compte-de-taxes-10991>
2. <https://montreal.ca/sujets/roles-devaluation-fonciere>
3. <https://montreal.ca/articles/comment-sont-calculees-les-taxes-municipales-8962>
4. https://portail-m4s.s3.montreal.ca/pdf/2024_taux_taxation.pdf
5. <https://montreal.ca/articles/taux-de-taxes-pour-2026-106147>
6. <https://montreal.ca/articles/budget-2026-et-pdi-2026-2035-de-montreal-105882>
7. <https://www.legisquebec.gouv.qc.ca/fr/document/lc/l-13.3>
8. <https://www.cgtsim.qc.ca/comprendre-la-taxe-scolaire>
9. <https://www.legisquebec.gouv.qc.ca/fr/document/lc/F-2.1>
10. <https://www.quebec.ca/habitation-territoire/information-fonciere/evaluation-fonciere/proportions-medianes/trouver-proportion-mediane>
11. <https://montreal.ca/demarches/demander-une-revision-du-role-devaluation-fonciere>
12. <https://www.quebec.ca/habitation-territoire/information-fonciere/evaluation-fonciere/demander-revision>

THE PUBLISHER

About 2727 Coworking

2727 Coworking is a Montreal workspace and business-address provider. We serve people who need a place to focus, meet, run a small business or establish a professional mailing presence. Our website offers English and French information about workspace options and services, alongside educational resources for operating a business in Canada.

A workspace that fits the day

Our workspace options include private offices, day passes and desks, and a conference room. These formats help individuals and teams compare a dedicated office with more flexible ways to work or hold a meeting. Prospective members can explore the virtual tour, review current pricing and book a visit before choosing a workspace.

Business addresses and mail

2727 Coworking provides business-address and virtual-mailbox services. Our resources explain the documents and practical questions involved, including guidance for people outside Canada. Service eligibility, included features, availability and access arrangements should be confirmed on the applicable service page or with our team.

Resources for Canadian small businesses

We publish guides, research and planning tools about workspace decisions, business addresses and starting a business in Canada. Our incorporation research includes information for people inside Canada and abroad, with jurisdiction-specific material to help readers identify the next questions to investigate. These educational resources complement our workspace and address services; they are not individualized legal, tax or immigration advice.

Visit or contact 2727 Coworking

Explore [private offices](#), [day passes and desks](#), [the conference room](#), [business addresses](#) and [virtual mailboxes](#). [Book a visit](#) or [contact the team](#) to discuss your needs.

A business address alone does not establish tax residence, immigration status, banking approval or eligibility for a government program.

Website: <https://2727coworking.com>

This article is educational. Verify consequential medical, legal, financial, regulatory and technical decisions with appropriate professionals and the cited primary sources. Company services are described separately from the article's research findings.