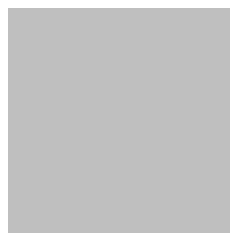


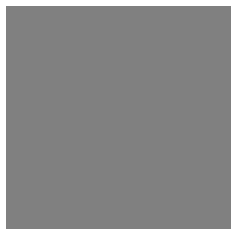
MARKET SURVEY
 CHARLOTTETOWN
 OFFICES & WAREHOUSES
 JUNE 2020



Survey Scope: 31 office & 9 warehouse buildings
 1,026,808 ft.² of rental office space
 319,462 ft.² of rental warehouse space
 expert researchers



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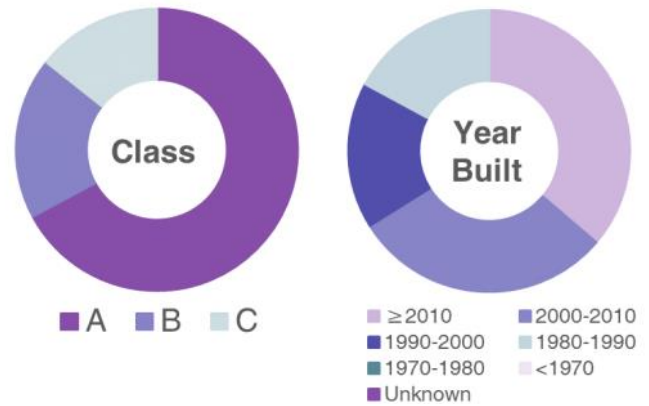


JUNE 2020 MARKET SURVEY CHARLOTTETOWN OFFICES

Year at a Glance

	2019	2020	Change
Office Inventory (ft. ²)	1,019,508	1,026,808	↑ 7,300
Net Absorption (ft. ²)	124,502	(4,333)	↓ (128,835)
Vacancy Rate	7.27%	8.35%	↑ 1.08 pp
Avg. Net Rent/ft. ²	\$15.32	\$15.53	↑ 1.37%
Avg. RTCAM/ft. ²	\$ 7.86	\$ 7.25	↓ - 7.76%
Avg. Gross Rent/ft. ²	\$23.18	\$23.07	↓ - 0.47%

Overall Office Inventory



Supply & Demand Overview

The total amount of rentable office space in our Greater Charlottetown survey increased 0.72% over last year. The overall vacancy rate increased from 7.27% in 2019 to 8.35% in 2020. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicates that 2021 will see GDP increase by 4.5%, leading to a slight decrease in demand for office space of -2.87% and an expected vacancy rate increase to 10.98%.

Our survey measured vacancy and rental rates by class of building. Class A buildings command the highest rents in their community and have distinctive design and lobbies. Class B buildings offer “no frills” modern, air conditioned space. Class C buildings make up the remainder of the office rental market. The current vacancy rates by class are: Class A 7.73%; Class B 6.89%; Class C 13.15%; Overall 8.35%.

The vacancy rate and net rental rate are inversely correlated: empirical data indicates that generally a falling vacancy rate portends a rising net rental rate, while a rising vacancy rate indicates that net rental rate increases will moderate or even fall. Current average net absolute rental rates per square foot are: Class A \$15.96; Class B \$15.76; Class C \$13.58; Overall \$15.53.

Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

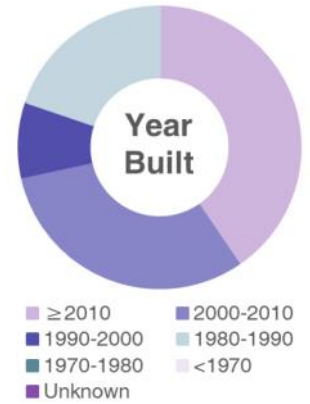
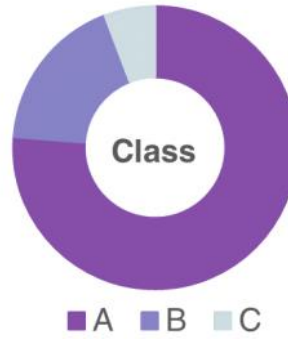


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CHARLOTTETOWN CENTRAL

Year at a Glance

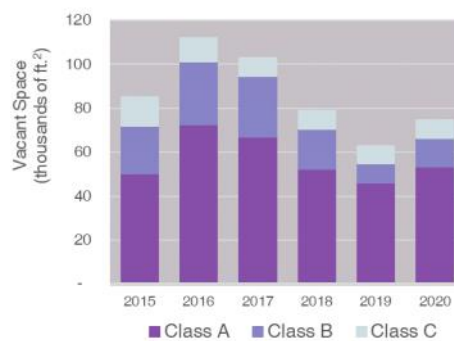
	2019	2020	Change
Office Inventory (ft. ²)	881,804	889,104	↑ 7,300
Net Absorption (ft. ²)	120,766	(4,334)	↓ (125,100)
Vacancy Rate	7.15%	8.40%	↑ 1.25 pp
Avg. Net Rent/ft. ²	\$15.74	\$15.93	↑ 1.21%
Avg. RTCAM/ft. ²	\$ 7.94	\$ 7.65	↓ - 3.65%
Avg. Gross Rent/ft. ²	\$23.68	\$23.74	↑ 0.25%



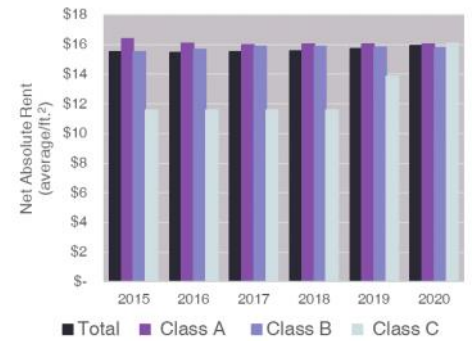
Supply & Demand



Vacant Space



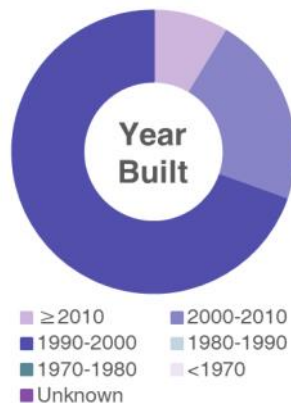
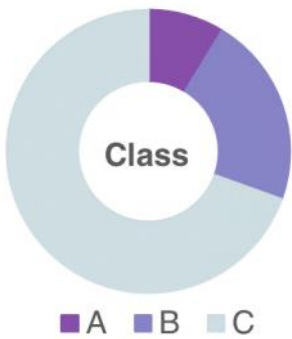
Net Absolute Rent/ft.²



CHARLOTTETOWN PERIPHERAL

Year at a Glance

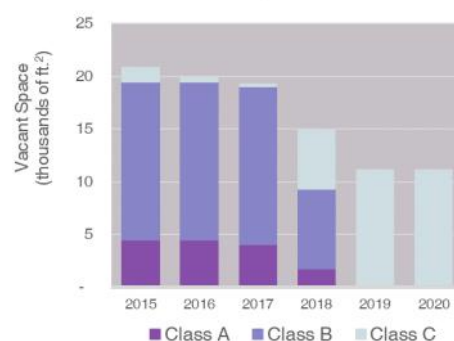
	2019	2020	Change
Office Inventory (ft. ²)	137,704	137,704	↔ ---
Net Absorption (ft. ²)	3,737	---	↓ (3,737)
Vacancy Rate	8.08%	8.08%	↔ ---
Avg. Net Rent/ft. ²	\$12.20	\$12.37	↑ 1.39%
Avg. RTCAM/ft. ²	\$ 7.21	\$ 5.28	↓ - 26.77%
Avg. Gross Rent/ft. ²	\$19.41	\$19.07	↓ - 1.75%



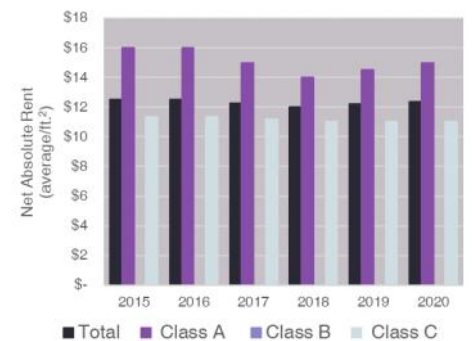
Supply & Demand



Vacant Space



Net Absolute Rent/ft.²



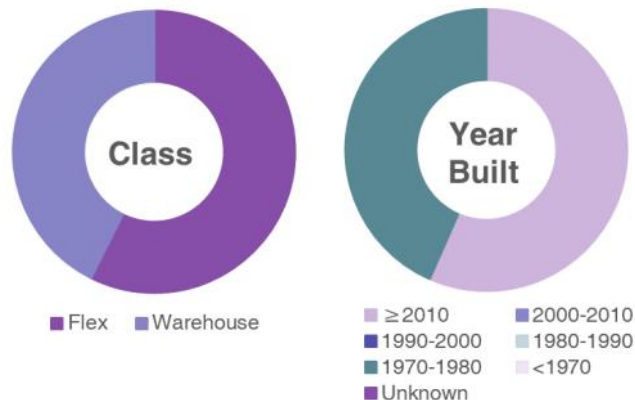
JUNE 2020 MARKET SURVEY

CHARLOTTETOWN WAREHOUSES

Year at a Glance

Warehouse	2019	2020	Change
Inventory (ft. ²)	302,602	319,462	↑ 16,860
Net Absorption (ft. ²)	41,458	11,549	↓ (29,909)
Vacancy Rate	4.82%	6.23%	↑ 1.41 pp
Avg. Net Rent/ft. ²	\$ 9.15	\$ 9.78	↓ 6.89%
Avg. RTCAM/ft. ²	\$ 4.00	\$ 4.43	↑ 10.75%
Avg. Gross Rent/ft. ²	\$14.62	\$15.44	↑ 5.61%

Overall Warehouse Inventory



Supply & Demand Overview

The total amount of rentable warehouse space in Greater Charlottetown increased 5.57% over last year. The overall vacancy rate increased from 4.82% in 2019 to 6.23% in 2020. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicates that 2021 will see GDP growth of 4.5%, with a slight decrease in demand for warehouse of only 1%. With no anticipated new supply coming to market in 2020, the vacancy rate is expected to rise only slightly to 7.17%.

Our survey measured the vacancy rate by geographic node. The current vacancy rate in each of the following locations is: BioCommons Research Park 0.00%; Parkdale Industrial Park 6.18%; West Royalty Industrial Park 7.14%; Overall 6.23%.

Our survey also measured rental rates. Industrial properties in Charlottetown saw the overall net absolute rent per square foot increase, year over year, rising to \$9.78/ft.² in 2020. The average overall net rental rates per square foot in each of the following locations are: BioCommons Research Park N/A; Parkdale Industrial Park \$6.44; West Royalty Industrial Park \$10.45; Overall \$9.78.

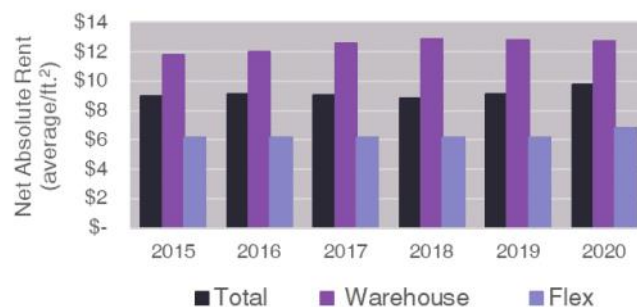
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

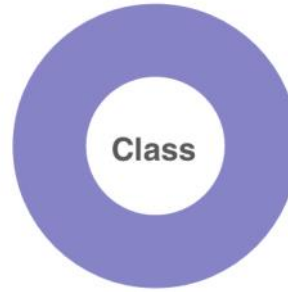


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PARKDALE INDUSTRIAL PARK

Year at a Glance

Warehouse	2019	2020	Change
Inventory (ft. ²)	64,719	64,719	↔ ---
Net Absorption (ft. ²)	22,360	---	↓ (22,360)
Vacancy Rate	6.18%	6.18%	↔ ---
Avg. Net Rent/ft. ²	\$ 6.44	\$ 6.44	↔ ---
Avg. RTCAM/ft. ²	\$ 0.98	\$ 0.98	↔ ---
Avg. Gross Rent/ft. ²	\$15.14	\$15.14	↔ ---

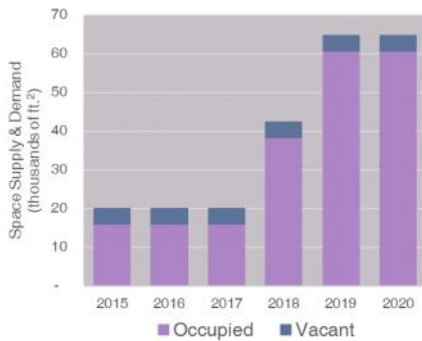


Flex Warehouse

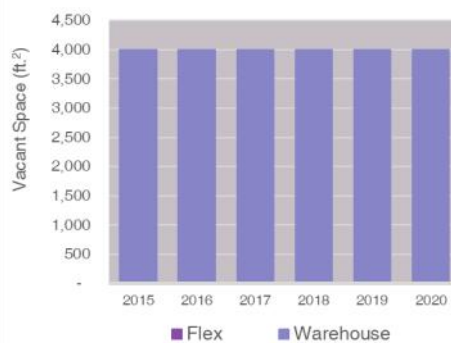


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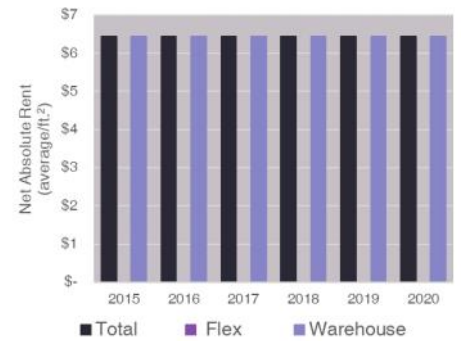
Supply & Demand



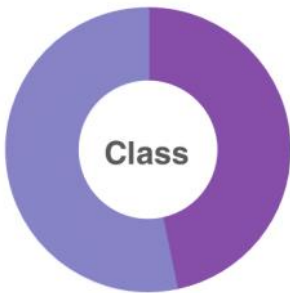
Vacant Space



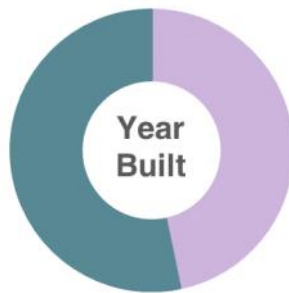
Net Absolute Rent/ft.²



WEST ROYALTY INDUSTRIAL PARK



Flex Warehouse

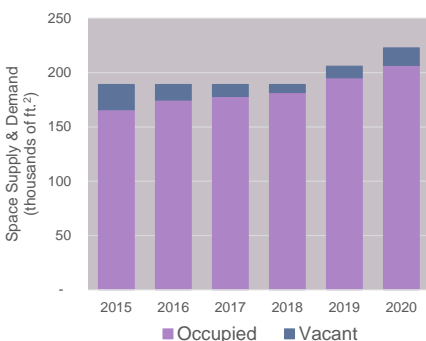


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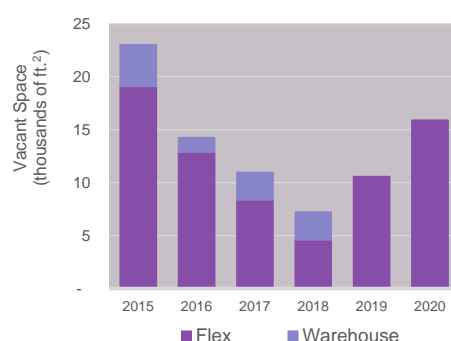
Year at a Glance

Warehouse	2019	2020	Change
Inventory (ft. ²)	205,882	222,743	↑ 16,861
Net Absorption (ft. ²)	13,498	11,549	↓ (1,949)
Vacancy Rate	5.14%	7.14%	↑ 2.00 pp
Avg. Net Rent/ft. ²	\$ 9.74	\$10.45	↑ 7.29%
Avg. RTCAM/ft. ²	\$ 4.68	\$ 5.11	↑ 9.19%
Avg. Gross Rent/ft. ²	\$14.41	\$15.56	↑ 7.98%

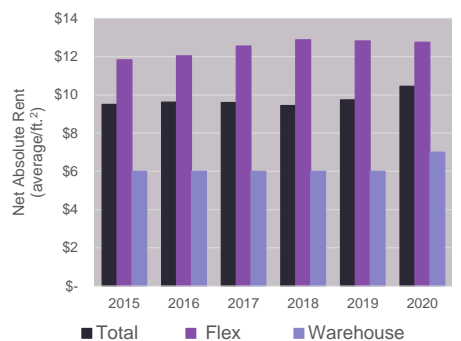
Supply & Demand



Vacant Space



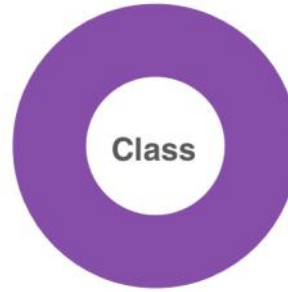
Net Absolute Rent/ft.²



BIOCOMMONS RESEARCH PARK

Year at a Glance

Warehouse	2019	2020	Change
Inventory (ft. ²)	32,000	32,000	↔ ---
Net Absorption (ft. ²)	5,600	---	↓ (5,600)
Vacancy Rate	0.00%	0.00%	↔ ---
Avg. Net Rent/ft. ²	n/a	n/a	n/a
Avg. RTCAM/ft. ²	n/a	n/a	n/a
Avg. Gross Rent/ft. ²	n/a	n/a	n/a

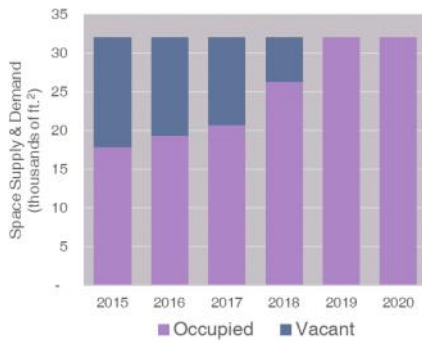


■ Flex ■ Warehouse

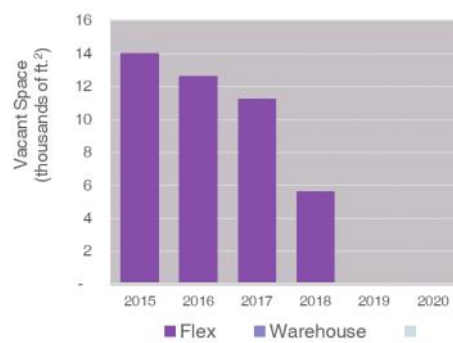


■ ≥2010 ■ 2000-2010
 ■ 1990-2000 ■ 1980-1990
 ■ 1970-1980 ■ <1970
 ■ Unknown

Supply & Demand



Vacant Space



JUNE 2020 MARKET SURVEY

CHARLOTTETOWN OFFICES & WAREHOUSES

Glossary

Inventory/Supply: The total rentable area of office space in the rental market, occupied or vacant.

Vacancy Rate - The vacancy rate excludes any space available for sub-lease: it is the total amount of space which is vacant and not currently leased.

Absorption - This is the amount of additional space absorbed by the market during that period. It is the incremental market demand.

Building Class:

Office Class - This is the industry definition common to this particular marketplace.

Class A - These office buildings command the highest rents, have “presence” by virtue of their distinctive design and lobbies, are air-conditioned and sprinklered. They are regarded as “prestige” buildings in their marketplace and are usually the most modern buildings. They typically include the leading firms of lawyers and accountants, together with regional or head offices for banks, financial institutions and other major companies, as their tenants.

Class B - These are “second tier” office buildings in terms of rents. They are usually older than Class A buildings and lack “presence”. They are air conditioned and are usually sprinklered. They are regarded as offering modern, but not “prestige” office accommodation in their marketplace. Typically they were built over 20 years ago. Tenants usually include second tier firms of lawyers and accountants, together with a wide selection of private sector companies, provincial and local government agencies.

Class C - These include all office buildings not classed as “A” or “B”.

Class W - Distribution warehouse

Class F - Flex space. This type of space may be used for retail or office use as an alternative to pure warehousing and is typically located at the entrance to a business park in an area with high traffic exposure.

Income & Expense Data:

Net Absolute Rent - This is often referred to as “AAA” or “Base” rent and does not include Realty or Business Occupancy Taxes, Common Area Maintenance (CAM), or any other services such as Electricity, Cleaning or Heating.

Current Realty Taxes - These are the Realty Taxes (not the Business Occupancy Taxes) currently paid by the Landlord and which are recovered from the Tenant usually as part of the Service Rent.

Current CAM - This is the additional amount recovered by the Landlord from the Tenant to cover the operating and maintenance costs of the building including the tenant suites. Common Area Maintenance (CAM) typically includes fire insurance, repairs and maintenance, cleaning (common areas plus often the tenant suites), electricity (common areas plus often the tenant suites), heating and air conditioning (common areas plus often the tenant suites), water, garbage removal, snow clearing, elevator maintenance, management, security, etc. It, together with the Realty Taxes, is recovered by the Landlord from the Tenant as “Service Rent”, if the Tenant has a “net absolute” lease.

Total Realty Taxes + CAM (RTCAM) - This is the total of the Realty Taxes and CAM, and is often recovered from the tenant as “Service Rent”.

Total Gross Rent - This is the total rent recovered from the Tenant by the Landlord and is the total of the Base (Net Absolute Rent) plus the Service Rent (Realty Taxes + CAM).

ONE TEAM: SEVEN AREAS OF EXPERTISE

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