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ST. JOHN'S OVERALL OFFICE VACANCY HIGHEST SINCE 2007 **Is supply finally catching up?**

Despite rising 1.67 percentage points since 2011, at 5.29%, St. John's has the lowest overall vacancy rate in Atlantic Canada. This translates into the highest overall net rental rate in Atlantic Canada, at \$16.35/ft.², and the highest average net rental rate for each class of office space. That is the conclusion from the latest of six rental surveys recently conducted throughout the six major city centres in Atlantic Canada.

The surveys are thought to be the most comprehensive ever conducted in Greater St. John's: a team of trained researchers collected rental, operating expense and vacancy data for 68 office buildings, including buildings as small as 5,000 ft.², with an aggregate rentable area of over 3.1 million ft.².

St. John's overall office vacancy is the highest it has been since 2007, however this is not due to a lack of demand. Supply is finally starting to catch up in St. John's, with an additional 176,165 ft.² added to the market over the past year. This increase in supply did not stunt growth in net rents; in fact, the overall net rent for office space in St. John's increased 6% from \$15.43/ft.² in 2011 to the current \$16.35/ft.², reflecting continued demand coupled with premium rents for new space.

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If you would like more information about this topic, or wish to schedule an interview with Ashley Urquhart, please call her at (902) 429-1811 ext. 340 or email aurquhart@turnerdrake.com.