



Contact: André Pouliot
Tel: (506) 634-1811 Ext. 321
Email: apouliot@turnerdrake.com

FOR IMMEDIATE RELEASE

CAPITAL CITY'S OFFICE MARKET OUTPACES RIVALS

Slow and Steady Vacancy Increases Win the Race

Fredericton's office market is one of the healthiest in Atlantic Canada: since 2011, all six major cities have seen their vacancy rates climb, but only Fredericton had an increase of less than one percentage point. The vacancy rate now sits at 7.33%, second only to St. John's. Fredericton also commands the highest overall net rental rate in New Brunswick, \$12.97/ft.². That is the conclusion from the latest of fourteen rental surveys recently conducted by Atlantic Canada real estate counsellors, Turner Drake & Partners Ltd.

The surveys are thought to be the most comprehensive ever conducted in Greater Fredericton: a team of trained researchers collected rental, operating expense and vacancy data for 64 office and warehouse buildings, some as small as 5,000 ft.², with a total rentable area of over 2.5 million ft.².

The vacancy rate for Fredericton's Class C office market has declined almost 5 percentage points since 2011, moderating the impact of 0.6 and 3.1 percentage point increases in vacancy for Class A and B space, respectively, on the overall vacancy rate, which climbed just 0.9 percentage points. This is in stark contrast with other Atlantic Canadian cities, each of which saw vacancy rates jump at least 2 percentage points, with Saint John leading the losers at a 10.9 percentage point increase in the vacancy rate. Fredericton remains at the top of the New Brunswick market for overall net rents, outpacing Saint John and Moncton with a 2.05% increase, settling at an average of \$12.97/ft.². This, too, is attributed to the lower classes of office space: Class B and C each saw increases in their average net rental rate, while the rate for Class A space actually declined by 3.31% to \$14.62/ft.².

Turner Drake & Partners Ltd. is a multi-disciplinary firm of real estate consultants offering valuation, property tax, counselling, economic intelligence, and Lasercad™ space measurement advice, throughout Atlantic Canada; together with brokerage (sales and leasing) services in Nova Scotia, New Brunswick and Prince Edward Island.

XXX

If you would like more information about this topic, or wish to schedule an interview with André Pouliot, please call him at (506) 634-1811 ext. 321 or email apouliot@turnerdrake.com.