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## **SAINT JOHN INDUSTRIAL VACANCY SITTING AT 1.42% Lowest vacancy seen in years, but is this good news for the city?**

Saint John currently has the lowest overall industrial vacancy rate in Atlantic Canada sitting at 1.42%. Although this sounds positive, the outlook is not good for attracting new market entrants. In fact, we anticipate that the overall industrial vacancy will contract even further as demand increases and the supply of rental industrial space remains stagnant. That is the conclusion from the latest of twelve 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 Saint John: a team of trained researchers collected rental, operating expense and vacancy data for 51 office and industrial buildings, some as small as 5,000 square feet, with an aggregate rentable area of over 2.5 million square feet.

How is the low vacancy rate effecting net rents in Saint John? Typically tight vacancies lead to increases in net rents. From 2010 to 2011, Saint John's overall industrial net rent only rose by one cent from \$6.11/ft.<sup>2</sup> in 2010 to \$6.12/ft.<sup>2</sup> in 2011. However, we expect that the overall industrial net rental rate will undergo a significant increase as a result of the tight market.

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.

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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](mailto:aurquhart@turnerdrake.com).