



Contact: Ashley Urquhart  
Tel: (902) 429-1811 Ext. 340  
Email: [aurquhart@turnerdrake.com](mailto:aurquhart@turnerdrake.com)

FOR IMMEDIATE RELEASE

## **ST. JOHN'S OFFICE AND INDUSTRIAL VACANCY RATES FURTHER DECLINE WHILE NET RENTS CONTINUE CLIMB**

**With major declines in available office and warehouse space over the past five years, is St. John's taking advantage of this development opportunity or letting it slip away?**

Turner Drake & Partners Ltd. has just released its December 2011 statistics for the St. John's office and industrial rental markets. They show that office and industrial vacancy rates have further declined to their lowest level in five years. Whilst these results seem positive for the City, the lack of available space and increasing net rents are discouraging for tenants wishing to find space. On a positive note, construction permit values nearly doubled from 2009-2010, indicating that St. John's recognises the need for additional space in the market, and what better time to take advantage of low interest rates! That is the conclusion from the latest of twelve rental surveys recently conducted throughout the six major city centres in Atlantic Canada.

The surveys are thought to be the most extensive exercise ever conducted in Greater St. John's: a team of trained researchers collected rental, operating expense and vacancy data for 163 office and industrial buildings, including buildings as small as 5,000 ft.<sup>2</sup>, with an aggregate rentable area of over 5.1 million ft.<sup>2</sup>.

St. John's total office vacancy is the lowest in Atlantic Canada, sitting at 3.53%. Class A space has zero vacancy, despite the net rent being the highest in Atlantic Canada at \$21.42/ft.<sup>2</sup>. Class B office vacancy is following closely behind at 2.78%, with the net rent sitting at \$15.75/ft.<sup>2</sup>. Class C office space is not faring so well, sitting at 10.49%, with net rents averaging \$14.85/ft.<sup>2</sup>. Industrial space is also hard to come by in St. John's, with a total vacancy of 3.32% and net rents sitting at \$9.09/ft.<sup>2</sup>. Construction and renovation permit activity has nearly doubled from 2009-2010, with projects such as the Eastport Properties' Water Street office building; a major downtown development by Fortis; an office development on Waterline Road; and two industrial developments in Mount Pearl. As a result of these developments, we anticipate that the overall office and industrial vacancies will increase as new supply outpaces demand in the marketplace.

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 Ashley Urquhart, please call her at (902) 429-1811 ext. 340 or email [aurquhart@turnerdrake.com](mailto:aurquhart@turnerdrake.com).