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CHARLOTTETOWN OFFICE VACANCY RATES HIGHEST IN ATLANTIC CANADA

How does the warehouse market compare to neighbouring cities?

Despite its first decrease of vacancy in four years, the Greater Charlottetown office market continued to have the highest vacancy rate among Atlantic Canadian cities. That is the conclusion from the latest of nine 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 Charlottetown: a team of trained researchers collected rental, operating expense and vacancy data for 31 buildings, some as small as 10,000 square feet, with an aggregate rentable area of over 1.0 million square feet.

The rental rate in Greater Charlottetown is up 6.75% over last year, coinciding with a decrease in the vacancy rate from 13.03% to 12.34%. With this rental rate increase, the overall net rent per square foot for office space in Greater Charlottetown rose to \$13.61, which is highest in the Maritimes, surpassing that of Halifax, and driven by Charlottetown's virtual full occupancy for Class A space (vacancy of just 2.98%). It is vacancy in Class B space that lets the city down: for the fourth year running, Class B vacancy is pushing 20%.

On the industrial side, Charlottetown saw its vacancy rate drop by 7.04 percentage points, from 12.70% in 2009 to 5.66% in 2010. This was the biggest drop in vacancy among Atlantic Canada's major urban centres. The city is now in the middle of the pack with regards to vacancy rates for industrial space, ahead of Halifax, Fredericton, and Moncton, but behind St. John's and Saint John. Also, the Greater Charlottetown warehouse market boasts rental rates of \$6.00 per square foot, below average for the Atlantic Canadian warehouse 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 Eastern Canada; together with brokerage (sales and leasing) services in Nova Scotia.

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If you would like more information about this topic, or wish to schedule an interview with Alexandra Baird Allen, please call her at (902) 429-1811 ext. 316 or email abairdallen@turnerdrake.com.