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## **ST. JOHN'S OFFICE AND INDUSTRIAL RENTS STILL HIGHEST IN ATLANTIC CANADA**

### **Lowest vacancy rates in Atlantic Canada: St. John's rents exceed all others**

St. John's has the lowest vacancy rate for both office and industrial space and the highest rental rates in Atlantic Canada. Expect further increases in the rental rates in the year to come. 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 St. John's: a team of trained researchers collected rental, operating expense and vacancy data for 164 buildings, some as small as 10,000 square feet, with an aggregate rentable area of over 5 million square feet.

The vacancy rate in every class of office space in St. John's contracted this year, and the overall vacancy rate for the city remains the lowest in Atlantic Canada. Class A office space is now fully occupied, and overall low vacancy rate was sufficient to drive St. John's office rental rates up across the board, culminating in an overall increase of 5.6%. The overall rental rate is the highest in Atlantic Canada, as is the average net rent for every class of office space in the city. The net rental rate for Class A space jumped by 6.3% over 2009, and now sits at \$18.14/ft.<sup>2</sup>. New space is expected to come to market in the year ahead, which will initially drive the vacancy rate up slightly. However, the rental rate will continue to climb as vacancy remains low and high quality new space commands a premium rate.

On the industrial side, too, St. John's has the lowest vacancy rate, dropping from 6.03% in 2009 to the current 4.08%. The rental rate, up 6.8% over last year, is the highest in Atlantic Canada. Demand for warehouse space is expected to increase slightly in the year ahead, driving the vacancy rate further down and the rental rate up.

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](mailto:abairdallen@turnerdrake.com).