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HIGHEST OFFICE VACANCY, LOWEST RENTAL RATE **Saint John's Class C Office Vacancy Nearly 50%**

Despite a slight improvement in the office market for the first time since 2010, Saint John's overall office vacancy remains alarmingly high and continues to be the highest in the Maritimes. As a result, the Port City has the lowest overall net rental rate. As demand continues to weaken over the next year, the high vacancy will continue unless space is removed from the market. That is the conclusion from the latest of fifteen 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 56 office and warehouse buildings, some as small as 5,000 ft.², with an aggregate rentable area of over 3.0 million ft.².

Minor changes occurred in Saint John's Class A and B office vacancy over the past year: Class A increased 0.61 percentage points to 7.97% and Class B actually fell 1.91 percentage points to 16.61%. The vacancy in Class C, however, increased 3.31 percentage points to a whopping 45.44%, almost double that of runner-up Moncton's Class C vacancy rate of 24.19%. As for the net rental rates in Saint John, Class A jumped over 6% to \$11.71/ft.², Class B fell 3.72% to \$10.86/ft.², while struggling Class C saw a baffling increase of 4.67% to \$10.32/ft.². This increase is likely to trigger more tenants to move up to comparably priced Class B space, further driving up the Class C vacancy rate.

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 Matt Whittleton, please call him at (506) 634-1811 ext. 338 or email mwhittleton@turnerdrake.com.