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OFFICE VACANCY UP, RENTAL RATES DOWN

Fredericton's overall net rental rate remains highest in NB for fifth year in a row

Despite having the largest overall increase in office vacancy over the past year, Fredericton's vacancy and net rental rates remain in the middle of the pack in Atlantic Canada. The Capital City commands the highest overall net rental rate in New Brunswick for the fifth year in a row, at \$12.86/ft.². 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 Fredericton: a team of trained researchers collected rental, operating expense and vacancy data for 62 office and warehouse buildings, some as small as 5,000 ft.², with a total rentable area of over 2.5 million ft.².

Fredericton's Class C office space saw the biggest jump in vacancy over the past year: vacancy rose 6 percentage points to nearly 16%, while the net rental rate dropped 1.27% to \$11.63/ft.². Class A and B office space saw vacancy increases of 2.41 and 2.98 percentage points, respectively, with accompanying decreases in rental rates of less than 1%, bringing Class A to \$14.49/ft.² and Class B to \$12.70/ft.². In the warehouse market, the overall vacancy rate dropped to 13.85%, from 14.39% in 2012. This was accompanied by the expected increase in the net absolute rental rate, which is up from \$6.25/ft.² in 2012 to \$6.52/ft.² in 2013.

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 André Pouliot, please call him at (506) 634-1811 ext. 321 or email apouliot@turnerdrake.com.