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FOR IMMEDIATE RELEASE

ST. JOHN'S OFFICE VACANCY RATES INCREASE

Gap Closes Between Class A, B, and C Rates

ST. JOHN'S, NL (January 18, 2016) –St. John's has some of the lowest office vacancy rates in Atlantic Canada, but collapsing oil prices are starting to change that. The total vacancy rate for office spaces rose from 4.80% in 2014, to 7.70% in 2015. In spite of this, rental rates remain about the same, but this could be good news for tenants as these rates are destined to drop should the oil industry continue in its current direction. This is just one of several striking conclusions reached by Turner Drake & Partners Ltd. as part of their Atlantic Canada December 2015 surveys.

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 178 office and warehouse buildings, some as small as 5,000 ft.², with an aggregate rentable area of over 6.1 million ft.².

Class C vacancy rates have been well above Class A and Class B vacancies in St. John's since 2011. Class C buildings still have the highest vacancy rate of the three, but the gap closed during 2015. From 2014 to 2015, Class C vacancy rates increased 2.31 percentage points from 8.21% to 10.52%. Class B rates saw an increase of 2.71 percentage points from the previous year to 6.93%. Class A vacancies rates saw the most significant change, increasing 3.35 percentage points to 7.44%. This is particularly alarming as just 5 years ago, the Class A vacancy rate was 0%!

Turner Drake & Partners Ltd. is a multi-disciplinary firm of real estate consultants offering valuation, property tax, counselling, economic intelligence, planning, 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 Matthew Smith, please call (709) 722-1811 ext. 316 or email msmith@turnerdrake.com.