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Press Release

CALM AMIDST THE CHAOS: THE STABILITY OF CHARLOTTETOWN'S OFFICE MARKET

Charlottetown's historically high vacancy rates in Class A and B office space might be disguising an otherwise optimistic market when compared to the rest of Atlantic Canada. This year, overall office vacancy rates in Charlottetown decreased (albeit slightly, by <1%). Increasing, even skyrocketing, vacancy rates have been recorded in every other major Atlantic market. However in Charlottetown, Class A vacancy fell from 17.34% in December 2015 to 14.95% in 2016, leading an overall decrease in vacancy: from 15.84% in 2015 to 14.99% at the end of 2016. Class B space continues to face high vacancy, climbing 1.2 percentage points versus last year, to the current 20.84%. In contrast, Class C vacancy continues to be the lowest of any market on the east coast, holding steady at just 2.95%.

Overall net rental rates in Charlottetown continue to sit at the top of the pack: at \$14.62/ft.², they are above those of Fredericton (\$13.46/ft.²), Moncton (\$12.93/ft.²), Saint John (\$12.36/ft.²) and Halifax (\$14.11/ft.²) but still below St. John's (\$19.05/ft.²). Change in the net rental rate was minor, but Charlottetown boasts the only market in which the average net rent didn't fall for *any* class of office space. Rather, it held steady (Class A and C) or increased (Class B) for all classes of office space, leading to an overall increase of 0.83%.

Turner Drake & Partners Ltd., a "home grown" Atlantic Canadian company, has provided real estate advice for over forty years. From their offices in Halifax, St. John's, Charlottetown, Saint John and Toronto they provide tenants and landlords with leasing, property tax, valuation, counselling, planning, economic intelligence, and Lasercad® space measurement advice.

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If you would like more information about this topic, or wish to schedule an interview with Mark Farrow, please call (902) 368-1811 ext. 324 or email mfarrow@turnerdrake.com.