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Press Release

FREDERICTON'S OFFICE MARKET: HEALTHY, WEALTHY AND WISE

Fredericton has the healthiest office market in Atlantic Canada. While most other cities saw vacancy creeping up year over year, Fredericton joined Charlottetown in reducing overall vacancy, driven by a 2.47 percentage point decrease in Class A space. The New Brunswick capital has the lowest overall vacancy rate for office space in Atlantic Canada – and is the only city to boast a rate below 10% – despite vacancy for Class B space edging up just under a percentage point since last year, and Class C vacancy jumping almost 5 percentage points.

Vacancy and the net rental rate are inversely correlated: when one goes up, the other goes down, albeit often with a delay. From a tenant's perspective, Fredericton's Class A net rents compare favourably with other markets provincially and regionally: only Moncton offers a lower average Class A rent. But Fredericton's average rents for Class B and C space trend slightly higher, outpacing each of Saint John, Moncton and Halifax. This may explain why vacancy has increased in the lower classes of space: tenants are taking advantage of the opportunity to seek out favourable rates in higher calibre space.

With the lowest overall vacancy rate, the Fredericton market shows itself to be healthy. With the second lowest available Class A rents, tenants retain more of their wealth. Class A landlords have proven themselves wise by offering favourable rents: vacancy in this class sits at just 5.49%, more than 5 percentage points lower than its next competitor, St. John's NL. Yes, this market is healthy, wealthy and wise!

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 landlords and tenants with property tax, valuation, counselling, planning, economic intelligence, Lasercad® space measurement and commercial brokerage advice.

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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 (902) 429-1811 ext. 321 or email apouliot@turnerdrake.com.