

MARKET SURVEY (DECEMBER 2010) GREATER ST. JOHN'S OFFICES

Scope

This survey included every office building with a total rentable area of 5,000 ft.² or greater, available for rent in the Greater St. John's Area. A team of trained researchers collected rental, operating expense and vacancy data on 60 buildings with an aggregate rentable area of 2,663,431 ft.². The survey successfully collected information on 99% of the rental stock polled. Data analysis prior to June 2006 is based on information gathered by a similar but smaller survey conducted by Cushman & Wakefield LePage for PWGSC.

Vacancy Rates

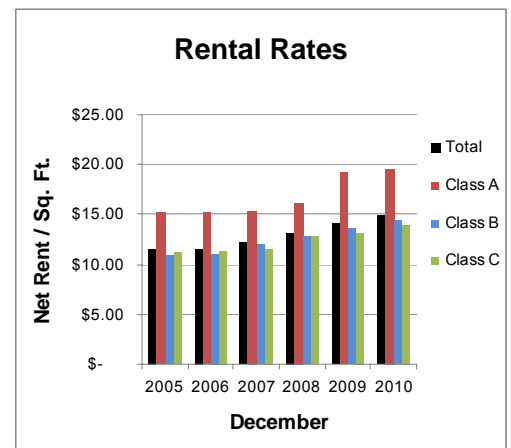
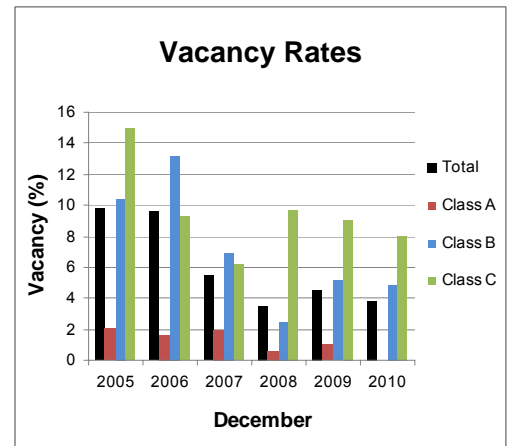
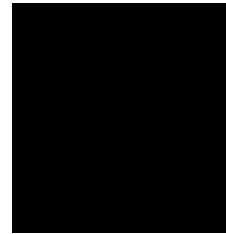
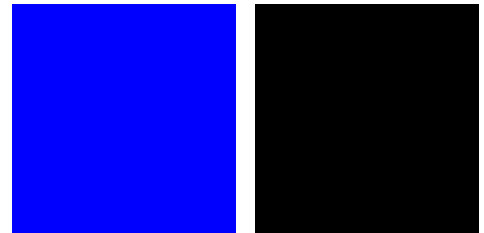
The vacancy rate excludes any space available for sub-lease: it is the total amount of space which is vacant and not currently leased. Our survey measured vacancy rates by class of building. Class A buildings command the highest rents in their community and have distinctive design and lobbies. Class B buildings offer "no frills" modern, airconditioned space. Class C buildings make up the remainder of the office rental market. The vacancy rate and net rental rate are inversely correlated: empirical data indicates that, generally a falling vacancy rate portends a rising net rental rate, while a rising vacancy rate indicates that net rental rate increases will moderate or even fall.

At 3.80%, St. John's has the lowest overall vacancy rate in Atlantic Canada, down from 4.55% in 2009. This translates into the highest overall net rental rate in Atlantic Canada. The current vacancy rates in Greater St. John's are: Class A 0%; Class B 4.86%; Class C 8.09%; Overall 3.80%. The current average net absolute rental rates per square foot are: Class A \$19.58; Class B \$14.50; Class C \$13.94; Overall \$14.84.

Our survey includes all the major centres in Atlantic Canada. The overall vacancy rate by location is as follows: Greater Fredericton 6.07%; Greater Saint John 8.23%; Greater Moncton 11.14%; Greater St. John's 3.80%; Halifax Regional Municipality 7.96%; Greater Charlottetown 11.76%.

Forecast (Next 12 months)

We anticipate that the low vacancy rate will lead to new office space being brought to market in the year to come, bringing the vacancy rate up to 4.66% from the current 3.80%. The net absolute rent/ft.² will rise by 3.25%, reflecting the tight vacancy in most submarkets.



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MARKET SURVEY (DECEMBER 2010) GREATER ST. JOHN'S WAREHOUSES

Scope

This survey included every warehouse building with a total rentable area of 5,000 ft.² or greater, available for rent in the Greater St. John's Area. A team of trained researchers collected rental, operating expense and vacancy data on 105 buildings with an aggregate rentable area of 2,391,525 ft.². The survey successfully collected information on 99% of the rental stock polled. Data analysis prior to June 2006 is based on information gathered by a similar but smaller survey conducted by Cushman & Wakefield LePage for PWGSC.

Vacancy Rates

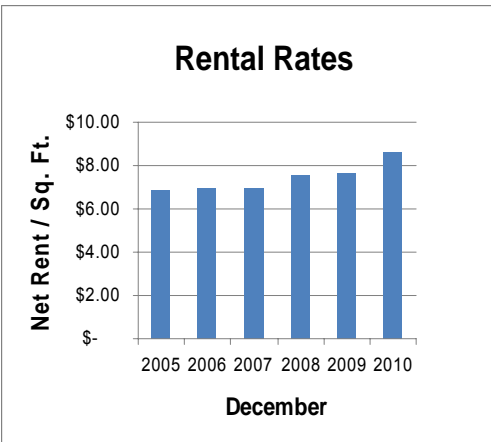
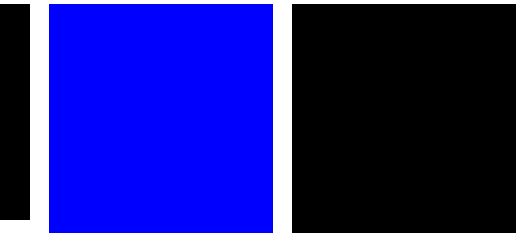
The vacancy rate excludes any space available for sub-lease: it is the total amount of space which is vacant and not currently leased. Vacancy rates prior to June 2006 are based on data collected by the Cushman & Wakefield LePage surveys, and employ heuristic algorithms which compensate for missing data. The overall vacancy rate dropped for the second year in a row, from 5.49% in 2009. The current vacancy rate is 4.39%.

Our survey also measured rental rates. St. John's industrial properties have the highest net rental rate of all the major centres in Atlantic Canada. The overall average net rental rates by location are as follows: Greater Fredericton \$6.33; Greater Saint John \$6.11; Greater Moncton \$6.04; Greater St. John's \$8.65; Halifax Regional Municipality \$7.02; Greater Charlottetown \$6.00.

Our survey includes all the major centres in Atlantic Canada. The vacancy rate for St. John's is the lowest of all the cities in Atlantic Canada. The overall vacancy rate by location is as follows: Greater Fredericton 13.11%; Greater Saint John 13.75%; Greater Moncton 8.81%; Greater St. John's 4.39%; Halifax Regional Municipality 5.39%; Greater Charlottetown 21.30%.

Forecast (Next 12 months)

We anticipate a small increase in demand in the year ahead, which should cause the vacancy rate to contract further, to 4.15%. Net absolute rents/ft.² will increase by 4.00%.



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