

MARKET SURVEY (DECEMBER 2010) GREATER MONCTON 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 Moncton Area. A team of trained researchers collected rental, operating expense and vacancy data on 62 buildings with an aggregate rentable area of 2,921,763 ft.². The survey successfully collected information on 93% 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

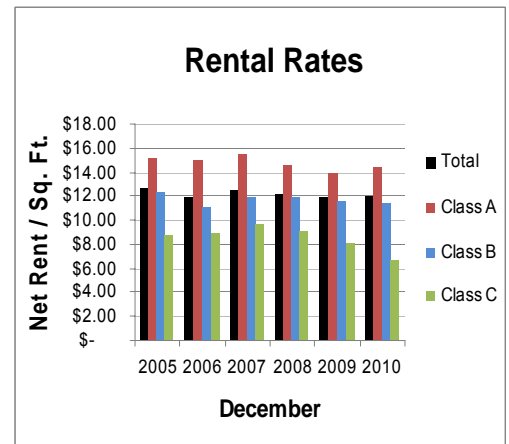
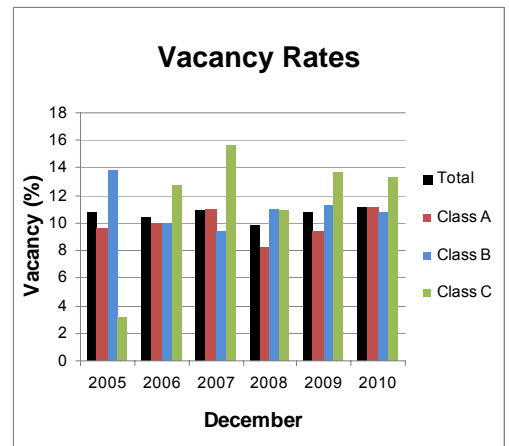
The vacancy rate excludes any space available for sub-lease: it is the total amount of space which is vacant and not currently leased. Our survey measured vacancy rates by class of building. Class A buildings command the highest rents in their community and have distinctive design and lobbies. Class 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.

Moncton’s office vacancy rate increased slightly this year, from 10.75% in 2009, due to an increase in the supply of office space. As a result, it remains the highest overall vacancy rate in New Brunswick. The city also has the lowest Class A net rental rate in the province. The current vacancy rates in Greater Moncton are: Class A 11.10%; Class B 10.83%; Class C 13.38%; Overall 11.14%. The current average net absolute rental rates per square foot are: Class A \$14.43; Class B \$11.49; Class C \$6.74; Overall \$12.04.

Our survey includes all the major centres in Atlantic Canada. The vacancy rate for Moncton is the second highest of all the cities in Atlantic Canada, below only that of Charlottetown. 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 overall vacancy rate will decrease to 9.50% from the current 11.14% as demand picks up in the year ahead. There will be a slight increase in the net absolute rent/ft.².



**TURNER DRAKE
& PARTNERS LTD.**
Real Estate Counsellors, Brokers and Valuers
6182 North St. Halifax, N.S. B3K 1P5
Tel.: 1-902-429-1811
Fax: 1-902-429-1891

Suite 221, 12 Smythe Street
Saint John, N.B. E2L 5G5
Tel.: 1-506-634-1811

Internet: www.turnerdrake.com
E-Mail: tdp@turnerdrake.com

MARKET SURVEY (DECEMBER 2010) GREATER MONCTON 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 Moncton Area. A team of trained researchers collected rental, operating expense and vacancy data on 59 buildings with an aggregate rentable area of 2,933,520 ft.². The survey successfully collected information on 93% 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

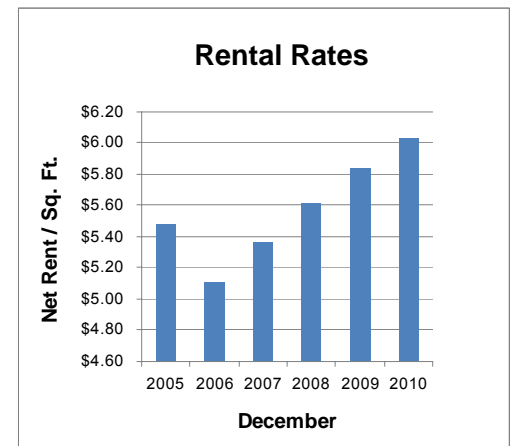
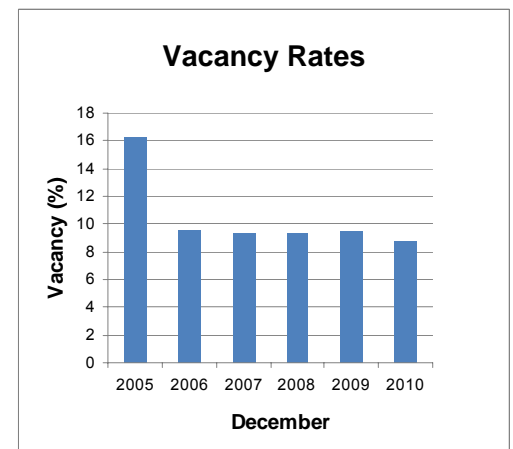
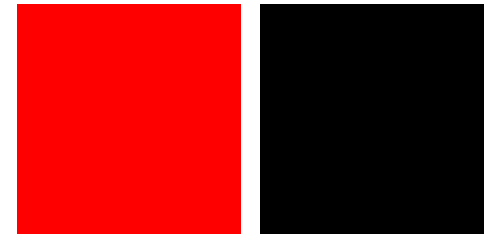
The vacancy rate excludes any space available for sub-lease: it is the total amount of space which is vacant and not currently leased. Vacancy rates prior to June 2006 are based on data collected by the Cushman & Wakefield LePage surveys, and employ heuristic algorithms which compensate for missing data. The vacancy rate dropped 0.60 percentage points between 2009 and 2010, from 9.41% to 8.81%. It is now the lowest industrial vacancy rate of the three major cities in New Brunswick.

Our survey also measured rental rates. Net rental rates for Moncton industrial properties are up slightly from 2009 and are higher only than those of Charlottetown out 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 Moncton is the lowest in New Brunswick, and the only one under 10%. 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 that the overall vacancy rate will drop to 6.19% from the current 8.81% as demand increases in the year ahead. There will be a moderate increase in the net absolute rent/ft.².



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