

MARKET SURVEY (DECEMBER 2012) 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 103 buildings with an aggregate rentable area of 2,472,239 ft.². The survey successfully collected information on 98% of the rental stock polled. The following results flow from what we believe is the most comprehensive survey of warehouse space ever undertaken in Greater St. John's.

Vacancy Rates

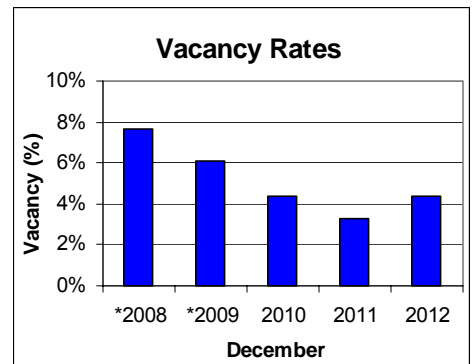
The vacancy rate excludes any space available for sub-lease: it is the total amount of space which is vacant and not currently leased. The overall warehouse vacancy rate in St. John's increased slightly from last year's 3.37% to 4.36% but remains the lowest in Atlantic Canada. Our survey also measured rental rates. The overall net absolute rental rate per square foot increased by 7.26% in 2012, and currently stands at \$9.75.

Our survey includes all the major centres in Atlantic Canada. The vacancy rate for St. John's is the lowest in Atlantic Canada. The overall vacancy rate by location is as follows: Greater Fredericton 14.39%; Greater Saint John 5.91%; Greater Moncton 7.10%; Greater St. John's 4.36%; Halifax Regional Municipality 7.27%; Greater Charlottetown 16.50%.

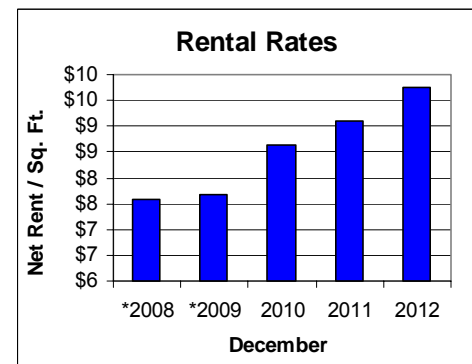
St. John's industrial properties have the highest overall net rental rate of all the major centres in Atlantic Canada. The overall average net rental rate/ft.² by location is as follows: Greater Fredericton \$6.25; Greater Saint John \$6.46; Greater Moncton \$6.17; Greater St. John's \$9.75; Halifax Regional Municipality \$7.47; Greater Charlottetown \$7.74.

Forecast (Next 12 months)

We anticipate that the overall vacancy rate will decrease to 3.60% from the current 4.36% due to stronger demand in the overall economy in St. John's. A strong increase in net absolute rent/ft.² is anticipated to accompany the low vacancy rate.



*June



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