

MARKET SURVEY (DECEMBER 2012) CHARLOTTETOWN 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 Charlottetown area. A team of trained researchers collected rental, operating expense and vacancy data on 5 buildings with an aggregate rentable area of 203,327 ft.². The survey successfully collected information on 100% 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 Charlottetown.

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 vacancy rate in Greater Charlottetown decreased 5.59 percentage points from the 2011 level. The current overall vacancy rate is 16.50%, down from 22.09% last year. Despite a decrease, Charlottetown has the highest overall vacancy rate for industrial space in Atlantic Canada.

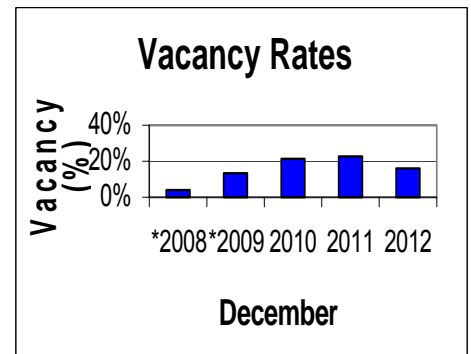
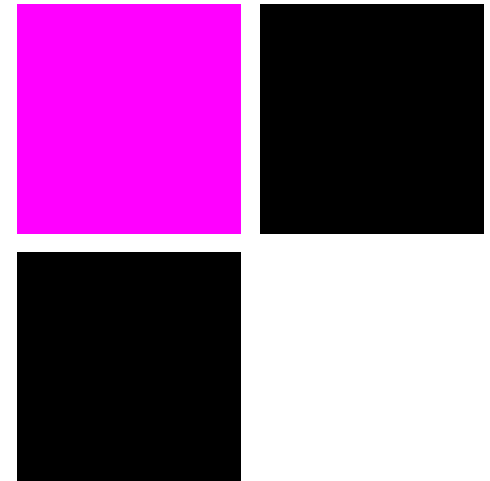
The high vacancy rate in Greater Charlottetown can be attributed to a large addition of as yet unoccupied space into a small rental pool: the introduction of the BioCommons Research Park, located adjacent to the West Royalty Industrial Park, provides state-of-the-art infrastructure which will allow the Province of PEI to compete for the top firms in the fast growing biotechnology sector.

Our survey includes all the major centres 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%.

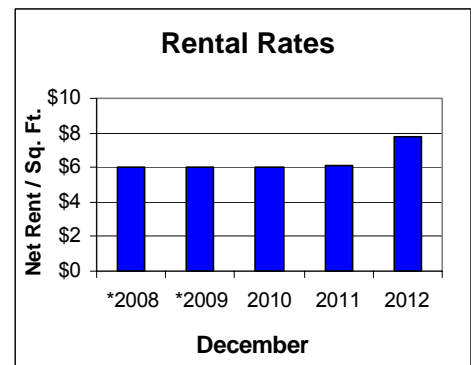
Our survey also measured rental rates. The overall average net rental rate/ft.² by location is as follows: Greater Fredericton \$6.25; Greater Saint John \$6.46; Greater Moncton \$6.17; Greater St. John's \$9.75; Halifax Regional Municipality \$7.47; Greater Charlottetown \$7.74.

Forecast (Next 12 months)

We anticipate that the overall vacancy rate will decrease to 15.72% from the current 16.50% over the next year, driven by a slight increase in demand. The net absolute rent/ft.² is expected to remain unchanged.



*June



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