

MARKET SURVEY (DECEMBER 2012) GREATER SAINT JOHN 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 Saint John Area. A team of trained researchers collected rental, operating expense and vacancy data on 10 buildings with an aggregate rentable area of 360,206 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 Saint John.

Vacancy Rates

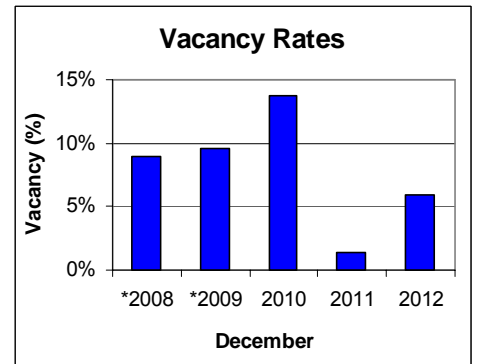
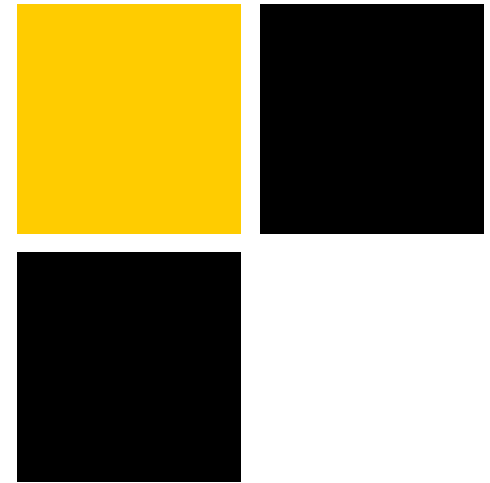
The vacancy rate excludes any space available for sub-lease: it is the total amount of space which is vacant and not currently leased. The Saint John overall warehouse vacancy rate increased by 4.49 percentage points in 2012 to sit at 5.91%, but is the second lowest rate in Atlantic Canada. Saint John also commands the highest overall net rental rate in the New Brunswick warehouse market.

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%.

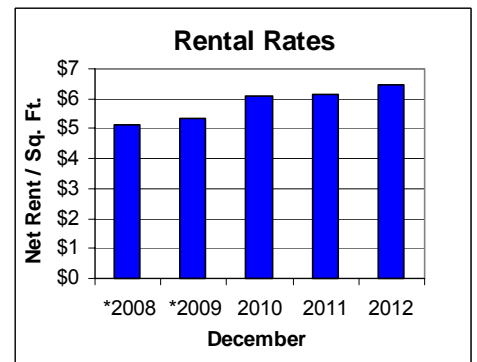
Our survey also measured rental rates. Saint John commands the highest overall net rental rate in New Brunswick however compared to the other major centres in Atlantic Canada its rents are at the middle of the spectrum. The overall average net rental rate/ft.² by location is as follows: Greater Fredericton \$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 increase further as demand weakens. The net absolute rent/ft.² will undergo a modest increase as a result of the still tight market.



*June



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