

MARKET SURVEY (DECEMBER 2012) 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 61 buildings with an aggregate rentable area of 3,088,837 ft.². The survey successfully collected information on 92% 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 Moncton.

Vacancy Rates

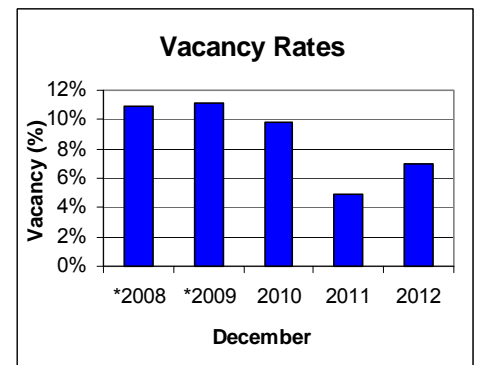
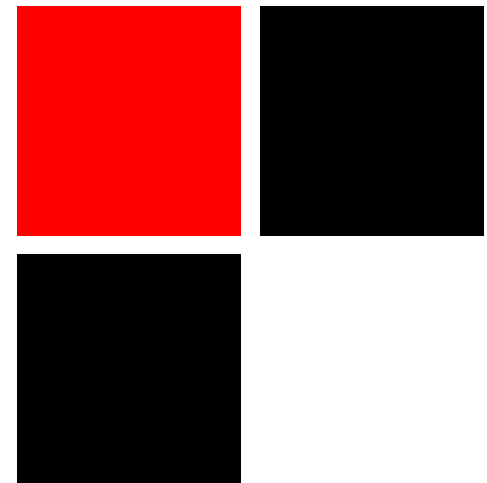
The vacancy rate excludes any space available for sub-lease: it is the total amount of space which is vacant and not currently leased. Moncton's warehouse vacancy increased from 4.86% in 2011 to 7.10% in 2012. The increase in vacancy was evenly shared across each submarket in Moncton, with the exception of the Central area which saw a drop in its vacancy rate.

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 net rental rate for Moncton industrial properties held steady in 2012 and is the lowest 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 over the next twelve months. Increased demand for warehouse space in Greater Moncton is expected to drive the vacancy rate down to 4.78%. We also forecast a 2.00% increase in net absolute rent/ft.² due to the tight rental market.



*June



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