

MARKET SURVEY (DECEMBER 2014) GREATER MONCTON OFFICES

Scope

This survey included every office building with a total rentable area of 5,000 ft² or greater, available for rent in the Greater Moncton Area. A team of trained researchers collected rental, operating expense and vacancy data on 67 buildings with an aggregate rentable area of 3,473,409 ft². The survey successfully collected information on 90% of the rental stock polled. The following results flow from what we believe is the most comprehensive survey of office 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. 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, air conditioned 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.

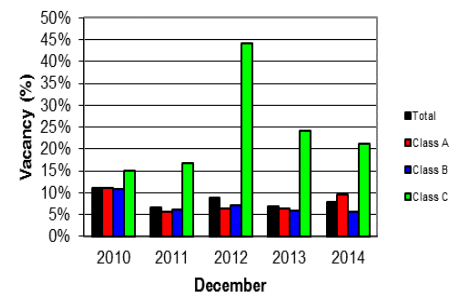
Moncton's office vacancy rate increased in 2014, rising from 6.98% in 2013 to 7.89%. The overall increase in vacancy can be largely attributed to an increase in Class A vacancy, which rose from 6.42% to 9.65%. The current vacancy rates in Greater Moncton by class are: Class A 9.65%; Class B 5.70%; Class C 21.06%; Overall 7.89%. The current average net absolute rental rates per square foot are: Class A \$14.57; Class B \$12.06; Class C \$8.27; Overall \$12.71.

Our survey includes all the major centres in Atlantic Canada, with Moncton second only to St. John's for the lowest vacancy rates. The overall office vacancy rate by location is as follows: Greater Fredericton 10.03%; Greater Saint John 22.40%; Greater Moncton 7.89%; Greater St. John's 4.81%; Halifax Regional Municipality 12.28%; Greater Charlottetown 10.41% .

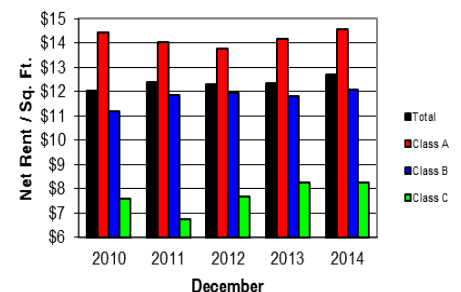
Forecast (Next 12 months)

We anticipate that the overall vacancy rate will decrease to 6.28% over the next year as demand catches up to supply. The low vacancy rate is predicted to be met with a 1.75% increase in net absolute rent/ft².

Vacancy Rates



Rental Rates



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MARKET SURVEY (DECEMBER 2014) GREATER MONCTON WAREHOUSES

Scope

This survey included every warehouse building with a total rentable area of 5,000 ft² 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 3,141,747 ft². The survey successfully collected information on 90% 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

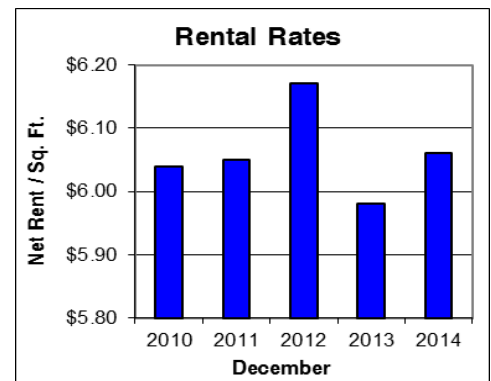
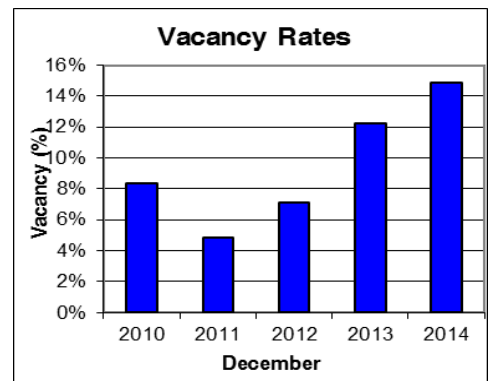
The vacancy rate excludes any space available for sub-lease: it is the total amount of space which is vacant and not currently leased. Moncton's warehouse vacancy increased from 12.22% in 2013 to 14.87% in 2014. All but one submarket in Moncton saw vacancy increase: only the Dieppe Industrial Park enjoyed 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 12.45%; Greater Saint John 17.32%; Greater Moncton 14.87%; Greater St. John's 5.18%; Halifax Regional Municipality 11.23%; Greater Charlottetown 20.05%.

Our survey also measured rental rates. The net rental rate for Moncton warehouse properties held steady in 2014, increasing by just 1.3% (\$0.08/ft²), and is the lowest of all the major centres in Atlantic Canada. The overall average net rental rate/ft² by location is as follows: Greater Fredericton \$6.75; Greater Saint John \$7.12; Greater Moncton \$6.06; Greater St. John's \$10.15; Halifax Regional Municipality \$7.55; Greater Charlottetown \$8.99.

Forecast (Next 12 months)

We anticipate that the warehouse market in Moncton will remain fairly stable over the next twelve months, with vacancy rates falling by less than 0.5 percentage points, accompanied by similarly small increases in demand and net absolute rent/ft².



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