

# MARKET SURVEY (DECEMBER 2015) GREATER ST. JOHN'S WAREHOUSES

## Scope

This survey included every warehouse building with a total rentable area of 5,000 ft.<sup>2</sup> 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 101 buildings with an aggregate rentable area of 2,460,710 ft.<sup>2</sup>. The survey successfully collected information on 94% 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

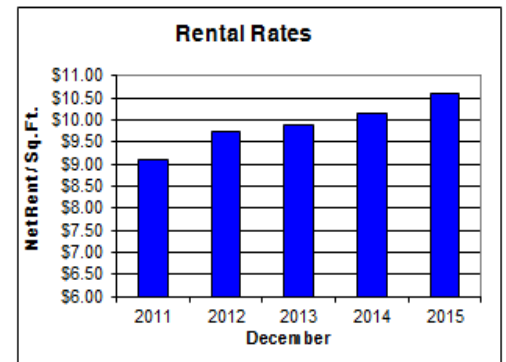
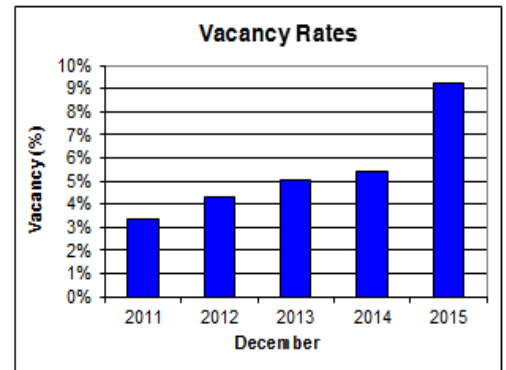
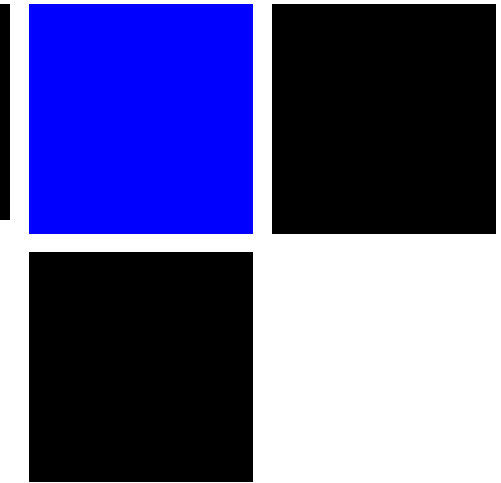
The vacancy rate excludes any space available for sub-lease: it is the total amount of space which is vacant and not currently leased. Overall warehouse vacancy rate in St. John's increased from last year's 5.40% to 9.22% but remains the second lowest in Atlantic Canada. The overall net absolute rental rate per square foot increased by 4.53% in 2014, and currently stands at \$10.61.

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 14.16%; Greater Saint John 9.09%; Greater Moncton 18.56%; Greater St. John's 9.22%; Halifax Regional Municipality 13.78%; Greater Charlottetown 14.00%.

In keeping with the low vacancy rate, 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.<sup>2</sup> by location is as follows: Greater Fredericton \$6.81; Greater Saint John \$6.94; Greater Moncton \$6.08; Greater St. John's \$10.61; Halifax Regional Municipality \$7.64; Greater Charlottetown \$8.99.

## Forecast (Next 12 months)

We anticipate that the overall vacancy rate will increase to 9.54% from the current 9.22% due to new warehouse space becoming available in the Greater St. John's Area. This initial increase in vacancy is expected to decline as demand for space catches up with supply. A slight 0.25% increase in net absolute rent/ft.<sup>2</sup> is also anticipated, reflecting the balance between lagging demand and the quality of new supply coming to market.



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