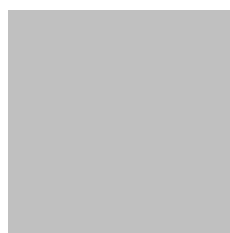


MARKET SURVEY NEW BRUNSWICK OFFICES JUNE 2018



Survey Scope: 164 office buildings
7,857,299 ft.² of rental office space
expert researchers
3 cities



Real Estate Counsellors, Brokers and Valuers

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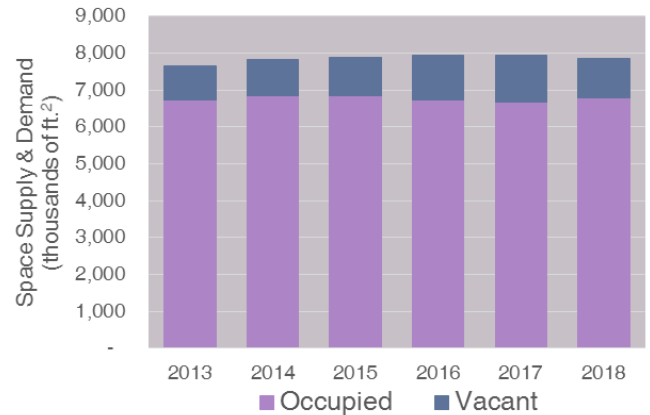


JUNE 2018 MARKET SURVEY NEW BRUNSWICK OFFICES

Year at a Glance

	2017	2018	Change
Office Inventory (ft. ²)	7,932,079	7,857,299	↓ (74,780)
Net Absorption (ft. ²)	(58,674)	120,012	↑ 178,686
Vacancy Rate	15.94%	13.62%	↓ -2.32 pp
Avg. Net Rent/ft. ²	\$12.97	\$13.16	↑ 1.46%
Avg. RTCAM/ft. ²	\$9.91	\$9.78	↓ -1.31%
Avg. Gross Rent/ft. ²	\$22.65	\$22.97	↑ 1.41%

Supply & Demand



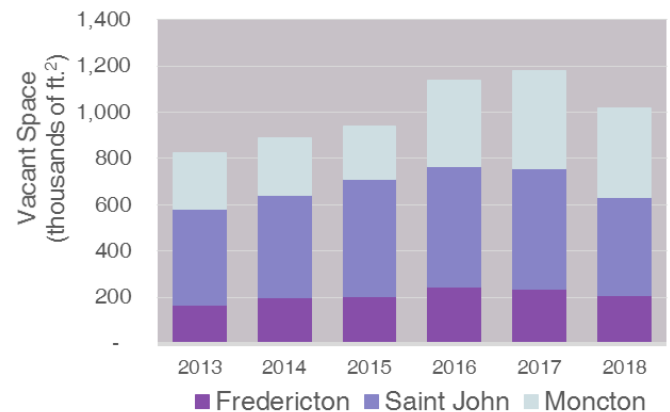
Survey Overview

These surveys included every office building with a total rentable area of 5,000 ft.² or greater, available for rent in the three major cities in New Brunswick: Greater Fredericton, Greater Saint John, and Greater Moncton. A team of trained researchers collected rental, operating expense and vacancy data on 165 office buildings with an aggregate rentable area of 7,857,299 ft.², broken down by city as follows:

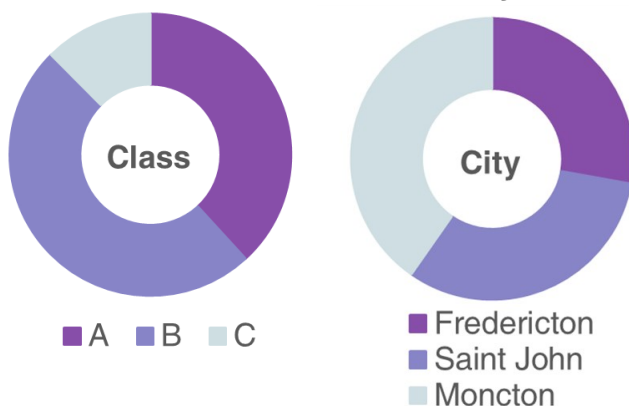
Greater Fredericton: 53 buildings 2,187,067 ft.² GLA
 Greater Saint John: 40 buildings 2,504,789 ft.² GLA
 Greater Moncton: 71 buildings 3,165,443 ft.² GLA

The survey successfully collected information on 81% of the rental stock polled. The results flow from what we believe is the most comprehensive survey of office space ever undertaken in New Brunswick.

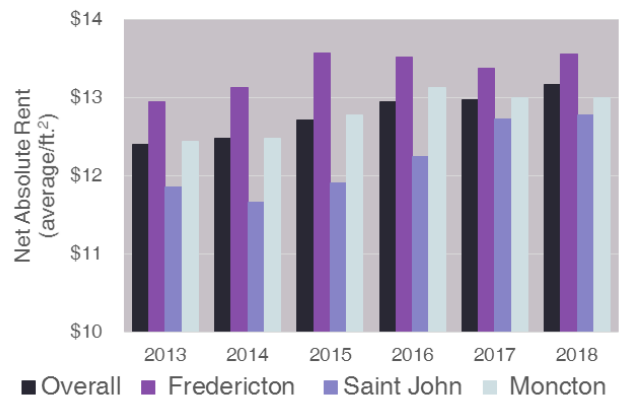
Vacant Space



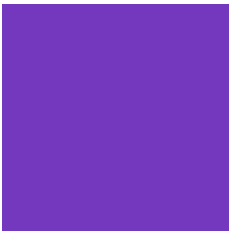
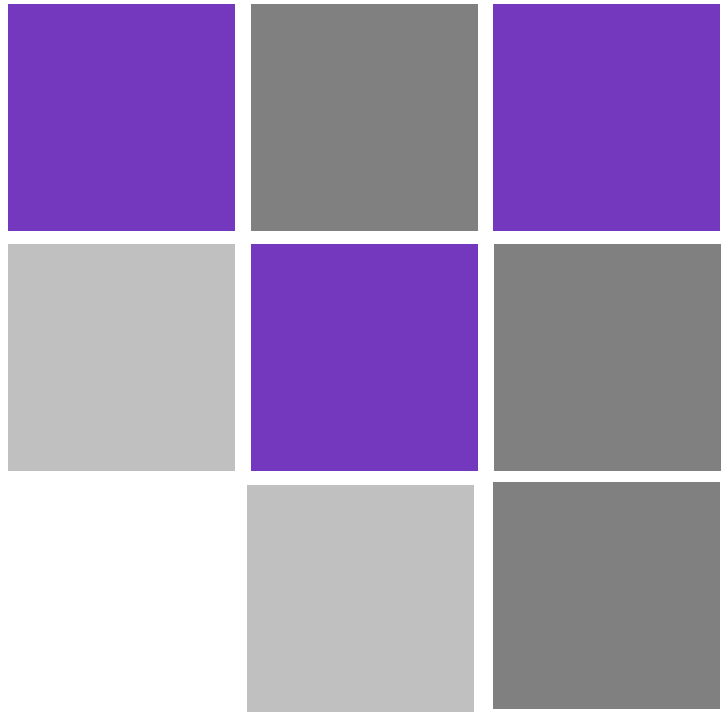
Overall Office Inventory



Net Absolute Rent/ft.²



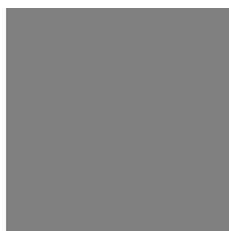
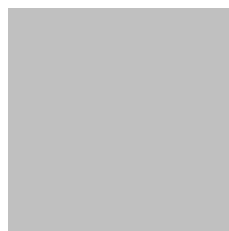
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MARKET SURVEY FREDERICTON OFFICES JUNE 2018



Survey Scope:
53 buildings
2,187,067 ft.² of rental office space
expert researchers



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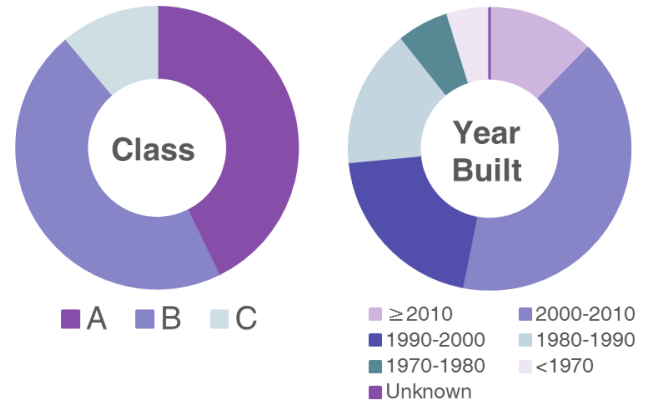
E-Mail: tdp@turnerdrake.com

JUNE 2018 MARKET SURVEY FREDERICTON OFFICES

Year at a Glance

	2017	2018	Change
Office Inventory (ft. ²)	2,138,083	2,187,067	↑ 48,984
Net Absorption (ft. ²)	(52,359)	80,544	↑ 132,903
Vacancy Rate	11.13%	9.44%	↓ -1.69 pp
Avg. Net Rent/ft. ²	\$13.37	\$13.56	↑ 1.42%
Avg. RTCAM/ft. ²	\$9.55	\$9.71	↑ 1.68%
Avg. Gross Rent/ft. ²	\$22.91	\$23.27	↑ 1.57%

Overall Office Inventory



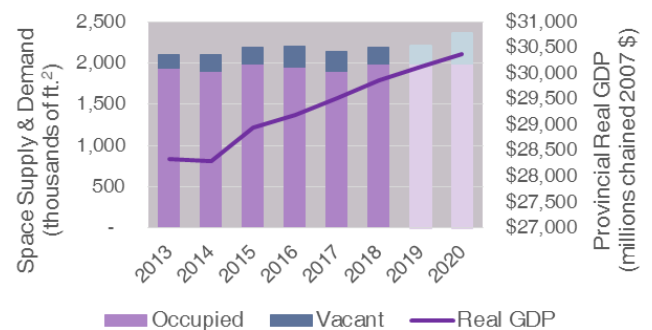
Supply & Demand Overview

The total amount of rentable office space in Greater Fredericton increased 2.29% over last year due to new space being added to the inventory. The overall vacancy rate decreased from 11.13% in 2017 to 9.44% in 2018. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicates that 2019 will see GDP growth of 0.9%, leading to an uptick in demand for office space of 0.4%. With no additional supply expected to be brought to market, the vacancy rate is expected to drop slightly to 9.1%.

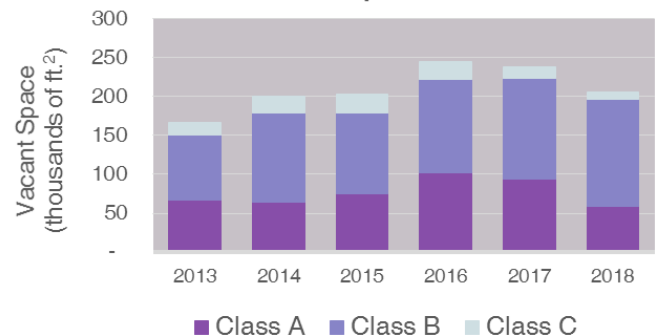
Our survey measured vacancy and rental rates by class of building. Class A buildings command the highest rents in their community and have distinctive design and lobbies. Class B buildings offer “no frills” modern, air conditioned space. Class C buildings make up the remainder of the office rental market. The current vacancy rates by class are: Class A 6.28%; Class B 13.65%; Class C 4.14%; Overall 9.44%.

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. Current average net absolute rental rates per square foot are: Class A \$15.38; Class B \$13.08; Class C \$12.69; Overall \$13.56.

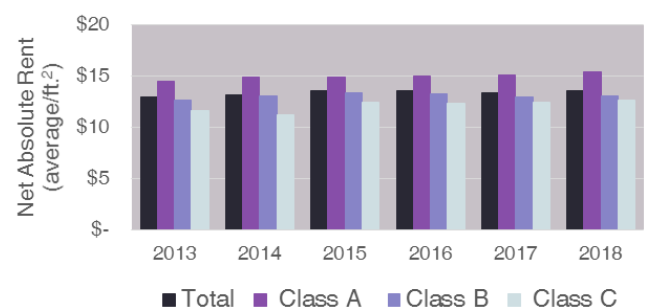
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

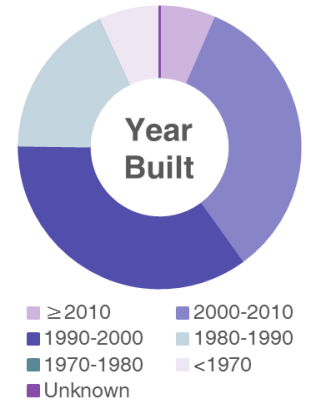
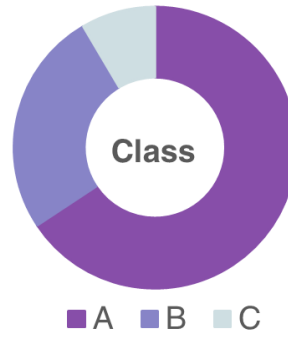


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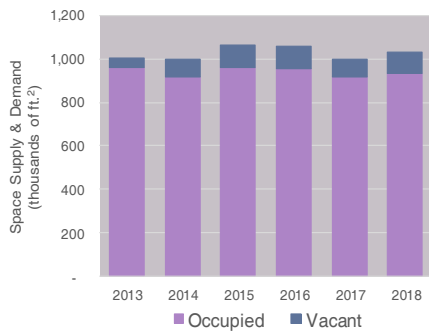
CENTRAL FREDERICTON

Year at a Glance

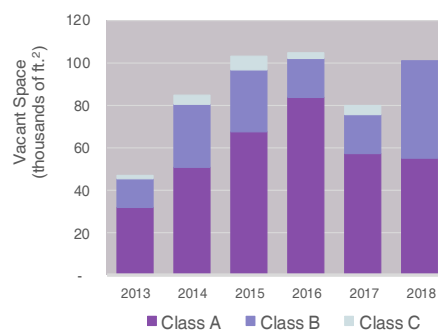
	2017	2018	Change
Office Inventory (ft. ²)	997,522	1,031,278	↑ 33,756
Net Absorption (ft. ²)	(36,508)	12,598	↑ 49,106
Vacancy Rate	7.99%	9.78%	↑ 1.79 pp
Avg. Net Rent/ft. ²	\$14.92	\$14.87	↓ -0.34%
Avg. RTCAM/ft. ²	\$9.65	\$9.74	↑ 0.93%
Avg. Gross Rent/ft. ²	\$24.57	\$24.61	↑ 0.16%



Supply & Demand



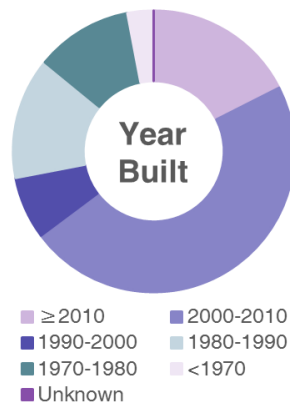
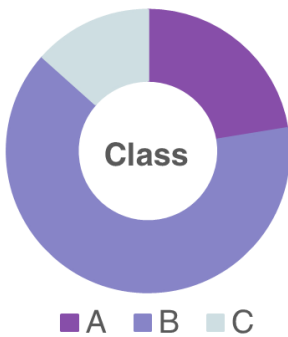
Vacant Space



Net Absolute Rent/ft.²



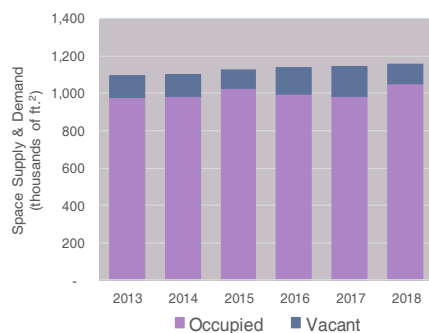
FREDERICTON PERIPHERAL



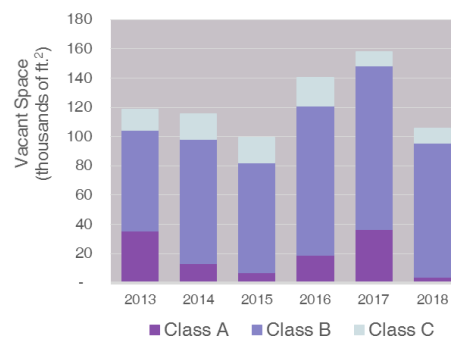
Year at a Glance

	2017	2018	Change
Office Inventory (ft. ²)	1,140,561	1,155,789	↑ 15,228
Net Absorption (ft. ²)	(15,851)	67,946	↑ 83,797
Vacancy Rate	13.88%	9.14%	↓ -4.74 pp
Avg. Net Rent/ft. ²	\$12.64	\$12.89	↑ 1.98%
Avg. RTCAM/ft. ²	\$9.50	\$9.69	↑ 2.00%
Avg. Gross Rent/ft. ²	\$22.14	\$22.58	↑ 1.99%

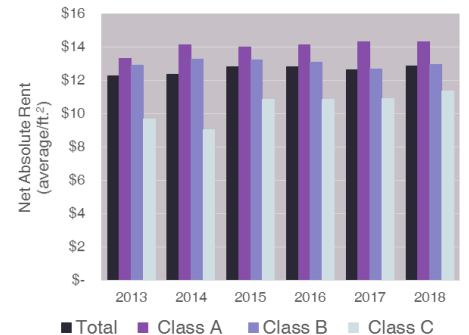
Supply & Demand

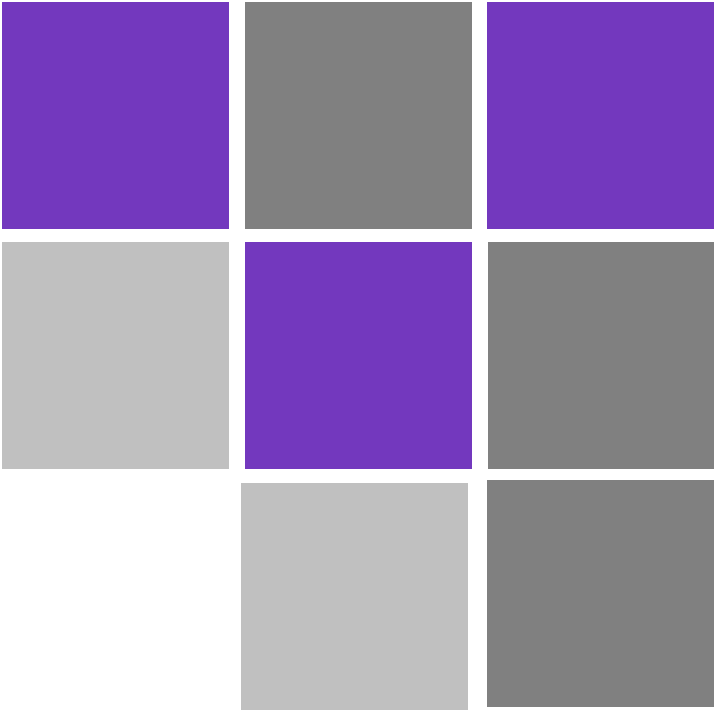
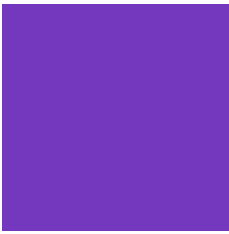


Vacant Space



Net Absolute Rent/ft.²

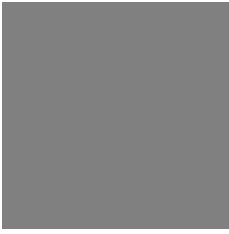
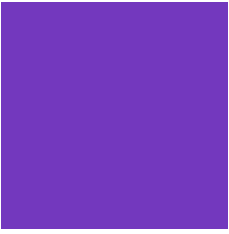
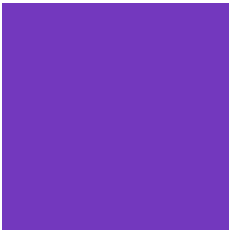

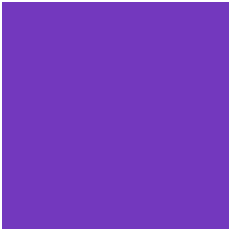




MARKET SURVEY SAINT JOHN NB OFFICES JUNE 2018



Survey Scope:
40 buildings
2,504,789 ft.² of rental office space
expert researchers



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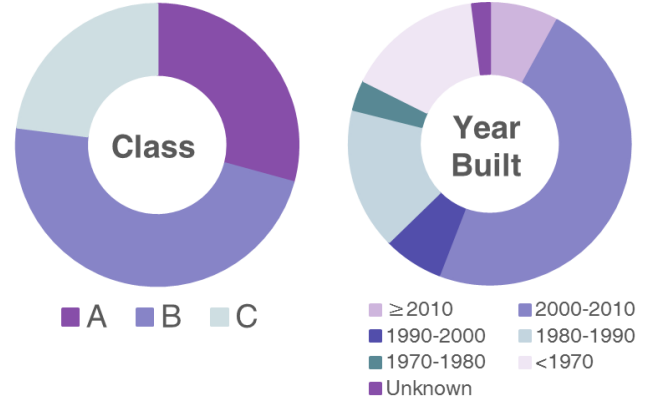


DEC. 2017 MARKET SURVEY SAINT JOHN NB OFFICES

Year at a Glance

	2017	2018	Change
Office Inventory (ft. ²)	2,498,158	2,504,789	↑ 6,631
Net Absorption (ft. ²)	35,945	97,626	↑ 61,681
Vacancy Rate	20.70%	17.01%	↓ -3.69 pp
Avg. Net Rent/ft. ²	\$12.72	\$12.78	↑ 0.47%
Avg. RTCAM/ft. ²	\$9.83	\$9.92	↑ 0.92%
Avg. Gross Rent/ft. ²	\$22.06	\$22.31	↑ 1.13%

Overall Office Inventory

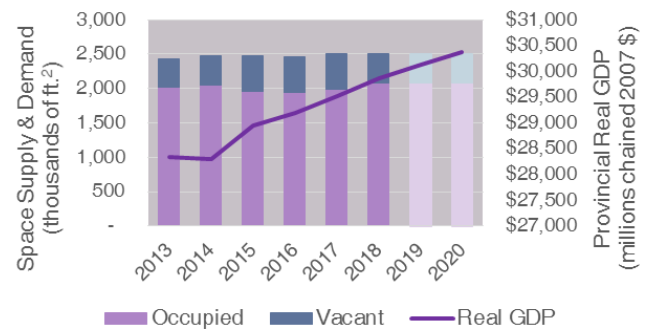


Supply & Demand Overview

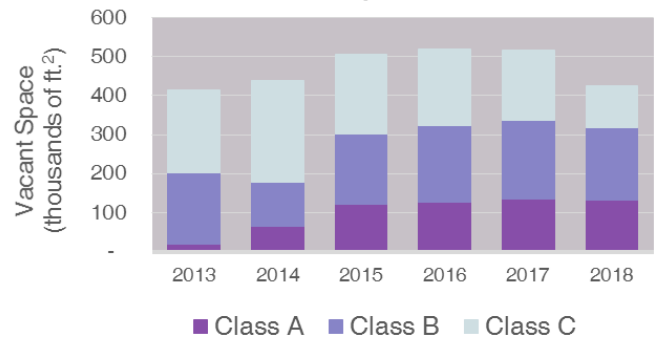
The total amount of rentable office space in Saint John increased 0.27% over last year, mainly due to owner occupied space being converted for rental space. The overall vacancy rate decreased from 20.70% in 2017 to 17.01% in 2018. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicates that 2019 will see GDP growth of 0.9%, leading to an uptick in demand for office space; this will be moderated by the entry to the market of the 300,000 ft.² owner-occupied Irving headquarters, scheduled for completion in mid-2018, as employees move from five separate offices to the new building. Overall, we anticipate an effective increase in demand of 0.14%. No major additions to rental supply are anticipated in the year to come. The vacancy rate is expected to decrease to 16.90%.

Our survey measured vacancy and rental 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 current vacancy rates by class are: Class A 18.18%; Class B 15.42%; Class C 18.82%; Overall 17.01%. 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. Current average net absolute rental rates per square foot are: Class A \$15.83; Class B \$12.59; Class C \$10.00; Overall \$12.78.

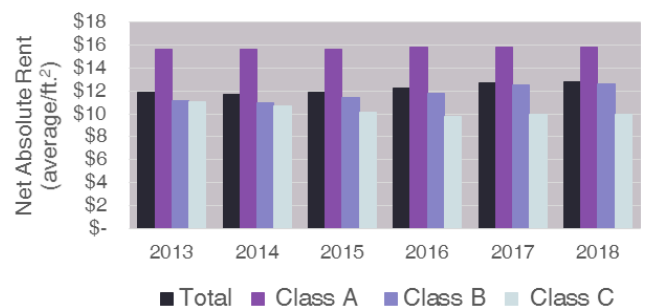
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

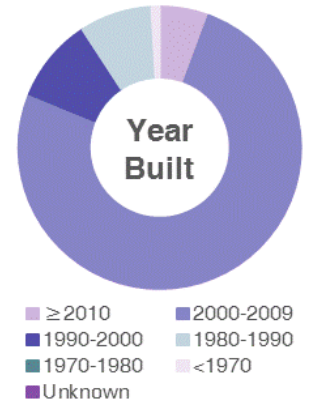
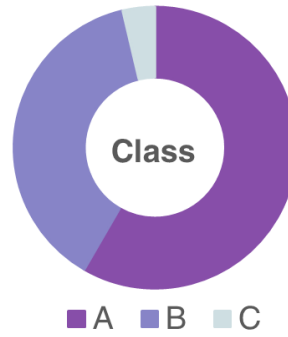


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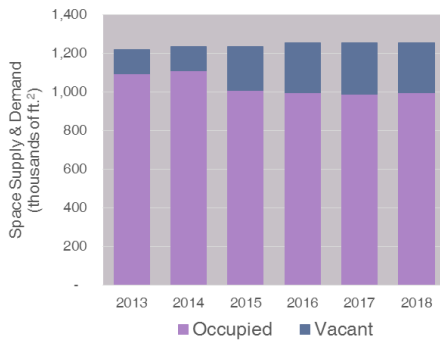
UPTOWN SAINT JOHN NB

Year at a Glance

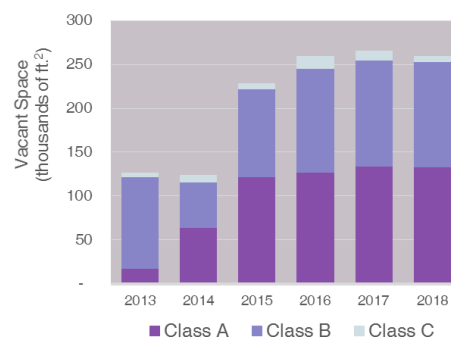
	2017	2018	Change
Office Inventory (ft. ²)	1,256,438	1,256,438	↔ ---
Net Absorption (ft. ²)	(5,132)	5,822	↑ 10,954
Vacancy Rate	21.10%	20.64%	↓ -0.46 pp
Avg. Net Rent/ft. ²	\$12.47	\$12.32	↓ -1.20%
Avg. RTCAM/ft. ²	\$11.43	\$11.38	↓ -0.44%
Avg. Gross Rent/ft. ²	\$23.21	\$23.03	↓ -0.78%



Supply & Demand



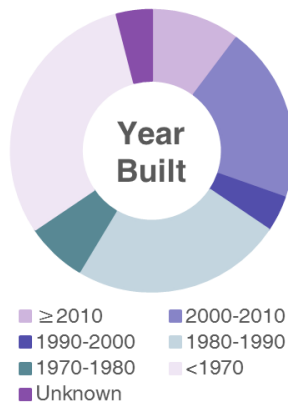
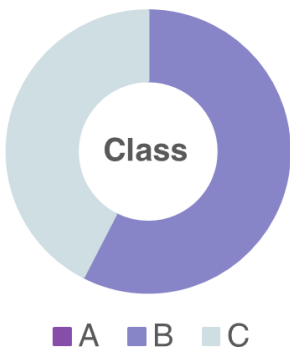
Vacant Space



Net Absolute Rent/ft.²



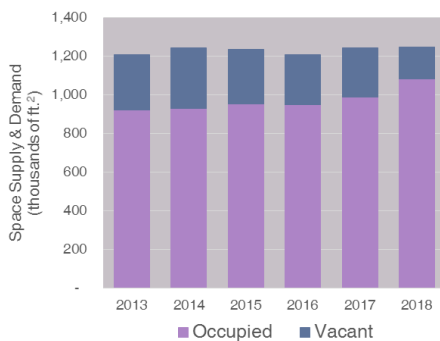
PERIPHERAL SAINT JOHN NB



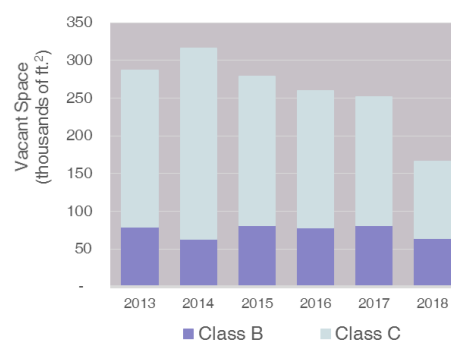
Year at a Glance

	2017	2018	Change
Office Inventory (ft. ²)	1,241,720	1,248,351	↑ 6,631
Net Absorption (ft. ²)	41,077	91,804	↑ 50,727
Vacancy Rate	20.29%	13.36%	↓ -6.93 pp
Avg. Net Rent/ft. ²	\$12.94	\$13.19	↑ 1.93%
Avg. RTCAM/ft. ²	\$8.58	\$8.76	↑ 2.10%
Avg. Gross Rent/ft. ²	\$21.04	\$21.63	↑ 2.80%

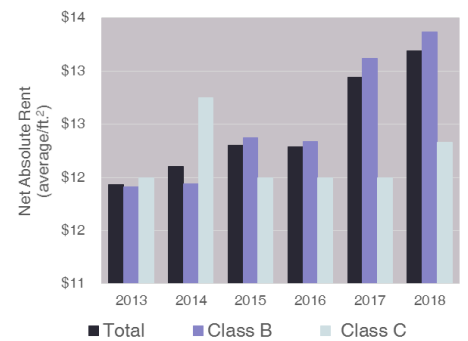
Supply & Demand

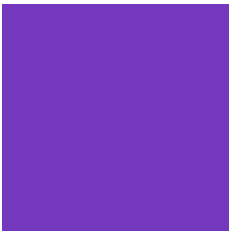
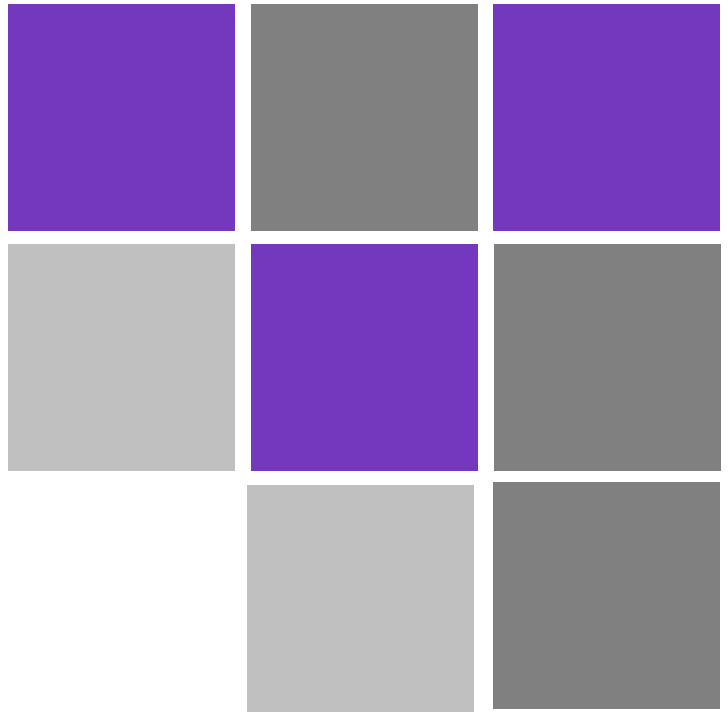


Vacant Space



Net Absolute Rent/ft.²

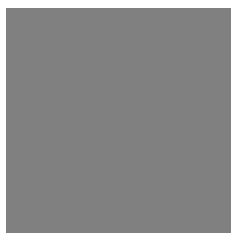
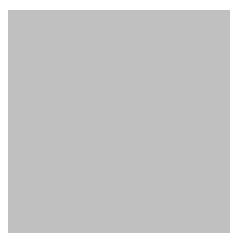




MARKET SURVEY MONCTON OFFICES JUNE 2018



Survey Scope:
71 buildings
3,165,443 ft.² of rental office space
expert researchers



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JUNE 2018 MARKET SURVEY MONCTON OFFICES

Year at a Glance

	2017	2018	Change
Office Inventory (ft. ²)	3,162,058	3,165,443	↑ 3,385
Net Absorption (ft. ²)	(15,973)	41,900	↑ 57,873
Vacancy Rate	13.40%	12.17%	↓ -1.23 pp
Avg. Net Rent/ft. ²	\$13.00	\$12.99	↓ -0.08%
Avg. RTCAM/ft. ²	\$10.63	\$9.76	↓ -8.18%
Avg. Gross Rent/ft. ²	\$23.06	\$23.07	↑ 0.04%

Supply & Demand Overview

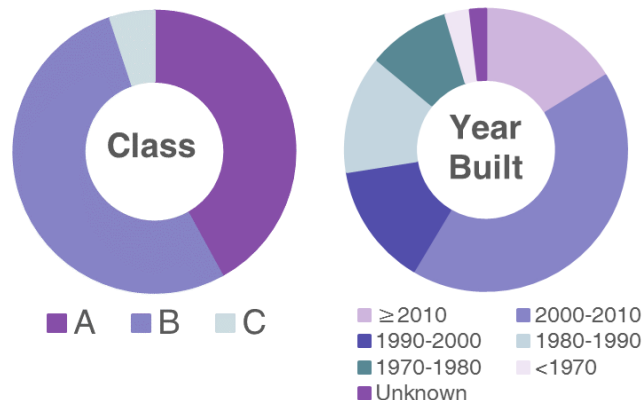
The total amount of rentable office space in Greater Moncton increased 0.11% over last year, due in part to newly renovated space being added back into the market. The overall vacancy rate dropped from 13.40% in 2017 to 12.17% in 2018. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicates that 2018 will see GDP growth of 0.9%, leading to an uptick in demand for office space of 0.99%. With only a small amount of new supply expected to be brought to the market in the year ahead, the vacancy rate is expected to drop slightly to 11.74%.

Our survey measured vacancy and rental 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 current vacancy rates by class are: Class A 9.57%; Class B 14.16%; Class C 13.03%; Overall 12.17%.

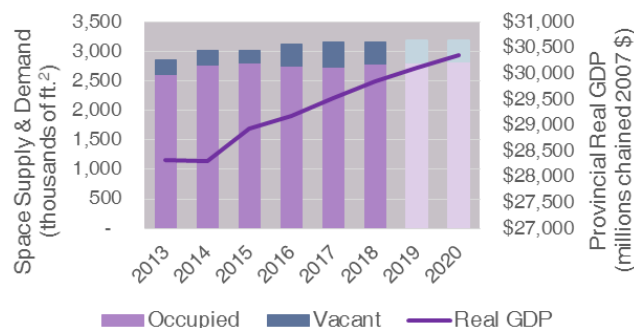
The vacancy rate and net rental rate are inversely correlated: empirical data indicates that generally a falling vacancy rate portends a rising net rental rate, while a rising vacancy rate indicates that net rental rate increases will moderate or even fall. Current average net absolute rental rates per square foot are: Class A \$14.65; Class B \$12.04; Class C \$11.19; Overall \$12.99.

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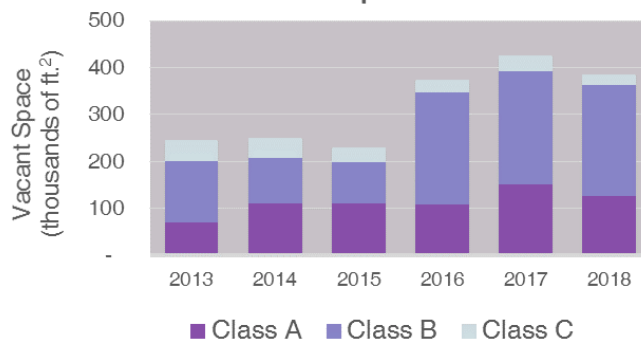
Overall Office Inventory



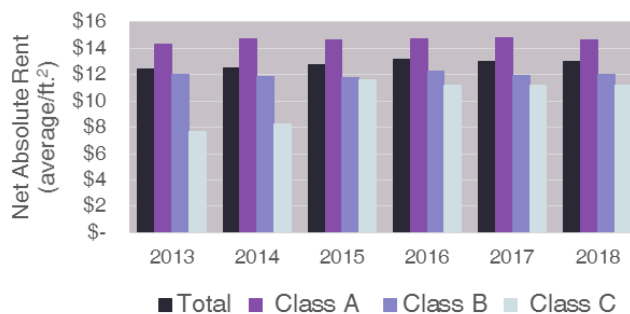
Supply, Demand & GDP



Vacant Space



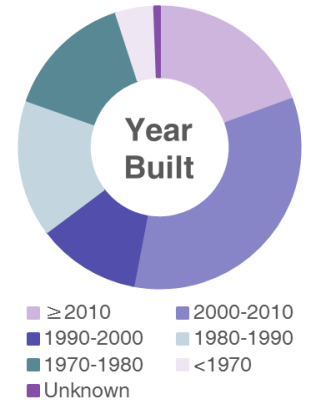
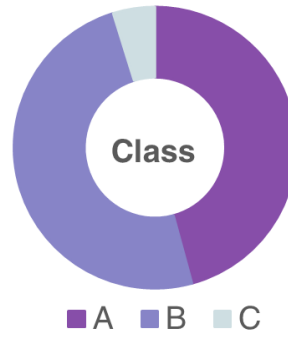
Net Absolute Rent/ft.²



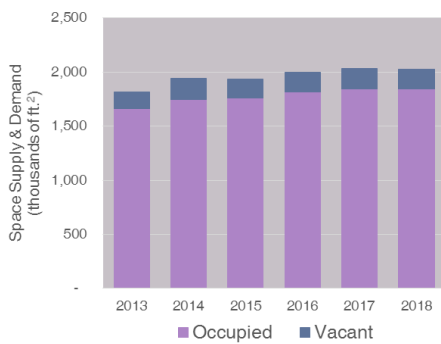
CENTRAL MONCTON

Year at a Glance

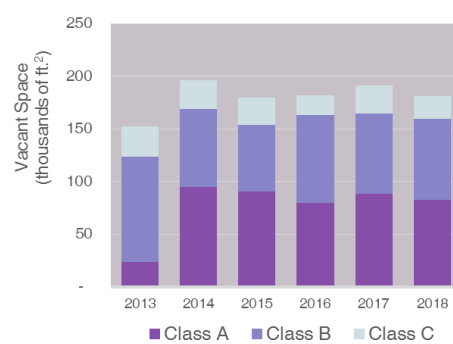
	2017	2018	Change
Office Inventory (ft. ²)	2,033,780	2,028,608	↓ (5,172)
Net Absorption (ft. ²)	26,585	4,556	↓ (22,029)
Vacancy Rate	9.38%	8.93%	↓ -0.45 pp
Avg. Net Rent/ft. ²	\$13.21	\$13.10	↓ -0.83%
Avg. RTCAM/ft. ²	\$11.44	\$10.01	↓ -12.50%
Avg. Gross Rent/ft. ²	\$23.35	\$23.76	↑ 1.76%



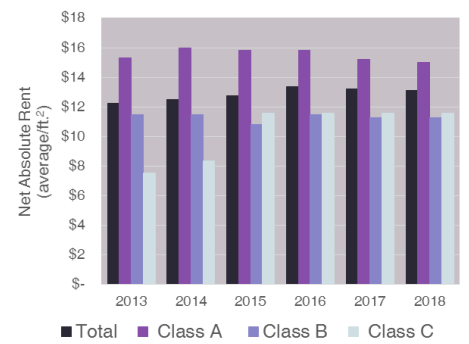
Supply & Demand



Vacant Space



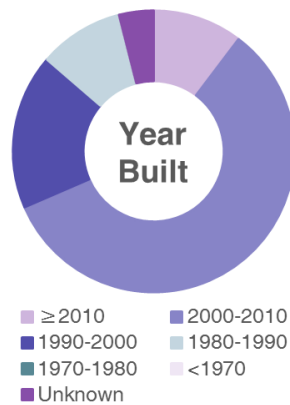
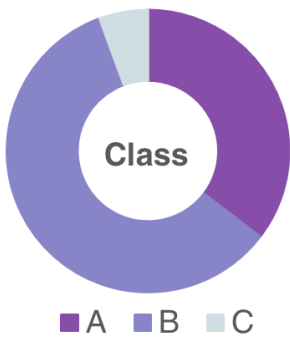
Net Absolute Rent/ft.²



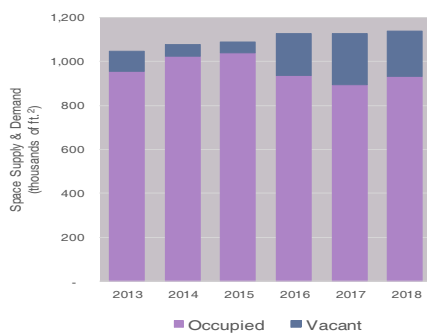
MONCTON PERIPHERAL

Year at a Glance

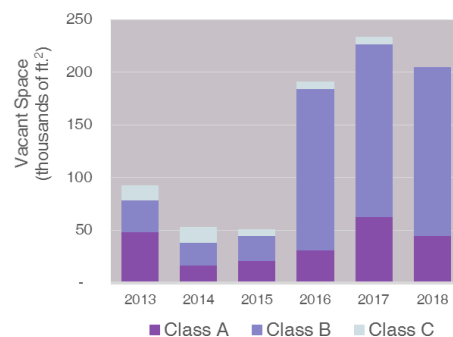
	2017	2018	Change
Office Inventory (ft. ²)	1,128,278	1,136,835	↑ 8,557
Net Absorption (ft. ²)	(42,558)	37,344	↑ 79,902
Vacancy Rate	20.65%	17.97%	↓ -2.68 pp
Avg. Net Rent/ft. ²	\$12.85	\$12.92	↑ 0.54%
Avg. RTCAM/ft. ²	\$10.02	\$9.54	↓ -4.79%
Avg. Gross Rent/ft. ²	\$22.77	\$22.43	↓ -1.49%



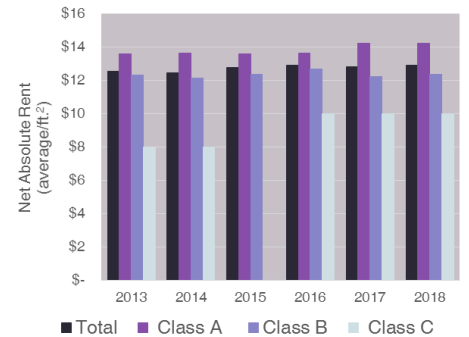
Supply & Demand



Vacant Space



Net Absolute Rent/ft.²



JUNE 2017 MARKET SURVEY NEW BRUNSWICK OFFICES

Survey Overview

This survey included every office building with a total rentable area of 5,000 ft.² or greater, available for rent in the Greater Fredericton, Greater Moncton, and Greater Saint John areas. A team of trained researchers collected rental, operating expense and vacancy data on 164 office buildings with an aggregate rentable area of 7,857,299 ft.². The survey successfully collected information on 81% of the rental stock polled. The results flow from what we believe is the most comprehensive survey of office space ever undertaken in New Brunswick's major centres.

Glossary

Inventory/Supply: The total rentable area of office space in the rental market, occupied or vacant.

Building Class:

Office Class - This is the industry definition common to this particular marketplace.

Class A - These office buildings command the highest rents, have "presence" by virtue of their distinctive design and lobbies, are air-conditioned and sprinklered. They are regarded as "prestige" buildings in their marketplace and are usually the most modern buildings. They typically include the leading firms of lawyers and accountants, together with regional or head offices for banks, financial institutions and other major companies, as their tenants.

Class B - These are "second tier" office buildings in terms of rents. They are usually older than Class A buildings and lack "presence". They are air conditioned and are usually sprinklered. They are regarded as offering modern, but not "prestige" office accommodation in their marketplace. Typically they were built over 20 years ago. Tenants usually include second tier firms of lawyers and accountants, together with a wide selection of private sector companies, provincial and local government agencies.

Class C - These include all office buildings not classed as "A" or "B".

Class W - Distribution warehouse

Class F - Flex space. This type of space may be used for retail or office use as an alternative to pure warehousing and is typically located at the entrance to a business park in an area with high traffic exposure.

Income & Expense Data:

Net Absolute Rent - This is often referred to as "AAA" or "Base" rent and does not include Realty or Business Occupancy Taxes, Common Area Maintenance (CAM), or any other services such as Electricity, Cleaning or Heating.

Current Realty Taxes - These are the Realty Taxes (not the Business Occupancy Taxes) currently paid by the Landlord and which are recovered from the Tenant usually as part of the Service Rent.

Current CAM - This is the additional amount recovered by the Landlord from the Tenant to cover the operating and maintenance costs of the building including the tenant suites. Common Area Maintenance (CAM) typically includes fire insurance, repairs and maintenance, cleaning (common areas plus often the tenant suites), electricity (common areas plus often the tenant suites), heating and air conditioning (common areas plus often the tenant suites), water, garbage removal, snow clearing, elevator maintenance, management, security, etc. It, together with the Realty Taxes, is recovered by the Landlord from the Tenant as "Service Rent", if the Tenant has a "net absolute" lease.

Total Realty Taxes + CAM (RTCAM) - This is the total of the Realty Taxes and CAM, and is often recovered from the tenant as "Service Rent".

Total Gross Rent - This is the total rent recovered from the Tenant by the Landlord and is the total of the Base (Net Absolute Rent) plus the Service Rent (Realty Taxes + CAM).