

MARKET SURVEY

NB OFFICES & WAREHOUSES

DECEMBER 2018



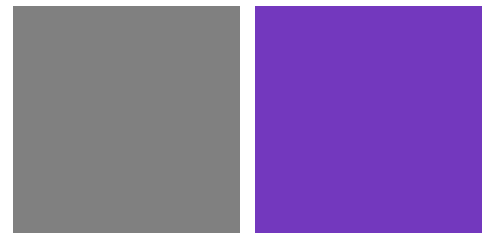
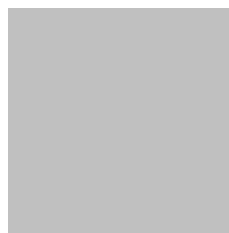
Survey Scope: 165 office & 93 warehouse buildings

7,905,793 ft.² of rental office space

4,059,280 ft.² of rental warehouse space

expert researchers

3 cities

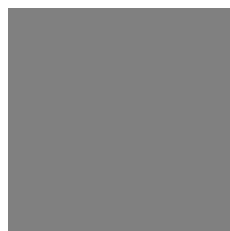


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DEC. 2018 MARKET SURVEY NEW BRUNSWICK OFFICES

Year at a Glance

	2017	2018	Change
Office Inventory (ft. ²)	7,737,420	7,905,793	↑ 168,373
Net Absorption (ft. ²)	153,013	335,216	↑ 182,203
Vacancy Rate	13.66%	11.26%	↓ - 2.40 pp
Avg. Net Rent/ft. ²	\$12.95	\$13.32	↑ 2.86%
Avg. RTCAM/ft. ²	\$9.30	\$9.68	↑ 4.09%
Avg. Gross Rent/ft. ²	\$21.85	\$23.25	↑ 6.41%

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 buildings with an aggregate rentable area of 7,905,793 ft.², broken down by city as follows:

Greater Fredericton: 53 buildings 2,180,355 ft.² GLA

Greater Saint John: 42 buildings 2,502,944 ft.² GLA

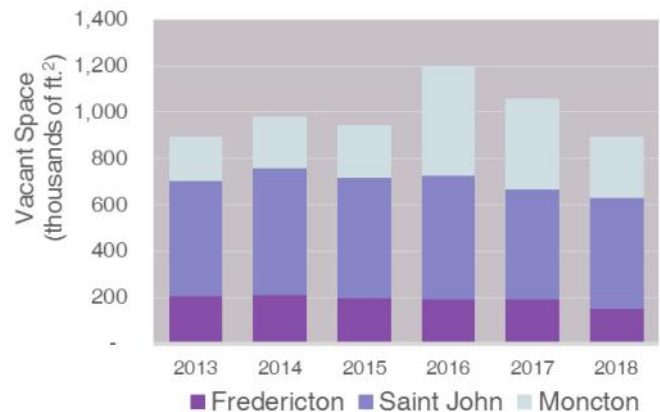
Greater Moncton: 70 buildings 3,222,494 ft.² GLA

The survey successfully collected information on 83% 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.

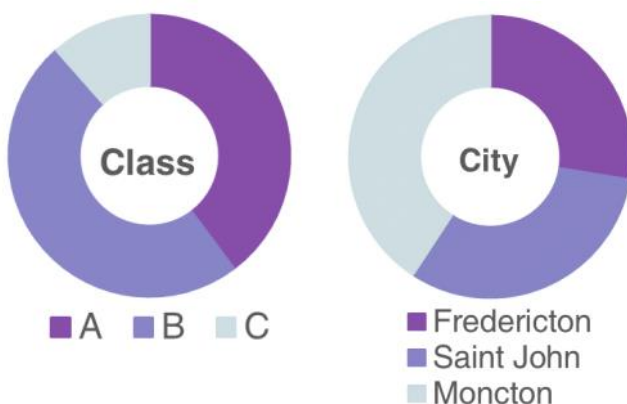
Supply & Demand



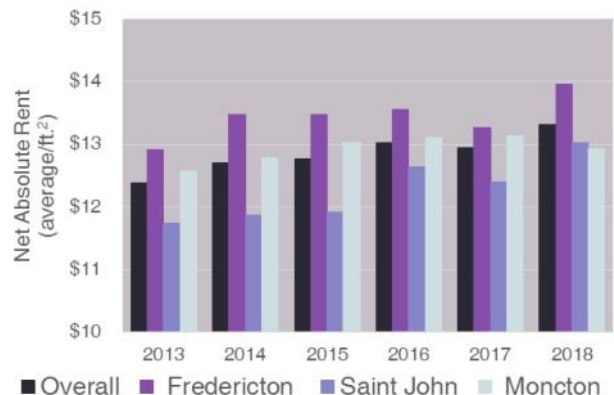
Vacant Space



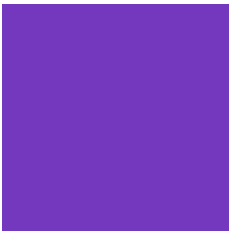
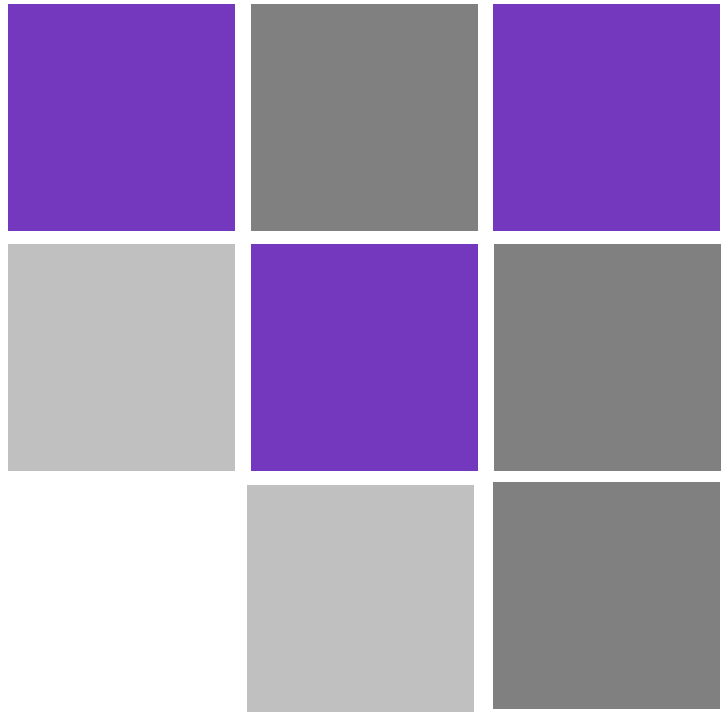
Overall Office Inventory



Net Absolute Rent/ft.²



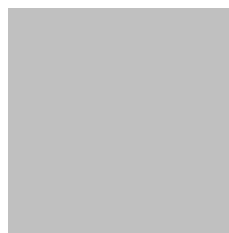
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MARKET SURVEY FREDERICTON OFFICES DECEMBER 2018



Survey Scope:
53 buildings
2,180,355 ft.² of rental office space
expert researchers



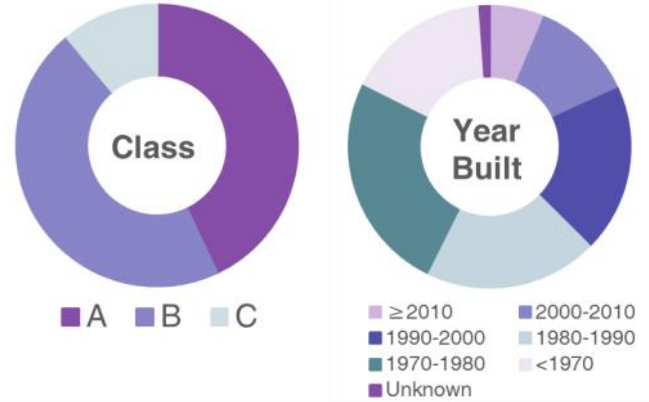
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DEC. 2018 MARKET SURVEY FREDERICTON OFFICES

Year at a Glance

	2017	2018	Change
Office Inventory (ft. ²)	2,162,679	2,180,355	↑ 17,676
Net Absorption (ft. ²)	(39,499)	59,934	↑ 99,433
Vacancy Rate	9.07%	7.05%	↓ - 2.01 pp
Avg. Net Rent/ft. ²	\$13.27	\$13.95	↑ 5.12%
Avg. RTCAM/ft. ²	\$9.70	\$9.88	↑ 1.86%
Avg. Gross Rent/ft. ²	\$22.97	\$24.20	↑ 5.35%

Overall Office Inventory



Supply & Demand Overview

The total amount of rentable office space in Greater Fredericton increased 0.82% over last year. The overall vacancy rate decreased from 9.07% in 2017 to 7.05% 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 0.8%, leading to an uptick in demand for office space of 0.36%. With no additional supply expected to be brought to market, the vacancy rate is expected to drop slightly to 6.7%.

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 5.75%; Class B 8.81%; Class C 4.82%; Overall 7.05%.

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 \$15.50; Class B \$13.55; Class C \$13.02; Overall \$13.95.

Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

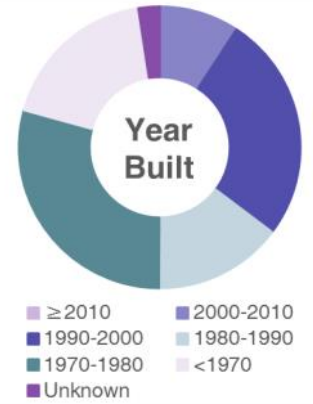
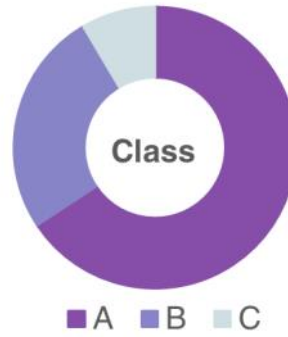


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CENTRAL FREDERICTON

Year at a Glance

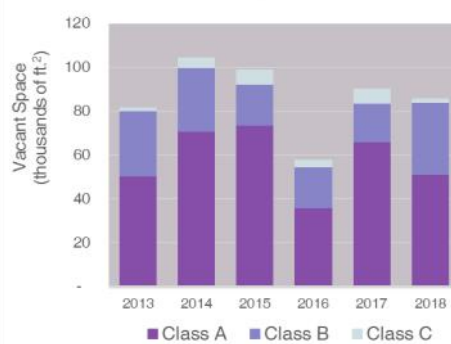
	2017	2018	Change
Office Inventory (ft. ²)	1,022,118	1,031,766	↑ 9,648
Net Absorption (ft. ²)	(70,848)	14,215	↑ 85,063
Vacancy Rate	8.83%	8.30%	↓ - 0.53 pp
Avg. Net Rent/ft. ²	\$14.51	\$14.94	↑ 2.96%
Avg. RTCAM/ft. ²	\$9.68	\$9.70	↑ 0.21%
Avg. Gross Rent/ft. ²	\$24.19	\$24.88	↑ 2.85%



Supply & Demand



Vacant Space



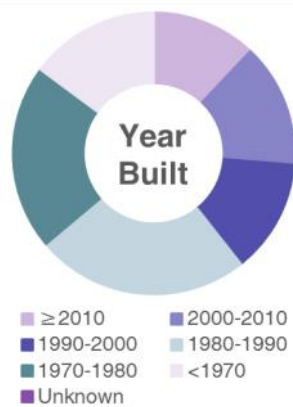
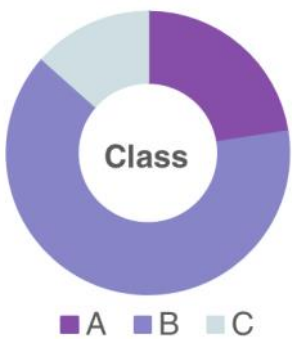
Net Absolute Rent/ft.²



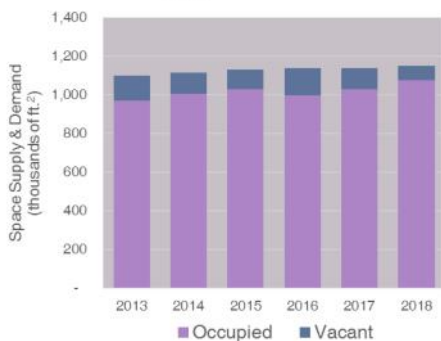
FREDERICTON PERIPHERAL

Year at a Glance

	2017	2018	Change
Office Inventory (ft. ²)	1,140,561	1,148,589	↑ 8,028
Net Absorption (ft. ²)	31,349	45,719	↑ 14,370
Vacancy Rate	9.28%	5.93%	↓ - 3.35 pp
Avg. Net Rent/ft. ²	\$12.65	\$13.38	↑ 5.77%
Avg. RTCAM/ft. ²	\$9.71	\$9.98	↑ 2.78%
Avg. Gross Rent/ft. ²	\$22.35	\$23.82	↑ 6.58%



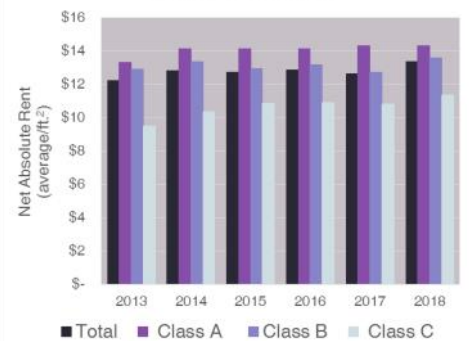
Supply & Demand

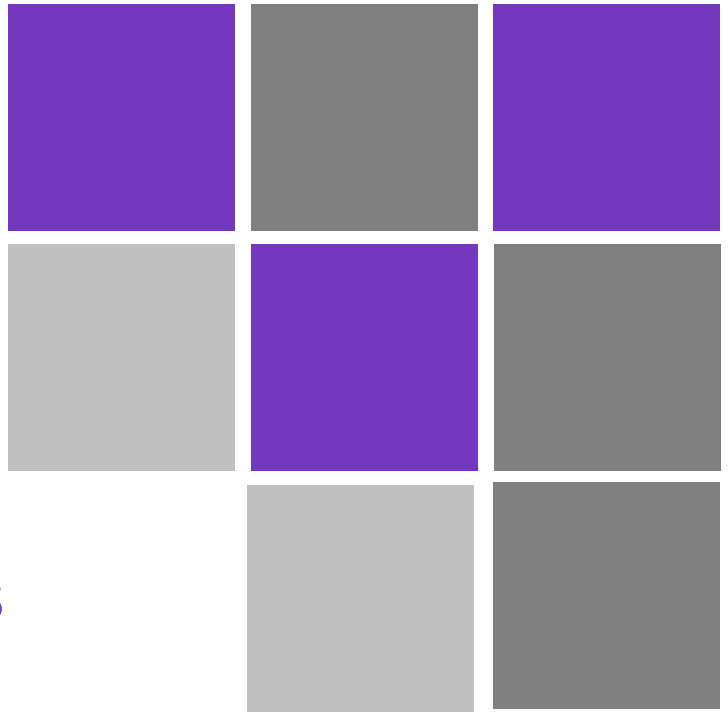
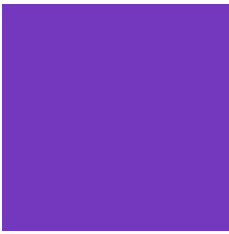


Vacant Space

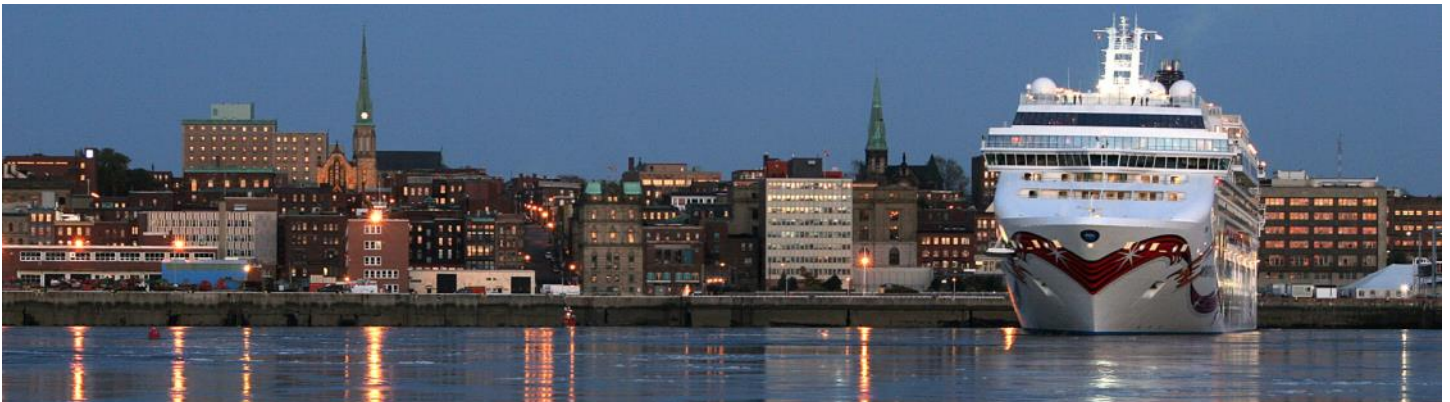


Net Absolute Rent/ft.²

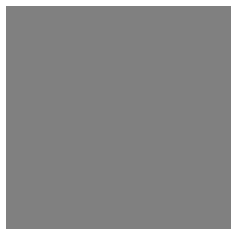
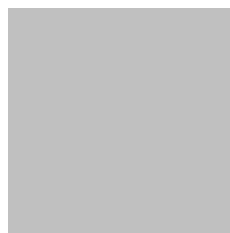
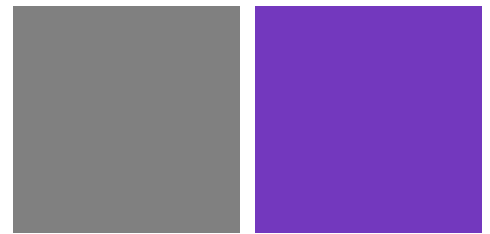




MARKET SURVEY SAINT JOHN NB OFFICES DECEMBER 2018



Survey Scope:
42 buildings
2,502,944 ft.² of rental office space
expert researchers



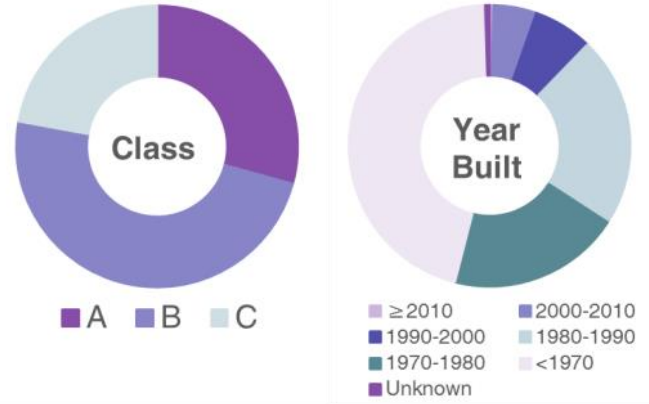
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DEC. 2018 MARKET SURVEY SAINT JOHN NB OFFICES

Year at a Glance

	2017	2018	Change
Office Inventory (ft. ²)	2,511,691	2,502,944	↓ (8,747)
Net Absorption (ft. ²)	79,632	(16,073)	↓ (95,705)
Vacancy Rate	18.74%	19.10%	↑ 0.36 pp
Avg. Net Rent/ft. ²	\$12.40	\$13.03	↑ 5.08%
Avg. RTCAM/ft. ²	\$9.12	\$9.58	↑ 5.04%
Avg. Gross Rent/ft. ²	\$21.59	\$22.44	↑ 3.94%

Overall Office Inventory



Supply & Demand Overview

The total amount of rentable office space in Saint John decreased 0.35% over last year, mainly due to rental space being converted to owner occupation. The overall vacancy rate increased from 18.74% in 2017 to 19.10% 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 0.8%, leading to an uptick in demand for office space of 0.36%. No major additions to rental supply are anticipated in the year to come, the vacancy rate is expected to drop to 18.8%.

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 16.46%; Class B 18.20%; Class C 24.58%; Overall 19.10%.

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 \$12.87; Class C \$9.75; Overall \$13.03.

Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

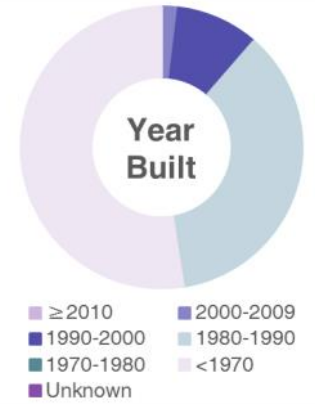
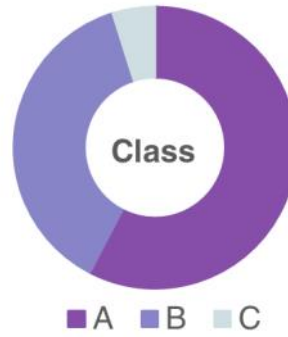


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UPTOWN SAINT JOHN NB

Year at a Glance

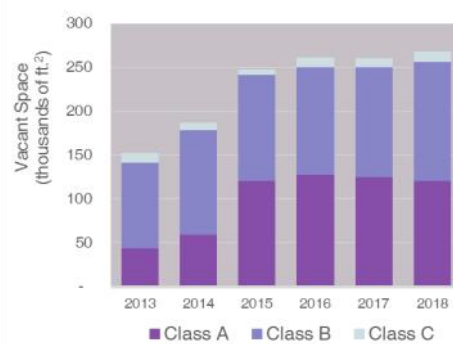
	2017	2018	Change
Office Inventory (ft. ²)	1,270,356	1,271,757	↑ 1,401
Net Absorption (ft. ²)	14,943	(6,252)	↓ (21,195)
Vacancy Rate	20.50%	21.08%	↑ 0.58 pp
Avg. Net Rent/ft. ²	\$11.86	\$12.43	↑ 4.81%
Avg. RTCAM/ft. ²	\$10.47	\$10.72	↑ 2.39%
Avg. Gross Rent/ft. ²	\$23.63	\$23.39	↓ -1.02%



Supply & Demand



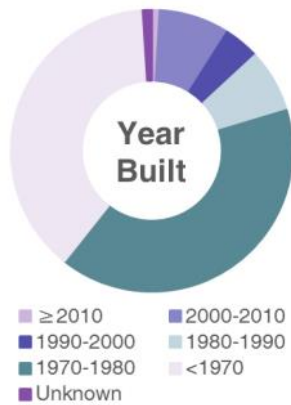
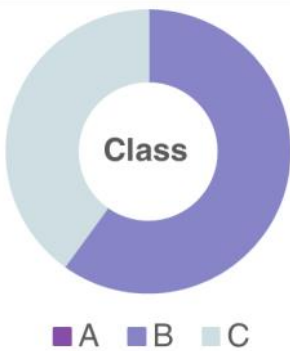
Vacant Space



Net Absolute Rent/ft.²



PERIPHERAL SAINT JOHN NB



Year at a Glance

	2017	2018	Change
Office Inventory (ft. ²)	1,241,335	1,231,187	↓ (10,148)
Net Absorption (ft. ²)	64,689	(9,821)	↓ (74,510)
Vacancy Rate	16.94%	17.05%	↑ 0.11 pp
Avg. Net Rent/ft. ²	\$12.82	\$13.56	↑ 5.77%
Avg. RTCAM/ft. ²	\$8.04	\$8.60	↑ 6.97%
Avg. Gross Rent/ft. ²	\$19.66	\$21.65	↑ 10.12%

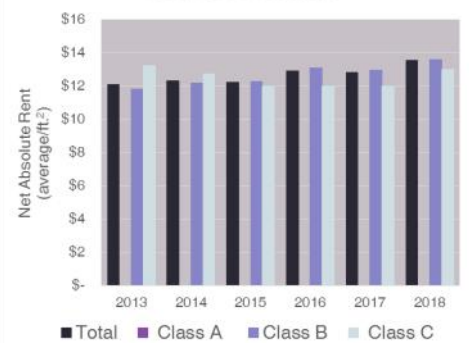
Supply & Demand

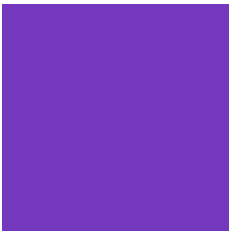
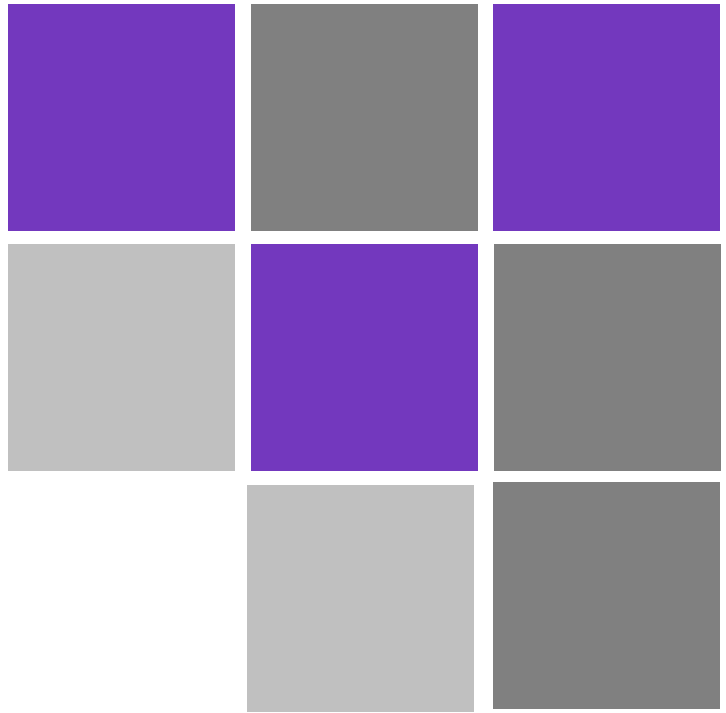


Vacant Space



Net Absolute Rent/ft.²

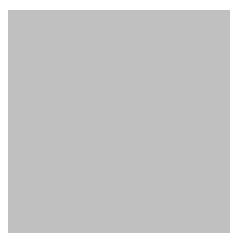




MARKET SURVEY MONCTON OFFICES DECEMBER 2018



Survey Scope:
70 buildings
3,222,494 ft.² of rental office space
expert researchers



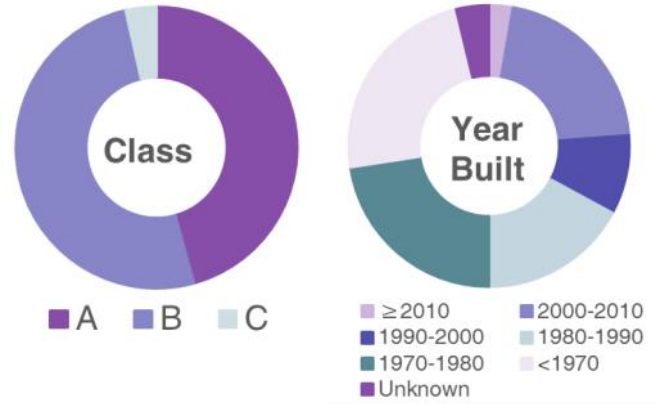
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DEC. 2018 MARKET SURVEY MONCTON OFFICES

Year at a Glance

	2017	2018	Change
Office Inventory (ft. ²)	3,063,050	3,222,494	↑ 159,444
Net Absorption (ft. ²)	112,880	291,335	↑ 178,475
Vacancy Rate	12.74%	8.02%	↓ - 4.72 pp
Avg. Net Rent/ft. ²	\$13.13	\$12.93	↓ - 1.52%
Avg. RTCAM/ft. ²	\$9.40	\$9.59	↑ 2.02%
Avg. Gross Rent/ft. ²	\$21.44	\$23.04	↑ 7.46%

Overall Office Inventory



Supply & Demand Overview

The total amount of rentable office space in Greater Moncton increased 5.21% over last year, due in part to newly renovated space being added back into the market. The overall vacancy rate dropped from 12.74% in 2017 to 8.02% 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 0.8%, leading to an uptick in demand for office space of 0.36%. With limited new supply expected to be brought to the market in 2019, the vacancy rate is expected to drop slightly to 7.9%.

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 4.16%; Class B 11.07%; Class C 14.06%; Overall 8.02%.

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 \$14.12; Class B \$12.19; Class C \$11.92; Overall \$12.93.

Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

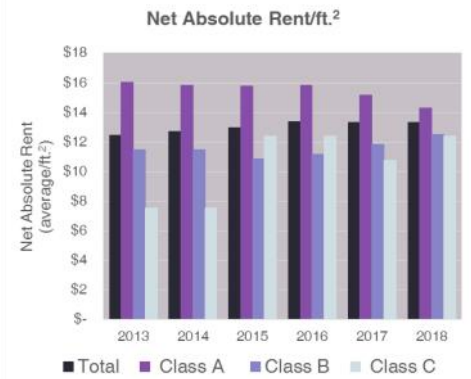
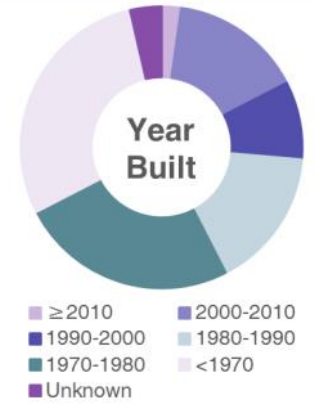
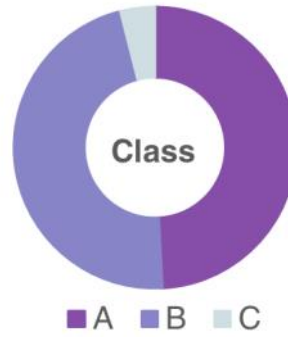


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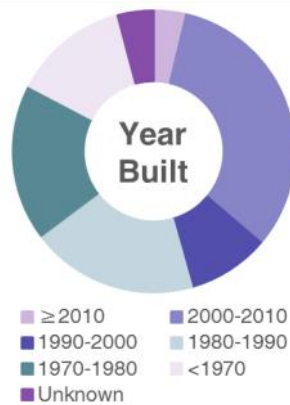
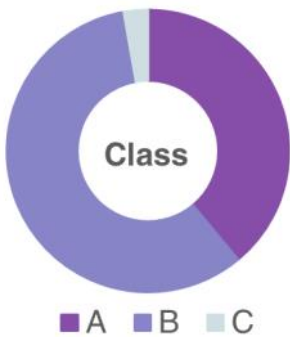
CENTRAL MONCTON

Year at a Glance

	2017	2018	Change
Office Inventory (ft. ²)	2,004,527	2,133,598	↑ 129,071
Net Absorption (ft. ²)	73,294	200,921	↑ 127,627
Vacancy Rate	9.07%	5.15%	↓ - 3.92 pp
Avg. Net Rent/ft. ²	\$13.31	\$13.30	↓ - 0.08%
Avg. RTCAM/ft. ²	\$9.09	\$9.13	↑ 0.44%
Avg. Gross Rent/ft. ²	\$20.26	\$23.33	↑ 15.15%

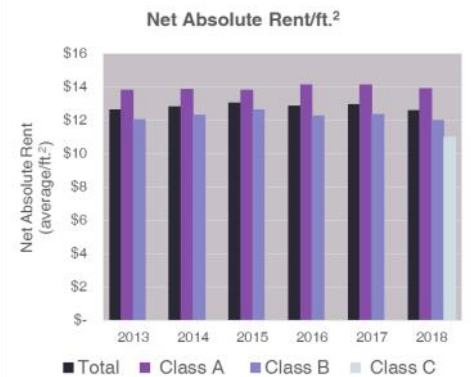


MONCTON PERIPHERAL



Year at a Glance

	2017	2018	Change
Office Inventory (ft. ²)	1,058,523	1,088,896	↑ 30,373
Net Absorption (ft. ²)	39,586	90,434	↑ 50,848
Vacancy Rate	19.69%	13.62%	↓ - 6.06 pp
Avg. Net Rent/ft. ²	\$12.99	\$12.60	↓ - 3.00%
Avg. RTCAM/ft. ²	\$9.72	\$10.09	↑ 3.81%
Avg. Gross Rent/ft. ²	\$22.74	\$22.77	↑ 0.13%



DEC. 2018 MARKET SURVEY NEW BRUNSWICK WAREHOUSES

Year at a Glance

	2017	2018	Change
Office Inventory (ft. ²)	3,922,704	4,059,280	↑ 136,576
Net Absorption (ft. ²)	(62,091)	315,989	↑ 378,080
Vacancy Rate	19.45%	14.38%	↓ - 5.07 pp
Avg. Net Rent/ft. ²	\$6.80	\$6.93	↑ 1.91%
Avg. RTCAM/ft. ²	\$3.69	\$3.80	↑ 2.98%
Avg. Gross Rent/ft. ²	\$10.07	\$11.06	↑ 9.83%

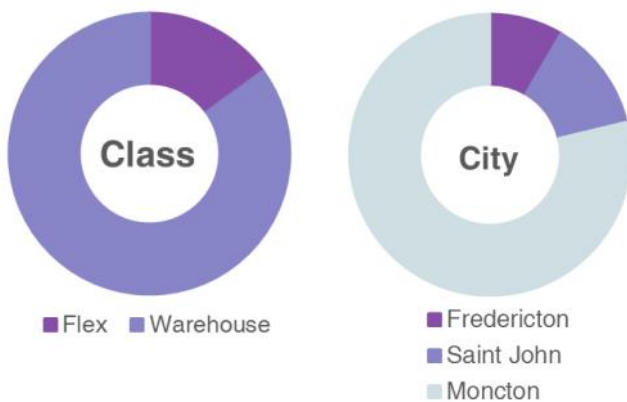
Survey Overview

These surveys included every warehouse 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 93 buildings with an aggregate rentable area of 4,059,280 ft.², broken down by city as follows:

Greater Fredericton:	11 buildings	341,943 ft. ²	GLA
Greater Saint John:	15 buildings	520,611 ft. ²	GLA
Greater Moncton:	67 buildings	3,196,726 ft. ²	GLA

The survey successfully collected information on 82% 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.

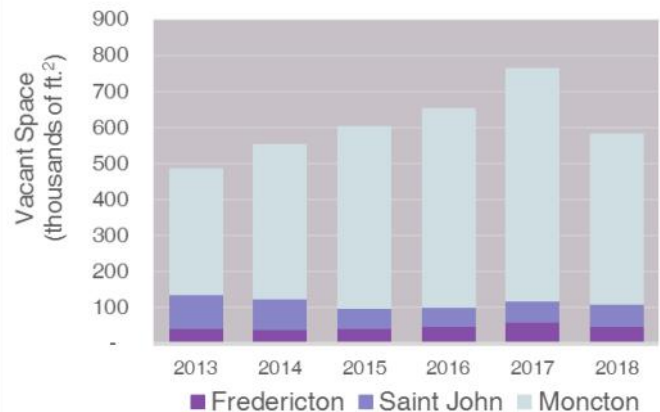
Overall Warehouse Inventory



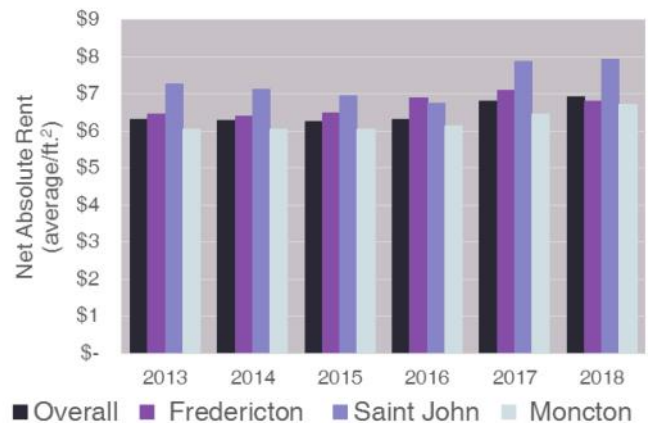
Supply & Demand

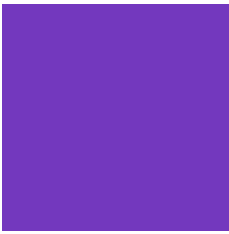
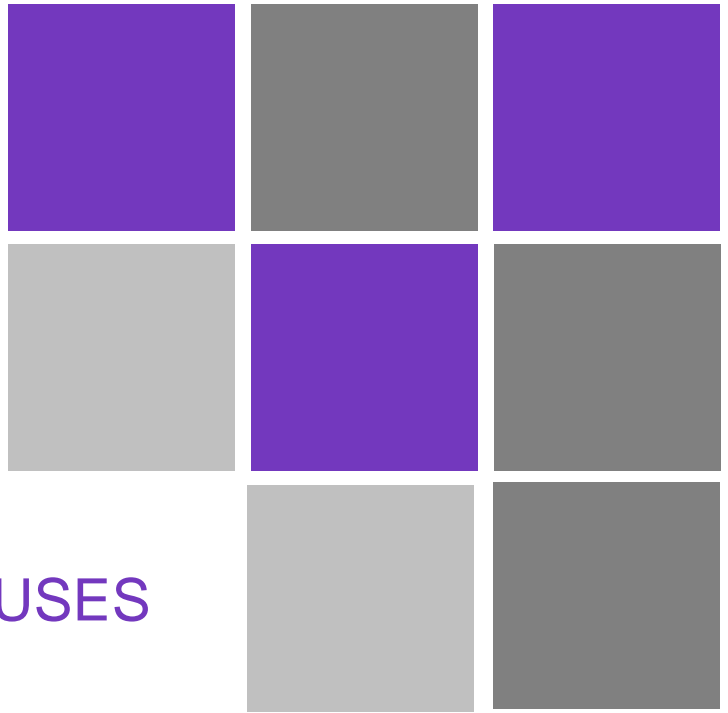


Vacant Space



Net Absolute Rent/ft.²





MARKET SURVEY FREDERICTON WAREHOUSES DECEMBER 2018

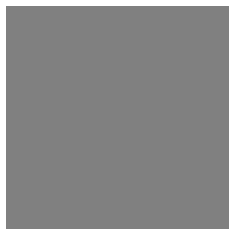
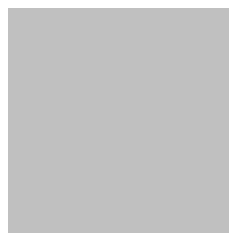
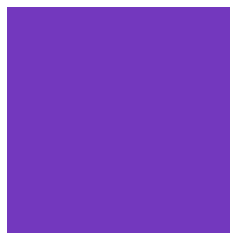
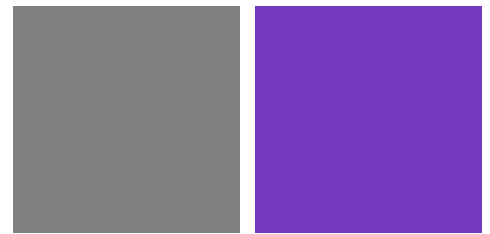


Survey Scope:

11 buildings

341,943 ft.² of rental warehouse space

expert researchers



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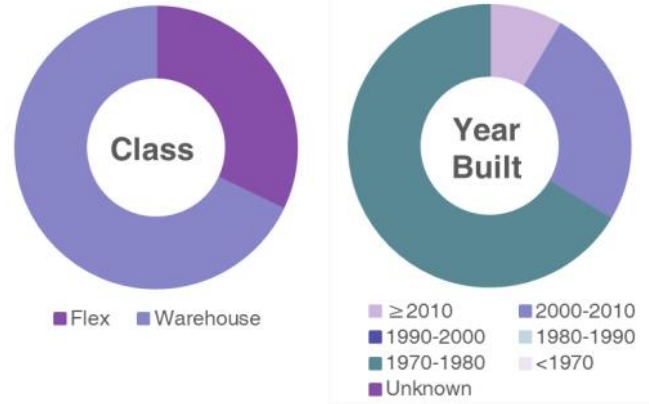
E-Mail: tdp@turnerdrake.com

DEC. 2018 MARKET SURVEY FREDERICTON WAREHOUSES

Year at a Glance

Warehouse	2017	2018	Change
Inventory (ft. ²)	324,543	341,943	↑ 17,400
Net Absorption (ft. ²)	18,186	28,845	↑ 10,659
Vacancy Rate	18.10%	13.84%	↓ - 4.26 pp
Avg. Net Rent/ft. ²	\$7.09	\$6.82	↓ - 3.81%
Avg. RTCAM/ft. ²	\$3.61	\$3.88	↑ 7.48%
Avg. Gross Rent/ft. ²	\$10.70	\$10.94	↑ 2.24%

Overall Warehouse Inventory



Supply & Demand Overview

The total amount of rentable warehouse space in Greater Fredericton increased 5.36% over last year, due in part to newly renovated space being added back into the market. The overall vacancy rate dropped from 18.10% in 2017 to 13.84% 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 0.8%, leading to an uptick in demand for warehouse space of 0.4%. With no anticipated new supply coming to market in 2019, the vacancy rate is expected to drop to 13.5%.

Our survey measured the vacancy rate by geographic node. The current vacancy rate in each of the following locations is: Fredericton Central 2.95%; Fredericton Industrial Park 20.99%; Overall 13.84%.

Our survey also measured rental rates. Industrial properties in Fredericton saw the overall net absolute rent per square foot decrease by 3.81% year over year, to \$6.82 /ft.² in 2019. The average overall net rental rates per square foot in each of the following locations are: Central Fredericton \$7.71; Fredericton Industrial Park \$6.57, Overall \$6.82.

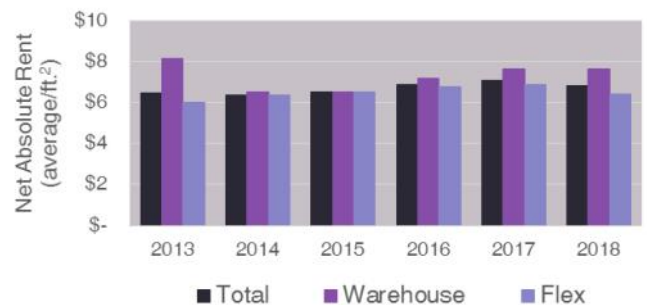
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

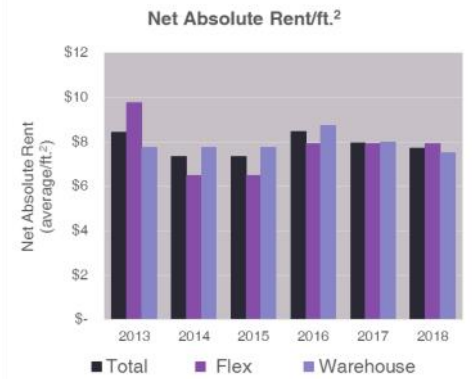
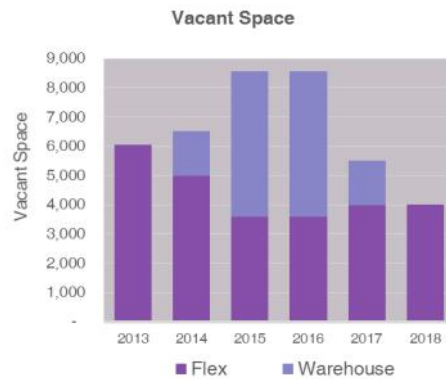
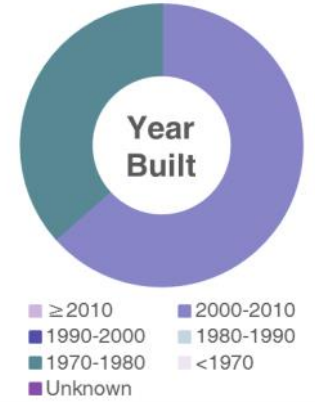
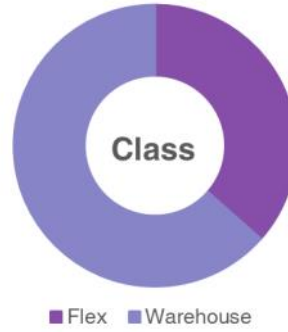


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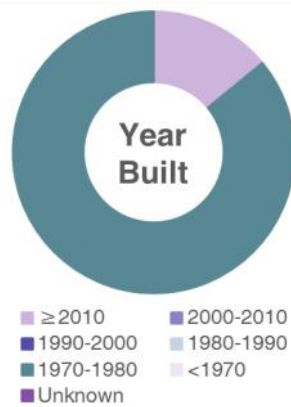
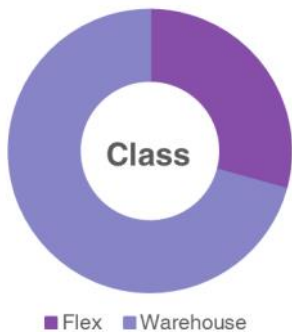
CENTRAL FREDERICTON

Year at a Glance

Warehouse	2017	2018	Change
Inventory (ft. ²)	135,644	135,644	↔ ---
Net Absorption (ft. ²)	3,050	1,500	↓ (1,550)
Vacancy Rate	4.05%	2.95%	↓ - 1.11 pp
Avg. Net Rent/ft. ²	\$7.97	\$7.71	↓ - 3.26%
Avg. RTCAM/ft. ²	\$2.61	\$2.72	↑ 4.21%
Avg. Gross Rent/ft. ²	\$10.58	\$10.60	↑ 0.19%

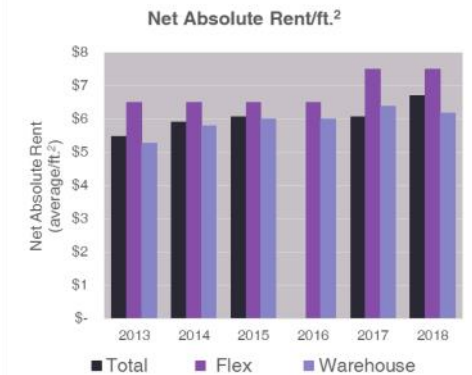
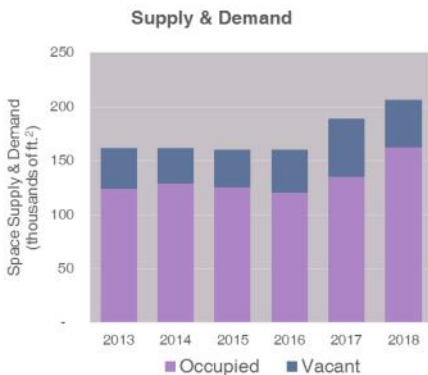



FREDERICTON PERIPHERAL



Year at a Glance

Warehouse	2017	2018	Change
Inventory (ft. ²)	188,899	206,299	↑ 17,400
Net Absorption (ft. ²)	15,136	27,345	↑ 12,209
Vacancy Rate	28.19%	20.99%	↓ - 7.20 pp
Avg. Net Rent/ft. ²	\$6.71	\$6.57	↓ - 2.09%
Avg. RTCAM/ft. ²	\$4.03	\$4.17	↑ 3.47%
Avg. Gross Rent/ft. ²	\$10.75	\$11.07	↑ 2.98%






MARKET SURVEY SAINT JOHN NB WAREHOUSES DECEMBER 2018



Survey Scope:
15 buildings
520,611 ft.² of rental warehouse space
expert researchers



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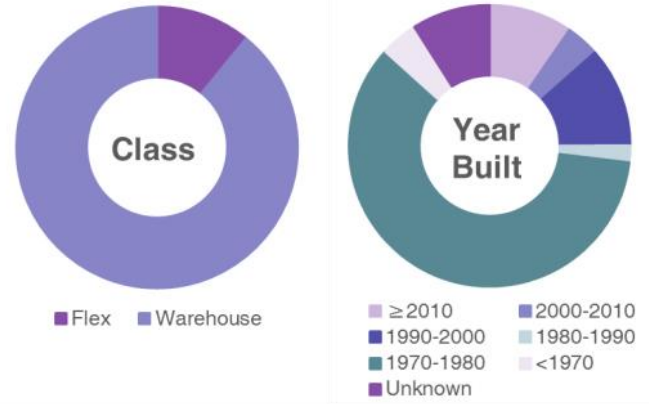
E-Mail: tdp@turnerdrake.com

DEC. 2018 MARKET SURVEY SAINT JOHN WAREHOUSES

Year at a Glance

Warehouse	2017	2018	Change
Inventory (ft. ²)	500,536	520,611	↑ 20,075
Net Absorption (ft. ²)	(5,271)	17,058	↑ 22,329
Vacancy Rate	11.88%	12.00%	↑ 0.12 pp
Avg. Net Rent/ft. ²	\$7.87	\$7.93	↑ 0.76%
Avg. RTCAM/ft. ²	\$4.22	\$4.38	↑ 3.79%
Avg. Gross Rent/ft. ²	\$12.09	\$12.30	↑ 1.74%

Overall Warehouse Inventory



Supply & Demand Overview

The total amount of rentable warehouse space in our Greater Saint John survey increased by 4% over last year. The overall vacancy rate increased from 11.88% in 2017 to 12.00% 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 0.8%, leading to an uptick in demand for warehouse space of 0.4%. With no anticipated new supply to come to market in 2019, the vacancy rate is expected to drop to 11.7%.

Our survey measured the vacancy rate by geographic node. The current vacancy rate in each of the following locations is: Saint John Industrial Park 10.88%; Saint John Remainder 14.51%, Overall 12.00%.

Our survey also measured rental rates. Industrial properties in Saint John saw the overall net absolute rent per square foot increase by 0.76% year over year, to \$7.93/ft.² in 2018. The average overall net rental rates per square foot in each of the following locations are: Saint John Industrial Park \$6.22; Saint John Remainder \$11.77; Overall \$ 7.93.

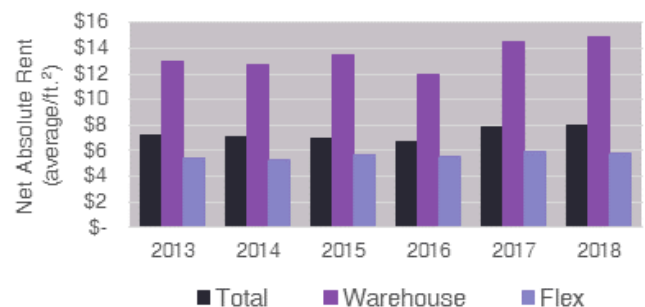
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

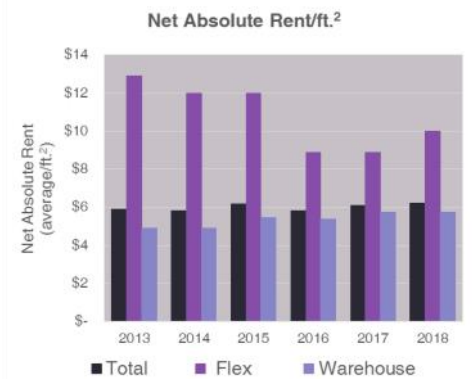
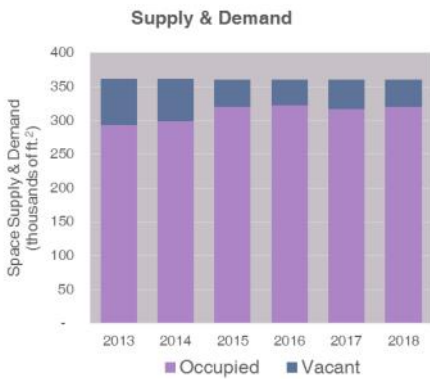
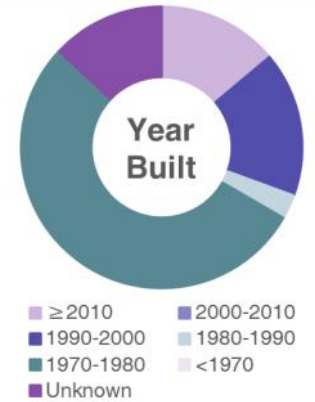
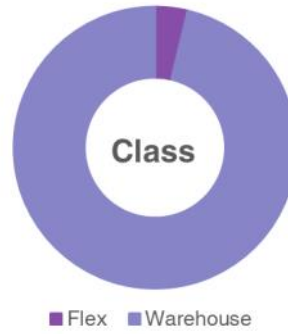


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GRANDVIEW INDUSTRIAL PARK

Year at a Glance

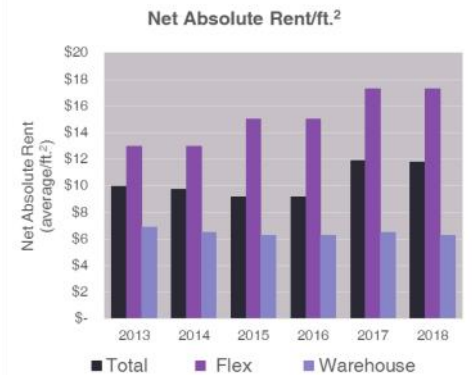
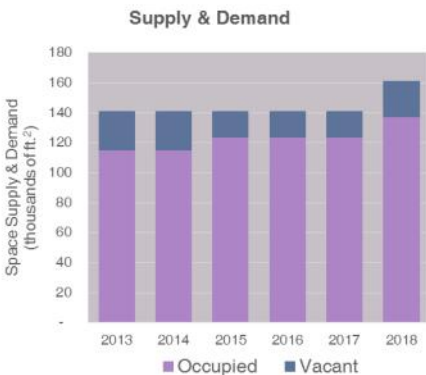
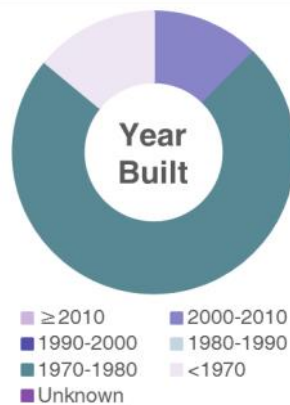
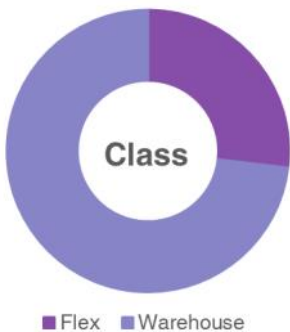
Warehouse	2017	2018	Change
Inventory (ft. ²)	359,714	359,714	↔ - - -
Net Absorption (ft. ²)	(5,271)	3,180	⬆ 8,451
Vacancy Rate	11.76%	10.88%	⬇ - 0.88 pp
Avg. Net Rent/ft. ²	\$6.08	\$6.22	⬆ 2.30%
Avg. RTCAM/ft. ²	\$3.70	\$3.70	↔ 0.00%
Avg. Gross Rent/ft. ²	\$9.78	\$9.92	↔ 1.43%

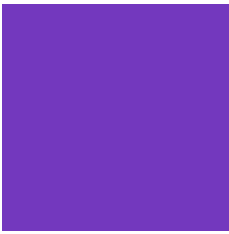


SAINT JOHN REMAINDER

Year at a Glance

Warehouse	2017	2018	Change
Inventory (ft. ²)	140,822	160,897	⬆ 20,075
Net Absorption (ft. ²)	- - -	13,878	⬆ 13,878
Vacancy Rate	12.17%	14.51%	⬆ 2.33 pp
Avg. Net Rent/ft. ²	\$11.90	\$11.77	⬇ - 1.09%
Avg. RTCAM/ft. ²	\$5.41	\$5.91	⬆ 9.24%
Avg. Gross Rent/ft. ²	\$17.31	\$16.59	⬇ - 4.16%





MARKET SURVEY MONCTON WAREHOUSES DECEMBER 2018



Survey Scope:
67 buildings
3,196,726 ft.² of rental warehouse space
expert researchers



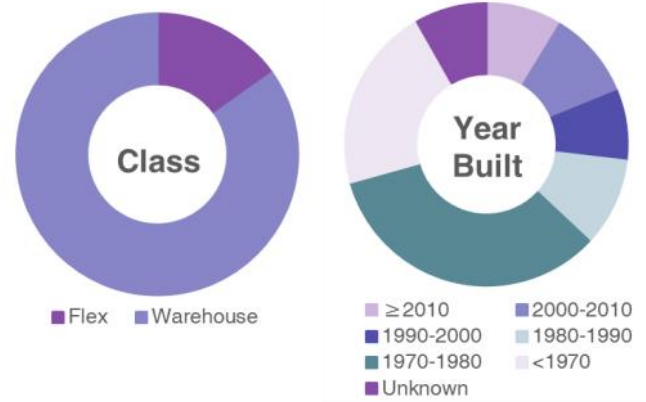
Real Estate Counsellors, Brokers and Valuers
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Tel.: (506) 634-1811
Internet: www.turnerdrake.com
E-Mail: tdp@turnerdrake.com

DEC. 2018 MARKET SURVEY MONCTON WAREHOUSES

Year at a Glance

Warehouse	2017	2018	Change
Inventory (ft. ²)	3,097,625	3,196,726	↑ 99,101
Net Absorption (ft. ²)	(75,006)	270,086	↑ 345,092
Vacancy Rate	20.82%	14.82%	↓ - 5.99 pp
Avg. Net Rent/ft. ²	\$6.47	\$6.71	↑ 3.71%
Avg. RTCAM/ft. ²	\$3.57	\$3.66	↑ 2.52%
Avg. Gross Rent/ft. ²	\$9.48	\$10.77	↑ 13.61%

Overall Warehouse Inventory



Supply & Demand Overview

The total amount of rentable warehouse space in Greater Moncton increased by 3.20% over last year. The overall vacancy rate dropped from 20.82% in 2017 to 14.82% 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 0.8%, leading to an uptick in demand for warehouse space of 0.4%. With limited new supply coming to market in 2019, the vacancy rate is expected to drop to 14.5%.

Our survey measured the vacancy rate by geographic node. The current vacancy rate in each of the following locations is: Moncton Central 7.03%; Moncton Industrial Park 20.32%; Dieppe Industrial Park 4.54%; Caledonia Industrial Park 13.39%; Overall 14.82%.

Our survey also measured rental rates. The average overall net rental rates per square foot in each of the following locations are: Moncton Central \$7.80; Moncton Industrial Park \$6.41; Dieppe Industrial Park \$6.89; Caledonia Industrial Park \$7.02; Overall \$6.71.

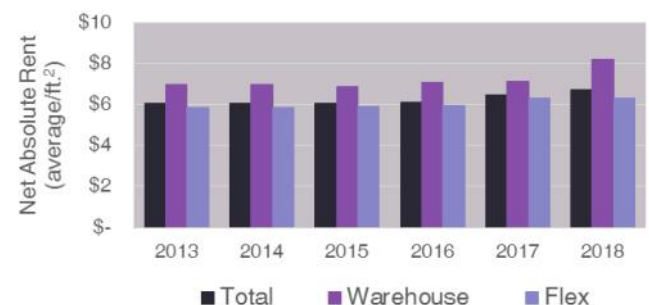
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

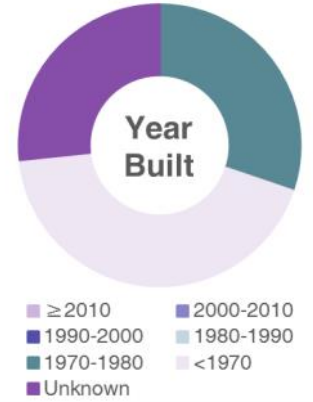
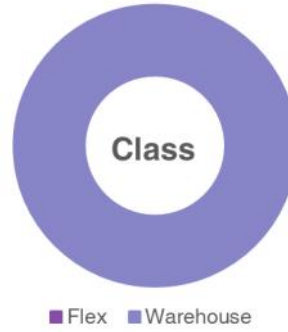


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CENTRAL MONCTON

Year at a Glance

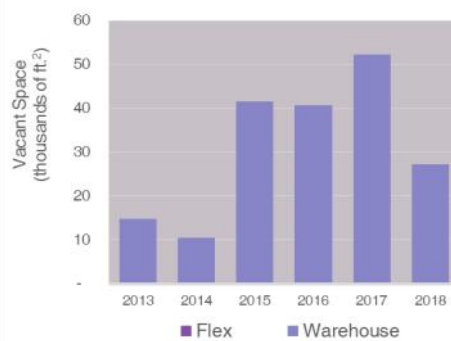
Warehouse	2018	2019	Change
Inventory (ft. ²)	385,494	385,494	↔ ---
Net Absorption (ft. ²)	(11,590)	25,124	↑ 36,714
Vacancy Rate	13.55%	7.03%	↓ - 6.52 pp
Avg. Net Rent/ft. ²	\$7.82	\$7.80	↓ - 0.26%
Avg. RTCAM/ft. ²	\$3.08	\$3.90	↑ 26.62%
Avg. Gross Rent/ft. ²	\$8.94	\$11.70	↑ 30.87%



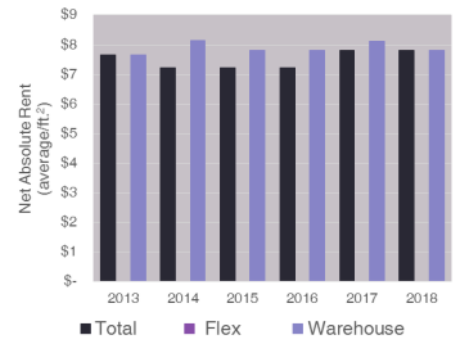
Supply & Demand



Vacant Space



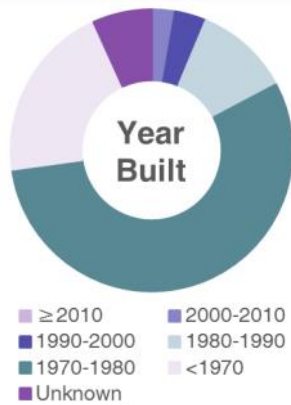
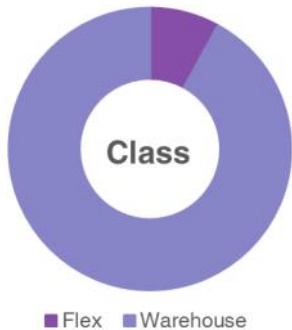
Net Absolute Rent/ft.²



MONCTON INDUSTRIAL PARK

Year at a Glance

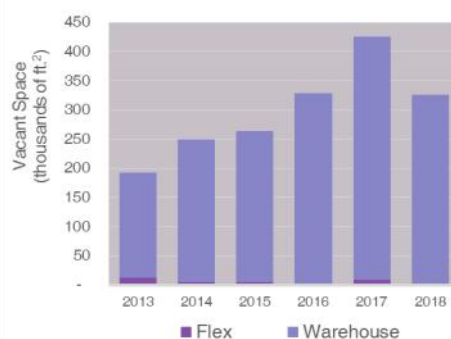
Warehouse	2017	2018	Change
Inventory (ft. ²)	1,567,667	1,601,168	↑ 31,501
Net Absorption (ft. ²)	(86,338)	133,628	↑ 219,966
Vacancy Rate	27.14%	20.32%	↓ - 6.82 pp
Avg. Net Rent/ft. ²	\$5.96	\$6.41	↑ 7.55%
Avg. RTCAM/ft. ²	\$2.97	\$3.38	↑ 13.80%
Avg. Gross Rent/ft. ²	\$8.15	\$10.16	↑ 24.66%



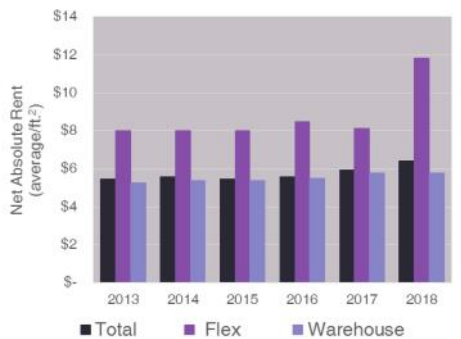
Supply & Demand



Vacant Space



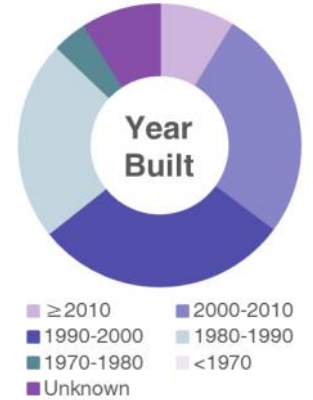
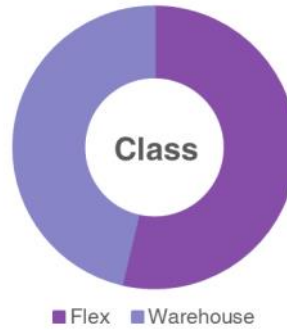
Net Absolute Rent/ft.²



DIEPPE INDUSTRIAL PARK

Year at a Glance

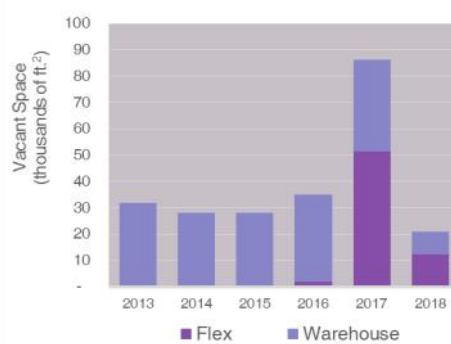
Warehouse	2017	2018	Change
Inventory (ft. ²)	458,249	458,249	↔ - - -
Net Absorption (ft. ²)	(11,050)	65,261	⬆ 76,311
Vacancy Rate	18.78%	4.54%	⬇ - 14.24 pp
Avg. Net Rent/ft. ²	\$7.07	\$6.89	⬇ - 2.55%
Avg. RTCAM/ft. ²	\$4.53	\$4.24	⬇ - 6.40%
Avg. Gross Rent/ft. ²	\$11.60	\$12.14	⬆ 4.66%



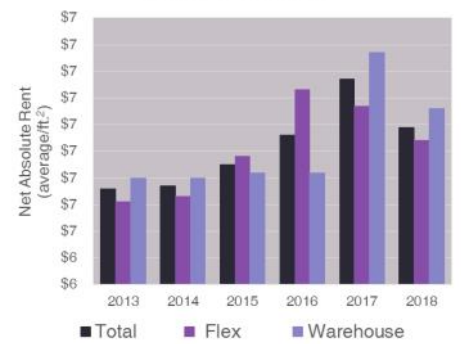
Supply & Demand



Vacant Space



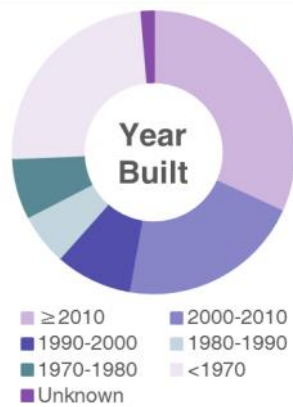
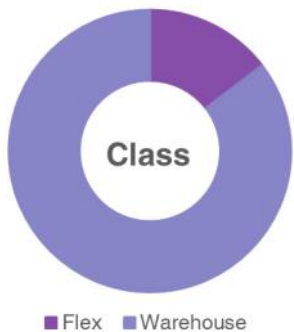
Net Absolute Rent/ft.²



CALEDONIA INDUSTRIAL PARK

Year at a Glance

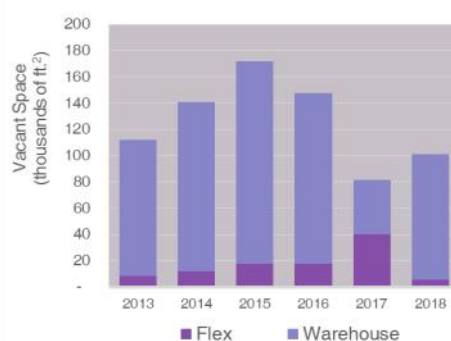
Warehouse	2017	2018	Change
Inventory (ft. ²)	686,215	751,815	⬆ 65,600
Net Absorption (ft. ²)	33,972	46,073	⬆ 12,101
Vacancy Rate	11.83%	13.39%	⬆ 1.57 pp
Avg. Net Rent/ft. ²	\$6.77	\$7.02	⬆ 3.69%
Avg. RTCAM/ft. ²	\$4.34	\$3.79	⬆ - 12.67%
Avg. Gross Rent/ft. ²	\$11.11	\$10.81	⬆ - 2.70%



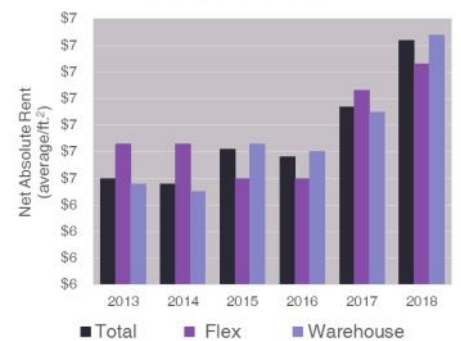
Supply & Demand



Vacant Space



Net Absolute Rent/ft.²



DEC. 2018 MARKET SURVEY NEW BRUNSWICK OFFICES & WAREHOUSES

Glossary

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

Vacancy Rate - The vacancy rate excludes any space available for sub-lease: it is the total amount of space which is vacant and not currently leased.

Absorption - This is the amount of additional space absorbed by the market during that period. It is the incremental market demand.

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).