

MARKET SURVEY

NB OFFICES & WAREHOUSES

DECEMBER 2019



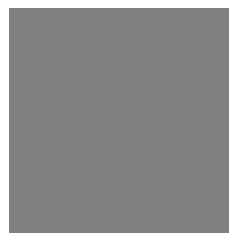
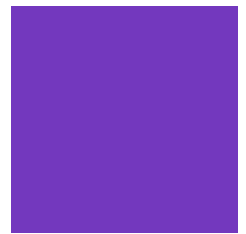
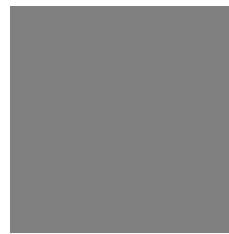
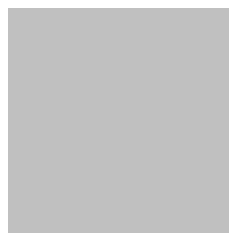
Survey Scope: 164 office & 99 warehouse buildings

7,918,210 ft.² of rental office space

4,184,718 ft.² of rental warehouse space

expert researchers

3 cities



Real Estate Counsellors, Brokers and Valuers
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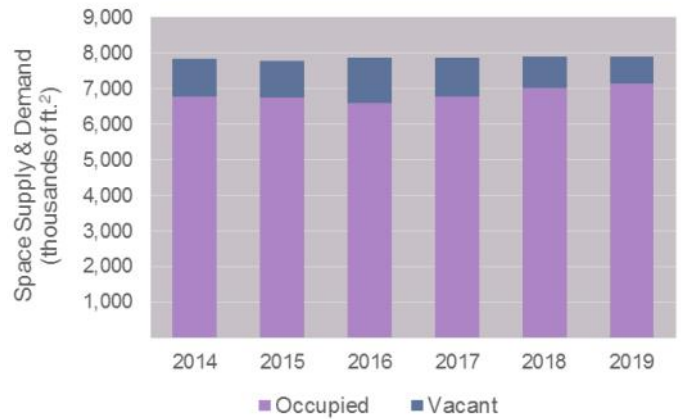
E-Mail: tdp@turnerdrake.com

DEC. 2019 MARKET SURVEY NEW BRUNSWICK OFFICES

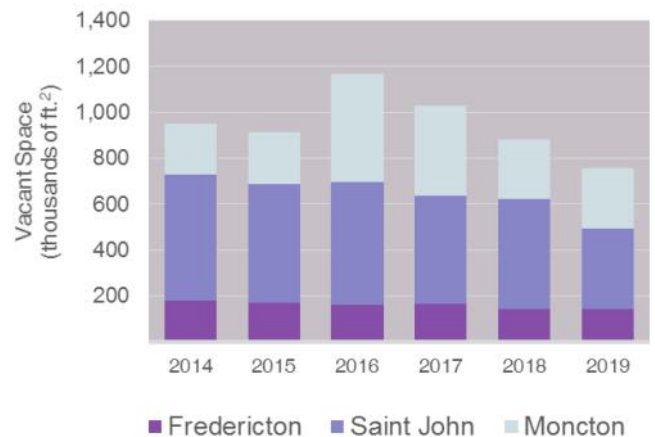
Year at a Glance

| | 2018 | 2019 | Change |
|--------------------------------------|-----------|-----------|-------------|
| Office Inventory (ft. ²) | 7,905,793 | 7,918,210 | ↑ 12,417 |
| Net Absorption (ft. ²) | 247,015 | 130,586 | ↓ - 116,429 |
| Vacancy Rate | 11.26% | 9.75% | ↓ - 1.51 pp |
| Avg. Net Rent/ft. ² | \$13.32 | \$13.16 | ↓ - 1.20% |
| Avg. RTCAM/ft. ² | \$9.68 | \$10.00 | ↑ 3.31% |
| Avg. Gross Rent/ft. ² | \$23.25 | \$23.00 | ↓ - 1.08% |

Supply & Demand



Vacant Space



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 164 buildings with an aggregate rentable area of 7,918,210 ft.², broken down by city as follows:

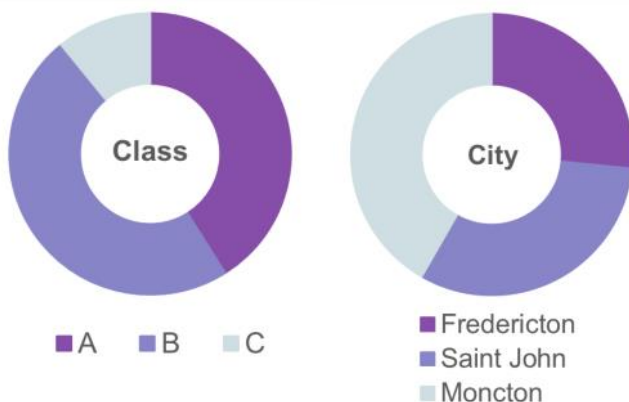
Greater Fredericton: 50 buildings 2,105,348 ft.² GLA

Greater Saint John: 43 buildings 2,510,338 ft.² GLA

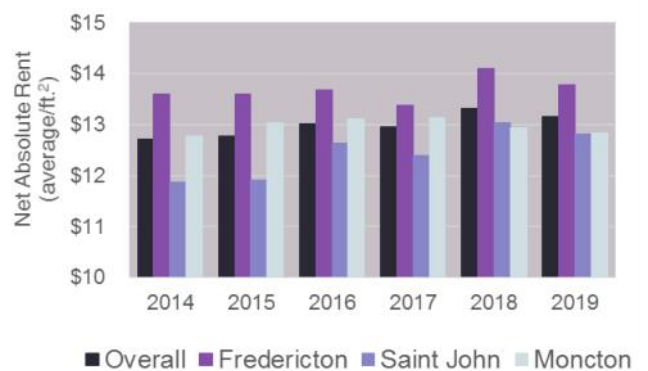
Greater Moncton: 71 buildings 3,302,524 ft.² GLA

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.

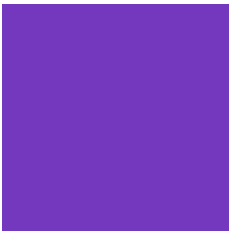
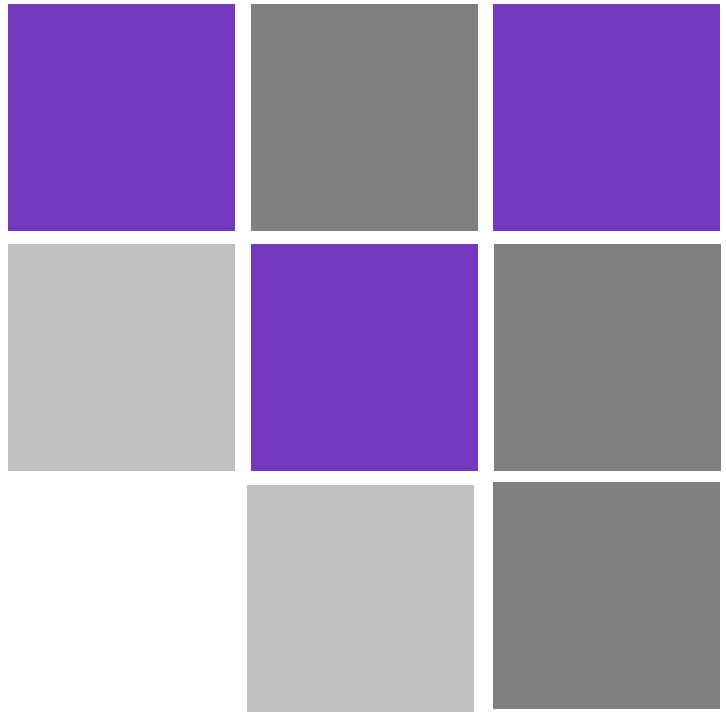
Overall Office Inventory



Net Absolute Rent/ft.²



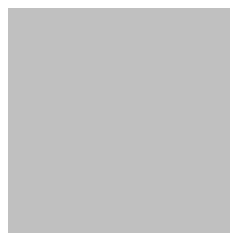
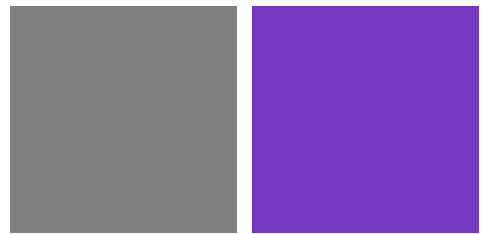
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MARKET SURVEY FREDERICTON OFFICES DECEMBER 2019



Survey Scope:
50 buildings
2,105,348 ft.² of rental office space
expert researchers



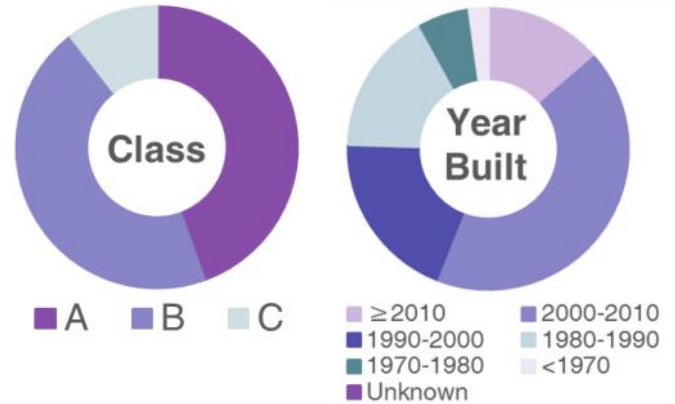
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DEC. 2019 MARKET SURVEY FREDERICTON OFFICES

Year at a Glance

| | 2018 | 2019 | Change |
|--------------------------------------|-----------|-----------|-------------|
| Office Inventory (ft. ²) | 2,164,356 | 2,105,348 | ↓ - 19,008 |
| Net Absorption (ft. ²) | 39,934 | - 16,934 | ↓ - 56,128 |
| Vacancy Rate | 6.77% | 6.70% | ↓ - 0.07 pp |
| Avg. Net Rent/ft. ² | \$14.10 | \$13.78 | ↓ - 2.27% |
| Avg. RTCAM/ft. ² | \$9.88 | \$10.29 | ↑ 4.15% |
| Avg. Gross Rent/ft. ² | \$24.37 | \$24.07 | ↓ - 1.23% |

Overall Office Inventory



Supply & Demand Overview

The total amount of rentable office space in Greater Fredericton decreased 0.89% over last year. The overall vacancy rate decreased from 6.77% in 2018 to 6.70% in 2019. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicates that 2020 will see GDP growth of 0.9%, contributing to an uptick in demand for office space. With additional supply expected to enter the market, the vacancy rate is expected to rise 9.8%.

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 4.42%; Class B 9.16%; Class C 5.80%; Overall 6.70%.

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 \$15.27; Class B \$13.24; Class C \$13.27; Overall \$13.78.

Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

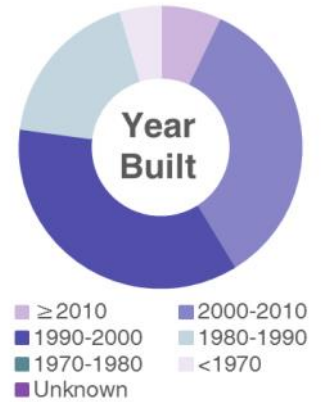
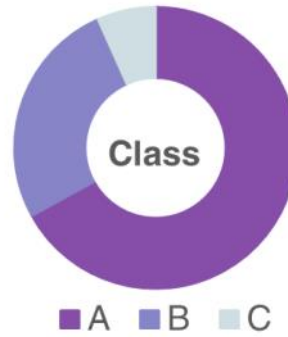


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CENTRAL FREDERICTON

Year at a Glance

| | 2018 | 2019 | Change |
|--------------------------------------|-----------|-----------|-------------|
| Office Inventory (ft. ²) | 1,011,767 | 1,011,767 | ↔ --- |
| Net Absorption (ft. ²) | 14,215 | 9,443 | ↓ - 4,772 |
| Vacancy Rate | 8.47% | 7.53% | ↓ - 0.94 pp |
| Avg. Net Rent/ft. ² | \$15.31 | \$15.19 | ↓ - 0.78% |
| Avg. RTCAM/ft. ² | \$9.70 | \$10.17 | ↑ 4.85% |
| Avg. Gross Rent/ft. ² | \$25.27 | \$25.35 | ↑ 0.32% |



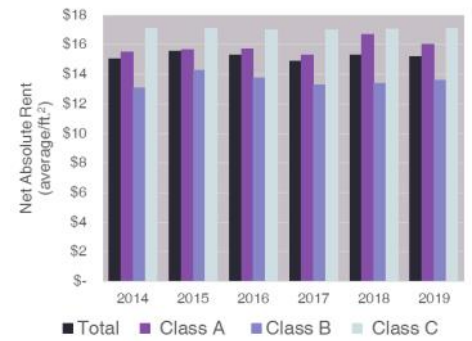
Supply & Demand



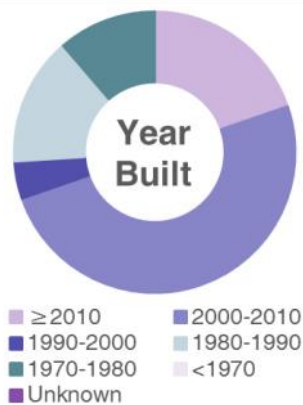
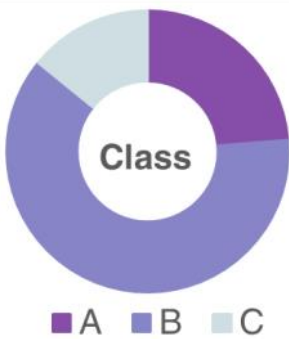
Vacant Space



Net Absolute Rent/ft.²



FREDERICTON PERIPHERAL



Year at a Glance

| | 2018 | 2019 | Change |
|--------------------------------------|-----------|-----------|------------|
| Office Inventory (ft. ²) | 1,112,589 | 1,093,581 | ↓ - 19,008 |
| Net Absorption (ft. ²) | 25,719 | - 25,637 | ↓ - 51,356 |
| Vacancy Rate | 5.23% | 5.92% | ↑ 0.69 pp |
| Avg. Net Rent/ft. ² | \$13.43 | \$13.03 | ↓ - 2.98% |
| Avg. RTCAM/ft. ² | \$9.98 | \$10.36 | ↑ 3.81% |
| Avg. Gross Rent/ft. ² | \$23.88 | \$23.39 | ↓ - 2.05% |

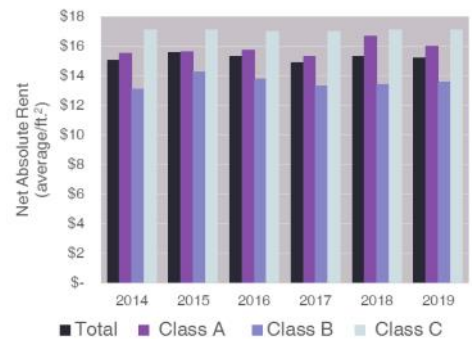
Supply & Demand



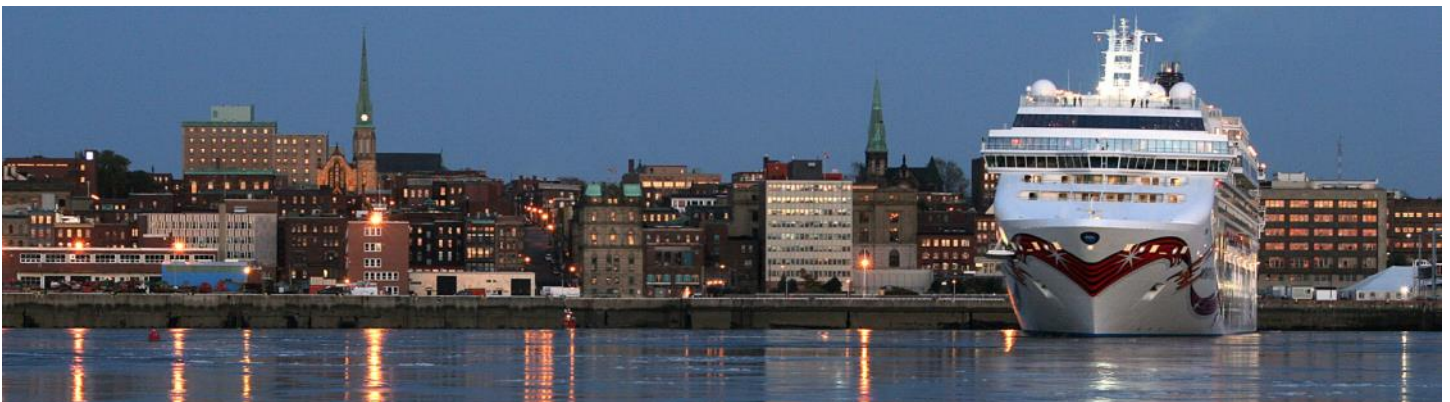
Vacant Space



Net Absolute Rent/ft.²



MARKET SURVEY
SAINT JOHN NB OFFICES
DECEMBER 2019



Survey Scope:
43 buildings
2,510,338 ft.² of rental office space
expert researchers



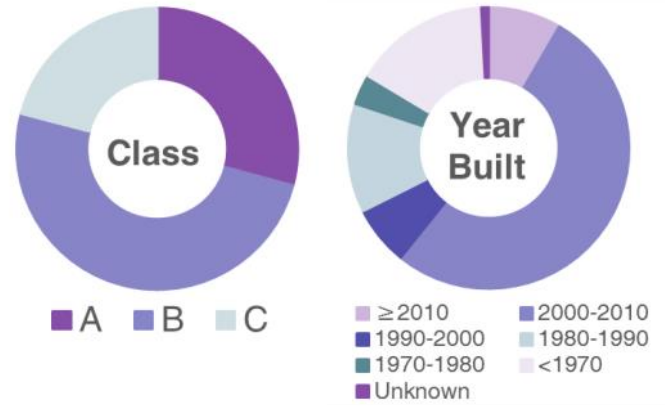
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DEC. 2019 MARKET SURVEY SAINT JOHN NB OFFICES

Year at a Glance

| | 2018 | 2019 | Change |
|--------------------------------------|-----------|-----------|-------------|
| Office Inventory (ft. ²) | 2,502,944 | 2,510,338 | ↑ 7,394 |
| Net Absorption (ft. ²) | - 16,073 | 132,308 | ↑ 148,381 |
| Vacancy Rate | 19.10% | 14.07% | ↓ - 5.03 pp |
| Avg. Net Rent/ft. ² | \$13.03 | \$12.81 | ↓ - 1.69% |
| Avg. RTCAM/ft. ² | \$9.58 | \$8.92 | ↓ - 6.89% |
| Avg. Gross Rent/ft. ² | \$22.44 | \$21.11 | ↓ - 5.93% |

Overall Office Inventory



Supply & Demand Overview

The total amount of rentable office space in Saint John increased 0.30% over last year. The overall vacancy rate decreased from 19.10% in 2018 to 14.07% in 2019. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicates that 2020 will see GDP growth of 0.9%, leading to an increase in demand for office space of 1.3%. No major additions to rental supply are anticipated in the year to come, and the vacancy rate is expected to fall to 12.9%.

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 16.97%; Class B 14.10%; Class C 9.96%; Overall 14.07%.

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 \$15.17; Class B \$12.76; Class C \$10.66; Overall \$12.81.

Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

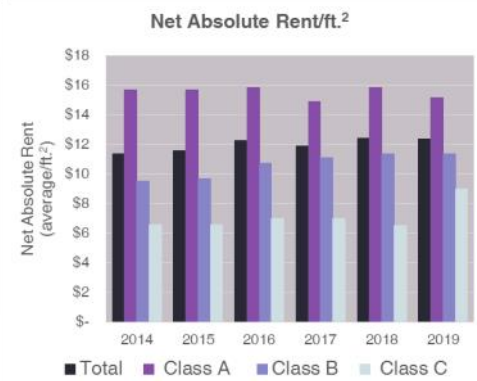
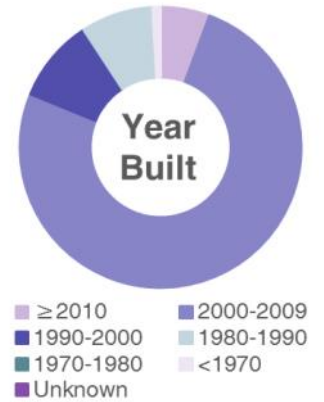
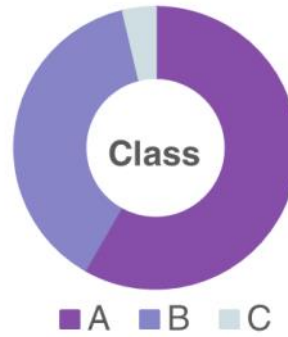


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UPTOWN SAINT JOHN NB

Year at a Glance

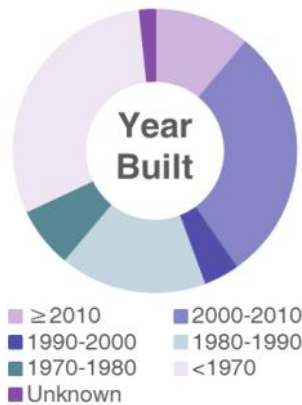
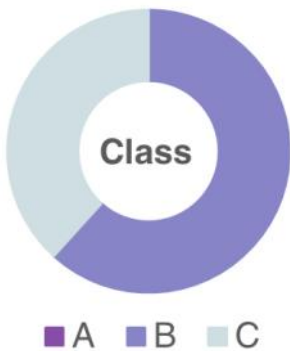
| | 2018 | 2019 | Change |
|--------------------------------------|-----------|-----------|-------------|
| Office Inventory (ft. ²) | 1,271,757 | 1,256,438 | ↓ - 15,319 |
| Net Absorption (ft. ²) | - 6,252 | 15,273 | ↑ 21,525 |
| Vacancy Rate | 21.08% | 18.91% | ↓ - 2.18 pp |
| Avg. Net Rent/ft. ² | \$12.43 | \$12.34 | ↓ - 0.72% |
| Avg. RTCAM/ft. ² | \$10.72 | \$10.98 | ↑ 2.43% |
| Avg. Gross Rent/ft. ² | \$23.63 | \$22.81 | ↓ - 2.48% |

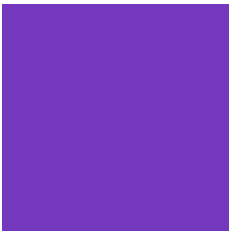
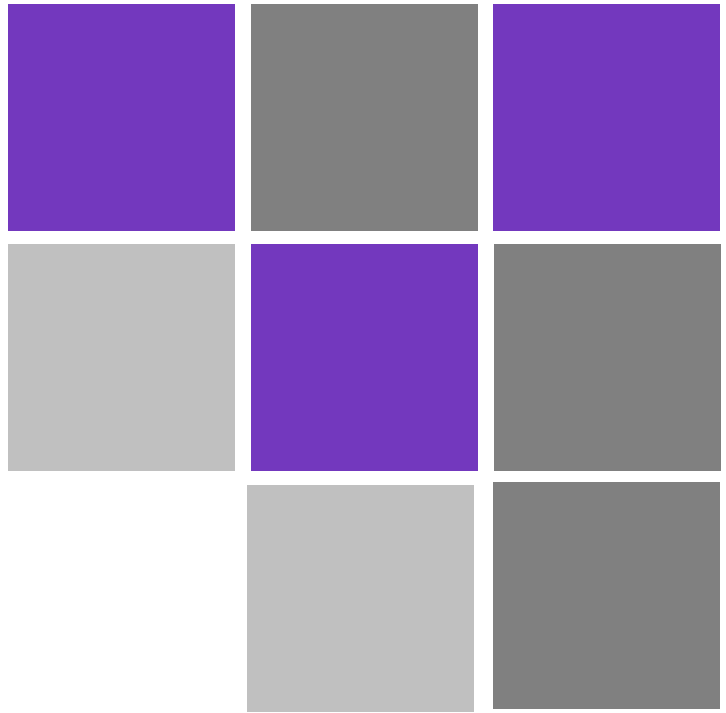


PERIPHERAL SAINT JOHN NB

Year at a Glance

| | 2018 | 2019 | Change |
|--------------------------------------|-----------|-----------|-------------|
| Office Inventory (ft. ²) | 1,231,187 | 1,253,900 | ↑ 22,713 |
| Net Absorption (ft. ²) | - 9,821 | 117,035 | ↑ 126,856 |
| Vacancy Rate | 17.05% | 9.22% | ↓ - 7.83 pp |
| Avg. Net Rent/ft. ² | \$13.56 | \$13.19 | ↓ - 2.73% |
| Avg. RTCAM/ft. ² | \$8.60 | \$8.36 | ↓ - 2.79% |
| Avg. Gross Rent/ft. ² | \$21.65 | \$20.68 | ↓ - 4.48% |

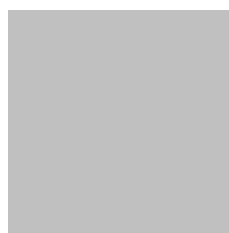




MARKET SURVEY MONCTON OFFICES DECEMBER 2019



Survey Scope:
71 buildings
3,302,524 ft.² of rental office space
expert researchers



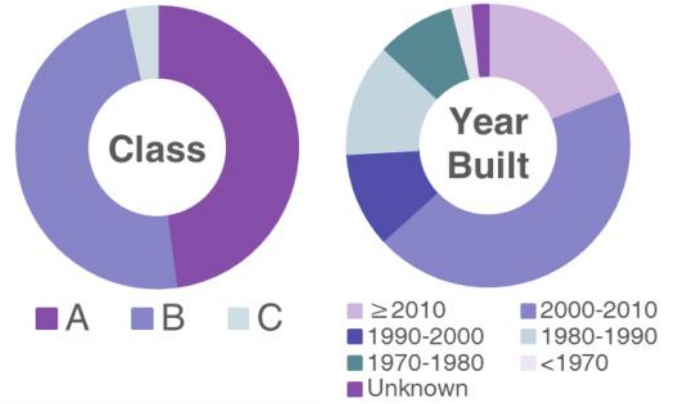
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DEC. 2019 MARKET SURVEY MONCTON OFFICES

Year at a Glance

| | 2018 | 2019 | Change |
|--------------------------------------|-----------|-----------|-------------|
| Office Inventory (ft. ²) | 3,222,494 | 3,302,524 | ↑ 80,030 |
| Net Absorption (ft. ²) | 291,355 | 76,375 | ↓ - 214,980 |
| Vacancy Rate | 8.02% | 7.93% | ↓ - 0.09 pp |
| Avg. Net Rent/ft. ² | \$12.93 | \$12.84 | ↓ - 0.70% |
| Avg. RTCAM/ft. ² | \$9.59 | \$10.07 | ↑ 5.01% |
| Avg. Gross Rent/ft. ² | \$23.04 | \$23.00 | ↓ - 0.17% |

Overall Office Inventory



Supply & Demand Overview

The total amount of rentable office space in Greater Moncton increased 2.48% over last year, due in part to newly converted office space being added into the market. The overall vacancy rate dropped from 8.02% in 2018 to 7.93% in 2019. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicates that 2020 will see GDP growth of 0.9%, leading to an uptick in demand for office space of 1.3%. With some new office supply expected to be brought to the market in 2020, the vacancy rate is expected to rise to 9.49%.

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 3.57%; Class B 12.25%; Class C 7.55%; Overall 7.93%.

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 \$14.04; Class B \$12.22; Class C \$11.92; Overall \$12.84.

Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

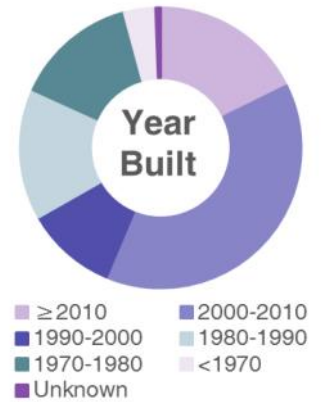
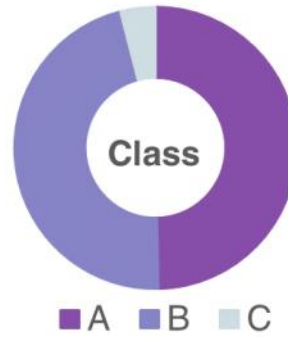


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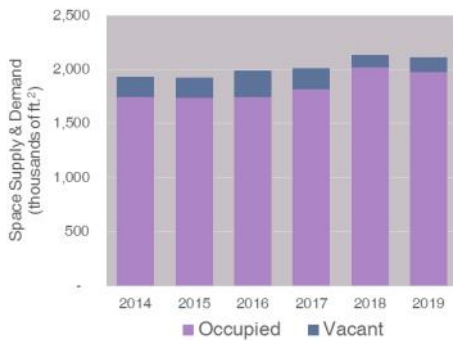
CENTRAL MONCTON

Year at a Glance

| | 2018 | 2019 | Change |
|--------------------------------------|-----------|-----------|-------------|
| Office Inventory (ft. ²) | 2,133,598 | 2,111,370 | ↓ - 22,228 |
| Net Absorption (ft. ²) | 200,921 | - 46,637 | ↓ - 247,558 |
| Vacancy Rate | 5.15% | 6.37% | ↑ 1.22 pp |
| Avg. Net Rent/ft. ² | \$13.30 | \$12.90 | ↓ - 3.01% |
| Avg. RTCAM/ft. ² | \$9.13 | \$10.38 | ↑ 13.69% |
| Avg. Gross Rent/ft. ² | \$23.33 | \$23.47 | ↑ 0.60% |



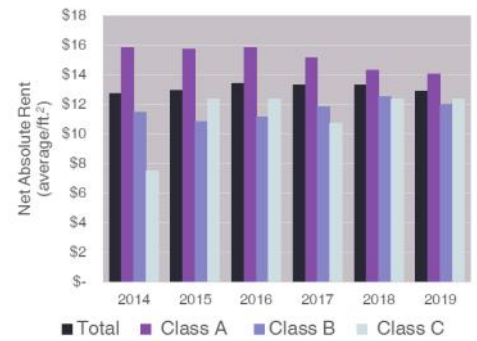
Supply & Demand



Vacant Space



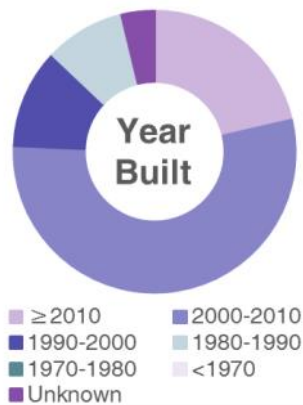
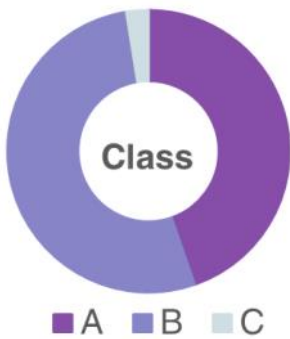
Net Absolute Rent/ft.²



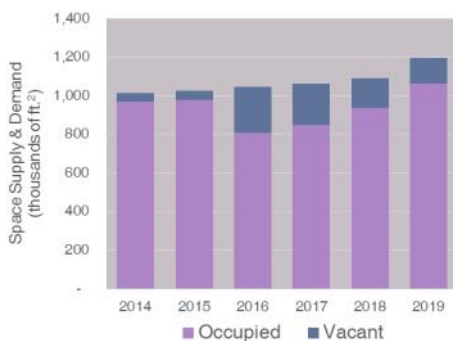
MONCTON PERIPHERAL

Year at a Glance

| | 2018 | 2019 | Change |
|--------------------------------------|-----------|-----------|-------------|
| Office Inventory (ft. ²) | 1,088,896 | 1,191,154 | ↑ 102,258 |
| Net Absorption (ft. ²) | 90,434 | 123,012 | ↑ 32,578 |
| Vacancy Rate | 13.62% | 10.71% | ↓ - 2.91 pp |
| Avg. Net Rent/ft. ² | \$12.60 | \$12.79 | ↑ 1.51% |
| Avg. RTCAM/ft. ² | \$10.09 | \$9.79 | ↓ - 2.97% |
| Avg. Gross Rent/ft. ² | \$22.77 | \$22.59 | ↓ - 0.79% |



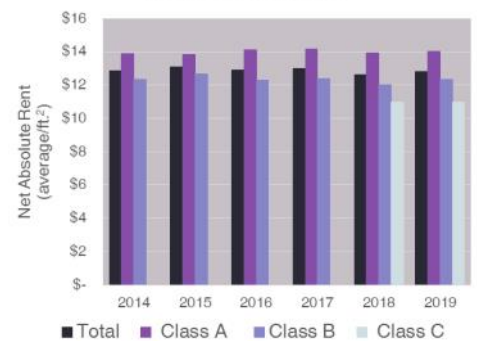
Supply & Demand



Vacant Space



Net Absolute Rent/ft.²

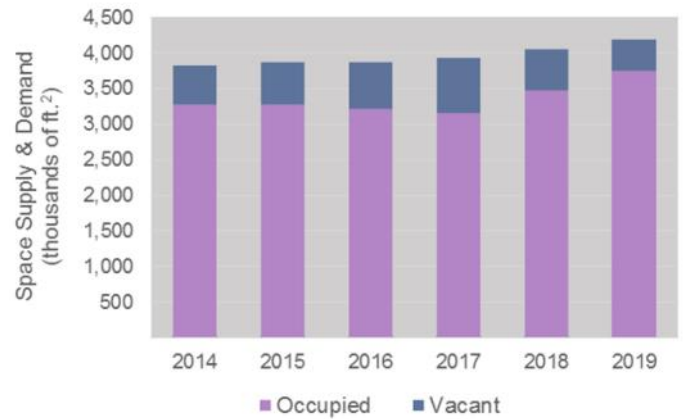


DEC. 2019 MARKET SURVEY NEW BRUNSWICK WAREHOUSES

Year at a Glance

| | 2018 | 2019 | Change |
|--------------------------------------|-----------|-----------|-------------|
| Office Inventory (ft. ²) | 4,059,280 | 4,187,718 | ↑ 136,576 |
| Net Absorption (ft. ²) | 315,989 | 272,644 | ↓ - 43,345 |
| Vacancy Rate | 14.38% | 10.43% | ↓ - 3.95 pp |
| Avg. Net Rent/ft. ² | \$6.93 | \$7.01 | ↑ 1.15% |
| Avg. RTCAM/ft. ² | \$3.80 | \$4.18 | ↑ 10.00% |
| Avg. Gross Rent/ft. ² | \$11.06 | \$11.13 | ↑ 0.63% |

Supply & Demand



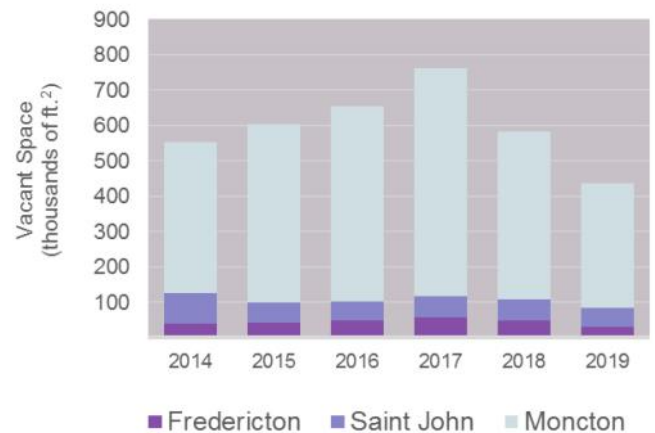
Survey Overview

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 99 buildings with an aggregate rentable area of 4,187,718 ft.², broken down by city as follows:

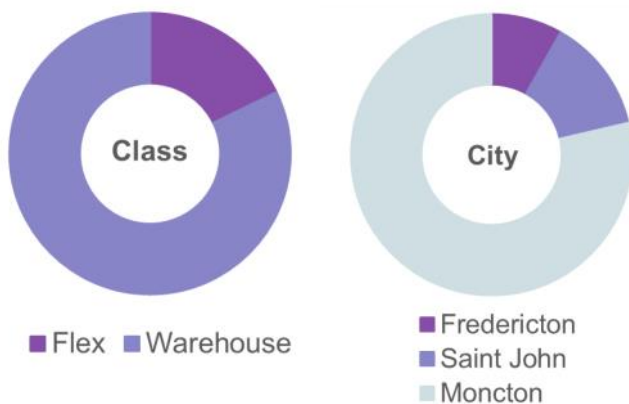
| | | | |
|----------------------|--------------|----------------------------|-----|
| Greater Fredericton: | 11 buildings | 341,943 ft. ² | GLA |
| Greater Saint John: | 16 buildings | 551,430 ft. ² | GLA |
| Greater Moncton: | 72 buildings | 3,291,345 ft. ² | GLA |

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.

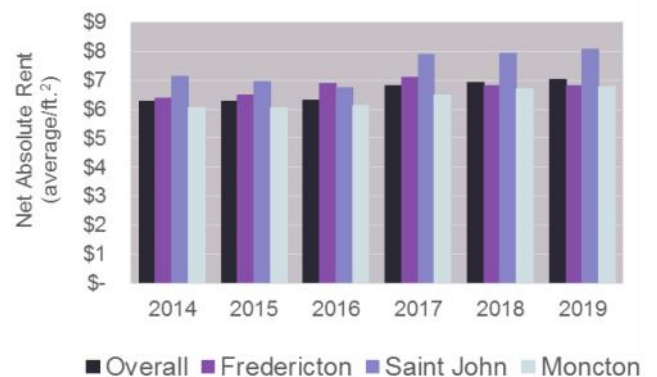
Vacant Space

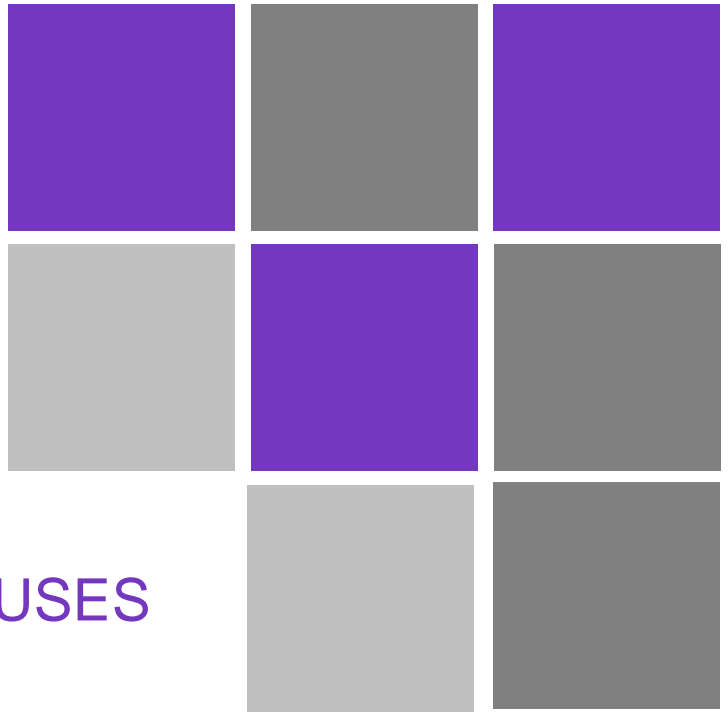
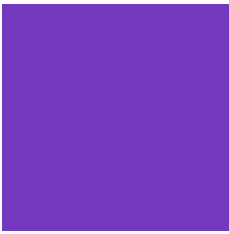


Overall Warehouse Inventory



Net Absolute Rent/ft.²





MARKET SURVEY FREDERICTON WAREHOUSES DECEMBER 2019

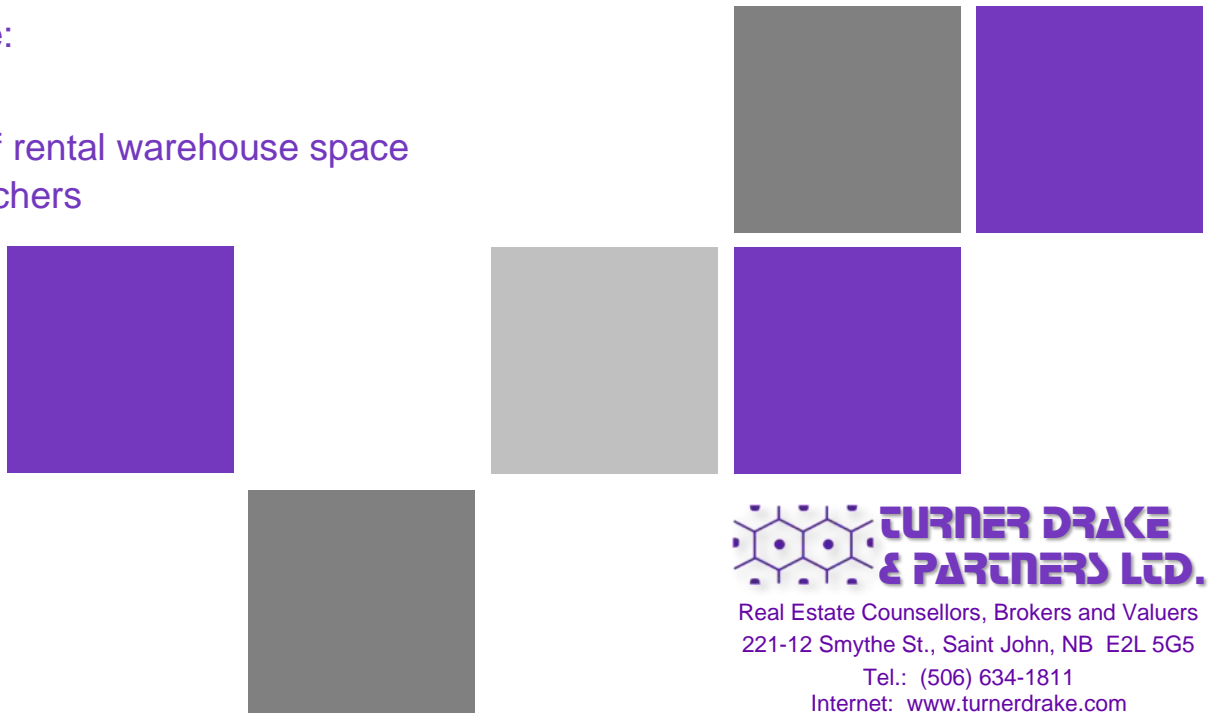


Survey Scope:

11 buildings

341,943 ft.² of rental warehouse space

expert researchers



Real Estate Counsellors, Brokers and Valuers
221-12 Smythe St., Saint John, NB E2L 5G5

Tel.: (506) 634-1811

Internet: www.turnerdrake.com

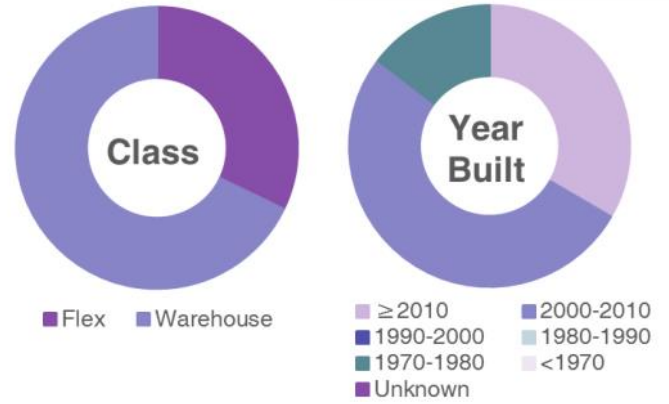
E-Mail: tdp@turnerdrake.com

DEC. 2019 MARKET SURVEY FREDERICTON WAREHOUSES

Year at a Glance

| Warehouse | 2018 | 2019 | Change |
|------------------------------------|---------|---------|-------------|
| Inventory (ft. ²) | 341,943 | 341,943 | ↔ - - - |
| Net Absorption (ft. ²) | 28,845 | 16,988 | ↓ - 11,857 |
| Vacancy Rate | 13.84% | 8.87% | ↓ - 4.97 pp |
| Avg. Net Rent/ft. ² | \$6.82 | \$6.82 | ↔ - - - |
| Avg. RTCAM/ft. ² | \$3.88 | \$3.91 | ↑ 0.77% |
| Avg. Gross Rent/ft. ² | \$10.94 | \$11.00 | ↑ 0.55% |

Overall Warehouse Inventory



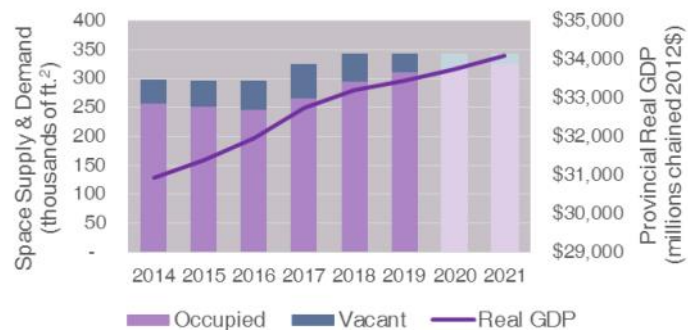
Supply & Demand Overview

The total amount of rentable warehouse space in Greater Fredericton did not change from last year, holding steady at 341,943 ft.². The overall vacancy rate dropped from 13.84% in 2018 to 8.87% in 2019. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicates that 2020 will see GDP growth of 0.9%, leading to an uptick in demand for warehouse space of 2.2%. With no anticipated new supply coming to market in 2020, the vacancy rate is expected to decrease to 6.85%.

Our survey measured the vacancy rate by geographic node. The current vacancy rate in each of the following locations is: Fredericton Central 1.77%; Fredericton Industrial Park 13.53%; Overall 8.87%.

Our survey also measured rental rates. Industrial properties in Fredericton saw the overall net absolute rent per square foot unchanged from 2018, holding at \$6.82 /ft.² for 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.

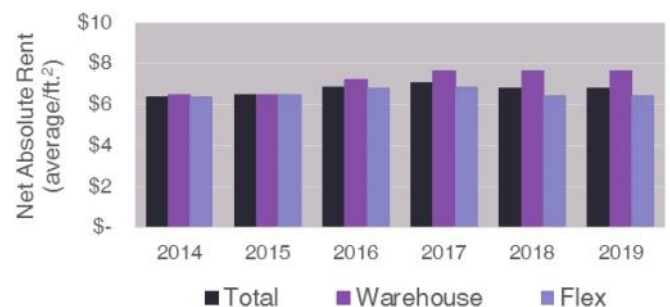
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

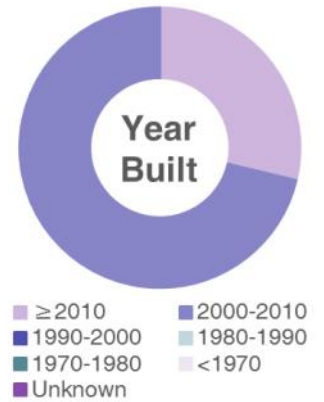


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CENTRAL FREDERICTON

Year at a Glance

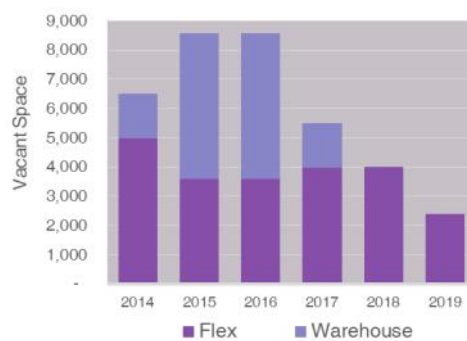
| Warehouse | 2018 | 2019 | Change |
|------------------------------------|---------|---------|-------------|
| Inventory (ft. ²) | 135,644 | 135,644 | ↔ --- |
| Net Absorption (ft. ²) | 1,500 | 1,600 | ↑ 100 |
| Vacancy Rate | 2.95% | 1.77% | ↓ - 1.18 pp |
| Avg. Net Rent/ft. ² | \$7.71 | \$7.71 | ↔ --- |
| Avg. RTCAM/ft. ² | \$2.72 | \$2.78 | ↑ 2.21% |
| Avg. Gross Rent/ft. ² | \$10.60 | \$10.73 | ↑ 1.23% |



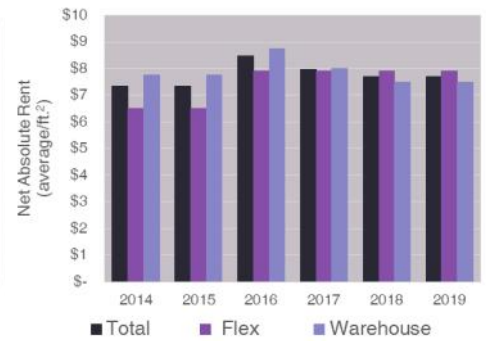
Supply & Demand



Vacant Space



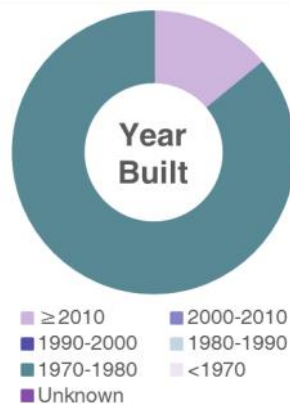
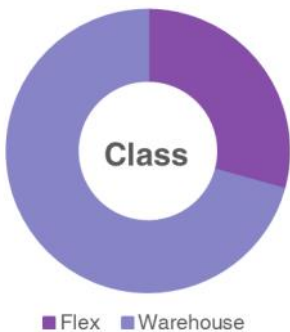
Net Absolute Rent/ft.²



FREDERICTON PERIPHERAL

Year at a Glance

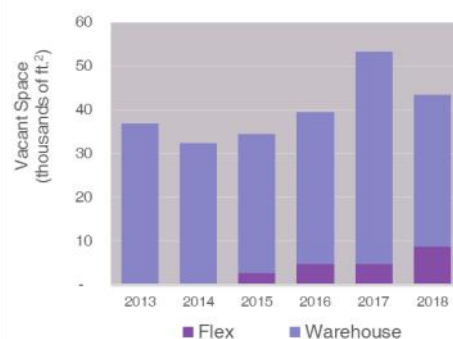
| Warehouse | 2018 | 2019 | Change |
|------------------------------------|---------|---------|-------------|
| Inventory (ft. ²) | 206,299 | 206,299 | ↔ --- |
| Net Absorption (ft. ²) | 27,345 | 15,388 | ↓ - 11,957 |
| Vacancy Rate | 20.99% | 13.53% | ↓ - 7.46 pp |
| Avg. Net Rent/ft. ² | \$6.57 | \$6.57 | ↔ --- |
| Avg. RTCAM/ft. ² | \$4.17 | \$4.40 | ↑ 5.52% |
| Avg. Gross Rent/ft. ² | \$11.07 | \$11.10 | ↑ 0.27% |



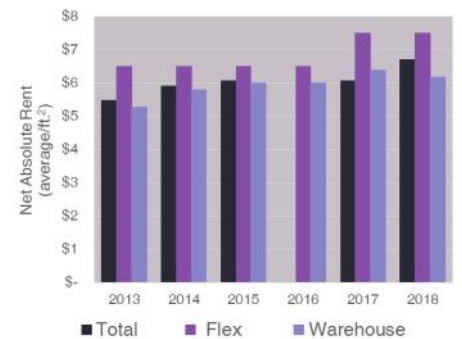
Supply & Demand



Vacant Space

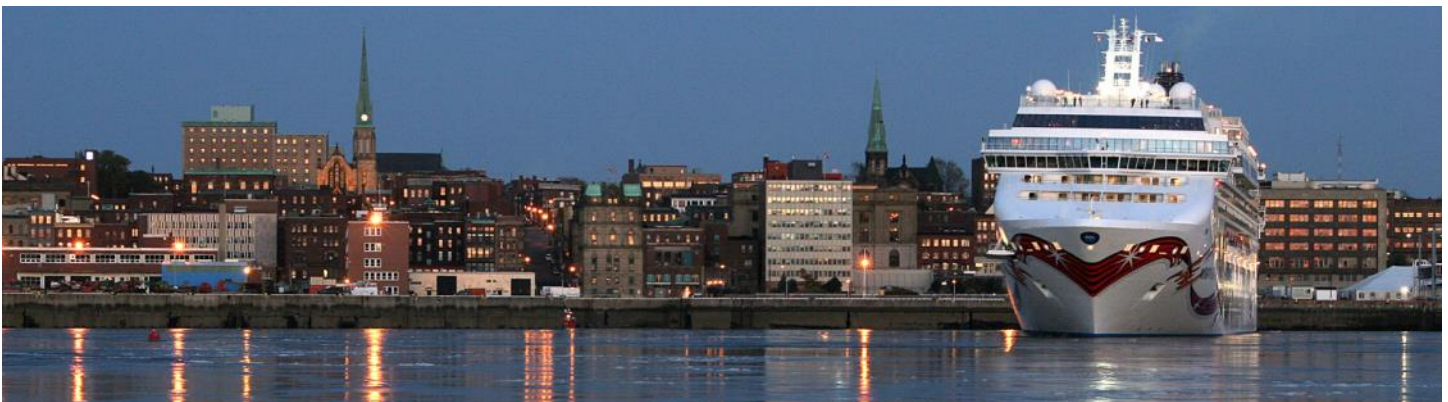


Net Absolute Rent/ft.²

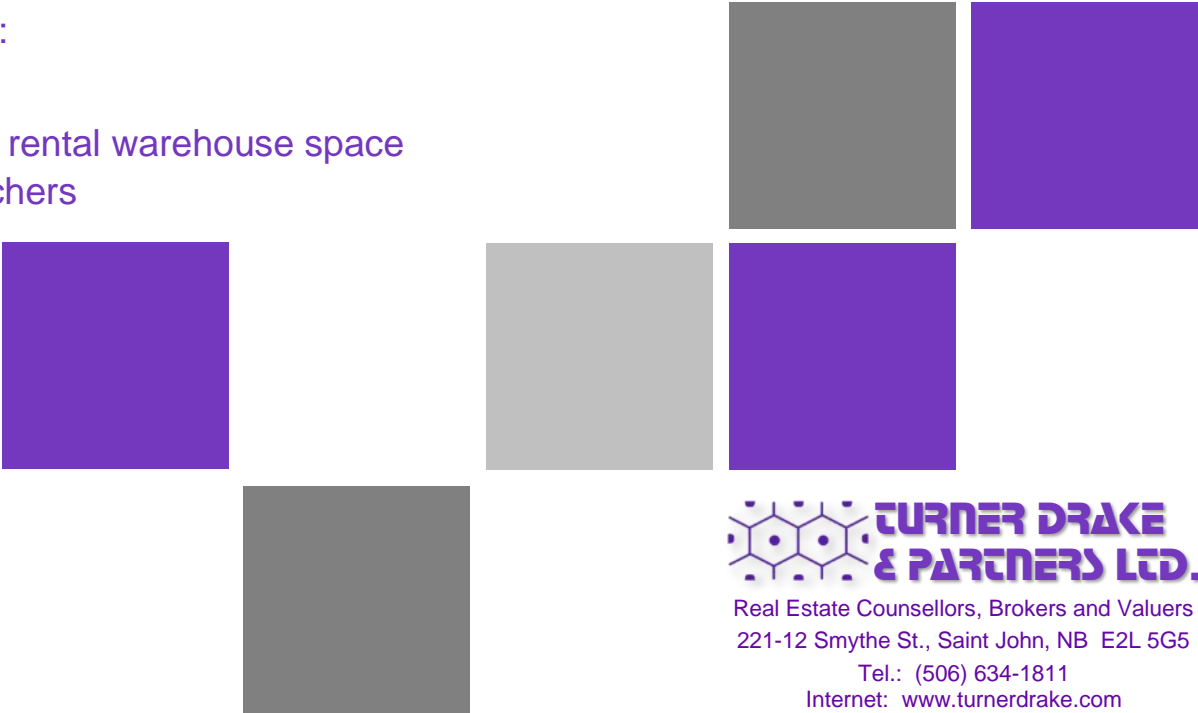




MARKET SURVEY SAINT JOHN NB WAREHOUSES DECEMBER 2019



Survey Scope:
16 buildings
551,430 ft.² of rental warehouse space
expert researchers



Real Estate Counsellors, Brokers and Valuers
221-12 Smythe St., Saint John, NB E2L 5G5

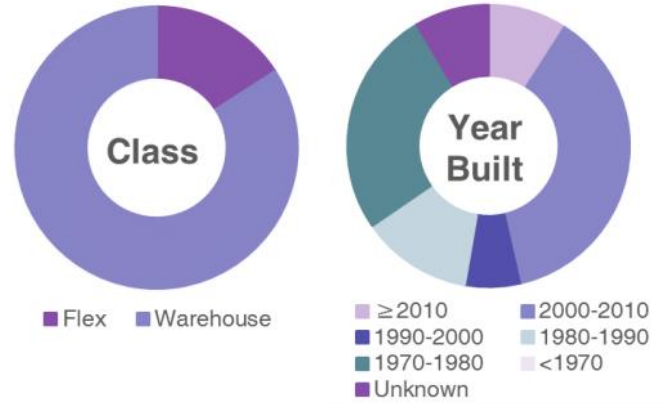
Tel.: (506) 634-1811
Internet: www.turnerdrake.com
E-Mail: tdp@turnerdrake.com

DEC. 2019 MARKET SURVEY SAINT JOHN WAREHOUSES

Year at a Glance

| Warehouse | 2018 | 2019 | Change |
|------------------------------------|---------|---------|-------------|
| Inventory (ft. ²) | 520,611 | 551,430 | ↑ 30,819 |
| Net Absorption (ft. ²) | 17,058 | 38,614 | ↑ 21,556 |
| Vacancy Rate | 12.00% | 9.92% | ↓ - 2.08 pp |
| Avg. Net Rent/ft. ² | \$7.93 | \$8.05 | ↑ 1.51% |
| Avg. RTCAM/ft. ² | \$4.38 | \$4.52 | ↑ 3.20% |
| Avg. Gross Rent/ft. ² | \$12.30 | \$12.31 | ↑ 0.08% |

Overall Warehouse Inventory

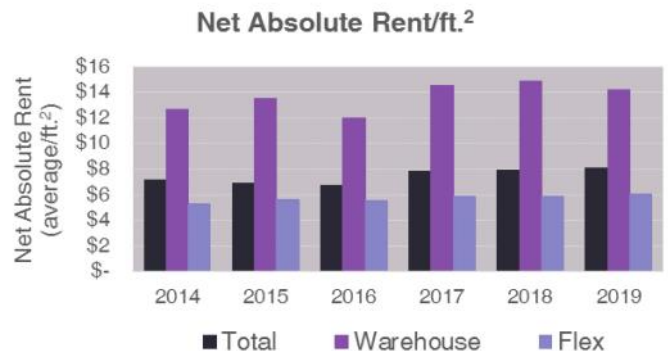
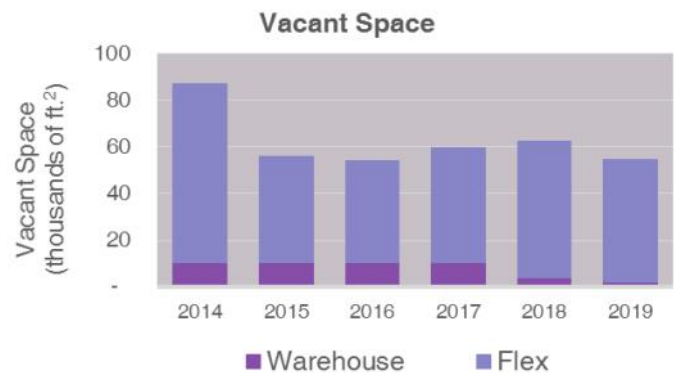
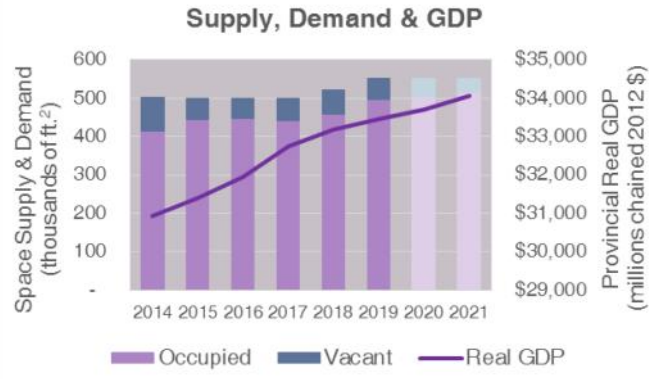


Supply & Demand Overview

The total amount of rentable warehouse space in Greater Saint John increased by 5.92% over last year. The overall vacancy rate decreased from 12.00% in 2018 to 9.92% in 2019. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicates that 2020 will see GDP growth of 1.0%, leading to an uptick in demand for warehouse space of 1.9%. With no anticipated new supply set to come to market in 2020, the vacancy rate is expected to drop to 8.23%.

Our survey measured the vacancy rate by geographic node. The current vacancy rate in each of the following locations is: Saint John Industrial Park 8.02%; Saint John Remainder 14.51%, Overall 9.92%.

Our survey also measured rental rates. Industrial properties in Saint John saw the overall net absolute rent per square foot increase by 1.51% year over year, to \$8.05/ft.² in 2019. The average overall net rental rates per square foot in each of the following locations are: Saint John Industrial Park \$6.66; Saint John Remainder \$11.12; Overall \$ 8.05.

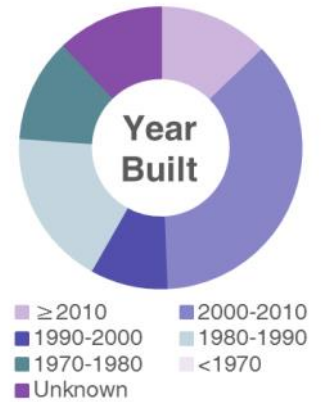
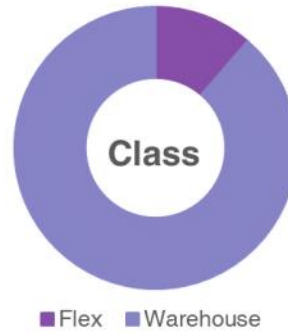


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GRANDVIEW INDUSTRIAL PARK

Year at a Glance

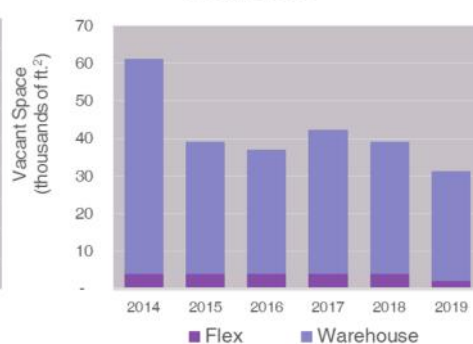
| Warehouse | 2018 | 2019 | Change |
|------------------------------------|---------|---------|-------------|
| Inventory (ft. ²) | 359,714 | 390,533 | ↑ 30,819 |
| Net Absorption (ft. ²) | 3,180 | 38,614 | ↑ 35,434 |
| Vacancy Rate | 10.88% | 8.02% | ↓ - 2.85 pp |
| Avg. Net Rent/ft. ² | \$6.22 | \$6.66 | ↑ 7.07% |
| Avg. RTCAM/ft. ² | \$3.70 | \$4.08 | ↑ 10.27% |
| Avg. Gross Rent/ft. ² | \$9.92 | \$10.20 | ↑ 2.82% |



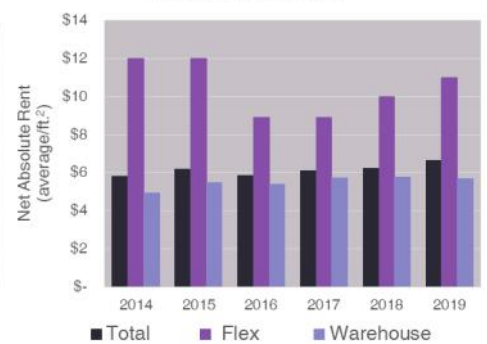
Supply & Demand



Vacant Space



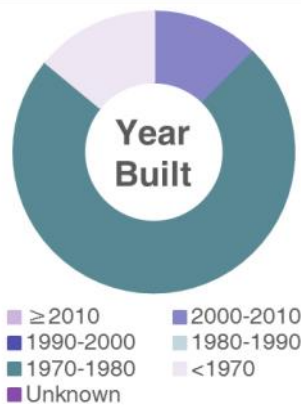
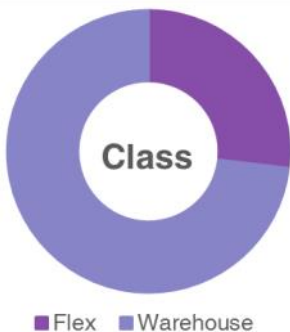
Net Absolute Rent/ft.²



SAINT JOHN REMAINDER

Year at a Glance

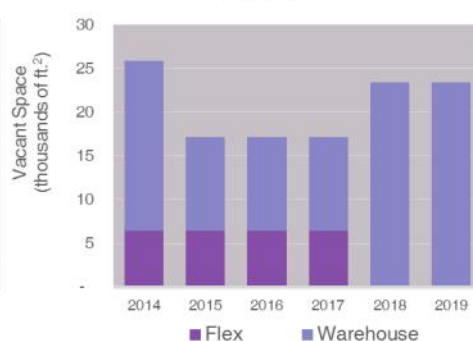
| Warehouse | 2018 | 2019 | Change |
|------------------------------------|---------|---------|------------|
| Inventory (ft. ²) | 160,897 | 160,897 | ↔ --- |
| Net Absorption (ft. ²) | 13,878 | 0 | ↓ - 13,878 |
| Vacancy Rate | 14.51% | 14.51% | ↔ --- |
| Avg. Net Rent/ft. ² | \$11.77 | \$11.12 | ↓ - 5.52% |
| Avg. RTCAM/ft. ² | \$5.91 | \$5.41 | ↓ - 8.46% |
| Avg. Gross Rent/ft. ² | \$16.59 | \$16.53 | ↓ - 0.36% |



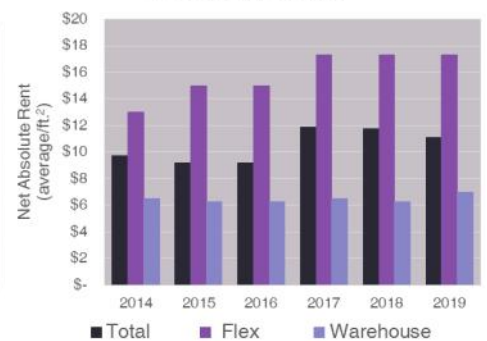
Supply & Demand

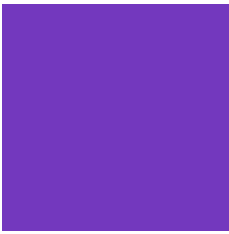


Vacant Space



Net Absolute Rent/ft.²





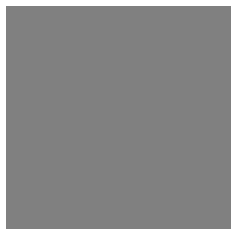
MARKET SURVEY MONCTON WAREHOUSES DECEMBER 2019



Survey Scope:
72 buildings
3,291,345 ft.² of rental warehouse space
expert researchers



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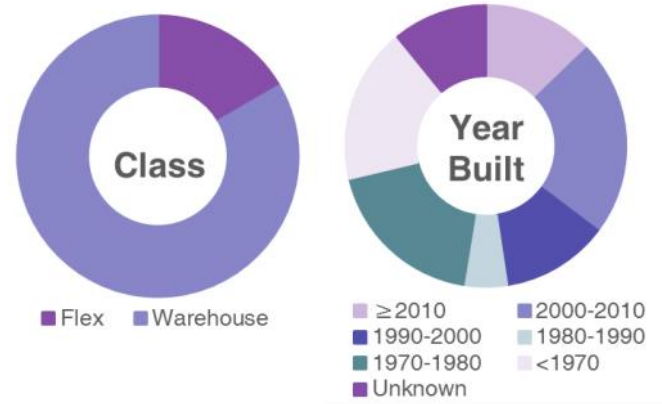


DEC. 2019 MARKET SURVEY MONCTON WAREHOUSES

Year at a Glance

| Warehouse | 2018 | 2019 | Change |
|------------------------------------|-----------|-----------|-------------|
| Inventory (ft. ²) | 3,196,726 | 3,291,345 | ↑ 94,619 |
| Net Absorption (ft. ²) | 270,086 | 217,042 | ↓ 53,044 |
| Vacancy Rate | 14.82% | 10.68% | ↓ - 4.15 pp |
| Avg. Net Rent/ft. ² | \$6.71 | \$6.76 | ↑ 0.75% |
| Avg. RTCAM/ft. ² | \$3.66 | \$4.11 | ↑ 12.30% |
| Avg. Gross Rent/ft. ² | \$10.77 | \$10.87 | ↑ 0.93% |

Overall Warehouse Inventory



Supply & Demand Overview

The total amount of rentable warehouse space in Greater Moncton increased by 2.96% over last year. The overall vacancy rate dropped from 14.82% in 2018 to 10.68% in 2019. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicates that 2020 will see GDP growth of 0.9%, leading to an uptick in demand for warehouse space of 0.6%. The vacancy rate is expected to drop to 10.15%.

Our survey measured the vacancy rate by geographic node. The current vacancy rate in each of the following locations is: Moncton Central 1.12%; Moncton Industrial Park 14.50%; Dieppe Industrial Park 3.57%; Caledonia Industrial Park 12.08%; Overall 10.68%.

Our survey also measured rental rates. The average overall net rental rates per square foot in each of the following locations are: Moncton Central \$7.97; Moncton Industrial Park \$6.62; Dieppe Industrial Park \$7.00; Caledonia Industrial Park \$6.64; Overall \$6.76.

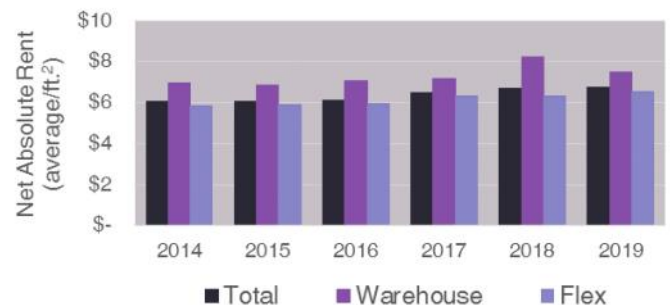
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

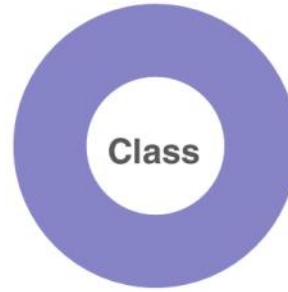


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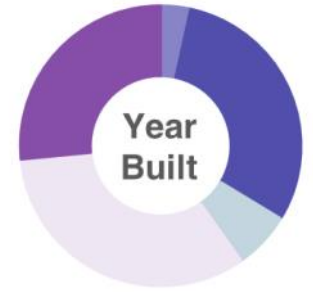
CENTRAL MONCTON

Year at a Glance

| Warehouse | 2018 | 2019 | Change |
|------------------------------------|---------|---------|-------------|
| Inventory (ft. ²) | 385,494 | 384,851 | ↓ - 643 |
| Net Absorption (ft. ²) | 25,124 | 22,135 | ↓ - 2,989 |
| Vacancy Rate | 7.03% | 1.12% | ↓ - 5.91 pp |
| Avg. Net Rent/ft. ² | \$7.80 | \$7.97 | ↑ 2.18% |
| Avg. RTCAM/ft. ² | \$3.90 | \$5.30 | ↑ 35.90% |
| Avg. Gross Rent/ft. ² | \$11.70 | \$13.27 | ↑ 13.42% |



■ Flex ■ Warehouse

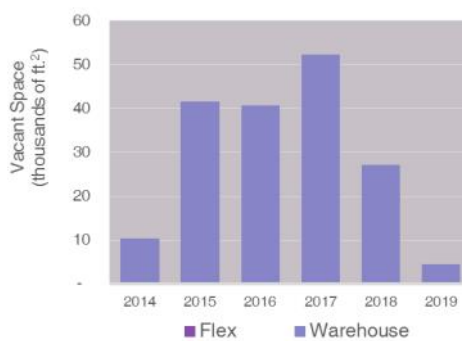


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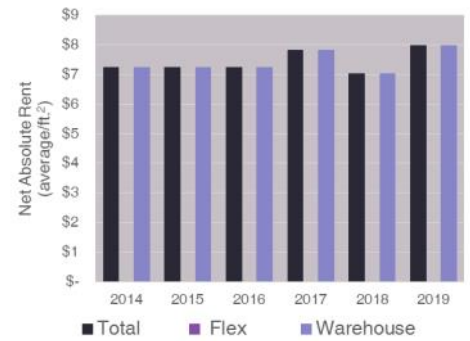
Supply & Demand



Vacant Space



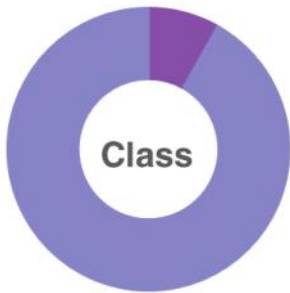
Net Absolute Rent/ft.²



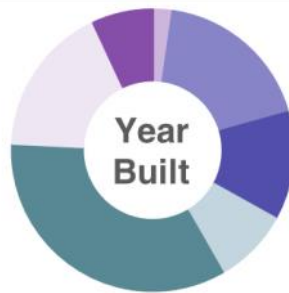
MONCTON INDUSTRIAL PARK

Year at a Glance

| Warehouse | 2018 | 2019 | Change |
|------------------------------------|-----------|-----------|-------------|
| Inventory (ft. ²) | 1,601,168 | 1,603,468 | ↑ 2,300 |
| Net Absorption (ft. ²) | 133,628 | 95,082 | ↓ - 38,546 |
| Vacancy Rate | 20.32% | 14.50% | ↓ - 5.82 pp |
| Avg. Net Rent/ft. ² | \$6.41 | \$6.62 | ↑ 3.28% |
| Avg. RTCAM/ft. ² | \$3.38 | \$3.90 | ↑ 15.38% |
| Avg. Gross Rent/ft. ² | \$10.16 | \$10.37 | ↑ 2.07% |



■ Flex ■ Warehouse

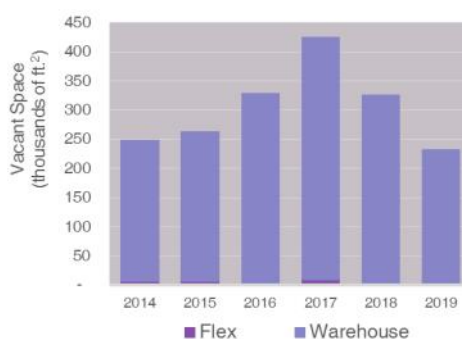


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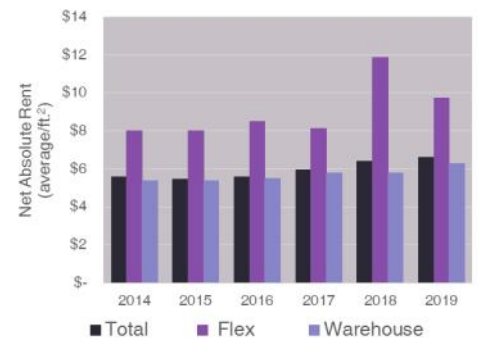
Supply & Demand



Vacant Space



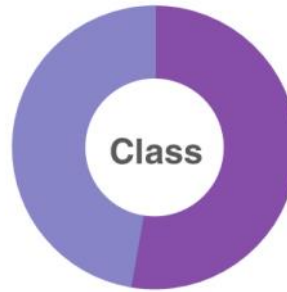
Net Absolute Rent/ft.²



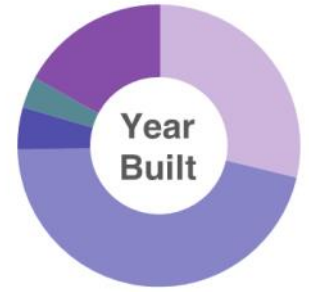
DIEPPE INDUSTRIAL PARK

Year at a Glance

| Warehouse | 2018 | 2019 | Change |
|------------------------------------|---------|---------|-------------|
| Inventory (ft. ²) | 458,249 | 502,185 | ↑ 43,936 |
| Net Absorption (ft. ²) | 65,261 | 46,816 | ↓ - 18,445 |
| Vacancy Rate | 4.54% | 3.57% | ↓ - 0.97 pp |
| Avg. Net Rent/ft. ² | \$6.89 | \$7.00 | ↑ 1.60% |
| Avg. RTCAM/ft. ² | \$4.24 | \$4.48 | ↑ 5.66% |
| Avg. Gross Rent/ft. ² | \$12.14 | \$11.84 | ↓ - 2.47% |



■ Flex ■ Warehouse

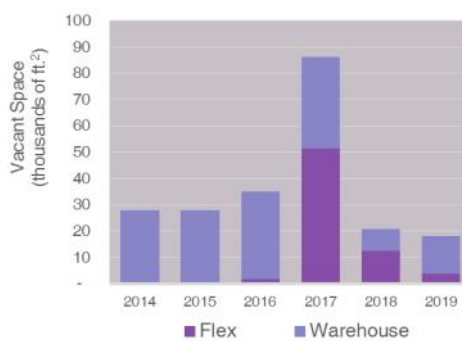


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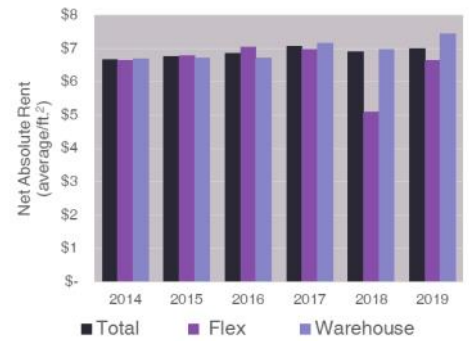
Supply & Demand



Vacant Space



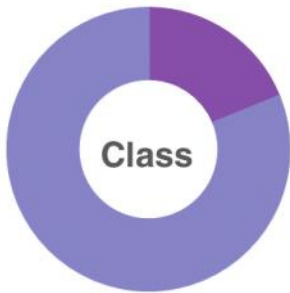
Net Absolute Rent/ft.²



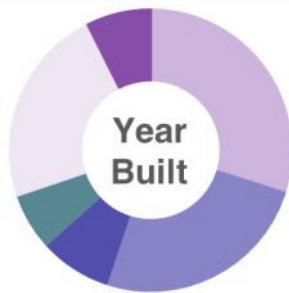
CALEDONIA INDUSTRIAL PARK

Year at a Glance

| Warehouse | 2018 | 2019 | Change |
|------------------------------------|---------|---------|-------------|
| Inventory (ft. ²) | 751,815 | 800,841 | ↑ 49,026 |
| Net Absorption (ft. ²) | 46,073 | 53,009 | ↑ 6,936 |
| Vacancy Rate | 13.39% | 12.08% | ↓ - 1.32 pp |
| Avg. Net Rent/ft. ² | \$7.02 | \$6.64 | ↓ - 5.41% |
| Avg. RTCAM/ft. ² | \$3.79 | \$4.01 | ↑ 5.80% |
| Avg. Gross Rent/ft. ² | \$10.81 | \$10.65 | ↓ - 1.48% |



■ Flex ■ Warehouse

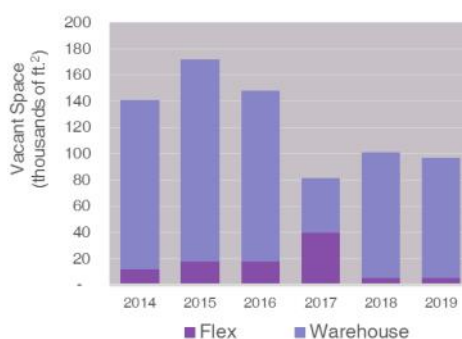


■ ≥2010 ■ 2000-2010
 ■ 1990-2000 ■ 1980-1990
 ■ 1970-1980 ■ <1970
 ■ Unknown

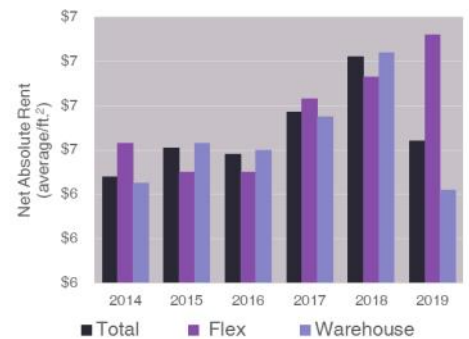
Supply & Demand



Vacant Space



Net Absolute Rent/ft.²



DEC. 2019 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).

ONE TEAM: SEVEN AREAS OF EXPERTISE

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