

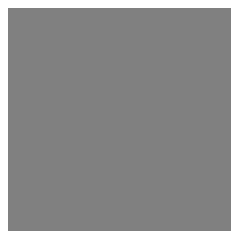
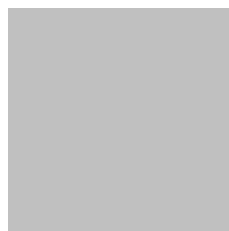
# MARKET SURVEY

## NB OFFICES & WAREHOUSES

JUNE 2021



Survey Scope: 172 office & 103 warehouse buildings  
 8,227,456 ft.<sup>2</sup> of rental office space  
 4,457,667 ft.<sup>2</sup> of rental warehouse space  
 expert researchers  
 3 cities



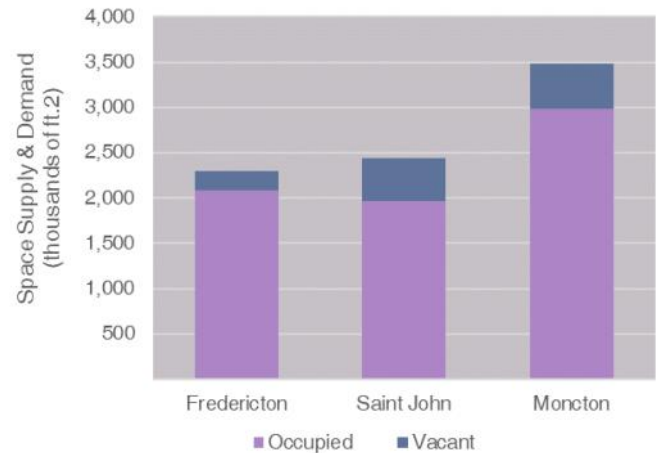
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# JUNE 2021 MARKET SURVEY NEW BRUNSWICK OFFICES

## Year at a Glance

	Fredericton	Saint John	Moncton
Office Inventory (ft. <sup>2</sup> )	2,297,954	2,443,459	3,486,043
Net Absorption (ft. <sup>2</sup> )	60,060	(140,571)	187,239
Vacancy Rate	9.48%	19.54%	14.40%
Avg. Net Rent/ft. <sup>2</sup>	\$13.99	\$13.10	\$13.15
Avg. RTCAM/ft. <sup>2</sup>	\$10.26	\$ 8.34	\$ 9.01
Avg. Gross Rent/ft. <sup>2</sup>	\$24.63	\$21.88	\$23.37

## Supply & Demand



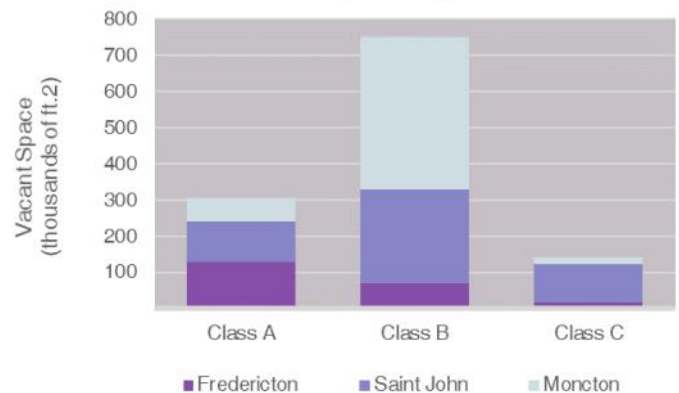
## Survey Overview

These surveys included every office building with a total rentable area of 5,000 ft.<sup>2</sup> 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 172 buildings with an aggregate rentable area of 8,227,456 ft.<sup>2</sup>, broken down by city as follows:

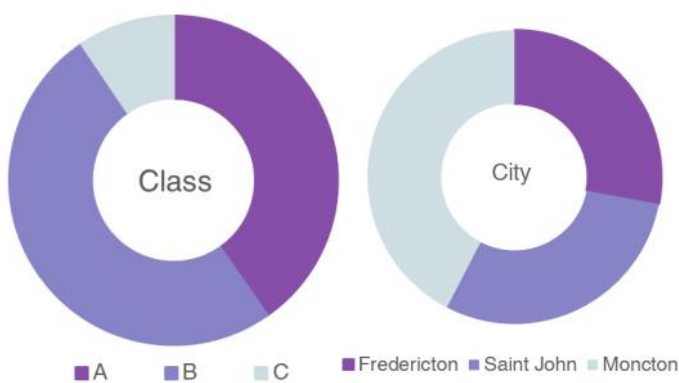
Greater Fredericton: 53 buildings 2,297,954 ft.<sup>2</sup> GLA  
 Greater Saint John: 43 buildings 2,443,459 ft.<sup>2</sup> GLA  
 Greater Moncton: 76 buildings 3,486,043 ft.<sup>2</sup> GLA

The survey successfully collected information on 93% 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 by Class



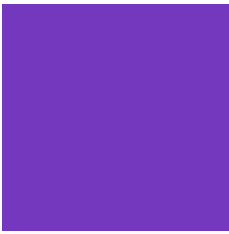
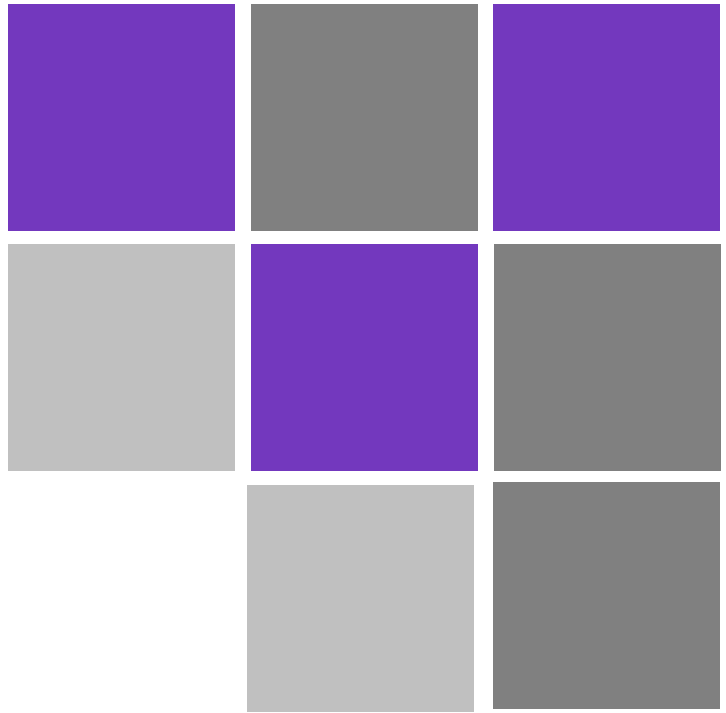
## Overall Office Inventory



## Net Absolute Rent/ft.<sup>2</sup> by Class



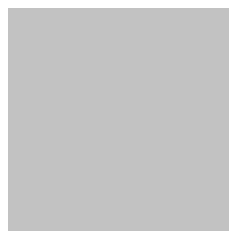
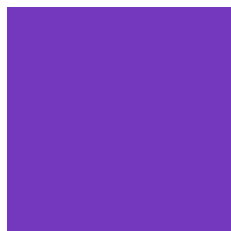
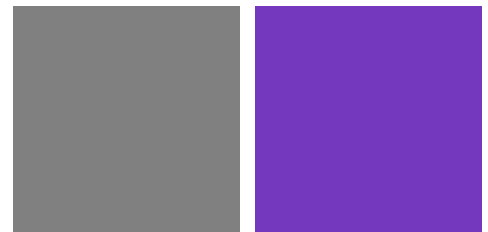
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# MARKET SURVEY FREDERICTON OFFICES JUNE 2021



Survey Scope:  
53 buildings  
2,297,954 ft.<sup>2</sup> of rental office space  
expert researchers



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# JUNE 2021 MARKET SURVEY FREDERICTON OFFICES

## Year at a Glance

	2020	2021	Change
Office Inventory (ft. <sup>2</sup> )	2,145,526	2,297,954	↑ 152,428
Net Absorption (ft. <sup>2</sup> )	68,970	60,060	↓ - 8,910
Vacancy Rate	5.85%	9.48%	↑ 3.63 pp
Avg. Net Rent/ft. <sup>2</sup>	\$13.89	\$13.99	↑ 0.72%
Avg. RTCAM/ft. <sup>2</sup>	\$10.27	\$10.26	↓ - 0.01%
Avg. Gross Rent/ft. <sup>2</sup>	\$24.34	\$24.63	↑ 1.19%

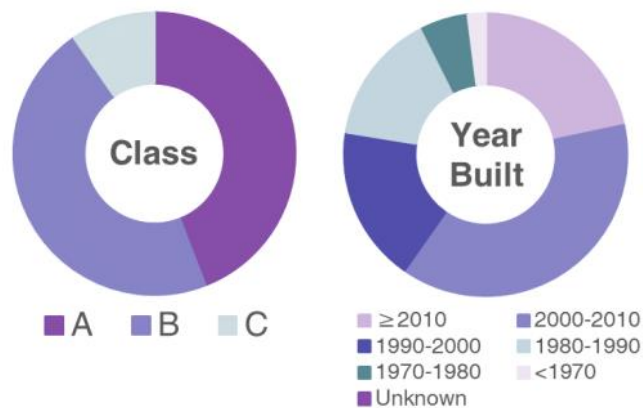
## Supply & Demand Overview

The total amount of rentable office space in Greater Fredericton increased 7.10% over last year. The overall vacancy rate increased from 5.85% in 2020 to 9.48% in 2021. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicates that 2022 will see GDP growth of 2.6%, contributing to an uptick in demand for office space of 3.13%. With additional supply expected to enter the market, the vacancy rate is expected to rise to 11.82%.

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 12.71%; Class B 6.71%; Class C 8.01%; Overall 9.48%.

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 \$15.96; Class B \$13.34; Class C \$13.38; Overall \$13.99.

## Overall Office Inventory



## Supply, Demand & GDP



## Vacant Space



## Net Absolute Rent/ft.<sup>2</sup>

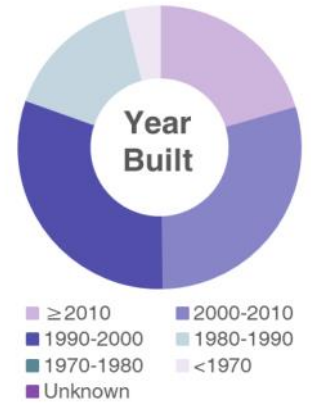
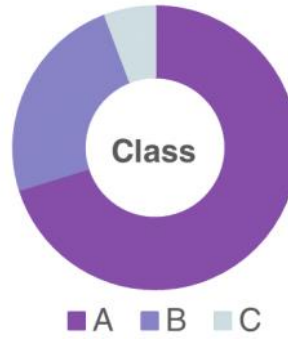


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# CENTRAL FREDERICTON

## Year at a Glance

	2020	2021	Change
Office Inventory (ft. <sup>2</sup> )	1,030,437	1,182,793	↑ 152,356
Net Absorption (ft. <sup>2</sup> )	13,210	76,499	↑ 63,289
Vacancy Rate	7.29%	12.77%	↑ 5.48 pp
Avg. Net Rent/ft. <sup>2</sup>	\$15.20	\$15.29	↑ 0.59%
Avg. RTCAM/ft. <sup>2</sup>	\$ 9.75	\$ 9.45	↓ - 3.08%
Avg. Gross Rent/ft. <sup>2</sup>	\$25.38	\$25.69	↑ 1.22%



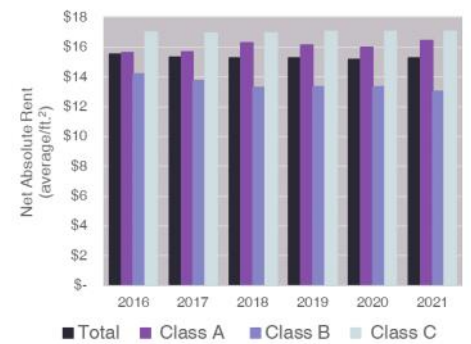
Supply & Demand



Vacant Space



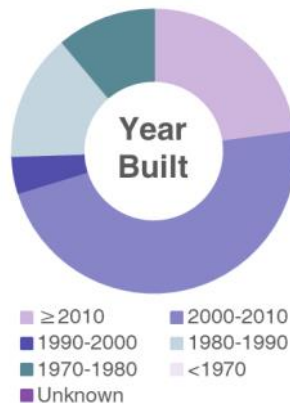
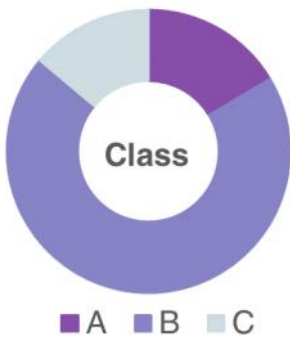
Net Absolute Rent/ft.<sup>2</sup>



# FREDERICTON PERIPHERAL

## Year at a Glance

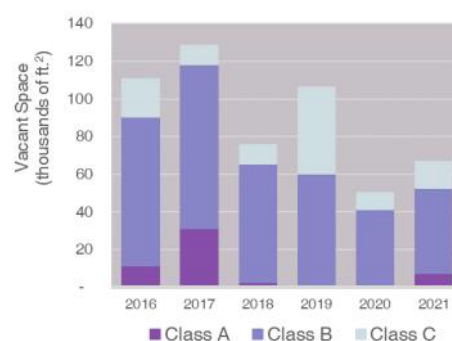
	2020	2021	Change
Office Inventory (ft. <sup>2</sup> )	1,115,089	1,115,161	↑ 72
Net Absorption (ft. <sup>2</sup> )	55,760	(16,439)	↓ (72,199)
Vacancy Rate	4.51%	5.99%	↑ 1.48 pp
Avg. Net Rent/ft. <sup>2</sup>	\$13.24	\$13.36	↑ 0.91%
Avg. RTCAM/ft. <sup>2</sup>	\$10.53	\$10.73	↑ 1.90%
Avg. Gross Rent/ft. <sup>2</sup>	\$23.78	\$24.09	↑ 1.30%



Supply & Demand



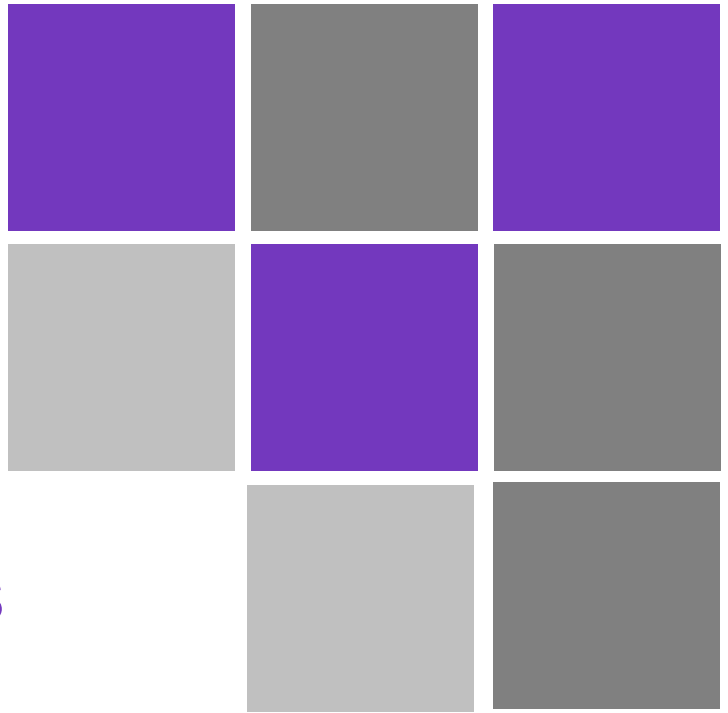
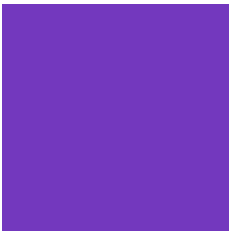
Vacant Space



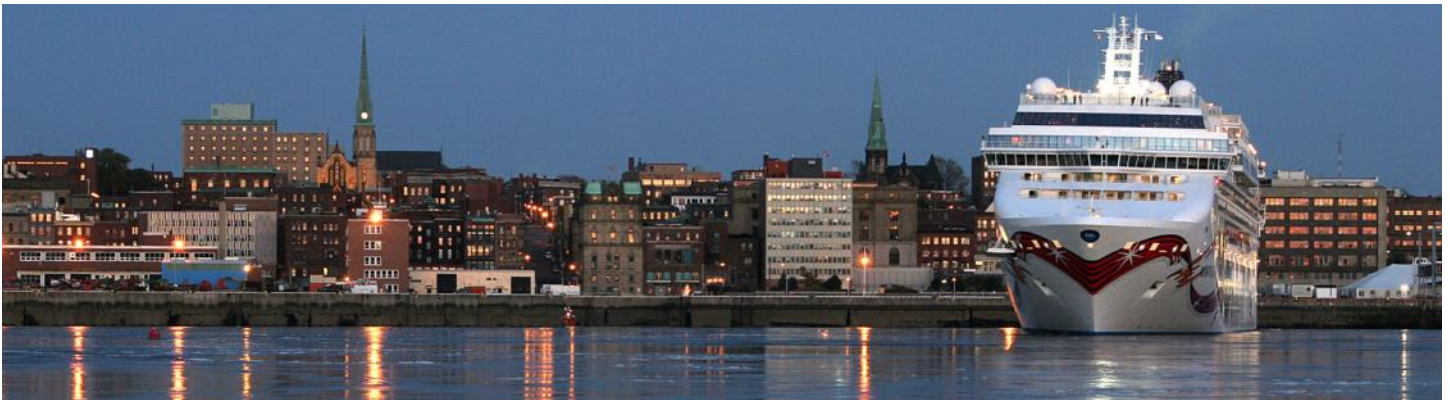
Net Absolute Rent/ft.<sup>2</sup>



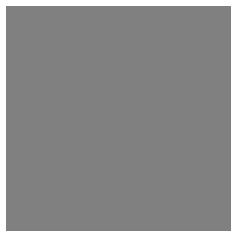
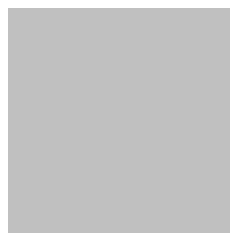




# MARKET SURVEY SAINT JOHN NB OFFICES JUNE 2021



Survey Scope:  
43 buildings  
2,443,459 ft.<sup>2</sup> of rental office space  
expert researchers



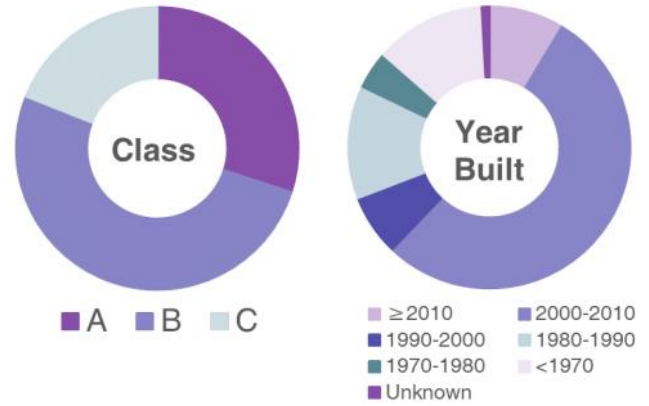
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# JUNE 2021 MARKET SURVEY SAINT JOHN NB OFFICES

## Year at a Glance

	2020	2021	Change
Office Inventory (ft. <sup>2</sup> )	2,521,861	2,443,459	↓ 78,402
Net Absorption (ft. <sup>2</sup> )	64,203	(140,571)	↓ (204,774)
Vacancy Rate	16.47%	19.54%	↑ 3.07 pp
Avg. Net Rent/ft. <sup>2</sup>	\$12.76	\$13.10	↑ 2.66%
Avg. RTCAM/ft. <sup>2</sup>	\$8.96	\$8.34	↓ - 6.92%
Avg. Gross Rent/ft. <sup>2</sup>	\$21.78	\$21.88	↑ 0.46%

## Overall Office Inventory



## Supply & Demand Overview

The total amount of rentable office space in Saint John decreased 3.11% over last year. The overall vacancy rate increased from 16.47% in 2020 to 19.54% in 2021. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicates that 2022 will see GDP growth of 2.6%, with a increase in demand for office space of 0.43%. No major additions to rental supply are anticipated in the year to come, and the vacancy rate is expected to decrease slightly to 19.20%.

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 15.50%; Class B 20.71%; Class C 22.79%; Overall 19.54%.

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 \$14.53; Class B \$13.05; Class C \$11.88; Overall \$13.10.

## Supply, Demand & GDP



## Vacant Space



## Net Absolute Rent/ft.<sup>2</sup>

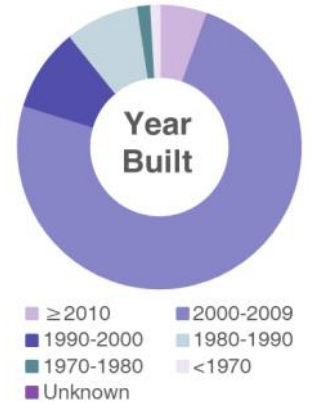
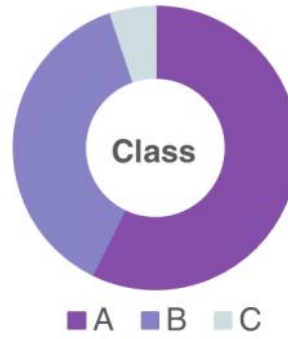


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# UPTOWN SAINT JOHN NB

## Year at a Glance

	2020	2021	Change
Office Inventory (ft. <sup>2</sup> )	1,275,504	1,278,408	↑ 2,904
Net Absorption (ft. <sup>2</sup> )	14,693	(5,090)	↓ (19,783)
Vacancy Rate	20.74%	21.32%	↑ 0.58 pp
Avg. Net Rent/ft. <sup>2</sup>	\$12.04	\$12.31	↑ 2.24%
Avg. RTCAM/ft. <sup>2</sup>	\$10.35	\$9.23	↓ - 10.82%
Avg. Gross Rent/ft. <sup>2</sup>	\$22.75	\$22.29	↓ - 2.02%



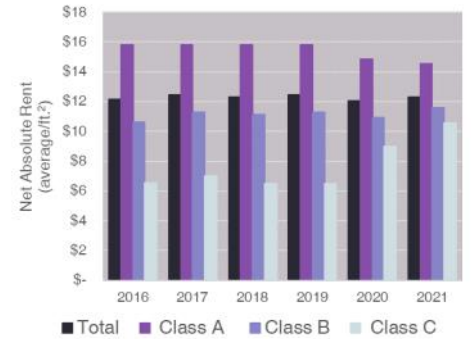
Supply & Demand



Vacant Space



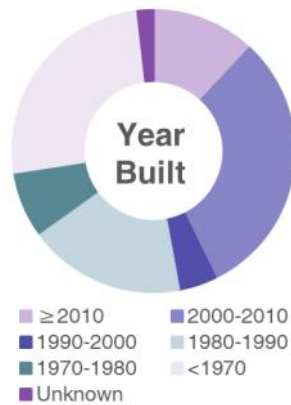
Net Absolute Rent/ft.<sup>2</sup>



# PERIPHERAL SAINT JOHN NB

## Year at a Glance

	2020	2021	Change
Office Inventory (ft. <sup>2</sup> )	1,246,357	1,165,051	↓ - 81,306
Net Absorption (ft. <sup>2</sup> )	49,510	(135,481)	↓ (184,991)
Vacancy Rate	12.10%	17.60%	↑ 5.50 pp
Avg. Net Rent/ft. <sup>2</sup>	\$13.36	\$13.88	↑ 3.89%
Avg. RTCAM/ft. <sup>2</sup>	\$7.84	\$7.57	↓ - 3.44%
Avg. Gross Rent/ft. <sup>2</sup>	\$20.90	\$21.54	↑ 3.06%



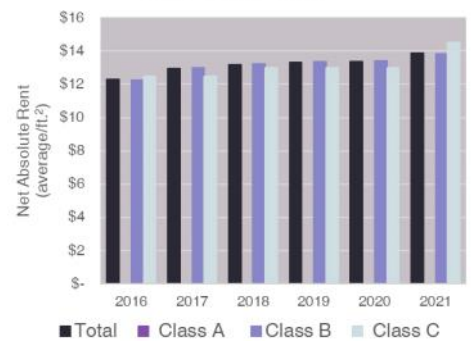
Supply & Demand



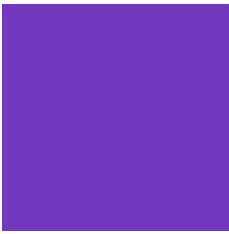
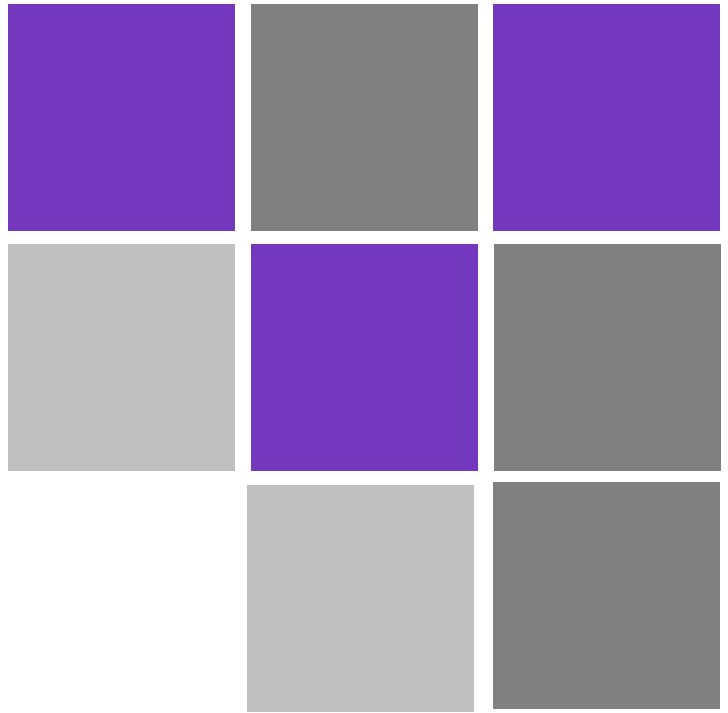
Vacant Space



Net Absolute Rent/ft.<sup>2</sup>







# MARKET SURVEY MONCTON OFFICES JUNE 2021



Survey Scope:  
76 buildings  
3,486,043 ft.<sup>2</sup> of rental office space  
expert researchers



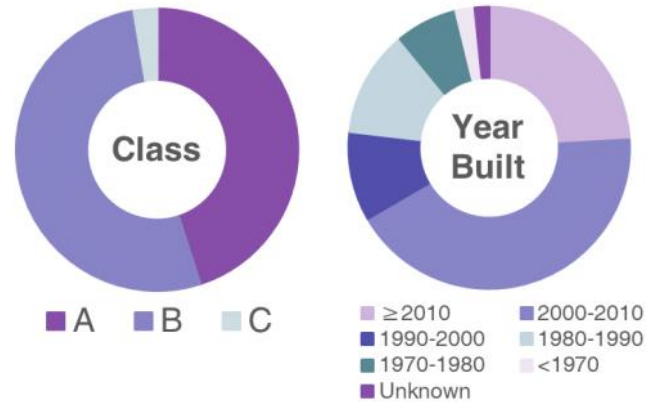
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# JUNE 2021 MARKET SURVEY MONCTON OFFICES

## Year at a Glance

	2020	2021	Change
Office Inventory (ft. <sup>2</sup> )	3,237,565	3,486,043	↑ 248,478
Net Absorption (ft. <sup>2</sup> )	1,894	187,239	↑ 185,345
Vacancy Rate	13.61%	14.40%	↑ 0.79 pp
Avg. Net Rent/ft. <sup>2</sup>	\$12.98	\$13.15	↑ 1.31%
Avg. RTCAM/ft. <sup>2</sup>	\$ 9.33	\$ 9.01	↓ - 3.43%
Avg. Gross Rent/ft. <sup>2</sup>	\$23.43	\$23.37	↓ - 0.26%

## Overall Office Inventory



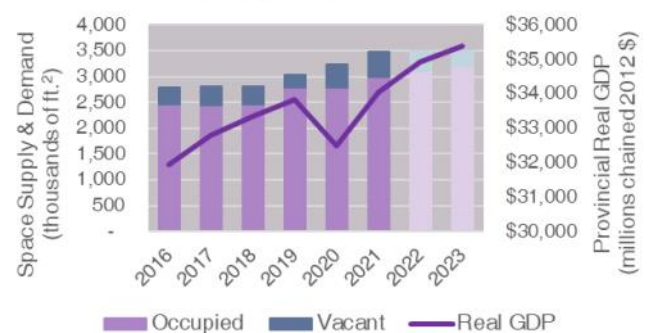
## Supply & Demand Overview

The total amount of rentable office space in Greater Moncton increased 7.67% over last year, due in part to newly converted office space being added into the market. The overall vacancy rate increased from 13.61% in 2020 to 14.40% in 2021. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicates that 2021 will see GDP growth of 2.6%, with an increase in demand for office space of 3.93%. The vacancy rate is expected to decrease to 11.34%.

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 4.03%; Class B 23.15%; Class C 17.73%; Overall 14.40%.

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 be moderate or even fall. Current average net absolute rental rates per square foot are: Class A \$14.46; Class B \$12.58; Class C \$10.50; Overall \$13.15.

## Supply, Demand & GDP



## Vacant Space



## Net Absolute Rent/ft.<sup>2</sup>

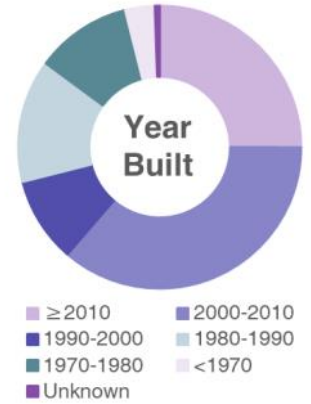
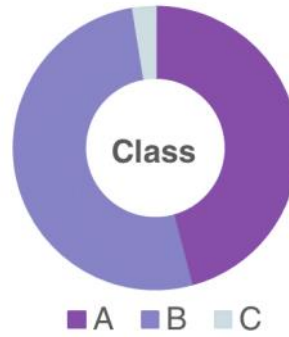


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# CENTRAL MONCTON

## Year at a Glance

	2020	2021	Change
Office Inventory (ft. <sup>2</sup> )	2,076,316	2,258,660	↑ 182,344
Net Absorption (ft. <sup>2</sup> )	(20,754)	130,667	↑ 151,421
Vacancy Rate	15.49%	16.53%	↑ 1.04 pp
Avg. Net Rent/ft. <sup>2</sup>	\$12.69	\$12.82	↑ 1.02%
Avg. RTCAM/ft. <sup>2</sup>	\$ 8.72	\$ 8.27	↓ - 5.16%
Avg. Gross Rent/ft. <sup>2</sup>	\$23.63	\$23.41	↓ - 0.93%



Supply & Demand



Vacant Space



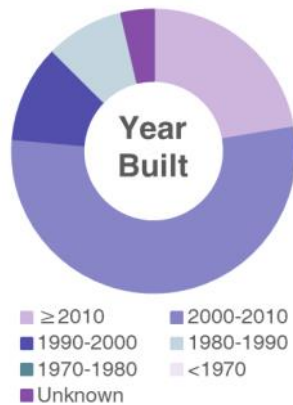
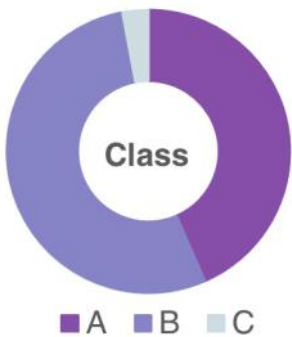
Net Absolute Rent/ft.<sup>2</sup>



# MONCTON PERIPHERAL

## Year at a Glance

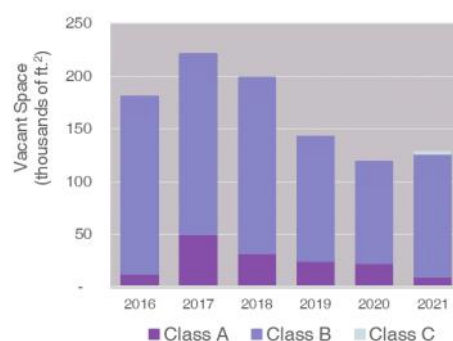
	2020	2021	Change
Office Inventory (ft. <sup>2</sup> )	1,161,249	1,227,383	↑ 66,134
Net Absorption (ft. <sup>2</sup> )	22,648	56,572	↑ 33,924
Vacancy Rate	10.25%	10.47%	↑ 0.22 pp
Avg. Net Rent/ft. <sup>2</sup>	\$13.20	\$13.41	↑ 1.59%
Avg. RTCAM/ft. <sup>2</sup>	\$10.04	\$ 9.93	↓ - 1.10%
Avg. Gross Rent/ft. <sup>2</sup>	\$23.24	\$23.33	↑ 0.39%



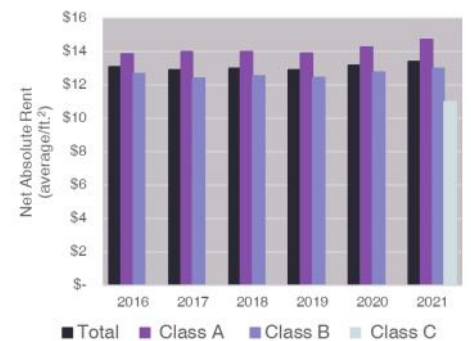
Supply & Demand



Vacant Space



Net Absolute Rent/ft.<sup>2</sup>

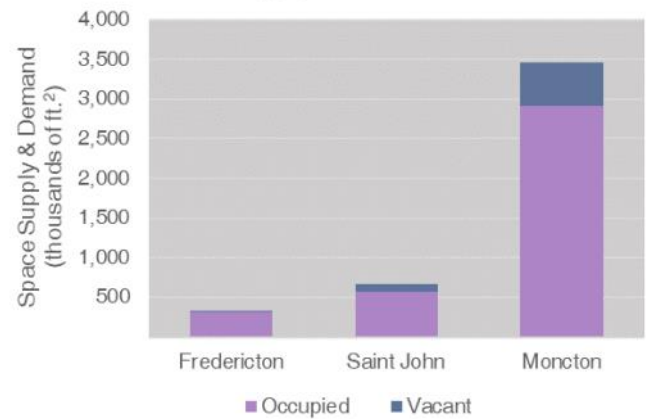


# JUNE 2021 MARKET SURVEY NEW BRUNSWICK WAREHOUSES

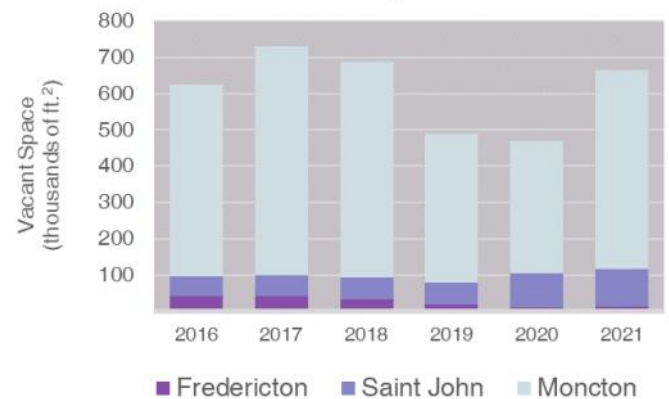
## Year at a Glance

	Fredericton	Saint John	Moncton
Office Inventory (ft. <sup>2</sup> )	322,571	669,524	3,465,572
Net Absorption (ft. <sup>2</sup> )	(2,389)	111,293	113,992
Vacancy Rate	4.10%	15.26%	15.88%
Avg. Net Rent/ft. <sup>2</sup>	\$6.86	\$8.15	\$6.94
Avg. RTCAM/ft. <sup>2</sup>	\$3.87	\$4.48	\$3.92
Avg. Gross Rent/ft. <sup>2</sup>	\$10.99	\$12.63	\$11.27

## Supply & Demand



## Vacant Space



## Net Absolute Rent/ft.<sup>2</sup>



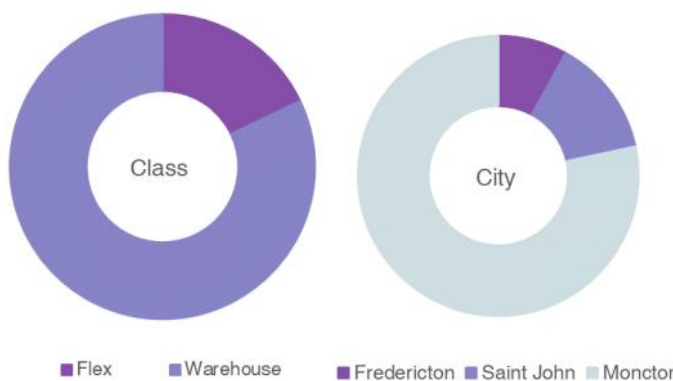
## Survey Overview

These surveys included every warehouse building with a total rentable area of 5,000 ft.<sup>2</sup> 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 103 buildings with an aggregate rentable area of 4,457,667 ft.<sup>2</sup>, broken down by city as follows:

Greater Fredericton: 10 buildings 322,571 ft.<sup>2</sup> GLA  
 Greater Saint John: 18 buildings 669,524 ft.<sup>2</sup> GLA  
 Greater Moncton: 75 buildings 3,465,572 ft.<sup>2</sup> GLA

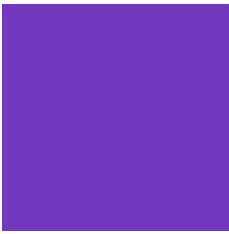
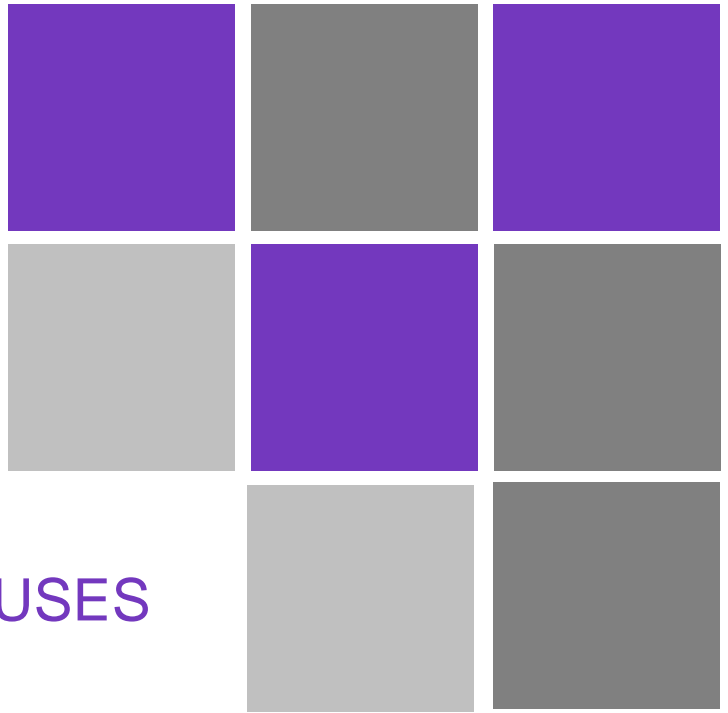
The survey successfully collected information on 93% of the rental stock polled. The results flow from what we believe is the most comprehensive survey of office space ever undertaken in New Brunswick.

## Overall Warehouse Inventory



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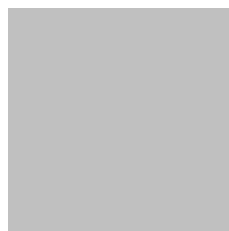
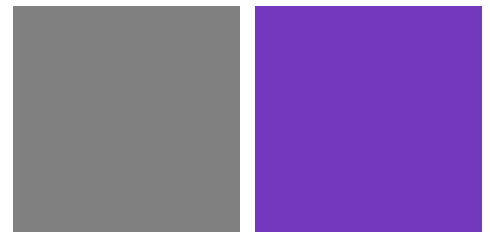




# MARKET SURVEY FREDERICTON WAREHOUSES JUNE 2021



Survey Scope:  
10 buildings  
322,571 ft.<sup>2</sup> of rental warehouse space  
expert researchers



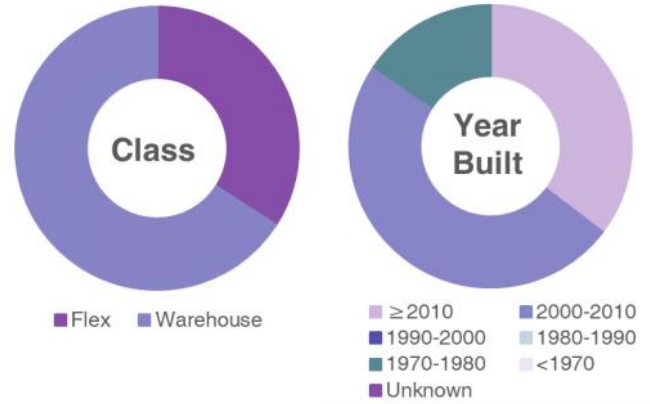
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# JUNE 2021 MARKET SURVEY FREDERICTON WAREHOUSES

## Year at a Glance

Warehouse	2020	2021	Change
Inventory (ft. <sup>2</sup> )	322,571	322,571	↔ - - -
Net Absorption (ft. <sup>2</sup> )	0	(2,389)	↓ (2,389)
Vacancy Rate	3.36%	4.10%	↑ 0.74 pp
Avg. Net Rent/ft. <sup>2</sup>	\$6.93	\$6.86	↓ - 1.01%
Avg. RTCAM/ft. <sup>2</sup>	\$3.80	\$3.87	↑ 1.84%
Avg. Gross Rent/ft. <sup>2</sup>	\$11.01	\$10.99	↓ - 0.18%

## 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 322,571 ft.<sup>2</sup>. The overall vacancy rate rose from 3.36% in 2020 to 4.10% in 2021. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicates that 2021 will see GDP growth of 2.6%, with an increase in demand for warehouse space of 2.90%. Additional supply expected to enter the market, causing the expected vacancy rate to increase slightly to 4.51%.

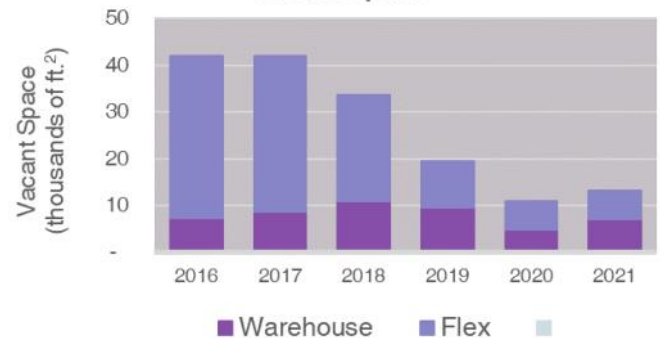
Our survey measured the vacancy rate by geographic node. The current vacancy rate in each of the following locations is: Fredericton Central 3.10%; Fredericton Industrial Park 4.83%; Overall 4.10%.

Our survey also measured rental rates. Industrial properties in Fredericton saw the overall net absolute rent per square foot decrease slightly from 2020, to \$6.86/ft.<sup>2</sup> for 2021. The average overall net rental rates per square foot in each of the following locations are: Central Fredericton \$7.71; Fredericton Industrial Park \$6.58; Overall \$6.86.

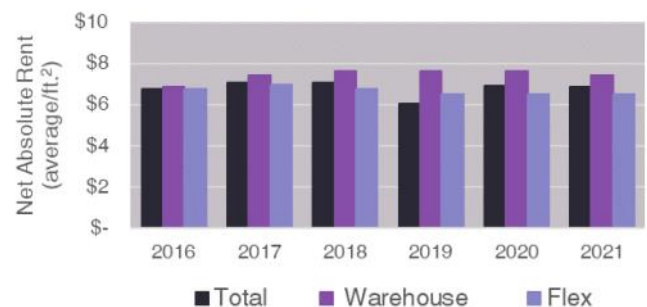
## Supply, Demand & GDP



## Vacant Space



## Net Absolute Rent/ft.<sup>2</sup>

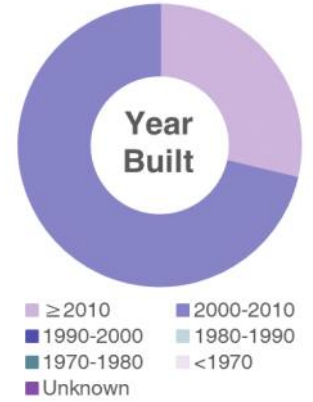
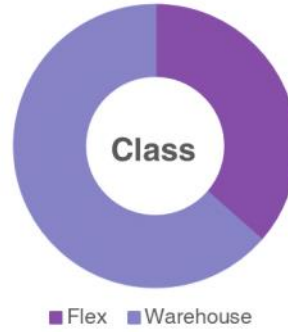


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# CENTRAL FREDERICTON

## Year at a Glance

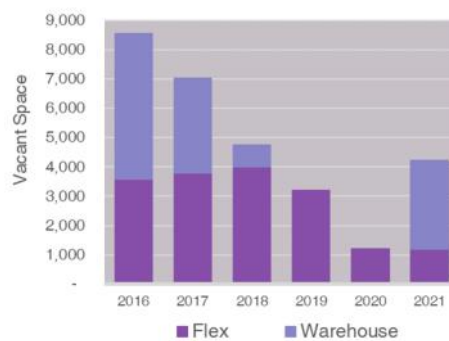
Warehouse	2020	2021	Change
Inventory (ft. <sup>2</sup> )	135,644	135,644	↔ ---
Net Absorption (ft. <sup>2</sup> )	0	(3,010)	↓ (3,010)
Vacancy Rate	0.88%	3.10%	↑ 2.22 pp
Avg. Net Rent/ft. <sup>2</sup>	\$ 7.71	\$ 7.71	↔ ---
Avg. RTCAM/ft. <sup>2</sup>	\$2.74	\$2.76	↑ 0.73%
Avg. Gross Rent/ft. <sup>2</sup>	\$10.69	\$10.65	↓ - 0.37%



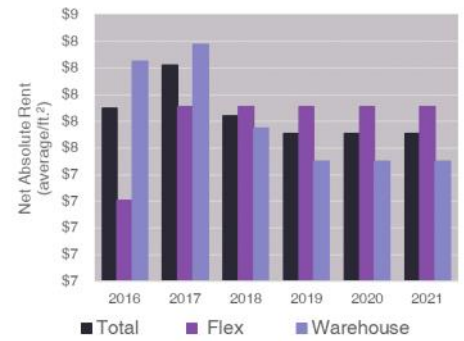
Supply & Demand



Vacant Space



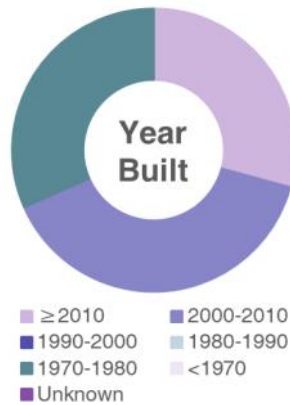
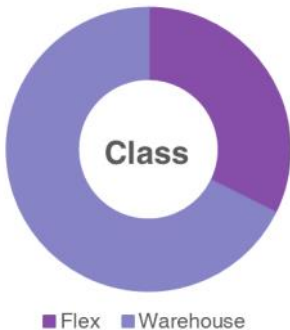
Net Absolute Rent/ft.<sup>2</sup>



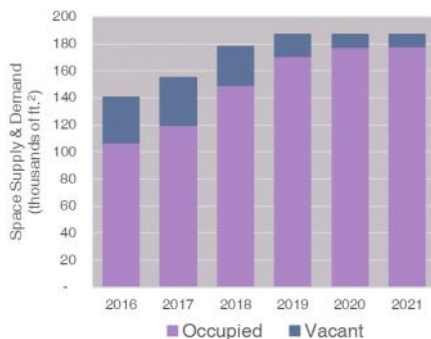
# FREDERICTON PERIPHERAL

## Year at a Glance

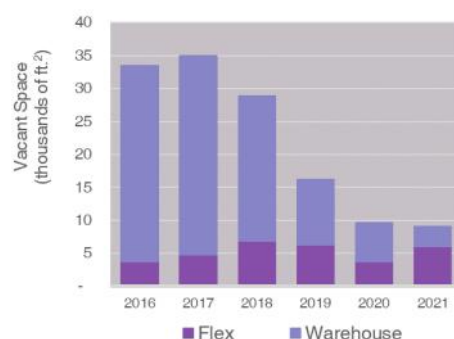
Warehouse	2020	2021	Change
Inventory (ft. <sup>2</sup> )	186,927	186,927	↔ ---
Net Absorption (ft. <sup>2</sup> )	0	621	↑ 621
Vacancy Rate	5.16%	4.83%	↓ - 0.33 pp
Avg. Net Rent/ft. <sup>2</sup>	\$ 6.67	\$ 6.58	↓ - 1.35%
Avg. RTCAM/ft. <sup>2</sup>	\$ 4.26	\$ 4.34	↑ 1.88%
Avg. Gross Rent/ft. <sup>2</sup>	\$11.16	\$11.16	↔ ---



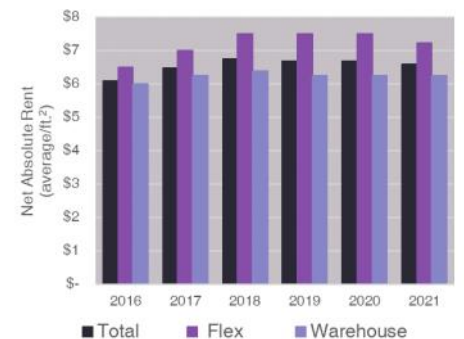
Supply & Demand



Vacant Space



Net Absolute Rent/ft.<sup>2</sup>






# MARKET SURVEY SAINT JOHN NB WAREHOUSES

JUNE 2021



Survey Scope:  
18 buildings  
669,524 ft.<sup>2</sup> of rental warehouse space  
expert researchers



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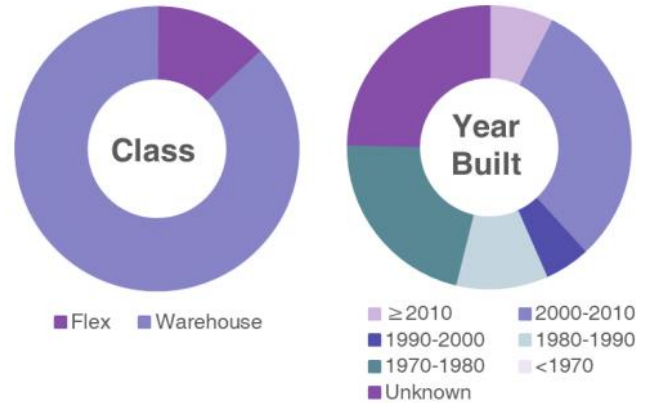
# JUNE 2021 MARKET SURVEY

## SAINT JOHN WAREHOUSES

### Year at a Glance

Warehouse	2020	2021	Change
Inventory (ft. <sup>2</sup> )	551,430	669,524	↑ 118,094
Net Absorption (ft. <sup>2</sup> )	0	111,293	↑ 111,293
Vacancy Rate	17.30%	15.26%	↓ - 2.04 pp
Avg. Net Rent/ft. <sup>2</sup>	\$8.17	\$8.15	↓ 0.24%
Avg. RTCAM/ft. <sup>2</sup>	\$4.64	\$ 4.48	↓ - 3.45%
Avg. Gross Rent/ft. <sup>2</sup>	\$12.80	\$12.63	↓ - 1.33%

### Overall Warehouse Inventory



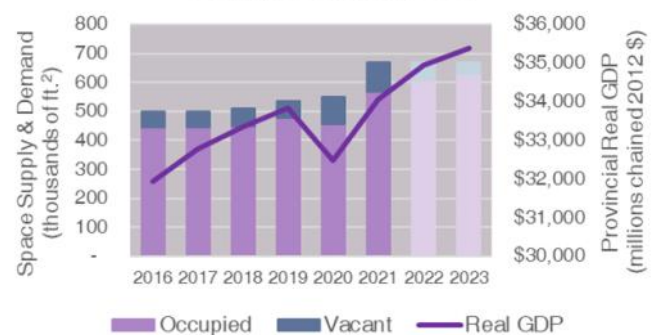
### Supply & Demand Overview

The total amount of rentable warehouse space in Greater Saint John increased by 21.41% over last year. The overall vacancy rate decreased from 17.30% in 2020 to 15.26% in 2021. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicates that 2021 will see GDP growth of 2.6%, with an increase in demand for warehouse space of 6.96%. The vacancy rate is expected to fall to 9.37%.

Our survey measured the vacancy rate by geographic node. The current vacancy rate in each of the following locations is: Grandview Industrial Park 18.59%; Saint John Remainder 10.19%, Overall 15.26%.

Our survey also measured rental rates. Industrial properties in Saint John saw the overall net absolute rent per square foot decrease by 0.24% year over year, to \$8.15/ft.<sup>2</sup> in 2021. The average overall net rental rates per square foot in each of the following locations are: Grandview Industrial Park \$7.09; Saint John Remainder \$10.26; Overall \$ 8.15.

### Supply, Demand & GDP



### Vacant Space



### Net Absolute Rent/ft.<sup>2</sup>

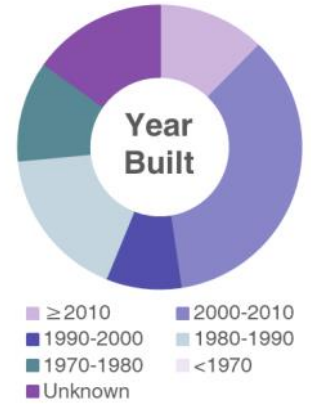
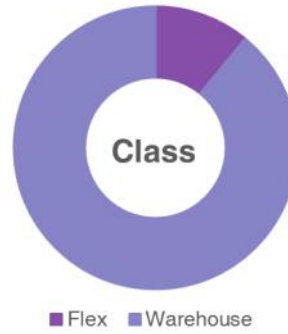


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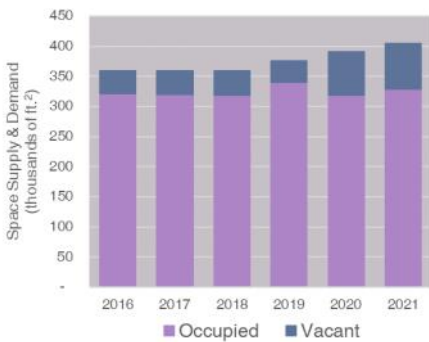
# GRANDVIEW INDUSTRIAL PARK

## Year at a Glance

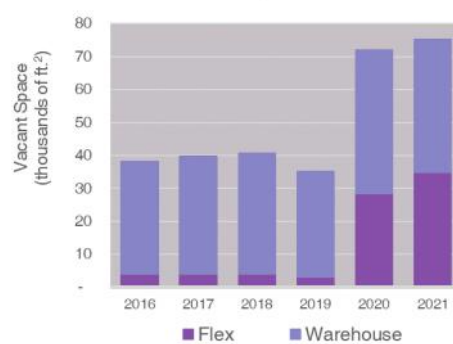
Warehouse	2020	2021	Change
Inventory (ft. <sup>2</sup> )	390,533	404,533	↑ 14,000
Net Absorption (ft. <sup>2</sup> )	0	10,869	↑ 10,869
Vacancy Rate	18.45%	18.59%	↑ 0.14 pp
Avg. Net Rent/ft. <sup>2</sup>	\$ 6.85	\$ 7.09	↑ 3.50%
Avg. RTCAM/ft. <sup>2</sup>	\$ 4.26	\$ 4.17	↓ 2.11%
Avg. Gross Rent/ft. <sup>2</sup>	\$11.11	\$11.27	↑ 1.44%



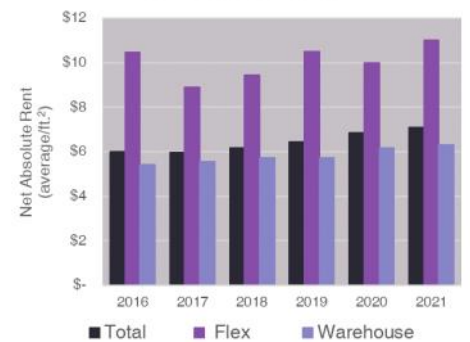
Supply & Demand



Vacant Space



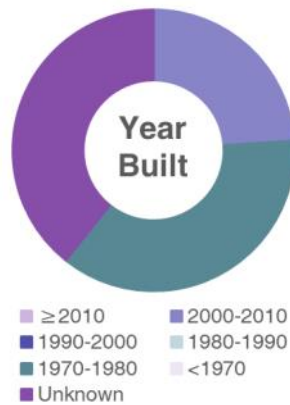
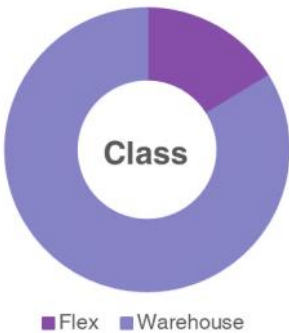
Net Absolute Rent/ft.<sup>2</sup>



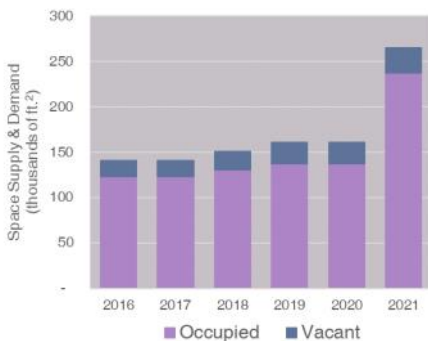
# SAINT JOHN REMAINDER

## Year at a Glance

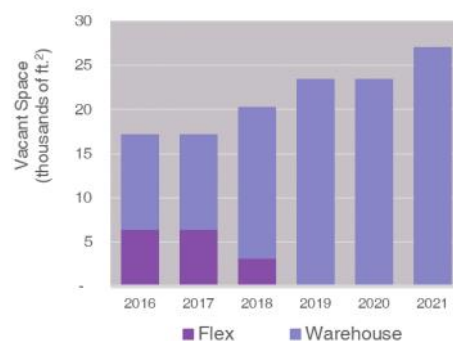
Warehouse	2020	2021	Change
Inventory (ft. <sup>2</sup> )	160,897	264,991	↑ 104,094
Net Absorption (ft. <sup>2</sup> )	0	100,424	↑ 100,424
Vacancy Rate	14.51%	10.19%	↓ - 4.32
Avg. Net Rent/ft. <sup>2</sup>	\$11.06	\$10.26	↓ - 7.23%
Avg. RTCAM/ft. <sup>2</sup>	\$5.47	\$5.10	↓ - 6.76%
Avg. Gross Rent/ft. <sup>2</sup>	\$16.53	\$15.36	↓ - 7.08%



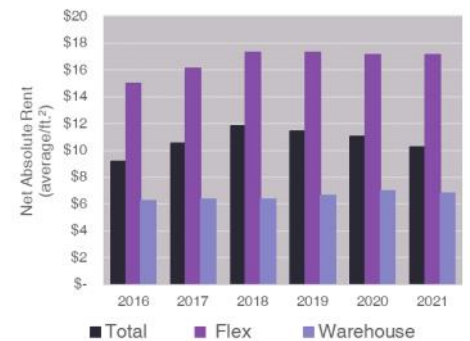
Supply & Demand

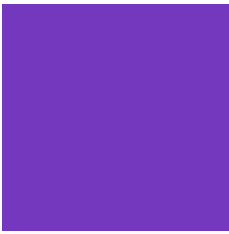


Vacant Space



Net Absolute Rent/ft.<sup>2</sup>

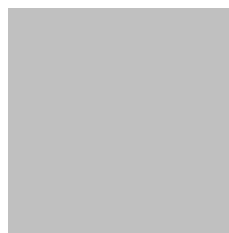




# MARKET SURVEY MONCTON WAREHOUSES JUNE 2021



Survey Scope:  
75 buildings  
3,465,572 ft.<sup>2</sup> of rental warehouse space  
expert researchers



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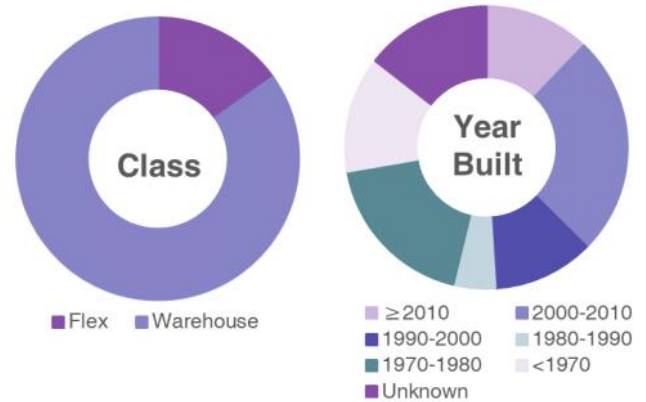
# JUNE 2021 MARKET SURVEY

## MONCTON WAREHOUSES

### Year at a Glance

Warehouse	2020	2021	Change
Inventory (ft. <sup>2</sup> )	3,163,495	3,465,572	↑ 302,077
Net Absorption (ft. <sup>2</sup> )	243,564	97,650	↓ (145,914)
Vacancy Rate	11.45%	15.88%	↑ 4.43 pp
Avg. Net Rent/ft. <sup>2</sup>	\$6.89	\$6.94	↑ 0.73%
Avg. RTCAM/ft. <sup>2</sup>	\$4.22	\$3.92	↓ - 7.11%
Avg. Gross Rent/ft. <sup>2</sup>	\$11.09	\$11.27	↑ 1.62%

### Overall Warehouse Inventory



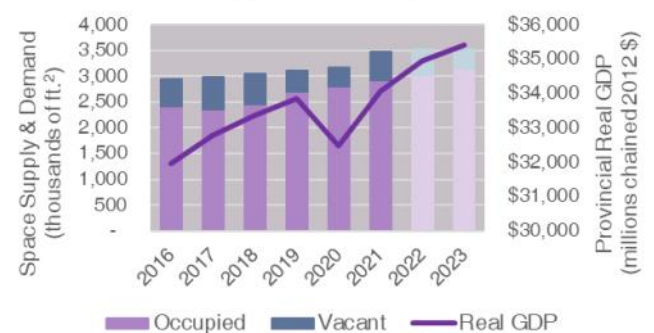
### Supply & Demand Overview

The total amount of rentable warehouse space in Greater Moncton increased by 9.55% over last year. The overall vacancy rate rose from 11.45% in 2020 to 15.88% in 2021. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicates that 2022 will see GDP growth of 2.6%, with an increase in demand for warehouse space of 3.82%. The vacancy rate is expected to decrease to 13.71%.

Our survey measured the vacancy rate by geographic node. The current vacancy rate in each of the following locations is: Moncton Central 4.06%; Moncton Industrial Park 24.20%; Dieppe Industrial Park 4.72%; Caledonia Industrial Park 11.75%; Overall 15.88%.

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 \$6.88; Dieppe Industrial Park \$6.79; Caledonia Industrial Park \$6.98; Overall \$6.94.

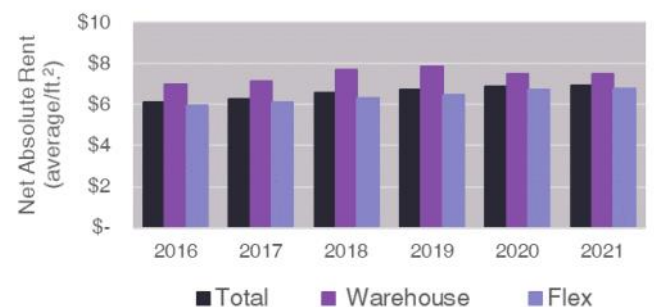
### Supply, Demand & GDP



### Vacant Space



### Net Absolute Rent/ft.<sup>2</sup>



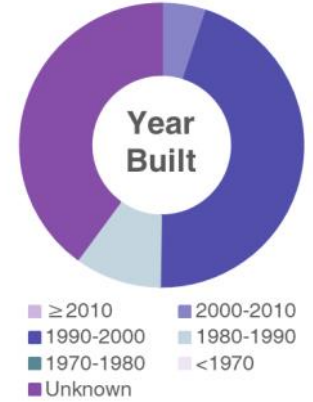
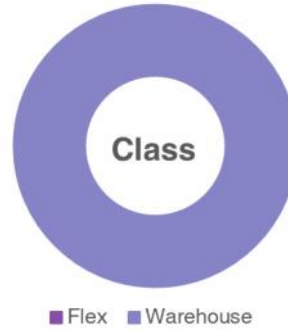
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# CENTRAL MONCTON

## Year at a Glance

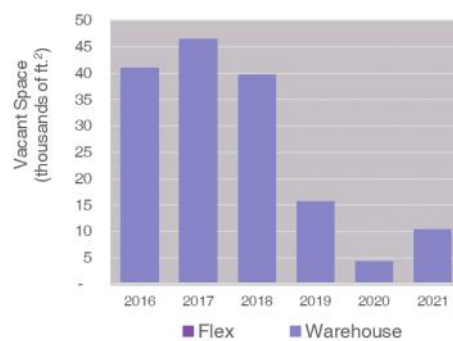
Warehouse	2020	2021	Change
Inventory (ft. <sup>2</sup> )	257,001	255,882	↓ (1,119)
Net Absorption (ft. <sup>2</sup> )	0	(7,179)	↓ (7,179)
Vacancy Rate	1.68%	4.06%	↑ 2.38 pp
Avg. Net Rent/ft. <sup>2</sup>	\$7.97	\$ 7.97	↔ ---
Avg. RTCAM/ft. <sup>2</sup>	\$5.30	\$3.47	↓ - 34.53%
Avg. Gross Rent/ft. <sup>2</sup>	\$13.27	\$12.86	↓ - 3.09%



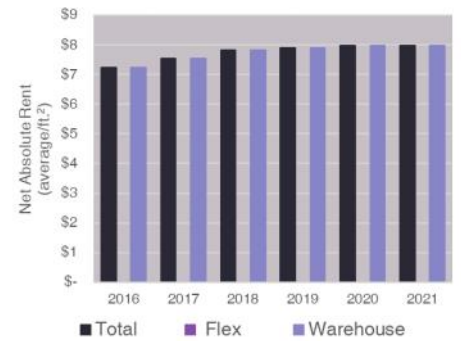
Supply & Demand



Vacant Space



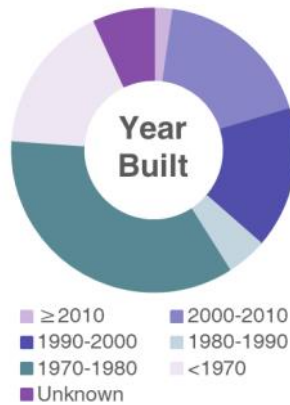
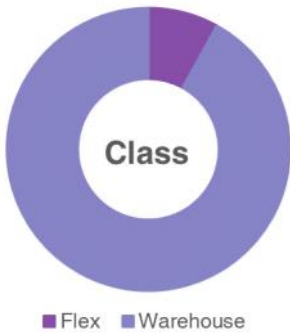
Net Absolute Rent/ft.<sup>2</sup>



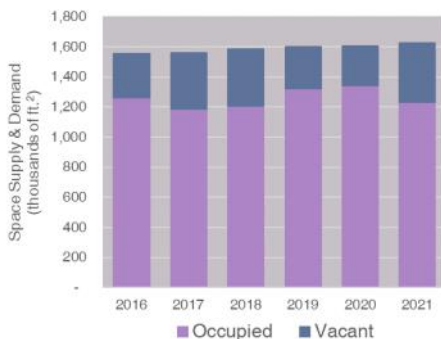
# MONCTON INDUSTRIAL PARK

## Year at a Glance

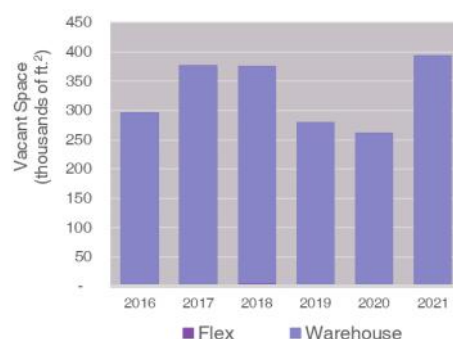
Warehouse	2020	2021	Change
Inventory (ft. <sup>2</sup> )	1,603,468	1,627,981	↑ 24,513
Net Absorption (ft. <sup>2</sup> )	0	(108,508)	↓ (108,508)
Vacancy Rate	16.27%	24.20%	↑ 7.93 pp
Avg. Net Rent/ft. <sup>2</sup>	\$6.85	\$6.88	↑ 0.44%
Avg. RTCAM/ft. <sup>2</sup>	\$4.10	\$3.83	↓ - 6.59%
Avg. Gross Rent/ft. <sup>2</sup>	\$10.76	\$11.00	↑ 2.23%



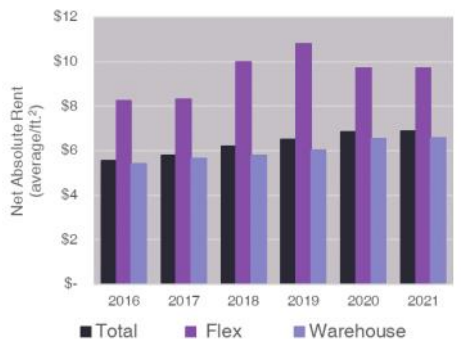
Supply & Demand



Vacant Space



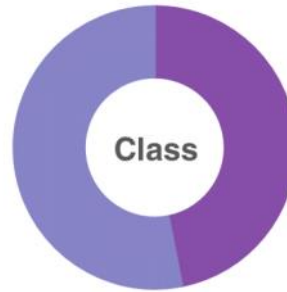
Net Absolute Rent/ft.<sup>2</sup>



# DIEPPE INDUSTRIAL PARK

## Year at a Glance

Warehouse	2020	2021	Change
Inventory (ft. <sup>2</sup> )	502,185	565,238	⬆️ 63,053
Net Absorption (ft. <sup>2</sup> )	0	46,857	⬆️ 46,857
Vacancy Rate	2.08%	4.72%	⬆️ 2.64 pp
Avg. Net Rent/ft. <sup>2</sup>	\$7.03	\$6.79	⬆️ - 3.41%
Avg. RTCAM/ft. <sup>2</sup>	\$4.49	\$4.46	⬆️ - 0.67%
Avg. Gross Rent/ft. <sup>2</sup>	\$11.88	\$11.59	⬆️ - 2.44%



Flex Warehouse

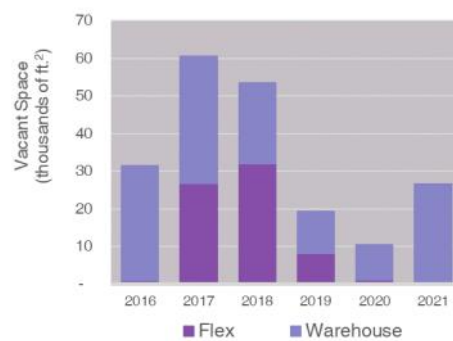


≥2010 2000-2010  
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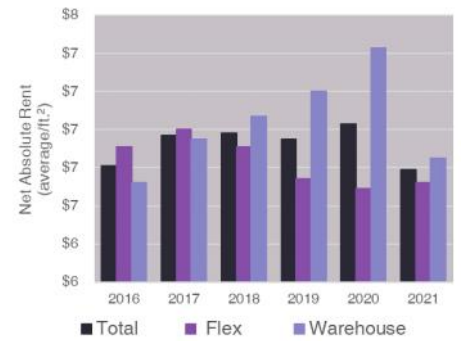
Supply & Demand



Vacant Space



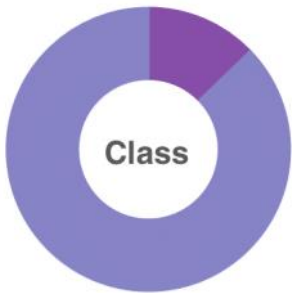
Net Absolute Rent/ft.<sup>2</sup>



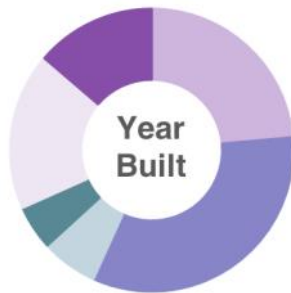
# CALEDONIA INDUSTRIAL PARK

## Year at a Glance

Warehouse	2020	2021	Change
Inventory (ft. <sup>2</sup> )	800,841	1,016,471	⬆️ 215,630
Net Absorption (ft. <sup>2</sup> )	0	182,822	⬆️ 182,822
Vacancy Rate	10.82%	11.75%	⬆️ 0.93 pp
Avg. Net Rent/ft. <sup>2</sup>	\$6.67	\$ 6.98	⬆️ 4.65%
Avg. RTCAM/ft. <sup>2</sup>	\$4.03	\$3.85	⬆️ - 4.47%
Avg. Gross Rent/ft. <sup>2</sup>	\$10.71	\$11.24	⬆️ 4.95%



Flex Warehouse

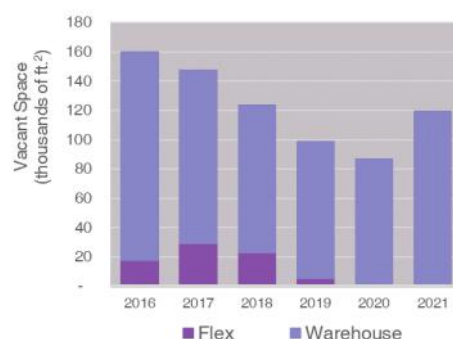


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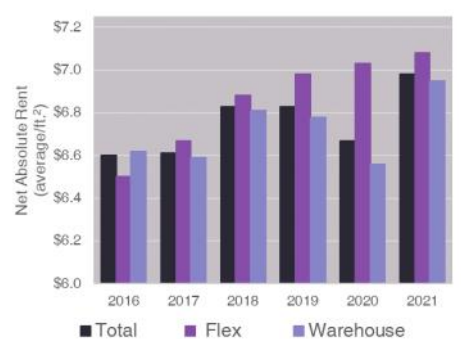
Supply & Demand



Vacant Space



Net Absolute Rent/ft.<sup>2</sup>



# JUNE 2020 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

### PROPERTY TAX



**GISELLE KAKAMOUSIAS**  
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Vice President  
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### COUNSELLING



**LEE WEATHERBY**  
FRICS, AACI, P.App  
Vice President  
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### ECONOMIC INTELLIGENCE



**ALEXANDRA BAIRD ALLEN**  
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Manager  
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### LASERCAD®



**PATRICK MITCHELL**  
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### VALUATION



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### BROKERAGE



**ASHLEY URQUHART**  
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### PLANNING



**NEIL LOVITT**  
B.CD, Dip GIS, LPP, MCIP, CPT  
Vice President  
NLovitt@turnerdrake.com



## Specialist Skills: A Broader Perspective

### PROPERTY TAX

Assessment Audits  
Negotiation  
Appeal Board  
PAMS® Property Tax  
Manager

### LASERCAD®

Space Certification  
"As Built" Plans  
Fire Exit Plans  
Fire Emergency  
Plans  
Utility Plans

### COUNSELLING

Feasibility Studies  
Expropriation  
Mediation & Arbitration  
Infrastructure Acquisition

### PLANNING

Regulatory Planning  
Development Analysis  
Development Appraisal  
Cost Benefit Analysis  
Community Studies  
Municipal Background  
Studies

### ECONOMIC INTELLIGENCE

Market Surveys  
Site Selection  
Trade Area Analysis  
Supply & Demand Analysis  
Demographic Reports

### VALUATION

Commercial  
Industrial  
Investment  
Development  
Rural  
PAMS® Property Portfolio  
Manager

### BROKERAGE

Vendor Representation  
Purchaser Representation  
Landlord Representation  
Tenant Representation



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