

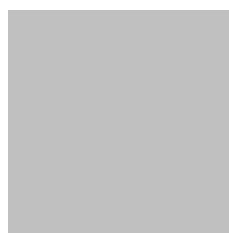
MARKET SURVEY

NB OFFICES

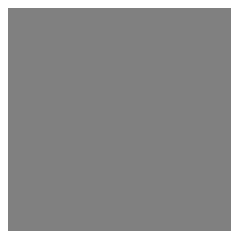
DECEMBER 2021



Survey Scope: 177 office buildings
8,384,736 ft.² of rental office space
expert researchers
3 cities



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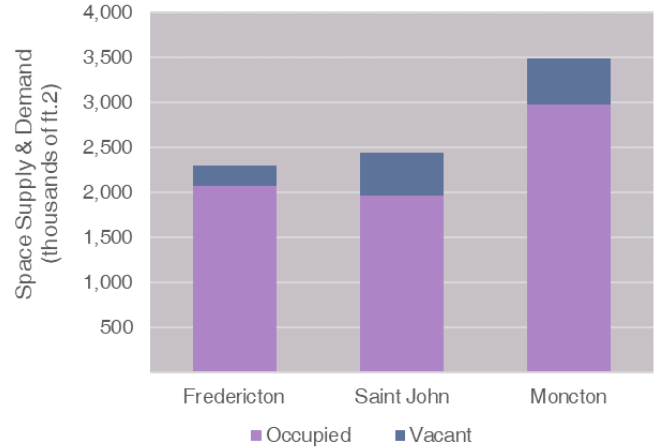


DEC 2021 MARKET SURVEY NEW BRUNSWICK OFFICES

Year at a Glance

	Fredericton	Saint John	Moncton
Office Inventory (ft. ²)	2,437,954	2,450,983	3,495,799
Net Absorption (ft. ²)	50,096	-27,700	195,287
Vacancy Rate	15.67%	18.38%	15.64%
Avg. Net Rent/ft. ²	\$14.13	\$13.38	\$13.35
Avg. RTCAM/ft. ²	\$10.35	\$ 8.39	\$ 9.09
Avg. Gross Rent/ft. ²	\$24.89	\$21.91	\$23.70

Supply & Demand



Survey Overview

These surveys included every office building with a total rentable area of 5,000 ft.² or greater, available for rent in the three major cities in New Brunswick: Greater Fredericton, Greater Saint John, and Greater Moncton. A team of trained researchers collected rental, operating expense and vacancy data on 177 buildings with an aggregate rentable area of 8,384,736 ft.², broken down by city as follows:

Greater Fredericton: 54 buildings 2,437,954 ft.² GLA

Greater Saint John: 43 buildings 2,450,983 ft.² GLA

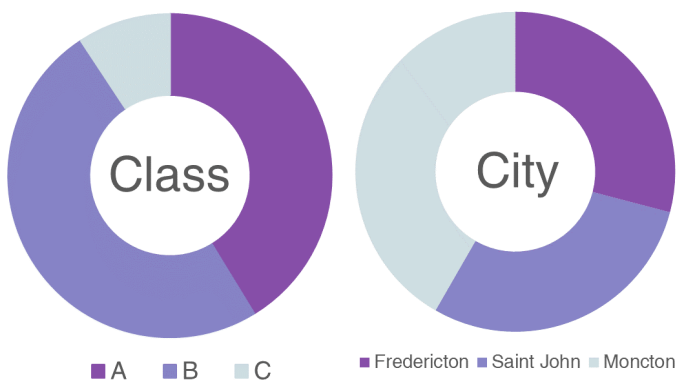
Greater Moncton: 80 buildings 3,495,799 ft.² GLA

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.

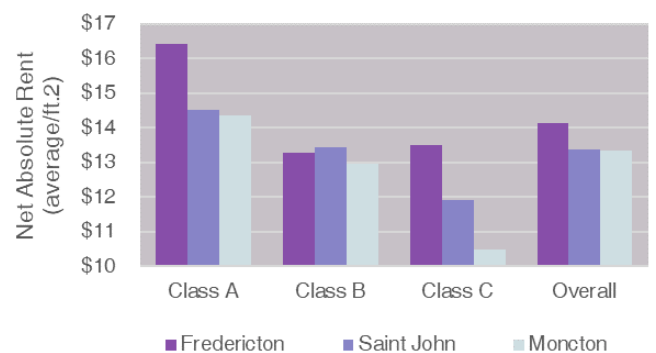
Vacant Space by Class



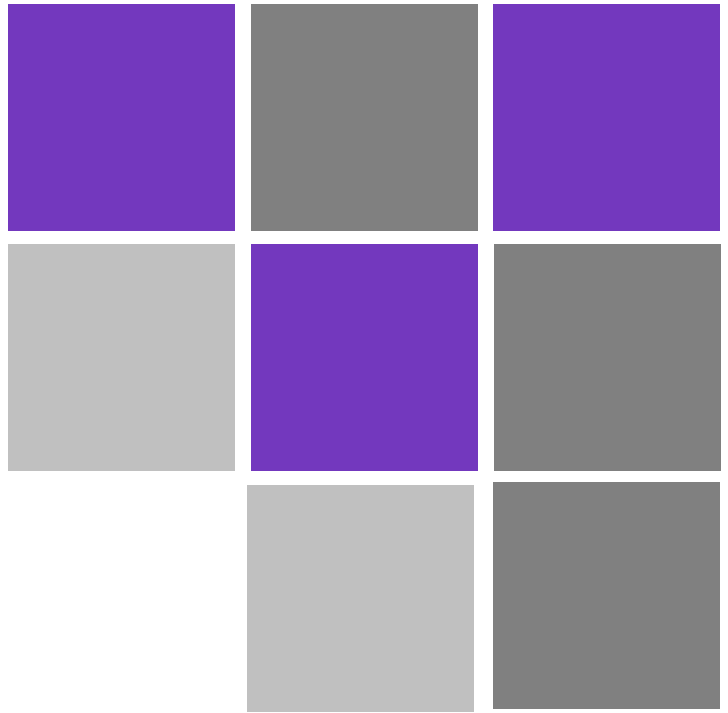
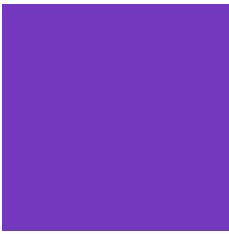
Overall Office Inventory



Net Absolute Rent/ft.² by Class



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MARKET SURVEY FREDERICTON OFFICES DECEMBER 2021

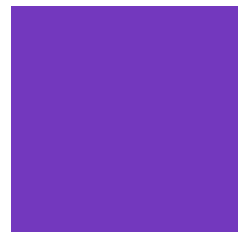
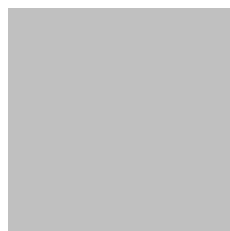


Survey Scope:

54 buildings

2,437,954 ft.² of rental office space

expert researchers

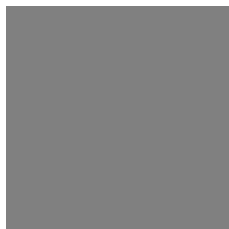


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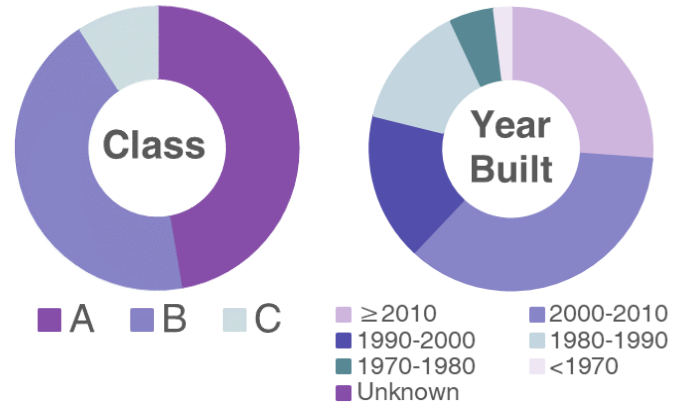


DEC. 2021 MARKET SURVEY FREDERICTON OFFICES

Year at a Glance

	2020	2021	Change
Office Inventory (ft. ²)	2,222,275	2,437,954	↑ 215,679
Net Absorption (ft. ²)	24,131	50,096	↑ 25,965
Vacancy Rate	9.74%	15.67%	↑ 5.93 pp
Avg. Net Rent/ft. ²	\$13.88	\$14.13	↑ 1.80%
Avg. RTCAM/ft. ²	\$10.10	\$10.35	↑ 2.48%
Avg. Gross Rent/ft. ²	\$24.29	\$24.89	↑ 2.47%

Overall Office Inventory



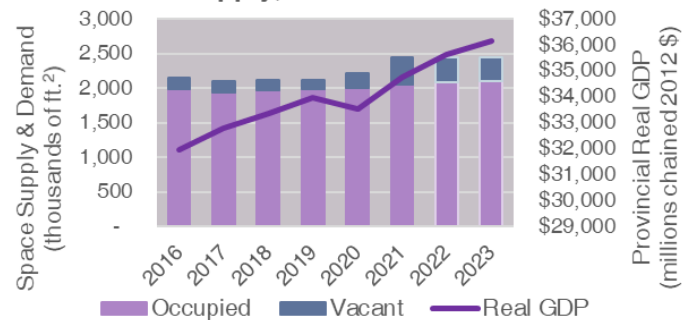
Supply & Demand Overview

The total amount of rentable office space in Greater Fredericton increased 9.71% over last year. The overall vacancy rate increased from 9.74% in 2020 to 15.67% 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 3.09%. With no additional supply expected to enter the market, the vacancy rate is expected to decline to 14.36%.

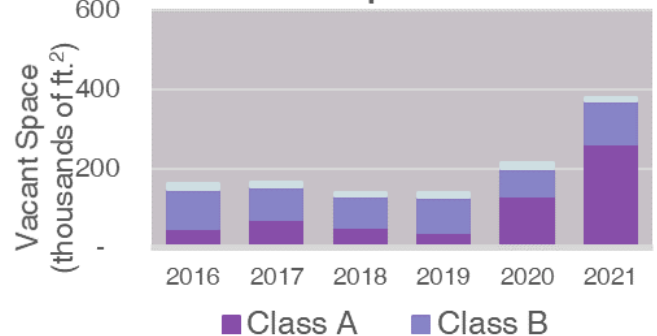
Our survey measured vacancy and rental rates by class of building. Class A buildings command the highest rents in their community and have distinctive design and lobbies. Class B buildings offer “no frills” modern, air conditioned space. Class C buildings make up the remainder of the office rental market. The current vacancy rates by class are: Class A 22.65%; Class B 10.24%; Class C 5.43%; Overall 15.67%.

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 \$16.42; Class B \$13.27; Class C \$13.49; Overall \$14.13.

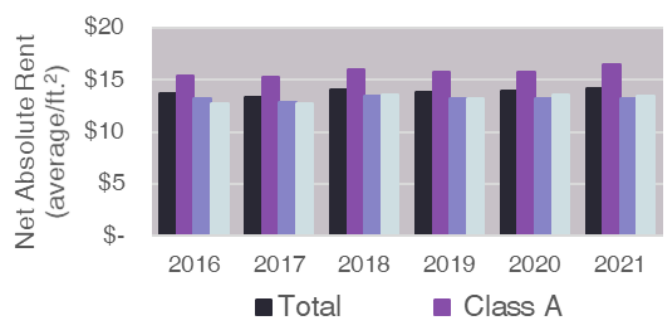
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

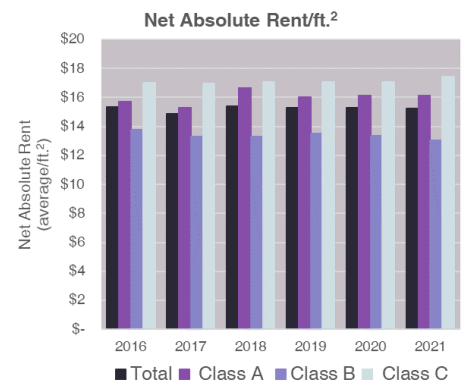
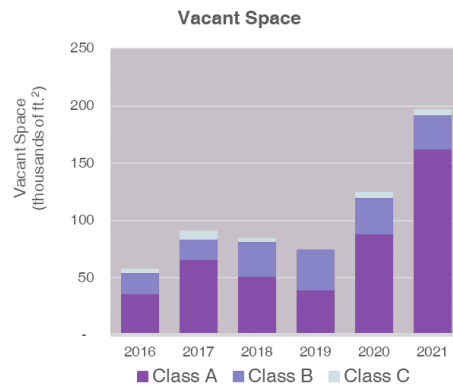
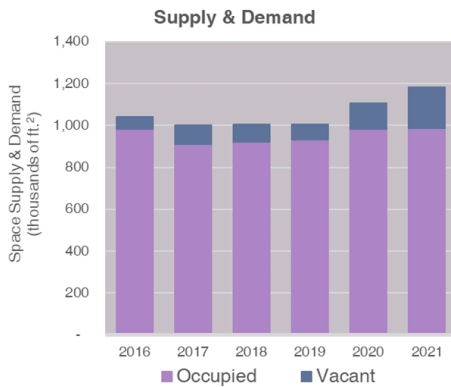
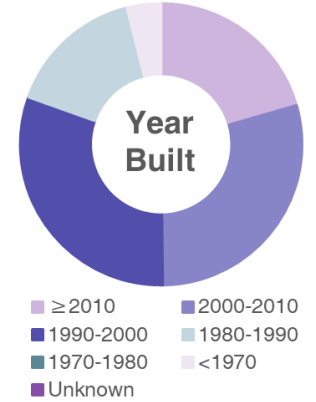
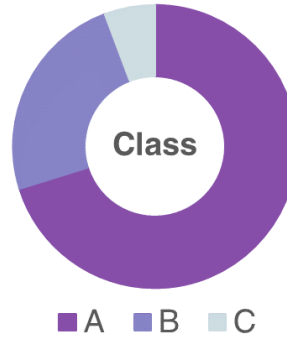


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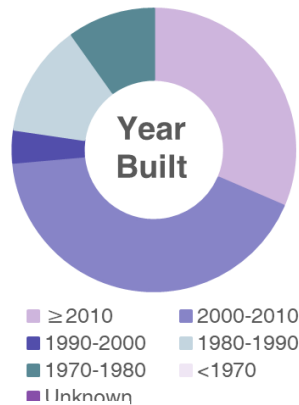
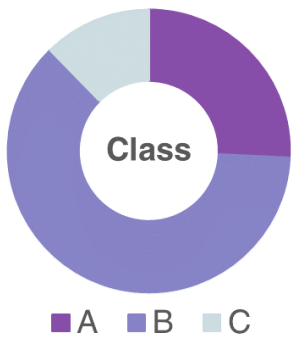
CENTRAL FREDERICTON

Year at a Glance

	2020	2021	Change
Office Inventory (ft. ²)	1,107,792	1,182,793	↑ 75,001
Net Absorption (ft. ²)	52,399	2,996	↓ -49,403
Vacancy Rate	11.20%	16.58%	↑ 5.38 pp
Avg. Net Rent/ft. ²	\$15.26	\$15.22	↓ -0.26%
Avg. RTCAM/ft. ²	\$ 9.46	\$ 9.77	↑ 3.28%
Avg. Gross Rent/ft. ²	\$25.49	\$25.74	↑ 0.98%

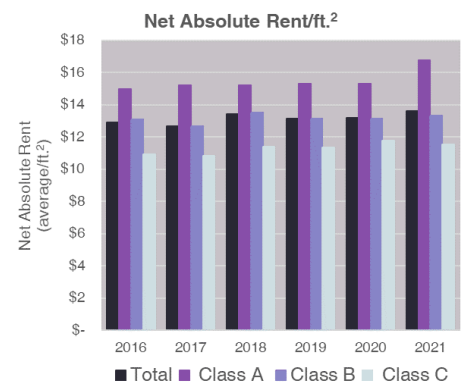
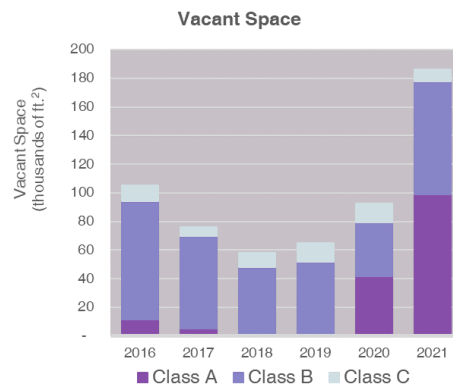
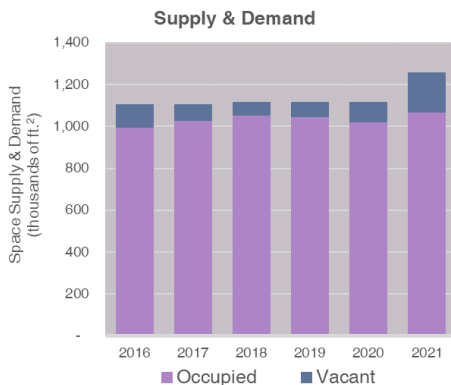


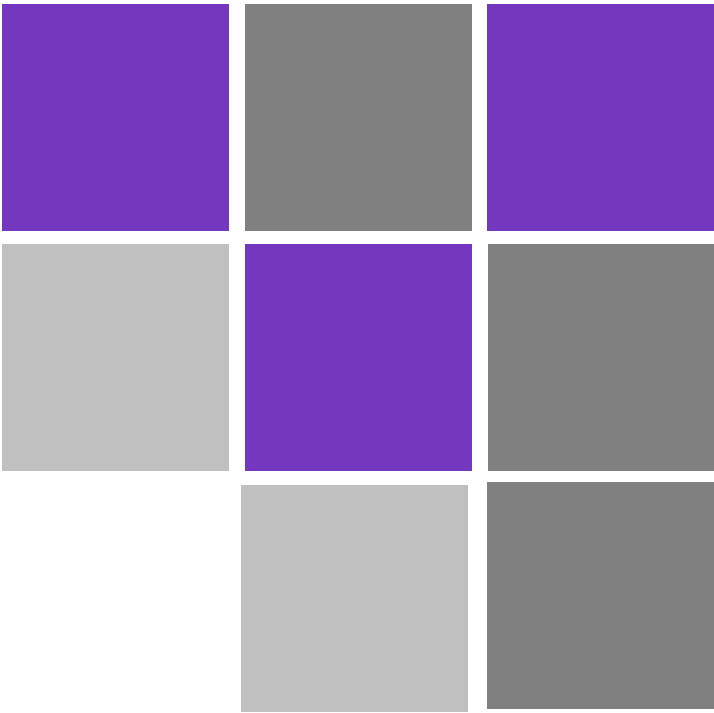
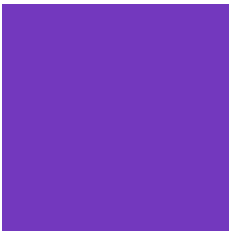
FREDERICTON PERIPHERAL



Year at a Glance

	2020	2021	Change
Office Inventory (ft. ²)	1,114,483	1,255,161	↑ 140,678
Net Absorption (ft. ²)	-28,268	47,100	↑ 75,368
Vacancy Rate	8.29%	14.82%	↑ 6.53 pp
Avg. Net Rent/ft. ²	\$13.21	\$13.61	↑ 3.03%
Avg. RTCAM/ft. ²	\$10.46	\$10.65	↑ 1.82%
Avg. Gross Rent/ft. ²	\$23.67	\$24.47	↑ 3.38%





MARKET SURVEY SAINT JOHN NB OFFICES DECEMBER 2021



Survey Scope:

43 buildings

2,450,983 ft.² of rental office space

expert researchers



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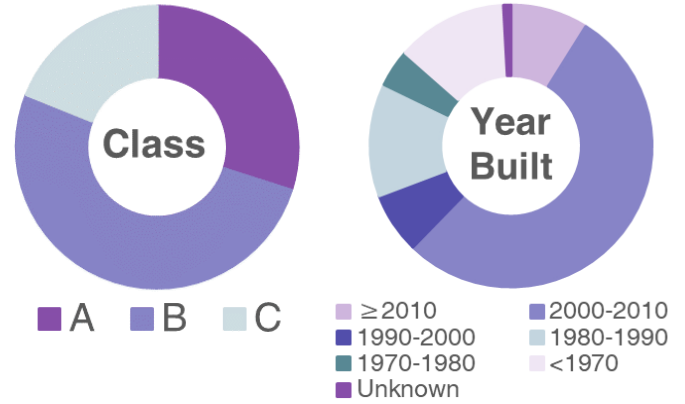
E-Mail: tdp@turnerdrake.com

DEC. 2021 MARKET SURVEY SAINT JOHN NB OFFICES

Year at a Glance

	2020	2021	Change
Office Inventory (ft. ²)	2,452,296	2,450,983	↓ -1,313
Net Absorption (ft. ²)	-64,627	-27,700	↑ 36,927
Vacancy Rate	17.30%	18.38%	↑ 1.09 pp
Avg. Net Rent/ft. ²	\$13.16	\$13.38	↑ 1.67%
Avg. RTCAM/ft. ²	\$ 9.11	\$ 8.39	↓ -7.90%
Avg. Gross Rent/ft. ²	\$21.92	\$21.91	↑ -0.05%

Overall Office Inventory



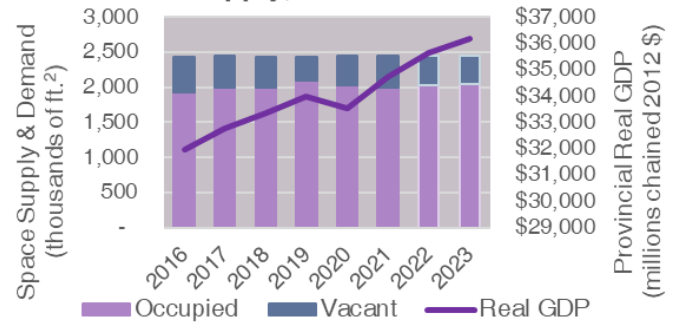
Supply & Demand Overview

The total amount of rentable office space in Saint John decreased 0.05% over last year. The overall vacancy rate increased from 17.30% in 2020 to 18.38% 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 1.56%. No major additions to rental supply are anticipated in the year to come, and the vacancy rate is expected to decrease slightly to 17.11%.

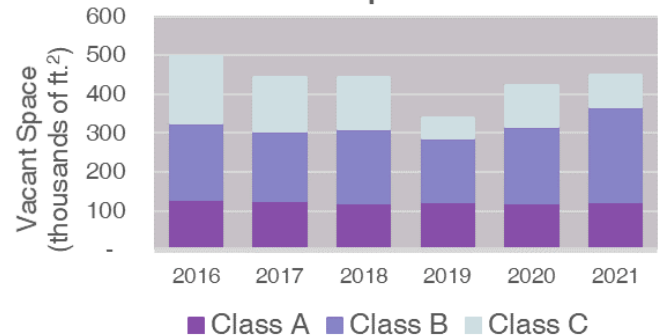
Our survey measured vacancy and rental rates by class of building. Class A buildings command the highest rents in their community and have distinctive design and lobbies. Class B buildings offer “no frills” modern, air conditioned space. Class C buildings make up the remainder of the office rental market. The current vacancy rates by class are: Class A 16.79%; Class B 19.41%; Class C 18.14%; Overall 18.38%.

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 \$13.45; Class C \$11.92; Overall \$13.38.

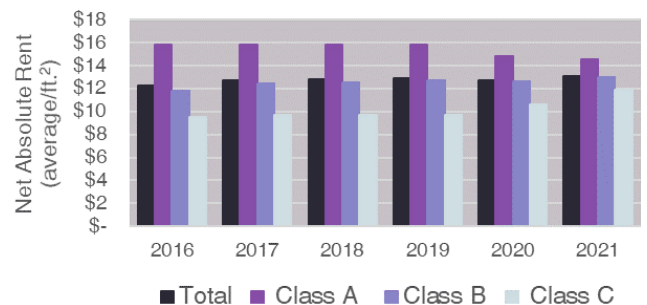
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

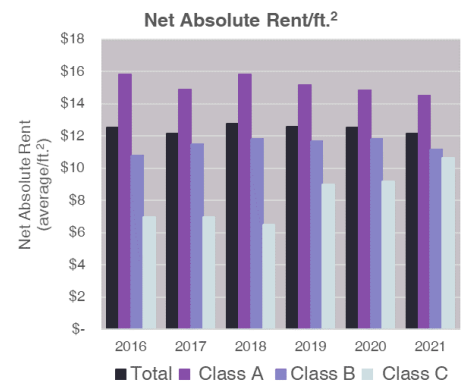
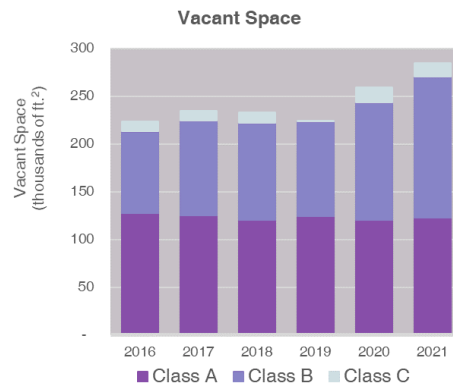
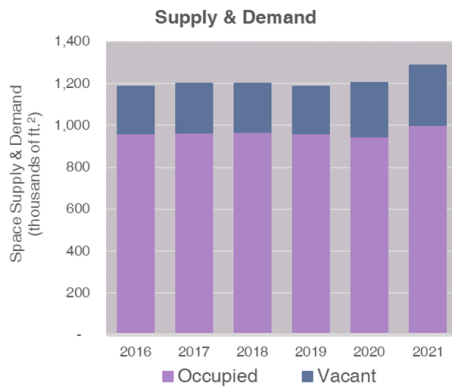
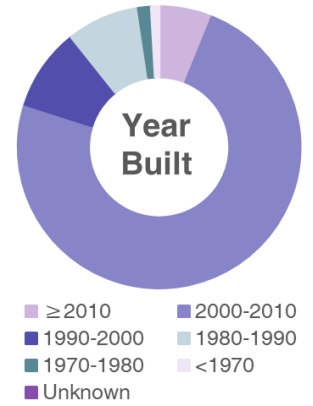
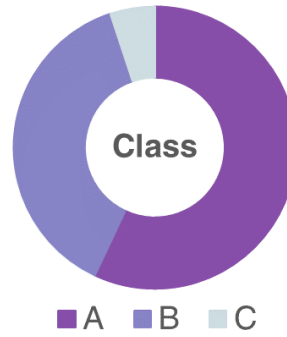


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UPTOWN SAINT JOHN NB

Year at a Glance

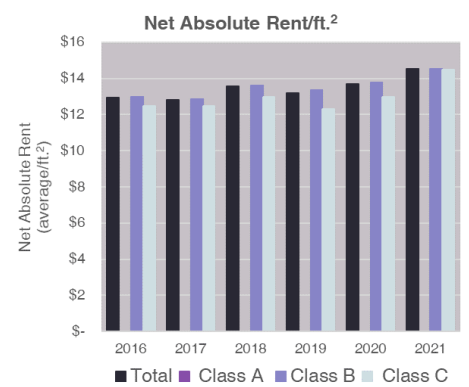
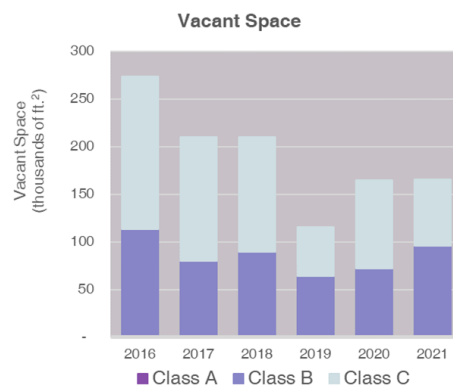
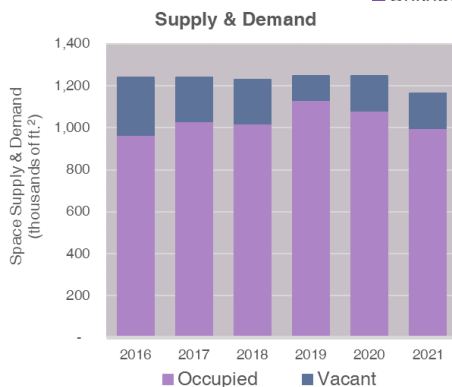
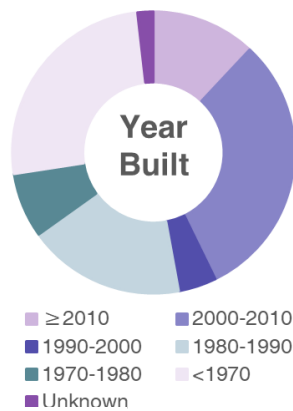
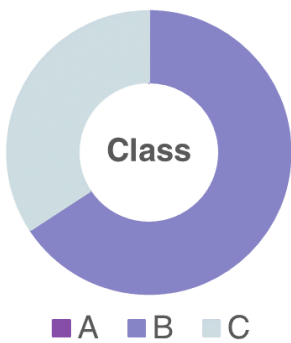
	2020	2021	Change
Office Inventory (ft. ²)	1,205,939	1,285,932	↑ 79,993
Net Absorption (ft. ²)	-15,656	54,487	↑ 70,143
Vacancy Rate	21.53%	22.17%	↑ 0.64 pp
Avg. Net Rent/ft. ²	\$12.51	\$12.18	↓ -2.64%
Avg. RTCAM/ft. ²	\$10.95	\$ 8.83	↓ -19.36%
Avg. Gross Rent/ft. ²	\$23.05	\$21.62	↓ -6.20%

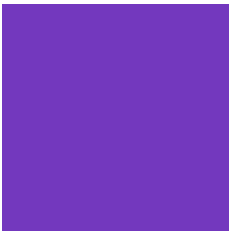
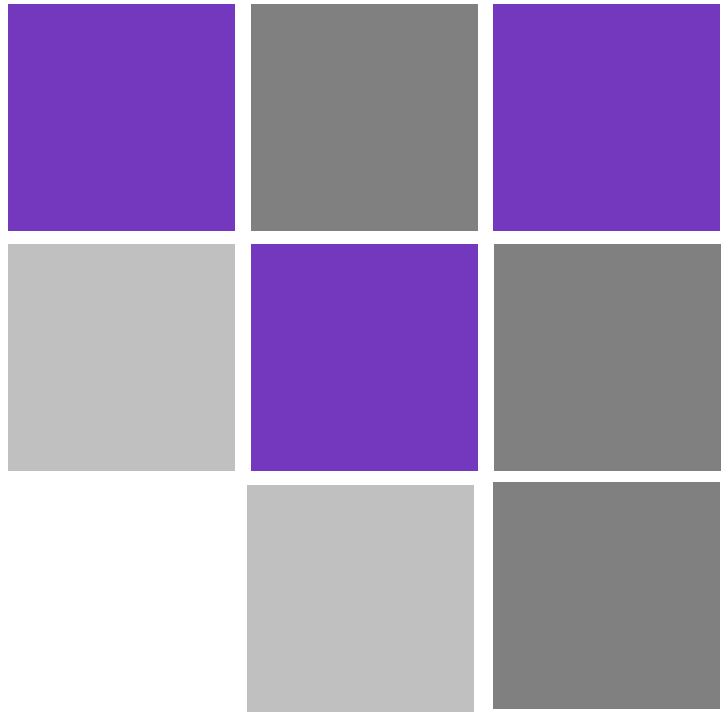


PERIPHERAL SAINT JOHN NB

Year at a Glance

	2020	2021	Change
Office Inventory (ft. ²)	1,246,357	1,165,051	↓ -81,306
Net Absorption (ft. ²)	-48,971	-82,187	↓ -33,216
Vacancy Rate	13.21%	14.20%	↑ 1.00 pp
Avg. Net Rent/ft. ²	\$13.68	\$14.51	↑ 6.07%
Avg. RTCAM/ft. ²	\$ 7.80	\$ 8.00	↑ 2.56%
Avg. Gross Rent/ft. ²	\$21.01	\$22.19	↑ 5.62%

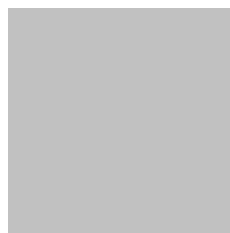
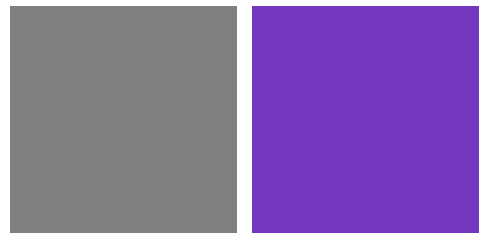




MARKET SURVEY MONCTON OFFICES DECEMBER 2021



Survey Scope:
80 buildings
3,495,799 ft.² of rental office space
expert researchers



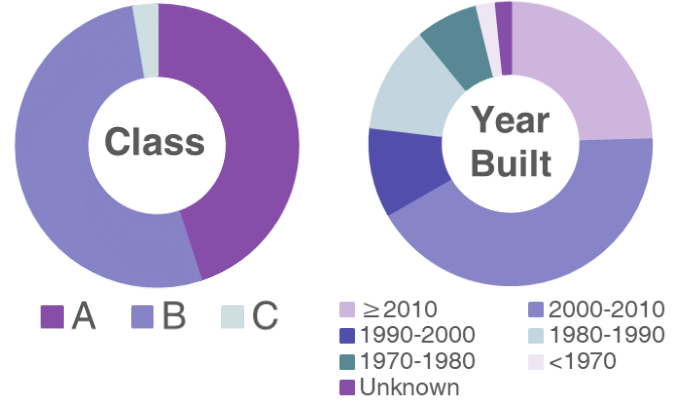
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DEC. 2021 MARKET SURVEY MONCTON OFFICES

Year at a Glance

	2020	2021	Change
Office Inventory (ft. ²)	3,190,014	3,495,799	↑ 305,785
Net Absorption (ft. ²)	5,863	195,287	↑ 189,424
Vacancy Rate	13.68%	15.64%	↑ 1.96 pp
Avg. Net Rent/ft. ²	\$13.03	\$13.35	↑ 2.46%
Avg. RTCAM/ft. ²	\$ 9.44	\$ 9.09	↓ -3.71%
Avg. Gross Rent/ft. ²	\$23.43	\$23.70	↑ 1.15%

Overall Office Inventory



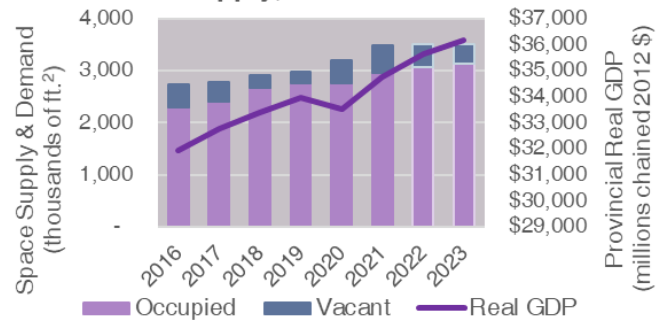
Supply & Demand Overview

The total amount of rentable office space in Greater Moncton increased 9.59% over last year, due in part to newly converted office space being added into the market. The overall vacancy rate increased from 13.68% in 2020 to 15.64% 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 3.99%. The vacancy rate is expected to decrease to 12.60%.

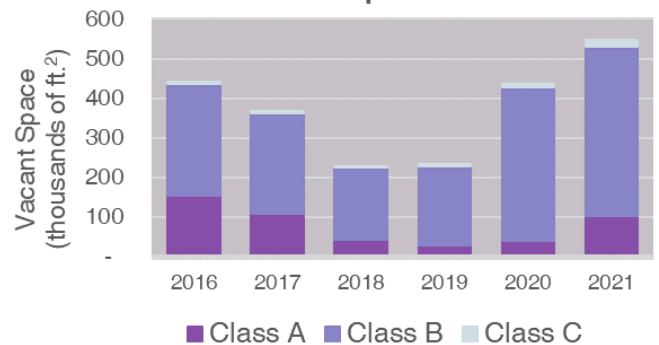
Our survey measured vacancy and rental rates by class of building. Class A buildings command the highest rents in their community and have distinctive design and lobbies. Class B buildings offer “no frills” modern, air conditioned space. Class C buildings make up the remainder of the office rental market. The current vacancy rates by class are: Class A 6.51%; Class B 23.35%; Class C 18.66%; Overall 15.64%.

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 \$14.35; Class B \$12.96; Class C \$10.50; Overall \$13.35.

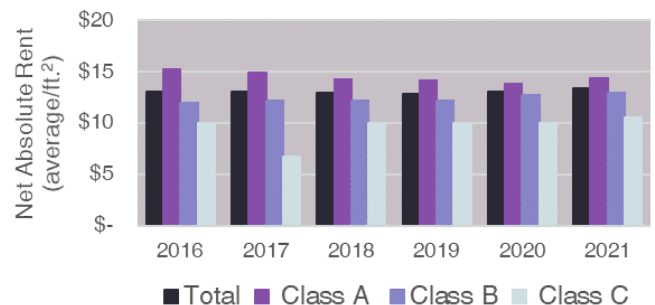
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

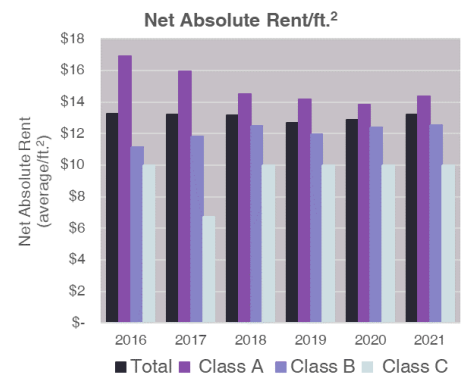
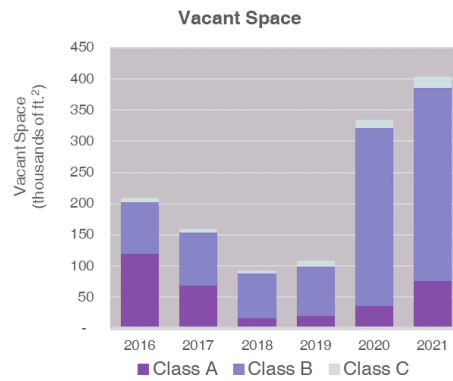
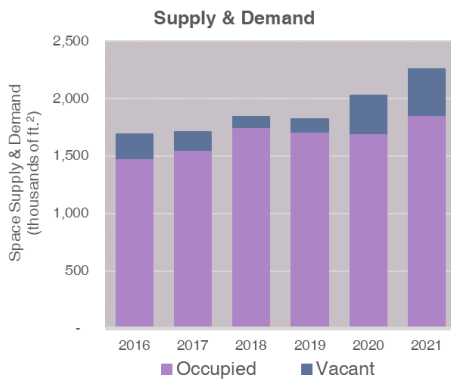
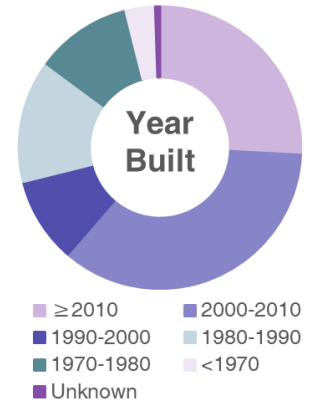
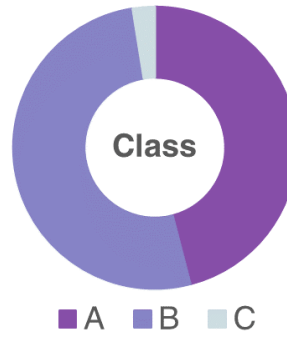


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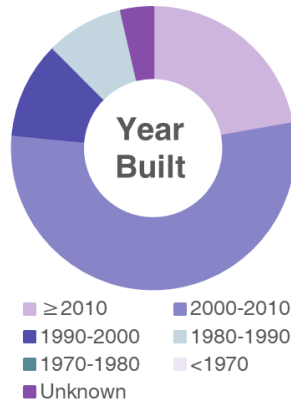
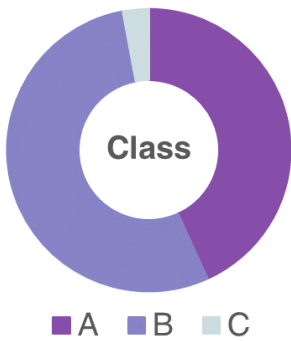
CENTRAL MONCTON

Year at a Glance

	2020	2021	Change
Office Inventory (ft. ²)	2,028,765	2,261,416	↑ 232,651
Net Absorption (ft. ²)	-18,068	163,136	↑ 181,204
Vacancy Rate	16.40%	17.79%	↑ 1.39 pp
Avg. Net Rent/ft. ²	\$12.86	\$13.23	↑ 2.88%
Avg. RTCAM/ft. ²	\$ 8.82	\$ 8.21	↓ -6.92%
Avg. Gross Rent/ft. ²	\$23.66	\$23.67	↑ 0.04%

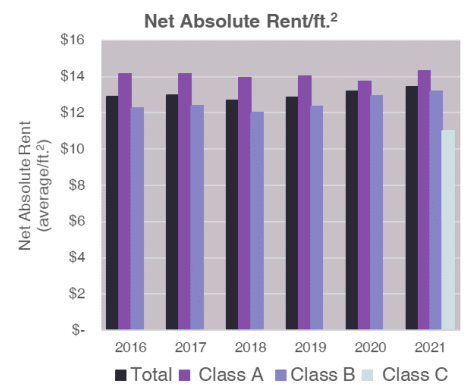
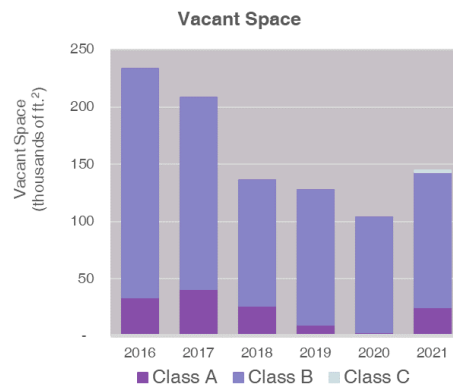
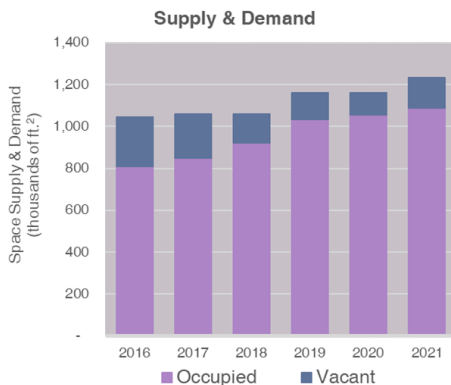


MONCTON PERIPHERAL



Year at a Glance

	2020	2021	Change
Office Inventory (ft. ²)	1,161,249	1,234,383	↑ 73,134
Net Absorption (ft. ²)	23,931	32,151	↑ 8,220
Vacancy Rate	8.92%	11.72%	↑ 2.79 pp
Avg. Net Rent/ft. ²	\$13.18	\$13.45	↑ 2.05%
Avg. RTCAM/ft. ²	\$10.14	\$10.16	↑ 0.20%
Avg. Gross Rent/ft. ²	\$23.23	\$23.72	↑ 2.11%



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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Specialist Skills: A Broader Perspective

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Expropriation
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Infrastructure Acquisition

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

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Site Selection
Trade Area Analysis
Supply & Demand Analysis
Demographic Reports

VALUATION

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BROKERAGE

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Purchaser Representation
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