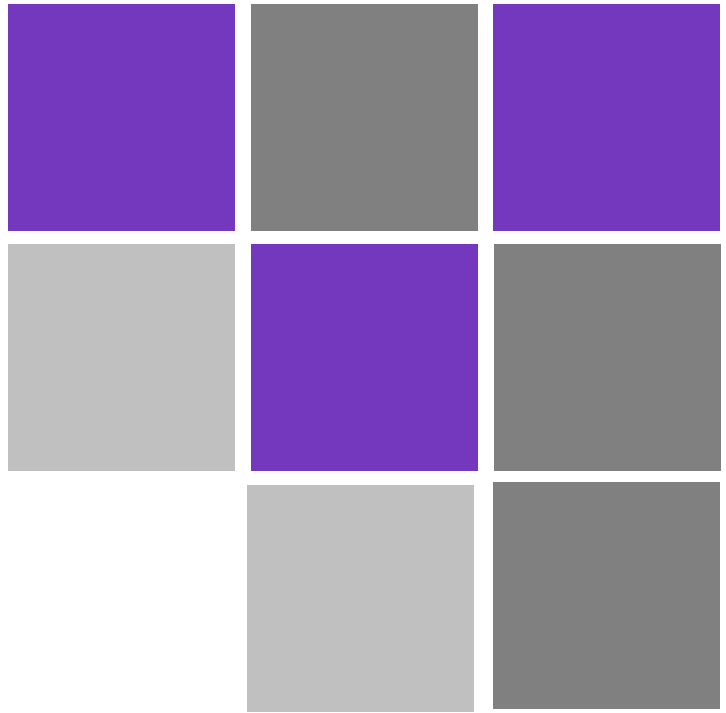
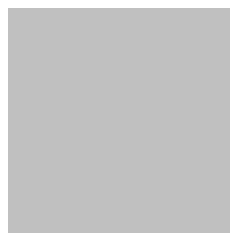


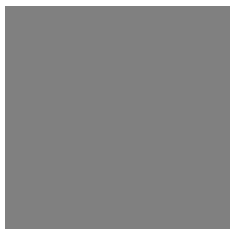
MARKET SURVEY  
 CHARLOTTETOWN  
 OFFICES & WAREHOUSES  
 JUNE 2022



Survey Scope: 28 office & 9 warehouse buildings  
 853,053 ft.<sup>2</sup> of rental office space  
 319,462 ft.<sup>2</sup> of rental warehouse space  
 expert researchers



Real Estate Counsellors, Brokers and Valuers  
 11-109 Richmond St., Charlottetown, PE  
 C1A 1H7  
 Tel.: (902) 368-1811  
 Internet: [www.turnerdrake.com](http://www.turnerdrake.com)  
 E-Mail: [tdp@turnerdrake.com](mailto:tdp@turnerdrake.com)

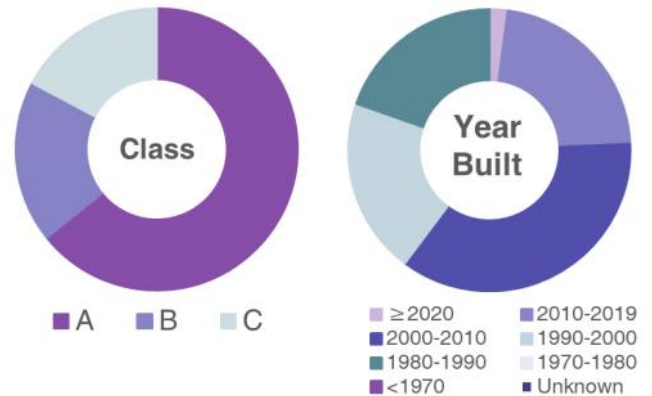


# JUNE 2022 MARKET SURVEY CHARLOTTETOWN OFFICES

## Year at a Glance

	2021	2022	Change
Office Inventory (ft. <sup>2</sup> )	854,708	853,053	↓ (1,655)
Net Absorption (ft. <sup>2</sup> )	26,515	(752)	↓ (27,267)
Vacancy Rate	8.81%	8.72%	↓ -0.09 pp
Avg. Net Rent/ft. <sup>2</sup>	\$16.26	\$16.75	↑ 3.01%
Avg. RTCAM/ft. <sup>2</sup>	\$ 7.27	\$ 7.58	↑ 4.26%
Avg. Gross Rent/ft. <sup>2</sup>	\$23.85	\$24.52	↑ 2.81%

## Overall Office Inventory



## Supply & Demand Overview

The total amount of rentable office space in our Greater Charlottetown survey decreased slightly from June 2021 to June 2022. The overall vacancy rate decreased from 8.81% in 2021 to 8.72% in 2022. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicates that 2023 will see GDP increase by 1.9%, leading to an increase in demand for office space of 1.34% and an expected vacancy rate decrease to 7.49%.

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 9.00%; Class B 8.34%; Class C 8.50%; Overall 8.72%.

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 \$17.31; Class B \$17.07; Class C \$13.57; Overall \$16.75.

## Supply, Demand & GDP



## Vacant Space



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

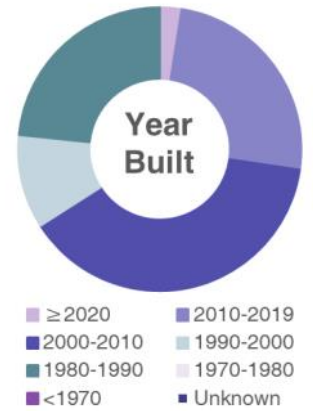
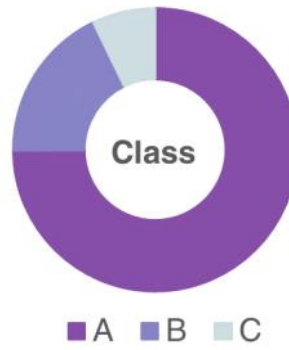


©2022 Turner Drake & Partners Ltd. This material may be used, copied and distributed provided that the appropriate attribution and copyright is accorded to Turner Drake & Partners Ltd. Whilst every effort has been made to ensure the accuracy and completeness of this Market Survey, no liability is assumed by Turner Drake & Partners Ltd. for errors and omissions. This bulletin is distributed without charge on the understanding that the contents do not render legal, accounting, appraisal or other professional services.

# CHARLOTTETOWN CENTRAL

## Year at a Glance

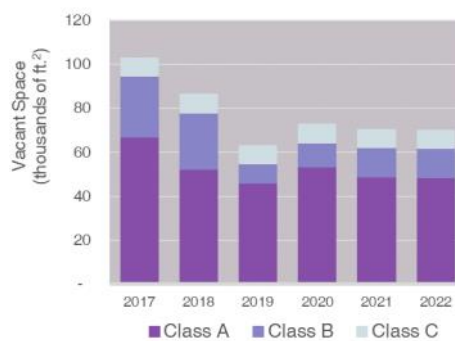
	2021	2022	Change
Office Inventory (ft. <sup>2</sup> )	717,004	715,990	↓ (1,014)
Net Absorption (ft. <sup>2</sup> )	20,562	(1,008)	↓ (21,570)
Vacancy Rate	9.82%	9.79%	↓ -0.03 pp
Avg. Net Rent/ft. <sup>2</sup>	\$16.83	\$17.17	↑ 2.02%
Avg. RTCAM/ft. <sup>2</sup>	\$ 7.70	\$ 7.95	↑ 3.25%
Avg. Gross Rent/ft. <sup>2</sup>	\$24.72	\$25.33	↑ 2.47%



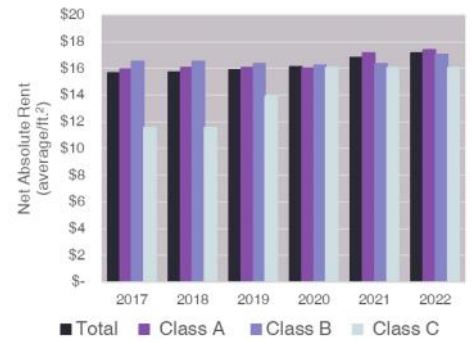
Supply & Demand



Vacant Space



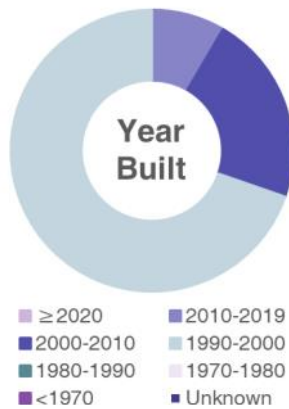
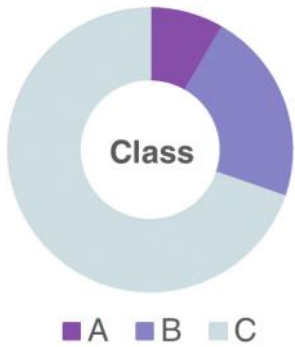
Net Absolute Rent/ft.<sup>2</sup>



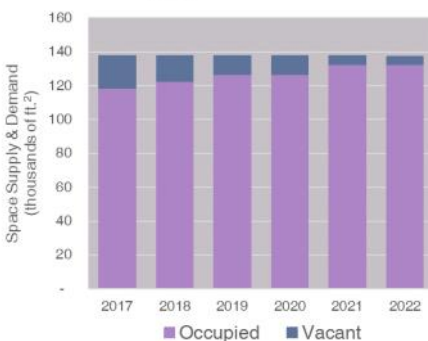
# CHARLOTTETOWN PERIPHERAL

## Year at a Glance

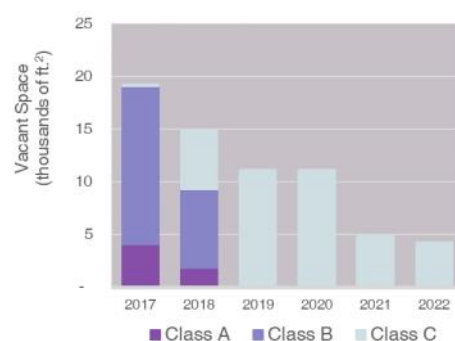
	2021	2022	Change
Office Inventory (ft. <sup>2</sup> )	137,704	137,063	↓ (641)
Net Absorption (ft. <sup>2</sup> )	6,250	(41)	↓ (6,291)
Vacancy Rate	3.54%	3.12%	↓ -0.42 pp
Avg. Net Rent/ft. <sup>2</sup>	\$12.37	\$12.25	↓ -0.97%
Avg. RTCAM/ft. <sup>2</sup>	\$ 5.28	\$ 5.50	↑ 4.17%
Avg. Gross Rent/ft. <sup>2</sup>	\$19.07	\$19.07	↔ - - -



Supply & Demand



Vacant Space



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



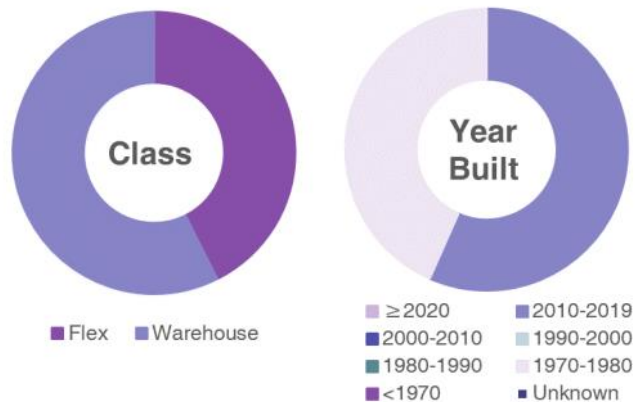
# JUNE 2022 MARKET SURVEY

## CHARLOTTETOWN WAREHOUSES

### Year at a Glance

Warehouse	2021	2022	Change
Inventory (ft. <sup>2</sup> )	319,462	319,462	↔ ---
Net Absorption (ft. <sup>2</sup> )	7,900	-	↓ 7,900%
Vacancy Rate	3.76%	3.76%	↔ ---
Avg. Net Rent/ft. <sup>2</sup>	\$10.66	\$10.66	↔ ---
Avg. RTCAM/ft. <sup>2</sup>	\$ 3.82	\$ 4.39	↑ 14.92%
Avg. Gross Rent/ft. <sup>2</sup>	\$16.19	\$16.84	↑ 4.01%

### Overall Warehouse Inventory



### Supply & Demand Overview

The total amount of rentable warehouse space, along with the overall vacancy rate, in Greater Charlottetown remained the same as last year. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicates that 2023 will see GDP growth of 1.9%, with a slight increase in demand for warehouse of 1.29%. The low vacancy rate should spur additions to supply, temporarily pushing the vacancy rate up slightly in the year ahead.

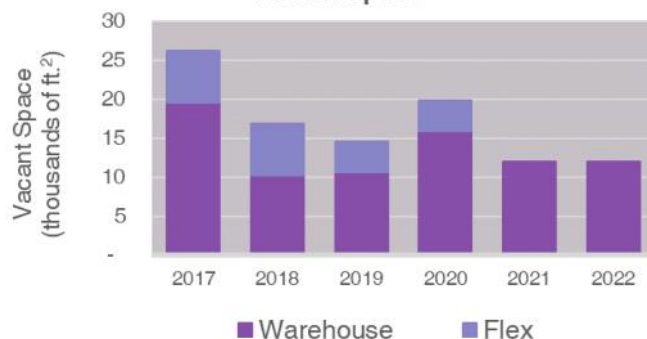
Our survey measured the vacancy rate by geographic node. The current vacancy rate in each of the following locations is: BioCommons Research Park 0.00%; Parkdale Industrial Park 0.00%; West Royalty Industrial Park 5.39%; Overall 3.76%.

Our survey also measured rental rates. Industrial properties in Charlottetown saw the overall net absolute rent per square foot increase, year over year, rising to \$10.66/ft.<sup>2</sup> in 2022. The average overall net rental rates per square foot in each of the following locations are: BioCommons Research Park N/A; Parkdale Industrial Park \$6.44; West Royalty Industrial Park \$11.50; Overall \$10.66.

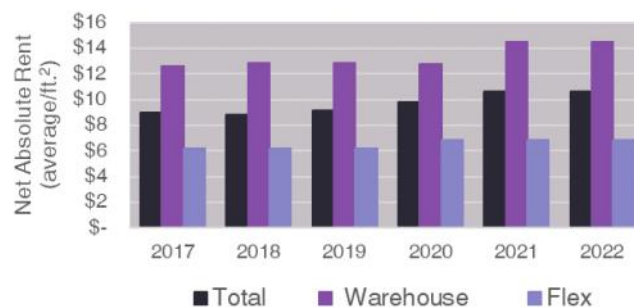
### Supply, Demand & GDP



### Vacant Space



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



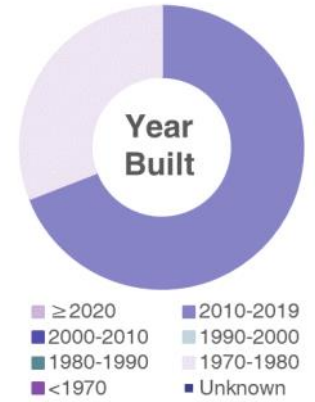
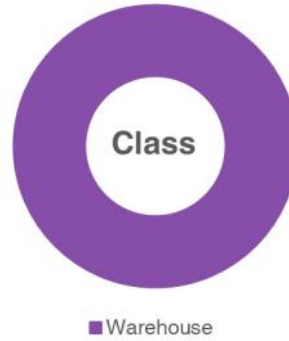
©2022 Turner Drake & Partners Ltd. This material may be used, copied and distributed provided that the appropriate attribution and copyright is accorded to Turner Drake & Partners Ltd. Whilst every effort has been made to ensure the accuracy and completeness of this Market Survey, no liability is assumed by Turner Drake & Partners Ltd. for errors and omissions. This bulletin is distributed without charge on the understanding that the contents do not render legal, accounting, appraisal or other professional services.



# PARKDALE INDUSTRIAL PARK

## Year at a Glance

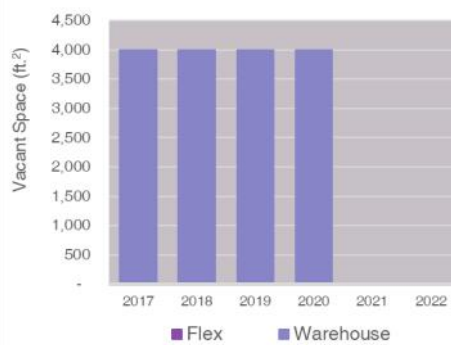
Warehouse	2021	2022	Change
Inventory (ft. <sup>2</sup> )	64,719	64,719	↔ ---
Net Absorption (ft. <sup>2</sup> )	4,000	---	↓ (4,000)
Vacancy Rate	0.00%	0.00%	↔ ---
Avg. Net Rent/ft. <sup>2</sup>	\$ 6.44	\$ 6.44	↔ ---
Avg. RTCAM/ft. <sup>2</sup>	\$ 0.98	\$ 1.12	↑ 14.29%
Avg. Gross Rent/ft. <sup>2</sup>	\$15.14	\$15.21	↑ 0.46%



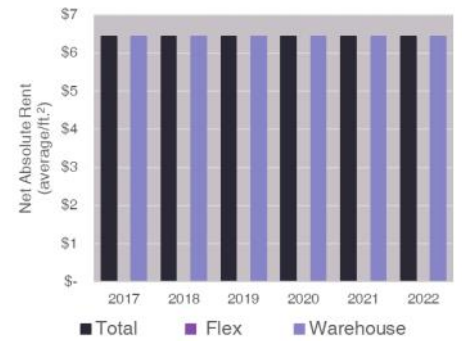
Supply & Demand



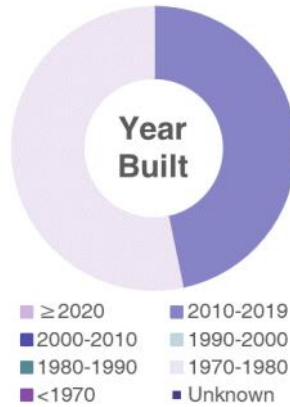
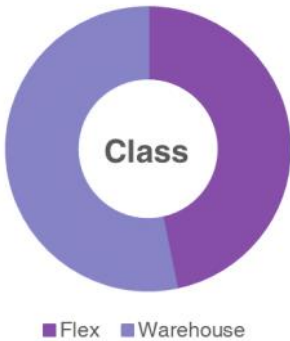
Vacant Space



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



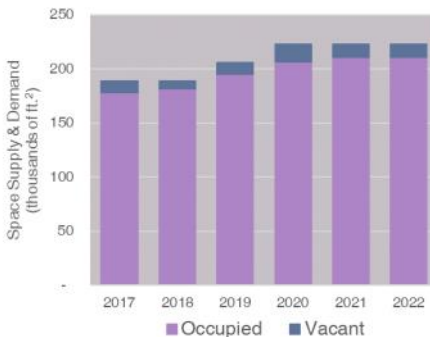
# WEST ROYALTY INDUSTRIAL PARK



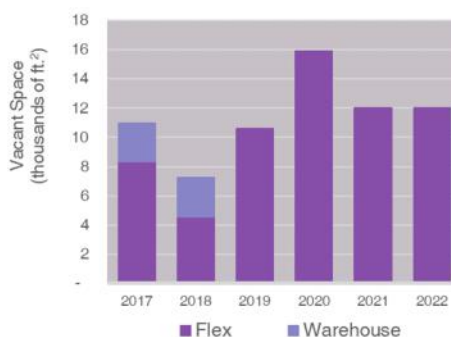
## Year at a Glance

Warehouse	2021	2022	Change
Inventory (ft. <sup>2</sup> )	222,743	222,743	↔ ---
Net Absorption (ft. <sup>2</sup> )	3,900	---	↓ (3,900)
Vacancy Rate	5.39%	5.39%	↔ ---
Avg. Net Rent/ft. <sup>2</sup>	\$11.50	\$11.50	↔ ---
Avg. RTCAM/ft. <sup>2</sup>	\$ 4.47	\$ 5.20	↑ 16.33%
Avg. Gross Rent/ft. <sup>2</sup>	\$16.61	\$17.50	↑ 5.36%

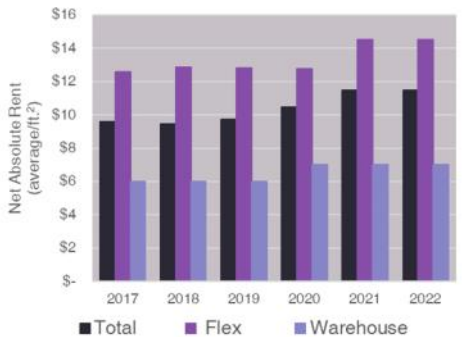
Supply & Demand



Vacant Space



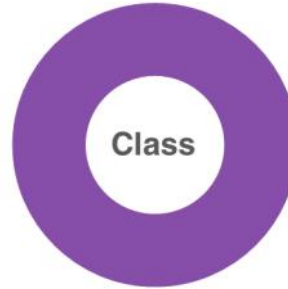
Net Absolute Rent/ft.<sup>2</sup>



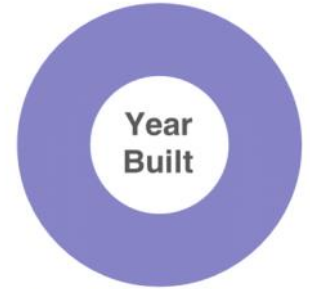
# BIOCOMMONS RESEARCH PARK

## Year at a Glance

Warehouse	2021	2022	Change
Inventory (ft. <sup>2</sup> )	32,000	32,000	↔ ---
Net Absorption (ft. <sup>2</sup> )	---	---	↔ ---
Vacancy Rate	0.00%	0.00%	↔ ---
Avg. Net Rent/ft. <sup>2</sup>	N/A	N/A	↔ ---
Avg. RTCAM/ft. <sup>2</sup>	\$2.76	\$2.78	↑ 0.72%
Avg. Gross Rent/ft. <sup>2</sup>	N/A	N/A	↔ ---



■ Flex ■ Warehouse

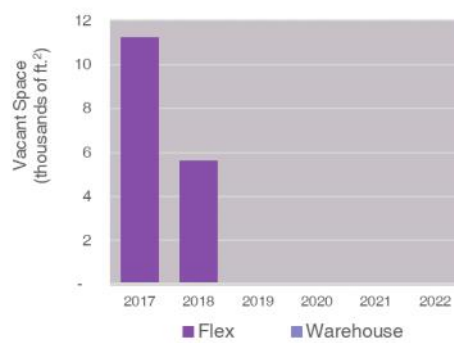


■ ≥ 2020 ■ 2010-2019  
 ■ 2000-2010 ■ 1990-2000  
 ■ 1980-1990 ■ 1970-1980  
 ■ <1970 ■ Unknown

Supply & Demand



Vacant Space



# JUNE 2022 MARKET SURVEY

## CHARLOTTETOWN 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



**GISSELLE KAKAMOUSIAS**  
B.Comm, DULE, MRICS, AACI  
Vice President  
GKakamousias@turnerdrake.com

### COUNSELLING



**LEE WEATHERBY**  
FRICS, AACI, P.App  
Vice President  
LWeatherby@turnerdrake.com

### ECONOMIC INTELLIGENCE



**ALEXANDRA BAIRD ALLEN**  
B.A. Adv. Dip GIS, DULE, MRICS  
Manager  
ABairdAllen@turnerdrake.com

### LASERCAD®



**EMILY McCELLAND**  
B.B.A  
MANAGER  
EMcLelland@turnerdrake.com

### VALUATION



**NIGEL TURNER**  
B.Comm, BBRE, DULE, MRICS, AACI  
Vice President  
NigelTurner@turnerdrake.com

### BROKERAGE



**ASHLEY URQUHART**  
BBA, DULE  
Senior Manager  
AUrquhart@turnerdrake.com

### 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



Chartered Surveyors - Regulated by RICS  
Registration to ISO 9001:2015

- St. John's • Charlottetown • Halifax
- Saint John • Toronto