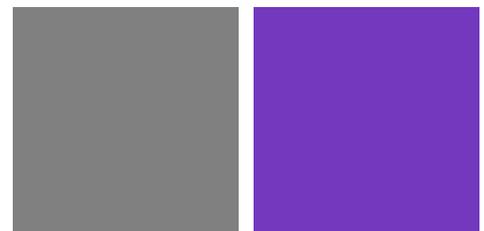
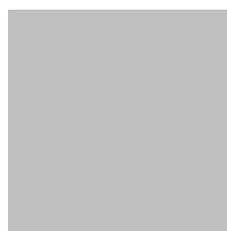


MARKET SURVEY NEW BRUNSWICK OFFICES DECEMBER 2022



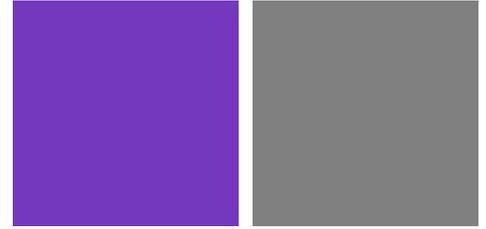
Survey Scope: 173 office buildings
8,272,330 ft.² of rental office space
expert researchers
3 cities



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



DECEMBER 2022 MARKET SURVEY NEW BRUNSWICK OFFICES



Year at a Glance

	Fredericton	Saint John	Moncton
Office Inventory (ft. ²)	2,433,286	2,474,698	3,364,346
Net Absorption (ft. ²)	-69,775	902	55,421
Vacancy Rate	18.38%	19.53%	16.59%
Avg. Net Rent/ft. ²	\$14.33	\$13.16	\$13.50
Avg. RTCAM/ft. ²	\$10.37	\$ 8.29	\$ 9.45
Avg. Gross Rent/ft. ²	\$25.09	\$21.14	\$23.99

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 173 buildings with an aggregate rentable area of 8,272,330 ft.², broken down by city as follows:

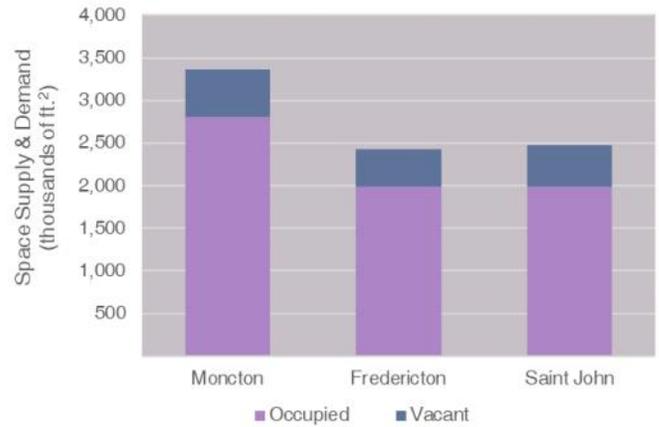
Greater Fredericton: 54 buildings 2,433,286 ft.² GLA

Greater Saint John: 42 buildings 2,474,698 ft.² GLA

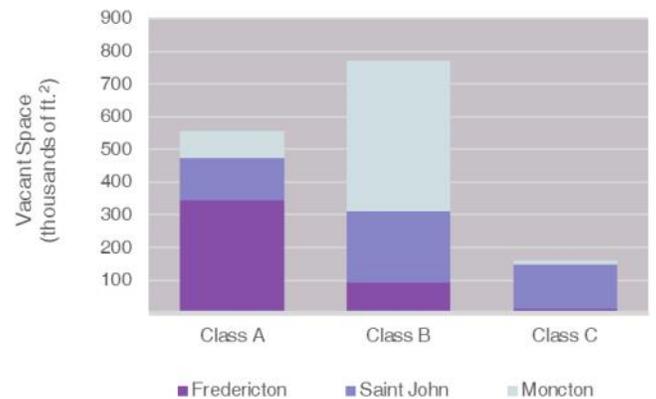
Greater Moncton: 77 buildings 3,364,346 ft.² GLA

The survey successfully collected information on 89% of the rental stock polled. The results flow from what we believe is the most comprehensive survey of office space ever undertaken in New Brunswick.

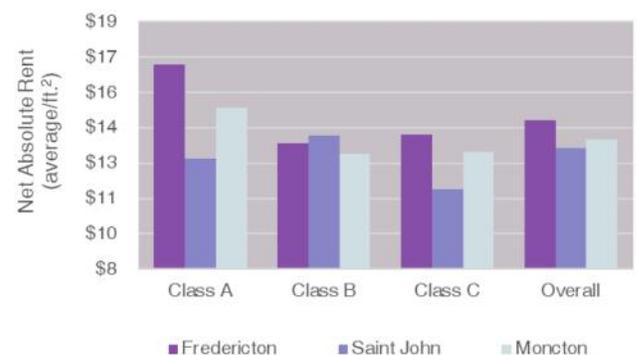
Supply & Demand



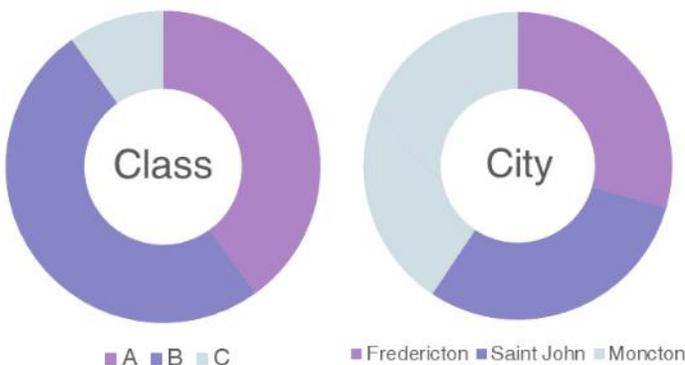
Vacant Space by Class



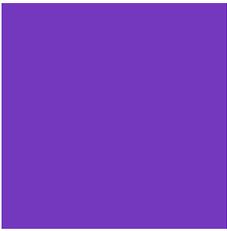
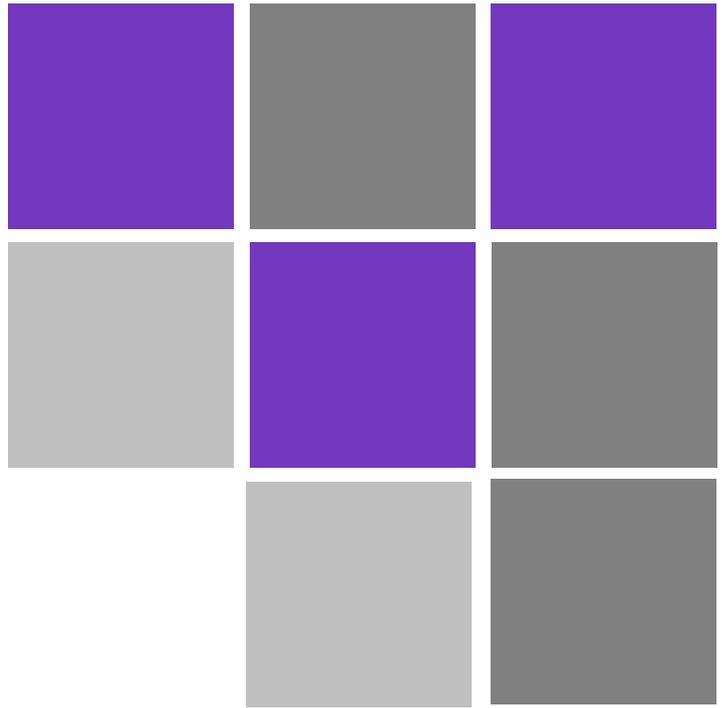
Net Absolute Rent/ft.² by Class



Overall Office Inventory



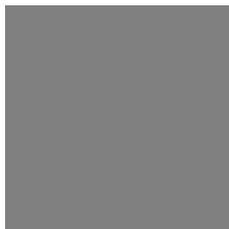
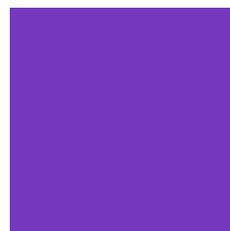
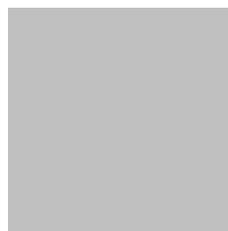
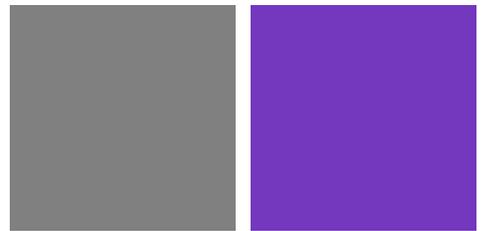
©2023 Turner Drake & Partners Ltd. This material may be used, copied and distributed provided that the appropriate attribution and copyright is accorded to Turner Drake & Partners Ltd. Whilst every effort has been made to ensure the accuracy and completeness of this Market Survey, no liability is assumed 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.



MARKET SURVEY FREDERICTON OFFICES DECEMBER 2022



Survey Scope:
54 buildings
2,433,286 ft.² of rental office space
expert researchers



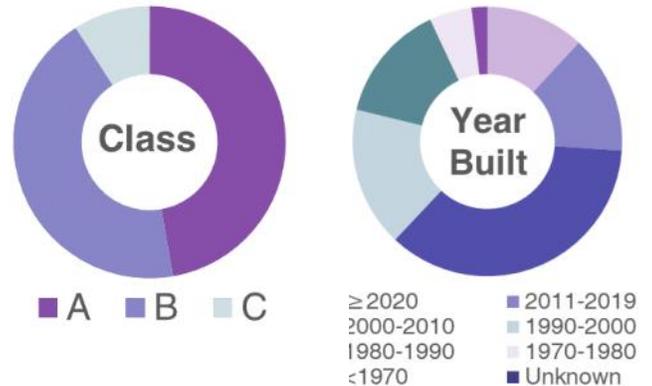
Real Estate Counsellors, Brokers and Valuers
221-12 Smythe St., Saint John, NB E2L 5G5
Tel.: (506) 634-1811
Internet: www.turnerdrake.com
E-Mail: tdp@turnerdrake.com

DECEMBER 2022 MARKET SURVEY FREDERICTON OFFICES

Year at a Glance

	2021	2022	Change
Office Inventory (ft. ²)	2,437,954	2,433,286	↓ (4,668)
Net Absorption (ft. ²)	50,096	-69,775	↓(119,871)
Vacancy Rate	15.67%	18.38%	↑ 2.71pp
Avg. Net Rent/ft. ²	\$14.13	\$14.33	↑ 1.42%
Avg. RTCAM/ft. ²	\$10.35	\$10.37	↑ 0.19%
Avg. Gross Rent/ft. ²	\$24.89	\$25.09	↑ 0.80%

Overall Office Inventory

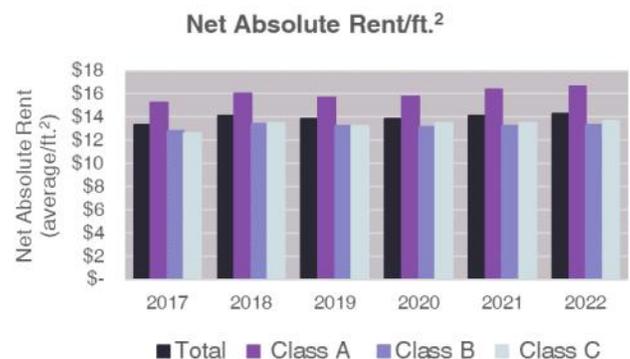


Supply & Demand Overview

The total amount of rentable office space in Greater Fredericton decreased 0.19% over last year. The overall vacancy rate increased from 15.67% in 2021 to 18.38% 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 GDP growth of 0.7% in 2023, contributing to an uptick in demand for office space 0.64%. The vacancy rate is expected to increase slightly to 17.85%.

The current vacancy rates by class are: Class A 29.87%; Class B 8.60%; Class C 5.68%; Overall 18.38%. 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.

Current average net absolute rental rates per square foot are: Class A \$16.68; Class B \$13.36; Class C \$13.71; Overall \$14.33. 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.

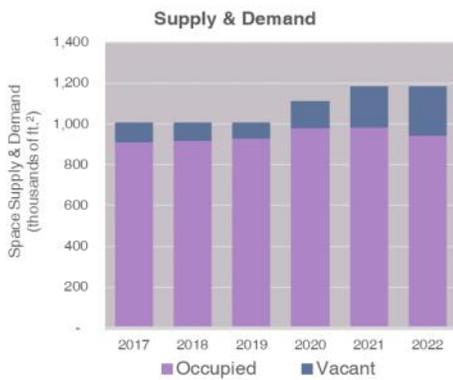
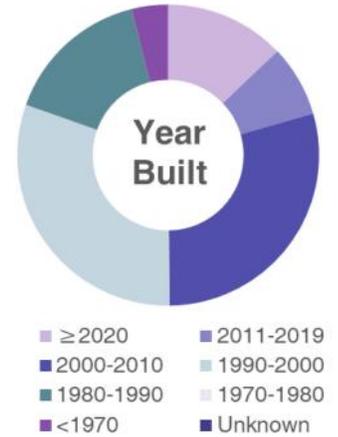
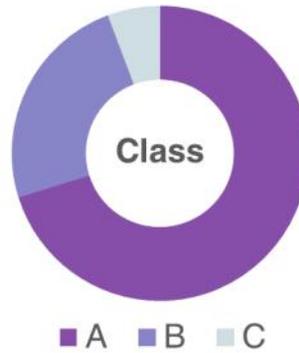


©2023 Turner Drake & Partners Ltd. This material may be used, copied and distributed provided that the appropriate attribution and copyright is accorded to Turner Drake & Partners Ltd. Whilst every effort has been made to ensure the accuracy and completeness of this Market Survey, no liability is assumed 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.

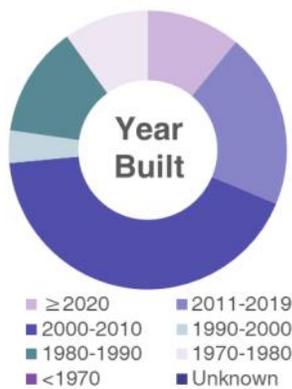
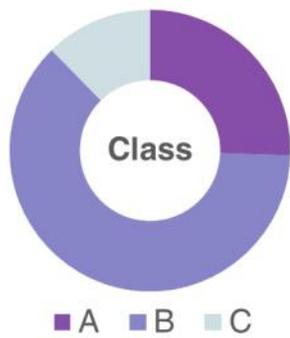
CENTRAL FREDERICTON

Year at a Glance

	2021	2022	Change
Office Inventory (ft. ²)	1,182,793	1,181,950	↓ (843)
Net Absorption (ft. ²)	2,996	-40,017	↓ (43,013)
Vacancy Rate	16.58%	19.90%	↑ 3.33pp
Avg. Net Rent/ft. ²	\$15.22	\$15.50	↑ 1.84%
Avg. RTCAM/ft. ²	\$ 9.77	\$10.00	↑ 2.35%
Avg. Gross Rent/ft. ²	\$25.74	\$26.17	↑ 1.67%

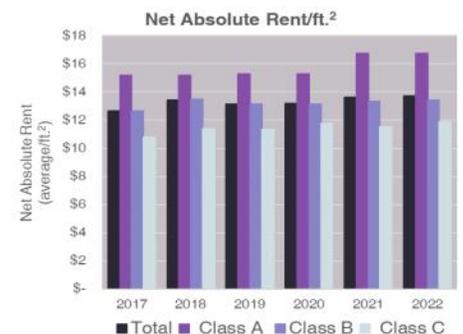


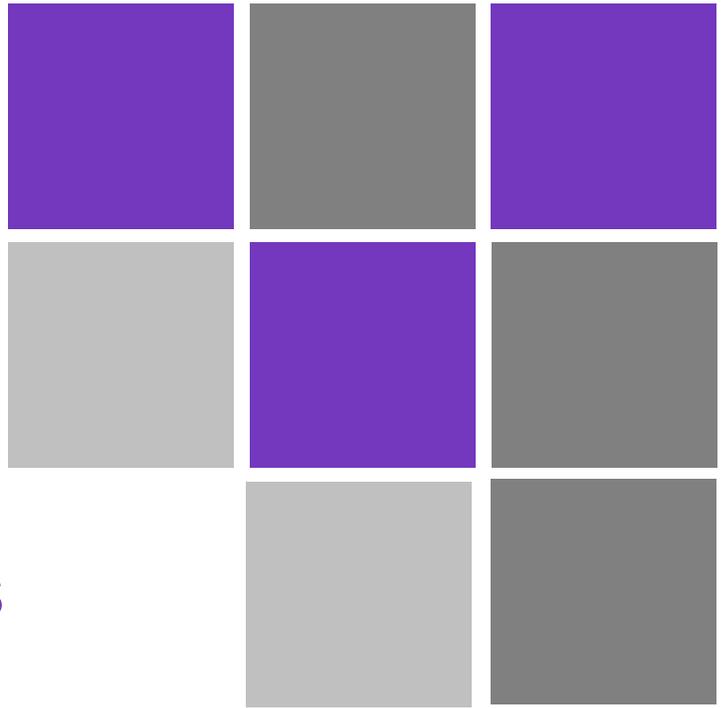
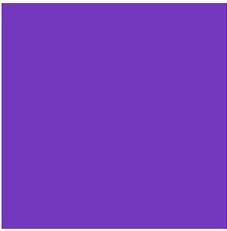
FREDERICTON PERIPHERAL



Year at a Glance

	2021	2022	Change
Office Inventory (ft. ²)	1,255,161	1,251,336	↓ (3,825)
Net Absorption (ft. ²)	47,100	-29,758	↓ (76,858)
Vacancy Rate	14.82%	16.94%	↑ 2.12pp
Avg. Net Rent/ft. ²	\$13.61	\$13.75	↑ 1.03%
Avg. RTCAM/ft. ²	\$10.65	\$10.56	↓ -0.85%
Avg. Gross Rent/ft. ²	\$24.47	\$24.51	↑ 0.16%

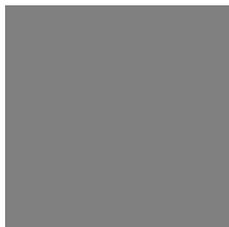
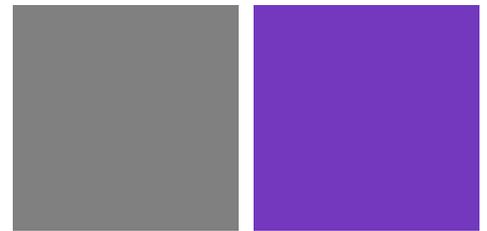
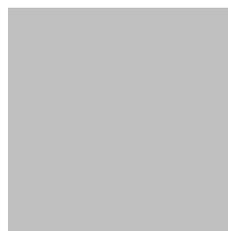
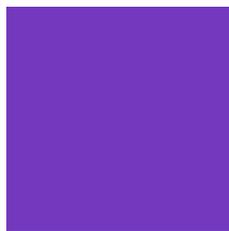




MARKET SURVEY SAINT JOHN NB OFFICES DECEMBER 2022



Survey Scope:
42 buildings
2,474,698 ft.² of rental office space
expert researchers



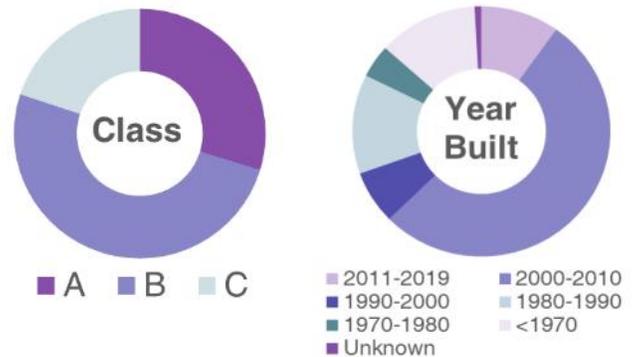
Real Estate Counsellors, Brokers and Valuers
221-12 Smythe St., Saint John, NB E2L 5G5
Tel.: (506) 634-1811
Internet: www.turnerdrake.com
E-Mail: tdp@turnerdrake.com

DECEMBER 2022 MARKET SURVEY SAINT JOHN NB OFFICES

Year at a Glance

	2021	2022	Change
Office Inventory (ft. ²)	2,440,983	2,474,698	↑ 33,715
Net Absorption (ft. ²)	-61,669	902	↑ 62,571
Vacancy Rate	18.46%	19.53%	↑ 1.07pp
Avg. Net Rent/ft. ²	\$13.38	\$13.16	↓ -1.64%
Avg. RTCAM/ft. ²	\$ 8.47	\$ 8.29	↓ -2.13%
Avg. Gross Rent/ft. ²	\$21.91	\$21.14	↓ -3.51%

Overall Office Inventory



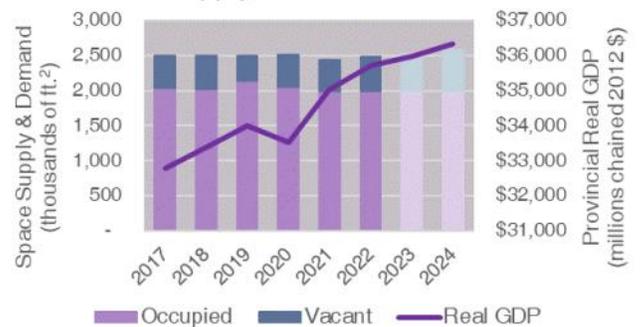
Supply & Demand Overview

The total amount of rentable office space in Saint John increased 1.38% over last year. The overall vacancy rate increased from 18.46% in 2021 to 19.53% 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 growth of 0.7%, with a slight decrease in demand for office space of 0.25%. With some additions to rental supply anticipated in the year to come, the vacancy rate is expected to increase to 23.08%.

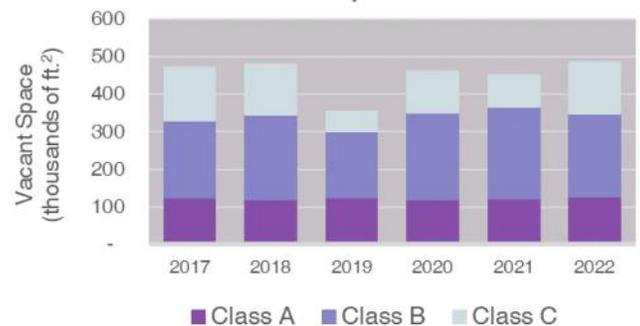
The current vacancy rates by class are: Class A 17.53%; Class B 17.53%; Class C 27.59%; Overall 19.53%. Class A buildings command the highest rents in their community and have distinctive design and lobbies. Class B buildings offer “no frills” modern, air conditioned space. Class C buildings make up the remainder of the office rental market.

Current average net absolute rental rates per square foot are: Class A \$12.71; Class B \$13.68; Class C \$11.38; Overall \$13.16. 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.

Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

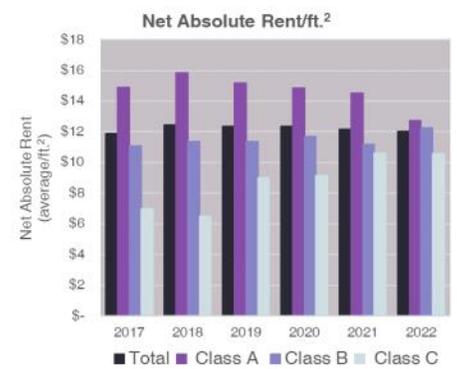
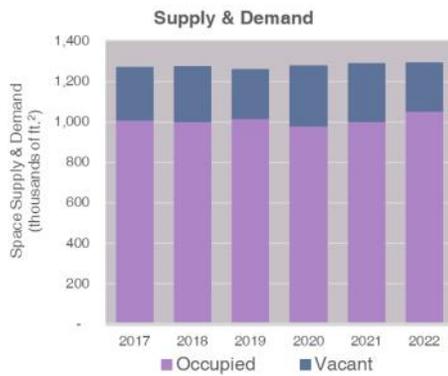
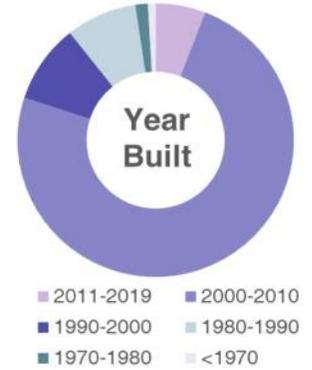
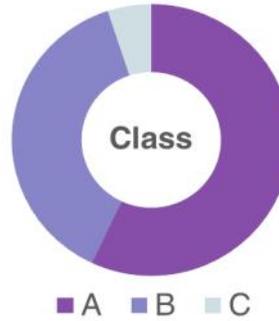


©2023 Turner Drake & Partners Ltd. This material may be used, copied and distributed provided that the appropriate attribution and copyright is accorded to Turner Drake & Partners Ltd. Whilst every effort has been made to ensure the accuracy and completeness of this Market Survey, no liability is assumed 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.

UPTOWN SAINT JOHN NB

Year at a Glance

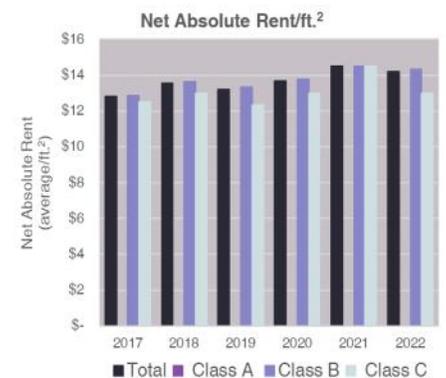
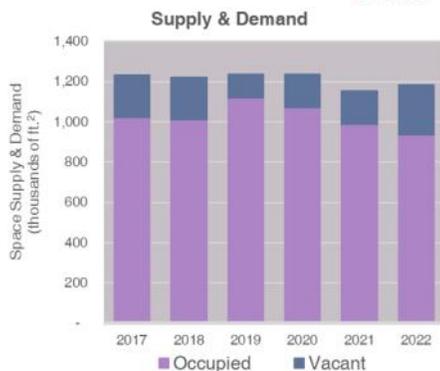
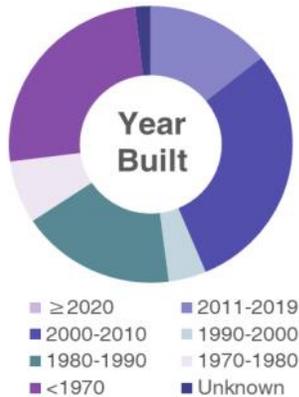
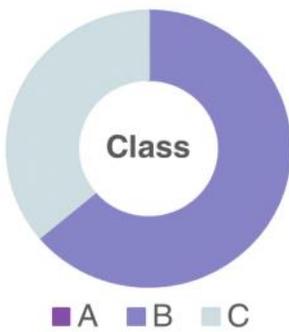
	2021	2022	Change
Office Inventory (ft. ²)	1,285,932	1,290,855	↑ 4,923
Net Absorption (ft. ²)	20,518	53,565	↑ 33,047
Vacancy Rate	22.17%	18.32%	↓ -3.85pp
Avg. Net Rent/ft. ²	\$12.18	\$12.03	↓ -1.23%
Avg. RTCAM/ft. ²	\$ 8.83	\$ 8.74	↓ -1.02%
Avg. Gross Rent/ft. ²	\$21.62	\$20.76	↓ -3.98%

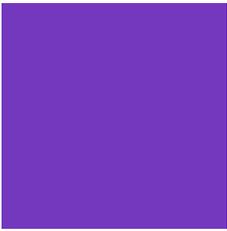
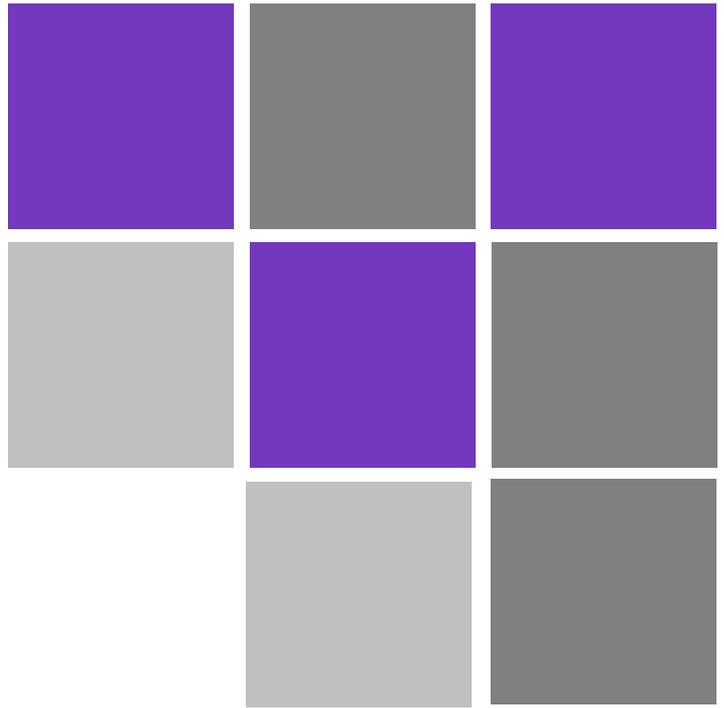


PERIPHERAL SAINT JOHN NB

Year at a Glance

	2021	2022	Change
Office Inventory (ft. ²)	1,155,051	1,183,843	↑ 28,792
Net Absorption (ft. ²)	-82,187	-52,663	↑ 29,524
Vacancy Rate	14.33%	20.86%	↑ 6.53pp
Avg. Net Rent/ft. ²	\$14.51	\$14.19	↓ -2.21%
Avg. RTCAM/ft. ²	\$ 8.14	\$ 7.88	↓ -3.19%
Avg. Gross Rent/ft. ²	\$22.19	\$21.50	↓ -3.11%

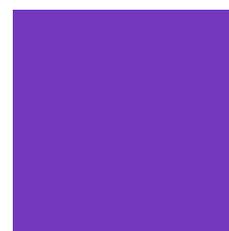
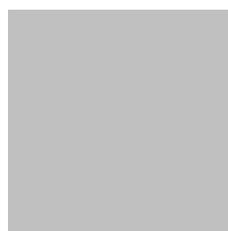
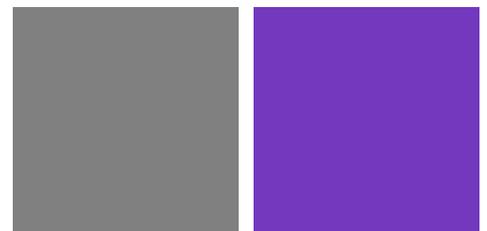




MARKET SURVEY MONCTON OFFICES DECEMBER 2022



Survey Scope:
77 buildings
3,364,346 ft.² of rental office 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

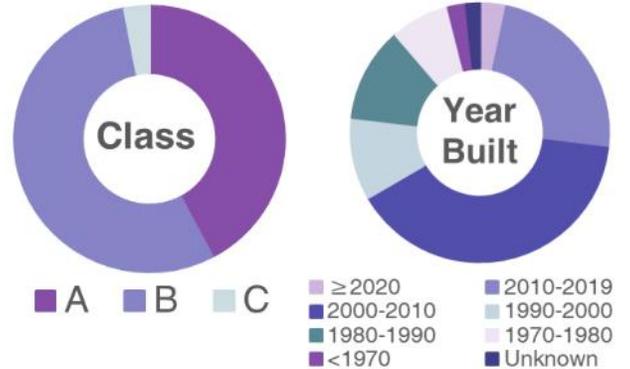
E-Mail: tdp@turnerdrake.com

DECEMBER 2022 MARKET SURVEY MONCTON OFFICES

Year at a Glance

	2021	2022	Change
Office Inventory (ft. ²)	3,297,525	3,364,346	↑ 66,821
Net Absorption (ft. ²)	-73,195	55,421	↑ 128,616
Vacancy Rate	16.58%	16.59%	↑ 0.01pp
Avg. Net Rent/ft. ²	\$13.33	\$13.50	↑ 1.28%
Avg. RTCAM/ft. ²	\$ 9.36	\$ 9.45	↑ 0.96%
Avg. Gross Rent/ft. ²	\$24.06	\$23.99	↓ -0.29%

Overall Office Inventory



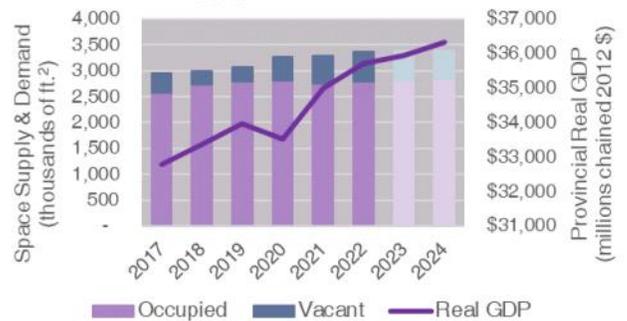
Supply & Demand Overview

The total amount of rentable office space in Greater Moncton increased 2.03% over last year. The overall vacancy rate increased from 16.58% in 2021 to 16.59% 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 growth of 0.7%, with an increase in demand for office space of 0.35%. The vacancy rate is expected to increase slightly to 17.03%.

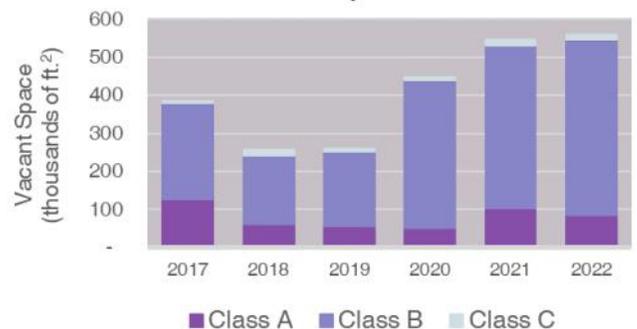
The current vacancy rates by class are: Class A 6.00%; Class B 24.99%; Class C 12.85%; Overall 16.59%. Class A buildings command the highest rents in their community and have distinctive design and lobbies. Class B buildings offer “no frills” modern, air conditioned space. Class C buildings make up the remainder of the office rental market.

Current average net absolute rental rates per square foot are: Class A \$14.87; Class B \$12.89; Class C \$13.00; Overall \$13.50. 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.

Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

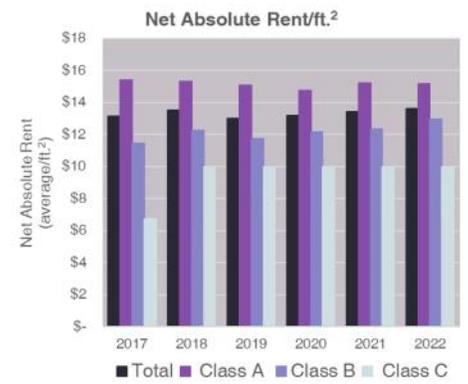
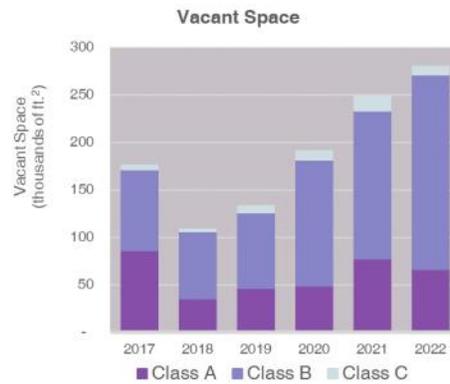
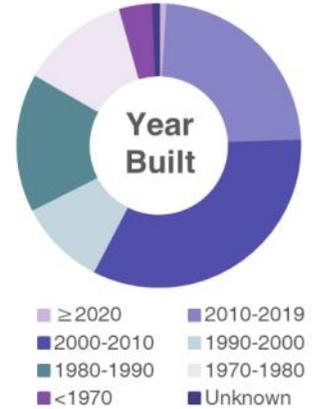
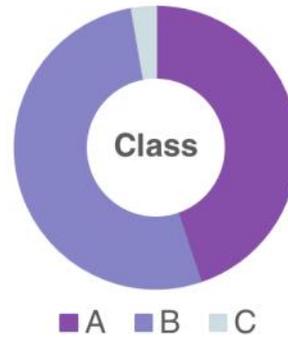


©2023 Turner Drake & Partners Ltd. This material may be used, copied and distributed provided that the appropriate attribution and copyright is accorded to Turner Drake & Partners Ltd. Whilst every effort has been made to ensure the accuracy and completeness of this Market Survey, no liability is assumed 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.

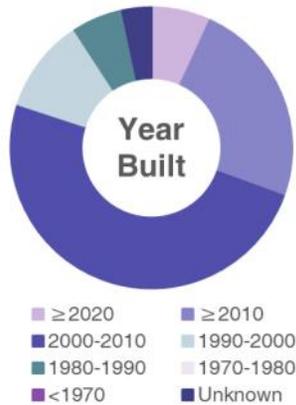
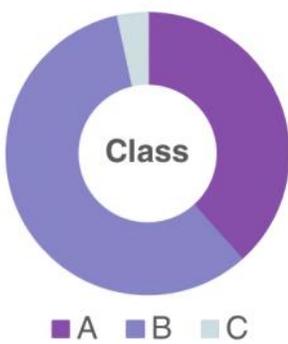
CENTRAL MONCTON

Year at a Glance

	2021	2022	Change
Office Inventory (ft. ²)	1,954,882	2,015,535	↑ 60,653
Net Absorption (ft. ²)	-75,441	29,319	↑ 104,760
Vacancy Rate	12.75%	13.91%	↑ 1.17pp
Avg. Net Rent/ft. ²	\$13.45	\$13.63	↑ 1.34%
Avg. RTCAM/ft. ²	\$ 8.87	\$ 9.18	↑ 3.49%
Avg. Gross Rent/ft. ²	\$24.42	\$24.45	↑ 0.12%

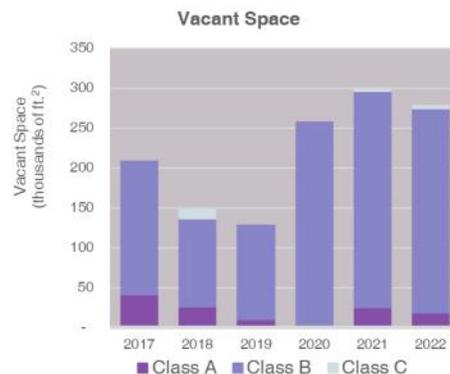
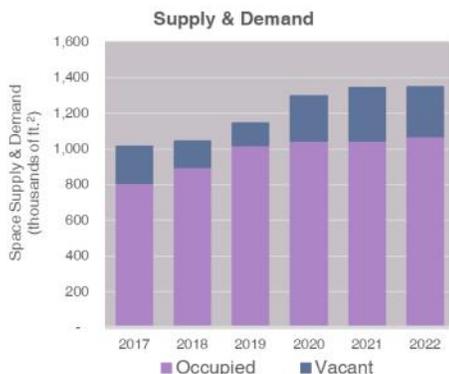


MONCTON PERIPHERAL



Year at a Glance

	2021	2022	Change
Office Inventory (ft. ²)	1,342,643	1,348,811	↑ 6,168
Net Absorption (ft. ²)	2,246	26,102	↑ 23,856
Vacancy Rate	22.19%	20.61%	↓ -1.58pp
Avg. Net Rent/ft. ²	\$13.24	\$13.40	↑ 1.21%
Avg. RTCAM/ft. ²	\$ 9.88	\$ 9.72	↓ -1.62%
Avg. Gross Rent/ft. ²	\$23.74	\$23.60	↓ -0.59%



DECEMBER 2022 MARKET SURVEY

NEW BRUNSWICK OFFICES

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
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 McCLELLAND
B.B.A.
Manager
EMcLelland@turnerdrake.com

VALUATION



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

BROKERAGE



EMILY McCLELLAND
B.B.A.
Manager
EMcLelland@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
- Moncton
- Toronto