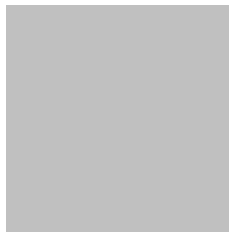


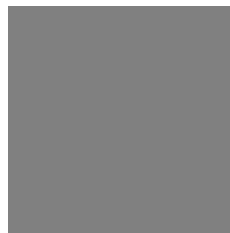
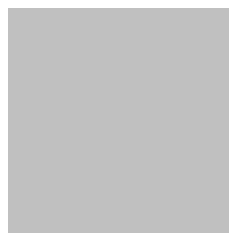
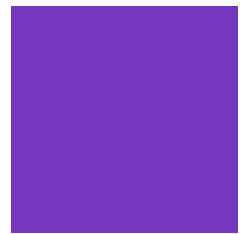
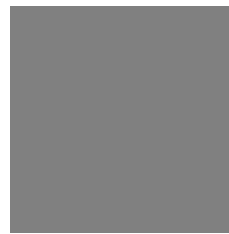
MARKET SURVEY

NEW BRUNSWICK OFFICES

DECEMBER 2023



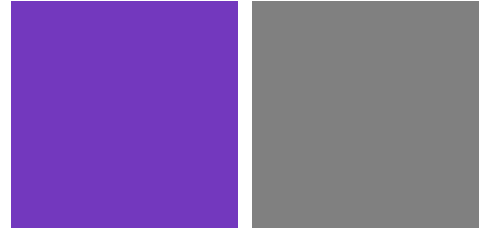
Survey Scope: 173 office buildings
 8,236,717 ft.² of rental office space
 expert researchers
 3 cities



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DECEMBER 2023 MARKET SURVEY NEW BRUNSWICK OFFICES



Year at a Glance

	Fredericton	Saint John	Moncton
Office Inventory (ft. ²)	2,425,595	2,479,532	3,331,590
Net Absorption (ft. ²)	11,903	44,552	53,439
Vacancy Rate	17.63%	24.81%	14.31%
Avg. Net Rent/ft. ²	\$14.57	\$13.73	\$14.02
Avg. RTCAM/ft. ²	\$10.49	\$ 8.65	\$10.04
Avg. Gross Rent/ft. ²	\$25.48	\$22.27	\$25.09

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 8,236,717 ft.², broken down by city as follows:

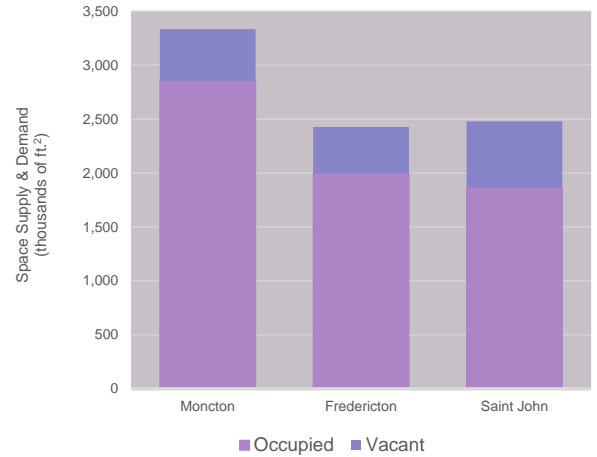
Greater Fredericton: 54 buildings 2,425,595 ft.² GLA

Greater Saint John: 42 buildings 2,479,532 ft.² GLA

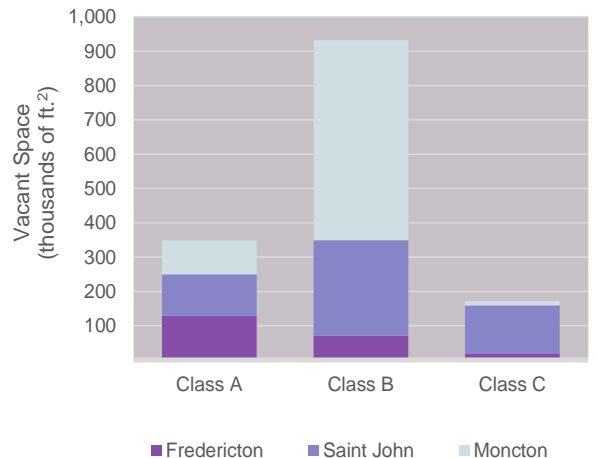
Greater Moncton: 77 buildings 3,331,590 ft.² GLA

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.

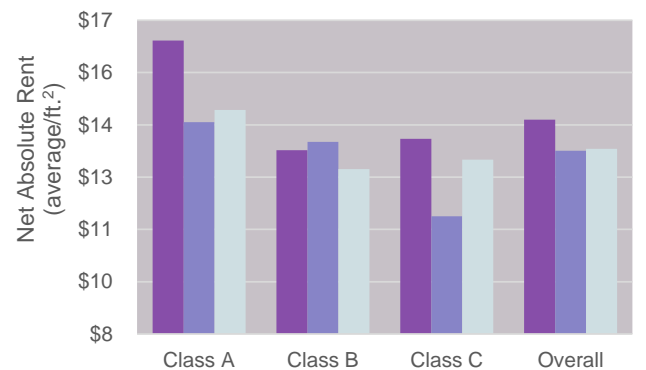
Supply & Demand



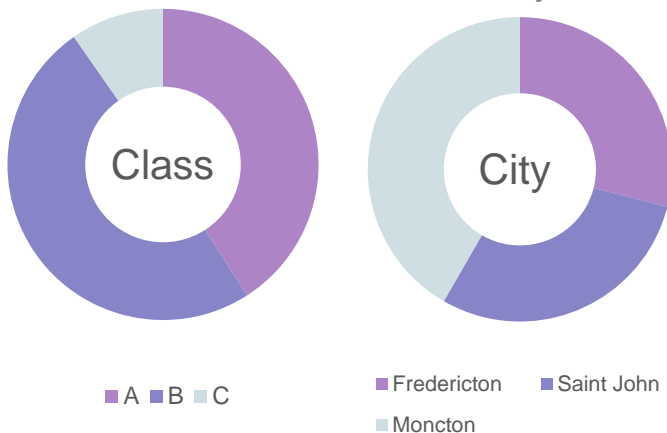
Vacant Space by Class



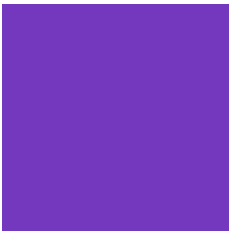
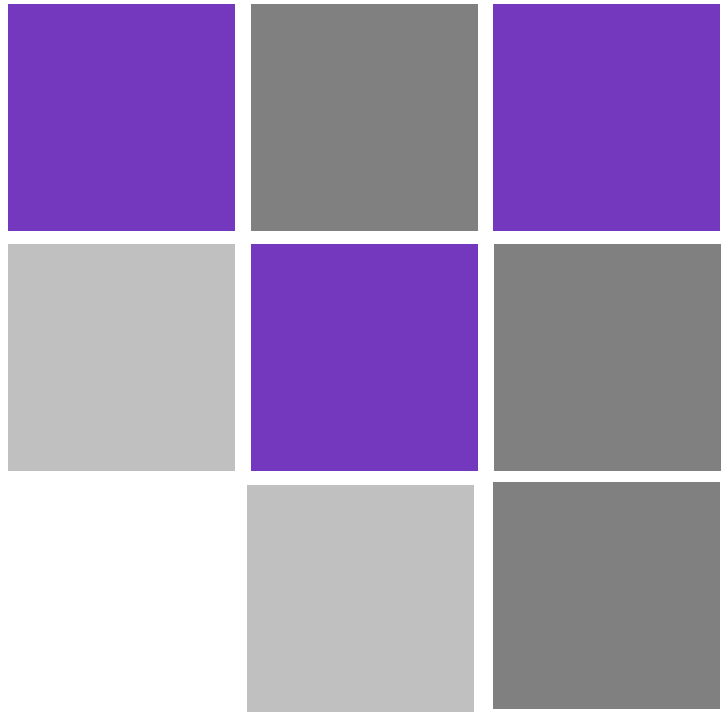
Net Absolute Rent/ft.² by Class



Overall Office Inventory



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MARKET SURVEY FREDERICTON OFFICES DECEMBER 2023

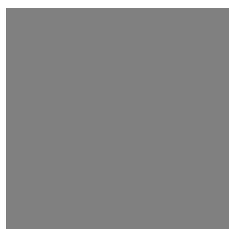
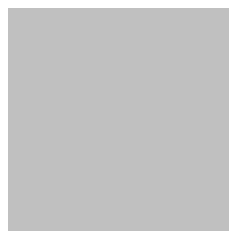


Survey Scope:

54 buildings

2,425,595 ft.² of rental office space

expert researchers



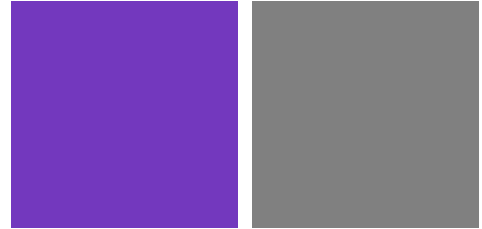
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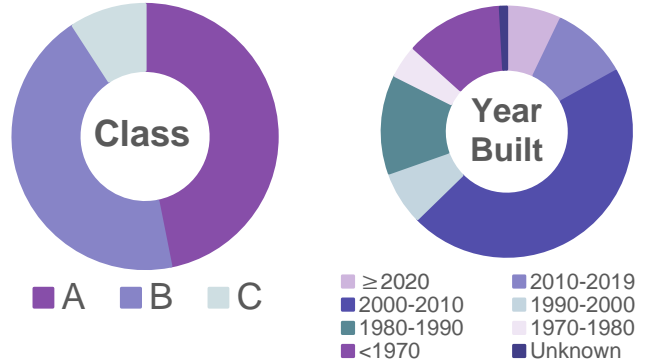
DECEMBER 2023 MARKET SURVEY FREDERICTON OFFICES



Year at a Glance

	2022	2023	Change
Office Inventory (ft. ²)	2,433,286	2,425,595	↓ (7,691)
Net Absorption (ft. ²)	(69,775)	11,903	↑ 81,678
Vacancy Rate	18.38%	17.63%	↓ 0.75 pp
Avg. Net Rent/ft. ²	\$ 14.33	\$ 14.57	↑ 1.67%
Avg. RTCAM/ft. ²	\$ 10.37	\$ 10.49	↑ 1.16%
Avg. Gross Rent/ft. ²	\$ 25.09	\$ 25.48	↑ 1.55%

Overall Office Inventory



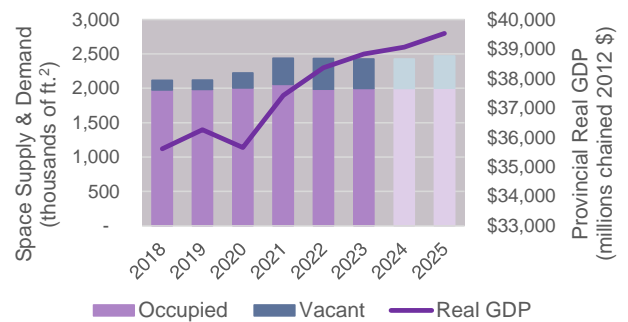
Supply & Demand Overview

The total amount of rentable office space in Greater Fredericton decreased 0.32% over last year. The overall vacancy rate decreased from 18.38% in 2022 to 17.63% in 2023. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP forecasts anticipate GDP growth of 1.2% in 2024, contributing to an uptick in demand for office space by 0.04%. The vacancy rate is expected to decrease to 17.60%.

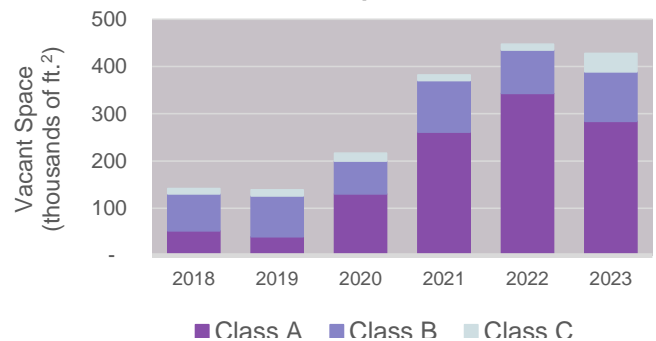
The current vacancy rates by class are: Class A 24.97%; Class B 9.83%; Class C 17.49%; Overall 17.63%. Class A buildings command the highest rents in their community and have distinctive design and lobbies. Class B buildings offer “no frills” modern, air conditioned space. Class C buildings make up the remainder of the office rental market.

Current average net absolute rental rates per square foot are: Class A \$16.64, Class B \$13.67; Class C \$14.12; Overall \$14.57. 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.

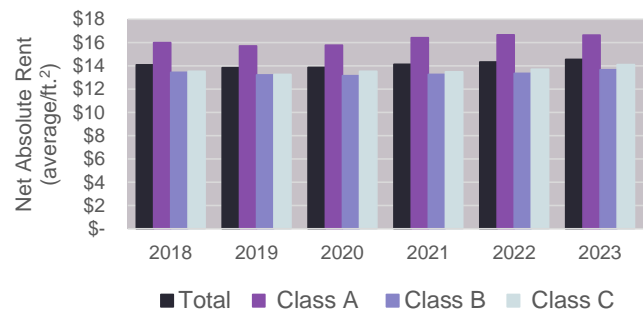
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

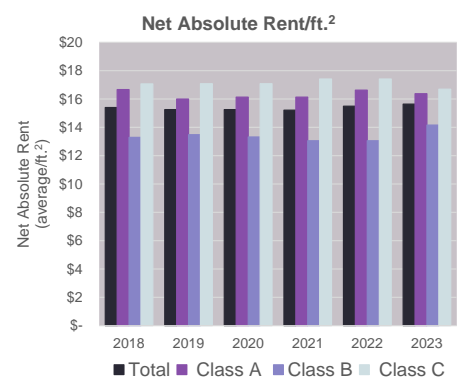
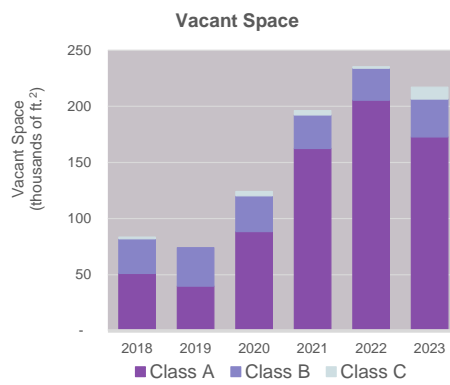
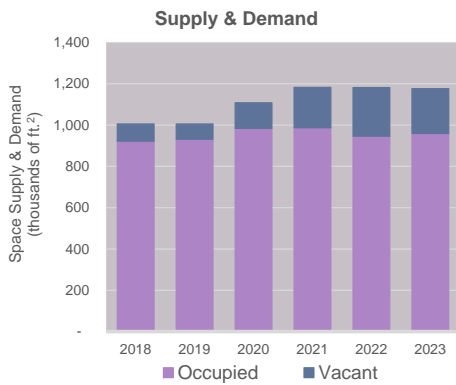
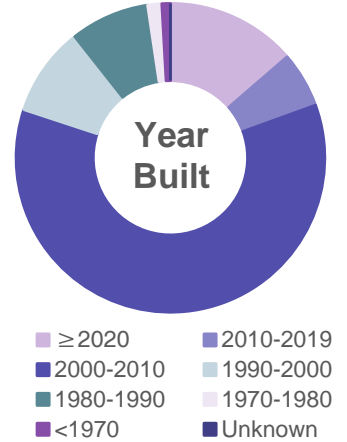
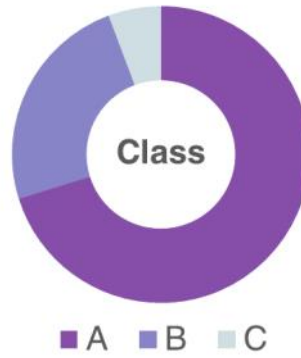


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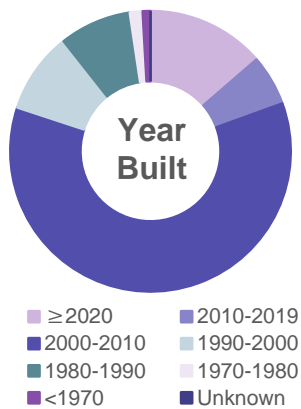
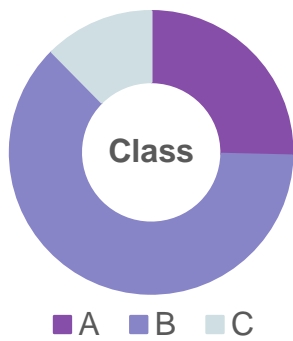
CENTRAL FREDERICTON

Year at a Glance

	2022	2023	Change
Office Inventory (ft. ²)	1,181,950	1,176,347	↓ (5,603)
Net Absorption (ft. ²)	(40,017)	12,623	↑ 52,640
Vacancy Rate	19.90%	18.45%	↓ 1.45 pp
Avg. Net Rent/ft. ²	\$ 15.50	\$ 15.65	↑ 0.97%
Avg. RTCAM/ft. ²	\$ 10.00	\$ 9.87	↓ 1.30%
Avg. Gross Rent/ft. ²	\$ 26.17	\$ 26.14	↓ 0.11%

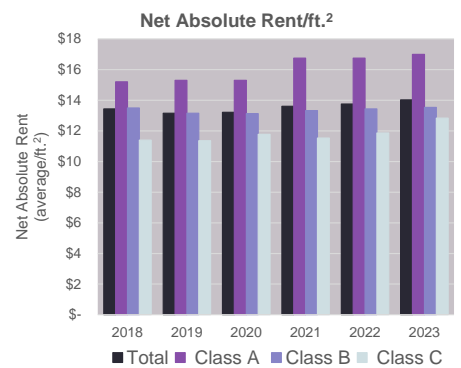
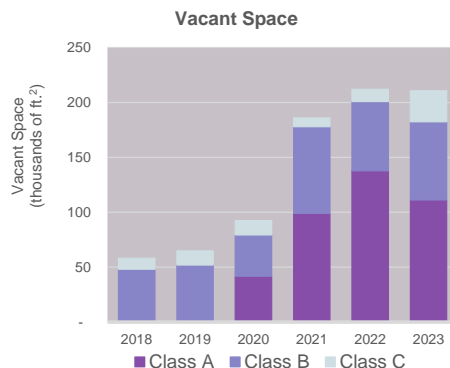
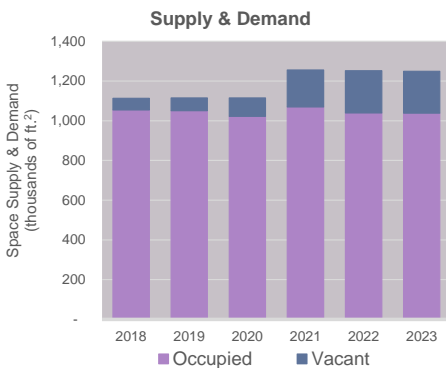


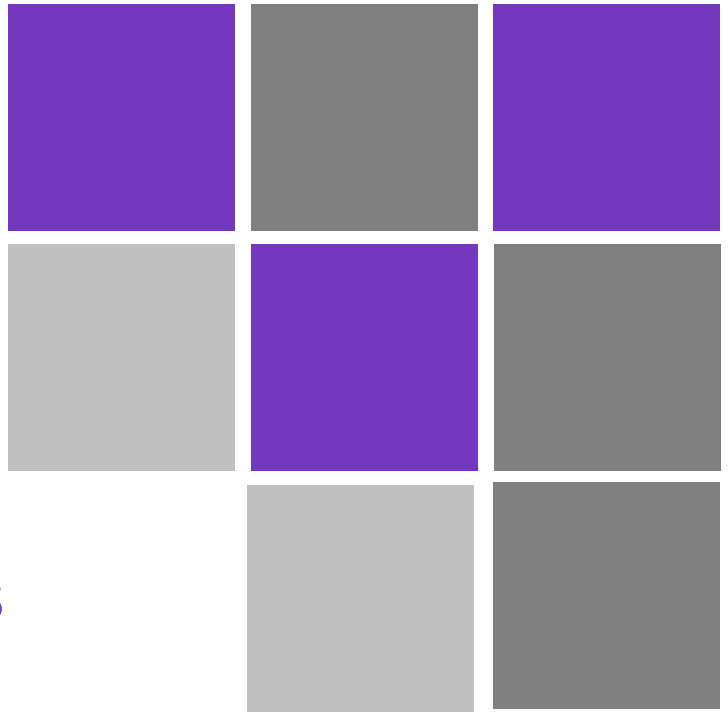
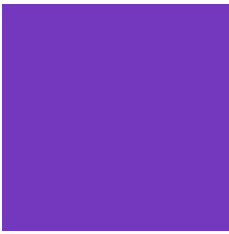
FREDERICTON PERIPHERAL



Year at a Glance

	2022	2023	Change
Office Inventory (ft. ²)	1,251,336	1,249,248	↓ (2,088)
Net Absorption (ft. ²)	(29,758)	(720)	↑ 29,038
Vacancy Rate	16.94%	16.86%	↓ 0.08 pp
Avg. Net Rent/ft. ²	\$ 13.75	\$ 14.02	↑ 1.96%
Avg. RTCAM/ft. ²	\$ 10.56	\$ 10.82	↑ 2.46%
Avg. Gross Rent/ft. ²	\$ 24.51	\$ 25.14	↑ 2.57%

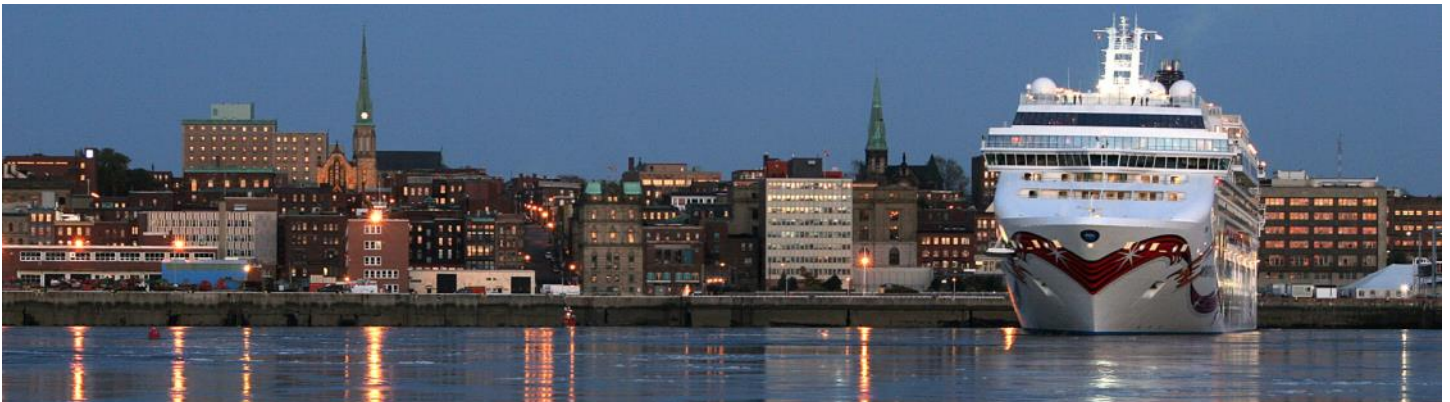




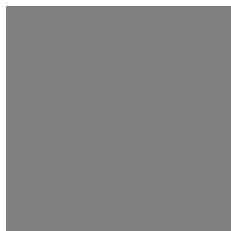
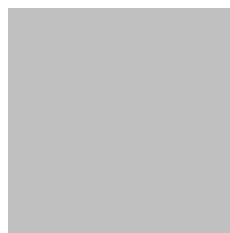
MARKET SURVEY

SAINT JOHN NB OFFICES

DECEMBER 2023



Survey Scope:
 42 buildings
 2,479,532 ft.² of rental office space
 expert researchers



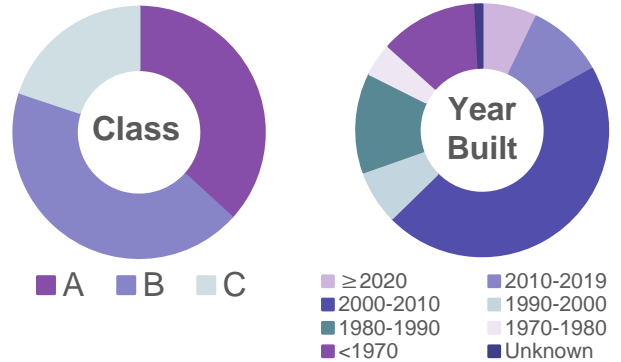
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DECEMBER 2023 MARKET SURVEY SAINT JOHN NB OFFICES

Year at a Glance

	2022	2023	Change
Office Inventory (ft. ²)	2,297,316	2,479,532	↑ 182,216
Net Absorption (ft. ²)	(65,551)	44,552	↑ 110,103
Vacancy Rate	20.79%	24.81%	↑ 4.02 pp
Avg. Net Rent/ft. ²	\$13.25	\$13.73	↑ 3.62%
Avg. RTCAM/ft. ²	\$ 8.24	\$ 8.65	↑ 4.98%
Avg. Gross Rent/ft. ²	\$21.16	\$22.27	↑ 5.25%

Overall Office Inventory



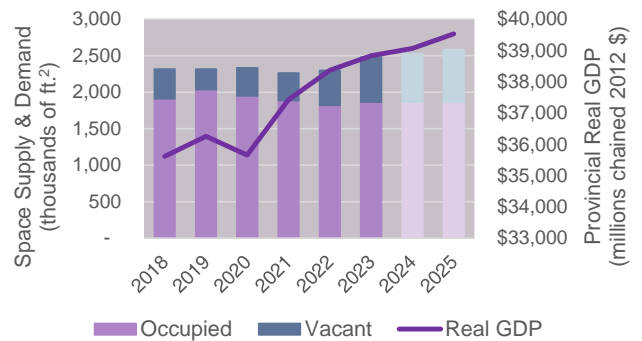
Supply & Demand Overview

The total amount of rentable office space in Saint John increased 7.93% over last year. The overall vacancy rate increased from 20.79% in 2022 to 24.81% in 2023. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicate that 2024 will see GDP growth of 1.2%, with a 0.08% decrease in demand for office space. With some additions to rental supply anticipated in 2024, the vacancy rate is expected to increase to 26.81%.

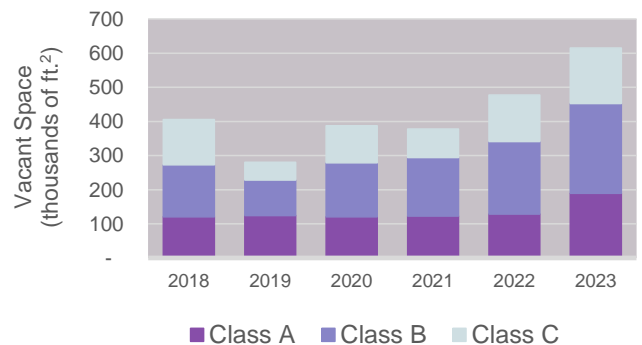
The current vacancy rates by class are: Class A 20.8%; Class B 24.47%; Class C 32.99%; Overall 24.81%. Class A buildings command the highest rents in their community and have distinctive design and lobbies. Class B buildings offer “no frills” modern, air conditioned space. Class C buildings make up the remainder of the office rental market.

Current average net absolute rental rates per square foot are: Class A \$15.71; Class B \$13.72; Class C \$11.46; Overall \$13.73. 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.

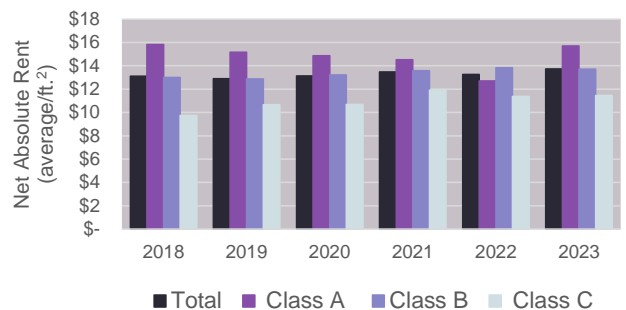
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

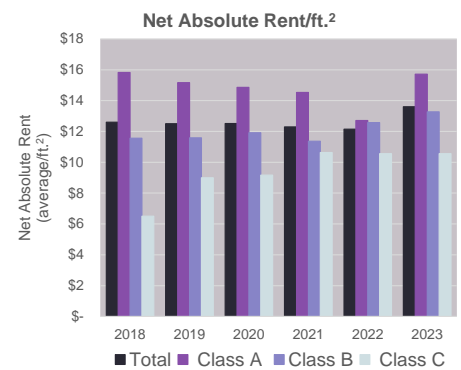
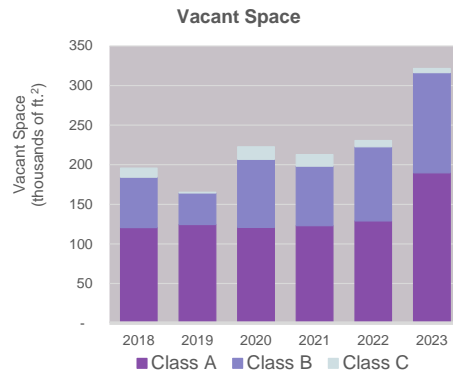
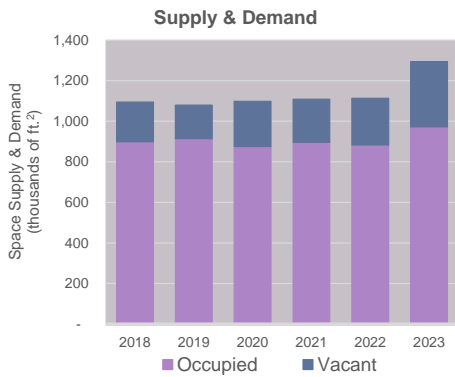
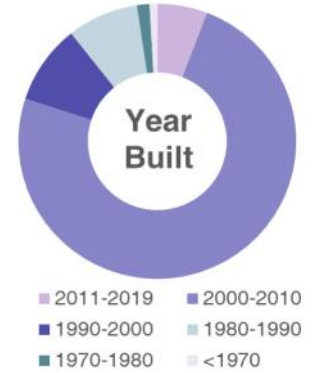
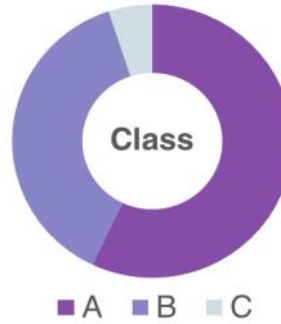


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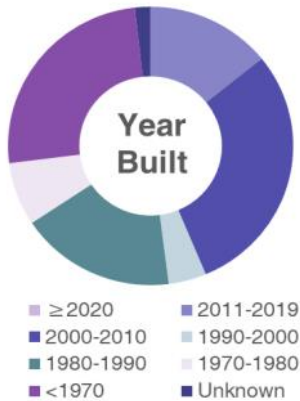
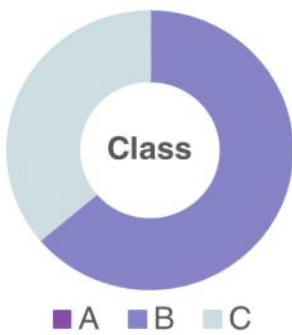
UPTOWN SAINT JOHN NB

Year at a Glance

	2022	2023	Change
Office Inventory (ft. ²)	1,113,473	1,294,099	↑ 180,626
Net Absorption (ft. ²)	(12,888)	89,643	↑ 102,531
Vacancy Rate	20.71%	24.85%	↑ 4.14 pp
Avg. Net Rent/ft. ²	\$ 12.15	\$ 13.60	↑ 11.93%
Avg. RTCAM/ft. ²	\$ 8.66	\$ 9.09	↑ 4.97%
Avg. Gross Rent/ft. ²	\$ 20.78	\$ 22.87	↑ 10.06%

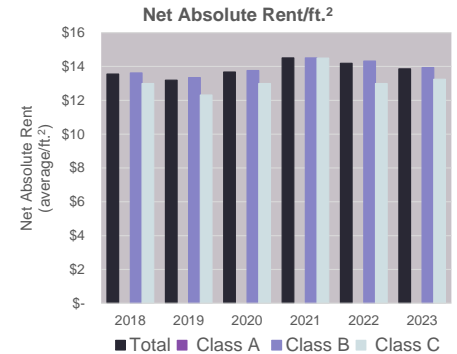
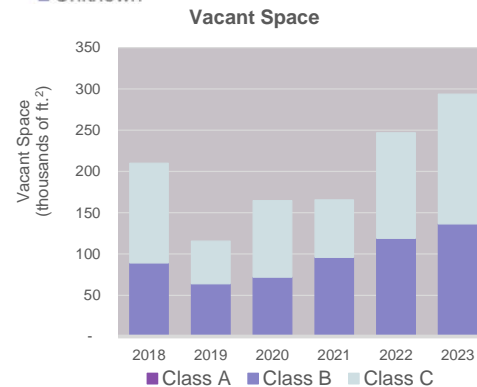
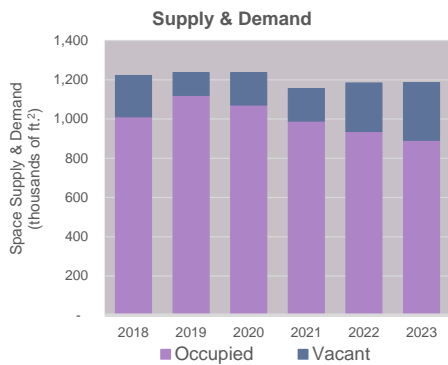


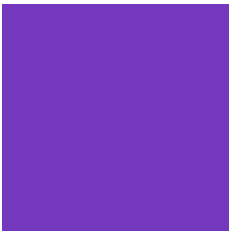
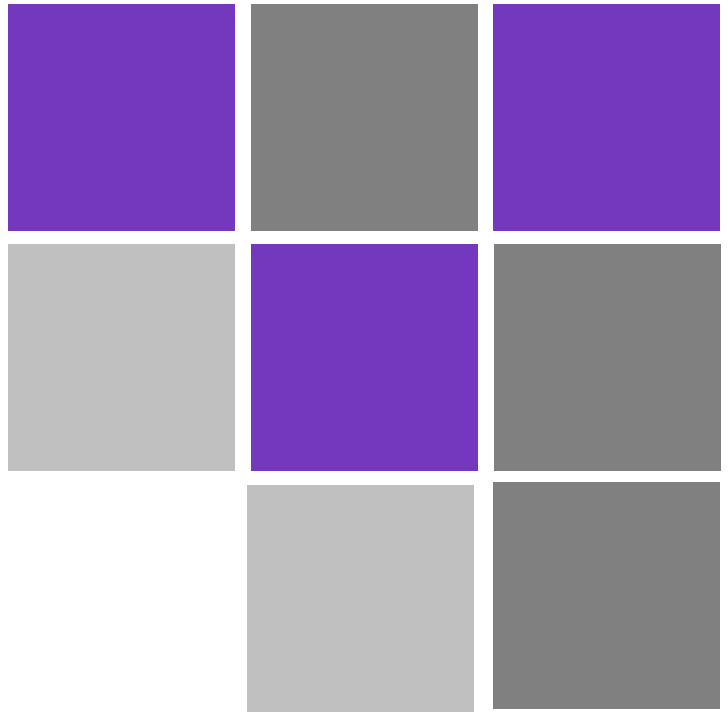
PERIPHERAL SAINT JOHN NB



Year at a Glance

	2022	2023	Change
Office Inventory (ft. ²)	1,183,843	1,185,433	↑ 1,590
Net Absorption (ft. ²)	(52,663)	(45,091)	↑ 7,572
Vacancy Rate	20.86%	24.77%	↑ 3.91 pp
Avg. Net Rent/ft. ²	\$14.19	\$13.86	↓ 2.33%
Avg. RTCAM/ft. ²	\$ 7.88	\$ 8.23	↑ 4.44%
Avg. Gross Rent/ft. ²	\$21.50	\$21.63	↑ 0.60%

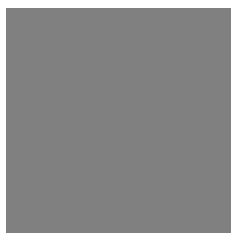
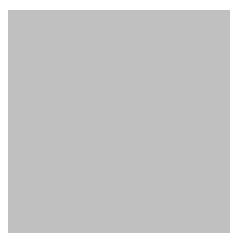




MARKET SURVEY MONCTON OFFICES DECEMBER 2023



Survey Scope:
77 buildings
3,331,590 ft.² of rental office space
expert researchers



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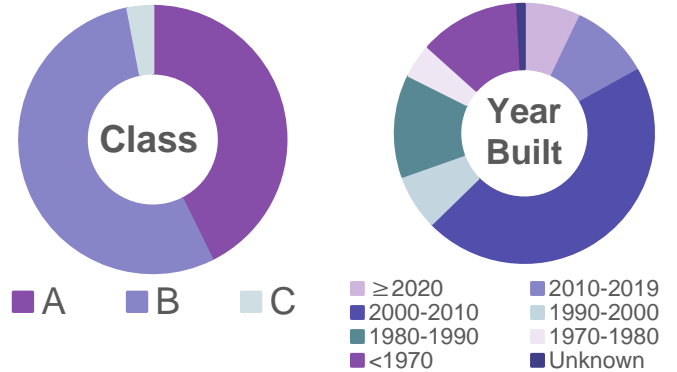
E-Mail: tdp@turnerdrake.com

DECEMBER 2023 MARKET SURVEY MONCTON OFFICES

Year at a Glance

	2022	2023	Change
Office Inventory (ft. ²)	3,288,726	3,331,590	↑ 42,864
Net Absorption (ft. ²)	55,421	53,439	↓ (1,982)
Vacancy Rate	14.82%	14.31%	↓ 0.51 pp
Avg. Net Rent/ft. ²	\$13.48	\$14.02	↑ 4.01%
Avg. RTCAM/ft. ²	\$ 9.52	\$10.04	↑ 5.46%
Avg. Gross Rent/ft. ²	\$23.96	\$25.09	↑ 4.72%

Overall Office Inventory



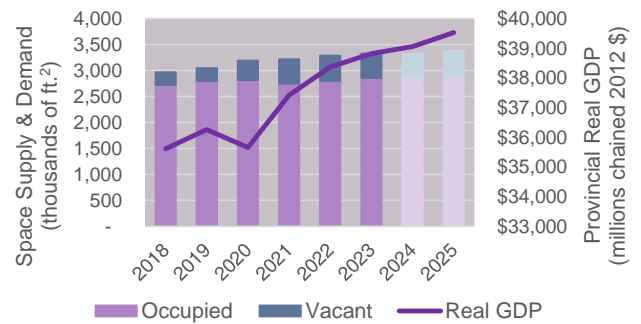
Supply & Demand Overview

The total amount of rentable office space in Greater Moncton increased 1.30% over last year. The overall vacancy rate decreased from 14.82% in 2022 to 14.31% in 2023. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicate that 2024 will see GDP growth of 1.2%, with an increase in demand for office space of 0.17%. The vacancy rate is expected to decrease slightly to 14.17%.

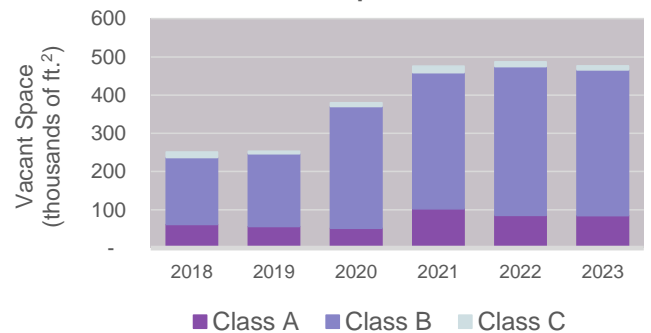
The current vacancy rates by class are: Class A 5.97%; Class B 21.08%; Class C 21.08%; Overall 10.55%. Class A buildings command the highest rents in their community and have distinctive design and lobbies. Class B buildings offer “no frills” modern, air conditioned space. Class C buildings make up the remainder of the office rental market.

Current average net absolute rental rates per square foot are: Class A \$15.40; Class B \$13.52; Class C \$13.00; Overall \$14.02. 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..

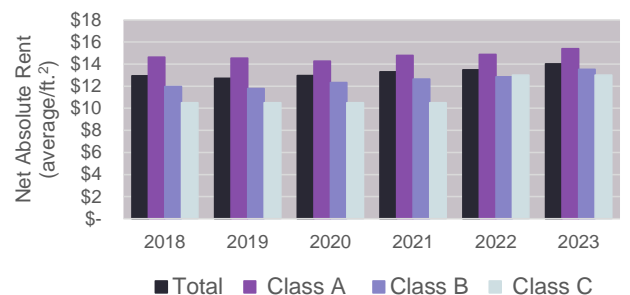
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

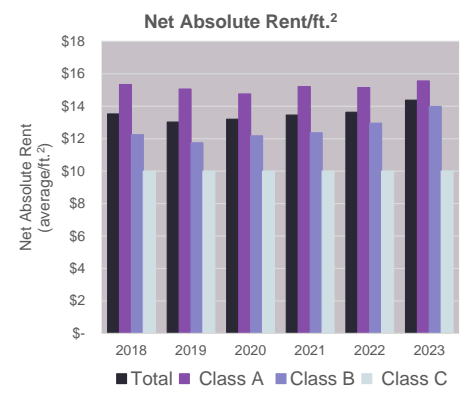
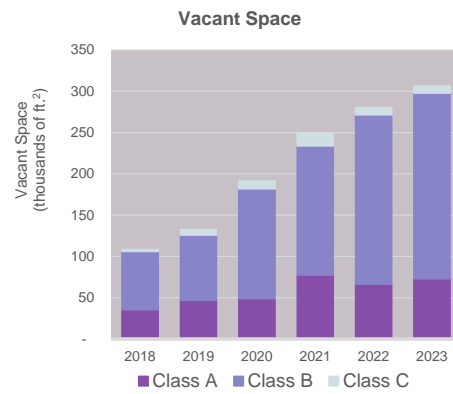
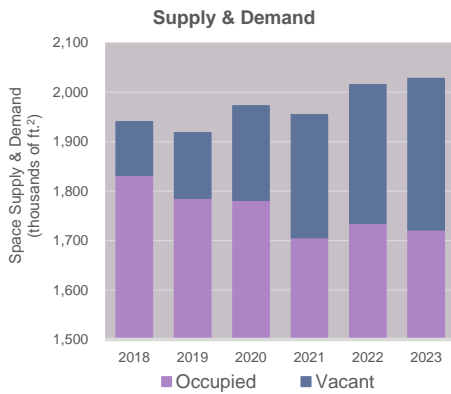
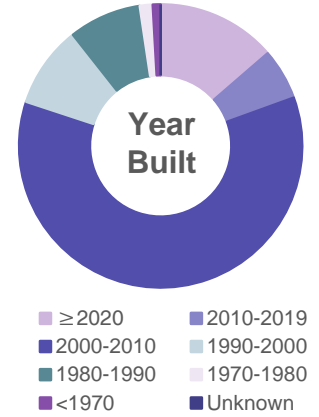
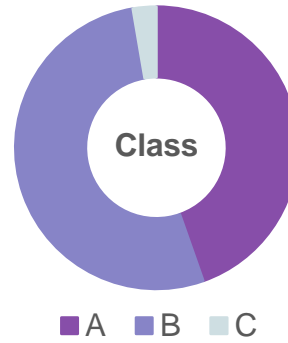


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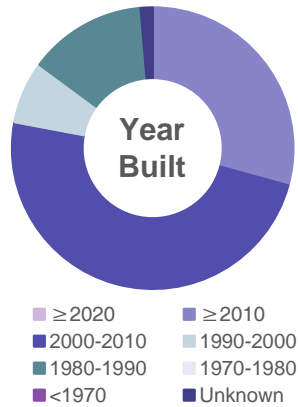
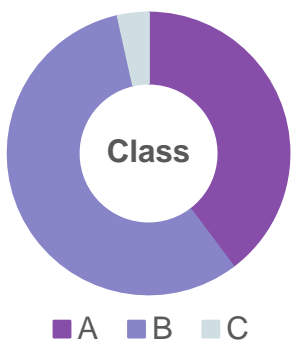
CENTRAL MONCTON

Year at a Glance

	2022	2023	Change
Office Inventory (ft. ²)	2,015,535	2,028,117	↑ 12,582
Net Absorption (ft. ²)	29,319	(13,782)	↓ (43,101)
Vacancy Rate	13.91%	15.12%	↑ 1.21 pp
Avg. Net Rent/ft. ²	\$13.63	\$ 14.37	↑ 5.43%
Avg. RTCAM/ft. ²	\$ 9.18	\$ 9.68	↑ 5.45%
Avg. Gross Rent/ft. ²	\$24.45	\$ 25.79	↑ 5.48%

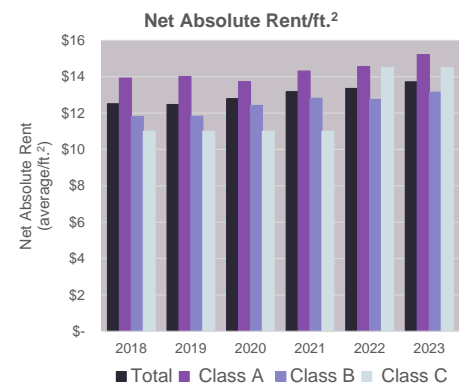
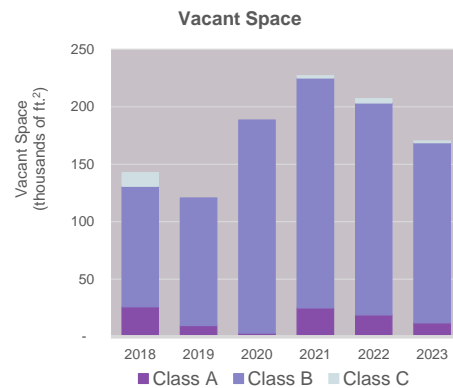
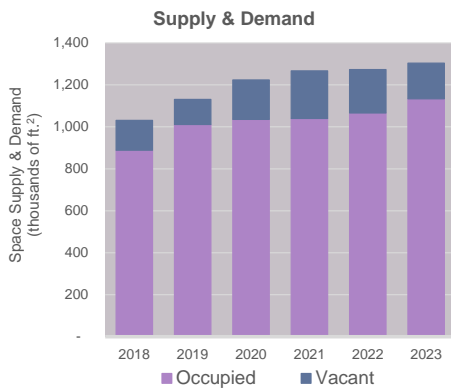


MONCTON PERIPHERAL



Year at a Glance

	2022	2023	Change
Office Inventory (ft. ²)	1,273,191	1,303,473	↑ 30,282
Net Absorption (ft. ²)	26,102	67,221	↑ 41,119
Vacancy Rate	16.26%	13.05%	↓ 3.21 pp
Avg. Net Rent/ft. ²	\$ 13.35	\$ 13.72	↑ 2.77%
Avg. RTCAM/ft. ²	\$ 9.90	\$ 10.44	↑ 5.45%
Avg. Gross Rent/ft. ²	\$ 23.53	\$ 24.47	↑ 3.99%



DECEMBER 2023 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

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Development Appraisal
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