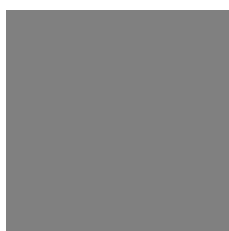
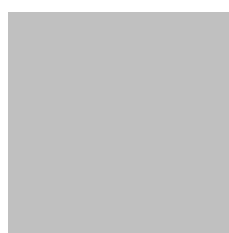
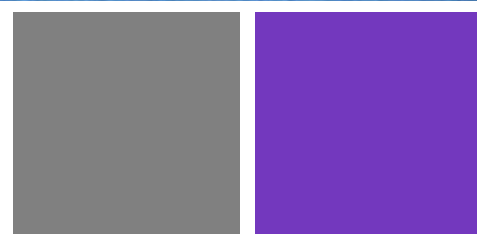


MARKET SURVEY CHARLOTTETOWN OFFICES & WAREHOUSES

JUNE 2023



Survey Scope: 28 office & 8 warehouse buildings
876,566 ft.² of rental office space
284,407 ft.² of rental warehouse space
expert researchers



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E-Mail: tdp@turnerdrake.com

JUNE 2023 MARKET SURVEY CHARLOTTETOWN OFFICES

Year at a Glance

	2022	2023	Change
Office Inventory (ft. ²)	853,053	876,566	↑ 23,513
Net Absorption (ft. ²)	(752)	39,987	↑ 40,739
Vacancy Rate	8.72%	6.60%	↓ 2.12 pp
Avg. Net Rent/ft. ²	\$16.75	\$16.75	↔ - - -
Avg. RTCAM/ft. ²	\$ 7.58	\$ 7.59	↑ 0.13%
Avg. Gross Rent/ft. ²	\$24.52	\$25.12	↑ 2.45%

Supply & Demand Overview

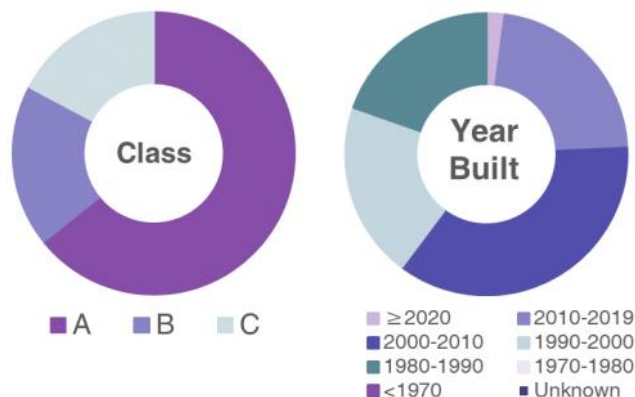
The total amount of rentable office space in our Greater Charlottetown survey increased by 2.76% from June 2022 to June 2023. The overall vacancy rate decreased from 8.72% in 2022 to 6.60% in 2023. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP projections indicates that 2024 will see GDP increase by 1.5%, leading to an increase in demand for office space of 1.34%, and the vacancy rate is expected to decrease to 5.35%.

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 5.28%; Class B 9.63%; Class C 8.50%; Overall 6.60%.

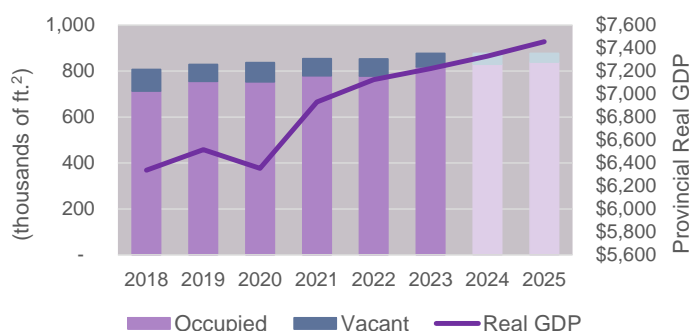
The vacancy rate and net rental rate are inversely correlated: empirical data indicates that generally a falling vacancy rate portends a rising net rental rate, while a rising vacancy rate indicates that net rental rate increases will moderate or even fall. Current average net absolute rental rates per square foot are: Class A \$17.31; Class B \$17.07; Class C \$13.57; Overall \$16.75.

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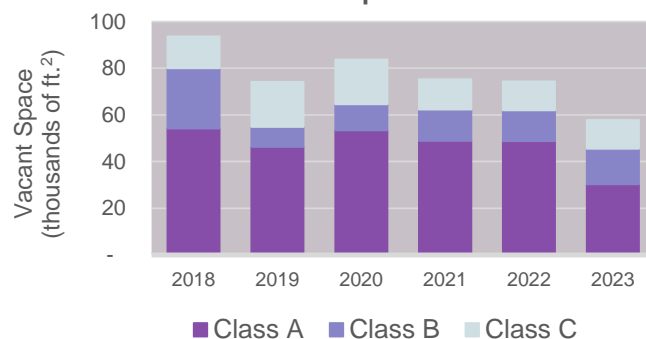
Overall Office Inventory



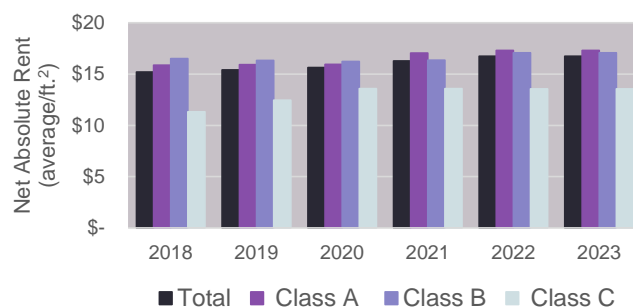
Supply, Demand & GDP



Vacant Space



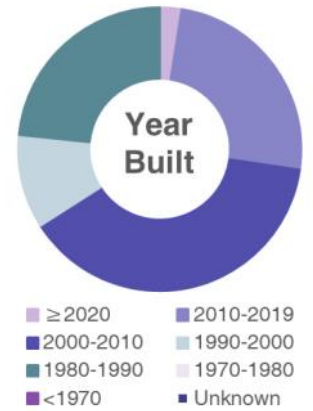
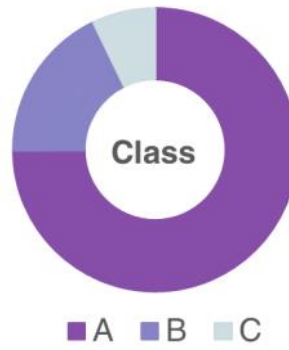
Net Absolute Rent/ft.²



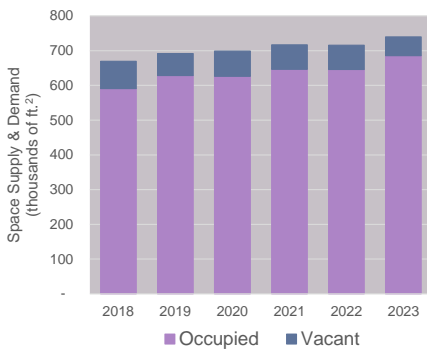
CHARLOTTETOWN CENTRAL

Year at a Glance

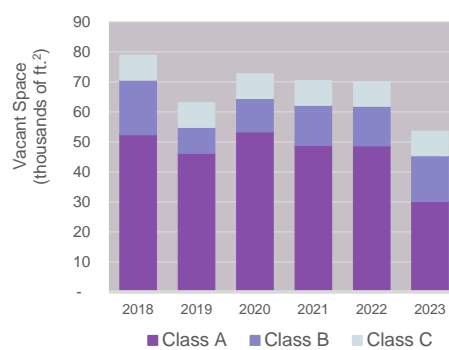
	2022	2023	Change
Office Inventory (ft. ²)	715,990	739,503	↑ 23,513
Net Absorption (ft. ²)	(711)	39,867	↑ 40,698
Vacancy Rate	9.79%	7.25%	↓ 2.54 pp
Avg. Net Rent/ft. ²	\$17.17	\$17.17	↔ ---
Avg. RTCAM/ft. ²	\$ 7.95	\$ 8.01	↑ 0.75%
Avg. Gross Rent/ft. ²	\$25.33	\$25.69	↑ 1.42%



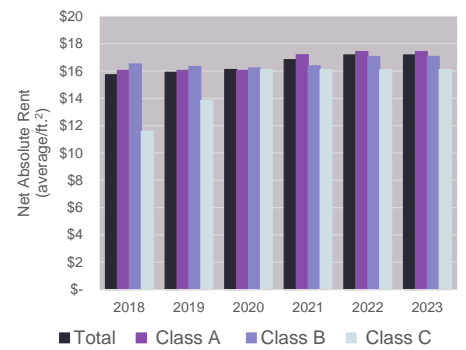
Supply & Demand



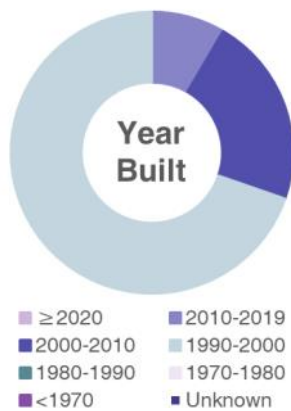
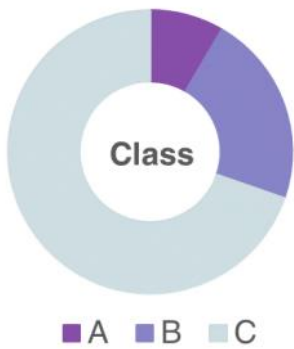
Vacant Space



Net Absolute Rent/ft.²



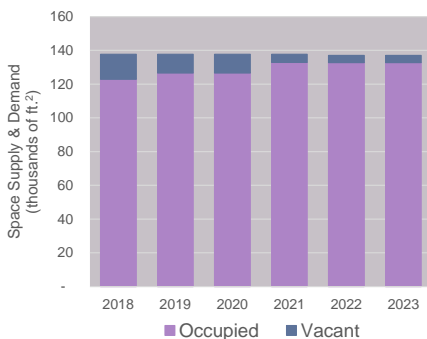
CHARLOTTETOWN PERIPHERAL



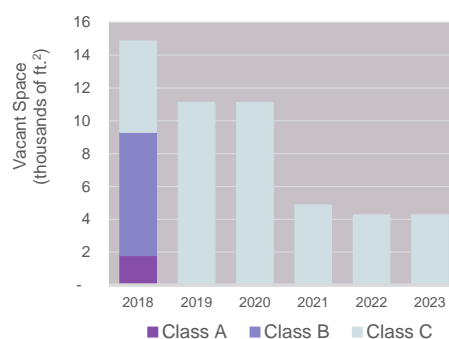
Year at a Glance

	2022	2023	Change
Office Inventory (ft. ²)	137,063	137,063	↔ ---
Net Absorption (ft. ²)	(41)	---	↑ 41
Vacancy Rate	3.12%	3.12%	↔ ---
Avg. Net Rent/ft. ²	\$12.25	\$12.25	↔ ---
Avg. RTCAM/ft. ²	\$ 5.50	\$ 5.19	↓ 5.64%
Avg. Gross Rent/ft. ²	\$19.07	\$19.07	↔ ---

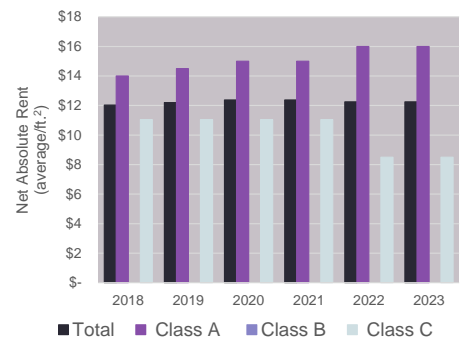
Supply & Demand



Vacant Space



Net Absolute Rent/ft.²



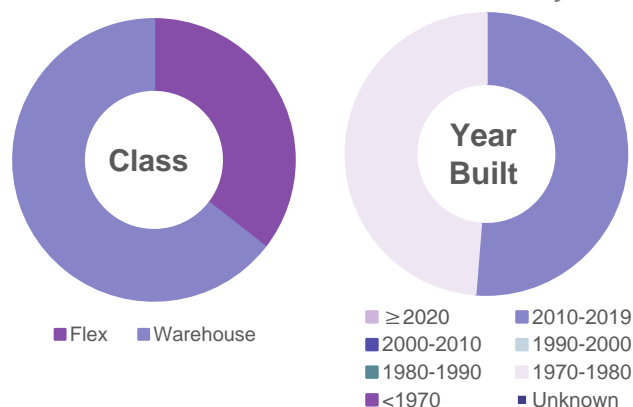
JUNE 2023 MARKET SURVEY

CHARLOTTETOWN WAREHOUSES

Year at a Glance

Warehouse	2022	2023	Change
Inventory (ft. ²)	285,741	285,741	↔ ---
Net Absorption (ft. ²)	7,900	---	↓ 7,900
Vacancy Rate	---	---	↔ ---
Avg. Net Rent/ft. ²	\$10.29	\$10.29	↔ ---
Avg. RTCAM/ft. ²	\$ 4.30	\$ 4.32	↑ 0.47%
Avg. Gross Rent/ft. ²	\$16.73	\$16.63	↓ 0.60%

Overall Warehouse Inventory



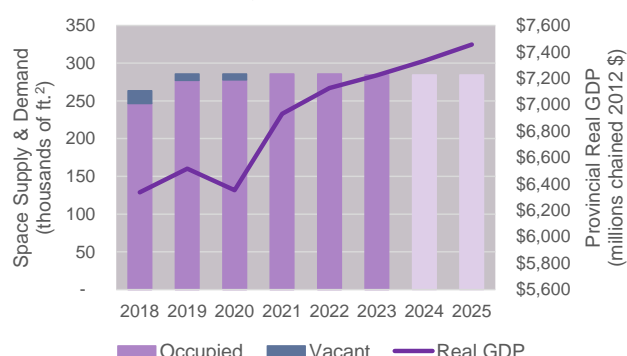
Supply & Demand Overview

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 1.5%, with a slight increase in demand for warehouse of 1.29%. The low vacancy rate is like to spur additions to supply, which would temporarily result in a temporary increase to the vacancy rate in the year ahead.

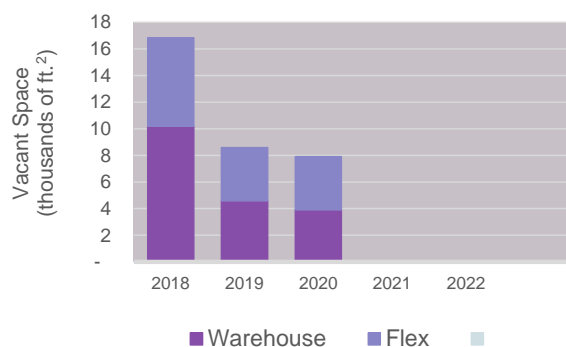
Our survey measured the vacancy rate by geographic node. The current vacancy rate in each of the following locations is: BioCommons Research Park 0.00%; Parkdale Industrial Park 0.00%; West Royalty Industrial Park 0.00%; Overall 0.00%.

Our survey also measured rental rates. Industrial properties in Charlottetown saw their overall net absolute rent per square foot stay flat, year-over-year, finishing at \$10.29/ft.² in 2023. The average overall net rental rates per square foot in each of the following submarkets is: BioCommons Research Park N/A; Parkdale Industrial Park \$6.44; West Royalty Industrial Park \$11.25; overall \$10.29.

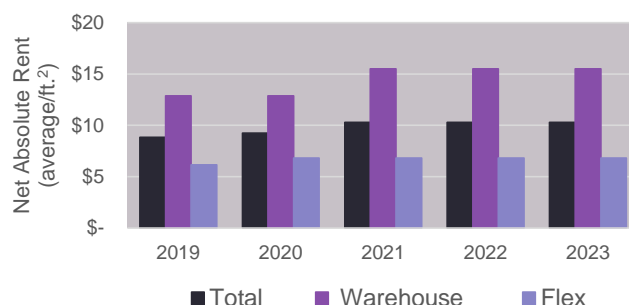
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

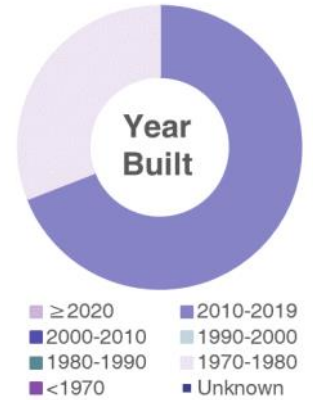
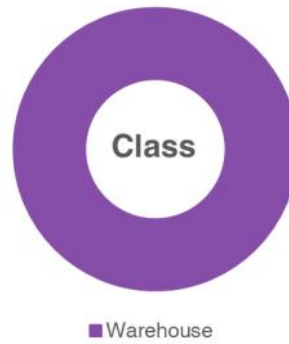


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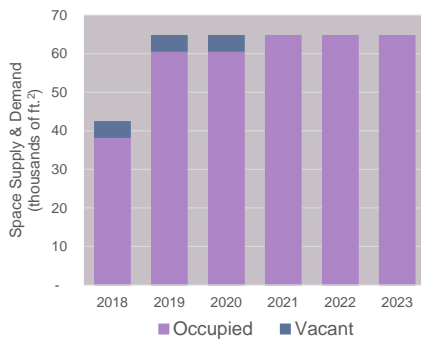
PARKDALE INDUSTRIAL PARK

Year at a Glance

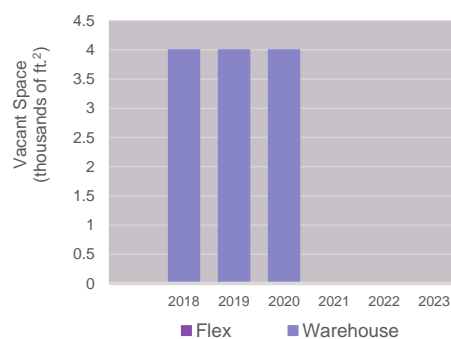
Warehouse	2022	2023	Change
Inventory (ft. ²)	64,719	64,719	↔ ---
Net Absorption (ft. ²)	---	---	↔ ---
Vacancy Rate	0.00%	0.00%	↔ ---
Avg. Net Rent/ft. ²	\$ 6.44	\$ 6.44	↔ ---
Avg. RTCAM/ft. ²	\$ 1.12	\$ 0.79	↓ 29.46%
Avg. Gross Rent/ft. ²	\$15.21	\$15.21	↔ ---



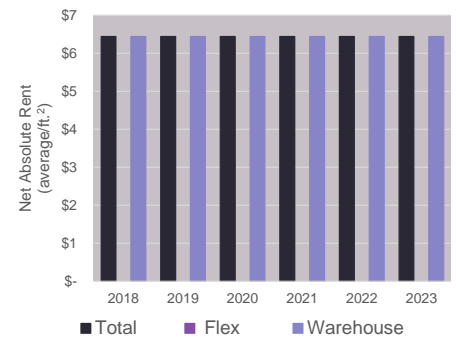
Supply & Demand



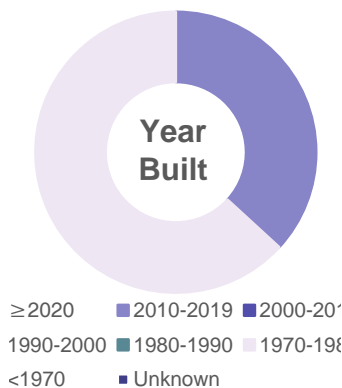
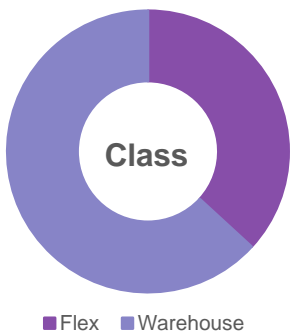
Vacant Space



Net Absolute Rent/ft.²



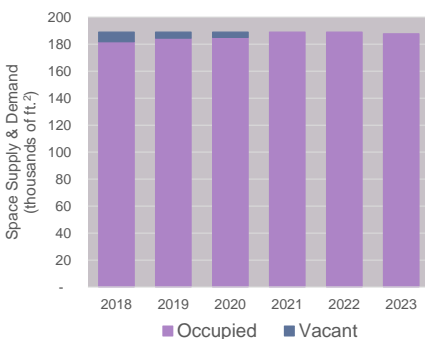
WEST ROYALTY INDUSTRIAL PARK



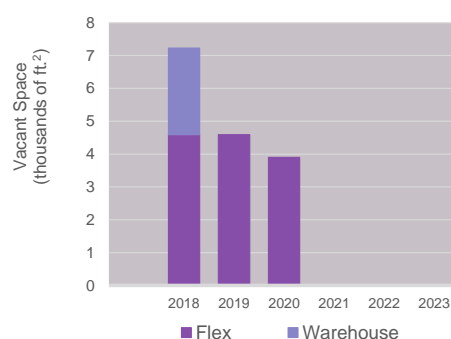
Year at a Glance

Warehouse	2022	2023	Change
Inventory (ft. ²)	189,022	187,688	↓ (1,334)
Net Absorption (ft. ²)	---	(1,334)	↓ (1,334)
Vacancy Rate	---	---	↔ ---
Avg. Net Rent/ft. ²	\$11.25	\$11.25	↔ ---
Avg. RTCAM/ft. ²	\$ 5.24	\$ 6.08	↑ 16.03%
Avg. Gross Rent/ft. ²	\$17.49	\$17.33	↓ 0.91%

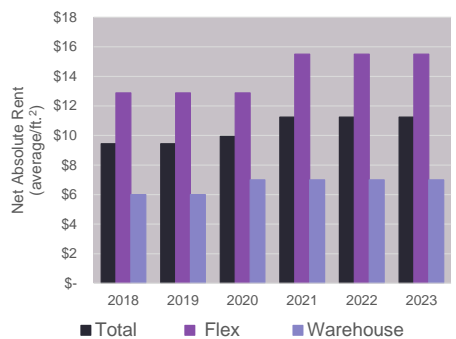
Supply & Demand



Vacant Space



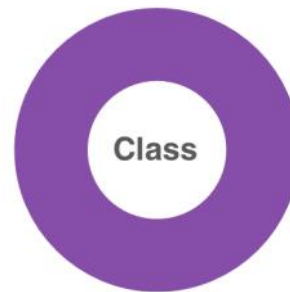
Net Absolute Rent/ft.²



BIOCOMMONS RESEARCH PARK

Year at a Glance

Warehouse	2022	2023	Change
Inventory (ft. ²)	32,000	32,000	↔ ---
Net Absorption (ft. ²)	---	---	↔ ---
Vacancy Rate	0.00%	0.00%	↔ ---
Avg. Net Rent/ft. ²	N/A	N/A	↔ ---
Avg. RTCAM/ft. ²	\$2.78	N/A	N/A
Avg. Gross Rent/ft. ²	N/A	N/A	↔ ---

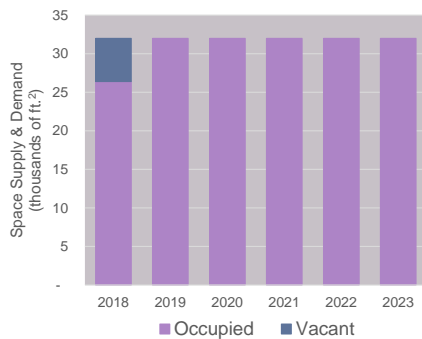


Flex Warehouse

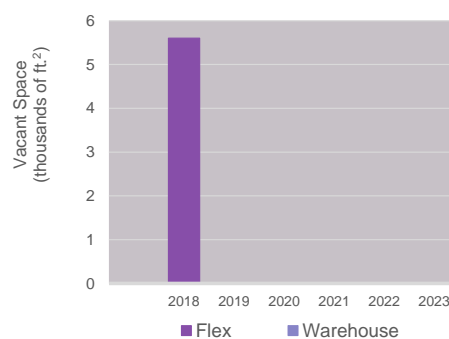


≥ 2020 2010-2019
 2000-2010 1990-2000
 1980-1990 1970-1980
 <1970 Unknown

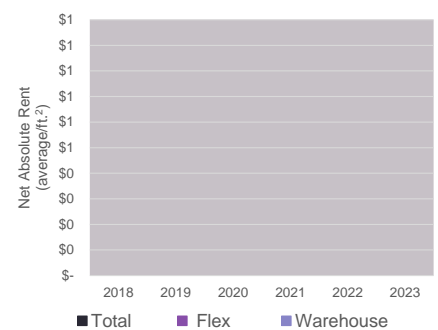
Supply & Demand



Vacant Space



Net Absolute Rent/ft.²



JUNE 2023 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).



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