



MARKET SURVEY

ST. JOHN'S NL OFFICES & WAREHOUSES

JUNE 2024



Survey Scope: 85 office & 116 warehouse buildings
3,924,643 ft.² of rental office space
2,984,179 ft.² of rental warehouse space
expert researchers



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JUNE 2024 MARKET SURVEY ST. JOHN'S OFFICES

Year at a Glance

	2023	2024	Change
Office Inventory (ft. ²)	3,924,365	3,924,643	↑ 278
Net Absorption (ft. ²)	57,834	18,775	↓ (39,059)
Vacancy Rate	22.79%	22.32%	↓ 0.47 pp
Avg. Net Rent/ft. ²	\$18.39	\$18.67	↑ 1.52%
Avg. RTCAM/ft. ²	\$10.11	\$10.35	↑ 2.37%
Avg. Gross Rent/ft. ²	\$28.63	\$29.19	↑ 1.96%

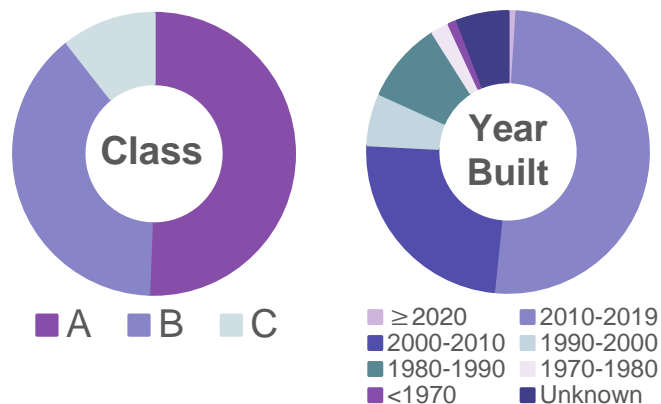
Supply & Demand Overview

The total amount of rentable office space in St. John's saw a marginal increase of 0.01% over last year. The overall vacancy rate decreased slightly from 22.79% in 2023 to 22.31% in 2024. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis indicates that although GDP is expected to increase marginally, space demand will likely decrease, and vacancy will increase.

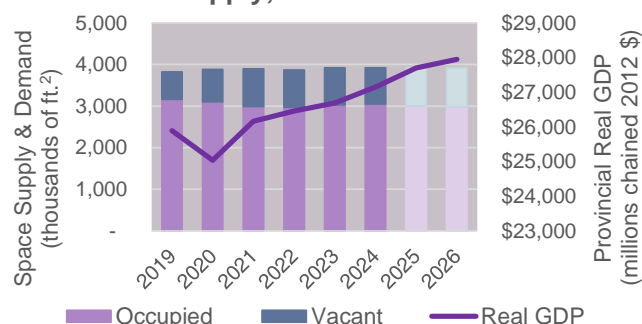
Our survey measured vacancy and rental rates by class of building. Class A buildings command the highest rents in their community and have distinctive design and lobbies. Class B buildings offer "no frills" modern, air conditioned space. Class C buildings make up the remainder of the office rental market. The current vacancy rates by class are: Class A 26.72%; Class B 18.51%; Class C 15.22%; Overall 22.32%.

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 \$23.14; Class B \$16.76; Class C \$17.60; Overall \$18.67.

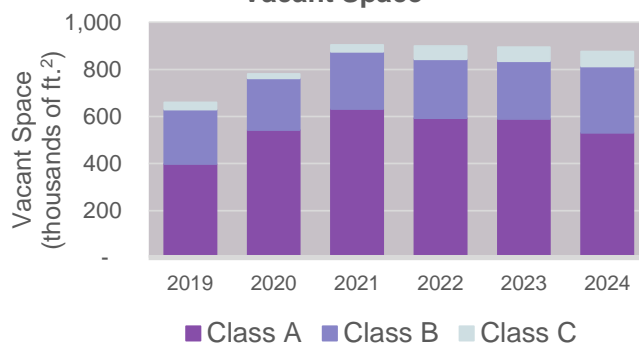
Overall Office Inventory



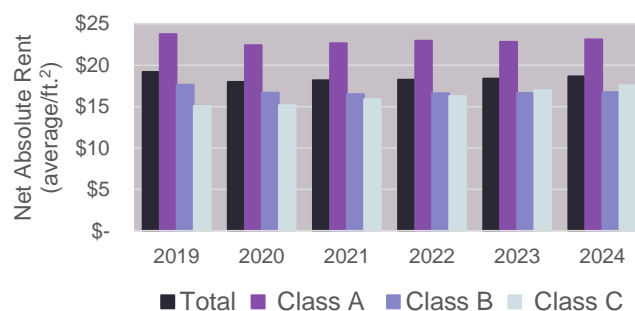
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

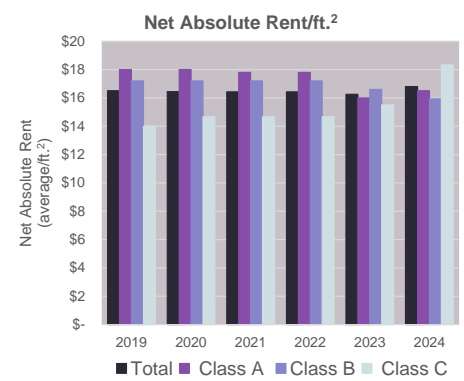
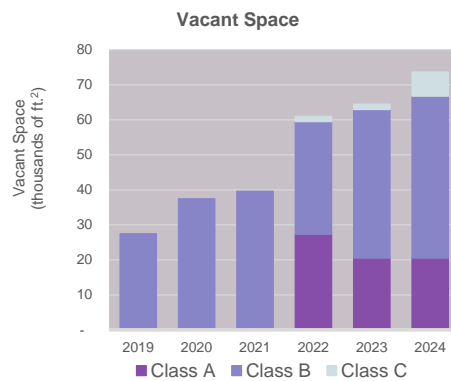
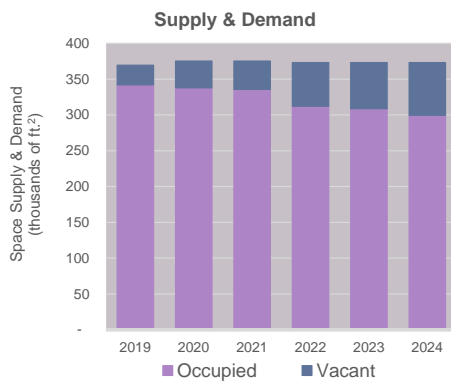
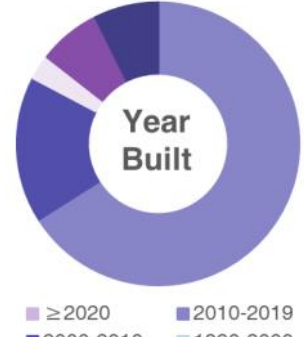
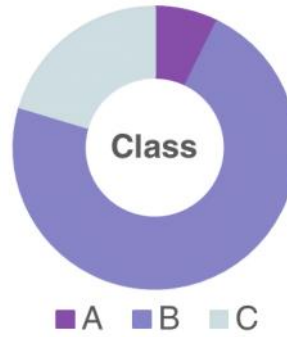


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CENTRAL ST. JOHN'S

Year at a Glance

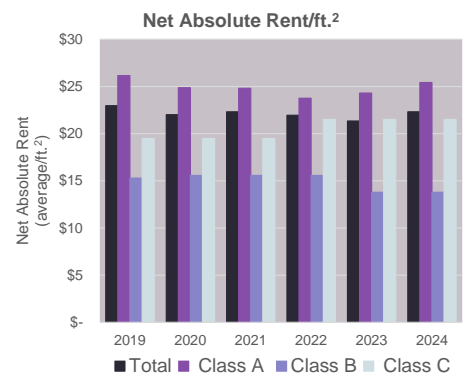
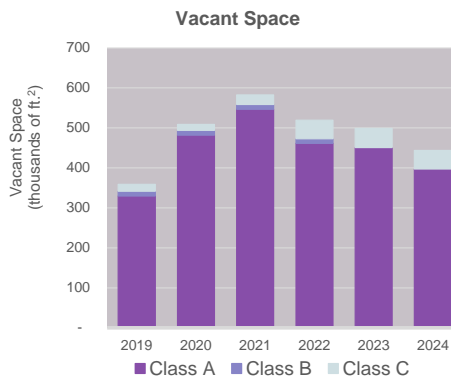
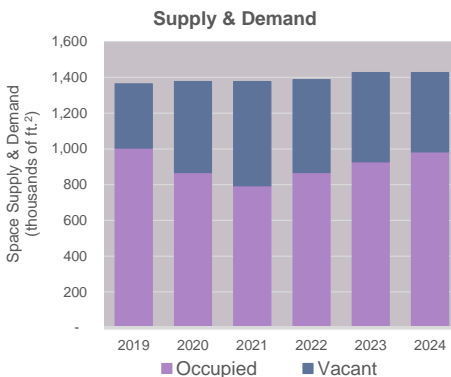
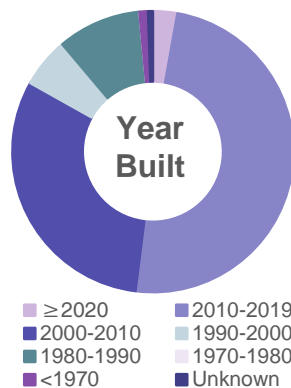
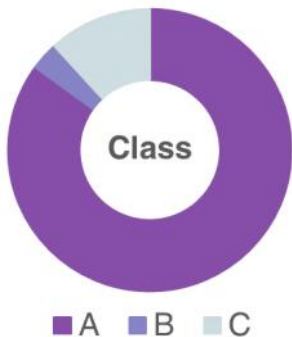
	2023	2024	Change
Office Inventory (ft. ²)	373,260	373,260	↔ ---
Net Absorption (ft. ²)	(3,487)	(9,204)	↓ (5,717)
Vacancy Rate	17.27%	19.74%	↑ 2.47 pp
Avg. Net Rent/ft. ²	\$16.25	\$16.80	↑ 3.38%
Avg. RTCAM/ft. ²	\$10.04	\$10.27	↑ 2.29%
Avg. Gross Rent/ft. ²	\$27.99	\$27.68	↓ 1.11%



DOWNTOWN ST. JOHN'S

Year at a Glance

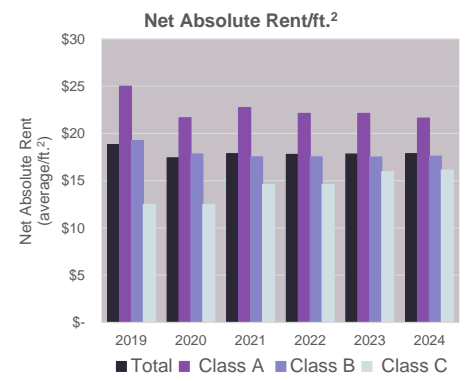
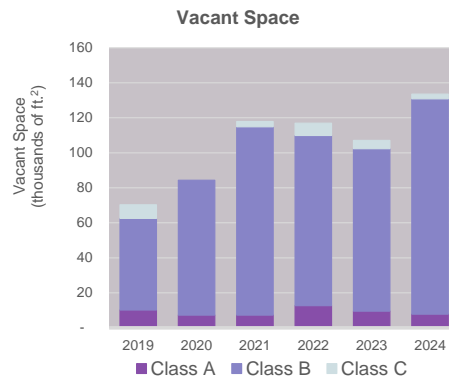
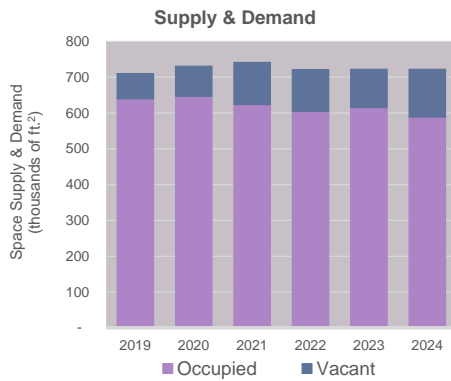
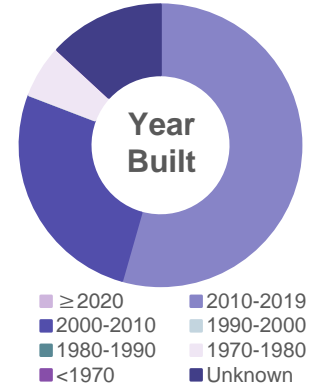
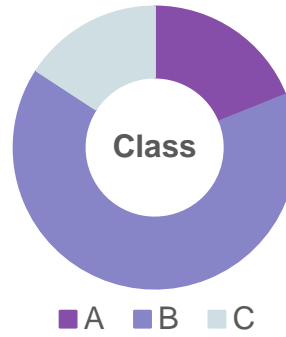
	2023	2024	Change
Office Inventory (ft. ²)	1,427,051	1,427,051	↔ ---
Net Absorption (ft. ²)	60,274	55,186	↓ (5,088)
Vacancy Rate	34.96%	31.09%	↓ 3.87 pp
Avg. Net Rent/ft. ²	\$21.34	\$22.31	↑ 4.55%
Avg. RTCAM/ft. ²	\$10.26	\$10.60	↑ 3.31%
Avg. Gross Rent/ft. ²	\$31.10	\$33.83	↑ 8.78%



NORTH ST. JOHN'S

Year at a Glance

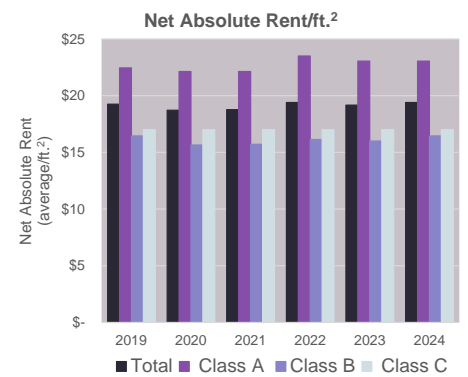
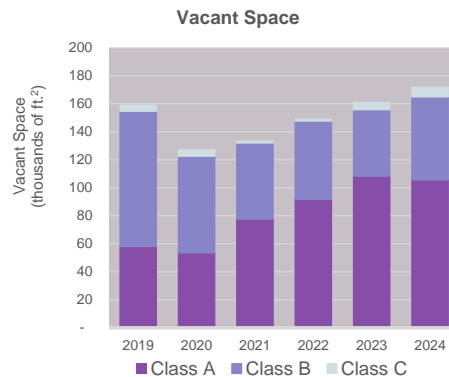
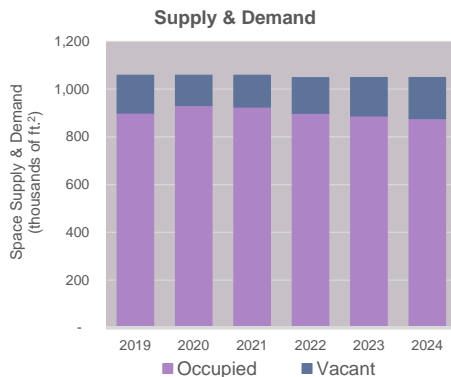
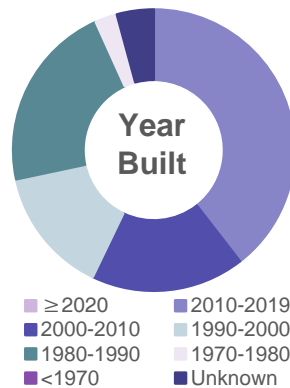
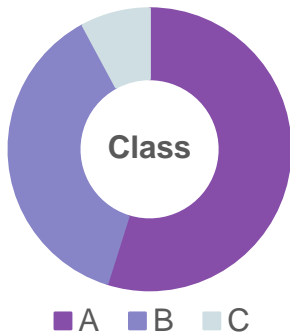
	2023	2024	Change
Office Inventory (ft. ²)	722,055	722,333	↑ 278
Net Absorption (ft. ²)	10,453	(26,155)	↓ (36,608)
Vacancy Rate	14.83%	18.49%	↑ 3.65 pp
Avg. Net Rent/ft. ²	\$17.83	\$17.87	↑ 0.22%
Avg. RTCAM/ft. ²	\$ 9.95	\$10.26	↑ 3.12%
Avg. Gross Rent/ft. ²	\$27.78	\$28.13	↑ 1.26%



EAST & WEST ST. JOHN'S

Year at a Glance

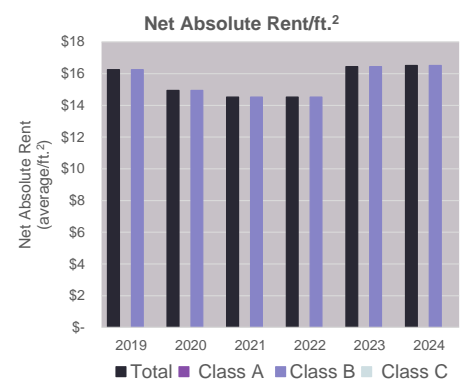
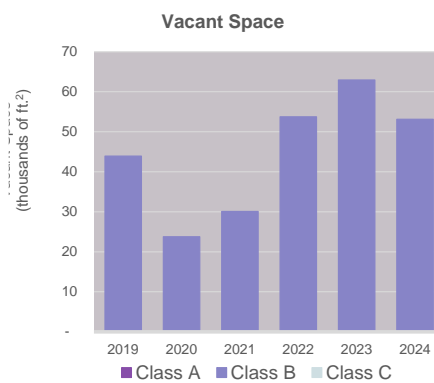
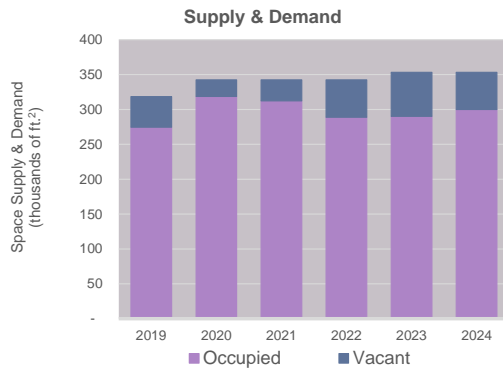
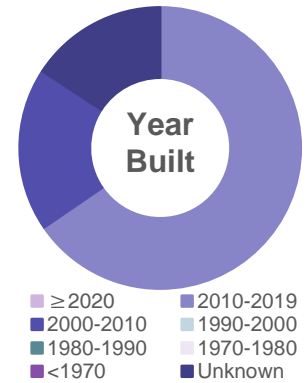
	2023	2024	Change
Office Inventory (ft. ²)	1,048,901	1,048,901	↔ - - -
Net Absorption (ft. ²)	(10,738)	(10,871)	↓ (133)
Vacancy Rate	15.35%	16.39%	↑ 1.04 pp
Avg. Net Rent/ft. ²	\$19.18	\$19.40	↑ 1.15%
Avg. RTCAM/ft. ²	\$11.07	\$11.23	↑ 1.45%
Avg. Gross Rent/ft. ²	\$30.25	\$30.63	↑ 1.26%



MOUNT PEARL / PARADISE

Year at a Glance

	2023	2024	Change
Office Inventory (ft. ²)	353,098	353,098	↔ ---
Net Absorption (ft. ²)	1,332	9,819	↑ 8,487
Vacancy Rate	17.83%	15.05%	↓ 2.78 pp
Avg. Net Rent/ft. ²	\$16.45	\$16.52	↑ 0.43%
Avg. RTCAM/ft. ²	\$ 7.07	\$ 7.08	↑ 0.14%
Avg. Gross Rent/ft. ²	\$23.52	\$23.60	↑ 0.34%



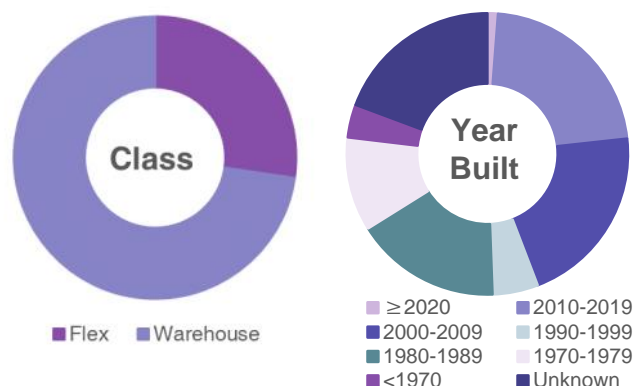
JUNE 2024 MARKET SURVEY

ST. JOHN'S WAREHOUSES

Year at a Glance

Warehouse	2023	2024	Change
Inventory (ft. ²)	2,972,261	2,984,179	↑ 11,918
Net Absorption (ft. ²)	91,115	69,015	↓ (22,100)
Vacancy Rate	10.62%	8.67%	↓ 1.96 pp
Avg. Net Rent/ft. ²	\$12.15	\$12.71	↑ 4.61%
Avg. RTCAM/ft. ²	\$ 3.93	\$ 4.48	↑ 13.99%
Avg. Gross Rent/ft. ²	\$16.52	\$17.50	↑ 5.93%

Overall Warehouse Inventory



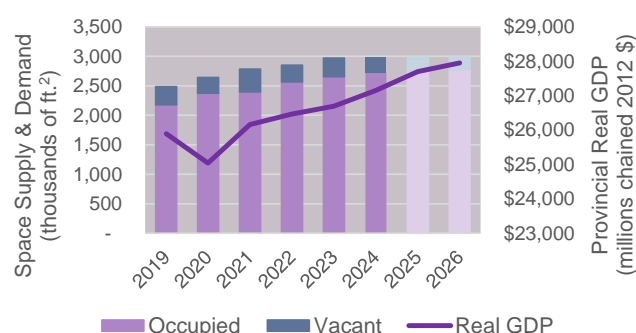
Supply & Demand Overview

The total amount of rentable warehouse space in Greater St. John's increased over last year, rising slightly by 0.40%. The overall vacancy rate decreased from 10.62% in 2023 to 8.67% in 2024. Our analysis indicates that space demand is likely to increase, and that vacancy is expected to stay in the region of 5.00% - 8.00%, with new additions to the rental pool coming online later in the year.

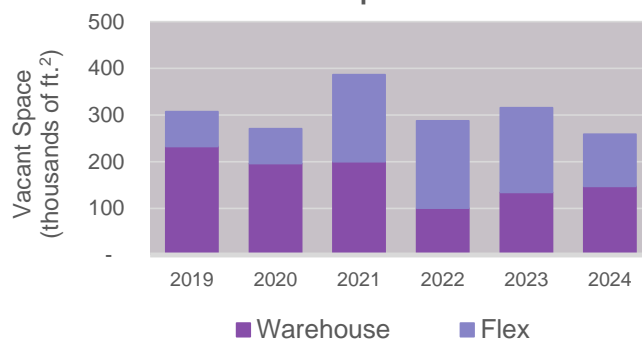
Our survey measured the vacancy rate by sub-market. The current vacancy rate in each of the following areas is: St. John's North 12.58%; Central and Downtown 2.45%; St. John's East 3.78%; St. John's West 0.00%; Mount Pearl/Paradise 8.86%; Overall 8.67%.

Our survey also measured rental rates. Industrial properties in St. John's saw the overall net absolute rent per square foot increase by 2.27% year-over-year, rising to \$12.15 in 2024. The average overall net rental rates per square foot in each of the following areas is: St. John's North \$13.79; Central and Downtown \$11.65; St. John's East \$13.50; St. John's West \$10.50; Mount Pearl/Paradise \$12.25.

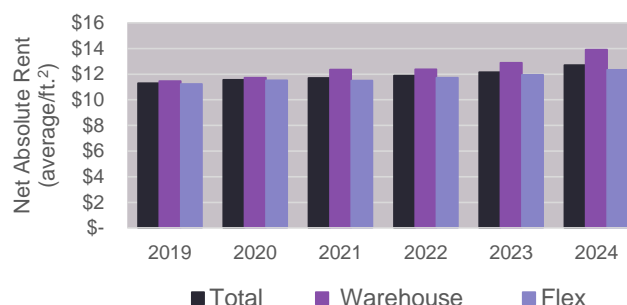
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

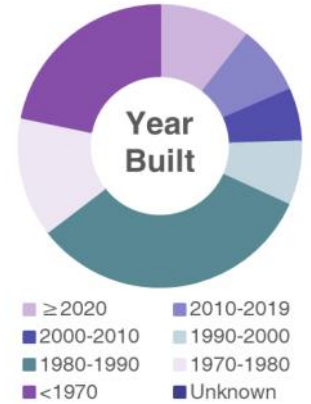
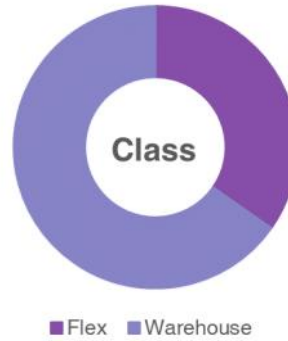


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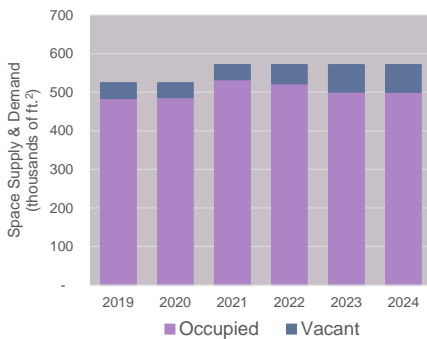
NORTH ST. JOHN'S

Year at a Glance

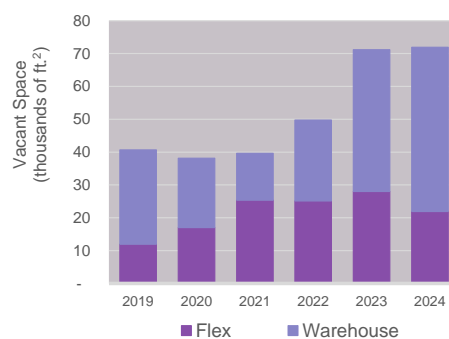
	2023	2024	Change
Inventory (ft. ²)	592,721	592,721	↔ ---
Net Absorption (ft. ²)	(21,413)	(757)	↑ 20,656
Vacancy Rate	12.45%	12.58%	↑ 0.13 pp
Avg. Net Rent/ft. ²	\$12.90	\$13.79	↑ 6.90%
Avg. RTCAM/ft. ²	\$ 5.02	\$ 5.63	↑ 12.15%
Avg. Gross Rent/ft. ²	\$18.32	\$19.41	↑ 5.95%



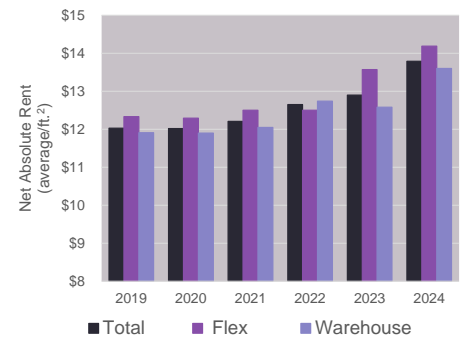
Supply & Demand



Vacant Space



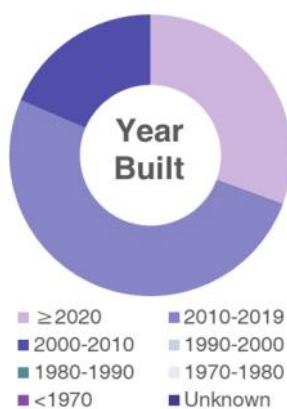
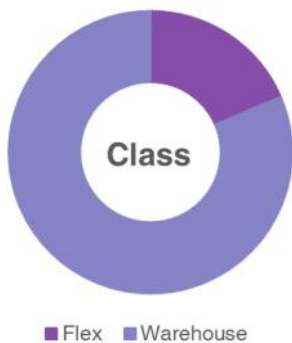
Net Absolute Rent/ft.²



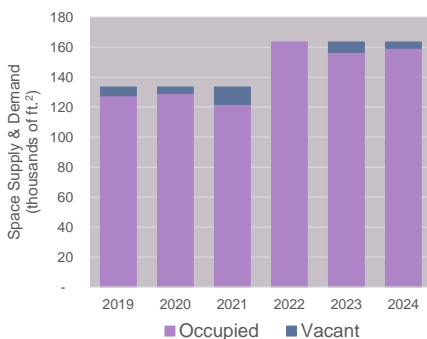
CENTRAL & DOWNTOWN

Year at a Glance

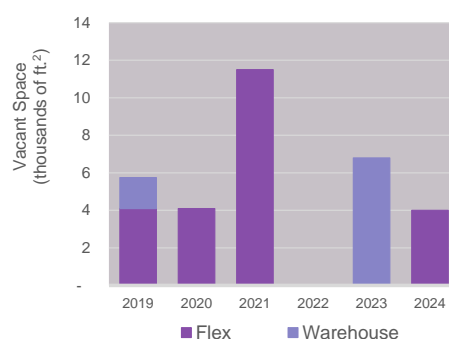
	2023	2024	Change
Inventory (ft. ²)	163,396	163,396	↔ ---
Net Absorption (ft. ²)	(6,800)	2,800	↑ 9,600
Vacancy Rate	4.16%	2.45%	↓ 1.71 pp
Avg. Net Rent/ft. ²	\$11.60	\$11.65	↑ 0.43%
Avg. RTCAM/ft. ²	\$ 4.10	\$ 4.16	↑ 1.46%
Avg. Gross Rent/ft. ²	\$15.70	\$15.81	↑ 0.70%



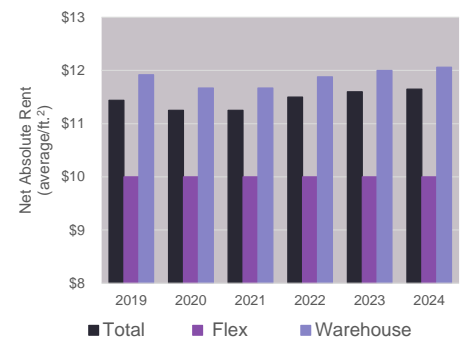
Supply & Demand



Vacant Space



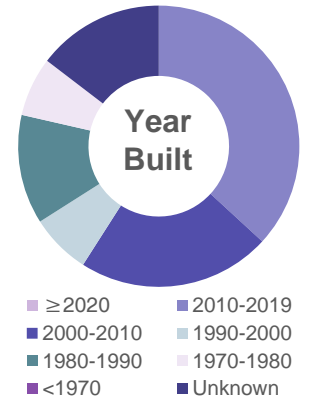
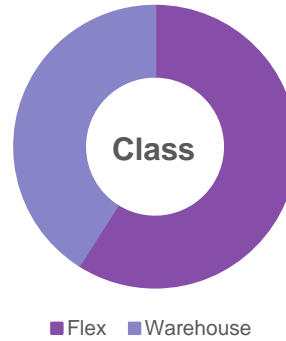
Net Absolute Rent/ft.²



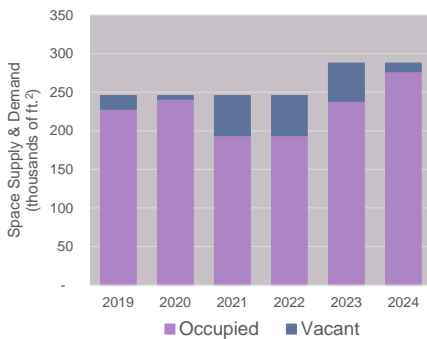
EAST ST. JOHN'S

Year at a Glance

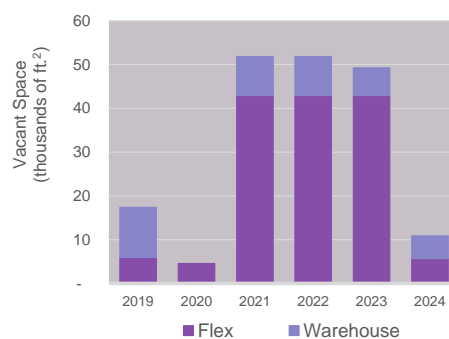
	2023	2024	Change
Inventory (ft. ²)	287,751	287,751	↔ ---
Net Absorption (ft. ²)	44,640	38,368	↓ (6,272)
Vacancy Rate	17.11%	3.78%	↓ 13.33 pp
Avg. Net Rent/ft. ²	\$13.47	\$13.50	↑ 0.22%
Avg. RTCAM/ft. ²	\$ 4.76	\$ 4.86	↑ 2.10%
Avg. Gross Rent/ft. ²	\$18.47	\$18.57	↑ 0.54%



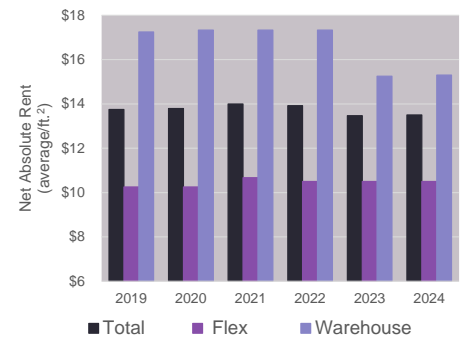
Supply & Demand



Vacant Space



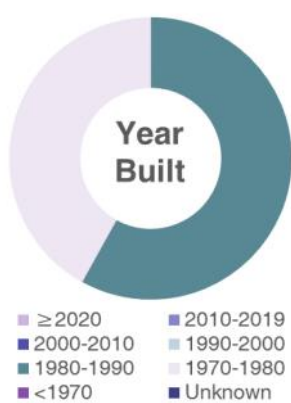
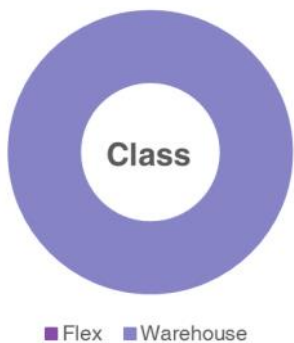
Net Absolute Rent/ft.²



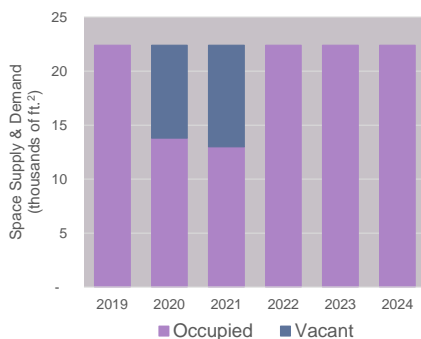
WEST ST. JOHN'S

Year at a Glance

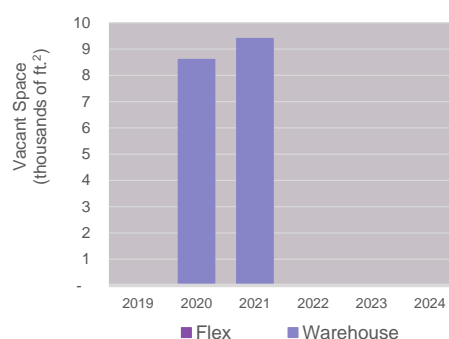
	2023	2024	Change
Inventory (ft. ²)	22,400	22,400	↔ ---
Net Absorption (ft. ²)	---	---	↔ ---
Vacancy Rate	0.00%	0.00%	↔ ---
Avg. Net Rent/ft. ²	\$10.50	\$10.50	↔ ---
Avg. RTCAM/ft. ²	\$ 2.84	\$ 3.37	↑ 18.66%
Avg. Gross Rent/ft. ²	\$14.47	\$15.30	↑ 5.74%



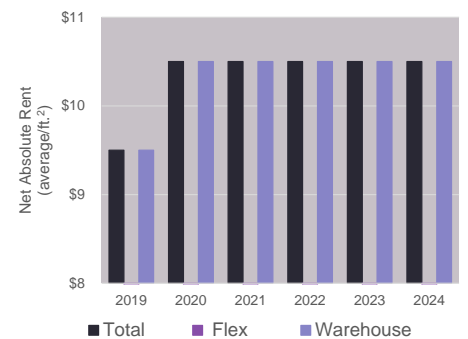
Supply & Demand



Vacant Space



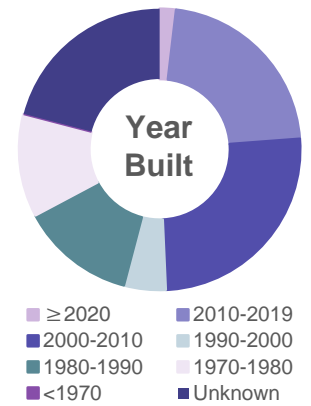
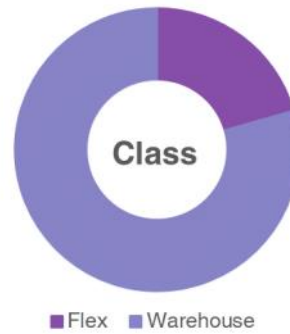
Net Absolute Rent/ft.²



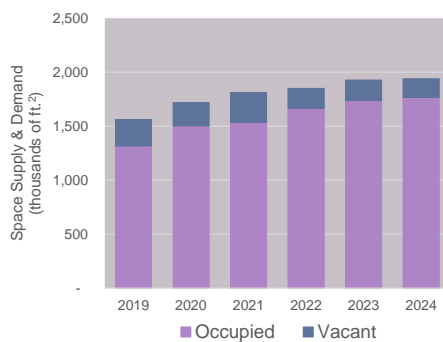
MOUNT PEARL / PARADISE

Year at a Glance

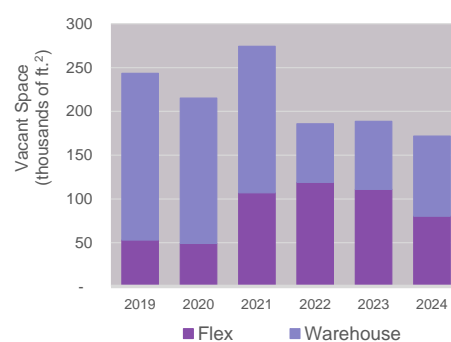
	2023	2024	Change
Inventory (ft. ²)	1,926,793	1,938,711	↑ 11,918
Net Absorption (ft. ²)	74,688	28,604	↓ (46,084)
Vacancy Rate	9.78%	8.86%	↓ 0.92 pp
Avg. Net Rent/ft. ²	\$11.74	\$12.25	↑ 4.34%
Avg. RTCAM/ft. ²	\$ 3.42	\$ 4.04	↑ 18.13%
Avg. Gross Rent/ft. ²	\$15.55	\$16.71	↑ 7.46%



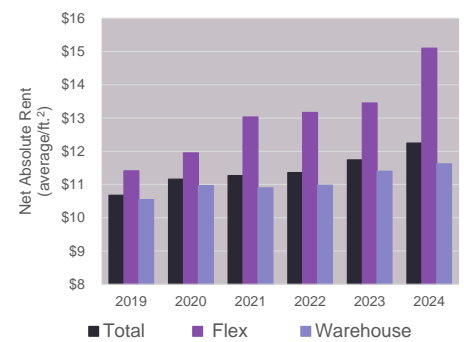
Supply & Demand



Vacant Space



Net Absolute Rent/ft.²



JUNE 2024 MARKET SURVEY

ST. JOHN'S NL 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:

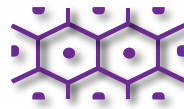
Net Absolute Rent - This is often referred to as “AAA” or “Base” rent and does not include Realty or Business Occupancy Taxes, Common Area Maintenance (CAM), or any other services such as Electricity, Cleaning or Heating.

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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