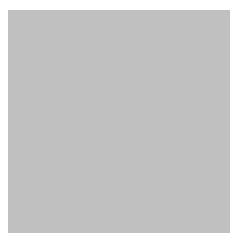


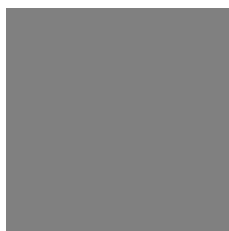
MARKET SURVEY
 CHARLOTTETOWN
 OFFICES & WAREHOUSES
 JUNE 2024



Survey Scope: 29 office & 9 warehouse buildings
 887,566 ft.² of rental office space
 340,212 ft.² of rental warehouse space
 expert researchers



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

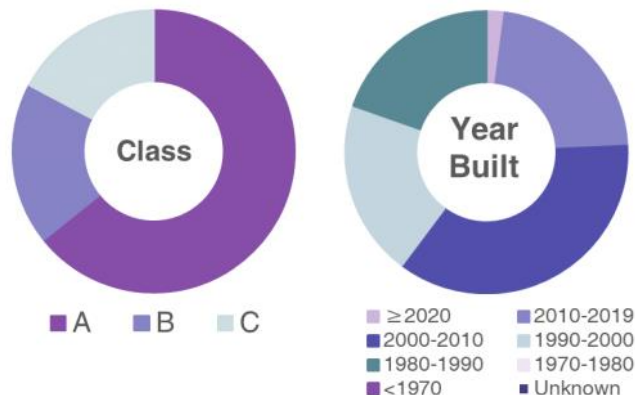


JUNE 2024 MARKET SURVEY CHARLOTTETOWN OFFICES

Year at a Glance

	2023	2024	Change
Office Inventory (ft. ²)	876,566	887,566	↑ 11,000
Net Absorption (ft. ²)	39,987	18,421	↓ (21,566)
Vacancy Rate	6.60%	5.69%	↓ 0.91 pp
Avg. Net Rent/ft. ²	\$16.75	\$17.05	↑ 1.79%
Avg. RTCAM/ft. ²	\$ 7.59	\$ 7.85	↑ 3.43%
Avg. Gross Rent/ft. ²	\$25.12	\$25.86	↑ 2.95%

Overall Office Inventory



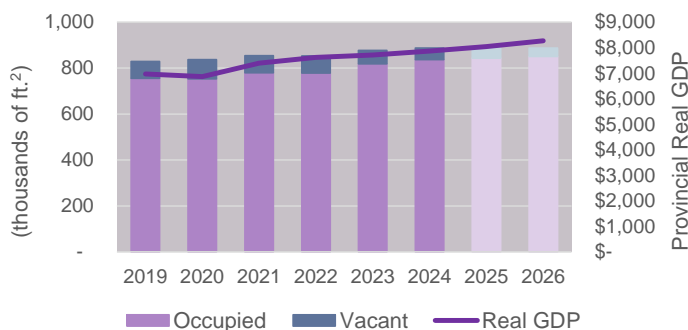
Supply & Demand Overview

The total amount of rentable office space in our Greater Charlottetown survey increased by 1.25% between June 2023, and June 2024. The overall vacancy rate decreased from 6.60% in 2023, to 5.69% in 2024. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP figures indicates that space demand is expected to increase marginally, and that the vacancy rate is likely to stay in the region of 5.00% - 7.00%.

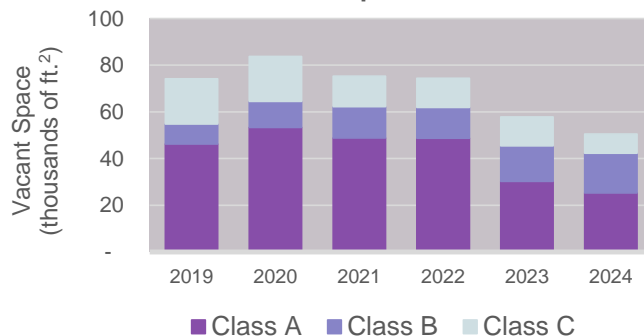
Our survey measured vacancy and rental rates by class of building. Class A buildings command the highest rents in their community and have distinctive design and lobbies. Class B buildings offer “no frills” modern, air conditioned space. Class C buildings make up the remainder of the office rental market. The current vacancy rates by class are: Class A 4.34%; Class B 10.75%; Class C 5.59%; Overall 5.69%.

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 \$17.46; Class B \$17.71; Class C \$13.57; Overall \$17.05.

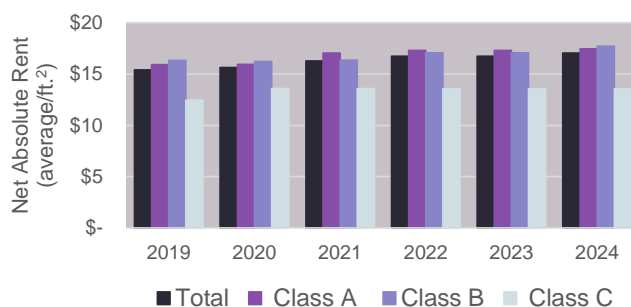
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

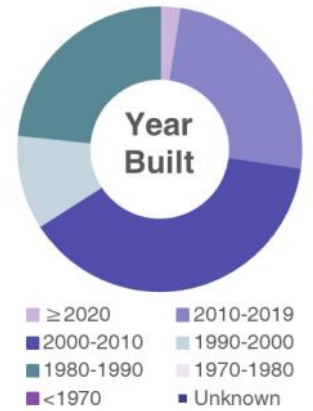
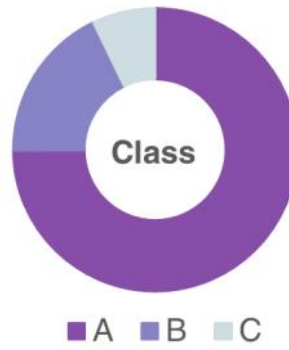


©2024 Turner Drake & Partners Ltd. This material may be used, copied and distributed provided that the appropriate attribution and copyright is accorded to Turner Drake & Partners Ltd. Whilst every effort has been made to ensure the accuracy and completeness of this Market Survey, no liability is assumed by Turner Drake & Partners Ltd. for errors and omissions. This bulletin is distributed without charge on the understanding that the contents do not render legal, accounting, appraisal or other professional services.

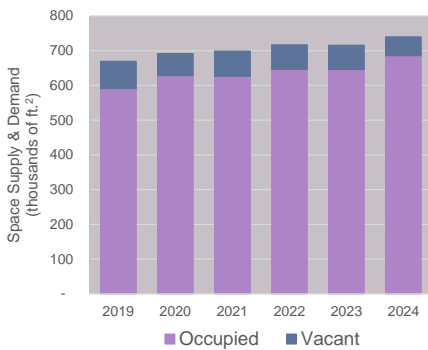
CHARLOTTETOWN CENTRAL

Year at a Glance

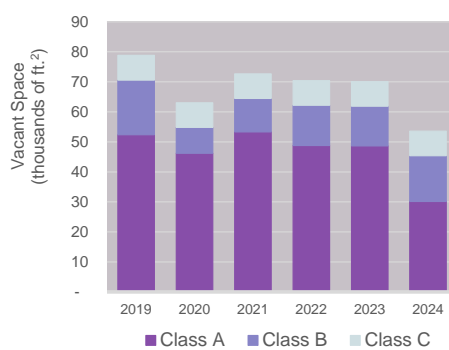
	2023	2024	Change
Office Inventory (ft. ²)	715,990	739,503	↑ 23,513
Net Absorption (ft. ²)	(711)	39,987	↑ 40,698
Vacancy Rate	9.79%	7.25%	↓ 2.54 pp
Avg. Net Rent/ft. ²	\$17.17	\$17.17	↔ ---
Avg. RTCAM/ft. ²	\$ 7.95	\$ 8.01	↑ 0.75%
Avg. Gross Rent/ft. ²	\$25.33	\$25.69	↑ 1.42%



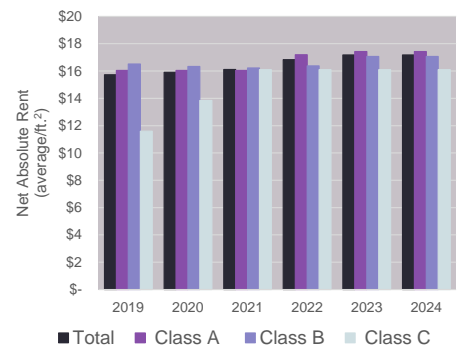
Supply & Demand



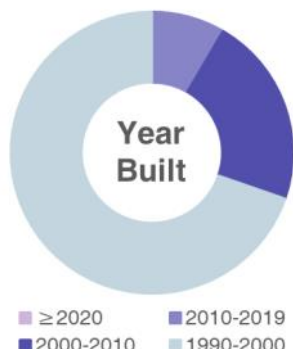
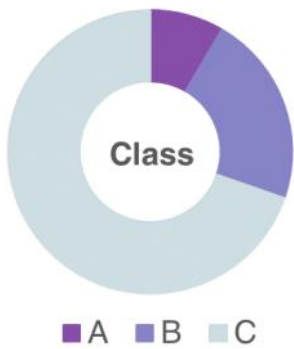
Vacant Space



Net Absolute Rent/ft.²



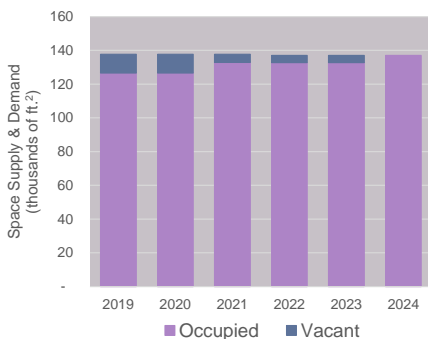
CHARLOTTETOWN PERIPHERAL



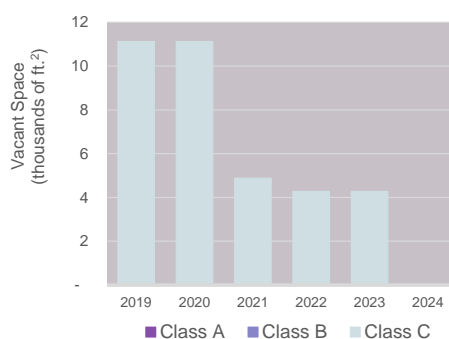
Year at a Glance

	2023	2024	Change
Office Inventory (ft. ²)	137,063	137,063	↔ ---
Net Absorption (ft. ²)	---	4,275	↑ 4,275
Vacancy Rate	3.12%	0.00%	↓ 3.12 pp
Avg. Net Rent/ft. ²	\$12.25	\$12.25	↔ ---
Avg. RTCAM/ft. ²	\$ 5.19	\$ 4.98	↓ 4.05%
Avg. Gross Rent/ft. ²	\$19.07	\$19.07	↔ ---

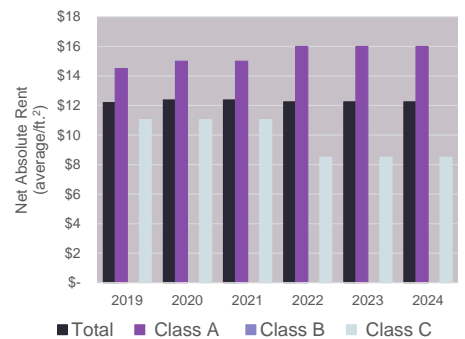
Supply & Demand



Vacant Space



Net Absolute Rent/ft.²



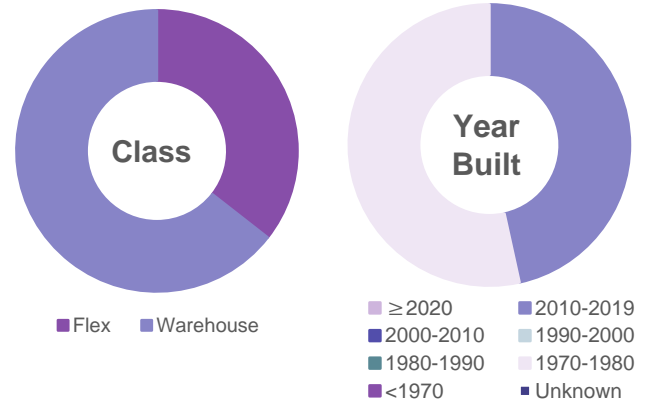
JUNE 2024 MARKET SURVEY

CHARLOTTETOWN WAREHOUSES

Year at a Glance

Warehouse	2023	2024	Change
Inventory (ft. ²)	284,407	340,212	↑ 55,805
Net Absorption (ft. ²)	(1,334)	45,405	↑ 46,739
Vacancy Rate	0.00%	3.06%	↑ 3.08 pp
Avg. Net Rent/ft. ²	\$10.29	\$10.29	↔ - - -
Avg. RTCAM/ft. ²	\$ 4.32	\$ 4.73	↑ 9.49%
Avg. Gross Rent/ft. ²	\$16.63	\$15.61	↓ 6.13%

Overall Warehouse Inventory



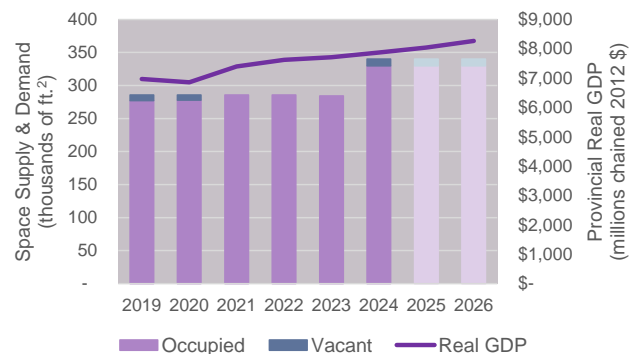
Supply & Demand Overview

The total amount of rentable warehouse space in Greater Charlottetown saw an increase over last year. The overall vacancy rate increased to 3.06%. Our analysis indicates that space demand is expected to stay constant, with vacancy expected to stay in the region of 3.00%, which effectively is full occupancy.

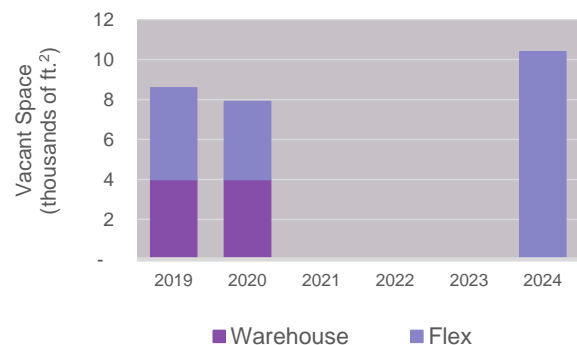
Our survey measured the vacancy rate by geographic node. The current vacancy rate in each of the following submarkets is: BioCommons Research Park 0.00%; Parkdale Industrial Park 0.00%; West Royalty Industrial Park 4.27%; Overall 3.06%.

Our survey also measured rental rates. Industrial properties in Charlottetown saw their overall net absolute rent per square foot stay flat year-over-year, with a rate of \$10.29/ft.² in June 2024. 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 \$11.57.

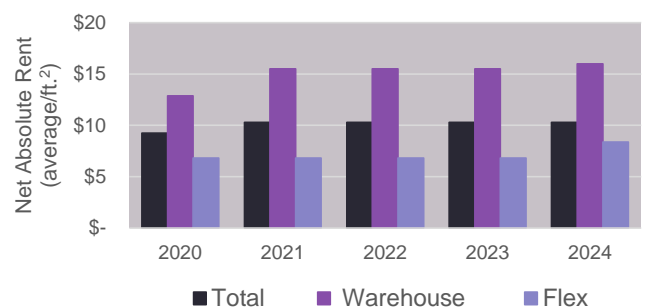
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

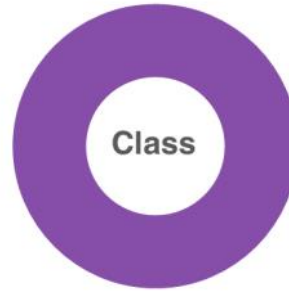


©2024 Turner Drake & Partners Ltd. This material may be used, copied and distributed provided that the appropriate attribution and copyright is accorded to Turner Drake & Partners Ltd. Whilst every effort has been made to ensure the accuracy and completeness of this Market Survey, no liability is assumed by Turner Drake & Partners Ltd. for errors and omissions. This bulletin is distributed without charge on the understanding that the contents do not render legal, accounting, appraisal or other professional services.

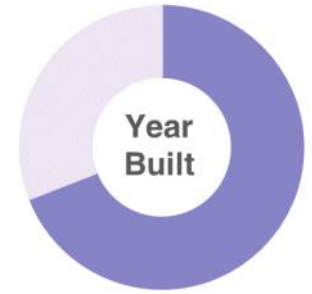
PARKDALE INDUSTRIAL PARK

Year at a Glance

Warehouse	2023	2024	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	\$ 0.79	\$ 0.80	↑ 1.27%
Avg. Gross Rent/ft. ²	\$15.21	\$ 7.59	↓ 50.10%

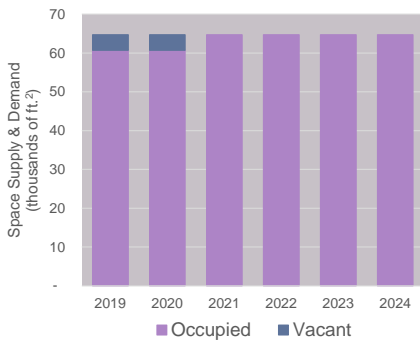


Warehouse

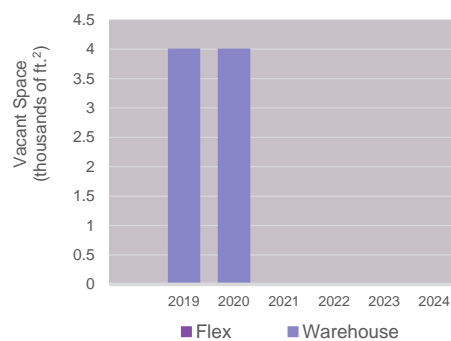


≥2020 (Light Blue)
 2010-2019 (Medium Blue)
 2000-2010 (Dark Blue)
 1990-2000 (Light Purple)
 1980-1990 (Dark Purple)
 1970-1980 (Very Light Blue)
 <1970 (Very Dark Blue)
 Unknown (Black)

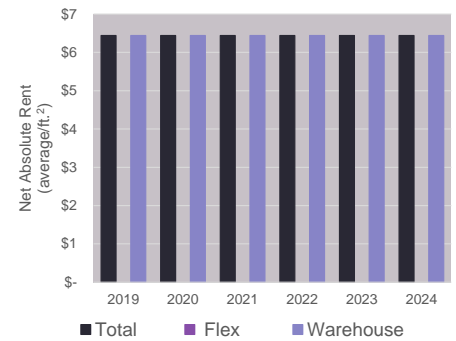
Supply & Demand



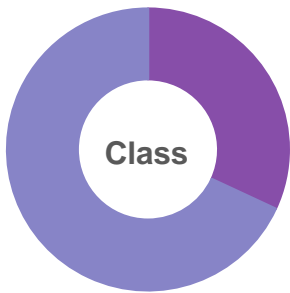
Vacant Space



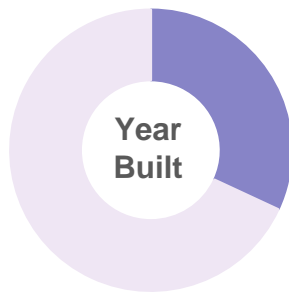
Net Absolute Rent/ft.²



WEST ROYALTY INDUSTRIAL PARK



Flex Warehouse

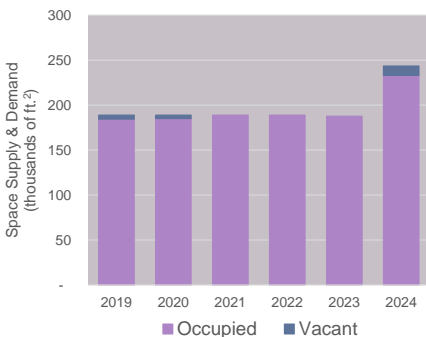


≥2020 (Light Blue)
 2010-2019 (Medium Blue)
 2000-2010 (Dark Blue)
 1990-2000 (Light Purple)
 1980-1990 (Dark Purple)
 1970-1980 (Very Light Blue)
 <1970 (Very Dark Blue)
 Unknown (Black)

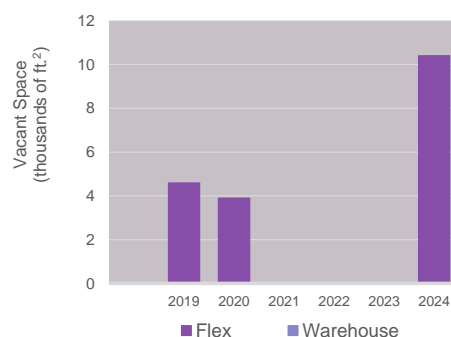
Year at a Glance

Warehouse	2023	2024	Change
Inventory (ft. ²)	187,688	243,493	↑ 55,805
Net Absorption (ft. ²)	(1,334)	45,405	↑ 46,739
Vacancy Rate	0.00%	4.27%	↑ 4.27 pp
Avg. Net Rent/ft. ²	\$11.25	\$11.57	↑ 2.84%
Avg. RTCAM/ft. ²	\$ 6.08	\$ 5.58	↓ 8.22%
Avg. Gross Rent/ft. ²	\$17.33	\$17.62	↑ 1.67%

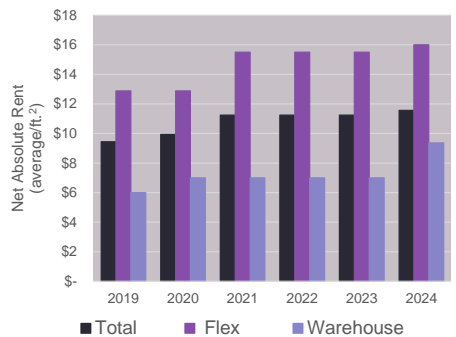
Supply & Demand



Vacant Space



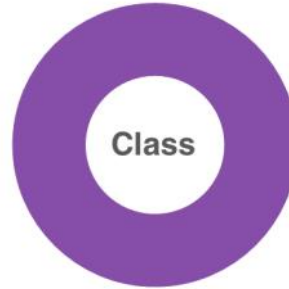
Net Absolute Rent/ft.²



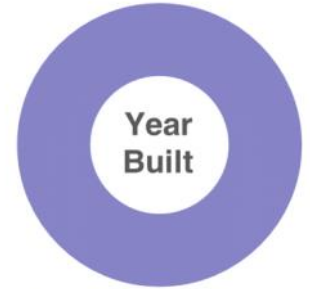
BIOCOMMONS RESEARCH PARK

Year at a Glance

Warehouse	2023	2024	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	N/A	\$ 7.49	↔ N/A
Avg. Gross Rent/ft. ²	N/A	N/A	↔ ---

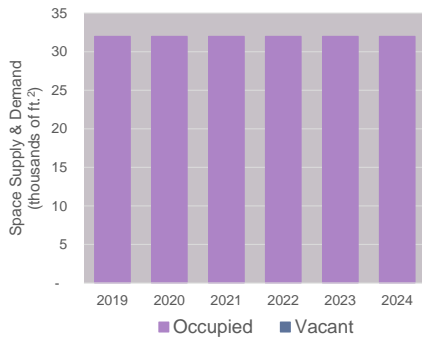


■ Flex ■ Warehouse

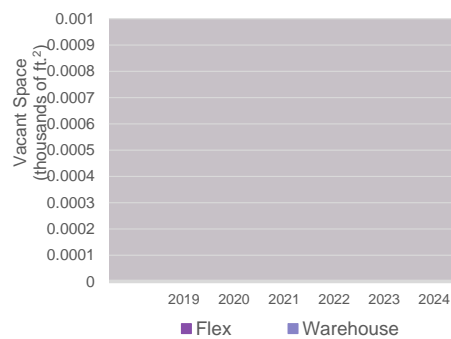


■ ≥ 2020 ■ 2010-2019
 ■ 2000-2010 ■ 1990-2000
 ■ 1980-1990 ■ 1970-1980
 ■ <1970 ■ Unknown

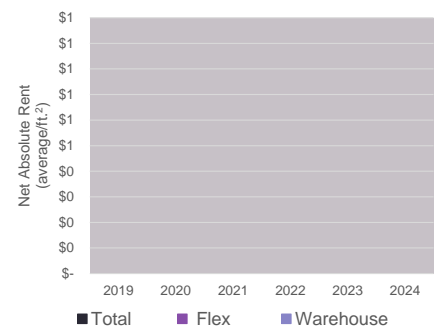
Supply & Demand



Vacant Space



Net Absolute Rent/ft.²



JUNE 2024 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).



Chartered Surveyors - Regulated by RICS

Registration to ISO 9001:2015

ONE TEAM: SEVEN AREAS OF EXPERTISE

PROPERTY TAX



GISELLE KAKAMOULIAS
B.Comm, DULE, MRICS, AACI
Vice President

COUNSELLING



LEE WEATHERBY
FRICS, AACI
Vice President

ECONOMIC INTELLIGENCE



JIGME CHOERAB
BA MAE
Manager

LASERCAD®



TYLER MANNING
B.Comm
Manager

VALUATION



NIGEL TURNER
B.Comm, DULE, BBRE, MRICS, AACI
Vice President

BROKERAGE



EMILY McCLELLAND
B.B.A.
Manager

PLANNING



NEIL LOVITT
B.CD, Dip GIS, LPP MCIP, CPT
Vice President

Specialist Skills: A Broader Perspective

PROPERTY TAX

Assessment Audits
Negotiation
Appeal Board
PAMS® Property Tax
Manager

LASERCAD®

Space Certification
"As Built" Plans
Fire Exit Plans
Fire Emergency
Plans
Utility Plans

COUNSELLING

Feasibility Studies
Expropriation
Mediation & Arbitration
Infrastructure Acquisition

PLANNING

Regulatory Planning
Development Analysis
Development Appraisal
Cost Benefit Analysis
Community Studies
Municipal Background
Studies

ECONOMIC INTELLIGENCE

Market Surveys
Site Selection
Trade Area Analysis
Supply & Demand Analysis
Demographic Reports

VALUATION

Commercial
Industrial
Investment
Development
Rural
PAMS® Property Portfolio
Manager

BROKERAGE

Vendor Representation
Purchaser Representation
Landlord Representation
Tenant Representation



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

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