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CONTACT:

Colin Rennie, Economic Intelligence Unit
Turner Drake & Partners Ltd.
Tel: (902) 429-1811 Ext. 337
Fax: (902) 429-1891
Email: crennie@turnerdrake.com
Website: www.turnerdrake.com

TURNER DRAKE & PARTNERS LTD.

Real Estate Counsellors, Brokers & Valuers
6182 North Street
Halifax NS, B3K 1P5

Press Release

URBAN NEW BRUNSWICK – OFFICE VACANCY REMAINS HIGH WHILE WAREHOUSE MARKET THRIVES

Moncton's office rental market finished 2024 with a vacancy rate of 12.42%, a major decrease of 4.43 percentage points from 2023's figure of 16.85%. The average net rental rate for office space in Moncton climbed 2.57% to \$13.97/ft.² in 2024, up from \$13.62/ft.² in 2023. Moncton enjoyed the lowest office vacancy amongst the three New Brunswick cities. Moncton's warehouse market saw its overall vacancy rate increase to 9.42%, up 1.68 pp from last year's figure of 7.74%. In spite of the marginally higher vacancy rate, the overall net rental rate rose to \$8.04/ft.².

Fredericton's office vacancy rate decreased 1.83 pp year-over-year, ending June at 15.07%, down from 2023's rate of 16.90%. Fredericton had the second-lowest office vacancy amongst New Brunswick's three cities. Fredericton's warehouse market saw a record-low vacancy rate of 0.43%, down from 4.58% in 2023. The average net rental rate for warehouse space in Fredericton increased to \$9.66/ft.², up from \$7.74/ft.² in 2023.

Demand in Saint John's office rental market was relatively flat over the past year, with its vacancy rate experiencing an increase of 0.94 pp, rising from 22.64% in June 2023, to 23.58% in June 2024. Saint John had the highest office vacancy rate amongst New Brunswick's three cities; a spread of 11.16 pp over Moncton's rate, and 8.51 pp over Fredericton's. Saint John's average net rental rate for office space finished 2024 at \$12.96/ft.²; this was lower than the overall net rent in Moncton (\$13.97/ft.²) and Fredericton (\$14.36/ft.²). Saint John's warehouse market remained tight, with a vacancy rate of 1.40%. This represented a major decrease from its 2023 rate of 5.55%. The average net rental rate for warehouse space in the port city increased marginally year-over-year (0.59%), rising to \$8.57/ft.² in 2024.

These conclusions stem from the latest rental market surveys completed by Halifax real estate counsellors Turner Drake & Partners Ltd. The surveys are thought to be the most comprehensive ever conducted in Urban New Brunswick: a team of trained researchers collected rental, operating expense and vacancy data for 285 office and industrial buildings, some as small as 5,000 ft.², with an aggregate rentable area of over 12 million ft.².

About Turner Drake & Partners Ltd.:

Turner Drake & Partners Ltd., a "home-grown" leader in real estate consulting, specialises in Valuation, Property Tax, Counseling, Planning, Economic Intelligence, and Space Measurement Services. From our offices in Halifax, St. John's, Charlottetown, Saint John, and Toronto, we service clients in the real estate industry across Canada.

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