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Press Release

**FREDERICTON ENJOYS LOWEST OFFICE MARKET VACANCY AMONGST THE
THREE NEW BRUNSWICK CITIES**

Fredericton's office vacancy rate decreased 4.49 pp year-over-year, ending December at 13.14%, down from 2023's rate of 17.63%. This was the lowest office vacancy amongst New Brunswick's three cities. The fall in the Capital City's vacancy rate was driven by both a decrease in the City's overall market supply, and an increase in market demand. While December 2024's figure is the lowest in recent years for Fredericton, it is still a far cry from the considerably lower vacancy it enjoyed pre-2020. Its vacancy rate was 6.55% as recently as 2019, prior to large-scale expansions to the City's Class A inventory.

Moncton's office market finished 2024 with a vacancy rate of 14.68%, a minor increase of 0.37 pp from 2023's figure of 14.31%. This was the second-lowest figure amongst the three New Brunswick cities. Despite the marginal increase in vacancy, the overall net rental rate for office space in Moncton climbed 2.43% in 2024, rising to \$14.36/ft.², up from \$14.02/ft.² in 2023. Moncton's Class A office space continued to outpace the market as a whole; the vacancy rate for the higher-end spaces finished 2024 at 8.23%.

In Saint John, over a quarter of the rentable office space sat vacant in December 2024. Saint John's office rental market saw a decrease in demand over the past year, with its vacancy rate increasing by 0.53 pp, rising to 25.34% in 2024, up from 24.81% in 2023. Saint John had the highest office vacancy rate amongst New Brunswick's three cities; a spread of 10.66 pp over Moncton's rate, and 12.20 pp over Fredericton's. Saint John's average net rental rate for office space finished 2024 at \$13.51/ft.²; this was lower than the overall net rent in Moncton (\$14.36/ft.²) and Fredericton (\$14.57/ft.²), and represented a decrease to 2023's figure (\$13.73/ft.²).

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 168 office buildings, some as small as 5,000 ft.², with an aggregate rentable area of over 8 million ft.².

About Turner Drake & Partners Ltd.:

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