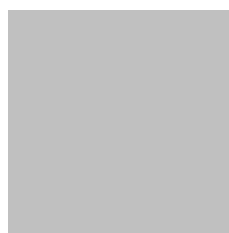
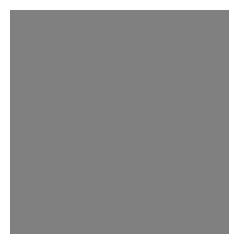


MARKET SURVEY NEW BRUNSWICK OFFICES DECEMBER 2024



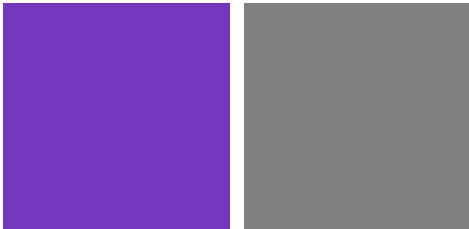
Survey Scope: 168 office buildings
8,088,593 ft.² of rental office space
expert researchers
3 cities



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DECEMBER 2024 MARKET SURVEY

NEW BRUNSWICK OFFICES



Year at a Glance

	Fredericton	Saint John	Moncton
Office Inventory (ft. ²)	2,408,451	2,456,563	3,223,579
Net Absorption (ft. ²)	93,997	-30,200	-104,470
Vacancy Rate	13.14%	25.34%	14.68%
Avg. Net Rent/ft. ²	\$14.57	\$13.51	\$14.36
Avg. RTCAM/ft. ²	\$10.43	\$ 9.24	\$10.31
Avg. Gross Rent/ft. ²	\$25.42	\$22.85	\$25.52

Survey Overview

These surveys included every office building with a total rentable area of 5,000 ft.² or greater, available for rent in New Brunswick's three major cities: Greater Fredericton, Greater Saint John, and Greater Moncton. A team of trained researchers collected rental, operating expense, and vacancy data on 168 buildings, with an aggregate rentable area of 8,088,593 ft.², broken down by city as follows:

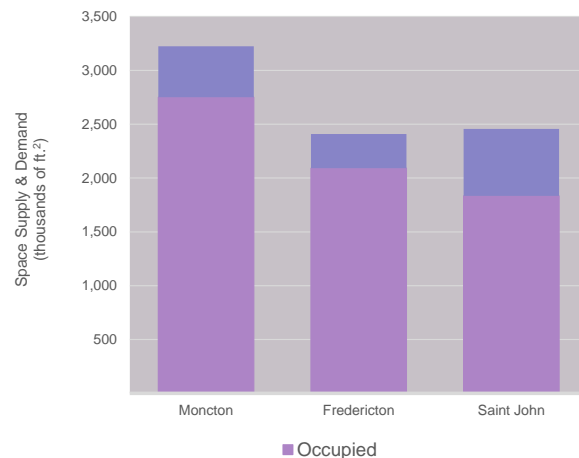
Greater Fredericton: 54 buildings 2,408,451 ft.² GLA

Greater Saint John: 41 buildings 2,456,563 ft.² GLA

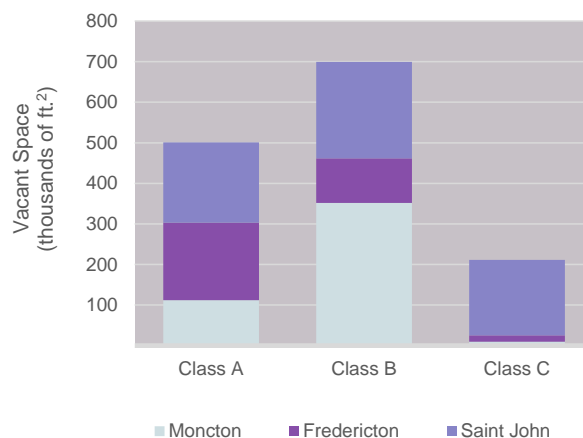
Greater Moncton: 73 buildings 3,223,579 ft.² GLA

The survey successfully collected information on 92% of the rental stock polled. The results flow from what we believe is the most comprehensive survey of office space ever undertaken in New Brunswick.

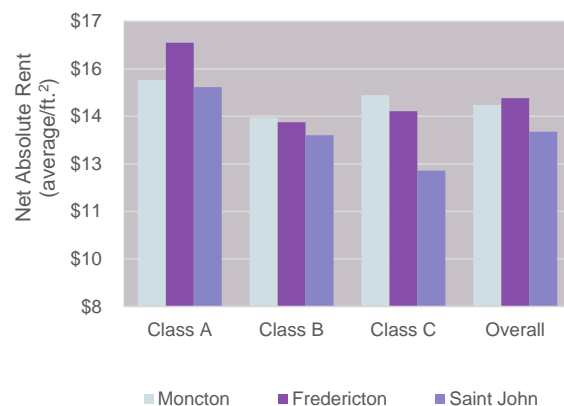
Supply & Demand



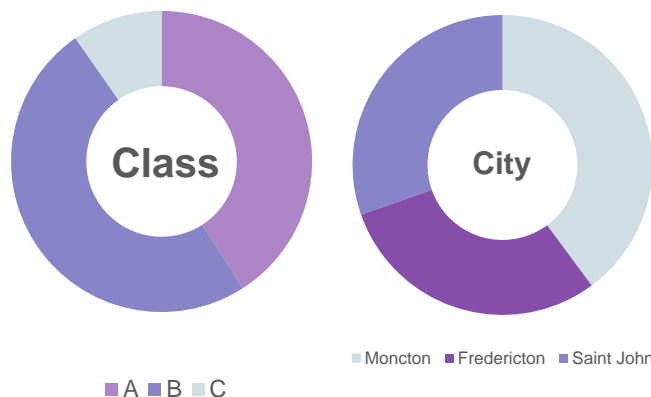
Vacant Space by Class



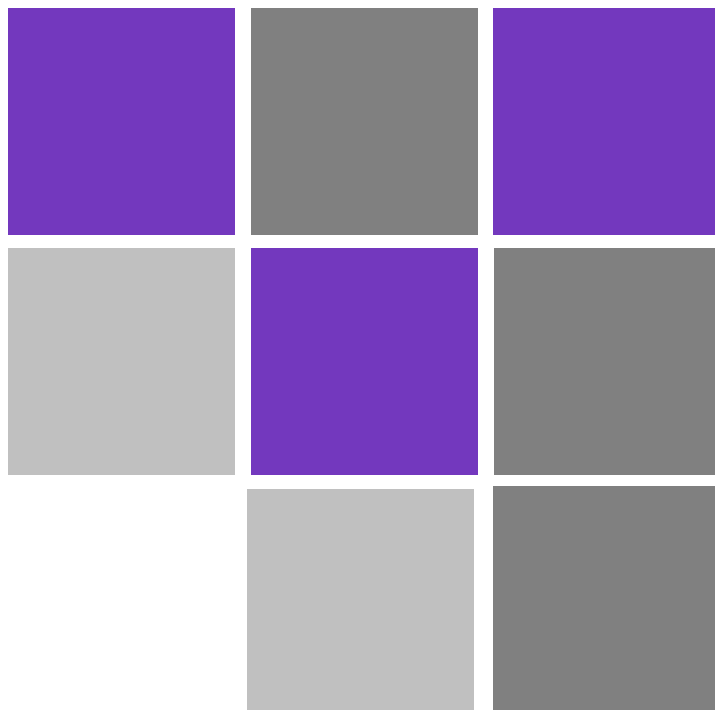
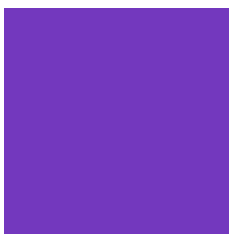
Net Absolute Rent/ft.² by Class



Overall Office Inventory



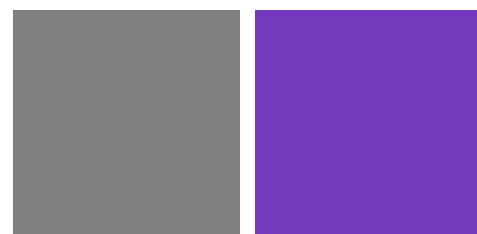
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MARKET SURVEY MONCTON OFFICES DECEMBER 2024



Survey Scope:
73 buildings
3,223,579 ft.² of rental office space
expert researchers



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DECEMBER 2024 MARKET SURVEY MONCTON OFFICES

Year at a Glance

	2023	2024	Change
Office Inventory (ft. ²)	3,331,590	3,223,579	↓ 108,011
Net Absorption (ft. ²)	53,439	(104,470)	↓ 157,909
Vacancy Rate	14.31%	14.68%	↑ 0.37 pp
Avg. Net Rent/ft. ²	\$14.02	\$14.36	↑ 2.43%
Avg. RTCAM/ft. ²	\$10.04	\$10.31	↑ 2.69%
Avg. Gross Rent/ft. ²	\$25.09	\$25.52	↑ 1.71%

Supply & Demand Overview

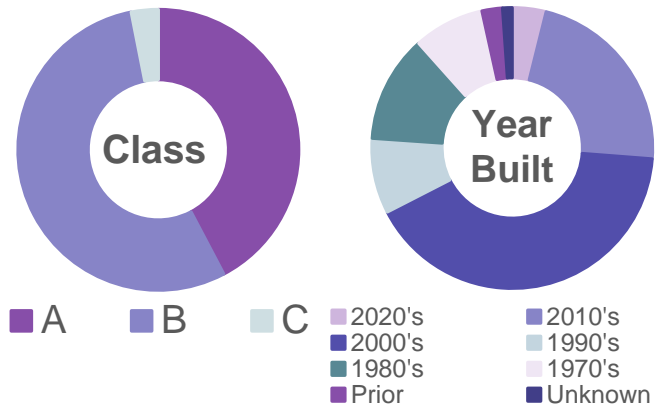
The total amount of rentable office space in Greater Moncton decreased by 3.24% over last year. The overall vacancy rate increased slightly from 14.31% in 2023 to 14.68% in 2024. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP figures indicates that space demand is expected to increase marginally over the next year, and that the vacancy rate is likely to stay in the region of 13.00% to 15.00%.

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 8.23%; Class B 19.98%; Class C 9.32%; Overall 14.68%.

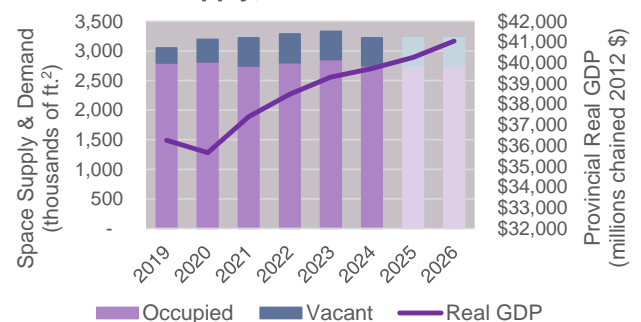
The vacancy rate and net rental rate are inversely correlated: empirical data indicates that generally a falling vacancy rate portends a rising net rental rate, while a rising vacancy rate indicates that net rental rate increases will be moderate or even fall. Current average net absolute rental rates per square foot are: Class A \$15.15; Class B \$13.96; Class C \$14.67; Overall \$14.36.

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Overall Office Inventory



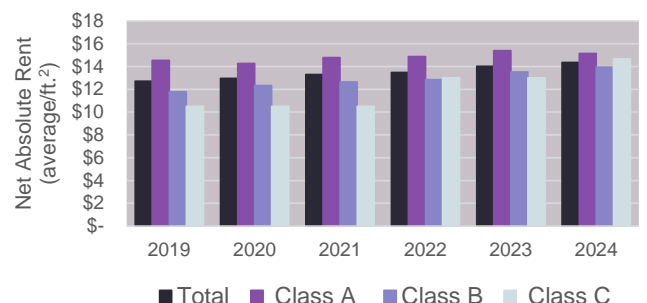
Supply, Demand & GDP



Vacant Space



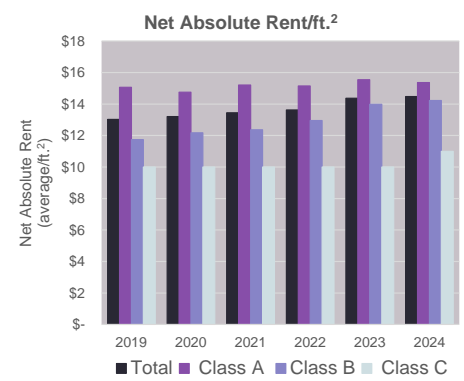
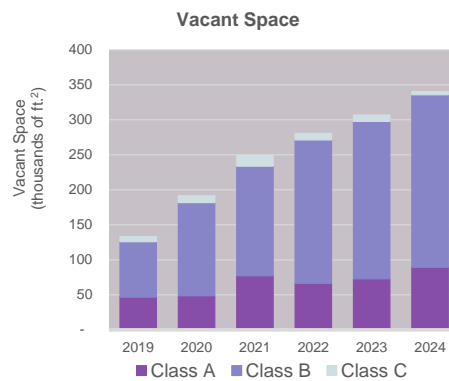
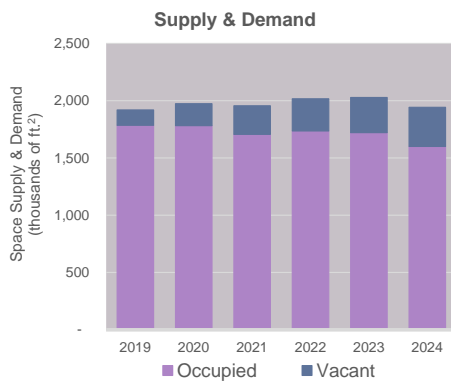
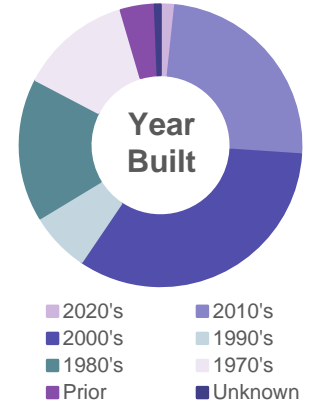
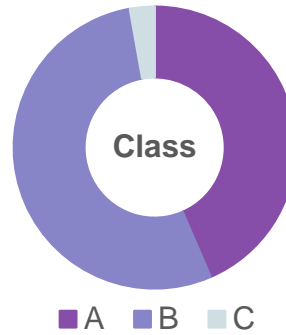
Net Absolute Rent/ft.²



CENTRAL MONCTON

Year at a Glance

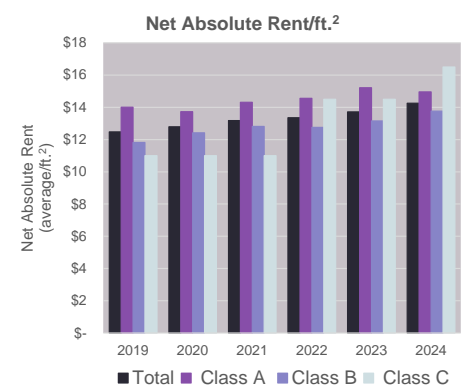
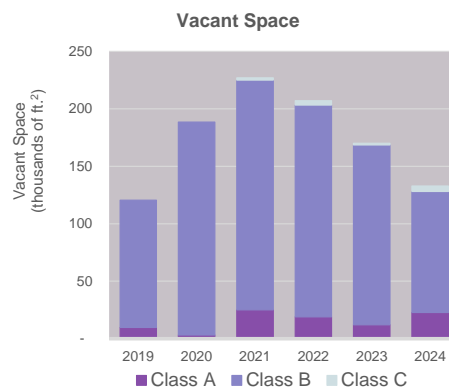
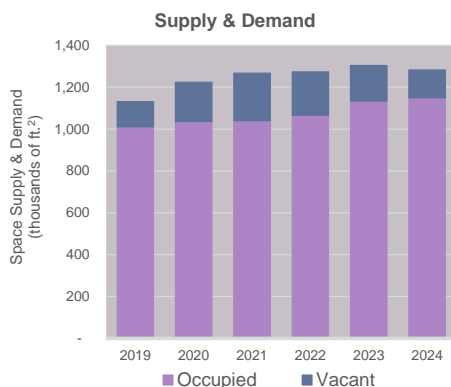
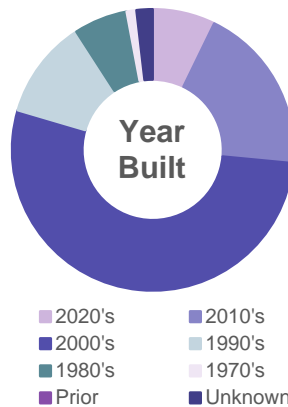
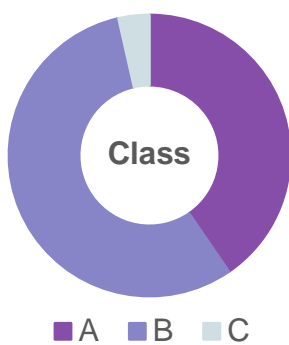
	2023	2024	Change
Office Inventory (ft. ²)	2,028,117	1,941,396	↓ 86,721
Net Absorption (ft. ²)	(13,782)	(120,425)	↓ 106,643
Vacancy Rate	15.12%	17.53%	↑ 2.41 pp
Avg. Net Rent/ft. ²	\$14.37	\$14.48	↑ 0.77%
Avg. RTCAM/ft. ²	\$ 9.68	\$ 9.84	↑ 1.65%
Avg. Gross Rent/ft. ²	\$25.79	\$25.82	↑ 0.12%

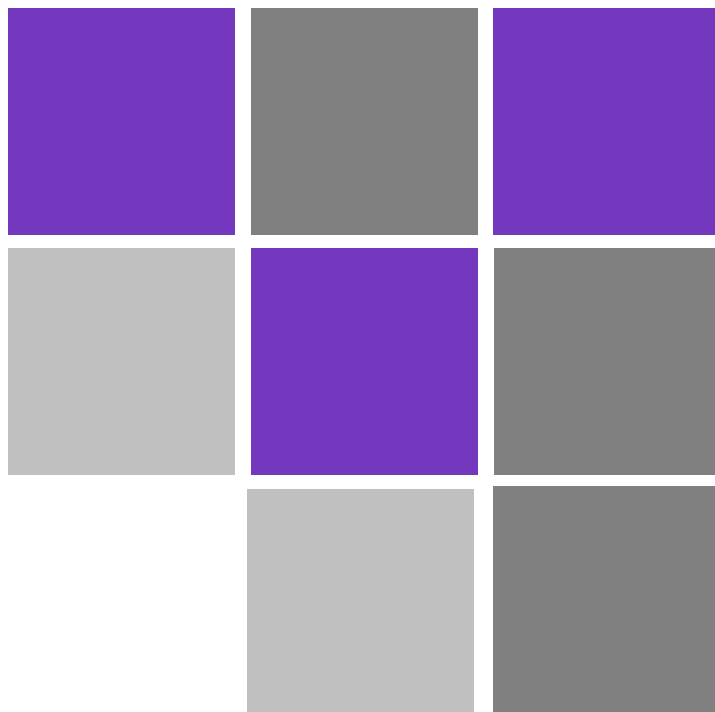
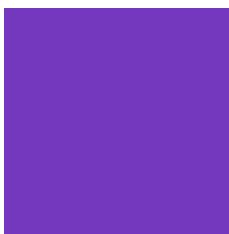


MONCTON PERIPHERAL

Year at a Glance

	2023	2024	Change
Office Inventory (ft. ²)	1,303,473	1,282,183	↓ 21,290
Net Absorption (ft. ²)	67,221	15,955	↓ 51,266
Vacancy Rate	13.05%	10.36%	↓ 2.69 pp
Avg. Net Rent/ft. ²	\$13.72	\$14.25	↑ 3.86%
Avg. RTCAM/ft. ²	\$10.44	\$10.80	↑ 3.45%
Avg. Gross Rent/ft. ²	\$24.47	\$25.26	↑ 3.23%





MARKET SURVEY FREDERICTON OFFICES DECEMBER 2024

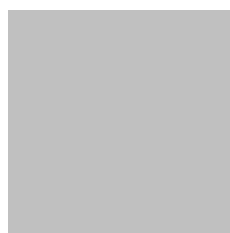
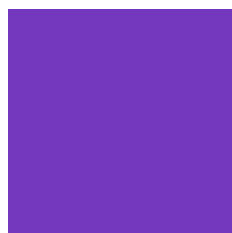


Survey Scope:

54 buildings

2,408,451 ft.² of rental office space

expert researchers



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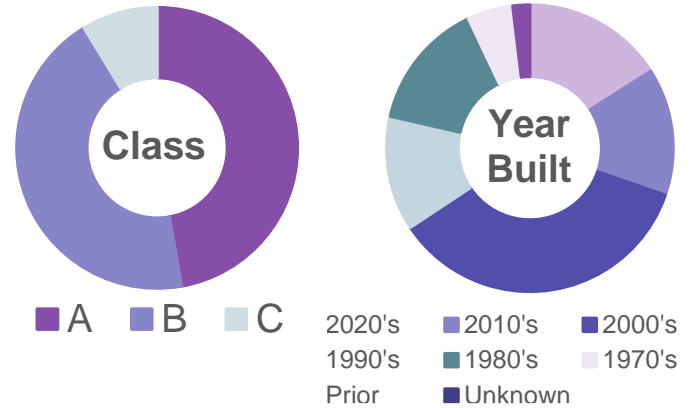


DECEMBER 2024 MARKET SURVEY FREDERICTON OFFICES

Year at a Glance

	2023	2024	Change
Office Inventory (ft. ²)	2,425,595	2,408,451	↓ 17,144
Net Absorption (ft. ²)	11,903	93,997	↑ 82,094
Vacancy Rate	17.63%	13.14%	↓ 4.49 pp
Avg. Net Rent/ft. ²	\$14.57	\$14.57	↔ - - -
Avg. RTCAM/ft. ²	\$10.49	\$10.43	↓ 0.57%
Avg. Gross Rent/ft. ²	\$25.48	\$25.42	↓ 0.24%

Overall Office Inventory



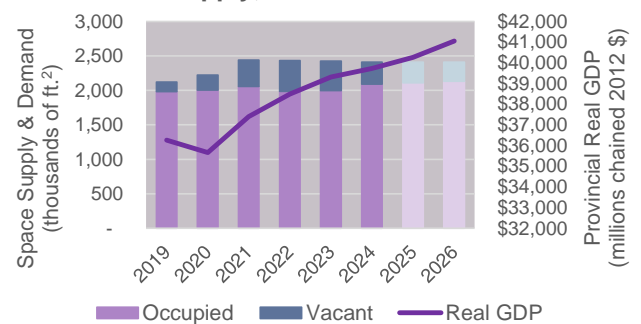
Supply & Demand Overview

The total amount of rentable office space in Greater Fredericton experienced a slight decrease of 0.71% compared to 2023. The overall vacancy rate decreased from 17.63% in 2023 to 13.14% 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 12.00% to 14.00%.

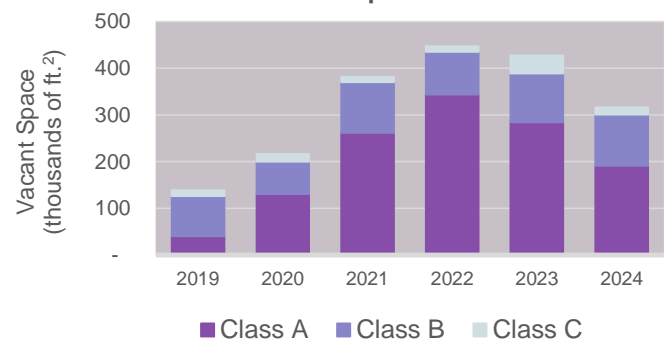
Our survey measured vacancy and rental rates by class of building. Class A buildings command the highest rents in their community and have distinctive design and lobbies. Class B buildings offer “no frills” modern, air conditioned space. Class C buildings make up the remainder of the office rental market. The current vacancy rates by class are: Class A 16.79%; Class B 10.32%; Class C 7.65%; Overall 13.14%.

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 \$16.32; Class B \$13.81; Class C \$14.16; Overall \$14.57.

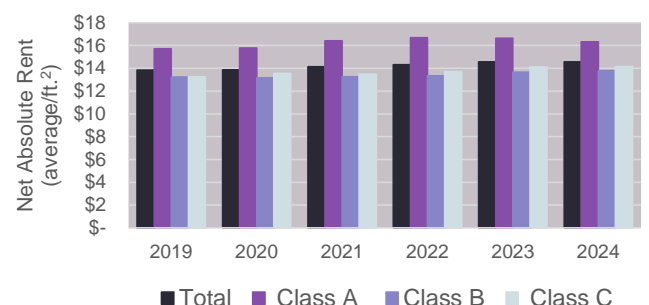
Supply, Demand & GDP



Vacant Space



Net Absolute Rent/ft.²

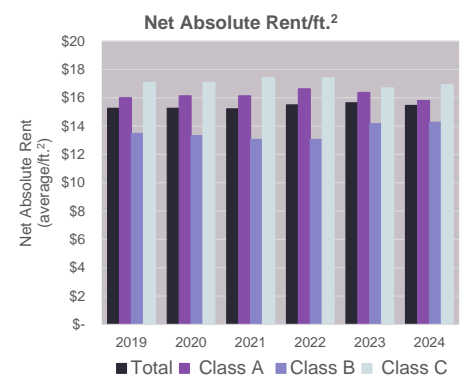
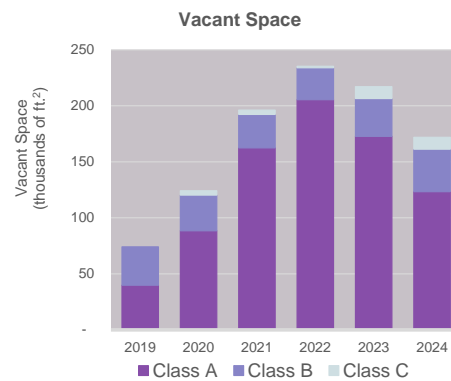
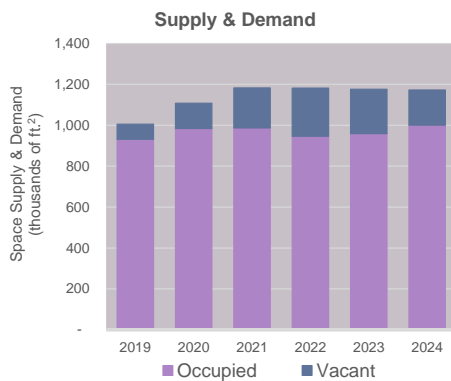
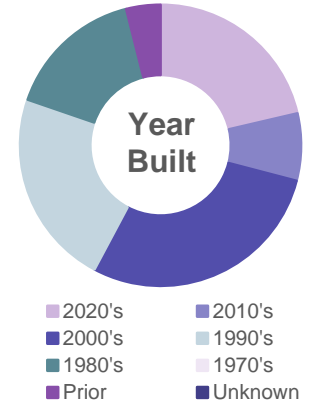
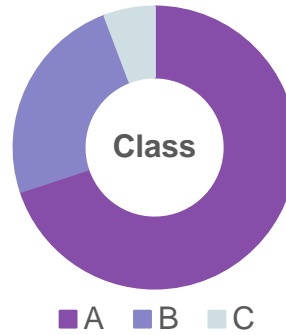


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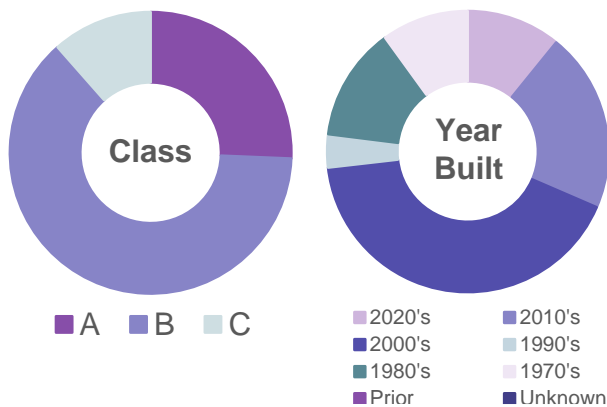
CENTRAL FREDERICTON

Year at a Glance

	2023	2024	Change
Office Inventory (ft. ²)	1,176,347	1,172,250	↓ 4,097
Net Absorption (ft. ²)	12,623	41,108	↑ 28,485
Vacancy Rate	18.45%	14.66%	↓ 3.79 pp
Avg. Net Rent/ft. ²	\$15.65	\$15.46	↓ 1.21%
Avg. RTCAM/ft. ²	\$ 9.87	\$ 9.84	↓ 0.30%
Avg. Gross Rent/ft. ²	\$26.14	\$25.98	↓ 0.61%

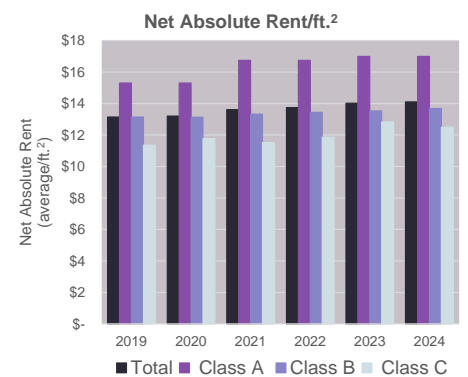
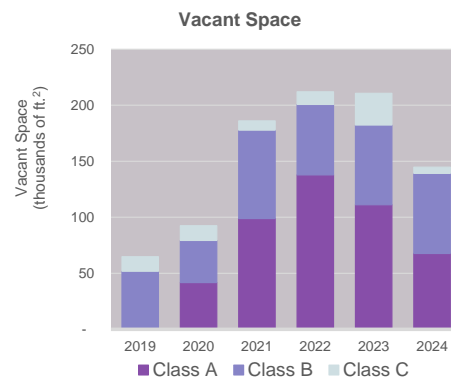
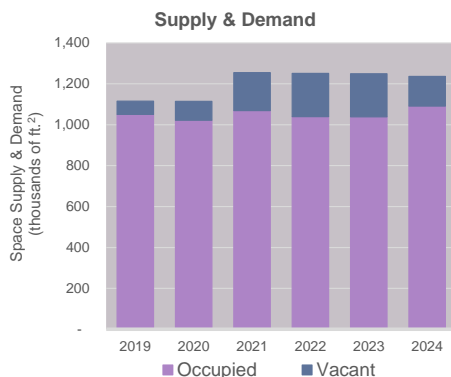



FREDERICTON PERIPHERAL



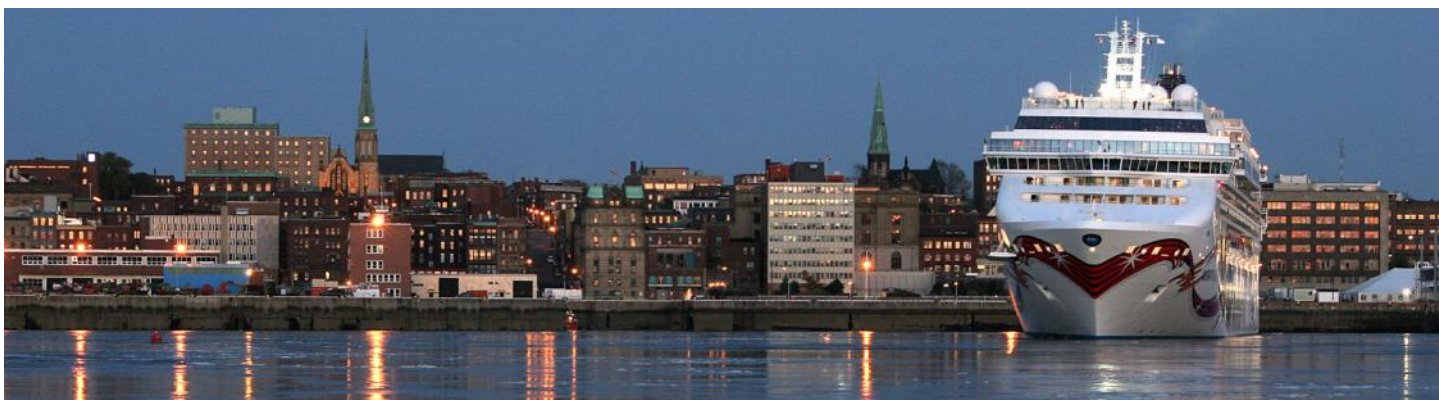
Year at a Glance

	2023	2024	Change
Office Inventory (ft. ²)	1,249,248	1,236,201	↓ 13,047
Net Absorption (ft. ²)	(720)	52,889	↑ 53,609
Vacancy Rate	16.86%	11.70%	↓ 5.16 pp
Avg. Net Rent/ft. ²	\$14.02	\$14.11	↑ 0.64%
Avg. RTCAM/ft. ²	\$10.82	\$10.76	↓ 0.55%
Avg. Gross Rent/ft. ²	\$25.14	\$25.14	↔ ---





MARKET SURVEY SAINT JOHN NB OFFICES DECEMBER 2024



Survey Scope:

41 buildings

2,456,563 ft.² of rental office space

expert researchers



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DECEMBER 2024 MARKET SURVEY SAINT JOHN NB OFFICES

Year at a Glance

	2023	2024	Change
Office Inventory (ft. ²)	2,479,532	2,456,563	↓ 22,969
Net Absorption (ft. ²)	44,552	(30,200)	↓ 74,752
Vacancy Rate	24.81%	25.34%	↑ 0.53 pp
Avg. Net Rent/ft. ²	\$13.73	\$13.51	↓ 1.60%
Avg. RTCAM/ft. ²	\$ 8.65	\$ 9.24	↑ 6.82%
Avg. Gross Rent/ft. ²	\$22.27	\$22.85	↑ 2.60%

Supply & Demand Overview

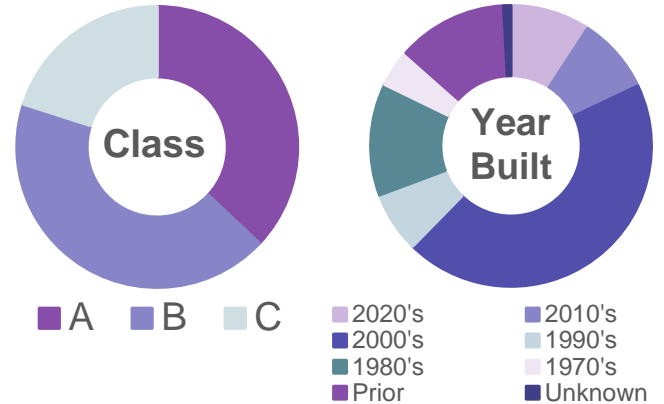
The total amount of rentable office space in Saint John decreased slightly by 0.93% over last year. The overall vacancy rate increased from 24.81% in 2023 to 25.34% in 2024. The key driver of space demand is the growth in the provincial real (deflated) Gross Domestic Product. Our analysis of GDP figures indicates that space demand is expected to decrease marginally, and that the vacancy rate is projected to increase, staying in the region of 24.00% to 26.00%.

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 21.77%; Class B 22.60%; Class C 37.76%; Overall 25.34%.

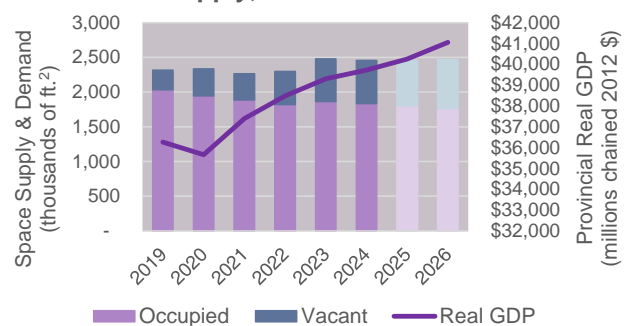
The vacancy rate and net rental rate are inversely correlated: empirical data indicates that generally a falling vacancy rate portends a rising net rental rate, while a rising vacancy rate indicates that net rental rate increases will moderate or even fall. Current average net absolute rental rates per square foot are: Class A \$14.92; Class B \$13.40; Class C \$12.29; Overall \$13.51.

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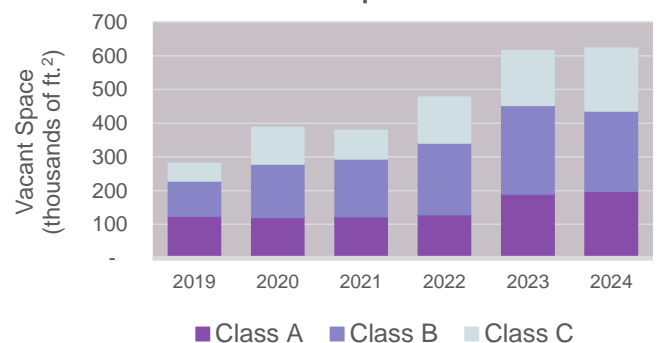
Overall Office Inventory



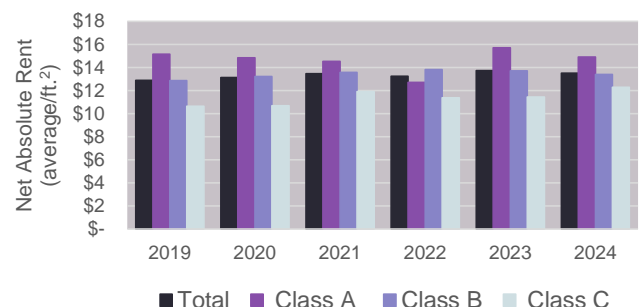
Supply, Demand & GDP



Vacant Space



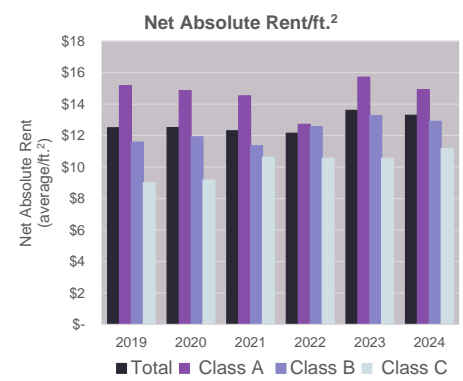
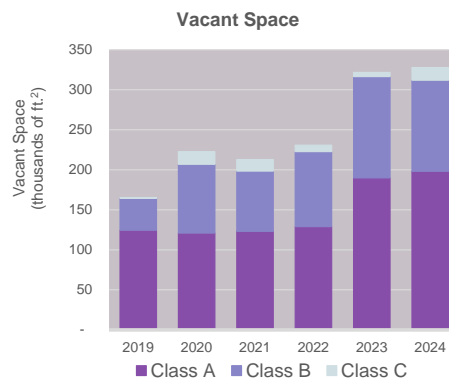
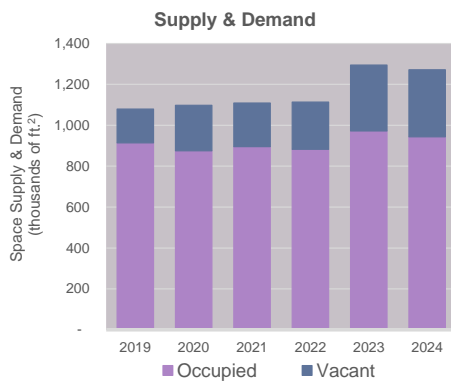
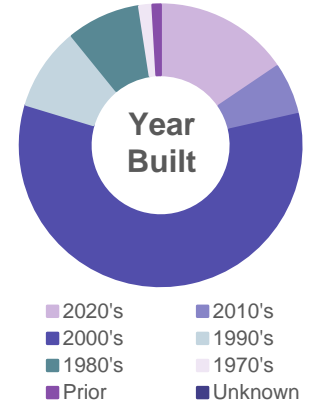
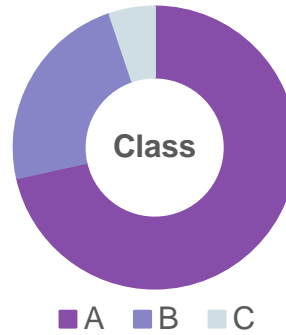
Net Absolute Rent/ft.²



UPTOWN SAINT JOHN

Year at a Glance

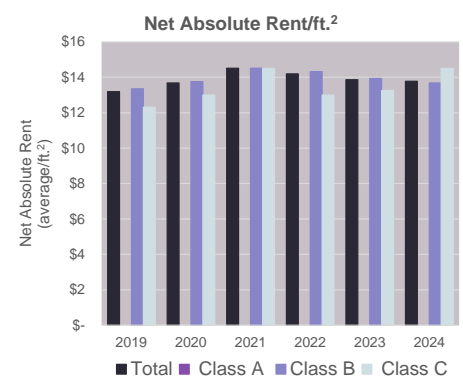
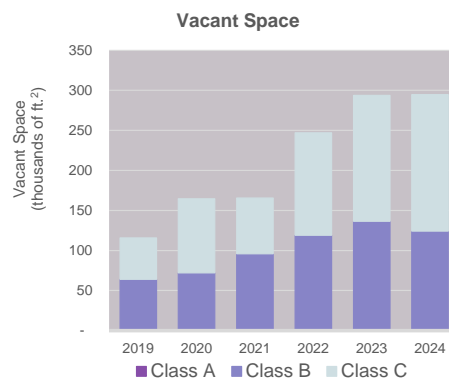
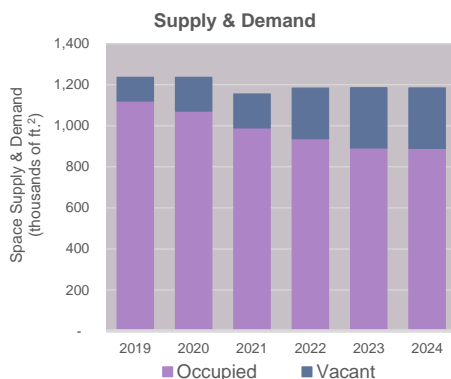
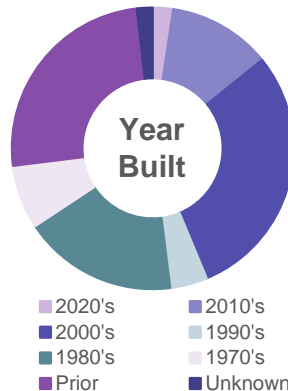
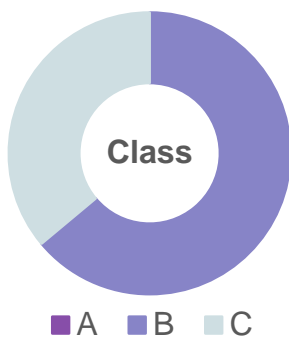
	2023	2024	Change
Office Inventory (ft. ²)	1,294,099	1,271,648	↓ 22,451
Net Absorption (ft. ²)	89,643	(28,668)	↓ 118,311
Vacancy Rate	24.85%	25.78%	↑ 0.93 pp
Avg. Net Rent/ft. ²	\$13.60	\$13.29	↓ 2.28%
Avg. RTCAM/ft. ²	\$ 9.09	\$10.08	↑ 10.89%
Avg. Gross Rent/ft. ²	\$22.87	\$23.37	↑ 2.19%



PERIPHERAL SAINT JOHN

Year at a Glance

	2023	2024	Change
Office Inventory (ft. ²)	1,185,433	1,184,915	↓ 518
Net Absorption (ft. ²)	(45,091)	(1,532)	↑ 43,559
Vacancy Rate	24.77%	24.87%	↑ 0.10 pp
Avg. Net Rent/ft. ²	\$13.86	\$13.78	↓ 0.58%
Avg. RTCAM/ft. ²	\$ 8.23	\$ 8.52	↑ 3.52%
Avg. Gross Rent/ft. ²	\$21.63	\$22.27	↑ 2.96%



DECEMBER 2024 MARKET SURVEY

NEW BRUNSWICK OFFICES

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 classified as “A” or “B”.

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).

ONE TEAM: SEVEN AREAS OF EXPERTISE

PROPERTY TAX



GISSELLE KAKAMOUSIAS
B.Comm, DULE, MRICS, AACI
Vice President

COUNSELLING



LEE WEATHERBY
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ECONOMIC INTELLIGENCE



JIGME CHOERAB
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PLANNING



NEIL LOVITT
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Development Appraisal
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Municipal Background
Studies

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