

NEW BRUNSWICK INDUSTRIAL

Economic Indicators

	Q1 16	Q1 17	12-Month Forecast
NB Employment	346K	352K	▲
NB Unemployment	9.3%	8.9%	▼
Canadian Unemployment	7.3%	6.7%	▼

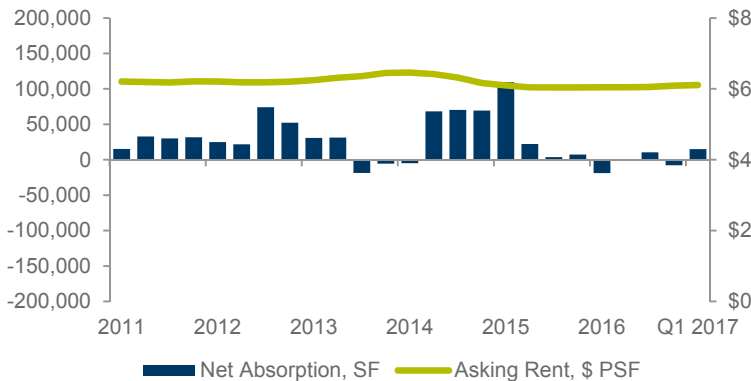
Market Indicators

	Q1 16	Q1 17	12-Month Forecast
Overall Vacancy	16.3%	16.8%	▲
Net Absorption (sf)	(20,523)	70,689	▼
Under Construction (sf)	0	0	■
Overall Average Asking Rent*	\$6.06	\$6.14	▲

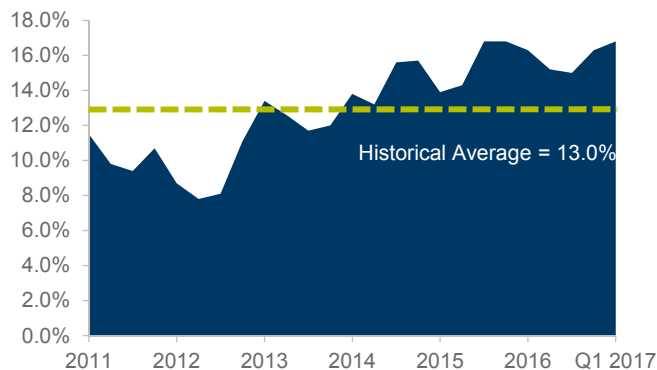
*Rental rates reflect net asking \$psf/year

Net Absorption/Overall Asking Rent

4Q TRAILING AVERAGE



Overall Vacancy



Economy

According to RBC Economics, New Brunswick's economy seems to be back on track and is aiming for a turnaround this year after the mining industry had been set back due to the closure of the Potash mine. After a sluggish last couple of months, non-residential construction in New Brunswick is expected to strengthen this year due to a small increase in institutional and commercial construction (TD Economics). As the Caribou mine ramps up, TD Economics expects this will contribute to a boost in the mining output. Although other economic sectors including exports, investment, and government spending remain dim, New Brunswick is expecting economic growth to accelerate to 0.6% this year after an estimated zero growth (0.0%) in 2016 (RBC Economics).

Market Overview

New Brunswick's Industrial market saw an increase in the overall vacancy rate from Q4 2016 to Q1 2017, climbing from 16.3% to 16.8%. The Moncton Industrial Park submarket continues to have the highest vacancy rate in the province, posting an overall vacancy rate of 23.6%, a small increase from the Q4 16 vacancy rate of 23.3%. There were a few notable changes in the overall Moncton market, in buildings located in the Moncton Industrial Park. The first at 419 Edinburgh Drive and the other at 150 Henri Dunant. The current tenant at 419 Edinburgh Drive is GCR Tire Centres. Atlantic Commercial Properties has this 19,000-sf building listed for lease as GCR Tire Centres will be leaving this space once the landlord secures a new tenant. At 150 Henri Dunant a tenant vacated 30,000 square feet (sf), leaving a total of 50,000 sf currently vacant in the building. For the Fredericton market, there was an increase from last quarter's 10.3% vacancy rate to 12.8% in Q1 17. In Saint John, the overall vacancy rate climbed substantially from 8.8% to 13.8%, as an additional 23,000 sf of space came on the market.

Outlook

RBC Economics is expecting 2017 to be a year of growth for New Brunswick, forecasting employment gains of 0.4% this year and 0.3% in 2018. In addition to this the construction sector is expected to strengthen as major projects break ground later this year (The Conference Board of Canada).

MARKETBEAT

New Brunswick

Industrial Q1 2017


 CELEBRATING
100
 YEARS

SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	TOTAL VACANT SPACE (SF)	OVERALL VACANCY RATE	CURRENT NET OVERALL ABSORPTION (SF)	YTD NET OVERALL ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	DIRECT WEIGHTED AVG. NET RENT*	DIRECT WEIGHTED AVG. ADD RENT	DIRECT WEIGHTED AVG. GROSS RENT
Greater Moncton	8	444,978	17,100	3.8%	0	0	0	0	\$6.16	\$3.00	\$9.16
Moncton Industrial Park	44	2,228,158	525,468	23.6%	(5,428)	(5,428)	0	0	\$5.53	\$3.14	\$8.68
Dieppe Industrial Park	17	546,429	74,306	13.6%	(1,369)	(1,369)	0	0	\$7.03	\$3.37	\$10.39
Caledonia Industrial Park	18	1,069,232	136,472	12.8%	112,134	112,134	0	0	\$5.99	\$2.77	\$8.76
MONCTON TOTALS	87	4,288,797	753,346	17.6%	105,337	105,337	0	0	\$5.89	\$3.10	\$8.99
Greater Fredericton	3	132,310	10,050	7.6%	(6,600)	(6,600)	0	0	\$8.18	\$3.93	\$12.11
Fredericton Industrial Park	12	331,615	49,464	14.9%	(5,248)	(5,248)	0	0	\$7.22	\$5.15	\$12.37
FREDERICTON TOTALS	15	463,925	59,514	12.8%	(11,848)	(11,848)	0	0	\$7.50	\$4.80	\$12.30
SAINT JOHN TOTALS	12	453,031	62,670	13.8%	(22,800)	(22,800)	0	0	\$6.88	\$4.02	\$10.90
NEW BRUNSWICK TOTALS	114	5,205,753	875,530	16.8%	70,689	70,689	0	0	\$6.14	\$3.36	\$9.50

*Rental rates reflect asking \$psf/year

Key Lease Transactions Q1 2017

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
n/a				

Key Sales Transactions Q1 2017

PROPERTY	SF	SELLER/BUYER	PRICE / \$PSF	SUBMARKET
47 Industrial Street	18,300 SF/ 1.61 acres	IC Property Services Inc.	Undisclosed	Dieppe
91 English Drive	2.6 acres	Organigram Inc.	Undisclosed	Moncton

Cushman & Wakefield
 32 Alma Street
 Moncton, NB E1C 4Y1
www.cushmanwakefield.com

For more information, contact:
 Meaghan MacDougall, Research
 & Sales Coordinator
 Tel: +1 902 334 2169
mmacdougall@cwatlantic.com

About Cushman & Wakefield

Cushman & Wakefield is a leading global real estate services firm that helps clients transform the way people work, shop, and live. The firm's 43,000 employees in more than 60 countries provide deep local and global insights that create significant value for occupiers and investors around the world. Cushman & Wakefield is among the largest commercial real estate services firms with revenue of \$5 billion across core services of agency leasing, asset services, capital markets, facility services (C&W Services), global occupier services, investment & asset management (DTZ Investors), project & development services, tenant representation, and valuation & advisory. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

Copyright © 2017 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources considered to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.