

MARKETBEAT INDUSTRIAL SNAPSHOT



NEW BRUNSWICK

A Cushman & Wakefield Alliance Research Publication

Q2 2013



ECONOMIC OVERVIEW

The economic indicators previously published by RBC and TD Economics are proving to be accurate in respect to the slowing of provincial activity in the latter part of 2012 being short lived. There are now indications that the long-awaited export recovery is beginning to take shape in several provinces with New Brunswick being no exception as the forecasted GDP rate increase of 0.8% for New Brunswick still looks promising.

INDUSTRIAL MARKET OVERVIEW

There was a slight decrease in the overall vacancy in New Brunswick this quarter to 12.6%. This was mainly due to leasing activity in the Dieppe Industrial Park as it is becoming the choice destination for more companies given the amenities these newer properties have to offer. Moncton, Fredericton and Saint John have all seen a significant increase in overall vacancy on a year-over-year basis. The highest increase was seen in the Saint John market as vacancy climbed from 12.5% in 2012 to 22.5% in 2013. However, the small number of third party leased properties in that market makes the impact seem more prolific on a percentage basis.

Asking rents have not seen a mentionable increase from the previous quarter. The highest increase in asking rents compared to 2012 has been in the Moncton market, with an increase of 6%. This is mainly due to the new expansion of the Moncton Industrial Park.

OUTLOOK

The recent 150 acre expansion of the Dieppe Industrial Park will increase business growth, with the main activity zones being industrial, business and technology, light industrial, aerospace, and finally transportation and distribution. Half of this land has already been sold for development.

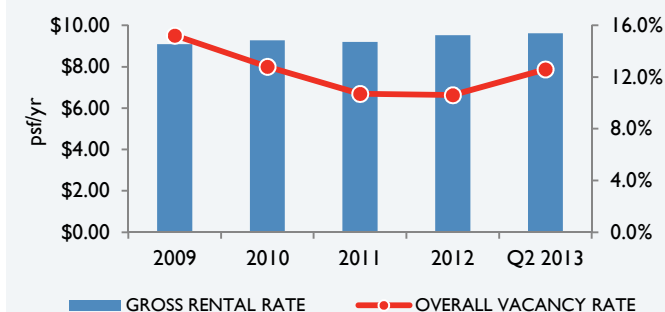
The Caledonia Industrial Park has also seen significant growth in recent years with a variety of business expansions and new facilities which have added approximately 100,000 square feet (sf) to this park. There has also been notable growth on the Harrisville Blvd. entry to the Caledonia Park. Kent Building Supplies are in the process of having a new store and warehouse built, and a new Marriott Hotel is

also opening this month. Next quarter it is expected that many additional projects will be announced for the area.

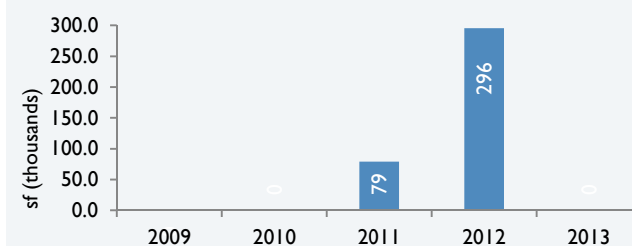
STATS ON THE GO

	Q2 2012	Q2 2013	Y-O-Y CHANGE	12 MONTH FORECAST
Overall Vacancy	7.8%	12.6%	4.8pp	▲
Direct Net Asking Rents (psf/yr)	\$6.15	\$6.42	4.4%	▲
YTD Absorption (sf)	42,263	(41,874)	-84,137	▼

RENTAL VS. VACANCY RATES



NEW SUPPLY



NEW BRUNSWICK

SUBMARKET	INVENTORY	OVERALL VACANCY RATE	UNDER CONSTRUCTION	YTD CONSTRUCTION COMPLETIONS	CURRENT QUARTER ABSORPTION	YTD OVERALL ABSORPTION	WTD. AVG. NET ASKING RENTAL RATE*	WTD. AVG. ADDITIONAL RENTAL RATE*	WTD. AVG. GROSS RENTAL RATE*
Greater Moncton	419,725	12.0%			11,200	19,424	\$5.37	\$2.94	\$8.31
Moncton Industrial Park	2,090,694	11.1%			(12,350)	(13,449)	\$6.01	\$2.86	\$8.86
Dieppe Industrial Park	456,391	1.2%			22,107	41,666	\$7.30	\$3.24	\$10.54
Caledonia Industrial Park	471,194	23.6%			22,793	(92,100)	\$6.46	\$3.03	\$9.50
Moncton	3,438,004	11.6%			43,750	(44,459)	\$6.20	\$2.93	\$9.13
Greater Fredericton	132,310	0.0%			0	0	\$7.58	\$3.12	\$10.70
Fredericton Industrial Park	331,615	14.4%			(6,419)	2,835	\$7.38	\$5.05	\$12.43
Fredericton	463,925	10.3%			(6,419)	2,835	\$7.44	\$4.48	\$11.91
Saint John	433,031	22.5%			(1,250)	(250)	\$6.65	\$3.50	\$10.15
TOTALS	4,334,960	12.6%			36,081	(41,874)	\$6.42	\$3.20	\$9.62

* RENTAL RATES REFLECT ASKING \$PSF/YEAR

MARKET HIGHLIGHTS

Significant Q2 2013 Lease Transactions	SUBMARKET	TENANT	BUILDING TYPE	SQUARE FEET
80 Driscoll Cres.	Moncton	Missing Link Technologies	B	6,750
377 Baig Blvd.	Moncton	1004464 Pl Inc.	B	3,040
6 McIlveen Drive	Saint John	Amspec Services	B	2,400
31 Mark Ave.	Moncton	Greenpoint Lawn Care	B	1,606
Significant Q2 2013 Sale Transactions	SUBMARKET	BUYER	PURCHASE PRICE / \$PSF	SQUARE FEET
325 Baig Blvd.	Moncton	664665 NB Inc.	\$350,000 / \$109	3,200
Significant Q2 2013 Construction Completions	SUBMARKET	MAJOR TENANT	COMPLETION DATE	BUILDING SQUARE FEET
N/A				
Significant Projects Under Construction	SUBMARKET	MAJOR TENANT	COMPLETION DATE	BUILDING SQUARE FEET
N/A				