

ST. JOHN'S INDUSTRIAL

Economic Indicators

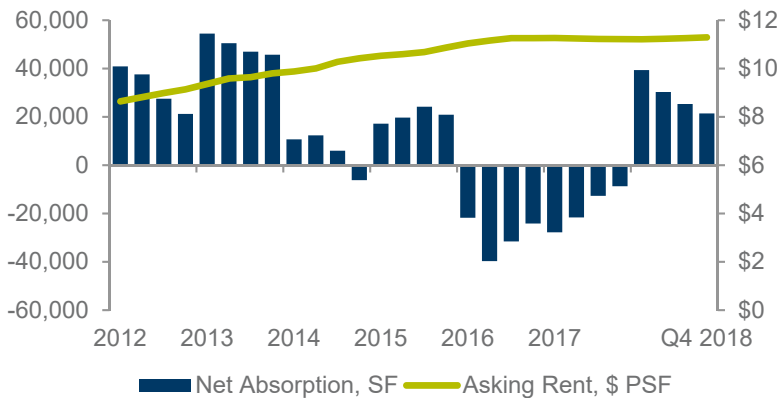
	Q4 17	Q4 18	12-Month Forecast
St. John's Employment	110k	111k	▼
St. John's Unemployment	8.2%	9.1%	▲
Canada Unemployment	5.7%	5.6%	■

Market Indicators (Overall, All Classes)

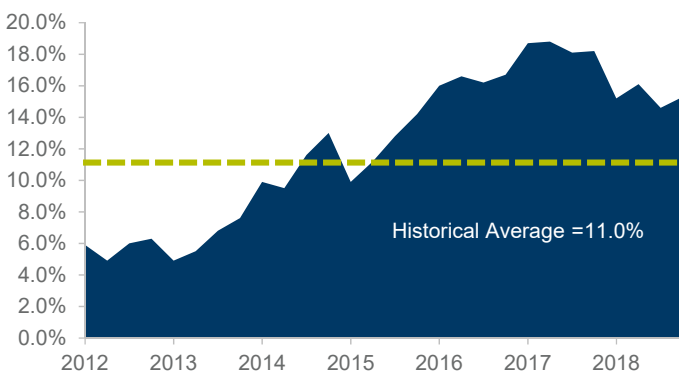
	Q4 17	Q4 18	12-Month Forecast
Overall Vacancy	18.2%	15.3%	■
Net Absorption (sf)	-1,671	-17,920	▼
Under Construction (sf)	20,000	50,000	■
Average Asking Rent*	\$11.21	\$11.33	▼

*Rental rates reflect net asking \$psf/year

Overall Net Absorption/Overall Asking Rent 4Q TRAILING AVERAGE



Overall Vacancy



Economy

Newfoundland and Labrador received a record number of bids for offshore exploration licenses, totaling \$1.38 billion. This total included a record single bid from BHP Billiton Petroleum in the amount of \$621 million. Equinor and partners were the successful bidders for three new parcels in the Jeanne D'Arc basin.

According to the provincial economic update released in November 2018, there were several economic indicators that had more positive results than were expected, including an unemployment rate that has declined from 2017 with further declines expected in 2019. Capital investment is expected to rebound in 2019 as West White Rose and Voisey's Bay underground mines ramp up development. Capital investment in 2019 is projected at close to \$11 billion. In 2013, at the peak of development of several mega projects, capital investment (in today's dollars) was \$11.5 billion.

(Source: Gov't of NL)

Market Overview

In the city of Mount Pearl where several industrial business parks are located, including Donovan's, Beclin and Kenmount, are expected to offset increases in commercial property assessments by reducing business tax rates by 4% as outlined in the city's 2019 budget. This reduces the general commercial mil rate from 17.5% to 16.8%. Additionally, commercial property tax rates will also be reduced by 4% across the board. City council have also proposed a scaled taxation program that will get underway in 2019 in an effort to attract start up businesses.

82 Clyde Avenue in Donovans Industrial Park, a small building on a large lot, sold to a holding company for Complete Concrete Solutions.

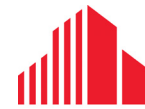
Outlook

When possible, local firms will continue their acquisition of existing buildings for owner occupation. Where it is feasible, buildings will be re-positioned as affordable retail space.

MARKETBEAT

ST. JOHN'S, NL

Industrial Q4 2018



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SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	OVERALL VACANT SPACE (SF)	OVERALL VACANCY RATE	CURRENT NET OVERALL ABSORPTION (SF)	YTD NET OVERALL ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVE. NET RENT*	OVERALL WEIGHTED AVE. ADD. RENT	OVERALL WEIGHTED AVE. GROSS RENT
EAST	8	225,870	29,059	12.9%	-3,351	-2,879	0	0	\$11.47	\$4.24	\$15.71
WEST	4	147,345	31,000	21.0%	0	-10,000	0	0	\$8.87	\$2.84	\$11.71
DOWNTOWN	5	140,951	24,500	17.4%	0	0	0	0	\$13.27	\$4.91	\$18.91
NORTH	37	745,947	102,058	13.7%	-8,939	-13,213	0	0	\$11.04	\$4.11	\$15.15
MOUNT PEARL/PARADISE	105	2,502,541	389,694	15.6%	-5,000	111,614	50,000	0	\$11.35	\$2.88	\$14.23
ST. JOHN'S TOTALS	159	3,762,654	576,311	15.3%	-17,920	85,522	50,000	0	\$11.33	\$ 3.28	\$ 14.62

*Rental rates reflect asking \$psf/year

Key Lease Transactions Q4 2018

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET

Key Sales Transactions Q4 2018

PROPERTY	SF	SELLER/BUYER	PRICE / \$PSF	SUBMARKET
82 Clyde Avenue		Sooley Accounting & Consulting / 82 Clyde Avenue Holdings	\$925,000 / \$165	Mt. Pearl/Paradise

Cushman & Wakefield
49-55 Elizabeth Avenue, Suite
302 P.O. Box 1135
St. John's, NL A1C 5M5
cushmanwakefield.com

For more information, contact:
Joanne Earle, Research/Commercial
Sales & Leasing
Tel: +1 709 576 3777
jearle@cwatlantic.com

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