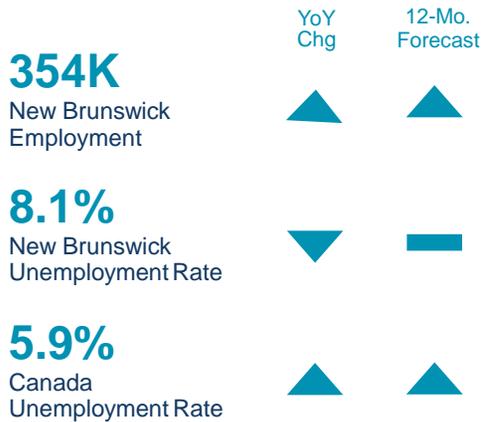


## Industrial Q4 2019



Overall, Net Asking Rent

### ECONOMIC INDICATORS Q4 2019



Source: Statistics Canada

### ECONOMIC OVERVIEW

New Brunswick's economy is expected to get a boost in 2020 with a projected 1.0% annual GDP increase, up from the 0.7% growth in 2019. Output of refined oil products has been on the rise ever since the Irving Oil Refinery explosion. Exports of forestry products have slowed due to U.S. tariffs and the unclear future of softwood lumber exports going forward. Annual population growth has risen by 0.7% year-over-year due in large part to the government's growth plan to attract and retain immigrants. Employment has grown by 0.7%; however, much of this growth is being contributed to a rise in part-time employment, with the unemployment rate for the province at 8.1%. Housing activity has continued to benefit from affordable housing and strong population gains, and as a result, brisk resale activity is expected to continue in 2020.

(Sources: Statistics Canada, RBC, TD Economics)

### SUPPLY AND DEMAND

New Brunswick's industrial vacancy rate dropped to 11.7% in the fourth quarter of 2019 from 12.4% the previous quarter. Moncton saw its overall vacancy rate rise by 100 basis points (bps) from 12.4% in the third quarter of 2019 to 13.4% this quarter. This increase can be partly contributed to the 119,209 square feet (sf) of space vacated at 615 and 653 St. George Boulevard in the Moncton Industrial Park. A 12.1% vacancy rate decrease from last quarter was observed in the Saint John market, with the current vacancy rate now 1.2%. A contributing factor to this decline was 29,700 sf of space at 79 McIlveen Drive being taken off the market. The Fredericton market vacancy rate fell from 11.2% to 5.0% quarter-over-quarter, due in large part to 11,000 sf of space being occupied at 559 Wilsey Road.

### PRICING

Industrial market overall asking rents remained unchanged at \$6.17 per square foot (psf). Saint John saw a modest change in asking rents, decreasing from \$7.08 psf last quarter to \$7.05 psf for the fourth quarter of 2019. All other markets remained the same as no changes in asking rents were observed for the fourth quarter of 2019.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & NET ASKING RENT



## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT	OVERALL WEIGHTED AVG . ADD. RENT	OVERALL WEIGHTED AVG GROSS RENT
Greater Moncton	469,978	27,126	5.8%	273	8,023	0	0	\$5.88	\$2.86	\$8.74
Moncton Industrial Park	2,291,182	356,766	15.6%	-119,209	122,599	0	0	\$5.49	\$3.17	\$8.66
Dieppe Industrial Park	546,229	12,670	2.3%	1,800	8,867	0	0	\$7.04	\$3.41	\$10.44
Caledonia Industrial Park	1,069,232	257,149	17.9%	71,582	118,713	0	0	\$6.54	\$2.84	\$9.38
<b>MONCTON TOTALS</b>	<b>4,376,621</b>	<b>588,111</b>	<b>13.4%</b>	<b>-45,554</b>	<b>258,202</b>	<b>0</b>	<b>0</b>	<b>\$5.92</b>	<b>\$3.11</b>	<b>\$9.03</b>
Greater Fredericton	132,310	9,688	7.3%	3,010	0	0	0	\$7.93	\$3.91	\$11.84
Fredericton Industrial Park	329,365	13,350	4.1%	25,648	38,881	0	0	\$7.26	\$5.01	\$12.26
<b>FREDERICTON TOTALS</b>	<b>461,675</b>	<b>23,038</b>	<b>5.0%</b>	<b>28,658</b>	<b>38,881</b>	<b>0</b>	<b>0</b>	<b>\$7.45</b>	<b>\$4.69</b>	<b>\$12.14</b>
<b>SAINT JOHN TOTALS</b>	<b>453,031</b>	<b>5,340</b>	<b>1.2%</b>	<b>54,850</b>	<b>51,670</b>	<b>0</b>	<b>0</b>	<b>\$7.05</b>	<b>\$3.85</b>	<b>\$10.89</b>
<b>NEW BRUNSWICK TOTALS</b>	<b>5,291,327</b>	<b>616,489</b>	<b>11.7%</b>	<b>37,954</b>	<b>348,753</b>	<b>0</b>	<b>0</b>	<b>\$6.17</b>	<b>\$3.33</b>	<b>\$9.50</b>

\*Rental rates reflect weighted net asking \$psf/year

## KEY LEASE TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	TENANT	SF	TYPE
189 Collishaw Street	Moncton	Franco Plumbing & Heating Inc.	2,925	Lease

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
80-84 Driscoll Crescent	Moncton	Kennedy Distribution Inc. / Colby 2000 Ltd.	34,072	\$1.6m / \$47

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