

	YoY Chg	12-Mo. Forecast
<b>13.1%</b> Vacancy Rate	▲	▲
<b>-41,561</b> Net Absorption, SF	▼	▲
<b>\$24.80</b> Gross Asking Rent, PSF	▲	▬

*(Overall, All Property Classes)*

## ECONOMIC INDICATORS Q4 2019

	YoY Chg	12-Mo. Forecast
<b>354K</b> New Brunswick Employment	▲	▲
<b>8.1%</b> New Brunswick Unemployment Rate	▼	▬
<b>5.9%</b> Canada Unemployment Rate	▲	▲

Source: Statistics Canada

## ECONOMY OVERVIEW

New Brunswick's economy is expected to get a boost in 2020 with a projected 1.0% annual GDP increase, up from the approximately 0.7% growth for 2019. Output for refined oil products has been on the rise ever since the Irving Oil Refinery explosion. Exports on forestry products have slowed due to U.S. tariffs and the future of softwood lumber exports is unclear. 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 should continue in 2020. *(Sources: Statistics Canada, RBC, TD Economics)*

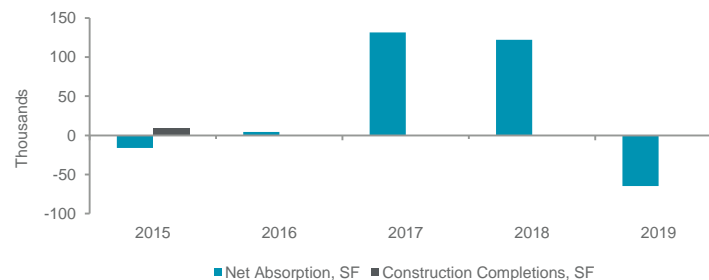
## SUPPLY AND DEMAND

New Brunswick's office vacancy rose by 60 basis points (bps) from last quarter, to 13.1% in the fourth quarter of 2019. Class B and C vacancy both saw an increase of 100 bps, bringing their vacancy rates to 11.8% and 24.4% respectively, while Class A vacancy was at 8.9% in the fourth quarter of 2019, down 10 bps from last quarter. Moncton's overall vacancy rate declined by 80 bps from last quarter to sit at 7.8% for the fourth quarter of 2019. Class A office space in the Moncton area jumped from 3.9% last quarter to 4.3%. Class B and C office space in Moncton both had decreases in vacancy by 150 bps and 250 bps respectively, bringing the vacancy rates to 7.7% and 24.9% for the fourth quarter of 2019. Fredericton's office vacancy declined from 7.5% last quarter to 7.0% in the fourth quarter of 2019. Only Class B office buildings in Fredericton experienced an increase in vacancy, rising by 10 bps from last quarter's vacancy rate of 5.6%, to reach 5.7% in the fourth quarter of 2019. Saint John had a 3.1% vacancy rate increase from last quarter, reaching 24.9%; in large part due to the vacated space at the Saint John City Hall and the Loch Lomond mall office.

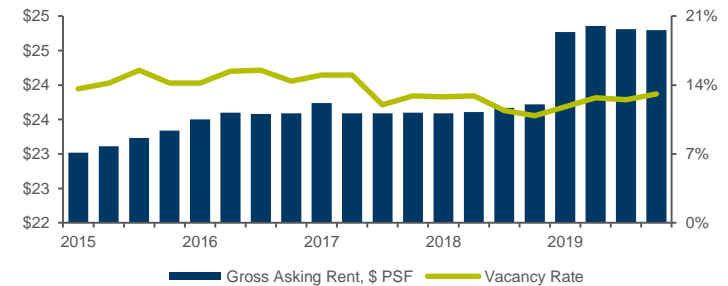
## PRICING

Overall asking rents only saw a \$0.01 per square foot (psf) decrease in the fourth quarter of 2019 from last quarter's \$24.81 psf. Both Fredericton and Moncton saw little change to its average asking rents, while Saint John saw the most significant change with a decrease in its overall average asking rent to \$22.64 psf for the fourth quarter of 2019, from \$22.69 psf last quarter.

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY & GROSS ASKING RENT



## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Moncton	2,954,336	6,901	224,379	7.8%	21,958	68,483		\$24.83	\$29.45
Fredericton	1,966,624	0	138,284	7.0%	10,009	-39,988	90,000	\$24.50	\$28.07
Saint John	2,313,502	0	576,867	24.9%	-73,528	-93,163		\$22.64	\$29.78
<b>New Brunswick Totals</b>	<b>7,234,462</b>	<b>6,901</b>	<b>939,530</b>	<b>13.1%</b>	<b>-41,561</b>	<b>-64,668</b>	<b>90,000</b>	<b>\$24.80</b>	<b>\$29.17</b>

\*Rental rates reflect full service asking

## KEY LEASE TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	TENANT	SF	TYPE
527 Queen Street	Fredericton	Beauceron Security	3,700	Lease

\*Renewals not included in leasing statistics

**BILL MACAVOY**

Managing Director

+1 902 425 1872 / [bmacavoy@cwatlantic.com](mailto:bmacavoy@cwatlantic.com)

**DYLAN CURRIE**

Research Coordinator

+1 902 334 2169 / [dcurrie@cwatlantic.com](mailto:dcurrie@cwatlantic.com)

[cwatlantic.com](http://cwatlantic.com)

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