



13.8%

Vacancy Rate

YoY
Chg12-Mo.
Forecast

-2,657

Net Absorption, SF



\$24.91

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS
Q4 2020

356.1K

New Brunswick
EmploymentYoY
Chg12-Mo.
Forecast

9.3%

New Brunswick
Unemployment Rate

8.6%

Canada
Unemployment Rate

Source: Statistics Canada

ECONOMIC OVERVIEW

New Brunswick's ability to contain the pandemic will potentially see it sustaining only a small economic hit this year in comparison to the rest of the Canadian provinces. However, it is still projected that the province will see a GDP contraction of 4.2% in 2020, a significant step back as the province hasn't experienced such a drastic change in 40 years. Now that 92% of jobs lost in the early months of the year have been recovered, the 4.0% projected GDP growth in New Brunswick for 2021 is looking ever stronger. Provincial exports will be looking to gain some momentum, especially oil products as the automotive industry awakens and motor vehicle usage increases both in Canada and internationally. As restrictions are lifted and eased, travel will ultimately increase, allowing a comeback in tourism for New Brunswick, as 2020 activity was extremely low. This was particularly evident in the 48% decrease in summer months occupancy rates at hotels, a drastic drop from the previous year. Economic recovery for New Brunswick will be welcomed as the province looks to reduce the \$183 million deficit it has projected for the 2020-2021 budget. (Sources: RBC Economics, Statistics Canada, TD Economics.)

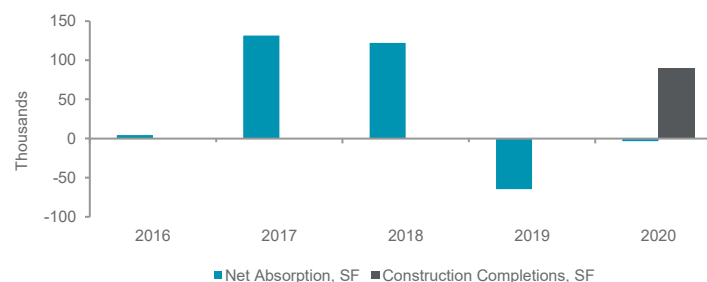
SUPPLY AND DEMAND

New Brunswick's overall vacancy rate in the fourth quarter of 2020 remained unchanged from the previous quarter at 13.8%. Despite the unchanged overall vacancy in the province, the Saint John submarket observed an increase in its overall vacancy rate this quarter, after posting two straight quarters of decline. Vacancy for the submarket is now at 23.9%, a 110-basis point (bps) quarter-over-quarter change. Moncton had a quieter quarter in comparison, as vacancy rates were down by only 50 bps from the previous quarter, with fourth quarter 2020 vacancy at 9.6%. The change in Class A space in Moncton should be noted as vacancy rates dropped by 110 bps, due to various tenants moving in. This decrease now leaves Class A vacancy in the Moncton submarket at 4.8% for the fourth quarter of 2020. The submarket of Fredericton experienced a drop in overall vacancy this quarter, decreasing from 8.9% to 8.5%, a 40-bps quarter-over-quarter change, largely due in part to 13,523 square feet of space being taken off the market at 565 Priestman Street (Priestman Centre), by various undisclosed tenants.

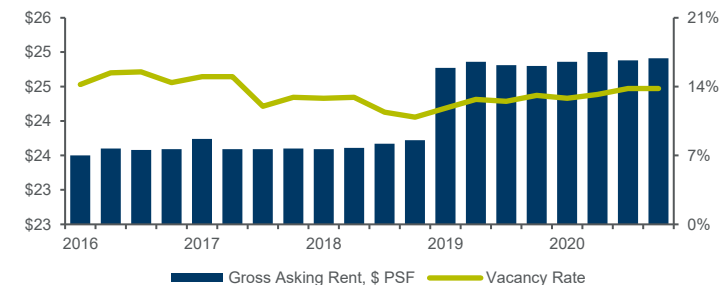
PRICING

Average net rents throughout all submarkets and classes were relatively stable this quarter as the overall average net rent in New Brunswick was only up by \$0.01 per square foot (psf) from last quarter to end the fourth quarter of 2020 at \$13.81 psf. Rental rates in both Fredericton and the Saint John submarket remained unchanged this quarter. Moncton was the only submarket to see any change in net rents, as an increase of \$0.01 psf was observed, bringing the average to \$13.44 psf this quarter from \$13.43 psf. Class A space in the Moncton submarket had a slight increase in rents as well, rising from \$15.87 psf in the previous quarter to \$15.90 psf in the fourth quarter of 2020..

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



New Brunswick

Office Q4 2020



CUSHMAN & WAKEFIELD

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	26,690	258,126	9.6%	13,101	-53,536	0	\$25.21	\$30.13
Fredericton	2,056,554	0	175,280	8.5%	8,491	52,934	0	\$24.63	\$28.22
Saint John	2,313,502	0	552,739	23.9%	-24,249	-2,842	0	\$22.40	\$28.85
New Brunswick Totals	7,324,392	26,690	986,145	13.8%	-2,657	-3,444	0	\$24.91	\$29.25

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1070 St. George Boulevard	Moncton	Eastern College	14,260	Renewal
140 Carlton Street	Fredericton	Stewart McKelvey	13,500	Lease
55 Union Street	Saint John	RBC Dominion Securities	10,500	Lease
1221 Prospect Street	Fredericton	Hockey NB	1,500	Lease

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