

Industrial Q4 2020

YoY Chg 12-Mo. Forecast

12.6%
Vacancy Rate



31,887
Net Absorption, SF



\$6.24
Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS Q4 2020

YoY Chg 12-Mo. Forecast

356.1K
New Brunswick
Employment



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,)

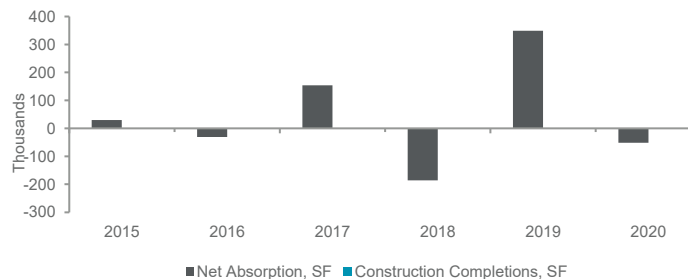
SUPPLY AND DEMAND

Overall vacancy rates for New Brunswick's industrial market were down by 60 basis points (bps) compared to last quarters rate of 13.2% and ended the fourth quarter of 2020 at 12.6%. The overall decline can be contributed to the 70-bps vacancy rate decrease in both the Moncton and Fredericton submarkets this quarter, with Fredericton dropping from 4.2% to 3.5% quarter-over-quarter, while Moncton vacancy decreased to 14.2% this quarter compared to 14.9% last quarter. Moncton leasing activity was strong enough this quarter to generate a decline in vacancy, despite the 53,000 square feet (sf) of space being vacated at 450 Edinburgh Drive, 47,850 sf of which was formerly leased by Robert Thibert Inc. Fredericton on the other hand did not require as strong of a quarter to create a vacancy decline, and only needed 3,200 sf of space to be leased at 230 Hodgson Road to do so. The Saint John submarket was quiet this quarter and vacancy remained unchanged from the previous quarter at 6.5%.

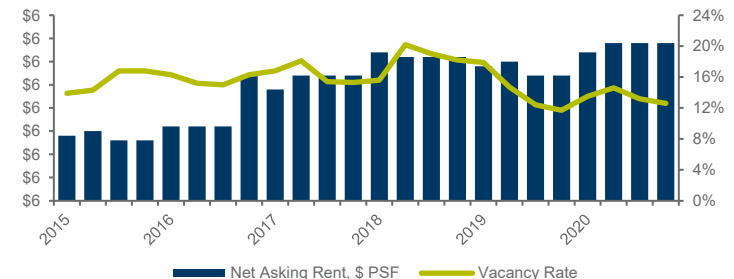
PRICING

For the second consecutive quarter, overall average industrial net rents were stable and remained unchanged from the previous quarter at \$6.24 per square foot (psf). Following this trend, the average asking rents in Moncton, Fredericton, and Saint John submarkets were also unchanged this quarter remaining at \$5.99 psf, \$7.54 psf, and \$7.10 psf, respectively.

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	29,000	6.2%	-6,000	-1,874	0	0	\$6.21	\$2.92	\$9.13
Moncton Industrial Park	2,291,802	377,907	16.5%	26,500	-21,141	0	0	\$5.56	\$3.15	\$8.71
Dieppe Industrial Park	546,229	10,600	1.9%	4,937	2,070	0	0	\$7.02	\$3.48	\$10.50
Caledonia Industrial Park	1,069,232	204,908	19.2%	3,250	-13,413	0	0	\$6.53	\$2.88	\$9.40
MONCTON TOTALS	4,377,241	622,415	14.2%	28,687	-34,358	0	0	\$5.99	\$3.13	\$9.12
Greater Fredericton	132,310	9,688	7.3%	0	0	0	0	\$7.93	\$3.91	\$11.84
Fredericton Industrial Park	329,365	6,641	2.0%	3,200	6,709	0	0	\$7.38	\$5.01	\$12.39
FREDERICTON TOTALS	461,675	16,329	3.5%	3,200	6,709	0	0	\$7.54	\$4.69	\$12.23
SAINT JOHN TOTALS	453,031	29,499	6.5%	0	-24,159	0	0	\$7.10	\$3.71	\$10.81
NEW BRUNSWICK TOTALS	5,291,947	668,243	12.6%	31,887	-51,808	0	0	\$6.24	\$3.33	\$9.57

KEY LEASE TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
----------	-----------	--------	----	------

KEY SALES TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
500 Caledonia Drive	Moncton	670933 NB Inc. / ATL GoC Commercial Properties Ltd.	12,000	\$1.02M / \$85.00

BILL MACAVOY

Managing Director

+1 902 425 1872 / bmacavoy@cwatlantic.com**DYLAN CURRIE**

Research Coordinator

+1 902 334 2169 / dcurrie@cwatlantic.com**cwatlantic.com****A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 53,000 employees in 400 offices and 60 countries. In 2019, the firm had revenue of \$8.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

©2021 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.