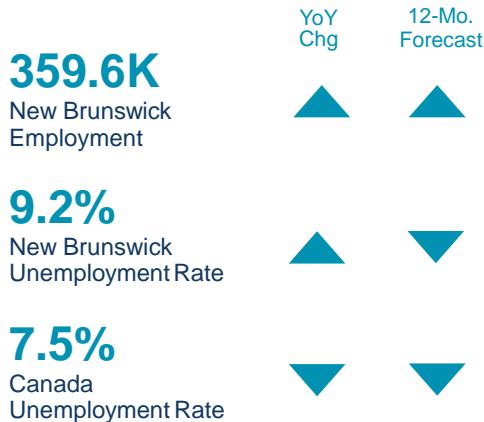


## Industrial Q1 2021



Overall, Net Asking Rent

### ECONOMIC INDICATORS Q1 2021



Source: Statistics Canada

### ECONOMIC OVERVIEW

New Brunswick's economic outlook for 2021 is still on pace to reverse the contraction that was seen during the early stages of the pandemic, as projections have GDP growth around 4.8%. This is backed by the resilience of the province and its ability to keep New Brunswick relatively open compared to the rest of the country. Though the province was not unaffected by the second wave and recorded job losses during the month of February, this should be considered a blip on the map as employment is still at promising levels relative to other provinces. Recent talks of reestablishing the "Atlantic Bubble" will be a welcomed sign of recovery as the province experienced a drop in retail spending throughout 2020. Exports will be an area of interest for New Brunswick as the demand for petroleum products should increase in the coming months as well as a lumber market that has been seeing significant activity in the early stages of 2021. The province's revised \$13 million deficit for fiscal 2020-2021 is the lowest in the country and the current budget has a planned deficit average of 0.6% over the course of the next three years. These figures could lower as the economic assumptions and planning used has left room for surprising increases in revenue. New Brunswick will need to continue with their immigration targets as it is a crucial component of the province's economic success and growth over the next few years.

(Sources: RBC Economics, Statistics Canada, TD Economics)

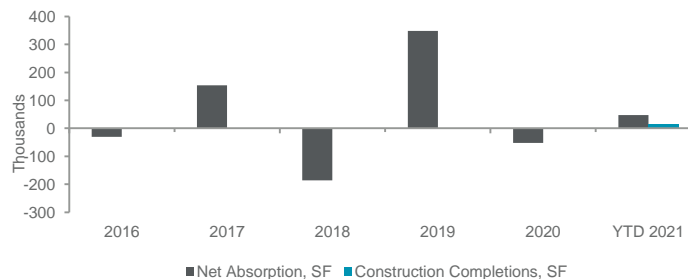
### SUPPLY AND DEMAND

The overall vacancy rate for the New Brunswick industrial market was down to 11.7% in the first quarter of 2021, a 90-basis point (bps) drop quarter-over-quarter. The lowering of availability can be attributed to the Moncton and Fredericton markets as they both recorded vacancy decreases compared to last quarter. The submarket of Moncton saw vacancy decline 110 bps from last quarter to 13.1%. This decline comes despite the departure of Molson Coors from their 37,858-square foot (sf) distribution centre at 140 McNaughton Avenue and Technosport Canada vacating their 25,000-sf premises at 135 Henri Dunant. The Fredericton submarket was quieter in comparison to the other submarkets as the only activity observed during the first quarter of 2021 was a 9,688-sf lease at 190 Alison Boulevard by the NB Power Corporation, which brought the vacancy rate down to 1.4% - a 210-bps quarter-over-quarter decrease. Saint John was a unique submarket this quarter as net absorption was positive at just over 7,000 sf, but the vacancy rate was up from 6.5% last quarter to 8.4% this quarter. This is due to the addition of the 37,000-sf building at 120 Ashburn Lake Road, which now offers just over 18,500 sf of leasable space.

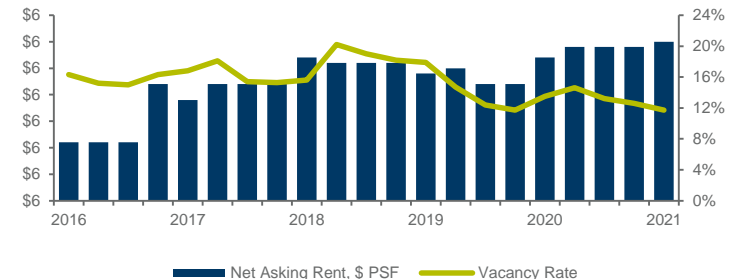
### PRICING

Overall average net rents were virtually unchanged at \$6.25 per square foot (psf) in the first quarter of 2021, as only a \$0.01 psf quarter-over-quarter increase was observed. All submarkets but Moncton remained at the previous quarters rates, as Moncton recorded just a \$0.01 psf rise from \$5.99 psf last quarter to \$6.00 psf in the first quarter of 2021.

### 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	470,978	26,000	5.5%	3,000	3,000	0	0	\$6.21	\$2.91	\$9.12
Moncton Industrial Park	2,291,802	265,070	11.6%	64,087	64,087	0	0	\$5.56	\$3.18	\$8.74
Dieppe Industrial Park	546,229	18,484	3.4%	-7,884	-7,884	0	0	\$7.10	\$3.41	\$10.51
Caledonia Industrial Park	1,105,286	269,682	24.4%	-28,720	-28,720	42,000	15,000	\$6.53	\$2.88	\$9.40
<b>MONCTON TOTALS</b>	<b>4,414,295</b>	<b>579,236</b>	<b>13.1%</b>	<b>30,483</b>	<b>30,483</b>	<b>42,000</b>	<b>15,000</b>	<b>\$6.00</b>	<b>\$3.14</b>	<b>\$9.14</b>
Greater Fredericton	132,310	0	0.0%	9,688	9,688	0	0	\$7.93	\$3.91	\$11.84
Fredericton Industrial Park	329,365	6,641	2.0%	0	0	0	0	\$7.38	\$5.00	\$12.38
<b>FREDERICTON TOTALS</b>	<b>461,675</b>	<b>6,641</b>	<b>1.4%</b>	<b>9,688</b>	<b>9,688</b>	<b>0</b>	<b>0</b>	<b>\$7.54</b>	<b>\$4.68</b>	<b>\$12.23</b>
<b>SAINT JOHN TOTALS</b>	<b>490,031</b>	<b>41,061</b>	<b>8.4%</b>	<b>7,089</b>	<b>7,089</b>	<b>0</b>	<b>0</b>	<b>\$7.10</b>	<b>\$3.71</b>	<b>\$10.81</b>
<b>NEW BRUNSWICK TOTALS</b>	<b>5,366,001</b>	<b>626,938</b>	<b>11.7%</b>	<b>47,260</b>	<b>47,260</b>	<b>42,000</b>	<b>15,000</b>	<b>\$6.25</b>	<b>\$3.34</b>	<b>\$9.59</b>

## KEY LEASE TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1180 St. George Boulevard	Moncton	OK Tire Stores Inc.	28,085	Renewal
1180 St. George Boulevard	Moncton	Nedco	12,888	Renewal
190 Alison Boulevard	Fredericton	NB Power Corporation	9,688	Lease

## KEY SALES TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
405 King William Road	Saint John	E.S. Fox Ltd / Irving Pulp & Paper	24,373	\$2.4M / \$98

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