

	YoY Chg	12-Mo. Forecast
<b>10.6%</b> Vacancy Rate	▼	▲
<b>16,401</b> Net Absorption, SF	▲	▼
<b>\$12.02</b> Asking Rent, PSF	▬	▲

Overall, Net Asking Rent

### ECONOMIC OVERVIEW

Newfoundland and Labrador have seen their 2022 GDP growth projections shrink yet again this year shifting from 2.5% to 1.2% and finally 0.4% in the third quarter of 2022. This is primarily due to the sharp drop in oil production from 2021 to 2022 and an underlying affect of the depleting reserves at Newfoundland's disposal. Some light is on Newfoundland's economic horizon however, as the federal government recently confirmed the Bay du Nord offshore oil megaproject and a return to oil production is planned for the Terra Nova and White Rose production facilities later this year. This will certainly boost government revenues for the province and is a primary reason why Newfoundland is projecting increases in its GDP into 2023 and 2024. This projection is reliant on the level at which oil prices remain, and the elephant in the room, depleting reserves of oil. To combat these factors, the province is attempting to diversify their exports into gold mining as gold prices are projected to remain relatively high as the commodity retains its value in the highly inflationary period to come. The Valentine Lake gold mine is going to provide a great step forward in terms of export diversification this year and will provide a strong increase in the province's employment numbers. Population growth is also seeing some positivity as interprovincial migration levels have increased during 2022. Newfoundland is gaining most of its population from Ontario and Alberta. Lastly, the province is experiencing lower inflation than the national average, sitting at 6.4% compared to the national average of 7.0%.

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

### SUPPLY AND DEMAND

Overall vacancy in the St. John's industrial market was down by 160 basis points (bps) compared to the previous quarter as vacancy declined from 12.2% to 10.6% in the third quarter of 2022. This shift was due primarily to leasing activity seen in the Mount Pearl & Paradise submarket, as the amount of vacant space declined from 250,000 square feet (sf) to 180,820 sf. Vacancy in Northern St. John's, however, was up from the second quarter of 2022 climbing from 2.6% to 3.0%, primarily due to small lease transactions which increased the available supply in this submarket by 3,250 sf. Other submarkets such as the downtown core and the western area of St. John's saw no material change in vacancy during the third quarter of 2022.

### PRICING

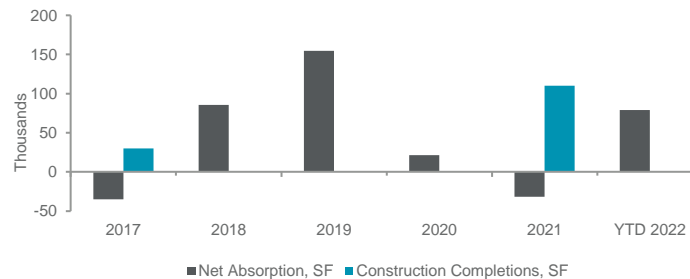
The St. John's industrial market saw a minor change in its overall average net rental rate during the third quarter of 2022, as rates increased by \$0.01 per square foot (psf) moving from \$12.01 psf to \$12.02 psf. The Northern submarket saw the largest increase in rents of \$0.06 psf quarter-over-quarter, moving from \$11.42 psf to \$11.48 psf. Additionally, the Mount Pearl / Paradise submarket had a small quarter-over-quarter increase in its net rental rate, as rates rose from \$11.51 psf to \$11.52 psf in the third quarter of 2022.

### ECONOMIC INDICATORS Q3 2022

	YoY Chg	12-Mo. Forecast
<b>116.5K</b> St. John's Employment	▲	▲
<b>5.1%</b> St. John's Unemployment Rate	▼	▼
<b>5.2%</b> Canada Unemployment Rate	▼	▬

Source: Statistics Canada

### 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
East	455,870	238,914	52.4%	0	3,400	0	0	\$11.32	\$3.98	\$15.30
West	147,345	0	0.0%	0	0	0	0	\$8.87	\$2.84	\$11.71
Downtown	140,951	0	0.0%	0	0	0	0	\$12.88	\$6.29	\$19.17
North	758,514	22,792	3.0%	-3,249	-2,904	0	0	\$11.48	\$5.09	\$16.57
Mount Pearl / Paradise	2,658,183	180,820	6.8%	19,650	78,563	0	0	\$11.52	\$3.13	\$14.65
<b>Total St. John's</b>	<b>4,160,863</b>	<b>442,526</b>	<b>10.6%</b>	<b>16,401</b>	<b>79,059</b>	<b>0</b>	<b>0</b>	<b>\$12.02</b>	<b>\$3.54</b>	<b>\$15.57</b>

## KEY LEASE TRANSACTIONS Q3 2022

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

## KEY SALE TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE
----------	-----------	----------------	----	-------

**BILL MACAVOY***Managing Director*+1 902 425 1872 / [bmacavoy@cwatlantic.com](mailto:bmacavoy@cwatlantic.com)**CAMERON BELL HARDING***Research Coordinator*+1 902 334 2169 / [charding@cwatlantic.com](mailto:charding@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 50,000 employees in over 400 offices and 60 countries. In 2021, the firm had revenue of \$9.4 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.

©2022 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.