

MARKET FUNDAMENTALS

	YOY Chg	Outlook
22.2% Vacancy Rate	▲	▼
-44K YTD Net Absorption, SF	▲	▲
\$25.96 Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
398K New Brunswick Employment	▲	▲
7.8% New Brunswick Unemployment Rate	▲	▲
6.7% Canada Unemployment Rate <i>Source: Statistics Canada</i>	▲	▬

ECONOMY

The economy in New Brunswick (NB) is experiencing trade exposure and strong population growth, raising expectations for GDP growth from 0.7% to 1.3% in 2024. The firm population growth in NB calls for revising personal and commercial revenue tax outlooks. A total increase of about \$45 mn since the spring of 2024 indicates firmer economic activity in the province with heightened consumer spending. On the other hand, NB heavily relies on exports to the U.S., making up 90% of total exports from the province, and the newly raised 25% tariff threat, which, if imposed, could soften the province's industrial market and overall GDP. *(Sources: Statistics Canada, RBC, TD Economics)*

SUPPLY AND DEMAND

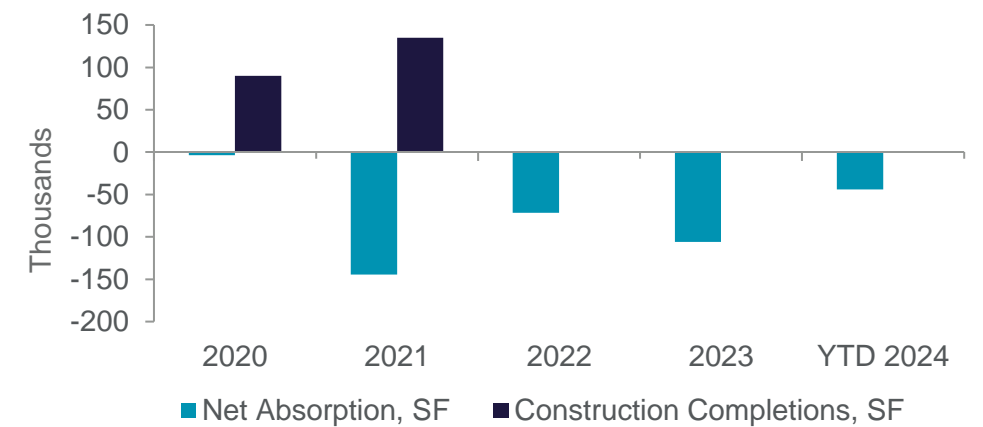
The overall vacancy rate in New Brunswick slightly increased by 20 basis points (bps) quarter-over-quarter (QOQ) from 22.0% to 22.2%. Vacancy has decreased in the Fredericton market by 120 bps and slightly decreased by 30 bps in the Moncton market. Saint John experienced a 190 bps increase in vacancy from 36.0% to 37.9% QOQ.

Overall absorption in New Brunswick continued to shift into negative territory this quarter to negative 17k square feet (sf). The Saint John Class B submarket posted notable negative absorption of 48k sf this quarter, leading to an overall market total of close to negative 54k sf. A driving factor for Saint John's negative absorption was Xerox vacating 43k sf of space at 400 Main Street in the Class B submarket. This negative absorption at 400 Main Street accounted for 81% of the overall Saint John negative absorption total. Fredericton had overall positive absorption of 26k sf, in large part due to the 24k sf of positive absorption in the Class A market.

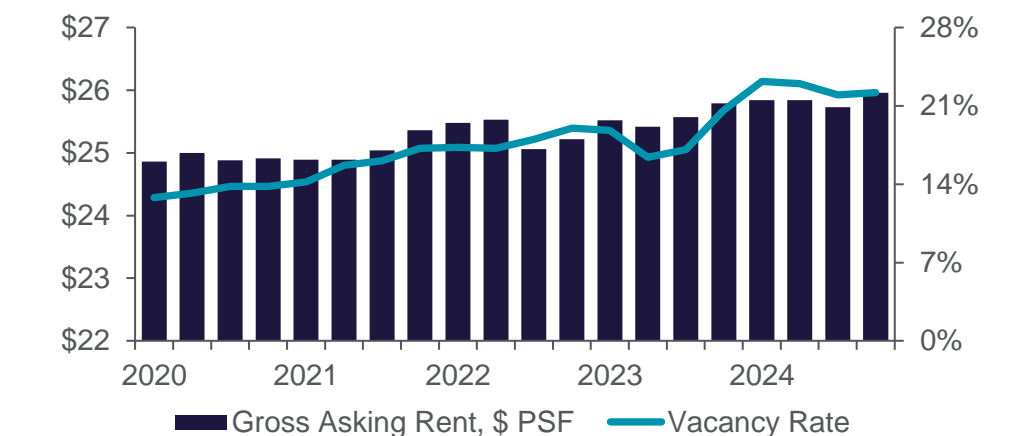
PRICING

The overall net asking rental rate in New Brunswick remained stable this quarter. The Saint John market experienced a slight QOQ increase, with the overall net rate rising by \$0.01 per square foot (psf) from last quarter to \$12.45 psf. Moncton also had an overall increase of \$0.02 psf QOQ to \$13.92 psf, while Fredericton remained unchanged at \$15.67 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & 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	3,063,033	14,000	513,014	17.2%	9,980	-38,975	38,764	\$26.57	\$30.99
Fredericton	2,278,872	37,294	237,061	12.0%	26,198	60,075	0	\$27.04	\$30.17
Saint John	2,458,121	42,972	887,458	37.9%	-53,722	-64,946	0	\$23.45	\$30.74
Totals	7,800,026	94,266	1,637,533	22.2%	-17,544	-43,846	38,764	\$25.96	\$30.70

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
140 Carleton Street	Fredericton	Undisclosed	21,000	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	BUYER	SF	PRICE
1010 St. George Boulevard	Moncton	Rising Tide Community Initiatives	31,741	\$3,300,000.00
Place 400	Saint John	R2 Capital Partners Inc	160,000	\$2,800,000.00

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