

# New Brunswick

## Industrial Q1 2024

	YoY Chg	12-Mo. Forecast
<b>4.6%</b> Vacancy Rate	▼	▼
<b>2,249</b> Net Absorption, SF	▲	▲
<b>\$7.17</b> Weighted Net Rent, PSF	▲	▲

Overall, Net Asking Rent

### ECONOMIC INDICATORS Q1 2024

	YoY Chg	12-Mo. Forecast
<b>390.9K</b> New Brunswick Employment	▲	▲
<b>7.8%</b> New Brunswick Unemployment Rate	▲	▼
<b>6.1%</b> Canada Unemployment Rate	▲	▲

Source: Statistics Canada

### ECONOMIC OVERVIEW

Household spending and investment have remained strong in New Brunswick, supported by low levels of household debt compared to disposable income. This positive trend is expected to continue into 2024. However, challenges in the business sector may impact real GDP growth, leading to a slight moderation from 1.1% in 2023 to 0.9% in 2024. Despite this, New Brunswick consumers are maintaining positive spending habits. The province's economic outlook remains stable, with GDP growth aligning with national trends. Record population growth has boosted spending and employment figures, positioning New Brunswick favourably compared to other provinces. While global goods demand may pose challenges for the manufacturing industry, the province's households have lower debt levels, providing a buffer against rising borrowing costs. As interest rate relief approaches, positive spending trends are expected to persist. Although population growth may slow, job market momentum is anticipated to continue, particularly in public services. On the downside, investment activity is projected to decline in 2024, impacting GDP growth. Despite external challenges, exports are expected to remain steady, supported by the resilience of the US economy. The government's budget surplus and robust program spending signal a focus on education and social development, maintaining a favourable fiscal position relative to other provinces. (Sources: RBC Economics, Statistics Canada, TD Economics)

### SUPPLY AND DEMAND

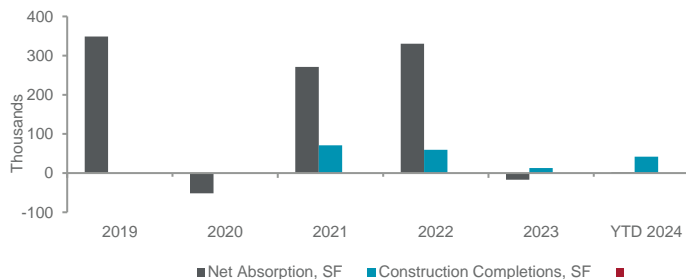
Industrial vacancy in New Brunswick reached 4.6% in the first quarter of 2024, up 80 basis points (bps) from 3.8% last quarter. The Moncton market had the only increase in overall vacancy to reach 4.8%, as both Fredericton and Saint John declined slightly to 0.5% and 6.7% respectively quarter-over-quarter. Although absorption remained positive at 2k square feet (sf), it was a notable decline from last quarter's 44k sf. Absorption was slightly negative in Moncton, as Robert Thibert Inc. relocated from 450 Edinburg Drive adding 56,250 sf back to the market. Absorption was slightly positive in both the Fredericton and Saint John submarkets.

The Moncton submarket welcomed a new 42,000-sf industrial building during the first quarter of 2024 at 327 Urquhart Avenue, which entered the market already 100% leased by multiple tenants. An additional 392,824 sf of new construction is set to be completed in Moncton over the next 12 months, with 11,250 sf set to be completed in the Fredericton submarket.

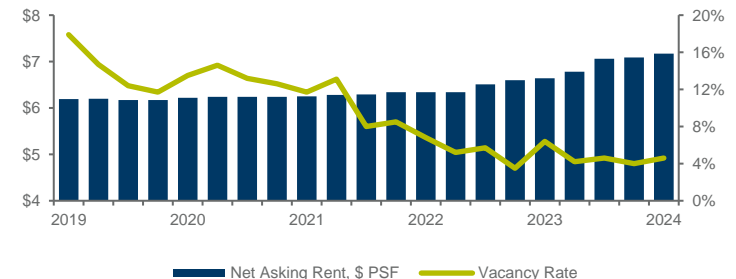
### PRICING

In the first quarter of 2024, the weighted average net rent in New Brunswick experienced a slight increase of \$0.08 per square foot (psf) bringing the province's average to \$7.17 psf. Moncton saw the largest increase in the overall average net rent of \$0.11 up to \$6.90 psf, while the Fredericton and Saint John submarkets experienced no change in net rents. Looking ahead, it is anticipated that New Brunswick's industrial market will continue to witness an upward trend in net rental rates as industrial vacancy tightens throughout the market.

### 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	504,958	2,000	0.4%	20,000	20,000	14,080	0	\$6.48	\$3.43	\$9.92
Moncton Industrial Park	2,365,280	102,127	4.3%	-58,789	-58,789	136,080	0	\$6.77	\$3.28	\$10.05
Dieppe Industrial Park	634,826	27,607	4.3%	-4,432	-4,432	109,744	0	\$7.82	\$3.86	\$11.68
Caledonia Industrial Park	1,239,871	94,417	7.6%	42,000	42,000	147,000	42,000	\$6.80	\$4.36	\$11.16
<b>MONCTON TOTALS</b>	<b>4,744,935</b>	<b>226,151</b>	<b>4.8%</b>	<b>-1,221</b>	<b>-1,221</b>	<b>392,824</b>	<b>42,000</b>	<b>\$6.90</b>	<b>\$3.56</b>	<b>\$10.46</b>
Greater Fredericton	179,440	0	0.0%	0	0	0	0	\$8.21	\$4.35	\$12.56
Fredericton Industrial Park	343,575	2,742	0.8%	1,150	1,150	11,250	0	\$8.18	\$5.35	\$13.53
<b>FREDRICKTON TOTALS</b>	<b>523,015</b>	<b>2,742</b>	<b>0.5%</b>	<b>1,150</b>	<b>1,150</b>	<b>11,250</b>	<b>0</b>	<b>\$8.10</b>	<b>\$4.95</b>	<b>\$13.05</b>
<b>SAINT JOHN TOTALS</b>	<b>522,603</b>	<b>34,780</b>	<b>6.7%</b>	<b>2,320</b>	<b>2,320</b>	<b>0</b>	<b>0</b>	<b>\$8.56</b>	<b>\$4.08</b>	<b>\$12.63</b>
<b>NEW BRUNSWICK TOTALS</b>	<b>5,790,553</b>	<b>263,673</b>	<b>4.6%</b>	<b>2,249</b>	<b>2,249</b>	<b>404,074</b>	<b>42,000</b>	<b>\$7.17</b>	<b>\$3.74</b>	<b>\$10.92</b>

### KEY LEASE TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
327 Urquhart Avenue	Moncton	Undisclosed	30,935	Direct
725 Champlain Street, Unit 400	Moncton	GO Telecom	2,800	Direct
725 Champlain Street, Unit 900	Moncton	Viking Fire Protection	2,200	Direct
8 Eaton Street	Moncton	Undisclosed	20,000	Direct

\*Renewals not included in leasing statistics

### KEY SALES TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE
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N/A

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