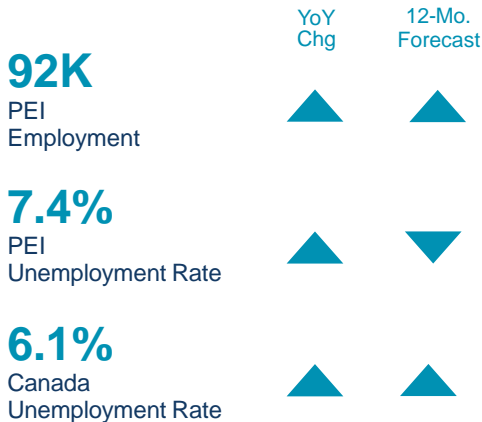




(Overall, All Property Classes)

## ECONOMIC INDICATORS Q1 2024



Source: Statistics Canada

## ECONOMIC OVERVIEW

Prince Edward Island stands out as one of the few provincial economies poised for growth in the upcoming year. Strong population growth and decreasing inflationary pressures are setting the stage for another successful year of household spending. The ongoing influx of migrants to the province is expected to alleviate labour shortages, especially in the construction sector. With a projected growth rate of 2.1%, P.E.I. is anticipated to reclaim its position at the top of the provincial growth rankings in 2024. The economic outlook for P.E.I. in the near term has significantly improved compared to previous forecasts. Household spending on the island showed robust growth last year, particularly in retail, accommodation, and food services, supported by low levels of consumer debt. Despite a slight increase in shelter costs following the lifting of the rent freeze, consumer price inflation remains low at 1.5%. The substantial increase in P.E.I.'s population has been a key driver of consumption, leading to strong job growth and a return to pre-pandemic job vacancy levels. Positive indicators such as a 20% rise in non-residential investment and increased government spending in healthcare point towards a promising year ahead for construction and the public sector. Additionally, ongoing tax relief measures are expected to boost disposable incomes and consumption in 2025. While P.E.I.'s exports saw significant growth in 2023, driven mainly by potato products due to the lifting of a U.S. ban, excluding this factor reveals weaker export performance. Interprovincial markets play a crucial role in P.E.I.'s export demand, and slower economic growth in Canada could pose challenges. Weaker labour markets in Canada and the U.S. may also hinder the recovery of P.E.I.'s tourism sector, which faced a slowdown in domestic visits in the latter half of last year.

(Sources: Statistics Canada, RBC, TD Economics)

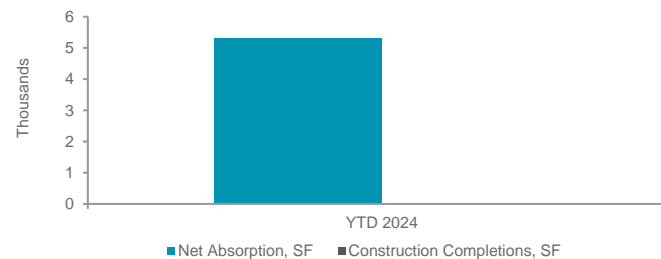
## SUPPLY AND DEMAND

Total vacant space in Charlottetown in the first quarter of 2024 was 17k square feet (sf), of which 8k sf is available for sublease. The overall vacancy rate in the Charlottetown industrial market during this period was 4.3%, with the Parkdale submarket psoting a vacancy rate of 6.8% and the West Royalty submarket at 3.5%.

## PRICING

During this quarter, the average net rent in the Charlottetown industrial market was \$10.67 per square foot (psf) with the overall average additional rent at \$5.52 psf, bringing the overall gross rent to a total of \$16.19 psf. Specifically, in the Parkdale Industrial Park, the net rent was \$12.79 psf with an additional rent of \$9.79 psf bringing the gross rent to \$19.84 psf. Furthermore, in the West Royalty Industrial Park the net rent was \$9.79 psf with an additional rent of \$5.29 psf resulting in a gross rent of \$15.08 psf.

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY & ASKING RENT



# Charlottetown, PEI

## Industrial Q1 2024

### 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
Parkdale Industrial Park	133,396	9,109	6.8%	-2,609	-2,609	0	0	\$12.79	\$7.05	\$19.84
West Royalty Industrial Park	230,743	8,000	3.5%	7,900	7,900	0	0	\$9.79	\$5.29	\$15.08
BioCommons Research Park	32,000	0	0.0%	0	0	0	0	n/a	\$2.76	n/a
<b>Charlottetown Totals</b>	<b>396,139</b>	<b>17,109</b>	<b>4.3%</b>	<b>5,291</b>	<b>5,291</b>	<b>0</b>	<b>0</b>	<b>\$10.67</b>	<b>\$5.52</b>	<b>\$16.19</b>

### KEY SALE TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	TENANT	SF	SALE PRICE
----------	-----------	--------	----	------------

N/A

### KEY LEASE TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	TENANT	SF	Type
159 Sherwood Road	Charlottetown	Undisclosed	3,345	Direct
284 Freetown Road	Suburban	Undisclosed	10,985	Renewal
14 Garfield Street	Charlottetown	Undisclosed	36,990	Direct

#### BILL MACAVOY

*Managing Director*

+1 902 425 1872 / [bmacavoy@cwatlantic.com](mailto:bmacavoy@cwatlantic.com)

#### SUZIE TAYLOR

*Research Coordinator*

+1 506 387 6925 / [staylor@cwatlantic.com](mailto:staylor@cwatlantic.com)

[cwatlantic.com](http://cwatlantic.com)

#### A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com).

*Independently Owned and Operated / A Member of the Cushman & Wakefield Alliance*

©2024 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.