

Charlottetown, PEI

Office Q2 2024

YoY Chg 12-Mo. Forecast

6.1%
Overall Vacancy Rate

-15,770
Net Absorption, SF

\$24.51
Gross Asking Rent, PSF

(Overall, All Property Classes)

ECONOMIC INDICATORS Q2 2024

YoY Chg 12-Mo. Forecast

92.1K
PEI Employment

8.0%
PEI Unemployment Rate

6.4%
Canada Unemployment Rate

Source: Statistics Canada

ECONOMIC OVERVIEW

The economy of Prince Edward Island (P.E.I.) is expected to pick up steam in the coming year due to robust population growth, easing inflationary pressures and another solid year is predicted for household spending. While recent data shows that P.E.I.'s growth was slower than expected last year, it still expanded at a healthy 2.2% rate and another year of decent growth is expected in 2024. Consumer spending is strong, driven by solid job growth and low household debt. The construction industry is expected to see significant growth, particularly in residential building and engineering investment. The manufacturing industry is also off to a strong start in 2024, and further support is expected from the U.S. economy. While population growth continues to support economic activity, there are signs that it may be slowing down, which could impact economic growth in the future.

(Sources: Statistics Canada, RBC, TD Economics)

SUPPLY AND DEMAND

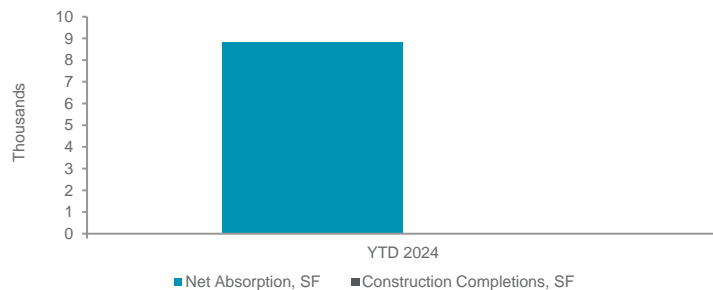
The Charlottetown office market posted an overall vacancy rate of 6.1% in the second quarter of 2024, with the Central market sitting at 6.1% and the Suburban market at 6.2%. Both markets experienced an increase of vacancy with the Central submarket seeing the largest increase of 190 basis points (bps) and the Suburban submarket posting an increase of 120 bps quarter-over-quarter (QOQ)

The total vacant space available in Charlottetown this quarter was 75k square feet (sf), a 20k-sf increase QOQ. Vacant space was primarily located in the Central submarket and was all direct vacancy. This increase in vacant space can be attributed to Maximus Canada relinquishing 12k sf of space back into the market at 176 Great George Street.

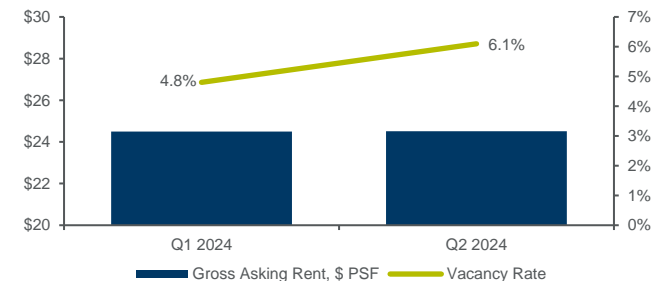
PRICING

The average net rent in the Charlottetown office market remained stable at \$15.91 per square foot (psf) this quarter with the overall average additional rent at \$8.61 psf, bringing the overall gross rent to a total of \$24.51 psf, a minor increase of \$0.01 QOQ.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Charlottetown, PEI

Office Q2 2024



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)*
Charlottetown- Central	1,035,199	-	62,633	6.1%	-11,893	10,017	0	\$24.63	\$25.21
Charlottetown- Suburban	197,704	-	12,308	6.2%	-3,877	-1,183	0	\$23.91	\$29.50
Charlottetown Totals	1,232,903	-	74,941	6.1%	-15,770	8,834	0	\$24.51	\$25.28

*Rental rates reflect full service asking

KEY SALE TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	TENANT	SF	SALE PRICE
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N/A

KEY LEASE TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	TENANT	SF	Type
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N/A

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