

MARKET FUNDAMENTALS

| | YOY Chg | Outlook |
|---|---------|---------|
| 18.5% Vacancy Rate | ▼ | ▼ |
| 181K YTD Net Absorption, SF | ▲ | ▲ |
| \$26.27 Gross Rent, PSF <i>(Overall, All Property Classes)</i> | ▲ | ▲ |

ECONOMIC INDICATORS

| | YOY Chg | Outlook |
|--|---------|---------|
| 401K New Brunswick Employment | ▼ | ▲ |
| 7.7% New Brunswick Unemployment Rate | ▲ | ▲ |
| 7.1% Canada Unemployment Rate | ▲ | — |

Source: Statistics Canada

ECONOMY

In Q3 2025, New Brunswick's economy is expected to post modest growth, constrained by external trade headwinds and demographic pressures. Economists forecast real GDP growth of roughly 1.0% in 2025, and an unemployment rate of approximately 7.7%. RBC's outlook also projects New Brunswick near the bottom of the provincial rankings with similarly weak growth. The provincial budget foresees a deficit of about 1.1% of GDP in fiscal year 2025/26 and rising net debt levels, though still among the lighter debt burdens in Atlantic Canada. On the housing and construction front, New Brunswick saw approximately 6,169 housing starts in 2024 (it's highest in decades), driven by strong multi-unit builds, and home sales rose about 4.2 %; but these gains may moderate going forward. *(Sources: Statistics Canada, RBC, TD Economics)*

SUPPLY AND DEMAND

The overall vacancy rate in New Brunswick decreased by 200 basis points (bps) quarter-over-quarter (QOQ) from 20.5% to 18.5%. Vacancy decreased slightly in the Saint John market by 40 bps and fell by 250 bps in the Moncton market. Moncton experienced the biggest change in vacancy, posting a 310 bps decrease from last quarter to 13.1%.

Overall absorption in New Brunswick increased into higher positive territory this quarter to reach 56k square feet (sf) as the Fredericton and Saint John markets posted a total combined positive absorption of approximately 64k sf. Moncton fell behind this quarter, posting 8k sf of negative absorption. This may signal a slight shift in locational preferences within the province of New Brunswick.

PRICING

The overall net asking rental rate in New Brunswick increased this quarter from \$13.99 per square foot (psf) to \$14.13 psf QOQ. The Fredericton market had no change QOQ, with the overall net rate sticking at \$15.43 psf. However, Moncton saw an increase in its overall rent of \$0.29 psf QOQ to \$14.36 psf. Saint John also had an increase of \$0.08 psf from last quarter bringing its average net rent to \$12.62 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 | 3,153,541 | 29,207 | 412,961 | 13.1% | -8,277 | 27,673 | 38,764 | \$27.00 | \$31.18 |
| Fredericton | 2,278,872 | 0 | 203,436 | 8.9% | 55,456 | 70,919 | 0 | \$27.33 | \$30.97 |
| Saint John | 2,476,133 | 22,972 | 847,741 | 34.2% | 8,984 | 82,689 | 0 | \$23.63 | \$30.52 |
| Totals | 7,908,546 | 52,179 | 1,464,138 | 18.5% | 56,163 | 181,281 | 38,764 | \$26.27 | \$30.94 |

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q3 2025

| PROPERTY | SUBMARKET | TENANT | SF | TYPE* |
|----------|-----------|--------|----|-------|
| N/A | | | | |

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2025

| PROPERTY | SUBMARKET | BUYER | SF | PRICE |
|----------|-----------|-------|----|-------|
| N/A | | | | |

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About Cushman & Wakefield

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