

**MARKET FUNDAMENTALS**

	YOY Chg	Outlook
<b>20.8%</b> Vacancy Rate	▼	▼
<b>-22K</b> YTD Net Absorption, SF	▼	▲
<b>\$34.49</b> Gross Rent, PSF <i>(Overall, All Property Classes)</i>	▲	▲

**ECONOMIC INDICATORS**

	YOY Chg	Outlook
<b>128K</b> St. John's Employment	▲	▲
<b>7.4%</b> St. John's Unemployment Rate	▲	▲
<b>6.5%</b> Canada Unemployment Rate	▼	▬

*Source: Statistics Canada*

**ECONOMY**

Newfoundland and Labrador continues to face the weakest labour market conditions in Atlantic Canada. Employment declined slightly from 245k to 244k in November, while the unemployment rate increased from 10.1% to 10.4%. Both the employment rate and participation rate remain low relative to other Atlantic provinces. Some job gains were recorded in natural resource industries, but these increases were not sufficient to offset broader weakness. Labour market performance remains highly uneven across the province. St. John's continues to post stronger conditions than the provincial average. Structural reliance on volatile resource employment remains a key source of labour instability. While challenges persist, gains in resources and strength in St. John's support modest improvement heading into 2026.

*(Sources: Statistics Canada)*

**SUPPLY AND DEMAND**

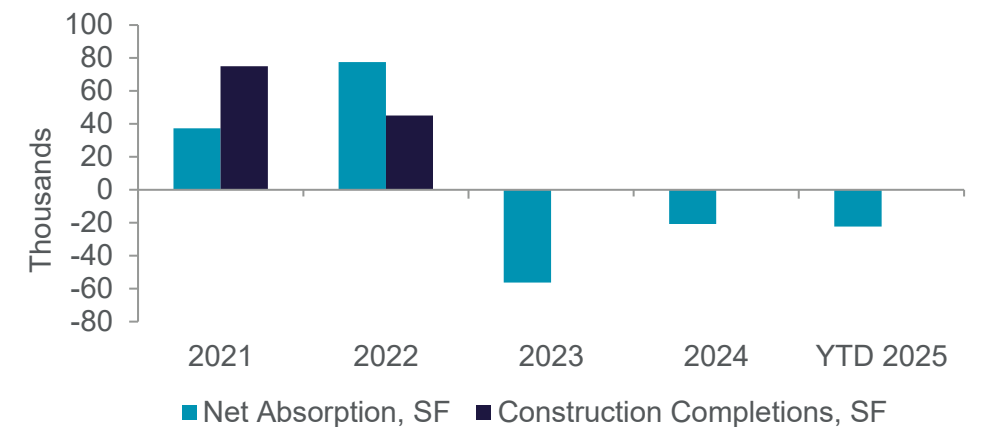
The St. John's office market witnessed a decrease in the overall vacancy rate in the fourth quarter of 2025, falling by 50 bps from 21.3% in Q3 2025. The decrease in vacancy was a result of falling supply and location preferences for businesses. The Central submarket had a significant change in vacancy with a 200-basis point (bps) increase quarter-over-quarter. This increase was offset by the remaining three submarkets all witnessing a decrease in vacancy from last quarter. The East/West market had the most significant QOQ decrease in vacancy of 120 bps to reach 9.7%.

Absorption levels tend to move in tandem with fluctuations in vacancy rates, and that is exactly what occurred in Q4 2025. Absorption turned positive this quarter, reaching close to 18k square feet (sf) in the region. The majority of submarkets shifted into positive territory with the East/West submarket having the most significant increase of roughly 14k sf. The Central submarket fell further into negative territory with negative absorption of 6k sf this quarter.

**PRICING**

In the fourth quarter of 2025, the average net rent in the St. John's office market decreased from \$21.11 per square foot (psf) to \$21.08 psf. The overall average additional rent increased from \$13.36 psf to \$13.40 psf, bringing the overall gross rent up to \$34.49 psf. This marks a \$0.02 psf average increase in the overall gross rent this quarter.

**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)*
Downtown	1,734,591	0	537,648	31.0%	4,196	-25,367	0	\$39.94	\$42.37
Central	324,945	0	76,099	23.4%	-6,406	-23,171	0	\$26.06	n/a
North	796,770	9,075	92,089	12.7%	6,113	17,815	0	\$28.76	n/a
East & West	1,073,533	10,755	93,584	9.7%	13,697	8,391	0	\$30.64	\$37.40
<b>St John's Totals</b>	<b>3,929,839</b>	<b>19,830</b>	<b>799,420</b>	<b>20.8%</b>	<b>17,600</b>	<b>-22,332</b>	<b>0</b>	<b>\$34.49</b>	<b>\$40.36</b>

\*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
N/A				

\*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	BUYER	SF	PRICE
NA				

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