



MARKET FUNDAMENTALS

	YOY Chg	Outlook
15.7% Vacancy Rate	▼	▼
8K YTD Net Absorption, SF	▲	▲
\$13.13 Asking Rent, PSF <small>(Overall, Net Asking Rent)</small>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
123K St. John's Employment	▲	▲
7.2% St. John's Unemployment Rate	▲	▲
6.7% Canada Unemployment Rate <small>Source: Statistics Canada</small>	▲	▲

ECONOMY

St. John's economy in Q1 2025 faced challenges from inflation (46.4% of businesses affected), high input and insurance costs (26.7%), and difficulties in hiring skilled workers (26.4%). Rising interest rates (25.5%) also impacted businesses. Despite these issues, 32.9% of businesses saw revenue growth in 2024, averaging a 22% increase, while 43.8% planned wage increases in 2025. Supply chain disruptions continued, affecting 17.3% of businesses in rural areas. St. John's remains reliant on key sectors like energy, manufacturing, and services, with population trends and labour shortages shaping future growth.

(Sources: Statistics Canada, RBC, TD Economics).

SUPPLY AND DEMAND

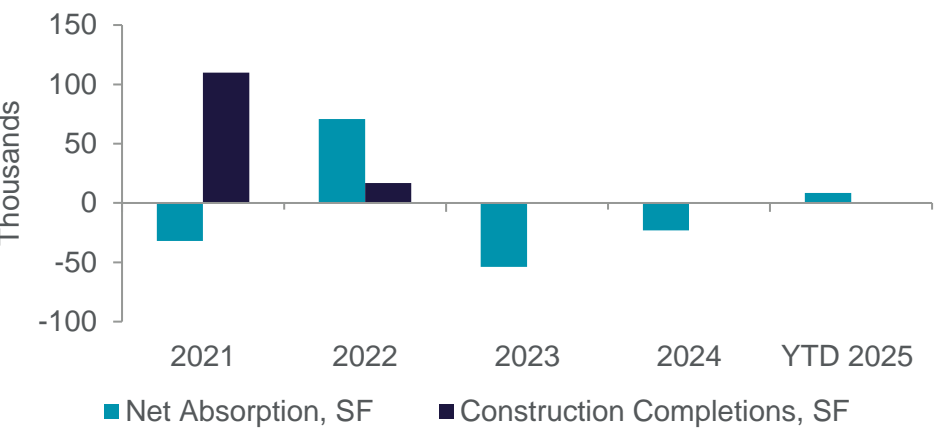
The vacancy rate in the St. John's industrial market increased to 15.7% in the first quarter of 2025, a 30 basis points (bps) increase quarter-over-quarter (QOQ). The driving force behind this increase was the North submarket, where vacancy increased 140 bps QOQ.

Overall absorption in the St. John's industrial market shifted back into positive territory this quarter. There was positive absorption in the East submarket of 17k square feet (sf), along with the North submarket posting positive absorption of close to 9k sf. The Mount Pearl/Paradise submarket had negative absorption of close to 9k sf. The most significant force for absorption in the Mount Pearl/Paradise submarket was at 71 O'Leary Avenue, where the property had positive absorption of around 11k sf, leaving the entire building occupied.

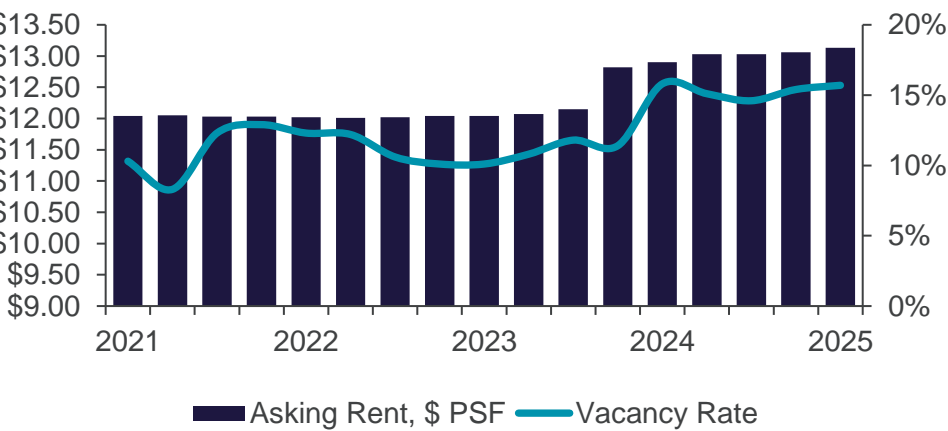
PRICING

The average net rent in the St. John's industrial market was \$13.13 per square foot (psf) this quarter, increasing by \$0.10 QOQ. The overall average additional rent this quarter was \$3.68 psf, bringing the overall gross rent to \$16.81 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & 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)	CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT*	OVERALL WEIGHTED AVG ADD. RENT	OVERALL WEIGHTED AVG GROSS RENT
East	756,463	424,160	56.1%	17,778	17,778	0	0	\$15.96	\$4.16	\$20.11
West	147,345	32,250	21.9%	0	0	0	0	\$8.92	\$3.20	\$12.13
Downtown	140,951	0	0.0%	0	0	0	0	\$12.88	\$6.29	\$19.17
North	758,253	43,704	5.6%	9,252	9,252	0	0	\$13.07	\$5.37	\$18.44
Mount Pearl/Paradise	2,623,991	198,601	7.6%	-18,574	-18,574	0	0	\$12.37	\$3.35	\$16.81
ST. JOHN'S	4,447,003	698,601	15.7%	8,456	8,456	0	0	\$13.13	\$3.68	\$16.81

\*Rental rates reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
24 Stavanger Drive	East	Undisclosed	25,000	Direct
673 Topsail Road	Mount Pearl & Paradise	Undisclosed	2,273	Direct
38 Beclin Road	Mount Pearl & Paradise	Undisclosed	5,770	Direct

KEY SALES TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
17 Corey King Drive	Mount Pearl/Paradise	Wiseman Sales & Services	24,000	Undisclosed

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