

Industrial Q4 2019

YoY
Chg 12-Mo.
Forecast**11.7%**

Vacancy Rate

**37,954**

Net Absorption, SF

**\$6.17**

Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS
Q4 2019YoY
Chg 12-Mo.
Forecast**354K**New Brunswick
Employment**8.1%**New Brunswick
Unemployment Rate**5.9%**Canada
Unemployment Rate

Source: Statistics Canada

ECONOMIC OVERVIEW

New Brunswick's economy is expected to get a boost in 2020 with a projected 1.0% annual GDP increase, up from the 0.7% growth in 2019. Output of refined oil products has been on the rise ever since the Irving Oil Refinery explosion. Exports of forestry products have slowed due to U.S. tariffs and the unclear future of softwood lumber exports going forward. Annual population growth has risen by 0.7% year-over-year due in large part to the government's growth plan to attract and retain immigrants. Employment has grown by 0.7%; however, much of this growth is being contributed to a rise in part-time employment, with the unemployment rate for the province at 8.1%. Housing activity has continued to benefit from affordable housing and strong population gains, and as a result, brisk resale activity is expected to continue in 2020.

(Sources: Statistics Canada, RBC, TD Economics)

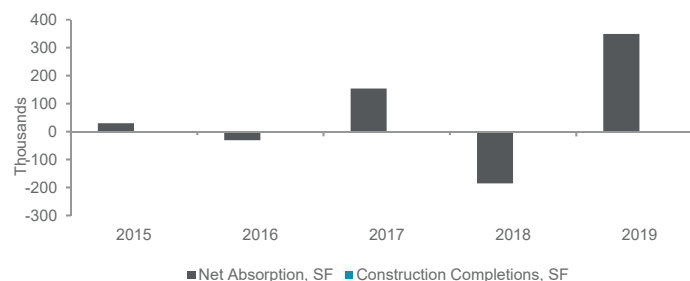
SUPPLY AND DEMAND

New Brunswick's industrial vacancy rate dropped to 11.7% in the fourth quarter of 2019 from 12.4% the previous quarter. Moncton saw its overall vacancy rate rise by 100 basis points (bps) from 12.4% in the third quarter of 2019 to 13.4% this quarter. This increase can be partly contributed to the 119,209 square feet (sf) of space vacated at 615 and 653 St. George Boulevard in the Moncton Industrial Park. A 12.1% vacancy rate decrease from last quarter was observed in the Saint John market, with the current vacancy rate now 1.2%. A contributing factor to this decline was 29,700 sf of space at 79 McIlveen Drive being taken off the market. The Fredericton market vacancy rate fell from 11.2% to 5.0% quarter-over-quarter, due in large part to 11,000 sf of space being occupied at 559 Wilsey Road.

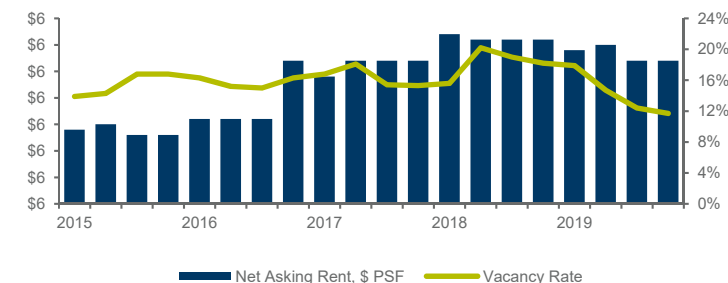
PRICING

Industrial market overall asking rents remained unchanged at \$6.17 per square foot (psf). Saint John saw a modest change in asking rents, decreasing from \$7.08 psf last quarter to \$7.05 psf for the fourth quarter of 2019. All other markets remained the same as no changes in asking rents were observed for the fourth quarter of 2019.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & NET ASKING RENT



Industrial Q4 2019

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 |
|-----------------------------|------------------|---------------------|----------------------|---|---------------------------------|------------------|-------------------------|-------------------------------|----------------------------------|---------------------------------|
| Greater Moncton | 469,978 | 27,126 | 5.8% | 273 | 8,023 | 0 | 0 | \$5.88 | \$2.86 | \$8.74 |
| Moncton Industrial Park | 2,291,182 | 356,766 | 15.6% | -119,209 | 122,599 | 0 | 0 | \$5.49 | \$3.17 | \$8.66 |
| Dieppe Industrial Park | 546,229 | 12,670 | 2.3% | 1,800 | 8,867 | 0 | 0 | \$7.04 | \$3.41 | \$10.44 |
| Caledonia Industrial Park | 1,069,232 | 257,149 | 17.9% | 71,582 | 118,713 | 0 | 0 | \$6.54 | \$2.84 | \$9.38 |
| MONCTON TOTALS | 4,376,621 | 588,111 | 13.4% | -45,554 | 258,202 | 0 | 0 | \$5.92 | \$3.11 | \$9.03 |
| Greater Fredericton | 132,310 | 9,688 | 7.3% | 3,010 | 0 | 0 | 0 | \$7.93 | \$3.91 | \$11.84 |
| Fredericton Industrial Park | 329,365 | 13,350 | 4.1% | 25,648 | 38,881 | 0 | 0 | \$7.26 | \$5.01 | \$12.26 |
| FREDERICTON TOTALS | 461,675 | 23,038 | 5.0% | 28,658 | 38,881 | 0 | 0 | \$7.45 | \$4.69 | \$12.14 |
| SAINT JOHN TOTALS | 453,031 | 5,340 | 1.2% | 54,850 | 51,670 | 0 | 0 | \$7.05 | \$3.85 | \$10.89 |
| NEW BRUNSWICK TOTALS | 5,291,327 | 616,489 | 11.7% | 37,954 | 348,753 | 0 | 0 | \$6.17 | \$3.33 | \$9.50 |

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

KEY LEASE TRANSACTIONS Q4 2019

| PROPERTY | SUBMARKET | TENANT | SF | TYPE |
|----------|-----------|--------|----|------|
| | | | | |

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2019

| PROPERTY | SUBMARKET | SELLER / BUYER | SF | PRICE / \$ PSF |
|-------------------------|-----------|---|--------|----------------|
| 80-84 Driscoll Crescent | Moncton | Kennedy Distribution Inc. / Colby 2000 Ltd. | 34,072 | \$1.6m / \$47 |

KEY CONSTRUCTION COMPLETIONS 2019

| PROPERTY | SUBMARKET | MAJOR TENANT | SF | OWNER / DEVELOPER |
|----------|-----------|--------------|----|-------------------|
|----------|-----------|--------------|----|-------------------|

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