



MARKET FUNDAMENTALS

	YOY Chg	Outlook
15.4% Vacancy Rate	▲	▼
-23K YTD Net Absorption, SF	▲	▲
\$13.06 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
120K St. John's Employment	▲	▲
6.8% St. John's Unemployment Rate	▲	▲
6.7% Canada Unemployment Rate <i>Source: Statistics Canada</i>	▲	▬

ECONOMY

Newfoundland and Labrador (NL) continued to show signs of growth in the oil sector from last quarter with a projected increase in GDP by 2025. The manufacturing sector is another industry aiding this growth in the region despite the national slump. The robust growth in these key sectors is setting the stage for strong economic growth in 2025. NL is also in a favourable position with the threat of U.S. tariffs, with only 50% of exports U.S.-based, which is much lower than the national average of 75%. Domestic-positioned industries are also strengthening due to population growth, leading to a robust workforce and increased consumer spending. Overall, NL is on track to have a strong year in 2025, with growth in manufacturing sectors supported by diversified exports and increased domestic activity.

(Sources: Statistics Canada, RBC, TD Economics)

SUPPLY AND DEMAND

The vacancy rate in the St. John's industrial market increased to 15.4% in the fourth quarter of 2024, an 80-basis point increase quarter-over-quarter (QOQ). The driving force for this increase was from the West submarket, where vacancy increased 228 bps QOQ.

Overall absorption in the St. John's industrial market shifted into negative territory this quarter. There was negative absorption in the West submarket of 34k square feet (sf), along with East and Mount Pearl/Paradise submarkets both posting negative absorption of close to 3k sf, while the North Submarket had slight positive absorption of close to 4k sf.

PRICING

The average net rent in the St. John's industrial market was \$13.06 per square foot (psf) this quarter, increasing by \$0.03 QOQ. The overall average additional this quarter was \$3.65 psf, bringing the overall gross rent to \$16.71 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	725,840	411,315	56.7%	-2,915	-967	0	0	\$15.77	\$4.16	\$19.92
West	147,345	34,000	22.8%	-34,000	-34,000	0	0	\$8.96	\$3.21	\$12.18
Downtown	140,951	0	0.0%	0	0	0	0	\$12.88	\$6.29	\$19.17
North	755,253	52,956	7.0%	3,683	16,189	0	0	\$12.99	\$5.30	\$18.29
Mount Pearl/Paradise	2,623,991	180,027	6.9%	-2,821	-4,224	0	0	\$12.13	\$3.23	\$15.36
ST. JOHN'S	4,395,130	678,298	15.4%	-36,053	-23,002	0	0	\$13.06	\$3.65	\$16.71

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

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
24 Stavanger Dr	North	Undisclosed	11,000	Direct

KEY SALES TRANSACTIONS Q4 2024

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

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