

Q2 2023

Moncton

Industrial Market Report

Vacancy

Total Greater Moncton Area

9.0%

Dieppe Area

3.8%

Previous Quarter

 107 bps

Asking Net Rent

Average Net Rent*

\$11.12 PSF

Average Gross Rent*

\$17.43 PSF

Previous Quarter
Average Net Rent
 0.9%

Development

Under Construction

215K SF

New Supply

0 SF

*Weighted Average

Colliers International (Colliers East) Inc.

Market Outlook

Colliers East surveyed over 85 leasable industrial buildings of 5,000 square feet and above within the Greater Moncton Area. Owner-occupied premises are not included in the market statistics.

This quarter's vacancy rate has increased by 107 basis points. The Q2 vacancy rate sits at 9.0% for the Greater Moncton Area. We can attribute this increase to the growing availability in two of the most high-demand Industrial Parks.

The Greater Moncton Area has 298,548 square feet of vacant industrial space on the market for Q2 2023. The Caledonia Industrial Park has added 11,400 square feet of inventory to the market, and the Moncton Industrial Park has added 39,000 square feet. This has resulted in the rise of this quarter's vacancy rate.

The average asking gross rent has increased by \$1.04 per square foot this quarter, while the average asking net rent has decreased by \$0.01 for Q2. Although the changes in rents are not significant, they directly reflect the pre-leasing of buildings currently

under construction and newer constructions.

As developers continue constructing new industrial buildings, the lease rates will remain significantly higher than the existing inventory, primarily due to the increasing costs of construction materials.

In May 2023 Adelin Properties began construction at 327 Urquhart Avenue. This 40,000-square-foot building will be located in the Caledonia Industrial Park, possibly expanding to 60,000 square feet. This building will be divided into four sections of 10,000 square feet. The building will be fully sprinkled and each bay will have two dock doors with dock levelers.

For a large-scale new construction, the net rent comes in at \$12.00 per square foot, which for smaller new constructions, we see net rents at \$18.50 per square foot.

The industrial space continues to be a hot sector, even with a slight increase in vacancy. Moncton Industrial Development expects almost \$16 million worth of land sales in 2023, which is double the 2022 total.

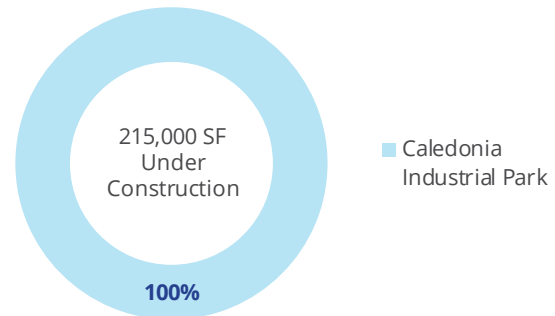
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Market Overview

01 Vacancy Rate By Market | Q2 2023

Caledonia	27.8%	Moncton Industrial	3.8 %
Moncton West	0.0 %	Dieppe Industrial	3.8 %
Victory Park	13.5 %	GMA Total	9.0 %

02 Under Construction by Market By Building Area (SF)



03 Vacant SF by Industrial Park By Market | Q2 2023



Market Statistics & Transaction Highlights

	Caledonia	Moncton West	Victory Park	Moncton Industrial	Dieppe	Greater Moncton Area Total
Number of Buildings	22	4	3	34	22	85
Total Inventory (SF)	697,467	74,330	85,207	1,659,950	769,797	3,286,751
Direct Vacancy (SF)	193,982	0	11,500	63,614	29,452	298,548
Sublease Vacancy (SF)	0	0	0	0	0	0
Total Vacant Space (SF)	193,982	0	11,500	63,614	29,452	298,548
Vacancy Rate (Current Q)	27.8%	0.0%	13.5%	3.8%	3.8%	9.0%
New Supply (SF)	0	0	0	0	0	0
Under Construction (SF)	215,000	0	0	0	0	215,000

Notable Transactions

Type	Owner / Tenant	Building Name / Address	Market	Size (SF)
Lease	Private	222 Edinburgh Drive	Moncton	7,609
Sale	Private Owner	655 Malenfant Blvd	Dieppe	6,750

Notable Developments

Building Name / Address	Market	Building Status	Size (SF)	Est. Completion	Owner / Developer
260 Frenette Avenue	Caledonia Industrial Park	Under Construction	30,000	Q4 2022 – Q1 2023	Atlantic Carrier
120 Frenette Avenue	Caledonia Industrial Park	Under Construction	120,000	Q4 2023	Comztar
85 Caledonia Road	Caledonia Industrial Park	Under Construction	25,000	Q4 2023	Comztar
327 Urquhart Avenue	Caledonia Industrial Pak	Under Construction	40,000	2023	Adelin Properties

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