

Q3 2023

Moncton

Industrial Market Report

Vacancy

Total Greater Moncton Area

7.2%

Dieppe Area

3.4%

Previous Quarter

 180 bps

Asking Net Rent

Average Net Rent*

\$10.97 PSF

Average Gross Rent*

\$15.41 PSF

Previous Quarter
Average Net Rent
 1.3%

Development

Under Construction

57K SF

New Supply

40K SF

*Weighted Average

Colliers International (Colliers East) Inc.

Market Outlook

Colliers East surveyed over 86 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.

With the industrial market remaining highly sought after, it is no surprise that we have witnessed a favorable absorption rate for Q3, 2023. This strong performance has driven the vacancy rate for the Greater Moncton area this quarter down to 7.2%, 180 basis points less than the Q2 rate. Dieppe Industrial has experienced a notable absorption of 8,193 square feet, resulting in a vacancy rate of 3.4% for Q3.

The combined 240,962 square feet of available industrial space is distributed among all five industrial parks surveyed in the Greater Moncton Area. Caledonia Industrial Park remains the leading industrial park regarding available space.

In this quarter, the introduction of 327 Urquhart, a recently constructed 40,000-square-foot building featuring 30,000 square feet available for lease, has directly impacted the overall vacancy rate in Caledonia Industrial Park, as it contributes to the addition of new inventory.

The average asking Gross Rent has decreased by 11.6%, sitting at \$15.41 per square foot; meanwhile, the average asking Net Rent decreased by 1.3%, now sitting at \$10.97 per square foot. These price adjustments are a direct reflection of the market absorption this quarter.

As more desirable space is absorbed, listing with lower asking rents remain on the market. Lower average asking rents in Q3 is not an indication of lessening demand.

At 114 Price Street, the first phase of its renovation has been successfully accomplished, marking the introduction of Systemair, which has secured unit 102, accounting for nearly half of the building. A notable 94,417 square feet of available space remains within this building.

In an exciting development update, MACC Commercial Properties is in the final stages of construction for a brand-new 27,000-square-foot building located on Aviation Avenue in Dieppe for Altimax Courier. The companies anticipated move-in date for their new headquarters is set for the latter part of Q4 2023, marking a significant expansion for the company.

Furthermore, Moncton Industrial Development (MID) is proactively preparing for the continued demand for industrial development land in the Greater Moncton Area. With this goal in mind, MID has recently acquired 144 acres of land east of Mapleton Road above the Trans Canada Highway. Additional land for industrial development is imperative given Moncton's continue growth and attractiveness for national brands looking to take advantage of the city's excellent logistics location.

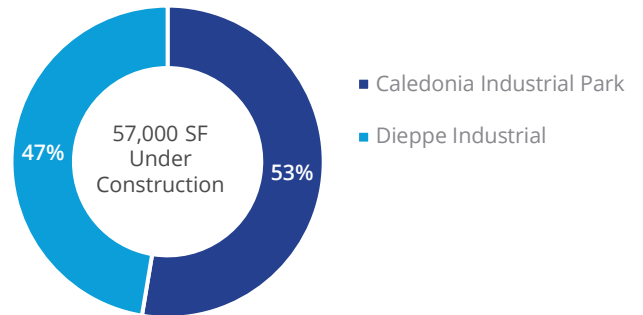
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Market Overview

01 Vacancy Rate By Market | Q3 2023

Caledonia	21.3%	Moncton Industrial	2.9 %
Moncton West	0.0 %	Dieppe Industrial	3.4 %
Victory Park	10.6 %	GMA Total	7.2 %

02 Under Construction by Market By Building Area (SF)



03 Vacant SF by Industrial Park By Market | Q3 2023



Market Statistics & Transaction Highlights

	Caledonia	Moncton West	Victory Park	Moncton Industrial	Dieppe	Greater Moncton Area Total
Number of Buildings	23	4	3	34	22	86
Total Inventory (SF)	737,467	74,330	85,207	1,659,950	769,797	3,326,751
Direct Vacancy (SF)	156,817	0	9,000	47,772	26,373	240,962
Sublease Vacancy (SF)	0	0	0	0	0	0
Total Vacant Space (SF)	156,817	0	9,000	48,772	26,373	240,962
Vacancy Rate (Current Q)	21.3%	0.0%	10.6%	2.9%	3.4%	7.2%
New Supply (SF)	40,000	0	0	0	0	40,000
Under Construction (SF)	30,000	0	0	0	27,000	57,000

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
Aviation Avenue	Dieppe Industrial	Under Construction	27,000	Q4 2023	MACC



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