

Q3 2023

Moncton

Office Market Report

Vacancy

Total Greater
Moncton Area

13.7%

Previous Quarter

 190 bps

Moncton

14.9%

Dieppe

2.6%

Asking Rent GMA

Average Net Rent

\$13.61 PSF

Previous Quarter Average
Net Rent
 2.1%

Average Gross Rent

\$23.95 PSF

Development

Under Construction

0 SF

New Supply

0 SF

**Weighted Average
Colliers International (Colliers East) Inc.*

Market Outlook

Colliers East surveyed over 3.1 million square feet across 67 office buildings of 5,000 square feet and above throughout the Greater Moncton Area (GMA). Owner-occupied premises are not included in our market statistics.

In the latter part of this quarter, the vacancy rate for office spaces in Greater Moncton has risen by 190 basis points (bps), resulting in a Q3 2023 vacancy rate of 13.7%. There has been a notable absorption of office space in Dieppe, resulting in a Q3 2023 vacancy rate of just 2.6%.

Class A properties in the Moncton market currently offer the most significant amount of available square footage, comprising 12.7% of the total available space. The recent addition of 28,323 square feet at 11 Ocean Limited Way has substantially contributed to the expansion of Class A availability.

Despite the rise in Q3 office vacancies, several prominent companies continue to expand their footprint. As a prime example, Colliers East recently welcomed GreenFoot Energy to 29 Victoria Street, where they have secured nearly 8,000 square feet of office space in the heart of Downtown Moncton.

In addition, Ampersand & Social Co., an emerging social media agency, is establishing its first office space, spanning over 1,000 square feet in the remodeled Higgins Block and Ashford Properties has recently leased space to Air Canada

at 1199 Main Street which was recently renovated in 2019.

In Q3, the average asking net rent stands at \$13.61 per square foot, representing a 2.1% increase from the previous quarter. The average asking gross rent for this quarter is \$23.95 per square foot, which represents a 2% increase from the previous quarter.

In Q2, we observed the purchase of 900 Main Street, a former Ashford building by Compagnie du Parc Inc. This quarter, Harbor, a global corporation with offices in the United States and the United Kingdom, has opened its office in the Downtown space.

Despite the high vacancy rate, we are seeing across the board for office space, we have begun to see a flurry of activity in regard to investments within the office market. Notable trades include 700 Main Street, a prestigious mixed-use heritage office building, shifted ownership for \$2.5 million. This building sprawls across three floors, boasting a total area of 15,716 square feet. In addition, 123 Lutz Street was recently acquired for \$2.4 million. This property offers 10,000 square feet of office space within its expansive 20,500 square-foot structure.

We look forward to observing how the Greater Moncton office sector will continue to evolve in the final quarter of 2023.

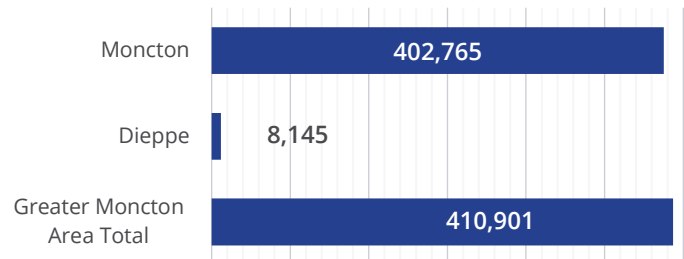
Accelerating success.

Market Overview

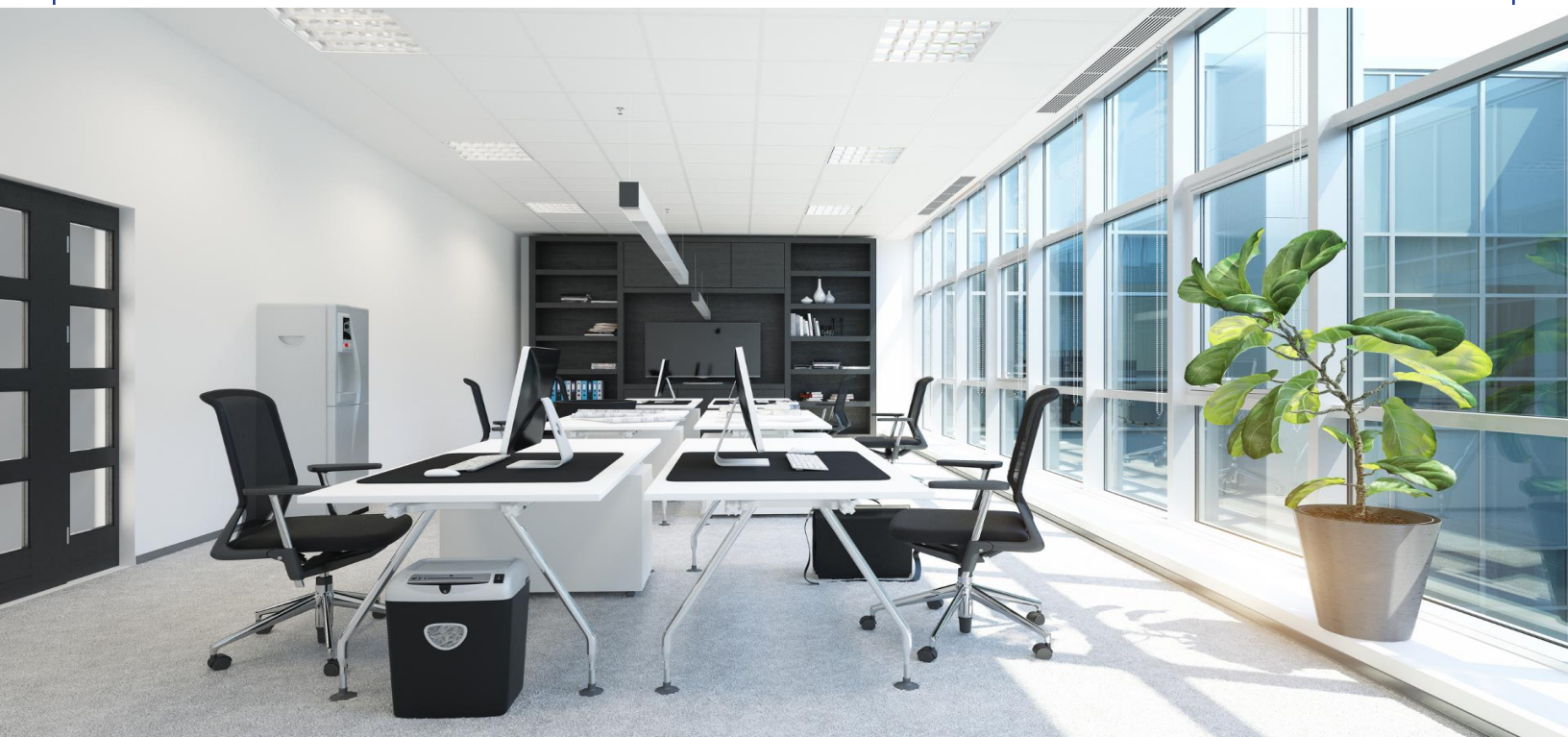
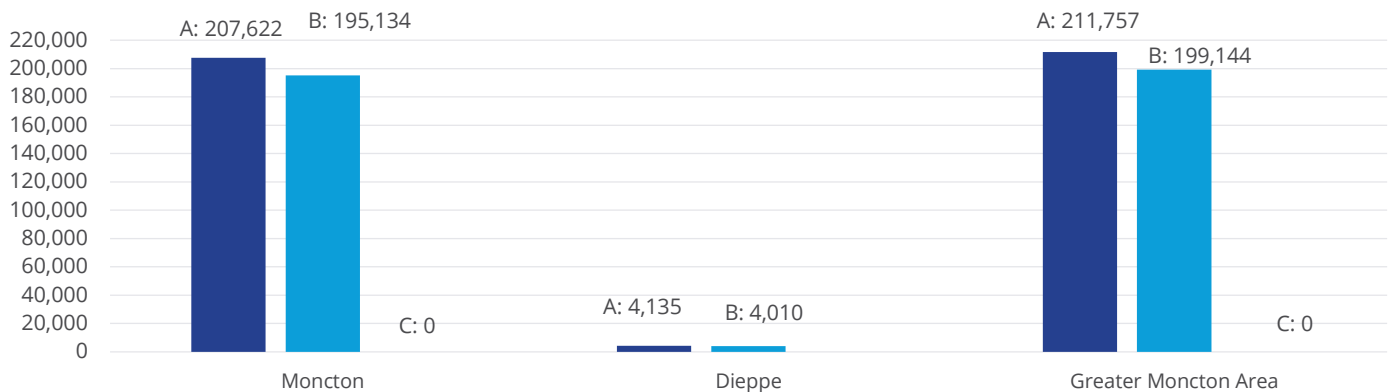
01 Vacancy Rate By Market | Q3 2023

Moncton	14.9%
Dieppe	2.6%
Greater Moncton Area	13.7%

02 Direct SF Of Vacancy By Market By Market | Q3 2023



03 Vacant SF by Building Class



Market Statistics & Transaction Highlights

	Class	# of Buildings	Total Inventory (SF)	Direct Vacancy (SF)	Sublease Vacancy (SF)	Total Vacant Space (SF)	Vacancy Rate (Current Q3)
Moncton	A	20	1,636,258	207,622	0	207,622	12.7%
	B	34	1,095,202	195,134	14,000	209,134	19.1%
	C	2	57,674	0	0	0	0%
	All	56	2,789,134	402,756	14,000	416,756	14.9%
Dieppe	A	4	176,830	4,135	0	4,135	2.3%
	B	7	135,740	4,010	0	4,010	2.9%
	All	11	312,570	8,145	0	8,145	2.6%
Greater Moncton Total	A	24	1,813,088	211,757	0	211,757	11.6%
	B	41	1,230,942	199,144	14,000	213,144	17.3%
	C	2	57,674	0	0	0	0%
	All	67	3,101,704	410,901	14,000	424,901	13.7%

Notable Lease Transactions

Building Name / Address	Market	Size (SF)
29 Victoria Street	Moncton	8,364
123 Halifax Street	Moncton	5,175

Notable Sale Transactions

Building Name / Address	Market	Size (SF)
123 Lutz Street	Moncton	20,500
700 Main Street	Moncton	15,760

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