

Q1 2023

# Moncton Industrial Market Report

## Vacancy

Total Greater Moncton Area

7.3%

Previous Quarter

↓ 0 bps

Dieppe Area

3.8%

## Asking Net Rent

Average Net Rent

\$11.13 PSF

Previous Quarter Average Net Rent

↓ 3.0%

Average Gross Rent

\$16.39 PSF

## Development

Under Construction

255K 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 (GMA). Owner-occupied premises are not included in the market statistics.

For the first quarter of 2023, the vacancy rate for the Greater Moncton Area remains unchanged. This is a direct result of industrial buildings remaining in high demand with little inventory available.

In Q1 2023, the Greater Moncton Area has 241,148 square feet of space on the market spread out through five industrial sectors. The Dieppe Industrial Park has seen the most significant change, adding nearly 2,000 square feet to the market.

The asking average gross rent decreased by \$0.55 per square foot this quarter, and the average net rent decreased by \$0.35 for Q1. The little changes in asking rents would directly reflect the unchanged vacancy rate in the first quarter of 2023. In addition, we anticipate that pre-leasing rents will continue to lease at a higher price, given the high demand for contemporary industrial spaces and elevated construction costs.

The Greater Moncton Area continues to be a hub for large-scale national tenants looking to expand into the Atlantic Provinces. Most of these tenants require over 50,000 square feet of warehouse space, which, as we have seen, is a rare find on the market. As a result, the build-to-suit opportunities may become a more popular model for these national companies who want to expand their reach and optimize logistic operations.

Newco Construction continues to make progress on Ideal Roofing Company Ltd Manufacturing's new facility in the Moncton Caledonia Industrial Park. This new build will be over 87,000 square feet on a 20-acre site. Featuring 34 foot ceilings, four overhead cranes, 5,000 square feet of office space, one drive-through bay, four drive-in receiving docks and 1 loading dock with a leveler.

Large national companies looking to expand into the Atlantic Provinces are often looking for a drive-through bay as this has become a more popular demand driver in the warehouse sector. Developers will want to take this into account when building out industrial sites going forward.

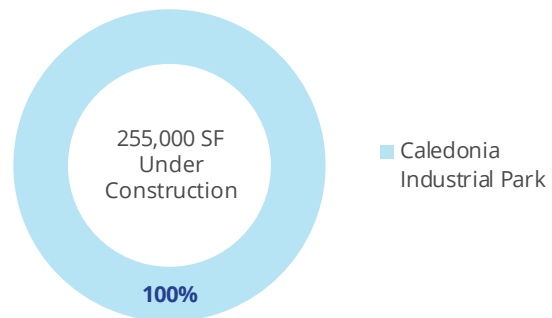
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# Market Overview

## 01 Vacancy Rate By Market | Q1 2023

Caledonia	<b>26.2%</b>	Moncton Industrial	<b>1.5 %</b>
Moncton West	<b>0.0 %</b>	Dieppe Industrial	<b>3.8 %</b>
Victory Park	<b>5.2 %</b>	<b>GMA Total</b>	<b>7.3 %</b>

## 02 Under Construction by Market By Building Area (SF)



## 03 Vacant SF by Industrial Park By Market | Q1 2023



# Market Statistics & Transaction Highlights

	Caledonia	Moncton West	Victory Park	Moncton Industrial	Dieppe	Greater Moncton Area Total
<b>Number of Buildings</b>	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)	182,582	0	4,500	24,614	29,452	241,148
Sublease Vacancy (SF)	0	0	0	0	0	0
Total Vacant Space (SF)	182,582	0	4,500	24,614	29,452	241,148
Vacancy Rate (Current Q)	26.2%	0.0%	5.2%	1.5%	3.8%	7.3%
New Supply (SF)	0	0	0	0	0	0
Under Construction (SF)	255,000	0	0	0	0	255,000

## 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
600 Frenette Avenue	Caledonia Industrial Pak	Under Construction	87,000	2023	Ideal Roofing
85 Caledonia Road	Caledonia Industrial Park	Under Construction	25,000	Q4 2023	Comztar

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