



Q1 2023

Moncton Office Market Report

Vacancy

Total Greater Moncton Area

9.9%

Previous Quarter

↓ 101 bps

Moncton

10.5%

Dieppe

4.6%

Asking Rent GMA

Average Net Rent

\$13.55 PSF

Previous Quarter Average Net Rent

↓ 3.6%

Average Gross Rent

\$23.25 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.

The GMA has seen positive absorption in the market of 36,669 square feet, which brings the overall level of available space to 307,329 square feet. Class A buildings have an overall vacancy rate of 7.7%, while Class B buildings have an overall vacancy rate of 13.6%.

For Q1 2023, the office vacancy rate is down 101 basis points (bps), bringing the new vacancy rate to 9.9% for the Greater Moncton Area. The Moncton vacancy rate is down 160 bps, while the Dieppe vacancy rate has increased by 240 bps.

Greater Moncton Class B office buildings continue to have the highest vacancy, with 167,920 square feet of listings, including sub-lease space. However, this segment still recorded positive absorption of 22,736 square feet. Class A buildings have also absorbed 13,933 square feet of office space this quarter. So overall, the GMA is actively experiencing positive absorptions in multiple office segments and we anticipate that it will continue.

We are seeing rent adjustments this quarter. The average asking net rent lands at \$13.55 per square foot, down \$0.51 since Q4 of 2022. The average gross rent for Q1 2023 is \$23.25 per square foot. The rate is down \$1.00 over the previous quarter.

We are starting to see initiative from both the downtown businesses and city to encourage larger companies to return to office full time as having people in the downtown market is vital to the GMA's successful economic growth.

Within this last quarter, 305 St George Street, the 15,500 square foot space formally occupied by UNI Financial, was sold. It has been announced that this building will be transformed into a daycare in the heart of downtown Moncton. With larger companies continuing to downsize their space, we anticipate seeing office buildings being repurposed for other uses.

Another trend we are beginning to see is the conversion of offices into homes. It has been said that converting used offices into housing could revitalize downtown cores and help alleviate current residential vacancy problems. With ongoing studies, Moncton is one of the top cities that would benefit from these office conversions, given the high office vacancy rate. The report identified that Moncton would have convertible space for up to 600 units.

Newco Construction worked with EXP Engineering to redevelop 555 Mapleton Road into a 10,000 square feet office space. Modernizing already built buildings to accommodate an open concept work space, continues to become a more popular office layout in 2023's office environment.

Accelerating success.

Market Outlook

Market Overview

Market Statistics

Transaction Highlights

Contact

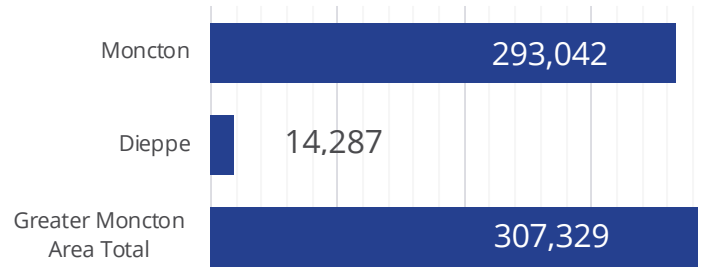
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Market Overview

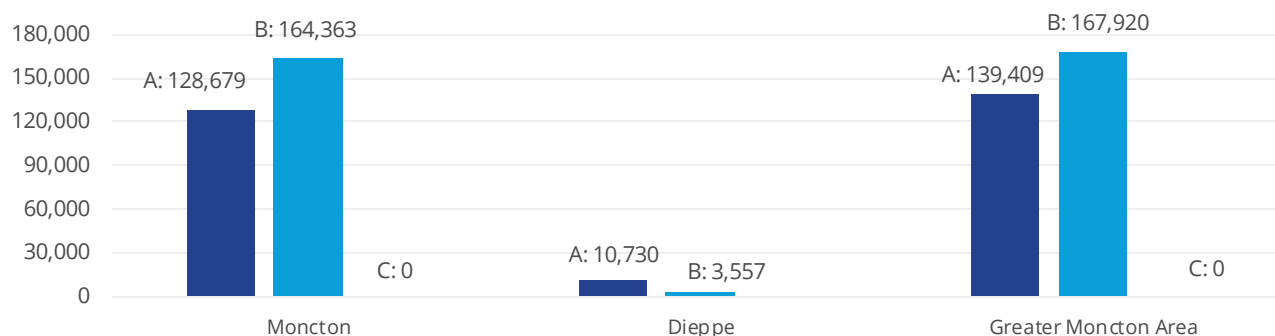
01 Vacancy Rate By Market | Q1 2023

Moncton	10.5%
Dieppe	4.6%
Greater Moncton Area	9.9%

02 SF Of Vacancy By Market By Market | Q1 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 Q1)
Moncton	A	20	1,636,258	128,679	0	128,679	7.7%
	B	34	1,095,202	150,363	14,000	164,363	15.0%
	C	2	57,674	0	0	0	0%
	All	56	2,789,134	279,042	14,000	293,042	10.5%
Dieppe	A	4	176,830	10,730	0	10,730	6.1%
	B	7	135,740	3,557	0	3,557	2.6%
	All	11	312,570	14,287	0	14,287	4.6%
Greater Moncton Total	A	24	1,813,088	139,409	0	139,409	7.7%
	B	41	1,230,942	153,920	14,000	167,920	13.6%
	C	2	57,674	0	0	0	0%
	All	67	3,101,704	293,329	14,000	307,329	9.9%

Notable Lease Transactions

Building Name / Address	Market	Size (SF)
110 Millennium Boulevard	Moncton	10,490
30 Englehart Street	Dieppe	4,330

Notable Sale Transactions

Building Name / Address	Market	Size (SF)
305 St George Street	Moncton	15,500

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