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**Press Release**

## **TURNING POINT: WILL VACANCY PEAK FOR UPTOWN SAINT JOHN?**

The office market in Saint John continues to enjoy the lowest overall net absolute rental rates in the Atlantic Provinces, driven largely by Class C rents, which average less than \$10 per square foot – and just \$7 per square foot in the city’s uptown Central Business District (CBD). Rents for uptown Class A and B office space are each in line with those of the Moncton and Fredericton CBDs; the New Brunswick trio have the lowest overall and Class A rents of the six major Atlantic Canadian CBDs.

But Saint John is experiencing higher vacancy rates for its central office space – and office space overall – than either of its provincial cousins. Year over year, Saint John’s CBD vacancy increased in each class of office space. The only other provincial CBD office vacancy rate to increase year over year was Moncton’s Class A submarket; each of the Hub City’s central Class B and C vacancy rates fell, while Fredericton’s CBD enjoyed reduced vacancy across all classes. High vacancy exerts downward pressure on net rents, setting the scene for a tenants’ market in the Port City. The city is actively marketing its uptown as Brick Park, a knowledge cluster for IT, Telecommunications, and Creative industry companies. Market conditions indicate the time is ripe for tenants to negotiate favourable lease terms. Uptown vacancy is hovering around the 20% mark: Class A sits at 17.46%, Class B is 25.77% and Class C space is 20.43% vacant. These rates are unsustainably high, but if the city and its landlords are successful in their marketing efforts, this could be the turning point. Once vacancy drops, rental rates will rebound as equilibrium is established.

Turner Drake & Partners Ltd., a “home grown” Atlantic Canadian company, has provided real estate advice for over forty years. From their offices in Halifax, St. John’s, Charlottetown, Saint John and Toronto they provide landlords and tenants with property tax, valuation, counselling, planning, economic intelligence, Lasercad® space measurement and commercial brokerage advice.

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If you would like more information about this topic, or wish to schedule an interview with André Pouliot, please call him at (902) 429-1811 ext. 321 or email [apouliot@turnerdrake.com](mailto:apouliot@turnerdrake.com).