

MARKET TRENDS

Vacancy Rate

6 Month Change
(0.91)%

Total Vacancy Rate
13.77%

Avg. Net Rent

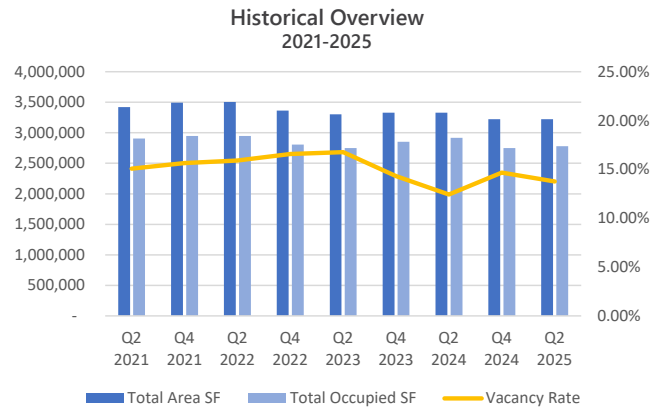
6 Month Change
\$0.33

Total Avg. Net Rent
\$14.69

Absorption

6 Month Net Absorption
29,359 sf

Total Inventory All Classes
3,223,579 sf



MARKET OVERVIEW

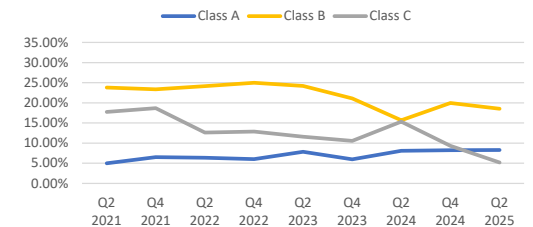
The Moncton office market continued to show positive signs this period, with vacancy declining by 91 basis points to 13.77%. Average net rents rose slightly to \$14.69 per square foot, reflecting modest upward pressure in select segments. Leasing activity was strongest in Class B and C buildings, while Class A remained unchanged. The market recorded positive net absorption of 29,359 square feet, largely driven by leasing in Moncton Central's Class B inventory. Notable transactions included 23,598 square feet leased at 100 Cameron Street and 40,156 square feet at 95 Foundry Street, both contributing significantly to overall performance. Since 2021, rents for Class B and C buildings have steadily increased, now approaching Class A levels, as illustrated in the Average Net Rental Rate Graph included in this report. Overall, tenant demand for Class B and C space remained strong throughout the period.

MARKET OUTLOOK

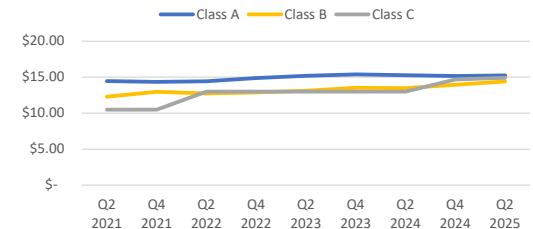
Moncton's office market has remained below the 15% vacancy threshold for four consecutive reporting periods, reflecting a level of stability and consistency not seen in other office markets across the province. This resilience suggests Moncton is better positioned to deal with recent economic and market challenges in the near future.

From a tenant perspective, demand is expected to center around amenity-rich environments that support employee engagement and return-to-office strategies. Features such as ample parking, natural light, collaborative spaces, and proximity to services are increasingly influencing leasing decisions. Tenants are seeking flexibility and value,

Overall Vacancy Rate



Average Net Rent



but also environments that help attract and retain talent.

Consistency has been a defining feature of the Moncton office market in recent years. Growing demand for Class B and C space has driven up both rental rates and occupancy, while Class A properties have remained relatively stagnant—mirroring trends seen in other regional office markets. Looking ahead, this pattern is expected to persist.

Source: Turner Drake & Partners Ltd. supplemented by Brunswick Brokers Research. H1 represents the December 2024 - June 2025 reporting period.

MARKET STATISTICS

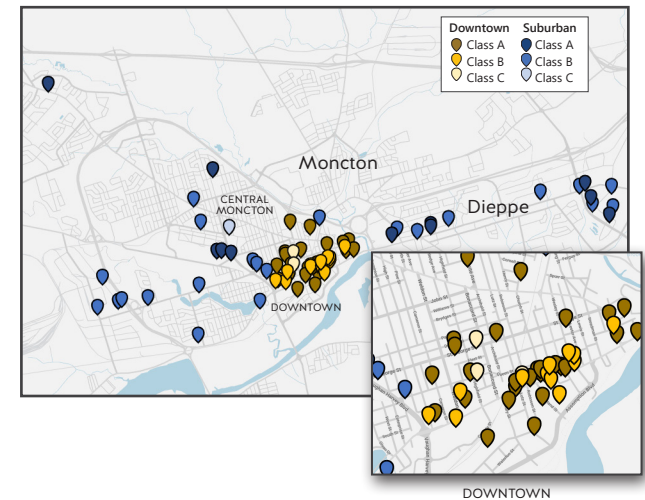
SUBMARKET	INVENTORY (SF)	VACANT SPACE (SF)	VACANCY RATE	6-MONTH NET ABSORPTION (SF)	WEIGHTED AVG. NET RENT	WEIGHTED AVG. ADD. RENT	WEIGHTED AVG. GROSS RENT
Downtown Class A	844,695 sf	90,122 sf	10.67%	(662) sf	\$15.58	\$15.14	\$30.73
Downtown Class B	1,042,216 sf	214,692 sf	20.60%	31,637 sf	\$14.54	\$8.99	\$24.74
Downtown Class C	54,485 sf	4,589 sf	8.42%	0 sf	\$11.00	\$5.43	\$21.45
Suburban Class A	518,511 sf	22,703 sf	4.38%	0 sf	\$14.95	\$12.98	\$28.34
Suburban Class B	718,316 sf	111,189 sf	15.48%	(5,738) sf	\$14.31	\$10.30	\$24.80
Suburban Class C	45,356 sf	593 sf	1.31%	4,122 sf	\$16.85	\$6.00	\$22.85
TOTAL	3,223,579 sf	443,888 sf	13.77%	29,359 sf	\$14.96	\$10.50	\$26.06

This period saw several notable transactions and meaningful shifts in absorption, particularly in Moncton's downtown core. On the leasing side, Anglophone East School District signed a major deal for approximately 70,000 square feet at 100 Westmorland Street, reinforcing the role of institutional tenants in driving large-format demand. This transaction occurred at the end of the reporting period and will be reflected market statistics next period.

On the investment front, Tier Too Properties, led by Doug Doucet, acquired a significant portfolio in the downtown core from Crombie. The transaction includes 1234 Main Street, along with 1222 Main, 1210 Main, 77 Canada Street, and substantial on-site parking, marking a strategic consolidation of assets in a key urban node.

Absorption was concentrated in Class B assets, with 100 Cameron Street and 95 Foundry Street accounting for 23,598 sf and 40,156 sf of leased space, respectively. Tenant names remain undisclosed.

Turner Drake Surveyed Properties H2 2024



SIGNIFICANT TRANSACTIONS

PROPERTY	SUBMARKET	TENANT/OWNER	Square Feet (SF)	SF/Price	TYPE
100 Westmorland Street	Downtown	Anglophone East School District	70,000 sf	N/A	Lease
1234 Main Street	Downtown	Tier Too Properties	+/-230,000 sf	N/A	Sale

Source: Turner Drake & Partners Ltd. supplemented by Brunswick Brokers Research, The Bend 97.9

ECONOMIC OVERVIEW

NB GDP Growth

2024 Rate
1.4%



2025 Forecast
1.4%

Unemployment Rate

Jun-24
6.1%



Jun-25
6.6%

Population Growth

2023
178,599



2024
188,036

New Brunswick's Response to U.S. Tariffs

On August 1, 2025, the U.S. imposed a 35% tariff on Canadian exports outside CUSMA, prompting swift action from New Brunswick. Premier Susan Holt halted U.S. alcohol purchases at NB Liquor, reviewed procurement contracts, and expanded support for local businesses. Interprovincial trade deals and "NB Made" campaigns aim to soften the blow. Moncton's industrial sector remains cautiously optimistic, buoyed by strong infrastructure and proactive policy.

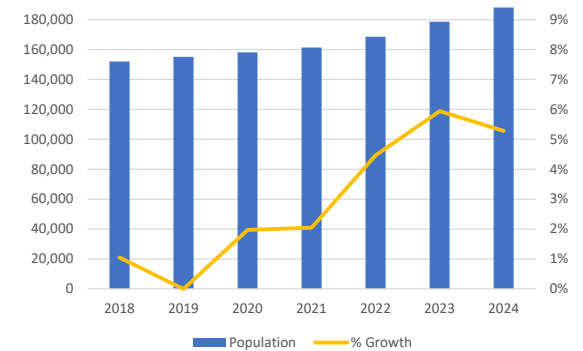
Moncton's Construction Momentum

In 2024, Moncton issued \$270 million in building permits, driven by major residential and industrial projects. Highlights include two large apartment complexes and new commercial builds like Kerr Controls' \$6.5-million warehouse. With 987 new residential units added, the city's construction surge reflects investor confidence and sustained economic momentum.

Population and GDP Growth Trends

Moncton was Canada's second-fastest growing metro area in 2024, with a 5.1% population increase—outpacing Toronto, Vancouver, and Edmonton. The metro area grew from 178,599 to 188,036, largely due to international migration. Meanwhile, New Brunswick's real GDP rose by 1.4% in 2024, slightly above the previous year's 1.7% growth but is only projected to grow by 1.4% again in 2025.

Population Growth (2019 - 2024)



Source: City of Moncton, StatsCan, TD Economics, GNB, Forest NB, CBC, Moncton Impact

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