

### MARKET TRENDS

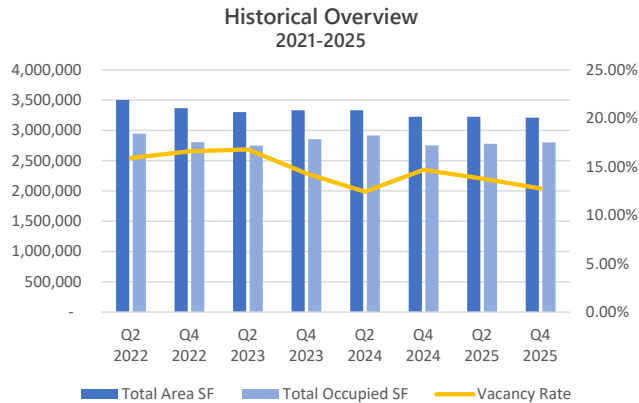
#### Vacancy Rate



#### Avg. Net Rent



#### Absorption



### MARKET OVERVIEW

The Moncton office market continued its steady improvement this period, marking the second consecutive decline in overall vacancy. Vacancy decreased by 1.01% bringing the market to 12.76%. Rental rates also showed modest upward momentum.

The average net rental rate increased by \$0.14 to reach \$14.83 per square foot, edging closer to the \$15.00 psf threshold. This gentle rise reflects a combination of improving market conditions and the continued return of office trend.

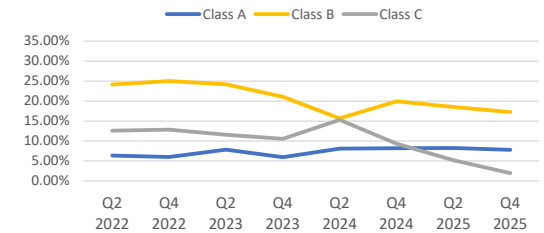
Absorption for the period was positive but moderate, totaling 21,274 square feet. Activity was split between Downtown (8,740 sf) and Suburban Moncton (12,534 sf), indicating balanced demand across the city rather than dominance by a single node.

### MARKET OUTLOOK

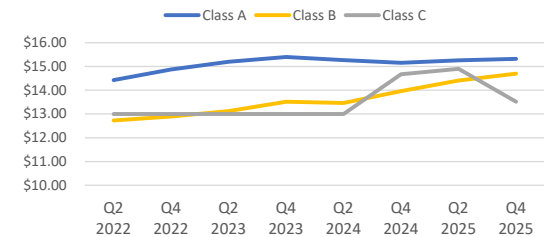
While overall absorption remained modest this period, Class B office space—particularly in suburban nodes—recorded comparatively stronger leasing activity. This trend is expected to persist into the next reporting period as occupiers continue to reassess their workplace strategies. Many tenants are prioritizing functional space at a manageable cost, while selectively incorporating amenities that support employee engagement and encourage a return to the office without committing to premium downtown rental structures.

Average office rental rates continue to trend upward, approaching the \$15.00 per square foot threshold. Incremental rental growth is anticipated

Overall Vacancy Rate



Average Net Rent



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

## MARKET STATISTICS

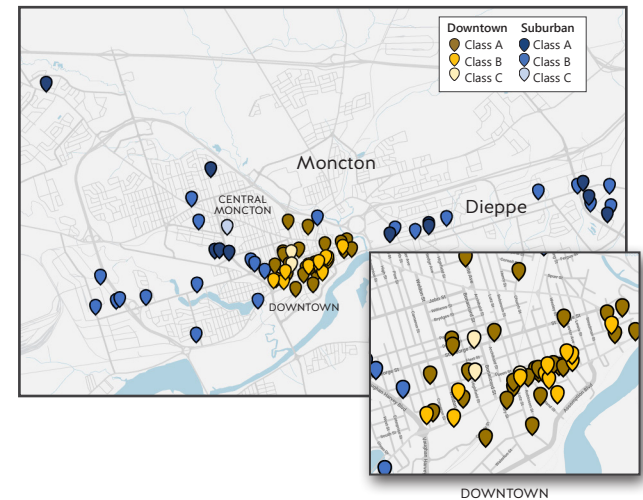
SUBMARKET	INVENTORY (SF)	VACANT SPACE (SF)	VACANCY RATE	6-MONTH NET ABSORPTION (SF)	WEIGHTED AVG. NET RENT	WEIGHTED AVG. ADD. RENT	WEIGHTED AVG. GROSS RENT
Downtown Class A	844,695 sf	89,206 sf	10.56%	916 sf	\$15.70	\$15.21	\$30.91
Downtown Class B	1,029,395 sf	197,578 sf	19.19%	4,293 sf	\$14.67	\$9.46	\$24.71
Downtown Class C	54,485 sf	1,058 sf	1.94%	3,531 sf	\$11.00	\$5.24	\$21.45
Suburban Class A	518,511 sf	16,875 sf	3.25%	5,828 sf	\$14.94	\$13.33	\$28.71
Suburban Class B	718,316 sf	104,164 sf	14.50%	7,025 sf	\$14.72	\$10.40	\$24.92
Suburban Class C	45,356 sf	912 sf	14.78%	(319) sf	14.78	\$6.23	\$21.01
TOTAL	3,210,758 sf	409,793 sf	12.76%	21,274 sf	\$14.83	\$10.78	\$26.13

Despite generally stagnant leasing activity across the market during the period, 1 Factory Lane (the Marvin's Building) recorded a significant lease transaction totaling 15,873 square feet to an undisclosed tenant. Recent investment activity in the Moncton market included the following notable transactions 281 St. George Street sold in November of the period for \$975,000 to 753325 NB Inc. The property comprises 4,560 square feet. Additionally, 759 Main Street, Moncton sold in July for \$1,400,000. The property contains 1,234 square feet and was purchased by 1234 Company.

During the previous reporting period, Tier Two Properties acquired a portfolio of office and mixed-use buildings, that included 1222 Main Street. While the future of the building remains uncertain, if it is brought to market as an office property for lease, the approximately 70,000 square feet of space could have a significant impact on the downtown leasing market.

Absorption was generally modest during the period and broadly distributed across most submarkets. Suburban Class B office space, unsurprisingly, led leasing activity, reflecting continued tenant preference for more cost-effective space with convenient access and parking.

Turner Drake Surveyed Properties H2 2024



## SIGNIFICANT TRANSACTIONS

PROPERTY	SUBMARKET	TENANT/OWNER	SQUARE FEET (SF)	SF/PRICE	TYPE
1 Factory Lane	Downtown	Undisclosed	15,873 SF	N/A	Lease
759 Main Street	Downtown	Spataro Holdings Ltd.	+/- 10,000 SF	\$1,400,000	Sale
281 St. George Street	Downtown	753325 NB Inc.	4,560 SF	\$975,000	Sale

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

## ECONOMIC OVERVIEW

### NB GDP Growth

2025 Rate  
**1.5%**



2026 Forecast  
**1.3%**

### Unemployment Rate

Jun-25  
**7.1%**



Dec-25  
**7.2%**

### Population Growth

2024  
**188,036**



2025  
**197,506**

### Monetary Policy and Borrowing Costs

The Bank of Canada has shifted into a pause after a sharp easing cycle, holding its key overnight rate at approximately 2.25% since late 2025 as inflation has moved closer to target and economic growth has cooled. At the same time, longer-term bond yields have risen in early 2026, driven by global uncertainty and higher risk premiums rather than domestic monetary policy. This divergence has kept fixed borrowing costs elevated despite stable policy rates, reinforcing a higher-for-longer financing environment relative to pre-pandemic norms.

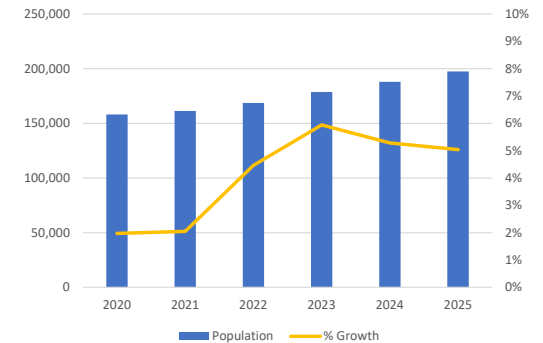
### Moncton's Construction Momentum

Construction activity has accelerated alongside population growth, with 2025 marking a record year for development in Moncton. The City issued \$477.9 million in building permits, the highest annual total on record, reflecting broad-based investment across residential, commercial, institutional, and industrial sectors. Residential development led activity, accounting for over \$200 million in permit value and 1,367 new housing units, the largest annual addition ever recorded.

### Continued Population Growth

Population growth in Moncton remained strong through 2025, reinforcing its position as one of Canada's fastest-growing metropolitan areas. The Greater Moncton CMA grew from approximately 188,036 residents in 2024 to 197,506 in 2025, representing an estimated 5% year-over-year increase.

Population Growth (2019 - 2024)



Source: City of Moncton, StatsCan, TD Economics, CBC, Moncton Impact

## Brunswick Brokers Limited

32 Alma Street  
Moncton, NB  
E1C 4Y1

### Paul Moore

President  
pmoore@bbrokers.ca  
(506) 645-8488

### Troy Nesbitt

Vice President  
tnesbitt@bbrokers.ca  
(506) 349-5670

### John Johnston

Senior Advisor  
jjohnston@bbrokers.ca  
(506) 377-9331

### Connor Carson

Marketing & Research  
Associate  
ccarson@bbrokers.ca  
(506) 647-5093

Information contained within this report, including projections and forecasts, have been obtained from multiple sources believed to be reliable. Brunswick Brokers Limited has not verified the information and makes no guarantee of its accuracy. It is the responsibility of the user to conduct their own due diligence and verification of the accuracy and completeness of the information.

**BRUNSWICK**  
BROKERS