



Non-Owner Occupied Market Report Six-Months Ending H2 2025

Saint John | Office

MARKET TRENDS

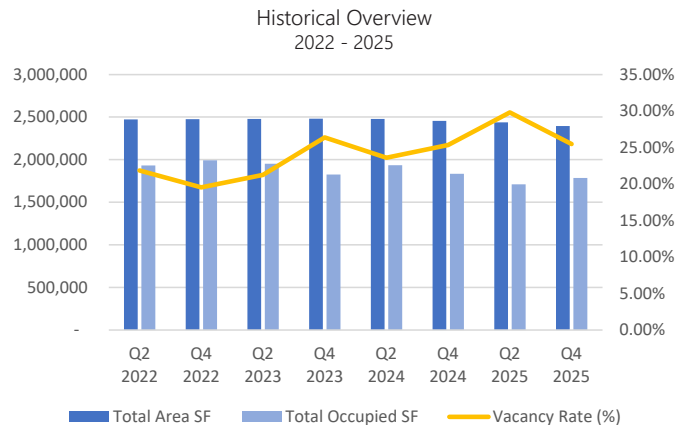
Vacancy Rate



Avg. Net Rent



Absorption



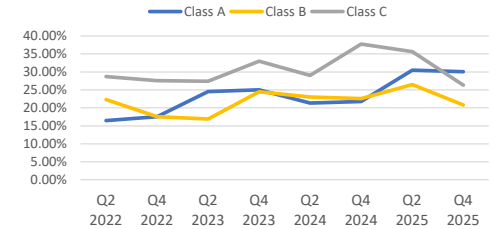
MARKET OVERVIEW

The Saint John office market strengthened through H2 2025, with overall vacancy falling 4.36% to 25.46%, a notable improvement after the previous period nearly pushed the market above the 30% mark for the first time.

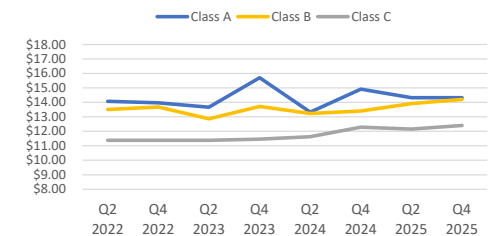
Class A vacancy remained unchanged, while Class B space saw a 5.66% decrease to 20.81%, and Class C posted the largest decline, dropping 9.35% to 26.31%.

The average net rent increased \$0.21 to \$13.93 psf, driven primarily by gains in Class B and C assets. Total absorption reached 75,501 sf, with peripheral Class B and C markets accounting for most of the activity, signaling sustained demand for cost-efficient, functional office space.

Overall Vacancy Rate



Average Net Rent



MARKET OUTLOOK

The rise of amenity-rich suburban office space is expected to remain one of the defining trends in the coming period. With suburban Class B vacancy now at 14.92%, the lowest across all submarkets, tenant preference for well-located and easily accessible workplaces continues to strengthen. As employers focus on improving in-office attendance, properties offering convenient parking, modern building systems, nearby retail, and flexible layouts will remain highly competitive.

While large corporate moves may remain limited, smaller professional services firms and local businesses continue to drive much of the leasing activity. This segment is expected to maintain

steady demand, particularly in functional Class B and C inventory. As economic conditions remain stable, absorption should remain positive.

Rental rates are expected to keep rising as vacancy tightens and tenants seek amenity-rich workplaces. Delivering these upgrades will continue to push operating costs higher, contributing to another average rent increase—likely the fourth consecutive period of growth. With this momentum, the overall market is on track to finally move above the \$14.00 psf average net rent threshold.

Source: Turner Drake & Partners Ltd. supplemented by Brunswick Brokers Research. H2 represents the June 2025 - December 2025 reporting period.

MARKET STATISTICS

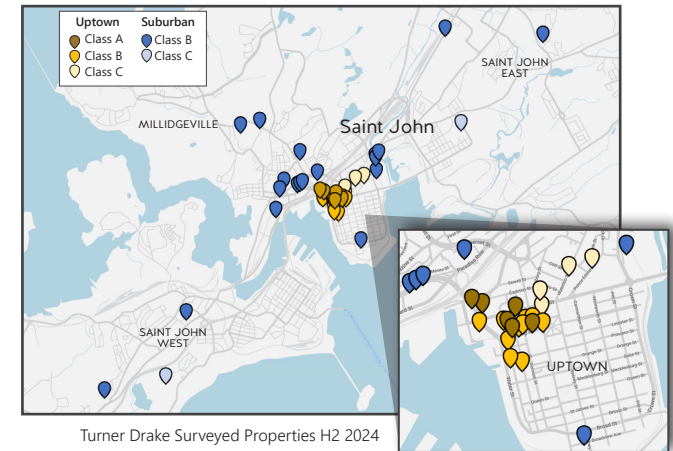
SUBMARKET	INVENTORY (SF)	VACANT SPACE (SF)	VACANCY RATE	6-MONTH NET ABSORPTION (SF)	WEIGHTED AVG. NET RENT	WEIGHTED AVG. ADD. RENT	WEIGHTED AVG. GROSS RENT
Uptown Class A	909,778 sf	273,689 sf	30.08%	3,511 sf	\$14.33	\$13.20	\$31.01
Uptown Class B	301,007 sf	103,416 sf	34.36%	4,555 sf	\$13.11	\$9.41	\$22.52
Uptown Class C	65,535 sf	15,401 sf	23.50%	3,549 sf	\$11.08	\$4.11	\$16.60
Suburban Class A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Suburban Class B	692,150 sf	103,279 sf	14.92%	21,350 sf	\$14.92	\$8.92	\$23.28
Suburban Class C	427,387 sf	114,274 sf	26.74%	42,536 sf	\$14.37	\$5.05	\$21.29
TOTAL	2,395,857 sf	610,059 sf	25.46%	75,501 sf	\$13.93	\$9.00	\$23.79

Market activity in the second half of 2025 remained steady, highlighted by several notable transactions across the region. Suburban markets continued to shine, reflecting both tenant demand and evolving usage trends. At 120 McDonald Street, approximately 45,000 SF of formerly surveyed office space was repurposed for a pickleball facility and a dance studio. While this area remains classified as office within the survey data, these transactions underscore the ongoing trend of adaptive reuse as owners respond to shifting demand.

Additional suburban leasing activity included approximately 18,000 SF at 555 McAllister Drive, where BrokerLink and CBCL secured new space. Another 26,000 SF was leased at 400 Main Street, welcoming a diverse mix of tenants, including ConnexionWorks, GoTo Insure, the Department of Justice and Public Safety, and CIMA Engineering.

Uptown activity was more limited during the period, although a new tenancy was recorded at the Red Rose Tea Building, located at 12 Smythe Street, where The Chapman Group leased space. The move coincided with the sale of the firm's former premises at 115-117 Germain Street for \$607,000, representing one of the period's notable owner-user transactions.

Importantly, no major vacancies emerged during the second half of 2025, supporting overall market stability and reinforcing the broader trend of tightening availability observed throughout the year.



Turner Drake Surveyed Properties H2 2024

SIGNIFICANT TRANSACTIONS

PROPERTY	SUBMARKET	TENANT/OWNER	SF	Price/Rate	TYPE
400 Main Street	North Saint John	Various	45,000 sf	N/A	Lease
555 McAllister Drive	North Saint John	Various	26,000 sf	N/A	Lease
115-117 Germain Street	Uptown Saint John	The Chapman Group	+/- 6,000 sf	\$607,000	Sale

Source: Turner Drake & Partners Ltd. supplemented by Brunswick Brokers Research, All New Brunswick H2 represents the June 2025 - December 2025 reporting period.

ECONOMIC OVERVIEW

NB GDP Growth

2025 Rate
1.6%



2026 Forecast
1.3%

NB Unemployment Rate

Jun-25
7.2%



2026 Forecast
7.6%

Population Growth

2024
142,905



2025
144,543

Port of Saint John Modernization Project

The \$247-million West Side Modernization Project, completed in December 2025, has been a key drive for the region. The port's container capacity has quadrupled to over 800,000 TEUs, with throughput rising 400% in 2025 and supported by \$750M+ in private-sector investment from partners such as DP World, CN, CPKC, and NBSR. In 2026, the sector is projected to add \$125.7M to provincial GDP and create 928 jobs, reinforcing Saint John's role as a logistics hub.

Saint John's 2026 Municipal Budget

Saint John's 2026 operating budget increases spending by 5.5%—about \$10 million—across recreation, policing, housing, and core services. Supported by new federal and provincial funding, the city continues to improve its finances, reducing long-term debt by 46% since 2014.

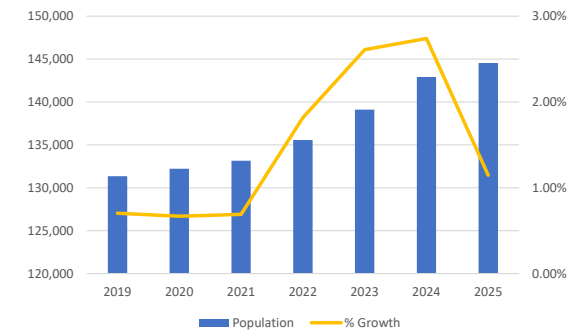
Canada-U.S. Trade War & Global Geopolitical Uncertainty

Ongoing U.S. tariffs through 2025–2026 continue to weigh on Canada's economy, contributing to weaker GDP growth and delaying business investment. In Saint John, this has moderated large corporate expansion while sustaining activity in logistics, compliance, and supply-chain-oriented sectors that respond to trade volatility.

Healthcare Investment and Innovation Outlook

Horizon Health Network's partnership with UNB Saint John, now projected at a \$65 million investment, and anchored by a 65,000-SF Health and Social Innovation Centre, represents a meaningful long-term investment in the region's healthcare and research capacity. The project is expected to support high-skilled employment growth and generate longer-term spillover demand for office, research, and professional services space near the university and hospital.

Population Growth (2019 - 2025)



Source: TD Economics, Statistics Canada, Bank of Canada, CBC, Port Saint John, Global News. All New Brunswick

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